



Pak Datacom

Annual Report
2013

Pak Datacom Limited

CONTENTS

	Page No.
Company Profile_____	2
Vision Statement _____	3
Mission Statement_____	3
Corporate Strategy_____	3
Notice of Meeting_____	4
Directors' Report _____	6
Auditors' Report to the Members _____	14
Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance_____	15
Balance Sheet_____	16
Profit and Loss Account_____	17
Cash Flow Statement _____	18
Statement of Changes in Equity_____	19
Notes to the Financial Statements _____	20
Pattern of Shareholding _____	42
Dividend Mandate Form_____	44
Form of Proxy_____	45

COMPANAY PROFILE

BOARD OF DIRECTORS

1. Azmat Ali Ranjha Chairman
2. Mohammad Arshad Khan Kayani Chief Executive
3. Iftikhar Ahmed Raja
4. Muhammad Arif
5. Mohammad Amir Malik
6. Amjad Hussain Qureshi
7. Nessar Ahmed
8. Muhammad Yaqoob

CFO/ COMPANY SECRETARY

Syed Sajjad Hasan Jafri

AUDIT COMMITTEE

1. Nessar Ahmed Chairman
2. Muhammad Arif
3. Iftikhar Ahmed Raja
4. Amjad Hussain Qureshi

HUMAN RESOURCE & REMUNERATION COMMITTEE

1. Iftikhar Ahmed Raja Chairman
2. Mohammad Arshad Khan Kayani
3. Muhammad Yaqoob

REGISTERED OFFICE

1st Floor, TF Complex, 7-Mauve Area, G-9/4, Islamabad

HEAD OFFICE

3rd Floor, Umar Plaza, Blue Area, Islamabad. Tel: (051) 2872691, 2823677, Fax: (051) 2823270

SHARES DEPARTMENT

Hassan Farooq Associates (Pvt.) Limited, HF House, 7/3-G Mushtaq Ahmed Gormani Road, Gulberg-II, Lahore. Tel: (042) 35761661-2, Fax: (042) 35755215

AUDITORS

HLB Ijaz Tabussum & Co., Chartered Accountants, 303, Sawan Road, G-10/1, Islamabad

LEGAL ADVISOR

KAZMIZ Associate & Corporate Consultants, House # 14, Street # 48, F-8/4, Islamabad

VISION STATEMENT

Progressive and reliable member of the Economic Global Village

MISSION STATEMENT

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

CORPORATE STRATEGY

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

NOTICE OF MEETING

Notice is hereby given that the 21st Annual General Meeting of Pak Datacom Limited will be held on Thursday, October 31, 2013 at 11:00 a.m. at the Registered Office, Telecom Foundation Headquarters, TF Complex, 7 – Mauve Area, G-9/4, Islamabad to transact the following business;

ORDINARY BUSINESS

1. To confirm the minutes of the 20th Annual General Meeting held on October 31, 2012.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2013 together with the Directors' and Auditors' Reports thereon.
3. To approve the payment of final cash dividend to the shareholders @ 30% i.e. Rs. 3.00 per share for the year ended June 30, 2013. This final cash dividend is in addition to 20% i.e. Rs. 2.00 per share interim cash dividend already paid.
4. To appoint auditors for the year ending June 30, 2014 and fix their remuneration. Retiring auditors M/S HLB Ijaz Tabussum & Co., Chartered Accountants, being eligible, have offered themselves for re-appointment.
5. To transact such other business as may be placed before the meeting with the permission of the Chair.

On behalf of the Board

Islamabad
October 09, 2013

Syed Sajjad Hasan
Company Secretary

Notes:

1. Share Transfer Books of the Company will remain closed from October 24, 2013 to October 31, 2013 (both days inclusive).
2. A member entitled to attend and vote at the meeting is entitled to appoint another member as proxy.
3. Proxies in order to be effective must be received at the Head Office of the Company not less than 48 hours before the meeting and must be duly stamped, signed and witnessed.
4. Shareholders are requested to promptly notify in writing to the Company of any change in their address.
5. In accordance with the notification of the Securities and Exchange Commission of Pakistan, SRO 779 (1) 2011 dated 18 August, 2011 dividend warrants should bear CNIC number of the registered member or the authorized person except in case of minor(s) and corporate members. Accordingly, the members who have not yet submitted a copy of their valid CNIC/ NTN (in case of corporate entities) are requested to submit the same to the Company with the member's folio number mentioned thereon for updating record.

You are, therefore, requested to please provide us a copy of your CNIC without any further delay failing which your future dividend warrant(s) will be withheld in compliance of the aforesaid direction of the SECP at our following address:

Hassan Farooq Associates (Private) Limited,
Share Registrar: Pak Datacom Limited, 7/3 - G, Mushtaq Ahmed Gurmani
Road, Gulberg – II, Lahore. Pakistan. Ph: 042-35761661-62

6. The dividend mandate form is attached with the annual report to facilitate shareholders to opt the mandate option and provide required information to make payment of cash dividend through direct credit to shareholder's bank account, declared by the Company.
7. CDC account holders further have to follow the under mentioned guidelines as laid down in circular No. 1 dated 26th January, 2000 of Securities & Exchange Commission of Pakistan 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 his/her identity by showing his original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting. The shareholders registered on CDC are also required to bring their participant's I.D. Number and account numbers in CDS.
 - b) In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

DIRECTORS' REPORT



Dear Shareholders,

The Board of Directors feels pleasure to present Annual Report together with the audited accounts of Pak Datacom Limited (PDL) for the financial year ended June 30, 2013. Salient features of the Company operations are highlighted below.

PDL Operations

During the financial year 2012-13, the business activity remained steady. As a result of strategic measures taken by the management the company operations expanded in hard areas of the country. Network cost was rationalized while terrestrial cost and satellite bandwidth/ media cost was reduced along with related operational cost by prudent management efforts.

Round the clock maintenance centers are working while number of these maintenance centers has reached to eleven in major cities of the country. The monitoring tools in these systems are upgraded to improve the overall network monitoring operations up to the component level. Team of professional engineers and technicians remains available for the customers to provide round the clock support services related to their respective networks. Special trainings are frequently arranged to the support team to offer superior services to the valuable customers.

A Quality and Environment Health and Safety (EHS) department has been established for looking after the environmental related issues and to recommend the continuous improvement. In terms of EHS related trainings, PDL has so far arranged different training sessions keeping the relevance, requirement and nature of work.

Future Plans

PDL management is striving hard to explore the international market for telecom sector in order to bring growth in our revenue streams besides expansion in its network in remote areas of Pakistan. These locations include remote

Pak Datacom Limited

and underserved areas of Sindh, Baluchistan, Punjab and Khyber Pakhtunkhwa since the management is foreseeing a greater potential in expanding our network into these areas. The expansion would not be limited to cities only but also include districts, villages, tehsils and union councils.

PDL has always stood first in introducing latest and state of the art technologies to our clients for providing them with most efficient and cost effective solutions. This policy will continue to strive for new revenue streams and exploring feasible revenue ventures.

Social Welfare

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

Realizing the social responsibility, PDL has contributed Rs. 3.00 million towards social welfare in the financial year 2012-13 in the field of education.

Changes in Board of Directors

Certain changes took place in the composition of the Board since the last AGM. Members resigned from the Board include Syed Gauhar Ali, Mr. Qaiser Sohail, and Mr. Raashid Bashir Mazari. Mr. Muhammad Amir Malik and Mr. Amjad Hussain Qureshi were appointed as Director respectively. Mr. Azmat Ali Ranjha was appointed as the new Chairman of the Company. Further, Brig. (R) Mohammad Arshad Khan Kayani, SI(M), was appointed as new Chief Executive of the Company in place of Mr. Muhammad Amir Malik at a managerial remuneration of Rs. 300,000 per month along with other benefits and facilities as per Company's policy with effect from April 30, 2013.

The Board extends its warm welcome to the newly appointed Chief Executive and members of the Board and expresses appreciation for the services rendered by the outgoing Directors during their association with the Company.

Financials

The Company, by the Grace of Allah and by virtue of its excellent maintenance support to its customers improved the profitability as compared to last year. The Company generated revenue of Rs. 771.645 million as compared to Rs. 775.691 million of last year's same period while it has posted a pre-tax profit of Rs. 143.683 million against Rs. 121.280 million of previous year.

Profit before tax is proposed for appropriation as follows;

	<u>Pak Rupees</u>
Profit for the year before taxation	143,683,208
Provision for taxation	<u>(47,636,386)</u>
Profit after taxation	<u>96,046,822</u>
Basic earning per share (EPS)	<u>9.80</u>
 <u>Interim Dividend (already paid)</u>	
Interim cash dividend @ 20% i.e. Rs. 2.00 per share	<u>19,602,000</u>
 <u>Subsequent Effects</u>	
Transfer to General Reserves	50,000,000
Proposed final cash dividend @ 30% i.e. Rs. 3.00 per share	<u>29,403,000</u>

Value of Investments of Gratuity Fund

The value of investments of gratuity fund based on its un-audited accounts of June 30, 2013 was Rs. 82 million. The fund is being managed by an independent Board of Trustees, comprising of management.

Auditors

The retiring auditors, M/S HLB Ijaz Tabussum & Co., Chartered Accountants, being eligible, offer themselves for re-appointment for the year ending June 30, 2014. The Audit Committee and the Board of Directors have endorsed their re-appointment for shareholders consideration in the forthcoming AGM.

Compliance of Code of Corporate Governance

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

Shareholding Pattern

Statement showing the pattern of shareholding as at June 30, 2013 is annexed with this report.

Acknowledgement

We thank our valued customers for their continued confidence in PDL to operate and maintain their data networks. We also express our thanks to shareholders for their confidence and support and the employees of the company for their commitment.

For and on Behalf of the Board

Islamabad
October 07, 2013

Mohammad Arshad Khan Kayani
Chief Executive

CORPORATE GOVERNANCE

Statement of Directors Responsibilities

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

Presentation of Financial Statements

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

Books of Accounts

The company has maintained proper books of accounts.

