

Optel  
Annual  
Report

20  
25



The logo for Optel features a stylized 'O' on the left, composed of three concentric, slightly offset circles in shades of green, with a solid dark green dot in the center. To the right of this symbol, the word 'ptel' is written in a dark green, serif typeface.

Optel

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# VISION

To Become Largest Technology Player and National  
Champion to support Digital Transformation of Pakistan

# AMBITION

To Become #1 Telecom Operator of Pakistan

# GROUP CORPORATE VALUES



**Be  
Resilient**



**Think  
Big**



**Win  
Every Battle**



**Value  
Success**

# BOARD OF



**Mr. Zarrar Hasham Khan**  
Chairman



**Mr. Khalifa Al Shamsi**  
Non-Executive Director



**Mr. Khaled Hegazy**  
Non-Executive Director



**Mr. Ahad Khan Cheema**  
Non-Executive Director

# DIRECTORS



**Mr. Imdad Ullah Bosal**  
Non-Executive Director



**Ms. Lamia Lemkecher**  
Non-Executive Director



**Mr. Jawad Paul Khawaja**  
Non-Executive Director



**Mr. Marwan Bin Shakar**  
Non-Executive Director



**Mr. Nazih El Hassanieh**  
Non-Executive Director

# CORPORATE INFORMATION

## Management

**Mr. Hatem Mohamed Bamatraf**  
President and Group Chief Executive Officer

**Mr. Mohammad Nadeem Khan**  
Group Chief Financial Officer

**Mr. Umer Farid**  
Group Chief People Officer

**Mr. Naveed Khalid Butt**  
Group Chief Regulatory Officer

**Ms. Zahida Awan**  
Group Chief Legal Officer & Company Secretary

**Mr. Jafar Khalid**  
Group Chief Technology & Information Officer

**Mr. Ahmad Kamal**  
Group Chief Customer Care Officer

**Mr. Muhammad Shehzad Yousuf**  
Chief Retail Sales Officer-Fixed Line

**Mr. Shahid Abbas**  
Group Chief Internal Auditor

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

**Mr. Asif Ahmad**  
Group Chief Business Solutions Officer

**Khawaja Shehzad Ullah**  
Chief Retail Sales Officer

**Syed Mazhar Hussain**  
Advisor to President and Group CEO

## Legal Advisor & Company Secretary

**Zahida Awan**  
Group Chief Legal Officer & Company Secretary

## Bankers

### Conventional

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al Habib Limited  
Citibank N.A.  
Deutsche Bank A.G.  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Industrial Commercial Bank of China  
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 Taraqati Bank Limited  
Mobilink Microfinance Bank Limited  
Telenor Microfinance Bank Limited  
U Microfinance Bank Limited  
Pak Kuwait Investment Company (Private) Limited  
Pak Brunei Investment Company Limited  
Pak China Investment Company Limited

## Islamic

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

## Registered Office

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

## Auditors

EY Ford Rhodes,  
Chartered Accountants

## Share Registrar

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

# MANAGEMENT



**Mr. Hatem Mohamed Bamatraf**  
President & Group  
Chief Executive Officer



**Mr. M. Nadeem Khan**  
Group Chief Financial Officer



**Mr. Naveed Khalid Butt**  
Group Chief Regulatory  
Officer



**Ms. Zahida Awan**  
Group Chief Legal Officer &  
Company Secretary



**Mr. Jafar Kahlid**  
Group Chief Technology  
& Information Officer



**Mr. Ahmad Kamal**  
Group Chief Customer  
Care Officer

# MENT TEAM



**Mr. Muhammad Shehzad Yousuf**  
Chief Retail Sales  
Officer-Fixed Line



**Mr. Shahid Abbas**  
Group Chief Internal Auditor



**Mr. Syed Atif Raza**  
Group Chief Commercial  
Officer & Group Chief  
Marketing Officer



**Mr. Asif Ahmed**  
Group Chief Business  
Solutions Officer



**Umer Farid**  
Group Chief People Officer



**Khawaja Shehzad Ullah**  
Chief Retail Sales Officer

# Operating and Financial Highlights

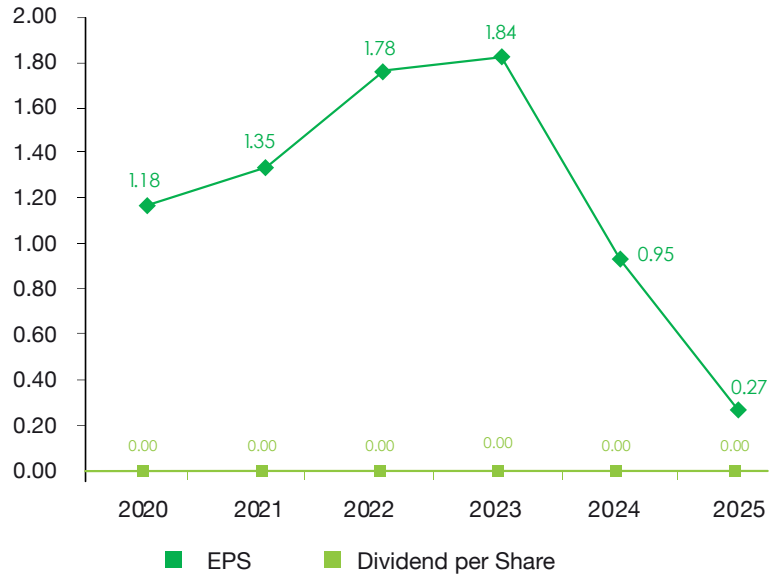
Year ended Dec 31		2025	2024
<b>Key Indicators</b>			
<b>Operating</b>			
Operating profit margin	%	15.17	11.37
Net profit margin	%	1.15	4.48
<b>Performance</b>			
Fixed assets turnover	Times	0.84	0.82
Debtors' turnover	Times	1.82	1.90
Return on equity	%	1.14	4.15
Return on capital employed	%	5.66	5.32
Earnings Retention	%	100.00	100.00
<b>Leverage</b>			
Gearing	Ratio	70:30	52:48
Debt ratio	%	80.36	74.85
<b>Liquidity</b>			
Current	Times	0.78	0.72
Quick	Times	0.75	0.68
<b>Valuation</b>			
Earnings per share	Rs	0.27	0.95
Breakup value per share	Rs	24.92	22.57
Price earnings ratio	Times	219.42	28.82
Market price to breakup value	Times	2.39	1.21
Dividend per share	Rs	-	-
Market value per share (as on Dec 31)	Rs	59.47	27.27
<b>Historical Trends</b>			
<b>Operating Results</b>			
Revenue	Rs (m)	120,113	107,766
Profit/ (loss) before tax	Rs (m)	6,202	6,885
Profit/ (loss) after tax	Rs (m)	1,382	4,826
Dividend	Rs (m)	-	-
<b>Financial Position</b>			
Share capital	Rs (m)	51,000	51,000
Reserves	Rs (m)	76,096	64,108
Shareholders' equity	Rs (m)	127,096	115,108
EBITDA	Rs (m)	39,518	31,927
Working capital	Rs (m)	(54,303)	(60,868)
Current assets	Rs (m)	188,246	157,085
Total assets	Rs (m)	647,144	457,686
Non Current Liabilities	Rs (m)	277,498	124,625
<b>Operational*</b>			
ALIS as on Dec 31	No. (000)	2,105	2,252
Average ALIS per employee	No.	155	156
* Exclusive of Primary and Basic Rate interface			

2023	2022	2021	2020
8.23 9.75	5.85 10.85	5.42 8.94	4.80 8.40
0.81 2.10 8.33 3.99 100.00	0.75 2.48 8.72 3.10 100.00	0.73 3.01 7.10 3.13 100.00	0.69 3.31 6.64 2.72 100.00
48:52 69.72	40:60 63.97	29:71 58.27	27:73 55.45
0.80 0.74	0.83 0.77	0.76 0.71	0.86 0.82
1.84 23.01 6.64 0.53 - 12.23	1.78 21.19 3.44 0.29 - 6.10	1.35 19.54 6.45 0.45 - 8.70	1.18 18.43 7.70 0.49 - 9.10
96,267 13,906 9,391 -	83,444 13,513 9,053 -	76,853 9,682 6,874 -	71,804 8,493 6,030 -
51,000 66,368 117,368 26,286 (33,942) 133,153 387,602 103,138	51,000 57,054 108,054 21,882 (21,058) 105,367 305,160 70,681	51,000 48,653 99,653 20,631 (24,662) 79,881 245,735 41,539	51,000 43,010 94,010 19,592 (12,812) 76,744 223,600 40,035
2,345 156	2,407 156	2,468 153	2,454 151

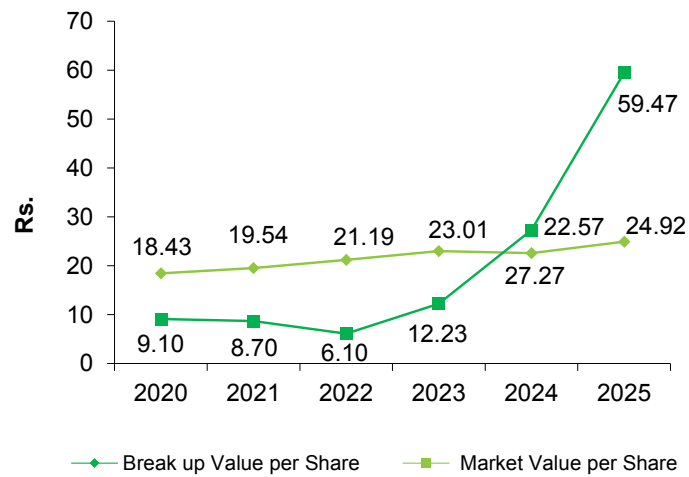
# Operating and Financial Highlights

## Graphical Presentation

**DIVIDEND PAYOUT PER SHARE**

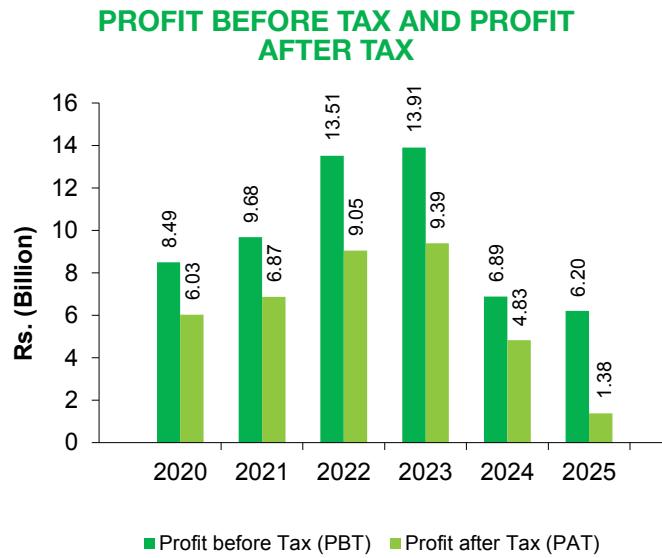
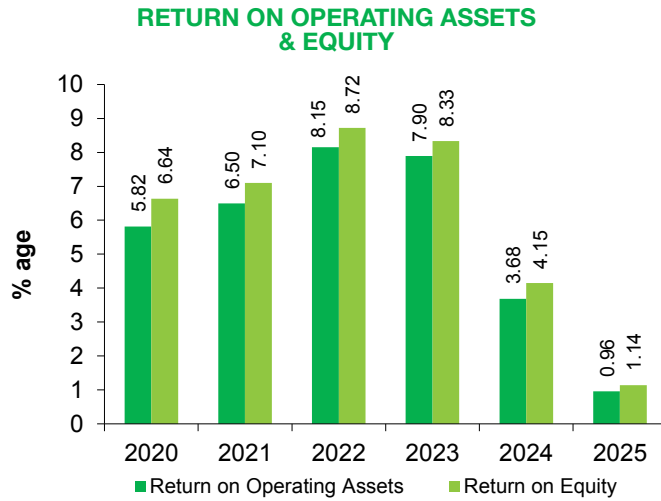


**Breakup Value Vs Market Value**



# Operating and Financial Highlights

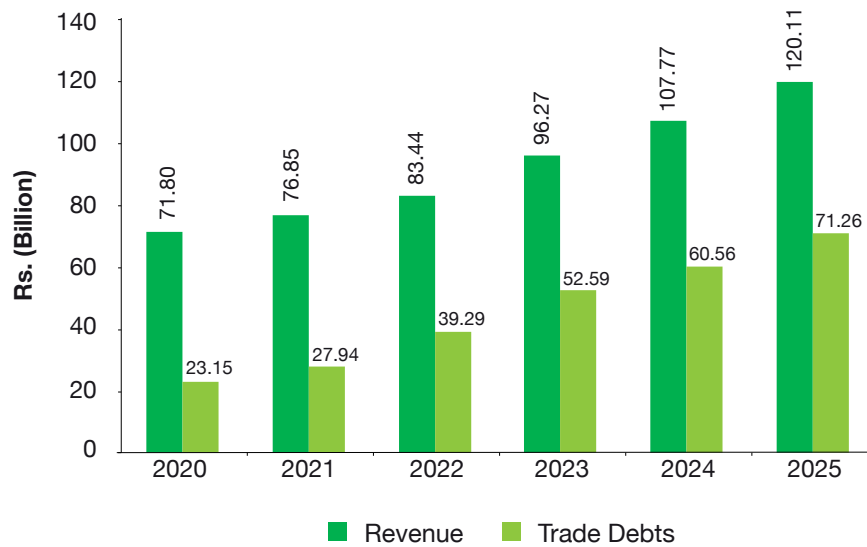
## Graphical Presentation



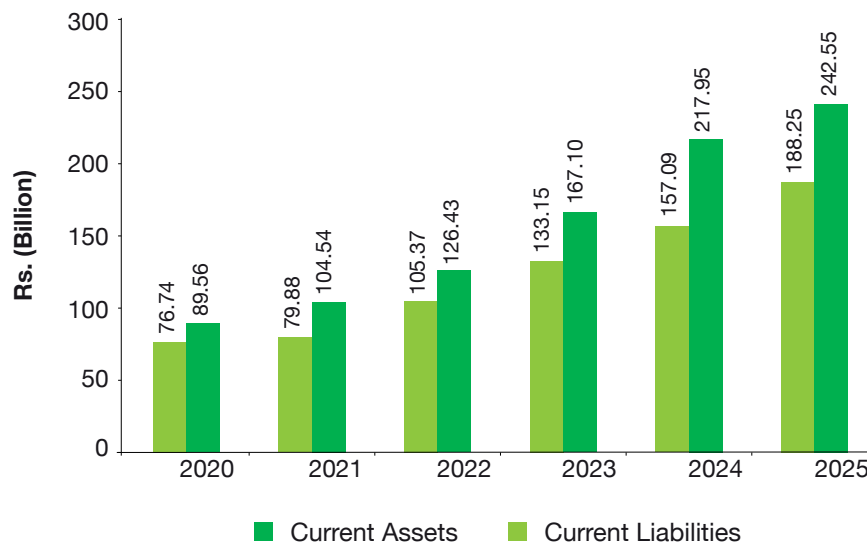
# Operating and Financial Highlights

## Graphical Presentation

### REVENUE AND TRADE DEBTS

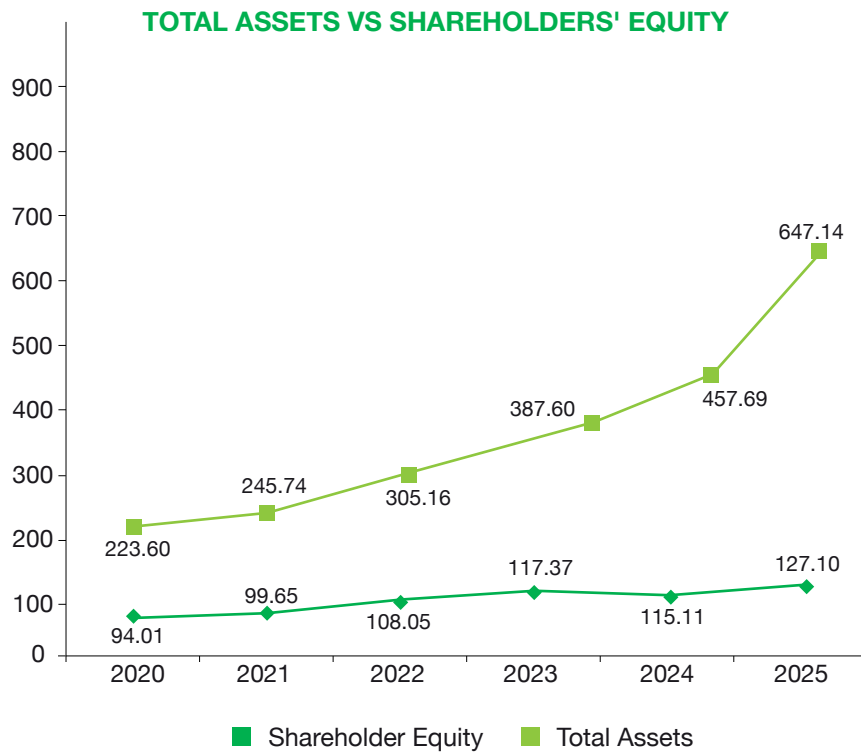


### CURRENT ASSETS AND CURRENT LIABILITIES



# Operating and Financial Highlights

## Graphical Presentation



# TELEPHONE



# CHAIRMAN'S REVIEW-2025

It is my privilege to present an overview of our performance and outlook at a time when digital transformation continues to reshape Pakistan's economic and social landscape. The Government of Pakistan's Digital Pakistan vision remains a guiding force in advancing national priorities, with the telecom sector playing a central role in enabling connectivity, innovation, and inclusive growth across the country.

Over the past years, the telecom industry has continued to expand digital access nationwide, increasing mobile and broadband penetration; thereby enabling the inclusion of millions more into the digital ecosystem. This has also enabled progress in education, healthcare, financial inclusion, as well as in e-commerce. The sector remains a key contributor to the national economy through sustained capital investment, employment generation and significant fiscal contributions. These facts reaffirm the resilience and strategic importance of telecom in Pakistan's development journey.

Sustaining its growth momentum, PTCL Group delivered a robust operational performance during the year. Consolidated revenue grew by 12% year-on-year, supported by strong contributions from fixed broadband, enterprise, wholesale, and mobile segments. Operating profit increased significantly by 216%, reflecting enhanced operational efficiencies and disciplined execution. For the year, a net loss of PKR 9.7 billion was recorded, mainly attributable to accelerated Expected Credit Loss (ECL) provisioning at Ubank following revisions to the Prudential Regulations.

