2023 ANNUAL REPORT

PAKISTAN TELECOMMUNICATION COMPANY LIMITED

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VISION

To be the leading and most admired telecom and ICT provider in and for Pakistan

MISSION

To be the partner of choice for our customers, to develop our people and to deliver value to our shareholders

CORE VALUES

We care | We put customers first |
We work as one team | We embrace change

Board of Directors

Mr. Hassan Nasir Jamy

Chairman

Mr. Abdulrahim A. Al Nooryani

Non-Executive Director

Mr. Imdad Ullah Bosal

Non-Executive Director

Mr. Jawad Paul Khawaja

Non-Executive Director

Mr. Mikhail Gerchuk
Non-Executive Director

Mr. Ahad Khan Cheema
Non-Executive Director

Dr. Mohamed Karim Bennis
Non-Executive Director

Ms. Brooke Marie Lindsay
Non-Executive Director

Mr. Khalid Murshed
Non-Executive Director

CORPORATE INFORMATION

Management

Mr. Hatem Mohamed Bamatraf
President and Group Chief Executive Officer

Mr. Mohammad Nadeem Khan
Group Chief Financial Officer

Mr. Muhammad Shoaib Baig
Group Chief People Officer

Mr. Naveed Khalid Butt
Group Chief Regulatory Officer

Ms. Zahida Awan
Group Chief Legal Officer & Company Secretary

Mr. Jafar Khalid
Group Chief Technology & Information Officer

Mr. Ahmad Kamal
Group Chief Customer Care Officer

Mr. Zarrar Hasham Khan
Group Chief Business Solutions Officer

Mr. Muhammad Shehzad Yousuf
Chief Business Operations Officer

Mr. Shahid Abbas
Group Chief Internal Auditor

Syed Atif Raza
Group Chief Marketing Officer

Mr. Nauman Fakhar
Chief Retail Sales Officer

Syed Mazhar Hussain
Advisor to President and Group CEO

Legal Advisor & Company Secretary

Zahida Awan
Group Chief Legal Officer & Company Secretary

Bankers

Conventional

Allied Bank Limited
Askari Bank Limited
Apna Microfinance Bank
Bank Alfalah Limited
Bank Al Habib Limited
Citibank N.A.
Deutsche Bank A.G.
Faysal Bank Limited
First Women Bank Limited
FINCA Microfinance Bank
Habib Bank Limited
Habib Metropolitan Bank Limited
HBL Microfinance Bank
JS Bank Limited
Khushhali Microfinance Bank
MCB Bank Limited
National Bank of Pakistan
NRSP Microfinance Bank
S.M.E. Bank Limited
Samba Bank Limited
Silk Bank Limited
Sindh Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
The Bank of Khyber
The Bank of Punjab
The Punjab Provincial Cooperative Bank Limited
United Bank Limited
Zarai Taraqiati Bank Limited
Mobilink Microfinance Bank Limited
Telenor Microfinance Bank Limited
U Microfinance Bank Limited

Islamic
Al Barka Bank (Pakistan) Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Meezan Bank Limited
MCB Islamic Bank Limited

Registered Office

PTCL Head Office, Room # 17, Ground Floor (Margalla Side),
Ufone Tower, Plot # 55-C, Main Jinnah Avenue, Sector F-7/1,
Blue Area, Islamabad
Fax: +92-51-2310477
Email: company.secretary@ptclgroup.com
Web: www.ptcl.com.pk

Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

Share Registrar

FAMCO Share Registration Services (Pvt.) Limited
8-F, Near Hotel Faran, Nursery,
Block-6, P.E.C.H.S., Shahra-e-Faisal,
Karachi
Tel # 021- 34380101-2
Fax # 021-34380106
Email: info.shares@famcosrs.com

THE MANAGEMENT TEAM

Mr. Hatem Mohamed Bamatraf

President & Group Chief Executive Officer

Mr. Mohammad Nadeem Khan

Group Chief Financial Officer

Mr. Muhammad Shoaib Baig

Group Chief People Officer

Mr. Naveed Khalid Butt

Group Chief Regulatory Officer

Ms. Zahida Awan

Group Chief Legal Officer & Company Secretary

Mr. Jafar Khalid

Group Chief Technology & Information Officer

Mr. Ahmad Kamal

Group Chief Customer Care Officer

Mr. Zarrar Hasham Khan

Group Chief Business Solutions Officer

Mr. Muhammad Shehzad Yousuf

Chief Business Operations Officer

Mr. Shahid Abbas

Group Chief Internal Auditor

Syed Atif Raza

Group Chief Marketing Officer

Mr. Nauman Fakhar

Chief Retail Sales Officer

Syed Mazhar Hussain

Advisor to President and Group CEO

Operating and Financial Highlights

Year ended Dec 31		2023	2022
Key Indicators			
Operating			
Operating profit margin	%	5.05	5.85
Net profit margin	%	9.75	10.85
Performance			
Fixed assets turnover	Times	0.81	0.75
Debtors' turnover	Times	2.10	2.48
Return on equity	%	8.33	8.72
Return on capital employed	%	2.45	3.10
Earnings Retention	%	100.00	100.00
Leverage			
Gearing	Ratio	48:52	40:60
Debt ratio	%	69.72	63.97
Liquidity			
Current	Times	0.80	0.83
Quick	Times	0.74	0.77
Valuation			
Earnings per share	Rs	1.84	1.78
Breakup value per share	Rs	23.01	21.19
Dividend payout ratio	%	-	-
Price earnings ratio	Times	6.64	3.44
Market price to breakup value	Times	0.53	0.29
Dividend per share	Rs	-	-
Dividend Yield	%	-	-
Dividend cover ratio	Times	-	-
Market value per share	Rs	12.23	6.10
Historical Trends			
Operating Results			
Revenue	Rs (m)	96,267	83,444
Profit/ (loss) before tax	Rs (m)	13,906	13,513
Profit/ (loss) after tax	Rs (m)	9,391	9,053
Dividend	Rs (m)	-	-
Financial Position			
Share capital	Rs (m)	51,000	51,000
Reserves	Rs (m)	66,368	57,054
Shareholders' equity	Rs (m)	117,368	108,054
EBITDA	Rs (m)	23,446	21,882
Working capital	Rs (m)	(33,942)	(21,058)
Current assets	Rs (m)	133,153	105,367
Total assets	Rs (m)	387,602	305,160
Non Current Liabilities	Rs (m)	103,138	70,681
Operational*			
ALIS as on Dec 31	No. (000)	2,345	2,407
Average ALIS per employee	No.	152	156

* Exclusive of Primary and Basic Rate interface

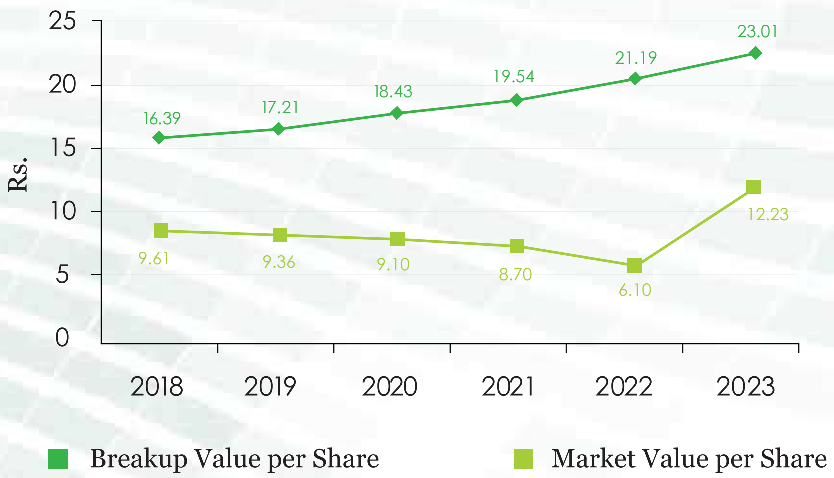
2021	2020	2019	2018
5.42	4.80	6.90	9.14
8.94	8.40	8.87	10.41
0.73	0.69	0.73	0.78
3.01	3.31	3.88	4.36
7.10	6.64	7.41	8.80
3.13	2.72	4.02	5.45
100.00	100.00	19.65	31.29
29:71	27:73	30:70	31:69
58.27	55.45	55.39	53.92
0.76	0.86	0.87	1.00
0.71	0.82	0.80	0.91
1.35	1.18	1.24	1.46
19.54	18.43	17.21	16.39
-	-	80.35	68.71
6.45	7.70	7.52	6.60
0.45	0.49	0.54	0.59
-	-	1.00	1.00
-	-	10.68	10.41
-	-	1.24	1.46
8.70	9.10	9.36	9.61
76,853	71,804	71,548	71,273
9,682	8,493	9,331	10,757
6,874	6,030	6,347	7,422
-	-	5,100	5,100
51,000	51,000	51,000	51,000
48,653	43,010	36,751	32,571
99,653	94,010	87,751	83,571
20,631	19,592	19,986	21,193
(24,662)	(12,812)	(10,400)	139
79,881	76,744	68,835	68,658
245,735	223,600	209,994	196,523
41,539	40,035	43,008	44,433
2,468	2,454	2,467	2,664
153	151	156	170

Operating and Financial Highlights

Graphical Presentation

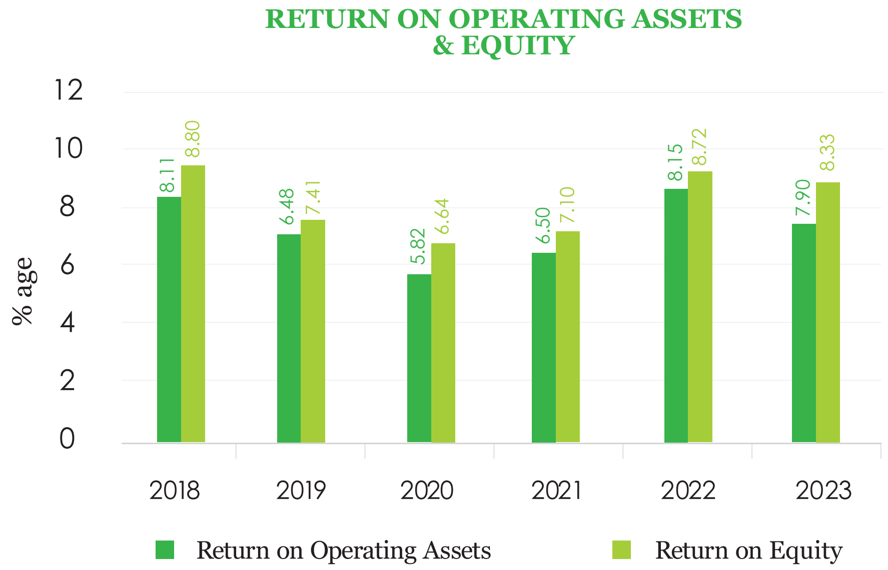
DIVIDEND PAYOUT PER SHARE

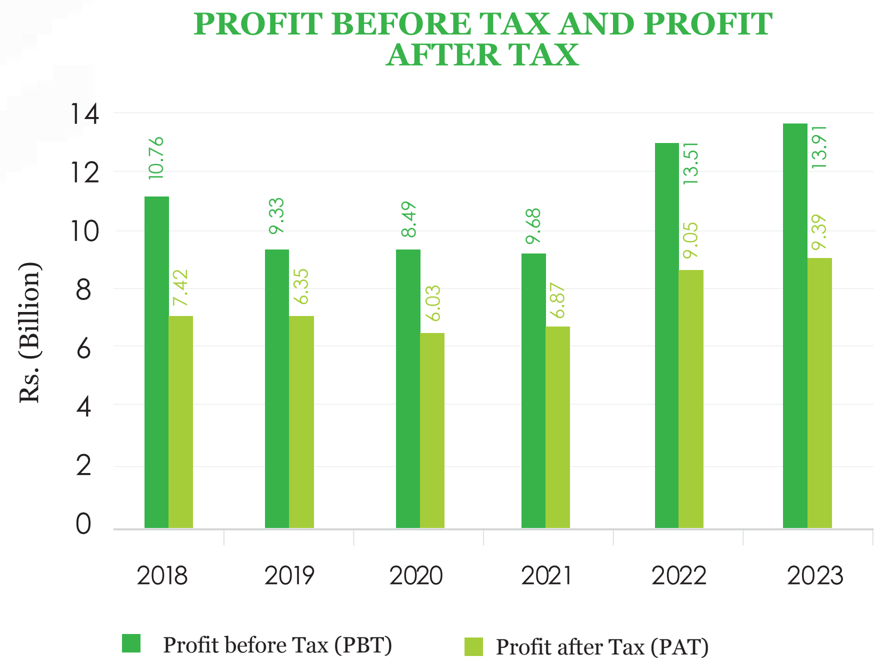
BREAKUP VALUE VS MARKET VALUE



Operating and Financial Highlights

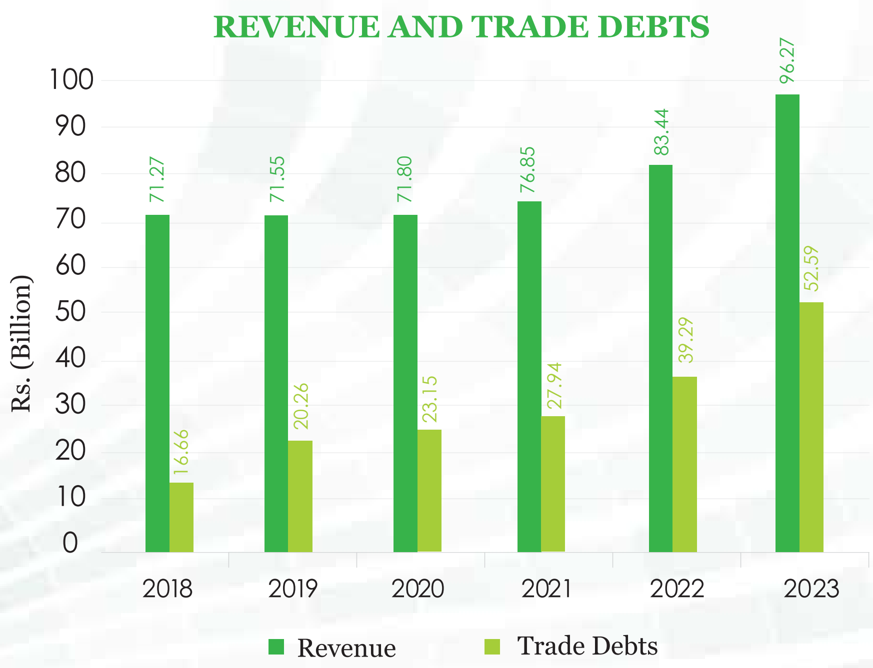
Graphical Presentation





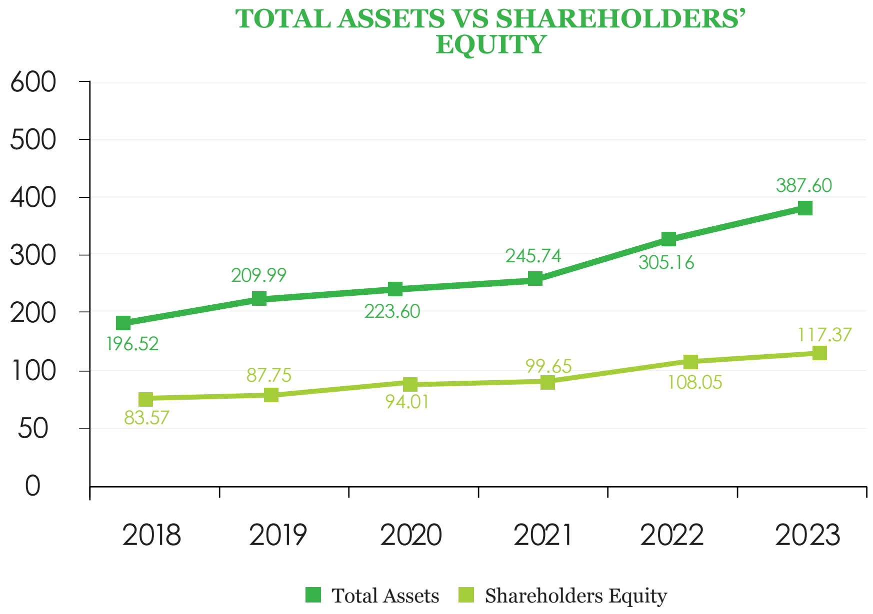
Operating and Financial Highlights

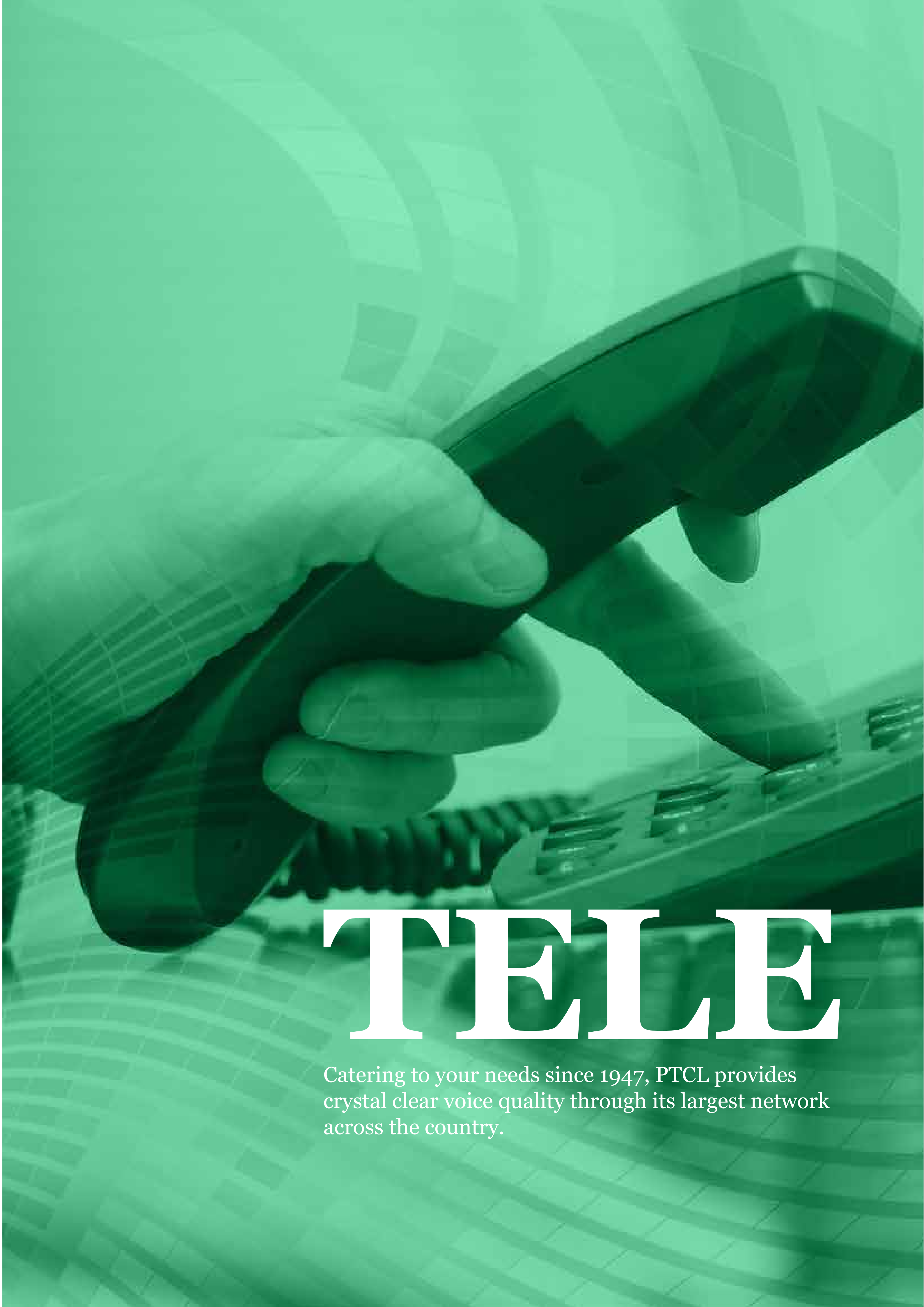
Graphical Presentation



Operating and Financial Highlights

Graphical Presentation





TELE

Catering to your needs since 1947, PTCL provides crystal clear voice quality through its largest network across the country.


PHONE

CHAIRMAN'S
Review- 2023

As the national telecom carrier and connectivity backbone in Pakistan, PTCL Group is committed to deliver innovative solutions that drive the growth of a 'Digital Pakistan'. This is achieved through the establishment of robust telecommunication infrastructure and a wide range of services, all aimed at enhancing the customer experience and accelerating progress in the country.

The year 2023 continued to witness tough economic challenges in terms of soaring inflation, high power tariffs and low per capita income. These factors not only adversely impacted the industry's costs but also confined its profit margins. However, the telecom sector embracing these challenges, re-emerged as a prominent contributor with PKR 340 billion to country's economy in 2023. The telecom sector demonstrated its potential to be both a catalyst and an enabler for the community and other sectors by playing a crucial role in assuring the provision of essential services. For the year, it registered an overall revenue of PKR 850 billion. During the year, the overall teledensity of the country reached 80.5% of which mobile teledensity is 79.4% while the fixed teledensity is 1.1.%. The broadband penetration of the country stood at 54.5%. Thus, the Telcom industry of the country still has sufficient potential to seize more opportunities and endeavor further expansions.

Despite the macro-economic challenges, PTCL group achieved a remarkable 24.5% topline growth for the FY 2023. Whereas PTCL as a standalone entity has posted a revenue of PKR 96.267 billion with 15.4% growth as compared to last year. The net profit of the Company grew by 3.7% as compared to last year. PTML (the cellular wing of the Group) led the industry by acquiring the highest 4G net adds share of 33% and highest 4G subscriber growth of 27% as compared to last year and revenue growth of 25.6%. Ubank (microfinance and branchless banking subsidiary of PTCL) continued its growth trajectory and has achieved a remarkable 65.7% growth as compared to last year.

The Board has outlined its vision to support Pakistan's digital transformation by becoming the country's leading technology player and national champion. In pursuance of its vision, PTCL has signed the Share Purchase Agreement to acquire 100% stake in Telenor Pakistan (Private) Limited, which has been marked as a major break-through in telecom industry. The Board's proactive approach in taking timely decisions to expand and modernize the Company's network with innovative technologies and smart solutions in a synchronized manner has been reflected in the strong performance of the PTCL Group. The Board is committed to ensure the provision of seamless connectivity and innovative and competitive yet affordable services by adopting unparalleled customer-centric initiatives besides focusing on cost optimization strategies. We remained devoted and exhibited a professional approach in achieving corporate goals and further growth of the Company's business. During the year, the overall performance of the Board and its sub-committees was impressive.

The board approved the consolidated financial statements during its meeting on 02 May 2024, and consequently, the financial figures pertaining to the group have been revised accordingly.

Source: PTA Website/Annual Report 2022-2023 for Industry related numbers.

I would like to take this moment to express my gratitude to my colleagues for their committed and proficient contributions, which have enabled the PTCL Group to exceed expectations. I have full confidence that the Board will continue to lead the management in embracing growth opportunities and capitalizing on emerging prospects, while also prioritizing customer satisfaction to enhance shareholder value maximization.

On behalf of the Board, it is my pleasure to recognize and commend the relentless confidence of our valued shareholders. We always believe in satisfying and strengthening shareholders relationship and endeavor to secure as well as maximize their stake value.

Hassan Nasir Jamy

Chairman, PTCL Board

Islamabad: February 13, 2024

یہاں میں پرعزم اور ماہرانہ کوششوں کے لئے اپنے ساتھیوں کا ممنون ہوں کہ جن کی بدولت PTCL گروپ توقعات سے بڑھ کر کارکردگی دکھانے میں کامیاب رہا۔ مجھے مکمل اعتماد ہے کہ نمو کے مواقع اور ابھرتے پہلوؤں کا فائدہ اٹھانے میں بورڈ مینیجمنٹ کی رہنمائی جاری رکھے گا جبکہ حصص یافتگان کی حیثیت میں اضافے کے لئے صارفین کی اطمینان دہی کو بھی ترجیح دیتا رہے گا۔

بورڈ کی جانب سے، یہ میری سعادت ہے کہ میں اپنے معزز حصص یافتگان کے غیر متزلزل اعتماد کا اعتراف اور تحسین بجا لاؤں۔ ہم ہمیشہ حصص یافتگان کے تعلق کو پختہ کرنے، انہیں مطمئن کرنے اور ان کی اسٹیک ویلیو کو برقرار رکھنے کے ساتھ ساتھ اس میں اضافے پہ یقین رکھتے ہیں۔

حسن ناصر جامی

چیئرمین، پی ٹی سی ایل، بورڈ

اسلام آباد: 13 فروری 2024

چیئرمین کا جائزہ- 2023

بحیثیت قومی ٹیلی کام کیرئیر اور پاکستان میں ربط کی ریڑھ کی ہڈی کے طور پر، پی ٹی سی ایل گروپ ڈیجیٹل پاکستان کی گروتھ کے لئے ،جدت پر مبنی حل لانے کے عزم پہ کاربند ہے۔ اس کا حصول مربوط ٹیلی کمیونیکیشن انفراسٹرکچر کے قیام اور وسیع حدود کی سروسز کے ذریعے ہو سکتا ہے جو ملک میں ترقی کو مہمیز کرنے اور صارف کے تجربے میں بہتری لائے۔

سال 2023 بڑھتی ہوئی افراطِ زر، توانائی کی قیمتوں میں اضافے اور کم فی کس آمدنی کے باعث مشکل معاشی چیلنجز سے بھرپور رہا۔ ان عوامل نے نہ صرف کمپنی کے اخراجات پہ منفی اثرات مرتب کئے بلکہ منافع کے اہداف بھی محدود کر دیئے۔ تاہم، ان چیلنجز کا مقابلہ کرتے ہوئے، 2023 میں ٹیلی کام سیکٹر 340 ارب روپے کے ساتھ ملکی معیشت میں نمایاں شراکت دار بن کر ابھرا۔ ضروری خدمات کی فراہمی میں اپنا کلیدی کردار ادا کرتے ہوئے، ٹیلی کام سیکٹر نے کمیونٹی اور دیگر حلقوں کے لئے فعال کنندہ اور عمل انگیز کردار نبھانے کی صلاحیت کا اظہار کیا۔ سال بھر کے لئے اس کا مجموعی ریونیو 850 ارب روپے رہا۔ سال کے دوران ملک کی مجموعی مواصلاتی کثافت 80.5 فیصد تک پہنچ گئی جس میں موبائل مواصلاتی کثافت 79.4 فیصد جبکہ ساکن مواصلاتی کثافت 1.1 فیصد ہے۔ ملک میں براڈبینڈ کا نفوذ 54.5 فیصد رہا۔ اس تناظر میں، ملکی ٹیلی کام انڈسٹری میں مزید مواقع سے فائدہ اٹھانے اور مزید پھیلاو کے اہداف حاصل کرنے کی گنجائش ہے۔

وسیع تر معاشی چیلنجز کے باوجود، پی ٹی سی ایل گروپ نے مالی سال 2023 میں 24.5 فیصد کی نمایاں ٹاپ لائن نمو حاصل کی۔ جبکہ اپنی یکتا حیثیت میں، پی ٹی سی ایل نے گزشتہ سال کے مقابلے میں 15.4 فیصد اضافے کے ساتھ 96.267 ارب روپے کا ریونیو حاصل کیا۔ گزشتہ سال کے مقابلے میں کمپنی کا خالص منافع 3.7 فیصد بڑھا۔ PTML (گروپ کا سیلولر حصہ) 4G نیٹ ایڈز میں گزشتہ سال کے مقابلے میں بلند ترین 33 فیصد شئیرز اور 27 فیصد کے ساتھ بلند ترین 4G سبسکرائبرز گروتھ کے ساتھ انڈسٹری میں سب سے آگے رہا اور آمدن کی شرح نمو 25.6 فیصد رہی۔ یو بینک (مائیکرو فنانس اور (برانچ لیس بینکنگ میں پی ٹی سی ایل کا ماتحت ادارہ) نے اپنی نمو کی رفتار جاری رکھی اور گزشتہ سال کے مقابلے میں 65.7 فیصد کی نمایاں افزائش حاصل کی۔

پاکستان میں ڈیجیٹل تبدیلی میں معاونت کرنے کے لئے بورڈ نے ملک کا سرکردہ ٹیکنالوجی پلیئر اور قومی چیمپئین بننے کی اپنی ترجیحات وضع کی ہیں۔ اپنی ترجیحات کے حصول میں، PTCL نے ٹیلی نار پاکستان (پرائیویٹ لمیٹڈ) کے 100 فیصد ملکیتی حقوق حاصل کرنے کے لئے ایک شئیر خریداری معاہدے پر دستخط کئے ہیں جسے ٹیلی کام انڈسٹری میں ایک بڑی پیش رفت کے طور پہ دیکھا جا رہا ہے۔ کمپنی کے نیٹ ورک کو ہم آہنگ انداز میں اختراعی ٹیکنالوجیز اور اسمارٹ سلوشنز کے ذریعے جدت فراہم کرنے اور فروغ دینے کے لئے بروقت فیصلے لینے میں بورڈ کی فعال اپروچ کا اظہار PTCL گروپ کی قوی کارکردگی سے عیاں ہے۔ قیمت اصلاحی تزویرات کے علاوہ، فقید المثال صارف مرکزیت اقدامات اختیار کر کے بورڈ ہموار ربط اور اختراعی اور مسابقتی مگر قابل برداشت سروسز کی فراہمی کو یقینی بنانے کے عزم پہ کاربند ہے۔ کارپوریٹ اہداف اور کمپنی کی مزید کاروباری نمو کے حصول میں ہم نے لگن اور پیشہ ورانہ مہارت کا مظاہرہ کیا۔ دورانِ سال بورڈ اور اس کی ذیلی کمیٹیوں کی مجموعی کارکردگی متاثر کن رہی۔

بورڈ نے 02 مئی 2024 کو منعقدہ اجلاس کے دوران کنسولیڈیٹڈ فنانشل اسٹیٹمنٹس کی منظوری دی، جس کے نتیجے میں گروپ سے متعلق اعداد و شمار اپڈیٹ کر دیئے گئے ہیں۔

ماخذ: صنعت سے متعلق نمبرز کے لیے پی ٹی اے کی ویب سائٹ / سالانہ رپورٹ 2022-2023

PRESIDENT & GROUP CEO'S (MESSAGE)

We are pleased to announce that 2023 has been another successful year for PTCL Group and is marked as a pivotal point in our journey to become the largest technology player to support digital transformation of Pakistan.

In a strategic move shaping the future of our organization, PTCL signed a Share Purchase Agreement (SPA) with Telenor Pakistan B.V. (Telenor) to acquire a 100% stake in Telenor Pakistan (Pvt) Ltd (Telenor Pakistan), laying the foundation for a promising and transformative journey ahead. This development positions PTCL Group at the forefront of industry advancements, ensuring sustained growth and innovation in the evolving telecommunication landscape.

During the year, PTCL Group's launch of the industry's inaugural Digital Brand, 'onic,' marks a significant milestone in its service diversification and revenue enhancement strategy. onic introduces a digital-first experience, presenting digital natives with a user-friendly platform for managing connectivity and accessing services with ease. The brand's packages offer seamless connectivity, ensuring reliability and simplicity in data plan management. Furthermore, onic integrates an ecosystem that combines connectivity with access to a range of digital services, establishing itself as a comprehensive one-stop solution for users' needs.

In line with its commitment to enhancing user experience and catering to on-the-go entertainment needs of its users, PTCL launched SHOQ which is a premium streaming platform. SHOQ provides the users with a diverse range of premium content and live TV channels. SHOQ with its combination of international and local content along with seamless viewing experience is poised to lead the OTT streaming market.

In 2023, we collaborated with DE-CIX to bring this state-of-the-art interconnection facility to Pakistan by establishing Internet Exchange in Pakistan. We are committed to advancing the country's digital infrastructure to support widespread digitalization, and this collaboration is a significant step forward in achieving that goal. Our nationwide network and DE-CIX's interconnection infrastructure will serve as a foundation to enhance the Internet experience of our customers while facilitating the local hosting of content by international platforms.

PTCL Group achieved a double-digit revenue growth of 24.5% during the financial year 2023 with its EBITDA registering an improved 15.5% growth YOY. Similarly, PTCL achieved revenue growth of 15.4% during the year. The major contribution to PTCL's growth was through the business segment as the company signed various strategic partnerships. Flash Fiber, PTCL's premium Fiber-To-The-Home (FTTH) service, showed tremendous growth with highest net adds of 205k within FTTH market in 2023. This phenomenal growth has been possible through the aggressive expansion of PTCL Flash Fiber and dedicated customer experience throughout the country.

Our Enterprise and Carrier Business segments experienced significant growth, alongside a rise in International Business revenue. With the highest net profit since 2013, these financial achievements underscore PTCL's strategic positioning and dedication to delivering value for shareholders and customers.

In 2023, Ufone 4G emerged as the standout performer in the telecom industry, reporting historical revenue growth, surpassing all other operators. Ufone 4G posted the highest 4G net adds in the industry. It crossed the 25 million subscribers mark for the first time along with expanding its 4G subscriber base, thus emphasizing its commitment to high-speed internet. Additionally, Ufone 4G engaged in strategic partnerships and initiatives, including collaborating with cricket icons as brand ambassadors during the ICC Mens World Cup 2023, joining forces with Peshawar Zalmi during PSL, VoLTE services, and Digital Lifestyle Experience Shops to enhance customer satisfaction among many other.

U Microfinance Bank, the microfinance banking subsidiary of PTCL, continued its growth trajectory and has achieved a notable 65.7% growth in revenue, while maintaining a strong balance sheet position. The bank continued to diversify its asset classes and funding streams while ensuring positive bottom-line impact. It increased total disbursements despite a competitive environment, maintaining strong funding positions with impressive deposits and borrowings. UBank remains committed to financial and social inclusion, providing exceptional services nationwide.

Additionally, PTCL's and UBank's strong credit ratings and various accolades underscore stakeholders' confidence in the company. We were awarded 'Best Place to Work in Technology & Telecom Sector' and 'Most Facilitating Employer'. Additionally, we formed strategic partnerships with DE-CIX, Vodafone, 'Evam', 'Red Hat', and Nokia to drive innovation and enhance customer experiences.

In 2023, PTCL Group actively pursued various CSR initiatives, reinforcing its commitment as a national telecom carrier. To name a few, we collaborated with GSMA that addressed Digital Gender Disparity, focusing on bridging the gender gap in mobile usage in Pakistan. Responding to natural disasters in North African countries, PTCL facilitated free calls for affected families in Pakistan. Additionally, we partnered with ConnectHear to organize sign language training sessions and participated in national initiatives like the Polio Eradication Campaign.

In 2023, Pakistan faced economic challenges, including a global slowdown and rising inflation. Despite this, PTCL Group showed resilience amidst fluctuating exchange rates and high borrowing costs in the telecom industry. We adapted well and are ready to capitalize on the growing demand for data and ICT services in Pakistan's digitalization drive. These challenges didn't slow our progress, reflecting our commitment to innovation and customer-centric services.

As we conclude 2023, on behalf of PTCL Group, I want to express heartfelt gratitude to our esteemed customers whose unwavering confidence propels our endeavors, acknowledging their pivotal role in our achievements. PTCL Group is well-equipped to confront challenges and seize opportunities. Together, we will continue to enhance shareholders' value and solidify our position as the only Integrated Telecom provider playing fundamental role in the growth of Pakistan.

Hatem Mohamed Bamatraf

President and Group

Chief Executive Officer

Islamabad: May 02, 2024

مزید برآں، یوفون 4G اسٹریٹجک شراکت داری اور دیگر اقدامات میں مصروف رہا، جس میں آئی سی سی مینز ورلڈ کپ 2023 کے دوران کرکٹ آئیکونز کے ساتھ بطور برانڈ ایمبیسیڈر اشتراک کرنا، PSL کے دوران پشاور زلمی کے ساتھ شامل ہونا، VoLTE سروسز، اور ڈیجیٹل لائف اسٹائل ایکسپریئنس شاپس شامل ہیں تاکہ صارفین کی طمانیت کو بڑھایا جاسکے۔

پی ٹی سی ایل کے مائیکروفنانس بینکنگ کے ذیلی ادارے یو مائیکروفنانس بینک نے اپنی ترقی کی رفتار کو جاری رکھا اور مضبوط پوزیشن کے ساتھ بیلنس شیٹ کو برقرار رکھتے ہوئے ریونیو میں 65.7 فیصد کی قابل ذکر گروتھ کی۔ بینک نے اس میں مسابقتی ماحول کے باوجود متاثر کن ڈپازٹس اور قرضے لینے کے ساتھ مضبوط فنڈنگ پوزیشنز کو برقرار رکھتے ہوئے کل ادائیگیوں میں اضافہ کیا۔ یو بینک ملک بھر میں غیر معمولی خدمات فراہم کرتے ہوئے مالی اور سماجی شمولیت کے لیے پرعزم ہے۔

مزید برآں، پی ٹی سی ایل اور یو بینک کی مضبوط کریڈٹ ریٹنگز اور مختلف اعزازات کمپنی پر اسٹیک ہولڈرز کے اعتماد کو اجاگر کرتی ہیں۔ ہمیں 'ٹیکنالوجی اور ٹیلی کام سیکٹر میں کام کرنے کے لیے بہترین جگہ' اور 'سب سے زیادہ سہولت فراہم کرنے والے آجر' سے نوازا گیا۔ مزید برآں، ہم نے 'Red Hat'، 'Evam'، Vodafone، DE-CIX اور Nokia کے ساتھ جدت طرازی اور صارفین کے تجربات کو بڑھانے کے لیے اسٹریٹجک شراکت داری قائم کی۔

2023 کے دوران، پی ٹی سی ایل گروپ نے بطور قومی ٹیلی کام کیریئر کے طور پر اپنے عزم کا اعادہ کرتے ہوئے کارپوریٹ سماجی ذمہ داری اقدامات میں سرگرمی سے حصہ لیا۔ گلوبل سسٹم فار موبائل کمیونیکیشنز (GSMA) کے ساتھ مل کر پاکستان میں موبائل کے استعمال میں صنفی فرق کو دور کرنے کے لیے ایک اہم علمی آگاہی ورکشاپ کی مشترکہ میزبانی کی۔ شدید قدرتی آفات سے متاثر مراکش اور لیبیا جیسے شمالی افریقی ممالک میں پی ٹی سی ایل نے پاکستان میں متاثرہ خطوں میں رہنے والے افراد کو پاکستان میں اپنے پیاروں سے رابطے کے لیے مفت کالز کی سہولت فراہم کی۔ سماجی ذمہ داری کے عزم کا اعادہ کرتے ہوئے پی ٹی سی ایل گروپ نے کنیکٹ ہیئر کے ساتھ بھی تعاون کرتے ہوئے اشاروں کی زبان کی تربیتی سیشن کا اہتمام کیا، اور پولیو کے خاتمے کے لیے جاری ملک گیر مہم میں بھرپور حصہ لیا۔

بگڑتی ہوئی میکرو اکنامک صورتحال، عالمی معاشی سست روی اور دنیا بھر میں بڑھتے ہوئے افراط زر کے دباؤ سے سال 2023 میں پاکستان کو چیلنجنگ معاشی صورت حال کا سامنا رہا۔ ان کثیر الجہتی مشکلات کے باوجود، پی ٹی سی ایل گروپ نے قابل ذکر ردعمل کا مظاہرہ کیا، خصوصاً تیزی سے فروغ پاتی ڈیجیٹلائزیشن کی وجہ سے ڈیٹا سروسز کی طلب میں اضافہ ہوا۔ ان مشکلات نے ہماری پیش رفت کو سست نہیں کیا، جو جدت اور صارفین کے لیے مختص خدمات سے ہمارے عزم کی عکاسی کرتا ہے۔

جیسا کہ ہم 2023 کے اختتام پر پہنچ رہے ہیں، میں ان افراد کی دل سے ستائش کرنا چاہتا ہوں جو پی ٹی سی ایل گروپ کی کامیابی کے لیے جُزو لازِم ہیں۔ ہم اپنے صارفین کے بھی شکر گزار ہیں، جنھوں نے آگے بڑھنے کی جدوجہد کو مہمیز کرتے ہوئے ہماری کامیابیوں میں اپنا اہم کردار ادا کیا۔ پی ٹی سی ایل گروپ چیلنجز کا سامنا کرنے اور مواقع سے فائدہ اٹھانے کے لیے پوری طرح لیس ہے۔ ہم ایک ساتھ مل کر شیئر ہولڈرز کی قدر میں اضافہ کر تے ہوئے پاکستان کی ترقی میں بنیادی کردار ادا کرنے والے معروف ٹیلی کام فراہم کنندہ کے طور پر اپنی پوزیشن کو مستحکم کریں گے۔

حاتم محمد با مطرف

پریزیڈنٹ اینڈ گروپ
چیف ایگزیکٹو آفیسر

اسلام آباد: 02 مئی 2024

پریزیڈنٹ اینڈ گروپ سی ای او (میسج)

ہمیں اس بات کا اعلان کرتے ہوئے بہت خوشی محسوس ہورہی ہے کہ 2023 پی ٹی سی ایل گروپ کے لیے ایک اور کامیاب سال رہا اور یہ پاکستان میں ڈیجیٹل تبدیلی کی معاونت کے لیے سب سے بڑے ٹیکنالوجی پلیئر بننے کے ہمارے سفر کا ایک اہم نقطہ آغاز ہے۔

پی ٹی سی ایل کے مستقبل کو تشکیل دینے والے ایک اسٹریٹجک اقدام میں، پی ٹی سی ایل نے ٹیلی نار پاکستان (پرائیوٹ) لمیٹڈ (ٹیلی نار پاکستان) میں 100 فیصد حصص حاصل کرنے کے لیے ٹیلی نار پاکستان بی وی (ٹیلی نار) کے ساتھ شیئر پرچیز ایگریمنٹ پر دستخط کیے ہیں۔ جس نے تبدیلی کے سفر کے لیے کامیاب مستقبل کی بنیاد رکھی۔ پی ٹی سی ایل گروپ کی یہ کامیاب پوزیشن اسے صنعتی ترقی میں سب سے نمایاں کرتی ہے۔ جو کہ ابھرتے ہوئے ٹیلی کمیونیکیشن لینڈ سکیپ میں پائیدار ترقی اور جدت کو یقینی بناتی ہے۔

اس مالی سال کے دوران، پی ٹی سی ایل گروپ کی جانب سے انڈسٹری کے ڈیجیٹل برانڈ "اونیک" کا اجراء اس کی خدمات کے تنوع اور آمدنی میں اضافے کی حکمت عملی میں ایک اہم سنگ میل کی نشاندہی کرتا ہے۔ "اونیک" نے پہلا ڈیجیٹل ایکسپرئینس متعارف کرایا جو کہ یوزر فرینڈلی پلیٹ فارم کے ساتھ خدمات تک رابطوں میں باسہولت رسائی فراہم کرتا ہے۔

برانڈ کے پیکجز بلا تعطل رابطے کے ساتھ ڈیٹا پلان مینجمنٹ میں ریلائبلٹی کے ساتھ رابطے کی پیشکش کرتے ہیں۔ مزید برآں، اونیک ایک ایسے ایکو سسٹم سے مربوط ہے جو کنیکٹویٹی کے ساتھ ڈیجیٹل خدمات کی وسیع رینج کا اشتراک کرتے ہوئے خود کو صارفین کی ضروریات کے لیے ایک جامع حل کے طور پر تشکیل دیتا ہے۔

صارف کے یوزر ایکسپرینس کو مزید بہتر بنانے اور استعمال کنندگان کی تفریحی ضروریات کو پورا کرنے کے عزم کے ساتھ پی ٹی سی ایل نے ایک پریمیم اسٹریمنگ پلیٹ فارم SHOQ متعارف کرایا۔ جو صارفین کو مختلف قسم کے پریمیم مواد اور لائیو ٹی وی چینلز دیکھنے کی سہولت فراہم کرتا ہے۔ SHOQ بین الاقوامی اور مقامی کانٹینٹ کے امتزاج کے ساتھ بلا تعطل یوزر ایکسپرینس فراہم کرنے کے ساتھ اسٹریمنگ مارکیٹ کی قیادت کرنے کے لیے پُرعزم ہے۔

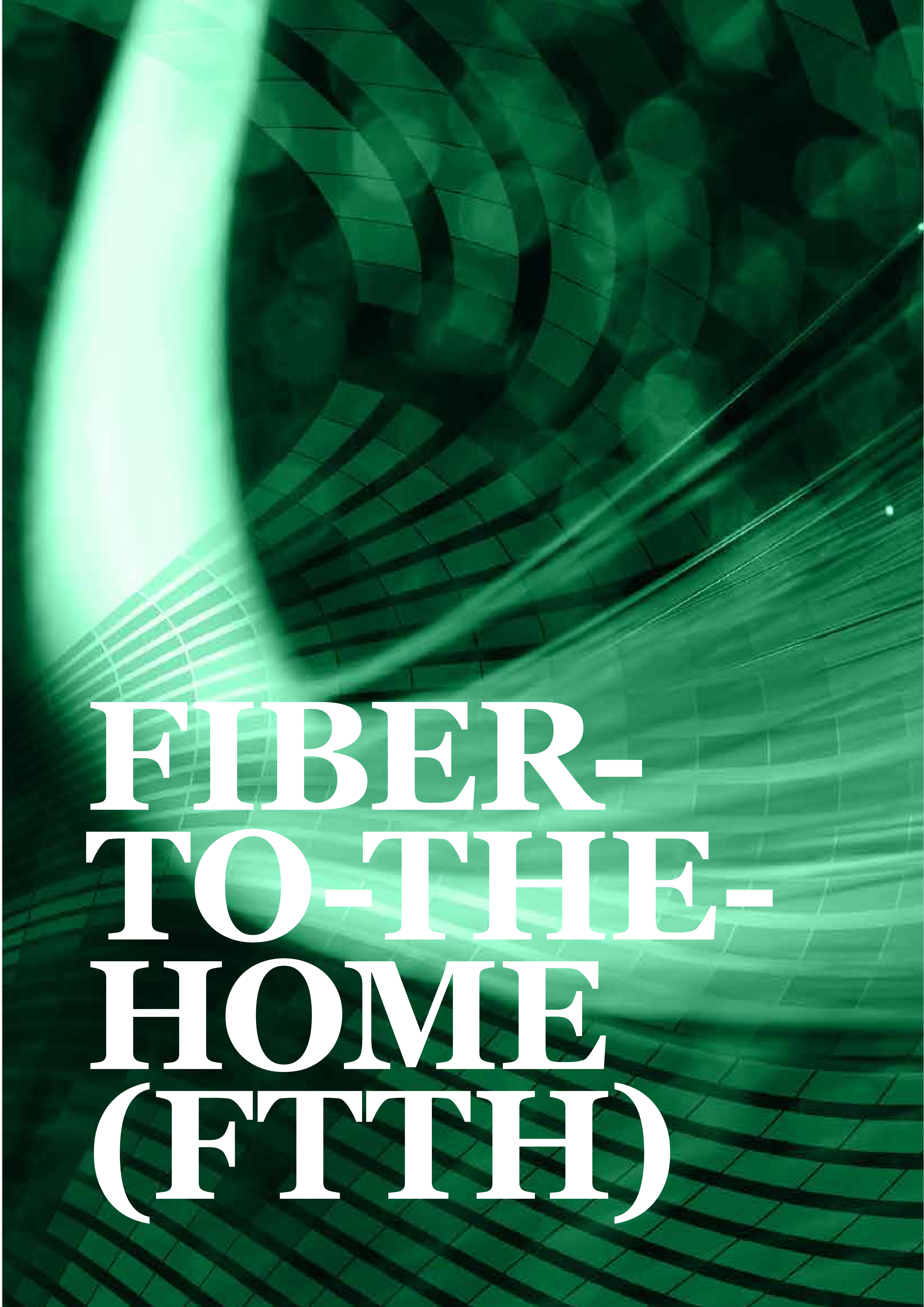
2023 میں، ہم نے DE-CIX کے اشتراک سے پاکستان میں انٹرنیٹ ایکسچینج قائم کرکے اس جدید ترین (اسٹیٹ آف ی آرٹ) سہولت کو پیش کیا۔ ہم بڑے پیمانے پر ڈیجیٹلائزیشن کی معاونت کرنے کے لیے ملک کے ڈیجیٹل انفراسٹرکچر کو فروغ دینے کے لیے پُرعزم ہیں، اور یہ اشتراک اس مقصد کے حصول میں ایک اہم پیش رفت ہے۔ ہمارا ملک گیر نیٹ ورک اور DE-CIX کا انٹر کنکشن انفراسٹرکچر بین الاقوامی پلیٹ فارمز کے ذریعے کانٹینٹ کی مقامی اقدار میں دیکھنے کی سہولت فراہم کرتے ہوئے ہمارے صارفین کے انٹرنیٹ ایکسپرینس کو مزید مہمیز کرنے کے لیے ایک بنیاد کے طور پر کام کرے گا۔

پی ٹی سی ایل گروپ نے مالی سال 2023 کے دوران 24.5 فیصد کی ڈبل ڈیجٹ ریونیو گروتھ حاصل کی، اس کے ساتھ ساتھ EBITDA میں سال بہ سال کی بنیاد پر 15.5 فیصد کی گروتھ ہوئی۔ اسی طرح پی ٹی سی ایل کی آمدن میں اس سال کے دوران 15.4 فیصد کا اضافہ ہوا۔ پی ٹی سی ایل کی ترقی میں سب سے بڑا حصہ بزنس سیگمنٹ کا رہا کمپنی نے مختلف اسٹریٹجک شراکت داریوں کے معاہدوں پر دستخط کیے تھے۔

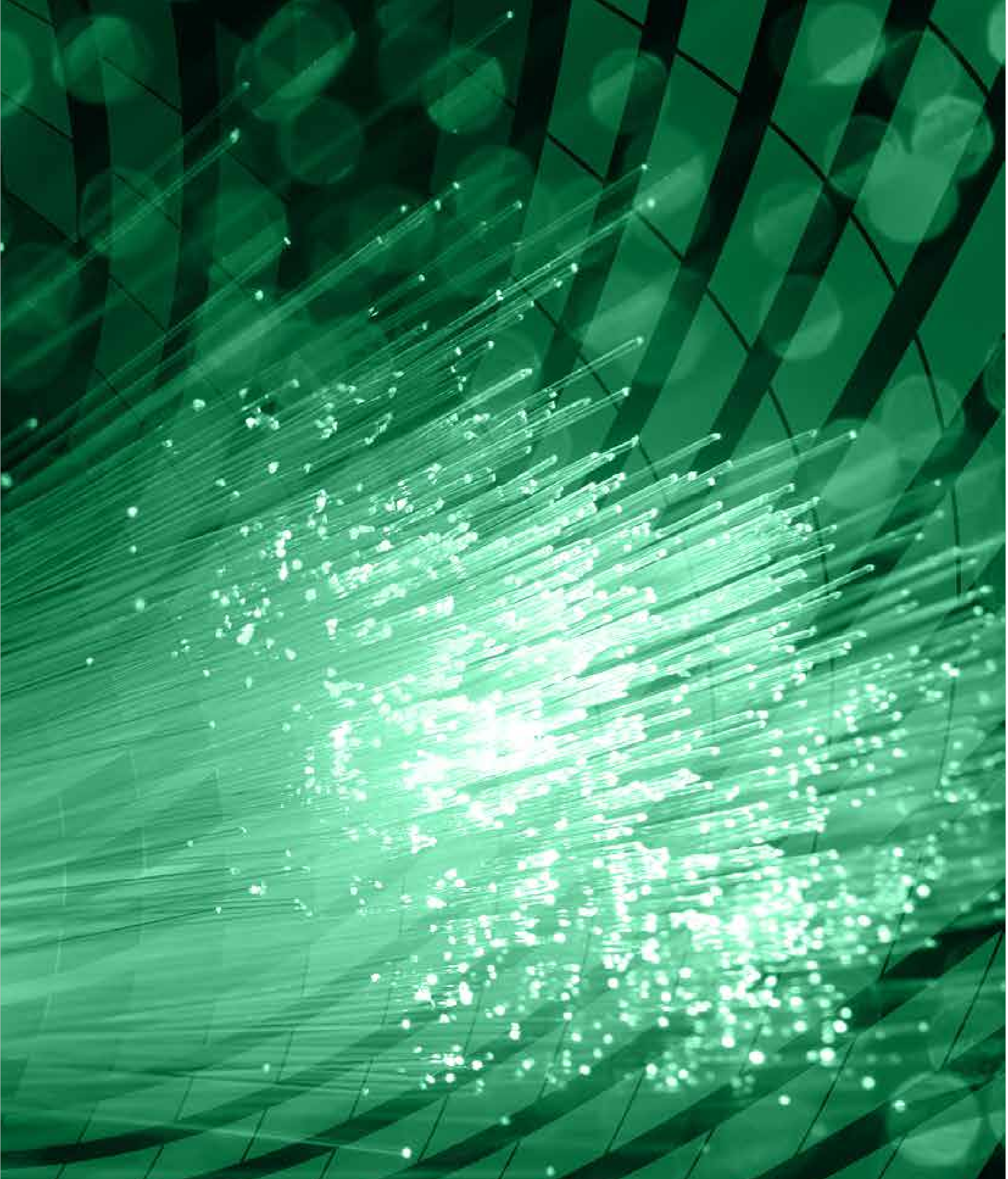
فلیش فائبر، پی ٹی سی ایل کی پریمیم فائبر ٹو دی ہوم FTTH سروس نے 2023 میں FTTH مارکیٹ میں 205k کے سب سے زیادہ خالص اضافے کے ساتھ زبردست گروتھ کی۔ یہ غیر معمولی گروتھ ملک بھر میں پی ٹی سی ایل فلیش فائبر کی جارحانہ توسیع اور صارف کے پُرجوش تجربے سے ممکن ہوئی ہے۔

انٹرپرائز اور کیریئر بزنس سیگمنٹس میں بین الاقوامی کاروباری منافع میں اضافے کے ساتھ نمایاں گروتھ ہوئی۔ 2023 میں سب سے زیادہ خالص منافع کے ساتھ یہ مالیاتی کامیابیاں پی ٹی سی ایل کی اسٹریٹجک پوزیشننگ اور شیئر ہولڈرز اور صارفین کو خوب سے خوب تر فراہم کرنے لگن کو واضح کرتی ہیں۔

2023 میں یوفون 4G نے مواصلاتی صنعت میں بہترین کارکردگی کا مظاہرہ کیا اور دیگر تمام آپریٹرز کو پیچھے چھوڑتے ہوئے تاریخی منافع حاصل کیا۔ یوفون 4G نے صنعت کے سب سے زیادہ نیٹ ایڈز پوسٹ کیے۔ گروپ نے تیز ترین انٹرنیٹ فراہمی کا اپنا عزم پورا کرتے ہوئے اپنے 4G سسکرائبر بیس میں توسیع کے ساتھ پہلی بار 25 ملین سسکرائبرز کا سنگ میل عبور کیا۔



FIBER-TO-THE-HOME (FTTH)



Flash Fiber is PTCL's premium Fiber-To-The-Home service, providing households and businesses in ever-expanding locations all over Pakistan with blazing speeds of up to 1Gbps with unlimited downloads.

DIRECTORS’ REPORT

The Directors of Pakistan Telecommunication Company Limited (PTCL) are pleased to present the Annual Report along with the audited financial statements and auditors’ report thereon for the year ended December 31, 2023.

The macroeconomic challenges that emerged in 2022 persisted and continued to adversely affect the business environment in 2023. The surge in energy costs proved to be the major hurdle for telecom companies, making it challenging for them to offer quality services to consumers at reasonable rates. Network expansion plans were also affected by the adoption of measures aimed at maintaining foreign currency reserves. The substantial devaluation of Pakistani Rupee during the first quarter, coupled with mounting interest rates has significantly affected the profitability of telecom industry.

Despite these challenges, PTCL continued its strong performance throughout 2023. PTCL posted a revenue of Rs 96.3 billion for the year 2023 which is 15.4% higher than the last year, mainly driven by growth in its broadband, wholesale and business solutions segments. Flash Fiber, PTCL’s premium Fiber-To-The-Home (FTTH) service, showed tremendous growth with highest Net adds share within the FTTH market in 2023. PTCL reported a net profit of Rs 9.4 billion, highest since 2013, and 3.7% higher as compared to the last year.

An overview of the Company’s performance during the year is summarized in the succeeding paragraphs.

INDUSTRY OUTLOOK

During the year 2023, there was an evident contraction in cellular subscribers, with numbers shrinking to 189 million (tele-density down to 79% from 86%) — a notable decrease of 3.3 million from the previous year. However, amidst this backdrop, mobile broadband subscribers’ base continued its growth by registering a 5% increase and reaching 128 million while the 4G subscribers grew by 9% YoY. Faced with the dual challenge of declining subscribers and inflationary pressures, operators responded with strategic measures such as augmenting Average Revenue Per User (ARPU) by introducing innovative data monetization initiatives bringing it closer to the one-dollar ARPU mark. While the industry experienced an overall decline in subscribers’ numbers, Ufone exhibited resilience as it achieved a historic milestone by expanding its subscriber base beyond 25 million. With the vision to become the leading ICT and digital Champion of Pakistan, a new digital brand called ONIC was launched which served as a testament to Ufone's commitment to innovation amidst a challenging economic landscape. In addition, PTCL induced vital change in industry landscape by signing the Share Purchase Agreement to acquire 100% stake in Telenor Pakistan (subject to regulatory approvals) which has marked a game-changing leap in PTCL’s journey to deliver the best-in-class services.

The fixed line business, while still lagging the international benchmarks, stood at around 2.5 million subscribers at the end of 2023, mainly propelled by FTTH growth that now contributes 47% of FBB subscribers. PTCL strategically invested in Flash Fiber, while offloading its legacy copper network, leading to a transformative impact on the industry landscape. Flash Fiber, with over 400,000 subscribers and the highest industry net adds share, secured an impressive market share of 32%, marking an impressive 6% increase compared to the previous year.

Expanding on the data traffic trends observed earlier, the telecom sector is expected to see sustained growth, driven by the growing necessity for tower fiberization as a key element for 5G, carrier and wholesale service providers. This strategic move aims to bolster connectivity and meet the increasing demand for data services. Furthermore, the surge in demand for digital, Information and Communication Technology (ICT) solutions is anticipated to be a central focus. This encompasses the proliferation of data centers, cloud services, and managed solutions, catering to both large enterprises and placing notable emphasis on Small and Medium Enterprises (SMEs).

PTCL is strategically positioned and well-prepared to capitalize on this potential. The company's robust portfolio and infrastructure make it a crucial player in meeting the ever-evolving needs of businesses. With a commitment to digital acceleration, PTCL is poised to contribute significantly to technological advancements, fostering the ongoing digital transformation in the telecom landscape. Additionally, the rising prominence of the gaming industry presents an additional growth avenue, and PTCL is tactically positioned to continue tapping into this expanding market segment, contributing to the overall dynamism of the telecom sector.

FINANCIAL PERFORMANCE

PTCL Group posted a revenue of Rs 188.1 billion during the year 2023 which is 24.5% higher as compared to 2022. This revenue growth is the result of a positive contribution from all Group companies. The Group's profitability remained under pressure due to significant Rupee devaluation, high interest rates coupled with inflationary pressures during the year. The Group has posted a net loss of Rs 15.5 billion.

Revenues

PTCL maintained its robust performance throughout 2023. PTCL's revenue of Rs 96.3 billion for the year 2023, the highest-ever in its history is 15.4% higher than 2022, mainly driven by growth in broadband, wholesale and business solutions segments. Flash Fiber, PTCL's premium Fiber-To-The-Home (FTTH) service, showed tremendous growth with the highest customer net adds within the FTTH market in 2023.

PTCL persisted with enhancing its current infrastructure and network, while simultaneously extending its high-quality FTTH internet service called Flash Fiber, nationwide to ensure uninterrupted connectivity and elevate customer satisfaction. The swift implementation of FTTH, coupled with robust performance in Corporate and Wholesale sectors, served as the pillars of PTCL's revenue expansion, bolstering the company's profitability through diligent cost optimization efforts.

PTCL's fixed broadband business has shown 17.4% YoY growth mainly driven by the aggressive FTTH expansion. Flash Fiber showed unprecedented growth of 106.8%, taking a significant share of the market's customer net adds, whereas PTCL IPTV segment also grew by 2.5% YoY. Voice and Charji revenue streams continued the declining trajectory impacted by OTT services and competition from cellular operators.

The business services segment maintained its momentum, retaining its market leadership in IP Bandwidth, Cloud, Data Centers, and other ICT services segments. PTCL's Enterprise business grew by 25.7% as compared to last year, while Carrier and Wholesale business continued its growth momentum and achieved 21.9% overall revenue growth. International voice revenue has increased by 17.9% as compared to last year. Overall Business Solutions revenue has grown by 21.9% on a year-on-year basis.

In 2023, Ufone 4G emerged as the standout performer in the telecom industry, reporting exceptional revenue growth of 25.6%. Ufone 4G posted the highest 4G net adds in the industry. This growth has been possible due to better customer experience and enhanced digital engagement through multiple data-centric products and strategic partnerships with leading digital platforms. Ufone 4G continues its network modernization activities to provide unmatched customer experience across Pakistan. The introduction of ONIC, PTCL Group's ambitious project, marks a pivotal step towards its digital transformation. ONIC aims to be an all-encompassing digital platform, offering a suite of services ranging from e-commerce and financial services to entertainment and connectivity solutions.

Ubank, microfinance and branchless banking subsidiary of PTCL, continued its growth trajectory and has achieved a remarkable 65.7% growth in revenue over the corresponding period of last year. The Bank maintained a strong balance sheet position as the bank continued to diversify its asset classes and funding streams while ensuring positive bottom-line impact. The bank stands resolute in its commitment towards financial and social inclusion, utilizing its extensive outreach to provide exceptional services to a diverse clientele across the country through its rural retail banking, corporate finance & investment banking, Islamic banking, urban retail banking, corporate banking, and digital banking canvases.

Profitability

PTCL has posted an operating profit of Rs 4.9 billion. Net profit of Rs 9.4 billion, the highest since 2013, is 3.7% higher as compared to the last year. PTCL has achieved this despite the challenging economic conditions created as a result of inflation, devaluation of PKR and higher interest rates. PTCL’s earnings per share (EPS) for the year are Rs 1.84.

PTCL Group’s profitability was, among other factors, particularly affected by significant Rupee devaluation and high interest rates during the year. PTCL Group has posted a net loss of Rs 15.5 billion.

Cash Flows

PTCL's operational cash flows were directed towards expanding the FTTH network, aiming to capitalize on the growing demand for high-speed internet services. Concurrently, efforts are made to maintain and enhance the existing copper network to safeguard current revenues and acquire customers in uncovered FTTH pockets. Targeted investments were also made to support the business services segment to help achieve revenue growth. Ufone continued expanding its 4G coverage, for maximum utilization of spectrum to provide fast mobile internet services. Similarly, U Bank focused on expanding its branch network and investing in technology to enhance banking services. PTCL Group’s comprehensive strategy demonstrates its commitment to competitiveness and meeting evolving consumer demands in telecommunications and banking.

Appropriations

No dividend was recommended by the Board of Directors for the financial year 2023 in view of the company’s requirement for funds for equity injection in Ufone, expansion of Ufone’s 4G and PTCL’s FTTH networks, and other network upgrade requirements.

Other Matters

There are no material changes and/or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

Your attention is drawn to note 14.8 of PTCL’s financial statements as well as note 18.8 of the consolidated financial statements for the year, which explain that the matters relating to certain employees’ rights under the PTCL pension scheme are pending with various courts, as highlighted by the external auditors in their audit reports.

PRODUCTS & SERVICES – CONSUMERS

PTCL has demonstrated impressive performance in maintaining itself as the number one operator in home internet connectivity. The introduction of new higher-speed variants that cater to the growing internet demand in Pakistan reflects a keen understanding of market needs. This strategy not only increased loyalty within the existing customer base but also attracted new customers to the PTCL family.

Wireline Broadband

The substantial expansion of the fixed-line consumer base, surpassing 400K Flash Fiber subscribers, marks a noteworthy milestone. PTCL's proactive network expansion strategy underscores its dedication to enhancing high-speed internet infrastructure. The widespread adoption of Flash Fiber, capturing highest industry net adds, underscores its strong appeal to consumers.

SMART TV

The growth trajectory of PTCL Smart TV is noteworthy, and the focus on content enrichment as a pivotal pillar of the growth strategy aligns with the evolving preferences of consumers. The addition of 50 new HD channels and an expanded content library, including premier Hollywood movies, animated series for kids, and the Starzplay catalog, demonstrates a commitment to providing quality entertainment.

PTCL is not only meeting the demand for high-speed internet but is also enhancing the overall entertainment experience for its customers through diversified content offerings. The emphasis on quality and variety in entertainment content positions PTCL as a leading service provider in the telecommunications and home entertainment sector.

SHOQ

In line with its commitment to enhancing user experience and catering to the entertainment needs of its users, PTCL launched SHOQ which is a premium streaming platform. SHOQ provides the users with a diverse range of content from major Hollywood studios like Warner Bros, Paramount, and 20th Century Fox. The decision to feature advertisement-free live streaming of the ICC Cricket World Cup 2023 on SHOQ was well-received by Pakistani fans, as it allowed them to enjoy high-quality, uninterrupted viewing experiences in full HD. SHOQ with its combination of premium content and seamless viewing experience is poised to lead the OTT streaming market.

PRODUCTS & SERVICES-BUSINESS

Our extensive range of service options for business clientele, including local and international customers, encompasses digitalization, cloud solutions, data center hosting, managed services, security, and other ICT offerings.

Enterprise Solutions

PTCL Enterprise Solutions remained on track for the highest Year on Year (YoY) growth of 25.7% with several key initiatives and projects. The focus was to further develop and invest in its Managed Services, Cloud, Data Center, Information Security & ICT portfolio including IoT. An extensive and comprehensive Enterprise Solutions connectivity portfolio continued to serve the needs of a major customer base, providing secure, fast, and reliable Services. Managed Surveillance, Managed Wi-Fi, Data centers, Cloud and Security will remain our key focus and growth areas along with adding new products to our portfolio in the digital space based on existing and upcoming market opportunities.

Overall Enterprise Solutions exhibited continuous growth in 2023 and was able to secure new and strategic ICT/Cloud Projects along with core connectivity business with numerous public and private sector entities. This performance is a combined result of aggressive sales strategy, prudent product management, and customer relationship management creating a strong momentum. Focus on adding new customers in diversified business verticals helped to enhance customer base and product penetration into new segments.

Paving the way for digital transformation in Pakistan, PTCL has enhanced its Enterprise Solutions portfolio from serving connectivity needs to become the customer's trusted choice for their network security. Being in line with Digital centric vision for the company, PTCL expanded its corporate customer base with innovative ICT solutions such as Q-Taleem & Q-Cloud. A strong focus on adding new enterprise customers in diversified business verticals helped PTCL to enhance its customer base and achieve product penetration into new market segments. Currently, PTCL has ICT and Cloud customers across multiple industry segments including education, finance, healthcare and FMCG. PTCL is in the process of onboarding its first banking cloud customer in Pakistan.

Being the National carrier, PTCL is positioning itself to be the force behind the digital Pakistan initiative. Going forward, PTCL is working with its customers in the Public & Private sectors to enable and accelerate their digital transformation journeys. Working together with industry's leading technology and Service partners, our strategy is to help our corporate customers with robust solutions helping them to realize their Digital Transformation endeavors.

International Solutions

PTCL International Solutions remains steadfast in its commitment to delivering unparalleled international voice and IP bandwidth/IP transit services, setting new benchmarks that surpass our business targets. With a meticulous approach, we continuously monitor all international routes, ensuring a superior service quality and uninterrupted availability of our data and voice services.

In the face of challenges posed by the proliferation of OTT applications, widespread smartphone usage, and the persistent threat of grey traffic termination, PTCL proactively collaborates with regulatory bodies such as PTA, CMOs, and the LDI industry. Together, we implement proactive measures to safeguard our voice business revenues, deploying advanced technologies like the Web Monitoring System (WMS) at the ingress points of our international IP bandwidth to detect and curb illegal activities.

Building strategic alliances with major international retail operators has been instrumental in fortifying our incoming revenue streams. Leveraging our extensive terrestrial connectivity corridors with neighboring countries, PTCL aspires to emerge as a pivotal regional transit hub for both data and voice connectivity. We are actively pursuing opportunities to enhance sales of submarine cables' wet segment capacity, as they are a key component of digital sovereignty. Additionally, we aim to capitalize on the vast potential of the Pak-China corridor (CPEC) for Trans-Pakistan Connectivity monetization.

In our quest to elevate customer experience and reduce latency, PTCL collaborates closely with leading content and gaming providers, hosting their nodes in our state-of-the-art Data Centers. The recent introduction of PIE powered by De-CIX exemplifies our dedication to innovation and connectivity enhancement.

These strategic initiatives underscore PTCL's unwavering commitment to staying ahead of the curve in a rapidly evolving telecommunications landscape. By navigating challenges with resilience and foresight, we are poised to not only mitigate the impact of declining voice termination business but also surpass our business objectives in the years to come.

Carrier Solutions

Despite challenging macroeconomic conditions, PTCL Carrier Wholesale Business continued its growth trajectory in FY2023 registering a tremendous YoY growth of 21.9%, which shows the trust and confidence of all Telecom Industry players. Adopting PTCL Group Business Solutions' philosophy based on three strategic pillars i.e. Innovative, Dependable and Agile Solutions, around 25+ new telecom operators were onboarded. Consolidation of Pakistani ISP Market under PTCL Carrier business domain at the start of FY2023 and Strategic partnerships with key Cellular operators & ISPs during FY2023, helped to build the momentum.

Having state of the art International Submarine Cable network comprising of four diverse routes cables i.e., AAE1, SMW4, IMEWE and SMW3 and one new sea cable (Africa-1) in pipeline, PTCL is well positioned to serve the data needs of the country. Nationwide optic fiber reach with multiple redundant links along with resilient Core Network, Metro and Access network, backed by Tier-3 Certified Data Centers, Managed Colo Facilities and VSAT backhaul solutions have made PTCL the partner of choice for Carrier Industry. Cognizant of ever-growing carrier connectivity/data needs, PTCL continued expanding its nationwide Network capacities to fulfill the industry demands proactively.

To meet the Carrier industry ICT business needs fully in this new era of digitalization (As a ONE WINDOW Service Provider), PTCL embarked upon a product diversification strategy and successfully added new carrier grade services like Managed Security, Managed DDoS, Managed DNS, Satellite-IOT, under strategic partnerships with renowned ICT suppliers/vendors, thereby transforming its role from Connectivity Provider to Solution Provider.

PTCL Carrier Solutions has well positioned itself to keep playing its key role as a growth engine for ICT industry, to build a true Digital Pakistan.

