



2024

**THIRD QUARTER
REPORT**



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BOARD OF DIRECTORS

Chairman PTCL Board

Azfar Manzoor

Members PTCL Board

Abdulrahim A. Al Nooryani

Ahad Khan Cheema

Imdad Ullah Bosal

Jawad Paul Khawaja

Dr. Mohamed Karim Bennis

Brooke Marie Lindsay

Khalid Murshed

Khaled Hegazy

CORPORATE INFORMATION

Management

Hatem Mohamed Bamatraf
President & Group Chief Executive Officer

Mohammad Nadeem Khan
Group Chief Financial Officer

Naveed Khalid Butt
Group Chief Regulatory Officer

Zahida Awan
Group Chief Legal Officer &
Company Secretary

Jafar Khalid
Group Chief Technology &
Information Officer

Ahmad Kamal
Group Chief Customer Care Officer

Muhammad Shehzad Yousuf
Chief Business Operations Officer

Shahid Abbas
Group Chief Internal Auditor

Syed Atif Raza
Group Chief Commercial Officer &
Group Chief Marketing Officer

Nauman Fakhar
Chief Retail Sales Officer

Syed Mazhar Hussain
Advisor to President & Group CEO

Legal Advisor & Company Secretary

Zahida Awan
Group Chief Legal Officer &
Company Secretary

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

EY Ford Rhodes
Chartered Accountants

Bankers

Conventional

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Citibank N.A.
Deutsche Bank A.G.
Faysal Bank Limited
First Women Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Bank Makramah Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited
Zarai Taraqiati Bank Limited
Mobilink Microfinance Bank Limited
Telenor Microfinance Bank Limited
U Microfinance Bank Limited
Pak Kuwait Investment Company

Islamic

Al Baraka Bank (Pakistan) Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Meezan Bank Limited
MCB Islamic Bank Limited

Share Registrar

FAMCO Share Registration Services (Pvt) Limited
8-F, Near Hotel Faran, Nursery,
Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi.
Tel: +92-21-34380101-2
Fax: +92-21-34380106
Email: info.shares@famcosrs.com

DIRECTORS' REVIEW

The Directors of Pakistan Telecommunication Company Limited (PTCL) are pleased to present to the shareholders the financial statements of the Company for the nine months ended 30th September 2024.

In the first nine months of 2024, PTCL Group has maintained its strong performance, strengthening its status as Pakistan's top integrated telecom service provider. Despite the challenging economic environment, the Group has achieved an impressive 15.3% increase in revenue compared to the same period last year. This substantial growth can be mainly attributed to excellent performance in various sectors, including fixed broadband, mobile data and business solutions.

The business environment in 2024 remains affected by the unfavorable macroeconomic challenges. Increasing energy cost persist as main hurdle for telecom companies, making it challenging to offer high-quality services to consumers at reasonable rates. Network expansion plans were also affected by the adoption of measures aimed at regulating foreign currency reserves.

During the period under review, PTCL Group's revenue of Rs 160.6 billion is 15.3% higher than in the same period of last year. The Group has recorded an operating profit of Rs 1.6 billion and posted a net loss of Rs 15.3 billion for the period. PTCL continued its growth momentum by posting 11.1% YoY revenue growth. PTCL's (Ufone) revenue grew notably by 25.6% as compared to the same period of last year.

PTCL's revenue of Rs 79.5 billion for the period is 11.1% higher than 2023, mainly driven by growth in flash fiber and wholesale & business solutions segments. The company has posted an operating profit of Rs 8.2 billion and a net profit of Rs 1 billion.

PTCL Fixed Broadband Business achieved significant revenue growth of 20.4% vs. last year. PTCL Flash Fiber remains the fastest-growing operator through the highest net adds contribution in the industry. This remarkable growth has been achieved through the rapid expansion of PTCL Flash Fiber and a strong focus on enhancing customer experience. PTCL Flash Fiber reported 111.5% revenue growth YoY.

The business services segment maintained its growth, cementing leadership in IP bandwidth, Cloud, Data Center and ICT services. PTCL enterprise business grew by 36% vs the same period of the previous year. During the reported period, PTCL business services fortified its commitment as the innovation partner for businesses and provided state of the art hosting and digitalization solutions to multiple enterprise and government bodies.

Ufone crossed a milestone mark of 26 million subscribers in Q3'24 and reported a 25.6 % YoY revenue increase. Ufone posted the highest net adds in the industry and led the industry in 4G acquisitions during the quarter. Our 4G base crossed the mark of 16 million in Aug'24. 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 continues its network modernization activities to provide unmatched customer experience across Pakistan.

Ufone Introduced 'Roam Like Home' - Seamless International Roaming in 27 Destinations, an innovative international roaming service, offering hassle-free data and voice buckets in 27 popular destinations. This convenient and affordable solution enables Ufone subscribers to stay connected while traveling abroad, without worrying about excessive roaming charges.

Leveraging its extensive network, PTCL Group, in collaboration with UNICEF and NEOC, conducted an awareness campaign in selected districts of Balochistan, Khyber Pakhtunkhwa, and Sindh. The campaign informed communities about the ongoing polio vaccination drive and urged parents to vaccinate their children, contributing to the mission of a polio-free Pakistan.

PTCL Group signed an MoU with ConnectHear for a GSMA project under which Ufone 4G will provide free data for the ConnectHear app. This will allow deaf individuals to access interpreters and receive early warning video messages during disasters, enhancing communication and safety for the deaf community.

As part of its flagship Ba-Ikhtiar Program, PTCL Group, in partnership with the Pakistan Poverty Alleviation Fund, submitted a grant application to UN Women for a PKR 713 million women empowerment project in Pakistan. The initiative aims to equip women in key districts of Punjab and Sindh with advanced digital skills and tools, fostering their economic independence and growth.

Additionally, PTCL Group provided a year of free broadband connectivity to the IT Incubation Center of Hope Uplift Foundation in Lahore, a non-profit that educates underserved students in IT-related courses, helping them secure meaningful employment.

The management and employees of PTCL Group remain committed to providing quality services at competitive prices through concerted efforts to be the partner of choice for our customers and to improve shareholders' value.

On behalf of the Board



Azfar Manzoor

Chairman, Board of Directors PTCL



Hatem Mohamed Bamatraf

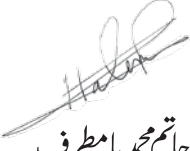
President & Group Chief Executive Officer

Islamabad: October 14, 2024

مزید برآں، پی ٹی سی ایل گروپ نے لاہور میں قائم ہوپ اپ لفٹ فاؤنڈیشن کے آئی ٹی اعلیٰ میٹن مرکز کو ایک سال کے لئے مفت براڈ بینڈ خدمات فراہم کیں۔ یہ ایک غیر منافع بخش ادارہ ہے جو کہ تعلیم یافتہ طلباء کو آئی ٹی سے متعلقہ کورسز میں تعلیم دے کر باعث روزگار حاصل کرنے میں مدد فراہم کرتا ہے۔


پی ٹی سی ایل گروپ کی انتظامیہ اور ملازمین صارفین کی اولین پسند بننے اور شیئر ہولڈرز کی قدر بہتر بنانے کے لیے مناسب قیمتوں پر معیاری خدمات فراہم کرنے کے لیے پرعزم ہیں۔

بورڈ کی جانب سے



حاتم محمد با مطرف

صدر اور گروپ چیف ایگزیکٹو آفیسر



انظفر منظور

چیئرمین، بورڈ آف ڈائریکٹرز پی ٹی سی ایل

اسلام آباد: 14 اکتوبر 2024

ڈائریکٹرز کا جائزہ

پاکستان ٹیلی کمیونیکیشن کمپنی لمیٹڈ (PTCL) کے ڈائریکٹرز 30 ستمبر 2024 کو ختم ہونے والے نو ماہ (تیسری سہ ماہی) کے مالیاتی گوشوارے اپنے شیئرز ہولڈرز کے لیے پیش کرتے ہوئے خوش محسوس کر رہے ہیں۔

2024 کے ابتدائی نو ماہ میں پی ٹی سی ایل گروپ نے شاندار کارکردگی کے تسلسل کو برقرار رکھتے ہوئے اپنی حیثیت کو پاکستان کے اعلیٰ و مرابوط ٹیلی کام سروس فراہم کنندہ کے طور پر مزید مستحکم بنایا ہے۔ معیشت کو درپیش مسائل کے باوجود گروپ نے گزشتہ سال کی اسی مدت کے مقابلے میں آمدنی میں 15.3 فیصد کا متاثر کن اضافہ حاصل کیا۔ اس خاطر خواہ معاشی ترقی کو مختلف شعبہ جات بشمول فیکسڈ براڈ بینڈ، موبائل ڈیٹا اور بزنس سلوشنز کی بہترین کارکردگی سے منسوب کیا جاسکتا ہے۔

نامساعد میکرو اکنامک (معاشی) مسائل کی وجہ سے 2024 میں کاروبار کے لیے سازگار ماحول متاثر رہا۔ توانائی کی بڑھتی ہوئی لاگت مواصلاتی شعبے کے لئے اہم رکاوٹ کے طور پر پیش رہی، جس نے صارفین کو مناسب قیمت پر اعلیٰ معیاری خدمات کی فراہمی کو مشکل کر دیا۔ زرمبادلہ کے ذخائر کو منظم کرنے کے اقدامات کی وجہ سے نیٹ ورک میں توسیع کے منصوبے بھی متاثر ہوئے۔

