



Pak Datacom



**Annual Report
2016**

Pak Datacom Limited

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COMPANY PROFILE

BOARD OF DIRECTORS

- | | | |
|----|---------------------------------|-----------------|
| 1. | Mr. Muhammad Aftab | Chairman |
| 2. | Mr. Muhammad Arshad Khan Kayani | Chief Executive |
| 3. | Mr. Amjad Hussain Qureshi | |
| 4. | Mr. Jamil Anwar | |
| 5. | Mr. Shahzad Sami Qureshi | |
| 6. | Raja Waheed Zaman | |
| 7. | Mr. Taimur Faiz Cheema | |

AUDIT COMMITTEE

- | | | |
|----|---------------------------|----------|
| 1. | Raja Waheed Zaman | Chairman |
| 2. | Mr. Amjad Hussain Qureshi | |
| 3. | Mr. Shahzad Sami Qureshi | |
| 4. | Mr. Jamil Anwar | |

HUMAN RESOURCE & REMUNERATION COMMITTEE

- | | | |
|----|---------------------------------|----------|
| 1. | Mr. Shahzad Sami Qureshi | Chairman |
| 2. | Mr. Muhammad Arshad Khan Kayani | |
| 3. | Mr. Amjad Hussain Qureshi | |

CHIEF FINANCIAL OFFICER

Mr. Zahid Mehmood

COMPANY SECRETARY

Mr. Ali Saleem Rana

REGISTERED OFFICE

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

HEAD OFFICE

3rd Floor, Umar Plaza, Blue Area, Islamabad.

Tel: (051) 2344123, 2344125, Fax: (051) 2344111

SHARES DEPARTMENT

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

Abbasi Law Chambers, H # 271, Street # 69, G-10/3, Islamabad

Ahmed Bashir & Associates, H # 9-B, Street # 61, F-11/4, Islamabad

BOARD OF DIRECTORS



Left to Right: Mr. Jamil Anwar, Mr. Muhammad Arshad Khan Kayani, Mr. Muhammad Aftab, Mr. Amjad Hussain Qureshi,
Mr. Shahzad Sami Qureshi, Raja Waheed Zaman, Mr. Taimur Faiz Cheema

VISION STATEMENT

Progressive and reliable member of the Economic Global Village

MISSION STATEMENT

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

CORPORATE STRATEGY

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

ہماری بصیرت / ویژن

اقتصادی گلوبل ویلج کا ترقی پسند اور قابل اعتماد رکن بننا

ہمارا نصب العین / مشن

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

ہماری تجارتی / کارپوریٹ حکمت عملی

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

PDL PRODUCTS

Vsat



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

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

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

Salient Features

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

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

PDL PRODUCTS



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

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

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

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

Salient Features

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

PDL PRODUCTS**DXX**

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

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

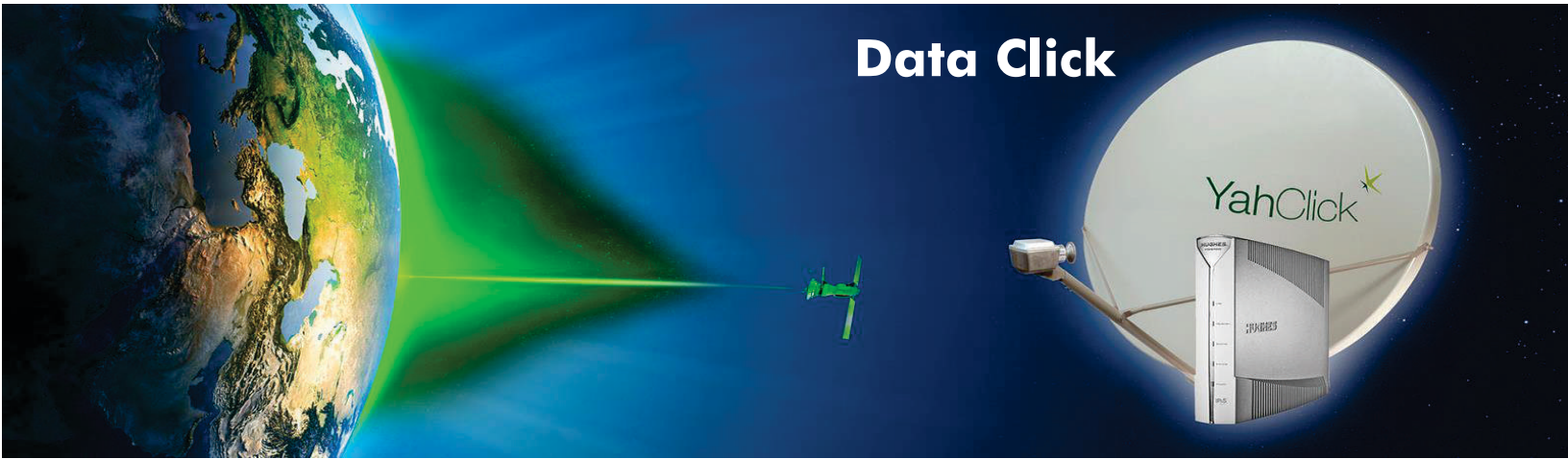
PDL has a highly scalable and flexible NMS connected with Digital Transit Exchanges in all major cities.

Salient Features

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

PDL PRODUCTS

Data Click



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

Applications:

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

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

Salient Features

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

Sectors

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

PDL PRODUCTS

Wireless

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

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

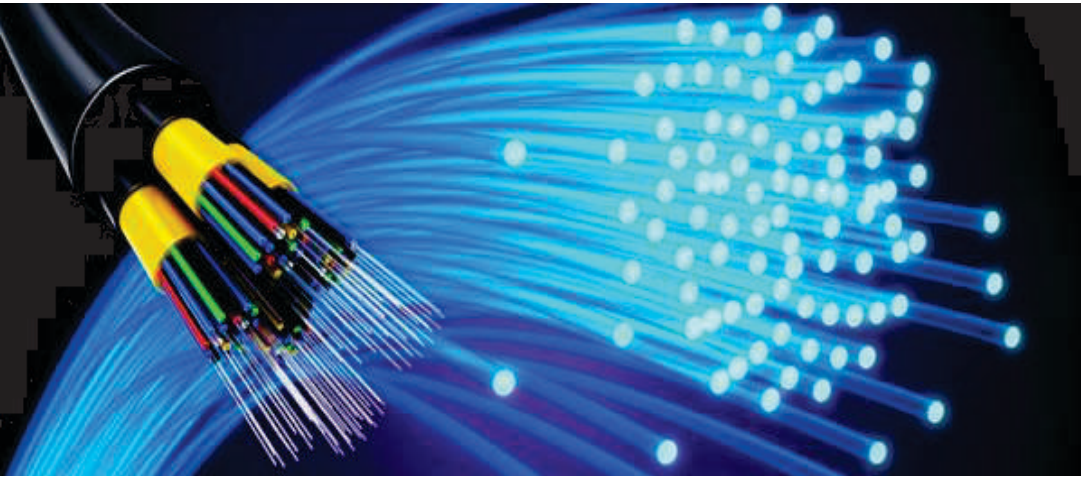
PDL offers point to point and point to multipoint Digital Radio System (DRS).

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

Salient Features

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

PDL PRODUCTS



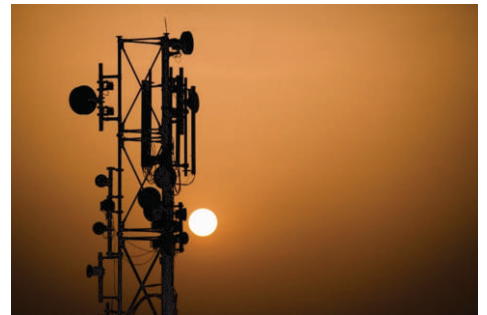
Telecom Infrastructure

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

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

Salient Features

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



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

Support Services

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

Online Complaint Management System

www.cms.pakdatacom.com.pk



Pak Datacom

Enterprise Applications System

Sign In

Progressive and reliable member of the Economic Global Village.

Sign In

User ID

Password

☐ Remember Me

Sign In

[Forgot Password](#)

All rights reserved 2013.

Support Service Email

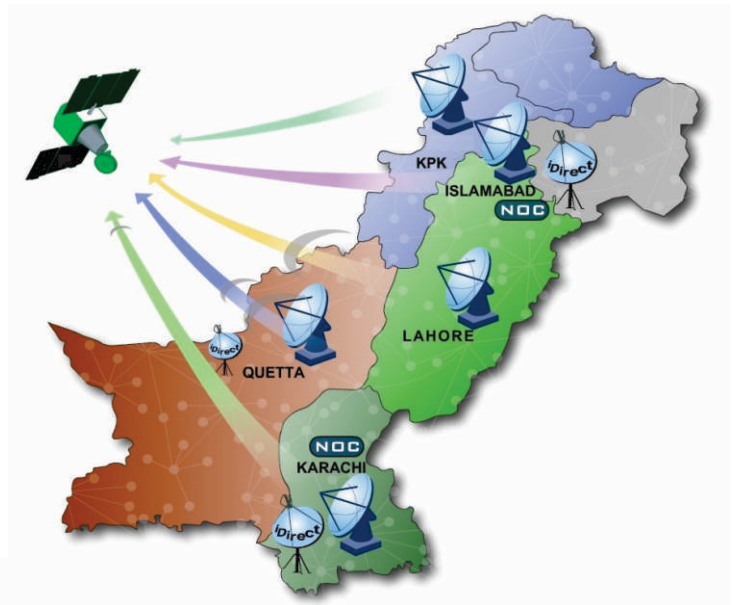
- nmsisb@pakdatacom.com.pk
- nmskhi@pakdatacom.com.pk
- nmslhr@pakdatacom.com.pk
- info@pakdatacom.com.pk

Phone Service

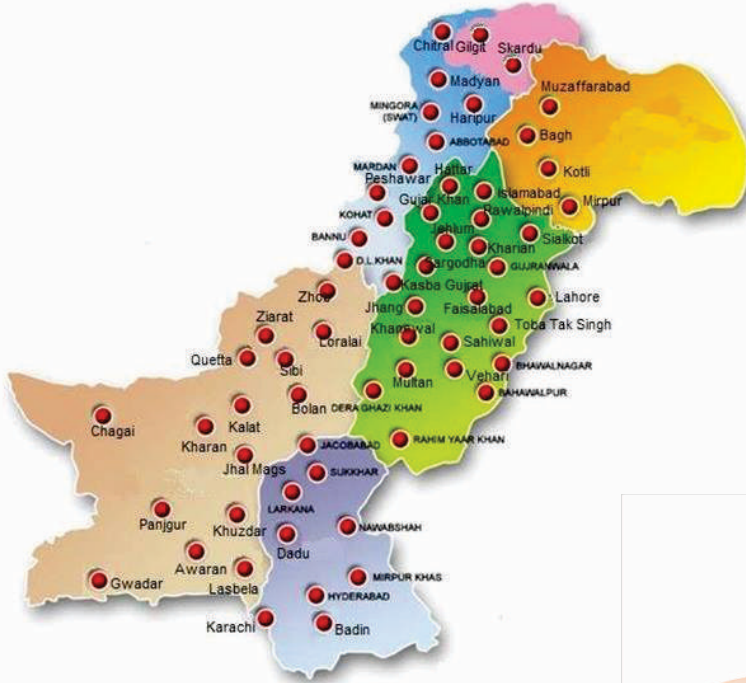
- 111-PDL-PDL

PDL COVERAGE

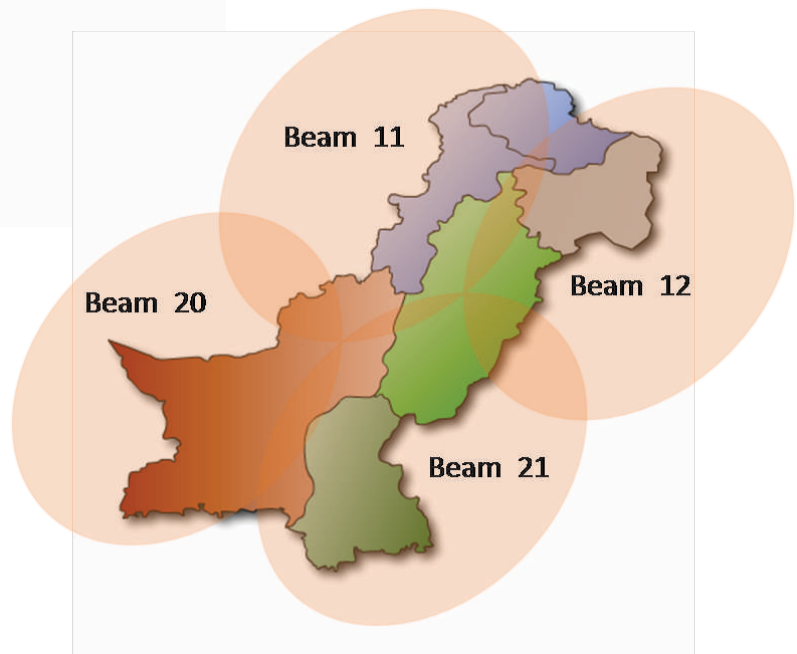
iDirect & VSAT Coverage



DXX Coverage



Data Click Coverage



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of Pak Datacom Limited will be held on Friday, October 28, 2016 at 03:00 p.m. at the Registered Office of the Company situated at 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 23rd Annual General Meeting held on October 29, 2015.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2016 together with the Directors' and Auditors' Reports thereon.
3. To approve, as recommended by the Board of Directors, the payment of final cash dividend to the shareholders of Rs. 3.00 per share i.e., 30 % for the year ended June 30, 2016. It is in addition to interim cash dividend of Rs. 1.25 per share i.e., 12.5% already paid to the shareholders, thus making a total cash dividend of Rs. 4.25 per share i.e., 42.5 % for the year ended June 30, 2016.
4. To appoint auditors for the year ending June 30, 2017 and fix their remuneration.