PTCL standalone revenue increased by 12% year-on-year, driven by a 50% surge in Flash Fiber and a 16% rise in the Business Solutions Revenues. The Carrier and Wholesale segment

sustained strong momentum, posting 28% growth, while international operations recorded a 3% increase in revenue. Operating profit was recorded at PKR 18.2 billion, reflecting a 49% year-on-year improvement. Despite recognizing a one-off additional pension liability of PKR 6.9 billion following the decision of the Honourable Supreme Court of Pakistan, PTCL reported a net profit of PKR 1.4 billion.

Our cellular subsidiary, Ufone, delivered a marked improvement in performance during the year. Revenue increased by 14% year-on-year, supported by growth across both retail and corporate segments. Operating profit surged by 283% to PKR 17.6 billion, while net losses narrowed substantially by 89%, underscoring a strong operational turnaround and disciplined cost management.

A landmark achievement during the year was the successful acquisition of Telenor Pakistan, following receipt of all requisite regulatory approvals. The transaction was completed on December 31, 2025. However the operational results of Telenor Pakistan will be consolidated from January 01, 2026. With Telenor Pakistan and Orion Towers now wholly owned subsidiaries; this transaction represents one of the most significant consolidations in Pakistan's telecom sector. We have since progressed toward the planned amalgamation of Telenor Pakistan and Ufone, subject to regulatory approvals. This integration is expected to enhance nationwide network coverage, improve operational efficiencies, strengthen market competitiveness, and support the Group's long-term strategy of connectivity and digital services.

The Board of Directors remained actively engaged throughout the year, providing strong oversight and strategic direction

in an increasingly challenging operating environment. The Board maintained a clear focus on addressing regulatory, economic, and market pressures through timely and well-considered decisions, ensuring agility while safeguarding long-term value. Emphasis was placed on capital discipline, network modernization and expansion, and capacity enhancement to meet rising data demand and future-ready requirements, including 5G readiness. The Board also remained focused on materializing each available opportunity aligned with the Company's strategic objectives, while strengthening governance, risk management, and operational resilience.

Encouraging progress is also underway toward the next phase of technological advancement. During 2025, regulatory reforms, spectrum planning, and infrastructure modernization gathered momentum, establishing a strong foundation for the eventual rollout of 5G services. As a next-generation platform, 5G holds the potential to unlock transformative opportunities across smart infrastructure, automation, digital services, and innovation-driven enterprises. While considerations around affordability and investment remain noteworthy, 5G is widely regarded as a critical enabler of Pakistan's long-term digital competitiveness.

As an organization operating within this dynamic environment, we remain aligned with our strategic objectives and firmly committed to sustainable growth. Our continued focus is on strengthening infrastructure, enhancing service excellence, fostering innovation, and delivering long-term value to our shareholders. We believe that close collaboration among the government, regulators, industry stakeholders, and investors will be instrumental in unlocking the full potential of Digital Pakistan.



### **Zarrar Hasham Khan**

Chairman PTCL Board

Islamabad: February 23, 2026

In conclusion, on behalf of the PTCL Board and PTCL Group, I extend my sincere appreciation to our shareholders, investors, and customers for their continued trust and confidence. With a clear strategic direction, a strengthened market position, and emerging technologies on the horizon, we are well positioned to contribute meaningfully to sustainable value creation in the years ahead.



فراہم کی۔ بورڈ نے ریگولیٹری، معاشی اور مارکیٹ چیلنجز کا بروقت مقابلہ کرنے کے لیے مؤثر فیصلے کر کے طویل مدتی قدر کے تحفظ کو یقینی بنایا۔ سرمایہ کاری میں نظم و ضبط، نیٹ ورک کی اپ گریڈیشن اور توسیع، اور مستقبل کی ضروریات خصوصاً 5 جی کے حصول پر خصوصی توجہ دی گئی۔ بورڈ آف ڈائریکٹرز نے کمپنی کے اسٹریٹجک مقاصد سے ہم آہنگ ہر ممکن دستیاب موقع کو بروئے کار لانے پر بھی توجہ مرکوز کی، ساتھ ہی انتظامی معاملات، رسک مینجمنٹ اور آپریشنل استحکام کو مزید مستحکم کیا گیا۔

ٹیکنالوجی کے اگلے مرحلے کی جانب بھی حوصلہ افزا پیش رفت جاری ہے۔ سال 2025 کے دوران ریگولیٹری اصلاحات،

اسپیکٹرم پلاننگ اور انفراسٹرکچر کی بہتری نے 5 جی کے مؤثر آغاز کے لیے مضبوط بنیاد فراہم کی۔ 5 جی ایک جدید پلیٹ فارم کے طور پر اسمارٹ انفراسٹرکچر، صنعتی خودکاری اور ڈیجیٹل سروسز میں انقلابی مواقع پیدا کرنے کی صلاحیت رکھتا ہے۔ اگرچہ اس میں سرمایہ کاری اور استطاعت جیسے عوامل اہم ہیں، اسی طرح 5 جی کو پاکستان کی طویل مدتی ڈیجیٹل مسابقت کے لیے ایک کلیدی عنصر بھی تصور کیا جاتا ہے۔

بطور ایک تنظیم اس متحرک ماحول میں، ہم اپنی اسٹریٹجک ترجیحات کے ساتھ مکمل ہم آہنگی اور پائیدار ترقی کے لیے پرعزم ہیں۔ ہماری توجہ انفراسٹرکچر کی مضبوطی، سروس کے معیار میں بہتری، جدت کے فروغ اور شیئر ہولڈرز کے لیے طویل مدتی قدر پیدا کرنے پر مرکوز ہے۔ ہمیں یقین ہے کہ حکومت، ریگولیٹرز، صنعت کے شرکاء اور سرمایہ کاروں کے درمیان قریبی تعاون ڈیجیٹل پاکستان کے وژن کو مکمل طور پر حقیقت بنانے میں اہم کردار ادا کرے گا۔

آخر میں، میں پی ٹی سی ایل بورڈ اور گروپ کی جانب سے اپنے معزز شیئر ہولڈرز، سرمایہ کاروں اور صارفین کا ان کے مسلسل اعتماد اور تعاون پر تہ دل سے شکریہ ادا کرتا ہوں۔ واضح حکمت عملی، مضبوط مارکیٹ پوزیشن اور نئی ٹیکنالوجیز کے ساتھ، ہم مستقبل میں پائیدار ترقی اور قدر کی تخلیق کے لیے پر امید ہیں۔



## زرار ہاشم خان

چیئرمین پی ٹی سی ایل بورڈ  
اسلام آباد: 23 فروری 2026

# چیئرمین کا جائزہ - 2025

ایک ایسے وقت میں جب ڈیجیٹل تبدیلی برق رفتاری سے پاکستان کا معاشی اور سماجی منظر نامہ بدل رہی ہے، کمپنی کی کارکردگی اور مستقبل کے لائحہ عمل کا جائزہ پیش کرنا میرے لیے باعث اعزاز ہے۔ حکومت پاکستان کا ڈیجیٹل پاکستان وژن قومی ترجیحات کے فروغ میں ایک رہنما حیثیت رکھتا ہے، اسی طرح واصلاتی شعبہ ٹیلی کام سیکٹر ملک بھر میں رابطوں، جدت اور ہمہ گیر ترقی کے فروغ میں مرکزی کردار ادا کر رہا ہے۔

گزشتہ سالوں کے دوران موصلاتی شعبہ ٹیلی کام سیکٹر نے ملک بھر میں ڈیجیٹل رسائی کو مزید بڑھایا ہے۔ موبائل اور براڈ مینڈ کے بڑھتے ہوئے استعمال سے لاکھوں افراد ڈیجیٹل نظام میں شامل ہوئے، جس سے تعلیم، صحت، مالی معاملات اور ای کامرس کے شعبوں میں نمایاں پیش رفت ہوئی۔ یہ شعبہ مسلسل سرماہ کاری، روزگار کے مواقع پیدا کرنے اور نمایاں مالیاتی شراکت کے ذریعے قومی معیشت میں کلیدی کردار ادا کر رہا ہے۔ یہ کامیابی پاکستان کی ترقی کے سفر میں ٹیلی کام کے شعبے کی مضبوطی اور اسٹریٹجک اہمیت کو اجاگر کرتی ہیں۔

اپنی ترقی کی رفتار کو برقرار رکھتے ہوئے پی ٹی سی ایل گروپ نے سال کے دوران مضبوط آپریشنل کارکردگی کا مظاہرہ کیا۔ مجموعی آمدنی میں سال بہ سال 12 فیصد اضافہ ہوا، جس میں فکسڈ براڈبینڈ، انٹریٹرز، ہول سیل اور دیگر موبائل شعبوں کا کردار نمایاں رہا۔ آپریشنل منافع میں 216 فیصد کا خاطر خواہ اضافہ ہوا، جو مؤثر آپریشنل حکمت عملی اور نظم و ضبط کی عکاسی کرتا ہے۔ سال کے دوران 9.7 ارب روپے کا خالص خسارہ ریکارڈ کیا گیا، جس کی بنیادی وجہ پروڈنشل ریگولیشنز میں تبدیلیوں کے باعث یو بی بی سی میں تیز رفتار متوقع کریڈٹ نقصان (ECL) کی فراہمی ہے۔

پی ٹی سی ایل کی صرف اپنی آمدنی میں بھی 12 فیصد اضافہ ہوا، جس کی بنیاد فلیش فائبر میں 50 فیصد اور کاروباری خدمات (بزنس سلوشنز) میں 16 فیصد اضافہ رہی۔ کیریئر اور ہول سیل شعبے نے 28 فیصد ترقی کے ساتھ اپنی مضبوط کارکردگی برقرار رکھی، جب کہ بین الاقوامی آپریشنز کی آمدن میں 3 فیصد اضافہ ریکارڈ کیا گیا۔ آپریشنل منافع 18.2 ارب روپے تک پہنچ گیا، جو گزشتہ سال کے مقابلے میں 49 فیصد زیادہ ہے۔ سپریم کورٹ آف پاکستان کے فیصلے کے تحت پنشن کی مد میں واجب الادا 6.9 ارب روپے کی ادائیگی کے باوجود کمپنی نے 1.4 ارب روپے کا خالص منافع حاصل کیا۔

ہماری سیلولر ذیلی کمپنی یوفون نے سال کے دوران نمایاں بہتری دکھائی۔ آمدنی میں سال بہ سال 14 فیصد اضافہ ہوا، جو کہ ریٹیل اور کارپوریٹ دونوں شعبوں میں ترقی کی وجہ سے ممکن ہوا۔ آپریشنل منافع 283 فیصد بڑھ کر 17.6 ارب روپے تک پہنچ گیا۔ خالص نقصانات میں 89 فیصد کمی واقع ہوئی، جو مضبوط آپریشنل کارکردگی اور مؤثر لاگت کنٹرول کی عکاسی کرتا ہے۔

اس سال کے دوران ایک اہم سنگ میل ٹیلی نار پاکستان کے کامیاب حصول کی صورت میں حاصل ہوا، جو تمام ریگولیٹری منظوریوں کے بعد 31 دسمبر 2025 کو مکمل ہوا۔ تاہم، ٹیلی نار پاکستان کے آپریشنل نتائج یکم جنوری 2026 سے یکجا کیے جائیں گے۔ ٹیلی نار پاکستان اور اورین ٹاورز اب مکمل طور پر ذیلی کمپنیاں بن چکی ہیں۔ یہ اقدام پاکستان کے موصلاتی شعبے (ٹیلی کام سیکٹر) میں ایک اہم انضمام کی نمائندگی کرتا ہے۔ ہم ریگولیٹری منظوریوں سے مشروط یوفون اور ٹیلی نار پاکستان کے انضمام کی جانب بھی پیش قدمی کر رہے ہیں، جس سے نیٹ ورک کوریج کو بڑھانے، آپریشنل کارکردگی میں اضافہ کرنے اور مارکیٹ میں مسابقت کو مضبوط بنانے اور گروپ کی طویل مدتی کنیکٹیویٹی اور ڈیجیٹل سروسز کی حکمت عملی کو فروغ دینے میں مددگار ثابت ہونے کا امکان ہے۔

بورڈ آف ڈائریکٹرز نے پورے سال فعال کردار ادا کرتے ہوئے ایک مشکل کاروباری ماحول میں مضبوط نگرانی اور اسٹریٹجک رہنمائی

# PRESIDENT & Group CEO's MESSAGE

The year 2025 was a defining chapter in PTCL's evolution, marked by strategic progress, renewed focus on customer value, and sustained commitment to advancing Pakistan's digital infrastructure. In a dynamic operating environment, we remain disciplined in execution, prioritizing initiatives that strengthen our core business, expand our digital footprint, and unlock new opportunities for long-term growth.

Throughout the year, PTCL delivered steady performance across its key business segments. Continued demand for reliable connectivity and integrated ICT solutions supported growth in fixed broadband, enterprise services, wholesale connectivity, and digital platforms. Investments in network expansion and service innovation underpinned our efforts to enhance customer experience and support the digital transformation of homes, businesses, and institutions across the country.

The most consequential milestone of 2025, and the most significant achievement in PTCL's history, was the successful completion of the acquisition of 100 percent shareholding in Telenor Pakistan and Orion Towers. This landmark transaction, formally concluded on 31 December 2025, brought Telenor Pakistan into the PTCL family, creating one of the largest integrated telecom platforms in the country and substantially expanding our reach, capabilities, and competitive scale.

This strategic acquisition positions PTCL among the country's leading telecom operators by combining the strengths of Telenor Pakistan with PTCL's existing assets, including its mobile services through Ufone. The integration is expected to enhance network quality and coverage, expand service offerings for customers, and accelerate innovation in the delivery of seamless and

digitally enabled experiences nationwide. Innovation and customer focus continued to guide our efforts throughout the year. PTCL expanded its portfolio of solutions and partnerships to improve accessibility, efficiency, and service quality. These initiatives reflect our belief that innovation must translate into tangible benefits for users, enterprises, and communities alike.

Beyond commercial achievements, PTCL remained committed to responsible corporate citizenship. Through targeted social impact initiatives, the Company leveraged technology and partnerships to promote digital inclusion, empower communities, and support national development objectives.

As we look ahead, PTCL enters the next phase of its journey with a strengthened strategic position and clear momentum. The acquisition of Telenor Pakistan reshapes the competitive landscape and reinforces our ability to deliver on long-term aspirations for nationwide connectivity, operational excellence, and digital leadership. We remain focused on integrating our combined strengths, enhancing value for shareholders, and contributing meaningfully to Pakistan's digital future.

I extend my sincere appreciation to our customers, employees, partners, and stakeholders for their continued trust and support. Their confidence remains central to our progress and to our shared success.



**Hatem Mohamed Bamatraf**

President and Group Chief Executive Officer  
Islamabad: February 23, 2026





# صدر اور گروپ سی ای او کا پیغام

پی ٹی سی ایل کی ترقی کے سفر میں سال 2025 ایک اہم باب ثابت ہوا، اس دوران اسٹریٹجک پیش رفت، صارفین پر توجہ، اور پاکستان کے ڈیجیٹل انفراسٹرکچر کی ترقی کے لیے مستحکم عزم نمایاں رہا۔ ایک متحرک کاروباری ماحول میں ہم نے نظم و ضبط کے ساتھ عمل درآمد جاری رکھا، اور ایسی حکمت عملیوں کو ترجیح دی جو ہمارے بنیادی کاروبار کو مضبوط بنائیں، ہمارے ڈیجیٹل دائرہ کار کو وسعت دیں، اور طویل مدتی ترقی کے نئے مواقع پیدا کریں۔

سال بھر پی ٹی سی ایل نے اپنے کلیدی کاروباری شعبوں میں مضبوط اور مستحکم کارکردگی کا مظاہرہ جاری رکھا، قابل اعتماد کنیکٹیویٹی اور مربوط آئی ٹی سلوشنز کی بڑھتی ہوئی طلب نے فکسڈ براڈبینڈ، انٹریٹرز سروسز میں مسلسل کامیابی اور ڈیجیٹل پلیٹ فارمز میں ترقی کو مزید تیز کیا۔ نیٹ ورک میں توسیع اور جدید خدمات کے فروغ کے لیے کی گئی سرمایہ کاری ہمارے اس عزم کی عکاس رہی کہ صارفین کے تجربے کو مسلسل بہتر بنایا جائے اور ملک بھر میں گھریلو، کاروباری اور تعلیمی شعبوں کی ڈیجیٹل تبدیلی میں مؤثر کردار ادا کیا جائے۔

سال 2025 کی سب سے بڑی کامیابی پی ٹی سی ایل کی تاریخ کا ایک روشن سنگ میل، ٹیلی نارپاکستان اور اورین ٹاورز کے 100 فیصد حصص کے حصول کی کامیاب تکمیل تھی، یہ تاریخی معاہدہ 31 دسمبر 2025 کو باضابطہ طور پر مکمل ہوا، جس کے بعد ٹیلی نارپاکستان پی ٹی سی ایل گروپ کا حصہ بن گیا۔ اس انضمام سے ملک کا ایک سب سے بڑا اور مربوط ٹیلی کام پلیٹ فارم وجود میں آیا ہے، جس نے ہماری رسائی، نیٹ ورک کی صلاحیت اور مارکیٹ میں ہماری مسابقتی پوزیشن کو مزید مستحکم کر دیا ہے۔

یہ اسٹریٹجک حصول پی ٹی سی ایل کو ملک کے نمایاں ٹیلی کام آپریٹرز میں مستحکم پوزیشن فراہم کرتا ہے، جہاں ٹیلی نار پاکستان کی صلاحیتوں کو پی ٹی سی ایل کے موجودہ اثاثوں بشمول یوفون کے موبائل نیٹ ورک کے ساتھ مؤثر انداز میں یکجا کیا جا رہا ہے۔ اس انضمام کے نتیجے میں نیٹ ورک کے معیار اور کوریج میں نمایاں بہتری، صارفین کے لیے خدمات کے دائرہ کار میں مزید وسعت، اور ملک بھر میں جدید، مربوط اور ڈیجیٹل سہولیات سے بھرپور تجربات کی فراہمی میں تیزی آنے کی توقع ہے۔