Accounting Policies

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

Application of International Accounting Standards

International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

Internal Control Systems

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

Going Concern

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

Board Meetings

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

<u>Name of Directors</u>	<u>Number of meetings attended</u>
Mr. Farooq Ahmed Awan	1/1
Mr. Raashid Bashir Mazari	6/6
Mr. Mohammad Amir Malik	6/7
Mr. Amjad Hussain Qureshi	3/3
Mr. Iftikhar Ahmed Raja	7/7
Syed Gauhar Ali	4/4
Mr. Muhammad Arif	7/7
Mr. Nessar Ahmed	6/7
Mr. Muhammad Yaqoob	7/7
Mr. Qaiser Sohail	4/4

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

Audit Committee Meetings

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

<u>Name of Directors</u>	<u>Number of meetings</u>
	<u>attended</u>
Mr. Mohammad Amir Malik	4/4
Mr. Nessar Ahmed	4/4
Mr. Iftikhar Ahmed Raja	4/4
Mr. Muhammad Arif	4/4
Mr. Amjad Hussain Qureshi	1/1

HR & Remuneration Committee Meetings

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

<u>Name of Directors</u>	<u>Number of meetings</u>
	<u>attended</u>
Mr. Raashid Bashir Mazari	9/9
Mr. Mohammad Amir Malik	9/9
Mr. Iftikhar Ahmed Raja	9/9
Mr. Qaiser Sohail	8/9
Mr. Muhammad Yaqoob	8/9

Transfer Pricing Policy Compliance

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

COMPARISON OF KEY FINANCIAL DATA OF THE LAST SIX FINANCIAL YEARS

	Year Ended June 30				(Rs. in million)	
	2012	2011	2010	2009	2008	2007
Non Current Assets	361.320	381.061	397.196	405.265	357.716	286.481
Share Capital and Reserves	722.356	659.628	687.641	591.274	476.503	401.776
Revenue	775.691	675.119	1,058.616	1,042.099	690.469	523.473
Operating Profit	56.946	16.501	227.093	227.643	143.243	136.755
Profit before taxation	121.280	37.379	249.541	248.947	175.279	157.947
Profit after taxation	78.409	22.953	159.093	161.816	113.931	103.625
Earning per Share - Rupees	8.00	2.34	20.29	20.64	14.53	13.22
Dividend (%) - Cash	50	25	80	70	60	50
- Bonus Shares	25	-	-	-	-	-

Statement of Compliance with the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance contained in the listing regulations of all the three Stock Exchanges of the country for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority on its Board of Directors. At present, the Board includes;

Name	Category
Mr. Azmat Ali Ranjha	Non-Executive Director
Mr. Nessar Ahmed	Non-Executive/ Independent Director
Mr. Muhammad Yaqoob	Non-Executive/ Independent Director
Mr. Mohammad Arshad Khan Kayani	Executive Director
Mr. Mohammad Amir Malik	Non-Executive Director
Mr. Iftikhar Ahmed Raja	Non-Executive Director
Mr. Muhammad Arif	Non-Executive Director
Mr. Amjad Hussain Qureshi	Non-Executive Director

2. The Directors of the Company have confirmed that none of them is serving as a Director in more than seven listed companies including this Company.
3. All the resident Directors of the Company are registered taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI, an NBFIs or being a member of a Stock Exchange has been declared as a defaulter by that Stock Exchange.
4. All casual vacancies in the Board were filled in within 90 days thereof.
5. 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.
6. The Board has developed vision/mission statement, overall corporate strategy and significant policies of the Company.

7. A complete record of particulars of significant policies and Board decisions along with the dates on which they were approved or amended has been maintained.
8. The power of the Board have been duly exercised and decision on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive , other executive and non-executive Directors have been taken by the Board/ Shareholders.
9. The meetings of the Board were presided over by the Chairman and held at least in each quarter. Written notices of Board meetings, along with agenda and working papers were circulated at least seven days before the meetings. Where the period was short for emergent meetings, it was agreed by the members of the Board. The minutes of the meetings were appropriately recorded and circulated.
10. All the Directors on the Boards have adequate exposure of corporate matters and are well aware of their duties and responsibilities. Appropriate orientation courses of the Directors were arranged in consultation with the Board.
11. The Board had approved the appointment of new Chief Executive and Head of Internal Auditor including their remuneration and terms & conditions of employment.
12. The Directors' Report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance and fully describes the salient matters which are required to be disclosed.
13. The Chief Executive and CFO have duly endorsed the financial statements of the Company before approval of the Board.
14. The Board, as required by CCG for reporting on trade in shares of the Company, has defined that the expression "Executive" shall mean the Chief Financial Officer, Company Secretary, Head of Internal Audit, Departmental Heads including managerial posts of the Company by whatever name called.
15. The Directors, Chief Executive and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding. None of the Chief Executive, Directors, Chief Financial Officer, Company Secretary, their spouse and minor children made any sale/ purchase of Company's share during the financial year except Mr. Muhammad Yaqoob who purchased 10,000 shares of the Company at an average price of Rs. 54.00 per share.
16. The Company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance.
17. The Board has formed an Audit Committee. It comprises four members, of whom all are non-executive Directors and the Chairman of the Committee is an independent Director.
18. The Board has formed an HR & Remuneration Committee comprising of three members. Two members are non-executive including the Chairman while one is independent director.
19. The Board has set-up an effective internal audit function, members of which are considered suitably qualified and experienced for the purpose and are conversant with the policies and the procedures of the Company.
20. The meetings of the Audit Committee were held in every quarter prior to approval of the interim and final results of the Company as required by the Code of Corporate Governance. The terms of reference of the Audit Committee have been formed and duly approved by the Board and advised to the Committee for compliance.

Pak Datacom Limited

21. 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, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on the code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
22. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
23. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
24. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
25. We confirm that all other material principles contained in the Code have been complied with.

For and on Behalf of the Board

Islamabad
October 07, 2013

Mohammad Arshad Khan Kayani
Chief Executive

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of PAK DATACOM LIMITED ("the Company") as at June 30, 2013, and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2013 and of the profit, its cash flows and changes in equity for the year then ended; and
- d) in our opinion 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.

ISLAMABAD
DATED: October 7, 2013

HLB IJAZ TABUSSUM & CO.
Chartered Accountants
Engagement Partner:
IJAZ AKBER - FCA

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) for the year ended June 30, 2013 prepared by the Board of Directors of Pak Datacom Limited (the Company) to comply with the Listing Regulations of the respective Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Company's compliance with the provisions of the Code and report if it does not. 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 Code.

As part of our audit of 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's 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.

Further, Listing Regulations of Stock Exchanges where the Company is listed, of the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevailed in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine 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 does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2013.

ISLAMABAD
DATED: October 7, 2013

HLB IJAZ TABUSSUM & CO.
Chartered Accountants
Engagement Partner:
IJAZ AKBER - FCA

BALANCE SHEET
AS AT JUNE 30, 2013

	Note	June 30, 2013 Rupees	June 30, 2012 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital - 100,000,000 ordinary shares (June 2012: 100,000,000) of Rupees 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital	4	98,010,000	98,010,000
Reserves	5	661,586,965	624,346,143
		759,596,965	722,356,143
NON-CURRENT LIABILITIES			
Deferred taxation	6	9,055,466	24,520,359
Employees' retirement and other service benefits - leave encashment	7	28,594,995	24,075,486
		37,650,461	48,595,845
CURRENT LIABILITIES			
Customers' deposits	8	100,676,410	94,560,782
Due to associated companies	9	-	649,620
Trade and other payables	10	258,229,790	123,693,798
Provision for taxation		65,754,017	69,199,942
		424,660,217	288,104,142
		1,221,907,643	1,059,056,130
CONTINGENCIES AND COMMITMENTS			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	310,556,149	351,912,386
Intangible assets	13	7,912,899	9,407,899
		318,469,048	361,320,285
CURRENT ASSETS			
Trade debts	14	137,419,216	94,440,454
Advances	15	145,205,758	1,671,324
Trade deposits and short term prepayments	16	77,248,415	37,144,490
Due from associated companies	17	-	31,800
Other receivables		668,525	1,280,701
Interest accrued		3,665,589	512,485
Advance tax		44,067,427	79,631,854
Short term investments	18	435,440,000	296,368,000
Cash and bank balances	19	59,723,665	186,654,737
		903,438,595	697,735,845
		1,221,907,643	1,059,056,130

The annexed notes from 1 to 36 form an integral part of these financial statements.

Iftikhar Ahmed Raja
Director

Muhammad Arshad Khan Kayani
Chief Executive

Pak Datacom Limited

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2013

	Note	June 30, 2013 Rupees	June 30, 2012 Rupees
Revenue	21	771,645,037	775,691,042
Cost of services	22	(517,895,179)	(535,764,280)
Gross profit		253,749,858	239,926,762
Administrative expenses	23	(104,072,687)	(168,134,411)
Marketing expenses	24	(20,462,227)	(14,846,134)
		(124,534,914)	(182,980,545)
Operating profit		129,214,944	56,946,217
Other operating income	25	15,784,984	65,159,333
		144,999,928	122,105,550
Finance cost		(1,316,720)	(825,718)
Profit before taxation		143,683,208	121,279,832
Provision for taxation	26	(47,636,386)	(42,870,427)
Profit after taxation		96,046,822	78,409,405
Other comprehensive income		-	-
Net profit for the year		96,046,822	78,409,405
Earning per share	27	9.80	8.00

The annexed notes from 1 to 36 form an integral part of these financial statements.

Iftikhar Ahmed Raja
Director

Muhammad Arshad Khan Kayani
Chief Executive

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2013

	Note	June 30, 2013 Rupees	June 30, 2012 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before taxation		143,683,208	121,279,832
Adjustments for non-cash and other items:			
Depreciation		58,364,093	63,818,484
Depreciation - UAE		26,761	-
Depreciation - joint venture		712,206	1,042,003
Amortisation-intangible assets		1,495,000	1,495,000
Propety, plant and equipment-joint venture charged off		239,408	11,865
Propety, plant and equipment charged off		39,582	-
(Gain)/ loss on disposal of property, plant and equipment		(1,773,211)	(1,265,475)
Provision for doubtful debts- Trade deposits		1,459,600	29,890,037
Provision for doubtful debts- Prepayments		1,459,600	29,890,037
Provision for doubtful debts		(3,526,924)	22,310,751
Provision against margin		(800,000)	800,000
Provision for trade and other payables		16,118,459	(16,118,459)
Provision for customers' deposits		8,622,416	(8,622,416)
Finance cost		1,316,720	825,718
Exchange gain		(21,990,456)	(28,426,041)
Return on bank deposits/ short term investments		(13,482,790)	(10,170,628)
Provision for gratuity		13,329,657	13,939,468
Provision for earned leave encashment		7,434,931	3,897,192
		69,045,052	103,317,536
Operating profit before working capital changes		212,728,260	224,597,368
Movement in working capital(Increase)/decrease in current assets			
Trade debts - unsecured		(39,451,838)	(18,463,345)
Advances		(143,534,434)	11,127,454
Trade deposits and short term prepayments		(42,223,125)	19,812,590
Due from associated companies		31,800	(31,800)
Other receivables		612,176	19,953,974
Increase/(decrease) in current liabilities			
Customers' deposits		(2,506,788)	11,890,234
Due to associated companies		(649,620)	(1,200)
Trade and other payables		117,411,816	(1,419,048)
		(110,310,013)	42,868,859
Cash generated from operations		102,418,247	267,466,227
Taxes paid		(30,982,777)	(36,454,215)
Gratuity paid/adjusted		(13,118,257)	(2,160,165)
Earned leave paid/ adjusted		(2,915,422)	(1,339,808)
Return on bank deposits/ short term investments		10,329,686	10,798,453
Finance cost		(1,316,720)	(825,718)
		(38,003,490)	(29,981,453)
Net cash flows from operating activities		64,414,757	237,484,774
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(18,513,046)	(47,763,189)
Proceeds on the disposal of property, plant and equipment		2,260,444	2,401,897
Net cash flows from investing activities		(16,252,602)	(45,361,292)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(58,011,683)	(15,473,843)
Net increase/ (decrease) in cash and cash equivalents		(9,849,528)	176,649,639
Cash and cash equivalents at the beginning of the period		483,022,737	277,947,057
Effect of foreign exchange rate change		21,990,456	28,426,041
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	20	495,163,665	483,022,737

The annexed notes from 1 to 36 form an integral part of these financial statements.