SPECIAL BUSINESS

5. To consider and approve transmission of annual balance sheet and profit and loss account, auditors' report and directors' report etc. ("annual audited accounts") to its members through CD/DVD/USB or in hard copy (book form) at their registered addresses as allowed by the Securities and Exchange Commission of Pakistan (SECP) and if thought fit, to pass with or without modification, the following resolution as special resolution:

"Resolved that transmission of annual balance sheet and profit and loss account, auditors' and directors' report etc ("annual audited accounts") to members at their registered address in soft form i.e. CD/DVD/USB or in hard copy (book form) as notified by the SECP vide its SRO No. 470(I)/2016 dated May 31, 2016 be and is hereby approved."

Resolved that the Articles of Association of the Company be altered as follows;

Article 165 shall be replaced with the following wording:

"A copy of annual balance sheet and profit and loss account, auditors' report and directors' report etc ("annual audited accounts") will be transmitted to members at least twenty one (21) days before the meeting at which it is to be laid before the members of the Company, through CD/DVD/USB or in hard copy (book form) at their registered addresses and a copy shall also be deposited at the office for the inspection of members of the Company during a period of at least twenty one (21) days before the meeting. The Company will further supply the hard copies of the annual audited accounts to the members, on demand, at their registered addresses, free of cost, within one week of such demand. For the convenience of members, the Company will place on its website a

standard request form in order for members to communicate their need to receive annual audited accounts instead of sending the same through CD/DVD/USB, along with postal and e-mail address of the Company Secretary to whom such request shall be sent."

Further resolve:

"That the Chief Executive and/or Company Secretary be and is/are hereby authorized to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required in connection with the above special resolution."

6. To consider and approve the amendment to be made in the Articles of Association of the Company for complying with the mandatory E-Voting requirements as prescribed by the Companies (E-Voting) Regulations 2016 and if thought fit, pass the following resolution with or without modification as a special resolution;

Resolved that the Articles of Association of the Company be altered as follows;

In Article 82, following line shall be omitted:

"No person shall be appointed a special proxy who is not a member of the Company and qualified to vote."

Under Article 82, following new article 82 (a) shall be inserted:

"82 (a) E – Voting.

In case of e-voting, voters may appoint either members or non-members as proxy and the company shall comply with the requirements of the Companies (E-Voting) Regulations, 2016 prescribed under the Companies Ordinance, 1984. The instrument appointing a proxy of e-voting under option 2 mentioned in Article 86 shall be deposited in advance in writing at least ten days before holding of general meeting, through regular mail or electronic mail at the address of the Company Secretary, to be provided in the notice of the meeting."

Article 86 shall be replaced with the following wording:

An instrument appointing a proxy may be in the following form:-

FORM OF PROXY

PAK DATACOM LIMITED

Option 1

Appointing other person as Proxy

I, We, _____ of _____ being a member of Pak Datacom Limited, holder of _____ Ordinary Share(s) as per Register Folio No. _____ hereby Appoint Mr./Ms. _____ Folio No. (if member) _____ of _____ or failing him _____ Mr./ Ms. _____ Folio No. (if member) _____ of _____ as my/ our proxy in my / our absence to attend and vote for me / us, and on my / our behalf at the Annual General Meeting / Extra Ordinary General Meeting of the Company to be held on _____ and at any adjournment thereof. Signed under my / our hand this _____ day of _____.

Option 2

E-Voting as per The Companies (E-Voting) Regulations, 2016

I/We, _____ of _____ being a member of Pak Datacom Limited, holder _____ Ordinary Share(s) as per Register Folio No. _____ hereby opt for e-voting through Intermediary and hereby consent the appointment of execution officer _____ as proxy and will exercise e-voting as per the Companies (E-Voting) Regulations, 2016 and hereby demand for poll for resolutions.

My secured email address is _____, please send login details, password and electronic signature through email.

Signature should agree
with the specimen signature
registered with the company

Signed in the presence of:

Signature of Witness

Signature of Witness

Further resolve:

"That the Chief Executive and/or Company Secretary be and is/are hereby authorized to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required in connection with the above special resolution."

Statement of material facts under section 160(1) (b) of the Companies Ordinance, 1984 pertaining to the special business referred above under agenda item 5 and 6 are annexed to this Notice of Meeting being sent to the members.

7. To transact such other business as may be placed before the meeting with the permission of the Chair.

On behalf of the Board

**Pak Datacom Limited, 3rd Floor,
Umar Plaza, Blue Area, Islamabad.
October 06, 2016**

**Ali Saleem Rana
Company Secretary**

STATEMENT UNDER SECTION 160 (1) (B) OF THE COMPANIES ORDINANCE 1984**Amendments in the Article of Association****a. Transmission of Audited Financial Statements through CD/DVD/USB**

The Securities and Exchange Commission of Pakistan vide SRO No. 470(I) / 2016 dated May 31, 2016 has allowed companies to circulate the Annual Audited Accounts to the Members through CD/DVD/USB or in hard copy (book form). To enable the Company to use these electronic mediums, approval of the Members is sought for transmission of Annual Audited Accounts through these mediums. It will greatly facilitate timely delivery of the audited accounts to the Members of the Company. Further, the Company shall supply the hard copies of the annual audited accounts to the shareholders, on demand, at their registered addresses, free of cost, within one week of such demand. For the convenience of its members, the company shall place Annual Audited Accounts on its website www.pakdatacom.com.pk.

b. E - Voting

Amendments to the Articles of Association of the Company are being carried out in order to give effect to the requirements of Companies (E-Voting) Regulations, 2016 issued by the Securities and Exchange Commission of Pakistan. This compliance has been mandatory for all listed companies.

The detail of above amendments proposed in the Article of Association of the Company is part of the special resolution mentioned in the Notice.

NOTES:**1. Closure of Share Transfer Books**

The Share Transfer Books of the Company will remain closed from October 21, 2016 to October 28, 2016 (both days inclusive). Transfers received in order at the Shares Registrar Office of the Company by the close of business on October 20, 2016 will be treated in time for the purpose of payment of the final cash dividend, if approved by the shareholders, and to attend the annual general meeting.

2. Participation in the Annual General Meeting

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

3. Change in Particulars

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

4. Submission of Computerized National Identity Card (CNIC) for Payment of Final Cash Dividend 2015-16

In accordance with the notification of the Securities and Exchange Commission of

Pakistan, SRO 779 (I) 2011 dated August 18, 2011 and SRO 831/(1) 2012 dated July 05, 2012, dividend warrants should bear CNIC number of the registered member or the authorized person except in case of minors(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, failing which future dividend warrant(s) will be withheld in compliance of the aforesaid direction of the SECP at the Company's Share Registrar Office:

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

5. **Payment of Dividend Electronically (E-Dividend)**

In accordance with the SECP's Circular No. 18 dated June 05, 2012, the shareholders have been given an opportunity to authorize Company to make payment of cash dividend through direct credit to shareholder's bank account. To opt for the dividend mandate option as stated, the Dividend Mandate Form is available at Company's website i.e. www.pakdatacom.com.pk needs to be dully filled and submitted to the Company's Share Registrar address mentioned at serial # 4. CDC account holders are requested to submit their mandate instruction to the relevant member stock exchange or to CDC if maintaining CDC investor account.

6. **Income Tax Return Filling Confirmation – Revised Tax Rates Applicability Pursuant of Finance Act 2016**

Pursuant to the provisions of Finance Act, 2016, effective July 01, 2016, reforms have been made with regards to deduction of income tax. For cash dividend, the rates of deduction of income tax, under section 150 of the Income Tax Ordinance, 2001 have been revised as follows:

- i) Rate of tax deduction for filer of income tax returns 12.5%
- ii) Rate of tax deduction for non-filer of income tax returns 20.0%

The CNIC number / NTN detail is now mandatory and is required for checking the tax status as per the Active Taxpayers List (ATL) issued by the Federal Board of Revenue (FBR) from time to time. A 'filer' is a taxpayer whose name appears in the ATL issued by FBR, whereas 'non-filer' is a person other than a 'filer'. FBR has loaded an ATL on its web-site, which can be accessed at <http://fbr.gov.pk>

The Company will check each shareholder's status on the latest ATL at the first day of Book Closure. If the shareholder's name does not appear on the ATL, increased rate of withholding tax at the rate 20.0% would be applied. In case of 'filer', withholding tax of 12.5% will be applicable.

In case of joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing to the Company by sending following detail on the

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

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

7. Additional Requirements for CDC Account Holders

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

a) For attending the meeting;

- i. In case of individuals, the account holder or sub-account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting. The shareholders registered on CDC are also required to bring their participant's I.D. Number and account numbers in CDS.
- ii. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

b) For appointing proxies;

- i. In case of individuals, the account holder or sub-account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. Copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form. The proxies shall produce their original CNIC or original passport at the time of the meeting.
- ii. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has not been provided earlier) along with proxy form to company.

8. Circulation of Annual Audited Financials to Shareholders through e-mail

Pursuant to SRO 787(1) 2014 dated September 8, 2014 issued by Securities and Exchange Commission of Pakistan (SECP) allowing companies to circulate annual balance sheet, profit and loss account, auditor's report and directors' report etc (Audited Financial Statements) along with notice of Annual General Meeting to its members through e-mail. If interested, members are requested to provide their email addresses on Company's Share Registrar address mentioned at serial # 4.

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

9. Availability of Audited Financials

Further, audited accounts of the Company for the year ended June 30, 2016 will be placed on the Company's website www.pakdatacom.com.pk, at least 21 days before the date of Annual General Meeting.

10. Video Conference Facility

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

DIRECTORS' REPORT



Dear Shareholders,

The Board of Directors is pleased in presenting Annual Report along with the Audited Accounts of your Company for the year ended June 30, 2016. Salient features of the Company operations are described below.

PDL Operations

PDL activities remained steady during the financial year 2015-2016 by tapping new business and exploring other segments of telecommunication sector along with retaining existing client base. In this regard, PDL has won optic fiber laying project tender at Peshawar on which work is under progress and considering the enhanced demand for satellite internet broad band services, PDL has signed an agreement with a foreign based firm for provision of internet services all over Pakistan including Kashmir and Gilgit Baltistan. The demand of data has been increased further due to launch of 3G and 4G technologies. The letter of intent for sale of satellite equipment has been received, necessary formalities of which are under process of completion. Further, provisional acceptance certificate of the existing satellite communication project has been successfully obtained and letter of intent for another satellite communication projects has been received. The decline in revenue during the financial year is mainly because of discount provided to valued customers. During this year, the Company continued to impart training to its staff for better professional and efficient services to its customers. Internal controls and procedures have been further improved which will yield better results.