سال بھر جدت اور صارفین پر توجہ ہماری حکمت عملی کا مرکزی کردار رہی۔ پی ٹی سی ایل نے اپنی خدمات اور اسٹریٹجک شراکت داریوں کو وسعت دی، جس کا مقصد رسائی کو بڑھانا، آپریشنل کارکردگی کو بہتر بنانا اور سروس کے معیار کو نئی بلندیوں تک پہنچانا تھا۔ ہمارے یہ اقدامات اس یقین کی عکاسی کرتے ہیں کہ ٹیکنالوجی میں جدت کو ہمارے صارفین، کاروباری اداروں اور پوری کمیونٹی کے لیے ٹھوس اور عملی فوائد میں تبدیل ہونا چاہیے۔

اپنی کاروباری کامیابیوں کے ساتھ ساتھ، پی ٹی سی ایل نے ایک ذمہ دار کارپوریٹ ادارے کے طور پر اپنی سماجی ذمہ داریوں کو بھی بخوبی نبھایا۔ مخصوص سماجی اثرات کے اقدامات کے ذریعے کمپنی نے ٹیکنالوجی اور دیگر پارٹنرشپس کو بروئے کار لاتے ہوئے ڈیجیٹل شمولیت کو فروغ دیا، کمیونٹیز کو بااختیار بنایا اور قومی ترقی کے اہداف کی تکمیل میں کلیدی کردار ادا کیا۔

مستقبل کی جانب دیکھتے ہوئے، پی ٹی سی ایل ایک مستحکم اسٹریٹجک پوزیشن اور واضح عزم کے ساتھ ترقی کے اگلے مرحلے میں داخل ہو رہا ہے۔ ٹیلی نارپاکستان کا حصول نہ صرف ہمارے مسابقتی منظر نامے کو نئی جہت دیتا ہے، بلکہ ملک گیر کنیکٹیویٹی، بہترین آپریشنل کارکردگی اور ڈیجیٹل قیادت کے ہمارے طویل مدتی اہداف کو بھی تقویت بخشتا ہے۔ ہم اپنی مشترکہ صلاحیتوں کو مؤثر انداز میں یکجا کر کے، اپنے شیئر ہولڈرز کے لیے پائیدار قدر پیدا کرنے اور پاکستان کے ڈیجیٹل مستقبل کو تشکیل دینے کے لیے مکمل طور پر عزم ہیں۔

میں اپنے کسٹمرز، ملازمین، شراکت داروں اور تمام اسٹیک ہولڈرز کا ان کے مسلسل اعتماد اور تعاون پر تہ دل سے مشکور ہوں۔ آپ کا اعتماد ہی ہماری ترقی اور مشترکہ کامیابی کی اصل بنیاد ہے۔

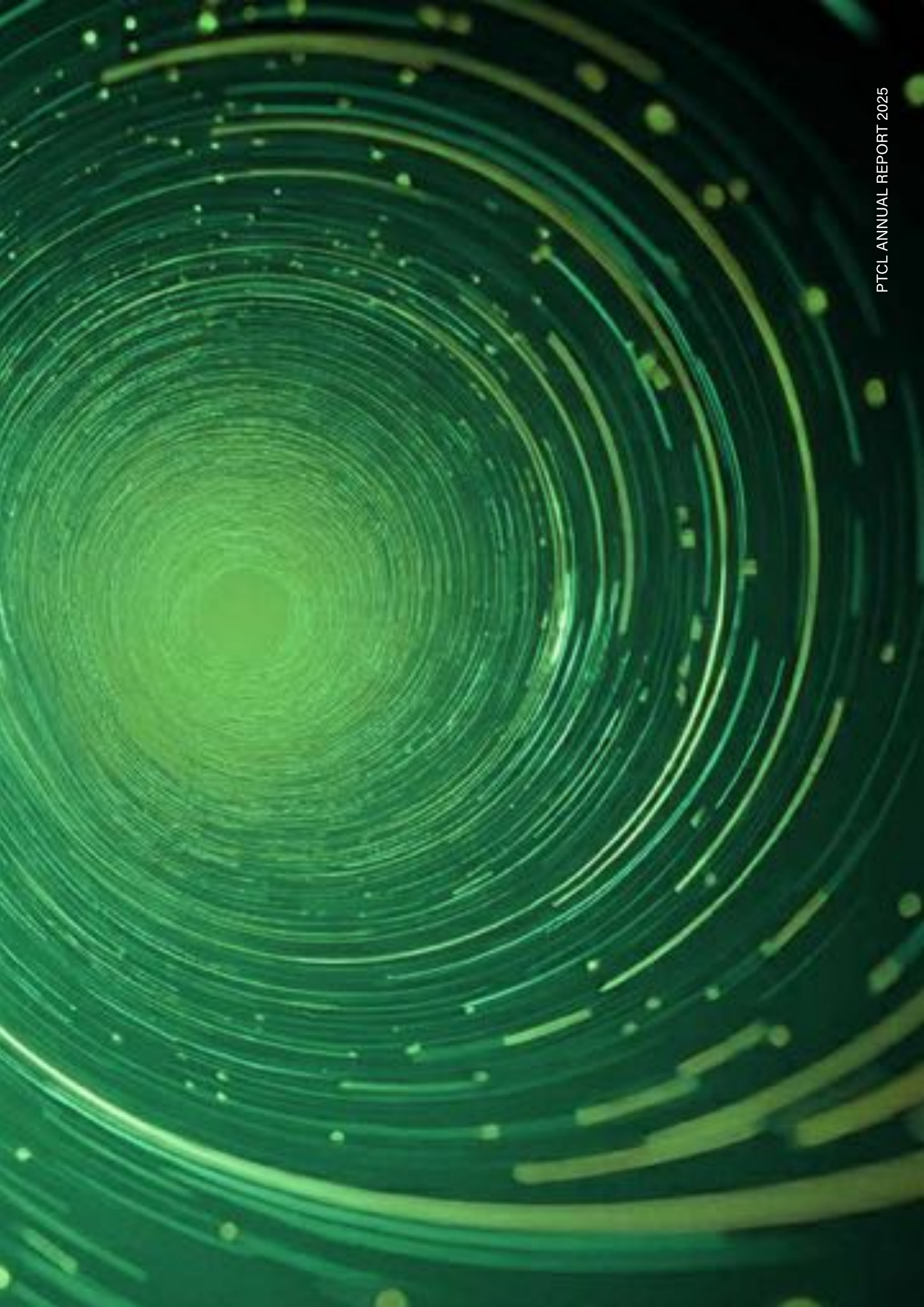
**حاتم محمد بامطرف**

صدر گروپ چیف ایگزیکٹو آفیسر

اسلام آباد: 23 فروری 2026

# FIBER-TO-THE-HOME (FTTH)

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



# DIRECTORS' REPORT

The Directors of Pakistan Telecommunication Company Limited (PTCL) are pleased to present the Annual Report together with the audited financial statements and the auditors' report, for the year ended December 31, 2025.

FY 2025 marked a year of strong operational performance and strategic transformation for PTCL Group. Consolidated revenue increased by 12%, supported by broad-based growth across fixed broadband, enterprise, wholesale, and mobile segments. This performance reflects the Group's continued transition toward a diversified, data-driven, and integrated digital services platform.

Improved revenue performance, combined with disciplined cost management, resulted in a 216% increase in consolidated operating profit. This reflects enhanced operational efficiency and scale benefits across the Group.

At the standalone level, PTCL reported revenue of PKR 120.1 billion, up 12% year-on-year, with growth driven by fiber broadband, wholesale, and enterprise services. Operating profit increased by 49% to PKR 18.2 billion and a net profit of Rs 1.4 billion for 2025 despite recognizing a one-off additional pension liability of PKR 6.9 billion following the decision of the Honourable Supreme Court of Pakistan.

An overview of the Company's performance during the year is outlined below.

## Industry Outlook

Pakistan's telecom sector operated within a relatively stable macroeconomic environment during FY 2025, supporting continued demand for connectivity and digital services. Improvements in inflation, foreign exchange reserves, interest rates, and exchange rate stability contributed to a more predictable operating landscape, enabling sustained

investment and consumption across the sector.

Industry growth remained primarily data-driven, supported by increasing smartphone penetration, expanding 4G coverage, and rising digital adoption across consumer and enterprise segments. Mobile broadband continues to be the primary access layer for digital services, while usage intensity and data consumption trends remain strong.

The fixed broadband segment maintained robust momentum, led by accelerated fiber-to-the-home (FTTH) deployments. Growing demand for high-speed, reliable, and low-latency connectivity continues to drive fiber adoption, particularly in urban centers, while enterprise requirements for secure and scalable connectivity solutions are increasing. Despite these positive trends, the sector continues to face structural challenges. High cost-to-serve, driven by elevated energy prices, significant taxation, and dependence on imported equipment, remains a key constraint. Affordability pressures and regulatory factors continue to impact pricing flexibility and return on investment, limiting the pace of network expansion and modernization.

Looking ahead, the sector outlook remains positive, supported by strong underlying demand fundamentals. Key growth drivers include continued fiber expansion, increasing data consumption, enterprise digitalization, and future spectrum developments, including 5G. These trends are expected to reinforce the importance of resilient, high-capacity networks and integrated digital service platforms.

# Financial Performance

Consolidated revenue reached Rs 251.7 billion, fueled by solid growth in fixed broadband, enterprise, wholesale and mobile services.

Consolidated revenue growth, combined with disciplined cost optimization, drove a 216% increase in operating profit. Despite incurring higher finance costs, resulting in a net loss of Rs 9.7 billion, this reflects a 32% improvement compared to the previous year.

## Revenues

PTCL continued its robust financial trajectory in 2025, delivering a record annual revenue of Rs 120.1 billion, reflecting a 12% year-on-year growth over 2024. This growth was primarily fueled by exceptional performance in broadband, wholesale, and business solutions.

PTCL's aggressive FTTH expansion further reinforced its strong topline growth. Leveraging last year's progress, PTCL Flash Fiber continued to lead the fiber broadband market across Pakistan, achieving 50% year-on-year growth and maintaining the highest subscriber market share at 33% while fixed broadband segment grew by 12% year-on-year. The introduction of the high value 'Tez Raftaar' offer expanded access to affordable high-speed internet, improving customer experience and supporting wider digital adoption.

During 2025, PTCL strengthened its enterprise footprint by expanding mobility, connectivity, and digital services nationwide. PTCL Smart Cloud recorded strong growth by onboarding digital banks, fintechs, enterprises, and government institutions, driven by demand for sovereign cloud, managed security, and disaster recovery solutions. The Company expanded and upgraded AI-ready, high-performance data center infrastructure, while the Wholesale segment delivered growth in IP bandwidth and managed capacity through

strategic partnerships with mobile operators and satellite providers.

Ufone 4G recorded a 14% year-on-year growth in topline revenue in 2025, underscoring its resilience and sustained expansion across diverse areas of the business. Ufone enhanced GSM-based corporate offerings and scaled its Device-as-a-Service platform to support field operations, IoT, and M2M use cases, securing high-value wins across government, Trakker, and new verticals including FinTech.

## Profitability

The Company achieved an operating profit of Rs 18.2 billion, representing a 49% increase compared to the previous year, and reported a net profit of Rs 1.4 billion for 2025 despite one-off booking of additional pension liability amounting to Rs. 6.9 billion pursuant to the decision of the Honourable Supreme Court of Pakistan. PTCL's earnings per share (EPS) for the year stood at Rs 0.27.

Ufone 4G's operating profit reached PKR 17.6 billion YoY posting 283% growth while net loss has reduced significantly by 89%.

Consolidated operating profit grew by 216% year on year, underscoring strong operational performance. For the year, a net loss of Rs. 9.7 billion was recorded, primarily driven by accelerated ECL provisioning at Ubank following revisions to the Prudential Regulations.

## Cash Flows

During FY 2025, PTCL generated net cash flows from operating activities of PKR 35 billion, reflecting strong underlying operating performance and effective working capital management. Cash flows from investing activities recorded a net outflow of PKR 157 billion, primarily driven by continued

investment in network expansion, including FTTH rollout, mobile infrastructure, strategic capital deployment toward the acquisition of Telenor Pakistan and loans to subsidiaries.

Cash flows from financing activities resulted in a net inflow of PKR 136 billion, reflecting borrowings and funding arrangements to support ongoing capital investments and strategic initiatives. Overall, PTCL reported a net increase in cash and cash equivalents of PKR 13 billion during the year.

## Appropriations

The Board has not recommended a dividend for FY 2025. This decision reflects the Company's continued focus on strategic investments, including fiber network expansion, mobile network enhancement, and integration-related capital requirements following the acquisition of Telenor Pakistan.

## Other Matters

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

As disclosed in Note 15.7 to the separate financial statements and Note 19.7 to the consolidated financial statements for the year ended 31 December 2025, the Company has recognized an additional pension liability in respect of certain civil servants in accordance with the decision of the Honorable Supreme Court of Pakistan. In prior years, the external auditors had included an Emphasis of Matter paragraph in their audit reports on both the separate and consolidated financial statements regarding this matter. Following the recognition of the aforementioned pension liability, the matter has been duly accounted for, and accordingly, the Emphasis of Matter paragraph in this respect has been removed from the audit reports for the year ended 31 December 2025.

# Products & Services – Consumers

## Fixed Broadband

PTCL's retail segment sustained its growth momentum in 2025, underpinned by continued strength in its Flash Fiber portfolio and a sharp focus on customer-centric innovation. Retail revenues recorded an 8% year-on-year increase, reflecting both strong customer acquisition and enhanced value delivery across the base. Flash Fiber maintained its leadership position in the FTTH segment, with PTCL commanding a 33% share of fiber subscribers nationwide.

A key highlight of the year was the significant improvement in customer experience, particularly in speed performance. Through proactive speed upgrades of Flash Fiber subscribers, the Company achieved a 15% year-on-year improvement in customer speed experience. As a result, the average data rate for Flash Fiber subscribers has

crossed 35 Mbps in FY25, reinforcing PTCL's positioning as the premium high-speed and best experience broadband provider. This leadership in network performance was further validated through international recognition, with PTCL Flash Fiber being awarded "Best Fixed Network" and "Best ISP Gaming Experience" by Ookla® Speedtest for H2 2025.

Customer acquisition remained a central focus, supported by a series of targeted, attractive, limited-time offerings including the Flash Fiber Game Changer, Azadi, and Tez Raftar campaigns. These initiatives were strategically designed to stimulate demand during key periods, delivering strong sales traction at higher speeds, while enhancing the overall value proposition for new customers.

# Digital Innovation / Customer Experience

PTCL continued to lead in digital innovation, further strengthening its position as a customer-first organization. During the year, the Company introduced an industry-first capability within the ISP segment, enabling end-to-end bill payments directly within WhatsApp. This allows customers to conveniently view and settle their bills in a seamless, frictionless manner. Building on this, PTCL also introduced monthly PDF bill delivery via WhatsApp, further enhancing accessibility and ease of use for customers.

PTCL's broader WhatsApp ecosystem, including automated complaint troubleshooting and seamless speed bolt-on subscriptions, also gained international recognition. Meta featured PTCL Group's implementation as a global success story, highlighting the Company's innovative use of digital channels to enhance customer experience. These initiatives are part of PTCL's broader digital transformation journey, aimed at simplifying customer interactions.

## Strategic Partnerships

As part of its ongoing efforts to enhance customer value, PTCL entered into a strategic partnership with Mercantile, Apple's authorized distributor in Pakistan, to launch the iPhone 17 series bundled with exclusive Flash Fiber offers across Karachi, Lahore, and Islamabad. This collaboration brings together premium devices with high-speed connectivity, offering customers warranty-backed products with extended warranties and instant insurance coverage.

In parallel, PTCL expanded its in-home connectivity ecosystem through partnerships with leading global brands including Ruijie Reyee, Tenda, and Mercusys (TP-Link). These solutions provide customers with intelligent network optimization, app-based controls, and seamless whole-home coverage, addressing the growing demand for reliable, high-performance connectivity within households.

Optel FLASH FIBER

mercantile | Apple Authorized Distributor

iPhone 17

iPhone 17  
with exclusive benefits &  
Flash Fiber 50Mbps for just Rs. 3,799

Exclusive Insurance  
Rs. 400,000

Free 50W  
Charger

## PRODUCTS & SERVICES - BUSINESS

PTCL Business Solutions provides mobile-based business solutions that complement digital service offerings. Ufone's portfolio includes GSM-based prepaid and postpaid mobility services for corporate, SME, and public-sector customers, enabling reliable voice and mobile broadband connectivity to support workforce mobility, business continuity, and enterprise operations across Pakistan.

In addition to mobility services, under Business Solutions, Ufone also grew its Device as a Service (DaaS) platform enabling flexible commercial models for enterprise customers offering wide spectrum of enterprise devices, including handhelds, mobile broadband (MBB) solutions, IoT & Fintech terminals etc. to support field-force enablement, remote connectivity, and secure access to digital services. Through DaaS, Ufone continues to deliver secure, scalable, and sustainable solutions, shaping the future of enterprise technology in Pakistan.

The Enterprise business continued to broaden its footprint by entering new verticals, including FinTech, and securing several high-value wins. Momentum also picked up across Trakker and IoT solutions, alongside the successful closure of major M2M engagements with government customers, reinforcing PTCL's role across critical connectivity use cases.

Ufone continued to provide Internet of Things (IoT) and machine-to-machine (M2M) connectivity solutions that enable enterprises to deploy connected applications such as asset tracking, fleet management, smart metering, surveillance, and industrial automation. Through nationwide network coverage and scalable connectivity propositions, Ufone supports data-driven operational efficiency across multiple industry verticals.

Further, Ufone offers digital engagement and communication solutions that enable enterprises to interact with customers and

stakeholders through multiple traditional and OTT channels. These solutions support customer engagement, notifications, and service enablement use cases, enhancing overall customer experience and digital interaction capabilities.

PTCL Business Solutions Connect 2025, held in December in Karachi, brought together C-Level executives, senior government officials and international leaders to explore the future of connected enterprises, tech partnerships and next generation digital enterprise. Connect 2025 showcased PTCL's enterprise portfolio, cloud and cybersecurity investments, international connectivity and managed platforms, reinforcing that strong partnerships and the right connectivity are key to sustainable business growth.