Iftikhar Ahmed Raja
Director

Muhammad Arshad Khan Kayani
Chief Executive

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2013

	Share capital		Capital Reserve		Revenue Reserves		Total Rupees
	Issued, subscribed and paid-up Rupees	Share premium Rupees	General reserve Rupees	Unappropriated profit Rupees			
Balance as at June 30, 2011	78,408,000	12,042,000	381,500,000	187,678,338	659,628,338		
Net profit for the period	-	-	-	78,409,405	78,409,405		
<u>Transactions with owners</u>							
Final dividend for the year ended June 30, 2011 (Rs. 1.00 per share)				(7,840,800)	(7,840,800)		
Interim dividend for the year ended June 30, 2012 (Rs. 1.00 per share)		(12,042,000)		(7,840,800)	(7,840,800)		
Issuance of 25% bonus shares	19,602,000			(7,560,000)			
Balance as at June 30, 2012	98,010,000	-	381,500,000	242,846,143	722,356,143		
Net profit for the year	-	-	-	96,046,822	96,046,822		
Transfer to General reserve	-	-	50,000,000	(50,000,000)			
<u>Transactions with owners</u>							
Final dividend for the year ended June 30, 2012 (Rs. 4.00 per share)				(39,204,000)	(39,204,000)		
Interim dividend for the year ended June 30, 2013 (Rs. 2.00 per share)				(19,602,000)	(19,602,000)		
Balance as at June 30, 2013	98,010,000	-	431,500,000	230,086,965	759,596,965		

The annexed notes from 1 to 36 form an integral part of these financial statements.

Iftikhar Ahmed Raja
Director

Mohammad Arshad Khan Kayani
Chief Executive

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

1 LEGAL STATUS AND OPERATIONS

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

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan, directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the provisions of the Companies Ordinance, 1984. Wherever requirements of the Companies Ordinance, 1984 or directives issued by the SECP differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the said directives take precedence.

2.2 Adoption of new and revised standards, interpretations and amendments

The Standards, interpretations and amendments to them effective for the accounting period beginning on or after January 01, 2013 are either not relevant to the company's operations or are not expected to have any significant impact on the company's financial statements (if any).

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except for recognition of certain employees retirement and other service benefits which are measured at present value.

3.2 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency.

3.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and associated assumptions are based on historical experience, industry trends, legal and technical pronouncements and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised. Significant areas requiring the use of management estimates in these financial statements relate to useful life of depreciable assets, provisions for doubtful debts and provision for income tax and deferred tax. The determination of provision for employee retirement benefits that are defined benefit plans require actuarial valuation. The Company employs the services of professional actuaries to make such estimates and assumptions using actuarial techniques.

3.4 Changes in Accounting Policies

The accounting policies and estimates adopted in the preparation of these financial statements are the same as those applied in the preparation of financial statements for the year ended June 30, 2012 except those specifically otherwise disclosed in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

3.5 Employees' retirement and other service benefits

3.5.1. Gratuity

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 amount of gratuity admissible shall be a sum equal to one month gross salary drawn immediately preceding the date of his service of the Company for each completed year of service in the Company. Actuarial valuation of the fund was carried out as at June 30, 2013 using Projected Unit Credit (PUC) Actuarial Cost method. Provisions are made annually to cover the obligation based on actuarial valuation and are charged to profit and loss account. The amount recognised in the balance sheet represents the present value of the defined benefit obligation less the fair value of plan assets net of any unrecognised actuarial gain/(loss).

3.5.2 Leave encashment

The Company provides a facility to its employees for accumulating their annual earned leave. Unutilized earned leave 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. Actuarial valuation of the scheme was carried out as at June 30, 2013 using Projected Unit Credit (PUC) Actuarial Cost method. Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to profit. The amount recognised in the balance sheet represents the present value of the benefit obligation.

3.6 Taxation

Current

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

Deferred

The Company provides for deferred taxation using the liability method on all major temporary timing differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all major taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the balance sheet date.

Unrecognised deferred tax assets are re-assessed at each balance sheet date and recognised to the extent that it become probable that future taxable profit will allow deferred tax asset to be recovered.

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

3.7 Dividend

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

3.8 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

3.9 Provisions

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

3.10 Property, plant and equipment

These assets, except free-hold land and capital work in progress, are stated at cost less accumulated depreciation and impairment loss, (if any). Free-hold land and capital work in progress are stated at cost.

Depreciation is charged to profit and loss account using the reducing balance method, at the rates specified in the fixed assets schedule given in note 12. Lease hold land is amortised over the period of leased term.

Depreciation is charged on additions from the first day of the month in which the asset is available for use while no depreciation is charged in the month in which the asset is disposed off.

Maintenance and normal repairs are charged to profit and loss account in the period in which they are incurred. Assets having cost exceeding the minimum threshold as determined by the management are capitalised.

Gains and losses on disposal of fixed assets are charged to profit and loss account.

3.11 Intangible assets

These are carried at cost less accumulated amortisation and any identified impairment losses. Amortisation is calculated using the straight line method over the period of useful life of the asset at the rates specified in the intangible assets schedule given in note 13. Costs associated with maintaining intangibles are recognised as expense as and when incurred.

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

3.12 Trade debts

Trade debts are originally recognized at nominal value and reduced by doubtful debts. Debts considered bad and irrecoverable are written off when identified. Provision for impairment of trade and receivables is made in financial statements when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables, the basis including age analysis and management understanding of collectability of the debts.

Significant financial difficulties of debtors, probability that the debtor will enter bankruptcy or financial re-organisation and default or delinquency in payments are considered indicators that the trade receivable is impaired.

3.13 Short term investments

Short term investments are kept with different banks in term deposits and may be encashed at any time even before maturity. These are stated at fair values with any resulting gains or losses directly recognised in the profit and loss account.

3.14 Cash and cash equivalents

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

3.15 Operating segments

Operating segments are reported in a manner consistent with the internal reporting.

3.16 Revenue recognition

Revenue arising from provision of data communication, maintenance of network and allied services to customer is recognised as the services are rendered. However, revenue from sale of equipment incidental to rendering of services is recognised on delivery of equipment to customers. Return on bank deposits and short term investments is recognised on accrual basis.

3.17 Investment in joint venture

The Company has entered into a joint venture arrangement with an overseas venturer in UAE to carry out the cable laying and associated works. The Company acquired all the facilities at its own cost to execute the work with the help of venturer. The Company recognizes the assets that it controls and the liabilities that it incurs and the share of income and expenses as per agreed terms and conditions in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

3.18 Capital management

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

3.19 Impairment

The carrying amount of the Company's assets are reviewed at the date of each balance sheet to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such assets is estimated and impairment losses are recognised in the profit and loss account.

3.20 Operating leases

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

3.21 Related party transactions

Transactions involving related parties arising in the normal course of business are conducted at arm's length and at normal commercial rates on the same terms and conditions as third party transactions using valuation modes as admissible.

3.22 Foreign currency transactions and balances

All monetary assets and liabilities in foreign currencies are translated into Pak Rupee at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into Pak Rupee at the rate prevailing at transaction date. Any component of an exchange gain or loss relating to a recognised change in the fair value of non-monetary asset is charged to profit and loss account.

3.23 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of the contractual rights that comprise the financial assets and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expires. All financial assets and liabilities are initially recognized at fair value plus transaction costs other than financial assets and liabilities carried at fair value through profit or loss. Financial assets and liabilities carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are charged to income for the year. These are subsequently measured at fair value, amortized cost or cost, as the case may be. Any gain or loss on derecognition of financial assets and financial liabilities is included in income for the year.

Financial Assets

Classification and subsequent measurement

The Company classifies its financial assets in the following categories: investments at fair value through profit or loss, held-to-maturity investments, loans and receivables and available for sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Regular purchases and sales of financial assets are recognized on the trade date - the date on which the Company commits to purchase or sell the asset.

Fair value through profit or loss

Financial assets at fair value through profit or loss, include financial assets held for trading and financial assets, designated upon initial recognition, at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the balance sheet at their fair value, with changes therein recognized in the income for the year. Assets in this category are classified as current assets.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Company has the positive intention and ability to hold these assets to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments, that are not quoted in an active market. After initial measurement, these financial assets are measured at amortized cost, using the effective interest rate method, less impairment. The Company's loans and receivables comprise 'Trade debts', 'Trade deposits', 'Advances', 'Accrued interest', 'Due form associated companies', 'Other receivables' and 'Cash and bank balances'.

Available-for-sale

Available-for-sale financial assets are non-derivatives, that are either designated in this category, or not classified in any of the other categories. These are included in non-current assets, unless management intends to dispose them off within twelve months of the date of the balance sheet. After initial measurement, available-for-sale financial investments are measured at fair value, with unrealized gains or losses recognized as other comprehensive income, until the investment is derecognized, at which time the cumulative gain or loss is recognized in income for the year.

Financial Liabilities

Initial recognition and 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.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Fair value through profit or loss

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

Other financial liabilities

After initial recognition, other financial liabilities are measured at amortized cost, using the effective interest rate method.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet, 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.