Future Plans

In order to meet the challenging and competitive IT & Telecom business requirements in Pakistan, the company is always striving hard to enhance the existing services and explore further opportunities. Without increasing the product verticals, it is very difficult to generate significant revenue from the existing saturated market segment. Following this concept, PDL has participated in various projects like optical fiber laying, USF projects etc, signed a MOU with a foreign based company for providing mobile money solutions etc. In this way PDL will not only position its resources for different projects but will also open doors for new revenue streams. The most important task for the Company would be to further increase the customer's satisfaction through its excellent support structure coupled with the state of the art technologies with competitive tariff.

The Company also plans to concentrate more on the core business of DXX and VSAT based data services by signing service level agreements with other telecommunication companies, backhauling services, enhance loyalty relationship with present customers and other allied related business. Keeping this strategy intact, PDL will participate in major government/ national projects and international projects.

Social Welfare

At PDL, we think by investing in the field of education would not only bring a new ray of dimension in the country but it will also result in producing young, bright and intelligent students, serving in different sectors of the country to take Pakistan to new horizons of excellence. Therefore, 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. 2.00 million towards social welfare in the financial year 2015-16 in the field of education.

Change in Board of Directors

Mr. Muhammad Khalid Rao resigned from the Board while Mr. Muhammad Aftab was appointed as a new Director / Chairman of the Company. The Board extended warm welcome to the newly appointed Chairman and expressed appreciation for the services rendered by the outgoing Director/ Chairman Mr. Muhammad Khalid Rao during his association with the Company.

Financials

The Company has posted pre-tax profit of Rs. 54.579 million during the financial year ended on June 30, 2016. Profit before tax is proposed for appropriation as follows;

	Pak Rupees
Profit for the year before taxation	54,579,144
Provision for taxation	(17,482,785)
Profit after taxation	37,096,359
Basic earning per share (EPS)	3.78
<u>Interim Dividend (already paid)</u>	
Interim cash dividend 12.5% i.e. Rs. 1.25 per share	12,251,250
<u>Subsequent Effects</u>	
Transfer to general reserves	5,000,000
Proposed final cash dividend @ 30 % i.e. Rs. 3.00 per share	29,403,000

Value of Investments of Gratuity Fund

The value of investments of gratuity fund based on its un-audited accounts of June 30, 2016 was Rs. 159.600 million. The fund is being managed by an independent Board of Trustees comprising of management and employees.

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, 2017. 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, 2016 is annexed with this report.

Acknowledgment

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

For and on Behalf of the Board

**Islamabad
September 30, 2016**

**Muhammad Arshad Khan Kayani
Chief Executive**

ڈائریکٹرز رپورٹ

محترم حصص مالکان

بورڈ آف ڈائریکٹرز کمپنی کی سالانہ رپورٹ کے ساتھ 30 جون 2016ء کو ختم ہونے والے مالی سال کے آڈٹ شدہ اکاؤنٹس پیش کرنے پر انتہائی خوشی محسوس کر رہا ہے۔ کمپنی کے آپریشنز کی نمایاں خصوصیات درج ذیل ہیں:-

پاکستان ڈیٹا کام لمیٹڈ (PDL) کے آپریشنز/منصوبے

مالی سال 2015-2016 کے دوران پی ڈی ایل نے نئے کاروبار کے آغاز اور ٹیلی کمیونی کیشن سیکٹر کے دیگر شعبہ جات کی تلاش و جستجو کرنے کے ساتھ ساتھ موجودہ کلائنٹس سے کاروباری روابط برقرار رکھنے کے ذریعے اپنی کاروباری سرگرمیوں کو مستحکم رکھا۔ اس سلسلے میں پی ڈی ایل نے پشاور میں فائبر آپٹک کی تاریخچہ کے منصوبے کا ٹینڈر میں کامیابی حاصل کی جس پر کام جاری و ساری ہے نیز ایک غیر ملکی فرم کے ساتھ کشمیر اور گلگت بلتستان سمیت پورے پاکستان میں سیٹلائٹ انٹرنیٹ کی خدمات فراہم کرنے کے ایک معاہدے پر دستخط کیے۔ 3 جی اور 4 جی ٹیکنالوجی کے اجراء کے باعث یہ اُمید کی جاتی ہے کہ ڈیٹا کی مانگ میں مزید اضافہ ہو گیا ہے۔ اسی طرح سیٹلائٹ ساز و سامان اور آلات کی فروخت کے لیے دل چسپی کا مراسلہ موصول ہو گیا ہے جس کے ضروری تقاضے تکمیل کے مرحلے میں ہیں۔ مزید برآں موجودہ مواصلاتی سیٹلائٹ منصوبے کا عبوری قبولیت کا سرٹیفکیٹ کامیابی سے حاصل کر لیا گیا ہے اور ایک اور مواصلاتی سیٹلائٹ منصوبے کا دل چسپی کا مراسلہ موصول ہو چکا ہے۔ مالی سال کے دوران آمدنی میں کمی بنیادی طور پر قابل قدر صارفین کو فراہم کردہ رعایت کی وجہ سے ہے اس سال کے دوران کمپنی نے اپنے صارفین کو بہتر پیشہ ورانہ اور موثر خدمات فراہم کرنے کے لیے اپنے عمل کو تربیت دینا کا سلسلہ جاری رکھا۔ داخلی کنٹرول اور قواعد کا کو مزید بہتر بنایا گیا جس کے بہترین نتائج برآمد ہونگے۔

مستقبل کے منصوبے

پاکستان میں انفارمیشن ٹیکنالوجی اور ٹیلی کام کے کاروبار کے مشکل اور مسابقتی ضروریات کو پورا کرنے کے لیے کمپنی اپنی موجودہ خدمات کو بہتر بنانے اور مزید مواقع تلاش کرنے کے لیے ہمیشہ سخت جدوجہد کرتی ہے۔ مصنوعات کے تنوع میں اضافہ کیے بغیر موجودہ مسابقتی مارکیٹ سے معقول آمدنی حاصل کرنا بہت مشکل ہے۔ اس تصور کے پیش نظر پی ڈی ایل نے مختلف منصوبوں جیسے آپٹیکل فائبر تاریخچہ، اور یو ایس ایف منصوبوں میں شرکت کی نیز موبائل کے ذریعے رقم بھیجنے والی غیر ملکی کمپنی کے ساتھ مفاہمت کی ایک یادداشت (MOU) پر دستخط کیے۔ اس طرح پی ڈی ایل نہ صرف مختلف منصوبوں کے لیے اپنے وسائل بروئے کار لائے گا بلکہ آمدنی کے نئے ذرائع کے دروازے بھی کھل جائیں گے۔ کمپنی کا سب سے اہم کام اپنے بہترین معاون ڈھانچے اور جدید ٹیکنالوجی کے ساتھ مسابقتی ٹیرف کے ذریعے صارفین کے اطمینان اور اعتماد میں مزید اضافہ کرنا ہے۔

کمپنی نے DXX اور VSAT پر مبنی ڈیٹا سروسز کے اہم کاروبار پر زیادہ توجہ مرکوز کرنے کے علاوہ دیگر ٹیلی مواصلات کی کمپنیوں کے ساتھ فراہمی خدمات کے معاہدوں پر دستخط کرنے اور موجودہ صارفین کے ساتھ بہتر تعلقات میں مزید اضافہ کرنے پر بھی توجہ دی۔ اس حکمت عملی کو برقرار رکھتے ہوئے پی ڈی ایل اہم سرکاری/قومی اور بین الاقوامی منصوبوں میں شرکت کرے گا۔

سماجی فلاح و بہبود

ہمارے خیال میں پی ڈی ایل کے شعبہ تعلیم میں سرمایہ کاری کرنے کے ذریعے ملک کے طول و عرض میں نہ صرف ایک نئی سمت متعین ہوگی بلکہ اس کے نتیجے میں روشن خیال نوجوان اور ذہین طلبہ بھی سامنے آئیں گے جو ملک کے مختلف شعبوں میں خدمات انجام دے کر پاکستان کو ترقی کے نئے افق پر لے جائیں گے۔ اس لیے کمپنی کاروباری حکمت عملی کے علاوہ سماجی ذمہ داری کے طور پر بچوں کی تعلیم کے کمیونی ویلفیئر پروگراموں کے ذریعے معاشرے کی خدمت کر رہی ہے۔

پی ڈی ایل نے اس سماجی ذمہ داری کا احساس کرتے ہوئے مالی سال 2016-2015 میں شعبہ تعلیم کے لیے 2 ملین روپے مختص کیے ہیں۔

بورڈ آف ڈائریکٹرز میں تبدیلی

جناب محمد خالد راؤ کے بورڈ سے استعفیٰ کے بعد جناب محمد آفتاب کو کمپنی کا نیا ڈائریکٹر/چیئر مین مقرر کیا گیا ہے۔ بورڈ نے نو منتخب چیئر مین کا استقبال کیا اور رخصت ہونے والے ڈائریکٹر/چیئر مین جناب محمد خالد راؤ کی کمپنی سے وابستگی کے دوران فراہم کی گئی خدمات کو سراہا۔

مالیاتی کارکردگی

کمپنی کو 30 جون 2016 کو ختم ہونے والے مالی سال کے دوران 54,579 ملین روپے کا قبل از ٹیکس منافع ہوا۔ ٹیکس سے پہلے منافع کی تقسیم حسب ذیل تجویز کی جاتی ہے:-

روپے	
54,579,144	ٹیکس سے پہلے مذکورہ سال کے لیے منافع
(17,482,785)	ٹیکس کی ادائیگی
37,096,359	ٹیکس کی ادائیگی کے بعد منافع
3.78	فی شیئر بنیادی آمدنی (EPS)
	عبوری منافع/ڈیویڈنڈ (پہلے سے ادا کردہ)
12,251,250	عبوری نقد منافع/ڈیویڈنڈ بشرح % 12.5 یعنی 1.25 روپے فی شیئر
	ضمنی اثرات
5,000,000	عمومی ذخائر میں منتقلی
29,403,000	مجوزہ حتمی نقد منافع/ڈیویڈنڈ بشرح % 30 فیصد یعنی 3.00 روپے فی شیئر

گرمجوبی فنڈ کی سرمایہ کاری کی قدر

گرمجوبی فنڈ کی سرمایہ کاری کی قدر 30 جون 2016 تک اس کے غیر آڈٹ شدہ اکاؤنٹس کی بنیاد پر 159.600 ملین روپے تھی۔ اس فنڈ کا انتظام و انصرام کمپنی کی انتظامیہ اور ملازمین پر مشتمل ایک آزاد بورڈ آف ٹرسٹیز کرتا ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز ایل ایچ بی ایچاز تبسم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی خدمات کا عرصہ مکمل ہو چکا ہے اور انھوں نے اپنی اہلیت کی بنیاد پر 30 جون 2017ء تک کے لیے دوبارہ تقرری کے لیے اپنی خدمات پیش کی ہیں۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے حصص مالکان کے غور کے لیے آئندہ ہونے والے سالانہ اجلاس عام (AGM) میں ان کی تقرری کی منظوری دی ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے وضع کردہ کوڈ آف کارپوریٹ گورننس کی تعمیل کا گوشوارہ اس رپورٹ کے ساتھ منسلک ہے۔

حصص مالکان کا گوشوارہ

حصص مالکان کا جون 30، 2016 تک گوشوارہ اس رپورٹ کے ساتھ منسلک ہے۔

اظہار تشکر

ہم اپنے قابلِ قدر صارفین کا شکریہ ادا کرتے ہیں جنہوں نے اپنے ڈیٹا بیس ورکس کو چلانے اور اس کی دیکھ بھال کرنے کے لیے پی ڈی ایل پر مسلسل اعتماد کا اظہار کیا۔ ہم اپنے حصص مالکان کے بھی شکر گزار ہیں جنہوں نے کمپنی پر اپنے اعتماد کا اظہار کیا اور ہماری معاونت کی۔ اسی طرح ہم کمپنی کے ملازمین کا بھی شکریہ ادا کرتے ہیں جنہوں نے محنت اور لگن کے ساتھ اپنی خدمات انجام دیں۔

محمد ارشد خان کیانی

چیف ایگزیکٹو

اسلام آباد

30 ستمبر 2016ء

CORPORATE GOVERNANCE

Statement of Directors Responsibilities

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

Presentation of Financial Statements

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

Books of Accounts

The company has maintained proper books of accounts.