PTCL Smart Cloud reached a significant milestone in 2025 in new business deals, driven by high demand from the digital banks, fintech, enterprises and government sectors for secure, sovereign IaaS, Backup, MSSP and Disaster Recovery (DRaaS) solutions. As a trusted partner for mission-critical infrastructure, PTCL is further strengthening its portfolio by investing in Platform as a Service, Cloud Orchestration and GPU as a Service (GPUaaS). These investments are designed to empower enterprises with automated, multi-cloud management and the high-performance computing power necessary for AI-driven workloads and advanced data analytics. By integrating these cutting-edge capabilities into its existing three-region VCF-powered infrastructure, PTCL continues to bridge the gap between traditional IT and the future of autonomous, AI-ready cloud environments in Pakistan.

Building on our recent success in securing several landmark deals within the banking and government sectors, to meet the burgeoning demand for localized, high-performance computing in Pakistan, PTCL is significantly expanding its facilities across Pakistan. This

expansion goes beyond simple capacity; the Company is executing a comprehensive technological upgrade to transition its sites into AI-ready facilities. By integrating high-density rack configurations capable of supporting the extreme power and cooling requirements of modern GPUs and deploying advanced cooling technologies, the Company is ensuring its data centers can handle the most intensive OpenShift and Kubernetes workloads. This strategic evolution reinforces the Company's commitment to providing a secure, scalable, and future-proof foundation for Pakistan's digital economy, backed by its robust Managed Security Services and Tier-III compliant resilience.

PTCL experienced strong growth in IP bandwidth and managed capacity penetration within the Wholesale segment, boosting the adoption of emerging digital services such as Content Delivery Networks. Strategic partnerships were formed with major CMOs for IP bandwidth and satellite-based connectivity across Pakistan, particularly in AJK and GB, including a landmark alliance with a leading satellite provider to expand broadband access nationwide.

PTCL has delivered Pakistan's first 5G-ready smart residential community, combining seamless connectivity with modern living to enable future-ready digital lifestyles. This milestone showcases PTCL's ability to adapt global technologies for transformative customer experiences and advance the Digital Pakistan vision. Significant projects were also secured with leading financial institutions and public-sector clients in ICT and core services. During the year, PTCL strengthened its B2B ICT growth agenda by expanding its enterprise portfolio into integrated digital solutions. This was driven by enhanced ICT presales and delivery capabilities, along with deeper engagement with OEM and technology partners to deliver scalable, secure, and cost-effective ICT offerings across cloud, cybersecurity, and managed services.

Focus areas included stronger execution,

faster time-to-market, and closer alignment of service delivery with customer lifecycle needs. These initiatives position PTCL to capitalize on emerging opportunities in the ICT domain and reinforce its role as a trusted digital transformation partner for Pakistan's enterprise ecosystem.

## Enterprise Solutions

PTCL Enterprise Solutions remained on track with several key initiatives and projects. The focus remained on expanding the Company's existing portfolio - Cloud & Connectivity - while making inroads into emerging domains such as IoT and terminals. While core offerings continued to serve businesses through connectivity, managed services, and cloud & security solutions, the Company also made a significant impact in the wireless connectivity sector, securing one of the largest GSM customers in the market and ensuring seamless connectivity for pilgrims during their sacred journey. Additionally, PTCL Enterprise Solutions secured the biggest ICT & Telco deal with leading bank of Pakistan for their managed Data Center. This deal has solidified PTCL's position as a major ICT player.

In 2025, Enterprise Solutions sustained consistent growth, securing strategic ICT and cloud projects while expanding its core connectivity business across both public and private sectors. This success was driven by an aggressive sales strategy, innovative product management, and an unwavering focus on customer needs, allowing PTCL to broaden its customer base and penetrate new market segments.

With a sharp focus on acquiring new enterprise customers across diverse industries, PTCL successfully entered the Fintech sector, facilitating seamless transactions through handheld POS devices powered by PTCL's connectivity and integrated with Terminal Management Systems (TMS).

Today, PTCL serves ICT and Cloud customers

across key industries such as education, finance, healthcare, and FMCG. As the national carrier, PTCL continues to position itself as a key enabler of Pakistan's digital ecosystem, dedicated to accelerating digital transformation for businesses. Looking ahead, the Company remains committed to leveraging strategic partnerships with leading technology providers to deliver future-ready, cutting-edge solutions.

Major strategic projects secured in 2025 were with the Banking sector, Education Sector, Government initiatives, Aviation and multiple Digital transformation projects across industries. These include Data Centers, Cloud and cutting-edge solutions offered by PTCL to fast-track digitization of multiple verticals.

## International & Carrier Solutions

During 2025, PTCL's Carrier and Wholesale Business further reinforced its position as a trusted strategic partner for the telecom ecosystem, serving Cellular Mobile Operators, LDI and FLL providers, telecom infrastructure companies, ISPs, OTT players, and defense institutions across Pakistan. The business continued to focus on resilience, scalability, and service excellence to meet the rapidly growing demand for data, international connectivity, and carrier-grade digital services.

PTCL's strategic partnership with renowned International IPBW upstream providers remained a key strength, supported by a diversified submarine cable system spanning four operational routes AAE-1, SMW-4, IMEWE, and PEACE ensuring high availability and route diversity. During the year, progress on the Africa-1 submarine cable system further strengthened PTCL's long-term strategy to enhance global reach, redundancy, and capacity for Pakistan's international traffic requirements.

Domestically, PTCL's extensive nationwide Fibre-optic backbone, featuring multiple redundant paths, a resilient IP/MPLS core, robust metro access networks, and Tier-III certified Data Centers, continued to underpin reliable and secure carrier services. This infrastructure enabled PTCL to deliver consistent performance while supporting the evolving needs of both domestic and international customers.

In the wake of high data demand, PTCL served the cellular mobile operators backhaul needs via Terrestrial (Fiber/Radio) media and facilitated their reach in remote areas via Non-Terrestrial (VSAT media), in collaboration with renowned Satcom Partners.

Building on the shift from pure connectivity to value-added services, PTCL further expanded its carrier-grade ICT portfolio in FY 2025. The company continued to offer advanced solutions including Managed Security Services, Managed DDoS Protection,



Managed DNS, CDN-as-a-Service, and Carrier-neutral Internet Exchange (IXP) services in collaboration with leading global technology partners. These offerings allowed customers to improve network performance, security, and service quality while optimizing operational efficiency.

Through continuous infrastructure enhancement, portfolio diversification, and a strong focus on customer-centric solutions, PTCL's Carrier Solutions business in FY 2025 progressed as a comprehensive digital and connectivity partner, well-positioned to support Pakistan's growing data economy and the future requirements of the carrier industry.

## SME Solutions

During FY 2025, PTCL SME Solutions focused on strengthening service quality, enhancing customer experience, and improving sales effectiveness across its connectivity and managed services portfolio for small and medium enterprises.

Key initiatives during the year were centered on process optimization and improved cross-functional coordination, resulting in enhanced service delivery timelines and more efficient fault resolution. These improvements contributed to a more consistent and reliable customer experience across the SME segment.

In parallel, the Company strengthened its sales and customer engagement capabilities through the introduction of a dedicated tele-sales platform, integrated with core B2B systems. This enabled improved visibility into sales performance, more targeted customer interactions, and better support for revenue growth, upselling, and recovery.

Overall, FY 2025 marked a period of operational consolidation and capability enhancement for SME Solutions, reinforcing PTCL Group's commitment to delivering reliable, high-quality services and creating long-term value for SME customers.

# Support Functions

## Network Infrastructure

Following the successful acquisition of Telenor Pakistan and the planned amalgamation of Telenor Pakistan and Ufone, PTCL Group initiated preparatory activities for the integration and consolidation of the Mobile and Transport Networks. Key focus areas included alignment of Network architecture across Access and Core domains, modernization of legacy infrastructure, and readiness for efficient spectrum utilization across combined assets. These efforts are expected to unlock substantial synergies in Network optimization, improve coverage and capacity, and enhance overall customer experience through a more unified and efficient network.

In parallel with integration readiness, PTCL Group continued to strengthen its network

infrastructure through targeted investments in capacity enhancement, modernization, and national connectivity expansion across Mobile, Fixed Access, and Transport domains.

A key milestone during the year was the phased partial sunset of legacy 3G HSPA+ services across selected high-traffic areas of the Mobile Network footprint. This targeted approach enabled the refarming of spectrum resources toward 4G LTE, resulting in improved network capacity, enhanced user throughput, and better overall service experience in these areas. The transition also supported increased adoption of advanced services such as VoLTE, reinforcing the Group's gradual shift toward all-IP Networks while maintaining service continuity for remaining 3G users.

The Group also completed the modernization of its 2G GSM Network through migration from

legacy TDM-based backhaul architecture to a fully IP-based (AoIP) environment. This transformation reduced network complexity, improved scalability, and enhanced resilience, while establishing a strong foundation for future network-sharing models and integration scenarios.

In addition to Access and Core Network evolution, PTCL Group undertook significant improvements across Messaging and Roaming service domains. The Messaging portfolio was modernized and virtualized, with SMS rating and charging functionalities migrated from legacy platforms to an integrated and standardized environment. This transformation improved service resilience, scalability, and operational efficiency. The commercial launch of an SMS Firewall further strengthened messaging security and enabled more effective management of A2P traffic, supporting both service integrity and monetization.

In parallel, the Group expanded its international roaming portfolio with VoLTE services in key destinations where legacy networks have been decommissioned. This ensured high-quality service continuity and enhanced user experience for subscribers traveling abroad. The Transport Network witnessed significant advancement with the deployment of next-generation optical transmission capabilities, including 800 Gbps per-lambda Extended Super C+L WDM systems. This upgrade enhanced backbone capacity, reduced latency, and improved energy efficiency, ensuring the network can sustainably support continued growth in data traffic. The scalable design of the optical layer positions the network for future expansion with minimal incremental upgrades.

PTCL Group also advanced its network energy strategy through the deployment of solar and hybrid energy solutions across its site footprint, including a large-scale solar program spanning core network sites and data-center facilities, including a 2 MW solar deployment across key facilities.

These initiatives enhanced energy efficiency, improved network resilience in power-constrained environments, and reduced dependence on conventional energy sources, supporting the Group's broader sustainability objectives and reliable service delivery across the Network.

PTCL Group continued to play a key role in advancing national connectivity through its participation in the Universal Service Fund (USF) initiatives. During the year, the Group expanded Mobile and Fixed Access services into underserved and remote regions, extending reliable Voice and data connectivity to previously unserved communities. In addition, the Group secured further USF projects, reinforcing its commitment to bridging the digital divide and supporting inclusive socio-economic development across the country.

Complementing these efforts, PTCL Group further expanded its fiber footprint and strengthened backhaul capabilities, enhancing network reach, resilience, and service quality across both urban and rural areas.

As PTCL Group continues to evolve its network infrastructure, the focus remains on delivering a resilient, scalable, and future-ready network capable of supporting emerging technologies and growing customer demand across Mobile, Fixed Access, and Transport domains.

## Information Technology

During 2025, PTCL Group continued to advance its Information Technology capabilities through targeted modernization of core platforms, enhancement of digital services, and adoption of data-driven customer engagement frameworks across both Fixed and Wireless businesses.

A key milestone during the year was the successful transformation of the Customer Value Management (CVM) ecosystem.

The legacy CVM platform was replaced with a modern, catalogue-driven system enabling real-time, personalized customer engagement. The platform supports agile campaign orchestration across multiple channels and incorporates advanced analytics-driven capabilities, including Next Best Offer and Next Best Action, enhancing customer experience, improving engagement, and strengthening retention across the Group's customer base.

To further strengthen digital engagement, PTCL Group integrated real-time data streaming capabilities into its platforms, including event-driven architectures, enabling contextual customer interactions based on network and usage triggers. This has enabled more contextual and timely engagement, improved customer satisfaction and supported a more responsive service experience.

PTCL Group also made significant progress in enhancing its enterprise IT infrastructure and service capabilities. The Group expanded its data center capacity and strengthened its enterprise platforms to support mission-critical applications and large-scale service delivery. In parallel, the Group launched a Unified Communications as a Service (UCaaS) platform, enabling integrated Voice, Video, Messaging, and collaboration services for enterprise and public-sector customers through a scalable, cloud-based environment.

During the year, the Group also progressed its Artificial Intelligence (AI) journey with the development of predictive and recommendation models supporting customer segmentation, churn management, product recommendations, and behavioral analytics. AI-powered solutions were introduced to enhance customer care through intelligent chat and email assistants, improving operational efficiency and service responsiveness.

In addition, PTCL Group conducted multiple proof-of-concept initiatives to explore AI applications across Network

and Operational domains, including energy optimization, anomaly detection, and predictive maintenance. The Group also initiated deployment of generative AI-based tools to support internal functions such as knowledge management, policy navigation, and document intelligence, improving productivity and enabling more effective use of organizational data.

The Group also progressed its participation in the GSMA Open Gateway initiative, contributing to the development of standardized, CAMARA-aligned APIs leveraging secure authentication frameworks to enable interoperable digital services across networks.

During the year, PTCL Group also achieved key international certifications, including ISO 27001 (Information Security Management), ISO 27017 (Cloud Security), ISO 27018 (Protection of Personally Identifiable Information in Cloud Environments), and PCI DSS (Payment Card Industry Data Security Standard). These certifications reinforce the Group's commitment to global best practices in information security, cloud governance, and customer data protection.

These initiatives collectively reflect PTCL Group's continued focus on building a modern, scalable, and intelligent IT ecosystem that supports business growth, enhances customer experience, and enables the delivery of innovative digital services.

## Information Technology - Data Centers & IT Operations

During 2025, PTCL Group continued to strengthen its information technology foundation to support operational resilience, service excellence, and sustainable growth across PTCL and PTML.

The IT Data Centers and IT Operations function remained a key enabler of platform stability, IPCC and BPO operations, and the Group's digital transformation agenda.

In line with the Group's transformation roadmap, AI-enabled solutions were deployed

across IPCC and BPO operations, improving quality management, agent productivity, and cost efficiency. Enterprise and mid-tier storage platforms were upgraded to next-generation solutions on Dell-EMC, improving performance, scalability, and operational efficiency.



## People & Organization

### Future Fit Talent

PTCL Group continued to strengthen its Future Fit Talent agenda by building capabilities that prepare employees and leaders for evolving business needs. This commitment translated into 91,004 learning hours delivered across the organization, reinforcing a culture of continuous learning and growth. In 2025, the learning agenda was shaped around leadership excellence, digital and AI readiness, inclusive ways of working, and a strong safety culture, ensuring the workforce remains resilient, skilled, and future-ready.

Leadership development remained a core focus, with the flagship LE6: Unlocking How Leaders Win program delivered across leadership levels. For Vice Presidents, a three-day curated program was conducted at LUMS REDC, offering an immersive, executive-level learning experience. A parallel in-house program for Directors was also delivered, aimed at strengthening leadership capabilities and strategic alignment across the organization. Anchored in PTCL Group's Leadership Expectations, both programs fostered a shared leadership mindset, enabling leaders to reflect on their impact, align behaviors with organizational priorities, and lead with purpose in a dynamic business environment.

Safety continued to be a key priority for PTCL Group, marked by a large-scale rollout of mandatory HSE Safety Procedures Training

across frontline and high-risk roles. A total of 411 structured in-person sessions reached 8,514 frontline employees, embedding a robust safety-first mindset and reinforcing consistent standards across operations nationwide.

As part of its focus on building future-critical capabilities, the Group conducted two intensive, in-person AI capability-building workshops for leaders. These sessions focused on practical AI adoption, innovation, governance, and ethical use, equipping leaders with the skills and foresight required to navigate and lead confidently in an AI-driven future.

In parallel, 24 interactive feedforward conversation webinars reached over 1,100 employees, strengthening modern communication skills and reinforcing a culture of continuous, forward-looking feedback across the organization.

Alongside engagement and capability building, PTCL Group sustained strong momentum in talent management and employee recognition. To further reinforce a culture of appreciation, the organization continued to expand its recognition initiatives, celebrating employees through programs such as On-the-Spot Awards, Star of the Month, Alpha of the Quarter, and the Champions of the Year awards.

The talent management framework was further strengthened, enabling 413 talent moves through the Talent Management Suite. These included leadership advancements, lateral



movements, secondments, attachments, and stretch assignments, providing employees with structured, diverse opportunities for career development and long-term growth.

## Culture of One

In 2025, PTCL Group strengthened its Culture of ONE, reinforcing a shared sense of purpose, belonging, and collective ownership across the organization. This commitment was reflected in an employee engagement score of 77%, surpassing the Global Benchmark and remaining at par with the Global Technology Benchmark. The result underscores the Group's sustained focus on building an environment where employees feel valued, motivated, and empowered as one unified workforce. The survey outcomes were further reinforced through focus groups conducted across all functions, enabling deeper insight into employee perspectives and ensuring voices from across the organization were heard.

The year saw a range of initiatives designed to foster connection, collaboration, and open dialogue across the organization. Functional Coffee Sessions continued to bring leadership closer to employees, while thematic town halls with leadership provided a platform for candid conversations, knowledge sharing, and collective reflection on the Group's vision and priorities.

PTCL Group also deepened its commitment to Diversity, Equity, and Inclusion (DEI) through initiatives that blended strategic intent with human-centered impact. In partnership with the International Finance Corporation (IFC), the Group delivered a two-day Human-Centered Design workshop to co-create solutions for advancing gender sensitization and increasing women's representation in leadership.

To foster workforce diversity and champion employee wellbeing, PTCL Group observed key international days, including International Women's Day (IWD), Pinktober, and the International Day of Persons with Disabilities. International Women's Day was celebrated across Islamabad, Lahore, and Karachi under the theme Accelerate Action, bringing together changemakers and thought leaders. Lt. General (Rtd) Nigar Johar joined as Chief Guest, alongside a multi-sector panel featuring Dr. Rafia Mumtaz, Rida Qazi, and SP Pari Gul Tareen, as well as PTCL Group CXOs who spotlighted women breaking barriers in non-traditional roles, demonstrating that resilience and determination know no bounds.

For Pinktober, the Group went beyond awareness to create lasting impact. PTCL Group celebrated strength, raised awareness, and honored every warrior affected by breast cancer. The campaign featured an inspiring awareness session with Shaukat Khanum Memorial Hospital, followed by a spirited Strength Walk where employees rallied behind the call "Go Pink, Go Strong." Teams penned heartfelt messages of hope placed in the inpatient ward of Shaukat Khanum Memorial Hospital and organized a fundraising bake sale, with all proceeds donated in support of cancer fighters. The initiative concluded with employees forming a giant Pink Ribbon, symbolizing unity, resilience, and the belief that together, as ONE, we can #WinEveryBattle. At PTCL Group, we remain firmly committed to fostering an inclusive and equitable workplace, ensuring fair and transparent compensation practices for all employees, regardless of gender.