	June 30, 2013 Rupees	June 30, 2012 Rupees
4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
5,400,000 (June 2012: 5,400,000) ordinary shares of Rs. 10/- each fully paid in cash	54,000,000	54,000,000
4,401,000 (June 2012: 4,401,000) ordinary shares of Rs. 10/- each issued as fully paid bonus shares	44,010,000	44,010,000
	<u>98,010,000</u>	<u>98,010,000</u>

Out of total issued share capital, 5,398,354 (June 2012: 5,398,354) ordinary shares are held by Telecom Foundation, Pakistan.

Pak Datacom Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

	Note	June 30, 2013 Rupees	June 30, 2012 Rupees
5 RESERVES			
Revenue			
General		431,500,000	381,500,000
Unappropriated profit		230,086,965	242,846,143
		661,586,965	624,346,143
		<u>661,586,965</u>	<u>624,346,143</u>
6 DEFERRED TAXATION			
Deferred tax has been calculated at the corporate tax rate of 35% (June 2012: 35%) arising on account of accelerated depreciation on property, plant & equipment of Rs 37.28 million (June 2012: Rs. 44.69 million), accelerated amortisation on infrastructure license of Rs. 0.30 million (June 2012: Rs 0.19 million) and net of deferred tax assets arising from provisions of Rs. 28.52 million (June 2012: Rs. 20.35 million).			
7 EMPLOYEES' RETIREMENT AND OTHER SERVICE BENEFITS- LEAVE ENCASHMENT			
Opening balance		24,075,486	21,518,102
Add: Provision for the period		7,434,931	3,897,192
		31,510,417	25,415,294
Less: Payments/adjustments during the period		(2,915,422)	(1,339,808)
Net payable		<u>28,594,995</u>	<u>24,075,486</u>
7.1 Leave encashment			
Results of actuarial valuation as on June 30 are as follows:			
Projected benefits obligations (PBO)		27,260,730	20,710,267
Payables		1,334,265	3,365,219
		28,594,995	24,075,486
Fair value of plan assets		-	-
Funding surplus/ (deficit)		28,594,995	24,075,486
Liability provision as at June 30 (previous year)		(24,075,486)	(21,518,102)
Increase in provision		<u>4,519,509</u>	<u>2,557,384</u>
7.2 Actuarial assumptions			
Valuation discount rate		11.50% p.a.	12.50% p.a.
Salary increase rate		11.50% p.a.	12.50% p.a.
Leave accumulation factor		15 days p.a.	15 days p.a.
8 CUSTOMERS' DEPOSITS			
Customers' deposits		100,676,410	103,183,198
Less: Provision for deposits		-	(8,622,416)
		<u>100,676,410</u>	<u>94,560,782</u>
9 DUE TO ASSOCIATED COMPANIES			
Telecom Foundation	9.1	-	649,620
		<u>-</u>	<u>649,620</u>

9.1 Maximum amount due to associated companies at the end of any month during the period aggregated to Rs. 0.65 million (June 2012: Rs. 0.65 million).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

	Note	June 30, 2013 Rupees	June 30, 2012 Rupees
10 TRADE AND OTHER PAYABLES			
Advances from customers		138,682,479	18,476,475
Trade creditors		79,644,355	93,313,165
Provision for creditors		-	(14,725,685)
		79,644,355	78,587,480
License fee payable		3,985,621	3,797,236
Accrued liabilities		27,142,925	16,456,688
Provision for accrued liabilities		-	(1,392,774)
		27,142,925	15,063,914
Sales tax		220,690	220,690
Employees' retirement and other service benefits - Gratuity payable	10.1	2,329,657	2,118,257
Unclaimed dividend		6,224,063	5,429,746
		<u>258,229,790</u>	<u>123,693,798</u>
10.1 Employees' retirement and other service benefits - Gratuity payable			
Opening balance - (receivable)/ payable		2,118,257	(9,661,046)
Add: Provision for the period		13,329,657	13,939,468
		15,447,914	4,278,422
Less:			
Contribution paid to gratuity fund		(13,118,257)	(2,160,165)
Payable to defined benefit obligation	10.1.1	<u>2,329,657</u>	<u>2,118,257</u>
10.1.1 Disclosure as per IAS-19 (revised 2011)			
Gratuity fund actuarial valuation as at June 30, <u>Reconciliation of payable to / (receivable from) defined benefit plan</u>			
Present value of defined benefit obligation		95,927,830	79,408,586
Gratuity due but not paid		3,096,415	10,001,230
Total actuarial liability		99,024,245	89,409,816
Fair value of any plan assets		(88,142,107)	(78,212,489)
Funding (surplus)/ deficit		10,882,138	11,197,327
Unrecognized actuarial gains/ (losses)		(8,552,481)	(9,079,070)
		<u>2,329,657</u>	<u>2,118,257</u>
<u>Movement in net liability/ (asset) recognised</u>			
Opening net liability		2,118,257	(9,661,046)
Expense for the year		13,329,657	13,939,468
Contributions		(13,118,257)	(2,160,165)
Closing net liability		<u>2,329,657</u>	<u>2,118,257</u>
<u>Charge for/ (income from) the defined benefit plan</u>			
Current service cost		12,703,853	7,874,609
Net Interest cost		10,553,715	9,936,002
Expected return on plan assets		(9,973,940)	(10,055,934)
Actuarial (gain) / loss recognised as per Para 58 (b)		-	5,379,388
Actuarial (gain) / loss recognised as per Para 92		46,029	805,403
		<u>13,329,657</u>	<u>13,939,468</u>

Pak Datacom Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

	June 30, 2013 Rupees	June 30, 2012 Rupees
Actuarial assumptions:		
- Valuation discount rate	11.50 %	12.50 %
- Salary increase rate	11.50 %	13.25 %
- Expected return on plan assets	11.50 %	12.50 %

The expected return on plan assets is based on the market expectations and depend upon the asset portfolio of the Company, at the beginning of the year, for return over the entire life of the related obligation. The total contribution required for the next one year works out to Rs. 12,614,076 (2012: Rs. 7,693,120). The actual return on plan assets amounts to Rs. 8,260,138 (2012: Rs. 8,776,925).

	June 30, 2013 Rupees	June 30, 2012 Rupees
<u>Working for disclosure as per IAS-19 (revised 2010)</u>		
<u>Actuarial (gain)/ loss in obligations</u>		
Present value of obligation (opening balance)	89,409,816	74,682,643
Current service cost	12,703,853	7,874,609
Interest cost	10,553,715	9,936,002
Payments made during the year	(9,960,196)	(7,422,403)
Actuarial (gain)/ loss on obligation (balancing figure)	(3,682,943)	4,338,965
Present value of obligation as at June 30	<u>99,024,245</u>	<u>89,409,816</u>
<u>Actuarial gain / (loss) in assets</u>		
Total assets (opening balance)	78,212,489	74,459,216
Expected return on plan assets	9,973,940	10,055,934
Contributions	13,118,257	2,160,165
Payments made during the year	(9,960,196)	(7,422,403)
Actuarial gain/ (loss) on assets (balancing figure)	(3,202,383)	(1,040,423)
Fair value of the plan assets as at June 30	<u>88,142,107</u>	<u>78,212,489</u>
Corridor Limit		
The limits of corridor (opening)		
10% of obligations	8,940,982	7,468,264
10% of plan assets	7,821,249	7,445,922
Which works out to	8,940,982	7,468,264
<u>Unrecognised actuarial gain/ (loss) (opening)</u>	(9,079,070)	(9,884,473)
Limit of corridor (opening)	8,940,982	7,468,264
Excess	(138,088)	(2,416,209)
Average expected remaining working lives in years	3	3
Actuarial gain/ (loss) to be recognised	(46,029)	(805,403)
<u>Unrecognised actuarial gain/(loss)</u>		
Unrecognised actuarial loss (opening)	(9,079,070)	(9,884,473)
Actuarial gain/ (loss) on obligations	3,682,943	(4,338,965)
Actuarial gain/ (loss) on assets	(3,202,383)	(1,040,423)
Subtotal	<u>(8,598,510)</u>	<u>(15,263,861)</u>
Actuarial (gain) / loss recognised as per Para 58 (b)	-	5,379,388
Actuarial (gain) / loss recognised as per Para 92	46,029	805,403
Unrecognised actuarial loss as at June 30	<u>(8,552,481)</u>	<u>(9,079,070)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

	June 30, 2013 Rupees	June 30, 2012 Rupees
<u>Expense / (income) for the year ended June 30</u>		
Current service cost	12,703,853	7,874,609
Net Interest cost	10,553,715	9,936,002
Expected return on plan assets	(9,973,940)	(10,055,934)
Actuarial (gain) / loss recognised as per Para 58 (b)	-	5,379,388
Actuarial (gain) / loss recognised	46,029	805,403
	<u>13,329,657</u>	<u>13,939,468</u>
<u>(Asset)/ liability to be recognized in the balance sheet</u>		
Present value of defined benefit obligation	99,024,245	89,409,816
Fair value of any plan assets	(88,142,107)	(78,212,489)
Deficit in the fund	10,882,138	11,197,327
Unrecognised actuarial loss	(8,552,481)	(9,079,070)
	<u>2,329,657</u>	<u>2,118,257</u>
<u>Movement in net asset / (liability) in balance sheet</u>		
Movement in net liability/ (asset) recognised		
Opening liability/ (asset)	2,118,257	(9,661,046)
Expense for the year	13,329,657	13,939,468
Contributions	(13,118,257)	(2,160,165)
Closing net liability	<u>2,329,657</u>	<u>2,118,257</u>

11 CONTINGENCIES AND COMMITMENTS

Break up of fair value of plan assets	Total		Deposits with banks		Placements in term deposit receipts	
	Rupees		%	Rupees	%	Rupees
June 30, 2009	32,281,017		2	630,195	98	31,650,822
June 30, 2010	47,334,539		2	765,286	98	46,569,253
June 30, 2011	74,459,216		2	1,473,425	98	72,985,791
June 30, 2012	78,212,489		6	4,796,800	94	73,415,689
June 30, 2013	88,142,107		5	4,453,656	5	83,688,451
	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	
<u>Gratuity fund experience</u>	Rupees	Rupees	Rupees	Rupees	Rupees	
<u>Adjustment funding (surplus)/ deficit</u>						
Present value of obligation	99,024,245	89,409,816	74,682,643	59,470,201	46,927,948	
Fair value of any plan assets	(88,142,107)	(78,212,489)	(74,459,216)	(47,334,539)	(32,281,017)	
	<u>10,882,138</u>	<u>11,197,327</u>	<u>223,427</u>	<u>12,135,662</u>	<u>14,646,931</u>	
Actuarial gain/ (loss) on obligation	3,682,943	(4,338,965)	(3,324,749)	2,581,085	(7,006,808)	
Actuarial gain/ (loss) on assets	(3,202,383)	(1,040,423)	(2,197,638)	(4,006,691)	(4,017,275)	

11. CONTINGENCIES AND COMMITMENTS

- 11.1 Guarantees and letter of credits issued by the bank on behalf of the Company amounted to Rs. 580.42 million (June 2012: Rs. 73.89 million).
- 11.2 The Company had entered into an agreement with a reseller of satellite bandwidth in Pakistan for provisioning of satellite segment. Due to certain technical issues, the bandwidth was never operational or utilised. Management after appropriate measures for the recovery of advance payments of US\$ 0.64 million; equivalent Rs. 62.64 million (June 2012: US\$ 0.64 million; equivalent Rs. 59.78 million) referred the matter to the arbitration, which in its award given on May 03, 2012 imposed additional payment of US \$ 0.64 million; equivalent Rs. 62.64 million on the Company.