زیر جائزہ مدت کے دوران پی ٹی سی ایل گروپ کی آمدنی 160.6 ارب روپے رہی، جو کہ گزشتہ سال کی اسی مدت کی مقابلے میں 15.3 فیصد زائد ہے۔ گروپ کو اسی عرصے میں 1.6 ارب روپے کا آپریٹنگ منافع اور 15.3 ارب روپے کا خالص نقصان ہوا۔ پی ٹی سی ایل نے بہتر کارکردگی کا تسلسل برقرار رکھتے ہوئے آمدن میں سال بہ سال کی بنیاد پر 11.1 فیصد اضافہ حاصل کیا۔ پی ٹی سی ایل ایم (یوفون) کی آمدنی میں گزشتہ سال کی اسی مدت کے مقابلے میں 25.6 فیصد کا نمایاں اضافہ ہوا۔

اس مدت میں پی ٹی سی ایل کی آمدنی 79.5 ارب روپے رہی، جو کہ 2023 کی نسبت 11.1 فیصد زائد ہے۔ جس کا اہم سبب فلیش فائبر، ہول سیل اور کاروباری سلوشنز کے شعبہ جات کی نمایاں کارکردگی ہے۔ کمپنی نے 8.2 ارب روپے کا آپریٹنگ منافع اور 1 ارب روپے کا خالص منافع حاصل کیا۔

پی ٹی سی ایل فیکسڈ براڈ بینڈ کاروبار کے منافع میں گزشتہ سال کی نسبت 20.4 فیصد کا بے مثال اضافہ ہوا۔ پی ٹی سی ایل فلیش فائبر مواصلاتی صنعت میں سب سے زیادہ نیٹ ایڈز (سبسکرائبرز) کی بدولت تیز رفتار ترقی کا حامل آپریٹر رہا۔ پی ٹی سی ایل فلیش فائبر کی آمدنی میں سال بہ سال 111.5 فیصد اضافہ ہوا۔

کاروباری خدمات کے شعبے نے آئی پی بینڈ ویڈیو، کلاؤڈ، ڈیٹا سینٹر اور آئی ٹی (انفارمیشن کمیونیکیشن ٹیکنالوجی) خدمات میں اپنی برتری کو قائم رکھتے ہوئے اپنی ترقی کو برقرار رکھا۔ پی ٹی سی ایل انٹرنیٹ کے کاروبار میں گزشتہ سال کی اسی مدت کے مقابلے میں 36 فیصد اضافہ ہوا۔ زیر جائزہ مدت کے دوران پی ٹی سی ایل کاروباری خدمات کے شعبے نے کاروبار کے لیے جدید طراز کی شرائط دار ہونے کے اپنے عہد کو پورا کرتے ہوئے متعدد نجی اور حکومتی اداروں کو اسٹیٹ آف دی آرٹ ہوسٹنگ اور ڈیجیٹل سلوشنز خدمات فراہم کیں۔

یوفون نے 2024 کی تیسری سہ ماہی میں 26 ملین صارفین کا سنگ میل طے کرتے ہوئے سال بہ سال کی بنیاد پر آمدنی میں 25.6 فیصد اضافہ ریکارڈ کیا۔ یوفون اس سہ ماہی کے دوران فورجی میں سب سے زیادہ نیٹ ایڈز کے ساتھ مواصلاتی صنعت میں سرفہرست رہا۔ اگست 2024 میں ہماری فورجی ٹیس سبسکرائبرز نے 16 ملین کا ہنڈسے بور کیا۔ 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 ہو سکی۔ یوفون فورجی پاکستان میں صارفین کو فیکسڈ المائل مواصلاتی سہولیات فراہم کرنے کے لیے اپنے نیٹ ورک کو جدید ترین بنانے کے لیے سرگرمیاں جاری رکھے ہوئے ہے۔ یوفون نے "روم ٹو لیک ہوم" کے نام سے 27 مقامات پر ایک انٹرا ایملی بلاکسٹریٹجی ایف او ایم (آئی او ایم) کے نام سے 27 مقامات پر بلاکسٹریٹجی ڈیٹا سروس اور صوتی (وائس) بکٹ فراہم کرتی ہے۔ یہ آسان اور سستا یوفون صارفین کو اضافی رومنگ چارجز کی فکر سے آزاد کرتے ہوئے بیرون ملک اپنے دوستوں اور پیاروں سے رابطے میں رکھتا ہے۔

اپنے وسیع نیٹ ورک کا فائدہ اٹھاتے ہوئے پی ٹی سی ایل گروپ نے یو بی سیٹ اور NEOC کے ساتھ اشتراک کرتے ہوئے بلوچستان، خیبر پختونخوا اور سندھ کے منتخب اضلاع میں ایک آگاہی مہم چلائی۔ اس مہم میں کمیونیکیشن کو پلیو سے بچاؤ کے قطرے پلانے کی جاری مہم کے بارے میں آگاہی فراہم کرتے ہوئے والدین پر زور دیا کہ وہ اپنے بچوں کو پلیو کے قطرے پلا کر "پلیو سے پاک پاکستان" میشن میں اپنا کردار ادا کریں۔

یوفون فورجی نے سماجی تنظیم کنیکٹ ہیئر (Connect Hear) کے ساتھ ایک GSM A براہیکٹ کے لئے معاہدتی یادداشت پر دستخط کیے، جس کے تحت یوفون فورجی کنیکٹ ہیئر (Connect Hear) ڈیجیٹل ایپ کے لئے مفت ڈیٹا سے رسائی فراہم کرے گا جو کسی قدرتی آفت کے دوران سماعت سے محروم افراد کو ابتدائی وارننگ کے لیے اشاروں کی زبان کے ترجمانوں تک فوری اور بیوٹ رسائی فراہم کرتی ہے۔ اس سے سماعت سے محروم طبقے اپنے ابلاغ (کمیونیکیشن) اور حفاظت کو مزید بہتر بنانے کا اہل ہو سکے گا۔

پی ٹی سی ایل نے فلیگ شپ "بااختیار پروگرام" کے تحت پاکستان پاورٹی ایلیمینیشن فنڈ (تخفیف غربت فنڈ پاکستان) اقوام متحدہ کے پروگرام ہارمون وٹین کو 713 ملین روپے گرانٹ کی درخواست دی، جسے پاکستان میں خواتین کو بااختیار بنانے کے پراجیکٹ پر خرچ کیا جائے گا۔ اس قدم کا مقصد پنجاب اور سندھ کے اہم اضلاع میں خواتین کو جدید ڈیجیٹل مہارتوں اور آلات سے آراستہ کرتے ہوئے ان کی معاشی آزادی اور ترقی کو فروغ دینا ہے۔

**CONDENSED INTERIM
FINANCIAL STATEMENTS**
FOR THE NINE MONTHS PERIOD ENDED
SEPTEMBER 30, 2024 (UN-AUDITED)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

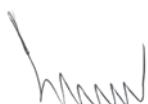
AS AT SEPTEMBER 30, 2024

	Note	September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
Equity and liabilities			
Equity			
Share capital and reserves			
Share capital		51,000,000	51,000,000
Revenue reserves			
General reserve		27,497,072	27,497,072
Unappropriated profit		39,871,088	38,871,108
		67,368,160	66,368,180
		118,368,160	117,368,180
Liabilities			
Non-current liabilities			
Employees retirement benefits		37,105,519	34,324,346
Deferred government grants		16,784,801	15,080,525
Long term loans from banks	6	61,311,492	50,781,306
Contract liabilities		1,498,051	1,661,536
Lease liabilities		959,308	1,290,725
		117,659,171	103,138,438
Current liabilities			
Trade and other payables	7	150,584,073	141,423,801
Short term running finance	8	42,835,869	24,214,700
Security deposits		630,538	616,031
Unclaimed dividend		209,158	209,256
Current maturity of lease liabilities		387,054	391,989
Current portion of long term loans from banks		440,555	239,408
		195,087,247	167,095,185
Total equity and liabilities		431,114,578	387,601,803

Contingencies and commitments

13

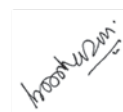
The annexed notes 1 to 22 are an integral part of these condensed interim financial statements.