Building on last year's reported gender pay gap of 10%, we are encouraged to report a further reduction to 8% this year, reflecting continued progress in advancing pay equity across the organization.

Gender- Pay Gap Mean	8.10%
Gender- Pay Gap Median	2.2%

	Median Hourly Wage	Mean Hourly Wage
Male	3,485	791
Female	3,408	727

While this improvement marks a positive step forward, we remain focused on sustaining momentum and strengthening our efforts to create equal opportunities for growth, development, and long-term success for all employees.

## Digital First HR

In 2025, PTCL Group advanced its Digital First HR agenda by simplifying processes, strengthening governance, and enhancing employee experience through technology-enabled solutions. A major milestone in this journey was the initiation of the in-house HRIS ecosystem, supported by structured training, comprehensive process documentation, and a robust Disaster Recovery framework. A robust Disaster Recovery system ensures business continuity, while the paperless, digital workflows reduce environmental impact, reinforcing PTCL's commitment to efficient, sustainable, and employee-centric operations.

Employee experience was further strengthened through the launch of a Centralized Employee Experience Facilitation Digital platform, streamlining administrative requests and reducing turnaround times. The digitization and automation of the offboarding process enabled faster closures, improved compliance, and paperless workflows, reinforcing operational efficiency and environmental sustainability.

This laid the foundation for scalable, secure, and future-ready HR operations, aligned with PTCL Group's broader 2027 Digital Transformation objectives.

## Industrial Peace

2025 was a landmark year in PTCL's Employee Relations history as it saw the successful signing of the Memorandum of Settlement (MoS) between PTCL Management and PTCL workers represented by the Workers Ittehad Federation (CBA).

This achievement stands as a powerful reflection of what we can accomplish through collaboration, mutual respect, and unwavering commitment to doing what is right for our people and our organization. The MoS represents the outcome of hours of dialogue, hard work, and dedicated negotiation, and directly benefits over 10,000 frontline employees.

The new MoS brings several progressive provisions that underscore PTCL's commitment to putting our people first and promoting workers' welfare and well-being. It reflects our dedication to fostering an inclusive, supportive, and motivating workplace. Together, these measures strengthen a culture where our workers feel valued and empowered.

# Health, Safety and Environment

Building on the strong foundation established in 2024, Health, Safety and Environment (HSE) continued to be positioned as a strategic priority for PTCL Group, delivering measurable improvements across governance, operations, and workforce capability. Leadership commitment was further strengthened through the integration of HSE performance into Executive Management’s KPI, complemented by targeted HSE Masterclasses for CXOs and Vice Presidents, reinforcing a consistent, top-down safety culture across the organization.

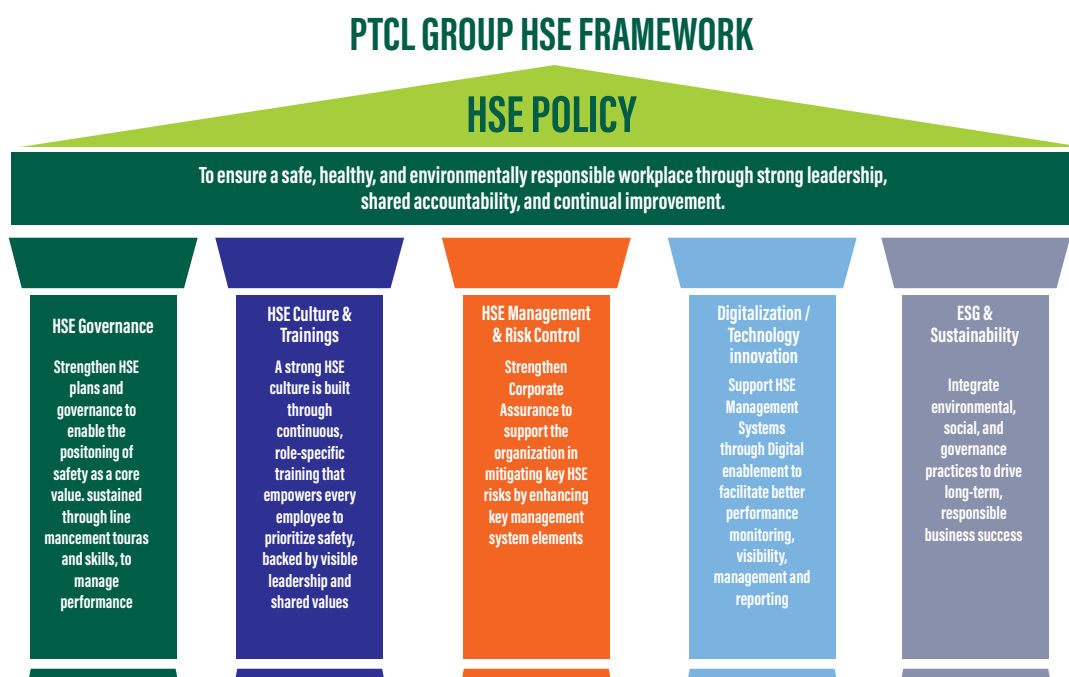
To ensure sustained performance and standardization, a revised HSE Framework was implemented during the year, supported by the development of PTCL-specific procedures and the digitalization of Standard Operating Procedures (SOPs). These initiatives were aligned with the launch and execution of the HSE Roadmap 2025, providing a clear direction for long-term risk management, compliance, and continuous improvement.

At the operational level, HSE oversight was strengthened through the execution of

detailed, scope-specific, and risk-based audits across critical business functions. To ensure continuity of services and safeguard critical infrastructure, 31 Tier-1 sites were assessed and monitored, supporting undisturbed operations throughout the year. In parallel, the digitalization of incident reporting, Task Risk and Impact Control (TRIC), and Safety Observation Tour (SOT) systems improved transparency, data integrity, and proactive risk identification.

In Fleet operations, safety and operational reliability were enhanced through proactive tyre replacements across the fleet in compliance with HSE road safety standards, while customer service excellence was maintained with 41,000 MyRide tickets served at a 98.9% service level and 96.5% customer satisfaction, reflecting PTCL Group’s commitment to efficient, sustainable, and high-quality service delivery.

The continued integration of HSE practices across Technology, Sales, and Fleet operations reinforced safety as a fundamental enabler of operational excellence, resilience, and sustainable business performance. These collective efforts underscore PTCL Group’s ongoing commitment to protecting its people,



assets, and stakeholders while advancing a mature and forward-looking safety culture.

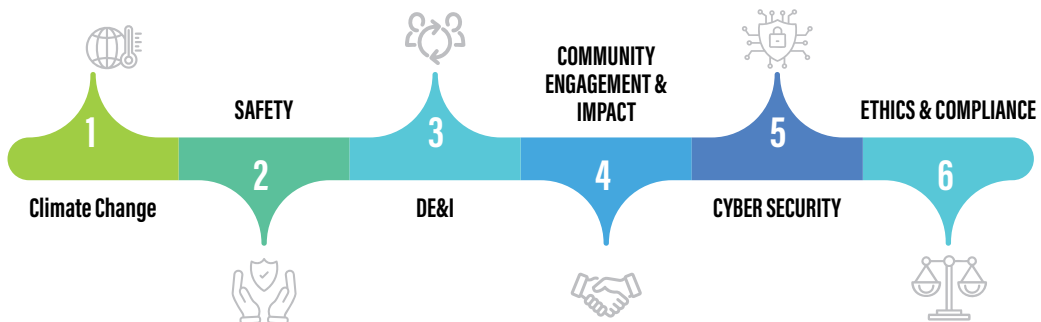
governance architecture was developed, establishing clear roles, accountability, and oversight across Board and management levels. In parallel, the Group formulated its first long-term sustainability strategy, underpinned by defined Sustainability target pillars and the initiation of long-term targets aligned with global best practices. To support transparent and decision-useful disclosures,

## Sustainability

In 2025, PTCL Group marked a foundational shift in embedding sustainability into its corporate strategy and governance framework. A comprehensive sustainability



### ESG-SUSTAINABILITY GOALS 2030



a systematic, GRI-aligned data collection framework was established for the first time which enabled the publication of a structured sustainability report. In anticipation of evolving mandatory sustainability and climate-related disclosure requirements, PTCL Group strengthened its regulatory preparedness and disclosure readiness, while concurrently initiating baseline assessments under the IFC Performance Standards framework to enhance environmental and social risk management practices. Climate action was accelerated through the completion of Group-wide GHG emissions re-baselining and formal adoption of annual emissions tracking. In addition, strategic collaboration with WWF was initiated to advance priority environmental initiatives, reflecting the Group's commitment to partnerships that support long-term environmental stewardship and impact. Collectively, these milestones represent a significant step forward in positioning PTCL Group for resilient, responsible, and future-ready value creation.

## Assessment and Management of Sustainability-Related Risks

The Company recognizes that environmental, social, and governance (ESG) considerations present both risks and opportunities that can impact long-term business resilience and stakeholder trust. During the year, PTCL Group initiated a structured approach to identifying and managing sustainability-related risks as part of its broader commitment to responsible and sustainable business practices.

To strengthen oversight, the Company formalised a Sustainability Governance Framework which establishes structured governance and oversight mechanisms for sustainability matters, including Board-level oversight and management supervision in line with evolving corporate governance

expectations. A Sustainability Steering Committee, chaired by senior leadership, provides strategic guidance and monitors progress on key ESG priorities across the Group. Sustainability-related risks and opportunities are progressively being integrated into the Company's broader risk management and governance processes to ensure alignment with evolving regulatory expectations and responsible business practices.

Initial assessments have been undertaken to identify sustainability-related risks and opportunities across areas such as climate change, environmental impact, regulatory developments, and social responsibility. Through these efforts, the Company is embedding sustainability considerations into its governance and decision-making processes, while progressively enhancing its ability to identify, manage, and mitigate sustainability-related risks.

## Customer Care

The Customer Care function continued to play a vital role in advancing the Group's customer-centric strategy by introducing Proactive Care and AI enabled customer experience. Customer Care remained focused on delivering consistent service quality, strengthening customer relationships, and supporting business growth through operational excellence, digital enablement, and continuous capability enhancement. Customer centricity has always been at the core of PTCL Group's strategy, driving the introduction of various initiatives to uphold Ufone's market leadership in Net Promoter Score (NPS) and enhance the overall Customer Happiness Index (CHI). PTCL Group Flash Fiber Customer Experience program focuses on offering premium customer support and improved service levels. Additionally, in collaboration with e&, PTCL Group Customer Care implemented industry best practices in the Customer Experience Framework and the Moments of Truth Program.

## AI & Automation Transforming Customer Experience

PTCL Group AI program is transforming overall customer interactions, enabling faster, more accurate, and deeply personalized support. AI and automation enhancements are at the core of PTCL Group's customer experience strategy, driving the adoption of state-of-the-art AI-based programs across key areas of Customer Care. After implementation of AI-powered Quality Assurance greater success and progress have been made for AI enabled email Co-Pilot Bot. These initiatives have empowered customers, leading to a substantial increase in self-care adoption and an overall improvement in customer experience.

## PTCL Group Contact Centers: Strengthening Customer Engagements

PTCL Group Contact Center remained focused on providing Best in Call Customer Experience by providing dedicated customer support for PTCL Flash Fiber customers which reinforced PTCL's competitive positioning and ensured uninterrupted service continuity during the year. Beyond ensuring seamless customer service, the contact center has also contributed to the company's top line through new sales and outbound CVM campaigns.

With a strong focus on customer retention and win-back strategies, Customer Care has

positively impacted the company's bottom line by achieving the highest rate of 53%.

Reaffirming its commitment to service excellence, PTCL Group contact center has successfully maintained its ISO 9001:2018 certification, which shows PTCL Group Commitment to provide best in class customer service.

## PTCL Group BPO: Exploring New Business Verticals

The BPO business delivered a strong financial and strategic performance in 2025, achieving double-digit year-on-year revenue growth and surpassing the PKR 1 billion annual revenue milestone. Performance exceeded annual targets, driven by disciplined execution, scale expansion, and improved contribution margins, reflecting enhanced commercial effectiveness and operational efficiency.

During the year, the BPO portfolio was further strengthened through the onboarding of several new enterprise and public-sector clients, expanding both sectoral coverage and the overall revenue base. Concurrently, the successful retention of major existing clients reinforced the stability of recurring revenues and underscored the strength of long-term client partnerships.

A continued focus on solution-led engagements, combined with portfolio diversification, strengthened the growth pipeline and positioned the business for sustainable, long-term expansion.

# MARKETING & COMMUNICATION

## Pehchaan - Celebrating National Pride Beyond the Spotlight

Under the Pakistan ki Pehchaan campaign, PTCL celebrated the unifying spirit of sports and its role in shaping national identity, pride, and global recognition. The initiative paid tribute to Pakistan's sporting legacy by highlighting athletes who embody resilience, excellence, and the nation's competitive spirit on international platforms.

Pakistan Ki Pehchaan was conceived as a quiet but powerful redefinition of national pride. Instead of chasing spectacle, the film focuses on discipline, resilience, and the unseen journeys that shape real heroes. We chose to spotlight athletes who compete beyond the mainstream gaze, letting their actions, not declarations, speak for them. The narrative intentionally moves across different arenas, creating a shared emotional rhythm that binds individual journeys into one collective identity. Visually, the film remains grounded and restrained, allowing authenticity to lead every frame. Each moment is built on real struggle, real ambition, and real belief. The result is not a celebration of victory alone, but a recognition of the character it takes to carry the nation forward. This is Pakistan, seen through those who continue to define it.



## Mother's Day: Digitising the Hands That Raised Us

To celebrate Mother's Day, UPaisa launched an emotionally driven campaign aimed at promoting financial inclusion by enabling digital independence for mothers across Pakistan. Rooted in the insight that a mother's hands symbolize care, strength, and selfless support, the campaign highlighted the importance of giving back by empowering mothers with access to digital financial services. As part of the initiative, UPaisa accounts were opened for mothers, complemented with free UPaisa Debit Cards and a special Mother's Day gift valued at up to PKR 500. The campaign was brought to life through a compelling television commercial that celebrated everyday maternal gestures, culminating in the powerful message of transforming love into empowerment. This initiative not only strengthened UPaisa's position as a purpose-driven brand but also reinforced PTCL's broader commitment to driving digital inclusion and financial empowerment at the grassroots level.



## Zalmi Women League Powered by PTCL

The Zalmi Women League, powered by PTCL, was launched as a strategic initiative to promote inclusivity and support the growth of women's cricket in Pakistan. The campaign underscored PTCL's commitment to enabling platforms that provide aspiring female athletes with visibility, opportunity, and professional exposure. Through its association with the Zalmi franchise, the league highlighted the importance of structured pathways for women to participate and compete at a national level. The initiative was amplified across broadcast, digital, and on-ground touchpoints, reinforcing PTCL's role in championing gender equity in sports. By aligning with a progressive sporting platform, the campaign strengthened PTCL's positioning as a brand that actively supports empowerment, participation, and the future of women's sports in Pakistan.



## No.1 Internet Toh Yahhhiiii Hai - PTCL Flash Fiber

To reposition PTCL Flash Fiber and overcome long-standing legacy perceptions associated with the parent brand, PTCL launched the "No.1 Internet Toh Yahhhiiii Hai" campaign. The initiative aimed to establish Flash Fiber as Pakistan's fastest and most credible internet service by shifting focus from functional claims to aspirational association. Built around the insight that credibility is shaped by the company one keeps, the campaign featured leading figures from entertainment, music, and esports to reinforce performance, relevance, and modernity.

The television-led rollout was supported by strong digital amplification, creating high visibility

and cultural resonance among younger, digital-first audiences. Through consistent storytelling and proof of performance, the campaign successfully strengthened brand perception while reinforcing PTCL Flash Fiber's position as a premium connectivity solution in a highly competitive market.



## Procurement

During 2025, PTCL Group strengthened its supply chain resilience by accelerating procurement agility leveraging its digital infrastructure. Automation of vendor onboarding, coupled with workflow optimization, minimized manual intervention, and improved process transparency and cost efficiency across the value chain.

To mitigate market volatility and logistical disruptions, the Group leveraged economies of scale and proactively renegotiated framework agreements, delivering measurable cost savings and commercial advantages. Concurrently, expansion of the local vendor ecosystem enhanced turnaround times, improved supply continuity, and strengthened operational dependability. Strategically, priority initiatives included diversification of the supplier base to stimulate innovation and ensure competitive sourcing, as well as harmonization of procurement protocols. Governance controls were further reinforced to uphold ethical sourcing standards, regulatory compliance, and risk oversight.

Looking ahead, PTCL Group remains committed to advancing digital procurement capabilities and deploying next-generation technologies to sustain a high-performance, agile, and future-ready supply chain ecosystem.

## Regulatory Affairs

During 2025, PTCL Group regulatory department actively engaged with the internal and external stakeholders to provide an enabling environment for implementation of strategic initiatives with aim to become leading telecommunication service provider in Pakistan.

Regulatory Affairs participated in consultation processes carried out by the Ministry of IT and PTA during the year with the aim to protect the rights granted under its licenses and leverage the opportunities for the ultimate benefit of its consumers.

The key consultations include 'Fixed Satellite Services Licensing', 'Accounting Settlement Rate (ASR) for international incoming voice traffic', '5G Security Guidelines', 'Data CVAS Licenses', 'Local Peering and Internet Exchange Points', 'Amendments in Consumer Protection Regulations', 'Amendment for Local Loop Licensing' Critical Telecom Data & Infrastructure Security Regulations 2(CTDISR 2); 'Guidelines to establish Distributed Denial of Services (DDOS) attack prevention mechanism.'

PTCL group has won several Universal Service Fund projects both in Optical Fiber cable and Next Generation Mobile broadband domains through a highly competitive process for the provisioning of services in the rural/underserved areas of Pakistan.

## SOCIAL IMPACT

### PTCL's 'Dil Se': Strengthening Communities Through Inclusion, Empowerment, and Sustainability

PTCL's social impact efforts are driven under its flagship platform, Dil Se, which reflects PTCL's commitment to creating a positive difference across Pakistan. Built around three key pillars, Tech 4 Inclusion, Tech 4 Social Innovation, and Act of Kindness, the platform leverages technology to promote accessibility, empowerment, and digital inclusion, while addressing fundamental human needs such as health, education, and clean water.

