

PAK DATA COM LIMITED

Annual Report 1996

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BOARD OF DIRECTORS

A.W. Awan	Chairman
Mueen Sadiq Malik	Chief Executive
Mazhar-uI-Haq	
Mohammad Ashfaq Ahmed Chowdhri	
S.M. Iftikhar Hassan	
Abdul Latif	
Dr. A. Faiz M. Ishaq	
Mohammad Akram	
Mushtaq Ahmad Bhatti	

SECRETARY

Sajjad Hasan

COMPANY INFORMATION

AUDITORS

Hassan Farooq & Company
Chartered Accountants
325, Eden Centre, 43 Jail Road, Lahore

LEGAL ADVISOR

Fakhar Mehmood Chanda

REGISTERED OFFICE

190, Industrial Area, I-9/2, Islamabad

HEAD OFFICE

3rd Floor, Umar Plaza, Blue Area, Islamabad

SHARES DEPARTMENT

325, Eden Centre, 43 Jail Road, Lahore.

NOTICE OF MEETING

Notice is hereby given that the 4th Annual General Meeting of Pak Datacom Limited will be held on December 29, 1996 at 11.00 a.m. at Telecom Foundation Headquarters, Plot No. 190, I-9/2, Industrial Area, Islamabad to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the 2nd Extraordinary General Meeting held on October 23, 1996.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 1996 together with the Directors' and Auditors' Report thereon.
3. To appoint Auditors for the year ending June 30, 1997 and to fix their remuneration. Retiring Auditors M/s. Hassan Farooq & Co. have offered themselves for re-appointment.

SPECIAL BUSINESS:

4. To approve the capitalisation of a sum of Rs. 5.40 million set aside out of the capital reserves of the company as on June 30, 1996 for issuance of bonus shares in the proportion of 10 shares for every 100 shares of Rs. 10 each.
5. To transact such other business as may be placed before the meeting with the permission of the Chair.

By order of the Board
Sajjad Hasan
Company Secretary

Islamabad
December 8, 1996

NOTES:

1. Share Transfer Books of the Company will remain closed from December 21, 1996 to December 29, 1996 (both days inclusive).
2. A member entitled to attend and vote at the meeting is entitled to appoint another member as proxy.
3. Proxies in order to be effective must be received at the Head Office of the Company not less than 48 hours before the meeting and must be duly stamped, signed and witnessed.
4. Shareholders are requested to promptly notify in writing the Company of any change in their address.
5. A statement under section 160 of the Companies Ordinance, 1984 pertaining to the Special Business is being sent to the shareholders with this notice.

STATEMENT UNDER SECTION 160 OF THE COMPANIES ORDINANCE, 1984

This statement sets out material facts concerning the special business to be transacted at the 4th Annual General Meeting to be held on December 29, 1996.

ISSUANCE OF BONUS SHARES

To approve capitalization of a sum of Rs. 5.40 million set aside out of the Capital Reserves of the company as on June 30, 1996 for the issuance of Bonus Shares in the proportion of 10 shares for every 100 shares of Rs. 10 each and to consider and if thought fit to pass the following Special Resolution.

"Resolved that

a) The sum of Rs. 5.40 million set aside out of Capital Reserves of the company as on June 30, 1996 be capitalized and applied to the issue of Bonus Shares of Rs. 10 each allotted as fully paid Bonus Shares to the members of the company whose names appear on the Register of Members as at the close of business on December 20, 1996 in proportion of 10 shares for every 100 shares (10%) held.

b) The Bonus Shares will rank pari passu in all respects with the existing shares.

c) In the event of any member holding shares which are not an exact multiple of 100 shares, the Chief Executive be and is hereby authorised to sell in the stock market such fractional entitlement and to donate the proceeds of sale, when realized, to TF Public School.

d) The directors be and are hereby authorised and empowered to give effect of the resolution and to do or cause to be done all acts, deeds and things that may be necessary or required for issue, allotment and distribution of Bonus Shares."

The directors are of the opinion that the profit/reserves of the company justify the capitalisation of a sum of Rs. 5.40 million for issue of Bonus Shares.