Chief Financial Officer



President & CEO



Chairman

	Note	September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
Assets			
Non-current assets			
Property, plant and equipment	9	158,212,771	144,017,787
Right of use assets		1,470,647	1,698,902
Intangible assets		1,243,458	1,742,663
		160,926,876	147,459,352
Long term investments		74,236,284	71,836,284
Long term loans and advances	10	45,411,113	32,225,182
Deferred income tax		5,264,218	2,745,195
Contract cost		138,893	183,092
		285,977,384	254,449,105
Current assets			
Stores and spares		9,392,564	9,433,265
Contract cost		3,291,730	2,593,728
Trade debts and contract assets	11	57,764,850	52,587,358
Loans and advances		5,025,767	4,628,442
Income tax recoverable		24,628,250	22,598,810
Receivable from GoP		2,164,072	2,164,072
Prepayments and other receivables		31,255,601	29,117,706
Cash and bank balances	12	11,614,360	10,029,317
		145,137,194	133,152,698
Total assets		431,114,578	387,601,803

Chief Financial Officer

President & CEO

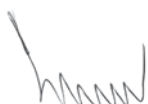
Chairman

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	Note	Three months ended		Nine months ended	
		September 30, 2024 Rs '000	September 30, 2023 Rs '000	September 30, 2024 Rs '000	September 30, 2023 Rs '000
Revenue	14	26,835,239	24,688,906	79,535,667	71,608,979
Cost of services		(20,244,261)	(19,145,668)	(59,426,675)	(54,578,621)
Gross profit		6,590,978	5,543,238	20,108,992	17,030,358
Administrative and general expenses		(2,243,116)	(2,107,931)	(6,628,409)	(6,105,723)
Selling and marketing expenses		(1,260,736)	(1,083,288)	(3,591,356)	(3,163,734)
Impairment loss on trade debts and contract assets		(530,003)	(395,000)	(1,648,762)	(1,301,832)
		(4,033,855)	(3,586,219)	(11,868,527)	(10,571,289)
Operating profit		2,557,123	1,957,019	8,240,465	6,459,069
Other income	15	3,184,302	2,976,770	10,475,467	14,584,954
Finance costs		(6,007,559)	(3,946,050)	(17,247,133)	(8,890,903)
(Loss) / Profit before tax		(266,134)	987,739	1,468,799	12,153,120
Taxation		129,052	(327,721)	(468,819)	(4,511,052)
(Loss) / Profit for the period		(137,082)	660,018	999,980	7,642,068
(Loss) / Earnings per share - basic and diluted (Rupees)		(0.03)	0.13	0.20	1.50

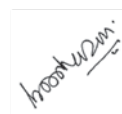
The annexed notes 1 to 22 are an integral part of these condensed interim financial statements.



Chief Financial Officer



President & CEO



Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	Three months ended		Nine months ended	
	September 30, 2024 Rs '000	September 30, 2023 Rs '000	September 30, 2024 Rs '000	September 30, 2023 Rs '000
(Loss) / Profit for the period	(137,082)	660,018	999,980	7,642,068
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	(137,082)	660,018	999,980	7,642,068

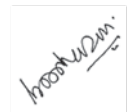
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Chief Financial Officer



President & CEO



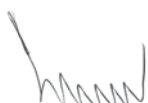
Chairman

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	Note	Nine months ended	
		September 30, 2024 Rs '000	September 30, 2023 Rs '000
Cash flows from operating activities			
Cash generated from operations	16	25,496,655	22,936,294
Employees retirement benefits paid		(1,676,527)	(1,351,329)
Addition to contract costs		(3,773,475)	(3,008,497)
Advances from customers		16,912	100,180
Income tax paid		(2,620,975)	(1,812,985)
Net cash generated from operating activities		17,442,590	16,863,663
Cash flows from investing activities			
Capital expenditure		(27,775,591)	(18,523,290)
Acquisition of intangible assets		(108,564)	(1,024,319)
Proceeds from disposal of property, plant and equipment		2,903,904	2,819,801
Long term loans and advances		(2,042,829)	(6,258,371)
Return on long term loan to subsidiaries		4,534,356	3,053,209
Investment in Pak Telecom Mobile Limited		-	(18,500,000)
Investment in U Microfinance Bank Limited		(1,200,000)	-
Long term subordinated loans - Pak Telecom Mobile Limited		(13,000,000)	(8,000,000)
Repayment of subordinated loans - Pak Telecom Mobile Limited		1,875,000	1,500,000
Dividend income - U Microfinance Bank Limited		-	443,743
Return on short term investments and bank deposit		254,314	199,255
Government grants received		2,678,751	1,216,634
Net cash used in investing activities		(31,880,659)	(43,073,338)
Cash flows from financing activities			
Dividend paid		(98)	(496)
Interest paid on short term running finance		(3,717,435)	(892,601)
Long term loan from banks		10,530,186	21,500,000
Finance cost paid		(8,577,334)	(5,438,147)
Lease liabilities paid		(833,376)	(542,614)
Net cash (used in) / generated from financing activities		(2,598,057)	14,626,142
Net decrease in cash and cash equivalents		(17,036,126)	(11,583,533)
Cash and cash equivalents at the beginning of the period		(14,185,383)	5,592,373
Cash and cash equivalents at the end of the period	17	(31,221,509)	(5,991,160)

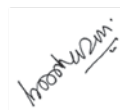
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Chief Financial Officer



President & CEO



Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Issued, subscribed and paid-up capital			Revenue reserves		Total
	Class "A"	Class "B"	Total	General reserve	Unappropriated profit	
	(Rupees in '000)					
Balance as at December 31, 2022 (Audited)	37,740,000	13,260,000	51,000,000	27,497,072	29,556,957	108,054,029
Total comprehensive income for the nine months ended						
Profit for the period ended September 30, 2023	-	-	-	-	7,642,068	7,642,068
Other comprehensive income for the period	-	-	-	-	-	-
Balance as at September 30, 2023 (Un-Audited)	37,740,000	13,260,000	51,000,000	27,497,072	37,199,025	115,696,097
Total comprehensive income for the three months ended						
Profit for the period ended December 31, 2023	-	-	-	-	1,748,475	1,748,475
Other comprehensive loss for the period	-	-	-	-	[76,392]	[76,392]
Balance as at December 31, 2023 (Audited)	37,740,000	13,260,000	51,000,000	27,497,072	38,871,108	117,368,180
Total comprehensive income for the nine months ended						
Profit for the period ended September 30, 2024	-	-	-	-	999,980	999,980
Other comprehensive income for the period	-	-	-	-	-	-
Balance as at September 30, 2024 (Un-Audited)	37,740,000	13,260,000	51,000,000	27,497,072	39,871,088	118,368,160


The annexed notes 1 to 22 are an integral part of these condensed interim financial statements.



Chief Financial Officer



President & CEO



Chairman

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

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 Head office, Room No. 17, Ground Floor (Margalla side), Ufone Tower Plot No. 55-C, Main Jinnah Avenue, Blue Area, Sector F-7/1 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 Company has signed a Share Purchase Agreement with Telenor Pakistan B.V. (Telenor) in 2023 to acquire a 100% stake in Telenor Pakistan (Pvt) Ltd (Telenor Pakistan) and Orion Towers (Pvt) Ltd based on an Enterprise Value of Rs. 108,000,000 thousands on a cash free, debt free basis. The transaction will be financed through a seven year (with one year grace period) US Dollar syndicated Financing Facility amounting to USD 400,000 thousand led by International Finance Corporation (IFC) and the relevant Financing agreements have been signed on June 27, 2024. This transaction is subject to necessary regulatory approvals.

2. STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, 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.

3. BASIS OF PREPARATION

These condensed interim financial statements do not include all of the information required in the annual financial statements prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements. These condensed interim financial statements should be read in conjunction with the Company's latest annual financial statements as at and for the year ended December 31, 2023.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

- 4.1 The preparation of these condensed interim financial statements in conformity with approved

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

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 Company'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.

Estimates and judgments made by the management in the preparation of this condensed interim financial statements are the same as those used in the preparation of audited financial statements of the Company for the year ended December 31, 2023.

- 4.2 The Company performed impairment tests for its equity investments in Pak Telecom Mobile Limited (PTML) and U Microfinance Bank Limited (Ubank), respectively, as on June 30, 2024, considering the current and historical financial performance and capital requirements of these entities.

PTML:

The recoverable amount of PTML as at September 30, 2024 has been determined based on a value in use calculation using cash flow projections covering a five-year period. The pre-tax discount rate applied to cash flow projections is 12.12% (2023: 11.83%). Cash flows beyond the five-year period are extrapolated using a 6.5% growth rate (2023: 6.5%), that is the same as the long-term average growth rate for the telecom industry and country of Pakistan. It was concluded that the carrying value of investment does not exceed the value in use. As a result of the analysis, management did not identify an impairment for this investment.

Ubank:

The recoverable amount of Ubank as at September 30, 2024 has also been determined based on a value in use calculation using cash flow projections covering a five-year period. The pre-tax discount rate applied to cash flow projections is 14%. It was concluded that the carrying value of investment does not exceed the value in use. As a result of the analysis, management did not identify an impairment for this investment.

5. MATERIAL ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's audited financial statements for the year ended December 31, 2023 except for following:

- 5.1 The Institute of Chartered Accountants of Pakistan (ICAP) has issued circular 7/2024 "IAS 12: Application Guidance on Accounting for Minimum Taxes" (the Guidance) dated May 15, 2024, which provides guidance that only those taxes payable, under the Income Tax Ordinance, 2001, which are calculated with reference to 'taxable profit' (i.e., under the Normal Tax Regime (NTR)), are within preview of IAS 12 "Income Taxes", whereas, taxes payable under 'Final/ Presumptive Tax Regime' (FTR) are 'levy' being under the preview of IAS 37 / IFRIC 22 "Levies" and thus presented separately before profit before taxation in the statement of profit or loss.