Accounting Policies

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

Application of International Financial Reporting Standards

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

Internal Control Systems

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

Going Concern

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

Board Meetings

During the financial year, ten 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. Muhammad Khalid Rao	10/10
Mr. Muhammad Arshad Khan Kayani	10/10
Mr. Amjad Hussain Qureshi	10/10
Mr. Jamil Anwar	10/10
Mr. Shahzad Sami Qureshi	10/10
Raja Waheed Zaman	10/10
Mr. Taimur Faiz Cheema	8/10

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

Audit Committee Meetings

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

<u>Name of Directors</u>	<u>Number of meetings attended</u>
Raja Waheed Zaman	5/5
Mr. Shahzad Sami Qureshi	5/5
Mr. Amjad Hussain Qureshi	5/5
Mr. Jamil Anwar	2/5
Mr. Muhammad Arshad Khan Kayani	5/5

HR & Remuneration Committee Meetings

During the financial year, four 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 attended</u>
Mr. Shahzad Sami Qureshi	3/4
Mr. Amjad Hussain Qureshi	4/4
Raja Waheed Zaman	1/4
Mr. Muhammad Arshad Khan Kayani	4/4

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

(Rs. in million)

	Year Ended June 30					
	2015	2014	2013	2012	2011	2010
Non current assets	259.377	276.218	318.469	361.320	381.061	397.196
Share capital and reserves	815.279	798.286	751.044	713.323	659.628	687.641
Revenue	706.422	732.659	771.645	775.691	675.119	1,058.616
Operating profit	95.311	96.778	129.214	56.946	16.501	227.093
Profit before taxation	131.741	150.393	143.683	121.280	37.379	249.541
Profit after taxation	88.146	99.715	96.046	78.409	22.953	159.093
Earning per share - rupees	8.99	10.17	9.80	8.00	2.34	20.29
Dividend (%) - cash	50	60	50	50	25	80
- 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 (the code) contained in the rule book of the Pakistan Stock Exchange Limited (PSX) 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 consists of;

Name	Category
Mr. Muhammad Aftab	Non-Executive Director
Mr. Jamil Anwar	Non-Executive/ Independent Director
Mr. Muhammad Arshad Khan Kayani	Executive Director
Mr. Amjad Hussain Qureshi	Non-Executive Director
Mr. Shahzad Sami Qureshi	Non-Executive Director
Raja Waheed Zaman	Non-Executive Director
Mr. Taimur Faiz Cheema	Non-Executive Director

The independent directors meet the criteria for independence under the code.

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. The Company has prepared code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. No casual vacancy occurred on the Board during the year.
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 powers 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 Board have adequate exposure of corporate matters and are well aware of their duties and responsibilities. Three directors, the Executive Director and two Non-Executive Directors are qualified under the directors training program offered by the approved institutions from Securities and Exchange Commission of Pakistan (SECP). The remaining Directors will obtain certification under the directors' training program upto June 30, 2018.
11. The Board approves appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and 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.
16. The Company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance except that the Independent Director was appointed on October 28, 2015 by which time three meetings of Audit Committee had been held.
17. The Board has formed an Audit Committee. It comprises of four members. One member of the Audit Committee is an independent Director while rest of the three members are non-executive Directors including the Chairman of the Committee.
18. The Board has formed an HR & Remuneration Committee comprising of three members. Two members are non-executive including the Chairman while one is Executive 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.
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
September 30, 2016**

**Muhammad Arshad Khan Kayani
Chief Executive**

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Pak Datacom Limited** as at **June 30, 2016** and the related profit and loss account, statement of comprehensive income, 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 the 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 the 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 account 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 the 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, statement of comprehensive income, 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, 2016 and of the profit, its comprehensive income, 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 was deducted and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Islamabad
Date: September 30, 2016

HLB IJAZ TABUSSUM & CO.
Chartered Accountants.
Engagement Partner:
Waqas Firdous-ACA

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

We have reviewed the enclosed Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of Pak Datacom Limited (the Company) for the year ended June 30, 2016 to comply with the requirements of Listing Regulation No. 5.19.23 of the Pakistan Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board 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 and to highlight any non-compliance with the requirements of the Code. 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 a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board'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.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of 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 of Compliance 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, 2016.

Further, we highlight below instance of non-compliance with the requirement of the Code as reflected in Note 16 in the Statement of Compliance

1. The Company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance except that the Independent Director was appointed on October 28, 2015 by which time three meetings of Audit Committee had been held.

Islamabad
Date: September 30, 2016

HLB IJAZ TABUSSUM & CO.
Chartered Accountants.
Engagement Partner:
Waqas Firdous-ACA

BALANCE SHEET AS AT JUNE 30, 2016

	Note	2016	2015
		Rupees	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital-100,000,000 ordinary shares (June 2015: 100,000,000) of rupees 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital	5	98,010,000	98,010,000
Reserves	6	712,261,822	717,269,198
		810,271,822	815,279,198
NON-CURRENT LIABILITIES			
Employees' retirement and other service benefits- leave encashment	7	42,012,251	39,330,185
CURRENT LIABILITIES			
Customers' deposits		121,280,432	114,481,932
Trade and other payables	8	107,276,716	87,219,208
Provision for taxation		21,061,772	49,039,681
		249,618,920	250,740,821
		1,101,902,993	1,105,350,204
CONTINGENCIES AND COMMITMENTS			
9			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	234,322,243	248,584,782
Intangible assets	11	6,298,250	6,725,250
		240,620,493	255,310,032
Deferred taxation	12	7,508,990	4,066,734
CURRENT ASSETS			
Trade debts	13	226,505,771	99,953,056
Advances	14	25,209,304	166,695,112
Trade deposits and short term prepayments	15	106,439,035	80,713,563
Other receivables		6,657,664	11,975,667
Interest accrued		2,958,456	4,161,824
Advance tax	16	67,866,119	62,169,443
Short term investments	17	342,012,000	334,844,000
Cash and bank balances	18	76,125,161	85,460,773
		853,773,510	845,973,438
		1,101,902,993	1,105,350,204

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

Amjad Hussain Qureshi
Director

Muhammad Arshad Khan Kayani
Chief Executive

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016	2015
		Rupees	
Revenue	20	654,603,204	706,422,030
Cost of services	21	(494,260,854)	(487,017,323)
Gross profit		160,342,350	219,404,707
Administrative expenses	22	(111,926,897)	(101,222,847)
Marketing expenses	23	(22,998,285)	(22,870,862)
		(134,925,182)	(124,093,709)
Operating profit		25,417,168	95,310,998
Other income	24	29,879,441	37,966,038
		55,296,609	133,277,036
Finance cost		(717,465)	(1,536,215)
Profit before taxation		54,579,144	131,740,821
Provision for taxation	25	(17,482,785)	(43,595,184)
Profit for the year		37,096,359	88,145,637
Earning per share - basic and diluted	26	3.78	8.99

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

Amjad Hussain Qureshi
Director

Muhammad Arshad Khan Kayani
Chief Executive

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016	2015
		Rupees	
Profit for the year		37,096,359	88,145,637
Other comprehensive income/ (loss):			
Items that will not be reclassified to profit or loss:			
Remeasurement loss on defined benefit plan	27	(449,485)	(12,347,208)
Total comprehensive income		36,646,874	75,798,429

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

Amjad Hussain Qureshi
Director

Muhammad Arshad Khan Kayani
Chief Executive

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

Note	2016	2015
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year before taxation	54,579,144	131,740,821
Adjustments for non-cash and other items:		
Depreciation	39,046,229	42,700,591
Amortisation-intangible assets	427,000	427,000
Property, plant and equipment- charged off	388,971	1,247,822
(Gain)/ loss on disposal of property, plant and equipment	1,130,367	(3,513,766)
Finance cost	717,465	1,536,215
Exchange gain	(7,326,268)	(5,271,836)
Return on bank deposits/ short term investments	(10,147,464)	(14,624,584)
Provision for gratuity	15,370,167	12,159,195
Provision for earned leave encashment	5,675,925	7,662,450
	45,282,392	42,323,087
Operating profit before working capital changes	99,861,536	174,063,908
Movement in working capital:		
(Increase)/ decrease in current assets;		
Trade debts - unsecured	(126,552,715)	(5,787,844)
Advances	141,485,808	80,081,815
Trade deposits and short term prepayments	(25,725,472)	(15,126,880)
Other receivables	5,318,003	(5,483,846)
Increase/ (decrease) in current liabilities;		
Customers' deposits	6,798,500	10,859,606
Trade and other payables	28,449,634	(34,519,751)
	29,773,758	30,023,100
Cash generated from operations	129,635,294	204,087,008
Taxes paid	(54,599,626)	(56,410,111)
Gratuity paid/adjusted	(24,829,851)	(29,479,122)
Earned leave paid/ adjusted	(2,993,859)	(553,231)
Return on bank deposits/ short term investments	11,350,832	14,639,745
Finance cost	(717,465)	(1,536,215)
	(71,789,969)	(73,338,934)
Net cash flows from operating activities	57,845,325	130,748,074
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(26,691,575)	(26,320,117)
Proceeds on the disposal of property, plant and equipment	388,547	6,366,550
Net cash flows from investing activities	(26,303,028)	(19,953,567)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(41,036,177)	(57,907,157)
Net (decrease)/ increase in cash and cash equivalents	(9,493,880)	52,887,350
Cash and cash equivalents at the beginning of the year	420,304,773	362,145,587
Effect of foreign exchange rate change	7,326,268	5,271,836
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	418,137,161	420,304,773

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

Amjad Hussain Qureshi
Director

Muhammad Arshad Khan Kayani
Chief Executive

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2016

	Share capital	Revenue reserves			
	Issued, subscribed and paid-up Rupees	General reserve Rupees	Unappropriated profit Rupees	Total Rupees	
Balance as at July 01, 2014	98,010,000	481,500,000	218,776,769		798,286,769
Total comprehensive income for the year	-	-	75,798,429		75,798,429
Transfer to general reserve	-	50,000,000	(50,000,000)		-
Transactions with owners					
Final dividend for the year ended June 30, 2014 (Rs. 4.00 per share)	-	-	(39,204,000)		(39,204,000)
Interim dividend for the year ended June 30, 2015 (Rs. 2.00 per share)	-	-	(19,602,000)		(19,602,000)
Balance as at June 30, 2015	98,010,000	531,500,000	185,769,198		815,279,198
Total comprehensive income for the year	-	-	36,646,874		36,646,874
Transfer to general reserve	-	50,000,000	(50,000,000)		-
Transactions with owners					
Final dividend for the year ended June 30, 2015 (Rs. 3.00 per share)	-	-	(29,403,000)		(29,403,000)
Interim dividend for the year ended June 30, 2016. (Rs. 1.25 per share)	-	-	(12,251,250)		(12,251,250)
Balance as at June 30, 2016	98,010,000	581,500,000	130,761,822		810,271,822

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

Amjad Hussain Qureshi
Director

Muhammad Arshad Khan Kayani
Chief Executive

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

1 LEGAL STATUS AND OPERATIONS

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

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 the Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) 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 new standards and amendments to the approved accounting standards and interpretations that are mandatory for the accounting periods beginning on or after July 01, 2015 are either considered not to be relevant or to have any significant impact on the Company's operations and therefore, are not detailed in these financial statements.

2.3 Accounting convention

These financial statements have been prepared under the historical cost convention, except for recognition of certain employees retirement and other service benefits which are carried at present value of defined benefits obligation net of fair value of plan assets.

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 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.

4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years for which financial information is presented in these financial statements, unless otherwise stated.