SME Solutions

SME solutions has demonstrated exceptional resilience and turnaround performance during 2023. This outstanding success can be attributed to a strategic focus on enhancing the product portfolio, customer satisfaction and operational excellence during the second half of the year where the segment initiated a thorough analysis of SME needs, market landscape and competition offering to revamp SME Business. As part of this initiative, fixed line rack packages for SME customers were launched for the first time in the history of PTCL Group. As part of this endeavor, SME Solutions introduced a comprehensive range of Biz Fiber and Biz CIR packages up to 250 Mbps, specifically tailored to cater the diverse needs and requirements of small and medium-sized businesses. SME also launched Biz Post-pay Mobility packages with unique industry first feature sets. SME Solutions also introduced m-Wi-Fi, m-LAN, m-SDWAN and m-Firewall products for small and medium-sized businesses.

This innovative approach reflects PTCL Group's commitment to adapt and evolve in response to market demands, ultimately providing businesses with tailored solutions that align with their overall ICT needs. SME team initiated nationwide training programs to enhance skillset of Business Operations Team beyond traditional connectivity knowledge. SME Solution also successfully revamped the customers' digital experience by redesigning the SME section of our commercial website to facilitate easy browsing by categorization of products into needs, types, segments and business size. This not only bolstered our customer interaction but also increased online engagement and hence the volume of leads being generated from web section. SME Solutions also initiated a project with Customer Care to revamp SME customers' complaint journey. The whole end to end call center experience for SME customers was re-visited and re-designed from IVR landing to customer handling till complaint resolution.

As we reflect on the accomplishments of SME solutions in the past year, we look forward to leveraging this momentum in 2024 by improving MTTR & MTTP and prioritized treatment at all touch points for SME Customers. The commitment to innovation, customer satisfaction, and operational excellence will remain at the forefront of our endeavors as we continue to serve and support our customers.

SUPPORT FUNCTIONS

Network Infrastructure

The year 2023 was pivotal for the PTCL Group in the realm of Technology & Network Infrastructure, characterized by the successful achievement of numerous key milestones across diverse domains. Significant strides were made in continuous efforts towards long-term strategic and impactful Network Transformation & Modernization Projects. PTCL Group successfully delivered the largest ever Fiber-to-the-Home (FTTH) Rollout surpassing all previous benchmarks and significantly exceeding the combined rollout of all competitors within the Year 2023.

PTCL Core & IP Network underwent significant enhancements in Year 2023 through a wide array of initiatives

& projects, transcending conventional expectations and contributing significantly to PTCL's technological advancement. IPTV Platform saw a major uplift in the form of both user experience & content through addition of 50 HD & 50 SD channels as well as multiple quality enhancement measures. PTCL Content Delivery Network (CDN) Capacity was enhanced by 1.1 Tbps paving the way for improved internet experience for customers. In order to support business needs, a full-scale modernization of Authentication Authorization & Accounting (AAA) platform was undertaken enabling commercial launch of value-added features like Speed Boost / Bandwidth on Demand for retail customers. In addition, Broadband Remote Access Server (BRAS) layer was also revamped by capitalizing on IP Edge nodes deployed in Year 2022 to achieve cost benefits & technological efficiencies.

In the transport domain, PTCL's successful deployment of Pakistan's first-ever commercial 400G Lambda in ILB Network this year marked a major leap forward in the industry. With 5 protection paths enhancing the ILB capacity from 8.8 to 20 Tbps, including 2 Tbps lit from day one, this was a significant milestone in our continuous strive towards enhancement of network capabilities & performance. A major project for extending PTCL's fiber outreach in Baluchistan was undertaken which also allowed migration of leased capacity from a 3rd Party Service Provider to PTCL Network resulting in considerable Opex savings at PTCL Group level.

In terms of customer experience, CHI (Customer Happiness Index) for PTCL continued its improving trend while remaining above the set targets. This was made possible by focused & consistent efforts on network O&M & performance enhancement activities.

In the face of unprecedented economic headwinds that adversely impacted the company's operating environment, PTCL was still able to deliver a robust performance in terms of managing & curtailing its operating expenses through effective optimization measures. This was managed through a concerted drive of initiatives of which the most prominent ones are shutdown of 3G EVO Wireless Network & deployment of several Grid-Tied Solar Power solutions including a 300KW solution at a Tier-1 facility believed to be the largest single site implementation across the Telecom industry of Pakistan.

Information Technology

PTCL's Enterprise Data Network vertical has surpassed all expectations by successfully executing IPv6 Dual Stack nationwide Rollout for Ufone's 3G/4G subscribers at MBB Internet Gateway level, complying with regulatory requirements & making Ufone the industry's leading MNO. Ufone's legacy Data Center and Internet Perimeter security solutions have been upgraded with state-of-the-art Next-Generation Firewalls. Looking into the Public Cloud segment, the ICT Managed Services team has established a third site/region at ISB (CDC-STOWN) for potential new cloud customers. Furthermore, significant capacity enhancements have been made at Karachi and Lahore's Public Cloud infrastructure along with software stack upgrades to cater to the exponentially growing customer base. New Public Cloud Infrastructure (dedicated VMWare vCenter environment) for Ufone's Digital Brand - ONIC was deployed at both ISB and KHI PODs. Managed Security Services Portfolio has been enhanced by adding new services (MDR/XDR, SOC Operations & SOAR Services) for the enterprise cloud customers.

PTCL Group has entered the new age of Micro Services Architecture (MSA), using RedHat OCP platform, for different business services including Multi Finger Biometric Verification System (MBVS) and SuperApp (more services to come). MSA has enabled PTCL Group to shorten the time to market for business services, leading to faster service provisioning. By leveraging the newly deployed Oracle Cloud solution at PTCL group, we have ensured a cost effective and elastic database solution without investing in a huge CAPEX. Candidate databases of PTCL & Ufone have already been migrated to Oracle Cloud and are serving business requirements with a better response time and stability.

On the Data Center Operations front, PTCL Group takes great pride in announcing the hosting of De-CIX, a premier carrier-neutral internet exchange, at one of our flagship data centers in Karachi. This partnership underscores our position as a leading provider of connectivity solutions, facilitating seamless and efficient interconnection between networks, content providers & enterprises. Furthermore, several of PTCL Group's key data centers have undergone rigorous evaluation and have been certified for their design and facilities. To ensure the highest standards of data security, PTCL group has attained ISO27001 certifications across eight of our strategic DC sites.

For the Call Center operations, the IPCC modernization project upgraded the existing IPCC application from version 11.3 to 12.6, replacing end-of-life infrastructure with the latest Cisco servers. Robotic Process Automation (RPA) was implemented, improving efficiency by automating repetitive processes and reducing errors. Conversation-BOT AI was introduced for quality assurance using advanced ML algorithms and NLP models. Project-Meta achieved alignment of Captive and BPOs solutions & consolidated the skill groups.

People & Organization

In 2023, the People and Organization team spearheaded numerous groundbreaking initiatives in continuation of the cultural transformation journey for fostering inclusion, change agility and providing an environment where people can fully express their talent. The Group embarked on a mission to cultivate a workplace where employees not only thrive but also contribute significantly to the organization's success. Dedication bore fruit as PTCL Group delivered extraordinary business results and was also honored with the prestigious **"Best Place to Work in the Tech & Telco Industry"** award, signifying a remarkable milestone in relentless pursuit of excellence.

PTCL Group introduced a new set of Corporate Values after extensive engagement sessions with employees across the organization. These values encapsulate our collective culture and mindset designed to achieve our ambition of becoming No. 1 Telecom Operator of Pakistan. Throughout the year, initiatives were strategically aimed at enhancing decision-making processes and fostering approachability, yielding commendable outcomes that bolstered both employee morale and workplace standards. Additionally, a new Culture statement, **'We Strive to Win and Never Accept Defeat,'** was unveiled embodying **#ReadyToRise** approach.

The PTCL Group Corporate values are:

- **Be Resilient:** We embrace challenges, bounce back stronger and never give up.
- **Think Big:** We unleash the power of our imagination to shape our business and ignite inspiration.
- **Win Every Battle:** We are obsessed with the idea of winning and table actions to overcome failure.
- **Value Success:** We believe people are at the heart of our success and we recognize their individual and collective efforts.

In 2023 Employee Voices Survey powered by GLINT, PTCL Group has achieved an astounding **78% engagement score** that is 4% higher than last year whereby engagement score of **all demographic experiences** has **improved**. Moreover, PTCL Group also **exceeded the global benchmark across industries**.

PTCL Group introduced family friendly policies to ensure the diverse needs of employees. **Maternity Leave** was extended to six months, while **Paternity Leave** was increased to thirty days.

PTCL continued on **#TayyarHo** journey, recognized the need for a powerful **Leadership Expectations Framework** that propels it towards becoming the No. 1 telecom operator in the Pakistani Market. For this purpose, PTCL ran an all-inclusive process to live & breathe the new Leadership Expectations from the word Go. The development process took place through a series of workshops where it engaged around 150 people across the organization that led to the birth of our **6 Leadership Expectations** i.e., Disruptive Thinker, Change Agile, Inclusive, BI Savvy, Connected and Fearless. These Leadership Expectations have shaped the Group’s leadership DNA while ensuring a robust and dynamic pool of future **#ReadyToRise Leaders**.

To enhance **Learning & Development** through dedicated efforts and strategic initiatives, PTCL Group completed a total of 70,354 Learning Hours, and 20,200 Digital Learning hours, a testament to Company’s commitment to continuous learning and skill enhancement across the organization.

Talent Management Suite was introduced, which includes various frameworks for internal talent mobility such as **Leadership Growth, Advancement, Job Rotation, Secondment, Attachment, Stretch Assignments, and People Growth Opportunities.** These frameworks aim to meet the expectations of both employees and managers, driving overall business results.

The **PeopleCare Experience Hub** was introduced being a dedicated channel to serve employees within the PTCL Group. It is a comprehensive ecosystem meticulously designed to elevate and empower every employee's journey at the PTCL Group. It comprises of **Experience Lounge, CareLine, Online Portal, Mobile Application.**

Summer Spark – Flagship Internship Program hosted over 30 interns from leading universities. Additionally, Group celebrated the graduation of **Justuju** - Flagship Skill Training Program for Differently Abled individuals, mentoring 19 remarkable participants for six months. These initiatives reinforce the Group's dedication to Diversity, Equity, and Inclusion (DEI). Such initiative not only helps in nurturing young talent, but it also exposes them to real-world challenges, contributing to their professional development.

As an ethically driven and environmentally conscious corporation, the Group prioritized the well-being and security of its workforce through the implementation of comprehensive **Health, Safety, and Environment (HSE)** protocols. Throughout the year, a series of proactive measures were enacted to underscore the paramount importance of safety within the organization. The establishment of the HSE and Sustainability SteerCo, led by the President & Group CEO, exemplifies the company's unwavering commitment to fostering a robust HSE culture and monitoring progress in this regard.

Customer Care

Innovation and Customer Centricity remained a hallmark of PTCL Group Customer Care and various initiatives were taken to improve the overall customer experience. PTCL Group Customer care has brought ease and convenience for the customers by converging contact center operations to serve both PTCL and Ufone customers. As part of the customer experience program, a customer journeys transformation program was executed with a focus on improving existing onboarding and complaints processes. This program has evolved from reactive to proactive care where the use cases have been implemented using state of the art Nokia Service Management Platform. Proactive care has started identifying and resolving customer issues proactively, even before they approach the company with their concerns.

Customer Care completed various initiatives towards digital innovation and commercially launched e-billing for customer convenience in line with the company's 'Go Green' objective, which has resulted in substantial growth in e-billing adoption rate. Customer Care also consolidated social media customer support on Sprout

Social platform with enhanced capability of customer insights and sentiments on the digital platforms. In Collaboration with e&, PTCL Group Customer Care has also implemented industry best practices in Customer Experience Framework with the Moments of Truth Program, which has improved the overall customer experience.

Key customer-related processes were improved via robotic process automation, which has improved the overall processes efficiency and accuracy. PTCL Group has introduced a state-of-the-art AI based program to add AI in areas conducive to AI to improve customer experience. As a first step, AI based Quality Assurance Bot has been implemented, which has not only enhanced the existing capability of Quality Assurance, it also has provided customer sentiment analysis and deep customer insights for proactive measures.

PTCL Group Contact Centers played a pivotal role by serving as a crucial link between the company and its customers. The segmented and prioritized treatment has helped to improve helpline experience both for PTCL and Ufone customers. Beyond delivering a seamless customer experience, the Contact Center contributed to the company's top line through new sales and outbound CVM campaigns.

Customer Retention and Win back remained a focus area for Customer Care. The segment launched a centralized retention process which contributed to the company's bottom line with improved customer retention. PTCL Group Customer Care also executed various network improvements and upgrades which helped to improve the overall network stability and happiness index. With these initiatives, PTCL managed to improve overall customer experience. PTCL Group also managed to maintain ISO 9001:2018 certification and thus maintaining and improving the overall service quality standards.

MARKETING & COMMUNICATION

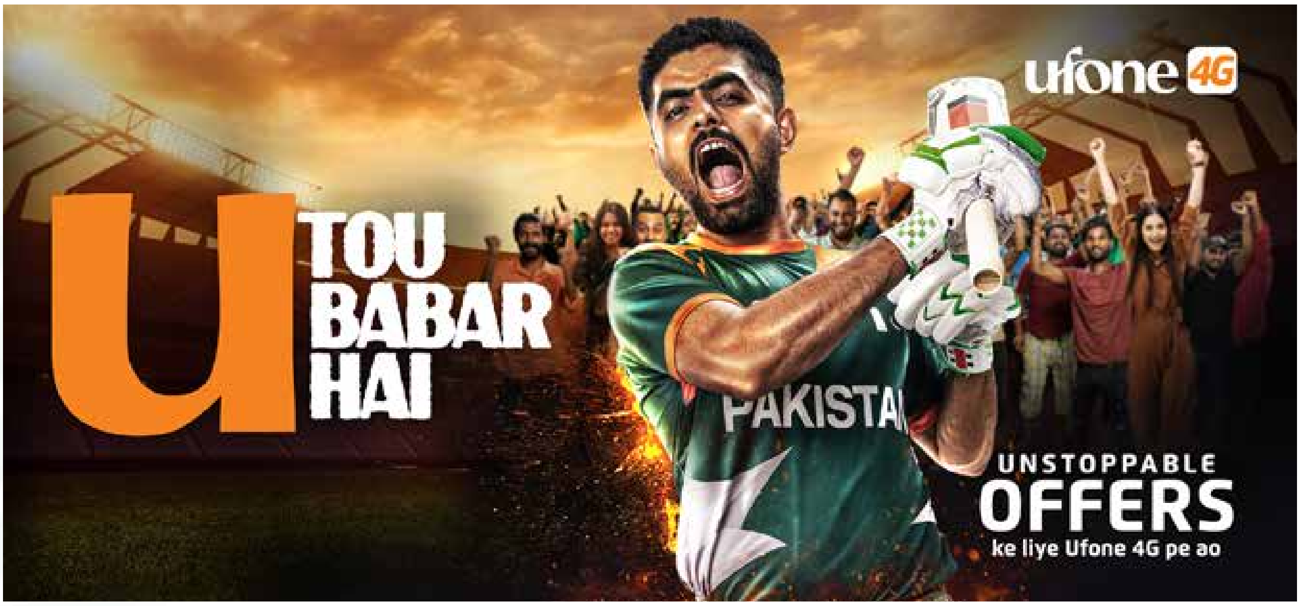
In 2023, PTCL Group led the digital revolution in Pakistan, establishing Ufone 4G's unstoppable spirit with unparalleled data offers, and expanding Flash Fiber network as the fastest-growing fiber optic brand. The PTCL Group's strategic goal was to cultivate brand love through tailored offers and multi-channel campaigns.

During the Cricket World Cup, Ufone 4G signed up Pakistan's most popular cricketer Babar Azam in the "U Tou Babar Hai" campaign, dominating TV, digital, and on-ground brand activations. Simultaneously, PTCL Flash Fiber featured cricket stars Haris Rauf and Naseem Shah in their 360 degrees campaign amplifying brand reach through an effective mixed media strategy.

SHOQ, PTCL Group's streaming platform, achieved great success with ads-free streaming and cross-promotions during the Cricket World Cup. The marketing campaign for SHOQ helped garner syndication across different touch points, delivering convenience to target audiences for both PTCL and Ufone 4G.

In 2023, Ufone's partnership with Peshawar Zalmi made headlines. The partnership included official sponsorship of Peshawar Zalmi team for PSL 2024, fan parks, rising stars and women cricket tournaments, fan buses and much more.

Culminating the exceptional year, the historic announcement of PTCL Group's acquisition of Telenor generated a remarkable positive sentiment, reaffirming our commitment to an unstoppable digital future. Reflecting on 2023's transformative journey, PTCL Group is positioned for exponential growth, ready to embrace boundless possibilities in 2024, establishing new milestones and setting benchmarks for innovation.



PROCUREMENT

In the dynamic landscape of global economics and logistics, PTCL Group has ensured seamless supply chain management and fostering strategic partnerships to drive sustainable value creation.

Throughout 2023, PTCL Group meticulously executed strategic initiatives aimed at optimizing procurement processes, enhancing vendor relationships, and driving cost efficiencies. Key highlights include embracing digitalization of processes, streamlining workflows, and enhancing transparency in procurement activities. Proactively expanding the vendor base, PTCL Group focused on fostering diversity and inclusion within the supply chain, mitigating risks, and fostering innovation through collaboration with a diverse range of suppliers. Through rigorous negotiations and strategic sourcing strategies, PTCL Group achieved significant cost savings while maintaining the highest standards of quality and reliability in procurement activities.

Despite the challenges posed by global supply chain disruptions and market uncertainties, PTCL Group demonstrated resilience and adaptability, ensuring uninterrupted supply of critical goods and services to support the Company's operations. These achievements resulted from proactive identification and mitigation of potential risks, implementation of robust contingency plans, and close coordination with internal stakeholders and suppliers. Upholding stringent governance standards, we ensured enhancing overall operational efficiency and customer satisfaction.

Looking ahead, we remain committed to driving innovation, fostering strategic partnerships, and continuously improving procurement processes to support PTCL Group's strategic objectives and enhance shareholder value.

REGULATORY AFFAIRS

During 2023, PTCL Group actively engaged the internal and external stakeholders to provide an enabling environment for implementation of strategic initiatives with an aim to becoming the leading telecommunication service provider in Pakistan. Key milestones achieved during this period include the launch of PTML's Digital brand – "Onic".

PTCL also participated in the consultation processes carried out by Ministry of IT and PTA during the year with the aim to protect the rights granted under its licenses and leverage the opportunities for the ultimate benefit of its consumers. The consultations include Infrastructure Sharing Framework (Active & Passive), Introduction of 5G Services (NGMS Spectrum related policy and related matters), IP Bandwidth charging mechanism, LDI licensing Template, Spectrum Sharing and AI Policy.

The regulator also acknowledged the PTCL Group's efforts for smooth transition from IPV4 to IPV6 and technical readiness for National Roaming. PTCL Group also integrated the PTCL SOC with national SOC, established by PTA to ensure information security.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) is a crucial aspect of a company's identity, reflecting its commitment to make a positive impact beyond profit margins. Engaging in initiatives that give back to the community is not only a responsibility but an opportunity to contribute to social betterment. For corporations, allocating resources towards community development projects is a tangible way to fulfill their CSR objectives. By actively participating in the improvement of community welfare, companies play a vital role in fostering sustainable and inclusive growth.

Throughout 2023, PTCL Group engaged in a variety of Corporate Social Responsibility (CSR) activities, showcasing a commitment to making a positive impact on society.

PTCL & Ufone 4G joined hands with the National Emergency Center, Government of Pakistan to extend its support for Polio eradication from Pakistan. The national telecommunication group created awareness by leveraging its vast network to promote vaccination against the disease that can physically impair children for life if not prevented in time.

PTCL Group provided Evo Charji Devices to JAQ Education Trust - Pehli Kiran Schools in order to provide access and quality education to out of school children. Pehli Kiran schools have been set up in slum areas of Islamabad to educate underprivileged children. PTCL Group played a significant role by ensuring seamless internet connectivity to avoid any hindrance in education for these children.

Ufone 4G collaborated with ConnectHear, a social enterprise aiming to improve accessibility for the deaf community to enhance their socioeconomic integration. Through its partnership with ConnectHear, Ufone 4G will provide free data access to ConnectHear's digital app that provides instant and remote access to sign language interpreters to help the deaf community communicate. Equipped with Ufone 4G's reliable and speedy data connection, people with hearing impairment will be able to communicate with ease and access no matter wherever they are in the country.

PTCL Group also collaborated with ConnectHear, to organize a sign language training session for its Customer Service Center (Joint Shops) representatives from the North region. Coinciding with the International Day of Sign Languages, the training aimed to promote inclusivity and enhance the accessibility of PTCL and Ufone 4G services for customers with hearing impairment. Similar sessions were conducted in the South region as well.

Moreover, PTCL Group undertook a massive blood donation campaign at its headquarters in connection with the 'World Blood Donor Day'. The initiative stems from PTCL Group's sustained commitment to creating shared values and giving back to society. The blood donation drive was conducted in collaboration with Fatimid Foundation which spanned over two days. Top management, senior executives, and employees, along with tenants of PTCL Group Tower came forward to donate blood with full enthusiasm.

Motivated by its D&I vision, PTCL Group joined forces with the Global System for Mobile Communications (GSMA) to co-host a momentous knowledge-sharing workshop titled "Connected Women Strategy Workshop." The primary objective of this workshop was to tackle the gender gap in mobile usage in Pakistan. PTCL Group in collaboration with the Parks & Horticulture Authority (PHA), Rawalpindi, carried out a tree plantation campaign at Khajut on Murree Expressway to help promote environmental protection and the country's resilience against climate change. During the drive, PTCL Group and PHA planted indigenous plants having greater survival rates.

As an annual practice, PTCL Group partnered with Pink Ribbon Pakistan to launch a month-long campaign devoted to educating and raising awareness about breast cancer. This collaborative effort was aimed to make a meaningful impact on combating breast cancer. The campaign began by transforming the official company logos to pink across all digital platforms.

This year, a donation drive was conducted through UPaisa, with strategically placed donation boxes in office buildings. The campaign's holistic approach not only fostered a supportive work environment but also magnified its impact, bringing valuable benefits to the larger community.

To foster the passion for community service, PTCL Group initiated a registration drive for the Razakaar Force. This employee volunteer force was designed to actively participate in a diverse range of CSR initiatives throughout the year across all PTCL Group locations. The launch of the program witnessed an outstanding response, with a substantial number of employees eagerly registering for the drive. The CSR initiatives included environmental sustainability, education support and community welfare projects. This robust engagement emphasized the deep-seated commitment of PTCL Group employees to contribute meaningfully to various social causes.

SUBSIDIARIES

Pak Telecom Mobile Limited – Ufone

In 2023, Ufone 4G emerged as the standout performer in the telecom industry, reporting exceptional revenue growth of 25.6%, surpassing all other operators. Ufone 4G posted the highest 4G net adds in the industry and crossed the mark of 14 million for the first time. This growth has been possible due to better customer experience and digital engagement through multiple data-centric products and strategic partnerships with leading digital platforms. Ufone 4G continues its network modernization activities to provide unmatched customer experience across Pakistan.

Ufone with an aggressive growth strategy encompassing multiple product launches, an array of new offerings was launched during the year to target the data savvy segment and further enhance Ufone's data centric product portfolio.

The integration of portfolio monetization and regional play, along with a focus on digital enablement with partnerships with leading social media platforms and integration of home-grown OTT platform Shoq with the main bundles of Ufone represents a strategic initiative to enhance the digital experience for subscribers, drive competitive differentiation, and unlock new revenue streams in the rapidly evolving telecommunications market. The introduction of ONIC, PTCL Group's ambitious project, marks a pivotal step towards digital transformation. ONIC aims to be an all-encompassing digital platform, offering a suite of services ranging from e-commerce and financial services to entertainment and connectivity solutions.

Despite economic and financial pressures, an aggressive and balanced network rollout reflects a commitment to expanding coverage and solidifying 4G base penetration. The success in increasing digital revenue and having the highest digital recharge penetration among competitors highlights Ufone's effectiveness in embracing digital transformation.

Ufone continued its rollout momentum by adding new sites besides implementing 4G capacity solutions on certain sites. In addition, a major initiative of 3G-to-4G Spectrum Refarming was undertaken on certain sites to maximize the efficiency of available spectrum assets. These rollout achievements were made possible amid major economic constraints and import restrictions.

Ufone deployed Pakistan's first '5G SA enabled Single Packet Core' & scaled up its capacity to meet the constantly growing data demand. Another cornerstone achievement for Ufone was launch of Voice over LTE (VoLTE) service in full platform synergy over already deployed IMS infrastructure which is being followed by an aggressive handset certification drive to offer HD voice with ultra-fast call setup time. Furthermore, implementation of dual-stack IPv4v6 capability this year made Ufone the industry leader in IPv6 Penetration.

The company has started transforming its flagship joint shops nationwide into Digital Lifestyle Experience Shops, aimed at delivering an end-to-end digital lifestyle experience to its customers. The joint shops are equipped to provide a comprehensive suite of world-class services, including a wide range of handsets, internet devices, repair & maintenance, exclusive discounts & value-added offers.

Ufone's UPaisa initiative is making significant strides in providing convenient banking services to both Ufone and non-Ufone customers. The substantial growth in wallet transaction volumes year-over-year (YoY) in 2023 is a testament to the effectiveness of their efforts to enhance customer experience and drive product usage. This growth not only reflects the effectiveness of UPaisa's strategy but also indicates a growing demand for digital banking solutions among consumers. Ufone's Upaisa is now part of e&Money, UAE and MobilyPay, KSA Apps menu facilitating Pakistani expats to send money directly into UPaisa wallets by using these apps.

Ufone has maintained the Entity Credit Rating of 'AA-/A-1' (Double A Minus/A-One) with outlook on the assigned ratings as 'Stable'. This acknowledges the financial strength of Ufone through an independent rating exercise which also denotes high credit quality and good fundamental protection factors and is a testimony of stakeholders' confidence in Ufone.

On the customer experience front, Ufone remained ahead of the competition in NPS (Network Performance Score) throughout the year. Ufone continued investing in battery hybrid specialized solutions extending their footprint across another 300 Sites in the Year 2023.

In a major recognition of Ufone's efforts towards innovation, Ufone & Huawei jointly won industry's most prestigious GLOMO award at Mobile World Congress 2024 in Barcelona for the groundbreaking solution, 'Microwave Super Hub' deployed in Year 2023 which enables massive gains in spectral efficiency of up to 4 times at Traffic Aggregation sites.

Ufone is focused on enhancing its network strength, improving customer value by maintaining quality of service and retaining the top spot in mobile industry in terms of Net promoter Score (NPS).

U Microfinance Bank Limited - Ubank

Despite facing unprecedented challenges in the macroeconomic landscape, alongside significant political uncertainty and socio-economic unrest, the bank excelled in its performance throughout FY 2023 by achieving a revenue of PKR 23.8 billion. With the mission of microfinance at its core, FY 2023 witnessed crystallization of the bank's strategy towards diversification into multiple business segments and revenue streams while ensuring capital preservation. The bank remains steadfast in its dedication to promote both financial and social inclusion, utilizing its wide-reaching network to deliver high-quality services to a diverse range of clients nationwide.

Over the past year, the bank has undergone significant evolution, experiencing substantial transformation across the segments it caters to, the array of products it provides, and the revenue streams it depends on. Striving to establish itself as a prominent household name, the bank has embraced the journey towards becoming a Challenger Retail Bank, broadening its reach both physically and digitally to encompass a larger portion of Pakistan's population.

Collateralization continued to be central to the growth strategy of the advances book. The bank disbursed over PKR 80.4 billion during the year, registering an increase of PKR 23.5 billion in total disbursement from last year, in an extremely difficult and highly competitive environment. The composition of the loan book showed consistent improvement in terms of risk profile of the various asset classes spread over varying tenors.

The bank's Treasury division emerged as a significant contributor to its revenue and profitability, serving as a robust revenue-generating entity. Notably, the bank strategically allocated a substantial portion of its Treasury investments towards government securities A/A+ rated instruments. This strategic diversification of the asset portfolio into Treasury investments proved instrumental in safeguarding the bank against the inherent risks associated with credit and market fluctuations.

The bank closed at a funding position of PKR 149 billion, with deposits standing at a staggering PKR 106 billion and bank borrowings including sub-ordinated debts at PKR 43 billion. The exposure undertaken by the creditors against the bank is a testament of the strength of the Bank's balance sheet, superior quality of its asset profile, diversification in its funding sources and most importantly the credibility of the bank in the market.

Throughout the year, the Corporate, Urban, and Digital sectors of the bank underwent substantial development, each evolving into distinct entities poised to play pivotal roles in driving top-line revenue and bottom-line profitability in the future. The bank's overarching goal now is to achieve scalability and broaden its reach to millions of customers by leveraging both digital and physical channels, offering banking services through both conventional and Shariah-compliant modes.

While aggressive growth remained the mainstay of the bank's strategy, diversification, risk mitigation and capital preservation continued to be at its core. The bank's credit rating remained at a strong "A1/A+ for short-term and long-term respectively.

DVCOM Data (Private) Limited - DVCOM Data

DVCOM Data, a 100% owned subsidiary of PTCL, possesses a 5 MHz spectrum in the 1900 MHz band. To realize synergies within the PTCL Group, the said spectrum is used through a commercial arrangement with PTCL to supplement the wireless broadband services of PTCL.

Smart Sky (Private) Limited - Smart Sky

Smart Sky is a wholly owned subsidiary of PTCL which was originally incorporated to provide Direct-To-Home (DTH) entertainment services. The company was not able to acquire the license for DTH services.

CORPORATE GOVERNANCE

The Company has complied with all the material requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (hereinafter referred to as "the Regulations") as well as Pakistan Stock Exchange Regulations ("PSX Regulations"). The Directors confirm the following in compliance of the referred Regulations:

Compliance - General

- The vision and mission statement, corporate values and overall corporate strategy for the Company are prepared, adopted, and reviewed, as and when deemed appropriate by the Board.
- A formal code of conduct is in place and put on the Company's website.
- Adequate systems and controls, including whistle-blowing policy, are in place for identification and redressal of grievances arising from unethical practices.
- The system of internal control, including financial control, is sound in design and has been effectively implemented and monitored.
- Decisions on all material transactions and or significant matters are taken by the Board of Directors and the management as per the delegation of powers approved by the Board.
- A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- There has been no material departure from the best practices of corporate governance, as detailed in the Regulations.

Compliance - Financial Statements & Auditors

- The financial statements prepared by the management of the Company fairly present its state of affairs, the results of its operations, its cash flows, and its changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial information and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial information and in case of any departure therefrom, the same has been adequately disclosed.
- There are no significant doubts about the Company's ability to continue as a going concern.
- The Audit Committee has recommended the appointment of EY Ford Rhodes, Chartered Accountants,

as auditors of the Company for the financial year ending December 31, 2024 (a post-dated event)

- Information regarding outstanding taxes and levies is disclosed in the notes to the financial statements.
- Detail of aggregate amount of remuneration of Directors including perquisites and benefits etc. has been disclosed in note 40 to the financial statements.
- Details of related party transactions have been disclosed in note 44 to the financial statements.
- Statement of Value of Investments in respect of employees' retirement plans has been disclosed in note 7.4 to the financial statements.

Auditors (A Post-Dated Item)

The Auditors, M/s KPMG Taseer Hadi & Co., Chartered Accountants, were appointed for the year ended December 31, 2023, and will stand retired on the conclusion of upcoming Annual General Meeting (AGM). The retiring auditors have been engaged with the Company for a period of six years with rotation of engagement partners as per the requirement of the Code of Corporate Governance. On the basis of Audit Committee's suggestion, the Board has recommended the appointment of M/s EY Ford Rhodes, Chartered Accountants, as the Auditors of the Company for the year 2024, for the shareholders' approval at the next AGM to be held on May 28, 2024.

Compliance - Board Performance

- A formal and effective mechanism has been put in place for an annual evaluation of the Board's own performance and of its committees.
- The Chairman of the Board, at the beginning of the term of each Director, issued a letter to such Director setting out his role, obligations, powers and responsibilities, remuneration and entitlement in accordance with the Companies Act, 2017, the Company's Articles of Association and policies.
- The Board of Directors has approved the Directors' Remuneration Policy, which is in line with the best corporate and governance practices. The Directors receive a fee for attending the meetings of the Board and its sub-Committees. The Board ensures that the remuneration / fee of the Directors and Chairman shall not be at a level that could be perceived to compromise their independence and that the Directors' remuneration shall encourage value creation within the Company.
- During the year, no Directors Training Program for the prescribed certification was arranged. However, a manual to acquaint the Directors with their role, obligations, powers, and responsibilities, was provided to them.
- The Board of Directors for the purposes of clauses 5.6.1 and 5.6.4 of the PSX Regulations has set the threshold of Company's employees considered as 'Executive'.

Composition of Board

The Board of Directors ("Board") comprises nine Members. Pursuant to the provisions of the Shareholders Agreement between the President of Pakistan on behalf of the Government of Pakistan ("GOP") and Etisalat International Pakistan ("Strategic Investor"), as well as the Articles of Association of the Company, the GOP nominates four (04) Members on the Board of the Company, while Strategic Investor nominates five (05) Members. The present Board consists of nine (9) directors as follows:

Male: Eight

Female: One

The composition of the Board is as follows:

i.	Independent Directors	None
ii.	Non-executive Directors	1. Mr. Hassan Nasir Jamy, Chairman 2. Mr. Abdulrahim A. Al Nooryani 3. Mr. Imdad Ullah Bosal 4. Mr. Jawad Paul Khawaja 5. Mr. Mikhail Gerchuk 6. Mr. Ahad Khan Cheema 7. Dr. Mohamed Karim Bennis 8. Ms. Brooke Marie Lindsay 9. Mr. Khalid Murshed
iii.	Executive Directors	None
iv.	Female Directors	1. Ms. Brooke Marie Lindsay

Further, during the year, the following persons were members of the Board:

- Mr. Mohsin Mushtaq Chandna
- Mr. Navid Ahmed Shaikh
- Mr. Hassan Nasir Jamy
- Dr. Iram Anjum Khan
- Dr. Ahmed Mujtaba Memon
- Mr. Jawad Paul Khawaja
- Mr. Hamed Yaqoob Sheikh
- Mr. Imdad Ullah Bosal
- Mr. Ahad Khan Cheema
- Mr. Abdulrahim A. Al Nooryani
- Mr. Hatem Dowidar
- Ms. Brooke Marie Lindsay
- Dr. Mohamed Karim Bennis
- Mr. Mikhail Gerchuk
- Mr. Burak Sevilengul
- Mr. Khalid Murshed

The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

The 'Closed Period', prior to the announcement of interim/final results, was determined, and business decisions, which may materially affect the market price of Company's securities, were determined, and intimated to Directors, employees, and the stock exchange. Material/price sensitive information was disseminated among all market participants through the stock exchange.

Compliance statement with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Auditors Review thereon by statutory auditors are part of this report. Chairman's Review, Notice of Annual General Meeting, historical business indicators, composition of the Audit Committee; the Human Resource & Remuneration Committee; the Investment & Finance Committee, the number of Board Meetings, attendance of Directors, and Shareholding Pattern are also part of this report.

RISK MANAGEMENT

Enterprise Risk Management (ERM) is fundamental to PTCL's strategic execution, recognizing the dynamic nature of our risk environment and the inherent volatility within our operating landscape. The significance of proactively identifying, evaluating, and mitigating critical risks continues to grow over time. Failure to manage these risks could adversely impact the achievement of our strategic objectives, customer experience, reputation, financial position, and shareholder expectations.

The Board, through the Audit Committee, oversees PTCL's ERM, ensuring its integration into decision-making processes. To facilitate this, we have established an ERM Policy and Framework, driving the company's risk profile. This profile is continuously monitored through the identification and assessment of potential adverse impacts on PTCL's business. Risk management practices are aligned with international best practices, including Gartner, COSO principles and ISO 31000.

Key risks with the potential to adversely impact Company's ability to achieve its strategic targets are identified as following:

- Ongoing litigations
- Competition from other operators
- Negative forex fluctuations
- Liquidity & interest rate risks
- Tax recoverable and related outstanding cases
- Occupational, health and safety hazards

In coordination with internal and external stakeholders, PTCL continuously evaluates the possible impact of these risks along with the emerging risks and takes all needed measures to mitigate/reduce the impact, in line with its approved Risk Appetite.

WAY FORWARD

Moving ahead, the telecommunications sector confronts various challenges, including rising inflation, substantial increases in energy costs, and a heightened cost of capital. Nevertheless, Pakistan's demographic trends, coupled with an increasing demand for digital services and connectivity, create a propitious environment for innovation and strategic positioning, offering significant opportunities for industry-wide success. The telecom industry is actively prioritizing infrastructure development, capacity augmentation, and technological advancements to propel the digital economy.

Within the mobile industry, data remains the primary driver of growth, prompting operators to devise inventive strategies to fortify revenue streams amidst rising operational expenses. Mobile operators are actively transitioning towards innovative energy solutions, prudent resource management, and leveraging passive infrastructure synergy to alleviate financial strains and effectively navigate in current energy crisis. Furthermore, investments in enhancing microwave backhaul networks and Fiber to the Site underscore operators' commitment to meet the burgeoning demand for data. Notably, PTCL's recent signing of a Share Purchase Agreement to acquire 100% stake in Telenor Pakistan signals a strategic move toward consolidating its position in the market (subject to regulatory approvals).

In the wireline segment, the adoption of Fiber-to-the-Home (FTTH) technology presents a substantial growth opportunity, particularly amid declining voice segment revenues. PTCL aims to maintain its leadership position as the foremost FTTH service provider, revolutionizing broadband connectivity by replacing aging copper networks with state-of-the-art FTTH infrastructure. Additionally, PTCL's focus on IPTV and digital media content lauds its strategic priorities in enhancing customer experience and capturing new market segments.

The rising demand for IP bandwidth in Pakistan necessitates significant investments in additional submarine cables, exemplified by PTCL's commitment to the Africa-2 project. By expanding network capacity and quality, PTCL aims to position itself as a leading 'carrier of carrier,' laying the groundwork for future growth opportunities. Furthermore, investments in long-haul and metro networks, coupled with the expansion of data center capacity, underscore PTCL's dedication to remaining at the forefront of the digital ecosystem.

The PTCL Group, with its integrated telecommunications and financial services approach, embodies resilience and innovation. Leveraging synergies across its diverse portfolio, the group is steadfast in promoting digital inclusion and fostering economic development, thereby solidifying its role as a catalyst for national progress. While the challenges of 2024 may seem formidable, they also present an opportunity for transformation and growth. By embracing innovation, collaboration, and strategic foresight, the telecom sector can navigate through the current turbulence and emerge stronger, more resilient, and better positioned to shape the digital future.

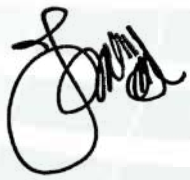
ACKNOWLEDGEMENTS

The Board of Directors of the Company would like to thank all our customers, suppliers, contractors, service providers, stakeholders, and shareholders for their continued support.

We would also like to appreciate the hard work, diligence, and dedicated efforts of our employees across the country who ensured provision of seamless services besides enabling the Company to successfully face the challenges of a highly competitive operating environment. We would also like to express our special thanks to the Government of Pakistan and e& Group for their continued support and encouragement in striving to achieve the objective of enhancing shareholders' value.

On behalf of the Board of Directors

HATEM MOHAMED BAMATRAF
President and Group Chief Executive Officer
Islamabad: February 13, 2024



HASSAN NASIR JAMY
Chairman PTCL Board

The board approved the consolidated financial statements during its meeting on 02 May 2024, and consequently, the financial figures pertaining to the group have been revised accordingly.

کالنگ کی آمدنی میں کمی کے باوجود وائر لائن سیگمنٹ میں، فائبر ٹو دی ہوم (FTTH) ٹیکنالوجی اپنانے سے ترقی کا خاطر خواہ موقع ملتا ہے ۔ پی ٹی سی ایل کا مقصد ایک اولین (FTTH) سروس فراہم کنندہ کے طور پر اپنی قائدانہ حیثیت کو برقرار رکھنا ہے، جو کہ جدید ترین (FTTH) انفراسٹرکچر کے ساتھ کاپر نیٹ ورکس کی جگہ لے کر براڈ بینڈ کنیکٹیویٹی میں انقلاب برپا کرنا ہے۔ مزید برآں، آئی پی ٹی وی اور ڈیجیٹل میڈیا کانٹینٹ پر پی ٹی سی ایل کی توجہ صارفین کے تجربے کو بڑھانے اور مارکیٹ کے نئے شعبوں کے حصول میں اس کی اسٹریٹجک ترجیحات کا مظہر ہے۔

پاکستان میں آئی پی بینڈوڈتھ کی بڑھتی ہوئی مانگ کے باعث اضافی سب میرین کیبلز میں اہم سرمایہ کاری کی ضرورت ہے، جس کی مثال افریقہ-2 پروجیکٹ کے لیے پی ٹی سی ایل کی وابستگی سے ملتی ہے۔ پی ٹی سی ایل کا مقصد نیٹ ورک کی صلاحیت اور معیار کو بڑھا کر خود کو ایک سرکردہ کیریئر کے طور پر کھڑا کرنا ہے، جو مستقبل میں ترقی کے مواقع کی بنیاد رکھتا ہے۔ مزید برآں، ڈیجیٹل ماحول میں سب سے آگے رہنے کے لیے ڈیٹا سینٹر کی صلاحیت میں توسیع کے ساتھ طویل فاصلے اور میٹرو نیٹ ورکس میں سرمایہ کاری پی ٹی سی ایل کی لگن کو اجاگر کرتی ہے۔

پی ٹی سی ایل گروپ، اپنے مربوط ٹیلی کمیونیکیشن اور مالیاتی خدمات کے نقطہ نظر کے ساتھ،ثابت قدمی اور جدت کا اظہار کرتا ہے۔ اپنے متنوع پورٹ فولیو میں ہم آہنگی کا فائدہ اٹھاتے ہوئے، گروپ ڈیجیٹل شمولیت کو فروغ دینے اور اقتصادی ترقی کو فروغ دینے میں ثابت قدم رہا ہے، اس طرح قومی ترقی کے لیے ایک اہم جُزو کے طور پر اپنے کردار کو مستحکم کرتا ہے۔ اگرچہ 2024 کے چیلنجز بڑے ہوسکتے ہیں، لیکن وہ تبدیلی اور ترقی کے مواقع بھی پیش کرتے ہیں۔ جدت، تعاون، اور اسٹریٹجک دور اندیشی کو اپناتے ہوئے، ٹیلی کام سیکٹر موجودہ ہنگامہ خیزی سے گزر سکتا ہے اور ڈیجیٹل مستقبل کی تشکیل کے لیے مضبوط، زیادہ ثابت قدمی اور بہتر پوزیشن میں ابھر سکتا ہے۔

اعترافات

کمپنی کے بورڈ آف ڈائریکٹرز اپنے تمام صارفین، سپلائرز، ٹھیکیداروں، سروس فراہم کنندگان، اسٹیک ہولڈرز، اور شیئر ہولڈرز کے مسلسل تعاون پر اُن کے شکر گزار ہیں۔

ہم ملک بھر میں اپنے تمام ملازمین کی انتھک محنت اور لگن کی حوصلہ افزائی کرتے ہیں جن کی کاوشوں سے کمپنی کو درپیش مسائل اور چیلنجز سے نمٹنے میں مددملی اور بغیر کسی رکاوٹ کے خدمات کی فراہمی کا سلسلہ جاری رہا۔ ہم کمپنی کے مقاصد اور اہداف کے حصول میں حکومت پاکستان اور اتصالات گروپ کے بھرپور تعاون پر ان کا خصوصی طور پر شکریہ ادا کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

حاتم محمد با مطرف
پریزیڈنٹ اینڈ گروپ چیف ایگزیکٹو آفیسر
اسلام آباد : 13 فروری 2024

حسن ناصر جامی
چیئرمین پی ٹی سی ایل بورڈ

بورڈ نے 02 مئ 2024 کو منعقدہ اجلاس کے دوران کنسالیڈیٹڈ فنانشل اسٹیٹمنٹس کی منظوری دی، جس کے نتیجے میں گروپ سے متعلق اعدادوشمار اپڈیٹ کر دیئے گئے ہیں۔

رسک مینجمنٹ

انٹرپرائز رسک مینجمنٹ (ERM) ہمارے خطرے کے ماحول کی متحرک نوعیت اور ہمارے آپریٹنگ منظرنامے کے اندرموجود نشیب و فراز کو تسلیم کرتے ہوئے، پی ٹی سی ایل کے اسٹریٹجک عمل کے لیے بنیادی حیثیت رکھتا ہے۔ اہم خطرات کو فعال طور پر شناخت کرنے، جانچنے اور ان کو کم کرنے کی اہمیت وقت کے ساتھ ساتھ بڑھتی جارہی ہے۔ ان خطرات کو سنبھالنے میں ناکامی ہمارے اسٹریٹجک مقاصد، صارف کے تجربے، ساکھ، مالی پوزیشن اور شیئر ہولڈر کی توقعات کے حصول پر منفی اثر ڈال سکتی ہے۔

بورڈ، آڈٹ کمیٹی کے ذریعے، پی ٹی سی ایل کے ERM کی نگرانی کرتا ہے، فیصلہ سازی کے عمل میں اس کے انضمام کو یقینی بناتا ہے۔ اس کی سہولت کے لیے، ہم نے کمپنی کے رسک پروفائل کو چلاتے ہوئے ایک ERM پالیسی اور فریم ورک قائم کیا ہے۔ پی ٹی سی ایل کے کاروبار پر ممکنہ منفی اثرات کی شناخت اور تشخیص کے ذریعے اس پروفائل کی مسلسل نگرانی کی جاتی ہے۔ رسک مینجمنٹ کے طریقے بین الاقوامی بہترین طریقوں کے ساتھ منسلک ہیں، جس میں گارٹنر، COSO اصول اور ISO 31000 شامل ہیں۔

اپنے اسٹریٹجک اہداف کو حاصل کرنے کے لیے کمپنی کی صلاحیت پر منفی اثر مرتب کرنے والے اہم خطرات کی نشاندہی درج ذیل ہے

- جاری قانونی چارہ جوئی
- دوسرے آپریٹرز سے مقابلہ
- غیر ملکی کرنسی کے منفی اتار چڑھاؤ
- ٹیکس کی وصولی اور زیر التواکیسز
- لیکویڈیٹی اور شرح سود کے خطرات
- پیشہ ورانہ، صحت اور تحفظ سے متعلق خطرات

اندرونی اور بیرونی اسٹیک ہولڈرز کے ساتھ ہم آہنگی سے، پی ٹی سی ایل ابھرتے ہوئے خطرات کے ساتھ ساتھ ان خطرات کے ممکنہ اثرات کا مسلسل جائزہ لیتا ہے اور اپنی منظور شدہ رسک ایپیٹیٹ کے مطابق اثرات کو کم کرنے کے لیے تمام ضروری اقدامات کرتا ہے۔

در پیش مسائل اور مستقبل کا لائحہ عمل

آگے بڑھتے ہوئے، مواصلاتی شعبے کو مختلف چیلنجز کا سامنا ہے، جن میں بڑھتی ہوئی افراط زر، توانائی کی لاگت میں خاطر خواہ اضافہ، اور سرمائے کی بڑھتی ہوئی لاگت شامل ہیں۔ اس کے باوجود، پاکستان کے آبادیاتی رجحانات، ڈیجیٹل سروسز اور کنیکٹیویٹی کی بڑھتی ہوئی مانگ کے ساتھ، جدت طرازی اوراسٹریٹجک پوزیشننگ کے لیے سازگار ماحول پیدا کرتے ہیں، جو صنعت کی وسیع کامیابی کے لیے اہم مواقع پیش کرتے ہیں۔ ٹیلی کام انڈسٹری ڈیجیٹل معیشت کو آگے بڑھانے کے لیے بنیادی ڈھانچے کی ترقی، صلاحیت میں اضافے اور تکنیکی ترقی کو فعال طور پر ترجیح دے رہی ہے۔

موبائل انڈسٹری کے اندر، ڈیٹا ترقی کا بنیادی محرک ہے، جو آپریٹرز کو بڑھتے ہوئے آپریشنل اخراجات کے درمیان آمدنی کے سلسلے کو مضبوط بنانے کے لیے اختراعی حکمت عملی وضع کرنے پر زوردیتا ہے۔ موبائل آپریٹرز فعال طور پر توانائی کے اختراعی حل، وسائل کے دانشمندانہ انتظام، اور غیر فعال انفراسٹرکچرکی ہم آہنگی کا فائدہ اٹھاتے ہوئے مالیاتی دباؤ کو کم کرنے اور توانائی کے موجودہ بحران میں مؤثر طریقے سے نمٹ رہے ہیں۔ مزید برآں، مائیکرو ویو بیک ہال نیٹ ورکس اور فائبر ٹو دی سائٹ کو بڑھانے میں سرمایہ کاری آپریٹرز کے ڈیٹا کی بڑھتی ہوئی مانگ کو پورا کرنے کے عزم کو اجاگر کرتی ہے۔ قابل ذکر بات یہ ہے کہ پی ٹی سی ایل کا ٹیلی نار پاکستان میں 100 فیصد حصص حاصل کرنے کے لیے شیئر پرچیز ایگریمنٹ پر حالیہ دستخط مارکیٹ میں اپنی پوزیشن کو مستحکم کرنے کی طرف ایک اسٹریٹجک اقدام کا اشارہ دیتا ہے۔ (ریگولیٹری منظوریوں سے مشروط)

بورڈ کی تشکیل

بورڈ آف ڈائریکٹرز (بورڈ) نو اراکین پرمشتمل ہے ۔ حکومت پاکستان ("GOP") اور اتصالات انٹرنیشنل پاکستان اسٹریٹجک سرمایہ کار (Strategic Investor) کی جانب سے صدر پاکستان اور شیئرہولڈرز کے درمیان ہونے والے معاہدے کی دفعات اور کمپنی کے آرٹیکلر آف ایسوسی ایشن کے تحت بورڈ کے چار اراکین کا انتخاب حکومت پاکستان کرتی ہے جب کہ اسٹریٹجک انویسٹرپانچ (05) اراکین کو نامزد کرتا ہے۔ موجودہ بورڈ درج ذیل نو (9) ڈائریکٹرز پر مشتمل ہے۔

مرد: آٹھ

خواتین : ایک

بورڈ کی تشکیل حسب ذیل ہے

i	آزادڈائریکٹرز	کوئی نہیں
ii	نان ایگزیکیوڈ اٹریکٹرز	جناب حسن ناصر جامی،چیئرمین جناب عبدالرحیم اے النوریانی جناب امداد اللہ بوسال جناب جواد پال خواجہ جناب میخائیل گر چوک جناب احد خان چیمہ ڈاکٹرمحمد کریم بینس محترمہ بروک میری لِنڈ سے جناب خالد مرُشد
iii	ایگزیکیوڈ اٹریکٹرز	کوئی نہیں
iv	خواتین ڈائریکٹرز	محترمہ بروک میری لِنڈ سے

مزید برآں، دوران سال درج ذیل ارکان بورڈ میں شامل رہے

جناب محسن مشتاق چاندنہ	جناب احد خان چیمہ
جناب نوید احمد شیخ	جناب عبدالرحیم اے النوریانی
جناب حسن ناصر جامی	جناب حاتم دوئیدار
ڈاکٹرارم انجم خان	محترمہ بروک میری لِنڈ سے
ڈاکٹراحمد مجتبیٰ میمن	ڈاکٹرمحمد کریم بینس
جناب جواد پال خواجہ	جناب میخائیل گر چوک
جناب حامد یعقوب شیخ	جناب براق سیولینگل
جناب امداد اللہ بوسال	جناب خالد مرُشد

ڈائریکٹرز، سی ای او اور ایگزیکٹوز کمپنی کے شیئرز میں کوئی ذاتی مفاد نہیں رکھتے ہیں۔ماسوائےان کےجو شیئرہولڈنگ پیٹرن کے مطابق ظاہر کیے گئے ہیں۔

عبوری یا حتمی نتائج کے اعلان سے قبل بند ہونے والی مدت کا تعین کیا گیا تھا اور کمپنی سیکیورٹیز کی مارکیٹ قیمت کو مادی طور پر متاثر کرنے والے کاروباری فیصلوں کا تعین کیا گیا تھا جس کے بارے میں ڈائریکٹرز ، ملازمین اور اسٹاک ایکسچینج کو آگاہ کیا گیا تھا۔ میٹیرئیل اور قیمت کے بارے میں حساس معلومات مارکیٹ کے تمام شرکا کو اسٹاک ایکسچینج کے ذریعےپہنچائی گئیں۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ساتھ تعمیل کا بیان اور قانونی آڈیٹرز کے ذریعہ اس پر آڈیٹرز کا جائزہ اس رپورٹ کا حصہ ہے۔ چیئرمین کا جائزہ، سالانہ عام اجلاس کا نوٹس، تاریخی کاروباری اشارے، آڈٹ کمیٹی کی تشکیل؛ انسانی وسائل اور معاوضہ کمیٹی؛ سرمایہ کاری اور مالیاتی کمیٹی، بورڈ میٹنگز کی تعداد، ڈائریکٹرز کی حاضری، اور شیئرہولڈنگ پیٹرن بھی اس رپورٹ کا حصہ ہیں۔

- واجب الادا ٹیکس اور لیویز سے متعلق تمام معلومات مالیاتی گوشواروں کے نوٹس میں ظاہر کی گئی ہے۔
- ڈائریکٹرز کے معاوضے کی مجموعی رقم بشمول مراعات اور فوائد وغیرہ کی تفصیل مالیاتی گوشواروں کے نوٹ 40 میں ظاہر کی گئی ہے۔
- متعلقہ فریق کے لین دین کی تفصیلات مالیاتی گوشواروں کے نوٹ 44 میں ظاہر کی گئی ہیں۔
- ملازمین کے ریٹائرمنٹ پلانز کے سلسلے میں تجویز کردہ سرمایہ کاری منصوبوں کی ویلیومالیاتی گوشواروں کے نوٹ 7.4 میں ظاہر کی گئی ہیں۔

آڈیٹرز(بعداز تاریخ آئٹم)

آڈیٹرز، میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، کو31 دسمبر 2023 کو ختم ہونے والے سال کے لیے مقرر کیا گیا تھا، اور وہ آئندہ سالانہ جنرل میٹنگ (AGM) کے اختتام پر ریٹائر ہو جائیں گے۔ ریٹائر ہونے والے آڈیٹرز کوڈ آف کارپوریٹ گورننس کی ضرورت کے مطابق متعلقہ پارٹنرز کے ساتھ چھ سال کی مدت کے لیے کمپنی کے ساتھ منسلک رہے ہیں۔آڈٹ کمیٹی کی تجویز کی بنیاد پر، مارچ 2024 میں بورڈ کی قرارداد کی سرکولیشن کے ذریعے، 28مئی 2024 کو ہونے والی اگلی (AGM) میں بورڈ نے حصص یافتگان کی منظوری کے لیے میسرز ای وائی فورڈ رہوڈز، چارٹرڈ اکاؤنٹنٹس کی سال 2024 کے لیے کمپنی کے آڈیٹر کے طور پر تقرری کی سفارش کی ہے۔

کمپلائنس - بورڈ کی کارکردگی

- بورڈ کی اپنی کارکردگی اور اس کی کمیٹیوں کے سالانہ جائزے کے لیے ایک باضابطہ اور موثر طریقہ کار وضع کیا گیا ہے۔
- بورڈ کے چیئرمین نے ہرڈائریکٹر کو مدت کے آغاز میں بذریعہ خط کمپنیز ایکٹ 2017 کمپنی کے آرٹیکلز آف ایسوسی ایشن اور پالیسیوں کے مطابق ان کے کردار، ذمہ داریوں، اختیارات ، معاوضے اور استحقاق کے تعین سے آگاہ کیا۔
- بورڈ آف ڈائر یکٹرز نے ڈائریکٹرز کے معاوضے کی پالیسی کی منظوری دی ہے، جو بہترین کار پوریٹ اور گورنس کے طریقوں کے مطابق ہے۔ ڈائریکٹرز کو بورڈ اور اس کی ذیلی کمیٹیوں کے اجلاسوں میں شرکت کے لیے فیس دی جاتی ہے، بورڈ اس بات کو یقینی بناتا ہے کہ ڈائر یکٹرز اور چیئرمین کا معاوضہ فیس اس سطح پر نہ ہو جس سے ان کی آزادی پر سمجھوتہ کیا جا سکتا ہو اور یہ کہ ڈائر یکٹر ز کا معاوضہ کمپنی کے اندرویلیو میں اضافے کا سبب بنے ۔
- سال کے دوران مقررہ سر ٹیفکیشن کے حصول کے لیے ڈائریکٹرزکے کسی تربیتی پروگرامز کا اہتمام نہیں کیا گیا۔ تاہم، ڈائریکٹرز کو ان کے کردار ، ذمہ داریوں اور اختیارات سے روشناس کروانے کے لیے ایک ہدایت نامہ فراہم کیا گیا۔
- بورڈ آف ڈائریکٹرز نے PSX ریگولیشنز کی شق 5.6.1 اور 5.6.4 کے مقاصد کے لیے کمپنی کے ان ملازمین کی حد مقرر کی ہے جنہیں 'ایگزیکٹو' سمجھا جاتا ہے۔

کارپوریٹ گورننس

کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (جسے "ریگولیشنز" کہا جاتا ہے) کے ساتھ ساتھ پاکستان اسٹاک ایکسچینج ریگولیشنز ("PSX ریگولیشنز")کی تمام شرائط کی تکمیل کی ہے۔ ڈائریکٹرزدرج ذیل نکات کی توثیق کرتے ہوئے حوالہ شدہ ضوابط کی تعمیل کرتے ہیں:

رواں برس یوپیسہ کے ذریعے عطیہ کی مہم چلائی گئی، جس میں مربوط حکمت کے تحت دفتری عمارتوں میں عطیات کے ڈبے رکھے گئے۔ مہم کی مجموعی سوچ نے نہ صرف ایک اچھے عمل کو فروغ دیا بلکہ اس کے اثرات سے مستحقین کو بھاری مالی فوائد حاصل ہوئے۔

کمیونٹی سروس کے جذبے کو پروان چڑھانے کے لیے، پی ٹی سی ایل گروپ نے رضاکار فورس کے لیے رجسٹریشن مہم شروع کی۔ اس ملازم رضاکار فورس کو پی ٹی سی ایل گروپ کے تمام مقامات پر سال بھر مختلف CSR اقدامات میں فعال طور پر حصہ لینے کے لیے ڈیزائن کیا گیا تھا۔ پروگرام کے آغاز پر شاندار ردعمل دیکھنے میں آیا، جس میں کافی تعداد میں ملازمین نے سرگرمی سے اس مہم کے لیے اندراج کرایا۔ CSR کے اقدامات میں ماحولیاتی پائیداری، تعلیم کی حمایت اور کمیونٹی ویلفیئر کے منصوبے شامل تھے۔ اس صحت مند سرگرمی نے پی ٹی سی ایل گروپ کے ملازمین کے مختلف سماجی مقاصد میں بامعنی کردار ادا کرنے کی گہری وابستگی پر زور دیا۔

کارپوریٹ گورننس

کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (جسے "ریگولیشنز" کہا جاتا ہے) کے ساتھ کی تمامشرائط کی تکمیل کی ہے۔ ڈائریکٹرزدرج ذیل ("ریگولیشنز PSX") ساتھ پاکستان اسٹاک ایکسچینج ریگولیشنز :نکات کی توثیق کرتے ہوئے حوالہ شدہ ضوابط کی تعمیل کرتے ہیں

عمومی تعمیل

- بورڈ کی جانب سے حسب ضرورت کمپنی کے وژن ، مشن ، کارپوریٹ اقدار مجموعی کارپوریٹ حکمت عملی کی تیاری، منظوری اور اس کا جائزہ لیا جاتا ہے۔
- ایک رسمی ضابطہ اخلاق کمپنی کی ویب سائٹ پر موجود ہے۔
- غیر اخلاقی طریقوں سے پیدا ہونے والی شکایات کی شناخت اور ازالے کے لیے پالیسی کے ساتھ مناسب نظام اور کنٹرول موجود ہے۔
- اندرونی کنٹرول کا نظام، بشمول مالیاتی کنٹرول کی درست تشکیل، اس کا موثر طریقے سے نفاذ اور اس کی نگرانی کا نظام بھی لاگو کیا گیا ہے۔
- بورڈ آف ڈائریکٹرز اور انتظامیہ تمام لین دین، یا اہم معاملات کے حوالے سے فیصلے بورڈ کے منظور کردہ اختیارات کے مطابق کرتے ہیں ۔
- اہم پالیسیوں کی تفصیلات کے ساتھ ان تاریخوں کا مکمل ریکارڈ برقرار رکھا گیا ہے جن پر ان کی منظوری یا ترمیم کی گئی تھی۔
- کارپوریٹ گورننس کے تمام بہترین طریقوں کو اسی طرح برقرار رکھا گیا ہے جیسا کہ انہیں ضوابط کی تفصیلات میں وضح کیا گیا ہے ۔

کمپلائنس - مالیاتی اسٹیٹمنٹس اور آڈیٹرز

- کمپنی کی انتظامیہ کی طرف سے پیش کردہ مالیاتی گوشواروں میں اس کے تمام معاملات، کیش فلو، اور ایکویٹی میں ہونے والی تبدیلی کو منصفانہ طریقوں سے بیان کیا گیا ہے ۔
- کمپنی کے کھاتوں کو تحریری طور پر درست رکھا گیا ہے۔
- مالی معلومات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور حساب کتاب کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- مالیاتی معلومات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیار کو اپناتے ہوئے مناسب طور پر ظاہر کیا گیا ہے۔
- کمپنی کی صلاحیت کے بارے میں کوئی شک نہیں ہے اور اس پر مکمل اطمینان کا اظہار کیا گیا ہے۔
- آڈٹ کمیٹی نے 31 دسمبر 2024 کو ختم ہونے والے مالی سال کے لیے آڈیٹر کے طور پرچارٹر اکاؤنٹنٹس ای وائے فورڈ رہوڈز کو مقرر کرنے کی سفارش کی ہے۔ (بعداز تاریخ آئٹم)

کارپوریٹ سماجی ذمہ داری (CSR)

کارپوریٹ سماجی ذمہ داری (CSR) کمپنی کی شناخت کا ایک اہم پہلو ہے، جواس کے منافع کے مارجن سے آگے کے مثبت اثرات کے عزم کی عکاسی کرتی ہے۔ کمیونٹی کوواپس لوٹانے جیسے اقدامات میں شامل ہونا نہ صرف ایک ذمہ داری بلکہ سماجی بہتری میں حصہ ڈالنے کا ایک موقع ہے۔ کارپوریشنز کے لیے، کمیونٹی ڈیویلپمنٹ پروجیکٹس کے لیے وسائل مختص کرنا ان کے (CSR) مقاصد کو پورا کرنے کا ایک مستحکم طریقہ ہے۔ کمیونٹی کے فلاحی کاموں میں فعال طور پر حصہ لے کر، کمپنیاں پائیدار اور جامع ترقی کو فروغ دینے میں اہم کردار ادا کرتی ہیں۔

کے دوران، پی ٹی سی ایل گروپ مختلف قسم کی کارپوریٹ سماجی ذمہ داری (CSR) سرگرمیوں میں مصروف رہا، جو اسکے معاشرے پر مثبت اثرات مرتب کرنے کے عزم کو ظاہر کرتی ہیں۔

پی ٹی سی ایل اور یوفون 4 جی نے پاکستان سے پولیو کے خاتمے کے لیے اپنا تعاون بڑھانے کے لیے نیشنل ایمرجنسی سینٹر، حکومت پاکستان کے ساتھ اشتراک کیا۔ قومی ٹیلی کمیونیکیشن گروپ نے اس بیماری کے خلاف ویکسی نیشن کو فروغ دینے کے لیے اپنے وسیع نیٹ ورک کا فائدہ اٹھاتے ہوئے شعوراجاگر کیا کہ بروقت ویکسی نیشن نہ کیے جانے سے بچوں کو زندگی بھر کے لیے جسمانی معذوری کا سامنا کرنا پڑ سکتا ہے۔

پی ٹی سی ایل گروپ نے JAQ ایجوکیشن ٹرسٹ کے پہلی کرن اسکولز کو ایوو چارجی ڈیوائسز فراہم کیں تاکہ اسکول سے باہربچوں تک رسائی اور معیاری تعلیم فراہم کی جا سکے۔ اسلام آباد کی کچی آبادیوں میں پسماندہ طبقے کے بچوں کو تعلیم دینے کے لیے پہلی کرن اسکول قائم کیے گئے ہیں۔ پی ٹی سی ایل گروپ نے ان بچوں کی تعلیم میں کسی رکاوٹ سے بچنے کے لیے بلا تعطل انٹرنیٹ رابطوں کو یقینی بنا نے میں اہم کردار ادا کیا۔

یوفون 4 جی نے سماجی تنظیم کنیکٹ ہیئر (Connect Hear) کے ساتھ تعاون کیا، جس کا مقصد سماعت سے محروم افراد کے سماجی و اقتصادی انضمام کو بڑھانے کے لیے ان کی رسائی کو بہتر بنانا ہے۔ کنیکٹ ہیئر (Connect Hear) شراکت یو فون 4 جی کنیکٹ ہیئر (Connect Hear Ufone 4G) سے ڈیجیٹل ایپ تک مفت ڈیٹا تک رسائی فراہم کرے گا جو سماعت سے محروم افراد کی اظہار خیال میں مدد کے لیے اشاروں کی زبان کے ترجمانوں تک فوری اور ریموٹ رسائی فراہم کرتی ہے۔ یوفون 4 جی کے قابل اعتماد اور تیز رفتار ڈیٹا کنکشن سے لیس، سماعت سے محروم افراد آسانی کے ساتھ اظہار خیال اور ملک بھر سے اس تک رسائی حاصل کر سکیں گے۔

پی ٹی سی ایل گروپ نے کنیکٹ ہیئر کے ساتھ مل کر شمالی علاقہ جات سے اپنے کسٹمر سروس سینٹر (جوائنٹ شاپس) کے نمائندوں کے لیے اشاروں کی زبان کے تربیتی سیشن کا اہتمام بھی کیا۔ اشاروں کی زبانوں کے عالمی دن کے موقع پر تربیت کا مقصد قوت سماعت سے محروم افراد کی شمولیت کو فروغ دینا اور ان کے لیے پی ٹی سی ایل اوریوفون 4 جی سروسز کی رسائی کو بڑھانا ہے۔ اسی طرح کے سیشن ملک کے جنوبی علاقے میں بھی منعقد کیے گئے۔

مزید براں پی ٹی سی ایل گروپ نے 'ورلڈ بلڈ ڈونر ڈے' کی مناسبت سے اپنے ہیڈ کوارٹرز میں خون کے عطیہ کی ایک بڑی مہم کا آغاز کیا۔ یہ اقدام پی ٹی سی ایل گروپ کے مشترکہ اقدار کی تخلیق اور معاشرے میں اچھے مقاصد کے فروغ کے عزم کا نتیجہ ہے۔ خون کے عطیہ کی مہم فاطمید فاؤنڈیشن کے تعاون سے منعقد کی گئی جو دو دن پر محیط تھی۔ پی ٹی سی ایل گروپ ٹاور کے کرایہ داروں کے ساتھ اعلیٰ انتظامیہ، سینئر ایگزیکٹوز اور ملازمین بھرپور جوش و جذبے کے ساتھ خون کا عطیہ دینے کے لیے آگے آئے۔

پی ٹی سی ایل گروپ نے اپنے ڈی اینڈ آئی (D&I) وژن کی گلوبل سسٹم فار موبائل کمیونیکیشنز (GSMA) کے ساتھ مل کر "کنیکٹڈ وومن اسٹریٹجی ورکشاپ" کے عنوان سے ایک اہم علمی آگاہی ورکشاپ کی مشترکہ میزبانی کی۔ اس ورکشاپ کا بنیادی مقصد پاکستان میں موبائل کے استعمال میں صنفی فرق کو دورکرنا تھا۔ پی ٹی سی ایل گروپ نے پارکس اینڈ ہارٹیکلچر اتھارٹی (PHA) راولپنڈی کے ساتھ مل کر ماحولیاتی تحفظ اور موسمیاتی تبدیلیوں کے خلاف شعور کو اجاگر کرنے کے لیے مری ایکسپریس وے پر کھاجوت میں شجرکاری مہم چلائی۔ مہم کے دوران پی ٹی سی ایل گروپ اور پی ایچ اے نے باآسانی پنپنے والے مقامی پودے لگائے۔

سالانہ اقدامات کے طور پر پی ٹی سی ایل گروپ نے پنک ربن پاکستان کے ساتھ شراکت داری کرکے چھاتی کے کینسر کے بارے میں آگاہی اور بیداری بڑھانے کے لیے ایک ماہ طویل مہم کا آغاز کیا۔ اس مشترکہ کوشش کا مقصد چھاتی کے کینسر سے نبرد آزما ہونے کے لئے متاثرہ افراد کے حوصلے کو بلند کرنا تھا۔ مہم کا آغاز تمام ڈیجیٹل پلیٹ فارمز پر آفیشل کمپنی کے لوگو کو گلابی رنگ میں تبدیل کر کے کیا گیا۔

پی ٹی سی ایل گروپ کی کارپوریٹ اقدار یہ ہیں

- ثابت قدم بنیں: ہم چیلنجز کو قبول کرتے ہیں، قوت کے ساتھ واپس آتے ہیں اور کبھی ہمت نہیں ہارتے ہیں۔
- بڑی سوچ: ہم اپنے کاروبار کی ترقی کے لیے اپنے تخیل کی طاقت کو مہمیز کرتے ہیں۔
- ہر جنگ کے فاتح: ہم جیتنے کے خیال اور ناکامی پر قابو پانے کے لیے ہر مشکل پر پانے کے جنون میں مبتلا ہیں۔
- کامیابی کی قدر: ہمیں یقین ہے کہ لوگ ہماری کامیابی کا مرکز ہیں اور ہم ان کی انفرادی اور اجتماعی کوششوں کو تسلیم کرتے ہیں۔

صارفین کی سہولیات

جدت اور کسٹمر سینٹرسٹی پی ٹی سی ایل گروپ کسٹمر کیئر کی پہچان رہی ہے اور صارفین کے مجموعی تجربے کو بہتر بنانے کے لیے مختلف اقدامات کیے گئے۔ پی ٹی سی ایل گروپ کسٹمر کیئر نے پی ٹی سی ایل اور یوفون دونوں کے صارفین کی خدمت کے لیے رابطہ سینٹر آپریشنز کو یکجا کرکے صارفین کے لیے آسانی اور سہولت فراہم کی ہے۔ کسٹمر کے تجربے کے پروگرام کے ایک حصے کے طور پر، موجودہ آن بورڈنگ اور شکایات کے عمل کو بہتر بنانے پر توجہ مرکوز کرتے ہوئے ایک کسٹمر ٹریولز ٹرانسفارمیشن پروگرام کو عمل میں لایا گیا۔ یہ پروگرام جدید ترین نوکیا سروس مینجمنٹ پلیٹ فارم کا استعمال کرتے ہوئے رد عمل سے فعال نگہداشت میں تیار ہوا ہے ۔ پروایکٹو کیئر نے کسٹمر کے مسائل کی شناخت اور حل کرنا شروع کر دیا ہے، اس سے پہلے کہ وہ اپنے خدشات کے ساتھ کمپنی سے رجوع کریں۔