Guided by its social impact philosophy to bridge social gaps, enhance well-being, and create equitable opportunities through technology and compassion, PTCL's 2025 initiatives reaffirm its dedication to driving meaningful social change and contributing to the United Nations Sustainable Development Goals (SDGs).



## Empowering Women to Lead Change: The Dil Se Ba-Ikhtiar Journey Social Impact Highlight

2025 marked an important milestone with the graduation of 79 women from PTCL's flagship Dil Se Ba-Ikhtiar program. Through comprehensive digital and entrepreneurial training, participants are now managing their ventures online as independent entrepreneurs. The graduation ceremony also featured Pakistan's first AI-powered fashion show, showcasing designs created by Dil Se Ba-Ikhtiar graduates.

The program later gained nationwide attention when Dil Se Ba-Ikhtiar graduates collaborated with Peshawar Zalmi to design the official kit for the Pakistan Super League (PSL), symbolizing women's growing inclusion in creative and digital industries. The initiative received extensive coverage on BBC Urdu and Pashto and was highlighted in a podcast featuring Mahira Khan, helping amplify its message of empowerment and inclusion.

At GITEX Global in Dubai, PTCL signed an agreement to expand Dil Se Ba-Ikhtiar to 23 cities across Pakistan, with a focus on flood-affected regions to support community recovery and resilience. The initiative was also showcased at the Pink Collar Women's Summit in Lahore.

At the heart of Dil Se Ba-Ikhtiar is a belief in the power of women to uplift their communities. By enabling participants to build skills and livelihoods from their homes using accessible digital tools, the program supports economic independence while contributing to improved household stability, better healthcare access, and stronger educational opportunities for families.

## When Inclusion Speaks Through Innovation: The ConnectHear Partnership

Under the Dil Se platform, PTCL and Ufone 4G partnered with ConnectHear to launch the world's first AI-powered sign language early warning system for emergencies for the Deaf community. Supported by the GSMA Innovation Fund, the system delivers real-time emergency alerts through Ufone's WhatsApp bot, ensuring people with hearing impairments receive timely and accessible communication during critical situations.

The initiative was showcased at the Digital Leaders Conference, Expand North Star, and GITEX Global, where it stood out as a powerful example of how empathy and innovation together can build a more inclusive society.



## Commitment to Health, Safety, and Well-being

Through its continued partnership with UNICEF, Ufone 4G supported the Pakistan Polio Eradication Program by sharing health awareness messages with millions of parents across the country, strengthening efforts to protect children from preventable diseases and improve public health outcomes.

In response to floods affecting Khyber Pakhtunkhwa and South Punjab, Ufone 4G provided free calling minutes to families in impacted areas, enabling them to stay connected with loved ones and access emergency assistance. These efforts highlight PTCL's role in supporting community resilience and maintaining vital communication links during times of crisis.

## Act of Kindness: Advancing Access to Clean Water

PTCL's Act of Kindness campaign further reinforced its focus on community well-being by providing sustainable access to clean drinking water for remote communities across Pakistan. Under this initiative, hand pumps were installed in Umerkot, Thar, enabling families to access safe water closer to home.

PTCL's Thar water campaign received notable recognition for its digital outreach, earning a Gold award at the Dragons of Pakistan Awards, followed by a Gold at the Dragons of Asia Awards, where entries from more than forty countries were reviewed. The recognition reflected the strength of the campaign's message and the meaningful impact it created for communities in Thar.

Building on this success, PTCL signed an MoU with the Pakistan Poverty Alleviation Fund (PPAF) to expand the initiative to South Punjab and Thar, reaching more than 200,000 beneficiaries. This new phase focuses on sustainable water solutions such as reverse osmosis plants, rainwater harvesting systems, and hand pumps, helping ensure long-term access to clean water and supporting healthier, more resilient communities in line with PTCL's long-term commitment to inclusive and sustainable development.



## Conclusion

Through Dil Se, PTCL continues to translate purpose into action, delivering social impact that supports communities today while building foundations for long-term, sustainable progress.

## SUBSIDIARIES

### Pak Telecom Mobile Limited

Ufone maintained its position with subscribers at 28.4 Mn and market share at 14%, supported by data-led brand platform such as "Data Bohhaat Hai", and increased 4G penetration at 70%.

The Company delivered a marked improvement in performance during the year. Revenue increased by 14% year-on-year, supported by growth across both retail and corporate segments. Operating profit surged by 283% to PKR 17.6 billion, while net losses narrowed substantially by 89%, underscoring a strong operational turnaround and disciplined cost management.

In 2025, advancements in regulatory frameworks, spectrum management, and infrastructure upgrades gained momentum, establishing a strong base for the eventual rollout of 5G services. As a transformative next-generation technology, 5G is anticipated to create substantial opportunities in areas such as smart infrastructure, industrial automation, advanced digital solutions, and innovation-driven enterprises. Although challenges related to affordability and investment persist, 5G is widely viewed as a critical driver of Pakistan's long-term digital growth, competitiveness, and economic evolution.

Ufone expanded its international roaming portfolio with VoLTE services in key destinations where legacy networks have been decommissioned. This ensured high-quality service continuity and enhanced user experience for subscribers traveling abroad.

Further, Ufone offers digital engagement and communication solutions that enable

enterprises to interact with customers and stakeholders through multiple traditional and OTT channels. These solutions support customer engagement, notifications, and service enablement use cases, enhancing overall customer experience and digital interaction capabilities.

Ufone continued to strengthen its customer-centric product portfolio through innovative offerings designed to address the diverse communication needs of its subscriber base. With a clear focus on inclusivity and value delivery, the company has made significant strides across both voice and sharing segments.

Complementing its voice portfolio, Ufone introduced an innovative range of Sharing Offers, redefining the way customers consume telecom services. These offers enable up to five users to share a single bundle, which includes 200 GB of data, 2,000 off-net minutes, and 20,000 on-net minutes and SMS. This model not only enhances convenience but also promotes cost efficiency by allowing families and social groups to stay connected under a unified plan. The flexibility and scale of these sharing packages have resonated strongly with customers, driving increased adoption and engagement.

## **U Microfinance Bank Limited - U Bank**

The year 2025 marked the rollout of a comprehensive transformation strategy at U Bank, centered on strengthening revenue generation through secured lending, rationalizing the cost base to enhance productivity, intensifying recovery efforts, and upgrading core technological systems. Despite a challenging operating environment, the Bank demonstrated resilience and operational discipline, positioning itself for sustainable profitability.

The Bank remained committed to its mandate of promoting financial inclusion while maintaining a balanced focus on deposit mobilization, prudent disbursement growth, portfolio diversification, and capital preservation. With a nationwide network of 234 branches, the Bank continued to provide accessible financial services to diverse segments of the population across Pakistan.

During the year, new disbursements totaled PKR 85 billion, reflecting a 23% increase, resulting in a 9% growth in the gross loan portfolio to PKR 88 billion. Deposits grew by 14% to PKR 156 billion, accompanied by a 32% reduction in the cost of funds. Overall, loan book revenues increased by 10% year-on-year.

The Bank maintained its leadership position in Islamic microfinance, operating through more than 70 dedicated Islamic branches. The Islamic Banking segment demonstrated strong momentum, with the Gross Financing Portfolio reaching PKR 18 billion, representing 200% year-on-year growth, and annual disbursements amounting to PKR 26.2 billion.

The Bank also advanced its digital revenue strategy during the year. The implementation of a new Core Banking System implemented in January 2026 is expected to serve as the foundation for its broader digital transformation initiatives. Mobile wallet registrations increased by 1.4 million during the year, while wallet-related deposits grew by 42% year-on-year.

## Telenor Pakistan (Private) Limited

PTCL achieved a landmark milestone with the successful acquisition of Telenor Pakistan, following receipt of all requisite regulatory approvals. The transaction was formally completed on December 31, 2025. However, the operational results of Telenor Pakistan will be consolidated from Jan 01, 2026. With Telenor Pakistan and Orion Towers now operating as wholly owned subsidiaries, the transaction represents one of Pakistan's most significant telecom consolidations. PTCL has since progressed toward the planned amalgamation of Telenor Pakistan and PTML, subject to regulatory approvals. The planned integration is designed to enhance nationwide network coverage, improve operational efficiencies, strengthen market competitiveness, and support the Group's long-term strategic priorities across connectivity and digital services.



## DVCOM Data (Private) Limited - DVCOM Data

DVCOM is a 100% owned subsidiary of PTCL with 5 MHz spectrum in the 1900 MHz band. The license for the spectrum being used by DVCOM Data has expired and PTCL plans to merge the DVCOM into PTCL.

## Smart Sky (Private) Limited

Smart Sky, a wholly owned subsidiary of PTCL, was originally established to provide Direct-To-Home (DTH) entertainment services. However, the company was unable to secure the necessary license for DTH operations, limiting its ability to launch services.

# CORPORATE GOVERNANCE

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

## Compliance - General

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

## Compliance - Financial Statements & Auditors

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

year ending December 31, 2026.

- Information regarding outstanding taxes and levies is disclosed in the notes to the financial statements.
- Details of aggregate amount of remuneration of Directors including perquisites and benefits etc. has been disclosed in note 43 to the financial statements.
- Details of related party transactions has been disclosed in note 47 to the financial statements.
- Statement of Value of Investments in respect of employees' retirement plans has been disclosed in note 7.4 to the financial statements.

## Compliance – Board Performance

- A formal and effective mechanism is put in place for an annual evaluation of the Board's own performance and of its committees.
- The Chairman of the Board, at the beginning of the term of each Director, issued a letter to such Director setting out his role, obligations, powers and responsibilities, remuneration and entitlement in accordance with the Companies Act, 2017, the Company's Articles of Association and policies.
- The Board of Directors has approved the Directors' Remuneration Policy, which is in line with best corporate and governance practices. The Directors receive a fee for attending the meetings of the Board and its sub-Committees. The Board ensures that the remuneration / fee of the Directors and Chairman shall not be at a level that could be perceived to compromise their independence and that the Directors' remuneration shall encourage value creation within the Company.
- During the year, Directors Training Program for the prescribed certification was arranged for one Director. A manual to acquaint the Directors with their role, obligations, powers, and responsibilities, was provided to them.
- The Board of Directors for the purposes of clauses 5.6.1 and 5.6.4 of the PSX Regulations has set the threshold of Company's employees considered as 'Executive'.

## Composition of Board

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

Male: Eight

Female: One

The composition of the Board is as follows:

i.	Independent Directors	None
ii.	Non-Executive Directors	1. Mr. Zarrar Hasham Khan, Chairman 2. Mr. Khalifa Al Shamsi 3. Mr. Imdad Ullah Bosal 4. Mr. Jawad Paul Khawaja 5. Mr. Khaled Hegazy 6. Mr. Ahad Khan Cheema 7. Ms. Lamia Lemkecher 8. Mr. Marwan Bin Shakar 9. Mr. Nazih El Hassanieh
ii.	Executive Directors	None
iii.	Female Directors	1. Ms. Lamia Lemkecher

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

- Mr. Azfar Manzoor
- Mr. Zarrar Hasham Khan
- Mr. Jawad Paul Khawaja
- Mr. Imdad Ullah Bosal
- Mr. Ahad Khan Cheema
- Mr. Abdulrahim A. Al Nooryani
- Ms. Brooke Marie Lindsay
- Dr. Mohamed Karim Bennis
- Mr. Khaled Hegazy
- Mr. Khalid Murshed
- Mr. Marwan Bin Shakar
- Mr. Nazih El Hassanieh

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

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

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

## RISK MANAGEMENT

Enterprise Risk Management (ERM) is a core enabler of PTCL's strategic execution, designed to address an increasingly complex and dynamic risk landscape. As PTCL continues to scale further, the importance of proactively identifying, assessing, and mitigating key risks has intensified. Ineffective risk management could impede the achievement of strategic objectives, adversely affect customer experience, erode stakeholder trust and reputation, weaken financial performance, and ultimately compromise shareholder value.

The Board of Directors, through the Audit Committee, holds ultimate responsibility for overseeing PTCL's Enterprise Risk Management (ERM) framework and ensuring its effective integration into strategic, financial, and operational decision-making. The Board-approved ERM Policy and Framework establish PTCL's risk appetite and shape the company's risk profile, which is subject to ongoing monitoring and review. Management regularly identifies, assesses, and reports key risks to the Audit Committee, enabling informed oversight and timely intervention. PTCL's ERM practices are aligned with globally recognized standards, including Gartner, COSO, and ISO 31000, reinforcing disciplined risk governance.

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

- Debt & Liquidity challenges including subsidiaries
- Synergy realization from integration of Telenor Pakistan
- Competition from other operators
- Tax recoverable and related outstanding cases
- ESG goals and Occupational safety
- AI & Cybersecurity threats
- Regulatory Compliance

In collaboration with internal and external stakeholders, PTCL consistently assesses the potential impact of existing and emerging risks, implementing necessary measures to mitigate or minimize their effects in alignment with its approved Risk Appetite.

## Ethics & Compliance (E&C)

### Embedding Ethics and Advancing Compliance Maturity at PTCL

PTCL continues to reinforce its commitment to ethical leadership, accountability, and responsible business practices by embedding Ethics & Compliance (E&C) into day-to-day operations. During 2025, the E&C function continued to act as a trusted business enabler, supporting the Board and management in navigating regulatory requirements, strengthening governance arrangements, and fostering a culture of ethical decision-making across the organization.

## Key Developments in 2025

In 2025, PTCL further strengthened its governance and compliance architecture through enhancements to its policies. The Conflict of Interest (COI) and Gifts, Entertainment, and Hospitality (GEH) frameworks were elevated to Board-approved policies, reinforcing transparency, accountability, and consistent application across the organization. In parallel, the Business Partner Due Diligence policy, previously the 'Third Party Due Diligence and Engagement policy,' was updated to further strengthen third party risk management and ensure alignment with evolving regulatory expectations and business requirements, enabling a more proactive approach to managing compliance risks. In line with these enhancements, PTCL continued its journey toward aligning with ISO 37301 (Compliance Management Systems), reflecting a deliberate focus on advancing compliance maturity in line with global best practices.

A strong "tone from the top" continued to be reinforced through theme-based communications led by the CEO and CXOs, emphasizing integrity, accountability, and ethical decision-making as core organizational values. Refreshed Code Principles were brought to life through CXO-led video messages, enhancing employee engagement and understanding. To proactively address emerging risks, communications based on real-world scenarios were shared across the organization. These initiatives were further reinforced through scenario-based e-learning modules and ethical dilemma discussions. Additionally, the launch of the Urdu version of the Code of Conduct enhanced accessibility, ensuring that ethical principles are clearly understood and applied across the workforce.

Nationwide roadshows were conducted to raise awareness of the Code of Conduct and recently updated policies, clarifying roles and responsibilities and strengthening ownership of ethical behavior across the organization. Compliance infrastructure was also enhanced to improve efficiency and control effectiveness. The COI and GEH portals were revamped, streamlining disclosure processes, reinforcing internal controls, and improving the overall user experience. In parallel, the development of external-facing ethics and compliance webpages extended PTCL's commitment to transparency and accountability beyond internal stakeholders.

PTCL continued to strengthen its focus on global sanctions and export controls in response to the increasing complexity of international regulatory regimes. Targeted training on third party risk management was delivered to high-risk roles and functions, equipping employees to effectively manage compliance obligations when engaging with third parties. Risk-based reviews of third party control environments, including assessments of their policies and procedures, further enhanced PTCL's ability to proactively manage compliance risks and ensure adherence to anti-bribery and anti-corruption, anti-money laundering, global sanctions, and export control requirements. Regulatory compliance oversight was further strengthened during the year via systematic enhancements to the in-house developed compliance systems for both telecom and non-telecom related obligations. Reviews were conducted to ascertain the completeness and accuracy of compliances reported by compliance champions and owners. Identified gaps were communicated to relevant owners for remediation, strengthening the overall compliance posture of the organization. In parallel, the

subsidiary oversight mechanism was also launched to ensure structured governance over PTCL subsidiaries.

To further enhance governance transparency and accountability, Ethics & Compliance reporting frequency to the Audit Committee and Ethics & Compliance Steering Committee was updated from bi-annual to formal quarterly updates.

## Recognition of Compliance Excellence

PTCL continued to strengthen its compliance capabilities through enhanced governance, automation, and ethics-focused engagement. These efforts were also acknowledged as part of the e& Group's compliance governance across its footprint, underscoring the PTCL commitment to transparency, ethical leadership, and the continuous strengthening of its compliance program.

## Continued Commitment to Ethical Governance

Looking ahead, PTCL remains committed to advancing its Ethics & Compliance program by embedding integrity and responsible decision-making across all levels of the organization. By strengthening governance frameworks, leveraging digital tools, and fostering a culture of accountability, PTCL aims to support transparent, sustainable, and resilient business operations. Guided by the principle of "Doing the Right Thing," PTCL will continue to enhance ethical leadership, corporate trust, and long-term organizational excellence.

## WAY FORWARD

The industry's central challenge of delivering affordable, high-quality connectivity while absorbing high energy costs, taxation, and capex intensity will increasingly be addressed through scale efficiencies, smarter networks, and higher-value digital revenue streams. Operators are actively pursuing 5G readiness, accelerated fiberization, and digital-first customer journeys to improve experience and reduce unit costs, while shifting monetization toward data-led propositions and enterprise ICT (cloud, cybersecurity, managed services) to lift ARPU and investment headroom.

PTCL Group's strategic direction is centered on successfully completing its merger and achieving integration milestones, positioning itself as a Best-in-Class Network operator. Delivering unparalleled Customer Experience, driving core revenue growth through converged fixed-mobile services, expanding Fiber footprint, scaling digital channels for enhanced customer engagement. This multi-pronged approach aims to solidify PTCL Group's market position and drive sustainable growth.

## ACKNOWLEDGEMENTS

The Board of Directors conveys its heartfelt thanks to our customers, suppliers, contractors, service providers, stakeholders, and shareholders for their ongoing trust and steadfast support.

We also acknowledge and deeply value the dedication, commitment, and tireless efforts of our employees nationwide, whose contributions have ensured seamless service delivery and supported the Company in successfully operating within a highly competitive environment.

A special note of appreciation is extended to Government of Pakistan and e& Group for their steadfast support and encouragement in our pursuit of enhancing shareholder value and driving digital transformation.