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors have the pleasure in presenting the shareholders the results of the 2nd years' operations and the Annual Audit Report for the year ended June 30, 1996.

BOARD OF DIRECTORS

Certain changes took place in the composition of the Board at the election of directors in the last Extra Ordinary General Meeting held on October 23, 1996. The Board of Directors increased the number of directors from seven to nine. Mr. Anwar Ali retired from the Board and Mr. A. Faiz M. Ishaq, Mr. Mushtaq Ahmad Bhatti and Mohammad Akram were elected in addition to the other directors already on the Board. The Board takes this opportunity to welcome the newly appointed members of the Board and express appreciation for the services rendered by the out going director during his association with the company.

FINANCIALS

This was the 2nd year of commercial operations. The Board is pleased to report pretax profit of Rs. 19,125,855 for the year and propose the appropriations as under:

	(Rupees)
Profit from the operations before taxation	19,125,855
Provision for taxation	350,687

Profit after tax	18,775,168
Unappropriated profit brought forward	519,246

Profit available for appropriation	19,294,414
	=====
Appropriation	
Transfer to General Reserves	15,525,000
Unappropriated profit carried forward	3,769,414

	19,294,414
	=====
Issue of Bonus shares out of capital reserve	5,400,000
	=====
Earning per share	Rs. 3.48
	=====

AUDITORS

The retiring auditors M/s. Hassan Farooq & Co., Chartered Accountants, being eligible, offer themselves for re-appointment for the year ending June 30, 1997.

SHARE HOLDING PATTERN

A statement reflecting the pattern of shareholding is attached to the report.

ACKNOWLEDGEMENT

A fairly good performance in the year could not have been possible without support and cooperation of our staff. The Board appreciates the hard work put in by the staff and the management in performance of their duties.

On behalf of the Board

Mueen Sadiq Malik
Chief Executive

CHIEF EXECUTIVES' REPORT TO THE SHAREHOLDERS

OVERVIEW

1995-96 was the second year of the commercial operations of Pak Datacom Ltd. The company has

earned a pretax profit of Rs. 19.13 million during this year and has expended its asset base from 41.85 million to 92.99 million. The company was listed on the stock exchanges in Dec. 95. The company has been continuously expanding and at present is the leading data network operator in the country. The company has marketed aggressively and has expanded its customer base both within and out side Pakistan, The company now has a network consisting of.

a) Terrestrial network in Pakistan in which 41 circuits are being provided to 26 organizations, thorough optical fibre and data multiplexing equipment.

b) Satellite network in Pakistan in which 30 satellite circuits are being provided to 19 organizations through 34 satellite stations of various sizes.

c) Satellite circuits in Bangladesh where under a BOT contract the company is providing international data circuits through small Satellite Station (VSATs) to 15 organizations.

The company has leased 20% of a transponder on AsiaSat I and 11% on AsiaSat II.

INTERNATIONAL OPERATIONS

Pak Datacom has a license titled "License Agreement to Establish, Maintain and Operate National and International Data Communication Network". The matter of providing International circuits from Pakistan was taken up by Pakistan Telecom Authority. After detailed discussions the matter has been resolved and an agreement has been reached for smooth operation of International links.

FUTURE PROSPECTS

Pak Datacom Limited has purchased a 9.0 meter diameter (F-3) Satellite Earth Station. It is expected to be installed by Feb. 97. This station shall be able to provide up to 100 International circuits to U.S.A and Canada.

So far Pak Datacom has been providing dedicated satellite links (SCPC) to its customers which was rightly assessed to be the need of the time in Pakistan. The company has now ordered a demand based system consisting initially of 10 VSATs. This would enable the company to cater to the needs of medium sized organizations. This system should also be in place by Feb. 96.

OVERSEAS OPERATIONS

Your company has the unique distinction of being the only international operator of Pakistan. After the initial order of 5 International VSAT circuits from Bangladesh, the company received an additional order of 10 circuits. Eight of these small satellite stations have been installed and the remaining are in progress.