4.1 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 Pak Rupees (Rupees) which is the Company's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

4.2 Employees' retirement and other service benefits

4.2.1 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 the employees' service for each completed year in the Company. Actuarial valuation of the fund was carried out as at June 30, 2016 using Projected Unit Credit (PUC) Actuarial Cost method. Provision charged for the year is recognised in the profit and loss account. Remeasurement gains or losses arising on actuarial valuation are recorded directly in the other comprehensive income (OCI). The amount recognised in the balance sheet represents the present value of the defined benefit obligation less the fair value of plan assets. The Company accounts for actuarial gains/ losses in accordance with IAS-19 "Employee Benefits".

4.2.2 Leave encashment

The Company provides a facility to its employees for accumulating their annual earned leaves. Unutilized earned leaves may be encashed up to thirty (30) days during the year subject to the Company's approval at any time by retaining minimum forty days leave balance. Up to 100 days of accumulated leaves can be encashed on retirement. Actuarial valuation of the scheme was carried out as at June 30, 2016 using Projected Unit Credit (PUC) Actuarial Cost method. Provision charged for the year is recognised in the profit and loss account. Actuarial gain or losses arising on actuarial valuation are recorded directly in the other comprehensive income (OCI). The amount recognised in the balance sheet represents the present value of the benefit obligation.

4.3 Taxation

The tax expense for the year comprises of current and deferred tax, and is recognised in profit and loss account, except to the extent that it relates to items recognised directly in equity or other comprehensive income.

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

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

4.4 Dividend and reserves appropriation

Dividend is recognised as a liability in the period in which it is declared. Movements in reserves is recognised in the year in which it is approved.

4.5 Trade and other payables

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

4.6 Provisions

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

4.7 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. Cost comprises acquisition and other directly attributable 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 10. 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.

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

4.8 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 11. 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.

4.9 Trade debts

Trade debts are originally recognized at their original invoice 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.

4.10 Cash and cash equivalents

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

4.11 Operating segments

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

4.12 Revenue recognition

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

4.13 Joint operation arrangements

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

4.14 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

4.15 Operating leases

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

4.16 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.

4.17 Foreign currency transactions and balances

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into Pak Rupees 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.

4.18 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 recognised at fair value plus transaction costs other than financial assets and liabilities carried at fair value through profit or loss account. Financial assets and liabilities carried at fair value through profit or loss account are initially recognized at fair value, and transaction costs are charged to profit and loss account for the year. These are subsequently measured at fair value, amortised cost or cost, as the case may be. Any gain or loss on derecognition of financial assets and financial liabilities is included in profit and loss account 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 account, 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 recognised 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 profit and loss account. 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.

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', '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-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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 profit and loss account.

Financial Liabilities

Initial recognition and measurement

The Company classifies its financial liabilities 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.

	Note	2016	2015
		Rupees	
5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
5,400,000 (June 2015: 5,400,000) ordinary shares of Rs. 10/- each fully paid in cash		54,000,000	54,000,000
4,401,000 (June 2015: 4,401,000) ordinary shares of Rs. 10/- each issued as fully paid bonus shares		44,010,000	44,010,000
	5.1	98,010,000	98,010,000
5.1 Out of total issued share capital, 5,398,353 (June 2015: 5,398,353) ordinary shares are held by Telecom Foundation, Pakistan.			

	Note	2016	2015
		Rupees	
6 RESERVES			
Revenue			
General		581,500,000	531,500,000
Unappropriated profit		130,761,822	185,769,198
		712,261,822	717,269,198
7 EMPLOYEES' RETIREMENT AND OTHER SERVICE BENEFITS- LEAVE ENCASHMENT			
Opening balance		39,330,185	32,220,966
Add: provision for the year	7.1	5,675,925	7,662,450
		45,006,110	39,883,416
Less: payments/adjustments during the year		(2,993,859)	(553,231)
Net payable		42,012,251	39,330,185

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016	2015
		Rupees	
7.1 Leave encashment			
Results of actuarial valuation as on June 30 are as follows;			
Projected benefits obligations (PBO)		40,727,154	37,227,299
Payables		1,285,097	2,102,886
Total actuarial liability		42,012,251	39,330,185
Liability provision as at June 30 (previous year)		(39,330,185)	(32,220,966)
Less: payments/adjustments during the year		2,993,859	553,231
Increase in provision		5,675,925	7,662,450
7.2 Actuarial assumptions			
Valuation discount rate		9.00% p.a.	10.50% p.a.
Salary increase rate- 1 year		10.00% p.a.	10.00% p.a.
Salary increase rate- long term		9.00% p.a.	10.50% p.a.
Leave accumulation factor		15 days p.a.	15 days p.a.
8 TRADE AND OTHER PAYABLES			
Advances from customers		6,480,540	5,625,484
Trade creditors		72,291,540	54,063,705
License fee payable		3,358,799	3,587,886
Accrued liabilities		7,347,627	4,900,297
Taxes payable	8.1	7,995,527	847,027
Employees' retirement and other service benefits - Gratuity payable	8.2	1,376,553	10,386,752
Dividend payable		8,426,130	7,808,057
		107,276,716	87,219,208
8.1 Taxes payable			
Tax at source		80,240	151,000
Sales tax		7,915,287	696,027
		7,995,527	847,027
8.2 Employees' retirement and other service benefits - Gratuity payable			
Opening balance - payable		10,386,752	15,359,471
Remeasurement loss on defined benefit plan		449,485	12,347,208
Expense for the year- payable		15,370,167	12,159,195
		26,206,404	39,865,874
Less: Contribution paid to gratuity fund		(24,829,851)	(29,479,122)
Payable to defined benefit obligation		1,376,553	10,386,752
8.2.1 Disclosure as per IAS-19			
Gratuity fund actuarial valuation as at June 30,			
Reconciliation of payable to / (receivable from) defined benefit plan			
Present value of defined benefit obligation		167,557,501	157,062,133
Gratuity due but not paid		2,857,931	2,882,468
Total actuarial liability		170,415,432	159,944,601
Fair value of any plan assets		(169,038,879)	(149,557,849)
		1,376,553	10,386,752

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Movement in net liability/ (asset) recognised

	2016	2015
	Rupees	
Opening net liability	10,386,752	15,359,471
OCI	449,485	12,347,208
Expense for the year	15,370,167	12,159,195
Contributions	(24,829,851)	(29,479,122)
Closing net liability	1,376,553	10,386,752

Charge for/ (income from) the defined benefit plan

Current service cost	15,583,125	12,075,508
Net Interest	(212,958)	83,687
	15,370,167	12,159,195

Actuarial assumptions:

- Valuation discount rate	9.00 %	10.50 %
- Salary increase rate- short term (1 year)	10.00 %	10.00 %
- Salary increase rate- long term	9.00 %	10.50 %
- Expected return on plan assets	10.00 %	10.50 %

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. 9,024,498 (June 2015: Rs. 8,849,941). The actual return on plan assets amounts to Rs. 9,505,127 (June 2015: Rs. 10,739,802).

Working for disclosure as per IAS-19

Actuarial (gain)/ loss in obligations

Present value of obligation (opening balance)	159,944,601	126,209,980
Current service cost	15,583,125	12,075,508
Interest cost	16,014,351	16,936,315
Payments made during the year	(14,853,948)	(1,511,584)
Actuarial (gains)/ losses on obligation (balancing figure)	(6,272,697)	6,234,382
Present value of obligation as at June 30	170,415,432	159,944,601

Actuarial gain / (loss) in assets

Total assets (opening balance)	149,557,849	110,850,509
Expected return on plan assets	16,227,309	16,852,628
Contributions	24,829,851	29,479,122
Payments made during the year	(14,853,948)	(1,511,584)
Actuarial gains / (losses) on assets (balancing figure)	(6,722,182)	(6,112,826)
Fair value of the plan assets as at June 30	169,038,879	149,557,849

Actuarial gains / (losses) recognised in OCI

Actuarial gains/ (losses) on obligation	6,272,697	(6,234,382)
Actuarial gains / (losses) on assets	(6,722,182)	(6,112,826)
Actuarial gains / (losses) recognised in OCI	(449,485)	(12,347,208)

Expense /(income) for the year ended June 30

Current service cost	15,583,125	12,075,508
Net Interest	(212,958)	83,687
	15,370,167	12,159,195

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
	Rupees	
(Asset) / liability to be recognised in the balance sheet		
Present value of defined benefit obligation	170,415,432	159,944,601
Fair value of plan assets	(169,038,879)	(149,557,849)
	1,376,553	10,386,752
Movement in net asset / (liability) in balance sheet		
Movement in net liability/ (asset) recognised		
Opening liability/ (asset)	10,386,752	15,359,471
OCI	449,485	12,347,208
Expense for the year	15,370,167	12,159,195
Contributions	(24,829,851)	(29,479,122)
Closing net liability	1,376,553	10,386,752

	2016	2015	2014	2013	2012
	Rupees		Rupees	Rupees	Rupees
				(Restated)	(Restated)
Composition of plan assets					
Amount invested in TDR's	159,600,000	143,600,000	93,000,000	82,000,000	72,000,000
Fair value					
TDR'S	159,691,003	143,127,484	93,595,827	83,688,451	73,415,689
Amount in banks	7,989,444	4,711,825	16,236,432	4,453,656	4,796,800
Total value assets as at June 30,	167,680,447	147,839,309	109,832,259	88,142,107	78,212,489
Percentage of investment (in TDRs)	95%	97%	85%	95%	94%
Realizable value					
TDR'S	161,049,435	144,846,024	94,614,077	84,192,313	73,584,388
Amount in banks	7,989,444	4,711,825	16,236,432	4,453,656	4,796,800
Total value assets as at June 30,	169,038,879	149,557,849	110,850,509	88,645,969	78,381,188
Gratuity fund experience adjustment of funding (surplus)/ deficit					
Present value of obligation	170,415,432	159,944,601	126,209,980	99,024,245	89,409,816
Fair value of any plan assets	(169,038,879)	(149,557,849)	(110,850,509)	(88,142,107)	(78,212,489)
Net defined benefit obligation	1,376,553	10,386,752	15,359,471	10,882,138	11,197,327
Remeasurement of;					
gains/ (losses) on Obligation	(6,272,697)	6,234,382	1,016,430	(3,682,943)	4,338,965
gains/ (losses) on Plan assets	6,722,182	6,112,826	2,452,220	3,202,383	1,040,423
Other comprehensive (income)/ loss	449,485	12,347,208	3,468,650	(480,560)	5,379,388

9 CONTINGENCIES AND COMMITMENTS

- 9.1** Guarantees and letters of credit issued by the bank on behalf of the Company amounted to Rs. 252.10 million (June 2015: Rs. 273.92 million).
- 9.2** 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 to Rs. 66.18 million (June 2015: US\$ 0.64 million; equivalent to Rs. 64.56 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 to Rs. 66.18 million

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

on the Company. The Company has filed the case in Islamabad High Court against the award, outcome of which is still pending. The Company had made provision against the advance payment of US \$ 0.64 million; equivalent to Rs. 66.18 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\$ 1.27 million; equivalent to Rs. 132.36 million (June 2015 : US\$ 1.27 million; equivalent to Rs. 129.12 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.

9.3 "The Company entered into an agreement with a customer for up-linking facility in Pakistan on January 01, 2007. The Company satisfactorily provided services up to January 31, 2012. The services were disconnected on January 31, 2012 based on the customer's request. The Company filed a suit in the Honorable Islamabad Civil Court for recovery of trade debts amounting to Rs. 8.6 million. The Company has made provision against trade debts amounting to Rs.6.75 million during the year ended June 30, 2012. Consequent upon decree by the Honorable Civil Court, the Company filed an appeal in the Honorable Islamabad High Court. The appeal is in the initial stages and hopefully the expected outcome will be in favour of the Company."

9.4 The Company did not withheld tax on dividend amounting to Rs. 0.90 million (June 2015: Rs. 0.90 million) due to exemption available under clause 47B of the second schedule of Income Tax Ordinance 2001. The CIT (Appeals) in the appeal has withheld the decision of tax levied by the tax authority and appeal is now pending with the Income Tax Appellate Tribunal, Islamabad.

The Company filed appeal before Commissioner Inland Revenue (Appeals-1) against the assessment order passed u/s 177 of the Income Tax Ordinance 2001, by Inland Revenue Officer, for the tax year 2010 and 2013.

The cases are expected to be decided in favour of the Company.