Pak Datacom Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

The Company has filed the case in Islamabad High Court against the award, outcome of which is still pending. The Company had made provision against the advance payment of US \$ 0.64 million; equivalent Rs. 62.64 million during the year ended June 30, 2012 as a matter of abandon caution. However the Board and the management is of the opinion that the maximum loss even if the case is decided against the Company will not exceed US\$ 1.28 million; equivalent Rs. 126.46 million (June 2012 : US\$ 1.28 million; equivalent Rs. 119.56 million). The reseller had also filed a counter claim in the Civil Court, Islamabad for recovery of the Arbitration Award, which has been adjourned sine-die since the matter is already in the Honourable Islamabad High Court.

11.3 Tax appeal for the recovery of Rs. 0.28 million (June 2012: Rs. 0.28 million) is pending with the Income Tax Appellate Tribunal, Islamabad against the imposition of penalty on short advance tax charged by the Collector of Income Tax at the time of import. The case is expected to be decided in favour of the Company.

11.4 Capital commitments outstanding in respect of purchase of equipment amounted to Rs. 106.48 million (June 2012: Rs 7.32 million).

	Note	June 30, 2013 Rupees	June 30, 2012 Rupees
12 PROPERTY, PLANT AND EQUIPMENT			
Net book value - Pakistan	12.1	309,812,729	350,390,417
Net book value - UAE	12.2	743,420	-
Net book value - Joint venture	12.3	-	1,521,969
		<u>310,556,149</u>	<u>351,912,386</u>

12.1 PROPERTY, PLANT AND EQUIPMENT - PAKISTAN- JUNE 2013

Particulars	C O S T				Rate %	D E P R E C I A T I O N				Net book value as at 30-Jun-13 Rs.
	As at 1-Jul-12 Rs.	Additions Rs.	Disposals Rs.	As at 30-Jun-13 Rs.		As at 1-Jul-12 Rs.	Period Rs.	Disposals Rs.	As at 30-Jun-13 Rs.	
	Free hold land	38,400,000	-	-		38,400,000	-	-	-	
Free hold office building	22,318,020	-	-	22,318,020	5	4,121,871	909,807	-	5,031,678	17,286,342
Lease hold land	2,884,000	-	-	2,884,000	1.2	74,431	33,715	-	108,145.99	2,775,854
Lease hold office building	7,006,000	-	-	7,006,000	5	693,589	315,620	-	1,009,209	5,996,791
Datacom system machinery	681,887,258	16,465,993	(1,973,701)	696,379,550	20	434,796,624	51,304,375	(1,561,819)	484,539,180	211,840,370
Office equipment	11,499,894	961,632	-	12,461,526	25	8,078,415	952,048	-	9,030,463	3,431,063
Testing equipment	25,494,772	765,421	-	26,260,193	10	9,006,324	1,669,450	-	10,675,774	15,584,419
Air conditioners	3,354,665	280,000	-	3,634,665	10	1,171,912	235,025	-	1,406,937	2,227,728
Furniture and fixtures	3,726,392	40,000	-	3,766,392	10	2,239,813	149,991	-	2,389,804	1,376,588
Vehicles	39,260,944	-	(2,261,160)	36,999,784	20	25,258,549	2,794,062	(1,946,401)	26,106,210	10,893,574
	<u>835,831,945</u>	<u>18,513,046</u>	<u>(4,234,861)</u>	<u>850,110,130</u>		<u>485,441,528</u>	<u>58,364,093</u>	<u>(3,508,220)</u>	<u>540,297,401</u>	<u>309,812,729</u>

12.2 PROPERTY, PLANT AND EQUIPMENT - UAE - JUNE 2013

Particulars	C O S T				Rate %	D E P R E C I A T I O N				Net book value as at 30-Jun-13 Rs.
	As at 1-Jul-12 Rs.	Additions Rs.	Disposals Rs.	As at 30-Jun-13 Rs.		As at 1-Jul-12 Rs.	Period Rs.	Disposals Rs.	As at 30-Jun-13 Rs.	
	Plant and equipment	-	639,623	-		639,623	20	-	21,321	
Office equipment	-	130,558	-	130,558	25	-	5,440	-	5,440	125,118
	-	<u>770,181</u>	-	<u>770,181</u>		-	<u>26,761</u>	-	<u>26,761</u>	<u>743,420</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

12.3.1 PROPERTY, PLANT AND EQUIPMENT - JOINT VENTURE - JUNE 2013

Particulars	C O S T				Rate %	D E P R E C I A T I O N				Net book value as at 30-Jun-13 Rs.
	As at 1-Jul-12 Rs.	Additions Rs.	Disposals Rs.	As at 30-Jun-13 Rs.		As at 1-Jul-12 Rs.	Period Rs.	Disposals Rs.	As at 30-Jun-13 Rs.	
	Joint venture assets	2,563,972	-	(2,563,972)		-	33.33	1,042,003	712,206	
	2,563,972	-	(2,563,972)	-		1,042,003	712,206	(1,754,209)	-	-
	838,395,917	19,283,227	(6,798,833)	850,880,311		486,483,531	59,103,060	(5,262,429)	540,324,162	310,556,149

12.3.1 Book value of joint venture assets has been transferred to property, plant and equipment-UAE as on May 01, 2013.

12.4 1st hypothecation/ mortgage charge had been created on all present and future fixed assets of the Company for Rs. Nil million (June 2012: Rs.200 million) against unfunded credit facility of Rs. Nil (June 2012: Rs. 120 million) from Habib Bank Limited.

12.5 1st charge of Rs. 140.00 million on fixed assets and 1st charge on present and future current assets of the Company of Rs. 400.00 million with lien on import documents of Rs. 185.48 million and US\$ 2.50 million; equivalent Rs. 247.00 million in shape of F.C-FDR (proportionately adjustable on receipt of shipping documents under letter of credit) has been created in favor of Soneri Bank Limited for an unfunded facility of Rs. 846.92 million (June 2012: Rs. Nil).

12.6 DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT- JUNE 2013

Particulars	Cost Rs.	Accumulat Depreciatio Rs.	Net book value Rs.	Proceeds/ Adjustments Rs.	Mode of disposal	Particulars of purchaser
Joint venture assets	110,520	70,938	39,582	-	Written off	Charged to joint venture-UAE expenditures.
Datacom system machinery	110,520	70,938	39,582	-	Written off	Damage M/S Techno China, customer.
Packet Switches network - VSAT	1,704,450	1,465,042	239,408	-	recovery	Damage M/S Chevron (Caltex), PDL customer
Packet Switches network -DXX	188,877	77,666	111,211	208,000	recovery	M/S PIFRA, PDL customer
Packet Switches network -VSAT	80,374	19,111	61,263	120,000		
	1,973,701	1,561,819	411,882	328,000		
Vehicles						
Suzuki Bolan 2004 HF 271	370,850	320,039	50,811	339,234	Auction	Mr. Amjad Ali, Dhoke Awan 2, Wah Cantt, Taxila Rawalpindi.
Suzuki Bolan 2004 HF 274	370,850	320,039	50,811	401,034	Auction	Mr. Amjad Ali, Dhoke Awan 2, Wah Cantt, Taxila Rawalpindi.
Suzuki Bolan 2004 HF 359	370,850	320,039	50,811	357,143	Auction	Malik M. Ismail, H.No. NE 107/A-2, Gali No. 01, Mohallah Chammanzar Colony, Rawalpindi.
Suzuki Bolan 2004 LK 995	404,000	297,688	106,312	432,677	Auction	Mr. Sajwal Khan, H. 05, Sector G-8/1, Umar Plaza, Islamabad.
Suzuki Ravi 2001 IDK 9581	312,000	297,992	14,008	306,240	Auction	Mr. Sajwal Khan, H. 05, Sector G-8/1, Umar Plaza, Islamabad.
Motorcycles						
DS Star 70cc 2004 LRW 3267	42,230	37,602	4,628	9,534	Auction	Mr. Abdul Aziz Shah, Yaktoot Mohallah Hafizabad, Peshawar.
DS Star 70cc 2004 LRW 3268	42,230	37,602	4,628	9,138	Auction	Mr. Jamil Akhtar Mohallahpori Distt Rawalpindi.
DS Star 70cc 2004 LRW 3271	42,230	37,602	4,628	6,121	Auction	Mr. M. Rashid Nawaz, H. G608, Gali No. 10, Mohallah DAV College Road, Rawalpindi.
DS Star 70cc 2004 LRW 3272	42,230	37,602	4,628	9,052	Auction	Mr. Jamil Akhtar Mohallahpori The & Distt Rawalpindi.
DS Star 70cc 2004 LRW 9213	42,230	37,602	4,628	8,333	Auction	Mr. Abdul Aziz Shah, Yaktoot Mohallah Hafizabad, Peshawar.
DS Star 70cc 2004 LRW 9214	42,230	37,602	4,628	12,069	Auction	Mr. Amjad Ali, Dhoke Awan 2, Wah Cantt, Taxila Rawalpindi.
DS Star 70cc 2004 LRW 9215	42,230	37,602	4,628	9,741	Auction	Mr. Amjad Ali, Dhoke Awan 2, Wah Cantt, Taxila Rawalpindi.
Honda CD70 2002 IDL 6329	68,500	63,695	4,805	16,094	Auction	Mr. Abdul Aziz Shah, Yaktoot Mohallah Hafizabad, Peshawar.
Honda CD70 2002 IDL 6349	68,500	63,695	4,805	16,034	Auction	Mr. Jamil Akhtar Mohallahpori Distt Rawalpindi.
	2,261,160	1,946,401	314,759	1,932,444		
	4,345,381	3,579,158	766,223	2,260,444		