ACKNOWLEDGEMENT

My thanks are due to my colleagues for making the company a success. I am also grateful to Corporate Law Authority and the stock exchanges for their cooperation during the public issue and to the Chairman and the Board of Directors for their guidance.

Mueen Sadiq Malik
Chief Executive

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Pak Datacom Limited as at June 30, 1996 and the related profit and loss account and statement of sources and application of funds, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and, after due verification thereof, we report that:

(a) in our opinion, proper books of account 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 and the statement of sources and application of funds, together with the notes forming part thereof, 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, 1996 and of the profit and changes in financial position for the year then ended: and

(d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

HASSAN FAROOQ AND COMPANY
CHARTERED ACCOUNTANTS

LAHORE: December 3, 1996

BALANCE SHEET

AS AT JUNE 30, 1996

	Note	1996 (Rupees)	1995 (Rupees)
SHARE CAPITAL & RESERVES			
Authorised Capital			
10,000,000 ordinary shares of Rs. 10/- each		100,000,000	100,000,000
		=====	
Issued, subscribed & paid up capital	3	53,951,000	45,900,000
Deposit for shares		15,000	-
Reserves	4	63,376,500	35,775,000
Unappropriated profit / (loss)		3,769,414	519,246

		121,111,914	82,194,246
LIABILITIES AGAINST ASSETS			
SUBJECT TO FINANCE LEASE'	5	23,799,276	-
LONG TERM CUSTOMERS' DEPOSITS	6	15,350,113	6,437,375
CURRENT LIABILITIES			
Due to associated undertakings	7	1,522,391	1,714,796
Current portion of liabilities against assets subject to finance lease		3,863,496	-
Creditors, accrued and other liabilities	8	60,985,895	10,884,392
Provision for taxation		352,970	1,583,003

		66,724,752	14,182,191
CONTINGENCIES AND COMMITMENTS			
	9	-	-

		226,986,055	102,813,812
		=====	
TANGIBLE FIXED ASSETS			
Fixed assets	10	79,866,787	37,485,147
Capital work in progress	11	41,515,420	5,379,823

		121,382,207	42,864,970
LONG TERM PREPAYMENTS AND DEPOSITS	12	14,482,129	12,080,381
DEFERRED COSTS	13	3,125,466	845,657
CURRENT ASSETS			

Trade debtors	14	22,954,837	228,389
Advances, deposits, prepayments and other receivables	15	28,899,874	15,112,260
Cash and bank balances	16	36,141,542	31,676,155

		87,996,253	47,016,804

		226,986,055	102,813,812
		=====	

The annexed notes form an integral part of these accounts.

M. Ashfaq Ahmad Chowdhri
Director

Mueen Sadiq Malik
Chief Executive

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 1996**

	Note	1996 (Rupees)	1995 (Rupees)
REVENUE		70,137,328	49,821,592
OPERATING EXPENSES	17	53,195,387	38,254,689

OPERATING PROFIT		16,941,941	11,566,903
FINANCIAL EXPENSES		237,320	200,413

OTHER INCOME	18	2,421,234	2,210,759

PROFIT BEFORE TAXATION		19,125,855	13,577,249
PROVISION FOR TAXATION		350,687	1,583,003
PROFIT AFTER TAXATION		18,775,168	11,994,246
UNAPPROPRIATED PROFIT BROUGHT FORWARD		519,246	-

PROFIT BEFORE APPROPRIATIONS		19,294,414	11,994,246
APPROPRIATIONS:			
TRANSFERRED TO GENERAL RESERVES		15,525,000	11,475,000

UNAPPROPRIATED PROFIT CARRIED FORWARD		3,769,414	519,246
		=====	

The annexed notes form an integral part of these accounts.