9.5 Capital commitments outstanding in respect of purchase of equipment amounted to Rs. 54.57 million (June 2015: Rs. 58.72 million).

	Note	2016	2015
		Rupees	
10 PROPERTY, PLANT AND EQUIPMENT			
Net book value - Pakistan	10.1, 10.5	233,952,889	248,118,690
Net book value - UAE	10.2, 10.6	369,354	466,092
		<u>234,322,243</u>	<u>248,584,782</u>

10.1 PROPERTY, PLANT AND EQUIPMENT - PAKISTAN - JUNE 30, 2016

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-16 Rs.
	As at 1-Jul-15 Rs.	For the Year Additions Rs.	Disposals Rs.	As at 30-Jun-16 Rs.		As at 1-Jul-15 Rs.	For the Year Additions Rs.	Disposals Rs.	As at 30-Jun-16 Rs.	
Free hold land	38,400,000	-	-	38,400,000	-	-	-	-	-	38,400,000
Free hold office building	22,318,020	-	-	22,318,020	5	6,717,096	780,046	-	7,497,142	14,820,878
Lease hold land	2,884,000	-	-	2,884,000	1.2	174,367	32,516	-	206,883	2,677,117
Lease hold office building	7,006,000	-	-	7,006,000	5	1,593,897	270,605	-	1,864,502	5,141,498
Datacom system machinery	700,993,634	25,324,216	(1,530,186)	724,787,664	20	552,830,507	31,984,741	(1,141,215)	583,674,033	141,113,631
Office equipment	15,125,828	532,359	(3,454,759)	12,203,428	25	10,934,214	1,097,480	(3,205,397)	8,826,297	3,377,131
Testing equipment	29,820,384	95,000	(2,376,710)	27,538,674	10	13,792,665	1,591,778	(1,554,369)	13,830,074	13,708,600
Air conditioners	4,924,468	45,000	(881,287)	4,088,181	10	1,916,864	295,938	(574,793)	1,638,009	2,450,172
Furniture and fixtures	3,830,002	-	(349,697)	3,480,305	10	2,660,546	115,514	(270,919)	2,505,141	975,164
Vehicles	33,899,868	695,000	(69,900)	34,524,968	20	20,463,358	2,780,873	(7,961)	23,236,270	11,288,698
	<u>859,202,204</u>	<u>26,691,575</u>	<u>(8,662,539)</u>	<u>877,231,240</u>		<u>611,083,514</u>	<u>38,949,491</u>	<u>(6,754,654)</u>	<u>643,278,351</u>	<u>233,952,889</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

10.2 PROPERTY, PLANT AND EQUIPMENT - UAE - JUNE 30, 2016

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-16 Rs.
	As at 1-Jul-15 Rs.	For the Year		As at 30-Jun-16 Rs.		As at 1-Jul-15 Rs.	For the Year		As at 30-Jun-15 Rs.	
		Additions Rs.	Disposals Rs.				Additions Rs.	Disposals Rs.		
Datacom system machinery	639,623	-	-	639,623	20	243,909	79,143	-	323,052	316,571
Office equipment	130,558	-	-	130,558	25	60,180	17,595	-	77,775	52,783
	770,181	-	-	770,181		304,089	96,738	-	400,827	369,354
	859,972,385	26,691,575	(8,662,539)	878,001,421		611,387,603	39,046,229	(6,754,654)	643,679,178	234,322,243

10.3 1st charge of Rs. 140.00 million (June 2015: Rs. 140.00 million) on fixed assets, present and future current assets of the Company of Rs. 400.00 million (June 2015: Rs. 400.00 million) and US\$ 1.50 million; equivalent to Rs. 156.44 million (June 2015: US\$ 1.50 million; equivalent to Rs. 150.29 million) in shape of FC-FDR has been created in favour of Soneri Bank Limited for an unfunded facility of Rs. 252.01 million (June 2015: Rs. 273.53 million).

10.4 DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT- JUNE 30, 2016

Particulars	Cost Rs.	Accumulated depreciation Rs.	Net book value Rs.	Disposal proceeds/ adjustments Rs.	Mode of disposal	Particulars of disposal/ purchaser
<u>Datacom system machinery</u>						
<u>-Vsat equipment</u>						
Vsat equipment	407,683	207,313	200,370	-	Charged off	Damaged and charged off
DXX Equipment	1,122,503	933,902	188,601	-	Charged off	Damaged and charged off
	1,530,186	1,141,215	388,971	-		
<u>Office equipment</u>						
Laptop HP (Probook 4530)	110,664	76,602	34,062	34,062	Damaged	Cost recovered from PDL employee Syed Sajjad Hasan Jafri
Laptop HP (Core i-3)	54,990	19,619	35,371	35,371	Damaged	Cost recovered from PDL employee Mr. Muhammad Shahzad
Computer equipment	2,733,224	2,573,314	159,910	56,979	Auctioned	Mr. Mahmood-ul-Haq s/o Fazal ul Haq, House #DK-4, Mohallah Dhoke Kashmirian, Rawalpindi.
Office equipment	555,881	535,862	20,019	19,492	Auctioned	Mr. Tariq Mehmood s/o Muhammad Yousaf, House #CB227, Mohalla Rahim Abad, Airport Road Rawalpindi.
	3,454,759	3,205,397	249,362	145,904		
<u>Testing equipment</u>						
Electrical equipment	2,376,710	1,554,369	822,341	62,093	Auctioned	Mr. Tariq Mehmood s/o Muhammad Yousaf, House #CB227, Mohalla Rahim Abad, Airport Road Rawalpindi.
<u>Air conditioners</u>	881,287	574,793	306,494	106,283	Auctioned	Mr. Tariq Mehmood s/o Muhammad Yousaf, House #CB227, Mohalla Rahim Abad, Airport Road Rawalpindi.
<u>Furniture and fixtures</u>	349,697	270,919	78,778	11,267	Auctioned	Mr. Moeen ud Din s/o Ameer ud Din, House #BB/8 Kuchi Hawaii Pul Shah Nazar Jamia Masjid Road, Rawalpindi.
<u>Motor vehicles</u>						
Model	Registration No.					
Honda motorcycle	2008	KHW3175	69,900	7,961	61,939	63,000
			8,662,539	6,754,654	1,907,885	388,547
					Stolen & insurance claim	M/s Adamjee Insurance, Islamabad

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

10.5 PROPERTY, PLANT AND EQUIPMENT - PAKISTAN - JUNE 30, 2015

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-15 Rs.
	As at 1-Jul-14 Rs.	For the Year		As at 30-Jun-15 Rs.		As at 1-Jul-14 Rs.	For the Year		As at 30-Jun-15 Rs.	
		Additions Rs.	Disposals Rs.				Additions Rs.	Disposals Rs.		
Free hold land	38,400,000	-	-	38,400,000	-	-	-	-	-	38,400,000
Free hold office building	22,318,020	-	-	22,318,020	5	5,895,995	821,101	-	6,717,096	15,600,924
Lease hold land	2,884,000	-	-	2,884,000	1.2	141,456	32,911	-	174,367	2,709,633
Lease hold office building	7,006,000	-	-	7,006,000	5	1,309,049	284,848	-	1,593,897	5,412,103
Datacom system machinery	705,068,372	10,425,235	(14,499,973)	700,993,634	20	527,661,010	36,248,065	(11,078,568)	552,830,507	148,163,127
Office equipment	13,171,406	2,062,197	(107,775)	15,125,828	25	9,918,181	1,068,830	(52,797)	10,934,214	4,191,614
Testing equipment	26,260,193	3,627,583	(67,392)	29,820,384	10	12,234,216	1,595,304	(36,855)	13,792,665	16,027,719
Air conditioners	4,232,266	692,202	-	4,924,468	10	1,642,910	273,954	-	1,916,864	3,007,604
Furniture and fixtures	3,830,002	-	-	3,830,002	10	2,530,606	129,940	-	2,660,546	1,169,456
Vehicles	27,799,434	9,512,900	(3,412,466)	33,899,868	20	21,158,888	2,123,250	(2,818,780)	20,463,358	13,436,510
	850,969,693	26,320,117	(18,087,606)	859,202,204		582,492,311	42,578,203	(13,987,000)	611,083,514	248,118,690

10.6 PROPERTY, PLANT AND EQUIPMENT - UAE - JUNE 30, 2015

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-15 Rs.
	As at 1-Jul-14 Rs.	For the Year		As at 30-Jun-15 Rs.		As at 1-Jul-14 Rs.	For the Year		As at 30-Jun-15 Rs.	
		Additions Rs.	Disposals Rs.				Additions Rs.	Disposals Rs.		
Datacom system machinery	639,623	-	-	639,623	20	144,981	98,928	-	243,909	395,714
Office equipment	130,558	-	-	130,558	25	36,720	23,460	-	60,180	70,378
	770,181	-	-	770,181		181,701	122,388	-	304,089	466,092
	851,739,874	26,320,117	(18,087,606)	859,972,385		582,674,012	42,700,591	(13,987,000)	611,387,603	248,584,782

11 INTANGIBLE ASSETS- JUNE 30, 2016

Particulars	C O S T				Rate %	A M O R T I S A T I O N				Net book value as at 30-Jun-16 Rs.
	As at 1-Jul-15 Rs.	For the Year		As at 30-Jun-16 Rs.		As at 1-Jul-15 Rs.	For the Year		As at 30-Jun-16 Rs.	
		Additions Rs.	Disposals Rs.				Additions Rs.	Disposals Rs.		
Software	3,204,006	-	-	3,204,006	33.33	3,204,006	-	-	3,204,006	-
Infrastructure license	8,540,000	-	-	8,540,000	5	1,814,750	427,000	-	2,241,750	6,298,250
	11,744,006	-	-	11,744,006		5,018,756	427,000	-	5,445,756	6,298,250

11.1 INTANGIBLE ASSETS - JUNE 30, 2015

Particulars	C O S T				Rate %	A M O R T I S A T I O N				Net book value as at 30-Jun-15 Rs.
	As at 1-Jul-14 Rs.	For the Year		As at 30-Jun-15 Rs.		As at 1-Jul-14 Rs.	For the Year		As at 30-Jun-15 Rs.	
		Additions Rs.	Disposals Rs.				Additions Rs.	Disposals Rs.		
Software	3,204,006	-	-	3,204,006	33.33	3,204,006	-	-	3,204,006	-
Infrastructure license	8,540,000	-	-	8,540,000	5	1,387,750	427,000	-	1,814,750	6,725,250
	11,744,006	-	-	11,744,006		4,591,756	427,000	-	5,018,756	6,725,250

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016	2015
		Rupees	
12 DEFERRED TAXATION			
Deferred tax has been calculated at the corporate tax rate of 32% (June 2015: 33%) arising on account of the following;			
Provisions for doubtful debts, deposits and prepayments		27,189,472	27,503,026
Accelerated depreciation/ amortisation		(19,680,482)	(23,436,292)
		7,508,990	4,066,734
The gross movement in the deferred tax liability during the year is as follows;			
Balance at the beginning		4,066,734	(2,291,509)
Tax credit recognised for the year		3,565,490	6,290,846
Effect of change in tax rate		(123,234)	67,397
Tax credit recognised in profit and loss account		3,442,256	6,358,243
Balance at the end		7,508,990	4,066,734
13 TRADE DEBTS - unsecured			
Trade debts		245,289,598	118,736,883
Less: provision for doubtful debts		(18,783,827)	(18,783,827)
		226,505,771	99,953,056
14 ADVANCES			
Advances - considered good to Suppliers - secured		20,783,199	164,644,779
Employees - unsecured	14.1	4,426,105	2,050,333
		25,209,304	166,695,112
14.1 Advances to employees include Rs. 0.76 million (June 2015: Rs. 0.30 million) given to executives against their salaries.			
15 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Margin and guarantees with banks		547,340	6,309,475
Trade deposits	15.1	33,504,419	26,966,261
Prepayments	15.2	72,387,276	47,437,827
		106,439,035	80,713,563
15.1 Trade deposits		66,596,056	59,245,599
Less: provision for doubtful deposits	15.1.1	(33,091,637)	(32,279,338)
		33,504,419	26,966,261

15.1.1 Change in the doubtful provision as compared to the previous year balance is due to the currency rate fluctuation.