Pak Datacom Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

12.7 PROPERTY, PLANT AND EQUIPMENT - PAKISTAN-JUNE 2012

Particulars	C O S T				Rate %	D E P R E C I A T I O N				Net book value as at 30-Jun-12 Rs.
	As at 1-Jul-11	Additions	Disposals	As at 30-Jun-12		As at 1-Jul-11	For the period	Disposals	As at 30-Jun-12	
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	
Lease hold land	2,884,000	-	-	2,884,000	1.2	40,307	34,124	-	74,431	2,809,569
Lease hold office building	7,006,000	-	-	7,006,000	5	361,357	332,232	-	693,589	6,312,411
Free hold land	38,400,000	-	-	38,400,000	-	-	-	-	-	38,400,000
Free hold office building	22,318,020	-	-	22,318,020	5	3,164,179	957,692	-	4,121,871	18,196,149
Datacom system machinery	641,384,460	42,498,670	(1,995,872)	681,887,258	20	380,507,662	55,637,639	(1,348,677)	434,796,624	247,090,634
Office equipment	11,066,527	575,542	(142,175)	11,499,894	25	7,039,516	1,077,590	(38,691)	8,078,415	3,421,479
Testing equipment	23,931,722	1,997,050	(434,000)	25,494,772	10	7,536,688	1,829,248	(359,612)	9,006,324	16,488,448
Air conditioners	3,294,688	80,362	(20,385)	3,354,665	10	948,204	235,074	(11,366)	1,171,912	2,182,753
Furniture and fixtures	3,804,764	35,728	(114,100)	3,726,392	10	2,090,492	173,362	(24,041)	2,239,813	1,486,579
Vehicles	40,212,269	-	(951,325)	39,260,944	20	22,456,075	3,541,523	(739,049)	25,258,549	14,002,395
	794,302,450	45,187,352	(3,657,857)	835,831,945		424,144,480	63,818,484	(2,521,436)	485,441,528	350,390,417

12.8 PROPERTY, PLANT AND EQUIPMENT - JOINT VENTURE-JUNE 2012

Particulars	C O S T				Rate %	D E P R E C I A T I O N				Net book value as at 30-Jun-12 Rs.
	As at 1-Jul-11	Additions	Disposals	As at 30-Jun-12		As at 1-Jul-11	For the period	Disposals	As at 30-Jun-12	
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	
Joint venture assets	-	2,563,972	-	2,563,972	33.33	-	1,042,003	-	1,042,003	1,521,969
	-	2,563,972	-	2,563,972		-	1,042,003	-	1,042,003	1,521,969
	794,302,450	47,751,324	(3,657,857)	838,395,917		424,144,480	64,860,487	(2,521,436)	486,483,531	351,912,386

13 INTANGIBLE ASSETS - JUNE 2013

Particulars	C O S T				Rate %	D E P R E C I A T I O N				Net book value as at 30-Jun-13 Rs.
	As at 1-Jul-12	Additions	Disposals	As at 30-Jun-13		As at 1-Jul-12	For the period	Disposals	As at 30-Jun-13	
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	
Software	3,204,006	-	-	3,204,006	33.33	1,802,357	1,068,000	-	2,870,357	333,649
Infrastructure license	8,540,000	-	-	8,540,000	5	533,750	427,000	-	960,750	7,579,250
	11,744,006	-	-	11,744,006		2,336,107	1,495,000	-	3,831,107	7,912,899

13.1 INTANGIBLE ASSETS - JUNE 2012

Particulars	C O S T				Rate %	D E P R E C I A T I O N				Net book value as at 30-Jun-12 Rs.
	As at 1-Jul-11	Additions	Disposals	As at 30-Jun-12		As at 1-Jul-11	For the period	Disposals	As at 30-Jun-12	
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	
Software	3,204,006	-	-	3,204,006	33.33	734,357	1,068,000	-	1,802,357	1,401,649
Infrastructure license	8,540,000	-	-	8,540,000	5	106,750	427,000	-	533,750	8,006,250
	11,744,006	-	-	11,744,006		841,107	1,495,000	-	2,336,107	9,407,899

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

	June 30, 2013 Rupees	June 30, 2012 Rupees
14 TRADE DEBTS - unsecured		
Trade debts	156,203,043	116,751,205
Less: provision for doubtful debts	(18,783,827)	(22,310,751)
	<u>137,419,216</u>	<u>94,440,454</u>

These trade debts comprise of receivable from customers including the amount of Rs. 25.81 million (June 2012: Rs. 34.80 million) arises from the joint venture-UAE that are unsecured but considered good.

	Note	June 30, 2013 Rupees	June 30, 2012 Rupees
15 ADVANCES			
Advances - considered good to			
Suppliers - secured		142,063,603	654,954
Employees - unsecured		3,142,155	919,177
Joint venture - unsecured		-	97,193
		<u>145,205,758</u>	<u>1,671,324</u>
16 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Margin and guarantees with banks	16.1	502,023	687,221
Trade deposits	16.2	34,743,632	28,776,424
Prepayments	16.3	42,002,760	7,680,845
		<u>77,248,415</u>	<u>37,144,490</u>
16.1 Margin and guarantees with banks		502,023	1,487,221
Less: Provision for doubtful margin		-	(800,000)
		<u>502,023</u>	<u>687,221</u>
16.2 Trade deposits		66,093,269	58,666,461
Less: Provision for doubtful deposits		(31,349,637)	(29,890,037)
		<u>34,743,632</u>	<u>28,776,424</u>
16.3 Prepayments		73,352,397	37,570,882
Less: Provision for doubtful prepayments		(31,349,637)	(29,890,037)
		<u>42,002,760</u>	<u>7,680,845</u>
17 DUE FROM ASSOCIATED COMPANIES			
TF Technologies (Private) Limited	17.1	-	31,800
		<u>-</u>	<u>31,800</u>

17.1 Maximum amount due from associated companies at the end of any month during the period aggregated to Rs. 0.05 million (June 2012: Rs. 0.03 million).

18 SHORT TERM INVESTMENTS

These represent investments in term deposit receipts maturing in the short term and carry interest rate ranging from 1.25% to 9.25% (June 2012: 0.80% to 11.25%) per annum. Included in these investments are foreign currency term deposit receipts amounting to US\$ 3.80 million; equivalent Rs. 375.44 million (June 2012: US\$ 3.04 million; equivalent Rs. 286.37 million). Out of total investments, US\$ 2.30 million; equivalent Rs. 227.24 million (June 2012: US\$ 0.10 million; equivalent Rs. 9.42 million) and Rs. 60.00 million (June 2012: Rs. 10.00 million) are pledged against bank guarantees issued by bank.

Pak Datacom Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

	Note	June 30, 2013 Rupees	June 30, 2012 Rupees
19 CASH AND BANK BALANCES			
Cash in hand		-	-
Cash at bank in			
Current accounts		1,562,506	8,240,442
Deposit accounts	19.1	51,477,001	172,678,962
Current accounts-dividend		6,684,158	5,735,333
		<u>59,723,665</u>	<u>186,654,737</u>
19.1 Deposit accounts include foreign currency deposits of US\$ 0.25 million (June 2012: US\$ 0.86 million) equivalent to Rs. 24.70 million (June 2012: Rs. 80.65 million).			
20 CASH AND CASH EQUIVALENTS			
Short term investments		435,440,000	296,368,000
Cash and bank balances		59,723,665	186,654,737
		<u>495,163,665</u>	<u>483,022,737</u>
21 REVENUE			
- from CVAS Data License		728,351,361	731,050,655
- from Telecom Infrastructure Provider License		13,754,538	5,679,400
- from Joint Venture - PDL Share		29,539,138	38,960,987
		<u>771,645,037</u>	<u>775,691,042</u>
22 COST OF SERVICES			
Channel and local lead rentals		145,754,428	197,136,695
Space segment rentals		128,266,343	112,005,992
Equipment maintenance cost		9,564,999	11,736,723
Repair and maintenance expenses		8,902,657	6,254,386
License fee		4,924,863	3,797,237
Depreciation		58,390,854	63,818,484
Amortisation		1,495,000	1,495,000
Expenses - joint venture - PDL share		23,667,353	25,367,004
Salaries and other benefits	22.1	130,718,061	110,722,565
Travelling and local conveyance		6,126,841	3,430,194
Operating lease rentals	24.2	83,780	-
		<u>517,895,179</u>	<u>535,764,280</u>
22.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 13.38 million (June 2012: Rs. 12.49 million).			
23 ADMINISTRATIVE EXPENSES			
Salaries and other benefits	23.1	56,377,914	38,189,415
Travelling and local conveyance		1,092,475	1,422,684
Telephone expenses		3,323,137	3,224,822
Vehicle running expenses		19,775,586	16,612,362
Insurance		987,523	1,056,488
Entertainment		2,283,674	2,268,837
Rent, rates and taxes		7,077,777	6,468,590
Legal and professional charges		3,959,931	6,227,785
Printing and stationery		1,913,347	2,034,094
Utilities		4,849,611	4,198,509
Welfare expenses		3,000,000	3,000,000
Auditors' remuneration	23.2	746,500	540,000
Provision for doubtful debts		(3,526,924)	22,310,751
Provision against margin		(800,000)	800,000
Provision for doubtful debts- Trade deposits		1,459,600	29,890,037
Provision for doubtful debts- Prepayments		1,459,600	29,890,037
Operating lease rentals	24.2	92,936	-
		<u>104,072,687</u>	<u>168,134,411</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

23.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 5.91 million (June 2012: Rs. 5.35 million) and Directors' remuneration of Rs. 11.67 million (June 2012: Rs. 4.482 million).

	Note	June 30, 2013 Rupees	June 30, 2012 Rupees
23.2 Auditors' Remuneration			
Audit fee		600,000	400,000
Out of pocket expenses		96,500	10,000
		<u>696,500</u>	<u>410,000</u>
Add: Certification fee		50,000	130,000
		<u>746,500</u>	<u>540,000</u>
24 MARKETING EXPENSES			
Advertisement and marketing expenses		2,383,748	4,172,534
Salaries and other benefits	24.1	14,446,432	10,256,477
Travelling and local conveyance		3,594,735	417,123
Operating lease rentals	24.2	37,312	-
		<u>20,462,227</u>	<u>14,846,134</u>

24.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 1.47 million (June 2012: Rs. 1.21 million).