کسٹمر کیئر نے ڈیجیٹل اختراع کے لیے مختلف اقدامات مکمل کیے اور کمپنی کے 'گو گرین' مقصد کے مطابق صارفین کی سہولت کے لیے تجارتی طور پر ای بلنگ کا آغاز کیا، جس کے نتیجے میں ای بلنگ کو اپنانے کی شرح میں خاطرخواہ اضافہ ہوا ہے۔ کسٹمر کیئر نے ڈیجیٹل پلیٹ فارمز پر کسٹمر کی بصیرت اور جذبات کی بہتر صلاحیت کے ساتھ اسپراؤٹ سوشل پلیٹ فارم پر سوشل میڈیا کسٹمرسپورٹ کو بھی مستحکم کیا۔پی ٹی سی ایل گروپ کسٹمر کیئر نے مومنٹس آف ٹروتھ پروگرام کے ساتھ کسٹمر ایکسپرینس فریم ورک میں انڈسٹری کے بہترین طریقوں کو بھی نافذ کیا ہے، جس سے صارفین کے مجموعی تجربے میں بہتری آئی ہے۔

روبوٹک پروسیس آٹومیشن کے ذریعے کلیدی صارف سے متعلق عمل کو بہتر بنایا گیا، جس سے مجموعی عمل کی کارکردگی اور درستگی میں بہتری آئی ہے۔ PTCL گروپ نے صارف کے تجربے کو بہتر بنانے کے لیے مصنوعی ذہانت (اے آئی) کے لیے سازگار حصوں میں اے آئی کو شامل کرنے کے لیے مصنوعی ذہانت پر مبنی ایک جدید ترین پروگرام متعارف کرایا ہے۔پہلے مرحلے میں مصنوعی ذہانت پر مبنی کوالٹی ایشورنس بوٹ کو لاگو کیا گیا ہے، جس نے نہ صرف کوالٹی ایشورنس کی موجودہ صلاحیت کو بڑھایا ہے، بلکہ اس نے صارفین کے جذبات کا تجزیہ اور فعال اقدامات کے لیے کسٹمر کی گہری بصیرت بھی فراہم کی ہے۔

پی ٹی سی ایل گروپ رابطہ مراکز نے کمپنی اور اس کے صارفین کے درمیان اہم ربط کے طور پر کام کرتے ہوئے ایک اہم کردار ادا کیا۔ منقسم اور سیگمنٹڈ ٹریٹمنٹ نے پی ٹی سی ایل اور یوفون کے صارفین دونوں کے لیے ہیلپ لائن کے تجربے کو بہتر بنانے میں مدد کی ہے۔ بغیر کسی رکاوٹ کے کسٹمر کا تجربہ فراہم کرنے کے علاوہ، رابطہ سینٹر نے نئی سیلز اور آؤٹ باؤنڈ مہمات کے ذریعے کمپنی کی ٹاپ لائن میں حصہ لیا۔

کسٹمر برقرار رکھنا اور انہیں واپس لانا کسٹمر کیئر کے لیے ایک ترجیحی شعبہ رہا ہے۔ اس سیگمنٹ نے ایک سینٹرالائزڈ ری ٹینشن پراسیس کا عمل شروع کیا جس میں کمپنی کی باٹم لائن نے کسٹمر ری ٹینشن میں میں بہتری پیدا کی۔ پی ٹی سی ایل گروپ کسٹمر کیئر نے نیٹ ورک کی مختلف اصلاحات اور اپ گریڈز کو بھی انجام دیا جس سے نیٹ ورک میں مجموعی بہتری اور خوشی کے انڈیکس کو بہتر بنانے میں مدد ملی۔ ان اقدامات کے ساتھ، پی ٹی سی ایل صارفین کے مجموعی تجربے کو بہتر بنانے میں کامیاب رہا۔ پی ٹی سی ایل گروپ آئی ایس او 9001:2018 سرٹیفیکیشن کو برقرار رکھنے اور اس طرح سروس کے مجموعی معیار کو برقرار رکھنے اور بہتر بنانے میں بھی کامیاب رہا۔

اوائل میں پی ٹی سی ایل کیریئر بزنس ڈومین کے تحت پاکستانی آئی ایس پی مارکیٹ مستحکم جب کہ 2023 کے دوران کلیدی سیلولر آپریٹرز اور آئی ایس پیز کے ساتھ اسٹریٹجک شراکت داری نے ترقی کی رفتار کو بڑھانے میں مدد کی۔

چار متنوع روٹس کیبلز AAE، SMW، IMEWE اور SMW اور ایک نئی بحری کیبل (افریقہ-1) پر مشتمل جدید ترین بین الاقوامی سب میرین کیبل نیٹ ورک کے ساتھ پی ٹی سی ایل ملک کے ڈیٹا کی ضروریات کو پورا کرنے کے لیے مستحکم پوزیشن میں ہے۔ ملک بھر میں آپٹک فائبر تک رسائی، ریسیلینٹ کور نیٹ ورک، میٹرو اور ایکسس نیٹ ورک ٹیئر 3 (Tier) سرٹیفائیڈ ڈیٹا سہولیات اور ڈیٹا ٹرانسمیشن ٹیکنالوجی وی ایس اے ٹی (VSAT) کے بیک ہال سلوشنز نے پی ٹی سی ایل COLO سینٹرز، مینجڈ کو کیریئر انڈسٹری کے لیے بہترین انتخاب بنا دیا ہے۔پی ٹی سی ایل نے مسلسل بڑھتے ہوئے کیریئر کنیکٹیویٹی /ڈیٹا کی ضروریات کو سمجھتے ہوئے اس شعبے کے تقاضوں کو پورا کرنے کے لیے اپنے ملک گیر نیٹ ورک کی صلاحیتوں کے فروغ کو جاری رکھا۔

ڈیجیٹلائزیشن کے اس نئے دور میں کیریئر انڈسٹری کے ICT کاروبار کی ضروریات کو مکمل طور پر پورا کرنے کے لیے پی ٹی سی ایل نے (ون ونڈو سروس فراہم کنندہ) کے طور پر مختلف انواع کی مصنوعات پیش کرنے کی حکمت عملی اختیار کرتے ہوئے مینیجڈ سیکیورٹی، مینیجڈ ڈی ڈی او ایس، مینیجڈ ڈی این ایس سیٹلائٹ جیسی نئی کیریئر گریڈ سروسز کو کامیابی کے ساتھ شامل کیا۔ ادارہ خود کو انٹرنیٹ آف تھنگز (IOT) اور معروف آئی سی ٹی سپلائرزکے ساتھ اسٹریٹجک شراکت داری قائم کرکے خود کو کنیکٹیویٹی پرووائیڈر سے سلوشنزفراہم کرنے والے میں ادارے میں تبدیل کر رہا ہے۔

حقیقی ڈیجیٹل پاکستان کی تعمیر کے لیے پی ٹی سی ایل کیریئر سلوشنز نے آئی سی ٹی انڈسٹری کے لیے گروتھ انجن کے طور پر اپنا کلیدی کردار ادا کرتے رہنے کے لیے خود کو اچھی طرح سے مستحکم کردیا ہے۔

ایس ایم ای سلوشنز

ایس ایم ای سلوشنز نے 2023 کے دوران غیر معمولی فوری حل اور بہترین کارکردگی کا مظاہرہ کیا ہے۔ اس شاندار کامیابی کا سہرا سال کے دوسرے نصف حصے کے دوران پروڈکٹ پورٹ فولیو، صارفین کے اطمینان اور آپریشنل عمدگی کو بڑھانے پر اسٹریٹجک توجہ کو دیا جاسکتا ہے، جہاں اس سیگمنٹ نے چھوٹے کاروباروں SME کو بہتر بنانے کے لیے مارکیٹ لینڈ اسکیپ اور مسابقتی پیشکش کے تحت SME ضروریات کا مکمل تجزیہ شروع کیا۔ اس اقدام کے حصے کے طور پر، پی ٹی سی ایل گروپ کی تاریخ میں پہلی بار ایس ایم ای صارفین کے لیے فکسڈ لائن کا آغاز کیا گیا۔ اس کوشش کے حصے کے طور پر، SME سلوشنز نے Biz Fiber اور Biz CIR پیکیجز کی 250 Mbps تک کی ایک جامع رینج متعارف کرائی، جسے خاص طور پر چھوٹے اوردرمیانے درجے کے کاروباروں کی متنوع ضروریات کو پورا کرنے کے لیے تیار کیا گیا ہے۔ SME نے منفرد صنعت کے پہلے فیچر سیٹ کے ساتھ Biz پوسٹ-پے موبیلٹی پیکجز بھی شروع کیے۔ SME سلوشنز نے چھوٹے اور درمیانے درجے کے کاروباروں کے لیے m-Wi-Fi، m-LAN، m-SDWAN اور m-Firewall جیسی مصنوعات بھی متعارف کروائیں۔

یہ اختراعی نقطہ نظر پی ٹی سی ایل گروپ کے مارکیٹ کے تقاضوں کو اپنانے اور تیار کرنے کے عزم کی عکاسی کرتا ہے، کاروباری اداروں کو ان کی مجموعی ICT ضروریات کے مطابق حل فراہم کرتا ہے۔ ایس ایم ای ٹیم نے ملک گیر تربیتی پروگراموں کا آغاز کیا تاکہ روایتی کنیکٹیویٹی کی معلومات سے ہٹ کربزنس آپریشنز ٹیم کی مہارت کوبڑھایا جا سکے۔ ایس ایم ای سلوشن نے ہماری کمرشل ویب سائٹ کے ایس ایم ای سیکشن کو دوبارہ ڈیزائن کرکے صارفین کے ڈیجیٹل تجربے کو بھی کامیابی سے بہتر بنایا تاکہ مصنوعات کی ضروریات، اقسام، سیگمنٹس اور کاروباری سائز میں درجہ بندی کرکے آسان براؤزنگ کی سہولت فراہم کی جاسکے۔ اس سے نہ صرف ہمارے صارف سے تعلقات میں بہتری ہوئی بلکہ آن لائن مشغولیت میں بھی اضافہ ہوا اور اس وجہ سے ویب سیکشن سے لیڈز کا حجم پیدا ہوا۔ ایس ایم ای سلوشنز نے ایس ایم ای صارفین کی شکایت کے ازالے کے لیے کسٹمر کیئر کے ساتھ ایک پروجیکٹ بھی شروع کیا۔ ایس ایم ای صارفین کے لیے کال سینٹر کے مکمل تجربے کا دوبارہ دورہ کیا گیا اور IVR لینڈنگ سے لے کر شکایت کے حل تک کسٹمر ہینڈلنگ تک کو دوبارہ ڈیزائن کیا گیا۔

جیسا کہ ہم گزشتہ سال میں SME سلوشنز کی کامیابیوں پر غور کرتے ہیں، ہم MTTR اور MTTP کو بہتر بنا کر اور صارفین کے لیے تمام ٹچ پوائنٹس پر ترجیحی ٹریٹمنٹ کے ذریعے 2024 میں اس رفتار سے فائدہ اٹھانے کے منتظر ہیں۔ جدت، صارف کا اطمینان، اور آپریشنل کارکردگی کا عزم ہماری کوششوں میں سب سے آگے رہے گا کیونکہ ہم اپنے صارفین کی خدمت اور مدد کرتے رہیں گے۔

پی ٹی سی ایل نے پاکستان میں ڈیجیٹل تبدیلی کی راہ ہموار کرتے ہوئے رابطہ کاری کی ضروریات پوری کرکے اپنے انٹرپرائز سلوشنز پورٹ فولیو کو بڑھایا ہے تاکہ وہ نیٹ ورک سیکیورٹی کے لیے صارف کا قابل بھروسہ انتخاب بن سکے۔ پی ٹی سی ایل نے ادارے کے لیے ڈیجیٹل بنیادوں پر مرکوز سوچ ہی کی بدولت کیو تعلیم (Q-Taleem) اور کیو کلاؤڈ (Q-Cloud) جیسے جدید آئی سی ٹی (ICT) سلوشنز کے ساتھ اپنے کارپوریٹ صارفین کو بڑھایا۔ متنوع کاروباری شعبوں میں نئے انٹرپرائز صارفین کو شامل کرنے پر بھرپور توجہ سے پی ٹی سی ایل کو اپنے صارف بڑھانے اور مارکیٹ کے نئے شعبوں میں مصنوعات کی رسائی میں مددملی ۔ فی الحال، پی ٹی سی ایل کے پاس آئی سی ٹی اور کلاؤڈ صارفین ہیں جن میں تعلیم، فنانس، ہیلتھ کیئر اور ایف ایم سی جی سمیت متعدد صنعتی طبقات شامل ہیں۔ پی ٹی سی ایل پاکستان میں اپنے پہلے بینکنگ کلاؤڈ کسٹمر کو فعال کرنے کے لیے بھی کوشاں ہے۔

قومی ادارے کی حیثیت سے پی ٹی سی ایل خود کو ڈیجیٹل پاکستان پالیسی میں ایک قوت کے طور پر مستحکم کر رہا ہے۔ پی ٹی سی ایل سرکاری اور نجی شعبوں میں اپنے صارفین کے ڈیجیٹل ٹرانسفارمیشن کے سفر کو فعال اور تیز کرنے کے لیے ان کے ساتھ کام کررہا ہے۔ اس شعبے میں معروف ٹیکنالوجی اور خدمات فراہم کرنے والے شراکت داروں کے ساتھ مل کر کام کرتے ہوئے پی ٹی سی ایل کی حکمت عملی یہ ہے کہ وہ اپنے کارپوریٹ صارفین کو ان کی ڈیجیٹل ٹرانفارمیشن کی کاوشوں میں تعاون فراہم کریں۔

بین الاقوامی حل

پی ٹی سی ایل انٹرنیشنل سلوشنز کاروباری اہداف کو عبور کرتے ہوئے نئے بینچ مارکس قائم کرتے ہوئے بے مثال بین الاقوامی کالنگ اور آئی پی بینڈوڈتھ /آئی پی ٹرانزٹ سروسز کی فراہمی کے عزم پر قائم ہے۔ ہم تمام بین الاقوامی روٹس کی نہایت باریک بینی کے ساتھ مسلسل نگرانی کرتے ہوئے اپنے ڈیٹا اور کالنگ خدمات کی بلا تعطل دستیابی کو یقینی بناتے ہیں۔

او ٹی ٹی ایپلی کیشنز کے پھیلاؤ، اسمارٹ فون کے وسیع استعمال اور گرے ٹریفک کے خاتمے کے مسلسل خطرے سے درپیش چیلنجز کے پیش نظر، پی ٹی سی ایل ریگولیٹری اداروں جیسے پی ٹی اے، سی ایم اوز، اور ایل ڈی آئی انڈسٹری کے ساتھ فعال طور پر تعاون کرتا ہے۔ ہم ایک ساتھ مل کر غیر قانونی سرگرمیوں کا پتہ لگانے اور انہیں روکنے کے لیے اپنے بین الاقوامی آئی پی بینڈوڈتھ کے داخلی مقامات پر ویب مانیٹرنگ سسٹم (WMS) جیسی جدید ٹیکنالوجیز کا استعمال کرکے اپنے وائس کالنگ کاروبار سے ہونے والی آمدنی کا تحفظ کرتے ہیں۔

بڑے بین الاقوامی ریٹیل آپریٹرز کے ساتھ اسٹریٹجک اتحاد ہماری آمدن کو مستحکم بنانے میں اہم کردار ادا کرتے ہیں۔ ہمسایہ ممالک کے ساتھ ہمارے وسیع زمینی رابطوں کی راہداریوں کا فائدہ اٹھاتے ہوئے، پی ٹی سی ایل ڈیٹا اور وائس کنیکٹیویٹی دونوں کے لیے ایک اہم علاقائی ٹرانزٹ مرکز کے طور پر ابھرنے کی خواہش رکھتا ہے۔ ہم سب میرین کیبلز کی ویٹ سینٹرز کی صلاحیت کی فروخت بڑھانے کے لیے مواقع تلاش کر رہے ہیں، کیونکہ یہ ڈیجیٹل خودمختاری کا ایک اہم جزو ہے ۔ اس کے علاوہ ہمارا مقصد ٹرانس پاکستان کنیکٹیویٹی مونیٹائزیشن کے لیے پاک چین اقتصادی راہداری (CPEC) کے وسیع امکانات سے فائدہ اٹھانا ہے۔

صارفین کو بہترین سہولت اور لیٹنسی (ایک نیٹ ورک سے دوسرے تک سفرکرنے کے لیے ایک سگنل کو درکاروقت)کے دورانیے میں کمی کے لیے پی ٹی سی ایل کانٹینٹ اور گیمنگ کے فراہم کنندگان کے ساتھ بھرپور تعاون کرتا ہے، ہمارے جدید ترین ڈیٹا سینٹرز میں ان کے نوڈز کی ہوسٹنگ کی جاتی ہے۔ De-CIX کے ذریعے تقویت یافتہ PIE کا حالیہ تعارف جدت طرازی اور رابطے بڑھانے کے لیے ہماری لگن کی مثال ہے۔

یہ اسٹریٹجک اقدامات پی ٹی سی ایل کے تیزی سے ترقی پاتے ٹیلی کمیونیکیشن منظر نامے میں آگے رہنے کے غیر متزلزل عزم کو ظاہر کرتے ہیں۔ مشکلات کے فوری حل اوردور اندیشی کے ساتھ مشکلات پر قابو پاکر ہم نہ صرف کالنگ کے کاروبار پر زوال کے اثرات کم کرنے کے لیے تیار ہیں بلکہ آنے والے برسوں میں اپنے کاروباری اہداف کو عبور کرجائیں گے۔

کیریئر سلوشنز

چیلنجنگ میکرواکنامک حالات کے باوجود، پی ٹی سی ایل کیریئر ہول سیل بزنس نے مالی سال 2023 میں اپنی ترقی کی رفتار جاری رکھتے ہوئے 21.9 فیصد کی زبردست سالانہ گروتھ ریکارڈ کی، جو ٹیلی کام انڈسٹری کے تمام پلیئرزکے اعتماد اور بھروسے کوظاہر کرتی ہے۔ پی ٹی سی ایل گروپ بزنس سلوشنز کے فلسفے کے تحت تین اسٹریٹجک ستونوں یعنی اختراع، قابل بھروسہ اور متحرک حل کے لیے تقریباً 25 سے زائد نئے ٹیلی کام آپریٹرز کو شامل کیا گیا۔ مالی سال 2023 کے

وائر لائن براڈ بینڈ

چار لاکھ فلیش فائبر صارفین سے تجاوز کرتی فکسڈ لائن کنزیومر بیس میں اضافہ ایک قابل ذکر سنگ میل ہے ۔ فعال نیٹ ورک میں وسعت دینے کی حکمت عملی پی ٹی سی ایل کی تیز رفتار انٹرنیٹ انفراسٹرکچر میں اضافے کی لگن واضح کرتی ہے ۔ فلیش فائبر کو وسیع پیمانے پر اپنانا، شعبے میں بڑے پیمانے پر اضافہ صارفین کے لیے اس کی مربوط کاوش کو واضح کرتا ہے ۔

اسمارٹ ٹی وی

پی ٹی سی ایل اسمارٹ ٹی وی کی ترقی کی رفتار بھی قابل ذکر ہے، بصری مواد کی فراہمی پر بھرپور توجہ دینے کی حکمت عملی صارفین کی بڑھتی ترجیحات کے عین مطابق ہے ۔ پریمیئر ہالی ووڈ فلمیں، بچوں کے لیے اینی میٹڈ سیریز اور اسٹارز پلے کیٹلاگ کے ساتھ 50 نئے ایچ ڈی چینلز اور مواد سے بھرپور ویڈیو لائبریری صارفین کو معیاری تفریح فراہم کرنے کے عزم کو ظاہر کرتی ہے ۔

پی ٹی سی ایل نہ صرف تیز رفتار انٹرنیٹ کی طلب کو پورا کررہا ہے بلکہ متنوع مواد پیش کرکے اپنے صارفین کے لیے تفریحی مواد اور اس سے محظوظ ہونے کے تجربے کو بھی مہمیز کر رہا ہے ۔ تفریحی مواد میں معیار اور تنوع پر توجہ پی ٹی سی ایل کو ٹیلی کمیونیکیشن اور گھریلو تفریحی شعبے میں ایک سرکردہ سروس فراہم کنندہ کے طور پر پیش کرتی ہے ۔

شوق

صارفین کے یوزر ایکسپیرئنس کو بڑھانے اور ان کی تفریحی ضروریات کو پورا کرنے کے لیے پی ٹی سی ایل نے اپنے عزم کے مطابق زبردست پریمیئم اسٹریمنگ پلیٹ فارم شوق SHOQ کا آغاز کیا ۔ SHOQ صارفین کو ہالی ووڈ کے بڑے اسٹوڈیوز وارنر برادرز (Warner Bros)، پیرا ماؤنٹ (Paramount)، اورٹوینٹتھ سنچری فوکس 20th Century Fox سے متنوع مواد فراہم کرتا ہے ۔ آئی سی سی کرکٹ ورلڈ کپ 2023 کی شوق پر اشتہارات کے بغیر براہ راست اسٹریمنگ کو پاکستانی شائقین نے خوب پذیرائی بخشی، کیونکہ اس نے انہیں مکمل ایچ ڈی معیار میں میچز بلاتعطل دیکھنے کے تجربات سے لطف اندوز ہونے کا موقع دیا ۔ شوق اپنے پریمیم مواد اور بغیر کسی رکاوٹ کے دیکھنے کے تجربے کے ساتھ OTT اسٹریمنگ مارکیٹ کی قیادت کرنے کے لیے تیار ہے ۔

کاروبار سے متعلقہ خدمات اور پراڈکٹس

مقامی اور بین الاقوامی صارفین سمیت کاروباری صارفین کے لیے ہماری وسیع رینج میں ڈیجیٹلائزیشن، کلاؤڈ سلوشنز ،ڈیٹا سینٹر ہوسٹنگ،مینیجڈ سروسز، سیکیورٹی اور دیگر آئی سی ٹی(انفارمیشن کمیونیکیشن ٹیکنالوجیز) پیشکشیں شامل ہیں ۔

انٹرپرائز سلوشنز

پی ٹی سی ایل انٹرپرائز سلوشنز کئی اہم اقدامات اورمنصوبوں کے ساتھ سالانہ بنیادوں پر 25.7 فیصد کی بلند ترین شرح نمو کے ساتھ ترقی کی راہ پر گامزن ہے ۔ کمپنی کی توجہ کا محورمینجڈ سروسز، کلاؤڈ ڈیٹا سینٹر، انفارمیشن سیکیورٹی اور انٹر نیٹ آف تھنگز (IOT) کے ساتھ آئی سی ٹی پورٹ فولیو میں مزید ترقی اور سرمایہ کاری پررہا ۔ وسیع اورجامع انٹرپرائز سلوشنزکنیکٹیویٹی پورٹ فولیو نے ایک بڑے کسٹمر بیس کو محفوظ ، بہتر اور قابل اعتماد خدمات کی فراہمی جاری رکھیں ۔ مارکیٹ میں دستیاب موجودہ اور مستقبل میں آنے والے مواقع کی بنیاد پر ڈیجیٹل اسپیس میں ہمارے پورٹ فولیو میں نئی مصنوعات شامل کرنے کے ساتھ ساتھ منظم نگرانی، منظم وائی فائی، ڈیٹا سینٹرز، کلاؤڈ اور سیکیورٹی کلیدی توجہ اور ترقی کے شعبے رہیں گے ۔

انٹرپرائز سلوشنز نے 2023 کے دوران مجموعی طور پر مسلسل بہترکارکردگی دکھائی اور سرکاری و نجی شعبے کے متعدد اداروں کے ساتھ بنیادی رابطے کے کاروبار کے علاوہ نئے اوراسٹریٹجک آئی سی ٹی/کلاؤڈ منصوبوں کو محفوظ بنانے میں بھی کامیاب رہا ۔ یہ کارکردگی فروخت کی جارحانہ حکمت عملی، مصنوعہ کی پروڈکٹ مینجمنٹ اور صارفین کے ساتھ تعلق کا نتیجہ ہے جس سے مستحکم شرح ترقی حاصل ہوئی ۔ متنوع کاروباری معاملات میں نئے صارفین کی شمولیت پر توجہ مرکوز کرنے سے نئے شعبوں میں صارفین اور مصنوعات کی رسائی بڑھانے میں مدد ملی ۔

اور رقوم کے حصول کو متنوع بنانے کا سلسلہ جاری رکھتے ہوئے مستحکم بیلنس شیٹ (بینک کے کھاتوں)کو برقرار رکھا۔ بینک مالی اور سماجی شمولیت کی جانب اپنے عزم پر کاربند ہے۔ اس کے لیے اپنی دیہی ریٹیل بینکنگ، کارپوریٹ فنانس اور انویسٹمنٹ بینکنگ، اسلامک بینکنگ، اربن ریٹیل بینکنگ، کارپوریٹ بینکنگ اور ڈیجیٹل بینکنگ کینوسز کے ذریعے ملک بھر میں متنوع صارفین کو غیر معمولی خدمات فراہم کرنے کے لیے اپنی وسیع تررسائی کو بروئے کار لا رہا ہے۔

منافع

پی ٹی سی ایل نے 4.9 ارب روپے کا آپریٹنگ ، جب کہ 9.4 ارب روپے کا خالص منافع حاصل کیاجو کہ 2013 کے بعد سب سے زیادہ اور گزشتہ سال کے مقابلے میں 3.7 فیصد زائد ہے۔ پی ٹی سی ایل نے افراط زر، پاکستانی کرنسی کی کی قدر میں کمی اوربلند شرح سود میں اضافے کے نتیجے میں پیدا ہونے والے مشکل معاشی حالات کے باوجود یہ کامیابی حاصل کی ہے۔ پی ٹی سی ایل کی فی حصص آمدنی(EPS) سال کے لیے 1.84 روپے ہے۔

2023 میں پی ٹی سی ایل گروپ کا منافع دیگرعوامل کے علاوہ سال کے دوران روپے کی قدر میں نمایاں کمی اور بلند شرح سود سے متاثر ہوا۔ پی ٹی سی ایل گروپ کواس سال 15.5 ارب روپے کا خالص نقصان ہوا۔

کیش فلو

پی ٹی سی ایل کے آپریشنل کیش فلو کی سمت ایف ٹی ایچ نیٹ ورک کو وسعت دینے کی طرف رہی، جس کا مقصد تیز رفتار انٹرنیٹ سروسز کی بڑھتی ہوئی طلب سے فائدہ اٹھانا تھا۔ اس کے ساتھ ساتھ موجودہ کاپر نیٹ ورک کو برقرار اور توسیع دینے کی کوششیں کی گئیں، تاکہ آمدنی کو برقرار اورفائبر ٹو دی ہوم (FTTH) پاکٹس (ڈیٹا کی ایک بنیادی اکائی جسے ایک ساتھ گروپ کرکے کمپیوٹر نیٹ ورک پر منتقل کیا جاتا ہے) تک رسائی حاصل کی جاسکے۔آمدن میں اضافے کے لیے کاروباری خدمات کے شعبے کی مدد کے لیے اہدافی سرمایہ کاری بھی کی گئی۔ Ufone نے اپنی4G خدمات میں توسیع کے عمل کو جاری رکھااور تیز ترین موبائل انٹرنیٹ اور اسپیکٹرم کے زیادہ سے زیادہ استعمال کوبروئے کار لاتے ہوئے اپنی کوریج کو بڑھانا جاری رکھا۔ اسی طرح یو بینک نے اپنے برانچ نیٹ ورک کو وسعت دینے اور بینکنگ خدمات کو بڑھانے کے لیے ٹیکنالوجی میں سرمایہ کاری پر توجہ دی۔ جو کہ پی ٹی سی ایل گروپ کی جامع حکمت عملی مسابقت ، ٹیلی مواصلات اور بینکنگ میں صارفین کی بڑھتی ہوئی ضروریات کو پورا کرنے کا عزم ظاہر کرتی ہے۔

مختصات

بورڈ آف ڈائریکٹرز نے مالی سال 2023 کے لیے کمپنی کی جانب سے Ufone میں ایکویٹی انجکشن کے لیے فنڈز کی ضرورت، Ufone کے4G اور پی ٹی سی ایل کے فائبرٹودی ہوم نیٹ ورکس کی توسیع اور نیٹ ورک کی تجدید کی ضروریات کے پیش نظرمالی سال 2023 کے لیے بورڈ آف ڈائریکٹرز کی جانب سے کسی ڈیویڈنڈ کی تجویزپیش نہیں کی گئی۔

دیگر معاملات

مالی سال کے اختتام اور اس رپورٹ کی تیاری کی تاریخ کے دوران ایسی کوئی اہم تبدیلیاں یا وعدے نہیں کیے گئے ہیں جو کہ کمپنی کی مالی حیثیت کو متاثر کرتے ہوں۔

آپ کی توجہ پی ٹی سی ایل کے مالیاتی گوشواروں کے پیرا 14.8 کے ساتھ ساتھ سال کے مجموعی مالیاتی گوشواروں کے نوٹ 18.8 کی جانب مبذول کرائی گئی ہے، جو اس بات کی وضاحت کرتے ہیں کہ پی ٹی سی ایل پنشن اسکیم کے تحت بعض ملازمین کے حقوق سے متعلق معاملات مختلف عدالتوں میں زیر التوا ہیں، جن کو بیرونی آڈیٹرز کی جانب سے اپنی آڈٹ رپورٹس میں اجُاگر کیا گیا ہے۔

صارفین کے لیے خدمات اور پراڈکٹس

پی ٹی سی ایل نے گھریلو سطح پرانٹرنیٹ فراہمی میں خود کو نمبر ون آپریٹر کے طور پر برقرار رکھنے کے لیےشاندار کارکردگی کا مظاہرہ کیا ہے۔ پاکستان میں انٹرنیٹ کی بڑھتی ہوئی طلب کو پورا کرنے والے نئے ہائی اسپیڈ ویریئنٹس لانا مارکیٹ کی ضروریات سے متعلق اس گہری بصیرت کی عکاسی کرتا ہے۔ اس حکمت عملی نے نہ صرف موجودہ صارفین کے اعتماد میں اضافہ کیا بلکہ نئے صارفین کوبھی پی ٹی سی ایل فیملی میں شمولیت کی ترغیب دی۔

پی ٹی سی ایل حکمت عملی کے لحاظ سے بہتر پوزیشن میں ہے اور اپنی اس حیثیت سے مستفید ہونے کے لیے پوری طرح پُرعزم ہے۔ کمپنی کا مضبوط پورٹ فولیو اور انفرا اسٹرکچر اسے کاروبار کی مسلسل ترقی پذیر ضروریات کو پورا کرنے میں ایک اہم ادارہ بناتا ہے۔ پی ٹی سی ایل ٹیلی کام کے منظر نامے میں ڈیجیٹل ترقی کے عزم کے ساتھ جاری ڈیجیٹل تبدیلی کوفروغ دیتے ہوئے، تکنیکی ترقی میں نمایاں کردارادا کرنے کے لیے تیار ہے۔ مزید برآں گیمنگ انڈسٹری کی بڑھتی ہوئی اہمیت اضافی گروتھ کی راہ فراہم کرتی ہے، پی ٹی سی ایل حکمت عملی کے ساتھ مواصلاتی شعبے کی اس بڑھتی ہوئی مارکیٹ میں مجموعی طور پر اپنا کردار احسن طریقے سے سرانجام دے سکتا ہے۔

مالیاتی کارکردگی

پی ٹی سی ایل گروپ کو سال 2023 کے دوران 188.1 ارب روپے کا ریونیو حاصل ہوا جو کہ 2022 کے مقابلے میں 24.5 فیصد زیادہ ہے۔ ریونیو آمدنی میں یہ اضافہ پی ٹی سی ایل کی تمام کمپنیوں کی مثبت کاوشوں کا نتیجہ ہے۔ اس مالی سال کے دوران روپے کی قدر میں نمایاں کمی، بلند شرح سود اور افراط زر کے دباؤ کی وجہ سے گروپ کا منافع دباؤ کا شکار رہا۔ گروپ کو 15.5 ارب روپے کا خالص نقصان ہوا۔

آمدنی

مالی سال 2023 میں پی ٹی سی ایل نے اپنی شاندار کارکردگی برقرار رکھی۔ براڈ بینڈ، ہول سیل اور کاروباری حل کے شعبوں میں ترقی سے سال 2023 میں پی ٹی سی ایل کی آمدنی 96.3 ارب روپے رہی، جو ادارے کی تاریخ کی سب سے زیادہ اور 2022 کے مقابلے میں 15.4 فیصد زائد ہے۔ فلیش فائبر، پی ٹی سی ایل کی پریمیئم فائبر ٹو دی ہوم (FTTH) سروس نے 2023 میں FTTH مارکیٹ میں سب سے زیادہ خالص صارفین کے اضافے کے ساتھ بہترین کارکردگی کا مظاہرہ کیا۔

پی ٹی سی ایل نے انٹرنیٹ کی بلا تعطل فراہمی اور صارفین کے اعتماد کو برقرار رکھنے کے لیے اپنے موجودہ انفراسٹرکچر اور نیٹ ورک کو بڑھانے کے ساتھ ساتھ ملک بھر میں فلیش فائبر کے نام سے اپنی اعلیٰ معیار کی فائبر ٹو دی ہوم (FTTH) انٹرنیٹ سروس کو فروغ دیا۔ مستعدی کے ساتھ لاگت میں کمی کی کاوشوں کے ساتھ کمپنی کے منافع میں اضافے کے ساتھ کارپوریٹ اور ہول سیل شعبوں میں مضبوط کارکردگی کے ساتھ فائبر ٹو دی ہوم (FTTH) کے تیزی سے پھیلاؤنے پی ٹی سی ایل کی آمدنی میں اضافے کے لیے اہم ستون کا کردار ادا کیا۔

فائبر ٹو دی ہوم (FTTH) میں توسیع کی وجہ سے پی ٹی سی ایل کے فکسڈ براڈ بینڈ کاروبار میں سال بہ سال 17.4 فیصد سالانہ کی شرح سے ترقی ہوئی۔ فلیش فائبر میں 106.8 فیصد کی بے مثال ترقی ہوئی، جو کہ مارکیٹ صارفین کے نیٹ ایڈز میں نمایاں حصہ ہے، جب کہ پی ٹی سی ایل آئی پی ٹی وی سیگمنٹ میں بھی 2.5 فیصد سالانہ اضافہ دیکھا گیا۔ تاہم، او ٹی ٹی (OTT) سروسز اور سیلولر آپریٹرز سے مسابقت کی وجہ سے وائس اور چارجی کی آمدنی میں کمی کا سلسلہ جاری رہا۔

آئی پی بینڈوتھ، کلاؤڈ، ڈیٹا سینٹرز اور دیگر آئی سی ٹی خدمات کے شعبوں میں پی ٹی سی ایل نے اپنی بالادستی برقرار رکھی۔ پی ٹی سی ایل کے انٹرپرائز کاروبار میں گزشتہ سال کے مقابلے میں 25.7 فیصد اضافہ ہوا، جب کہ کیریئر اور ہول سیل کاروبار نے اپنی ترقی جاری رکھتے ہوئے مجموعی طور پر 21.9 فیصد زائد آمدن حاصل کی۔ بین الاقوامی سطح پر کالنگ کی آمدنی میں گزشتہ سال کے مقابلے میں 17.9 فیصد اضافہ ہوا۔ اس طرح ادارے کے کاروباری حل کی مجموعی آمدنی میں سال بہ سال کی بنیاد پر 21.9 فیصد اضافہ ہوا ہے۔

یو فون 4 جی نے 2023 کے دوران 25.6 فیصد کی غیر معمولی آمدن کے ساتھ ٹیلی کام انڈسٹری میں نمایاں کارکردگی دکھائی۔ یو فون 4 جی نے مواصلاتی صنعت میں سب سے زیادہ 4G صارفین نیٹ ایڈز پوسٹ کیے۔ اور یہ ساری پیش رفت صارفین کے بہتر تجربے، ڈیٹا کی بنیاد پر پیش کی گئی مصنوعات اور معروف ڈیجیٹل پلیٹ فارمز کے ساتھ اسٹریٹجک پارٹنرشپ کے ذریعے ممکن ہوسکی۔ یو فون 4 جی پاکستان میں صارفین کو فقید المثال مواصلاتی سہولیات فراہم کرنے کے لیے اپنے نیٹ ورک کو جدید ترین بنانے کے لیے سرگرمیاں جاری رکھے ہوئے ہے۔ اس ضمن میں مواصلاتی مارکیٹ میں ONIC کو متعارف کرانا PTCL گروپ کا بہترین منصوبہ ہے جو اس کی ڈیجیٹل تبدیلی کی جانب ایک اہم پیش رفت ہے۔ ONIC کا مقصد ایک ایسا ہمہ جہت ڈیجیٹل پلیٹ فارم بننا ہے، جو ای کامرس اور مالیاتی خدمات سے لے کر تفریحی اور رابطے کے حل پر مشتمل خدمات کا ایک مجموعہ پیش کرے۔

مائیکرو فنانس اور پی ٹی سی ایل کے برانچ لیس بینکنگ کے ذیلی ادارے یو بینک نے اپنی ترقی کا سلسلہ برقرار رکھا اور گزشتہ سال کے مقابلے میں اپنی آمدنی میں 65.7 فیصد کا غیر معمولی اضافہ حاصل کیا۔ بینک نے اپنے اثاثہ جات کی درجہ بندی

مالیاتی جائزہ اور دیگر امور برائے 2023

پاکستان ٹیلی کمیونی کیشن کمپنی لمیٹڈ (PTCL) کے ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے پرمسرت طورپر آڈٹ شدہ مالیاتی گوشواروں اور آڈیٹرز رپورٹ کے ساتھ سالانہ رپورٹ پیش کر رہے ہیں۔

میں درپیش بڑے معاشی مسائل 2023 میں بھی کاروباری حالات پر منفی اثرات مرتب کرتے رہے۔ توانائی کی قیمتوں میں اضافہ ٹیلی کام کمپنیوں کے لیے بڑی رکاوٹ ثابت ہوا، جس سے صارفین کو مناسب نرخوں پر معیاری خدمات پیش کرنا چیلنج بن گیا۔ غیر ملکی زرمبادلہ کے ذخائر برقرار رکھنے کے لیے اٹھائے گئے اقدامات سے نیٹ ورک کی توسیع کے منصوبے بھی متاثر ہوئے۔ پہلی سہ ماہی کے دوران پاکستانی روپے کی قدر میں کمی کے ساتھ ساتھ بڑھتی شرح سود نے ٹیلی کام انڈسٹری کے منافع کو بُری طرح متاثر کیا ہے۔

تمام تر چیلنجز کے باوجود پی ٹی سی ایل نے 2023 کے دوران اپنی بہترین کارکردگی کا سلسلہ جاری رکھا۔ پی ٹی سی ایل نے اپنے براڈ بینڈ، ہول سیل اور کاروباری خدمات کے شعبوں کو فروغ دے کر سال 2023 کے لیے 96.3 ارب روپے کا منافع حاصل کیا جو کہ گزشتہ سال کے مقابلے میں 15.4 فیصد زیادہ ہے۔ پی ٹی سی ایل کی خصوصی فائبر ٹو دی ہوم (FTTH) سروس فلیش فائبر نے 2023 میں ایف ٹی ٹی ایچ مارکیٹ میں سب سے زیادہ اشتہارات (نیٹ ایڈز شیئر) کے ساتھ بہترین کارکردگی کا مظاہرہ کیا ۔ پی ٹی سی ایل نے اس سے ایک سال میں 9.4 ارب روپے کا خالص منافع حاصل کیا، جو کہ 2013 کے بعد سب سے زیادہ، اور گزشتہ سال کے مقابلے میں 3.7 فیصد زیادہ ہے۔

کمپنی کی سال بھر کی کارکردگی کی تفصیلات اگلے پیرائے میں پیش کی گئی ہے۔

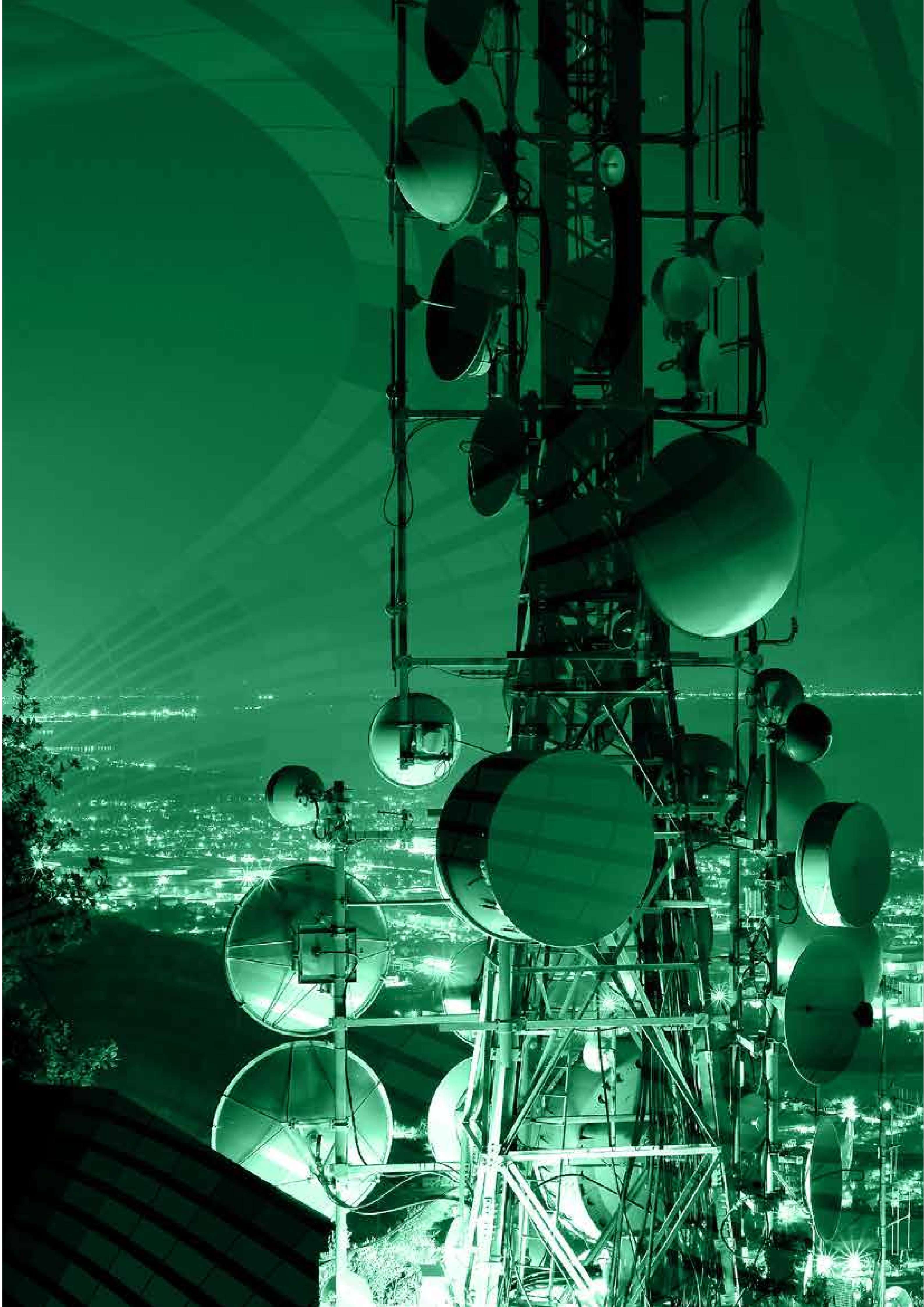
شعبہ جاتی جائزہ

سال 2023 کے دوران سیلولر صارفین میں واضح کمی واقع ہوئی، یہ تعداد گزشتہ برس کے مقابلے میں 3.3 ملین کی نمایاں کمی کے بعد 189 ملین ہوگئی (مواصلاتی گنجائش (ٹیلی کثافت) 86 فیصد سے کم ہوکر 79 فیصد رہ گئی)۔ تاہم، اس کے باوجود موبائل براڈ بینڈ صارفین کی تعداد 5 فیصد بڑھ کر 128 ملین تک پہنچ گئی، جب کہ 4G صارفین میں سالانہ 9 فیصد اضافہ ہوا۔ آپریٹرز نے کم ہوتے صارفین اور افراط زر کے دباؤ کے دُہرے چیلنج کا سامنا کرتے ہوئے اسٹریٹجک اقدامات کیے۔ ڈیٹا مونیٹائزیشن کے اختراعی اقدامات متعارف کروا کر اوسط آمدنی فی صارف ایوریج ریونیو پر یوزر (ARPU) کو ایک ڈالر تک پہنچا دیا۔ جب کہ مذکورہ انڈسٹری کے صارفین کی تعداد میں مجموعی طور پر کمی کے باوجود یوفون نے بہترین کارکردگی کا مظاہرہ کیا اور 25 ملین صارفین کی تعداد سے تجاوز کرکے تاریخی سنگ میل کو عبور کیا۔ انفارمیشن اینڈ کمیونی کیشن ٹیکنالوجی (آئی سی ٹی) کے سرکردہ ادارے اور ڈیجیٹل حکمرانی کی بصیرت (وژن) کے ساتھ اونیک (ONIC) کے نام سے ایک نیا ڈیجیٹل برانڈ لانچ کیا گیا، جس نے ایک مسابقتی معاشی منظر نامے پریوفون کے جدت کے لیے عزم کوظاہر کیا۔

مزید برآں پی ٹی سی ایل نے مواصلاتی منظر نامے میں اہم پیش رفت کرتے ہوئے شیئر پرچیز ایگریمنٹ (ریگولیٹری منظوریوں سے مشروط) پر دستخط کرکے ٹیلی نار پاکستان کے 100 فیصد حصص حاصل کیے۔ جو پی ٹی سی ایل کے بہترین خدمات فراہم کرنے کے سفر میں ایک گیم چینجنگ کردار کا اظہار ہے۔

فکسڈ لائن کاروبار جو کہ 2023 کے آخر تک 25 لاکھ سسکرائبرز کے ساتھ بین الاقوامی معیارات سے پیچھے تھا، اس میں فائبر ٹو دی ہوم (FTTH) صارفین کی گروتھ نے اہم کردار ادا کیا جو ایف بی بی (FBB) صارفین کا 47 فیصد ہے۔ پی ٹی سی ایل نے حکمت عملی کے ساتھ اپنے پرانے تانبے کے نیٹ ورک کو ختم کرتے ہوئے فلیش فائبر میں سرمایہ کاری کی، جس سے اس شعبے میں انقلابی پیش رفت اور دیرپا اثرات مرتب ہوئے۔ چار لاکھ سے زائد فلیش فائبر کے صارفین اور انڈسٹری میں سب سے زیادہ صارفین کے خالص اضافے کے ساتھ مارکیٹ میں 32 فیصد کا متاثر کن شیئر حاصل کیا۔

ابتدا میں ڈیٹا ٹریفک میں توسیع کے رجحانات کے ابتدائی مشاہدے کے تناظر میں مواصلاتی شعبے میں پائیدار گروتھ کے امکانات دیکھے جارہے ہیں، جو 5G کیریئرز اور ہول سیل خدمات فراہم کرنے والوں کے لیے ایک کلیدی عنصر کے طور پر ٹاور فائبرائزیشن کی بڑھتی ہوئی ضرورت سے منسلک ہیں۔ اس اسٹریٹجک اقدام کا مقصد رابطوں کو تقویت دینا اور ڈیٹا سروسز کی بڑھتی ہوئی مانگ کو پورا کرنا ہے۔ اس کے علاوہ ڈیجیٹل اور انفارمیشن اینڈ کمیونیکیشن ٹیکنالوجی (ICT) سلوشنز کی مانگ میں اضافے کے امکان پر توجہ دینے کی توقع بھی ہے اس میں ڈیٹا سینٹرز، کلاؤڈ سروسز اور منظم حل کی توسیع شامل ہے جو بڑے اداروں کے ساتھ ساتھ چھوٹے اور درمیانے درجے کے کاروباری اداروں (SMEs) کے لیے بھی انتہائی اہمیت کی حامل ہے۔



FIBER-TO-THE-TOWER (FTTT)

PTCL provides high-speed internet access to all mobile operators of the country through its FTTT services.

Composition of Audit Committee

As At Feburary 13, 2024

1. Dr. Mohamed Karim Bennis, Chairman
2. Mr. Abdulrahim A. Al Nooryani
3. Mr. Mohamed Dukandar
4. Mr. Ahad Khan Cheema
5. Mr. Jawad Paul Khawaja

Attendance of Directors-Members of the Committee

During FY-2023

Total 05 Meetings of the Audit Committee were held during the Financial Year ended December 31, 2023.

Sr.	Name of Director-Member	Attendance
1	Dr. Mohamed Karim Bennis	5
2	Mr. Abdulrahim A. Al Nooryani	5
3	Mr. Mohamed Dukandar	5
4	Mr. Ahad Khan Cheema	5
5	Dr. Iram Anjum Khan	1
	Dr. Ahmed Mujtaba Memon	4

Functions of Audit Committee

- Recommends to the Board in approving Company's financial statements and appointment of External Auditors.
- Reviews the scope of internal control.
- Monitors statutory and corporate governance compliances.
- Determines the appropriate measures to safeguard Company's assets.
- Reviews enterprise risk management processes, exposures and recommends appropriate policies to the Board.
- Reviews / recommends significant policies and Company's delegation of fiduciary powers.
- Oversees tax and fiscal exposures.
- Discuss major internal audit findings with external auditors.
- Reviews whistle blowing material cases.

Composition of Human Resource & Remuneration Committee

As At Feburary 13, 2024

1. Mr. Abdulrahim A. Al Nooryani, Chairman
2. Ms. Brooke Marie Lindsay
3. Mr. Mikhail Gerchuk
4. Mr. Ahad Khan Cheema
5. Mr. Imdad Ullah Bosal

Attendance of Directors-Members of the Committee

During FY-2023

Total 03 meetings of the HR & R Committee were held during the Financial Year ended December 31, 2023.

Sr.	Name of Director-Member	Attendance
1	Mr. Abdulrahim A. Al Nooryani	3
2	Mr. Burak Sevilengul	1
	Ms. Brooke Marie Lindsay	2
3	Mr. Mikhail Gerchuk	3
4	Mr. Ahad Khan Cheema	3
5	Dr. Iram Anjum Khan	1
	Mr. Imdad Ullah Bosal	2

Functions of Human Resource & Remuneration Committee

- Recommends to the Board in approving Company's financial statements and appointment of External Auditors.
- Reviews the scope of internal control.
- Monitors statutory and corporate governance compliances.
- Determines the appropriate measures to safeguard Company's assets.
- Reviews enterprise risk management processes, exposures and recommends appropriate policies to the Board.
- Reviews / recommends significant policies and Company's delegation of fiduciary powers.
- Oversees tax and fiscal exposures.
- Discuss major internal audit findings with external auditors.
- Reviews whistle blowing material cases.

Composition of Investment & Finance Committee

AS AT FEBURARY 13, 2024

1. Mr. Mikhail Gerchuk, Chairman
2. Dr. Mohamed Karim Bennis
3. Mr. Khalid Murshed
4. Mr. Imdad Ullah Bosal
5. Mr. Jawad Paul Khawaja

Attendance of Directors-Members of the Committee

During FY-2023

Total 07 meetings of the Investment and Finance Committee were held during the Financial Year ended December 31, 2023.

Sr.	Name of Director-Member	Attendance
1	Mr. Mikhail Gerchuk	7
2	Dr. Mohamed Karim Bennis	7
3	Mr. Burak Sevilengul	4
	Mr. Khalid Murshed	3
4	Mr. Hamed Yaqoob Sheikh	4
	Mr. Imdad Ullah Bosal	3
5	Dr. Iram Anjum Khan	3
	Dr. Ahmed Mujtaba Memon	3

Functions of Investment and Finance Committee

- Reviews / recommends the Company's annual budgets and business plans, Company's treasury policies and framework including investment / divestment strategy, financial risk management strategy and rules, execution of mergers and acquisition strategy, procurement policy and procedures, investment projects encompassing expansions and new technologies based on evaluation measurement indicators and Company's capital struc ture strategy including external funding requirements.
- Evaluates Company's dividend policies with regards to regulatory provisions and Company's funding and working capital requirements.

Composition of PTCL Board and Attendance of PTCL Board Members

DURING THE FY-2023

Total 08 Board Meetings were held during the Financial Year ended December 31, 2022.

Sr.	Name of Director	Portfolio	Attendance
1	Mr. Mohsin Mushtaq Chandna	Chairman	2
	Mr. Navid Ahmed Shaikh		2
	Mr. Hassan Nasir Jamy		4
2	Mr. Hamed Yaqoob Sheikh	Member	3
	Mr. Imdad Ullah Bosal	Member	5
3	Dr. Iram Anjum Khan	Member	2
	Dr. Ahmed Mujtaba Memon	Member	4
	Mr. Jawad Paul	Member	1
4	Mr. Ahad Khan Cheema	Member	7
5	Mr. Abdulrahim A. Al Nooryani	Member	8
6	Mr. Hatem Dowidar	Member	3
	Ms. Brooke Marie Lindsay	Member	5
7	Mr. Burak Sevilengul	Member	3
	Mr. Khalid Murshed	Member	5
8	Mr. Mikhail Gerchuk	Member	8
9	Dr. Mohamed Karim Bennis	Member	8

DATA CENTER &

CLOUD SERVICES

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

Pakistan Telecommunication Company Limited (the "Company")
Year ending December 31, 2023

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

1. The total number of Directors are nine as per the following:
   a. Male: Eight
   b. Female: One
2. The composition of the Board of Directors (the "Board") is as follows:

i	Independent Directors	None	
ii	Non-executive Directors	1.	Mr. Hassan Nasir Jamy, Chairman
		2.	Mr. Abdulrahim A. Al Nooryani
		3.	Mr. Imdad Ullah Bosal
		4.	Mr. Jawad Paul Khawaja
		5.	Mr. Mikhail Gerchuk
		6.	Mr. Ahad Khan Cheema
		7.	Dr. Mohamed Karim Bennis
		8.	Ms. Brooke Marie Lindsay
		9.	Mr. Khalid Murshed
iii	Executive Directors	None	
iv	Female Directors	1.	Ms. Brooke Marie Lindsay

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of the significant policies along with their date of approval or updating, is maintained by the Company.
6. All the powers of the Board have been duly exercised, and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the "Act") and the Regulations.
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations.

9. During the year, Directors Certifications under the Directors Training Program was not arranged, however, an information booklet to acquaint the Directors with their role, obligations, powers and responsibilities, has been provided to them.

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

11. The CFO and the Chief Executive Officer ("CEO") duly endorsed the financial statements before approval of the Board.

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

a) Audit Committee

1. Dr. Mohamed Karim Bennis, Chairman
2. Mr. Abdulrahim A. Al Nooryani
3. Mr. Mohamed Dukandar
4. Mr. Ahad Khan Cheema
5. Mr. Jawad Paul Khawaja

b) Human Resource and Remuneration Committee

1. Mr. Abdulrahim A. Al Nooryani, Chairman
2. Mr. Mikhail Gerchuk
3. Ms. Brooke Marie Lindsay
4. Mr. Ahad Khan Cheema
5. Mr. Imdad Ullah Bosal

c) Investment and Finance Committee

1. Mr. Mikhail Gerchuk, Chairman
2. Dr. Mohamed Karim Bennis
3. Mr. Khalid Murshed
4. Mr. Imdad Ullah Bosal
5. Mr. Jawad Paul Khawaja

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

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

a) Audit Committee:

The frequency of meetings is on quarterly basis and as per the requirement of the Company. Total five meetings were held during year 2023.

b) Human Resource and Remuneration Committee:

The frequency of meetings is on quarterly basis and as per the requirement of the Company. Total three meetings were held during year 2023.

c) Investment and Finance Committee:

The frequency of meetings is on quarterly basis and as per the requirement of the Company. Total seven meetings were held during year 2023.

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

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (“ICAP”); and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (“IFAC”) guidelines on code of ethics as adopted by the ICAP; and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or Directors of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

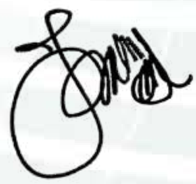
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with. With regards to Regulations 6, 27 (1)(i), 27 (1)(ii), 28 (1) and 28 (2), we explain as follows:

The Board comprises nine members. Pursuant to the provisions of the Shareholders Agreement between the President of Pakistan on behalf of the Government of Pakistan and Etisalat International Pakistan, and the Articles of Association of the Company, the Government nominates four (04) Members, while Etisalat nominates five (05) Members.

19. The Company routinely arranges Directors’ training whenever required. The current Board is not fully certified due to recent changes in its composition post-election of directors.

PRESIDENT & GCEO

February 13, 2024



CHAIRMAN

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Pakistan Telecommunication Company Limited

Review report on the Statement of compliance contained in listed companies (code of Corporate government) regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pakistan Telecommunication Company Limited for the year ended December 31, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

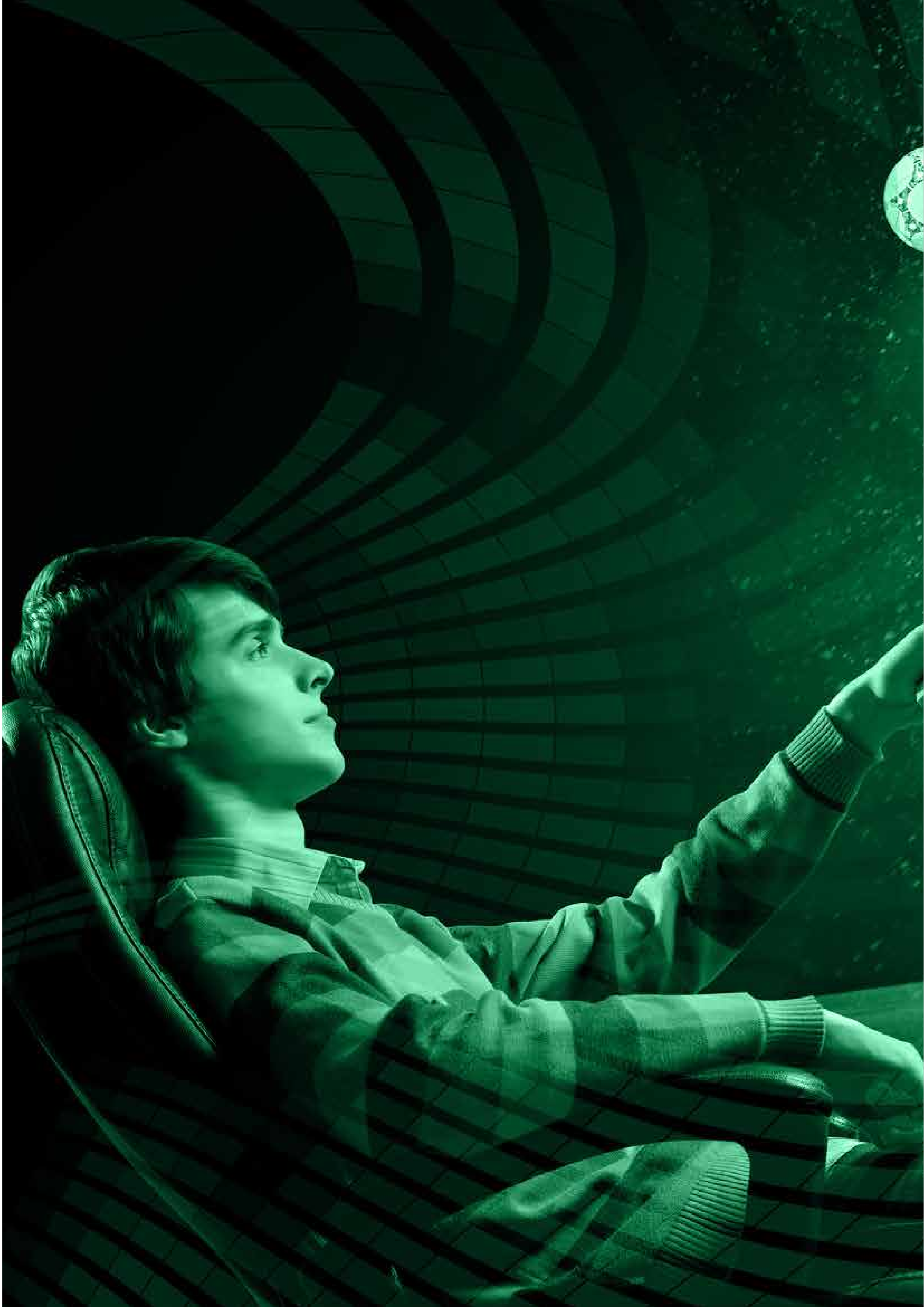
Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2023.

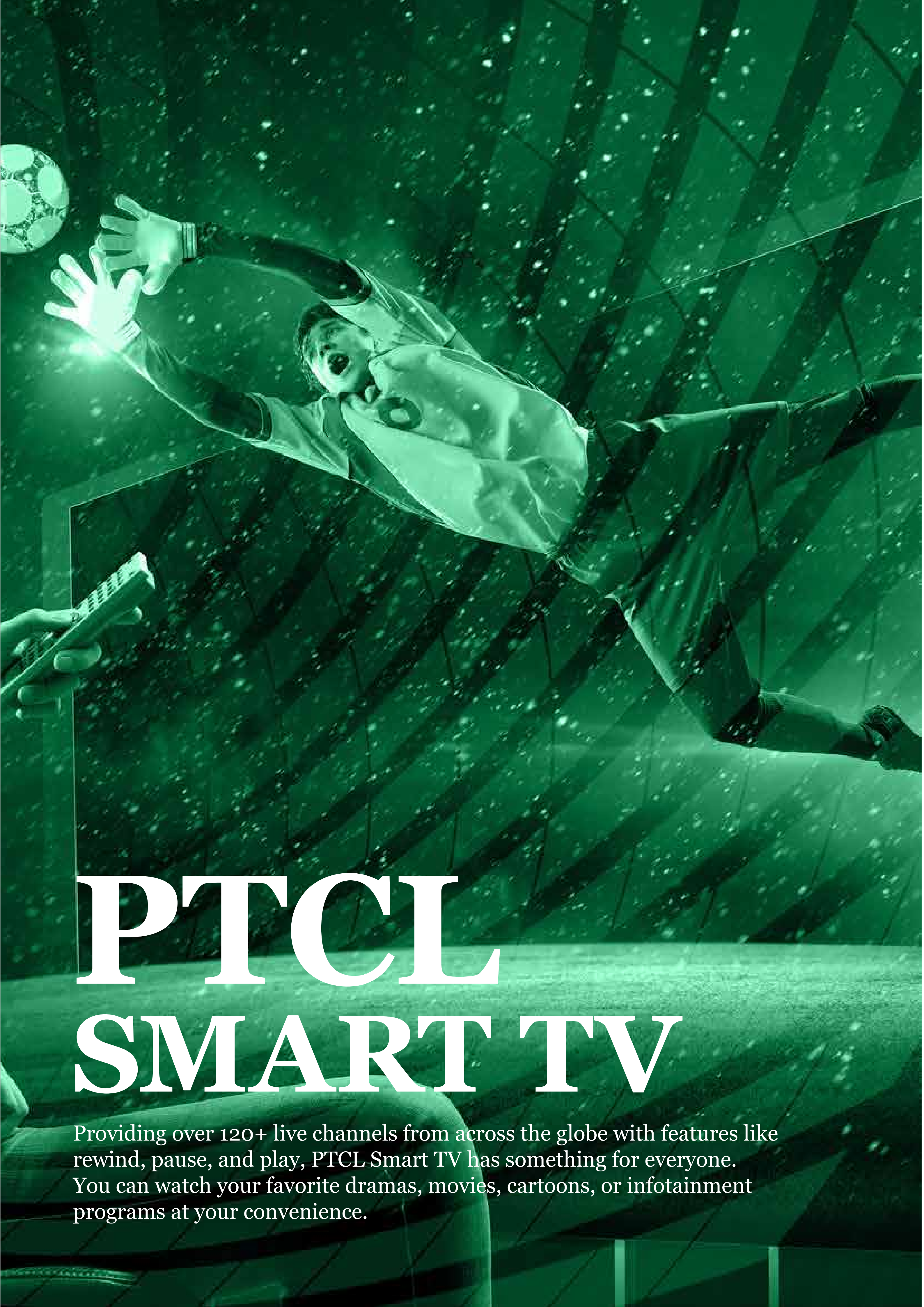
Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph 18 and 19 of Statement of Compliance:

	Reference	Description
i	Paragraph 18	Board of Directors has not yet elected an independent director.
ii	Paragraph 19	All of the members of the Board of Directors have not acquired the prescribed certification under director training program.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad
Date: May 5, 2024
UDIN: CR202310245hnbWVSNR6





PTCL SMART TV

Providing over 120+ live channels from across the globe with features like rewind, pause, and play, PTCL Smart TV has something for everyone. You can watch your favorite dramas, movies, cartoons, or infotainment programs at your convenience.

Financial Statements

NOTES

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited

Report on the audit of the financial statements

Opinion

We have audited the annexed separate financial statements of Pakistan Telecommunication Company Limited (the Company), which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2023 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 14.8 to the financial statements, which describe that the matters relating to certain employees' rights under the PTCL pension scheme are pending with various courts. The ultimate outcome of these matters cannot presently be determined and, accordingly, no provision for any effects on the Company that may result has been made in the financial statements. Our opinion is not modified in respect to this matter.

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited

Key Audit Matters

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

Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1	**Revenue recognition** Refer to notes 5.19 and 29 in the financial statements. The Company has reported revenue amounting to Rs. 96,267 million for the year ended December 31, 2023. The Company provides telecommunication services in which there is an inherent risk around the accuracy of revenue recorded by the IT billing systems given the complexity of the systems and the significance of volumes of data processed by the systems. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets	Our audit procedures to assess the recognition of revenue, amongst others, included the following • Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue including testing key automated application and general information technology controls; • Testing the completeness and accuracy of relevant revenue reports generated from the billing systems and reconcile those with the financial statements; • Comparing a sample of transactions comprising of various revenue streams recorded during the year with relevant underlying supporting documents and cash receipts; • Assessing the appropriateness of accounting policies for revenue recognition for compliance with applicable financial reporting framework including application to the amounts recognized during the year; • Inspecting manual journal entries relating to revenue recognized during the year and the corresponding underlying documentation for those journal entries which were considered to be material or met certain specified risk-based criteria; and • Considering the appropriateness of disclosures in the financial statements

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited

S. No.	Key audit matters	How the matter was addressed in our audit
2	**Income tax recoverable** Refer to notes 5.23 and 25 in the financial statements. As of December 31, 2023, income tax recoverable is stated at Rs. 22,598 million. The Company has a significant amount of income tax refundable arising mainly from payments of income tax in excess of income tax liabilities and a number of tax assessments are pending at different appellate forums. Because of the significance of the amount and inherent uncertainties associated, this requires special audit considerations.	Our audit procedures in relation to the matter included: • Assessing the reasonableness of the management assessment with respect of the recoverability of income tax refundable through our tax specialist; • Reviewing the status of significant pending tax matters, including the Company's assessment of the potential liabilities; • Comparing refund applications filed for refund of tax relating to preceding years with the amounts recorded in the financial statements; • Inspecting correspondence with tax authorities to identify any pending taxation matters relating to the years to which the refund relates; and • Assessing adequacy of disclosures in the financial statements.

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited

<table>
<tr><th>S. No.</th><th>Key audit matters</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>3</td><td>Investment in Pak Telecom Mobile Limited – a subsidiary company

Refer to notes 5.12 and 18 in the financial statements.

The Company has an investment in Pak Telecom Mobile Limited (PTML) amounting to Rs. 65,000 million, which includes Rs. 25,500 million invested during the year.

The Company has performed an impairment assessment by comparing the carrying value of its investment as of 31 December 2023. We identified the determination of the recoverable amount as a key audit matter as changes in the assumption used can lead to significant changes in assessment of the recoverable amount.</td><td>Our audit procedures in relation to the matter, amongst others, included the following:

• Compared data in the management's impairment assessment including forecasted revenue, operating expenses and capital expenditure with the financial projection prepared by management of PTML;

• Challenged management's assumptions and obtain supporting evidence for the short-term growth rates and long-term steady growth rate to arrive at the terminal value used in cash flow model; and

• Involved our valuation specialist to assist us in evaluating management's impairment assessment methodology and computations contained within the discounted cash flow forecasts including the appropriateness of the assumption used in the assessment.</td></tr>
<tr><td>4</td><td>Capitalization of property, plant and equipment

Refer to notes 5.10 (a) and 15 to the financial statements.

The Company has recognized additions to property, plant and equipment amounting to Rs. 26,701 million during the current year. The Company continues to incur capital expenditure in connection with the expansion of its network coverage and improvements to network quality.

The initial recognition and classification of property, plant and equipment and certain elements of expenditure as either assets or expenses involves subjective judgments or uncertainties.</td><td>Our audit procedures in relation to the matter, amongst others, included the following:

• Assessing the design, implementation and operating effectiveness of key internal controls over capitalization of property, plant and equipment including transfers from capital work in progress to operating fixed assets;

• Comparing, on sample basis, costs capitalized during the year with underlying supporting documentation;

• Assessing the nature of cost incurred meet the criteria for capitalization under accounting framework;

• Comparing, on sample basis, the cost of completed projects from capital work in progress to operating fixed assets with supporting documentation including completion certificates, where relevant, and comparing the date of capitalization with supporting documentation;

• Testing the completeness and accuracy of fixed asset register and inspected its reconciliation with general ledger balances; and

• Analyzing repair and maintenance ledger to identify any items that may meet the capitalization criteria.</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended December 31, 2023 but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited

Report on Other Legal and Regulatory Requirements

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

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

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

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

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Muhammad Danish.

KPMG Taseer Hadi & Co.
Chartered Accountants

Islamabad
May 05, 2024
UDIN: AR202310245vgsQlh9An

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31,2023

	Note	2023 Rs '000	2022 Rs '000
Equity and liabilities			
Equity			
Share capital and reserves			
Share capital	6	51,000,000	51,000,000
Revenue reserves			
General reserve		27,497,072	27,497,072
Unappropriated profit		38,871,108	29,556,957
		66,368,180	57,054,029
		117,368,180	108,054,029
Liabilities			
Non-current liabilities			
Deferred income tax		-	1,898,305
Employees retirement benefits	7	34,324,346	29,208,130
Deferred government grants	8	15,080,525	14,205,487
Long term loans from banks	9	50,781,306	22,379,981
Contract liabilities		1,661,536	1,717,012
Lease liabilities	10	1,290,725	1,271,634
		103,138,438	70,680,549
Current liabilities			
Trade and other payables	11	141,423,801	125,100,599
Short term running finance	12	24,214,700	92,582
Security deposits	13	616,031	606,424
Unclaimed dividend		209,256	209,814
Current maturity of lease liabilities	10	391,989	347,459
Current portion of long term loans from banks		239,408	68,386
		167,095,185	126,425,264
Total equity and liabilities		387,601,803	305,159,842
Contingencies and commitments	14		

The annexed notes 1 to 48 are an integral part of these financial statements.