	Note	2016	2015
		Rupees	
15.2 Prepayments		105,478,913	79,717,165
Less: provision for doubtful prepayments	15.2.1	(33,091,637)	(32,279,338)
		72,387,276	47,437,827

15.2.1 Change in the doubtful provision as compared to the previous year balance is due to the currency rate fluctuation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
	Rupees	
16 ADVANCE TAX		
Balance at beginning of the year	62,169,443	64,312,048
Tax (provision)/ credit for the year	(48,902,950)	(58,552,716)
Income tax paid during the year	54,599,626	56,410,111
	<u>67,866,119</u>	<u>62,169,443</u>

17 SHORT TERM INVESTMENTS

These represent investments in term deposit receipts maturing in the short term and carry interest rate ranging from 1.20 % to 6.90 % (June 2015: 1.50 % to 9.40 %) per annum. Included in these investments are foreign currency term deposit receipts amounting to US\$ 2.80 million; equivalent to Rs. 292.01 million (June 2015: US\$ 2.80 million; equivalent to Rs. 284.84 million). Out of total investments, US\$ 1.50 million; equivalent to Rs. 156.44 million (June 2015: US\$ 1.30 million; equivalent to Rs. 132.25 million) and Rs. 50.00 million (June 2015: Rs. 50.00 million) are pledged against unfunded bank facility.

The Company does not have any investments under arrangement of Islamic Shariah.

	Note	2016	2015
		Rupees	
18 CASH AND BANK BALANCES			
Cash in hand		-	-
Cash at bank:			
Current accounts	18.1	2,507,223	20,755,543
Deposit accounts	18.2	52,447,033	40,103,054
Deposit accounts with Islamic Banks under Shariah arrangements		11,989,195	16,137,686
Current accounts-dividend		9,181,710	8,464,490
		<u>76,125,161</u>	<u>85,460,773</u>

18.1 Current accounts include foreign currency deposits of UAE Dirham 0.006 million equivalent to Rs. 0.16 million (June 2015: UAE Dirham 0.52 million equivalent to Rs. 14.28 million) and US\$ 0.006 million equivalent to Rs. 0.68 million (June 2015: US\$ 0.05 million equivalent to Rs. 4.73 million).

18.2 Deposit accounts include foreign currency deposits of US\$ 0.005 million equivalent to Rs. 0.56 million (June 2015: US\$ 0.20 million equivalent to Rs. 20.12 million).

	Note	2016	2015
		Rupees	
19 CASH AND CASH EQUIVALENTS			
Short term investments		342,012,000	334,844,000
Cash and bank balances		76,125,161	85,460,773
		<u>418,137,161</u>	<u>420,304,773</u>
20 REVENUE			
CVAS data communication services		648,600,327	684,238,218
Telecom infrastructure services		4,631,907	6,667,681
Other projects revenue		1,370,970	-
Joint operations- PDL share		-	15,516,131
	20.1	<u>654,603,204</u>	<u>706,422,030</u>

20.1 Revenue is exclusive of Services Tax of Rs.95.14 million (June 2015: Rs. 100.70 million).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016	2015
		Rupees	
21 COST OF SERVICES			
Channel and local lead rentals		132,785,981	121,406,425
Space segment rentals		118,043,796	116,518,599
Salaries and other benefits	21.1	149,437,618	139,860,470
Repair and maintenance expenses		22,037,291	18,625,282
License fee		3,358,799	3,787,886
Depreciation		39,046,229	42,700,591
Amortisation		427,000	427,000
Travelling and local conveyance		2,690,804	4,830,181
Telephone expenses		1,210,957	1,398,293
Vehicle running expenses		10,642,683	13,443,508
Insurance		1,695,450	945,035
Entertainment		1,160,445	985,031
Rent, rates and taxes		3,609,367	3,514,824
Utilities		3,995,861	3,830,897
Operating lease rentals	23.2	3,095,273	2,405,366
Other projects cost		1,023,300	-
Joint operation expenses- PDL share		-	12,337,935
		<u>494,260,854</u>	<u>487,017,323</u>

21.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 11.51 million (June 2015: Rs. 13.34 million).

	Note	2016	2015
		Rupees	
22 ADMINISTRATIVE EXPENSES			
Salaries and other benefits	22.1	85,415,065	70,314,721
Travelling and local conveyance		553,583	1,897,217
Telephone expenses		1,035,018	1,267,994
Vehicle running expenses		5,116,841	6,351,941
Insurance		242,726	251,824
Entertainment		1,153,866	1,348,807
Rent, rates and taxes		4,758,419	5,306,557
Legal and professional charges		3,940,623	3,988,006
Printing and stationery		1,773,133	1,514,319
Utilities		1,988,645	1,084,862
Welfare expenses		2,045,000	4,196,136
Auditors' remuneration	22.2	820,000	785,000
Operating lease rentals	23.2	3,083,978	2,915,463
		<u>111,926,897</u>	<u>101,222,847</u>

22.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 8.18 million (June 2015: Rs. 5.43 million) and Directors' remuneration of Rs. 14.47 million (June 2015: Rs. 14.10 million).

	2016	2015
	Rupees	
22.2 Auditors' remuneration		
Statutory audit fee including half yearly review	650,000	650,000
Other certification fees	130,000	115,000
Out of pocket expenses	40,000	20,000
	<u>820,000</u>	<u>785,000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016	2015
		Rupees	
23 MARKETING EXPENSES			
Advertisement and marketing expenses		1,661,893	3,091,115
Salaries and other benefits	23.1	18,699,051	16,924,766
Travelling and local conveyance		629,445	709,360
Telephone expenses		163,989	239,192
Vehicle running expenses		1,049,370	1,078,907
Insurance		50,168	80,129
Entertainment		26,233	29,025
Operating lease rentals	23.2	718,136	718,368
		<u>22,998,285</u>	<u>22,870,862</u>
23.1 Salaries and other benefits include employees' retirement and other service benefits of Rs. 1.36 million (June 2015: Rs. 1.06 million).			
23.2 All operating (Ijarah) lease payments are under cancellable operating lease arrangements under Shariah and are due as follows;			
For the next one year		4,823,082	6,960,240
More than one year but not later than five year		1,777,013	8,378,382
More than five year		-	-
		<u>6,600,095</u>	<u>15,338,622</u>
24 OTHER INCOME			
<u>Income from financial assets</u>			
Return on short term investments		8,323,026	11,810,485
Return on bank deposits		1,451,472	2,345,176
Return on bank deposits with Islamic Banks		372,966	468,923
Exchange gain		7,326,268	5,271,836
Net income - from other projects		13,536,075	14,569,782
		<u>31,009,807</u>	<u>34,466,202</u>
<u>Income from non-financial assets</u>			
Gain/ (loss) on disposal of property, plant and equipment		(1,130,366)	3,499,836
		<u>29,879,441</u>	<u>37,966,038</u>
25 PROVISION FOR TAXATION			
Current - for the year		21,061,772	49,039,681
Prior year		(136,731)	913,746
Deferred		(3,442,256)	(6,358,243)
	25.1	<u>17,482,785</u>	<u>43,595,184</u>
25.1 Reconciliation of tax charged for the year			
Accounting profit		54,579,144	131,740,821
Tax on accounting profit at 32% (June 2015: 33%)		17,465,326	43,474,470
Tax effect of expenses that are inadmissible for tax purposes		12,701,413	14,151,798
Tax effect of expenses that are admissible for tax purposes		(9,104,967)	(8,586,587)
		<u>21,061,772</u>	<u>49,039,681</u>
Tax effect of prior years		(136,731)	913,746
Tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes		(3,442,256)	(6,358,243)
		<u>17,482,785</u>	<u>43,595,184</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
	Rupees	
26 EARNING PER SHARE (BASIC AND DILUTED)		
Profit after taxation	37,096,359	88,145,637
Basic and diluted earnings per share (Rupees/ share)	3.78	8.99
Weighted average number of ordinary shares as at June 30, 2016 are 9,801,000 (June 30, 2015: 9,801,000) and there are no dilutive ordinary shares till June 30, 2016 (June 30, 2015: Nil).		
27 REMEASUREMENT LOSS ON DEFINED BENEFIT PLAN		
Actuarial gains/ (losses) on obligation	6,272,697	(6,234,382)
Actuarial gains/ (losses) on assets	(6,722,182)	(6,112,826)
Actuarial gains/ (losses) recognised in statement of comprehensive income	(449,485)	(12,347,208)

28 DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed with reference to circular no. 14 of 2016 dated April 21, 2016, issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index".

Description	Explanation
i) Loan and advances	Non-interest bearing
ii) Deposits	Non-interest bearing
iii) Bank balances	Disclosed in Note 18
iv) Return on bank deposits for the year	Disclosed in Note 24
v) All sources of other income	Disclosed in Note 24
vi) Exchange gain	Earned from actual currency fluctuations
vii) Gain/ (loss) on investments	Disclosed in Note 24
viii) Short term investments	The Company does not have any investment under arrangement of Islamic Shariah.
ix) Relationship with banks having Islamic windows	Following is the list of banks with which the Company has a relationship with Islamic windows of operations: 1. Dubai Islamic Bank Pakistan Limited 2. Mezan Bank Limited

29 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 29.4.

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.

29.1 Market risk

Market risk is the risk that change in market prices, such as foreign exchange rates, interest rates and service charge out rate will 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to change in market interest rates. The Company does not have any long term 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.

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

	2016	2015	2016	2015
	%		Rupees	
Fixed rate instrument				
<u>Financial assets</u>				
Short term investment	1.20 to 6.90	1.50 to 9.40	342,012,000	334,844,000
Bank balances - deposit accounts	2.40 to 4.50	4.50 to 5.00	64,436,228	56,240,740
			406,448,228	391,084,740
<u>Financial liabilities</u>			-	-
			406,448,228	391,084,740

The Company does not account for any fixed rate financial asset and liability at fair value through 'profit and loss' therefore a change in interest rate at the 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 UAE Dirham. To mitigate the Company's exposure to foreign currency risk, non-Pak Rupees cash flows are monitored in accordance with Company's risk management policies. 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:

	Note	2016	2015
		Rupees	
Short-term exposure			
Financial assets- US Dollars		298,389,423	318,709,222
Financial assets- AED		157,395	14,283,533
		298,546,818	332,992,755
Financial liabilities-US Dollars		(123,360,022)	(106,494,773)
		175,186,796	226,497,982
Long-term exposure			
Financial assets		-	-
Financial liabilities		-	-
		-	-

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 & UAE Dirham - Pak Rupee exchange rate .

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

It assumes a -2.28 % / +1.61 % change of the US-Dollar exchange rate for the year ended June 30, 2016 (June 2015: -2.76 % / +1.68 %) and -2.47 (June 2015: -2.75 % / +1.67 %) change of the UAE Dirham exchange rate for the year ended June 30, 2016. 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.

	2016	2015
	Rupees	
If the Pak Rupee had strengthened against the US Dollar by -2.28 % (2015: -2.76 %) and against the UAE Dirham by -2.47 % (June 2015: -2.75 %) then this would have the following impact:		
<u>US Dollar Currency</u>		
Net result for the year (exchange loss)	(4,353,658)	(5,829,939)
<u>UAE Dirham Currency</u>		
Net result for the year (exchange loss)	(3,894)	(391,205)
If the Pak Rupee had weakened against the US Dollar by 1.61 % (June 2015: 1.68 %) and against the UAE Dirham by 1.10 % (June 2015: 1.67 %), then this would have the following impact:		
<u>US Dollar Currency</u>		
Net result for the year (exchange gain)	3,080,767	3,557,311
<u>UAE Dirham Currency</u>		
Net result for the year (exchange gain)	1,727	237,890

c) Other price risk

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

29.2 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:

	2016	2015
	Rupees	
Classes of financial assets - carrying amounts		
Trade debts - unsecured	226,505,771	99,953,056
Advances	4,426,105	2,050,333
Trade deposits	34,051,759	33,275,736
Other receivables	6,657,664	11,975,667
Interest accrued	2,958,456	4,161,824
Cash and cash equivalent	418,137,161	420,304,773
	692,736,916	571,721,389

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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
	Rupees	
Not more than 3 months	187,052,606	40,200,703
More than 3 months but not more than 6 months	11,078,635	10,924,790
More than 6 months but not more than 1 year	5,911,647	17,832,728
More than 1 year	22,462,883	49,778,662
	<u>226,505,771</u>	<u>118,736,883</u>
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	980,803	5,898,846
More than 3 months but not more than 6 months	-	-
More than 6 months but not more than 1 year	-	145,500
More than 1 year	5,676,861	5,931,321
	<u>6,657,664</u>	<u>11,975,667</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.