Mueen Sadiq Malik
Chief Executive

M. Ashfaq Ahmed Chowdhri
Director

**STATEMENT OF SOURCES AND APPLICATION OF FUNDS
FOR THE YEAR ENDED JUNE 30, 1996**

	1996 (Rupees)	1995 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		

Profit before taxation	19,125,855	13,577,249
Adjustment for non cash and other items:		
Depreciation	8,897,900	4,365,504
Financial charges	237,320	200,413
Amortization of deferred cost	835,795	211,414
	-----	-----
	9,971,015	4,777,331
	-----	-----
Operating profit before working capital changes	29,096,870	18,354,580
(Increase) / decrease in current assets		
Trade debtors	(22,726,448)	118,229
Advances, deposits, prepayments & other receivables	(13,787,614)	(9,992,841)
	-----	-----
	(36,514,062)	(9,874,612)
(Decrease) / increase in current liabilities		
Due to associated undertakings	(192,405)	(911,343)
Creditors, accrued and other liabilities	50,101,503	7,894,239
	-----	-----
	49,909,098	6,982,896
	-----	-----
	42,491,906	15,462,864
Tax paid	(1,580,720)	-
Financial charges paid	(237,320)	(200,413)
Lease liability paid	(40,592)	-
	-----	-----
	(1,858,632)	(200,413)
	-----	-----
Net cash flows from operating activities	40,633,274	15,262,451
	=====	=====
	1996	1995
	(Rupees)	(Rupees)

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed assets acquired	(60,387,494)	(26,710,687)
Sale proceeds of fixed assets	675,721	-
Long term prepayments and deposits	(2,395,748)	(12,045,331)
Deferred costs	(3,115,604)	(887,500)
	-----	-----
Net cash flows from investing activities	(65,223,125)	(39,643,518)

CASH FLOWS FROM FINANCING ACTIVITIES

Issue of share capital	8,051,000	25,760,000
Premium on issue of share capital	12,076,500	24,300,000
Deposit for shares	15,000	-
Long term security deposits	8,912,738	4,636,590
Repayment of long term loan	-	(500,000)
	-----	-----
Net cash flows from financing activities	29,055,238	54,196,590

NET INCREASE IN CASH AND

CASH EQUIVALENTS	4,465,387	29,815,523
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CASH AND CASH EQUIVALENTS AT

THE BEGINNING OF THE YEAR	31,676,155	1,860,632
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CASH AND CASH EQUIVALENTS AT

THE END OF THE YEAR	36,141,542	31,676,155
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Mueen Sadiq Malik
Chief Executive

M. Ashfaq Ahmed Chowdhri
Director

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 1996**

1. THE COMPANY AND ITS OPERATION

1.1 The company, a subsidiary of Telecom Foundation, was incorporated on July 13, 1992 as 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 01, 1994.

1.2 The objective of the company is to set up, operate and maintain a countrywide network of data communication and to serve the needs of the subscribers against approved tariff charges.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting Convention

These accounts have been prepared under the historical cost convention.

2.2 Taxation

Current

Provision for taxation is based on taxable income at the current tax rates after taking into account all tax credits available, if any.

Deferred

The company accounts for deferred taxation on all major timing differences using the liability method. However, deferred taxation is not provided if it can be reasonably ascertained that these timing differences will not reverse in the foreseeable future.

2.3 Tangible Fixed Assets and Depreciation

Fixed assets except capital work in progress are stated at cost less accumulated depreciation. Capital work in progress is stated at cost.

Full year's depreciation is charged on the assets acquired during the year while no depreciation is charged on the assets disposed off during the year.

Depreciation is charged to income on the reducing balance method at the rates specified in the fixed assets schedule.

2.4 Assets Subject to Finance Lease

Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the lease agreement and the fair value of assets. The related obligation of the lease is accounted for as liability. Assets acquired under finance lease are depreciated over the useful life of assets on a reducing balance method at the rates specified in the fixed assets schedule.

2.5 Long Term Prepayments

These are amortised over the period of contract for which equipment is specifically used.

2.6 Deferred Cost

These are amortised over a period of five years starting from the year of incurrance.

2.7 Revenue Recognition

Revenue from monthly services rendered is recognised on rising of bills to customers.

3. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

5,395,100 (1995: 4,590,000) ordinary shares of
Rs. 10/- each fully paid up in cash

1996	1995
(Rupees)	(Rupees)

53,951,000	45,900,000
------------	------------

2,969,500 (1995: 2,969,500) ordinary shares are held by Telecom Foundation, Pakistan.