24.2 All operating lease (Ijara) rental payments are under cancellable operating lease arrangements and are due as follows:

	Note	June 30, 2013 Rupees	June 30, 2012 Rupees
For the next one year		5,549,688	-
More than one year but not later than five years		15,617,344	-
More than five years		-	-
		<u>21,167,032</u>	<u>-</u>
25 OTHER OPERATING INCOME			
Income from financial assets			
Return on short term investments		11,418,367	8,788,109
Return on bank deposits		2,064,423	1,382,519
Exchange gain		21,990,456	28,426,041
Provision for trade and other payables		(16,118,459)	16,118,459
Provision for customers' deposits		(8,622,416)	8,622,416
Net income from other projects	25.1	3,518,810	556,314
		<u>14,251,181</u>	<u>63,893,858</u>
Income from non-financial assets			
Gain/(loss) on disposal of property, plant and equipment	25.2	1,533,803	1,265,475
		<u>15,784,984</u>	<u>65,159,333</u>

25.1 Included therein, net income from sale of equipment / allied services is net of revenue Rs. 47.50 million from services and their allied service costs Rs. 43.99 million (June 2012: revenue Rs. 0.713 and costs Rs. 0.156).

25.2 Gain/(loss) on disposal of property, plant and equipment include disposal and replacement of old equipment due to damage with recovery sale price Rs. 0.33 costing Rs. 0.17 million (June 2012: sale price Rs. 1.60 and cost Rs. 0.87 million) inclusive of sales tax Rs. Nil million (June 2012: Rs. 0.22 million).

Pak Datacom Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

	Note	June 30, 2013 Rupees	June 30, 2012 Rupees
26 PROVISION FOR TAXATION			
Current - for the period		65,754,017	66,248,304
- prior years		(2,652,738)	422,488
Deferred		(15,464,893)	(23,800,365)
	26.1	<u>47,636,386</u>	<u>42,870,427</u>
26.1 Reconciliation of tax charged for the period			
Accounting profit		143,683,208	121,279,832
Tax on accounting profit at 35% (June 2012 : 35%)		50,289,123	42,447,941
Tax effect of expenses that are inadmissible for tax purposes		28,206,654	42,395,485
Tax effect of prior years		(2,652,738)	422,488
Tax effect of expenses that are admissible for tax purposes		(12,741,761)	(18,595,122)
		<u>63,101,279</u>	<u>66,670,792</u>
Tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes		(15,464,893)	(23,800,365)
		<u>47,636,386</u>	<u>42,870,427</u>
27 EARNING PER SHARE (BASIC AND DILUTED)			
Profit after taxation		<u>96,046,822</u>	<u>78,409,405</u>
		<u>Number of shares</u>	
Weighted average number of ordinary shares		<u>9,801,000</u>	<u>9,801,000</u>
Basic and diluted earnings per share		<u>9.80</u>	<u>8.00</u>
There are no dilutive ordinary shares as at June 30, 2013 (June, 2012: Nil).			

28 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign exchanges rates, market interest rates, credit and liquidity risk associated with various financial assets and liabilities respectively as referred in note 28.4.

The Company finances its operations through equity, short-term borrowings and management of working capital with a view to maintaining a reasonable mix and to minimize risk.

Taken as a whole, risk arising from the Company's financial instruments is limited as there is no significant exposure to market risk in respect of such instruments.

28.1 Market risk

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

a) Interest rate risk

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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

	June 30, 2013 %	June 30, 2012 %	June 30, 2013 Rupees	June 30, 2012 Rupees
Fixed rate instrument				
<u>Financial assets</u>				
Short term investments	1.25 to 9.25	2.10 to 11.00	435,440,000	296,368,000
Bank balances - deposit accounts	5.00 to 5.00	5.00 to 5.00	51,477,001	172,678,962
			<u>486,917,001</u>	<u>469,046,962</u>
Financial liabilities				
			-	-
			<u>486,917,001</u>	<u>469,046,962</u>

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

b) Currency risk

Most of the Company's transactions are carried out in Pak Rupees and US Dollars. Exposure to Company's receivables and payables, which are primarily denominated in the currency other than Pak Rupees, arises from the currency exchange rate fluctuation. The activities of the Company expose it to foreign exchange risk, primarily with respect of US Dollars and AE Dirham. To mitigate the Company's exposure to foreign currency risk, non-Pak Rupees cash flows are monitored in accordance with Company's risk management policies. Generally, the Company's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from long-term cash flows. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

Foreign currency denominated financial assets and liabilities, translated into Pak Rupees at the closing rate, are as follows:

	June 30, 2013 Rupees	June 30, 2012 Rupees
Short-term exposure		
Financial assets - US Dollars	413,402,912	379,754,001
Financial assets - AED	26,695,949	34,800,199
	<u>440,098,861</u>	<u>414,554,200</u>
Financial liabilities-US Dollars	(94,207,186)	(85,931,786)
	<u>345,891,675</u>	<u>328,622,414</u>

The following table illustrates the sensitivity of the net result for the year and equity in regards to Company's financial assets and liabilities and US Dollar & AE Dirham - Pak Rupee exchange rate .

It assumes a -2.83 % / +2.13% change of the US-Dollar exchange rate for the year ended June 30, 2013 (2012:- 4.21% / +7.36%) and - 2.83 % / +2.14 % (2012:- 3.77% / +5.87%) change of the AE Dirham exchange rate for the year ended June 30, 2013. These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on Company's foreign currency financial instruments held at each balance sheet date.

If the Pak Rupee had strengthened against the US Dollar by -2.83 % (2012: -4.21%) and against the AE Dirham by -2.83 % (2012: -3.77%) then this would have the following impact:

Pak Datacom Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

	June 30, 2013 Rupees	June 30, 2012 Rupees
<u>US Dollar Currency</u>		
Net result for the year (exchange loss)	(8,836,830)	(11,796,710)
<u>AE Dirham Currency</u>		
Net result for the year (exchange loss)	(740,219)	(1,241,953)

If the Pak Rupee had weakened against the US Dollar by 2.13 % (2012: 7.36 %) and against the AE Dirham by 2.14% (2012: 5.87%), then this would have the following impact:

<u>US Dollar Currency</u>		
Net result for the year (exchange gain)	6,670,655	20,642,261
<u>AE Dirham Currency</u>		
Net result for the year (exchange gain)	559,843	1,932,802

c) Other price risk

The Company is neither exposed to equity securities price risk nor commodity price risk.

28.2 Credit risk analysis

Credit risk represents the accounting loss that would be recognized on the reporting date if counter parties failed completely to perform as contracted. The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date, as summarised below:

	June 30, 2013 Rupees	June 30, 2012 Rupees
Classes of financial assets - carrying amounts		
Trade debts - unsecured	137,419,216	94,440,454
Advances	3,142,155	919,177
Trade deposits	35,245,655	29,463,645
Due from associated companies	-	31,800
Other receivables	668,525	1,280,701
Interest accrued	3,665,589	512,485
Cash and cash equivalent	495,163,665	483,022,737
	<u>675,304,805</u>	<u>609,670,999</u>

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.

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

	June 30, 2013 Rupees	June 30, 2012 Rupees
Not more than 3 months	68,198,946	30,790,200
More than 3 months but not more than 6 months	13,421,482	15,505,242
More than 6 months but not more than 1 year	23,233,690	40,532,775
More than 1 year	32,565,098	7,612,237
	<u>137,419,216</u>	<u>94,440,454</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

	June 30, 2013 Rupees	June 30, 2012 Rupees
Some of the unimpaired other receivable that are past due as at the reporting date can be shown as follows:		
Not more than 3 months	1,224	613,400
More than 3 months but not more than 6 months	-	-
More than 6 months but not more than 1 year	-	130,000
More than 1 year	667,301	537,301
	<u>668,525</u>	<u>1,280,701</u>

In respect of trade receivables, 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 credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality credit ratings.

28.3 Liquidity risk analysis

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of business. The company follows an effective cash flow management and planning policy to ensure the availability of funds and to take appropriate measures for new requirements.

At balance sheet date, the Company's liabilities have contractual maturities which are summarised below:

	June 30, 2013 Rupees	June 30, 2012 Rupees
Financial liabilities		
Customers' deposits		
Maturity with in 1 year	100,676,410	94,560,782
Maturity after 1 year	-	-
	<u>100,676,410</u>	<u>94,560,782</u>
Due to associated companies		
Maturity with in 1 year	-	649,620
Maturity after 1 year	-	-
	<u>-</u>	<u>649,620</u>
Trade and other payables		
Maturity with in 1 year	119,326,621	104,996,633
Maturity after 1 year	-	-
	<u>119,326,621</u>	<u>104,996,633</u>
	<u>220,003,031</u>	<u>200,207,035</u>

The above contractual maturities reflect the gross cash flows, which may differ to the carrying values of the liabilities at the balance sheet date.

28.4 Summary of financial assets and liabilities by category. The carrying amounts of the Company's financial assets and liabilities are recognised at the balance sheet date of the reporting period under review may also be categorised as follow:

Pak Datacom Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

	June 30, 2013 Rupees	June 30, 2012 Rupees
Financial assets		
Financial assets are measured at amortised cost		
Trade debts - unsecured	137,419,216	94,440,454
Advances, deposits and other receivables Advances	3,142,155	919,177
Trade deposits	35,245,655	29,463,645
Due from associated companies	-	31,800
Other receivables	668,525	1,280,701
Interest accrued	3,665,589	512,485
Cash and cash equivalent	495,163,665	483,022,737
	<u>675,304,805</u>	<u>609,670,999</u>
Financial liabilities		
Financial liabilities are measured at amortized cost		
Trade payables Trade and other payables	119,326,621	104,996,633
Due to associated companies	-	649,620
Others payables Customers' deposits	100,676,410	94,560,782
	<u>220,003,031</u>	<u>200,207,035</u>

29 TRANSACTIONS WITH ASSOCIATED COMPANIES

Following are the related parties with whom transactions were undertaken during the year.

	June 30, 2013 Rupees	June 30, 2012 Rupees
Telecom Foundation		
Dividend	32,390,124	8,637,366
Bonus shares	-	10,796,710
Welfare expenses	3,000,000	3,000,000
	<u>35,390,124</u>	<u>22,434,076</u>
Associates		
<u>TF Technologies (Private) Limited</u>		
Repayment	3,200	1,200
Payment on behalf of the Company	-	31,800
	<u>3,200</u>	<u>33,000</u>
	<u>35,393,324</u>	<u>22,467,076</u>

29.1 The related parties comprise of subsidiary, holding and associated companies, directors, companies with common directorship, key management staff and staff retirement benefits fund.

29.2 Balance with parent and associated companies are disclosed in note 9 & 17 to these financial statements.

29.3 Transactions with the directors and key management staff are disclosed in note 30 to these financial statements.

29.4 There were no transactions with the key management personnel other than their terms of employment.

29.5 The Company has no subsidiary company and there are no transactions with companies with common directorship other than those disclosed in financial statements.