For 'Hybrid taxes', such as 'turnover tax' or taxes payable under 'Minimum Tax Regime' (MTR), the Company has to make an accounting policy choice. Accordingly, the Company has elected to designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 and recognizes it as current income tax expense. Any excess over the amount designated as income tax, will then be recognized as a levy falling under the scope of IFRIC 21/IAS 37. As required, the Company has retrospectively applied the above guidance, however, as none of the Company's income is subject to FTR and turnover tax is expected to be adjusted against tax payable under the NTR, the adoption of above-mentioned guidance has had no impact on the financial statements in the current and prior periods.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	Note	September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
6. LONG TERM LOANS FROM BANKS			
MCB Bank Ltd		11,000,000	11,000,000
Habib Bank Ltd		35,000,000	35,000,000
Bank Alfalah Ltd	6.1	8,000,000	3,000,000
Faysal Bank Ltd	6.2	5,500,000	-
Bank Islami Pakistan Ltd		2,000,000	2,000,000
Less: transaction costs		(188,508)	(218,694)
		61,311,492	50,781,306
Accrued Interest		440,555	239,408
		61,752,047	51,020,714
Current portion of long term loans from banks		(440,555)	(239,408)
		61,311,492	50,781,306

6.1 The Company entered into a new finance agreement dated April 05, 2024 to avail long term finance facility to the extent of Rs. 5,000,000 thousand for extending subordinated loan to wholly owned subsidiary, PTML. The finance facility is secured by way of hypothecation over all assets except land, building & licenses. The loan is repayable in twelve quarterly instalments commencing from July 18, 2028.

6.2 The Company entered into a new finance agreement dated August 29, 2024 to avail long term finance facility to the extent of Rs. 7,000,000 thousand for the purpose of subordinated loan, equity injection in PTML and to meet the capex requirements of the Company. The finance facility is secured by way of first pari passu charge on all assets (excluding land, building, licenses & international revenue receipts/receivables). The loan is repayable in seven years (with four year grace period), with installments on quarterly basis commencing from October 01, 2028.

	Note	September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
7. TRADE AND OTHER PAYABLES			
Trade creditors		14,454,716	16,719,184
Accrued and other liabilities	7.1	44,380,157	41,878,273
Technical services assistance fee	7.2	46,410,680	41,410,987
Advances from customers / contract liability		7,084,937	7,405,126
Retention money / payable to contractors and suppliers		8,819,113	8,593,518
Payable to subsidiaries on account of group taxation		25,838,841	24,022,866
Sales tax payable		3,112,710	1,393,847
Income tax collected / deducted at source		482,919	-
		150,584,073	141,423,801

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
7.1 Accrued and other liabilities		
Accrued liability for operational expenses	14,898,149	11,244,451
Amount withheld on account of provincial levies (Sub-judice) for ICH operations	12,110,803	12,110,803
Accrual for Government / regulatory expenses	14,809,533	14,172,127
Accrued wages	1,849,957	3,395,566
Others	711,715	955,326
	44,380,157	41,878,273

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

8. SHORT TERM RUNNING FINANCE

These facilities are obtained from various commercial banks with an aggregate limit of Rs.19,300,000 thousand (December 31, 2023: 17,500,000 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 6-month KIBOR plus 0.15% to 0.30% (December 31, 2023: 1-month KIBOR plus to 3-month KIBOR 0.15% to 0.35%) per annum.

This also include shariah compliant, rated, unlisted, unsecured, privately placed short term sukuk amounting to Rs. 22,500,000 thousand (December 31, 2023: 5,000,000 thousand) issued to meet the working capital requirements with a tenor of 6 months from the issue date at 6-months (December 31, 2023: 6 months from the issue date at 6-months) carrying mark-up rates of 6-month KIBOR plus 0.15% to 0.20% (December 31, 2023: 6-month KIBOR plus 0.20%) per annum. 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	September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
9. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	9.1	134,163,406	123,757,109
Capital work-in-progress	9.3	24,049,365	20,260,678
		158,212,771	144,017,787

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	Note	September 30, 2024 (Un-Audited) Rs '000	September 30, 2023 (Un-Audited) Rs '000
9.1 Operating fixed assets			
Opening net book value		123,757,109	114,100,867
Additions during nine months period	9.2	23,986,905	18,866,021
		147,744,014	132,966,888
Disposals during the period - at net book value		(68,199)	(46,494)
Depreciation charge for the period		(13,512,409)	(12,506,039)
		(13,580,608)	(12,552,533)
Closing net book value		134,163,406	120,414,355
9.2 Detail of additions during the period:			
Buildings on freehold land		288,194	234,866
Buildings on leasehold land		89,046	59,689
Lines and wires		10,942,756	9,241,461
Apparatus, plant and equipment		11,239,254	8,393,088
Office equipment		370,035	346,029
Computer equipment		150,386	35,414
Furniture and fittings		4,659	36,910
Vehicles		104,282	159,948
Passive and allied equipment		-	7,058
Submarine cables		798,293	351,558
		23,986,905	18,866,021

9.3 Additions to Capital work-in-progress during the nine months ended September 30, 2024 were Rs 27,730,044 thousand (September 30, 2023: Rs 19,505,510 thousand).

	Note	September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
10. LONG TERM LOANS AND ADVANCES			
Loans to PTML - unsecured		33,124,996	20,750,000
Loans to Ubank - unsecured	10.1	-	1,200,000
Loans to employees - secured		858,483	826,004
Others		11,427,634	9,449,178
		45,411,113	32,225,182

10.1 During the period, the Board of Directors in its meeting held on April 18, 2024 approved the conversion of sub-ordinated debt of Rs. 1,200,000 thousand into ordinary share capital of Ubank. The Company has also injected further equity of Rs. 1,200,000 thousand during the period.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	Note	September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
11. TRADE DEBTS AND CONTRACT ASSETS			
Trade debts		59,911,966	53,737,833
Contract assets		6,336,026	5,683,902
		66,247,992	59,421,735
Allowance for expected credit loss		(8,483,142)	(6,834,377)
		57,764,850	52,587,358
12. CASH AND BANK BALANCES			
Cash in hand		152,265	163,532
Balances with banks:	12.1		
Deposit accounts local currency		757,732	984,056
Current accounts			
Local currency		2,420,016	2,105,847
Foreign currency		8,284,347	6,775,882
		10,704,363	8,881,729
		11,614,360	10,029,317

12.1 Bank balance includes Rs 42,419 thousand (December 31, 2023: Rs 81,812 thousand) carrying profit at the rate of 9.01% (December 31, 2023: 11.10%) per annum from Shariah arrangements.

13. CONTINGENCIES AND COMMITMENTS

There has been no material change in contingencies as disclosed in the last audited financial statements of the Company for the year ended December 31, 2023, except in note 13.1 in the following:

13.1 For the tax years 2007, 2009, 2010, 2011 to 2022, Taxation Officer disallowed certain expenses, tax credits and levied short deduction of Withholding Tax. The impugned orders were challenged at the relevant appellate forums which allowed partial relief thereof. After taking into account the orders of Commissioner Inland Revenue - CIR (Appeals), Appellate Tribunal Inland Revenue - ATIR as well as rectification orders tax impact of the disallowances is Rs 54,954,643 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. The CIR (Appeals) have remanded back the disallowances relating to tax years 2014 and 2020 having tax impact of Rs. 5,937,972 thousand to Taxation Officer.

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

13.2 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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

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 filed the applications under section 12(2) CPC before respective High Courts, however the same were dismissed by the Islamabad High Court vide Judgment dated January 22, 2018, as being not maintainable. The said order of the Islamabad High Court was challenged by the Company and PTET before the Supreme Court which was pleased to recently dispose of the Appeals vide its order dated April 29, 2024 and remanded back the 12(2) applications to the High Court(s) for recalling the earlier order in respect of those Petitioners who opted for VSS. The fresh 12(2) applications were filed before the Honourable Islamabad and Peshawar High court(s) and the cases have been admitted for hearing vide order dated June 24, 2024 and July 11, 2024, respectively. Both the high court have issued notices to the VSS optees seeking pension. The applications before the Islamabad high court were fixed on October 03, 2024 wherein the counsel for VSS optees appeared and sought time for filing of reply. The cases are fixed for hearing on December 11, 2024. The cases before the Peshawar High Court are fixed for hearing on October 23, 2024. PTET has implemented the Apex court decision dated June 12, 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 November 02, 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 condensed interim financial statements.

Due to complexity of the matter and varying decisions from courts in this regard, it is not practical to estimate reliably the financial impact, in case of unfavorable outcome of this matter, before its conclusion.

	Note	September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
13.3 Bank guarantee and bid bonds issued in favour of :			
Universal Service Fund (USF) against government grants		8,205,491	8,088,668
Others	13.3.1	3,095,143	3,009,705
		11,300,634	11,098,373
Corporate guarantee in favour of PTML		71,355,933	56,400,000
Corporate guarantee in favour of Ubank		10,000,000	10,000,000
		81,355,933	66,400,000

13.3.1 Others includes bank guarantee given on behalf of DVCOM Data (Private) Limited to PTA amounting to Rs 675,000 thousand (December 31, 2023: Rs. 675,000 thousand).

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
13.4 Commitments		
Contracts for capital expenditure	14,572,992	10,496,849
Letter of comforts in favour of PTML	3,500,000	3,500,000
	18,072,992	13,996,849

14. REVENUE

The Company principally obtains revenue from providing telecommunication services such as Broadband, IPTV, Voice, data, wireless services, interconnect, corporate and international services.

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 products and services in a bundle based on their stand alone selling prices.