4. RESERVES

Capital

Share premium	30,976,500	24,300,000
Bonus shares	5,400,000	-
	-----	-----
	36,376,500	24,300,000

Revenue

General		
Opening	11,475,000	-
Transferred from current year profit	15,525,000	11,475,000
	-----	-----
	27,000,000	11,475,000
	-----	-----
	63,376,500	35,775,000

5. LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE

Liability against assets subject to finance lease	27,662,772	-
Less: Current portion	3,863,496	-
	-----	-----
	23,799,276	-

5.1 The present value of minimum lease payments have been discounted at implicit rates given below:

Description	Balance rentals outstanding as at June 30, 1996 Rupees	No. of Installments outstanding	Rate of interest per annum	Expiring Month
Vehicles	341,070	30 Monthly	22.46	December 1998
Equipment	45,005,760	60 Monthly	20.84	June 2001

In case of default of any payment a fine at the rate of 2% per month on all overdue amounts or part thereof shall be charged. Taxes, repairs and insurance costs are to be borne by the lessee. Lessee shall have no right to terminate the lease. Lessor can terminate the lease by giving one month's notice.

Liabilities are secured against deposits of Rupees 2.082 million (1995: Rupees Nil), demand promissory notes and first registered charge over equipment and other assets of the company to the extent of outstanding liability under these lease agreements.

6. LONG TERM CUSTOMERS' DEPOSITS

These are interest free deposits received from customers repayable at the time of termination of the agreements.

	1996 (Rupees)	1995 (Rupees)
7. DUE TO ASSOCIATED UNDERTAKINGS		
TF Payphones Limited	564,770	682,555
Telecom Foundation		
Current account	457,621	1,032,241
Shod term loan	500,000	-
	-----	-----
	1,522,391	1,714,796

This shod term loan has been obtained at an interest rate of 22% per annum.

8. CREDITORS, ACCRUED AND OTHER LIABILITIES

Advances from customers	29,220,033	9,520,912
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Creditors		
Trade	-	536,340
Machinery	28,480,834	-
	28,480,834	536,340
Royalty payable	2,188,199	437,798
Accrued liabilities	1,092,571	389,342
Tax deducted at source	4,258	-
	-----	-----
	60,985,895	10,884,392
	=====	=====

9. CONTINGENCIES AND COMMITMENTS

9.1 Outstanding letters of credit for import of Datacom system machinery are Rupees 26.97 million (1995: Rupees 12.685 million).

	1996	1995
	(Rupees)	(Rupees)
10. FIXED ASSETS		
Operating (Note No. 10.1)	79,612,387	37,485,147
Subject to finance lease (Note No. 10.2)	254,400	-
	-----	-----
	79,866,787	37,485,147
	=====	=====

10.1 Operating

	C O S T		
	AS AT		AS AT
	JULY 01,	ADDITIONS/	JUNE 30,
DESCRIPTION	1995	(DISPOSALS)	1996
Office building	-	1,773,350	1,773,350
Datacom system machinery	34,752,079	48,727,909 (258,090)	83,221,898
Office equipments	2,103,400	110,224	2,213,624
Testing equipments	1,967,990	896,630	2,864,620
Airconditioners	234,165	22,500	256,665
Furniture & fixtures	988,632	101,998	1,090,630
Vehicles	1,804,385	4,650 (554,300)	1,254,735
	-----	-----	-----
1996 (Rupees)	41,850,651	51,637,261 (812,390)	92,675,522
	=====	=====	=====

DEPRECIATION

	ACCUMU- LATED AS AT JULY 01, 1995	CHARGE/ (ADJUSTMENT) FOR THE YEAR	ACCUMU- LATED AS AT JUNE 30, 1996	WRITTEN DOWN VALUE AS AT JUNE 30, 1996	RATE %
Office building	-	88,668	88,668	1,684,683	5
Datacom system machinery	3,475,208	7,977,249 (25,809)	11,426,648	71,795,250	10
Office equipments	210,340	200,328	410,668	1,802,956	10
Testing equipments	196,799	266,782	463,581	2,401,039	10
Airconditioners	23,417	23,325	46,742	209,923	10
Furniture & fixtures	98,863	99,177	198,040	892,590	10
Vehicles	360,877	178,772 (110,860)	428,789	825,946	20
	-----	-----	-----	-----	-----
1996 (Rupees)	4,365,504	8,834,300	13,063,135	79,612,387	