Chief Financial Officer	President & CEO	Chairman

	Note	2023 Rs '000	2022 Rs '000
Assets			
Non-current assets			
Property, plant and equipment	15	144,017,787	131,489,641
Right of use assets	16	1,698,902	1,777,706
Intangible assets	17	1,742,663	1,445,264
		147,459,352	134,712,611
Long term investments	18	71,836,284	44,736,284
Long term loans and advances	19	32,225,182	20,181,296
Deferred income tax	20	2,745,195	-
Contract cost	21	183,092	162,556
		254,449,105	199,792,747
Current assets			
Stores and spares	22	9,433,265	7,636,587
Contract cost	21	2,593,728	2,416,657
Trade debts and contract assets	23	52,587,358	39,293,476
Loans and advances	24	4,628,442	5,343,547
Income tax recoverable	25	22,598,810	21,138,370
Receivable from Government of Pakistan	26	2,164,072	2,164,072
Prepayments and other receivables	27	29,117,706	21,689,431
Cash and bank balances	28	10,029,317	5,684,955
		133,152,698	105,367,095
Total assets		387,601,803	305,159,842

Chief Financial Officer

President & CEO

Chairman

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31,2023

	Note	2023 Rs '000	2022 Rs '000
Revenue	29	96,266,714	83,443,998
Cost of services	30	(76,101,739)	(65,211,315)
Gross profit		20,164,975	18,232,683
Administrative and general expenses	31	(8,808,411)	(7,823,757)
Selling and marketing expenses	32	(4,872,432)	(3,821,196)
Impairment loss on trade debts and contract assets	23.3	(1,619,174)	(1,707,110)
		(15,300,017)	(13,352,063)
Operating profit		4,864,958	4,880,620
Other income	33	19,409,582	10,803,627
Finance and other costs	34	(10,368,603)	(2,171,733)
Profit before tax		13,905,937	13,512,514
Taxation	35	(4,515,394)	(4,459,130)
Profit after tax		9,390,543	9,053,384
Earnings per share - basic and diluted (Rupees)	36	1.84	1.78

The annexed notes 1 to 48 are an integral part of these financial statements.

Chief Financial Officer

President & CEO

Chairman

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31,2023

	2023 Rs '000	2022 Rs '000
Profit for the year	9,390,543	9,053,384
Other comprehensive income for the year		
Items that will not be reclassified to statement of profit or loss:		
Remeasurement (loss) / gain on employees retirement benefits	(107,594)	323,436
Tax effect	31,202	(106,734)
Other comprehensive (loss) / income for the year - net of tax	(76,392)	216,702
Total comprehensive income for the year	9,314,151	9,270,086

The annexed notes 1 to 48 are an integral part of these financial statements.

Chief Financial Officer

President & CEO

Chairman

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31,2023

	Note	2023 Rs '000	2022 Rs '000
Cash flows from operating activities			
Cash generated from operating activities	38	28,914,461	31,151,205
Payment to Pakistan Telecommunication Employees Trust (PTET)	7.3	(959,087)	(822,813)
Payment to PTCL Employees Gratuity Fund	7.3	-	(308,994)
Employees retirement benefits paid		(1,986,808)	(1,829,919)
Advances from customers		268,188	394,788
Interest paid on short term running finance		(1,181,886)	(113,732)
Income tax paid	25	(2,597,890)	(1,922,604)
Net cash from operating activities		22,456,978	26,547,931
Cash flows from investing activities			
Capital expenditure		(30,686,658)	(26,082,284)
Proceeds from disposal of property, plant and equipment		5,995,755	2,596,853
Addition to contract cost		(4,232,159)	(3,989,450)
Long term loans to subsidiries		(8,000,000)	(11,500,000)
Investment in Pak Telecom Mobile Limited		(25,500,000)	(13,000,000)
Investment in U Microfinance Bank Limited		(1,600,000)	(1,000,000)
Return on long term loans, employee loans and deposits		4,753,678	1,227,695
Repayment of subordinated loans - Pak Telecom Mobile Limited		2,000,000	1,750,000
Repayment of subordinated loans - U Microfinance Bank Limited		-	1,000,000
Government grants received		1,457,834	6,767,876
Long term loans and advances		(6,585,831)	(2,558,309)
Dividend income - U Microfinance Bank Limited		443,743	195,286
Net cash used in investing activities		(61,953,638)	(44,592,333)
Cash flows from financing activities			
Dividend paid		(558)	(503)
Proceeds from long term loans		28,401,325	22,379,981
Interest on long term Loans		(8,064,259)	(805,682)
Repayment of lease liabilities	39.1	(617,604)	(493,175)
Net cash from financing activities		19,718,904	21,080,621
Net (decrease) / increase in cash and cash equivalents		(19,777,756)	3,036,219
Cash and cash equivalents at the beginning of the year		5,592,373	2,556,154
Cash and cash equivalents at the end of the year	39	(14,185,383)	5,592,373

The annexed notes 1 to 48 are an integral part of these financial statements.

Chief Financial Officer | President & CEO | Chairman

STATEMENT OF
CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31,2023

	Issued, subscribed and paid-up capital			Revenue reserves		Total
	Class 'A'	Class 'B'	Total	General reserve	Unappropriated profit	
	(Rupees in '000)					
Balance as at January 01, 2022	37,740,000	13,260,000	51,000,000	27,497,072	21,156,077	99,653,149
Impact of change in accounting policy - net of tax	-	-	-	-	(869,206)	(869,206)
Adjusted balance as at January 01, 2022	37,740,000	13,260,000	51,000,000	27,497,072	20,286,871	98,783,943
Total comprehensive income for the year						
Profit for the year	-	-	-	-	9,053,384	9,053,384
Other comprehensive income - net of tax	-	-	-	-	216,702	216,702
	-	-	-	-	9,270,086	9,270,086
Balance as at December 31, 2022	37,740,000	13,260,000	51,000,000	27,497,072	29,556,957	108,054,029
Balance as at January 01, 2023	37,740,000	13,260,000	51,000,000	27,497,072	29,556,957	108,054,029
Total comprehensive income for the year						
Profit for the year	-	-	-	-	9,390,543	9,390,543
Other comprehensive loss - net of tax	-	-	-	-	(76,392)	(76,392)
	-	-	-	-	9,314,151	9,314,151
Balance as at December 31, 2023	37,740,000	13,260,000	51,000,000	27,497,072	38,871,108	117,368,180

The annexed notes 1 to 48 are an integral part of these financial statements.

Chief Financial Officer

President & CEO

Chairman

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,2023

1. The Company and its operations

Pakistan Telecommunication Company Limited ("PTCL", "the Company") was incorporated in Pakistan on December 31, 1995 and commenced business on January 01, 1996. The Company, which is listed on the Pakistan Stock Exchange Limited (PSX), was established to undertake the telecommunication business formerly carried on by the Pakistan Telecommunication Corporation (PTC). PTC's business was transferred to the Company on January 01, 1996 under the Pakistan Telecommunication (Re-organization) Act, 1996, on which date, the Company took over all the properties, rights, assets, obligations and liabilities of PTC, except those transferred to the National Telecommunication Corporation (NTC), the Frequency Allocation Board (FAB), the Pakistan Telecommunication Authority (PTA) and the Pakistan Telecommunication Employees Trust (PTET). The registered office of the Company is situated at PTCL Headquarters, Ufone Tower, Plot No. 55-C, Main Jinnah Avenue, Sector F-7/1, Blue Area Islamabad.

The Company provides telecommunication services in Pakistan. It owns and operates telecommunication facilities and provides domestic and international telephone services and other communication facilities throughout Pakistan. The Company has also been licensed to provide such services in territories of Azad Jammu and Kashmir and Gilgit-Baltistan.

The business units of the Company include the following:

Business unit	Geographical location
1 Headquarter	Ufone Tower, F-7/1, Islamabad.
2 PTCL Business Zone - North	Telecom House, F-5/1, Islamabad.
3 PTCL Business Zone - Central	131-Tufail Road, Lahore.
4 PTCL Business Zone - South	Clifton Exchange, Hatim Alvi Road, Karachi.

During the year, the company has signed a Share Purchase Agreement with Telenor Pakistan B.V. (Telenor) to acquire a 100% stake in Telenor Pakistan (Pvt) Ltd (Telenor Pakistan) based on an Enterprise Value of PKR 108 billion on a cash free, debt free basis. The transaction will be financed by external debt which will be raised by the Company. This transaction is subject to necessary corporate / regulatory approvals, completion of formalities / signing of necessary agreement(s) / instruments and customary closing.

2. Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
- Provisions of and directives issued under the Companies Act, 2017.

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

These financial statements are the separate financial statements of the Company (PTCL). In addition to these separate financial statements, the Company also prepares consolidated financial statements.

2.1 Standards, interpretations and amendments adopted during the year

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering year, beginning on or after the following dates:

(a) New accounting standards / amendments and IFRSs interpretations that are effective for the year ended December 31, 2023.

The following standards, amendments and interpretations thereto as are notified under the Companies Act, 2017 became effective during the year and do not have any material effect on the financial statements of the Company except as disclosed in note 5.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2023

IFRS 17 Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.	Applicable to annual reporting periods beginning on or after 1 January 2023.

Amendments to IFRS 17

Amends IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 Insurance Contracts was published in 2017. The main changes are: - Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023; - Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk; - Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognized in a business acquired in a business combination; - Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level; - Clarification of the application of contractual service margin (CSM) attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements; - Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives; - Amendments to require an entity that at initial recognition recognizes losses on onerous insurance contracts issued to also recognize a gain on reinsurance contracts held; - Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts; - Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach.	Applicable to annual reporting periods beginning on or after 1 January 2023.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2023

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include: - requiring companies to disclose their material accounting policies rather than their significant accounting policies; - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements. The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.	Annual reporting periods beginning on or after 1 January 2023

Definition of Accounting Estimates (Amendments to IAS 8)

Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.	Annual periods beginning on or after 1 January 2023

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date.	Annual reporting periods beginning on or after 1 January 2023

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2023

International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)

'The amendments incorporate a mandatory temporary exception in the accounting treatment for deferred taxes, specifically in response to the jurisdictional implementation of the Pillar Two model rules. Additionally, affected entities are now obligated to fulfill disclosure requirements. These disclosures aim to enhance the understanding of users of the financial statements regarding the entity's exposure to Pillar Two income taxes resulting from the legislative changes, especially before the rules become effective.	Annual periods beginning on or after 1 January 2023

(b) New accounting standards / amendments and IFRS interpretations that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting period beginning on after January 01, 2024.

Amendments to IAS 7 - Supplier Finance Arrangements

Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities.	Annual periods beginning on or after 1 January 2024

Lease liability Sale and Leaseback transactions (Amendment to IFRS 16)

Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.	Annual periods beginning on or after 1 January 2024

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,2023

The amendments are effective for annual reporting period beginning on or after January 01, 2024 with earlier application permitted.

Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.	

Sale or Contribution of Assets (Amendments to IFRS 10 and IAS 28)

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.	Effective date deferred indefinitely

Non-current liabilities with Covenants (Amendment to IAS 1)

Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred below).	Annual periods beginning on or after 1 January 2024

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Classification of Liabilities (Amendment to IAS 1)

Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.	Annual periods beginning on or after 1 January 2024

Lack of Exchangeability (Amendments to IAS 21)

- When a currency is exchangeable into another currency; and - how a company estimates a spot rate when a currency lacks exchangeability. Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include: - the nature and financial impacts of the currency not being exchangeable; - the spot exchange rate used; - the estimation process; and - risks to the company because the currency is not exchangeable. The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.	Annual periods beginning on or after 1 January 2025

3. Basis of measurement

These financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments at fair value and the recognition of certain employees retirement benefits on the basis of actuarial assumptions.

4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Critical accounting estimates and judgments

(a) Provision for employees retirement benefits

The actuarial valuation of pension, gratuity, medical, accumulating compensated absences plans and benevolent grants requires the use of certain assumptions related to future periods, including increase in future salary / pension / medical costs, rate of increase in benevolent grant, expected long-term returns on plan assets and the discount rate used to discount future cash flows to present values.

(b) Provision for income tax

The Company recognizes income tax provision using estimates based upon expert opinions of its tax and legal advisors. Differences, if any, between the recorded income tax provision and the Company's tax liability, are recorded on the final determination of such liability. Deferred income tax is calculated at the rates that are expected to apply to the periods when the temporary differences reverse, based on tax rates that have been enacted or substantively enacted, by the date of the statement of financial position.

(c) Useful life and residual value of fixed assets

The Company reviews the useful lives and residual values of fixed assets on a regular basis. Any change in estimates may affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the related depreciation charge.

(d) Impairment of financial assets

Management exercises judgement in measuring the loss allowance on trade debts and contract assets under simplified approach and recognizes the expected credit loss using a provision matrix based on historic experience and forward looking assumptions equal to the life time expected credit losses inherent to trade debtors and contract assets. For other financial assets, expected credit loss is recognized based on a general approach which includes an assessment of expected credit risk underlying these financial assets.

For financial assets within the scope of IFRS - 10, 'Consolidated financial statements', impairment is recognized in the cost of assets if the recoverable amount is below the carrying amount at the date when indicators of impairment are identified and an assessment of recoverable amount is made by management. As at the reporting date, the Company performed an impairment test for its' investment in Pak Telecom Mobile Limited (PTML). The Company has determined recoverable amount of PTML, based on a fair value determined through discounted cash flow method, which was higher than the carrying amount of the investment in the Company's financial statements. Fair value was estimated using cash flow projections approved by the Board of Directors of PTML, covering a five-year period. The Company has applied a discount rate and the long-term steady growth-rate to the cash flow projections. The cash flow projections are sensitive to assumptions regarding the sales growth rate, operating margin, long-term market growth-rate and discount rate.

Other estimates and judgments

(a) Provision for stores and spares

A provision against stores and spares is recognized after considering their physical condition and expected future usage. It is reviewed by the management on a quarterly basis.

(b) Revenue from contract with customers

Contract cost comprises incremental cost of acquiring the customers and the Company estimates the average life of the customer for amortization of capitalized contract cost.

(c) Recognition of government grants

The Company recognizes government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with grants.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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(d) Other provisions

Management exercises judgment in measuring and recognizing provisions and the exposures to contingent liabilities related to pending litigations or other outstanding claims. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

5 Summary of material accounting policies

The accounting policies as set out below have been applied consistently to all periods presented in these financial statements expect for the change presented below.

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in material accounting policies.

Amendment to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction became effective on 1 January 2023 and accordingly the Company has presented separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Previously, deferred tax on lease liabilities and right-of-use assets were presented on a net basis because the balances qualify for offsetting under paragraph 74 of IAS 12. There was no impact on the statement of financial position and there was also no impact on the opening retained earnings as at 1 January 2022 as a result of the change.

5.1 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These financial statements are presented in Pakistani Rupees (Rs), which is the Company's functional currency. The amounts presented in these financial statements have been rounded off to the nearest thousand.

5.2 Foreign currency transactions and translations

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in foreign currencies, are translated into the functional currency using the exchange rate prevailing on the date of the statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary items at end of the year exchange rates, are charged to statement of profit or loss for the year.

5.3 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected as present expected to be paid, as present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

5.4 Government grants

Government grants are recognized at their fair values, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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5.5 Borrowings and borrowing costs

Borrowings are recognized equivalent to the value of the proceeds received by the Company. Any difference, between the proceeds (net of transaction costs) and the redemption value, is recognized to income, over the period of the borrowings, using the effective interest method.

Borrowing costs, which are directly attributable to the acquisition and construction of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of that asset. All other borrowing costs are charged to statement of profit or loss.

5.6 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 the goods or services received, whether or not billed to the Company.

5.7 Provisions

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

5.8 Contingent liabilities

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

5.9 Dividend distribution

The distribution of the final dividend, to the Company's shareholders, is recognized as a liability in the financial statements in the period in which the dividend is approved by the Company's shareholders; the distribution of the interim dividend is recognized in the period in which it is declared by the Board of Directors.

5.10 Non-current assets

(a) Property, plant and equipment

Property, plant and equipment, except freehold land and capital work in progress, is stated at cost less accumulated depreciation and any identified impairment losses. Freehold land is stated at cost less identified impairment losses, if any. Cost includes expenditure, related overheads, mark-up and borrowing costs that are directly attributable to the acquisition of the asset.

Subsequent costs, if reliably measurable, are included in the asset's carrying amount, or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the cost will flow to the Company. The carrying amount of any replaced parts as well as other repair and maintenance costs, are charged to statement of profit or loss during the period in which they are incurred.

Capital work in progress is stated at cost less impairment losses if any. It consists of expenditure incurred in respect of tangible fixed assets in the course of their construction and installation.

Depreciation on assets is calculated, using the straight line method, to allocate their cost over their estimated useful lives.

Depreciation on additions to property, plant and equipment, is charged from the month in which the

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relevant asset is acquired or capitalized, while no depreciation is charged for the month in which the asset is disposed off. Impairment loss, if any, or its reversal, is also charged to statement of profit or loss for the year. Where an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life.

The gain or loss on disposal of an asset, calculated as the difference between the sale proceeds and the carrying amount of the asset, is recognized in statement of profit or loss for the year.

(b) Right of use assets

The Company assesses whether a contract is or contains a lease at inception of the contract. If the Company assesses contract contains a lease and meets requirements of IFRS 16, the Company recognises a right-of use asset and a lease liability at the lease commencement date. Right of use asset is calculated as the initial amount of the lease liability in terms of network sites and right of way at the lease contract commencement date. The right of use asset is subsequently depreciated using the straight line method.

(c) Intangible assets

(i) Licenses

These are carried at cost less accumulated amortization and any identified impairment losses. Amortization is calculated using the straight line method, to allocate the cost of the licenses over its estimated useful life, and is charged to statement of profit or loss for the year.

The amortization on licenses acquired during the year, is charged from the month in which a license is acquired / capitalized, while no amortization is charged in the month of expiry / disposal of the license.

(ii) Computer software

These are carried at cost less accumulated amortization, and any identified impairment losses. Amortization is calculated, using the straight line method to allocate the cost of software over their estimated useful lives, and is charged to statement of profit or loss for the year. Costs associated with maintaining computer software, are recognized as an expense as and when incurred.

The amortization on computer software acquired during the year is charged from the month in which the software is acquired or capitalized, while no amortization is charged for the month in which the software is disposed off.

5.11 Investments in subsidiaries and associates

Investments in subsidiaries and associates, where the Company has control or significant influence, are measured at cost less impairment loss, if any.

5.12 Impairment of non-financial assets

Assets that have an indefinite useful life, for example freehold land, are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment on the date of the statement of financial position, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized, equal to the amount by which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment, are reviewed for possible reversal of the impairment at each statement of financial position date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognized. An impairment loss, or the reversal of an impairment loss, are both recognized in the statement of profit or loss for the year.

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5.13 Stores and spares

These are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Items in transit are valued at cost, comprising invoice values and other related charges incurred up to the date of the statement of financial position.

5.14 Earnings Per Share (EPS)

The Company presents basic earning per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

5.15 Trade debts / Contract assets

Trade debts are carried at their original invoice amounts, less any estimates made for expected credit losses based on review of all outstanding amounts at reporting date. Bad debts are written off as per Company policy.

5.16 Financial instruments

5.16.1 Classification

The Company classifies its financial assets on initial recognition in the following categories: at amortized cost, at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial asset, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) It is held within a business model whose objective is to hold assets to collect contractual cash flows; and (ii) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Fair value through other comprehensive income

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (ii) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

(c) Fair value through profit or loss

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company irrevocably designates a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

5.16.2 Recognition and measurement

Trade and other receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

5.16.3 Subsequent measurement and gains and losses

(i) Financial assets at amortized costs	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Any gain or loss on derecognition is recognized in statement of profit or loss.
(ii) Financial assets at FVOCI	Debt investments are subsequently measured at fair value. Interest income calculated using effective interest method, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss. Equity investments are subsequently measured at fair value. Interest income calculated using effective interest method, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss
(iii) Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of profit or loss.

Financial assets of the Company include trade debts, contract assets, long term loans, deposits, other receivables and short term investments.

5.16.4 Impairment of financial assets

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowances at an amount equal to lifetime ECLs. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

5.16.5 Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss. The financial liabilities of the Company include short term security deposits and trade and other payables.

5.16.6 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in statement of profit or loss.

5.17 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set off the recognized amounts, and the Company either intends to settle on a net basis, or realize the asset and settle the liability simultaneously.

5.18 Cash and cash equivalents

Cash and cash equivalents are carried at cost. Cash and cash equivalents comprise cash in hand, cash with banks and short term finances under mark up arrangements with banks. Cash equivalents are 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.

5.19 Revenue recognition

Revenue is measured at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when the Company satisfies the performance obligations by transferring a promised good or service to a customer. Goods or services are transferred when the customer obtains control of the assets.

The Company mainly generates revenue from providing telecommunication services such as data, voice, Internet Protocol Television (IPTV), connectivity services, interconnect, Information and Communication Technology (ICT), digital solutions and equipment sales etc.

Services are offered separately and as bundled packages along with other services and / or devices. For bundled packages, the Company accounts for individual products and services separately if they are distinct i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate product and services (i.e. distinct performance obligations, "POs") in a bundle based on their stand-alone selling prices.

The stand alone selling prices are determined based on the observable price at which the Company sells the products and services on a standalone basis. For items that are not sold separately, the Company estimates standalone selling prices using other methods (i.e. adjusted market assessment approach, cost plus margin approach or residual approach).

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Nature and timing of satisfaction of performance obligations

Product and services	Nature, timing of satisfaction of performance obligation
Voice, Broadband, IPTV	The Company recognizes revenue as and when these services are provided (i.e. actual usage by the customer).
Devices	The Company recognizes revenue when the control of the device is transferred to the customer. This usually occurs at the contract inception when the customer takes the possession of the device.
Installation charges	Installation services provided for service fulfillment are not distinct performance obligations (PO) and the amount charged for installation service is recognized over the average customer life.
Corporate services	Revenue is recognized over the period when these services are provided to the customers. Where hardware (e.g. routers) are provided as part of the contract, the Company recognizes these as distinct PO only if the customer can benefit from them either by selling for more than scrap value or using with services from other service providers.
Carrier and Wholesale (C&WS)	Revenue from C&WS services is recognized when the services are rendered.
International revenue	International revenue represents revenue from foreign network operators, for calls originating outside Pakistan. It is recognized over the period when services are provided to the customers.

Principal versus agent presentation

When the Company sells goods or services as a principal, revenue and related cost is reported on a gross basis in revenue and operating costs. If the Company sells goods or services as an agent, revenue and related cost are recorded in revenue on a net basis, representing the margin earned.

Whether the Company is considered to be the principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the arrangement between the Company and its business partners; such judgments impact the amount of reported revenue and operating expenses but do not impact reported assets, liabilities or cash flows.

5.19.1 Income on bank deposits

Return on bank deposits is recognized using the effective interest method.

5.19.2 Dividend income

Dividend income is recognized when the right to receive payment is established.

5.20 Contract cost

The Company capitalizes the incremental costs of obtaining and fulfilling a contract, if they are expected to be recovered. The capitalized cost is amortized over the average customer life and recognized as cost of sales. Applying the practical expedient of IFRS 15, the Company recognizes the incremental cost of obtaining and fulfilling a contract as expense when incurred if the amortization period of assets is less than one year.

5.21 Contract assets

The contract assets primarily relate to the Company's rights to consideration for postpaid services provided to subscribers but not billed at the reporting date. The contract assets are transferred to trade debts when the rights become unconditional.

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5.22 Contract liability

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration or an amount of consideration is due from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company discharges its obligation under the contract.

5.23 Taxation

The tax expense for the year comprises of current and deferred income tax, and is recognized in income for the year, except to the extent that it relates to items recognized directly in other comprehensive income, in which case the related tax is also recognized in other comprehensive income.

(a) Current

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

(b) Deferred

Deferred income tax is accounted for using the balance sheet liability method in respect of all temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred income tax is calculated at the rates that are expected to apply to the period when the differences reverse, and the tax rates that have been enacted, or substantively enacted, at the date of the statement of financial position.

(c) Group taxation

The Company is taxed as a one fiscal unit along with it's other wholly own subsidiaries under section 59AA to the Income Tax Ordinance, 2001. Current and deferred income taxes are recognized by each entity within the group, regardless of who has the legal rights for the recovery of tax. However, current tax liability / receivable is shown by the Company as it has legal obligation / right of recovery of tax upon submission of annual tax return. Balances among the group entities as a result of group tax is shown as other income tax recoverable / payable to the respective group entities.

5.24 Employees retirement benefits

The Company provides various retirement / post retirement benefit schemes. The plans are generally funded through payments determined by periodic actuarial calculations or up to the limits allowed in the Income Tax Ordinance, 2001. The Company has constituted both defined contribution and defined benefit plans.

(a) PTCL Employees General Provident Fund (GPF) Trust

The Company operates an approved funded provident plan covering its permanent employees. For the purposes of this plan, a separate trust, the "PTCL Employees GPF Trust" (the Trust), has been established. Monthly contributions are deducted from the salaries of employees and are paid to the Trust by the Company. In line with the Trust's earnings for a year, the board of trustees approves a profit rate for payment to the members. The Company contributes to the fund, the differential, if any, of the interest paid/ credited for the year and the income earned on the investments made by the Trust.

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(b) Defined benefit plans

The Company provides the following defined benefit plans:

(i) Pension plans

The Company accounts for an approved funded pension plan operated through a separate trust, the "Pakistan Telecommunication Employees Trust" (PTET), for its employees recruited prior to January 01, 1996 when the Company took over the business from PTC. The Company operates an unfunded pension scheme for employees recruited on a regular basis, on or after January 01, 1996.

(ii) Gratuity plan

The Company operates an approved funded gratuity plan for its New Terms and Conditions (NTC) employees and contractual employees.

(iii) Medical benefits plan

The Company provides a post retirement medical facility to pensioners and their families. Under this unfunded plan, all ex-employees, their spouses, their children up to the age of 21 years (except unmarried daughters who are not subject to the 21 years age limit) and their parents residing with them and any other dependents, are entitled to avail the benefits provided under the scheme. The facility remains valid during the lives of the pensioner and their spouse. Under this facility, there are no annual limits to the cost of drugs, hospitalized treatment and consultation fees.

(iv) Accumulated compensated absences

The Company provides a facility to its employees for accumulating their annual earned leaves. Accumulated leaves can be encashed at the end of the employees service, based on the latest drawn gross salary as per Company policy.

(v) Benevolent grants

The Company pays prescribed benevolent grants to eligible employees / retirees and their heirs.

The liability recognized in the statement of financial position in respect of defined benefit plans, is the present value of the defined benefit obligations at the date of the statement of financial position less the fair value of plan assets.

5.25 Lease liability

The Company recognizes lease liabilities as per IFRS - 16 at the present value of the remaining lease payments using the Company's incremental borrowing rate. Lease liabilities are measured at their amortized cost using the effective interest method.

6. Share capital

6.1 Authorized share capital

2023 (Number of shares '000)	2022		2023 Rs '000	2022 Rs '000
11,100,000	11,100,000	"A" class ordinary shares of Rs 10 each	111,000,000	111,000,000
3,900,000	3,900,000	"B" class ordinary shares of Rs 10 each	39,000,000	39,000,000
15,000,000	15,000,000		150,000,000	150,000,000

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6.2 Issued, subscribed and paid up capital

2023	2022		2023	2022
(Number of shares '000)			Rs '000	Rs '000
3,774,000	3,774,000	"A" class ordinary shares of Rs 10 each issued as fully paid for consideration other than cash - note 6.3 and note 6.5.	37,740,000	37,740,000
1,326,000	1,326,000	"B" class ordinary shares of Rs 10 each issued as fully paid for consideration other than cash - note 6.3 and note 6.6.	13,260,000	13,260,000
5,100,000	5,100,000		51,000,000	51,000,000

6.3 These shares were initially issued to the Government of Pakistan, in consideration for the assets and liabilities transferred from Pakistan Telecommunication Corporation (PTC) to Pakistan Telecommunication Company Limited (PTCL), under the Pakistan Telecommunication (Re-organization) Act, 1996, as referred to in note 1.

6.4 Except for voting rights, the "A" and "B" class ordinary shares rank pari passu in all respects. "A" class ordinary shares carry one vote and "B" class ordinary shares carry four votes, for the purposes of election of directors. "A" class ordinary shares cannot be converted into "B" class ordinary shares; however, "B" class ordinary shares may be converted into "A" class ordinary shares, at the option, exercisable in writing and submitted to the Company, by the holders of three fourths of the "B" class ordinary shares. In the event of termination of the license issued to the Company, under the provisions of the Pakistan Telecommunication (Re-organization) Act, 1996, the "B" class ordinary shares shall be automatically converted into "A" class ordinary shares.

6.5 The Government of Pakistan, through an "Offer for Sale" document, dated July 30, 1994, issued to its domestic investors, a first tranche of vouchers exchangeable for "A" class ordinary shares of the Company; subsequently, through an Information Memorandum dated September 16, 1994, a second tranche of vouchers was issued to international investors, also exchangeable, at the option of the voucher holders, for "A" class ordinary shares or Global Depository Receipts (GDRs) representing "A" class ordinary shares of the Company. Out of 3,774,000 thousand "A" class ordinary shares, vouchers against 601,084 thousand "A" class ordinary shares were issued to the general public. Till December 31, 2023, 599,610 thousand (December 31, 2022: 599,582 thousand) "A" class ordinary shares had been exchanged for such vouchers.

6.6 In pursuance of the privatization of the Company, a bid was held by the Government of Pakistan on June 08, 2005 for sale of "B" class ordinary shares of Rs 10 each, conferring management control. Emirates Telecommunication Corporation (Etisalat) , UAE was the successful bidder. The 26% (1,326,000,000 shares) ''B'' class ordinary shares, along with management control, were transferred, with effect from April 12, 2006, to Etisalat International Pakistan (EIP), UAE, which is a subsidiary of Etisalat.

	Note	2023 Rs '000	2022 Rs '000
7. Employees retirement benefits			
Liabilities for pension obligations			
Unfunded	7.1	12,283,715	9,862,468
		12,283,715	9,862,468
Gratuity - funded	7.1	47,131	-
Accumulated compensated absences - unfunded	7.1	2,052,020	1,954,579
Post retirement medical facility- unfunded	7.1	15,634,286	13,238,012
Benevolent grants - unfunded	7.1	4,307,194	4,153,071
		34,324,346	29,208,130

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7.1 The latest actuarial valuations of the Company's defined benefit plans, were conducted at December 31, 2023 using the projected unit credit method. Details of obligations for defined benefit plans are as follows:

		Pension				Gratuity		Accumulated Compensated absences		Post-retirement medical facility		Benevolent grants		Total	
		Funded		Unfunded		Funded		Unfunded		Unfunded		Unfunded			
		2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000
a)	**The amounts recognized in the statement of financial position:**														
	Present value of defined benefit obligations	142,863,607	131,936,258	12,283,715	9,862,468	2,831,040	2,334,940	2,052,020	1,954,579	15,634,286	13,238,012	4,307,194	4,153,071	179,971,862	163,479,328
	Fair value of plan assets Note: 7.3	(149,115,429)	(135,125,260)	-	-	(2,783,909)	(2,365,201)	-	-	-	-	-	-	(151,899,338)	(137,490,461)
	(Asset) / liability at end of the year	(6,251,822)	(3,189,002)	12,283,715	9,862,468	47,131	(30,261)	2,052,020	1,954,579	15,634,286	13,238,012	4,307,194	4,153,071	28,072,524	25,988,867
b)	**Changes in the present value of defined benefit obligations:**														
	Balance at beginning of the year	131,936,258	127,384,941	9,862,468	8,633,593	2,334,940	2,077,003	1,954,579	1,982,538	13,238,012	12,144,429	4,153,071	3,995,703	163,479,328	156,218,207
	Current service cost	990,436	959,087	463,529	413,582	298,545	208,744	102,774	89,125	109,684	96,986	40,623	39,067	2,005,591	1,806,591
	Interest expense	15,533,490	12,256,908	1,198,102	858,925	276,701	178,399	232,334	173,029	1,542,860	1,156,937	490,960	384,307	19,274,447	15,008,505
	Actuarial gain on accumulated compensated absences	-	-	-	-	-	-	(121,710)	(170,142)	-	-	-	-	(121,710)	(170,142)
		16,523,926	13,215,995	1,661,631	1,272,507	575,246	387,143	213,398	92,012	1,652,544	1,253,923	531,583	423,374	21,158,328	16,644,954
	Remeasurements:														
	Loss / (gain) due to financial / experience adjustments	4,667,944	967,050	923,709	45,060	73,159	60,367	-	-	2,030,205	989,749	(86,991)	39,266	7,608,026	2,101,492
	Benefits paid	(10,264,521)	(9,631,728)	(164,093)	(88,692)	(152,305)	(189,573)	(115,957)	(119,971)	(1,286,475)	(1,150,089)	(290,469)	(305,272)	(12,273,820)	(11,485,325)
	Balance at end of the year	142,863,607	131,936,258	12,283,715	9,862,468	2,831,040	2,334,940	2,052,020	1,954,579	15,634,286	13,238,012	4,307,194	4,153,071	179,971,862	163,479,328

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	Pension				Gratuity		Accumulated compensated absences		Post-retirement medical facility		Benevolent grants		Total	
	Funded		Unfunded		Funded		Unfunded		Unfunded		Unfunded			
	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000
c) Charge for the year:														
Profit or loss:														
Current service cost	990,436	959,087	463,529	413,582	298,545	208,744	102,774	89,125	109,684	96,986	40,623	39,067	2,005,591	1,806,591
Net interest expense	(390,652)	(180,233)	1,198,102	858,925	(13,036)	5,373	232,334	173,029	1,542,860	1,156,937	490,960	384,307	3,060,568	2,398,338
Actuarial gain on accumulated compensated absences	-	-	-	-	-	-	(121,710)	(170,142)	-	-	-	-	(121,710)	(170,142)
Contribution from deputationists / employees	(5,589)	(6,174)	-	-	-	-	-	-	-	-	(16,903)	(17,504)	(22,492)	(23,678)
	594,195	772,680	1,661,631	1,272,507	285,509	214,117	213,398	92,012	1,652,544	1,253,923	514,680	405,870	4,921,957	4,011,109
Other comprehensive income														
Remeasurements:														
Gain on remeasurement of assets	(7,371,461)	(2,309,756)	-	-	(128,971)	(115,172)	-	-	-	-	-	-	(7,500,432)	(2,424,928)
Loss due to change in financial assumptions	59,793	14,742	26,233	1,240	2,093	249	-	-	3,727	1,307	3,334	695	95,180	18,233
Loss / (gain) due to experience adjustments	4,608,151	952,308	897,476	43,820	71,066	60,118	-	-	2,026,478	988,442	(90,325)	38,571	7,512,846	2,083,259
	(2,703,517)	(1,342,706)	923,709	45,060	(55,812)	(54,805)	-	-	2,030,205	989,749	(86,991)	39,266	107,594	(323,436)
	(2,109,322)	(570,026)	2,585,340	1,317,567	229,697	159,312	213,398	92,012	3,682,749	2,243,672	427,689	445,136	5,029,551	3,687,673
d) Significant actuarial assumptions at the date of the statement of financial position:														
Discount rate	14.50%	12.25%	14.50%	12.25%	14.50%	12.25%	14.50%	12.25%	14.50%	12.25%	14.50%	12.25%		
Future salary / medical cost increase	12.50%	10.25%	12.50%	10.25%	13.50%	11.25%	13.50%	11.25%	13.50%	11.25%	13.50%	9.25%		
Future pension increase	10.75%	8.50%	10.75%	8.50%	-	-	-	-	-	-	-	-		
Rate of increase in benevolent grant	-	-	-	-	-	-	-	-	-	-	6.50%	4.25%		
Average duration of the obligation	20 years	20 years	26 years	27 years	6 years	6 years	6 to 9 years	6 to 9 years	21 years	23 years	16 years	16 years		
Expected mortality rate	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005		
Expected withdrawal rate	Based on experience		Based on experience		Based on experience		Based on experience		Based on experience		Based on experience			

7.2 As more fully explained in note 14.8, the Company's obligation for funded pension is restricted to the extent of pension increases and benefits as determined by the Board of Trustees of the Pakistan Telecommunication Employees Trust (PTET).

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	Defined benefit pension plan Funded		Defined benefit gratuity plan Funded	
	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000
7.3 Changes in the fair value of plan assets				
Balance at beginning of the year	135,125,260	129,187,278	2,365,201	1,768,009
Expected return on plan assets	15,924,142	12,437,141	289,737	173,026
Payments made to members on behalf of fund	-	-	152,305	189,573
Gain on remeasurement of assets	7,371,461	2,309,756	128,971	115,172
Contributions made by the Company during the year	959,087	822,813	-	308,994
Benefits paid	(10,264,521)	(9,631,728)	(152,305)	(189,573)
Balance at end of the year	149,115,429	135,125,260	2,783,909	2,365,201

7.4 Plan assets for funded defined benefit pension plan are comprised as follows:

	2023		2022	
	Rs '000	Percentage	Rs '000	Percentage
Debt instruments - unquoted				
- Defense savings certificates	30,869,129	20.71	27,446,545	20.32
- Regular income certificates	-	-	44,423,056	32.89
- Pakistan investment bonds	28,335,193	19.00	3,064,527	2.27
-Term Deposit Receipt	-	-	1,079,016	0.80
	59,204,322	39.71	76,013,144	56.28
Cash and cash equivalents				
- Term deposits receipts	24,692,000	16.57	27,892,644	20.65
- Equity securities	-	-	1,176,835	0.87
- Sukuks	3,164,617	2.12	1,720,424	1.27
- Pakistan investment bond	816,314	0.55	686,770	0.51
- Term finance certificates	44,775	0.03	45,441	0.00
- Treasury bills	30,223,089	20.27	7,517,420	5.56
- Cash and bank balances	5,109	0.00	2,670	0.00
	58,945,904	39.54	39,042,204	28.86
Investment property				
- Telecom tower	11,795,667	7.90	10,113,021	7.48
- Telehouse	3,333,000	2.24	2,280,969	1.69
- Corporate offices	2,309,996	1.55	-	-
	17,438,663	11.69	12,393,990	9.17
Fixed assets	9,063	0.01	9,563	0.01
Other assets	15,050,684	10.09	9,062,942	6.71
	150,648,636	101.04	136,521,843	101.03
Liabilities				
- Staff retirement benefits	(126,866)	(0.09)	(106,330)	(0.08)
- Amount due to PTCL	(1,326)	0.00	(15,366)	(0.01)
- Accrued and other liabilities	(295,842)	(0.20)	(247,723)	(0.18)
- Provision for zakat	(1,109,173)	(0.75)	(1,027,164)	(0.76)
	(1,533,207)	(1.04)	(1,396,583)	(1.03)
	149,115,429	100.00	135,125,260	100.00

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7.5 Plan assets for defined gratuity fund are comprised as follows:

	2023		2022	
	Rs '000	Percentage	Rs '000	Percentage
Units of mutual funds	136,188	4.89	113,042	4.78
Term deposit receipt	1,500,000	53.88	1,601,536	67.76
Term finance certificate	450,000	16.16	500,000	21.16
Other assets	-	-	36,097	1.45
Bank balances	697,721	25.06	114,526	4.85
	2,783,909	100.00	2,365,201	100.00

7.6 The expected contributions in the next financial year to be paid to the funded gratuity plan by the Company is Rs 168,352 thousand .

7.7 Sensitivity analysis

The calculations of the defined benefits obligation is sensitive to the significant actuarial assumptions set out in note 7.1 (d). The table below summarizes how the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of change in the respective assumptions.

	Impact on defined benefit obligation	
	1% Increase in assumption	1% Decrease in assumption
	Rs '000	Rs '000
Future salary / medical cost	Rs '000	Rs '000
Pension - funded	8,790,854	(8,279,627)
Pension - unfunded	1,285,315	(1,163,428)
Gratuity - funded	174,203	(164,072)
Accumulating compensated absences - unfunded	171,681	(158,041)
Post-retirement medical facility - unfunded	3,633,519	(2,948,155)
Discount rate		
Pension - funded	(25,781,966)	31,455,002
Pension - unfunded	(2,800,214)	3,626,649
Gratuity - funded	(164,105)	174,129
Accumulating compensated absences - unfunded	(158,064)	171,626
Post-retirement medical facility - unfunded	(2,948,311)	3,633,045
Benevolent grants - unfunded	(633,973)	743,268
Future pension		
Pension - funded	31,459,285	(25,780,528)
Pension - unfunded	3,627,040	(2,800,098)
Benevolent grants		
Benevolent grants - unfunded	743,392	(633,927)

	Increase by 1 year	Decrease by 1 year
	Rs '000	Rs '000
Expected mortality rate		
Pension - funded	(3,280,257)	3,260,500
Pension - unfunded	(158,265)	154,016
Gratuity - funded	(36,480)	35,489
Accumulating compensated absences - unfunded	(25,641)	35,237
Post-retirement medical facility - unfunded	(434,520)	436,181
Benevolent grants - unfunded	(119,711)	120,165

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The above sensitivity analysis are based on changes in assumptions while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.

7.8 Through its defined benefit pension plans the Company is exposed to a number of actuarial and investment risks, the most significant of which include, interest rate risk, property market risk and longevity risk for pension plan and salary risk for all the plans.

	Note	2023 Rs '000	2022 Rs '000
8. Deferred government grants			
Balance at beginning of the year		14,205,487	8,618,967
Received during the year		1,457,834	6,767,876
		15,663,321	15,386,843
Income recognized during the year	33	(582,796)	(1,181,356)
Balance at end of the year		15,080,525	14,205,487

This represent grants received from the Universal Service Fund, as assistance towards the development of telecommunication infrastructure in rural areas, comprising telecom infrastructure projects for basic telecom access, transmission and broadband services spread across the country.

9. Long term loans from banks

Bank	Annual Mark-up Rate (3 month KIBOR Plus)	Repayment Commencement Date		Repayment Installment	Note	2023 Rs '000	2022 Rs '000
		Interest	Principal				
MCB Bank Ltd	0.30%	September 15, 2022	December 15, 2026	Bi-Annual	9.1	11,000,000	11,000,000
Habib Bank Ltd	0.40%	March 31, 2023	June 30, 2027	Bi-Annual	9.2	35,000,000	11,500,000
Bank Alfalah Ltd	0.30%	January 25, 2024	January 25, 2028	Quarterly	9.3	3,000,000	-
BankIslami Pakistan Ltd	-	-	-	-	9.4	2,000,000	-
Less: transaction costs						(218,694)	(120,019)
						50,781,306	22,379,981
Accrued Interest						239,408	68,386
						51,020,714	22,448,367
Current portion of long term loans from banks						(239,408)	(68,386)
						50,781,306	22,379,981

9.1 The Company entered into a syndicate term finance agreement dated 16 June 2022 to avail long term finance facility to the extent of Rs. 11,000,000 thousand for the purpose of equity injection into its wholly owned subsidiary Pak Telecom Mobile Limited. The finance facility is secured by creating a charge by way of hypothecation over the Hypothecated Assets in favour of the MCB Bank Limited - Security Agent, which shall constitute a first charge in favour of MCB Bank Limited - Security Agent (for the benefit of the Syndicate). The loan is repayable in 6 bi-annual instalments commencing from 15 December 2026.

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9.2 The Company entered into a syndicate term finance agreement dated 29 December 2022 to avail long term finance facility to the extent of Rs. 35,000,000 thousand for the purpose of equity injection into its wholly owned subsidiary Pak Telecom Mobile Limited. The finance facility is secured by creating a charge by way of hypothecation over the Hypothecated Assets in favour of the HBL Bank Limited - Security Agent, which shall constitute a first charge in favour of HBL Bank Limited - Security Agent (for the benefit of the Syndicate). The loan is repayable in 6 bi-annual instalments commencing from 30 June 2027.

9.3 During the year the Company has entered into a finance agreement dated 24 October 2023 to avail long term finance facility to the extent of Rs. 3,000,000 thousand for the purpose of equity injection into its wholly owned subsidiary Pak Telecom Mobile Limited. The finance facility is secured by creating a charge by way of hypothecation over the Hypothecated Assets in favour of the Bank Alfalah Limited - Security Agent, which shall constitute a first charge in favour of Bank Alfalah Limited - Security Agent. The loan is repayable in quarterly instalments commencing from 25 January 2028.

9.4 The company has obtained finance facility under musharakah contract with bankIslami Pakistan Limited dated 28 Dec 2023 to avail the finance facility to the extent of Rs.2,000,000 thousand for the purchase of line & wire equipment. The effective rate of profit is 22% with a share of 96.08% (BankIslami) and 3.92% (PTCL). The contract is secured by creating a charge by way of hypothecation over hypothecated assets in favour of the BankIslami Pakistan Limited. The musharaka contract involve 12 quarterly payments and shall be wound up in the manner agreed. The musharaka agreement ends on 28 December 2030.

	Note	2023 Rs '000	2022 Rs '000
10. Lease liabilities			
Lease commitments			
Not later than one year		579,921	484,647
Later than one year and not later than 5 years		1,472,424	1,239,695
Later than 5 years		402,582	261,411
Total undiscounted lease commitments		2,454,927	1,985,753
Discounted lease liability using the incremental borrowing rate		1,682,714	1,619,093
Current portion shown under current liabilities		(391,989)	(347,459)
Due after 12 months		1,290,725	1,271,634
11. Trade and other payables			
Trade creditors		16,719,184	17,961,115
Accrued and other liabilities	11.1	41,878,273	36,715,513
Technical services assistance fee	11.2	41,410,987	35,656,357
Advances from customer / contract liability		7,405,126	8,324,086
Retention money / payable to contractors and suppliers		8,593,518	7,666,471
Payable to subsidiaries on account of group taxation	11.4	24,022,866	16,032,624
Sales tax payable		1,393,847	2,057,179
Income tax collected / deducted at source		-	687,254
	11.3	141,423,801	125,100,599

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	Note	2023 Rs '000	2022 Rs '000
11.1 Accrued and other liabilities			
Accrued liability for operational expenses		11,244,451	9,251,535
Amount withheld on account of provincial levies (Sub-judice) for ICH operations	11.1.1	12,110,803	12,110,803
Accrual for Government / regulatory expenses		14,172,127	12,183,134
Accrued wages		3,395,566	2,451,585
Others		955,326	718,456
		41,878,273	36,715,513

11.1.1 This represents International Clearing House "ICH" revenue which were shared between the Company and other Long Distance and International "LDI" operators in the ratio of 50:50. Therefore, out of this, 50% of the amount represents revenue not recognized by the Company. As the ICH operator, the Company challenged the imposition of sales tax on ICH revenue and the matter is sub-judice in different courts of law; therefore, the relevant share of the ICH partners is being held by the Company till the finalization of the subject cases.

11.2 Liability has not been settled since State Bank of Pakistan has not yet acknowledged the extension of Technical Service Assistance (TSA) Agreement.

	2023 Rs '000	2022 Rs '000
11.3 Trade and other payables include payables to the following related parties:		
Pak Telecom Mobile Limited (PTML)	-	46,320
U Microfinance Bank Limited	643	643
DVCOM Data (Private) Limited (DVCOM)	1,785,000	1,581,000
Emirates Telecommunication Corporation	3,452,154	2,203,154
Etisalat - Afghanistan	59,434	77,660
Etihad Etisalat (Mobily)	19,475	12,134
Telecom Foundation	13,276	3,411
Government of Pakistan (GoP) related entities	2,070,961	1,732,806
TF Pipes Limited	4,630	4,430
PTCL Employees GPF Trust	56,563	38,606
Retention money / payable to contractors and suppliers		
TF Pipes Limited	2,940	2,940

These balances relate to the normal course of business of the Company and are interest free.

11.4 This represents payable to PTML Rs 23,607,121 thousand (December 31, 2022: Rs 15,616,879 thousand), DVCOM Rs 415,745 thousand (December 31, 2022: Rs 415,745 thousand) on account of group taxation.

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12. Short term running finance

These facilities are obtained from various commercial banks with an aggregate limit of Rs. 17,500,000 thousand (December 31, 2022: 9,100,000 thousand) and are secured against 1st pari passu charge on present and future current assets and all other movable assets of the Company. These facilities carry markup rates ranging from 1-month KIBOR to 3-month KIBOR plus 0.15% to 0.35% (December 31, 2022: 0.2% to 1.5%) per annum.

This also include sharia compliant, rated, unlisted, unsecured, privately placed short term sukuk amounting to Rs. 5,000,000 thousand (December 2022:Nil) issued to meet the working capital requirements with a tenure of 6 months from the issue date at 6-Months. Habib Bank Limited was a mandated lead advisor, Arranger and investment agent for the sukuk. The Issuer has the right to exercise call option on or after 3 months from issue date.

13. Security deposits

These security deposits are received from customers for services to be provided and are refundable / adjustable on termination of their relationship with the Company. These are non-interest bearing and include security deposits of Rs 3,623 thousand (December 31, 2022: Rs 3,623 thousand) from Pak Telecom Mobile Limited (PTML), a related party. The Company has adjusted / paid a sum of Rs 4 thousand (December 31, 2022: Rs 42 thousand) to its customers during the year against their balances. Amount of these security deposits has been kept in a separate bank account.

14. Contingencies and commitments

Contingencies

Indirect taxes

14.1 Against the decision of Appellate Tribunal Inland Revenue (ATIR) upholding tax authorities' decision to impose Federal Excise Duty (FED) amounting to Rs 365,098 thousand on Technical Services Assistance fee assuming that the fee is against franchise arrangement for the period from July 2008-09 & 2010-11, PTCL has filed reference in the Honorable Islamabad High Court. Accordingly, the stay order was granted by the Honorable Islamabad High Court. Similarly, against an order of the Punjab Revenue Authority (PRA) for the services sales tax, a demand of Rs 461,629 thousand on Technical Services Assistance fee was raised assuming that the fee is against franchise arrangement for the period from October 2012 to December 2014. The appeal is sub judice before the Commissioner Appeals - PRA, and the stay order from the Honorable Lahore High Court is also in place against any coercive measures.

14.2 Based on an audit of certain monthly returns of FED, a demand of Rs 1,289,957 thousand was raised on the premise that the Company did not apportion the input tax between allowable and exempt supplies. The Company is in appeal before ATIR, which is pending adjudication. Meanwhile, the Honorable Islamabad High Court has granted a stay order in this regard against any coersive measures.

14.3 Matters of international incoming has been raised by Sindh Revenue Board (SRB) and Khyber Pakhtunkhwa Revenue Authority (KPRA) with demands of Rs. 4,417,000 thousand and Rs. 2,374,000 thousand. For KPRA, Writ Petition has been filed before Peshawar High Court who has granted stay against the show cause notice. With reference to SRB, case has been decided against PTCL by Commissioner Appeals, against whom appeal has been filed before Tribunal. Tribunal SRB has granted stay in the case.

14.4 The Sindh Revenue Board (SRB) has assessed Sindh sales tax on services amounting to Rs 702 million on the premise that PTCL did not pay sales tax on invoices issued for services rendered to Cellular Mobile Operators (CMOs). Department view was not supported by the record and PTCL has submitted detailed evidence to refute the same before the learned Commissioner Appeals, SRB and stay has been granted. Management and tax advisors believe that this case would be settled in favor of PTCL owing to the evidence on record.

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14.5 Against the decision of the Customs Appellate Tribunal imposing additional custom duties, a reference as well as writ petition against the decision is pending before the Honorable Sindh High Court. Further, through the petition filed before the Honorable Sindh High Court, a stay order has been obtained against order of the Tribunal. The Honorable Sindh High Court has stayed the recovery of the levies amounting to Rs 932,942 thousand. Further, the Collector of Customs imposed additional duties, taxes and other charges amounting to Rs 1,685,884 thousand against which the Company has filed an appeal before the Customs Appellate Tribunal.

Income tax

14.6 For the tax years 2007, 2009, 2010, 2011 to 2022, Taxation Officer disallowed certain expenses, tax credits and levied short deduction of WHT. The impugned orders were challenged at the relevant appellate forums which allowed partial relief thereof. After taking into account the orders of CIR (Appeals), ATIR as well as rectification orders tax impact of the disallowances is Rs 59,269,818 thousand. Appeals on the remaining outstanding items are pending adjudication before ATIR. Reference in respect of 2007 is subjudice before the Honorable Islamabad High Court. Stay has been obtained in all cases from different fora.

14.7 For the Tax Year 2020, Taxation officer objected to the quarterly advance tax calculation submitted by the Company based on group taxation and raised demand amounting to Rs. 2,855,907 thousand despite that PTCL had filed option for group taxation within prescribed time. The Islamabad High Court has decided the case in favor of PTCL.

Others

14.8 In 2010, Pakistan Telecommunication Employees Trust ("PTET") board approved the pension increase which was less than the increase notified by the Government of Pakistan ("GoP"). Thereafter, pensioners filed several Writ Petitions. After a series of hearings, on June 12, 2015 the Apex Court decided the case in the interest of pensioners. On July 13, 2015, Review Petition was filed in Supreme Court of Pakistan against the Judgment of June 12, 2015.

The Honourable Supreme Court of Pakistan (Apex Court) disposed the Review Petitions filed by the Company, the Pakistan Telecommunication Employees Trust (PTET) and the Federal Government (collectively, the Review Petitioners) vide the order dated May 17, 2017. Through the said order, the Apex Court directed the Review Petitioners to seek remedy under section 12(2) CPC (Civil Procedure Code) which shall be decided by the concerned Court in accordance with the law, and to pursue all grounds of law and fact in other cases pending before High Courts. The Review Petitioners have filed the applications under section 12(2) CPC before respective High Courts. However, PTET has implemented the Apex court decision dated 12 June 2015 to the extent of 342 pensioners who were the petitioners in the main case. Some of the interveners (pensioners) seeking the same relief as allowed vide order dated June 12, 2015 have been directed by the Apex Court to approach the appropriate forum on May 10, 2018. Islamabad High Court on 2nd November, 2021, has decided that the GOP increases are not allowed to VSS optees, PTC pensioners and to the workmen. To the extent of Civil Servants the Islamabad High Court allowed the GOP increase. However, to the same extent appeal has been filed before Apex court within the limitation. Under the circumstances, management of the Company, on the basis of legal advice, believes that the Company's obligations against benefits is restricted to the extent of pension increases as determined solely by the Board of Trustees of the PTET in accordance with the Pakistan Telecommunication (Re-Organization) Act, 1996 and the Pension Trust Rules of 2012 and accordingly, no provision has been recognized in the Company's financial statements.

14.9 The Company implemented policy directives of Ministry of Information Technology conveyed by the Pakistan Telecommunication Authority regarding termination of all international incoming calls into Pakistan. On suspension of these directives by the Honorable Lahore High Court, the Honorable Supreme Court of Pakistan dismissed the pertinent writ petitions by directing Competition Commission of Pakistan (CCP) to decide the case. The Honorable Sindh High Court suspended the adverse decision of CCP and the case is pending for adjudication.

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14.10 A total of 1,384 cases (December 31, 2022: 1,267) against PTCL involving Regulatory, Telecom Operators, Employees and Subscribers. Because of number of cases and their uncertain nature, it is not possible to quantify their financial impact. Management and legal advisors of the Company are of the view that the outcome of these cases is expected to be favorable and liability, if any, arising out on the settlement is not likely to be material.

No provision on account of above contingencies has been made in these financial statements as the management and the tax / legal advisors of the Company are of the view, that these matters will eventually be settled in favor of the Company.

	Note	2023 Rs '000	2022 Rs '000
14.11 Guarantees and bid bonds issued in favour of:			
Bank guarantees			
Universal Service Fund (USF) against government grants		8,088,668	9,195,921
Others	14.11.1	3,009,705	2,362,885
		11,098,373	11,558,806
Corporate guarantee in favour of PTML		56,400,000	43,800,000
Corporate guarantee in favour of U Bank		10,000,000	-
		66,400,000	43,800,000

14.11.1 Others includes bank guarantees given on behalf of DVCOM Data (Private) Limited to PTA amounting to Rs 675,000 thousand (December 31, 2022: Rs. 675,000 thousand).

	Note	2023 Rs '000	2022 Rs '000
14.12 Commitments			
Contracts for capital expenditure		10,496,849	8,850,046
Letter of comforts in favour of PTML		3,500,000	3,500,000
		13,996,849	12,350,046
15. Property, plant and equipment			
Operating fixed assets	15.1	123,757,109	114,100,867
Capital work in progress	15.6	20,260,678	17,388,774
		144,017,787	131,489,641

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15.1 Operating fixed assets

	Land		Buildings on										
	Freehold - note 15.2	Leasehold	Freehold land	Leasehold land	Lines and wires	Apparatus, plant and equipment	Passive Network & Allied systems	Submarine cables	Office equipment	Computer equipment	Furniture and fittings	Vehicles	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	
As at December 31, 2021													
Cost	1,637,680	100,782	13,856,736	1,429,444	143,563,494	231,908,951	1,390,320	18,739,171	3,534,384	2,535,469	872,243	3,562,208	423,130,882
Accumulated depreciation and impairment	-	(42,573)	(6,664,055)	(692,946)	(103,853,099)	(183,221,501)	(1,229,881)	(12,095,519)	(1,852,487)	(2,205,323)	(607,263)	(2,728,585)	(315,193,232)
Net book Value	1,637,680	58,209	7,192,681	736,498	39,710,395	48,687,450	160,439	6,643,652	1,681,897	330,146	264,980	833,623	107,937,650
Movement during 2022													
Additions	-	-	133,355	26,714	8,228,384	12,962,649	5,130	101,629	310,389	171,143	27,779	95,531	22,062,703
Disposals													
Cost	-	-	-	-	(5,221,858)	(86,592)	-	-	(2,358)	(76,103)	-	(130,090)	(5,517,001)
Accumulated depreciation	-	-	-	-	5,217,408	80,547	-	-	1,700	74,593	-	98,247	5,472,495
	-	-	-	-	(4,450)	(6,045)	-	-	(658)	(1,510)	-	(31,843)	(44,506)
Depreciation charge for the year	-	(1,643)	(347,131)	(35,964)	(3,576,418)	(10,427,951)	(24,689)	(528,517)	(306,588)	(220,186)	(42,468)	(283,887)	(15,795,442)
Impairment charge	-	-	-	-	(4,180)	(55,358)	-	-	-	-	-	-	(59,538)
Net book value	1,637,680	56,566	6,978,905	727,248	44,353,731	51,160,745	140,880	6,216,764	1,685,040	279,593	250,291	613,424	114,100,867
As at December 31, 2022													
Cost	1,637,680	100,782	13,990,091	1,456,158	146,570,020	244,785,008	1,395,450	18,840,800	3,842,415	2,630,509	900,022	3,527,649	439,676,584
Accumulated depreciation and impairment	-	(44,216)	(7,011,186)	(728,910)	(102,216,289)	(193,624,263)	(1,254,570)	(12,624,036)	(2,157,375)	(2,350,916)	(649,731)	(2,914,225)	(325,575,717)
Net book value	1,637,680	56,566	6,978,905	727,248	44,353,731	51,160,745	140,880	6,216,764	1,685,040	279,593	250,291	613,424	114,100,867
Movement during 2023													
Additions	-	-	263,471	61,970	11,897,401	13,190,344	7,058	351,558	477,272	223,328	40,466	188,256	26,701,124
Disposals - note 15.4													
Cost	-	-	-	-	(10,634,755)	(1,846,744)	-	-	(49)	(76,233)	-	(112,669)	(12,670,450)
Accumulated depreciation	-	-	-	-	10,609,596	1,820,404	-	-	40	38,324	-	104,436	12,572,800
	-	-	-	-	(25,159)	(26,340)	-	-	(9)	(37,909)	-	(8,233)	(97,650)
Depreciation charge for the year - note 15.5	-	(1,643)	(352,375)	(37,325)	(3,998,971)	(11,084,247)	(23,403)	(541,518)	(300,576)	(226,828)	(44,135)	(269,754)	(16,880,775)
Impairment charge	-	-	-	-	(3,840)	(62,617)	-	-	-	-	-	-	(66,457)
Net book value	1,637,680	54,923	6,890,001	751,893	52,223,162	53,177,885	124,535	6,026,804	1,861,727	238,184	246,622	523,693	123,757,109
As at December 31, 2023													
Cost	1,637,680	100,782	14,253,562	1,518,128	147,832,666	256,128,608	1,402,508	19,192,358	4,319,638	2,777,604	940,488	3,603,236	453,707,258
Accumulated depreciation and impairment	-	(45,859)	(7,363,561)	(766,235)	(95,609,504)	(202,950,723)	(1,277,973)	(13,165,554)	(2,457,911)	(2,539,420)	(693,866)	(3,079,543)	(329,950,149)
Net book value	1,637,680	54,923	6,890,001	751,893	52,223,162	53,177,885	124,535	6,026,804	1,861,727	238,184	246,622	523,693	123,757,109
Annual rate of depreciation (%)	-	1 to 3.3	2.5	2.5	5 to 7	10 to 20	10 to 15	5	10	33.33	10	20	

15.2 In view of large number of properties i.e. PTCL has more than 3,000 properties throughout Pakistan. Disclosure of particular of these properties in the financial statements is impracticable in accordance with the requirements of Clause VI(l) Sub-Clause(ii) of the Fourth Schedule of the Companies Act 2017, therefore, this information/record is available for inspection of members at the registered office of the Company, i.e. PTCL Headquarters, Ufone Tower, F-7/1, Blue Area, Islamabad. The copy of the details of said properties will be provided, on request, to the shareholders who are unable or unwilling to visit the Company's registered office but yet wish to review the said details.

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15.3 As explained in note 1, the property and rights vesting in the operating assets, as at January 01, 1996, were transferred to the Company from the Pakistan Telecommunication Corporation under the Pakistan Telecommunication (Re-organisation) Act, 1996; however, the possession and control or title of certain freehold land properties were not transferred in the name of the Company in the land revenue records, therefore, in pursuant to the disclosure required under Clause VI Sub clause 12 of Part 2 of the fourth schedule of the Companies Act 2017, the list of such properties is given below:

Sr. No.	Description	Address	The Person in whose name the property is registered	Person in Possession or control	Reasons for the property or asset not being in the name of or possession or control of the Company	(Rupees)
1	Zulfiqarabad Telephone Exchange	DSU-1, Pak Steel Link Road, Near Abass Engineering Co. & Pak suzuki Motors Bin Qasim, Malir, Karachi East.	Pakistan Steel	PTCL	Ban imposed by the Supreme Court of Pakistan on transfer of Pak Steel Properties	20,598
2	Gulshan-e-Hadeed Telephone Exchange	Phase-II, Ghulshan-e-Hadeed, Opposite Jahangir Hotel, Budh Bazar, Bin Qasim, Malir, Karachi.	Pakistan Steel	PTCL	Ban imposed by the Supreme Court of Pakistan on transfer of Pak Steel Properties	22,855
3	Manora Telephone Exchange	Survey No. 19/B, Near P.N.S Rehber, Keemari Town, Karachi South	Ministry of Defense	PTCL	Pakistan Navy refused to transfer the land	1
4	Dadu Telecom Building	City Survey No. 995,996,997 etc. Katchahary Road, Near Mukhtiarkar Office, Dadu.	Ministry of Defense	PTCL	Being a Camping Ground, the case is Pending with Ministry of Defense	17,300
5	Morgah (Mini) Telephone Exchange	Army Housing Scheme, Morgah, Rawalpindi.	Ministry of Defense	PTCL	The land is under dispute between GHQ other parties	25,750
6	Dhanna Singh Wala	Near Johar Town, Canal Bank, Moza Dhanna Singh Wala, Lahore	Telegraph & Telephone (T&T)	Partially in Possession of PTCL	Partially under Litigation	5,587,354
7	T&T Land Kashmir/ Egerton Road	T&T Land Kashmir (Egerton Road), Near Awan-e-Iqbal, Lahore.	Federal Government	PTCL	Under Litigation	1
8	P&T Colony Multan Road Lahore	Khasra No. 1594, 85, 96, 97 etc. Khewat No. 4846, Khatoni No. 10439 (1995-96) etc. Near More Samanabad and Chuburji Quarters, Multan Road, Lahore.	Federal Government	Partially in Possession of PTCL	Under Litigation	3,303,375
9	Industrial Estate SGD	Plot # A-17 Small Industrial Estate Lahore Road Sargodha.	Punjab Small Industries Corporation	Not in Possession of PTCL.	Under Litigation	1
10	Wireless Receiving Station, Malir	Survey No. 74, 76, 77, 80, 81, 82, 83, 85, 86, 91, 92, 93 etc, National Highway, Opposite R.T.T.S Malir Halt, Deh Drigh Tappo, Malir Karachi East.	Telegraph & Telephone (T&T)	Partially in Possession of PTCL	Under Litigation	1,872,800
11	Clifton (Gizri) P&T Colony	Clifton P&T Colony, Ch. Khaliq-uz-Zaman Road, Opposite Ministry of Foreign Affairs, Clifton, Karachi South.	Provincial Government	Partially in Possession of PTCL	Under Litigation	1
12	Kundwal Telephone Exchange	Khata No. 160/760, Moza Kundwal, Pind Dadan Khan, Jhelum.	Private Name	PTCL	Under Litigation	81,000

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Sr. No.	Description	Address	The Person in whose name the property is registered	Person in Possession or control	Reasons for the property or asset not being in the name of or possession or control of the Company	(Rupees)
13	Korangi Plot No. 45, 46 Telephone Exchange	Plot No. 45, 46, Sector No. 22 etc. Township Korangi, KDA, Karachi South.	KM Enterprises	Not in Possession of PTCL.	Under Litigation	20,880
14	Mardan Central Telephone Exchange	Khasra No. 2114, 2109, 2110, 213, Khewat No. 1410, 1411, Khatoni No. 2029, 2030 (1999-2000) etc. Mardan.	Private Name	PTCL	Under Litigation	23,493
15	Havellian Telephone Exchange & Staff Quarters	Khasra No 1195/2,1196/2, 1197/2, 1198/3, (305), 306,307, 286/2,286,288, 289 and 290 urban (1263) etc, Railway Station Road, Havellian, Abbottabad	Private Name	PTCL	Under Litigation	272,600
16	Rana Town Land	Khasra No. 8/2, 9/2, 12, 13/1/1, Sq. No. 52 etc. Rana Town, Chak No. 39/UCC, Ferozewala, Sheikupura.	Private Name	Not in Possession of PTCL.	Under Litigation	1
17	Maroot (Chak No. 318/HR) Telephone Exchange	Khewat No. 19/17, Khatoni No. 75-88 (2001-02) etc. Near Pull Hakra, Chak No. 318/HR, Maroot, Fort Abbas, Bahawalnagar.	Private Name	PTCL	Under Litigation	1
18	Wapda Town Gujranwala I Telephone Exchange	Commercial Area, Block B-3, Wapda Town, Gujranwala	Wapda Employees Cooperative Housing Society	Not in Possession of PTCL.	Plot cancelled by Wapda Employees Cooperative Housing Society due to non-construction of Telephone Exchange	762,500
19	Songal (Scheme-33) Staff Quarter	Deh Songal (Scheme-33) Staff Quarter, Malir, Karachi.	Provincial Government	Not in Possession of PTCL.	Sindh Government agreed to provide alternate land which is still awaited	94,059
20	Chak 121/NB Telephone Exchange	Khewat No.18 Khatoni 57, Chak 121/NB, Sillanwali, Sargodha.	Private Name	PTCL	Under Litigation	487,700
21	Jhoke Utra Telephone Exchange	Khata No. 58, Khasra No. 19/8, Killa No. 8, etc. Malkani Kaln Road, Chowk Shehbazi, Moza Malkani Khurd, Jhoke Utra, D.G Khan.	Private Name	PTCL	Under Litigation	1
22	Tando Adam PTCL Qtrs.	Survey No. 204, Shahdad Pur Road, Near Siddique Akbar Masjid, Tando Adam, Sanghar.	Private Name	PTCL	Pending for Transfer with Sindh Government	1
23	Madeji Telephone Exchange	Federal Govt. Scheme, Station Road, Near Rice Mill, Madeji, Garhi Ysain, Shikarpur.	Private Name	PTCL	Pending for Transfer with Sindh Government	1,476,207
24	Compact Exchange Building, Mehmoodabad	Block No. 85, Village Ahmadia, Deh Malhansar, Taluka Kunri, Umer kot.	Private Name	PTCL	Pending for Transfer with Sindh Government	46,055
25	Sakrand Telephone Exchange	Mehrabpur Road, Main Bazar, Sakrand, Nawabshah.	Provincial Government	PTCL	Pending for Transfer with Sindh Government	1

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Sr. No.	Description	Address	The Person in whose name the property is registered	Person in Possession or control	Reasons for the property or asset not being in the name of or possession or control of the Company	(Rupees)
26	Tando Muhammad Khan Telephone Exchange	Survey No. 40, 41 etc. Near Civil Hospital, Deh Tando Mohd. Khan, Hyderabad.	Private Name	PTCL	Pending for Transfer with Sindh Government	43,650
27	Sirikot Telephone Exchange	Khasra No. 895/896/897, etc. Sirikot Road, Moza Sirikot, Haripur.	Private Name	PTCL	Under Litigation	33,652
28	Wana Telephone Exchange	Azam Warsak Road, Wana, S.W. Agency H/Q Wana.	Provincial Government	PTCL	Exchange is located in Tehsil Office and not a PTCL Property.	1
29	Mirpur Khas Customer Service Center Building	Survey No. 1320, Hyderabad Road, Mirpur Khas	Private Name	PTCL	Pending for Transfer with Sindh Government	1
30	Shahi Bala Telephone Exchange	Khasra No. 968, 969, Khewat No.139 etc. Moza Shahi Bala, Peshawar.	Private Name	PTCL	Under Litigation	1
31	Baba Jee Khando Hill DRS	Khasra No. 73, Khatoni No. 169 etc. Baba Jee Kandoo Hill, Bunair.	Private Name	PTCL	Under Litigation	15,755
32	Sambrial -II	Near Petrol Pump & Annayat Group Factory, Moza Sambrial, Sialkot.	-	Not in Possession of PTCL.	The site delisted by PC because Sambrial T/E and Sambrial-II are the same sites.	2,800,000
33	Rashki Telephone Exchange	Khasra No. 40/121, Khata No. 210/844, Mutation No. 5282, Moza Rashki, Nowshera.	-	Not in Possession of PTCL.	The site delisted by PC because it came under Peshawar-Islamabad Motorway (MI).	1
34	Kharian Cantt Telegraph office (Site-III)	Behind GPO, Kharian, Gujrat.	-	Not in Possession of PTCL.	The site delisted by PC because a room was provided by MEO to facilitate Pakistan army in Cantt. Telegraph Office closed since 2006.	1
35	Sita Road RCD Microwave	Survey No. 814, Deh Bhagana, Tapa Danager-I, Sita Road RCD Microwave, Khairpur, Nathan Shah, Dadu.	-	Not in Possession of PTCL.	The site delisted by PC because the land is not transferred to PTCL & no network element existed on ground.	1
36	Tarnol (Additional Land)	Khasra No. 1552/683, Khewat No. 249 (1980-81) etc. Moza Sariay Kharboza, G.T. Road, Islamabad	-	Not in Possession of PTCL.	The site delisted by PC because the land owned by private party	2
37	Chakra (Chowker) Telephone Exchange	Khasra No. 1499-1502, Khewat No. 97-98, 115, Khatoni No. 171, 196 etc. Moza Chowker, Rawalpindi.	-	Not in Possession of PTCL.	The site delisted by PC because no PTCL land exists there	260,000
38	Sindhri Telephone Exchange	Survey No. 153 etc. Near Police Station, Deh Khani Mangri, Sindhri, Khipro, Sanghar.	Private Name	PTCL	Conditionally Transferred not accepted by PTCL	1

Apart from the above disclosed (38) properties, there are additional properties that are not part of the Financial Statements because they are also not held in the name or control of the Company since legal title to them has not been transferred from the relevant parties/authorities to the Company. Some of these additional properties were also listed in the SRO 430(1)/2004 dated 7th June 2004 (the SRO) to be transferred to the Company free from any charge, burden, hypothecation or encumbrances and no stamp duty or transfer charges shall be payable under any law in relation to the transfer or vesting of these properties to the Company. These properties are under discussion between the Government of Pakistan and the Ultimate Parent Company and upon the conclusion of the matter, appropriate accounting treatment or disclosure will be made in the subsequent Financial Statements, if required.