The Company generates revenue from the following performance obligations of its telecommunication services.

	Nine months ended	
	September 30, 2024 (Un-Audited) Rs '000	September 30, 2023 (Un-Audited) Rs '000
Revenue segments		
Broadband and IPTV	36,301,051	30,262,470
Voice services	6,526,806	6,212,562
Wireless data	855,325	1,282,792
Revenue from retail customers	43,683,182	37,757,824
Corporate and wholesale	28,449,272	26,089,102
International	7,403,213	7,762,053
Total revenue	79,535,667	71,608,979

14.1 Revenue is stated net of trade discount amounting to Rs 26,209 thousand (September 30, 2023: Rs 28,523 thousand) and Federal Excise Duty and Sales Tax amounting to Rs 12,851,644 thousand (September 30, 2023: Rs 10,671,682 thousand).

		Nine months ended	
		September 30, 2024 (Un-Audited) Rs '000	September 30, 2023 (Un-Audited) Rs '000
15. OTHER INCOME			
Income from financial assets	15.1	4,611,041	8,815,139
Income from non-financial assets		5,864,426	5,769,815
		10,475,467	14,584,954

15.1 Income from financial assets include Rs 257 thousand (September 30, 2023: Rs 63 thousand) earned from Shariah arrangements.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	Nine months ended	
	September 30, 2024 (Un-Audited) Rs '000	September 30, 2023 (Un-Audited) Rs '000
16. CASH GENERATED FROM OPERATIONS		
Profit before tax	1,468,799	12,153,120
Adjustments for non-cash charges and other items:		
Depreciation of property, plant and equipment	13,512,409	12,506,039
Amortization of intangible assets	607,770	626,344
Depreciation of right of use assets	528,020	583,051
Amortization of contract costs	3,119,672	2,977,712
Provision/(write-off) for obsolete stores and spares	159,896	(9,636)
Impairment loss on trade debts and contract assets	1,648,762	1,301,832
Provision for employees retirement benefits	4,512,706	3,797,261
Gain on disposal of property, plant and equipment	(2,835,705)	(2,773,307)
Interest on bank deposits	(224,374)	(164,438)
Imputed interest on long term loans	32,281	10,989
Imputed interest on lease liabilities	197,259	116,297
Interest on long term loan to subsidiaries	(4,282,985)	(3,520,672)
Interest on long term loans from banks	8,778,481	5,460,106
Interest on running finance	4,639,657	274,223
Unearned revenue realized against advances from customers	(180,397)	(126,805)
Dividend Income from subsidiary	-	(443,743)
Release of deferred government grants	(974,474)	(402,483)
Exchange gain - net	(341,801)	(3,683,513)
	30,365,976	28,682,377
Effect on cash flows due to working capital changes:		
(Increase) / Decrease in current assets:		
Stores and spares	(119,193)	(1,240,886)
Trade debts and contract assets	(6,456,605)	(10,240,398)
Loans and advances	(1,647,709)	17,606
Prepayments and other receivables	(2,474,212)	(2,710,699)
	(10,697,719)	(14,174,377)
Increase in current liabilities:		
Trade and other payables	5,813,891	8,420,969
Security deposits	14,507	7,325
	25,496,655	22,936,294
17. CASH AND CASH EQUIVALENTS		
Short term running finance	(42,835,869)	(14,598,357)
Cash and bank balances	11,614,360	8,607,197
	(31,221,509)	(5,991,160)

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

		Nine months ended	
		September 30, 2024 (Un-Audited) Rs '000	September 30, 2023 (Un-Audited) Rs '000
18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES			
Relationship with the Company	Nature of transaction		
i. Shareholders	Technical services assistance fee - note 18.1	2,619,512	2,339,551
ii. Subsidiaries	Sale of goods and services	4,606,135	4,705,624
	Purchase of goods and services	1,615,128	1,946,156
	Mark up on loans	4,288,049	3,520,502
	Dividend income	-	443,743
	Long term investment in subsidiary	2,400,000	18,500,000
	Short term loan to subsidiary	13,000,000	8,000,000
	Repayment of long term loans from subsidiary	1,875,000	1,500,000
iii. Associated undertakings	Sale of goods and services	5,548,713	6,646,757
	Purchase of goods and services	737,847	735,595
iv. Employees contribution plan	PTCL Employees GPF Trust - net	60,518	2,002
v. Employees retirement benefit plan	Contribution to the plan- Gratuity	56,908	105,339
vi. Other related parties	Charge under license obligations	1,326,035	1,866,076
vii. Directors, Chief Executive and Key management personnel	Fee and remuneration including benefits and perquisites	968,091	732,524
		September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
	Note		
Period / year-end balances			
Receivables from related parties			
	Long term loans to subsidiaries	34,375,000	24,450,000
Trade debts			
	- Subsidiaries	946,530	96,054
	- Associated undertakings	40,441,732	37,025,830
Other receivables			
	- Subsidiaries	19,427,836	17,457,888
	- Associated undertakings	71,305	71,305
	- Pakistan Telecommunication Employees Trust (PTET)	1,326	1,326
	- Long term loans to executives and key management personnel	117,234	34,525
	Bank deposit with subsidiary	1,455	1,736
	Pakistan Telecommunication Employees Trust (PTET)	6,196,815	6,251,821
Payables to related parties			
Trade creditors			
	- Subsidiaries	3,024,167	1,785,643
	- Associated undertakings	4,107,812	3,615,533
	- The Government of Pakistan related entities	1,708,351	2,070,961
	Payable to subsidiaries on account of group taxation	25,838,841	24,022,866
	Security deposits from subsidiary	6,686	3,623
	Retention money payable to associated undertakings	2,940	2,940
	Technical services assistance fee payable to Etisalat	18.1 46,410,680	41,410,987
	Pakistan Telecommunication Company Limited Employees Gratuity Fund	167,300	47,132

18.1 This represents the Company's share of fee payable to Emirates Telecommunication Corporation (Etisalat) under an agreement for technical services at the rate of 3.5% of Pakistan Telecommunication Group's consolidated revenue.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

19. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

	Gross amounts subject to setoff	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 September 30, 2024					
Trade debts and contract assets	38,983,942	(927,015)	38,056,927	19,707,923	57,764,850
Trade creditors	(1,947,146)	927,015	(1,020,131)	(13,434,585)	(14,454,716)
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)

20. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements for the year ended December 31, 2023. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended December 31, 2023.

The carrying amount of all financial assets and financial liabilities are estimated to approximate their fair values.

21. CORRESPONDING FIGURES

Prior year figures 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
Cost of services	Finance costs	1,753,113
Administrative and general expenses	Finance costs	298,696
Selling and marketing expenses	Finance costs	245,846

22. DATE OF AUTHORIZATION FOR ISSUE OF CONDENSED INTERIM FINANCIAL STATEMENTS

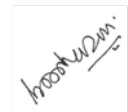
22.1 These condensed interim financial statements for the nine months ended September 30, 2024 were authorized for issue by the Board of Directors of the Company on October 14, 2024.



Chief Financial Officer



President & CEO



Chairman

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**FOR THE NINE MONTHS PERIOD ENDED
SEPTEMBER 30, 2024 (UN-AUDITED)**

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2024

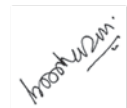
Note	September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
Equity and liabilities		
Equity		
Share capital and reserves		
Share capital	51,000,000	51,000,000
Revenue reserves		
General reserve	27,497,072	27,497,072
Unappropriated loss	(36,632,676)	(21,309,130)
	(9,135,604)	6,187,942
Statutory and other reserves	1,049,320	1,031,474
Unrealized gain / (loss) on investments measured at fair value through OCI	42,222	(39,198)
	42,955,938	58,180,218
Liabilities		
Non-current liabilities		
Long term loans from banks	106,513,257	98,551,603
Subordinated debt	1,000,000	577,894
Deposits from banking customers	22,918,136	20,331,391
Lease liabilities	12,958,184	12,933,697
Employees retirement benefits	37,672,962	34,656,221
Deferred government grants	36,572,384	32,074,477
Advances from customers	1,554,873	1,661,536
License fee payable	10,965,960	11,265,626
Long term vendor liability	29,614,129	50,806,408
	259,769,885	262,858,853
Current liabilities		
Trade and other payables	149,280,776	134,438,719
Deposits from banking customers	88,794,863	85,465,584
Interest accrued	8,913,841	4,973,189
Short term running finance	46,648,794	48,138,253
Current portion of:		
Long term loans from banks	9,716,181	25,294,133
Subordinated debt	-	850,238
Lease liabilities	5,525,943	4,071,005
License fee payable	125,693	125,862
Long term vendor liability	30,929,184	17,403,361
Security deposits	1,548,567	1,439,771
Unpaid / unclaimed dividend	209,158	209,256
	341,693,000	322,409,371
Total equity and liabilities	644,418,823	643,448,442

Contingencies and commitments

11

The annexed notes 1 to 23 are an integral part of these condensed consolidated interim financial statements.