(136,669)

=====

10.2 Subject to Finance Lease

DESCRIP- TION	(Rupees)							
	AS AT JULY 01, 1995	C O S T ADDITI- ONS/ (DISPOSALS)	AS AT JUNE 30, 1996	ACCUMU- LATED AS AT JULY 01, 1995	DEPRECIATION CHARGE/ (ADJUSTM- ENT) FOR THE YEAR	ACCUMU- LATED AS AT JUNE 30, 1996	WRITTEN DOWN VALUE AS AT JUNE 30, 1996	RATE %
Vehicles	-	318,000	318,000	-	63,600	63,600	254,400	20

1996 Grand Total	41,850,651	51,955,261 (812,390)	92,993,522	4,365,504	8,897,900 (136,669)	13,126,735	79,866,787	

1995 Grand Total	13,745,332	28,105,319	41,850,651	-	4,365,504	4,365,504	37,485,147	
=====								

10.3 Particulars of Disposal of Fixed Assets

Particulars of assets	Original Cost	Accumu- lated Deprecia- tion	Written Down Value	Sale proceeds in Rupees	Mode of disposal	Particulars of Purchaser
Datacom system machinery	258,090	25,809	232,281	232,281	Negotiation	Central Board of Revenue, Islamabad
Vehicle	554,300	110,860	443,440	443,440	Negotiation	Mr. Masood Ahmad, H. No. 7, I-8/3, Khayaban-e-Joher, Islamabad.
					1996 (Rupees)	1995 (Rupees)

11. CAPITAL WORK IN PROGRESS

Data system machinery:		
Own	14,130,056	5,379,823
Obtained on lease (Note 11.1)	27,385,364	-
	41,515,420	5,379,823
	=====	=====

11.1 It represents the data system machinery obtained on lease under the process of clearance from custom authorities.

12. LONG TERM PREPAYMENTS AND DEPOSITS**Prepayments**

Civil Aviation Authority	8,142,629	12,038,481
Bangla Desh Telegraph & Telephone Board	4,195,500	-
	12,338,129	12,038,481
	=====	=====

Deposits

Security against finance lease	2,081,800	-
Others	62,200	47,900
	-----	-----

2,144,000 47,900

14,482,129 12,086,381

=====

13. DEFERRED COSTS

Preliminary expenses 845,657 1,057,071
Share floatation expenses 3,115,604 -

3,961,261 1,057,071

Less: Amortised during the year 835,795 211,414

3,125,466 845,657

=====

14. TRADE DEBTORS

These are unsecured but considered good.

1996 1995
(Rupees) (Rupees)

15. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Loan and advances
To associated undertakings (Note no. 15.1) 6,861,572 6,541,667
Against expenses 13,456,479 2,315,866
Income tax 2,417,227 1,090,507

22,735,278 9,948,040

Deposits
Margin against letters of credit 81,116 1,434,569
Others 55,000 -

136,116 1,434,569

Short term prepayments 5,886,056 2,574,393

Other receivables - considered good
Retention money 16,250 401,000
Import licence fee - 91,500
Other receivables 126,174 662,758

142,424 1,155,258

28,899,874 15,112,260

=====

15.1 It includes a short term loan of Rupees 6,500,000 and interest thereon at the rate of 20% per annum to Messrs.TF Payphones Limited given in 1995.