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15.4 Disposals of property, plant and equipment:

Following assets were disposed off during the year with book value exceeding five hundred thousand rupees.

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser / relationship with Company
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000		
Line and wire	89,085	87,308	1,777	65,500	63,723	Auction	M/S Latif & Brothers/ No relationship with the Company
Line and wire	867	126	741	8,333	7,592	Auction	Bismillah Metal Impex (Pvt) Limited/ No relationship with the Company
Line and wire	917	86	831	8,333	7,502	Auction	Bismillah Metal Impex (Pvt) Limited/ No relationship with the Company
Line and wire	1,051	178	873	8,333	7,460	Auction	Bismillah Metal Impex (Pvt) Limited/ No relationship with the Company
Line and wire	1,089	540	549	8,333	7,784	Auction	Bismillah Metal Impex (Pvt) Limited/ No relationship with the Company
Line and wire	1,140	153	987	8,333	7,346	Auction	Bismillah Metal Impex (Pvt) Limited/ No relationship with the Company
Apparatus, plant and equipment	25,332	211	25,121	25,121	-	Inter Company Transfer	PTML / Subsidiary
Vehicle	18,921	11,037	7,884	7,884	-	Company Policy	Saad Muzaffar Waraich Ex-GCIO
	138,402	99,639	38,763	140,170	101,407		

15.5 The depreciation charge for the year has been allocated as follows:

	Note	2023 Rs '000	2022 Rs '000
Cost of services	30	16,528,561	15,444,105
Administrative and general expenses	31	218,522	217,118
Selling and marketing expenses	32	133,692	134,219
		16,880,775	15,795,442

15.6 Capital work in progress

	2023 Rs '000	2022 Rs '000
Buildings	584,810	494,420
Lines and wires	10,710,193	7,465,110
Apparatus, plant and equipment	4,066,036	4,626,361
Turnkey projects	4,899,639	4,802,883
	20,260,678	17,388,774

15.7 Movement during the year

	2023 Rs '000	2022 Rs '000
Balance at beginning of the year	17,388,774	13,570,235
Additions during the year	30,434,490	25,832,145
Transfers during the year		
- operating fixed assets	(26,448,956)	(21,812,564)
- intangible assets	(1,113,630)	(201,042)
	(27,562,586)	(22,013,606)
Balance at end of the year	20,260,678	17,388,774

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16. Right of use (ROU) assets

	Note	Lease rentals Rs '000	Right of way Rs '000	2023 Rs '000	2022 Rs '000
Movement during the year					
Balance as at January 01, 2023		1,186,757	590,949	1,777,706	2,085,452
Additions for the year		117,814	400,458	518,272	216,779
Depreciation for the year	30	(424,119)	(172,957)	(597,076)	(524,525)
Balance as at December 31, 2023		880,452	818,450	1,698,902	1,777,706

17. Intangible assets

	Note	Licenses and spectrum Rs '000	Computer software Rs '000	Total Rs '000
As at December 31, 2021				
Cost		4,639,013	3,172,309	7,811,322
Accumulated amortization		(3,590,744)	(2,354,469)	(5,945,213)
Net book value		1,048,269	817,840	1,866,109
Movement during 2022				
Opening net book value		1,048,269	817,840	1,866,109
Additions		-	201,042	201,042
Amortization charge for the year	30	(214,982)	(406,905)	(621,887)
Net book value	17.1	833,287	611,977	1,445,264
As at December 31, 2022				
Cost		4,639,013	3,373,351	8,012,364
Accumulated amortization		(3,805,726)	(2,761,374)	(6,567,100)
Net book value		833,287	611,977	1,445,264
Movement during 2023				
Opening net book value		833,287	611,977	1,445,264
Additions		-	1,113,630	1,113,630
Amortization charge for the year	30	(214,982)	(601,249)	(816,231)
Net book value	17.1	618,305	1,124,358	1,742,663
As at December 31, 2023				
Cost		4,639,013	4,486,981	9,125,994
Accumulated amortization		(4,020,708)	(3,362,623)	(7,383,331)
Net book value		618,305	1,124,358	1,742,663
Annual rate of amortization (%)		4 - 10	6.67 - 33	

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
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	Note	2023 Rs '000	2022 Rs '000
17.1 Breakup of net book values as at year end is as follows :			
Licenses and spectrum			
Telecom	17.2	415,552	434,441
WLL spectrum	17.2	134,223	313,221
WLL and LDI License	17.3	58,047	71,442
IPTV	17.4	10,483	14,183
		618,305	833,287
Computer software		1,124,358	611,977
		1,742,663	1,445,264

17.2 The Pakistan Telecommunication Authority (PTA) renewed the license of the Company, to provide telecommunication services in Pakistan, for a period of 25 years, commencing January 01, 2021, at an agreed license fee of Rs 472,219 thousand. In June 2005 PTA modified the previously issued license to provide telecommunication services to include a spectrum license at an agreed license fee of Rs 3,646,884 thousand. This license allows the Company to provide Wireless Local Loop (WLL) services in Pakistan, over a period of 20 years, commencing October 2004. The cost of the license is being amortized on a straight line basis over the period of the license.

17.3 PTA issued a license under section 5 of the Azad Jammu and Kashmir Council Adaptation of Pakistan Telecommunication (Re-organization) Act, 1996, the Northern Areas Telecommunication (Re-organization) Act, 2005 and the Northern Areas Telecommunication (Re-organization) (Adaptation and Enforcement) Order 2006, to the Company to establish, maintain and operate a telecommunication system in Azad Jammu and Kashmir and Gilgit-Baltistan, for a period of 20 years, commencing May 28, 2008, at an agreed license fee of Rs 109,270 thousand. During the year 2015, PTA had allocated additional spectrum for WLL services in Azad Jammu & Kashmir (AJ&K) and Gilgit-Baltistan (GB) for Rs 98,487 thousand. The duration of the License shall be for the remaining period of the existing WLL licenses. The cost of the licenses is being amortized, on a straight line basis, over the period of the licenses.

17.4 Pakistan Electronic Media Regulatory Authority (PEMRA) had renewed the IPTV licence effective from its last renewal date i.e. November 02, 2016, at an agreed license fee of Rs 37,000 thousand. The cost of the license is being amortized, on a straight line basis, over a period of 10 years.

	Note	2023 Rs '000	2022 Rs '000
18. Long term investments			
Investments in subsidiaries and associate	18.1	71,784,857	44,684,857
Other investments	18.2	51,427	51,427
		71,836,284	44,736,284

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2023 Rs '000	2022 Rs '000
18.1 Investments in subsidiaries and associate - at cost (unquoted)		
Wholly owned subsidiaries		
Pak Telecom Mobile Limited - Islamabad 6,500,000,000 (December 31, 2022: 3,950,000,000) ordinary shares of Rs 10 each	65,000,000	39,500,000
U Microfinance Bank Limited - Islamabad 408,571,420 (December 31, 2022: 408,571,420) ordinary shares of Rs 10 each	4,083,857	4,083,857
100,000,000 (December 31, 2022: 100,000,000) Preference shares of Rs 10 each	1,000,000	1,000,000
Advance for purchase of shares	1,600,000	-
	6,683,857	5,083,857
DVCOM Data (Private) Limited - Karachi 10,000 (December 31, 2022: 10,000) ordinary shares of Rs 100 each Shares held 100% (December 31, 2022: 100%)	1,000	1,000
Smart Sky (Private) Limited - Islamabad 10,000,000 (December 31, 2022: 10,000,000) ordinary shares of Rs 10 each Shares held 100% (December 31, 2022: 100%)	100,000	100,000
	71,784,857	44,684,857
Associate		
TF Pipes Limited - Islamabad 1,658,520 (December 31, 2022: 1,658,520) ordinary shares of Rs 10 each		
Shares held 40% (December 31, 2022: 40%)	23,539	23,539
Less: accumulated impairment loss on investment	(23,539)	(23,539)
	-	-
	71,784,857	44,684,857

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	Note	2023 Rs '000	2022 Rs '000
18.2 Other investments			
Fair value through other comprehensive income (FVOCI) - unquoted			
Thuraya Satellite Telecommunication Company - Dubai, UAE			
3,670,000 (December 31, 2022: 3,670,000) ordinary shares of AED 1 each		63,900	63,900
Less: accumulated impairment loss on investment		(32,473)	(32,473)
		31,427	31,427
Alcatel - Lucent Pakistan Limited - Islamabad			
2,000,000 (December 31, 2022: 2,000,000) ordinary shares of Rs 10 each		20,000	20,000
		51,427	51,427

19. Long term loans and advances - considered good

	Note	2023 Rs '000	2022 Rs '000
Loans to PTML - unsecured	19.1	23,250,000	17,250,000
Loans to Ubank - unsecured	19.1	1,200,000	1,200,000
Loans to employees - secured	19.2	1,498,324	1,434,188
Imputed interest		(345,027)	(305,238)
		1,153,297	1,128,950
		25,603,297	19,578,950
Others		9,449,178	2,927,483
		35,052,475	22,506,433
Current portion shown under current assets			
Loans to subsidiaries - unsecured	24	(2,500,000)	(2,000,000)
Loans to employees - secured	24	(327,293)	(325,137)
		(2,827,293)	(2,325,137)
		32,225,182	20,181,296

NOTES TO AND FORMING PART OF THE
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19.1 These represent various unsecured loans given to PTML and Ubank under subordinated debts agreements, from 2017 to 2023 on following terms:

	PTML							U Bank
	First loan	Second loan	Third loan	Fourth loan	Fifth loan	Sixth loan	Seventh loan	First loan
Disbursement Date	December 04, 2017	August 03, 2018	December 24, 2019	July 20, 2022	October 28, 2022	April 18, 2023	August 24, 2023	December 31, 2018
Loan (Rs '000)	5,000,000	1,000,000	1,500,000	4,000,000	7,500,000	4,500,000	3,500,000	2,200,000
Mark-up Rate - 3 months KIBOR Plus	24 basis points	25 basis points	60 basis points	50 basis points	50 basis points	50 basis points	50 basis points	200 basis points
Grace Period	4 years	4 years	4 years	4 years	4 years	4 years	4 years	5 years
Repayment method	Twelve equal quarterly installments	Twelve equal quarterly installments	Twelve equal quarterly installments	Twelve equal quarterly installments	Twelve equal quarterly installments	Twelve equal quarterly installments	Twelve equal quarterly installments	Four equal semi annual installments
Due date of first installment	March 04, 2022	November 04, 2022	March 24, 2024	October20, 2026	January 28, 2027	July 18, 2026	November 24, 2027	June 30, 2024

Maximum amount of outstanding subsidary loans at any time during the year was Rs. 25,366,667 thousand (December 31, 2022: Rs. 18,950,000 thousand)

19.2 Reconciliation of carrying amounts of loans to executives and other employees:

	As at January 01,2023 Rs '000	Disbursements Rs '000	Repayments Rs '000	As at December 31,2023 Rs '000
Executives	70,921	190,046	(98,384)	162,583
Other employees	1,363,267	253,819	(281,345)	1,335,741
	1,434,188	443,865	(379,729)	1,498,324

	As at January 01, 2022 Rs '000	Disbursements Rs '000	Repayments Rs '000	As at December 31, 2022 Rs '000
Executives	149,593	11,604	(90,276)	70,921
Other employees	1,500,144	188,806	(325,683)	1,363,267
	1,649,737	200,410	(415,959)	1,434,188

Maximum amount of loan to executives and other employees outstanding at any time during the year:

	2023 Rs '000	2022 Rs '000
Executives	282,377	137,431
Other employees	1,253,363	1,500,323

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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19.3 These loans and advances are for house building and purchase of vehicles and motor cycles. These loans are recoverable in equal monthly installments spread over a period of 5 to 10 years and are secured against retirement benefits of the employees.

Loans to executive employees include loan balances of key management personnel aggregating Rs 34,525 thousand (December 2022: 34,174 thousand).

List of key management personnel having outstanding balances of loans up till December 31, 2023 are as under:

No. Name of employees No. Name of Employees

No.	Name of employees	No.	Name of Employees
1	Mr. Aamer Ejaz	13	Mr. Muhammad Basharat Qureshi
2	Mr. Abdullah Hameed	14	Mr. Muhammad Fahim Ur Rehman
3	Mr. Amjad Iqbal	15	Mr. Muhammad Shehzad Yousuf
4	Mr. Arslan Haider	16	Mr. Muhammad Umar Ilyas
5	Mr. Ch Mudasser Shafiq	17	Mr. Naveed Akhtar
6	Mr. Dr Muhammad Shafiq Ur Rehman	18	Mr. Saleem Ullah Baig
7	Mr. Ishtiaq Naveed Gill	19	Mr. Salman Ali Bajwa
8	Mr. Mian Omer Shah	20	Mr. Syed Muhammad Imran Ali
9	Mr. Mohammad Nadeem Khan	21	Mr. Syed Muhammad Shoaib
10	Mr. Mubashir Naseer Ch.	22	Mr. Yasir Manzoor
11	Mr. Muhammad Amer Shafique	23	Mr. Zain Ul Abideen
12	Mr. Muhammad Amir Siddiqi		

The maximum aggregate amount of loans to key management personnel outstanding at any time during the year was Rs 36,194 thousand (December 31, 2022: Rs. 58,541 thousand).

	2023 Rs '000	2022 Rs '000
20. Deferred income tax		
Deferred tax asset / (liability) relating to:		
Taxable temporary difference		
Accelerated tax depreciation	(6,997,072)	(7,202,244)
Accelerated tax amortization	(100,543)	(151,329)
Contract cost	(805,278)	(851,140)
Right of use assets	(492,682)	(586,647)
Deductible temporary difference		
Provision for obsolete stores	58,076	275,483
Impairment loss on trade debts and other receivables	1,981,969	2,909,936
Liabilities claimable on payment	6,006,333	3,163,918
Lease liabilities	487,987	534,301
Long term investment and other receivables	215,696	-
Minimum tax	2,381,292	-
Others	9,417	9,417
	2,745,195	(1,898,305)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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		Note	2023 Rs '000	2022 Rs '000
20.1	**Movement during the year**			
	Balance at the beginning of the year		(1,898,305)	(2,897,782)
	Charge / (Reversal) for the year in respect of			
	Accelerated tax depreciation		205,172	(338,517)
	Accelerated tax amortization		50,786	20,498
	Provision for obsolete stores		(217,407)	(31,385)
	Impairment loss on trade debts and other receivables		(927,967)	394,745
	Right of use assets		93,965	(23,363)
	Lease liabilities		(46,314)	-
	Contract cost		45,862	(525,356)
	Long term investment and other receivables		215,696	-
	Liabilities claimable on payment		2,842,415	1,074,739
	Minimum tax		2,381,292	
	Recognized in statement of profit or loss		4,643,500	571,361
	Recognized in retained earnings on change in accounting policy		-	428,116
	Balance at end of the year		2,745,195	(1,898,305)

21. Contract cost

		Note	2023 Rs '000	2022 Rs '000
	Cost to obtain a contract		454,110	449,524
	Cost to fulfil a contract		2,322,710	2,129,689
		21.1	2,776,820	2,579,213
	Current maturity of contract costs		(2,593,728)	(2,416,657)
			183,092	162,556
21.1	**Movement during the year**			
	Balance at the beginning of the year		2,579,213	2,323,579
	Capitalization during the year		4,232,159	3,989,450
			6,811,372	6,313,029
	Amortization during the year	30	(4,034,552)	(3,733,816)
	Balance at end of the year		2,776,820	2,579,213

22. Stores and spares

		Note	2023 Rs '000	2022 Rs '000
	Stores and spares		9,633,528	8,471,386
	Provision for obsolescence	22.1	(200,263)	(834,799)
			9,433,265	7,636,587
22.1	**Provision for obsolescence**			
	Balance at beginning of the year		834,799	1,058,165
	Reversal during the year	22.2	(634,536)	(223,366)
	Balance at end of the year		200,263	834,799

22.2 The company has reversed Rs. 634,536 thousand (December 31, 2022 : Rs. 223,366 thousand) of the store and spares provision in the current year. These items have been disposed of for Rs. 624,703 thousand (December 31, 2022 Rs. 217,815 thousand) and consumed for Rs. 9,833 thousand (December 31, 2022 Rs. 5,551 thousand).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	Note	2023 Rs '000	2022 Rs '000
23. Trade debts and contract assets - unsecured			
Trade debts		46,903,456	33,944,416
Contract asset		5,683,902	5,349,060
		52,587,358	39,293,476
Domestic			
Considered good	23.1	14,531,971	11,816,749
Considered doubtful		6,776,902	8,039,691
		21,308,873	19,856,440
International			
Considered good	23.2	38,055,387	27,476,728
Considered doubtful		57,475	57,475
		38,112,862	27,534,203
		59,421,735	47,390,643
Expected credit loss on trade debts and contract assets	23.3	(6,834,377)	(8,097,166)
	23.4	52,587,358	39,293,476

23.1 These include amounts due from the following related parties:

	Maximum aggregate amount Rs '000	Up to 6 months Rs '000	More than 6 months Rs '000	2023 Rs '000	2022 Rs '000
Pak Telecom Mobile Limited	-	-	-	-	152,645
U Microfinance Bank Limited	96,054	91,214	4,197	95,411	4,324
GoP related entities	4,171,000	2,017,000	2,154,000	4,171,000	3,163,535
	4,267,054	2,108,214	2,158,840	4,267,054	3,320,504

23.2 These include amounts due from the following related parties:

	Maximum aggregate amount Rs '000	Up to 6 months Rs '000	More than 6 months Rs '000	2023 Rs '000	2022 Rs '000
Emirates Telecommunication Corporation	36,387,482	4,258,951	32,128,531	36,387,482	25,306,481
Etisalat - Afghanistan	638,348	-	638,348	638,348	500,441
GoP related entities	205,219	199,239	-	199,239	205,219
	37,231,049	4,458,190	32,766,879	37,225,069	26,012,141

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2023 Rs '000	2022 Rs '000
23.3 Expected credit loss on trade debts and contract assets		
Balance at beginning of the year	8,097,166	7,010,992
Expected credit loss on trade debts and contract assets	1,619,174	1,707,110
Recognised due to change in accounting policy	-	1,297,322
Recovery of Defence Saving Certificates	-	4,120
	1,619,174	3,008,552
	9,716,340	10,019,544
Write off against expected credit loss on trade debts and contract assets	(2,881,963)	(1,922,378)
Balance at end of the year	6,834,377	8,097,166

23.4 These amounts are interest free and are accrued in the normal course of business.

	Note	2023 Rs '000	2022 Rs '000
24. Loans and advances - considered good			
Current portion of long term loans to employees	19	327,293	325,137
Current portion of long term loans to subsidiaries	19	2,500,000	2,000,000
Advances to suppliers and contractors	24.1	1,801,149	3,018,410
		4,628,442	5,343,547

24.1 These include Rs 26,774 thousand (December 31, 2022: Rs 26,774 thousand) to TF Pipes Limited, a related party.

	Note	2023 Rs '000	2022 Rs '000
25. Income tax recoverable			
Balance at beginning of the year		5,687,108	8,901,729
Current tax charge for the year - profit or loss		(9,158,894)	(5,030,491)
Tax impact on re-measurement gains /(loss) - OCI		31,202	(106,734)
Tax paid during the year		2,597,890	1,922,604
		(842,694)	5,687,108
Tax receivable on behalf of subsidiaries under group taxation	11.4	23,441,504	15,451,262
Balance at end of the year		22,598,810	21,138,370

26. Receivable from the Government of Pakistan (GoP)

This represents the balance amount receivable from the Government of Pakistan, on account of its agreed share in the Voluntary Separation Scheme, offered to the Company's employees during the year ended June 30, 2008.

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
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	Note	2023 Rs '000	2022 Rs '000
27. Prepayments and other receivables			
Prepayments			
- Pakistan Telecommunication Authority - related party		29,060	26,903
- Others		892,752	106,554
		921,812	133,457
Other receivables			
Due from related parties	27.1	17,506,660	14,432,768
Funded pension	7.1	6,251,822	3,189,002
Gratuity - funded	7.1	-	30,261
Federal Excise Duty (FED)	27.2	2,816,935	2,816,935
Others	27.7	1,620,477	1,087,008
		29,117,706	21,689,431

		Note	Maximum aggregate amount Rs '000	Up to 6 months Rs '000	More than 6 months Rs '000	2023 Rs '000	2022 Rs '000
27.1	Pak Telecom Mobile Limited	27.4	15,644,135	421,025	12,462,611	12,883,636	10,359,661
	DVCOM Data (Pvt) Limited	27.5	2,823,528	416	2,823,112	2,823,528	2,796,913
	Emirates Telecommunication Corporation		71,305	-	71,305	71,305	71,305
	Interest on subordinated loan to PTML		848,909	245,777	603,132	848,909	420,764
	Interest on subordinated loan to Ubank		280,161	152,199	127,962	280,161	184,491
	Pakistan Telecommunication Employees Trust		15,694	1,326	-	1,326	15,366
	U Microfinance Bank Limited	27.6	596,054	13,416	582,638	596,054	582,637
	Smart Sky (Pvt) Limited		1,741	110	1,631	1,741	1,631
			20,281,527	834,269	16,672,391	17,506,660	14,432,768

		Note	2023 Rs '000	2022 Rs '000
27.2	Federal Excise Duty		3,283,111	3,283,111
	Provision for doubtful amount		(466,176)	(466,176)
		27.3	2,816,935	2,816,935

27.3 This represents payments under protest on account of FED on interconnect charges. The Honourable Supreme Court has decided the case in favor of PTCL.

27.4 This amount includes TSA fee receivable from PTML Rs 10,574,719 thousand (December 31, 2022: Rs 7,943,096 thousand).

27.5 This amount is net off provision for impairment of Rs. 535,000 thousand (December 31, 2022: 535,000 thousand).

27.6 This includes receivable from U Bank of Rs. 580,331 thousand (December 31, 2022: Rs 580,331 thousand) and Smart sky of Rs. 1,031 thousand (December 31, 2022: Rs. 1,031 thousand) on account of group taxation.

27.7 This amount is net off provision for impairment of Rs. 185,239 thousand (December 31, 2022: 185,239 thousand).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,2023

	Note	2023 Rs '000	2022 Rs '000
28. Cash and bank balances			
Cash in hand		163,532	367,188
Balances with banks:			
Deposit accounts - local currency	28.1	984,056	877,538
Current accounts			
Local currency		2,105,847	988,975
Foreign currency- USD 24,040 thousand (December 31, 2022: USD 15,242 thousand)		6,775,882	3,451,254
		8,881,729	4,440,229
	28.2	10,029,317	5,684,955

28.1 The balances in deposit accounts, carry mark-up ranging between 7.00% and 20.5% (December 31, 2022: 8.25% and 14.50%) per annum. These deposit accounts include Rs 690 thousand (December 31, 2022: Rs. 580,797 thousand) with U Microfinance Bank Limited - a related party. The maximum aggregate amount outstanding at any time during the year amounts to Rs 805,296 thousand.

28.2 Bank balance includes Rs. 68 thousand (December 31, 2022: Rs. 862 thousand) carrying profit at the rate of 11.1% (December 31, 2022: 7%) per annum from Shariah arrangements.

	Note	2023 Rs '000	2022 Rs '000
29. Revenue			
Broadband and IPTV		41,184,622	35,268,813
Voice services		8,254,353	9,016,356
Wireless data		1,664,009	2,118,514
Revenue from retail customers		51,102,984	46,403,683
Corporate and wholesale		34,872,807	28,316,010
International		10,290,923	8,724,305
Total revenue	29.1	96,266,714	83,443,998

29.1 Revenue is stated net of trade discount amounting to Rs 38,032 thousand (December 31, 2022 Rs 53,405 thousand) and Federal Excise Duty and sales tax amounting to Rs 15,074,900 thousand (December 31, 2022: Rs 13,387,459 thousand). International revenue represents revenue from foreign network operators, for calls that originate outside Pakistan. Revenue amounting to Rs. 1,115,260 thousand (2022: Rs. 1,080,722 thousand) has been recognized during the year from opening contract liability.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	Note	2023 Rs '000	2022 Rs '000
30. Cost of services			
Staff cost	30.1	16,892,741	14,547,380
Outsourced staff cost		2,395,431	2,039,100
Interconnect costs		1,269,678	1,529,220
Foreign operators costs and satellite charges		8,063,539	6,455,027
Fuel and power		10,411,431	8,020,102
Cost of devices sold		2,546,212	1,581,459
Amortization of contract costs	21.1	4,034,552	3,733,816
Rent, rates and taxes		1,926,067	1,839,089
Repairs and maintenance and IT cost		7,218,028	5,916,154
Annual license fee and regulatory charges	30.2	2,482,841	2,084,763
Security service charges		734,980	720,095
Depreciation on property, plant and equipment	15.5	16,528,561	15,444,105
Depreciation on ROU assets	16	597,076	524,525
Amortization of intangible assets	17	816,231	621,887
Other expenses		184,371	154,593
		76,101,739	65,211,315

30.1 This includes Rs 3,740,687 thousand (December 31, 2022: Rs 3,060,476 thousand) in respect of employees retirement benefits.

30.2 This represents the Company's contribution to the National Information Communication Technology Research and Development Fund (National ICT R&D Fund), Universal Service Fund (USF), annual license fee and other regulatory charges, in accordance with the terms and conditions of it's license to provide telecommunication services.

	Note	2023 Rs '000	2022 Rs '000
31. Administrative and general expenses			
Staff cost	31.1	2,878,187	2,478,585
Outsourced staff cost		57,261	48,743
Fuel and power		466,205	414,465
Rates and taxes		230,861	239,388
Repairs and maintenance cost		326,354	263,903
Gas and water		128,551	102,568
Travelling and conveyance		141,374	117,446
Technical services assistance fee	31.2	3,148,385	2,949,999
Legal and professional charges	31.3	589,622	417,797
Billing and printing expenses		412,312	383,232
Depreciation on property, plant and equipment	15.5	218,522	217,118
Other expenses		210,777	190,513
		8,808,411	7,823,757

31.1 This includes Rs 639,854 thousand (December 31, 2022: Rs 521,444 thousand) in respect of employees retirement benefits.

31.2 This represents the Company's share of the amount payable to Etisalat - UAE, a related party, under an agreement for technical services, at the rate of 3.5%, of the PTCL Group's consolidated revenue.

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		Note	2023 Rs '000	2022 Rs '000
31.3	**This includes auditors' remuneration**			
	Statutory audit, including half yearly review		10,800	9,300
	Out of pocket expenses		700	600
			11,500	9,900
32.	**Selling and marketing expenses**			
	Staff cost	32.1	2,368,969	2,040,067
	Outsourced staff cost		728,491	620,125
	Advertisement and publicity	32.2	750,713	624,755
	Sales and distribution charges		890,567	402,030
	Depreciation on property, plant and equipment	15.5	133,692	134,219
			4,872,432	3,821,196

32.1 This includes Rs 541,415 thousand (December 31, 2022: Rs 429,189 thousand) in respect of employees retirement benefits.

32.2 It includes donation Rs. 5,000 thousand (December 31, 2022: Rs 39,979 thousand). Donations that exceed Rs 1,000 thousand are given to the parties given hereunder :

		Note	2023 Rs '000	2022 Rs '000
	Name of Donees			
	Rashid Khan Trust		5,000	-
	Prime Minister flood relief fund		-	20,000
	PTCL Employees flood affectee		-	10,000
	Pakistan Red Crescent		-	2,500
	Akhuwat Foundation		-	2,500
			5,000	35,000
33.	**Other income**			
	Income from financial assets:			
	Return on bank deposits	33.1	278,778	144,453
	Late payment surcharge from subscribers		14,539	131,570
	Interest on subordinated long term loan to subsidiaries		4,976,955	1,598,568
	Exchange gain		3,870,271	3,219,080
	Imputed Interest on employee loans		-	21,645
	Dividend income from U Bank		443,743	195,286
			9,584,286	5,310,602
	Income from non-financial assets:			
	Government grants recognised		582,796	1,181,356
	Re-chargeable projects income		1,087,626	177,419
	Gain on disposal of property, plant and equipment		5,898,105	2,552,347
	Scrap sales		1,673,036	1,124,766
	Rental income		370,809	314,039
	Others		212,924	143,098
			19,409,582	10,803,627

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FOR THE YEAR ENDED DECEMBER 31,2023

33.1 Income from financial assets include Rs 63 thousand (December 31, 2022: Rs 117 thousand) earned from Shariah arrangements.

	Note	2023 Rs '000	2022 Rs '000
34. Finance and other costs			
Bank and other charges		190,526	170,600
Interest on long term Loans		8,235,281	874,068
Interest on running finance		1,740,054	425,387
Impairment of receivable from subsidiary - DVCOM Data		-	535,000
Imputed Interest on employee loans		39,789	-
Interest on lease liabilities		162,953	166,678
		10,368,603	2,171,733
35. Taxation			
Current tax			
Current year		5,604,855	5,910,959
Prior year		3,554,039	(880,468)
		9,158,894	5,030,491
Deferred tax			
Current year		(1,432,079)	(972,354)
Prior year		(3,211,421)	400,993
	20.1	(4,643,500)	(571,361)
		4,515,394	4,459,130

	2023	2022
35.1 Reconciliation of effective tax rate		
Profit before tax (Rupees in thousand)	13,905,937	13,512,514
	Percentage	**Percentage**
Applicable tax rate	29.00	33.00
Super tax	2.46	-
Effect of change in tax rate	(1.66)	-
Others	2.67	-
	3.47	-
Average effective tax rate	32.47	33.00

The super tax rate was enhanced from 4 to 10 percent vide Finance Act 2023, applicable from financial year 2022. Company has obtained interim order dated 03.10.2023 from IHC bearing WP No. 3032/2023 and has not provided for differential 6 percent charge for financial year 2022 based on legal advise.

		2023	2022
36. Earnings per share - basic and diluted			
Profit for the year	Rupees in thousand	9,390,543	9,053,384
Weighted average number of ordinary shares	Numbers in thousand	5,100,000	5,100,000
Earnings per share	Rupees	1.84	1.78

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37. Non-funded finance facilities

The Company has non funded financing facilities available with banks, which include facilities to avail letters of credit and letters of guarantee. The aggregate facility of Rs 27,600,000 thousand (December 31, 2022: Rs 25,232,000 thousand) and Rs 18,350,000 thousand (December 31, 2022: Rs 17,718,000 thousand) is available for letters of credit and letters of guarantee respectively, out of which the facility availed at the year end is Rs 13,448,900 thousand (December 31, 2022: Rs 12,580,000 thousand) and Rs 11,098,373 thousand (December 31, 2022: Rs 11,558,806 thousand) respectively. The letter of guarantee facility is secured by a hypothecation charge over certain assets of the Company, amounting to Rs 125,650,000 thousand (December 31, 2022: Rs 118,316,667 thousand).

	Note	2023 Rs '000	2022 Rs '000
38. Cash generated from operating activities			
Profit before tax		13,905,937	13,512,514
Adjustments for non-cash charges and other items:			
Depreciation of property, plant and equipment		16,880,775	15,795,442
Impairment of property, plant and equipment		66,457	59,538
Amortization and impairment of intangible assets		816,231	621,887
Depreciation of right of use assets		597,076	524,525
Amortization of contract cost		4,034,552	3,733,816
Reversal for provision of obsolete stores and spares		(9,323)	(12,297)
Impairment loss on trade debts and contract assets		1,619,174	1,707,110
Provision for employees retirement benefits		4,921,957	4,011,110
Gain on disposal of property, plant and equipment		(5,898,105)	(2,552,347)
Return on bank deposits		(278,778)	(144,453)
Imputed interest on long term loans		39,789	(21,645)
Imputed interest on lease liabilities		162,953	166,678
Return on subordinated long term loans to subsidiaries		(4,976,955)	(1,598,568)
Interest on long term Loans-Syndicate Partners		8,235,281	874,068
Interest on short term running finance		1,740,054	425,387
Dividend income		(443,743)	(195,286)
Unearned revenue realised		(166,615)	(159,574)
Release of deferred government grants		(582,796)	(1,181,356)
Exchange gain		(3,013,171)	(2,700,050)
		37,650,750	32,866,499
Effect of cash flows due to working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		(1,787,355)	(2,049,250)
Trade debts and contract assets		(10,370,632)	(10,900,908)
Loans and advances		1,217,262	(196,685)
Prepayments and other receivables		(3,893,660)	(3,162,461)
		(14,834,385)	(16,309,304)
Increase in current liabilities:			
Trade and other payables		6,088,489	14,578,723
Security deposits		9,607	15,287
Cash generated from operating activities		28,914,461	31,151,205
39. Cash and cash equivalents			
Cash and bank balances	28	10,029,317	5,684,955
Short term running finance	12	(24,214,700)	(92,582)
		(14,185,383)	5,592,373

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39.1 Reconciliation of movement of liabilities to cash flow arising from financing activities.

	Liabilities		Long term	
	Lease liabilities	Unpaid / unclaimed dividend	loans from banks	Total
	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at January 01, 2023	1,619,093	209,814	22,448,367	24,277,274
Addition during the year	681,225	-	-	681,225
Changes from financing cash flow	(617,604)	(558)	20,337,066	19,718,904
Total liability related changes	-	-	8,235,281	8,235,281
Balance as at December 31, 2023	1,682,714	209,256	51,020,714	52,912,684
Balance as at January 01, 2022	1,728,811	210,317	-	1,939,128
Addition during the year	383,457	-	-	383,457
Changes from financing cash flow	(493,175)	(503)	21,574,299	21,080,621
Total liability related changes	-	-	874,068	874,068
Balance as at December 31, 2022	1,619,093	209,814	22,448,367	24,277,274

40. Remuneration of Directors, Chief Executive Officer and Executives

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

	Chairman		Chief Executive Officer		Executives			
					Key management personnel		Other executives	
	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000
Managerial remuneration	-	-	92,698	87,281	281,980	342,764	2,164,167	853,204
Honorarium	300	300	-	-	-	-	-	-
Retirement benefits	-	-	-	-	30,095	31,379	193,482	74,807
Medical	-	-	-	-	33,497	-	177,310	-
Housing	-	-	66,739	48,200	-	100,243	1,805	216,086
Utilities	-	-	22,943	6,419	41,181	53,068	1,686	49,291
	300	300	182,380	141,900	386,753	527,454	2,538,450	1,193,388
Bonus paid	-	-	67,746	19,384	92,898	101,918	493,056	192,979
	300	300	250,126	161,284	479,651	629,372	3,031,506	1,386,367
Number of persons	1	1	1	1	35	36	822	339

The Company also provides free medical and limited residential telephone facilities, to all its Executives, including the Chief Executive Officer (CEO). The Chairman is entitled to free transport and a limited residential telephone facility, whereas, the Directors of the Company are provided only with limited telephone facilities; certain executives are also provided with the Company maintained cars. Approximate value of medical and car facility is Rs.87,672 thousand (December 31, 2022 : Rs. 52,551 thousand).

Aggregate amount charged in the financial statements for the year ended December 31, 2023 as fee to 9 directors including chairman fee is Rs 156,441 thousand (December 31, 2022: Rs 80,245 Thousand) for attending Board of Directors and sub-committee meetings.

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41. Rates of exchange

Assets in US dollars have been translated into Rupees at USD 1 = Rs 281.86 (December 31, 2022: USD 1 = Rs 226.43), while liabilities in US dollars have been translated into Rupees at USD 1 = Rs 281.86 (December 31, 2022: USD 226.43).

42. Employees' provident fund

Investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

43 Financial instruments and risk management

43.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board has prepared a 'Risk Management Policy' covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of this policy.

(a) Market risk

(i) Currency risk

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

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Arab Emirates Dirham (AED), EURO (EUR) and Chinese Yuan (CNY). Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable from / payable to foreign entities. The Company's exposure to currency risk is as follows:

	2023 Rs '000	2022 Rs '000
USD		
Trade and other payables	(12,247,473)	(9,201,072)
Trade debts	38,321,795	27,609,057
Cash and bank balances	6,775,882	3,451,254
Net exposure	32,850,204	21,859,239
AED		
Trade and other payables	(5,570)	(4,351)
EUR		
Trade and other payables	(617)	(5,576)
CNY		
Trade and other payables	-	(145)

The following significant exchange rates were applied during the year:

	2023	2022
Rupees per USD		
Average rate	279.98	204.52
Reporting date rate	281.86	226.43
Rupees per AED		
Average rate	76.23	55.68
Reporting date rate	76.74	61.65
Rupees per EUR		
Average rate	302.74	214.53
Reporting date rate	311.50	241.31
Rupees per CNY		
Average rate	39.55	30.32
Reporting date rate	39.63	32.57

If the functional currency, at the reporting date, had fluctuated by 5% against the USD, AED, EUR and CNY with all other variables held constant, the impact on profit after taxation for the year would have been Rs 1,116,033 thousand (December 31, 2022: Rs 775,645 thousand) respectively lower / higher, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is exposed to equity securities price risk, because of the investments held by the Company in money market mutual funds, and classified in the statement of financial position as FVTPL. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio.

If redemption price on mutual funds, at the year end date, fluctuate by 5% higher / lower with all other variables held constant, total comprehensive income for the year would have been Rs Nil (December 31, 2022: Rs. Nil) higher / lower, mainly as a result of higher / lower redemption price on units of mutual funds.

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(iii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

	2023 Rs '000	2022 Rs '000
Financial assets		
Fixed rate instruments:		
Staff loans	1,498,324	1,434,188
Bank balances - deposit accounts	984,056	877,538
	2,482,380	2,311,726
Variable rate instruments:		
Subordinated long term loan to PTML	23,250,000	17,250,000
Subordinated long term loan to Ubank	1,200,000	1,200,000
	24,450,000	18,450,000
Financial liability		
Variable rate instruments:		
Syndicate Term Finance Facility	51,020,714	22,448,367
	51,020,714	22,448,367

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value. Therefore, a change in interest rates at the date of the statement of financial position would not affect the total comprehensive income of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on long-term loans to subsidiaries (PTML and U-Bank) and syndicate term finance facilty (PTCL) at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rs 420,687 thousand (December 31, 2022: Rs 134,726 thousand) higher / lower, mainly as a result of higher / lower mark-up income on floating rate loans / investments.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party, by failing to discharge an obligation. The maximum exposure to credit risk at the reporting date is as follows:

	2023 Rs '000	2022 Rs '000
Long term loans and advances	32,225,182	20,181,296
Trade debts and contract assets	52,587,358	39,293,476
Loans and advances	2,827,293	2,325,137
Other receivables	19,127,137	15,519,776
Bank balances	9,865,785	5,317,767
	116,632,755	82,637,452

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The credit risk on liquid funds is limited, because the counter parties are banks with reasonably high credit ratings. In case of trade debts, the Company believes that it is not exposed to major concentrations of credit risk, as its exposure is spread over a large number of counter parties and subscribers. The long term loans include a sub-ordinated loan of Rs 23,250,000 thousand (December 31, 2022: Rs 17,250,000 thousand) to the subsidiary-PTML and a loan of Rs 1,200,000 thousand to the subsidiary U-bank (December 31, 2022: 2,200,000). Impairment loss on trade debts and contract assets arising from contract with customers amounts to Rs 1,619,174 thousand (December 31, 2022: Rs 1,707,110 thousand).

The credit quality of bank balances and short term investments, that are neither past due nor impaired, can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating
	Short term	Long term	Agency
National Bank of Pakistan	A-1+	AAA	PACRA
Bank Alfalah Limited	A-1+	AA+	PACRA
MCB Bank Limited	A-1+	AAA	PACRA
Soneri Bank Limited	A-1+	AA-	PACRA
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA
The Bank of Punjab	A-1+	AA+	PACRA
Habib Bank Limited	A-1+	AAA	VIS
Askari Bank Limited	A-1+	AA+	PACRA
Allied Bank Limited	A-1+	AAA	PACRA
United Bank Limited	A-1+	AAA	VIS
BankIslami Pakistan Limited	A-1	AA-	PACRA
Bank Al-Habib Limited	A-1+	AAA	PACRA
Faysal Bank Limited	A-1+	AA	PACRA
Citi Bank, N.A	P-1	Aa3	Moody's
Albaraka Bank (Pakistan) Limited	A-1	A+	VIS
Mobilink Microfinance Bank Limited	A-1	A	PACRA
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS
JS Bank Limited	A-1+	AA-	PACRA
Sindh Bank Limited	A-1	A+	VIS
Silk Bank Limited	A-2	A-	VIS
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA
Meezan Bank Limited	A-1+	AAA	VIS
The Bank of Khyber	A-1	A+	VIS
First Women Bank Limited	A-2	A-	PACRA
Samba Bank Limited	A-1	AA	VIS
U Microfinance Bank Limited	A-1	A+	VIS
Khushhali Microfinance Bank Limited	A-2	A-	VIS
Telenor Microfinance Bank Limited	A-1	A	VIS
Mutual funds			
HBL Cash Management Fund		AA+(f)	VIS
ABL Cash Management Fund		AA+(f)	VIS
UBL Cash Management Fund		AA+(f)	VIS

Due to the Company's long standing business relationships with these counterparties, and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

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(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company follows an effective cash management and planning policy to ensure availability of funds, and to take appropriate measures for new requirements.

The following are the contractual maturities of financial liabilities as at December 31, 2023:

	Carrying amount Rs '000	Less than one year Rs '000	One to five years Rs '000	More than five years Rs '000
Syndicate Term Finance Facility	51,020,714	(239,408)	49,260,122	2,000,000
Security deposits	616,031	616,031	-	-
Short term running finance	24,214,700	24,214,700	-	-
Trade and other payables	106,341,898	106,341,898	-	-
Unclaimed dividend	209,256	209,256	-	-
Current portion of long term loans from banks	239,408	239,408	-	-
Lease liabilities	2,454,927	579,921	1,472,424	402,582
	185,096,934	131,961,806	50,732,546	2,402,582

The following are the contractual maturities of financial liabilities as at December 31, 2022:

	Carrying amount Rs '000	Less than one year Rs '000	One to five years Rs '000	More than five years Rs '000
Syndicate Term Finance Facility	22,448,367	68,386	10,941,324	11,438,657
Security deposits	606,424	606,424	-	-
Short term running finance	92,582	92,582	-	-
Trade and other payables	89,738,143	89,738,143	-	-
Unclaimed dividend	209,814	209,814	-	-
Current portion of long term loans from banks	68,386	68,386	-	-
Lease liabilities	1,985,753	484,647	1,239,695	261,411
	115,149,469	91,268,382	12,181,019	11,700,068

43.2 Fair value of financial instruments

The carrying values of all financial assets and liabilities reflected in the financial statements, approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Fair value measurements are categorized into Level 1, 2 and 3 based on the degree to which the inputs to the fair value measurements are observable and significance of the inputs to the fair value measurement in its entirety, which is as follows:

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

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

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

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Details of the Company's assets' fair value hierarchy as at December 31, 2022 are as follows:

	Level 1 Rs '000	Level 2 Rs '000	Level 3 Rs '000	Total Rs '000
Long term other investments	-	-	51,427	51,427
Long term other investments	-	-	51,427	51,427

There has been no transfers from one level of hierarchy to another level during the year.

Measurement of fair value

Valuation techniques and significant unobservable inputs

Type	Valuation technique	Significant unobservable inputs	Sensitivity of input to fair value
Non listed equity investments - Thuraya Satellite Telecommunication Company	Discounted cash flows: The valuation model considers the present value of projected cash flows, discounted using long term discount rate that reflect the risk inherent to the investment in these equity instruments	Long term discount rate 9% (31 December 2022: 9%)	1% (31 December 2022: 1%) increase (decrease) in the discount rate would decrease (increase) the fair value by Rs. 5,545.0 thousand (Rs. 6,933.6 thousand) (31 December 2022: Rs.3,586.90 thousand (Rs. 4,385.70 thousand)
		Future free cash flows	1% (31 December 2022: 1%) increase (decrease) in the future free cash flows would increase (decrease) the fair value by Rs. 2,351.20 thousand (Rs. 2,263.90 thousand) (31 December 2022: Rs. 1,634.50 thousand (Rs. 1,585.70 thousand)
Non listed equity investments - Alcatel - Lucent Pakistan Limited	Discounted cash flows: The valuation model considers the present value of projected cash flows, discounted using long term discount rate that reflect the risk inherent to the investment in these equity instruments	Long term discount rate 15.5% (31 December 2022: 15.5%)	1% (31 December 2022: 1%) increase (decrease) in the discount rate would decrease (increase) the fair value by Rs.363,425.09 thousand (Rs. 413,155.68 thousand) (31 December 2022: Rs. 1,497,846.58 thousand (Rs. 2,524,034.06 thousand)
		Future free cash flows	1% (31 December 2022: 1%) increase (decrease) in the future free cash flows would increase (decrease) the fair value by Rs. 246,260.16 thousand (Rs. 231,748.09 thousand) (31 December 2022: Rs. 275,331.05 thousand (Rs. 256,565 thousand)

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	FVOCI - equity instruments Rs '000	FVTPL - equity instruments Rs '000	Assets at amortized cost Rs '000	Total Rs '000
43.3 Financial instruments by categories - 2023				
Financial assets as per statement of financial position				
Long term other investments	51,427	-	-	51,427
Long term loans and advances	-	-	32,225,182	32,225,182
Trade debts and contract assets	-	-	52,587,358	52,587,358
Loans and advances	-	-	4,628,442	4,628,442
Receivable from the Government of Pakistan	-	-	2,164,072	2,164,072
Other receivables	-	-	29,117,706	29,117,706
Cash and bank balances	-	-	10,029,317	10,029,317
Financial liabilities as per statement of financial position	Amortized cost			
Trade and other payables	132,624,828			
Securities deposits	616,031			
Unclaimed dividend	209,256			
Lease liabilities	1,682,714			

	FVOCI - equity instruments Rs '000	FVTPL - equity instruments Rs '000	Assets at amortized cost Rs '000	Total Rs '000
Financial instruments by categories - 2022				
Financial assets as per statement of financial position				
Long term other investments	51,427	-	-	51,427
Long term loans and advances	-	-	20,181,296	20,181,296
Trade debts and contract assets	-	-	39,293,476	39,293,476
Loans and advances	-	-	5,343,547	5,343,547
Receivable from the Government of Pakistan	-	-	2,164,072	2,164,072
Other receivables	-	-	21,689,431	21,689,431
Cash and bank balances	-	-	5,684,955	5,684,955
Financial liabilities as per statement of financial position	Amortized cost			
Trade and other payables	114,032,080			
Securities deposits	606,424			
Unclaimed dividend	209,814			
Lease liabilities	1,619,093			

43.4 Capital risk management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence, and to sustain the future development of the Company's business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

(ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

For working capital and capital expenditure requirements, the Company primarily relies on internal cash generation and does not have any significant borrowings.

44. Transactions with related parties

The Government of Pakistan and Etisalat International Pakistan (EIP), UAE are the majority shareholders of the Company. Additionally, the Company's subsidiaries Pak Telecom Mobile Limited, U Microfinance Bank Limited, DVCOM Data (Private) Limited, Smart Sky (Private) Limited, associate T.F. Pipes Limited, Directors, Chief Executive Officer, Key management personnel and employee funds are also related parties of the Company. The remuneration of the Directors, Chief Executive Officer and Executives is given in note 40 to the financial statements. The amounts due from and due to these related parties are disclosed in the respective notes including note 8, 9,11,13,18,19,23,24,25,26,27 and 28. The Company has also issued a letter of comfort and corporate guarantee in favour of PTML as disclosed in note 14.12. The Company had transactions with the following related parties during the year:

Particulars	Aggregate % of shareholding in the Company
Shareholders	
The Government of Pakistan	62.18%
Etisalat International Pakistan	26%
Subsidiaries	
Pak Telecom Mobile Limited	Not applicable
U Microfinance Bank Limited	Not applicable
DVCOM Data (Private) Limited	Not applicable
Smart Sky (Private) Limited	Not applicable
Associated undertakings	
Emirates Telecommunication Corporation - Ultimate Parent Company	Not applicable
Etisalat - Afghanistan	Not applicable
Etisalat - Egypt	Not applicable
Etihad Etisalat Company	Not applicable
TF Pipes Limited	Not applicable
Telecom Foundation	Not applicable
Employees retirement benefits plans	
Pakistan Telecommunication Employees Trust	Not applicable
Pakistan Telecommunication Company Limited General Provident Fund Trust	Not applicable
Pakistan Telecommunication Company Limited Employees Gratuity Fund	Not applicable
Other related parties	
Pakistan Telecommunication Authority	Not applicable
Universal Service Fund	Not applicable
National ICT R&D Fund	Not applicable
Pakistan Electronic Media Regulatory Authority	Not applicable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,2023

Chief Executive, directors and key management personnel

The Company also has transactions with Chief Executive Officer, directors and other key management personnel transactions with whom are disclosed in note 19 and 40 to these financial statements.

Following particulars relate to holding and associated companies incorporated outside Pakistan with whom the Company had entered into transactions during the year:

Names	Country of incorporation	Basis of association
- Holding Company		
Etisalat International Pakistan	United Arab Emirates	Holding Company
- Associated Companies		
Emirates Telecommunication Corporation	United Arab Emirates	Associate of the Holding Company
Etisalat - Afghanistan	Afghanistan	Associate of the Holding Company
Etisalat - Egypt	Egypt	Associate of the Holding Company
Etihad Etisalat Company (Mobily)	Kingdom of Saudi Arabia	Associate of the Holding Company

	2023 Rs '000	2022 Rs '000
Details of transactions with related parties		
Shareholders		
Technical services assistance fee	3,148,385	2,949,999
Subsidiaries		
Sale of goods and services	5,355,549	4,650,320
Purchase of goods and services	1,589,423	1,623,673
Mark up on long term loans	4,976,784	1,598,569
Dividend income	443,743	195,286
Long term loans to subsidiaries	8,000,000	11,500,000
Long term investment in subsidiaries	27,100,000	13,000,000
Repayment of Long term loan from Subsidiaries	2,000,000	1,750,000
Associated undertakings		
Sale of goods and services	8,698,356	6,363,481
Purchase of goods and services	1,002,461	691,672
Contribution to:		
Pakistan Telecommunication Employees Trust	959,087	822,813
PTCL Employees Gratuity Fund	-	308,994
Charge under license obligations	2,482,838	2,084,764

45. Offsetting of financial assets and liabilities

	Gross amount subject to offsetting	Offset	Net amount	Amount not in scope of offsetting	Net as per statement of financial position
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
As at December 31, 2023					
Trade debts	39,457,746	(1,351,055)	38,106,691	14,480,667	52,587,358
Trade creditors	(2,414,577)	1,351,055	(1,063,522)	15,655,662	16,719,184
As at December 31, 2022					
Trade debts	31,324,154	(6,079,952)	25,244,202	14,049,274	39,293,476
Trade creditors	(7,011,267)	6,079,952	(931,315)	17,029,800	17,961,115

46. Number of employees

	2023 (Number)	2022 (Number)
Total number of persons employed at end of the year	15,008	15,392
Average number of employees during the year	15,182	15,590

47. Corresponding Figures

Prior year figure have been re-arranged , wherever necessary, for better presentation and comparison. Reclassification of corresponding figures of the financial statements is given below:

Reclassification from	Reclassification to	2023 Rs '000
Loans and advances (Current assets)	Long term loans and advances (Non-current assets)	2,748,436
Contract Cost (Non-current asset)	Contract Cost (Current asset)	482,248
Contract liabilities (Non-current liability)	Trade and other payables (Current liability)	168,009

48. Date of authorization for issue

48.1 These financial statements were authorized for issue by the Board of Directors of the Company on February 13, 2024.

Chief Financial Officer

President & CEO

Chairman

Consolidated Financial Statements

NOTES

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the annexed consolidated financial statements of Pakistan Telecommunication Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 18.8 to the consolidated financial statements, which describes that the matters relating to certain employees' rights under the PTCL pension scheme are pending with various courts. The ultimate outcome of these matters cannot presently be determined and, accordingly, no provision for any effects on the Group that may result has been made in the consolidated financial statements. Our opinion is not modified in respect to this matter.

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited

Key Audit Matters

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

Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1	**Revenue from telecommunication and banking services** Refer notes 5.28 (a) and 35 to the consolidated financial statements. The Group has reported revenue amounting to Rs. 188,074 million mainly from telecommunication and banking services for the year ended December 31, 2023. The Group mainly provides telecommunication and banking services and there is an inherent risk around the accuracy of revenue recorded by the information technology systems given the complexity of the systems and the significance of volumes of data processed by the systems. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.	Our audit procedures to assess the recognition of revenue, amongst others, included the following: • Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue including testing key automated application and general information technology controls; • Testing the completeness and accuracy of relevant revenue reports generated from the information technology systems and reconciling those with the amounts recognised in the consolidated financial statements; • Comparing a sample of transactions comprising of various revenue streams recorded during the year with underlying supporting documents and cash receipts; • Assessing the appropriateness of accounting policies for revenue recognition for compliance with applicable financial reporting framework including application to the amounts recognized during the year; • Inspecting manual journal entries relating to revenue recognized during the year and the corresponding underlying documentation for those journal entries which met certain specified risk-based criteria; and • Considering the appropriateness of disclosures in the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited

S. No.	Key audit matters	How the matter was addressed in our audit
2	**Income tax recoverable** Refer notes 5.33 and 30 to the consolidated financial statements. As at December 31, 2023, income tax recoverable is stated at Rs. 32,355 million. The Group has a significant amount of income tax refundable arising mainly from payments of income tax in excess of income tax liabilities and a number of tax assessments are pending at different appellate forums. Because of the significance of the amount and inherent uncertainties associated, we considered income tax recoverable to be a key audit matter.	Our audit procedures in relation to the matter included: • Assessing the reasonableness of management's assessment with respect of the recoverability of income tax refundable through our tax specialist; • Inspecting the current status of significant pending tax matters, including the Group's assessment of the potential liabilities; • Comparing refund applications filed for refund of tax relating to preceding years with the amounts recorded in the consolidated financial statements; • Inspecting correspondence with tax authorities to identify any pending taxation matters relating to the years to which the refund relates; and • Assessing adequacy of disclosures in the consolidated financial statements. .
3	**Capitalization of property, plant and equipment** Refer notes 5.17(a) and 19 to the consolidated financial statements. The Group has recognized additions to property, plant and equipment amounting to Rs. 45,811 million during the current year. The Group continues to incur capital expenditure in connection with the expansion of its network coverage and improvements to network quality. The initial recognition and classification of property, plant and equipment and certain elements of expenditure as either assets or expenses involves subjective judgments or uncertainties.	Our audit procedures in relation to the matter, amongst others, included the following: • Assessing the design, implementation and operating effectiveness of key internal controls over capitalization of property, plant and equipment including transfers from capital work in progress to operating fixed assets; • Comparing, on sample basis, costs capitalized during the year with underlying supporting documentation; • Assessing the nature of cost incurred meet the criteria for capitalization under accounting framework; • Comparing, on sample basis, the cost of completed projects from capital work in progress to operating fixed assets with supporting documentation including completion certificates, where relevant, and comparing the date of capitalization with supporting documentation; • Testing the completeness and accuracy of fixed asset register and inspected its reconciliation with general ledger balances; and • Analyzing repair and maintenance ledger to identify any items that may meet the criteria for capitalization.

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited

S. No.	Key audit matters	How the matter was addressed in our audit
4	**Impairment of non-current assets of Pak Telecom Mobile Limited (PTML), a component of the Group** Refer to note 5.18 to the consolidated financial statements.. As at December 31, 2023, carrying amounts of property, plant and equipment, intangible assets and right of use assets amounts to Rs. 257,309 million, Rs. 59,366 and Rs. 14,819 million respectively out of which Rs. 109,418 million, Rs. 57,003 million and Rs. 10,133 million relates to property, plant and equipment, intangible assets and right of use assets (referred to as cash generating unit or "CGU") of Pak Telecom Mobile Limited (PTML), a component of the Group. In view of identified indicators for impairment of this CGU, management has carried out an assessment of recoverable amount of this CGU and concluded that no impairment is required to be recognized in the consolidated financial statements. We identified the impairment of CGU as a key audit matter because it involves significant management's judgment, subjective assumptions and estimates in determining the recoverable amount of CGU.	Our audit procedures in relation to the matter, amongst others, included the following: • Evaluating the design, implementation and operating effectiveness of internal controls over impairment assessment of non-current assets of Pak Telecom Mobile Limited (PTML). a component of the Group; • Evaluating the appropriateness of management's identification of components of CGU; • Comparing data used by management in the discounted cash flow projections with the forecasted revenue, operating expenses and capital expenditure as per approved business plan / financial projections; • Challenging management's assumptions and obtaining supporting evidence for the short-term growth rates and long-term steady growth rate to arrive at terminal value used in cash flow model; and • Involving our valuation specialist to assist us in evaluating management's impairment assessment methodology and calculations contained within the discounted cash flow forecasts including the appropriateness of the discount rate applied with reference to the applicable reporting framework.

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited

S. No.	Key audit matters	How the matter was addressed in our audit
5	**Allowance for expected credit loss (ECL) on advances** Refer notes 5.27.4 and 27 to the consolidated financial statements for accounting policy and disclosures relating to expected credit loss (ECL) against advances respectively. The Group's advances to customers represent advances extended by U Microfinance Bank Limited, a subsidiary of the Group. These advances are stated net of allowance for expected credit loss (ECL) against advances of Rs. 6,652 million as at December 31, 2023. The allowance for expected credit loss (ECL) against advances was identified as a key audit matter as it involves a considerable degree of management judgment and estimation uncertainty alongwith compliance with the regulatory requirements.	Our audit procedures in relation to the matter, amongst others, included the following: • Evaluating the accounting policy for expected credit loss (ECL) against advances in accordance with the requirements of applicable financial reporting framework; • Evaluating the design, implementation and operating effectiveness of internal control over classification and grading of customers; • Assessing ECL methodologies implemented by the Bank in relation to advances by reference to the requirements of applicable financial reporting framework; • Testing the accuracy of information used in ECL model; and • Assessing adequacy of disclosures as included in consolidated financial statements regarding allowance for expected credit loss (ECL) against advances. .
6	**Existence of loan and advances of U Microfinance Bank Limited (UBANK)** Refer to note 27 of the consolidated financial statements. As at December 31, 2023, the carrying amount of loans and advances extended by UBank amounted to Rs. 82,087 million. We have identified existence of loans and advances as a key audit matter because of significant volume of advances that require constant monitoring.	Our audit procedures, amongst others, included the following: • Obtaining an understanding of the process relating to disbursement of advances and testing the design, implementation and operating effectiveness of key internal controls over disbursement of advances; • Testing the sample selected by tracing the disbursed loan from the underlying supporting documents including approved application and repayment history of the borrower; • Assessing the appropriateness of accounting policies for advances for compliance with applicable financial reporting framework; and • Assessing adequacy of disclosures in consolidated financial statements.

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and the Board of Directors for the consolidated Financial Statements

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

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

The board of directors is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the consolidated Financial Statements

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Muhammad Danish.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

Islamabad
May 05, 2024
UDIN: AR202310245K5Fxf3pkB

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	Note	2023 Rs '000	2022 Rs '000 Restated
Equity and liabilities			
Equity			
Share capital and reserves			
Share capital	6	51,000,000	51,000,000
Revenue reserves			
General reserve		27,497,072	27,497,072
Accumulated Loss		(21,309,130)	(5,371,204)
		6,187,942	22,125,868
Statutory and other reserves		1,031,474	813,661
Unrealized (loss) / gain on investments measured at fair value through OCI		(39,198)	(2,015)
		58,180,218	73,937,514
Liabilities			
Non-current liabilities			
Long term loans from banks	7	98,551,603	77,660,322
Subordinated debt	8	577,894	448,980
Deposits from banking customers	9	20,331,391	1,273,020
Lease liabilities	10	12,933,697	13,210,365
Employees retirement benefits	11	34,656,221	29,313,934
Deferred government grants	12	32,074,477	29,425,104
Advances from customers		1,661,536	1,885,020
License fee payable	13	11,265,626	13,604,960
Long term vendor liability	14	50,806,408	43,919,757
		262,858,853	210,741,462
Current liabilities			
Trade and other payables	15	134,588,742	122,590,366
Deposits from banking customers	9	85,465,584	90,910,070
Interest accrued		4,973,189	1,916,674
Short term running finance	16	48,138,253	40,879,639
Current portion of:			
Long term loans from banks	7	25,294,133	46,045,679
Repo borrowing		-	29,659,932
Subordinated debt	8	850,238	1,001,247
Lease liabilities	10	4,071,005	5,117,222
License fee payable	13	125,862	164,459
Long term vendor liability	14	17,403,361	15,915,561
Security deposits	17	1,439,771	1,531,698
Unpaid / unclaimed dividend		209,256	209,814
		322,559,394	355,942,361
Total equity and liabilities		643,598,465	640,621,337
Contingencies and commitments	18		

The annexed notes 1 to 55 are an integral part of these consolidated financial statements.

Chief Financial Officer

President & CEO

Chairman

	Note	2023 Rs '000	2022 Rs '000 Restated
Assets			
Non-current assets			
Property, plant and equipment	19	257,309,044	230,063,134
Right of use assets	20	14,819,391	16,422,768
Intangible assets	21	59,366,749	64,167,468
		331,495,184	310,653,370
Long term investments	22	51,427	51,427
Long term loans and advances	23	10,275,182	3,731,296
Long term loans to banking customers	28	23,012,862	10,151,660
Deferred income tax	29	18,673,013	9,088,327
Contract costs	24	354,707	280,116
		383,862,375	333,956,196
Current assets			
Stock in trade, stores and spares	25	10,509,772	8,618,964
Trade debts and contract assets	26	56,377,374	41,375,661
Loans to banking customers	28	59,074,698	44,878,105
Loans and advances	27	2,704,285	3,530,222
Contract costs	24	4,254,928	3,620,360
Income tax recoverable	30	32,356,188	28,865,114
Receivable from the Government of Pakistan	31	2,164,072	2,164,072
Deposits, prepayments and other receivables	32	20,022,431	13,071,600
Short term investments	33	52,145,297	143,918,313
Cash and bank balances	34	20,127,045	16,622,730
		259,736,090	306,665,141
Total assets		643,598,465	640,621,337

Chief Financial Officer

President & CEO

Chairman

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023 Rs '000	2022 Rs '000 Restated
Revenue	35	188,074,785	151,019,513
Cost of services	36	(151,884,838)	(120,383,089)
Gross profit		36,189,947	30,636,424
Administrative and general expenses	37	(25,640,613)	(20,432,002)
Selling and marketing expenses	38	(10,734,108)	(8,536,663)
Impairment loss on trade debts and contract assets	39	(1,191,121)	(4,593,883)
		(37,565,842)	(33,562,548)
Operating loss		(1,375,895)	(2,926,124)
Other income	40	30,247,758	15,624,653
Finance costs and other expenses	41	(51,778,864)	(29,797,427)
Loss before tax		(22,907,001)	(17,098,898)
Income tax	42	7,362,767	6,184,091
Loss after tax		(15,544,234)	(10,914,807)
Earnings per share - basic and diluted (Rupees)	43	(3.05)	(2.14)

The annexed notes 1 to 55 are an integral part of these consolidated financial statements.

Chief Financial Officer

President & CEO

Chairman

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 Rs '000	2022 Rs '000 Restated
Loss for the year	(15,544,234)	(10,914,807)
Other comprehensive income for the year		
Items that will not be subsequently reclassified to consolidated statement of profit or loss:		
Remeasurement gain / (loss) on employees retirement benefits	(293,631)	273,949
Tax effect	87,539	(90,403)
	(206,092)	183,546
Items that may be subsequently reclassified to consolidated statement of profit or loss:		
Gain / (loss) on equity instruments arising during the year	(61,252)	9,243
Tax effect	24,069	(3,050)
Unrealized gain / (loss) on equity instrument - net of tax	(37,183)	6,193
	(243,275)	189,739
Impact of reversal of deficit on revaluation of investments held at fair value through other comprehensive income due to change in classification	-	265,694
Total comprehensive loss for the year	(15,787,509)	(10,459,374)

The annexed notes 1 to 55 are an integral part of these consolidated financial statements.

Chief Financial Officer

President & CEO

Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023 Rs '000	2022 Rs '000 Restated
Cash flows from operating activities			
Cash generated from operations	45	31,441,189	46,542,926
Employees retirement benefits paid		(2,217,817)	(2,162,374)
Deposits from banking customers		13,613,885	37,426,617
Advances from customers		(223,484)	233,160
Payment made to Pakistan Telecommunication Employees Trust (PTET)		(959,087)	(822,813)
Income tax paid		(5,657,722)	(6,641,127)
Net cash inflows from operating activities		35,996,964	74,576,389
Cash flows from investing activities			
Capital expenditure		(57,692,676)	(54,032,161)
Acquisition of intangible assets		(3,209,203)	(537,008)
Proceeds from disposal of property, plant and equipment		6,331,256	2,745,271
Additions to contract costs		(7,000,528)	(5,927,710)
Long term loans and advances		(6,585,831)	(2,770,081)
Short term investments		91,773,016	(97,353,793)
Return on long term loans and short term investments		13,493,813	5,995,172
Government grants received		4,952,587	11,551,499
Net cash generated from / (used in) investing activities		42,062,434	(140,328,811)
Cash flows from financing activities			
Loans from banks - net		(29,520,197)	73,490,587
Subordinated debt		(22,095)	(1,150,947)
Finance cost paid		(40,441,832)	(20,774,550)
License fee - repayments		(4,834,344)	(18,365,097)
Vendor liability - net		1,294,774	8,107,456
Lease liabilities - repayments		(8,289,445)	(5,803,820)
Dividend paid		(558)	(503)
Net cash (used in) / generated from financing activities		(81,813,697)	35,503,126
Net decrease in cash and cash equivalents		(3,754,299)	(30,249,296)
Cash and cash equivalents at beginning of the year		(24,256,909)	5,992,387
Cash and cash equivalents at end of the year	45.2	(28,011,208)	(24,256,909)

The annexed notes 1 to 55 are an integral part of these consolidated financial statements.

Chief Financial Officer

President & CEO

Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

	Issued, subscribed and paid-up capital			Revenue reserves				
	Class 'A'	Class 'B'	Total	General reserve	Unappropriated profit	Statutory and other reserves	Unrealized (loss)/gain on investments measured at fair value through OCI	Total
					(Rupees in '000)			
Balance as at January 01, 2022 as previously reported	37,740,000	13,260,000	51,000,000	27,497,072	5,495,430	789,313	(288,630)	84,493,185
Effect of restatement	-	-	-	-	(135,373)	4,178	-	(131,195)
Balance as atJanuary 01, 2022 (Restated)	37,740,000	13,260,000	51,000,000	27,497,072	5,360,057	793,491	(288,630)	84,361,990
Total comprehensive loss for the year								
Loss for the year (Restated)	-	-	-	-	(10,914,807)	-	-	(10,914,807)
Other comprehensive income - net of tax	-	-	-	-	183,546	-	286,615	470,161
	-	-	-	-	(10,731,261)	-	286,615	(10,444,646)
Statutory and other reserves	-	-	-	-	-	20,170	-	20,170
Balance as at December 31, 2022 (Restated)	37,740,000	13,260,000	51,000,000	27,497,072	(5,371,204)	813,661	(2,015)	73,937,514
Total comprehensive loss for the year								
Loss for the year	-	-	-	-	(15,544,234)	-	-	(15,544,234)
Other comprehensive loss - net of tax	-	-	-	-	(206,092)	-	(37,183)	(243,275)
	-	-	-	-	(15,750,326)	-	(37,183)	(15,787,509)
Statutory and other reserves	-	-	-	-	(187,600)	217,813	-	30,213
Balance as at December 31, 2023	37,740,000	13,260,000	51,000,000	27,497,072	(21,309,130)	1,031,474	(39,198)	58,180,218

The annexed notes 1 to 55 are an integral part of these consolidated financial statements.

Chief Financial Officer

President & CEO

Chairman

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. Legal status and nature of business

1.1 Constitution and ownership

The consolidated financial statements of the Pakistan Telecommunication Company Limited and its subsidiaries (the Group) comprise of the financial statements of:

Pakistan Telecommunication Company Limited (PTCL)

Pakistan Telecommunication Company Limited (the Holding Company) was incorporated in Pakistan on December 31, 1995 and commenced business on January 01, 1996. The Holding Company, which is listed on the Pakistan Stock Exchange Limited (PSX), was established to undertake the telecommunication business formerly carried on by Pakistan Telecommunication Corporation (PTC). PTC's business was transferred to the Holding Company on January 01, 1996 under the Pakistan Telecommunication (Re-organization) Act, 1996, on which date, the Holding Company took over all the properties, rights, assets, obligations and liabilities of PTC, except those transferred to the National Telecommunication Corporation (NTC), the Frequency Allocation Board (FAB), the Pakistan Telecommunication Authority (PTA) and the Pakistan Telecommunication Employees Trust (PTET). The registered office of the Holding Company is situated at PTCL Head Office, Room # 17, Ground Floor (Margalla Side),Ufone Tower, Plot No. 55-C, Main Jinnah Avenue Blue Area ,Sector F-7/1 Islamabad.

The Holding Company provides telecommunication services in Pakistan. It owns and operates telecommunication facilities and provides domestic and international telephone services and other communication facilities throughout Pakistan. The Holding Company has also been licensed to provide such services in territories of Azad Jammu and Kashmir and Gilgit-Baltistan.

During the year, the Holding Company has signed a Share Purchase Agreement with Telenor Pakistan B.V. (Telenor) to acquire a 100% stake in Telenor Pakistan (Pvt) Ltd (Telenor Pakistan) based on an Enterprise Value of PKR 108 billion on a cash free, debt free basis. The transaction will be financed by external debt which will be raised by the Holding Company. This transaction is subject to necessary corporate / regulatory approvals, completion of formalities / signing of necessary agreement(s) / instruments and customary closing.