Chief Financial Officer

President & CEO

Chairman

	Note	September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
Assets			
Non-current assets			
Property, plant and equipment	7	269,760,246	257,424,642
Right of use assets		17,156,907	14,819,391
Intangible assets		54,157,174	59,366,749
		341,074,327	331,610,782
Long term investments		51,427	51,427
Long term loans and advances		12,286,113	10,275,182
Long term loans to banking customers		17,138,859	23,012,862
Deferred income tax		29,627,443	18,673,013
Contract costs		330,731	354,707
		400,508,900	383,977,973
Current assets			
Stock in trade, stores and spares		10,242,513	10,509,772
Trade debts and contract assets	8	60,088,831	56,377,374
Loans to banking customers		51,014,764	59,074,698
Loans and advances		4,657,671	2,704,285
Contract costs		5,137,795	4,254,928
Income tax recoverable		38,092,477	32,356,188
Receivable from the Government of Pakistan		2,164,072	2,164,072
Deposits, prepayments and other receivables		31,440,183	19,934,014
Short term investments	9	19,914,948	52,145,297
Cash and bank balances	10	21,156,669	19,949,841
		243,909,923	259,470,469
Total assets		644,418,823	643,448,442

Chief Financial Officer

President & CEO

Chairman

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	Note	Three months ended		Nine months ended	
		September 30, 2024 Rs '000	September 30, 2023 Rs '000 Restated	September 30, 2024 Rs '000	September 30, 2023 Rs '000 Restated
Revenue	12	55,555,139	50,086,467	160,606,001	139,309,415
Cost of services		(42,661,487)	(37,379,341)	(122,932,386)	(106,888,209)
Gross profit		12,893,652	12,707,126	37,673,615	32,421,206
Administrative and general expenses		(7,864,353)	(6,826,223)	(22,945,920)	(18,905,521)
Selling and marketing expenses		(3,474,447)	(3,155,361)	(10,041,669)	(8,765,400)
Allowance for expected credit loss		(1,795,775)	(429,828)	(3,103,794)	(2,068,101)
		(13,134,575)	(10,411,412)	(36,091,383)	(29,739,022)
Operating (loss) / profit		(240,923)	2,295,714	1,582,232	2,682,184
Other income	13	2,879,662	6,335,830	14,082,348	27,682,611
Finance costs		(12,061,372)	(12,723,044)	(38,664,099)	(45,793,208)
Loss before tax		(9,422,633)	(4,091,500)	(22,999,519)	(15,428,413)
Taxation		3,106,295	1,283,647	7,675,973	4,603,792
Loss for the period		(6,316,338)	(2,807,853)	(15,323,546)	(10,824,621)
Loss per share					
- basic and diluted (Rupees)		(1.24)	(0.55)	(3.00)	(2.12)

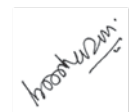
The annexed notes 1 to 23 are an integral part of these condensed consolidated interim financial statements.



Chief Financial Officer



President & CEO



Chairman

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	Three months ended		Nine months ended	
	September 30, 2024 Rs '000	September 30, 2023 Rs '000 Restated	September 30, 2024 Rs '000	September 30 2023 Rs '000 Restated
Loss for the period	(6,316,338)	(2,807,853)	(15,323,546)	(10,824,621)
Other comprehensive income for the period				
Items that may be subsequently reclassified to profit or loss:				
Loss on revaluation of assets	-	(23,554)	-	-
Gain / (loss) on revaluation of assets transferred to profit or loss	185,976	344,052	133,475	(229,140)
Tax effect	(72,531)	(291,707)	(52,055)	89,545
	113,445	28,791	81,420	(139,595)
Other comprehensive income / (loss) for the period - net of tax	113,445	28,791	81,420	(139,595)
Total comprehensive loss for the period	(6,202,893)	(2,779,062)	(15,242,126)	(10,964,216)

The annexed notes 1 to 23 are an integral part of these condensed consolidated interim financial statements.

Chief Financial Officer
President & CEO
Chairman

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	Note	Nine months ended	
		September 30, 2024 Rs '000	September 30, 2023 Rs '000 Restated
Cash flows from operating activities			
Cash generated from operations	14	61,016,116	20,744,300
Employees retirement benefits paid		(1,695,719)	(1,395,034)
Additions to contract costs		(6,013,581)	(5,144,342)
Deposits from banking customers		5,916,024	11,161,264
Return on long term loans and short term investments		6,289,322	14,314,975
Income tax paid		(8,962,691)	(6,909,356)
Net cash generated from operating activities		56,549,471	32,771,807
Cash flows from investing activities			
Capital expenditure		(37,287,375)	(39,948,363)
Acquisition of intangible assets		(601,768)	(1,319,787)
Proceeds from disposal of property, plant and equipment		3,309,276	2,947,480
Short term investments		32,230,349	82,478,583
Long term loans and advances		(9,786,561)	(7,061,706)
Government grants received		6,999,490	4,646,332
Net cash (used-in) / generated from investing activities		(5,136,589)	41,742,539
Cash flows from financing activities			
Loan from banks - net		(7,616,298)	(40,151,462)
Subordinated debt		(428,132)	(149,700)
Vendor liability		(7,666,456)	7,576,120
License fee - repayment		(299,835)	(1,955,918)
Finance cost paid		(24,764,778)	(41,291,516)
Lease liabilities		(7,940,998)	(5,372,525)
Dividend paid		(98)	(497)
Net cash used-in financing activities		(48,716,595)	(81,345,498)
Net increase / (decrease) in cash and cash equivalents		2,696,287	(6,831,152)
Cash and cash equivalents at the beginning of the period		(28,188,412)	(24,266,113)
Cash and cash equivalents at the end of the period	15	(25,492,125)	(31,097,265)

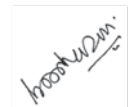
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Chief Financial Officer



President & CEO



Chairman

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Issued, subscribed and paid-up capital		Revenue reserves		Unrealized gain / (loss) on investments measured at fair value through OCI	Total
	Class "A"	Class "B"	General reserve	Unappropriated Loss		
	(Rupees in '000)					
Balance as at December 31, 2022 as previously reported	37,740,000	13,260,000	27,497,072	(2,672,095)	1,351,802	77,174,764
Effect of restatement	-	-	-	(2,699,109)	(538,141)	(3,237,250)
Balance as at December 31, 2022 (Audited) (Restated)	37,740,000	13,260,000	27,497,072	(5,371,204)	813,661	73,937,514
Total comprehensive income for the period						
Loss for the nine months ended September 30, 2023 (Restated)				(10,824,621)	-	(10,824,621)
Other comprehensive income				-	(139,595)	(139,595)
Balance as at September 30, 2023 (Un-Audited)	37,740,000	13,260,000	27,497,072	(16,195,825)	813,661	62,973,298
Loss for the three months ended December 31, 2023				(4,719,613)	-	(4,719,613)
Other comprehensive income				(206,092)	-	(103,680)
				(4,925,705)	-	(4,823,293)
Transfer to statutory and other reserves				(187,600)	217,813	30,213
Balance as at December 31, 2023 (Audited)	37,740,000	13,260,000	27,497,072	(21,309,130)	1,031,474	58,180,218
Total comprehensive income for the period						
Loss for the nine months ended September 30, 2024				(15,323,546)	-	(15,323,546)
Other comprehensive income				-	81,420	81,420
Transfer to statutory and other reserves				(15,323,546)	-	(15,242,126)
Balance as at September 30, 2024 (Un-Audited)	37,740,000	13,260,000	27,497,072	(36,632,676)	1,049,320	42,955,938

The annexed notes 1 to 23 are an integral part of these condensed consolidated interim financial statements.

Chief Financial Officer

President & CEO

Chairman

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Constitution and ownership

The condensed consolidated interim financial statements of the Pakistan Telecommunication Company Limited and its subsidiaries ("the Group") comprise of the financial information 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) (formerly Karachi, Lahore and Islamabad Stock Exchanges), 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 No. 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.

The Holding Company has signed a Share Purchase Agreement with Telenor Pakistan B.V. (Telenor) in 2023 to acquire a 100% stake in Telenor Pakistan (Pvt) Ltd (Telenor Pakistan) and Orion Towers (Pvt) Ltd based on an Enterprise Value of Rs. 108,000,000 thousands on a cash free, debt free basis. The transaction will be financed through a seven year (with one year grace period) US Dollar syndicated Financing Facility amounting to USD 400,000 thousand led by International Finance Corporation (IFC) and the relevant Financing agreements have been signed on June 27, 2024. This transaction is subject to necessary regulatory approvals.

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 PTCL. 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 to offer services of digital commerce and branchless banking. 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.

As of September 30, 2024, accumulated losses of Ubank stood at Rs. 8,026 million (2023: Rs. 2,321 million) while its equity stood at only Rs. 2,127 million (2023: Rs. 5,333 million). The updated business plan approved by the Ubank BOD will be presented to the Board of Directors of the Holding Company, including requirements to inject additional equity in order to meet the regulatory requirements set by State Bank of Pakistan (SBP).

DVCOM Data (Private) Limited (DVCOM Data)

The Holding Company acquired 100% ownership of DVCOM Data effective from April 01, 2015. The company has a Wireless Local Loop (WLL) License of 1900 MHz spectrum in nine telecom regions of Pakistan. The registered office of the company is located at PTCL Head Quarters South, Hatim Alvi Road, Clifton Karachi.

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 PTCL. 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. PTCL owns and operates telecommunication facilities and provides domestic and international telephone services throughout Pakistan. PTCL 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.