16. CASH AND BANK BALANCES

Cash in hand 1,063 5,584
Cash with banks on
Current accounts 144,943 1,370,598
Deposit accounts 35,995,536 30,299,973

36,140,479 31,670,571

36,141,542 31,676,155

=====

	1996 (Rupees)	1995 (Rupees)
17. OPERATING EXPENSES		
V-SAT equipment cost	9,739,518	14,713,700
Space segment rentals-V-SAT	14,822,472	4,343,605
PTC Channel & local lead rent	2,362,978	5,999,215
Salaries, wages and other benefits	6,506,300	3,659,653
Travelling and local conveyance	1,561,468	1,349,646
Telephone lines bills	931,244	700,740
Vehicle running	1,170,025	641,631
Insurance	63,273	-
Repair & maintenance	1,090,390	320,479
Entertainment	127,619	82,168
Rent, rates and taxes	445,288	376,355
Legal and professional charges	173,319	21,540
Printing and stationery	565,217	162,390
Advertisement	307,410	282,223
Royalty to PTC	1,750,401	437,798
Electricity	213,147	144,317
Amortisation		
Licence fee	553,781	370,000
Deferred costs	835,795	211,414
	-----	-----
	1,389,576	581,414
Marketing fees	998,831	-
Auditors remuneration		
Audit fee	40,000	25,000
Out of pocket expenses	14,770	-
	-----	-----
	54,770	25,000
Miscellaneous	24,241	47,311
Depreciation	8,897,900	4,365,504
	-----	-----
	53,195,387	38,254,689
	=====	=====

17.1 Remuneration of Directors and Executives

The aggregate amounts charged in the accounts for remuneration, including all benefits to directors and executives of the company are as follows:

Chief Executive		
Managerial remuneration	176,426	12,715
House rent and utilities	94,200	11,131
Other allowances	143,095	-
	-----	-----
	413,721	23,846
	=====	=====
No. of Persons	1	1

	1996 (Rupees)	1995 (Rupees)
Executive		
Managerial remuneration	177,339	126,515
House rent and utilities	72,600	43,205
Pension	47,976	38,883
Other allowances	114,786	70,675
	-----	-----
	412,701	279,278
	=====	=====
	1	1

17.2 Chief executive and executive of the company are also provided free maintained vehicles.

17.3 The aggregate amount charged in the accounts for fee of 7 directors was Rupees 3,300/-

18. OTHER INCOME

Mark up on loan and advances to associated undertaking	1,300,000	248,217
Mark up on bank deposit	1,057,963	1,738,084
Exchange rate difference	63,271	-
Others	-	224,458
	-----	-----
	2,421,234	2,210,759
	=====	=====

19. PROVISION FOR TAXATION

In view of Company's future expansion plan the management feels that timing differences will not be reversed for some considerable foreseeable period. Hence, provision for deferred tax on timing differences to the extent of Rs. 21.70 million has not been made in the accounts under reference.

20. TRANSACTION WITH ASSOCIATED UNDERTAKINGS

Maximum aggregate amount due from associated undertakings at the end of any month during the year was Rs. 6.296 million (1995: Rs. 6.542 million),

Interest is charged/paid on advances from/to associated undertakings at the rate of 20% to 22% per annum.

21. GENERAL

21.1 Previous year figures have been re-arranged wherever necessary for the purpose of the comparison.

21.2 Figures have been rounded off to the nearest rupees.

Mueen Sadiq Malik
Chief Executive

M. Ashfaq Ahmed Chowdhri
Director

**PATTERN OF HOLDING OF THE SHARES HELD BY THE
SHAREHOLDERS OF PAK DATACOM LIMITED AS AT JUNE 30, 1996
(SECTION- 236)
FORM 34**

NUMBER OF SHAREHOLDERS	SHAREHOLDING		TOTAL SHARES HELD
	FROM	TO	
23	1	100	2,300
3,347	101	500	670,900
40	501	1,000	39,800
2	1,001	5,000	4,000
1	5,001	150,000	104,000
3	150,001	300,000	782,000
3	300,001	ABOVE	3,792,100
-----			-----
3,419			5,395,100
=====			=====

CATEGORIES OF SHAREHOLDERS	NO.	SHAREHELD	PERCENTAGE
INDIVIDUALS	3,400	717,800	13
FOREIGN INVESTORS	5	1,603,800	30
TRUST	2	3,073,500	57
	-----	-----	-----
	3,407	5,395,100	100
	=====	=====	=====