29.3 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:

	2016	2015
	Rupees	
Financial liabilities		
Customers deposits		
Maturity with in 1 year	121,280,432	114,481,932
Maturity after 1 year	-	-
	<u>121,280,432</u>	<u>114,481,932</u>
Trade and other payables		
Maturity with in 1 year	92,800,649	80,746,697
Maturity after 1 year	-	-
	<u>92,800,649</u>	<u>80,746,697</u>
	<u>214,081,081</u>	<u>195,228,629</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.

29.4 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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
	Rupees	
Financial assets		
Financial assets are measured at amortised cost		
Trade debts - unsecured	226,505,771	99,953,056
Advances	4,426,105	2,050,333
Trade deposits	34,051,759	33,275,736
Other receivables	6,657,664	11,975,667
Interest accrued	2,958,456	4,161,824
Cash and cash equivalent	418,137,161	420,304,773
	<u>692,736,916</u>	<u>571,721,389</u>
Financial liabilities		
Financial liabilities are measured at amortized cost		
Trade and other payables	92,800,649	80,746,697
Customers' deposits	121,280,432	114,481,932
	<u>214,081,081</u>	<u>195,228,629</u>

29.5 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.

30 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of holding and associated companies, companies with common directorship, directors, key management staff and employees retirement and other service benefits;

Transactions with related parties

Telecom Foundation

	2016	2015
	Rupees	
Dividend	22,943,000	32,390,124
Welfare expenses	2,000,000	4,000,000
Payable against joint operations	3,039,154	3,178,196

TF Pipes (pvt) Limited

	2016	2015
	Rupees	
Purchases	-	3,831,792
Payable	-	480,000

30.1 There were no transaction with the holding company (Telecom Foundation) during the year other than those disclosed in these financial statements.

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

30.3 There were no transactions with the directors and key management personnel other than their terms of employment and are disclosed in note 14 and 31 to these financial statements.

30.4 Transactions regarding employees retirement benefits under the account head of Salaries and other benefits are disclosed in notes 7, 8, 21, 22 and 23 to these financial statements.

31 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;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees			2015 Rupees		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
Managerial remuneration	4,301,398	-	23,200,008	3,612,400	-	23,705,906
Other allowances	1,648,000	-	6,577,300	1,472,000	-	6,729,224
Meeting fee/Honorarium/Bonus	2,360,000	6,131,333	6,139,275	2,140,000	6,750,976	6,017,348
Training cost	-	-	-	-	120,000	-
	8,309,398	6,131,333	35,916,583	7,224,400	6,870,976	36,452,478
Number of persons	1	6	12	1	12	13

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

32 NUMBER OF EMPLOYEES

Total number of employees as at the year end
Average number of employees during the year

2016 2015

234 239
236 238

33 OPERATING SEGMENTS

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

Out of total revenue, 99.00 % (June 2015: 97.00 %) is generated from CVAS data communication data services while 1.00 % (June 2015: 3.00 %) is generated from Telecom Infrastructure Provider license and other projects.

Revenue from major customers of the Company amounts to Rs. 376.58 million (June 2015: Rs. 415.00 million) representing 57.00 % (June 2015: 57.00 %) of the total revenue.

Out of total non-current assets of the Company, 99.84 % (June 2015: 99.81 %) assets are located in Pakistan.

34 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on September 30, 2016.

35 MOVEMENT BETWEEN RESERVES AND PROPOSED DIVIDEND

The Board of Directors in its meeting held on September 30, 2016 approved i) transfer of Rs. 5.00 million (June 2015: Rs. 50.00 million) from unappropriated to general reserves, ii) final cash dividend of Rs. 3.00 per share (June 2015: Rs. 3.00 per share) amounting to Rs. 29.40 million (June 2015: Rs. 29.40 million). The financial statements for the year ended June 30, 2016 do not include the effect of aforementioned movement between reserves and proposed dividend. There are no other subsequent events necessary to be disclosed.

36 GENERAL

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

Amjad Hussain Qureshi
Director

Muhammad Arshad Khan Kayani
Chief Executive

**PATTERN OF HOLDING OF THE SHARES HELD BY THE
SHAREHOLDERS OF PAK DATACOM LIMITED AS AT JUNE 30, 2016
FORM 34 (SECTION - 236)**

NUMBER OF SHAREHOLDERS	SHAREHOLDING		TOTAL SHARES HELD
	FROM	TO	
1,369	1	100	49,482
367	101	500	109,281
67	501	1,000	51,341
78	1,001	5,000	191,640
23	5,001	10,000	171,803
6	10,001	15,000	79,690
5	15,001	20,000	84,968
1	45,001	50,000	47,000
1	50,001	55,000	51,000
1	60,001	65,000	60,507
1	70,001	75,000	72,500
1	125,001	130,000	128,500
1	145,001	150,000	150,000
1	175,001	180,000	178,898
1	670,001	675,000	670,700
1	750,001	755,000	750,791
1	755,001	760,000	756,288
1	795,001	800,000	798,258
1	5,395,001	5,400,000	5,398,353
1,927			9,801,000

CATEGORIES OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
Individuals	1,805,303	18.4196
Investment Companies	133	0.0014
Mutual Funds	798,258	8.1447
Others	5,398,353	55.0796
Financial Institutions	767,247	7.8283
Insurance Companies	756,288	7.7164
Joint Stock Companies	275,418	2.8101
Grand Total	9,801,000	100.0000

NAME WISE DETAIL OF SHAREHOLDERS AS AT JUNE 30, 2016

Categories of shareholders	Physical	CDC	Total Shares Held	Percentage (%)
Executives				
Executives	-	-	-	-
Associated Companies, Undertakings & Related Parties				
Telecom Foundation	5,398,353	-	5,398,353	55.08
NIT & ICP (Name Wise Detail)				
IDBP (ICP Unit)	-	8	8	0.00
Industrial Development Bank of Pakistan	125	-	125	0.00
Insurance Companies				
M/s. State Life Insurance Corp. of Pakistan	-	756,288	756,288	7.72
Financial Institutions				
M/s. National Bank of Pakistan	-	100	100	0.00
M/s. National Bank of Pakistan	-	750,791	750,791	7.66
Mutual Funds				
CDC - Trustee AKD Opportunity Fund	-	798,258	798,258	8.14
Other Companies				
Ali Husain Rajabali Ltd	-	17,000	17,000	0.17
M/s. 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
M/s. Sarfraz Mahmood (Private) Limited	-	157	157	0.00
Nh Capital Fund Ltd	-	6	6	0.00
Maple Leaf Capital Limited	-	1	1	0.00
M/s. Darson Securities (Pvt) Limited	-	5	5	0.00
M/s. Amin Tai Securities (Private) Limited	-	47,000	47,000	0.48
M/s. Al-Haq Securities (Pvt) Limited	-	550	550	0.01
Cdc - Trustee National Investment (unit) Trust	-	178,898	178,898	1.83
NON Residents				
M/s. CMB (1) As Trustee For GT	440	-	440	0.00
M/s. Dester Management Limited	137	-	137	0.00
M/s. Lehman Brothers Securities	13,100	-	13,100	0.13
M/s. Somers Nominees (Far East) Limited	6,765	-	6,765	0.07
M/s. Morgan Stanley Bank Luxembourg	6,385	-	6,385	0.07
M/s. Pictet & Cie	1,725	-	1,725	0.02
General Public	232,414	1,573,389	1,805,803	18.42
	5,659,444	4,141,556	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
CDC - Trustee AKD Opportunity Fund	798,258	8.14
State Life Insurance Corp. of Pakistan	756,288	7.72
National Bank of Pakistan	750,791	7.66
Basit Waheed	670,700	6.84

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.

INCOME TAX RETURN FILING STATUS FORM

Confirmation for filing status of income tax return for application of revised rates pursuant to the provisions of Finance Act, 2016

Share Registrar: Pak Datacom Limited

7/3 - G, Mushtaq Ahmed Gormani Road,
Gulberg-II, Lahore,
Pakistan.

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

Folio/CDC ID/AC#	Name	National Tax #	CNIC # (in case of individuals)*	Income tax return for the year 2016 filed (yes or no)**

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

Signature of the Shareholder

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

*Please attach attested photocopy of the CNIC.

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

Investors' Education

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

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Form of Proxy

I/We _____ of _____

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

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

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

No. _____ of _____

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

No. _____ of _____

another member of the Company as my/our proxy to vote for me/us and on my/our behalf at the Twenty Forth Annual General Meeting of the Company to be held on October 28, 2016 at 03:00 pm or at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2016.

REVENUE
STAMP
RS. 5

SIGNATURE OF MEMBER (S)

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

Witnesses:

1. Signature _____

Name _____

Address _____

CNIC/Passport No. _____

2. Signature _____

Name _____

Address _____

CNIC/Passport No. _____

Note:

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

مختار نامہ

میں / ہم _____ ساکن _____ بحیثیت ممبر (رکن) پاک ڈیٹا کام لمیٹڈ اور
 حامل _____ عام حصص، بمطابق شیئر رجسٹر فلیو نمبر / سی ڈی سی اکاؤنٹ اور پارٹنرسپینٹ
 آئی ڈی نمبر _____ ممبر (رکن) محترم / محترمہ _____ فلیو نمبر / سی ڈی سی اکاؤنٹ
 اور پارٹنرسپینٹ آئی ڈی نمبر _____ کو یا ان کی غیر حاضری میں ممبر (رکن)
 محترم / محترمہ _____ فلیو نمبر / سی ڈی سی اکاؤنٹ اور پارٹنرسپینٹ آئی ڈی نمبر _____ کو اپنے / ہمارے ایما پر 28 اکتوبر
 2016ء سے پہلے 3 بجے پاک ڈیٹا کام لمیٹڈ کے رجسٹر آفس میں منعقد ہونے والے کمپنی کے چوبیسویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا
 / ہمارا بطور مختار (پراسی) مقررہ کرتا / کرتی ہوں / کرتے ہیں

آج بروز _____ بتاریخ _____ 2016 کو دستخط کئے گئے۔

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

گواہان:

1 دستخط _____	2 دستخط _____
نام _____	نام _____
پتہ _____	پتہ _____
_____	_____

پانچ روپے مالیت کا
 رسیدی ٹکٹ پر دستخط

ممبر ان کے دستخط

کمپیوٹرائزڈ قومی شناختی کارڈ کا نمبر _____ کمپیوٹرائزڈ قومی شناختی کارڈ کا نمبر _____

- ۱۔ ممبر (رکن) جو اجلاس میں شرکت اور ووٹ دینے کا مجاز ہو اپنی جگہ کسی اور ممبر (رکن) کو بطور مختار (پراسی) شرکت کرنے اور ووٹ دینے کا حق تفویض کر سکتا ہے۔ سی ڈی سی اکاؤنٹ ہولڈرز یا سب اکاؤنٹ ہولڈرز کو کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول پر کسی کو منسلک کرنی ہوگی۔ مختار (پراسی) کو اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔
- ۲۔ کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد / پاور آف اٹارنی بمعہ نمونہ دستخط ہمراہ مختار نامہ (پراسی فارم) جمع کرانا ہوئے۔
- ۳۔ مختار نامہ (پراسی فارم) پر ممبر (رکن) یا ان کے اٹارنی کے دستخط لازمی ہے۔ کارپوریٹ ادارہ ہونے کی صورت میں مختار نامہ (پراسی فارم) پر کمپنی کی مہر ہونا بھی ضروری ہے۔
- ۴۔ مختار نامہ (پراسی فارم) بعد نامزد کرنے والے شخص کی تصدیق شدہ پاور آف اٹارنی (حسب ضرورت) کمپنی کے رجسٹر آفس میں اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل جمع کرانا ضروری ہے۔

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