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

2 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The applicable financial reporting framework for consolidated subsidiary also includes the following:

- Microfinance Institutions Ordinance, 2001 (the MFI Ordinance); and
- Directives issued by the Securities and Exchange Commission of Pakistan (SECP) and State Bank of Pakistan (SBP);

Where the requirements of the Companies Act, 2017, the MFI Ordinance and the directives issued by the SECP and SBP differ with the requirements of IAS 34, the requirements of the Companies Act, 2017, the MFI Ordinance, or the requirements of the said directives shall prevail.

3. BASIS OF PREPARATION

These condensed consolidated interim financial statements do not include all of the information required in the annual financial statements prepared in accordance with the accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Group's latest annual consolidated financial statements as at and for the year ended December 31, 2023.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed consolidated interim financial information in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and judgments made by the management in the preparation of these condensed interim financial statements are the same as those used in the preparation of audited financial statements of the Group for the year ended December 31, 2023.

5. MATERIAL ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's audited financial statements for the year ended December 31, 2023 except for following:

The Institute of Chartered Accountants of Pakistan (ICAP) has issued circular 7/2024 "IAS 12: Application Guidance on Accounting for Minimum Taxes" (the Guidance) dated May 15, 2024, which provides guidance that only those taxes payable, under the Income Tax Ordinance, 2001, which are calculated with reference to 'taxable profit' (i.e., under the Normal Tax Regime (NTR)), are within preview of IAS 12 "Income Taxes", whereas, taxes payable under 'Final/ Presumptive Tax Regime' (FTR) are 'levy' being under the preview of IAS 37 / IFRIC 22 "Levies" and thus presented separately before profit before taxation in the statement of profit or loss.

For 'Hybrid taxes', such as 'turnover tax' or taxes payable under 'Minimum Tax Regime' (MTR), the Group has to make an accounting policy choice. Accordingly, the Group has elected to designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 and recognizes it as current income tax expense. Any excess over the amount designated as income tax, will then be recognized as a levy falling under the scope of IFRIC 21/IAS 37.

As required, the Group has retrospectively applied the above guidance, however, as none of the Group's income is subject to FTR and turnover tax is expected to be adjusted against tax payable under the NTR, the adoption of above-mentioned guidance has had no impact on the financial statements in the current and prior periods.

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	Note	September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
6. TRADE AND OTHER PAYABLES			
Trade creditors		20,423,540	19,409,454
Accrued and other liabilities	6.1	57,565,253	51,765,738
Technical services assistance fee		46,410,680	41,410,987
Advances from customers / contract liabilities		11,867,238	11,488,116
Retention money / payable to contractors and suppliers		8,819,113	8,593,518
Income tax collected from subscribers / deducted at source		962,652	377,059
Sales tax payable		3,232,300	1,393,847
		149,280,776	134,438,719
6.1 Accrued and other liabilities			
Accrued liability for operational expenses		24,795,855	18,195,283
Amount withheld on account of provincial levies (Sub-judice) for ICH operations		12,110,803	12,110,803
Accrual for Government / regulatory expenses		16,709,724	15,455,046
Accrued wages		2,562,725	4,403,373
Others		1,386,146	1,601,233
		57,565,253	51,765,738
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	227,481,840	216,872,000
Capital work-in-progress	7.3	42,278,406	40,552,642
		269,760,246	257,424,642
	Note	September 30, 2024 (Un-Audited) Rs '000	September 30, 2023 (Un-Audited) Rs '000
7.1 Operating fixed assets			
Opening net book value		216,872,000	201,507,607
Additions during the period	7.2	35,561,611	28,486,011
		252,433,611	229,993,618
Disposals during the period - at net book value		[465,434]	[146,878]
Depreciation for the period		[24,486,337]	[22,216,777]
		[24,951,771]	[22,363,655]
Closing net book value		227,481,840	207,629,963

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	September 30, 2024 (Un-Audited) Rs '000	September 30, 2023 (Un-Audited) Rs '000
7.2 Detail of additions during the period:		
Buildings on freehold land	288,194	234,866
Buildings on leasehold land	165,984	59,689
Lines and wires	10,942,756	9,241,461
Apparatus, plant and equipment	21,402,211	16,761,386
Office equipment	955,833	1,029,610
Computer equipment	523,582	486,762
Furniture and fittings	379,424	147,636
Vehicles	105,334	165,985
Passive and allied equipment	-	7,058
Submarine cables	798,293	351,558
	35,561,611	28,486,011

7.3 Additions to CWIP during the nine months ended September 30, 2024 were Rs 37,086,941 thousand (September 30, 2023: Rs 40,018,235 thousand).

	September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
8. TRADE DEBTS AND CONTRACT ASSETS		
Trade debts	62,594,599	57,744,401
Contract assets	6,574,346	5,934,512
	69,168,945	63,678,913
Allowance for expected credit loss	(9,080,114)	(7,301,539)
	60,088,831	56,377,374

9. SHORT TERM INVESTMENTS

Amortized cost		
Lending to Financial Institution - REPO lending	7,889,744	454,522
Pakistan Investment Bonds (PIBs) - Maturity upto 6 months	-	4,735,771
	7,889,744	5,190,293
Fair value through Profit or Loss		
Mutual Funds	-	5,570,319
Term Finance Certificates	1,698,318	2,443,072
	1,698,318	8,013,391
Fair value through Other Comprehensive Income		
Pakistan Investment Bonds (PIBs) - Maturity upto 6 months	6,968,842	25,286,798
Market treasury bills - Maturity upto 6 months	-	11,292,747
Sukuks	3,288,868	2,426,432
Surplus / (deficit) on revaluation of FVTOCI Investment	69,217	(64,259)
	10,326,927	38,941,718
Allowance for expected credit loss	(41)	(105)
	19,914,948	52,145,297

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	Note	September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
10. CASH AND BANK BALANCES			
Cash in hand		2,425,837	1,956,673
Balances with banks:	10.1		
Local currency			
Current account maintained with SBP		3,119,325	4,165,678
Current accounts		2,469,449	2,162,662
Saving accounts		3,339,752	3,456,098
		8,928,526	9,784,438
Foreign currency			
Current accounts		8,284,347	6,775,882
Saving accounts		1,517,959	1,432,848
		9,802,306	8,208,730
		21,156,669	19,949,841

10.1 Bank balance includes Rs 42,419 thousand (December 31, 2023: Rs 81,812 thousand) carrying profit at the rate of 9.01% (December 31, 2023: 11.10%) per annum from Shariah arrangements.

11. CONTINGENCIES AND COMMITMENTS

There has been no material changes in contingencies as disclosed in the last audited consolidated financial statements for the year ended December 31, 2023 except in note 11.1 in the following:

11.1 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 Commissioner Inland Revenue - CIR (Appeals), Appellate Tribunal Inland Revenue - ATIR as well as rectification orders tax impact of the disallowances is Rs 54,954,643 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. The CIR (Appeals) have remanded back the disallowances relating to tax years 2014 and 2020 having tax impact of Rs. 5,937,972 thousand to Taxation Officer.

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

11.2 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

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

Petitioners filed the applications under section 12(2) CPC before respective High Courts, however the same were dismissed by the Islamabad High Court vide Judgment dated January 22, 2018, as being not maintainable. The said order of the Islamabad High Court was challenged by the Holding Company and PTET before the Supreme Court which was pleased to recently dispose of the Appeals vide its order dated April 29, 2024 and remanded back the 12(2) applications to the High Court(s) for recalling the earlier order in respect of those Petitioners who opted for VSS. The fresh 12(2) applications were filed before the Honourable Islamabad and Peshawar High court(s) and the cases have been admitted for hearing vide order dated June 24, 2024 and July 11, 2024, respectively. Both the high court have issued notices to the VSS optees seeking pension. The applications before the Islamabad high court were fixed on October 03, 2024 wherein the counsel for VSS optees appeared and sought time for filing of reply. The cases are fixed for hearing on December 11, 2024. The cases before the Peshawar High Court are fixed for hearing on October 23, 2024. PTET has implemented the Apex court decision dated June 12, 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 November 02, 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 the Group's condensed consolidated interim financial statements.

Due to complexity of the matter and varying decisions from courts in this regard, it is not practical to estimate reliably the financial impact, in case of unfavorable outcome of this matter, before its conclusion.

Note	September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
11.3 Bank guarantees and bid bonds of Group issued in favor of:		
Universal Service Fund (USF) against government grants	17,994,512	18,113,688
Pakistan Telecommunication Authority against 3G and 2G Licenses	4,443,410	4,509,770
Others	3,356,536	3,013,891
	25,794,458	25,637,349
Corporate guarantee in favour of PTML	71,355,933	56,400,000
Corporate guarantee in favour of Ubank	10,000,000	10,000,000
	81,355,933	66,400,000

11.31 Others include bank guarantees given on behalf of DVCOM Data (Private) Limited to PTA amounting to Rs 675,000 thousand (December 31, 2023: Rs. 675,000 thousand).

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
11.4 Commitments - Group		
Standby Letter of Guarantee	18,000	18,000
Letters of credit for purchase of stock	472,258	467,691
Letters of comfort in favour of PTML	3,500,000	3,500,000
Contracts for capital expenditure	51,553,830	40,877,921
	55,544,088	44,863,612

12. REVENUE

The Group principally obtains 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. Further, Ubank provides banking and microfinance services.