Pak Telecom Mobile Limited (PTML)

PTML was incorporated in Pakistan on July 18, 1998, as a public limited company to provide cellular mobile telephony services in Pakistan. PTML commenced its commercial operations on January 29, 2001, under the brand name of Ufone. It is a wholly owned subsidiary of the Holding Company. The registered office of PTML is situated at Ufone Tower, Plot No 55-C, Jinnah Avenue, Blue Area, Islamabad.

U Microfinance Bank Limited (UBank)

The Holding Company acquired 100% ownership of UBank on August 30, 2012. UBank's principal business is to assist in simulating progress, prosperity and social peace in society through creation of income generating opportunities for the small entrepreneurs under the Microfinance Institutions Ordinance, 2001. UBank also provides branchless banking services. UBank was incorporated on October 29, 2003 as a public limited company. The registered office of UBank is situated at Jinnah Super Market, F-7 Markaz, Islamabad.

DVCOM Data (Private) Limited (DVCOM Data)

DVCOM Data was incorporated as a private limited company under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on 30 May 2017) on 27 March 2007. The principal activities of the DVCOM Data are to provide Wireless Local Loop (WLL) services in Pakistan under the license from Pakistan Telecommunication Authority (PTA). The registered office of DVCOM Data is located at Hatim Alvi Road, Clifton, Karachi.

Effective April 01, 2015, the Holding Company acquired 100% shareholding of DVCOM Data from DVCOM Limited and is the sole customer of the DVCOM Data.

Smart Sky (Private) Limited (Smart Sky)

Smart Sky was incorporated in Pakistan on October 12, 2015 as a private limited company. Smart Sky is a wholly owned subsidiary of the Holding Company. The registered office of Smart Sky is located at PTCL Headquarters, G-8/4, Islamabad.

1.2 Activities of the Group

The Group principally provides telecommunication and broadband internet services in Pakistan. The Holding Company owns and operates telecommunication facilities and provides domestic and international telephone services throughout Pakistan. The Holding Company has also been licensed to provide such services to territories in Azad Jammu and Kashmir and Gilgit-Baltistan. PTML provides cellular mobile telephony services throughout Pakistan and Azad Jammu and Kashmir. Principal business of UBank, incorporated under Microfinance Institutions Ordinance, 2001, is to provide nationwide microfinance and branchless banking services.

1.3 The principal business units of the Group include the following:

Business units	Geographical locations
PTCL Headquarters	Ufone Tower, Blue Area, F-7/1, Islamabad
PTCL Business Zone- North	Telecom House, F-5/1, Islamabad
PTCL Business Zone- Central	131, Tufail Road, Lahore
PTCL Business Zone- South	Hatim Alvi Road, Clifton, Karachi
PTML Headquarters	Ufone Tower, Blue Area, Islamabad
UBank Headquarters	F-7 Markaz, Islamabad
DVCOM Data	Hatim Alvi Road, Clifton, Karachi
Smart Sky	PTCL Office, G-8/4, Islamabad

2. Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.

- Provisions of and directives issued under the Companies Act, 2017.

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

The applicable financial reporting framework for the consolidated subsidiary U Microfinance Bank Limited (UBank) also includes the following:

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of the Chartered Accountants of Pakistan as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Microfinance Institutions Ordinance, 2001 (the MFI Ordinance) and the Companies Act, 2017; and

- directives issued by the State Bank of Pakistan (SBP) as well as Ubank's specific communication with SBP on specific matters and the directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Microfinance Institution Ordinance, 2001, Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, the requirements of the Microfinance Institution Ordinance, 2001, the Companies Act, 2017 and the said directives shall prevail.

The SBP has deferred the applicability of IAS 40- Investment Property for Banking Companies in Pakistan through BSD Circular Letter 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of IAS 40 'Investment Property and IFRS 7 'Financial Instruments. Disclosures through its notification S.RO 633(1)/2014 dated July 10, 2014. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

These financial statements are consolidated financial statements of the Group. In addition to these consolidated financial statements, the Holding Company and subsidiary companies (PTML, UBank, DVCOM Data and Smart Sky) prepare separate statutory financial statements.

2.1 Standards, interpretations and amendments adopted during the year

The following amendments to existing standards have been published that are applicable to the Group's financial statements covering year, beginning on or after the following dates:

a) New accounting standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2023.

The following standards, amendments and interpretations thereto as are notified under the Companies Act, 2017 became effective during the year and do not have any material effect on the financial statements of the Holding Company except as disclosed in note 5.

IFRS 17 Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.	Applicable to annual reporting periods beginning on or after 1 January 2023.

Amendments to IFRS 17

Amends IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 Insurance Contracts was published in 2017. The main changes are: - Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023; - Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk; - Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognized in a business acquired in a business combination;	Applicable to annual reporting periods beginning on or after 1 January 2023.

- Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level; - Clarification of the application of contractual service margin (CSM) attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements; - Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives; - Amendments to require an entity that at initial recognition recognizes losses on onerous insurance contracts issued to also recognize a gain on reinsurance contracts held; - Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts; - Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach.	

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include: - requiring companies to disclose their material accounting policies rather than their significant accounting policies; - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements. The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.	Annual reporting periods beginning on or after 1 January 2023

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Definition of Accounting Estimates (Amendments to IAS 8)

Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.	Annual periods beginning on or after 1 January 2023

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date.	Annual reporting periods beginning on or after 1 January 2023

International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)

The amendments incorporate a mandatory temporary exception in the accounting treatment for deferred taxes, specifically in response to the jurisdictional implementation of the Pillar Two model rules. Additionally, affected entities are now obligated to fulfill disclosure requirements. These disclosures aim to enhance the understanding of users of the financial statements regarding the entity's exposure to Pillar Two income taxes resulting from the legislative changes, especially before the rules become effective.	Annual periods beginning on or after 1 January 2023

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(b) New accounting standards / amendments and IFRS interpretations that are not yet effective

Amendments to the following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and interpretations thereto will be effective for accounting period beginning on after January 01, 2024. The management is currently in the process of evaluating the potential impact on these financial statements.

Amendments to IAS 7 - Supplier Finance Arrangements

Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities.	Annual periods beginning on or after 1 January 2024

Lease liability Sale and Leaseback transactions (Amendment to IFRS 16)

Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.	Annual periods beginning on or after 1 January 2024

The amendments are effective for annual reporting period beginning on or after January 01, 2024 with earlier application permitted.

Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.	

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Sale or Contribution of Assets (Amendments to IFRS 10 and IAS 28)

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.	Effective date deferred indefinitely

Non-current liabilities with Covenants (Amendment to IAS 1)

Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred below).	Annual periods beginning on or after 1 January 2024

Classification of Liabilities (Amendment to IAS 1)

Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.	Annual periods beginning on or after 1 January 2024

Lack of Exchangeability (Amendments to IAS 21)

- When a currency is exchangeable into another currency; and - how a company estimates a spot rate when a currency lacks exchangeability. Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include: - the nature and financial impacts of the currency not being exchangeable; - the spot exchange rate used; - the estimation process; and - risks to the company because the currency is not exchangeable. The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.	Annual periods beginning on or after 1 January 2025

3. Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments at fair value and the recognition of certain employees retirement benefits on the basis of actuarial assumptions.

4. Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are as follows:

(a) Provision for employees retirement benefits

The actuarial valuation of pension, gratuity, medical, accumulating compensated absences and benevolent grant plans requires the use of certain assumptions related to future periods, including increase in future salary, pension, medical costs, expected long term returns on plan assets, rate of increase in benevolent grant and the discount rate used to discount future cash flows to present values.

(b) Provision for income tax

The Group recognizes income tax provisions using estimates based upon expert opinions of its tax and legal advisors. Differences, if any, between the recorded income tax provision and the Group's tax liability, are recorded on the final determination of such liability. Deferred income tax is calculated at the rates that are expected to apply to the period when these temporary differences reverse, based on tax rates that have been enacted or substantively enacted, by the date of the consolidated statement of financial position.

(c) Useful life and residual value of fixed assets

The Group reviews the useful lives and residual values of fixed assets on a regular basis. Any change in estimates may affect the carrying amounts of the respective items of property, plant and equipment and intangible assets, with a corresponding effect on the related depreciation / amortization charge.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(d) Provision for doubtful receivables and contract assets

A provision against overdue receivable balances is recognized after considering the pattern of receipts from, and the future financial outlook of, the concerned receivable party. It is reviewed by the management on a regular basis. Contract assets arise when the Group performs its performance obligations by transferring goods or services to a customer before the customer pays consideration or before payment is due.

(e) Impairment of non - financial assets

Management exercises judgment in measuring the recoverable amount of assets at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated to determine the extent of impairment of such assets.

Other estimates and judgments

(a) Provision for stores and spares

A provision against stores and spares is recognized after considering their physical condition and expected future usage. It is reviewed by the management on quarterly basis.

(b) Revenue from contracts with customers

The Group applies probability approach and constrains the unused resources pertaining to remaining performance obligations as at the reporting date for recognition of revenue against cash consideration received. Contract costs comprise incremental cost of acquiring the customers and the Group estimates the average life of the customer for amortization of capitalized contract cost.

(c) Recognition of government grants

The Group recognizes government grants when there is reasonable assurance that grants will be received and the Group will be able to comply with conditions associated with grants.

(d) Right of use assets and lease liability

The Group has applied incremental borrowing rate of 9% to 10% for recognition of lease liabilities and corresponding right of use assets under IFRS-16.

(e) Expected credit losses on advances (Note 5.27 Financial instruments (UBank))

(f) Contingent Assets and Liabilities (Note 18. Contingencies and Commitments)

(g) Other provisions

The management exercises judgment in measuring and recognizing provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

5. Material accounting policies

The accounting policies as set out below have been applied consistently to all periods presented in these financial statements expect for the changes presented below.

The Group adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in material accounting policies.

Amendment to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction became effective on 1 January 2023 and accordingly the Group has presented separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Previously, deferred tax on lease liabilities and right-of-use assets were presented on a net basis because the balances qualify for offsetting under paragraph 74 of IAS 12. There was no impact on the statement of financial position and there was also no impact on the opening retained earnings as at 1 January 2022 as a result of the change.

5.1 Consolidation

a) Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The consolidated financial statements include Pakistan Telecommunication Company Limited and all companies in which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date control ceases to exist.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and amount of any non controlling interest in the acquiree. For each business combination, the acquirer measures the non controlling interest in the acquiree either at fair value or at the proportionate share of the acquirer's identifiable net assets. Acquisition costs incurred are expensed. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9, either in profit or loss or charged to other comprehensive income. If the contingent consideration is classified as equity, it is remeasured until it is finally settled within equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any non controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in income.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses on assets transferred are also eliminated and considered an impairment indicator of such assets. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

b) Associates

Associates are entities over which the Group has significant influence, but not control, and generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, and are initially recognized at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognized in the consolidated statement of profit or loss, and its unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses on the assets transferred are also eliminated to the extent of the Group's interest and considered an impairment indicator of such asset. Accounting policies of the associates are changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

5.2 Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the functional currency). These consolidated financial statements are presented in Pakistan Rupees (Rs), which is the Group's functional currency. The amounts presented in these financial statements have been rounded off to the nearest thousand.

5.3 Foreign currency transactions and translations

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in foreign currencies, are translated into the functional currency using the exchange rate prevailing on the date of the consolidated statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary items at year end exchange rates, are charged to consolidated statement of profit or loss for the year.

5.4 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When it is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in the consolidated profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

5.5 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

5.6 Dividend distribution

The distribution of the final dividend, to the Holding Company shareholders, is recognized as a liability in the consolidated financial statements in the period in which the dividend is approved by the Holding Company's shareholders; the distribution of the interim dividend is recognized in the period in which it is declared by the Board of Directors of the Holding Company.

5.7 Statutory reserve

In compliance with the requirements of the Regulation R-4, UBank maintains statutory reserve to which an appropriation equivalent to 20% of the profit after tax is made till such time the reserve fund equals the paid up capital of the UBank. However, thereafter, the contribution is reduced to 5% of the profit after tax.

5.8 Depositors' protection fund

In compliance with the requirements of section 19 of the Microfinance Institutions Ordinance 2001, UBank contributes 5% of annual profit after tax to the Depositors' Protection Fund for the purpose of providing security or guarantee to the persons depositing money in UBank.

5.9 Cash reserve

In compliance with the requirements of the Regulation R-3A, UBank maintains a cash reserve equivalent to not less than 5% of its deposits (including demand deposits and time deposits with tenure of less than 1 year) in a current account opened with the State Bank of Pakistan (SBP) or its agent.

5.10 Statutory liquidity requirement

In compliance with the requirements of the Regulation R-3B, UBank maintains liquidity equivalent to at least 10% of its total demand liabilities and time liabilities with tenure of less than one year in the form of liquid assets i.e. cash, gold, unencumbered treasury bills, Pakistan Investment Bonds and Government of Pakistan Sukuk bonds. Treasury bills and Pakistan Investment Bonds held under Depositors' protection fund are excluded for the purposes of determining liquidity.

5.11 Borrowings and borrowing costs

Borrowings are recognized equivalent to the value of the proceeds received by the Group. Any difference, between the proceeds (net of transaction costs) and the redemption value, is recognized in statement of profit or loss, over the period of the borrowings, using the effective interest method.

Borrowing costs, which are directly attributable to the acquisition and construction of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of that asset. All other borrowing costs are charged to statement of profit or loss.

5.12 Deposits from banking customers

Deposits are initially recorded at the amounts of proceeds received. Mark-up accrued on deposits is recognized separately as part of other liabilities and is charged to the consolidated statement of profit or loss over the period.

5.13 Sale and repurchase agreements

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognized in the consolidated statement of financial position and are measured in accordance with the accounting policies for investment securities by UBank. The counter party liability for consideration received is included in borrowings from financial institutions. The difference between sale and repurchase price is treated as markup / return / interest expense over the period of the transaction. Assets purchased with a corresponding commitment to resell at a specified future date (reverse repo) are not recognized as investment in the consolidated statement of financial Position. Amounts paid under these agreements are included in lending to financial institutions. The difference between the purchase and resale price is treated as markup / return / interest income over the period of the transaction.

5.14 Employees retirement benefits

The Group provides various retirement / post retirement benefit schemes to its employees. The plans are generally funded through payments determined by periodic actuarial calculations or up to the limits allowed in the Income Tax Ordinance, 2001. The Group has constituted both defined contribution and defined benefit plans.

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The main features of these benefits provided by the Group in the Holding Company and its subsidiaries - PTML and UBank are as follows:

PTCL

(a) PTCL Employees General Provident Fund (GPF) Trust

The Holding Company operates an approved funded provident plan covering its permanent employees. For the purpose of this plan, a separate trust, the 'PTCL Employees GPF Trust' (the Trust), has been established. Monthly contributions are deducted from the salaries of employees and are paid to the Trust by the Holding Company. In line with the Trust's earnings for a year, the Board of Trustees approves a profit rate for payment to the members. The Holding Company contributes to the fund, the differential, if any, of the interest paid / credited for the year and the income earned on the investments made by the Trust.

(b) Defined benefit plans

The Holding Company provides the following defined benefits:

(i) Pension plans
The Holding Company accounts for an approved funded pension plan operated through a separate trust, the 'Pakistan Telecommunication Employees Trust' (PTET), for its employees recruited prior to January 01, 1996 when the Holding Company took over the business from PTC. The Holding Company also operates an unfunded pension scheme for employees recruited on a regular basis, on or after January 01, 1996.

(ii) Gratuity plan
The Holding Company operates an approved funded gratuity plan for its New Terms and Conditions (NTC) employees and contractual employees.

(iii) Medical benefits plan
The Holding Company provides a post retirement medical facility to pensioners and their families. Under this unfunded plan, all ex-employees, their spouses, their children up to the age of 21 years (except unmarried daughters who are not subject to the 21 years age limit) and their parents residing with them and any other dependents, are entitled to avail the benefits provided under the scheme. The facility remains valid during the lives of the pensioner and their spouse. Under this facility there are no annual limits to the cost of medicines, hospitalized treatment and consultation fees.

(iv) Accumulated compensated absences
The Holding Company provides a facility to its employees for accumulating their annual earned leaves. Accumulated leaves can be encashed at the end of the employees' service, based on the latest drawn gross salary as per Holding Company policy.

(v) Benevolent grants
The Holding Company pays prescribed benevolent grants to eligible employees / retirees and their heirs.

The liability recognized in the consolidated statement of financial position in respect of defined benefit plans, is the present value of the defined benefit obligations at the date of the consolidated statement of financial position less the fair value of plan assets.

PTML

(i) Gratuity plan

PTML operates a funded gratuity scheme, a defined benefit plan, for all permanent employees which has been approved by the Commissioner of Income Tax in accordance with Part III of Sixth Schedule to the Income Tax Ordinance, 2001. Gratuity is payable to each permanent employee with a minimum qualifying service period of three years.

The liability recognized in the consolidated statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. Defined benefit obligation is based on actuarial valuation by independent actuary based on projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in Pakistan rupee and have terms to maturity approximating to the terms of the related liability.

The current service cost of the defined plan, recognized in the profit or loss for the year reflects the increase in the defined benefit obligation resulting from employee service in the current year. Past service costs are recognized immediately in the profit or loss for the year. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets, and is recognized in the profit or loss for the year.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

(ii) Provident fund

PTML operates an approved contributory provident fund, a defined contribution plan, for all permanent employees which has been approved by the Commissioner of Income Tax in accordance with Part III of Sixth Schedule to the Income Tax Ordinance, 2001. PTML's obligation for contribution to the provident fund is charged to profit or loss for the year.

UBank

(i) Gratuity plan

UBank operates defined benefit plan comprising an funded gratuity scheme covering all eligible employees completing the minimum qualifying period of service (three years) as specified by the scheme.

(ii) Provident fund

UBank operates a defined contribution provident fund scheme for permanent employees. Contributions to the fund are made on monthly basis by UBank and employees at an agreed rate of salary (8% of the basic salary of the employee), the fund is managed by its Board of Trustees. The contribution of UBank is charged to profit or loss.

5.15 Government grants

Government grants are recognized at their fair values, as deferred income, when there is reasonable assurance that the grants will be received and the Group will be able to comply with the conditions associated with the grants.

Grants that compensate the Group for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate the Group for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

5.16 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 the goods or services received, whether or not billed to the Group.

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5.17 Non current Assets

(a) Property, plant and equipment

Property, plant and equipment, except freehold land and capital work in progress, is stated at cost less accumulated depreciation and any identified impairment losses. Freehold land is stated at cost less identified impairment losses, if any. Cost includes expenditure, related overheads, mark-up and borrowing costs that are directly attributable to the acquisition of the asset.

Subsequent costs, if reliably measurable, are included in the asset's carrying amount, or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the cost will flow to the Group. The carrying amount of any replaced parts as well as other repair and maintenance costs, are charged to consolidated statement of profit or loss during the year in which they are incurred.

Capital work in progress is stated at cost less impairment value, if any. It consists of expenditure incurred in respect of tangible and intangible fixed assets in the course of their construction and installation.

Depreciation on assets is calculated, using the straight line method, to allocate their cost over their estimated useful lives.

Depreciation on additions to property, plant and equipment, is charged from the month in which the relevant asset is acquired or capitalized, while no depreciation is charged for the month in which the asset is disposed off. Impairment loss, if any, or its reversal, is also charged to consolidated statement of profit or loss for the year. Where an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life.

An item of property plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss from the disposal are determined as the difference between the net disposal proceeds, if any and the carrying amount of the item and are included in consolidated statement of profit or loss for the year.

(b) Intangible assets

(i) Goodwill

Goodwill is initially measured at cost being the excess of the consideration transferred, over the fair value of subsidiary's identifiable assets acquired and liabilities assumed. Goodwill is tested for impairment annually.

(ii) Licenses

These are carried at cost less accumulated amortization and any identified impairment losses. Amortization is calculated using the straight line method, to allocate the cost of the license over its estimated useful life, and is charged to consolidated statement of profit or loss for the year.

The amortization on licenses acquired during the year, is charged from the month in which a license is acquired / capitalized, while no amortization is charged in the month of expiry / disposal of the license.

(iii) Computer software

These are carried at cost less accumulated amortization, and any identified impairment losses. Amortization is calculated, using the straight line method, to allocate the cost of software over their estimated useful life, and is charged to income for the year. Costs associated with maintaining computer software, are recognized as an expense as and when incurred.

The amortization on computer software acquired during the year, is charged from the month in which the software is acquired or capitalized, while no amortization is charged for the month in which the software is disposed off.

If payment for an intangible asset is deferred beyond normal credit terms, it is recognized at the cash price equivalent. The difference between the cash price equivalent and the total payments is recognized as interest expense over the period of credit.

(c) Impairment of Goodwill

Impair of goodwill is recognised when the fair value of goodwill falls below the prviously recorded value at the time of acquisition.

(d) Right of use assets

The Group assesses whether a contract is or contains a lease at inception of the contract. If the Group assesses contract contains a lease and meets requirements of IFRS 16, the Group recognizes a right-of use asset and a lease liability at the lease commencement date. Right of use asset is calculated as the initial amount of the lease liability in terms of network sites, offices, vehicles and right of way at the lease contract commencement date. The right of use asset is subsequently depreciated using the straight line method.

5.18 Impairment of non financial assets

Assets that have indefinite useful lives, for example freehold land and goodwill, are not subject to depreciation and amortization and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment on the date of consolidated statement of financial position, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized, equal to the amount by which the assets' carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non financial assets that suffered an impairment, are reviewed for possible reversal of the impairment at each consolidated statement of financial position date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognized. An impairment loss, or the reversal of an impairment loss, are both recognized in the consolidated statement of profit or loss for the year.

5.19 Long term loans

Long term loans are initially recognized at present value of loan amount disbursed to employees. On initial recognition, the discount representing difference between loan disbursed and its present value is charged in the consolidated statement of profit or loss. Subsequently, the unwinding of discount on present value of loans is recognized as income over the loan term using the effective interest method.

5.20 Stock in trade

Stock in trade is valued at the lower of cost and net realizable value. Cost comprises the purchase price of items of stock, including import duties and other related costs. Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

5.21 Stores and spares

Store and spares are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Items in transit are valued at cost, comprising invoice values and other related charges incurred up to the date of the consolidated statement of financial position.

5.22 Trade debts and contract assets

Trade debts are carried at their original invoice amounts, less any estimates made for expected credit losses based on review of all outstanding amounts at reporting date. Bad debts are written off as per Group policy.

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Securities and Exchange Commission of Pakistan issued an SRO through which only financial assets due from Government of Pakistan in respect of circular debt will be exempt from the requirements of calculating expected credit loss as per the requirements of IFRS 9 "Financial Instruments" till 30 June 2022. As the Holding Company's receivable from Government of Pakistan is not in respect of circular debt, the Holding Company has recorded the impact of expected credit loss on opening balances of financial assets due from Government of Pakistan in the Statement of Changes in Equity. There has been no change in classification of financial assets and financial liabilities due to this change in accounting policy.

5.23 Lease liability

The Group recognizes lease liabilities as per IFRS - 16 at the present value of the remaining lease payments using the Group's incremental borrowing rate. Lease liabilities are measured at their amortized cost using the effective interest method.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of property and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

5.24 Cash and cash equivalents

For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash in hand, cash with banks and short term finances under mark up arrangements with banks. Cash equivalents are 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.

5.25 Provisions

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

5.26 Contingent liabilities

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

5.27 Financial instruments

The Group (other than UBank):

Classification

The Group classifies its financial assets other than for UBank on initial recognition in the following categories: at amortized cost, at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial asset, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(i) Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) It is held within a business model whose objective is to hold assets to collect contractual cash flows; and (ii) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Fair value through other comprehensive income

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL: (i) It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (ii) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

(iii) Fair value through profit or loss

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial instruments. On initial recognition, the Group irrevocably designates a financial instrument that otherwise meets the requirements to be measured at amortized cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Recognition and measurement

Trade and other receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price."

Subsequent measurement and gains and losses

(i)	Financial assets at amortized costs	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gain and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
(ii)	Financial assets at FVOCI	Debt investments are subsequently measured at fair value. Interest income calculated using effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. Equity investments are subsequently measured at fair value. Interest income calculated using effective interest method, foreign exchange gain and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
(iii)	Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets of the Group include trade debts, contract assets, long term loans, deposits, other receivables, short term investments and forward exchange contracts.

Impairment of financial assets

The Group recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Group measures loss allowances at an amount equal to lifetime

ECLs. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

At each reporting date, the Group assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Financial liabilities

Financial liabilities, other than for UBank, are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in consolidated profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in consolidated statement of profit or loss. Any gain or loss on derecognition is also recognized in consolidated profit or loss. The financial liabilities of the Group include subordinated debt, long term loans from banks, long term vendor liability, long term security deposits, interest accrued, short term running finance and trade and other payables.

Derecognition

Financial assets
The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities
The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Derivative financial instruments

Derivative financial instruments are initially recognized at fair value and are subsequently remeasured at fair value. These are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is charged to profit or loss for the year.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position, if the Group has a legally enforceable right to set off the recognized amounts, and the Group either intends to settle on a net basis, or realize the asset and settle the liability simultaneously.

UBank:

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the UBank commits to purchase or sell the asset.

Financial instruments – initial recognition

All financial assets are initially recognised on the trade date, i.e. the date at which UBank becomes a party to the contractual provisions of the instruments. This includes purchases or sale of financial assets that require delivery of asset within the time frame generally established by regulations in market conventions.

All financial assets and financial liabilities are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where transaction cost is taken directly to the profit and loss account.

Classification And Measurement

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL"). This classification is generally based on the business model in which a financial asset is managed and is based on its contractual cash flows.

Financial assets

IFRS has different requirements for debt or equity financial assets. Debt instruments are classified and measured either at:

- Amortized cost, where the effective interest rate method will apply;
- Fair value through other comprehensive income, with subsequent recycling to the statement of profit or loss upon disposal of the financial asset; or
- Fair value through profit or loss.

Equity instruments, other than those to which consolidation or equity accounting apply, are classified and measured either at:

- Fair value through profit or loss; or
- Fair value through other comprehensive income, with no subsequent recycling to the statement of profit or loss upon disposal of the financial asset (if the instrument by instrument option is to classify at fair value through other comprehensive income is elected).

When classifying a financial asset (other than derivatives and equity instruments), IFRS requires that the contractual cash flows test is performed, commonly referred to as the solely payments of principal and interest test ("SPPI") test. If an instrument fails the SPPI test, it is classified as Fair Value through profit or loss. When an instrument passes the SPPI test, it undergoes the business model test, on a portfolio level.

Business model	Classification basis
Hold to collect	Portfolio accounted at amortized cost
Hold to collect and sell	Portfolio accounted at fair value through other comprehensive income with recycling
Others	Portfolio accounted at fair value through profit or loss

All instruments held for trading are classified as Fair value through profit or loss.

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Equity instruments are by default classified as fair value through profit or loss, however, the Bank has an irrevocable choice on an instrument by instrument basis, to elect that the fair value changes on the equity investment are accounted for through other comprehensive income. Upon disposal of the investment, the gain or loss on disposal is recognized in equity. Dividends received are recognized in the profit and loss account. The following table summarizes the two-stage approach for financial assets classification on their initial recognition.

At initial recognition		Contractual cash flow characteristics test	
		Pass	Fail
Business model	Held within a business model whose objective is to hold financial assets in order to collect contractual cash flows	Amortized cost	Fair value through profit or loss (FVTPL)
Business model	Held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets	Fair value through other comprehensive income (FVOCI) with recycling (debt)	Fair value through profit or loss (FVTPL)
Business model	Financial assets which are neither held at amortized nor at fair value through other comprehensive income	Fair value through profit or loss (FVTPL)	Fair value through profit or loss (FVTPL)
Options	Conditional fair value option is elected	Fair value through profit or loss (FVTPL)	Fair value through profit or loss (FVTPL)
Options	Option elected to present changes in fair value of an equity instrument not held for trading in OCI	N/A	Fair value through other comprehensive income (FVOCI) without recycling (equity)

Financial liabilities

All financial liabilities are carried at amortized cost (i.e. loan payables) and are subsequently accounted in accordance with the effective interest rate method.

Recognition and measurement

UBank recognizes a financial asset or a financial liability in its financial statements when and only when it becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

Financial assets and liabilities not measured at fair value through profit or loss

When a financial asset or financial liability is recognized initially, UBank measures it at its fair value plus or minus, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Examples of transaction costs include fees and commissions paid to agents such as broker commissions and stamp duty.

Financial assets and liabilities at fair value through profit or loss.

Financial asset or financial liability are measured at initial recognition at the fair value excluding transaction costs. Transaction costs for this class of financial instrument are recognized directly in the profit and loss account.

Subsequent measurement of financial assets

Financial assets can be categorized into the following categories:

i. Amortized cost (expected credit losses need to be provided);

ii. Fair value through other comprehensive income with recycling (expected credit losses need to be provided);

iii. Fair value through other comprehensive income without recycling (for equity instruments for which the FVOCI option was elected)

iv. Fair value through profit and loss.

The categorization of the instrument determines the manner of subsequent measurement.

Derecognition

Financial assets

A financial asset is derecognized when, and only when:

- the contractual rights to the cash flows from the financial asset expire; or
- the entity transfers the financial asset and the transfer qualifies for derecognition (substantially all risks and rewards are transferred meaning that no control is retained).

Financial liabilities

A financial liability (e.g. debt) is derecognized from the balance sheet when it is extinguished, that is when the obligation is discharged, cancelled or expired. This condition is met when the debtor either:

- Discharges the liability (or part of it) by paying the creditor, normally with cash, other financial assets, goods or services; or
- is legally released from primary responsibility for the liability (or part of it) either by process of law or by the creditor.

Impairment Requirement For Financial Assets

a) Impairment of financial assets:

The IFRS 9 replaced credit loss measurement method with an 'expected credit loss' model ("ECL"). The IFRS 9 requires UBank to record an allowance for ECLs for all financial assets not held at FVTPL. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination.

UBank assesses impairment of financial assets measured at amortized cost and FVOCI at the end of each reporting period. Measurement of expected losses reflects:

- A considered and unbiased, probability-weighted amount;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort and that reflects past events, current conditions and forecasts of future economic conditions.

IFRS 9 establishes two approaches for measuring impairment i.e. general and simplified. Under the general approach, impairment is generally measured as either 12 months ECL or lifetime ECL relevant for banks and financial institutions. The measurement basis depends on whether there has been a significant increase in credit risk of a financial instrument at the reporting date since its initial recognition. UBank has identified basis of ECL computation for following stages:

Stage 1: When loans are first recognized, UBank recognizes an allowance based on 12 months ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, UBank records an allowance for the Lifetime ECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. UBank records an allowance for the lifetime ECL

POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognized based on a credit-adjusted EIR. ECLs are only recognized or released to the extent that there is a subsequent change in the expected credit losses.

b) Staging of Advances

The staging guidelines applicable on the Bank has been adopted from State Bank of Pakistan (SBP) guidelines:

	Classification	Days due	Stage allocation under IFRS 9	Provision to be made
General loans	Performing	1 - 29	Stage 1	As per IFRS 9 ECL modelling
	Underperforming (OAEM)	30 - 59	Stage 2	
	Non-performing			
	Substandard	60 - 89	Stage 3	**whichever is higher**
	Doubtful	90 - 179		(a) IFRS 9 ECL
	Loss	180 or more		(b) PR's requirements

	Classification	Days due	Stage allocation under IFRS 9	Provision to be made
Micro-enterprise	Performing	1 - 89	Stage 1	As per IFRS 9 ECL modelling
	Underperforming (OAEM)	90 - 179	Stage 2	
	Non-performing			
	Substandard	180 - 364	Stage 3	**whichever is higher**
	Doubtful	365 - 546		(a) IFRS 9 ECL
	Loss	547 or more		(b) PR's requirements

Staging as described above are alligned with the classification criteria as specified by SBP through it's circular dated March 16, 2022, SBP AC&MFD circular No. 02 of 2022

Advances are stated net of general and specific provision. The outstanding principal and mark-up of the loans and advances, payments against which are overdue for 30 days or more are classified as non-performing loans (NPLs). The unrealized interest / profit / markup / service charges on NPLs is suspended and credited to interest suspense account. Further the NPLs based on days passed due (DPD) are divided into following categories:

	DPD Criteria		
Classification	**General loans**	**Housing loans**	**Microenterprise loans**
Days passed due based classification (DPD)			
OAEM	30-59	90-179	90-179
Substandard	60-89	180-364	180-364
Doubtful	90-179	365-729	365-729
Loss	180-209	730-1944	730-1944
Write off	=→210	=→1945	=→1945
Markup Suspension percentage			
OAEM	0%	0%	100%
Substandard	100%	100%	100%
Doubtful	100%	100%	100%
Loss	100%	100%	100%
Write off	100%	100%	100%

c) **Significant increase in credit risk**

A financial asset is considered to have had a significant deterioration in its credit quality, when following factors exists:

i. **Quantitative factor:** 30 days or more past due for general loans and 90 days or more past due for microenterprise loans;

Qualitative factors:

ii. Restructuring/Rescheduling due to credit reasons;

iii. Unavailable/inadequate financial information/financial statements;

iv. Expectation of forbearance (restructuring/rescheduling) occurring;

v. Qualified report by external auditors;

vi. Significant contingent liabilities;

vii. Pending litigation resulting in a detrimental impact;

viii. Loss of key staff to the organization;

ix. Increase in operational risk and higher occurrence of fraudulent activities;

x. Borrower is the subject of litigation by third parties that may have a significant impact on his financial position;

xi. Frequent changes in senior management;

xii. Intra-group transfer of funds without underlying transactions; and

xiii. Deferment/delay in the date for commencement of commercial operations by more than one year.

Transfer From Stage 2 to Stage 1: Where there is evidence that there is significant reduction in credit risk, the FIs would continue to monitor such financial instruments / credit exposures for a probationary period (as decided by the FIs) to confirm if the risk of default has decreased sufficiently before upgrading such exposure from Lifetime ECL (Stage 2) to 12-months ECL (Stage 1).

d) **Key assumptions used in calculation of ECL:**

Expected credit loss is a product of: Probability of default ("PD") x Loss given default ("LGD") x Exposure at default ("EAD")

Probability of default:

Probability of default is a term ascribed to the likelihood of a default over a specified period that a borrower will not be able to repay the amount due.

Many models have been developed by statisticians to estimate probability of default for portfolios with varying default rates. These models take into account a number of factors such as debtor characteristics including third-party-credit-risk-ratings, days past due, past default rates, macroeconomic factors, and asset correlation to estimate future PDs associated with the financial exposures of an entity. Based on analysis performed on available data, flow rate migration matrix have been found most suitable for estimation of probability of default. Accordingly, UBank has computed loss rates for its advances using flow rate by observing default behaviour over the period of 5 years as suggested by BASEL II.

The flow rates have been determined using month on month movement of number of borrowers from one bucket to another. In order to arrive at loss rate the product of average flow rates and LGD was taken.

Forward looking information:

IFRS 9 requires incorporating future economic conditions into the measurement of ECL that has been described in the notes to the financial statements in note 39.2.4

Loss given default (LGD):

Loss given default is the loss expected to be suffered should the counterparty default and is set as a percentage. To estimate LGD, specific and accurate recovery data is to be made available. In the absence of this information, UBank, in accordance with the application instructions issued by SBP vide Circular No. 03 dated July 5, 2022, has used LGD percentages of 35% for secured portfolio and 45% for unsecured portfolio.

Exposure at default (EAD):

Exposure at default is the value of the contractual obligation that must be fulfilled by the obligor under the contract at the time of default. Therefore, EAD represents the amount of potential exposure that is at risk.

In case of advances, the EAD is to be calculated by amortizing loans over their tenures. The EAD is to be bifurcated into stage 1, stage 2 and stage 3 using low risk, significant increase in credit risk and default definitions. Further, the SBP guidelines require that loan rescheduled should be considered as an indicator of significant increase in credit risk. Therefore, the rescheduled portfolio has been classified in stage 2 or above.

e) ECL on government guaranteed credit exposure

ECL on credit exposure (in local currency) that have been guaranteed by the Government of Pakistan and Government Securities, has not been estimated due to exemption available under IFRS instructions issued by SBP through circular no. 3 of 2022 dated July 05, 2022.

f) Two track approach for stage 3 loans

As per instructions issued by SBP, the bank used two track approach for ECL assessment on stage 3 loans. As per this approach UBank calculated provision /ECL both under Prudential Regulations (PRs) issued by SBP for microfinance banks and IFRS 9 and higher amount has been taken and final ECL.

g) Write - offs

Financial assets are written off either partially or in their entirety only when UBank has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense. The Bank also follows Prudential regulations issued by SBP for write off of its advances. Under these PR loans are written off after 30 days from the date of loss categorization.

5.28(a) Revenue recognition

Revenue is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when the Group satisfies the performance obligations by transferring a promised good or service to a customer. Goods or services are transferred when the customer obtains control of that assets.

The Group mainly generates revenue from providing telecommunication services such as Data, Voice, IPTV, Connectivity services, Interconnect, Information and communication technology (ICT), digital solutions and equipment sales, messaging services, sales of mobile devices etc.

Services are offered separately and as bundled packages along with other services and/or devices.

For bundled packages, the Group accounts for individual products and services separately if they are distinct i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate product and services (i.e. distinct performance obligations, "POs") in a bundle based on their stand-alone selling prices.

The stand-alone selling prices are determined based on the observable price at which the Group sells the products and services on a standalone basis. For items that are not sold separately, the Group estimates standalone selling prices using other methods (i.e. adjusted market assessment approach, cost plus margin approach or residual approach).

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Nature and timing of satisfaction of Performance obligations are as follows:

Product and services	Nature and timing of satisfaction of Performance obligations
Voice, Broadband, IPTV	The Holding Company recognizes revenue as and when these services are provided (i.e. actual usage by the customer).
Installation charges	Installation services provided for service fulfillment are not distinct performance obligation and the amount charged for installation service is recognized over the average customer life.
Corporate Services	Revenue is recognized over the period when these services are provided to the customers. Where hardware (e.g. routers) are provided as part of the contract, the Holding Company recognizes these as distinct POs only if the customer can benefit from them either by selling for more than scrap value or using with services from other service providers.
Carrier and Wholesale (C&WS)	Revenue from C&WS services is recognized when the services are rendered.
Mobile telecommunication services	Mobile telecommunication services include voice, data and messaging services. The Group recognizes revenue as and when these services are provided. These services are either prepaid or billed, in which case they are paid for on a monthly basis. Revenue for SIM activation and special numbers is recognized on the date of activation.
Equipment revenue	Group recognizes revenue when the control of the device is transferred to the customer. This usually occurs at the contract inception when the customer takes the possession of the device.
International Revenue	Revenue is recognized over the period when services are provided to the customers.

Principal versus agent presentation

When the Group sells goods or services as a principal, revenue and related cost is reported on a gross basis in revenue and operating costs. If the Group sells goods or services as an agent, revenue and related cost are recorded in revenue on a net basis, representing the margin earned.

Whether the Group is considered to be the principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between the Group and its business partners; such judgments impact the amount of reported revenue and operating expenses but do not impact reported assets, liabilities or cash flows.

Transaction price allocated to the remaining performance obligations

The Group applies the practical expedient in para 121 of IFRS - 15 and does not disclose information about the remaining performance obligations that have original expected duration of one year or less.

Constraining of transaction price under pre-paid customer contracts

The Group constrains the unused subscriber resources to the historic pattern of usage for calculation of the unsatisfied performance obligations as at the reporting date. The Group does not expect adjustment to the amount of revenue recognized based on such constraining of resources.

5.28 (b) Contract liabilities

A contract liability is the obligation of the Group to transfer goods or services to a customer for which the Group has received consideration or an amount of consideration is due from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs its performance obligations under the contract.

5.28 (c) Contract assets

The contract assets primarily relate to the Group's rights to consideration for postpaid services provided to subscribers but not billed at the reporting date. The contract assets are transferred to trade debts when the rights become unconditional.

5.28 (d) Contract costs

The Group capitalizes the incremental costs of obtaining and fulfilling a contract, if they are expected to be recovered. The capitalized cost is amortized over the average customer life and recognized as cost of sales. Applying the practical expedient of IFRS 15, the Group recognizes the incremental cost of obtaining and fulfilling a contract as expense when incurred if the amortization period of assets is less than one year.

5.28 (e) UBank revenue recognition

(i) Mark up/ Return/ Interest earned on advances

Mark up income is recognised in profit and loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

When calculating the effective interest rate for financial assets other than purchased or originated credit impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

The effective interest rate of a financial asset Is calculated on initial recognition of a financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired). The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating-rate instruments to reflect movements in market rates of interest.

(ii) Fee, commission and brokerage income

Fee, commission and brokerage income are recognized as services are performed.

(ii) Income from investments

Income on investments is recognized on accrual basis or the effective Interest rate method where applicable. Where debt securities are purchased at premium or discount, those premiums / discounts are made part of EIR of investments.

5.29 Income on bank deposits

Return on bank deposits is recognized using the effective interest method.

5.30 Income on inter bank deposits

Income from inter bank deposits in saving accounts are recognized in the consolidated statement of profit or loss using the effective interest method.

5.31 Income from investment

Mark-up / return on investments is recognized on time proportion basis using effective interest method. Where debt securities are purchased at premium or discount, the related premiums or discounts are amortized through the consolidated profit or loss statement over the remaining period of maturity of said investment. Gain or loss on sale of securities is accounted for in the period in which the sale occurs.

5.32 Dividend income

Dividend income is recognized when the right to receive payment is established.

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5.33 Taxation

The tax expense for the year comprises of current and deferred income tax, and is recognized in income for the year, except to the extent that it relates to items recognized directly in the consolidated statement of comprehensive income, in which case the related tax is also recognized in the consolidated statement of comprehensive income.

(a) Current

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

(b) Deferred

Deferred income tax is accounted for using the balance sheet liability method in respect of all temporary differences arising between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred income tax is calculated at the rates that are expected to apply to the year when the differences reverse, and the tax rates that have been enacted, or substantively enacted, at the date of the consolidated statement of financial position.

(c) Group taxation

The Group is taxed as a one fiscal unit along with Holding Company and its other wholly owned subsidiaries under section 59AA to the Income Tax Ordinance, 2001. Current and deferred income taxes are recognized by each entity within the Group in their respective statement of comprehensive income, regardless of who has the legal rights or obligation for the recovery or payment of tax from or to the tax authorities. However, tax liability / receivable is shown by the parent, on submission of annual tax return, who has the legal obligation to pay or right of recovery of tax from the taxation authorities. Balances between the group entities on account of group tax are shown as other receivables / liabilities by the respective group entities.

5.34 Subordinated debt

Deposits, borrowings and subordinated debt represents sources of funding of UBank. Deposits, debt securities in issue and subordinated liabilities are Initially measured at fair value minus incremental direct transaction costs. Subsequently, they are measured at their amortised cost using the effective interest method, except where UBank designates liabilities at FVTPL.

5.35 Loans and advances

Loans and advances are measured at amortised cost; these are initially measured at fair value plus incremental direct cost net of loan processing fee received and subsequently at their amortised cost using the effective interest method.

5.36 Operating segments

Operating segments are reported in a manner consistent with the internal reporting of the Group in note 51 to the consolidated financial statements.

5.37 Earnings Per Share

The Holding Company presents basic earning per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

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6. Share capital

6.1 Authorized share capital

2023 (Number of shares '000)	2022 (Number of shares '000)		2023 Rs '000	2022 Rs '000
11,100,000	11,100,000	"A" class ordinary shares of Rs 10 each	111,000,000	111,000,000
3,900,000	3,900,000	"B" class ordinary shares of Rs 10 each	39,000,000	39,000,000
15,000,000	15,000,000		150,000,000	150,000,000

6.2 Issued, subscribed and paid up capital

2023 (Number of shares '000)	2022 (Number of shares '000)		2023 Rs '000	2022 Rs '000
3,774,000	3,774,000	"A" class ordinary shares of Rs 10 each issued as fully paid for consideration other than cash - note 6.3 and note 6.5.	37,740,000	37,740,000
1,326,000	1,326,000	"B" class ordinary shares of Rs 10 each issued as fully paid for consideration other than cash - note 6.3 and note 6.6.	13,260,000	13,260,000
5,100,000	5,100,000		51,000,000	51,000,000

6.3 These shares were initially issued to the Government of Pakistan, in consideration for the assets and liabilities transferred from Pakistan Telecommunication Corporation (PTC) to the Holding Company, under the Pakistan Telecommunication (Re-organization) Act, 1996, as referred to in note 1.1.

6.4 Except for voting rights, the "A" and "B" class ordinary shares rank pari passu in all respects. "A" class ordinary shares carry one vote and "B" class ordinary shares carry four votes, for the purposes of election of directors. "A" class ordinary shares cannot be converted into "B" class ordinary shares; however, "B" class ordinary shares may be converted into "A" class ordinary shares, at the option, exercisable in writing and submitted to the Holding Company, by the holders of three fourths of the "B" class ordinary shares. In the event of termination of the license issued to the Holding Company, under the provisions of Pakistan Telecommunication (Re-organization) Act, 1996, the "B" class ordinary shares shall be automatically converted into "A" class ordinary shares.

6.5 The Government of Pakistan, through an "Offer for Sale" document, dated July 30, 1994, issued to its domestic investors, a first tranche of vouchers exchangeable for "A" class ordinary shares of the Holding Company; subsequently, through an Information Memorandum dated September 16, 1994, a second tranche of vouchers was issued to international investors, also exchangeable, at the option of the voucher holders, for "A" class ordinary shares or Global Depository Receipts (GDRs) representing "A" class ordinary shares of the Holding Company. Out of 3,774,000 thousand "A" class ordinary shares, vouchers against 601,084 thousand "A" class ordinary shares were issued to the general public. Till December 31, 2023, 599,610 thousand (December 31, 2022: 599,582 thousand) "A" class ordinary shares had been exchanged for such vouchers.

6.6 In pursuance of the privatization of the Company, a bid was held by the Government of Pakistan on June 08, 2005 for sale of "B" class ordinary shares of Rs 10 each, conferring management control. Emirates Telecommunication Corporation (Etisalat) , UAE was the successful bidder. The 26% (1,326,000,000 shares) ''B'' class ordinary shares, along with management control, were transferred, with effect from April 12, 2006, to Etisalat International Pakistan (EIP), UAE, which is a subsidiary of Etisalat.

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7. Long term loans from banks

7.1 Borrowings from Banks

These represent secured loans from the following banks:

	Annual mark-up rate	Repayment commencement date		Repayment installments	Note	Outstanding loan balance	
	3-Months KIBOR plus	Interest	Principal	Quarterly		2023 Rs '000	2022 Rs '000 Restated
Meezan Bank Limited	0.25%	Aug. 2015	Aug. 2019	12		-	333,333
Habib Bank Limited							
- Islamic Banking	0.25%	Sep. 2015	Sep. 2019	12		-	333,333
Dubai Islamic Bank Limited	0.25%	Oct. 2015	Oct. 2019	12		-	250,000
Habib Bank Limited							
- Islamic Banking	0.25%	Mar. 2016	Mar. 2020	12		-	333,333
United Bank Limited	0.25%	May 2016	May 2020	12		166,667	833,333
Allied Bank Limited	0.25%	May 2016	May 2020	12		250,000	1,250,000
MCB Bank Limited	0.24%	Mar. 2018	Mar. 2020	12		833,333	900,000
MCB Bank Limited	0.24%	Mar. 2018	Mar. 2022	12		-	766,667
MCB Bank Limited	0.25%	Apr. 2019	Apr. 2023	12		1,666,667	2,000,000
BankIslami Pakistan Limited	0.50%	Mar. 2020	Mar. 2024	12		1,000,000	1,000,000
Askari Bank Limited	0.60%	Mar. 2020	Mar. 2024	12		2,000,000	2,000,000
MCB Bank Limited	0.50%	Sep. 2020	Sep. 2024	12		3,000,000	3,000,000
Meezan Bank Limited	0.50%	Sep. 2020	Sep. 2024	12		2,000,000	2,000,000
Meezan Bank Limited	0.50%	Mar. 2021	Mar. 2025	12		1,500,000	1,500,000
Faysal Bank Limited	0.50%	Mar. 2021	Mar. 2025	12		1,000,000	1,000,000
MCB Islamic Bank Limited	0.50%	Mar. 2021	Mar. 2025	12		500,000	500,000
Syndicate loan MCB	0.55%	Sep. 2021	Feb. 2026	6	7.1.1	20,897,445	20,863,125
Faysal Bank Limited	0.60%	Apr. 2021	Jul. 2025	12		4,000,000	4,000,000
Meezan Bank Loan-4B	0.50%	Aug. 2022	Nov. 2026	12		4,000,000	4,000,000
Askari Bank 2B	0.60%	Oct. 2022	Jan 2027	12		2,000,000	2,000,000
Bank Alfalah Limited	0.60%	Dec. 2022	Mar 2027	12		2,000,000	2,000,000
Bank Alfalah Limited	0.60%	Jun. 2023	Sep 2027	12		2,000,000	2,000,000
					7.1.2	48,814,112	52,863,124

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	Annual mark-up rate	Repayment commencement date		Repayment installments	Note	Outstanding loan balance	
	6-Months KIBOR plus	Interest	Principal	Semi-annual		2023 Rs '000	2022 Rs '000 Restated
Faysal Bank Limited - TF	0.75%	Jun. 2019	Jun. 2020	6	7.1.3	-	128
Allied Bank Limited - II	0.95%	Jun. 2019	Jun. 2020	6		-	506
State Bank of Pakistan	-1.00%	Jun. 2019	Jun. 2024	4	7.1.4	1,601,420	1,516,790
State bank of Pakistan - Term Finance - II	-1.00%			6	7.1.5	1,080,881	-
Bank Alfalah - PPTFC	1.35%	Jun. 2021	Dec. 2022	6	7.1.6	1,759,843	2,930,292
Bank Al - Falah Limited - Cash Management	0.50%			3		-	520,237
Bank of Punjab - Term Finance	0.95%	Jun. 2021	Jun. 2022	7	7.1.7	257,459	428,994
Allied Bank Limited - III	1.25%	Nov. 2021	May. 2023	6	7.1.8	1,533,554	2,288,059
JS Term Finance	3-months KIBOR + 0.10%				7.1.9	2,037,751	-
Allied Bank Limited - IV	0.95%	Dec. 2021	Dec. 2022	9	7.1.10	336,756	447,650
NBP - Term Finance	0.65%	Dec. 2023	Jun. 2027	8	7.1.11	1,540,666	1,530,514
Pakistan Mortgage Refinance Company - II	1 year KIBOR-1 Spread	Dec. 2021	Mar. 2023	8 Quarterly	7.1.12	254,567	505,475
United Bank Limited	1 month KIBOR+0.85%	Dec. 2021	Jun. 2022	6 Semi-annual	7.1.13	158,642	317,130
MCB Bank Limited	3 months KIBOR+0.75%	Dec. 2021	Mar. 2023	12 Quarterly	7.1.14	333,536	500,263
Meezan Bank - Bi Maujal	12 months KIBOR+0.15%	Dec. 2023	Dec. 2023	Yearly		-	1,083,706
Alfalah - STF	1.00%	Mar. 2024	Mar. 2024	6	7.1.15	10,105,597	-
MCB - STFWC	1 month KIBOR+0.05%	Mar. 2023	Mar. 2023	1 Quarterly		-	10,083,912
MCB - STFWC-2	1 month KIBOR	Mar. 2023	Mar. 2023	1 Quarterly		-	20,230,182
Meezan Bank - Bi Maujal II	KIBOR+0.15%	Mar. 2023	Mar. 2023	1 Quarterly		-	2,006,230
Meezan Bank - Bi Maujal III	KIBOR+0.05%	Aug. 2023	Aug. 2023	3 Quarterly	7.1.16	3,010,238	3,004,442
Call Borrowing - ZTBL	16.75%	Jan. 2023	Jan. 2023	1 monthly		-	1,000,000
						24,010,910	48,394,510

	Annual mark-up rate	Repayment commencement date		Repayment installments	Note	Outstanding loan balance	
	3-Months KIBOR plus	Interest	Principal	Bi-Annual		2023 Rs '000	2022 Rs '000 Restated
MCB Bank Ltd	0.30%	Sep. 2022	Dec. 2026	6	7.1.17	11,000,000	11,000,000
Habib Bank Ltd	0.40%	Mar. 2023	Jun. 2027	6	7.1.18	35,000,000	11,500,000
Bank Alfalah Ltd	0.30%	Jan. 2024	Jan. 2028	4	7.1.19	3,000,000	-
BankIslami Pakistan Ltd					7.1.20	2,000,000	-
Accrued Interest						239,408	68,386
Less: Transaction cost						(218,694)	(120,019)
						51,020,714	22,448,367
						123,845,736	123,706,001
Current portion of long term loans from banks						(25,294,133)	(46,045,679)
						98,551,603	77,660,322

7.1.1 In 2021, PTML entered into an arrangement with MCB Bank Limited for syndicated term finance facility of Rs. 21 billion. The facility is secured against hypothecation over fixed and current assets (excluding land, building and cellular licenses) and corporate guarantee of PTCL amounting to Rs. 21 billion.

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7.1.2 All loans are secured by way of first charge ranking pari passu by way of hypothecation over all present and future movable equipment and other assets (excluding land, building and licenses) of the Company. Three months KIBOR stands at 21.46% at December 31, 2023 (December 31, 2022: 17.00%). These loans also require the Company to comply with the financial covenants and other operational requirements.

7.1.3 The Bank entered into a loan agreement amounting to Rs 1,000 million with Faysal Bank Limited. This loan was repayable in six (06) equal semi-annual instalments of Rs. 166.67 million each commencing from August 2019 and culminated in December 2022. Markup was chargeable at the rate of 6 months KIBOR+1% per annum payable on semi-annual basis.

This loan was secured against First Pari Passu charge on book debts, advances and receivable of Rs. 1,334 million of the Bank with 25% margin.

7.1.4 The Bank entered into a term finance facility agreement amounting to Rs 1,500 million with State Bank of Pakistan. The loan is repayable in one installment after 5 years. Markup was chargeable at the rate of six months KIBOR with a negative spread of 1% (6-months KIBOR - 1%) per annum payable on six monthly basis.

This is secured against First pari passu hypothecation charge over all present and future assets (excluding land and building) of the company including but no limited to advances, microcredit receivables, and investments beyond CRR and SLR requirements of the Bank with 25% margin.

7.1.5 During the year, a new term finance facility agreement amounting to Rs 1,038 million was obtained from State Bank of Pakistan. The facility is repayable in one installment after 5 years. Markup is chargeable at the rate of six month KIBOR with a negative spread of 1% (6-months KIBOR - 1%) per annum payable on six monthly basis.

This is secured against First pari passu hypothecation charge over all present and future assets (excluding land and building) of the Bank including but no limited to advances, microcredit receivables, and investments beyond CRR and SLR requirements of the Bank with 25% margin.

7.1.6 This represents privately placed term finance certificates (TFCs) of Rs. 3,500 million distributed in 35,000 TFCs of Rs. 100,000 each. The Issue amount was utilized to enhance the advances portfolio of the Bank. The facility tenure is 04 years (inclusive of 01 year grace) and is priced at 6-Months KIBOR + 1.35% . Semi - annual principal redemption shall commence from 2nd year from issue date in 06 equal principal installments and shall continue till the maturity of the instrument. The rating of these certificates issued by PACRA is AA- with stable outlook. These TFCs are required to be inducted in CDS and the laws and regulation relating to the CDS with respect to the term finance certificates will be applicable to the TFCs.

Half of the issue amount is secured against 1st pari passu charge on the book debts, advances and receivables with 25% margin remaining half is secured against charge/lien on government securities.

7.1.7 The Bank entered into a term finance facility agreement amounting to Rs 600 million with Bank of Punjab. This loan is repayable in seven (07) equal semi-annual instalments with the first principal repayment falling due on twelfth (12th) month from the first disbursement date. Markup is chargeable at the rate of 6-months KIBOR + 0.95% per annum payable semi-annually in arrears. The loan was drawn on June 30, 2021.

The facility is secured against first pari passu charge over all present and future assets (excluding land and building), book debts, advances microcredit receivables and investments of the bank with 25% margin.

7.1.8 The Bank entered into a syndicated term finance facility agreement amounting to Rs 2,250 million with Allied Bank Limited. The first payment shall be due and payable at the end of eighteen months(18) from disbursement date and subsequently every six (06) months thereafter. Markup is chargeable at 6-months KIBOR plus 1.25% per annum payable semi annually in arrears. The loan was drawn on November 26, 2021.

This loan is secured against First Pari Passu charge over all present and future assets of the bank with the margin of 25%.

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7.1.9 The Bank entered into a Term finance Agreement amounting to Rs 2,000 million with JS bank Limited to finance the lending operations of the Bank by utilizing the short-term facility to setup, establish and develop loan portfolio. The amount has paid in full. Markup was chargeable at the rate of 3-month KIBOR + 0.10%. The loan is secured against the Bank's investment in JS Asset Management Units with 10% margin as well as ranking hypothecation charge over the Bank's current assets.

7.1.10 The Bank entered into a loan agreement for house financing amounting to Rs 500 million with Allied Bank Limited. This loan is repayable in 9 equal semi-annual instalments of Rs. 55.55 million each inclusive of 6 months grace period. Markup is chargeable at the rate of 6-months KIBOR + 0.95% per annum.The loan was drawn on December 17, 2021.

This is secured against first pari-passu hypothecated charge on all present and future assets (excluding land and building) of the bank inclusive of 25% margin.

7.1.11 The Bank entered into a term finance facility agreement amounting to Rs 1,500 million with National Bank of Pakistan. The loan is repayable in 8 equal semi annual installments from the eighteenth (18th) month. Markup is chargeable at the rate of 6-months KIBOR plus 0.65% per annum.

The facility is secured against First pari passu hypothecation charge over all present and future assets (excluding land and building) of the company including but no limited to advances, microcredit receivables, and investments beyond CRR and SLR requirements of the Bank with 25% margin.

7.1.12 The Bank entered into a loan agreement for house financing amounting to Rs 500 million with Pakistan Mortgage Refinance Company Limited. First payment shall fall due at the end of 3rd month from disbursement and subsequently every quarter thereafter. Markup is chargeable at the rate of 1-year KIBOR with negative spread of 1% depending upon the utilization. The loan was drawn on December 30, 2021.

The loan is secured against first pari-passu charge on all present and future assets of the Bank.

7.1.13 The Bank entered into a loan agreement for house financing amounting to Rs 475 million with United Bank Limited. This loan is repayable in six (06) equal semi-annual instalments of Rs. 79.17 million starting from June 2022. Markup is chargeable at the rate of 1-month KIBOR plus 0.85% per annum. The loan was drawn on December 29, 2021.

The loan is secured against first pari-passu hypothecated charge on all present and future assets inclusive of 25% margin.

7.1.14 The Bank entered into a loan agreement for house financing amounting to Rs 500 million with MCB Bank Limited. This loan is repayable in twelve (12) quarterly instalments of Rs. 41.67 million starting from fifteenth (15th) month each inclusive of 1 year grace period. Markup is chargeable at the rate of 3-month KIBOR plus 0.75% per annum. The loan was drawn on December 31, 2021.

The loan is secured against first pari-passu amounting to Rs. 667 million charge on all present and future assets (excluding land and building) but not limited to advances / microcredit receivables and investments (excluding CRR and SLR requirements, any lien over cash / TDR).

7.1.15 During the year, the Bank entered into a short term finance facility amounting to Rs 10,000 million with Bank Alfalah to finance the working capital requirements for expansion of the Bank's advances portfolio. The principle amount is repayable in one single installment on maturity. The loan will mature on March 25, 2024. Markup is chargeable at the rate of 06-month KIBOR + 1% per annum.

7.1.16 The Bank entered into a Bai Muajjal Agreement amounting to Rs 2,900 million with Meezan Bank Limited to finance the lending operations of Islamic Microfinance Division of the Bank by utilizing the short-term facility to setup, establish and develop loan portfolio. Markup was chargeable at the rate of KIBOR + 0.05% per annum with floor of 3% and cap of 25%.

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This is secured against principle value of Pakistan investment Bond's or treasury bills in 3rd party IPS account of the Bank maintained with Pak Brunei Investment Company Limited at the rate of 5% margin and / or lien over GOP Ijarah Sukuk in the IPS account of the Bank maintained with MBL with nil margin.

7.1.17 The Holding Company entered into a syndicate term finance agreement dated 16 June 2022 to avail long term finance facility to the extent of Rs. 11,000,000 thousand for the purpose of equity injection into its wholly owned subsidiary Pak Telecom Mobile Limited. The finance facility is secured by creating a charge by way of hypothecation over the Hypothecated Assets in favour of the MCB Bank Limited - Security Agent, which shall constitute a first charge in favour of MCB Bank Limited - Security Agent (for the benefit of the Syndicate). The loan is repayable in 6 bi-annual instalments commencing from 15 December 2026.

7.1.18 The Holding Company entered into a syndicate term finance agreement dated 29 December 2022 to avail long term finance facility to the extent of Rs. 35,000,000 thousand for the purpose of equity injection into its wholly owned subsidiary Pak Telecom Mobile Limited. The finance facility is secured by creating a charge by way of hypothecation over the Hypothecated Assets in favour of the HBL Bank Limited - Security Agent, which shall constitute a first charge in favour of HBL Bank Limited - Security Agent (for the benefit of the Syndicate). The loan is repayable in 6 bi-annual instalments commencing from 30 June 2027.

7.1.19 During the year the Holding Company has entered into a finance agreement dated 24 October 2023 to avail long term finance facility to the extent of Rs. 3,000,000 thousand for the purpose of equity injection into its wholly owned subsidiary Pak Telecom Mobile Limited. The finance facility is secured by creating a charge by way of hypothecation over the Hypothecated Assets in favour of the Bank Alfalah Limited - Security Agent, which shall constitute a first charge in favour of Bank Alfalah Limited - Security Agent. The loan is repayable in quarterly instalments commencing from 25 January 2028.

7.1.20 The Holding Company has obtained finance facility under musharakah contract with bankIslami Pakistan Limited dated 28 Dec 2023 to avail the finance facility to the extent of Rs.2,000,000 thousand for the purchase of line & wire equipment. The effective rate of profit is 22% with a share of 96.08% (BankIslami) and 3.92% (PTCL). The contract is secured by creating a charge by way of hypothecation over hypothecated assets in favour of the BankIslami Pakistan Limited. The musharaka contract involve 12 quarterly payments and shall be wound up in the manner agreed. The musharaka agreement ends on 28 December 2030.

8. Subordinated debt

This represents term finance certificates (TFCs) of Rs 600,000 thousand distributed in 120 thousand TFCs of Rs 5 thousand each issued as subordinated loan in June 2017. The loan is availed as TIER-II subordinated debt for inclusion in UBank's Supplementary Capital. The facility tenure is 7 years and is priced at 6-months KIBOR plus 3.5% (2022: 6-months KIBOR plus 3.50%). The instrument is structured to redeem 0.02% of principal, semi-annually, over the first 60 months and remaining principal of 24.95% each of the issue amount respectively, in four equal instalments starting from 66th month. The TFCs are subordinated as to the payment of principal and profit to all other indebtedness of the UBank. The rating of these certificates issued by JCR-VIS credit rating company is A- with a stable outlook.

				2023 Rs '000	2022 Rs '000
		Conventional	Islamic	Total	Total
9. Deposits from banking customers					
Fixed deposits		50,631,922	959,789	51,591,711	26,785,758
Saving deposits		41,750,158	2,701,918	44,452,076	59,204,886
Current deposits		8,992,876	760,312	9,753,188	6,192,446
	9.1	101,374,956	4,422,019	105,796,975	92,183,090
Current portion				(85,465,584)	(90,910,070)
				20,331,391	1,273,020

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9.1 Deposits include related parties balances amounting to Rs 9,434,760 thousand (2022: Rs 5,148,220 thousand).

	Note	2023 Rs '000	2022 Rs '000 Restated
10. Lease liabilities			
Lease commitments			
- Not later than one year		5,353,044	5,515,567
- Later than one year and not later than five years		13,301,541	14,691,288
- Later than five years		2,362,259	2,186,140
Total undiscounted lease commitments		21,016,844	22,392,995
Discounted lease liabilities using the incremental borrowing rate		17,004,702	18,327,587
Current portion shown under current liabilities		(4,071,005)	(5,117,222)
Due after 12 months		12,933,697	13,210,365
11. Employees retirement benefits			
Liabilities for pension obligations			
Unfunded - PTCL	11.1	12,283,715	9,862,468
		12,283,715	9,862,468
Gratuity funded - PTCL, PTML and UBank	11.1	379,006	105,804
Accumulated compensated absences - PTCL	11.1	2,052,020	1,954,579
Post retirement medical facility - PTCL	11.1	15,634,286	13,238,012
Benevolent grants - PTCL	11.1	4,307,194	4,153,071
		34,656,221	29,313,934

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11.1 The latest actuarial valuations of the Group's defined benefit plans, were conducted at December 31, 2023 using the projected unit credit method. Details of obligations for defined benefit plans are as follows:

		Pension				Gratuity		Accumulated compensated absences		Post-retirement medical facility		Benevolent grants		Total	
		Funded		Unfunded		Funded		Unfunded		Unfunded		Unfunded			
		2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000
a)	**The amounts recognized in the consolidated statement of financial position:**														
	Present value of defined benefit obligations	142,863,607	131,936,258	12,283,715	9,862,468	4,232,904	3,315,379	2,052,020	1,954,579	15,634,286	13,238,012	4,307,194	4,153,071	181,373,726	164,459,767
	Fair value of plan assets - note 11.3	(149,115,429)	(135,125,260)	-	-	(3,853,898)	(3,209,575)	-	-	-	-	-	-	(152,969,327)	(138,334,835)
	(Asset) / Liability at end of the year - note 11.2	(6,251,822)	(3,189,002)	12,283,715	9,862,468	379,006	105,804	2,052,020	1,954,579	15,634,286	13,238,012	4,307,194	4,153,071	28,404,399	26,124,932
b)	**Changes in the present value of defined benefit obligations:**														
	Balance at beginning of the year	131,936,258	127,384,941	9,862,468	8,633,593	3,315,379	3,079,171	1,954,579	1,982,538	13,238,012	12,144,429	4,153,071	3,995,703	164,459,767	157,220,375
	Current service cost	990,436	959,087	463,529	413,582	559,588	354,565	102,774	89,125	109,684	96,986	40,623	39,067	2,266,634	1,952,412
	Interest expense	15,533,490	12,256,908	1,198,102	858,925	378,324	280,045	232,334	173,029	1,542,860	1,156,937	490,960	384,307	19,376,070	15,110,151
	Actuarial gain on accumulated compensated absences	-	-	-	-	-	-	(121,710)	(170,142)	-	-	-	-	(121,710)	(170,142)
		16,523,926	13,215,995	1,661,631	1,272,507	937,912	634,610	213,398	92,012	1,652,544	1,253,923	531,583	423,374	21,520,994	16,892,421
	Remeasurements:														
	Gain due to experience adjustments	4,667,944	967,050	923,709	45,060	284,694	116,389	-	-	2,030,205	989,749	(86,991)	39,266	7,819,561	2,157,514
	Benefits paid	(10,264,521)	(9,631,728)	(164,093)	(88,692)	(305,081)	(514,791)	(115,957)	(119,971)	(1,286,475)	(1,150,089)	(290,469)	(305,272)	(12,426,596)	(11,810,543)
	Balance at end of the year	142,863,607	131,936,258	12,283,715	9,862,468	4,232,904	3,315,379	2,052,020	1,954,579	15,634,286	13,238,012	4,307,194	4,153,071	181,373,726	164,459,767

	Pension				Gratuity		Accumulated compensated absences		Post-retirement medical facility		Benevolent grants		Total	
	Funded		Unfunded		Funded		Unfunded		Unfunded		Unfunded			
	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000
c) Charge for the year														
Profit or loss:														
Current service cost	990,436	959,087	463,529	413,582	559,588	354,565	102,774	89,125	109,684	96,986	40,623	39,067	2,266,634	1,952,412
Net interest expense	(390,653)	(180,233)	1,198,102	858,925	(9,395)	3,150	232,334	173,029	1,542,860	1,156,937	490,960	384,307	3,064,208	2,396,115
Actuarial gain on accumulated compensated absences	-	-	-	-	-	-	(121,710)	(170,142)	-	-	-	-	(121,710)	(170,142)
Contribution from deputationists / employees	(5,589)	(6,174)	-	-	-	-	-	-	-	-	(16,903)	(17,504)	(22,492)	(23,678)
	594,194	772,680	1,661,631	1,272,507	550,193	357,715	213,398	92,012	1,652,544	1,253,923	514,680	405,870	5,186,640	4,154,707
Other comprehensive income														
Remeasurements:														
Gain on remeasurement of assets	(7,371,461)	(2,309,756)	-	-	(153,422)	(79,879)	-	-	-	-	-	-	(7,524,883)	(2,389,635)
Gain due to change in financial assumptions	59,793	14,742	26,233	1,240	2,093	249	-	-	3,727	1,307	3,334	695	95,180	18,233
Loss due to experience adjustments	4,608,151	952,308	897,476	43,820	260,010	94,457	-	-	2,026,478	988,442	(90,325)	38,571	7,701,790	2,117,598
	(2,703,517)	(1,342,706)	923,709	45,060	108,681	14,827	-	-	2,030,205	989,749	(86,991)	39,266	272,087	(253,804)
	(2,109,323)	(570,026)	2,585,340	1,317,567	658,874	372,542	213,398	92,012	3,682,749	2,243,672	427,689	445,136	5,458,727	3,900,903
d) Significant actuarial assumptions at the date of consolidated statement of financial position:														
Discount rate	14.50%	12.25%	14.50%	12.25%	14.50%	12.25%	14.50%	12.25%	14.50%	12.25%	14.50%	12.25%		
Future salary / medical cost increase	12.50%	10.25%	12.50%	10.25%	13.50%	11.25%	13.50%	11.25%	13.50%	11.25%	13.50%	9.25%		
Future pension increase	10.75%	8.50%	10.75%	8.50%	-	-	-	-	-	-	-	-		
Rate of increase in benevolent grants	-	-	-	-	-	-	-	-	-	-	6.50%	4.25%		
Average duration of obligation	20 years	20 years	26 years	27 years	6 years	6 years	6 to 9 years	6 to 9 years	21 years	23 years	16 years	16 years		
Expected mortality rate	SLIC 2001-2005		SLIC 2001-2005		SLIC 2001-2005		SLIC 2001-2005		SLIC 2001-2005		SLIC 2001-2005			
Expected withdrawal rate	Based on experience		Based on experience		Based on experience		Based on experience		Based on experience		Based on experience			

11.2 As more fully explained in note 18.8, the Holding Company's obligation for funded pension is restricted to the extent of pension increases and benefits as determined by the Board of Trustees of the Pakistan Telecommunication Employees Trust (PTET).