On behalf of the Board of Directors



**HATEM MOHAMED BAMATRAF**  
President and Group Chief Executive Officer  
Islamabad: February 23, 2026



**Zarrar Hasham Khan**  
Chairman, Board of Directors, PTCL

مستقبل کو مدنظر رکھتے ہوئے دیکھا جائے تو اس شعبے میں ترقی کے امکانات روشن ہیں، جنہیں بنیادی طلب کے مضبوط عوامل سہارا دے رہے ہیں۔ فائبر کے مسلسل توسیع، ڈیٹا کے استعمال میں اضافہ، انٹریٹرز ڈیجیٹلائزیشن اور 5G جی ترقی کے اہم محرکات ہیں۔ توقع ہے کہ یہ رجحانات مضبوط سرمایہ کاری، نیٹ ورک کی توسیع اور مربوط ڈیجیٹل سروسز پلیٹ فارمز کی اہمیت میں مزید اضافہ کریں گے۔

## مالیاتی کارکردگی

روان سال مجموعی آمدنی 251.7 ارب روپے تک پہنچ گئی، جس کی بنیادی وجہ فکسڈ براڈبینڈ، انٹریٹرز، ہول سیل اور موبائل سروسز میں مستحکم بہتری ہے۔

مجموعی آمدنی میں اضافے کے ساتھ ساتھ اخراجات کو بہتر طریقے سے منظم کرنے کے نتیجے میں آپریشننگ منافع میں 216 فیصد اضافہ ریکارڈ کیا گیا۔ اگرچہ مالیاتی اخراجات میں اضافے کے باعث 9.7 ارب روپے کا خالص نقصان ہوا، لیکن یہ گزشتہ سال کے مقابلے میں 32 فیصد بہتری ظاہر کرتا ہے۔

## آمدنی

پی ٹی سی ایل نے 2025 میں اپنی شاندار مالیاتی کارکردگی کا تسلسل برقرار رکھا اور 120.1 ارب روپے کی ریکارڈ سالانہ آمدنی حاصل کی، جو کہ 2024 کے مقابلے میں 12 فیصد سالانہ اضافہ ہے۔ اس ترقی کی بنیادی وجہ براڈبینڈ، ہول سیل اور کاروباری خدمات (بزنس سلوشنز) کے شعبے میں غیر معمولی کارکردگی تھی۔

پی ٹی سی ایل کی جانب سے فائبر ٹودی ہوم (FTTH) کی جارحانہ توسیع نے آمدنی میں اضافے کو مزید تقویت دی۔ گزشتہ سال کی پیش رفت کو بروئے کار لاتے ہوئے، پی ٹی سی ایل فلیش فائبر نے پاکستان بھر میں فائبر براڈبینڈ مارکیٹ میں اپنی برتری برقرار رکھی اور 50 فیصد سالانہ ترقی کے ساتھ 33 فیصد مارکیٹ شیئر حاصل کیا۔ اس دوران فکسڈ براڈبینڈ کے شعبے میں مجموعی طور پر 12 فیصد سالانہ اضافہ دیکھنے میں آیا۔ کمپنی نے ”تیز رفتار“ (Tez Raftaar) آفر متعارف کرائی، جس سے سستی اور تیز رفتار انٹرنیٹ تک رسائی میں اضافہ ہوا، جس سے صارفین کے تجربے میں بہتری آئی اور ڈیجیٹل اپنانے کو فروغ ملا۔

2025 کے دوران، پی ٹی سی ایل نے ملک بھر میں موبلٹی، کنیکٹیویٹی اور ڈیجیٹل سروسز کو بڑھا کر اپنے انٹریٹرز (کارپوریٹ) نیٹ ورک کو مضبوط کیا۔ پی ٹی سی ایل اسمارٹ کلاؤڈ نے ڈیجیٹل بینکوں، فن ٹیک (fintechs)، کارپوریٹ اداروں اور سرکاری اداروں کو اپنی خدمات فراہم کرتے ہوئے نمایاں ترقی کی۔ اس نمو کی وجہ سوورین کلاؤڈ (Sovereign Cloud) مینیجڈ سیکوریٹی اور ڈیزاسٹر ریکوری سلوشنز کی بڑھتی ہوئی مانگ تھی۔ کمپنی نے اپنی اے آئی (AI) کے لیے تیار، اعلیٰ کارکردگی کے حامل ڈیٹا سینٹر انفراسٹرکچر کو بھی اپ گریڈ کیا اور توسیع دی۔ اسی دوران ہول سیل کے شعبے نے موبائل آپریٹرز اور سیٹلائٹ فراہم کنندگان کے ساتھ اسٹریٹجک شراکت داری کے ذریعے آئی پی بینڈوڈتھا اور مینیجڈ کپیسیٹی میں اضافہ کیا۔

یوفون 4 جی نے 2025 میں اپنی آمدنی میں 14 فیصد سالانہ اضافہ ریکارڈ کیا، جو اس کے کاروبار کے مختلف شعبوں میں لچک اور مسلسل توسیع کو ظاہر کرتا ہے۔ یوفون نے GSM پر مبنی کارپوریٹ آفرز کو بہتر بنایا اور فیلڈ آپریشنز، انٹرنیٹ آف تھنگز (IoT) اور ایم 2 ایم (M2M) کے استعمال کے لیے اپنے حل کو وسعت دی۔ ”ڈیوائس-ایز-اے-سروس“ (Device-as-a-Service) پلیٹ فارم کو وسعت دی گئی، جس کے نتیجے میں حکومتی، ٹریڈ اور فن ٹیک جیسے نئے شعبوں میں بڑے کاروباری معاہدے حاصل کیے گئے۔

# ڈائریکٹرز رپورٹ

پاکستان نیلی کمیونیکیشن کمپنی لمیٹڈ (پی ٹی سی ایل) کے ڈائریکٹرز 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشواروں اور آڈیٹرز کی رپورٹ کے ساتھ سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

پی ٹی سی ایل گروپ کے لیے مالی سال 2025 مضبوط مالی کارکردگی اور اسٹریٹجک تبدیلی کا سال ثابت ہوا۔ مجموعی آمدنی میں 12 فیصد اضافہ ہوا، جس کی بنیاد فکسڈ براڈ بینڈ، انٹریٹرز، ہول سیل اور موبائل شعبوں میں وسیع پیمانے پر ترقی رہی۔ یہ کارکردگی گروپ کی اس مسلسل پیش رفت کی عکاسی کرتی ہے جس کے تحت وہ ایک متنوع، ڈیٹا پر مبنی اور مربوط ڈیجیٹل سروسز پلیٹ فارم کی جانب منتقل ہو رہا ہے۔

بہتر آمدنی اور اخراجات میں موثر نظم و ضبط کی بدولت گروپ کے مجموعی آپریٹنگ منافع میں 216 فیصد کا نمایاں اضافہ ہوا ہے، جو گروپ میں بہتر عملی کارکردگی اور پائیدار پیداواری بہتری کی عکاسی کرتا ہے۔

انفرادی سطح پر، پی ٹی سی ایل نے 120.1 ارب روپے کی آمدنی رپورٹ کی، جو سال بہ سال 12 فیصد زیادہ ہے، اور جس کی بنیاد بہتر براڈ بینڈ، ہول سیل اور انٹریٹرز سروسز رہی۔ آپریٹنگ منافع 49 فیصد اضافے کے ساتھ 18.2 ارب روپے تک پہنچ گیا۔ سپریم کورٹ آف پاکستان کے فیصلے کے بعد 6.9 ارب روپے کی ایک مرتبہ کی اضافی پنشن ادائیگی کے باوجود 2025 میں 1.4 ارب روپے کا خالص منافع ہوا۔

رواں سال کے دوران کمپنی کی کارکردگی کا خلاصہ ذیل میں پیش کیا جا رہا ہے۔

## صنعتی منظر نامہ

پاکستان کے ٹیلی کام سیکٹر نے مالی سال 2025 کے دوران نسبتاً مستحکم معاشی ماحول میں کام کیا، جس نے کنیکٹیویٹی اور ڈیجیٹل سروسز کی مسلسل طلب پیدا کی۔ مہنگائی، زرمبادلہ کے ذخائر، شرح سود اور شرح مبادلہ میں بہتری نے بہتر کاروباری ماحول فراہم کیا، جس سے شعبے میں پائیدار سرمایہ کاری اور کھپت ممکن ہوئی۔

صنعتی ترقی کا بنیادی محرک ڈیٹا رہا، جسے اسمارٹ فونز کے بڑھتے رجحان، 4جی کوریج میں توسیع اور صارفین و کاروباری شعبوں میں ڈیجیٹل اپنانے کے بڑھتے ہوئے رجحان نے سہارا دیا۔ موبائل براڈ بینڈ بدستور ڈیجیٹل سروسز تک رسائی کا بنیادی ذریعہ ہے۔ جبکہ استعمال کی شدت اور ڈیٹا کے استعمال کے رجحانات مضبوط رہے ہیں۔

فکسڈ براڈ بینڈ کے شعبے نے مضبوط رفتار برقرار رکھی، جس کی قیادت فائبر ٹودی ہوم (FTTH) کی تیز رفتار تنصیب نے کی۔ خاص طور پر شہری علاقوں میں تیز رفتار، قابل اعتماد اور کم تاخیر والی کنیکٹیویٹی کی بڑھتی ہوئی طلب فائبر کے استعمال کو فروغ دے رہی ہے۔ جبکہ انٹریٹرز سطح پر محفوظ اور قابل توسیع کنیکٹیویٹی حل کی ضرورت میں مسلسل اضافہ ہو رہا ہے۔

مثبت رجحانات کے باوجود یہ شعبہ کئی ساختی مسائل کا شکار ہے، توانائی کی بلند قیمتیں، بھاری ٹیکسز اور درآمدی آلات پر ضرورت سے زیادہ انحصار کی وجہ سے آپریشنل لاگت میں غیر معمولی اضافہ ہوا ہے۔ ریگولیٹری پیچیدگیاں اور سرمایہ کاری کی استطاعت کے مسائل سرمایہ کاری پر منافع کو متاثر کر رہے ہیں، جس سے نیٹ ورک میں جدت اور توسیع کی رفتار پر دباؤ بڑھ رہا ہے۔

تسلیم ہونے کے بعد، اس معاملے کو مناسب طریقے سے مالیاتی ریکارڈ میں شامل کر لیا گیا ہے، اور اسی مناسبت سے 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے آڈٹ رپورٹس سے **Emphasis of Matter** پیرا گراف کو ہٹا دیا گیا ہے۔

## مصنوعات اور خدمات - صارفین

### فکسڈ براڈ بینڈ

پی ٹی سی ایل کے ریٹیل سیگمنٹ نے 2025 میں اپنی ترقی کی رفتار کو مؤثر انداز میں برقرار رکھا، جس کی بنیاد فلیش فائبر پورٹ فولیو کی مضبوط کارکردگی اور صارفین پر مرکوز جدت رہی۔ ریٹیل آمدنی میں سالانہ بنیادوں پر 8 فیصد اضافہ ریکارڈ کیا گیا، جو نئے صارفین کے مؤثر حصول اور موجودہ صارفین کو بہتر قدر فراہم کرنے کی عکاسی کرتا ہے۔ فلیش فائبر نے فائبر ٹو دی ہوم (FTTH) کے شعبے میں اپنی قائدانہ حیثیت برقرار رکھی، جہاں پی ٹی سی ایل ملک بھر میں فائبر صارفین کا 33 فیصد مارکیٹ شیئر رکھتا ہے۔

سال کے دوران نمایاں کامیابیوں میں صارفین کے تجربے، بالخصوص انٹرنیٹ اسپید میں خاطر خواہ بہتری شامل رہی۔ فلیش فائبر صارفین کے لیے پیش اسپید اپ گریڈیشن اقدامات کے نتیجے میں صارفین کی اسپید کے تجربے میں سالانہ بنیادوں پر 15 فیصد اضافہ ریکارڈ کیا گیا۔ اس کے نتیجے میں مالی سال 2025 کے اختتام تک اوسط ڈیٹا اسپید 35 Mbps سے تجاوز کر گئی، جو پی ٹی سی ایل کی بطور پیریمیم، تیز رفتار اور اعلیٰ معیار کی براڈ بینڈ سروس فراہم کرنے والے ادارے کی پوزیشن کو مزید مستحکم کرتی ہے۔ نیٹ ورک کارکردگی میں اس برتری کو بین الاقوامی سطح پر بھی تسلیم کیا گیا، جہاں پی ٹی سی ایل فلیش فائبر کو Ookla® Speedtest کی جانب سے 2025 کی دوسری ششماہی (H2) کے لیے ”Best Fixed Network“ اور ”Best ISP Gaming Experience“ کے اعزازات سے نوازا گیا۔

صارفین کو اپنی جانب راغب کرنے کے عمل کو بھی ترجیحی بنیادوں پر فروغ دیا گیا ہے، جسے مختلف ہدفی اور پرکشش محدود مدتی مہمات (کمپینز) جیسے **Tez Raftar** اور **Azadi, Flash Fiber Game Changer** کے ذریعے تقویت ملی۔ ان مہمات کو حکمت عملی کے تحت اہم مواقع پر متعارف کروایا گیا، جس کے نتیجے میں تیز رفتار سروسز کی طلب میں اضافہ ہوا اور نئے صارفین کے لیے مجموعی ویلیو پروپوزیشن مزید مؤثر بنی۔

### ڈیجیٹل جدت / کسٹمرز کا تجربہ

پی ٹی سی ایل نے ڈیجیٹل جدت میں اپنی قیادت کو برقرار رکھتے ہوئے خود کو ایک حقیقی معنوں میں صارف دوست ادارے کے طور پر مزید مستحکم کیا۔ سال کے دوران کمپنی نے ٹیلی کام سیکٹر میں پہلی مرتبہ کی روایت برقرار رکھتے ہوئے ISP شعبے میں ایک منفرد سہولت متعارف کروائی، جس کے ذریعے صارفین واٹس ایپ کے ذریعے ہی براہ راست اپنے بل دیکھ اور ادا کر سکتے ہیں۔ یہ اقدام صارفین کو ایک ہموار، تیز اور آسان ڈیجیٹل تجربہ فراہم کرتا ہے۔ اسی تسلسل کو برقرار رکھتے ہوئے، پی ٹی سی ایل نے واٹس ایپ کے ذریعے ماہانہ پی ڈی ایف بل کی ڈیلیوری بھی شروع کی، جس سے صارفین کے لیے رسائی اور سہولت میں مزید اضافہ ہوا۔

پی ٹی سی ایل کا وسیع تر واٹس ایپ ایکو سسٹم، بشمول خود کار شکایت کا ازالہ اور بغیر کسی رکاوٹ کے اسپید بولٹ۔ آن سبسکریپشنز کو بین الاقوامی سطح پر بھی سراہا گیا۔ میٹا (Meta) نے پی ٹی سی ایل گروپ کے اس اقدام کو کامیابی کی ایک نمایاں مثال کے طور پر پیش کیا، جس میں کمپنی کی جانب سے صارفین کے تجربے کو بہتر بنانے کے لیے ڈیجیٹل چینلز کے جدید استعمال کو نمایاں کیا گیا ہے۔ یہ اقدامات پی ٹی سی ایل کے وسیع تر ڈیجیٹل تبدیلی کے سفر کا حصہ ہیں، جن کا مقصد صارفین کے ساتھ بہتر روابط کو آسان بنانا ہے۔

## منافع

کمپنی نے 18.2 ارب روپے کا آپریٹنگ منافع حاصل کیا، جو گزشتہ سال کے مقابلے میں 49 فیصد نمایاں اضافہ ظاہر کرتا ہے۔ سال 2025 کے لیے 1.4 ارب روپے خالص منافع رپورٹ کیا گیا، جو اس حقیقت کے باوجود ایک اہم کامیابی ہے کہ سپریم کورٹ آف پاکستان کے فیصلے کے تحت پنشن کی مد میں 6.9 ارب روپے کی ایک وقتی اضافی واجب الادا رقم کو مالی نتائج میں شامل کیا گیا۔ اس عرصے کے دوران پی ٹی سی ایل کی فی حصص آمدنی (EPS) (0.27) روپے رہی۔

یوفون 4 جی کا آپریٹنگ منافع 17.6 ارب روپے تک پہنچ گیا، جو گزشتہ سال کے مقابلے میں 283 فیصد زیادہ ہے، جبکہ خالص نقصان میں 89 فیصد کمی نمایاں واقع ہوئی۔

مجموعی طور پر، گروپ کے آپریٹنگ منافع میں سالانہ بنیادوں پر 216 فیصد اضافہ ہوا، جو مضبوط آپریشنل کارکردگی کا مظہر ہے۔ تاہم، اس سال 9.7 ارب روپے کا خالص نقصان ریکارڈ کیا گیا، جس کی بنیادی وجہ یوینیک پروڈنیشنل ریگولیشنز پر نظر ثانی کے بعد متوقع کریڈٹ نقصانات (ECL) کے لیے پروویڈنگ میں اضافہ ہے۔

## کیش فلو

مالی سال 2025 کے دوران، پی ٹی سی ایل نے آپریٹنگ سرگرمیوں سے 35 ارب روپے کے خالص کیش فلو حاصل کیے، جو مضبوط بنیادی عملی کارکردگی اور مؤثر ورکنگ کیپیٹل مینجمنٹ کی عکاسی کرتے ہیں۔ سرمایہ کارانہ سرگرمیوں سے نقد بہاؤ میں 157 ارب روپے کا خالص اخراج ریکارڈ کیا گیا، جو بنیادی طور پر نیٹ ورک کی توسیع میں مسلسل سرمایہ کاری کے باعث تھا، جس میں FTTH ایف ٹی ٹی ایچ کی تنصیب، موبائل انفراسٹرکچر کی بہتری، ٹیلی نار پاکستان کے حصول کے لیے اسٹریٹجک سرمایہ کاری، اور ذیلی کمپنیوں کو دیے گئے قرضے شامل ہیں۔

فنانسنگ سرگرمیوں سے کیش فلو میں 136 ارب روپے کا خالص اضافہ ہوا، جو قرضہ جات اور فنڈنگ کے انتظامات کی عکاسی کرتا ہے، تاکہ جاری سرمایہ کاری اور اسٹریٹجک اقدامات کو سپورٹ کیا جاسکے۔ مجموعی طور پر، پی ٹی سی ایل نے سال کے دوران نقد اور نقد مساویات میں 13 ارب روپے کا خالص اضافہ رپورٹ کیا۔