	Nine months ended	
	September 30, 2024 (Un-Audited) Rs '000	September 30, 2023 (Un-Audited) Rs '000 Restated
Revenue segments		
Broadband and IPTV	36,301,051	30,262,470
Cellular and other wireless services	58,991,246	46,726,659
Voice services - fixed line	6,526,806	6,212,562
Revenue from retail customers	101,819,103	83,201,691
Corporate and wholesale	32,224,540	28,308,434
International	8,887,193	9,239,137
Banking	17,675,165	18,560,153
Total revenue	160,606,001	139,309,415

12.1 Revenue is stated net of trade discount amounting to Rs 2,950,380 thousand (September 30, 2023: Rs 1,555,523 thousand) and Federal excise duty and sales tax amounting to Rs 26,301,484 thousand (September 30, 2023: Rs 19,714,682 thousand).

	Note	Nine months ended	
		September 30, 2024 (Un-Audited) Rs '000	September 30, 2023 (Un-Audited) Rs '000 Restated
13 OTHER INCOME			
Income from financial assets - net	13.1	6,004,027	20,141,338
Income from non-financial assets		8,078,321	7,541,273
		14,082,348	27,682,611

13.1 Income from financial assets include Rs 257 thousand (Sep 30, 2023: Rs 63 thousand) earned from Shariah arrangements.

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	Nine months ended	
	September 30, 2024 (Un-Audited) Rs '000	September 30, 2023 (Un-Audited) Rs '000 Restated
14. CASH GENERATED FROM OPERATIONS		
Loss before tax	(22,999,519)	(15,428,413)
Adjustments for non-cash charges and other items:		
Depreciation of property, plant and equipment	24,486,337	22,216,777
Amortization of intangible assets	5,811,343	5,396,244
Amortization of contract costs	5,154,690	4,608,531
Depreciation of right of use assets	4,899,868	4,719,622
Allowance for expected credit loss	3,103,794	2,501,937
Provision for obsolete stores, spares and loose tools	180,673	(9,636)
Provision for employees retirement benefits	4,767,465	3,953,909
Imputed interest on long term loans	7,775,630	8,063,662
Imputed interest on lease liabilities	2,183,039	1,512,007
Unearned revenue realized	(180,397)	(126,805)
Gain on disposal of property, plant and equipment	(2,843,842)	(2,800,602)
Return on bank deposits and Government securities	(6,242,960)	(14,343,528)
Release of deferred government grants	(2,501,583)	(1,612,563)
Finance costs	28,705,430	33,915,532
	52,299,968	52,566,674
Effect on cash flows due to working capital changes:		
(Increase) / decrease in current assets:		
Stock in trade, stores and spares	86,586	(1,338,772)
Trade debts and contract assets	(5,472,183)	(13,184,927)
Loans to banking customers	12,608,715	(27,652,285)
Loans and advances	(1,953,386)	224,152
Deposits, prepayments and other receivables	(11,578,171)	752,703
	(6,308,439)	(41,199,129)
Increase / (decrease) in current liabilities:		
Trade and other payables	14,915,791	9,462,887
Security deposits	108,796	(86,132)
	15,024,587	9,376,755
	61,016,116	20,744,300

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

	Nine months ended	
	September 30, 2024 (Un-Audited) Rs '000	September 30, 2023 (Un-Audited) Rs '000
15. CASH AND CASH EQUIVALENTS		
Cash and bank balances	21,156,669	18,876,351
Short term running finance	(46,648,794)	(49,973,616)
	(25,492,125)	(31,097,265)

16. SEGMENT INFORMATION

For management purposes, 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.

16.1 Segment information for the reportable segments is as follows:

	Wireline	Wireless	Banking	Total
	Rs '000	Rs '000	Rs '000	Rs '000
Nine months ended September 30, 2024				
Segment revenue	78,680,342	69,676,918	17,675,165	166,032,425
Inter segment revenue	(4,597,139)	(829,285)	-	(5,426,424)
Revenue from external customers	74,083,203	68,847,633	17,675,165	160,606,001
Segment results	989,980	(10,207,229)	(6,106,297)	(15,323,546)
Nine months ended September 30, 2023				
Segment revenue	70,326,187	56,128,818	18,560,486	145,015,491
Inter segment revenue	(4,796,430)	(909,313)	(333)	(5,706,076)
Revenue from external customers	65,529,757	55,219,505	18,560,153	139,309,415
Segment results	7,489,227	(19,594,106)	1,724,001	(10,380,878)
	Wireline	Wireless	Banking	Total
	Rs '000	Rs '000	Rs '000	Rs '000
As at September 30, 2024				
Segment assets	296,639,701	218,033,476	129,745,646	644,418,823
Segment liabilities	282,442,855	190,498,751	128,521,279	601,462,885
As at December 31, 2023				
Segment assets	269,026,776	217,687,090	156,734,576	643,448,442
Segment liabilities	238,860,349	194,333,670	152,074,205	585,268,224

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

			Nine months ended	
			September 30, 2024 (Un-Audited) Rs '000	September 30, 2023 (Un-Audited) Rs '000
17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES				
Relationship with the Group	Nature of transaction			
i. Shareholders	Technical services assistance fee		4,999,693	2,734,960
ii. Associated undertakings	Sale of goods and services		5,962,418	7,224,493
	Purchase of goods and services		1,646,727	1,303,296
	Prepaid rent		690,313	620,521
iii. Employees benefits plans	PTCL	Gratuity Fund	56,908	105,339
	PTML	Gratuity Fund	154,662	88,019
	Ubank	Gratuity Fund	100,097	47,131
iv. Employees contribution plans	PTCL	PTCL Employees GPF Trust - net	60,518	2,002
	Ubank	Provident Fund	79,675	59,746
v. Other related parties	PTCL	Charges under license obligation	1,326,035	1,866,076
vi. Directors, Chief Executive and Key Management Personnel	Fee and remuneration including benefits and perquisites		1,736,824	1,323,949
			September 30, 2024 (Un-Audited) Rs '000	December 31, 2023 (Audited) Rs '000
Trade debts and contract assets				
- Associated undertakings			40,561,289	37,140,878
Deposits, prepayments and other receivables				
- Pakistan Telecommunication Employees Trust (PTET)			1,326	1,326
- Associated undertakings			71,305	71,305
Pakistan Telecommunication Employees Trust (PTET)			6,196,815	6,251,822
Long term loans to executives and key management personnel				
		PTCL	117,234	34,525
Trade and other payables				
Trade creditors				
- Associated Undertakings			4,658,683	3,874,850
- The Government of Pakistan and its related entities			1,708,351	2,070,961
Retention money payable to associated undertaking			2,940	2,940
Technical assistance services fee payable to Etisalat			46,410,680	41,410,987
PTCL Employees GPF Trust			-	56,563
Pakistan Telecommunication Company Limited				
Employees gratuity fund			167,300	47,132
PTML				
- Gratuity Fund			484,832	379,006
Ubank				
- Gratuity Fund Receivable			85,420	1,705
- Provident Fund			82,611	451

18. FAIR VALUE ESTIMATION

The carrying value of financial assets and liabilities approximates their fair value.

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

19. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

	Gross amounts 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 September 30, 2024					
Trade debts and contract assets	39,655,735	(1,513,502)	38,142,233	31,026,712	69,168,945
Trade creditors	(2,656,967)	1,513,502	(1,143,465)	(19,280,075)	(20,423,540)
As at December 31, 2023					
Trade debts and contract assets	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)	(18,092,463)	(19,409,454)

20. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with that disclosed in the annual consolidated financial statements for the year ended December 31, 2023. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited consolidated financial statements of the Group for the year ended December 31, 2023.

21. CORRESPONDING FIGURES

Prior year figures 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
Trade and other payables	Property, plant and equipment	115,598
Deposits, prepayments and other receivables	Cash and bank balances	88,417
Cash and bank balances	Trade and other payables	265,621
Cost of services	Finance costs	1,753,113
Administrative and general expenses	Finance costs	298,696
Selling and marketing expenses	Finance costs	245,846
Distribution and selling cost	Cost of services	191,058
Cost of services	Administrative and general expenses	1,008,597
Cost of services	Selling and marketing expenses	1,630,819

22. RESTATEMENT OF UBANK'S FINANCIAL STATEMENTS

The standalone financial statements of Ubank for the year ended December 31, 2023 have been restated, the impact of which is not material for the consolidated financial statements and has been incorporated in these condensed consolidated interim financial statements in the current period.

Further to above, the Group has also incorporated impact of restatement in comparative amounts, in the condensed consolidated interim statement of profit or loss, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows, for the nine months period ended September 30, 2023, which were already incorporated in the consolidated financial statements for the year ended December 31, 2023.

23. DATE OF AUTHORIZATION FOR ISSUE OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

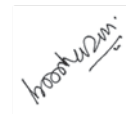
These condensed consolidated interim financial statements for the nine months period ended September 30, 2024 were authorized for issue by the Board of Directors of the Holding Company on October 14, 2024.



Chief Financial Officer



President & CEO



Chairman



**Pakistan Telecommunication
Company Limited**

PTCL Head Office
Ufone Tower, Plot #55-C,
Main Jinnah Avenue,
Blue Area, Islamabad