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11.3 Changes in the fair value of plan assets:

	Defined benefit pension plan - funded		Defined benefit gratuity plan - funded		Total plan assets	
	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000
Balance at beginning of the year	135,125,260	129,187,278	3,209,575	2,738,249	138,334,835	131,925,527
Expected return on plan assets	15,924,142	12,437,141	387,720	276,896	16,311,862	12,714,037
Payments made to members on behalf of fund	-	-	152,305	189,573	152,305	189,573
Gain on remeasurement of assets	7,371,461	2,309,756	176,013	101,562	7,547,474	2,411,318
Contributions made by the Group during the year	959,087	822,813	206,300	391,020	1,165,387	1,213,833
Benefits paid	(10,264,521)	(9,631,728)	(278,015)	(487,725)	(10,542,536)	(10,119,453)
Balance at end of the year	149,115,429	135,125,260	3,853,898	3,209,575	152,969,327	138,334,835

11.4 Plan assets for funded defined benefit pension plan are comprised as follows:

	2023		2022	
	Rs '000	Percentage	Rs '000	Percentage
Debt instruments - unquoted				
- Defence saving certificates	30,869,129	20.71	27,446,545	20.32
- Regular income certificates	-	0.00	44,423,056	32.89
- Pakistan investment bonds	28,335,193	19.00	3,064,527	2.27
-Term Deposit Receipt	-	0.00	1,079,016	0.80
	59,204,322	39.71	76,013,144	56.28
Cash and cash equivalents				
- Term deposits	24,692,000	16.57	27,892,644	20.65
- Equity securities	-	0.00	1,176,835	0.87
- Sukuks	3,164,617	2.12	1,720,424	1.27
- Pakistan investment bond	816,314	0.55	686,770	0.51
- Term finance certificates	44,775	0.03	45,441	0.03
- Treasury bills	30,223,089	20.27	7,517,420	5.53
- Cash and bank balances	5,109	0.00	2,670	0.00
	58,945,904	39.54	39,042,204	28.86
Investment property				
- Telecom tower	11,795,667	7.90	10,113,021	7.48
- Telehouse	3,333,000	2.24	2,280,969	1.69
- Corporate offices	2,309,996	1.55	-	-
	17,438,663	11.69	12,393,990	9.17
Fixed assets	9,063	0.01	9,563	0.01
Other assets	15,050,684	10.09	9,062,942	6.71
	150,648,636	101.04	136,521,843	101.03
Liabilities				
- Staff retirement benefits	(126,866)	(0.09)	(106,330)	(0.08)
- Amount due to PTCL	(1,326)	-	(15,366)	(0.01)
- Accrued & other liabilities	(295,842)	(0.20)	(247,723)	(0.18)
- Provision for zakat	(1,109,173)	(0.75)	(1,027,164)	(0.76)
	(1,533,207)	(1.04)	(1,396,583)	(1.03)
	149,115,429	100.00	135,125,260	100.00

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11.5 Plan assets for defined gratuity fund are comprised as follows:

	2023		2022	
	Rs '000	Percentage	Rs '000	Percentage
Units of mutual funds	136,188	3.53	113,042	3.52
Term deposit receipts	2,034,815	52.80	2,176,536	67.81
Term finance certificates	450,000	11.68	500,000	15.58
Other assets	113,182	2.94	148,371	4.62
Bank balances	1,119,713	29.05	271,626	8.47
	3,853,898	100.00	3,209,575	100.00

11.6 The expected contributions in the next financial year to the funded gratuity plan by the Group is Rs 498,522 thousand.

11.7 Sensitivity analysis

The calculations of the defined benefit obligations are sensitive to the significant actuarial assumptions set out in note 11.1 (d). The table below summarizes how the defined benefit obligations at the end of the reporting period would have increased / (decreased) as a result of change in the respective assumptions.

	Impact on defined benefit obligation	
	1% increase in assumption	1% decrease in assumption
	Rs '000	Rs '000
Future salary / medical cost		
Pension - funded	8,791,000	8,118,459
Pension - unfunded	1,285,000	1,031,966
Gratuity - funded	521,607	469,855
Accumulated compensated absences - unfunded	172,000	161,760
Post-retirement medical facility - unfunded	3,634,000	2,131,098
Discount rate		
Pension - funded	(25,782,000)	(16,010,227)
Pension - unfunded	(2,800,000)	(1,367,541)
Gratuity - funded	(457,167)	(408,204)
Accumulated compensated absences - unfunded	(158,000)	(149,035)
Post-retirement medical facility - unfunded	(2,948,000)	(1,835,597)
Benevolent grants - unfunded	(634,000)	(575,869)
Future pension		
Pension - funded	31,459,000	18,221,355
Pension - unfunded	3,627,000	1,474,324
Benevolent grants		
Benevolent grants - unfunded	743,000	668,575

	Increase by 1 year	Decrease by 1 year
	Rs '000	Rs '000
Expected mortality rates		
Pension - funded	(3,280,000)	(3,029,357)
Pension - unfunded	(158,000)	(127,069)
Gratuity - funded	(36,000)	(30,087)
Accumulated compensated absences - unfunded	(26,000)	(24,276)
Post-retirement medical facility - unfunded	(435,000)	(367,921)
Benevolent grants - unfunded	(120,000)	(115,427)

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The above sensitivity analysis is based on changes in assumptions while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of defined benefit obligations to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the pension liability recognized within the consolidated statement of financial position.

11.8 Through its defined benefit pension plans, the Group is exposed to a number of actuarial and investment risks, the most significant of which include, interest rate risk, property market risk, longevity risk for pension plan and salary increase risk for all the plans.

	Note	2023 Rs '000	2022 Rs '000
12. Deferred government grants			
Balance at beginning of the year		29,425,104	20,455,668
Received during the year		4,952,587	11,511,935
		34,377,691	31,967,603
Income recognized during the year	40	(2,303,214)	(2,542,499)
Balance at end of the year		32,074,477	29,425,104

This includes grants received from the Universal Service Fund, as assistance towards the development of telecommunication infrastructure in rural areas, comprising telecom infrastructure projects for basic telecom access, transmission and broadband services spread across the country.

	Note	2023 Rs '000	2022 Rs '000
13. License Fee Payable			
Interest bearing	13.1	10,090,613	12,634,844
Non interest bearing	13.2	1,300,875	1,134,575
		11,391,488	13,769,419
Current portion		(125,862)	(164,459)
		11,265,626	13,604,960
13.1 Interest bearing			
Gross amount payable	13.3	10,090,613	12,634,844
		10,090,613	12,634,844
13.2 Non Interest bearing			
Gross amount payable	13.4	1,637,747	1,480,127
Imputed deferred interest		(336,872)	(345,552)
Present value of obligation		1,300,875	1,134,575
Current portion		(125,862)	(164,459)
		1,175,013	970,116

13.3 In September 2021, PTML acquired 4G license throughout Pakistan excluding Azad Jammu & Kashmir (AJK) and Gilgit-Baltistan (GB) at a fee of USD 279 million. 50% of the license fee had been paid at the time of acquisition of license. During the year, PTML has prepaid an installment of 4G license throughout Pakistan excluding Azad Jammu & Kashmir (AJK) and Gilgit-Baltistan (GB) amounting to USD 20 million on January 27, 2023.

13.4 (i) In June 2021, 2G license for operations in AJK and GB at a fee of USD 13.5 million. 50% of the license fee had been paid at the time of acquisition of license and the remaining 50% of the amount is to be paid in 10 equal annual installments on June 24th each year in US Dollars or equivalent Pak Rupees. Accordingly, at initial recognition, the aggregate amount payable is discounted to the present value of future cash flows at the rate of 6% per annum.

(ii) In Oct 2021, PTML acquired 4G license for operations in AJK and GB at a fee of USD 1.026 million. 50% of the license fee had been paid at the time of acquisition of license and the remaining 50% of the amount is to be paid in 10 equal annual installments on October 11th each year in US Dollars or equivalent Pak Rupees. Accordingly, at initial recognition, the aggregate amount payable is discounted to the present value of future cash flows at the rate of 6% per annum.

14. Long term vendor liability

This represents amount payable to a vendor in respect of procurement of network and allied assets which comprises:

	Note	2023 Rs '000	2022 Rs '000
Obligation under acceptance of bills of exchange	14.1	62,781,155	53,361,922
Other accrued liabilities		5,428,614	6,473,396
		68,209,769	59,835,318
Current portion		(17,403,361)	(15,915,561)
		50,806,408	43,919,757

14.1 These include liability of Rs. 20,194,590 thousand (December 31, 2022: Rs 18,358,897 thousand) carrying interest in the range of 17.05% to 24.71% per annum (December 31, 2022: 7.35% to 16.08% per annum).

	Note	2023 Rs '000	2022 Rs '000
15. Trade and other payables			
Trade creditors		19,293,856	20,065,091
Accrued and other liabilities	15.1	52,031,359	44,276,046
Technical services assistance fee	15.2	41,410,987	35,656,357
Advances from customers / contract liability		11,488,116	11,798,257
Retention money / payable to contractors and suppliers		8,593,518	7,666,471
Income tax collected from subscribers / deducted at source		377,059	1,070,965
Sales tax payable		1,393,847	2,057,179
	15.3	134,588,742	122,590,366

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	Note	2023 Rs '000	2022 Rs '000
15.1 Accrued and other liabilities comprise:			
Accrued liability for operational expenses		18,460,904	14,085,728
Amount withheld on account of provincial levies (sub judice) for ICH operations	15.1.1	12,110,803	12,110,803
Accrual for Government / regulatory expenses		15,455,046	14,093,258
Accrued wages		4,403,373	2,576,783
Others		1,601,233	1,409,474
		52,031,359	44,276,046

15.1.1 This represents International Clearing House (ICH) revenue which were shared between Holding Company and other Long Distance and International (LDI) operators in the ratio of 50:50. Therefore, out of this, 50% of the amount represents revenue not recognized by Holding Company. As the ICH operator, the Holding Company challenged the imposition of sales tax on ICH revenue and the matter is subjudice in different courts of law, therefore the relevant share of the ICH partners is being held by Holding Company till the finalization of the subject cases.

15.2 Liability has not been settled since State Bank of Pakistan has not yet acknowledged the extension of Technical Services Assistance (TSA) Agreement.

	2023 Rs '000	2022 Rs '000
15.3 Trade and other payables include payable to the following related parties:		
Etisalat - UAE	3,712,085	2,286,895
Etisalat's subsidiaries and associates	37,005	97,771
Etisalat - Afghanistan	59,434	77,660
Etihad Etisalat (Mobily)	19,475	12,134
Emirates data clearing house	46,851	19,162
Telecom Foundation	13,276	3,411
TF Pipes Limited	4,630	4,430
GoP related entities	2,070,961	1,732,806
PTCL Employees GPF Trust	56,563	38,606
Retention money / payable to contractors and suppliers		
TF Pipes Limited	2,940	2,940

These balances relate to the normal course of business and are interest free.

16. Short term running finance

	Note	2023 Rs '000	2022 Rs '000
PTML	16.1	7,019,721	3,706,817
UBank	16.2	16,903,832	37,080,240
PTCL	16.3	24,214,700	92,582
		48,138,253	40,879,639

16.1 Under mark-up arrangements with banks, total facilities available amounts to Rs. 5,980 million (December 31, 2022: Rs 4,580 million), out of which amount availed at the year end was Rs. 4,567 million (December 31, 2022: Rs. 3,212 million). The current balance of Rs. 7,020 million represents book overdrawn as at December 31, 2023 (December 31, 2022: Rs. 3,706 million). These facilities are secured by first ranking pari passu charge by way of hypothecation over all present and future assets of the Company, excluding land, building and licenses.

16.2 This includes running finance facility through:

(i) National Bank of Pakistan Limited of Rs 1,000,000 thousand (December 31,2022: Rs 1,000,000 thousand) carrying markup of 3-months KIBOR plus 0.75% per annum (December 31, 2022: 3-months KIBOR plus 0.75%). This is secured against first pari passu charge on all the current and future book debts, advances and receivables of UBank.

(ii) Askari Bank Limited of Rs 15,000,000 thousand (December 31, 2022: 10,000,000) carrying markup of 01-month KIBOR plus 0.01% per annum (2022: 01-month KIBOR plus 0.01% per annum). This is secured against Pakistan investment bond / treasury bills / sukuks to be kept in IPS account maintained with AKBL with 5% margin. The principle is required to be repaid at maturity on demand and mark up is repayable on quarterly basis.

16.3 These facilities are obtained from various commercial banks with an aggregate limit of Rs. 17,500,000 thousand (December 31, 2022: 7,100,000 thousand) and are secured against 1st pari passu charge on present and future current assets and all other movable assets of the holding Company. These facilities carry markup rates ranging from 1-month KIBOR to 3-month KIBOR plus 0.15% to 0.50% (December 31, 2022: 0.2% to 1.5%) per annum.

This also include sharia compliant, rated, unlisted, unsecured, privately placed short term sukuk amounting to Rs. 5,000,000 thousand (December 2022: Nil) issued to meet the working capital requirements with a tenor of 6 months from the issue date at 6-Months. Habib Bank Limited was a mandated lead advisor, Arranger and investment agent for the sukuk. The Issuer has the right to exercise call option on or after 3 months from issue date.

	Note	2023 Rs '000	2022 Rs '000
17. Security deposits			
Utilizable in business	17.1	614,544	726,002
Others	17.2	825,227	805,696
		1,439,771	1,531,698

17.1 These represent utilizable interest free security deposits received from distributors, franchisees and customers for services to be provided and are refundable / adjustable on termination of their relationship with the Group. The amount is being fully utilized for the purpose of Group's business.

17.2 These include security deposits received from customers for services to be provided and are refundable / adjustable on termination of their relationship with the Group. These are non-interest bearing. The Group has adjusted / paid an amount of Rs 4 thousand (December 31, 2022: Rs 42 thousand) to its customers during the year against their balances. Amount of these security deposits has been kept in a separate bank account.

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18. Contingencies and commitments

Contingencies

PTCL

Indirect Taxes

18.1 Against the decision of Appellate Tribunal Inland Revenue (ATIR) upholding tax authorities' decision to impose FED amounting to Rs 365,098 thousand on Technical Services Assistance fee assuming that the fee is against franchise arrangement for the period from July 2008-09 & 2010-11, the Holding Company has filed reference in the Honorable Islamabad High Court. Accordingly, the stay order was granted by the Honorable Islamabad High Court. Similarly, against an order of the Punjab Revenue Authority (PRA) for the services sales tax, a demand of Rs 461,629 thousand on Technical Services Assistance fee was raised assuming that the fee is against franchise arrangement for the period from October 2012 to December 2014. The appeal is sub judice before the Commissioner Appeals - PRA, and the stay order from the Honorable Lahore High Court is also in place against any coercive measures.

18.2 Based on an audit of certain monthly returns of FED, a demand of Rs 1,289,957 thousand was raised on the premise that the Holding Company did not apportion the input tax between allowable and exempt supplies. The Holding Company is in appeal before ATIR, which is pending adjudication. Meanwhile, the Honorable Islamabad High Court has granted a stay order in this regard against any coercive measures.

18.3 Against the decision of Sindh Revenue Board (SRB) imposing sales tax on services of Rs 4,417,000 thousand and Khyber Pakhtunkhwa Revenue Authority (KPRA) Rs 2,374,000 thousands on revenues from international incoming calls from Nov, 2012 to Dec, 2013 & July, 2013 to Dec, 2019 respectively , the appeals are pending adjudication before the Commissioner Appeals. A stay order has been obtained from Honorable Sindh High Court & Honorable Peshawar High Court against any coercive action by SRB and KPRA.

18.4 The Sindh Revenue Board (SRB) has assessed Sindh sales tax on services amounting to Rs 702,000 thousand on the premise that the Holding Company did not pay sales tax on invoices issued for services rendered to Cellular Mobile Operators (CMOs). Department view was not supported by the record and the Holding Company has submitted detailed evidence to refute the same before the learned Commissioner Appeals, SRB and stay has been granted. Management and tax advisors believe that this case would be settled in favor of the Holding Company owing to the evidence on record.

18.5 Against the decision of the Customs Appellate Tribunal imposing additional custom duties, a reference as well as writ petition against the decision is pending before the Honorable Sindh High Court. Further, through the petition filed before the Honorable Sindh High Court, a stay order has been obtained against order of the Tribunal. The Honorable Sindh High Court has stayed the recovery of the levies amounting to Rs 932,942 thousand. Further, the Collector of Customs imposed additional duties, taxes and other charges amounting to Rs 1,685,884 thousand against which the Holding Company has filed an appeal before the Customs Appellate Tribunal.

Income Tax

18.6 For the tax years 2007, 2009, 2010, 2011 to 2021, Taxation Officer disallowed certain expenses, tax credits and levied short deduction of WHT. The impugned orders were challenged at the relevant appellate forums which allowed partial relief thereof. After taking into account the orders of CIR (Appeals), ATIR as well as rectification orders tax impact of the disallowances is Rs 52,523,778 thousand. Appeals on the remaining outstanding items are pending adjudication before ATIR. Reference in respect of 2007 is subjudice before the Honorable Islamabad High Court. Stay has been obtained in all cases from different fora.

18.7 For the Tax Year 2020, Taxation officer objected to the quarterly advance tax calculation submitted by the Holding Company based on group taxation and raised demand amounting to Rs 2,855,907 thousand despite that the Holding Company had filed option for group taxation within prescribed time. The Holding Company obtained stay order from Honorable Islamabad High Court against any coercive measures. Later the Securities and Exchange Commission also issued Group Designation Letter for PTCL Group.

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Others

18.8 In 2010, Pakistan Telecommunication Employees Trust ("PTET") board approved the pension increase which was less than the increase notified by the Government of Pakistan ("GoP"). Thereafter, pensioners filed several Writ Petitions. After a series of hearings, on June 12, 2015 the Apex Court decided the case in the interest of pensioners. On July 13, 2015, Review Petition was filed in Supreme Court of Pakistan against the Judgment of June 12, 2015.

The Honourable Supreme Court of Pakistan (Apex Court) disposed the Review Petitions filed by the Holding Company, the Pakistan Telecommunication Employees Trust (PTET) and the Federal Government (collectively, the Review Petitioners) vide the order dated May 17, 2017. Through the said order, the Apex Court directed the Review Petitioners to seek remedy under section 12(2) CPC (Civil Procedure Code) which shall be decided by the concerned Court in accordance with the law, and to pursue all grounds of law and fact in other cases pending before High Courts. The Review Petitioners have filed the applications under section 12(2) CPC before respective High Courts. However, PTET has implemented the Apex court decision dated 12 June 2015 to the extent of 343 pensioners who were the petitioners in the main case. Some of the interveners (pensioners) seeking the same relief as allowed vide order dated June 12, 2015 have been directed by the Apex Court to approach the appropriate forum on May 10, 2018. Islamabad High Court on 2nd November, 2021, has decided that the GOP increases are not allowed to VSS optees, PTC pensioners and to the workmen. To the extent of Civil Servants the Islamabad High Court allowed the GOP increase. However, to the same extent appeal has been filed before Apex court within the limitation. Under the circumstances, management of the Holding Company, on the basis of legal advice, believes that the Holding Company's obligations against benefits is restricted to the extent of pension increases as determined solely by the Board of Trustees of the PTET in accordance with the Pakistan Telecommunication (Re-Organization) Act, 1996 and the Pension Trust Rules of 2012 and accordingly, no provision has been recognized in these Consolidated financial statements.

18.9 The Holding Company implemented policy directives of Ministry of Information Technology conveyed by the Pakistan Telecommunication Authority regarding termination of all international incoming calls into Pakistan. On suspension of these directives by the Honorable Lahore High Court, the Honorable Supreme Court of Pakistan dismissed the pertinent writ petitions by directing Competition Commission of Pakistan (CCP) to decide the case. The Honorable Sindh High Court suspended the adverse decision of CCP and the case is pending for adjudication.

18.10 A total of 1,384 cases (December 31, 2022: 1,267) against PTCL involving Regulatory, Telecom Operators, Employees and Subscribers. Because of number of cases and their uncertain nature, it is not possible to quantify their financial impact. Management and legal advisors of the Company are of the view that the outcome of these cases is expected to be favorable and liability, if any, arising out on the settlement is not likely to be material.

PTML

Indirect Taxes

18.11 The Federal Board of Revenue (FBR) has raised multiple tax demands, by assessing Federal Excise Duty (FED) on the Company's payments of technical services fee to Etisalat as fee for "Franchise Services", for multiple periods - from July 2006 till December 2018. The Company is contesting such assessments and demands before Commissioner Inland Revenue (Appeals) [CIR-A], Appellate Tribunal Inland Revenue (ATIR) and the Islamabad High Court (IHC). Management contends that payments of technical services fee are outside the ambit of the Federal Excise Act, 2005; and also lack the "franchiser-franchisee" arrangement, essential for the payments to be considered franchise services fee. Against the demands created by FBR, the Company has paid Rs 521.76 million in prior years under protest, being carried as receivable from taxation authorities as reflected in note 15.1 to these financial statements. Overall exposure on this issue is Rs. 2,957 million (December 31, 2022: Rs. 2,696 million).

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Income Tax

18.12 The taxation authorities (FBR) had raised demands aggregating to Rs 1,830 million for tax years 2008 to 2014, by disallowing advance income tax paid by the Company on import of telecommunication equipment, on the premise that the same was final tax and could not be adjusted against normal tax liability. The earliest case was instituted in December 2011. The Company contends that these demands are not based on sound taxation principles: the Company's telecommunication services have been subject to normal tax since inception and the imported equipment is used in-house for provision of those services, not sold as commercial imports. On the Company's tax references filed before the IHC against the unfavourable order of the ATIR, the IHC remanded the cases back to ATIR for fresh hearing. The tax authorities responded by filing constitutional petition before the Supreme Court (SC), on which the matter is pending before Supreme Court of Pakistan

18.13 Since April 2011, the PTML is subject to assessments proceedings under Section 122(5A) of the Income Tax Ordinance, 2001 for tax years 2008 to 2018, on account of verification of expenses and tax withholding. The proceedings are pending before the CIR-A, ATIR and IHC.

18.14 Since December 2006, PTML has been contesting various notices and orders in front of the Federal, Provincial and Azad Jammu and Kashmir Tax Authorities, CIR-A, ATIR and the High Courts in respect of Income Tax, FED and Federal and Provincial Sales Taxes.

18.15 On 30 July 2020, PTA imposed a fine of Rs 50,000 thousand on the PTML on account of suspected grey traffic on their network and directed it to submit the fine within ten working days of the order. PTML filed appeal before the High Court of Sindh on 10 August 2020 which suspended the operation of the PTA's determination.

No provision on account of above contingencies has been made in these consolidated financial statements as the management and the tax / legal advisors of the Group are of the view that these matters will eventually be settled in favor of the Group.

UBank

18.16 For the tax years 2015, 2016, 2017 & 2019, Taxation Officer disallowed certain expenses, tax credits, levied short deduction of WHT and adjustment of ACT & minimum tax. The impugned orders were challenged at the relevant appellate forums which allowed partial relief thereof. After taking into account the orders of CIR (Appeals), ATIR as well as rectification orders tax impact of the disallowances is Rs 291,070 thousand. Appeals on the remaining outstanding items are pending adjudication before ATIR.

18.17 The Sindh Revenue Board (SRB) has passed an order dated December 8, 2022 requiring the Bank to deposit Sindh sales tax amounting to Rs 9.70 million along with penalty and default surcharge on account of non-payment of withholding Sindh sales tax and adjustment of inadmissible input tax during the period from January 2017 to December 2017. The Bank has filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A), which is pending for adjucation.

18.18 The Sindh Revenue Board (SRB) has passed orders dated June 2, 2020 and March 12, 2021 requiring the Bank to deposit Sindh sales tax amounting to Rs 10.23 million and Rs 5.19 million retrospectively along with penalty and default surcharge on account of short payment of sales tax during the tax year 2015 (January 2014 to December 2014) and 2018 (January 2017 to December 2017) respectively. The Bank has filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A), which is pending for adjucation.

18.19 The Punjab Revenue Authority (PRA) has passed an order dated February 24, 2020 requiring the Bank to deposit Punjab sales tax amounting to Rs 7.89 million along with penalty and default surcharge on account of adjustment of inadmissible input tax for the tax years 2013, 2014, 2015 and 2018. UBank filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A), who decided the matter in favour of PRA vide order dated November 28, 2023.UBank has filed an appeal against the decision of CIR-A before the ATIR which is pending for adjucation.

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18.20 The Punjab Revenue Authority (PRA) has passed an order dated May 2, 2019 requiring the Bank to deposit Punjab sales tax amounting to Rs 10.06 million along with penalty and default surcharge on account of adjustment of inadmissible input tax for the tax years 2016 and 2017. The Bank has filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A), which decided the matter in favour of PRA in order dated November 25, 2019. The said order was received by the Bank on July 2, 2020 making the order-in-appeal time barred as per the time limit prescribed in Punjab Sales Tax (PST) Act. Being aggravated, the Bank has filed an appeal against the decision of CIR-A before the ATIR who has decided the matter in favour of PRA. The Bank has filed an appeal against the decision of ATIR before the Punjab High Court which is pending for adjuration.

		Note	2023 Rs '000	2022 Rs '000
18.21	Bank guarantees and bid bonds of Group issued in favour of:			
	Universal Service Fund (USF) against government grants		18,113,688	20,160,942
	Pakistan Telecommunication Authority		4,509,770	3,622,895
	Others	18.21.1	3,013,891	2,404,712
			25,637,349	26,188,549
	Corporate guarantee in favour of PTML		56,400,000	43,800,000

18.21.1 Others includes bank guarantees given on behalf of DVCOM Data to PTA amounting to Rs 675,000 thousand (December 31, 2022: Rs. 675,000 thousand).

18.22 Commitments

		Note	2023 Rs '000	2022 Rs '000
18.22.1	**Standby letter of guarantee**	18.22.2	18,000	12,800
	Letter of credit for purchase of stock		467,691	721,799
	Letters of comfort in favour of PTML		3,500,000	3,500,000
	Contracts for capital expenditure		40,877,921	21,979,149
			44,863,612	26,213,748

18.22.2 This represents letter of guarantee issued on behalf of UBank to China Union Pay International Company Limited for interbank settlements.

		Note	2023 Rs '000	2022 Rs '000
19.	**Property, plant and equipment**			
	Operating fixed assets	19.1	216,872,000	201,507,607
	Capital work in progress	19.6	40,437,044	28,555,527
			257,309,044	230,063,134

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19.1 Operating fixed assets

	Land		Buildings on										
	Freehold - note 19.2	Leasehold	Freehold land	Leasehold land	Lines and wires	Apparatus, plant and equipment	Passive maintenance and allied systems	Office equipment	Computer and electrical equipment	Furniture and fittings	Vehicles	Submarine cables	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	
As at December 31, 2021													
Cost	1,650,684	100,782	13,856,736	3,223,708	143,563,494	403,913,932	41,199,244	3,523,390	13,481,863	1,661,262	3,914,499	18,739,171	648,828,765
Accumulated depreciation and impairment	-	(42,573)	(6,664,055)	(2,327,677)	(103,853,099)	(293,181,227)	(35,899,534)	(1,841,503)	(11,548,840)	(895,561)	(3,027,824)	(12,095,519)	(471,377,412)
Net book value	1,650,684	58,209	7,192,681	896,031	39,710,395	110,732,705	5,299,710	1,681,887	1,933,023	765,701	886,675	6,643,652	177,451,353
Movement during 2022													
Additions	-	-	133,355	27,263	8,228,385	40,527,427	1,271,242	310,389	1,847,301	286,101	164,768	101,629	52,897,860
Disposals													
Cost	-	-	-	(5,898)	(5,221,858)	(1,270,395)	-	(2,358)	(379,668)	(708)	(162,736)	-	(7,043,621)
Accumulated depreciation	-	-	-	5,898	5,217,408	1,169,390	-	1,700	374,405	530	128,838	-	6,898,169
	-	-	-	-	(4,450)	(101,005)	-	(658)	(5,263)	(178)	(33,898)	-	(145,452)
Depreciation charge for the year - note 19.5	-	(1,643)	(347,131)	(103,304)	(3,576,418)	(21,041,083)	(1,318,863)	(306,588)	(974,433)	(132,186)	(306,449)	(528,517)	(28,636,615)
Impairment charge	-	-	-	-	(4,181)	(55,358)	-	-	-	-		-	(59,539)
Net book value	1,650,684	56,566	6,978,905	819,990	44,353,731	130,062,686	5,252,089	1,685,030	2,800,628	919,438	711,096	6,216,764	201,507,607
As at December 31, 2022													
Cost	1,650,684	100,782	13,990,091	3,245,073	146,570,021	443,170,964	42,470,486	3,831,421	14,949,496	1,946,655	3,916,531	18,840,800	694,683,004
Accumulated depreciation	-	(44,216)	(7,011,186)	(2,425,083)	(102,216,290)	(313,108,278)	(37,218,397)	(2,146,391)	(12,148,868)	(1,027,217)	(3,205,435)	(12,624,036)	(493,175,397)
Net book value	1,650,684	56,566	6,978,905	819,990	44,353,731	130,062,686	5,252,089	1,685,030	2,800,628	919,438	711,096	6,216,764	201,507,607
Movement during 2023													
Additions	-	-	263,471	67,017	11,897,401	29,111,411	679,491	477,272	1,960,012	809,232	194,294	351,558	45,811,159
Disposals - note 19.4													
Cost	-	-	-	(496)	(10,634,755)	(3,655,577)	(178,027)	(49)	(300,739)	(4,070)	(129,098)	-	(14,902,811)
Accumulated depreciation	-	-	-	496	10,609,596	3,528,422	153,570	40	259,717	1,968	114,294	-	14,668,103
	-	-	-	-	(25,159)	(127,155)	(24,457)	(9)	(41,022)	(2,102)	(14,804)	-	(234,708)
Transfers during the year													
Depreciation charge for the year - note 19.5	-	(1,643)	(352,375)	(80,667)	(3,998,971)	(21,798,839)	(1,384,239)	(300,576)	(1,197,118)	(195,594)	(294,061)	(541,518)	(30,145,601)
Impairment charge	-	-	-	-	(3,840)	(62,617)	-	-	-	-	-	-	(66,457)
Net book value	1,650,684	54,923	6,890,001	806,340	52,223,162	137,185,486	4,522,884	1,861,717	3,522,500	1,530,974	596,525	6,026,804	216,871,999
As at December 31, 2023													
Cost	1,650,684	100,782	14,253,562	3,311,594	147,832,667	468,626,798	42,971,950	4,308,644	16,608,769	2,751,817	3,981,727	19,192,358	725,591,352
Accumulated depreciation and impairment	-	(45,859)	(7,363,561)	(2,505,254)	(95,609,505)	(331,441,312)	(38,449,066)	(2,446,927)	(13,086,269)	(1,220,843)	(3,385,202)	(13,165,554)	(508,719,352)
Net book value	1,650,684	54,923	6,890,001	806,340	52,223,162	137,185,486	4,522,884	1,861,717	3,522,500	1,530,974	596,525	6,026,804	216,872,000
Annual rate of depreciation (%)	-	1 to 3.3	2.5	2.5-20	5 to 7	10 to 33	6.67- 33	10	20 to 33.33	10	20	5	

19.2 In view of large number of properties i.e. over three thousand, located across Pakistan, it is impracticable to disclose the details of properties in the consolidated financial statements as required under paragrapghs VI.1 sub clause (ii) of the 4th Schedule to the Companies Act, 2017, therefore, this information/record is available for inspection at the registered office of the Holding Company on request and the copy of the details of said properties will be provided on request to the said shareholders who are unable or unwilling to visit the Holding Company's registered office, i.e. PTCL Headquarters, Ufone Tower, F-7/1, Blue Area Islamabad.

19.3 As explained in note 1.1, the property and rights vesting in the operating assets, as at January 01, 1996, were transferred to the Holding Company from the Pakistan Telecommunication Corporation under the Pakistan Telecommunication (Re-organisation) Act, 1996; however, the possession and control or title to of certain freehold land properties were not transferred in the name of the Holding Company in the land revenue records,therefore, in pursuant to the disclosure required under Clause VI Sub clause 12 of Part 2 of the fourth schedule of the Companies Act 2017,the list of such properties is given below:

Sr. No.	Description	Address	The Person in whose name the property is registered	Person in Possession or control	Reasons for the property or asset not being in the name of or possession or control of the Holding Company	Carrying Amount (Rupees)
1	Zulfiqarabad Telephone Exchange	DSU-1, Pak Steel Link Road, Near Abass Engineering Co. & Pak suzuki Motors Bin Qasim, Malir, Karachi East.	Pakistan Steel	The Holding Company	Ban imposed by the Supreme Court of Pakistan on transfer of Pak Steel Properties	20,598
2	Gulshan-e-Hadeed Telephone Exchange	Phase-II, Ghulshan-e-Hadeed, Opposite Jahangir Hotel, Budh Bazar, Bin Qasim, Malir, Karachi.	Pakistan Steel	The Holding Company	Ban imposed by the Supreme Court of Pakistan on transfer of Pak Steel Properties	22,855
3	Manora Telephone Exchange	Survey No. 19/B, Near P.N.S Rehber, Keemari Town, Karachi South	Ministry of Defense	The Holding Company	Pakistan Navy refused to transfer the land	1
4	Dadu Telecom Building-I	City Survey No. 995,996, 997 etc. Katchahary Road, Near Mukhtiarkar Office, Dadu.	Ministry of Defense	The Holding Company	Being a Camping Ground, the case is pending with Ministry of Defense	17,300
5	Morgah (Mini) Telephone Exchange	Army Housing Scheme, Morgah, Rawalpindi.	Ministry of Defense	The Holding Company	The land is under dispute between GHQ other parties	25,750
6	Dhanna Singh Wala	Near Johar Town, Canal Bank, Moza Dhanna Singh Wala, Lahore	Telegraph & Telephone (T&T)	Partially in Possession of the Holding Company	Partially under Litigation	5,587,354
7	T&T Land Kashmir/ Egerton Road	T&T Land Kashmir (Egerton Road), Near Awan-e-Iqbal, Lahore.	Federal Government	The Holding Company	Under Litigation	1
8	P&T Colony Multan Road Lahore	Khasra No. 1594, 85, 96, 97 etc. Khewat No. 4846, Khatoni No. 10439 (1995-96) etc. Near More Samanabad and Chuburji Quarters, Multan Road, Lahore.	Federal Government	Partially in Possession of the Holding Company	Under Litigation	3,303,375
9	Industrial Estate SGD	Plot # A-17 Small Industrial Estate Lahore Road Sargodha.	Punjab Small Industries Corporation	Not in Possession of the Holding Company	Under Litigation	1
10	Wireless Receiving Station, Malir	Survey No. 74, 76, 77, 80, 81, 82, 83, 85, 86, 91, 92, 93 etc, National Highway, Opposite R.T.T.S Malir Halt, Deh Drigh Tappo, Malir Karachi East.	Telegraph & Telephone (T&T)	Partially in Possession of the Holding Company	Under Litigation	1,872,800
11	Clifton (Gizri) P&T Colony	Clifton P&T Colony, Ch. Khaliq-uz-Zaman Road, Opposite Ministry of Foreign Affairs, Clifton, Karachi South.	Provincial Government	Partially in Possession of the Holding Company	Under Litigation	1

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Sr. No.	Description	Address	The Person in whose name the property is registered	Person in Possession or control	Reasons for the property or asset not being in the name of or possession or control of the Holding Company	(Rupees)
12	Kundwal Telephone Exchange	Khata No. 160/760, Moza Kundwal, Pind Dadan Khan, Jhelum.	Private Name	The Holding Company	Under Litigation	81,000
13	Korangi Plot No. 45, 46 Telephone Exchange	Plot No. 45, 46, Sector No. 22 etc. Township Korangi, KDA, Karachi South.	KM Enterprises	Not in Possession of the Holding Company	Under Litigation	20,880
14	Mardan Central Telephone Exchange	Khasra No. 2114, 2109, 2110, 213, Khewat No. 1410, 1411, Khatoni No. 2029, 2030 (1999-2000) etc. Mardan.	Private Name	The Holding Company	Under Litigation	23,493
15	Havellian Telephone Exchange & Staff Quarters	Khasra No 1195/2,1196/2, 1197/2, 1198/3, (305), 306,307, 286/2,286,288, 289 and 290 urban (1263) etc, Railway Station Road, Havellian, Abbottabad	Private Name	The Holding Company	Under Litigation	272,600
16	Rana Town Land	Khasra No. 8/2, 9/2, 12, 13/1/1, Sq. No. 52 etc. Rana Town, Chak No. 39/UCC, Ferozewala, Sheikupura.	Private Name	Not in Possession of the Holding Company	Under Litigation	1
17	Maroot (Chak No. 318/HR) Telephone Exchange	Khewat No. 19/17, Khatoni No. 75-88 (2001-02) etc. Near Pull Hakra, Chak No. 318/HR, Maroot, Fort Abbas, Bahawalnagar.	Private Name	The Holding Company	Under Litigation	1
18	Wapda Town Gujranwala I Telephone Exchange	Commercial Area, Block B-3, Wapda Town, Gujranwala	Wapda Employees Cooperative Housing Society	Not in Possession of the Holding Company	Plot cancelled by Wapda Employees Cooperative Housing Society due to non-construction of Telephone Exchange	762,500
19	Songal (Scheme-33) Staff Quarter	Deh Songal (Scheme-33) Staff Quarter, Malir, Karachi.	Provincial Government	Not in Possession of the Holding Company	Sindh Government agreed to provide alternate land which is still awaited	94,059
20	Chak 121/NB Telephone Exchange	Khewat No.18 Khatoni 57, Chak 121/NB, Sillanwali, Sargodha.	Private Name	The Holding Company	Under Litigation	487,700
21	Jhoke Utra Telephone Exchange	Khata No. 58, Khasra No. 19/8, Killa No. 8, etc. Malkani Kaln Road, Chowk Shehbazi, Moza Malkani Khurd, Jhoke Utra, D.G Khan.	Private Name	The Holding Company	Under Litigation	1
22	Tando Adam PTCL Qtrs.	Survey No. 204, Shahdad Pur Road, Near Siddique Akbar Masjid, Tando Adam, Sanghar.	Private Name	The Holding Company	Pending for Transfer with Sindh Government	1
23	Madeji Telephone Exchange	Federal Govt. Scheme, Station Road, Near Rice Mill, Madeji, Garhi Ysain, Shikarpur.	Private Name	The Holding Company	Pending for Transfer with Sindh Government	1,476,207
24	Compact Exchange Building, Mehmoodabad	Block No. 85, Village Ahmadia, Deh Malhansar, Taluka Kunri, Umer kot.	Private Name	The Holding Company	Pending for Transfer with Sindh Government	46,055
25	Sakrand Telephone Exchange	Mehrabpur Road, Main Bazar, Sakrand, Nawabshah.	Provincial Government	The Holding Company	Pending for Transfer with Sindh Government	1

Sr. No.	Description	Address	The Person in whose name the property is registered	Person in Possession or control	Reasons for the property or asset not being in the name of or possession or control of the Holding Company	(Rupees)
26	Tando Muhammad Khan Telephone Exchange	Survey No. 40, 41 etc. Near Civil Hospital, Deh Tando Mohd. Khan, Hyderabad.	Private Name	The Holding Company	Pending for Transfer with Sindh Government	43,650
27	Sirikot Telephone Exchange	Khasra No. 895/896/897, etc. Sirikot Road, Moza Sirikot, Haripur.	Private Name	The Holding Company	Under Litigation	33,652
28	Wana Telephone Exchange	Azam Warsak Road, Wana, S.W. Agency H/Q Wana.	Provincial Government	The Holding Company	Exchange is located in Tehsil Office and not a PTCL Property.	1
29	Mirpur Khas Customer Service Center Building	Survey No. 1320, Hyderabad Road, Mirpur Khas	Private Name	The Holding Company	Pending for Transfer with Sindh Government	1
30	Shahi Bala Telephone Exchange	Khasra No. 968, 969, Khewat No.139 etc. Moza Shahi Bala, Peshawar.	Private Name	The Holding Company	Under Litigation	1
31	Baba Jee Khando Hill DRS	Khasra No. 73, Khatoni No. 169 etc. Baba Jee Kandoo Hill, Bunair.	Private Name	The Holding Company	Under Litigation	15,755
32	Sambrial -II	Near Petrol Pump & Annayat Group Factory, Moza Sambrial, Sialkot.	-	Not in Possession of the Holding Company	The site delisted by PC because Sambrial T/E and Sambrial-II are the same sites.	2,800,000
33	Rashki Telephone Exchange	Khasra No. 40/121, Khata No. 210/844, Mutation No. 5282, Moza Rashki, Nowshera.	-	Not in Possession of the Holding Company	The site delisted by PC because it came under Peshawar-Islamabad Motorway (MI).	1
34	Kharian Cantt Telegraph office (Site-III)	Behind GPO, Kharian, Gujrat.	-	Not in Possession of the Holding Company	The site delisted by PC because a room was provided by MEO to facilitate Pakistan army in Cantt. Telegraph Office closed since 2006.	1
35	Sita Road RCD Microwave	Survey No. 814, Deh Bhagana, Tapa Danager-I, Sita Road RCD Microwave, Khairpur, Nathan Shah, Dadu.	-	Not in Possession of the Holding Company	The site delisted by PC because the land is not transferred to PTCL & no network element existed on ground.	1
36	Tarnol (Additional Land)	Khasra No. 1552/683, Khewat No. 249 (1980-81) etc. Moza Sariay Kharboza, G.T. Road, Islamabad	-	Not in Possession of the Holding Company	The site delisted by PC because the land owned by private party	2
37	Chakra (Chowker) Telephone Exchange	Khasra No. 1499-1502, Khewat No. 97-98, 115, Khatoni No. 171, 196 etc. Moza Chowker, Rawalpindi.	-	Not in Possession of the Holding Company	The site delisted by PC because no PTCL land exists there	260,000
38	Sindhri Telephone Exchange	Survey No. 153 etc. Near Police Station, Deh Khani Mangri, Sindhri, Khipro, Sanghar.	Private Name	The Holding Company	Conditionally Transferred not accepted by PTCL	1

Apart from the above disclosed (38) properties, there are additional properties that are not part of these Consolidated Financial Statements because they are also not held in the name or control of the Holding Company since legal title to them has not been transferred from the relevant parties / authorities to the Holding Company. Some of these additional properties were also listed in the SRO 430(1)/2004 dated 7th June 2004 (the SRO) to be transferred to the Holding Company free from any charge, burden, hypothecation or encumbrances and no stamp duty or transfer charges shall be payable under any law in relation to the transfer or vesting of these properties to the Holding Company. These properties are under discussion between the Government of Pakistan and the Ultimate Parent Company and upon the conclusion of the matter, appropriate accounting treatment or disclosure will be made in the subsequent Consolidated Financial Statements, if required.

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19.4 Disposal of property, plant and equipment:

The assets disposed off during the year with book value exceeding five hundred thousand rupees.

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain on disposal	Mode of disposal	Particulars of purchaser / Relationship with the Group
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000		
Line and Wire	89,085	87,308	1,777	65,500	63,723	Auction	M/S Latif & Brothers/ No relationship with the Company
Line and Wire	867	126	741	8,333	7,592	Auction	Bismillah Metal Impex (Pvt) Limited/ No relationship with the Company
Line and Wire	917	86	831	8,333	7,502	Auction	Bismillah Metal Impex (Pvt) Limited/ No relationship with the Company
Line and Wire	1,051	178	873	8,333	7,460	Auction	Bismillah Metal Impex (Pvt) Limited/ No relationship with the Company
Line and Wire	1,089	540	549	8,333	7,784	Auction	Bismillah Metal Impex (Pvt) Limited/ No relationship with the Company
Line and Wire	1,140	153	987	8,333	7,346	Auction	Bismillah Metal Impex (Pvt) Limited/ No relationship with the Company

19.5 The depreciation charge for the year has been allocated as follows:

	Note	2023 Rs '000	2022 Rs '000
Cost of services	36	28,603,989	27,351,412
Administrative and general expenses	37	1,407,921	1,150,984
Selling and marketing expenses	38	133,692	134,219
		30,145,602	28,636,615
19.6 Capital work in progress			
Buildings		584,810	494,420
Lines and wires		10,710,193	7,465,110
Apparatus, plant and equipment		22,414,422	14,836,395
Turnkey Projects		4,899,639	4,802,883
Others		1,827,980	956,719
	19.6.1	40,437,044	28,555,527
19.6.1 Movement during the year			
Balance at beginning of the year		28,555,527	27,421,226
Additions during the year		60,366,515	54,265,386
Transfers during the year to:			
- Operating fixed assets		(45,558,992)	(52,647,721)
- Intangible assets		(2,926,006)	(483,364)
		(48,484,998)	(53,131,085)
Balance at end of the year		40,437,044	28,555,527

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20. Right of use assets (ROU)

	Note	Lease rentals	Right of way	2023 Rs '000 Total	2022 Rs '000 Total
Movement during the year:					
Balance as at the beginning of the year		15,729,518	693,250	16,422,768	17,154,073
Additions		4,810,613	167,800	4,978,413	3,767,700
Lease modifications during the year		(3,753)	-	(3,753)	(38,139)
Derecognition during the year		(9,592)	-	(9,592)	(23,385)
Depreciation for the year	20.1	(5,771,273)	(172,957)	(6,568,445)	(4,437,481)
		(974,005)	(5,157)	(1,603,377)	(731,305)
Balance as at the end of the year		14,755,513	688,093	14,819,391	16,422,768

20.1 Depreciation charge for the year is allocated as follows:

	Note	2023 Rs '000	2022 Rs '000
Cost of services	36	5,148,942	3,220,121
Administrative and general expenses	37	1,419,503	1,217,360
		6,568,445	4,437,481

21. Intangible assets

	Note	2023 Rs '000	2022 Rs '000
Goodwill on acquisition of UBank	21.1	78,790	78,790
Goodwill on acquisition of DVCOM Data	21.2	-	656,102
Other intangible assets	21.3	59,287,959	63,432,576
		59,366,749	64,167,468

21.1 Goodwill

These represent excess of the amount paid over fair value of net assets of UBank on its acquisition on August 30, 2012. The recoverable amount of goodwill is tested for impairment annually based on its value in use, determined by discounting the future free cash flows to be generated by the respective Cash Generating Units (CGUs).

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate is determined based on management's estimate of the long-term compound annual 'Earnings Before Interest, Tax, Depreciation and Amortization' (EBITDA) growth rate, consistent with the assumptions that a market participant would make.

Budgeted growth is based on expectations of future outcomes taking into account past experience and is adjusted for anticipated revenue growth. Revenue growth is projected taking into account the average growth levels experienced in the recent years and the estimated sales volume and price growth for the next five years.

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	Note	2023 Rs '000	2022 Rs '000
21.2 Impairment of Goodwill - DVCOM Data			
Opening Balance		656,102	656,102
Impairment loss recognized	41	(656,102)	-
		-	656,102

The subsidiary's license is set expire on 04 November 2024 and in absence of a viable business plan, the subsidiary is not viewed as a going concern. Consequently, the amount of Goodwil recognized is considered impaired.

	Note	Licenses and spectrum Rs '000	Computer software Rs '000	Total Rs'000
21.3 Other intangible assets				
As at December 31, 2021				
Cost		94,530,397	7,479,356	102,009,753
Accumulated amortization		(26,266,177)	(5,834,498)	(32,100,675)
Transfer		-	34,653	34,653
Accumulated impairment		-	(42,284)	(42,284)
Net book value		68,264,220	1,637,227	69,901,447
Movement during the year 2022				
Opening net book value		68,264,220	1,637,227	69,901,447
Additions		-	537,008	537,008
Transfer		-	-	-
Amortization charge for the year		(6,226,996)	(778,883)	(7,005,879)
Impairment		-	-	-
Closing net book value		62,037,224	1,395,352	63,432,576
As at December 31, 2022				
Cost		94,530,397	8,051,017	102,581,414
Accumulated amortization		(32,493,173)	(6,655,665)	(39,148,838)
Transfer				
Accumulated impairment		-		
Net book value		62,037,224	1,395,352	63,432,576
Movement during the year 2023				
Opening net book value		62,037,224	1,395,352	63,432,576
Additions		-	3,209,203	3,209,203
Amortization charge for the year	21.9	(6,226,995)	(1,126,825)	(7,353,820)
Closing net book value		55,810,229	3,477,730	59,287,959
As at December 31, 2023				
Cost		94,530,397	11,260,220	105,790,617
Accumulated amortization and impairment		(38,720,168)	(7,782,490)	(46,502,658)
Net book value	21.4	55,810,229	3,477,730	59,287,959
Amortization rate per annum (%)		4 - 10	6.67 - 33.33	

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21.4 Breakup of the net book value as at the year end is as follows:

	Note	2023 Rs '000	2022 Rs '000
Licenses and spectrum - PTCL			
Telecom	21.5	415,552	434,441
WLL spectrum	21.5	134,223	313,221
WLL and LDI License	21.6	58,047	71,442
IPTV	21.7	10,483	14,183
Next Generation Mobile Services (NGMS) Licenses - PTML	21.8	45,142,152	50,155,304
Mobile cellular Licenses - PTML	21.8	9,922,879	10,769,468
WLL licenses- DVCOM Data		126,893	279,165
		55,810,229	62,037,224
Computer software		3,477,730	1,395,352
		59,287,959	63,432,576

21.5 The Pakistan Telecommunication Authority (PTA) has renewed the license of the Holding Company, to provide telecommunication services in Pakistan, for a period of 25 years, commencing January 01, 2021, at an agreed license fee of Rs 472,219 thousand. In June 2005 PTA modified the previously issued license to provide telecommunication services to include a spectrum license at an agreed license fee of Rs 3,646,884 thousand. This license allows the Holding Company to provide Wireless Local Loop (WLL) services in Pakistan, over a period of 20 years, commencing October 2004. The cost of the license is being amortized on a straight line basis over the period of the license.

21.6 PTA has issued a license under section 5 of the Azad Jammu and Kashmir Council Adaptation of Pakistan Telecommunication (Re-organization) Act, 1996, the Northern Areas Telecommunication (Re-organization) Act, 2005 and the Northern Areas Telecommunication (Re-organization) (Adaptation and Enforcement) Order 2006, to the Holding Company to establish, maintain and operate a telecommunication system in Azad Jammu and Kashmir and Gilgit-Baltistan, for a period of 20 years, commencing May 28, 2008, at an agreed license fee of Rs 109,270 thousand. During the year 2015, PTA allocated additional spectrum for WLL services in Azad Jammu & Kashmir (AJ&K) and Gilgit-Baltistan (GB) for Rs 98,487 thousand. The duration of the License shall be for the remaining period of the existing WLL licenses. The cost of the licenses is being amortized, on a straight line basis, over the period of the licenses.

21.7 IPTV license has been renewed by Pakistan Electronic Media Regulatory Authority (PEMRA) effective from its last renewal date i.e. November 02, 2016, at an agreed license fee of Rs 37,000 thousand. The cost of the license is being amortized, on a straight line basis, over a period of 10 years.

21.8 (i) NGMS License includes acquisition of 4G license by PTML throughout Pakistan (excluding Azad Jammu & Kashmir (AJK) and Gilgit-Baltistan (GB)) in September 2021 at a fee of USD 279,000 thousand. The term of the license is 15 years commencing from the date of its acquisition.

(ii) NGMS License also include acquisition of 4G license by PTML for operations in AJK and GB in October 2021 at a fee of USD 1,026 thousand. The term of the license is 15 years from the date of its acquisition.

(iii) Mobile Cellular License include renewal of 2G license by PTML for operations in AJK and GB in June 2021 at a fee of USD 13,500 thousand. The term of the license is 15 years from the date of its acquisition.

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21.9 The amortization charge for the year has been allocated as follows:

	Note	2023 Rs '000	2022 Rs '000
Cost of services	36	6,828,244	6,633,900
Administrative and general expenses	37	525,576	371,979
		7,353,820	7,005,879

22. Long term investments

	Note	2023 Rs '000	2022 Rs '000
Investment in associate	22.1	-	-
Other investments	22.2	51,427	51,427
		51,427	51,427

22.1 Investment in associate - unquoted

		2023 Rs '000	2022 Rs '000
TF Pipes Limited - Islamabad 1,658,520 (December 31, 2022: 1,658,520) ordinary shares of Rs 10 each			
Shares held 40% (December 31, 2022: 40%)		23,539	23,539
Less: accumulated impairment loss on investment		(23,539)	(23,539)
		-	-

22.2 Other investments

		2023 Rs '000	2022 Rs '000
Fair value through other comprehensive income - unquoted			
Thuraya Satellite Telecommunication Company - Dubai, UAE 3,670,000 (December 31, 2022: 3,670,000) ordinary shares of AED 1 each		63,900	63,900
Less: accumulated impairment loss on investment		(32,473)	(32,473)
		31,427	31,427
Alcatel - Lucent Pakistan Limited - Islamabad, Pakistan 2,000,000 (December 31, 2022: 2,000,000) ordinary shares of Rs 10 each		20,000	20,000
		51,427	51,427

23. Long-term loans and advances - considered good

	Note	2023 Rs '000	2022 Rs '000
Loans to employees - secured	23.1	1,498,324	1,434,188
Imputed interest		(345,027)	(305,238)
		1,153,297	1,128,950
Others		9,449,178	2,927,483
		10,602,475	4,056,433
Current portion shown under current assets			
Loans to employees - secured	27	(327,293)	(325,137)
		10,275,182	3,731,296

23.1 These loans and advances are for house building and purchase of vehicles and motor cycles. These loans are recoverable in equal monthly installments spread over a period of 5 to 10 years and are secured against retirement benefits of the employees.

Reconciliation of the gross amounts of loans to executives and other employees:

	As at January 01, 2023 Rs '000	Disbursements Rs '000	Repayments Rs '000	As at December 31, 2023 Rs '000
Executives	70,921	190,046	(98,384)	162,583
Other employees	1,363,267	253,819	(281,345)	1,335,741
	1,434,188	443,865	(379,729)	1,498,324

	As at January 01, 2022 Rs '000	Disbursements Rs '000	Repayments Rs '000	As at December 31, 2022 Rs '000
Executives	149,593	11,604	(90,276)	70,921
Other employees	1,500,144	188,806	(325,683)	1,363,267
	1,649,737	200,410	(415,959)	1,434,188

Maximum amount of loan to executives and other employees outstanding at any time during the year:

	2023 Rs '000	2022 Rs '000
Executives	282,377	137,431
Other employees	1,253,363	1,500,323

Loans to employees include loans given to key management personnel of Rs 34,525 thousand (December 31, 2022: Rs 34,174 thousand). The maximum aggregate amount of loans to key management personnel outstanding at any time during the year was Rs 36,194 thousand (December 31, 2022: Rs 58,541 thousand).

List of key management personnel having outstanding balances of loans up till December 31, 2023 are as under:

No.	Names of Employees
1	Mr. Aamer Ejaz
2	Mr. Abdullah Hameed
3	Mr. Amjad Iqbal
4	Mr. Arslan Haider
5	Mr. Ch Mudasser Shafiq
6	Mr. Dr Muhammad Shafiq Ur Rehman
7	Mr. Ishtiaq Naveed Gill
8	Mr. Mian Omer Shah
9	Mr. Mohammad Nadeem Khan
10	Mr. Mubashir Naseer Ch.
11	Mr. Muhammad Amer Shafique
12	Mr. Muhammad Amir Siddiqi
13	Mr. Muhammad Basharat Qureshi
14	Mr. Muhammad Fahim Ur Rehman
15	Mr. Muhammad Shehzad Yousuf
16	Mr. Muhammad Umar Ilyas
17	Mr. Naveed Akhtar
18	Mr. Saleem Ullah Baig
19	Mr. Salman Ali Bajwa
20	Mr. Syed Muhammad Imran Ali
21	Mr. Syed Muhammad Shoaib
22	Mr. Yasir Manzoor
23	Mr. Zain Ul Abideen

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24. Contract costs

		Note	2023 Rs '000	2022 Rs '000
	Cost to obtain a contract		2,286,925	1,770,787
	Cost to fulfill a contract		2,322,710	2,129,689
		24.1	4,609,635	3,900,476
	Current maturity of contract costs		(4,254,928)	(3,620,360)
			354,707	280,116
24.1	**Movement during the year**			
	Balance at the beginning of the year		3,900,476	3,576,673
	Capitalization during the year		7,000,528	5,927,710
			10,901,004	9,504,383
	Amortization during the year	36	(6,291,369)	(5,603,907)
	Balance at the end of the year		4,609,635	3,900,476
25.	**Stock in trade, stores and spares**			
	Stores and spares	25.1	9,433,265	7,636,587
	Stock in trade	25.2	1,076,507	982,377
			10,509,772	8,618,964
25.1	Stores and spares		9,633,528	8,471,386
	Provision for obsolescence	25.1.1	(200,263)	(834,799)
			9,433,265	7,636,587
25.1.1	**Provision for obsolescence**			
	Balance at beginning of the year		834,799	1,058,165
	Reversal / Written off during the year	25.1.2	(634,536)	(223,366)
	Balance at end of the year		200,263	834,799

25.1.2 The company has reversed Rs. 634,536 thousand (December 31, 2022 : Rs. 223,366 thousand) of the store and spares provision in the current year. These items have been disposed of for Rs. 624,703 thousand (December 31, 2022 Rs. 217,815 thousand) and consumed for Rs. 9,833 thousand (December 31, 2022 Rs. 5,551 thousand).

		Note	2023 Rs '000	2022 Rs '000
25.2	**Stock in trade**			
	SIM cards		469,054	197,285
	Mobile phones and accessories		387,977	554,306
	Scratch cards		117,904	190,186
	ATM cards and stationary		101,572	78,609
			1,076,507	1,020,386
	Provision for slow moving stock	25.2.1	-	(38,009)
			1,076,507	982,377

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	Note	2023 Rs '000	2022 Rs '000
25.2.1 Provision for obsolescence			
Balance at beginning of the year		38,009	38,009
Provision during the year		87,801	-
		125,810	38,009
Reversal / Written off during the year		(125,810)	-
Balance at end of the year		-	38,009

26. Trade debts and contract assets

	Note	2023 Rs '000	2022 Rs '000
Trade debts			
- Secured	26.1	514,567	223,515
- Unsecured		49,928,295	35,559,766
Contract assets		5,934,512	5,592,380
		56,377,374	41,375,661
Domestic			
Considered good	26.2	18,321,987	13,898,934
Considered doubtful		7,244,064	8,459,293
		25,566,051	22,358,227
International			
Considered good	26.3	38,055,387	27,476,728
Considered doubtful		57,475	57,475
		38,112,862	27,534,203
Expected credit loss on trade debts and contract assets	26.4	(7,301,539)	(8,516,769)
	26.5	56,377,374	41,375,661

26.1 These are secured against customer and dealer deposits having aggregate amount of Rs. 614,540 thousand (December 31, 2022: Rs. 726,000 thousand). The normal credit period of the debtors is not more than one month.

26.2 These include amounts due from the following related parties:

	Maximum aggregate amount Rs '000	Up to 6 months Rs '000	More than 6 months Rs '000	2023 Rs '000	2022 Rs '000
GoP related entities	4,171,000	2,017,000	2,154,000	4,171,000	3,163,535

26.3 These include amounts due from the following related parties:

	Maximum aggregate amount Rs '000	Up to 6 months Rs '000	More than 6 months Rs '000	2023 Rs '000	2022 Rs '000
Emirates Telecommunication Corporation	36,387,482	4,258,951	32,128,531	36,387,482	25,306,481
Etisalat - Afghanistan	638,348	-	638,348	638,348	500,441
GoP related entities	205,219	199,239	-	199,239	205,219
	37,231,049	4,458,190	32,766,879	37,225,069	26,012,141

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		Note	2023 Rs '000	2022 Rs '000
26.4	**Expected credit loss on trade debts and contract assets**			
	Balance at beginning of the year		8,516,769	7,656,038
	Expected credit loss on trade debts and contract assets	39	1,703,713	1,732,727
	Recognised due to change in accounting policy		-	1,297,323
	Recovery of Defence Saving Certificates / adjustment		-	4,120
			1,703,713	3,034,170
			10,220,482	10,690,208
	Write off against expected credit loss on trade debts and contract assets		(2,918,943)	(2,173,439)
	Balance at end of the year		7,301,539	8,516,769

26.5 These amounts are interest free and are accrued in the normal course of business.

		Note	2023 Rs '000	2022 Rs '000
27.	**Loans and advances**			
	Loans			
	Current portion of long term loans to employees - secured	23	327,293	325,137
	Advances - considered good			
	Advances to employees	27.1	575,843	175,209
	Advances to suppliers and contractors	27.2	1,801,149	3,029,876
	Others		-	-
			2,376,992	3,205,085
			2,704,285	3,530,222

27.1 This includes advances & loans provided by Ubank to its employees as per their HR policies.

27.2 These include amounts due from the following related parties:

	2023 Rs '000	2022 Rs '000
TF Pipes Limited	26,774	26,774

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28. Long term loans to banking customers

	Performing				Non performing		POCI		Total	
	Stage 1		Stage 2		Stage 3		Stage 3			
	2023 Rs '000	2022 Rs '000 (Restated)	2023 Rs '000	2022 Rs '000 (Restated)	2023 Rs '000	2022 Rs '000 (Restated)	2023 Rs '000	2022 Rs '000 (Restated)	2023 Rs '000	2022 Rs '000 (Restated)
Micro credit										
Secured	45,558,639	32,264,501	346,408	63,717	197,307	148,046	-	-	46,102,354	32,476,264
Unsecured	24,649,793	14,130,746	10,076,583	13,364,166	3,178,675	1,034,054	674,144	-	38,579,195	28,528,966
Islamic financing	3,642,103	614,078	112,951	1,725	73,378	-	-	-	3,828,432	615,803
Staff loan	230,354	-	-	-	-	-	-	-	230,354	-
Advances - gross	74,080,889	47,009,325	10,535,942	13,429,608	3,449,360	1,182,100	674,144	-	88,740,335	61,621,033
Credit loss allowance against long term loans										
- Stage 1	(1,120,783)	(819,302)	-	-	-	-	-	-	(1,120,783)	(819,302)
- Stage 2	-	-	(3,851,743)	(5,260,947)	-	-	-	-	(3,851,743)	(5,260,947)
- Stage 3	-	-	-	-	(1,376,885)	(511,019)	(303,364)	-	(1,680,249)	(511,019)
	(1,120,783)	(819,302)	(3,851,743)	(5,260,947)	(1,376,885)	(511,019)	(303,364)	-	(6,652,775)	(6,591,268)
Advances - net of credit loss allowance	72,960,106	46,190,023	6,684,199	8,168,661	2,072,475	671,081	370,780	-	82,087,560	55,029,765
Long term portion shown under non-current assets									(23,012,862)	(10,151,660)
									59,074,698	44,878,105

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28.1 Staff loan includes Exposure at Default (EAD) of Rs. 63.32 million (2022: Rs. nil) given to Ex-CEO & President of the Bank and an aggregate EAD of Rs. 167.03 millon (2022: Rs. nil) given to executives.

28.2 Advances - Particulars of credit loss allowance

28.2.1 Advances - Exposure

	2023 Rs '000				2022 Rs '000			
	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI
					(Restated)			
Gross carrying amount at beginning of the year	47,009,325	13,429,608	1,182,100	-	30,860,126	12,093,982	1,291,877	-
New advances	73,344,073	-	-	674,144	52,601,685	-	-	-
Advances derecognized or repaid	(38,126,381)	(7,048,320)	(97,885)	-	(26,134,552)	(7,921,013)	(559,293)	-
Transfer to stage 1	76,155	(68,641)	(7,514)	-	106,841	(20,920)	(85,921)	-
Transfer to stage 2	(814,837)	821,505	(6,668)	-	(609,729)	611,981	(2,251)	-
Transfer to stage 3	(1,578,031)	(1,228,199)	2,806,231	-	(712,458)	(523,719)	1,236,177	-
	32,900,979	(7,523,655)	2,694,164	674,144	25,251,787	(7,853,671)	588,712	-
Amounts written off / charged off	-	-	(406,777)	-	-	-	(335,283)	-
Other changes	(5,829,415)	4,629,989	(20,127)	-	(9,102,589)	9,189,296	(363,204)	-
Closing balance	74,080,889	10,535,942	3,449,360	674,144	47,009,324	13,429,607	1,182,102	-

28.2.2 Advances - Credit loss allowance

	2023 Rs '000				2022 Rs '000			
	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI
					(Restated)			
Balance at beginning of the year	819,302	5,260,947	511,019	-	120,760	3,899,541	318,168	-
New advances	2,192,906	-	-	303,364	4,485,132	-	-	-
Advances derecognized or repaid	(327,472)	(2,719,920)	(24,022)	-	(75,408)	(2,564,267)	(142,761)	-
Transfer to Stage 1	28,329	(24,141)	(4,189)	-	26,355	(1,897)	(24,458)	-
Transfer to Stage 2	(52,369)	55,955	(3,585)	-	(7,025)	7,738	(713)	-
Transfer to Stage 3	(91,264)	(324,631)	415,895	-	(11,731)	(64,982)	76,713	-
	1,750,130	(3,012,737)	384,099	303,364	4,417,323	(2,623,408)	(91,219)	-
Amounts written off / charged off	-	-	(406,777)	-	-	-	(335,283)	-
Change in exposure	(1,552,883)	1,707,766	888,545	-	(3,718,780)	3,984,814	619,354	-
Closing balance	3,474,455	19,738,817	2,909,943	303,364	819,303	5,260,947	511,020	-

28.3 Advances - Credit loss allowance details

	2023 Rs '000				2022 Rs '000			
	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI
						(Restated)		
Outstanding gross exposure								
Performing - note 28.3.1	74,080,889	8,583,530	839,872	674,144	47,009,325	13,004,093	-	-
Under Performing								
Other assets especially mentioned	-	1,952,411	17,250		-	425,515	-	-
Non - Performing								
Substandard	-	-	1,406,820	-	-	-	630,268	-
Doubtful	-	-	887,921	-	-	-	353,134	-
Loss	-	-	971,643	-	-	-	198,699	-
	-	-	3,266,384	-	-	-	1,182,101	-
Total	74,080,889	10,535,941	4,123,506	674,144	47,009,325	13,429,608	1,182,101	-
Corresponding credit loss allowance								
Stage 1	(1,120,783)	-	-	-	(819,302)	-	-	-
Stage 2	-	(3,851,743)	-	-	-	(5,260,947)	-	-
Stage 3	-	-	(1,376,885)	(303,364)	-	-	(511,019)	-
	(1,120,783)	(3,851,743)	(1,376,885)	(303,364)	(819,302)	(5,260,947)	(511,019)	-

28.3.1 This portfolio is classified into different stages based on SBP implementation guidance for IFRS-9 and specific communication by the bank with the SBP.

	2023 Rs '000	2022 Rs '000 Restated
28.4 Particulars of write offs / charge offs		
Against credit loss allowance	(406,777)	(335,283)
Directly charged to profit & loss account	(97,738)	(453,495)
	(504,515)	(788,778)

28.5 Movement in impairment allowance for credit losses is as follows:

	31 December 2023 Rs '000	31 December 2022 Rs '000
Balance at beginning of the year	6,591,269	4,338,469
Impact of Re-measurement due to adoption of IFRS - 9	-	-
Impairment charge for the year - restated	(593,482)	2,390,708
Write off reversals	815,758	-
Write off recoveries	246,007	197,375
Advances written off	(406,777)	(335,283)
Balance at end of the year	6,652,775	6,591,269

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	2023 Rs '000	2022 Rs '000
29. Deferred income tax		
Deferred tax (asset) / liability relating to:		
Accelerated tax depreciation	6,576,933	7,140,881
Accelerated tax amortization	1,237,188	773,505
Provision for stock in trade, stores and spares	(234,024)	(426,495)
Impairment loss on trade debts	(4,576,552)	(5,085,055)
ROU assets	(74,116)	(1,474)
Deficit on revaluation of available for sale securities	(25,062)	(992)
Lease liability	(619,745)	(606,867)
Contract cost	1,110,583	1,008,095
Liabilities claimable on payment	(9,019,209)	(6,176,794)
Tax Loss	(11,197,878)	(4,167,243)
Minimum Tax	(2,791,708)	(1,213,526)
Long term investment and other receivable	(215,696)	-
Remeasurement of employees retirement benefits	(82,235)	(25,898)
Others	(48,547)	260,270
Impact of remeasurement of financial assets	(435,043)	(566,734)
Unrealized gain/ loss on forward exchange contracts	1,722,098	-
	(18,673,013)	(9,088,327)
Movement during the year		
Balance at the beginning of the year	(9,088,327)	1,639,358
(Reversal) / Charge for the year in respect of:		
Accelerated tax depreciation	(563,948)	(2,645,221)
Accelerated tax amortization	463,682	(2,379,097)
Provision for stock in trade, stores and spares	175,526	78,459
Impairment loss on trade debts	508,503	(1,358,541)
ROU assets	(72,641)	(64,962)
Lease liability	(12,878)	(18,127)
Contract cost	102,488	419,234
Liabilities claimable on payment	(2,842,415)	(2,020,511)
Tax Loss	(12,101,770)	(2,913,049)
Minimum Tax	(1,578,182)	(1,213,526)
Long term investment and other receivable	(215,696)	-
Remeasurement of employees retirement benefits	(9,307)	(1,065)
Impact of remeasurement of financial assets	131,691	(262,979)
Deficit on revaluation of available for sale securities	(24,070)	3,050
Others	(308,817)	244,836
Unrealized gain/ loss on forward exchange contracts	1,722,098	-
Tax loss transferred to Holding Co	5,088,080	1,867,340
Tax credit on impairment of investment in OCI	(47,030)	(35,410)
Recognized in Retained earnings - Ubank	-	(428,116)
Balance at the end of the year	(18,673,013)	(9,088,327)

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	2023 Rs '000	2022 Rs '000
30. Income tax recoverable		
Balance at beginning of the year	28,865,114	27,453,769
Current tax charge for the year - P&L	(4,334,461)	(3,373,082)
Tax (charge) / credit on re-measurement gains - OCI	31,202	(106,734)
	(4,303,259)	(3,479,816)
Tax paid during the year	7,794,333	4,891,161
Balance at end of the year	32,356,188	28,865,114

31. Receivable from the Government of Pakistan (GoP)

This represents the balance amount receivable from the Government of Pakistan, on account of its agreed share in the Voluntary Separation Scheme, offered to the Holding Company's employees during the year ended June 30, 2008.

	Note	2023 Rs '000	2022 Rs '000
32. Deposits, prepayments and other receivables			
Deposits		325,425	339,047
Prepayments			
- Pakistan Telecommunication Authority - a related party		29,060	26,903
- Prepaid rent and others		2,343,400	1,079,671
		2,372,460	1,106,574
Other receivables			
Due from related parties	32.1	73,082	89,047
Accrued interest receivable	32.2	4,352,867	1,175,686
Funded Pension	11.1	6,251,822	3,189,002
Federal Excise Duty (FED)	32.3	3,338,694	3,338,694
Others	32.4	3,308,081	3,833,550
		20,022,431	13,071,600

	Maximum aggregate amount Rs '000	Up to 6 months Rs '000	More than 6 months Rs '000	2023 Rs '000	2022 Rs '000
32.1 Etisalat - UAE	71,305	-	71,305	71,305	71,305
Pakistan Telecommunication Employees Trust	15,694	1,326	-	1,326	15,366
Employees' Provident fund - UBank	451	451	-	451	2,376
	87,450	1,777	71,305	73,082	89,047

32.2 This represents mark-up accrued on advances and investments.

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	Note	2023 Rs '000	2022 Rs '000
32.3 Federal Excise Duty (FED)			
Federal Excise Duty	32.3.1	3,804,870	3,804,870
Provision for doubtful amount		(466,176)	(466,176)
		3,338,694	3,338,694

32.3.1 (i) This includes amount of Rs 3,283,111 thousand (December 31, 2022: 3,283,111 thousand) payments under protest by the Holding Company on account of FED on interconnect charges. The Honourable Supreme Court has decided the case in favor of the Holding Company.