29.6 Transactions regarding retirement benefits are disclosed in note 7, 10, 22, 23, 24 to these financial statements.

29.7 Transactions regarding joint venture are disclosed in note 14, 15, 21, & 22 to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

30 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	June 30, 2013 Rupees			June 30, 2012 Rupees		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
Managerial remuneration	1,693,200	-	11,614,656	1,692,312	-	8,389,588
Other allowances	-	-	4,688,951	310,000	-	4,570,216
Meeting fee/Honorarium/Bonus	1,714,838	5,287,083	5,745,763	-	2,480,000	1,712,146
Training cost	610,000	2,359,801	-	-	-	-
	<u>4,018,038</u>	<u>7,646,884</u>	<u>22,049,370</u>	<u>2,002,312</u>	<u>2,480,000</u>	<u>14,671,950</u>
Number of persons	2	8	8	4	8	8

30.1 The Chief Executive and Executives of the Company are also provided Company maintained vehicles for official purpose only.

31 NUMBER OF EMPLOYEES

Total number of employees at the end of the period

	June 30, 2013	June 30, 2012
	<u>235</u>	<u>229</u>

32 OPERATING SEGMENTS

These financial statement have been prepared on the basis of a single reportable segment.

Out of total revenue, 94.35 % (June 2012: 94.25 %) is generated from CVAS Data License, 1.80 % (June 2012: Rs. 0.73 million) from Telecom Infrastructure Provider license and 3.86 % (June 2012: 5.02%) from cable laying and allied services. Revenue from major customer of the Company amounts to Rs. 446.08 million (June 2012: Rs. 428.93 million) representing 58.21 % (June 2012: 55.30 %) of the total revenue.

Out of total revenue of Rs. 765.99 million (June 2012: Rs. 775.69 million), revenue of Rs. 736.45 million (June 2012: Rs. 736.73 million) is generated from Pakistan and Rs. 29.54 million (June 2012: Rs. 38.96 million) is generated from UAE. Out of total non-current assets of the company 99.77 % (June 2012: 99.60 %) assets are located in Pakistan.

33 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on October 07, 2013.

34 MOVEMENT BETWEEN RESERVES AND PROPOSED DIVIDEND

The Board of Directors in its meeting held on October 07, 2013 approved i) transfer of Rs. 50.00 million (June 2012: Rs. 50.00 million) from unappropriated profit to general reserves; ii) Final cash dividend of Rs. 3.00 per share (June 2012: Rs. 4.00 per share) amounting to Rs. 29.40 million (June 2012: Rs. 39.204 million) and bonus shares Rs. Nil (June 2012: @ 25% i.e. 25 shares for every 100 shares held). The financial statements for the year ended June 30, 2013 do not include the effect of aforementioned movement between reserves and proposed dividend.

Pak Datacom Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

35 RECLASSIFICATION

Corresponding figures have been re-arranged and reclassified in respect of administrative expenses and wherever necessary, for better presentation and disclosure:

<u>Reclassification From</u>	<u>Reclassification To</u>	June 30, 2012 Rupees
Cost of services- Salaries and other benefits	Marketing expenses- Salaries and other benefits	695,355
Administrative expenses- Salaries and other benefits	Marketing expenses- Salaries and other benefits	9,561,122
Administrative expenses- Travelling and local conveyance	Cost of services- Travelling and local conveyance	3,430,194
Administrative expenses- Travelling and local conveyance	Marketing expenses- Travelling and local conveyance	417,123
Administrative expenses- Legal and professional charges	Administrative expenses-Auditors' remuneration	130,000

36 GENERAL

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

Iftikhar Ahmed Raja
Director

Mohammad Arshad Khan Kayani
Chief Executive

PATTERN OF HOLDING OF THE SHARES HELD BY THE
SHAREHOLDERS OF PAK DATACOM LIMITED AS AT JUNE 30, 2013
FORM 34 (SECTION - 236)

NUMBER OF SHAREHOLDERS	SHAREHOLDING		TOTAL SHARES HELD
	FROM	TO	
1,370	1	100	48,757
402	101	500	120,635
67	501	1,000	50,401
88	1,001	5,000	214,724
20	5,001	10,000	151,008
10	10,001	15,000	123,594
5	15,001	20,000	85,093
2	20,001	25,000	46,500
2	35,001	40,000	74,000
1	40,001	45,000	41,500
3	45,001	50,000	147,000
1	90,001	95,000	94,000
1	105,001	110,000	109,500
1	115,001	120,000	120,000
1	175,001	180,000	178,898
1	300,001	305,000	304,227
1	330,001	335,000	331,700
1	650,001	655,000	654,031
1	750,001	755,000	750,791
1	755,001	760,000	756,288
1	5,395,001	5,400,000	5,398,353
1,980			9,801,000

CATEGORIES OF SHAREHOLDERS	SHARES HELD	PERCENTAGE (%)
Associated Companies	5,398,353	55.08
Directors & Executives	11,250	0.11
Insurance Companies	756,288	7.72
Financial Institutions	750,891	7.66
Joint Stock Companies	1,137,156	11.60
Investment Companies	165	0.00
Others	240,455	2.46
Individuals	1,506,442	15.37
TOTAL	9,801,000	100.00

Pak Datacom Limited

NAME WISE DETAIL OF SHAREHOLDERS

Categories of shareholders	Physical	CDC	Total Shares Held	Percentage (%)
Associated Companies, Undertakings & Related Parties				
Telecom Foundation	5,398,353		5,398,353	55.08
NIT & ICP (Name Wise Detail)				
IDBP (ICP Unit)	-	40	40	0.00
Industrial Development Bank of Pakistan	125	-	125	0.00
NBP - Trustee Department NI(U)T Fund	-	178,898	178,898	1.83
Directors, Chief Executive Officer, Their Spouses and Minor Children				
Mr. Muhammad Yousuf	-	625	625	0.01
Mr. Nessar Ahmed	-	625	625	0.01
Mst. Maliha Yaqoob	-	10,000	10,000	0.10
Insurance Companies				
State Life Insurance Corporation of Pakistan	-	756,288	756,288	7.72
Financial Institutions				
National Bank of Pakistan	-	100	100	0.00
National Bank of Pakistan	-	750,791	750,791	7.66
Modarabas & Mutual Funds				
CDC - Trustee AKD Opportunity Fund	-	304,227	304,227	3.10
Golden Arrow Selected Stocks Fund Limited	-	654,031	654,031	6.67
Other Companies				
Javed Omer Vohra & Company Limited	250	-	250	0.00
Asian Securities Limited	-	12,000	12,000	0.12
UHF Consulting (Private) Limited	-	125	125	0.00
Y. S. Securities & Services (Pvt) Limited	-	2,175	2,175	0.02
Trustee - NBP Employees Pension Fund	-	16,356	16,356	0.17
Trustee - NBP Employees Benevolent Fund Trust	-	574	574	0.01
Sarfraz Mahmood (Private) Limited	-	157	157	0.00
N. H. Capital Fund Ltd	-	6	6	0.00
UHF Consulting (Private) Limited	-	221	221	0.00
Highlink Capital (Pvt) Limited	-	200	200	0.00
Jamshaid & Hasan Securities (pvt) Ltd.	-	2,500	2,500	0.03
Azee Securities (Private) Limited	-	546	546	0.01
Capital Vision Securities (Pvt) Limited	-	13	13	0.00
Stock Master Securities (Private) Limited	-	57	57	0.00
Abbasi Securities (Private) Limited	-	15,625	15,625	0.16
Amin Tai Securities (Private) Limited	-	47,000	47,000	0.48
ZHV Securities (Pvt) Limited	-	48	48	0.00
Al-Haq Securities (Pvt) Limited	-	550	550	0.01
Horizon Securities Limited	-	19,500	19,500	0.20
Mcbfsl - Trustee Namco Balanced Fund	-	94,000	94,000	0.95
None Resident				
CMB (1) As Trustee For GT	440		440	0.00
Dester Management Limited	137		137	0.00
Lehman Brothers Securities	13,100		13,100	0.13
Somers Nominees (Far East) Limited	6,765		6,765	0.07
Morgan Stanley Bank Luxembourg	6,385		6,385	0.07
Pictet & Cie	1,725		1,725	0.02
General Public	241,533	1,264,909	1,506,442	15.37
	5,668,813	4,132,187	9,801,000	100.00

SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING RIGHTS IN THE COMPANY

Name(s) of Shareholder(s)	Shares Held	Percentage %
Telecom Foundation	5,398,353	55.08
State Life Insurance Corp. of Pakistan	756,288	7.72
National Bank of Pakistan	750,791	7.66
Golden Arrow Selected Stocks Fund Limited	654,031	6.67

DIVIDEND MANDATE FORM

Dear Shareholder,

Re: Dividend Mandate Form

With reference to the captioned subject, it is to inform you that under Section 250 of the Companies Ordinance 1984 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.

FORM OF PROXY

PAK DATACOM LIMITED

I/ We, _____

of _____

being member(s) of Pak Datacom Limited and a holder of _____
(Number of Shares)

ordinary shares as per Share Register Folio Number/ CDC A/C No. _____

_____ hereby appoint _____
(Name)

of _____ holding Share Register Folio Number/ CDC A/C No. _____

who is also a member of Pak Datacom Limited as my/ our proxy to vote for me/ us and on my/ our behalf at the Annual General Meeting of the Company to be held on October 31, 2013 at 11:00 am and at any adjournment thereof.

Signed _____ day of _____
(Signature)

Name _____

Please affix
Rs. 5/-
revenue stamp

Specimen Signature of Proxy

Specimen Signature of Proxy

WITNESS 1: _____

Signature _____

Name _____

Address _____

_____ CNIC No _____

WITNESS 2: _____

Signature _____

Name _____

Address _____

_____ CNIC No _____

Note:

1. The proxy in order to be valid must be signed across a Rs. 5/- revenue stamp duly witnessed and should be deposited in the Head Office of the Company not later than 48 hours before the time of holding the meeting
2. No person shall act as proxy unless he/ she is a member of the Company.
3. Signature should agree with the specimen signature registered with the Company.
4. If a proxy is granted by a member who has deposited his/ her shares into Central Depository Company of Pakistan Limited, the proxy must be accompanied with participant's ID number and account/ sub-account number alongwith attested copies of the Computerized National Identity Card (CNIC) or the Passport of the beneficial owner. Representative of corporate members should bring the usual documents required for such purpose.

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www.pakdatacom.com.pk