(ii) This also includes federal excise duty on technical service fee of Rs 521,759 thousand (December 31, 2022: Rs 521,759 thousand) paid by PTML to the taxation authority under protest.

32.4 (i) This includes amount receivable from SBP in respect of insurance premium paid by UBank for livestock and crop loans under AC&MFD circular no. 01 of 2013 dated 1 November 2013.

(ii) This amount is net off provision for impairment of Rs. 185,239 thousand (December 31, 2022: 185,239 thousand).

33. Short term investments

	Note	2023 Rs '000	2022 Rs '000
Amortized cost			
Lending to Financial Instituition	33.1	454,522	6,587,370
Pakistan Investment Bonds (PIBs)			
- Maturity upto 6 months	33.2	4,735,771	5,690,878
Fair value through Profit or Loss			
Mutual Funds	33.3	5,570,319	21,971,007
Term Finance Certificates	33.4	2,443,072	2,268,757
Pakistan Investment Bonds (PIBs)			
- Maturity upto 6 months		-	51,120,968
Market treasury bills - Maturity upto 6 months		-	20,326,565
Fair value through Other Comprehensive Income			
Market treasury bills - Maturity upto 6 months		11,292,747	34,467,225
Pakistan Investment Bonds (PIBs)			
- Maturity upto 6 months	33.2	25,286,798	-
Sukuks	33.5	2,426,432	1,505,503
Deficit on revaluation of FVTOCI Investment		(64,259)	(3,007)
		38,941,718	35,969,721
Credit Loss	33.6	(105)	(16,953)
		52,145,297	143,918,313

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33.1 These are secured against underlying Market Treasury Bills. The differential between the contracted rate and resale price is amortized over the period of related contracts and recorded under mark-up / return / interest earned. These carried mark-up at the rate of 22.80% (2022: 16.10% to 16.90%) per annum with maturity on January 2, 2024.

33.2 The Pakistan Investment Bonds (PIBs) carry mark up at the rate of 9% to 23.39% per annum (2022: 9% to 17.67% per annum) and are due to mature from December 2023 to November 2027. This includes PIBs with face value of Rs 20,733 million pledged against borrowings from Askari Bank Limited and Bank Alfalah Limited.

33.3 This represents investments in open ended mutual funds and are measured at fair value through profit or loss. Fair value of these investments is determined using quoted repurchase price.

33.4 This represents investment in Term finance Certificates (TFCs) / private sukuks which carries mark up at the rate of 18.35% to 24.02% per annum (2022: 10.50% to 16% per annum). Included therein is an amount of Rs. 225 million representing the bank's subscription of TFCs issued by Khushali Bank limited (KBL) which carry markup at the rate of 6 months KIBOR + 4%. During the year, as a result of default event, the investment has been converted into common equity shares of KBL as per the terms of the agreement. The management of bank is not in agreement with the contention of KBL and is evaluating legal options to this effect. However, as a matter of prudence, the management has suspended the markup recognition on said investment and also recognized a revaluation loss of Rs 125 million on the subscription amount by carrying the above investment on breakup value of shares of KBL, as per the latest available financial information published by KBL as of September 30, 2023.

33.5 This carries mark up at the rate of 16.43% to 21.84% per annum (2022: 16.45% to 19.30% per annum) and are due to mature from December 2024 to December 2025. This includes sukuks with face value of Rs 800 million pledged against borrowing from Meezan Bank.

33.6 Particulars of movement in credit loss allowance:

	2023 Rs '000	2022 Rs '000
Opening balance	16,953	-
Charge / (reversals)		
Charge for the year	105	16,953
Reversal for the year	(16,953)	-
Closing balance	105	16,953

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	Note	2023 Rs '000	2022 Rs '000 Restated
34. Cash and bank balances			
Cash in hand		1,956,673	2,116,029
Balances with banks:			
Local currency			
Current account maintained with SBP	34.1	4,165,678	5,811,153
Current accounts	34.2	2,339,866	1,675,623
Saving accounts	34.3	3,456,098	2,603,493
		9,961,642	10,090,269
Foreign currency			
Current accounts (USD 24,040 thousand: December 31, 2022: USD 15,242 thousand)		6,775,882	3,451,254
Saving accounts (USD 4,240 thousand: December 31, 2022: USD 3,543 thousand, Euro 760 thousand: December 31, 2022: Euro 683 thousand)		- 1,432,848	965,178
		8,208,730	4,416,432
	34.4	20,127,045	16,622,730

34.1 This includes balance maintained with SBP to comply with the requirement of Prudential Regulations for microfinance banks to maintain minimum cash reserve not less than 5% (2022: 5%) of UBank's time and demand deposits with tenure of less than 1 year.

34.2 This includes Rs 18,000 thousand (December 31, 2022: Rs 12,800 thousand) placed under lien with a bank in respect of standby letter of guarantee issued to China Union Pay International.

34.3 These carry mark-up ranging between 6.5% to 23.5% per annum (December 31, 2022: 6.5% to 18.25%).

34.4 Bank balance includes Rs 68 thousand (December 31, 2022: Rs 862 thousand) carrying profit at the rate of 11.1% per annum (December 31, 2022: 7%) from Shariah arrangements.

	Note	2023 Rs '000	2022 Rs '000 Restated
35. Revenue			
Broadband & IPTV		41,184,622	35,268,813
Cellular and other wireless		64,050,623	53,822,692
Fixed line voice services		8,254,353	9,016,356
Revenue from retail customers		113,489,598	98,107,861
Corporate and wholesale		38,568,386	28,263,137
International		12,257,113	10,307,321
Banking		23,759,688	14,341,194
Total revenue	35.1	188,074,785	151,019,513

35.1 Revenue is net of trade discount amounting to Rs 2,988,412 thousand (December 31, 2022: Rs 1,772,149 thousand) and Federal Excise Duty / Sales tax amounting to Rs 28,524,740 thousand (December 31, 2022: Rs 23,416,617 thousand).

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36. Cost of services

		2023 Rs '000	2022 Rs '000 Restated
Staff cost	36.1	18,171,205	15,704,899
Outsourced staff cost		2,391,431	2,034,300
Security service charges		1,420,741	1,344,934
Interconnect cost		3,949,220	3,920,185
Foreign operators cost and satellite charges		9,197,354	6,990,766
Fuel and power cost		25,545,329	19,813,899
Cost of devices sold		2,663,905	1,659,920
Amortization of contract costs	24	6,291,369	5,603,907
Rent, rates and taxes		5,296,424	2,883,705
IT support services		1,341,760	1,103,204
Repairs and maintenance and IT cost		10,586,930	8,885,379
Depreciation on property, plant and equipment	19.5	28,603,989	27,351,412
Depreciation on ROU assets	20.1	5,148,942	3,220,121
Amortization of intangible assets	21.9	6,828,244	6,633,899
Annual license fee and regulatory charges	36.2	4,173,099	3,390,707
Markup / interest expense - UBank		15,768,988	7,071,857
Other expenses		4,505,908	2,769,995
		151,884,838	120,383,089

36.1 This includes Rs 3,788,147 thousand (December 31, 2022: Rs 3,121,098 thousand) in respect of employees retirement benefits.

36.2 This represents the Group's contribution to the National Information Communication Technology Research and Development Fund (National ICT R&D Fund), Universal Service Fund (USF), annual license fee and other regulatory charges, in accordance with the terms and conditions of its license to provide telecommunication services.

37. Administrative and general expenses

	Note	2023 Rs '000	2022 Rs '000
Staff cost	37.1	9,014,563	7,209,657
Outsourced staff cost		529,454	329,008
Technical services assistance fee	37.2	5,759,237	5,019,157
Fuel and power cost		901,866	666,453
Gas and water		128,551	102,568
Rent, rates and taxes		441,392	407,480
Repairs and maintenance		1,716,100	1,192,618
Travelling and conveyance		876,249	673,123
Legal and professional charges	37.3	916,410	724,039
Billing and printing expenses		412,312	383,232
Depreciation on property, plant and equipment	19.5	1,407,921	1,150,984
Depreciation on ROU assets	20.1	1,419,503	1,217,360
Amortization of intangible assets	21.9	525,576	371,979
Other expenses	38.2	1,591,479	984,344
		25,640,613	20,432,002

37.1 This includes Rs 878,039 thousand (December 31, 2022: Rs 717,507 thousand) in respect of employees retirement benefits.

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37.2 This represents the amount payable to Etisalat - UAE, a related party, under an agreement for technical services at the rate of 3.5% of the Group's consolidated revenue.

37.3 This includes auditors' remuneration as follows:

	2023 Rs '000	2022 Rs '000
Statutory auditors		
Statutory audit, including half yearly review	14,300	14,800
Fee for Certifications	1,800	2,650
Out of pocket expenses	700	600
Advisory services	5,378	6,136
	22,178	24,186
Other component auditors		
Statutory audit, including half yearly review	19,000	-
Fee for Certifications	1,400	-
Advisory services	9,718	2,539
	30,118	2,539
	52,296	26,725

38. Selling and marketing expenses

	Note	2023 Rs '000	2022 Rs '000
Staff cost	38.1	3,679,621	3,182,240
Outsourced staff cost		728,491	620,125
Sales and distribution charges		1,750,090	960,659
Advertisement and publicity	38.2	4,119,118	3,408,470
Depreciation on property, plant and equipment	19.5	133,692	134,219
Others		323,096	230,950
		10,734,108	8,536,663

38.1 This includes Rs 590,065 thousand (December 31, 2022: Rs 489,007 thousand) in respect of employees retirement benefits.

38.2 (i) Donations that exceed Rs 1,000 thousand are given to the parties given hereunder :

	2023 Rs '000	2022 Rs '000
Names of Donees		
Rashid Khan Trust	5,000	-
Prime Minister flood relief fund	-	40,000
PTCL Employees flood affectee	-	10,000
Pakistan Red Crescent	-	5,000
Akhuwat Foundation	-	5,000
	5,000	60,000

(ii) This also includes penalty paid during the year related to various non-compliances identified by the State Bank of Pakistan during its inspection of UBank.

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	Note	2023 Rs '000	2022 Rs '000
39. Impairment loss on trade debts and contract assets			
Impairment loss on:			
Trade debts and contract assets	26.3	1,801,451	1,732,727
Loans to banking customers	28.5	(593,482)	2,390,708
Impact of markup waiver		-	453,495
Provision for demunition in the value of investments		(16,848)	16,953
		1,191,121	4,593,883
40. Other income			
Income from financial assets:			
Return on bank deposits	40.1	12,007,989	3,938,985
Dividend income		3,157,687	1,242,808
Interest on investment in Government securities		1,485,824	2,056,187
Late payment surcharge from subscribers		14,539	131,570
Gain on fair value remeasurement of forward exchange contracts		257,720	-
Others		896,969	675,983
		17,820,728	8,045,533
Income from non-financial assets:			
Gain on disposal of property, plant and equipment		6,096,548	2,599,819
Government grants recognized	12	2,303,214	2,542,499
Re-chargeable projects income		1,087,626	177,419
Rental income		1,089,939	1,015,970
Others		1,849,703	1,243,413
		12,427,030	7,579,120
		30,247,758	15,624,653

40.1 Return on bank deposits includes Rs 63 thousand (December 31, 2022: Rs 117 thousand) earned from Shariah arrangements.

	Note	2023 Rs '000	2022 Rs '000
41. Finance costs and other expenses			
Interest on:			
Long term loans from banks		27,109,193	14,032,441
Long term vendor liability		3,926,964	2,316,845
Lease liabilities		2,001,492	1,916,010
License fee		941,419	1,054,586
Employee loans - Imputed interest		39,789	-
Exchange loss		5,583,134	5,781,162
Impairment of goodwill on acqisition of DVCOM Data	21.2	656,102	535,000
Bank and other charges		11,520,771	4,161,383
		51,778,864	29,797,427

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	Note	2023 Rs '000	2022 Rs '000
42. Income tax			
Current tax	30		
Current year		1,228,604	3,371,440
Prior year		3,105,855	-
Deferred	29		
Current year		(8,485,805)	(9,956,524)
Prior year		(3,211,421)	400,993
		(11,697,226)	(9,555,531)
		(7,362,767)	(6,184,091)

42.1 Reconciliation of effective tax rate:

	2023	2022
Profit before tax (Rupees in thousand)	(22,907,001)	(17,098,898)

	2023 %	2022 %
Applicable tax rate	29.00	33.00
Tax effect of amounts that are not deductible for tax purposes	(0.07)	0.81
Others	3.20	2.35
	3.13	3.16
Average effective tax rate charged to the consolidated statement of profit or loss	32.13	36.16

		2023 Rs '000	2022 Rs '000 Restated
43. Earnings / (loss) per share - basic and diluted			
Profit for the year	Rupees in thousand	(15,544,234)	(10,914,807)
Weighted average number of ordinary shares	Numbers in thousand	5,100,000	5,100,000
Earnings per share	Rupees	(3.05)	(2.14)

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44. Non-funded financing facilities

The Holding Company has non funded financing facilities available with banks, which include facilities to avail letters of credit and letters of guarantee. The aggregate facility of Rs 27,600,000 thousand (December 31, 2022: Rs 25,232,000 thousand) and Rs 18,350,000 thousand (December 31, 2022: Rs 17,718,000 thousand) is available for letters of credit and letters of guarantee respectively, out of which the facility availed at the year end is Rs 13,448,900 thousand (December 31, 2022: Rs 12,580,000 thousand) and Rs 11,098,373 thousand (December 31, 2022: Rs 11,558,806 thousand) respectively. The letter of guarantee facility is secured by a hypothecation charge over certain assets of the Holding Company, amounting to Rs 125,650,000 thousand (December 31, 2022: Rs 118,316,667 thousand).

45. Cash generated from operations

	2023 Rs '000	2022 Rs '000 Restated
Profit before tax	(22,907,001)	(17,098,898)
Adjustments for non-cash charges and other items:		
Depreciation of property, plant and equipment	30,145,601	28,636,615
Impairment of property, plant and equipment	66,457	59,539
Depreciation of right of use assets	6,568,445	4,437,481
Amortization of intangible assets	7,353,820	7,005,879
Amortization of contract costs	6,291,369	5,603,907
Reversal for obsolete stores and spares	(634,536)	(223,366)
Impairment loss on trade debts and contract assets	1,703,713	1,732,727
Impairment loss on non performing loans to banking customers	(512,592)	2,861,156
Provision for employees retirement benefits	5,186,640	4,154,707
Gain on disposal of property, plant and equipment	(6,096,548)	(2,599,819)
Return on bank deposits and Government securities	(13,493,813)	(5,995,172)
Release of deferred government grants	(2,303,214)	(2,542,499)
Finance cost	43,498,347	21,565,255
Impairment of goodwill on acquisition of DVCOM Data	656,102	535,000
Exchange loss	6,472,603	8,200,604
Imputed interest on loans and advances	39,789	21,645
Imputed interest on lease liabilities	2,001,492	1,916,010
	64,036,674	58,270,771
Effect on cash flow due to working capital changes:		
(Increase) / decrease in current assets:		
Stock in trade, stores and spares	(1,256,272)	(2,448,430)
Trade debts and contract assets	(12,163,003)	(13,917,829)
Loans to banking customers	(26,545,203)	(22,644,467)
Loans and advances	828,093	197,822
Deposits, prepayments and other receivables	(3,836,297)	7,935,110
	(42,972,682)	(30,877,794)
Increase / (decrease) in current liabilities:		
Trade and other payables	10,469,124	18,983,131
Security deposits	(91,927)	166,818
	10,377,197	19,149,949
	31,441,189	46,542,926

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45.1. Reconciliation of movement of liabilities to cash flows arising from financing activities

	Liabilities							Equity	
	Sub-ordinated loan	Loans from banks	Vendor liability	Licence fee payable	Lease liabilities	Unpaid / unclaimed dividend	Interest accrued	Revenue reserve	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance at December 31, 2022	1,450,227	153,365,933	59,835,318	13,769,419	18,327,587	209,814	1,916,674	22,261,241	271,136,213
Changes from financing cash flows									
Draw-downs / additions	-	-	19,568,242	-	4,965,068	-	-	-	24,533,310
Repayments	(22,095)	(29,520,197)	(18,273,467)	(4,834,344)	(8,289,445)	(558)	(40,441,832)	-	(101,381,938)
	(22,095)	(29,520,197)	1,294,775	(4,834,344)	(3,324,377)	(558)	(40,441,832)	-	(76,848,628)
Other changes									
Interest cost on lease liabilities	-	-	-	-	2,001,492	-	-	-	2,001,492
Liability related changes	-	-	7,079,676	2,456,413	-	-	43,498,347	-	53,034,436
	-	-	7,079,676	2,456,413	2,001,492	-	43,498,347	-	55,035,928
Total equity related changes	-	-	-	-	-	-	-	(15,937,926)	(15,937,926)
Balance at December 31, 2023	1,428,132	123,845,736	68,209,769	11,391,488	17,004,702	209,256	4,973,189	6,323,315	233,385,587
Balance at December 31, 2021	1,600,047	79,875,346	45,987,380	25,816,770	18,256,320	210,317	1,033,404	36,604,086	209,383,670
Changes from financing cash flows									
Draw-downs / additions	-	-	21,279,366	-	-	-	-	-	21,279,366
Repayments	(149,820)	73,490,587	(13,171,910)	(18,365,097)	(5,803,820)	(503)	(17,406,918)	-	18,592,519
	(149,820)	73,490,587	8,107,456	(18,365,097)	(5,803,820)	(503)	(17,406,918)	-	39,871,885
Other changes									
Interest cost on lease liabilities	-	-	-	-	1,916,010	-	-	-	1,916,010
Liability related changes	-	-	5,740,482	6,317,746	3,959,077	-	18,290,188	-	34,307,493
Effect of restatement	-	-	-	-	-	-	-	(135,373)	(135,373)
	-	-	5,740,482	6,317,746	5,875,087	-	18,290,188	(135,373)	36,088,130
Total equity related changes	-	-	-	-	-	-	-	(10,731,261)	(10,731,261)
Balance at December 31, 2022	1,450,227	153,365,933	59,835,318	13,769,419	18,327,587	209,814	1,916,674	22,125,868	271,000,840

	Note	2023 Rs '000	2022 Rs '000 Restated
45.2 Cash and cash equivalents			
Cash and bank balances	34	20,127,045	16,622,730
Short term running finance	16	(48,138,253)	(40,879,639)
		(28,011,208)	(24,256,909)

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46. Remuneration of Directors, Chief Executive Officer and Executives

The aggregate amount charged in the consolidated financial statements for remuneration, including all benefits, to the Chairman, Chief Executive Officer and Executives of the Group is as follows:

	Chairman		Chief Executive Officer		Executives			
					Key management personnel		Other executives	
	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000	2023 Rs '000	2022 Rs '000
Managerial remuneration	-	-	210,256	170,364	571,616	550,575	4,736,460	2,049,746
Honorarium	300	300	-	-	-	-	-	-
Retirement benefits	-	-	-	-	96,466	112,037	421,981	237,233
Medical	-	-	-	-	33,497	654	233,310	32,255
Housing	-	-	121,343	87,636	11,154	181,434	509,789	770,643
Utilities	-	-	-	-	81,085	87,167	545,666	355,522
	300	300	331,599	258,000	793,818	931,867	6,447,206	3,445,399
Bonus paid	-	-	123,175	35,244	149,043	168,184	892,555	472,926
	300	300	454,774	293,244	942,861	1,100,051	7,339,761	3,918,325
Number of persons	1	1	1	1	66	60	2,330	1,180

The Group also provides free medical and limited residential telephone facilities, to all its executives, including the Chief Executive Officer. The Chairman is entitled to free transport and a limited residential telephone facility, whereas, the Directors of the Group are provided only with limited telephone facilities. Certain executives are also provided with the Group maintained cars.

The aggregate amount charged in the consolidated financial statements for the year as fee paid to 21 directors including chairman (December 31, 2022: 21) is Rs 291,839 thousand (December 31, 2022: Rs 175,956 thousand) for attending the Board of Directors, and its sub-committee meetings.

47. Rates of exchange

Assets in US dollars have been translated into Rupees at USD 1 = Rs 281.86 (December 31, 2022: USD 1 = Rs 226.43), while liabilities in US dollars have been translated into Rupees at USD 1 = Rs 281.86 (December 31, 2022: USD 226.43).

48. Financial risk management

48.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board has prepared a 'Risk Management Policy' covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of this policy.

(a) Market risk

(i) Currency risk

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

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The Group is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Arab Emirates Dirham (AED), Euro (EUR) and Chinese Yuan (CNY). Currently, the Group's foreign exchange risk exposure is restricted to the amounts receivable from / payable to foreign entities. The Group's exposure to currency risk is as follows:

	2023 Rs '000	2022 Rs '000
USD		
Trade and other payables	(12,356,841)	(9,328,685)
Long term vendor liability	(1,695,853)	(2,439,593)
License fee payable	(12,650,466)	(14,114,921)
Trade debts	38,506,594	28,409,020
Cash and bank balances	7,971,704	4,251,570
Net exposure	19,775,138	6,777,391
EUR		
Trade and other payables	(426,151)	(245,980)
Trade debts	280,647	292,250
Long term vendor liability	(432,657)	(30,888)
Cash and bank balances	237,024	164,861
Net exposure	(341,137)	180,243
AED		
Trade and other payables	(5,570)	(4,351)
CNY		
Vendor liability	(41,886,156)	(27,714,906)

The following significant exchange rates were applied during the year:

	2023	2022
Rupees per USD		
Average rate	279.98	204.52
Reporting date rate	281.86	226.43
Rupees per EUR		
Average rate	302.74	214.53
Reporting date rate	311.50	241.31
Rupees per AED		
Average rate	76.23	55.68
Reporting date rate	76.74	61.65
Rupees per CNY		
Average rate	39.55	30.32
Reporting date rate	39.63	32.57

If the functional currency, at the reporting date, had fluctuated by 5% against the USD, AED, EUR and CNY with all other variables held constant, the impact on profit after taxation for the year would have been Rs 797,249 thousand (December 31, 2022: Rs 737,038 thousand) respectively higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

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(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group is exposed to equity securities price risk because of the investments held by the Group in money market mutual funds and classified on the consolidated statement of financial position as FVTPL. To manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio.

Financial assets include investments of Rs 5,570,319 thousand (December 31, 2022: Rs 21,971,007 thousand) which were subject to price risk.

If redemption price on mutual funds at the year end date, fluctuate by 5% higher / lower with all other variables held constant, total comprehensive income for the year would have been Rs 222,813 thousand (December 31, 2022: Rs 779,971 thousand) higher / lower, mainly as a result of higher / lower redemption price on units of mutual funds.

(iii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the date of the consolidated statement of financial position, the interest rate profile of the Group's interest bearing financial instruments at the year end :

	2023 Rs '000	2022 Rs '000
Financial assets		
Fixed rate instruments:		
Staff loans	1,498,324	1,434,188
Short term investments	13,735,819	56,279,331
Bank balances - savings accounts	4,888,946	3,568,671
	20,123,089	61,282,190
Variable rate instruments:		
Market treasury bills	38,409,478	87,638,982
Loans to banking customers	82,087,560	55,029,765
	120,497,038	142,668,747
	140,620,127	203,950,937
Financial liabilities		
Fixed rate instruments:		
Deposits from banking customers	105,796,975	92,183,090
Floating rate instruments:		
Long term loans from banks	123,845,736	153,365,933
Long term vendor liability	50,806,408	43,919,757
License fee payable	10,090,613	12,634,844
Short term running finance	48,138,253	40,879,639
	232,881,010	250,800,173
	338,677,985	342,983,263

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Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value. Therefore, a change in interest rates at the date of consolidated statement of financial position would not affect the total comprehensive income of the Group.

Cash flow sensitivity analysis for floating rate instruments

If interest rates on variable rate instruments of the Group, at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rs 797,926 thousand (December 31, 2022: Rs 767,733 thousand) lower / higher, mainly as a result of higher / lower markup income on floating rate loans / investments.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party, by failing to discharge an obligation. The maximum exposure to credit risk at the reporting date is as follows:

	2023 Rs '000	2022 Rs '000
Long term loans and advances	10,602,475	4,056,433
Trade debts and contract assets	56,377,374	41,375,661
Loans to banking customers	82,087,560	55,029,765
Loans and advances	2,376,992	3,205,085
Deposits and other receivables	14,311,277	8,626,332
Short term investments	52,145,297	143,918,313
Bank balances	18,170,372	14,506,701
	236,071,347	270,718,290

The credit risk on liquid funds is limited, because the counter parties are banks with reasonably high credit ratings. In case of trade debts, the Group believes that it is not exposed to a major concentration of credit risk, as its exposure is spread over a large number of counter parties and subscribers. Impairment loss on trade debts and contract assets arising from contract with customers amounts to Rs 1,191,121 thousand (December 31, 2022: Rs 4,593,883 thousand).

The credit quality of bank balances and short term investments, that are neither past due nor impaired, can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating
	Short term	Long term	Agency
National Bank of Pakistan	A-1+	AAA	PACRA
Bank Alfalah Limited	A-1+	AA+	PACRA
MCB Bank Limited	A-1+	AAA	PACRA
Soneri Bank Limited	A-1+	AA-	PACRA
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA
The Bank of Punjab	A-1+	AA+	PACRA
Habib Bank Limited	A-1+	AAA	VIS
Askari Bank Limited	A-1+	AA+	PACRA
Allied Bank Limited	A-1+	AAA	PACRA
United Bank Limited	A-1+	AAA	VIS
BankIslami Pakistan Limited	A-1	AA-	PACRA
Bank Al-Habib Limited	A-1+	AAA	PACRA
Faysal Bank Limited	A-1+	AA	PACRA
Citi Bank, N.A	P-1	Aa3	Moody's
Albaraka Bank (Pakistan) Limited	A-1	A+	VIS
Mobilink Microfinance Bank Limited	A-1	A	PACRA
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS
JS Bank Limited	A-1+	AA-	PACRA
Sindh Bank Limited	A-1	A+	VIS
SME Bank Limited	B	CCC	PACRA
Silk Bank Limited	A-2	A-	VIS
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA
Meezan Bank Limited	A-1+	AAA	VIS
The Bank of Khyber	A-1	A+	VIS
First Women Bank Limited	A-2	A-	PACRA
Samba Bank Limited	A-1	AA	VIS
U Microfinance Bank Limited	A-1	A+	VIS
Khushhali Microfinance Bank Limited	A-2	A-	VIS
Telenor Microfinance Bank Limited	A-1	A	VIS

Due to the Group's long standing business relationships with these counter parties, and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Group. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group follows an effective cash management and planning policy to ensure availability of funds, and to take appropriate measures for new requirements.

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The following are the contractual maturities of the Group's financial liabilities:

	Gross amount Rs '000	Less than one year Rs '000	One to five years Rs '000	More than five years Rs '000
As at December 31, 2023				
Long term loans from banks	140,988,976	41,958,557	93,697,086	5,333,333
Lease liabilities	21,016,844	5,353,044	13,713,388	1,950,412
Security deposits	1,439,771	1,439,771	-	-
Long term vendor liability	68,209,769	17,403,361	50,806,408	-
Trade and other payables	97,035,783	97,035,783	-	-
Interest accrued	4,973,189	4,973,189	-	-
License fee payable	11,391,488	125,862	10,701,167	564,459
Unpaid / Unclaimed Dividend	209,256	209,256	-	-
Short term running finance	48,138,253	48,138,253	-	-
Deposits from banking customers	105,796,975	85,465,584	20,331,391	-
	499,200,304	302,102,660	189,249,440	7,848,204
As at December 31, 2022				
Long term loans from banks	191,280,891	111,787,098	61,721,803	17,771,990
Lease liabilities	22,392,995	5,515,567	15,141,827	1,735,601
Security deposits	1,535,321	1,535,321	-	-
Long term vendor liability	59,835,318	15,915,561	43,919,757	-
Trade and other payables	83,375,722	83,375,722	-	-
Interest accrued	2,337,438	2,337,438	-	-
License fee payable	13,769,419	164,459	13,026,416	578,544
Unpaid / Unclaimed Dividend	209,814	209,814		
Short term running finance	19,799,399	19,799,399	-	-
Deposits from banking customers	92,183,090	90,910,070	1,273,020	-
	486,719,407	331,550,449	135,082,823	20,086,135

48.2 Fair value of financial instruments

The carrying values of all financial assets and liabilities reflected in the consolidated financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Fair value measurements are categorized into Level 1, 2 and 3 based on the degree to which the inputs to the fair value measurements are observable and significance of the inputs to the fair value measurement in its entirety, which is as follows:

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

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

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

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Details of the Group's assets / (liabilities) fair value hierarchy as at December 31 are as follows:

		Level 1 Rs '000	Level 2 Rs '000	Level 3 Rs '000	Total Rs '000
Long term other investments	2023	-	-	51,427	51,427
Market treasury bills	2023	-	13,735,819	-	13,735,819
Interest rate swap	2023	-	-	-	-
Forward exchange contracts	2023	-	(184,598)	-	(184,598)
Long term other investments	2022	-	-	51,427	51,427
Market treasury bills	2022	-	54,768,770	-	54,768,770
Interest rate swap	2022	-	-	913	913
Forward exchange contracts	2022	-	(442,318)	-	(442,318)

Measurement of fair value

Valuation techniques and significant unobservable inputs

Type	Valuation technique	Significant unobservable inputs	Sensitivity of input to fair value
Non listed equity investments - Thuraya Satellite Telecommunication Company	Discounted cash flows: The valuation model considers the present value of projected cash flows, discounted using long term discount rate that reflect the risk inherent to the investment in these equity instruments	Long term discount rate 9% (31 December 2022: 9%)	1% (31 December 2022: 1%) increase (decrease) in the discount rate would decrease (increase) the fair value by Rs. 5,545 thousand (Rs. 6,934 thousand) [31 December 2022: Rs.3,587 thousand (Rs. 4,386 thousand)]
		Future free cash flows	1% (31 December 2022: 1%) increase (decrease) in the future free cash flows would increase (decrease) the fair value by Rs. 2,351 thousand (Rs. 2,264 thousand) [31 December 2022: Rs. 1,635 thousand (Rs. 1,586 thousand)]
Non listed equity investments - Alcatel - Lucent Pakistan Limited	Discounted cash flows: The valuation model considers the present value of projected cash flows, discounted using long term discount rate that reflect the risk inherent to the investment in these equity instruments	Long term discount rate 15.5% (31 December 2021: 10%)	1% (31 December 2022: 1%) increase (decrease) in the discount rate would decrease (increase) the fair value by Rs.363,425 thousand (Rs. 413,156 thousand) [31 December 2022: Rs. 1,497,847 thousand (Rs. 2,524,034 thousand)]
		Future free cash flows	1% (31 December 2022: 1%) increase (decrease) in the future free cash flows would increase (decrease) the fair value by Rs. 246,260 thousand (Rs. 231,748 thousand) [31 December 2022: Rs. 275,331 thousand (Rs. 256,565 thousand)]
Interest rate Swap	The fair value is calculated as the present value of estimated future cashflows	Not Applicable	Not Applicable

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	FVOCI - equity instruments	FVTPL - equity instruments	FVTPL - debt instruments	FVOCI - debt instruments	Financial assets at amortized cost	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
48.3 Financial instruments by categories - 2023						
Financial assets as per consolidated statement of financial position						
Long term other investments	51,427	-	-	-	-	51,427
Debt securities- treasury bills	-	-	2,443,072	11,292,747	-	13,735,819
Long term loans and advances	-	-	-	-	12,979,467	12,979,467
Trade debts and contract assets	-	-	-	-	56,377,374	56,377,374
Loans to banking customers	-	-	-	-	82,087,560	82,087,560
Receivable from the Government of Pakistan	-	-	-	-	2,164,072	2,164,072
Other receivables	-	-	-	-	14,311,277	14,311,277
Short term investments	-	5,570,319	-	-	5,190,293	10,760,612
Cash and bank balances	-	-	-	-	20,127,045	20,127,045

Financial liabilities as per consolidated statement of financial position	Amortized cost
Loans from Banks	123,845,736
Subordinated debts	1,428,132
Vendor liability	68,209,769
Trade and other payables	121,329,720
Security deposits	1,439,771
Unpaid / unclaimed dividend	209,256
License fee payable	11,391,488
Lease liabilities	17,004,702
Interest accrued	4,973,189
Short term running finance	48,138,253

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	FVOCI - equity instruments	FVTPL - equity instruments	FVTPL - debt instruments	FVOCI - debt instruments	Financial assets at amortized cost	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Financial instruments by categories - 2022						
Financial assets as per consolidated statement of financial position						
Long term other investments	51,427	-	-	-	-	51,427
Debt securities- treasury bills	-	-	2,268,757	34,467,225	-	36,735,982
Long term loans and advances	-	-	-	-	7,261,518	7,261,518
Trade debts and contract assets	-	-	-	-	41,375,661	41,375,661
Loans to banking customers	-	-	-	-	55,029,765	55,029,765
Receivable from the Government of Pakistan	-	-	-	-	2,164,072	2,164,072
Other receivables	-	-	-	-	8,626,332	8,626,332
Short term investments	-	21,971,007	71,447,533	-	12,272,445	105,690,985
Cash and bank balances	-	-	-	-	16,622,730	16,622,730

Financial liabilities as per consolidated statement of financial position	Amortized cost
Loans from banks	153,365,933
Subordinated debts	1,450,227
Vendor liability	59,835,318
Trade and other payables	107,663,965
Security deposits	1,531,698
Unpaid / unclaimed dividend	209,814
License fee payable	13,769,419
Lease liabilities	18,327,587
Interest accrued	1,916,674
Short term running finance	40,879,639

48.4 Capital Risk Management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence, and to sustain the future development of the Group's business. The Board monitors the return on capital employed, which the Group defines as operating income divided by total capital employed. The Board also monitors the level of dividends to ordinary shareholders.

The Group's objectives when managing capital are:

(i) to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

(ii) to provide an adequate return to shareholders.

The Group manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce the debt.

UBank

As per amendments on Prudential Regulations (R-1) issued vide BPRD Circular No. 10 of 2015 dated 3 June 2015, the minimum paid up capital requirement (MCR), free of losses for Microfinance Banks operating at national level is Rs. 1,000,000 thousand as at 31 December 2023. As of 31 December 2023, the net equity of UBank stood at Rs 5,830,000 thousand (2022: Rs 3,912,000 thousand).

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The capital of UBank is managed keeping in view the minimum CAR (15%) required by the Prudential Regulations for Microfinance Banks / Institutions. The adequacy of the capital is tested with reference to the risk-weighted assets of UBank. The calculation of capital adequacy enables UBank to assess the long-term soundness. As UBank conducts business on a wide area network basis, it is critical that UBank continuously monitor the exposure across the entire organization.

49. Employees' Provident Funds

Investments out of the provident funds have been made in accordance with the provisions of section 218 of the Companies Act ,2017 and the rules formulated for this purpose.

50. Transactions with related parties

The Government of Pakistan and Etisalat International Pakistan (EIP), UAE are the majority shareholders of the Group. Additionally, the Group's associate T.F. Pipes Limited, Directors, Chief Executive, Key management personnel and employees retirement benefits are also related parties of the Group. The remuneration of the Directors, Chief Executive and Executives is given in note 46 to these Consolidated Financial Statements. The amounts due from and due to these related parties are disclosed in the respective notes including note 12, 13, 16, 23, 24, 27, 29, 30, 31 and 32. The Holding Company has also issued a letter of comfort and corporate guarantee in favor of PTML as disclosed in note 18.22.1 The Group had transactions with the following related parties during the year:

Particulars	Aggregate % of shareholding in the Holding Company
Shareholders	
The Government of Pakistan	62.18%
Etisalat International Pakistan	26%
Associated undertakings	
Emirates Telecommunication Corporation - Ultimate Parent Company	Not applicable
Etisalat - Afghanistan	Not applicable
Etihad Etisalat Company	Not applicable
Etisalat - Egypt	Not applicable
Etisalat - Nigeria	Not applicable
Emirates Data Clearing House	Not applicable
TF Pipes Limited	Not applicable
Telecom Foundation	Not applicable
Pakistan MNP Database (Guarantee) Limited	Not applicable
Employees retirement benefit plans	
Pakistan Telecommunication Employees Trust	Not applicable
PTCL - General Provident Fund Trust	Not applicable
PTML - Employees Provident Fund	Not applicable
PTCL - Employees Gratuity Fund	Not applicable
PTML - Employees Gratuity Fund	Not applicable
UBank - Employees Provident Fund	Not applicable
UBank - Employees Gratuity Fund	Not applicable
Other related parties	
Pakistan Telecommunication Authority	Not applicable
Universal Service Fund - The Government of Pakistan	Not applicable
National ICT R&D Fund	Not applicable
Pakistan Electronic Media Regularity Authority	Not applicable

Chief Executive, directors and key management personnel

The Group also has transactions with Chief Executive Officer, directors and other key management personnel which are disclosed in note 23 and 46 to these financial statements.

Following particulars relate to the Holding and associated companies incorporated outside Pakistan with whom the Group had entered into transactions during the year:

Names	Country of Incorporation	Basis of Association
Holding Company		
Etisalat International Pakistan	United Arab Emirates	Holding Company
Associated Companies		
Emirates Telecommunication Corporation	United Arab Emirates	Associate of the Holding Company
Etisalat - Afghanistan	Afghanistan	Associate of the Holding Company
Etihad Etisalat Company (Mobily)	Kingdom of Saudi Arabia	Associate of the Holding Company
Etisalat - Nigeria	Nigeria	Associate of the Holding Company
Emirates Data Clearing House	United Arab Emirates	Associate of the Holding Company

Details of Transactions with related parties

	2023 Rs '000	2022 Rs '000
Shareholders		
Technical services assistance fee	5,759,237	5,019,157
Associates		
Sale of goods and services	9,343,300	6,716,693
Purchase of goods and services	1,707,378	1,048,884
Expenses reimbursed to Pakistan MNP Database (Guarantee) Limited	-	24,000
Rentals paid to Pakistan Telecommunication Employees Trust (PTET)	831,626	756,023
Employees retirement benefit plan		
Contribution to PTET	959,087	822,813
Contribution to Gratuity Fund	258,475	475,956
Contribution to Provident Fund	82,609	157,881
Other related party		
Charge under license obligations	2,482,838	2,084,764

51. Operating segment information

51.1 Management has determined the operating segments based on the information that is presented to the Board of Directors for allocation of resources and assessment of performance. The Group is organized into three operating segments i.e. fixed line communications (Wireline), wireless communications (Wireless) and banking. The reportable operating segments derive their revenue primarily from voice, data and other services.

51.2 The Board of Directors monitor the results of the above mentioned segments for the purpose of making decisions about the resources to be allocated and for assessing performance based on consolidated comprehensive income for the year.

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51.3 The segment information for the reportable segments is as follows:

	Wireline Rs '000	Wireless Rs '000	Banking Rs '000	Total Rs '000
Year ended December 31, 2023				
Segment revenue	94,602,705	77,290,777	23,760,109	195,653,591
Inter - segment revenue	(6,340,686)	(1,237,699)	(421)	(7,578,806)
Revenue from external customers	88,262,019	76,053,078	23,759,688	188,074,785
Segment results	8,778,196	(25,073,354)	750,401	(15,544,757)
Year ended December 31, 2022				
Segment revenue	81,325,484	62,396,275	14,341,933	158,063,691
Inter - segment revenue	(5,670,913)	(1,372,528)	(738)	(7,044,179)
Revenue from external customers	75,654,571	61,023,747	14,341,194	151,019,513
Segment results	8,597,402	(18,635,941)	(875,648)	(10,914,187)

Information on assets and liabilities of the segments is as follows:

	Wireline Rs '000	Wireless Rs '000	Banking Rs '000	Total Rs '000
As at December 31, 2023				
Segment assets	269,026,776	217,687,090	156,884,599	643,598,465
Segments liabilities	238,860,349	194,333,670	152,224,228	585,418,247
As at December 31, 2022				
Segment assets	219,832,894	204,879,963	215,908,480	640,621,337
Segments liabilities	173,303,293	180,804,295	212,576,235	566,683,823

51.4 Other segment information is as follows:

	Wireline Rs '000	Wireless Rs '000	Banking Rs '000	Total Rs '000
Year ended December 31, 2023				
Depreciation	16,543,159	12,965,037	637,406	30,145,602
Amortization	799,906	6,426,415	127,499	7,353,820
Finance cost	6,367,953	28,149,036	17,261,875	51,778,864
Interest income	278,778	257,168	12,957,867	13,493,813
Income tax expense	4,425,086	(9,938,723)	(1,849,130)	(7,362,767)
Year ended December 31, 2022				
Depreciation	15,321,580	12,827,767	487,269	28,636,616
Amortization	603,229	6,338,094	64,556	7,005,879
Finance cost	(1,015,904)	23,083,953	7,729,378	29,797,427
Interest income	275,869	37,556	5,681,747	5,995,172
Income tax expense	4,325,356	(9,114,354)	(1,395,093)	(6,184,091)

51.5 The Group's customer base is diverse with no single customer accounting for more than 10% of net revenues.

51.6 The amounts of revenue from external parties, total segment assets and segment liabilities are measured in a manner consistent with that of the financial information reported to the Board of Directors.

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52. Number of employees

	2023 Number	2022 Number
Total number of persons employed at year end	22,093	21,425
Average number of employees during the year	21,768	21,432

53. Offsetting of financial assets and liabilities

	Gross amount subject to offsetting Rs '000	Offset Rs '000	Net amount Rs '000	Amount not in scope of offsetting Rs '000	Net as per statement of financial position Rs '000
As at December 31, 2023					
Trade debts	38,700,366	(5,002,628)	33,697,738	29,981,175	63,678,913
Trade creditors	(6,319,619)	5,002,628	(1,316,991)	(17,976,865)	(19,293,856)
As at December 31, 2022					
Trade debts	32,344,423	(6,953,681)	25,390,742	24,501,688	49,892,430
Trade creditors	(7,955,008)	6,953,681	(1,001,327)	(19,180,559)	(20,181,886)

54. Restatement and reclassifications

Ubank, a banking subsidiary of the Group, chose to adopt IFRS 9 "Financial Instruments" during the year ended December 31, 2022, earlier than the date IFRS-9 was applicable to the banking subsidiary, and the impact thereof was disclosed and accounted for in the consolidated financial statements for the year ended December 31, 2022. During the year, the State Bank of Pakistan (SBP) conducted a review of the Ubank and directed the banking subsidiary to align certain matters relating to implementation of IFRS 9, "Financial Instruments" with the related IFRS 9 implementation instructions issued by the SBP and adjust retrospectively the financial position as at December 31, 2022. Accordinrgly, the Ubank has complied with the directions of SBP, by re-considering the IFRS-9 implementation and aligning its interpretation with the instructions issued by SBP and specific communication in this respect of Ubank with SBP. Further, certain other adjustments aggregating Rs. 135 million were identified relating to right of use of assets and corresponding lease liability on buildings and recognition of markup income on loans and advances which has also been adjusted retrospectively as at 1st January 2022.

54.1 Reclassifications

Prior year figures have been rearranged, wherever necessary, for better presentation and comparison. Reclassification of corresponding figures of the financial statements is given below:

From	To	Amount
Balance sheet		
Loans and advances (Current assets)	Long term loans and advances (Non-current assets)	2,748,436
Contract cost (Non-current assets)	Contract cost (Current assets)	482,248
Deposits, prepayments and other receivables	Short term investments	5,805
Deposits, prepayments and other receivables	Cash and bank balances	89,636
Long term loans from banks (Current)	Subordinated debt	1,001,127
Profit and loss account		
Amortization of intangibles (Cost of services)	Amortization of intangibles (Administrative expenses)	34,905
Other income	Revenue	132,105
Cost of services	Revenue	24,630
Other income	Revenue	3,930
Other income	Impairment loss on trade debts and contract assets	197,376
Administrative and general expenses	Other income	829
Selling and Marketing expenses	Administrative and general expenses	25,000

NOTES TO AND FORMING PART OF THE
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54.2 Restatements

The following restatements have been made in UBank's financial statements as a result of adoption of IFRS-9. The impact of restatements along with reclassification as described in note 54.1 & 54.2 are reflected below:

Statement of Financial Position	As at December 31, 2022			
	As previously reported Rs '000	Impact of Reclassification Rs '000	Impact of Restatement Rs '000	As Restated Rs '000
Assets				
Right of use assets	16,468,843	-	(46,075)	16,422,768
Long term loans and advances (Non-current)	982,860	2,748,436	-	3,731,296
Long term loans to banking customers	12,705,350	-	(2,553,690)	10,151,660
Deferred income tax	7,901,476	-	1,186,851	9,088,327
Contract costs (Non-current)	762,364	(482,248)	-	280,116
Loans to banking customers	46,578,644	-	(1,700,539)	44,878,105
Loans and advances (Current)	6,278,658	(2,748,436)	-	3,530,222
Contract costs (Current)	3,138,112	482,248	-	3,620,360
Income tax recoverable	28,736,568	-	128,546	28,865,114
Deposits, prepayments and other receivables	12,948,042	(95,441)	218,999	13,071,600
Short term investments	143,912,508	5,805	-	143,918,313
Cash and bank balances	16,533,094	89,636	-	16,622,730
Others	346,440,726	-	-	346,440,726
Total Assets	643,387,245	-	(2,765,908)	640,621,337
Liabilities				
Lease liabilities	(13,442,256)	-	231,891	(13,210,365)
Long term loans from banks (Non-current)	(78,260,607)	-	600,285	(77,660,322)
Deferred government grants	(29,362,359)	-	(62,745)	(29,425,104)
Advances from customers	(1,899,388)	-	14,368	(1,885,020)
Trade and other payables	(122,541,819)	-	(48,547)	(122,590,366)
Short term running finance	(40,799,207)	-	(80,432)	(40,879,639)
Long term loans from banks (current)	(46,637,709)	1,001,127	(409,097)	(46,045,679)
Repo borrowing	(29,537,082)	-	(122,850)	(29,659,932)
Subordinated debt	(120)	(1,001,127)	-	(1,001,247)
Lease liabilities	(4,476,012)	-	(641,210)	(5,117,222)
Employees retirement benefits	(29,360,928)	-	46,994	(29,313,934)
Others	(169,894,993)	-	-	(169,894,993)
Total Liabilities	(566,212,480)	-	(471,343)	(566,683,823)
Equity				
Accumulated loss	2,672,095	-	2,699,109	5,371,204
Statutory and other reserves	(1,351,802)	-	538,141	(813,661)
Others	(78,495,057)	-	-	(78,495,057)
Total Equity	(77,174,764)	-	3,237,250	(73,937,514)

	For the year ended December 31, 2022			
	As previously reported Rs '000	Impact of Reclassification Rs '000	Impact of Restatement Rs '000	As Restated Rs '000
Statement of Profit and Loss				
Revenue	151,643,728	111,405	(735,620)	151,019,513
Cost of services	(120,168,406)	59,535	(274,218)	(120,383,089)
Administrative and general expenses	(20,429,217)	(60,734)	58,569	(20,432,002)
Selling and marketing expenses	(8,561,663)	25,000	-	(8,536,663)
Impairment loss on trade debts and contract assets	(848,067)	197,376	(3,943,192)	(4,593,883)
Other income	15,646,821	(332,582)	310,414	15,624,653
Finance costs and other expenses	(29,704,862)	-	(92,565)	(29,797,427)
Income tax	4,633,084	-	1,551,007	6,184,091
Loss after taxation	(7,788,582)	-	(3,125,605)	(10,914,807)
Earning per share (EPS) - basic (Rupees)	(1.53)	-	(0.61)	(2.14)

55. Date of authorization for issue

These consolidated financial statements were authorized for issue by the Board of Directors of the Holding Company as on May 02, 2024.

Chief Financial Officer

President & CEO

Chairman

Annexes

NOTES

PATTERN OF SHAREHOLDING
AS AT DECEMBER 31, 2023

No. of shareholders	Shareholdings From	Shareholdings To	Total shares held
24,587	1	100	2,415,900
8,750	101	500	2,724,073
2,853	501	1,000	2,532,806
3,375	1,001	5,000	9,269,797
1,039	5,001	10,000	8,572,610
400	10,001	15,000	5,186,631
303	15,001	20,000	5,631,316
185	20,001	25,000	4,373,091
130	25,001	30,000	3,720,186
70	30,001	35,000	2,325,900
80	35,001	40,000	3,110,198
42	40,001	45,000	1,835,295
125	45,001	50,000	6,202,608
28	50,001	55,000	1,499,601
33	55,001	60,000	1,952,200
23	60,001	65,000	1,455,054
18	65,001	70,000	1,250,000
21	70,001	75,000	1,551,250
14	75,001	80,000	1,095,000
12	80,001	85,000	1,001,264
17	85,001	90,000	1,505,306
8	90,001	95,000	747,000
75	95,001	100,000	7,491,528
5	100,001	105,000	513,500
14	105,001	110,000	1,521,750
3	110,001	115,000	337,000
8	115,001	120,000	944,000
5	120,001	125,000	620,309
6	125,001	130,000	773,200
5	130,001	135,000	662,569
7	135,001	140,000	972,500
6	140,001	145,000	863,821
19	145,001	150,000	2,833,228
3	150,001	155,000	455,000
8	155,001	160,000	1,271,634
5	160,001	165,000	815,000
2	165,001	170,000	338,500
2	170,001	175,000	350,000
7	175,001	180,000	1,238,100
3	180,001	185,000	545,500
3	185,001	190,000	562,500
1	190,001	195,000	191,000
24	195,001	200,000	4,798,000
1	200,001	205,000	205,000
2	205,001	210,000	415,500
4	210,001	215,000	854,000
3	215,001	220,000	653,000
3	220,001	225,000	673,000
1	225,001	230,000	230,000
1	230,001	235,000	235,000
3	235,001	240,000	714,000
1	240,001	245,000	245,000
3	245,001	250,000	748,384
3	250,001	255,000	758,500
3	255,001	260,000	773,500
2	260,001	265,000	526,500
2	265,001	270,000	536,500
2	270,001	275,000	545,500
1	285,001	290,000	290,000
5	295,001	300,000	1,497,500
1	300,001	305,000	300,500
2	305,001	310,000	617,500

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2023

No. of shareholders	Shareholdings From	Shareholdings To	Total shares held
2	315,001	320,000	639,500
1	325,001	330,000	325,232
1	330,001	335,000	335,000
2	335,001	340,000	677,500
1	340,001	345,000	343,500
5	345,001	350,000	1,750,000
1	350,001	355,000	353,900
1	365,001	370,000	367,500
1	370,001	375,000	375,000
1	380,001	385,000	382,500
1	385,001	390,000	387,073
1	390,001	395,000	392,500
5	395,001	400,000	2,000,000
1	400,001	405,000	401,000
1	405,001	410,000	410,000
1	420,001	425,000	425,000
3	430,001	435,000	1,297,500
1	440,001	445,000	445,000
3	445,001	450,000	1,350,000
2	470,001	475,000	947,800
1	480,001	485,000	481,500
9	495,001	500,000	4,500,000
1	505,001	510,000	509,877
1	520,001	525,000	525,000
1	535,001	540,000	539,000
1	540,001	545,000	545,000
2	545,001	550,000	1,100,000
1	555,001	560,000	555,200
1	565,001	570,000	566,000
1	580,001	585,000	583,500
1	585,001	590,000	588,000
2	595,001	600,000	1,200,000
1	600,001	605,000	605,000
2	605,001	610,000	1,215,000
1	620,001	625,000	623,000
1	645,001	650,000	650,000
1	675,001	680,000	676,000
1	690,001	695,000	690,400
1	695,001	700,000	700,000
1	730,001	735,000	732,000
1	770,001	775,000	775,000
5	795,001	800,000	3,997,500
1	835,001	840,000	840,000
3	895,001	900,000	2,696,000
1	945,001	950,000	950,000
1	965,001	970,000	965,400
1	980,001	985,000	984,000
4	995,001	1,000,000	4,000,000
1	1,005,001	1,010,000	1,010,000
1	1,040,001	1,045,000	1,044,500
1	1,065,001	1,070,000	1,070,000
2	1,080,001	1,085,000	2,163,603
1	1,085,001	1,090,000	1,085,500
1	1,130,001	1,135,000	1,131,500
1	1,145,001	1,150,000	1,145,700
1	1,170,001	1,175,000	1,170,500
2	1,245,001	1,250,000	2,500,000
1	1,255,001	1,260,000	1,257,000
1	1,270,001	1,275,000	1,274,500
1	1,320,001	1,325,000	1,325,000
1	1,325,001	1,330,000	1,326,000
1	1,330,001	1,335,000	1,334,500
4	1,495,001	1,500,000	6,000,000

No. of shareholders	Shareholdings From	To	Total shares held
1	1,530,001	1,535,000	1,530,700
2	1,560,001	1,565,000	3,127,000
1	1,625,001	1,630,000	1,630,000
1	1,835,001	1,840,000	1,840,000
1	1,845,001	1,850,000	1,850,000
1	1,935,001	1,940,000	1,940,000
1	1,995,001	2,000,000	2,000,000
1	2,000,001	2,005,000	2,004,500
1	2,095,001	2,100,000	2,100,000
1	2,195,001	2,200,000	2,200,000
1	2,345,001	2,350,000	2,348,500
2	2,395,001	2,400,000	4,800,000
1	2,405,001	2,410,000	2,409,500
1	2,435,001	2,440,000	2,439,884
1	2,495,001	2,500,000	2,500,000
1	2,615,001	2,620,000	2,617,562
1	2,785,001	2,790,000	2,789,500
1	2,930,001	2,935,000	2,932,000
1	3,005,001	3,010,000	3,010,000
1	3,080,001	3,085,000	3,084,050
1	3,255,001	3,260,000	3,257,500
1	3,345,001	3,350,000	3,347,600
1	3,380,001	3,385,000	3,384,139
1	3,745,001	3,750,000	3,750,000
1	3,845,001	3,850,000	3,850,000
1	3,895,001	3,900,000	3,900,000
2	3,995,001	4,000,000	8,000,000
1	4,265,001	4,270,000	4,270,000
1	4,500,001	4,505,000	4,502,500
1	4,695,001	4,700,000	4,700,000
1	4,975,001	4,980,000	4,978,500
1	4,995,001	5,000,000	5,000,000
1	5,495,001	5,500,000	5,500,000
1	5,670,001	5,675,000	5,672,500
1	6,395,001	6,400,000	6,400,000
1	6,515,001	6,520,000	6,518,500
1	6,545,001	6,550,000	6,549,000
1	9,935,001	9,940,000	9,939,550
1	9,995,001	10,000,000	10,000,000
1	11,590,001	11,595,000	11,595,000
1	12,210,001	12,215,000	12,212,000
1	12,520,001	12,525,000	12,524,000
1	21,915,001	21,920,000	21,916,500
1	46,620,001	46,625,000	46,621,000
1	52,325,001	52,330,000	52,325,854
1	55,890,001	55,895,000	55,893,800
1	57,060,001	57,065,000	57,060,074
1	196,385,001	196,390,000	196,387,991
1	407,805,001	407,810,000	407,809,524
1	918,190,001	918,195,000	918,190,476
1	2,974,680,001	2,974,685,000	2,974,680,002
42,524			**5,100,000,000**

CATEGORIES OF SHAREHOLDERS

AS AT DECEMBER 31, 2023

S. No.	Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
1	Directors, Chief Executive Officer, and their spouses and minor children	9	9	0.00
2	President of Pakistan	2	3,171,067,993	62.18
3	Associated Companies, Undertakings and related Parties	2	1,326,000,000	26.00
4	NIT and ICP	2	3,000	0.00
5	Banks, Development Financial Institutions, Non Banking Financial Institutions	17	68,039,087	1.33
6	Insurance Companies	8	63,017,936	1.24
7	Modarabas and Mutual Funds	18	32,988,743	0.65
8	Shareholders holding 10%	4	4,497,067,993	88.18
9	General Public :			
	a. local	42,039	294,660,006	5.78
	b. Foreign	192	126,700	0.00
10	Others	235	144,096,526	2.83
	Total (excluding : shareholders holding 10%)	42,524	5,100,000,000	100.00

Trades in PTCL Shares

The Directors, Chief Executive Officer, Chief Finanical Officer, Company Secretary, Head of Internal Audit and their spouses and minor children have not traded in PTCL shares during the year ended December 31, 2023.

INFORMATION OF SHAREHOLDERS
AS AT DECEMBER 31, 2023

S. No.	Shareholder's category	Number of shareholders	Number of shares held
i.	**Associated Companies, Undertaking and Related Parties**		
	ETISALAT INTERNATIONAL PAKISTAN (LLC) - FIRST CDC ACCOUNT	1	918,190,476
	ETISALAT INTERNATIONAL PAKISTAN (LLC) SECOND CDC ACCOUNT	1	407,809,524
	TOTAL	2	1,326,000,000
ii.	**Mutual Funds**		
	CDC - TRUSTEE AKD INDEX TRACKER FUND	1	157,017
	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	1	500,000
	CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	1,044,500
	CDC - TRUSTEE FAYSAL MTS FUND - MT	1	4,978,500
	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	50,000
	CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN I - MT	1	12,212,000
	CDC - TRUSTEE HBL INCOME FUND - MT	1	5,672,500
	CDC - TRUSTEE HBL MULTI - ASSET FUND	1	35,000
	CDC - TRUSTEE HBL PF EQUITY SUB FUND	1	28,000
	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	2,439,884
	CDC - TRUSTEE NIT STATE ENTERPRISE FUND	1	1,083,103
	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	3,384,139
	TOTAL	12	31,584,643
iii.	**Directors and their spouses**		
	MR. ABDULRAHIM A. AL NOORYANI	1	1
	DR. MOHAMED KARIM BENNIS	1	1
	MR. MIKHAIL GERCHUK	1	1
	MR. AHAD KHAN CHEEMA	1	1
	MS. BROOKE MARIE LINDSAY	1	1
	MR. KHALID MURSHED	1	1
	MR. IMDAD ULLAH BOSAL	1	1
	MR. HASSAN NASIR JAMY	1	1
	MR. JAWAD PAUL KHAWAJA	1	1
	TOTAL	9	9

INFORMATION AS REQUIRED UNDER
CODE OF CORPORATE GOVERNANCE
AS AT DECEMBER 31, 2023

S. No.	Shareholder's category	Number of shareholders	Number of shares held
iv.	**Executives**		
	TOTAL	-	-
v.	**Public Sector Companies and Corporations**		
	TOTAL	4	113,627,274
vi.	**Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds**		
	TOTAL	38	82,197,126
vii.	**Shareholders holding five percent or more voting Rights in the Listed Company**		
	ETISALAT INTERNATIONAL PAKISTAN (LLC) - FIRST CDC ACCOUNT	1	918,190,476
	ETISALAT INTERNATIONAL PAKISTAN (LLC) SECOND CDC ACCOUNT	1	407,809,524
	PRESIDENT OF PAKISTAN	1	2,974,680,002
	PRESIDENT OF PAKISTAN	1	196,387,991
	TOTAL	4	4,497,067,993

NOTICE OF THE
TWENTY NINTH ANNUAL GENERAL MEETING

Notice is hereby given that the twenty ninth Annual General Meeting (the 'meeting') of Pakistan Telecommunication Company Limited (the 'Company') will be held on Tuesday, May 28, 2024 at 11:00 a.m. at PTCL Office, Sector G-8/4, Islamabad, to transact the following business:

1. To confirm minutes of the 28th Annual General Meeting held on April 28, 2023.

2. To receive, consider and adopt the Audited Accounts for the year ended December 31, 2023, together with the Auditors' and Directors' reports.

   Pursuant to the provisions of Section 223(6) of the Companies Act, 2017 (the "Act"), the Annual Audited Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded from the following link and/or QR enabled code:

Weblink	QR Code
https://ptcl.com.pk/uploads/Annual%20Report%202023.pdf	

3. To appoint Auditors for the financial year ending December 31, 2024 and to fix their remuneration.

4. To transact any other business with the permission of the Chair.

By Order of the Board

Zahida Awan
Group Company Secretary

Islamabad
Dated: May 7, 2024

NOTICE OF THE TWENTY NINTH ANNUAL GENERAL MEETING

Notes:

1. **Participation in the Annual General Meeting**

   In compliance with the instructions of Securities and Exchange Commission of Pakistan (the 'Commission') promulgated vide its various Circulars, the Members are encouraged to attend the AGM through video-link or by consolidating their attendance through proxies. The Members who are willing to attend and participate at the AGM through video-link are required to register their particulars by sending an email at company.secretary@ptclgroup.com. Such Members are requested to register by providing their credentials i.e. Name, Folio Number, Scanned copy of CNIC (both sides), Cell Phone Number and Number of Shares held in their name through email with subject 'Registration for PTCL's AGM'. Video link and login details will be shared with only those Members whose emails, containing all the required particulars, are received at the given email address before 05:00 p.m. on May 24, 2024. The Members can also provide their comments and suggestions related to the agenda items of the AGM at email address: company.secretary@ptclgroup.com

   The Company will follow the best practices and comply with the instructions of the Government and the Commission to ensure protective measures are in place for wellbeing of its Members.

   Any member of the Company entitled to attend and vote at this meeting may appoint another person as his/her proxy to attend and vote on his/her behalf. A corporate entity, being a member, may appoint any person, regardless of whether he is a member or not, as its proxy. In case of corporate entities, a resolution of the Board of Directors /Power of Attorney with specimen signatures of the person nominated to represent and vote on behalf of the corporate entity shall be submitted to the Company along with a completed proxy form. Proxies in order to be effective must be received by the Company at the Registered Office not less than 48 hours before the time fixed for holding the meeting.

2. **Closure of Share Transfer Books**

   The Share Transfer Books of the Company will remain closed from May 21, 2024 to May 28, 2024 (both days inclusive). Transfers received by our Share Registrar, FAMCO Share Registration Services (Pvt.) Limited at 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi at the close of business on May 20, 2024 will be treated in time for the purpose to attend the Annual General Meeting.

3. **Change of Address**

   Members holding shares in physical form are requested to notify any change in address immediately to our Share Registrar, FAMCO Share Registration Services (Pvt.) Limited. Members holding shares in CDC/Participants accounts are requested to update their addresses with CDC or their Participants/Stock Brokers.

4. **Notice to shareholders who have not provided their CNICs**

   As per directives of the Securities and Exchange Commission of Pakistan ("SECP") issued vide S.R.O No. 831(I)/2012 dated July 5, 2012, the dividend warrants should bear the Computerized National Identity Card Number ("CNIC") of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s). Members who have not yet submitted photocopies of their valid CNICs are once again requested to provide the same with their respective folio numbers to Company's Share Registrar, FAMCO Share Registration Services (Pvt.) Limited to ensure disbursement of their dividend withheld with the Company. Members holding shares in CDC/Participants accounts are also requested to update their CNIC/NTN with CDC or their Participants/Stock Brokers.

NOTICE OF THE
TWENTY NINTH ANNUAL GENERAL MEETING

5. Payment of dividend electronically (e-mandate)

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.

In order to receive dividends directly into their bank account, shareholders holding shares in physical form are requested to fill in Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the Company's Share Registrar, FAMCO Share Registration Services (Pvt.) Limited at 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi.

Shareholders who hold shares with CDC or Participants/ Stock Brokers, are advised to provide the mandate to CDC or their Participants/ Stock Brokers.

6. Further Guidelines for CDC Account Holders

CDC account holders will have to follow the guidelines issued by the SECP through its Circular 1 of January 26, 2000, stated herein below:

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/her original CNIC or original passport at the time of attending the Meeting.

(ii) In case of corporate entity, a resolution of the Board of Directors / Power of Attorney with specimen signature of the nominee shall be produced (unless the same has been provided to the Company 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 requirement.

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

(iii) Attested copies of CNICs or passports of the beneficiary owner and the proxy shall be attached with the proxy form.

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

(v) In case of corporate entity, a resolution of the Board of Directors/ Power of Attorney with specimen signature should be submitted along with the proxy form to the Company.

7. Consent for Video Conference Facility

Members can also avail video conference facility in Karachi & Lahore. In this regard, please fill the following and submit to registered address of the Company at least 10 days before holding of the meeting.

The video facility will be provided only if the Company receives consent from members holding in aggregate 10% or more shareholding residing at Karachi or Lahore, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

NOTICE OF THE TWENTY NINTH ANNUAL GENERAL MEETING

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of meeting along with complete information necessary to enable them to access such facility.

I/we ___________of_____________, being a member of Pakistan Telecommunication Company Limited holder of ___________ Ordinary Shares(s) as per Register Folio No. ____________ hereby opt for video conference facility at _____________.

Signature of member

8. Circulation of annual audited financial statements through QR enabled code and weblink

As allowed by the Securities and Exchange Commission of Pakistan (SECP) vide its Notification S.R.O. 389(I)/2023 dated March 21, 2023, the shareholders of the Company in their general meeting held on April 28, 2023 had authorized the Company to circulate the annual audited financial statements through QR enabled code and weblink instead of circulating the same through CD/DVD/USB. Soft copies of the Annual Audited Financial Statements are available on Company's official website www.ptcl.com.pk.

9. Deduction of withholding tax on the amount of dividend

The following information is being disseminated for information of the members in accordance with the instructions of the SECP promulgated vide its Circular No. 19/2014 of October 24, 2014;

(i) The Government of Pakistan through Finance Act has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

a) For filers of income tax returns: 15%

b) For non-filers of income tax returns: 30%

All shareholders whose names are not entered into the Active Tax-pavers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for payment of future cash dividend otherwise tax on their cash dividend will be deducted as per the rates prescribed by the authority.

(ii) For any further query / problem / information, the investors may contact Company's Share Registrar, FAMCO Share Registration Services (Pvt.) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi (Ph. # +9221- 34380101 and +9221-34380102. Email: info.shares@famcosrs.com

(iii) The corporate shareholders having CDC accounts are required to have their National Tax Number ("NTN") updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to Company or its Share Registrar, FAMCO Share Registration Services (Pvt.) Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

10. Conversion of physical shares into book entry form

Pursuant to the provisions of Section 72(2) of the Companies Act, 2017, Shareholders having physical shareholding are encouraged to open a CDC Sub - Account with any authorized Broker or Investor Account directly with CDC, to convert their existing physical shares into scrip less form. It would be pertinent to note that per the existing regulations of the Pakistan Stock Exchange Limited, trading of physical shares is not permitted. Conversion of physical shares into scrip less form will facilitate the shareholders in many ways e.g. safe custody and ease of sale or purchase of shares at their convenience.

FORM OF PROXY

PAKISTAN TELECOMMUNICATION COMPANY LIMITED

I / We ____

of ____

being a member of **Pakistan Telecommunication Company Limited,** and a holder of ______________________

Ordinary Shares as per Share Register Folio No. ______________________ and / or CDC Participant 1.D. No.

______________________ hereby appoint Mr./Mrs./Miss ______________________

of ______________________ as my / our proxy to vote for me / us and on my / our behalf at the Twenty Ninth Annual General Meeting of the Company to be held on Tuesday, May 28, 2024 at 11:00 a.m. and at any adjournment thereof.

Signed this ______________ day of ______________ 2024.

Five Rupees
Revenue stamp

For beneficial owners as per CDC List.

1. Witness

____
Signature

Name ______________________

____

Address ______________________

____

____

CNIC No. [ ][ ][ ][ ][ ] – [ ][ ][ ][ ][ ][ ][ ] – [ ]

or Passport No. ______________________

2. Witness

____
Signature

Name ______________________

____

Address ______________________

____

____

CNIC No. [ ][ ][ ][ ][ ] – [ ][ ][ ][ ][ ][ ][ ] – [ ]

or Passport No. ______________________

Notes:

i) The proxy need not be a member of the Company.

ii) The instrument appointing a proxy must be duly stamped, signed and deposited at the office of the Company Secretary PTCL, PTCL Head Office, Ufone Tower, Plot No. 55-C, Jinnah Avenue, Blue Area, Islamabad, not less than 48 hours before the time fixed for holding the meeting.

iii) Signature of the appointing member should match with his / her specimen signature registered with the Company.

iv) If a proxy is granted by a member who has deposited his / her shares into Central Depository Company of Pakistan Limited, the proxy must be accompanied with participant's ID number and account / sub-account number along with attested copies of the Computerized National Identity Card (CNIC) or the Passport of the beneficial owner. Representatives of corporate members should bring the usual documents required for such purpose.

AFFIX
CORRECT
POSTAGE

To,

The Company Secretary,

Pakistan Telecommunication Company Limited

PTCL Head Office, Ufone Tower, Plot No. 55-C, Jinnah Avenue,
Blue Area, Islamabad-44000

پراکسی فارم

پاکستان ٹیلی کمیونیکیشن کمپنی لمیٹڈ

میں مسمی/مسمات ______________________________

ساکن ______________________________

بحیثیت ممبر پاکستان ٹیلی کمیونیکیشن کمپنی لمیٹڈ، حامل ______________________________ عمومی حصص

تعداد حصص (شیئرز)

درج شدہ فولیو نمبر/سی ڈی سی (CDC) اکاؤنٹ نمبر ______________________________ ، اپنی جگہ مسمی/مسمات ______________

ساکن ______________________________ کو بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے 29 ویں سالانہ اجلاس عام، جو بتاریخ 28 مئی 2024ء بروز منگل بوقت 11:00 بجے صبح منعقد ہو رہا ہے یا اس کے ملتوی شدہ اجلاس میں شرکت کر سکیں اور ووٹ ڈال سکیں۔

مورخہ: ______________

جگہ برائے 5 روپے
کے رسیدی ٹکٹ
اور اُن پر حصے دار کے
درج شدہ (رجسٹرڈ) دستخط

گواہان:

1.

دستخط: ______________________________

نام گواہ: ______________________________

پتہ: ______________________________

____

____

شناختی کارڈ/پاسپورٹ نمبر: ______________________________

2.

دستخط: ______________________________

نام گواہ: ______________________________

پتہ: ______________________________

____

____

شناختی کارڈ/پاسپورٹ نمبر: ______________________________

ٹکٹ
یہاں چسپاں کریں

کمپنی سیکریٹری
پاکستان ٹیلی کمیونیکیشن کمپنی لمیٹڈ
پی ٹی سی ایل ہیڈ آفس، یوفون ٹاور، پلاٹ نمبر 55-سی،
جناح ایونیو، بلیو ایریا، اسلام آباد-44000 پاکستان

Pakistan Telecommunication Company Limited

PTCL Head Office
Ufone Tower, Plot #55-C,
Main Jinnah Avenue,
Blue Area, Islamabad