## منافع کی تقسیم

بورڈ نے مالی سال 2025 کے لیے کسی منافع (ڈیویڈنڈ) کی سفارش نہیں کی ہے۔ یہ فیصلہ کمپنی کی اسٹریٹجک سرمایہ کاری پر مسلسل توجہ کا عکاس ہے، جس میں فائبر نیٹ ورک کی توسیع، موبائل نیٹ ورک میں بہتری اور ٹیلی نار پاکستان کے حصول کے بعد انضمام کے حوالے سے سرمایہ کی ضروریات شامل ہیں۔

## دیگر معاملات

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن پر اثر انداز ہونے والی کوئی اہم تبدیلی یا وابستگی سامنے نہیں آئی۔

جیسا کہ 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے الگ مالیاتی بیانات کے نوٹ 15.7 اور مجموعی مالیاتی بیانات کے نوٹ 19.7 میں ظاہر کیا گیا ہے، کمپنی نے کچھ سول ملازمین کے حوالے سے معزز سپریم کورٹ آف پاکستان کے فیصلے کے مطابق اضافی پنشن ذمہ داری کو تسلیم کیا ہے۔ پچھلے سالوں میں بیرونی آڈیٹرنے اس معاملے کے حوالے سے الگ اور مجموعی مالیاتی بیانات میں اپنی آڈٹ رپورٹس میں Emphasis of Matter پیراگراف شامل کیا تھا۔ مذکورہ پنشن ذمہ داری کے

ماہرین کو ایک پلیٹ فارم پر لایا، جہاں کنیکٹڈ انٹریپرائزز کے مستقبل، ٹیکنالوجی شراکت داریوں اور اگلی نسل کی ڈیجیٹل انٹر پرائز حکمت عملیوں پر تبادلہ خیال کیا گیا۔ اس ایونٹ میں پی ٹی سی ایل کے انٹریپرائز پورٹ فولیو، کلاؤڈ سائبرسیکیورٹی سرمایہ کاری، بین الاقوامی کنیکٹیویٹی اور مینیجڈ پلیٹ فارمز کو اجاگر کیا گیا، جو اس بات کی عکاسی کرتا ہے کہ مضبوط شراکت داریاں اور مؤثر کنیکٹیویٹی پائیدار کاروباری ترقی کے لیے کلیدی حیثیت رکھتی ہیں۔

سال 2025 کے دوران پی ٹی سی ایل اسمارٹ کلاؤڈ نے نئے کاروباری معاہدوں کے حوالے سے اہم سنگ میل عبور کیا، جس کی بنیادی وجہ ڈیجیٹل بینکس، فن ٹیک، انٹریپرائزز اور سرکاری شعبے کی جانب سے محفوظ اور خود مختار آئی اے اے ایس (IaaS)، بیسک اپ، ایم ایس ایس پی (MSSP) اور ڈیزاسٹری ریکوری (DRaaS) سلوشنز کی بڑھتی ہوئی طلب تھی۔ ایک قابل اعتماد شراکت دار کے طور پر پی ٹی سی ایل پلیٹ فارم ایزائے سروس، کلاؤڈ آرکسٹریشن اور جی پی یو ایزائے سروس (GPUaaS) میں سرمایہ کاری کر رہا ہے، تاکہ اداروں کو خود کارملٹی کلاؤڈ مینجمنٹ اور اعلیٰ کارکردگی والے کمپیوٹنگ پاور سے لیس کیا جاسکے جو آئی پرمینی کاموں اور جدید ڈیٹا اینالٹکس کے لیے ضروری ہے۔ ان جدید صلاحیتوں کو اپنے تین ریجنز پر مشتمل وی سی ایف (VCF) انفراسٹرکچر میں ضم کر کے، پی ٹی سی ایل روایتی آئی ٹی اور مستقبل کے آئی ریڈی کلاؤڈ ماحول کے درمیان موجود خلا پر کر رہا ہے۔

بینکاری اور سرکاری شعبوں میں بڑے معاہدوں کے کامیاب حصول کی بنیاد پر اور پاکستان میں مقامی، اعلیٰ کارکردگی والے کمپیوٹنگ کی بڑھتی ہوئی مانگ کو پورا کرنے کے لیے، پی ٹی سی ایل پاکستان بھر میں اپنی سہولیات کو نمایاں طور پر وسعت دے رہا ہے۔ یہ توسیع محض گنجائش بڑھانے تک محدود نہیں بلکہ جدید ٹیکنالوجی اپ گریڈز پر مشتمل ہے، جن کے ذریعے ڈیٹا سینٹرز کو آئی (مصنوعی ذہانت) کے لیے تیار کیا جا رہا ہے۔ اس میں ہائی ڈینسٹی ریک کنفیگریشنز، جدید کولنگ سسٹمز اور OpenShift, Kubernetes جیسے جدید ورک لوڈز کے لیے سپورٹ شامل ہے۔ یہ اقدامات ایک محفوظ، قابل توسیع اور مستقبل کے تقاضوں سے ہم آہنگ ڈیجیٹل انفراسٹرکچر فراہم کرنے کے عزم کی عکاسی کرتے ہیں، جو مینیجڈ سیکورٹی سروسز اور Tier-III معیار سے آراستہ ہے۔

پی ٹی سی ایل نے ہول سیل کے شعبے میں آئی پی (IP) بیڈوٹھ اور مینیجڈ کیپیٹی کے استعمال میں غیر معمولی اضافہ ریکارڈ کیا، جس کی بدولت اکنٹینٹ ڈیلیوری نیٹ ورکس (CDNS) جیسی جدید ڈیجیٹل سروسز بڑے پیمانے پر اپنائی جا رہی ہے۔ اس سلسلے میں پاکستان بھر میں بالخصوص آزاد جموں و کشمیر اور گلگت بلتستان میں آئی پی بیڈوٹھ اور سیٹلائٹ کنیکٹیویٹی کی فراہمی کے لیے بڑے موبائل آپریٹرز (CMOS) کے ساتھ اسٹریٹجک شراکت داریاں قائم کی گئی۔ ملک بھر میں براڈ بینڈ کی رسائی بڑھانے کے لیے صف اول کے سیٹلائٹ پرووائیڈرز سے کیا گیا اشتراک بھی اسی حکمت عملی کا حصہ ہے۔

پی ٹی سی ایل نے پاکستان کی پہلی 5 جی ریڈی اسمارٹ رہائشی کمیونٹی متعارف کروا کر ایک نیا سنگ میل حاصل کیا ہے، جہاں جدید طرز زندگی کو بلا تعطل کنیکٹیویٹی سے منسلک کر کے مستقبل کے ڈیجیٹل تقاضوں کو پورا کیا گیا ہے۔ یہ کامیابی عالمی ٹیکنالوجیز کو مقامی سطح پر ڈھالنے اور ڈیجیٹل پاکستان اورن کو آگے بڑھانے کی جانب اہم قدم ہے، اس کے علاوہ کمپنی نے مالیاتی اداروں اور پبلک سیکٹر کے بڑے اداروں کے آئی سی ٹی (ICT) اور بنیادی سروسز کے اہم پروجیکٹس بھی حاصل کیے ہیں۔

گزشتہ ایک سال میں پی ٹی سی ایل نے اپنے B2B (بزنس ٹو بزنس) آئی سی ٹی ایجنڈے کو مزید مستحکم کرتے ہوئے اپنے انٹر پرائز پورٹ فولیو کو مربوط ڈیجیٹل سلوشنز تک وسعت دی ہے۔ اس کی بنیادی وجہ آئی سی ٹی پری سیلز اور ڈیلیوری کی بہتر صلاحیتیں اور بین الاقوامی ٹیکنالوجی شراکت داروں (OEMS) سے قریبی اشتراک ہے، جس کی بدولت کلاؤڈ، سائبرسیکیورٹی اور مینیجڈ سروسز کے شعبوں میں قابل توسیع، محفوظ اور کفایتی ICT اپیشکسین فراہم کی جا رہی ہیں۔ توجہ کے مرکزی شعبوں میں مضبوط عمل درآمد، مارکیٹ میں تیز ترقی اور سروس کی فراہمی کو صارفین کے لائف سائیکل کی ضروریات کے ساتھ قریب ترین ترمیم آہنگ کرنا شامل ہے یہ اقدامات پی ٹی سی ایل کو ICT کے شعبے میں ابھرتے ہوئے مواقع سے فائدہ اٹھانے اور پاکستان کے انٹریپرائز ایکو سسٹم کے لیے ایک قابل اعتماد ڈیجیٹل ٹرانسپارٹیشن میٹن پارٹنر کے طور پر اپنے کردار کو تقویت دینے کی پوزیشن میں رکھتے ہیں۔

## اسٹریٹجک شراکت داریاں

صارفین کو بہتر سہولیات فراہم کرنے کی اپنی مسلسل کاوشوں کے تحت، پی ٹی سی ایل نے پاکستان میں ایپل کے مجاز ڈسٹری بیوٹر مرکنٹائل کے ساتھ اسٹریٹجک شراکت داری قائم کی، جس کے تحت کراچی، لاہور اور اسلام آباد میں خصوصی فلیش فائبر آفرز کے ساتھ آئی فون 17 سیریز متعارف کرائی گئی۔ یہ اشتراک پریمیم ڈیوائس کو تیز رفتار کنیکٹیویٹی کے ساتھ یکجا کرتا ہے، جس کے ذریعے صارفین کو مستند، وارنٹی سے مزین مصنوعات، توسیعی وارنٹی اور فوری انشورنس کوریج فراہم کی جاتی ہے۔

اسی طرح پی ٹی سی ایل نے Tenda, Reyee Ruijie اور Mercusys (TP-Link) جیسے عالمی برانڈز کے ساتھ شراکت داری کے ذریعے اپنے گھریلو کنیکٹیویٹی ایکوسسٹم کو مزید وسعت دی۔ یہ حل صارفین کو انٹیلیجنٹ نیٹ ورک آپٹیمائزیشن، ایپ پرمبنی کنٹرولز اور پورے گھر میں بلا تعطل کوریج فراہم کرتے ہیں، جو قابل اعتماد اور اعلیٰ کارکردگی والی کنیکٹیویٹی کی بڑھتی ہوئی طلب کو پورا کرتے ہیں۔

## پراڈکٹس و خدمات۔ کاروبار

پی ٹی سی ایل بزنس سلوشنز موبائل پرمبنی کاروباری خدمات فراہم کرتا ہے جو ڈیجیٹل سروس پیشکش کی تکمیل کرتی ہیں۔ یوفون کا پورٹ فولیو جی ایس ایم پرمبنی پری پیڈ اور پوسٹ پیڈ موبائل خدمات پر مشتمل ہے، جو کارپوریٹ، ایس ایم ای اور سرکاری اداروں کے لیے فراہم کی جاتی ہیں، تاکہ پاکستان بھر میں ورک فورس کی نقل و حرکت، کاروباری تسلسل اور انٹریپرائز آپریشنز کو موثر انداز میں سپورٹ کیا جاسکے

موبائل خدمات کے ساتھ، بزنس سلوشنز کے تحت یوفون نے اپنے ڈیوائس ایزاء سروس (DaaS) پلیٹ فارم کو بھی وسعت دی ہے، جو انٹریپرائز صارفین کو مختلف کمرشل ماڈلز فراہم کرتا ہے۔ اس میں مختلف اقسام کی ڈیوائسز شامل ہیں، جیسے ہینڈ ہیلتھ، موبائل براڈبینڈ (MBB) سلوشنز، آئی او ٹی اور فن ٹیک ٹرمینلز، جو فیلڈ فورس کی فعالیت، ریموٹ کنیکٹیویٹی اور محفوظ ڈیجیٹل رسائی کو ممکن بناتے ہیں۔ DaaS کے ذریعے یوفون محفوظ، قابل توسیع اور پائیدار حل فراہم کرتے ہوئے پاکستان میں انٹریپرائز ٹیکنالوجی کے مستقبل کو نئی راہ پر گامزن کر رہا ہے۔

انٹریپرائز بزنس نے اپنی رسائی کو مزید بڑھاتے ہوئے نئے شعبہ جات، بشمول فن ٹیک، میں شمولیت کرتے ہوئے کئی اہم معاہدے حاصل کیے۔ ٹریکر اور آئی او ٹی سلوشنز میں بھی نمایاں پیش رفت دیکھنے میں آئی، جب کہ سرکاری اداروں کے ساتھ بڑے پیمانے پر M2M معاہدے کامیابی سے مکمل کیے گئے، جو اہم کنیکٹیویٹی استعمالات میں پی ٹی سی ایل کے کردار کو مزید مستحکم کرتے ہیں۔

یوفون نے انٹرنیٹ آف تھنگز (IoT) اور مشین ٹو مشین (M2M) کنیکٹیویٹی سلوشنز کی فراہمی جاری رکھی، جو اداروں کو آٹاٹھ جات کی نگرانی، فلیٹ مینجمنٹ، اسمارٹ میٹرنگ، نگرانی اور صنعتی آٹومیشن جیسے مربوط نظام نافذ کرنے کے قابل بناتے ہیں۔ ملک گیر نیٹ ورک کوریج اور قابل توسیع کنیکٹیویٹی کے ذریعے، یوفون مختلف صنعتوں میں ڈیٹا پرمبنی کارکردگی کو فروغ دیتا ہے۔

مزید برآں، یوفون ڈیجیٹل مشغولیت (انگیجمنٹ) اور کمیونیکیشن حل (سلوشن) فراہم کرتا ہے، جو اداروں کو صارفین اور دیگر اسٹیک ہولڈرز کے ساتھ روایتی اور آئی او ٹی چینلز کے ذریعے رابطہ قائم کرنے میں مدد دیتے ہیں۔ یہ حل کسٹمر انگیجمنٹ، نوٹیفیکیشنز اور خدمات (سروس) کی فراہمی کو بہتر بناتے ہیں، جس سے مجموعی طور پر صارف کے تجربے اور ڈیجیٹل رابطوں میں اضافہ ہوتا ہے۔

دسمبر میں کراچی میں منعقد ہونے والا ”کنیکٹ 2025“ ایونٹ سی لیول ایگزیکٹوز، سینئر سرکاری حکام اور بین الاقوامی

کیبل سسٹم کی مدد سے تیز رفتار خدمات کی فراہمی اور روٹ ڈائریورسٹی کو یقینی بنایا گیا۔ اس سال افریقہ -1 سب میرین کیبل سسٹم پر ہونے والی پیشرفت نے پی ٹی سی ایل کی طویل المدتی حکمت عملی کو مزید تقویت بخشی ہے جس سے عالمی رسائی، اور پاکستان کی بین الاقوامی ٹریفک کی ضروریات کے لیے صلاحیت میں اضافہ ہوگا۔

ڈومیسٹک طور پر، پی ٹی سی ایل کا وسیع ملک گیر فائبر آپٹک بیگ بون، جس میں متعدد اضافی راستے، ریسیلیونٹ IP/MPLS کور، مضبوط میٹروائیکس نیٹ ورکس، اور Tier-III کے تصدیق شدہ ڈیٹا سینٹرز، قابل اعتماد اور محفوظ کیریئر سروسز کو فروغ دیتے رہے۔ اس بنیادی اسٹرکچر نے پی ٹی سی ایل کو اس قابل بنایا کہ وہ ملکی اور بین الاقوامی صارفین کی بڑھتی ہوئی ضروریات کو پورا کرتے ہوئے مسلسل کارکردگی پیش کر سکے۔

ڈیٹا کی زیادہ طلب کے تناظر میں، پی ٹی سی ایل نے سیلولر موبائل آپریٹرز کی بیگ ہال ضروریات کو ٹیریسٹریل (فائبر ایڈیو) میڈیا کے ذریعے پورا کیا اور معروف سیٹ کام شراکت داروں کے ساتھ مل کر نان ٹیریسٹریل (VSAT) میڈیا کے ذریعے دور دراز علاقوں تک ان کی رسائی کو آسان بنایا۔

خالص کنیکٹیویٹی سے ویلیو ایڈڈ سروسز کی طرف تبدیلی کی بنیاد پر، پی ٹی سی ایل نے مالی سال 2025 میں اپنے کیریئر گریڈ ICT پورٹ فولیو کو مزید وسعت دی۔ جس میں معروف عالمی ٹیکنالوجی شراکت داروں کے ساتھ مینیجڈ سیکیورٹی سروسز، مینیجڈ DDoS پروٹیکشن، مینیجڈ DNS, CDN-as-a-Services کے ساتھ انٹرنیٹ ایکسچینج سروسز جیسی جدید ترین سلوشنز کے تسلسل کو برقرار رکھا۔ ان پیشکشوں نے صارفین کو آپریشنل کارکردگی کو بہتر بنانے کے لیے نیٹ ورک کی کارکردگی، سیکیورٹی اور سروس کے معیار کو بہتر بنانے کا اہل بنایا۔

بنیادی انفراسٹرکچر میں مسلسل اضافہ، پورٹ فولیو ڈائریورسٹی کی بنیاد پر، اور کسٹمر سینٹرک سلوشنز پر بھرپور توجہ کے ذریعے، مالی سال 2025 میں پی ٹی سی ایل کے کیریئر سلوشنز کے کاروبار نے ایک جامع ڈیجیٹل اور کنیکٹیویٹی پارٹنر کے طور پر ترقی کی، جو پاکستان کی بڑھتی ہوئی ڈیٹا اکانومی اور کیریئر انڈسٹری کی مستقبل کی ضروریات کو پورا کرنے کے لیے اچھی پوزیشن میں ہے۔

## اسماں اینڈ میڈیم انٹرنیٹز (ایس ایم این) سلوشنز

مالی سال 2025 کے دوران، پی ٹی سی ایل ایس ایم ای سلوشنز اپنی توجہ کا مرکز سروس کے معیار کو مزید مستحکم بنانے، سیلز کو بڑھانے، اور چھوٹے اور درمیانے درجے کے کاروباری اداروں کے لیے اپنی بنیادی کنیکٹیوٹی اور منظم خدمات کے پورٹ فولیو میں کسٹمر کے تجربے کو رکھا۔

سال کے دوران اہم اقدامات کا مرکز پراسیس کی بہتری اور مختلف شعبہ جات کے درمیان مؤثر ہم آہنگی تھا، جس کے نتیجے میں سروس کی فراہمی کے اوقات میں بہتری اور خرابیوں کے حل میں زیادہ مؤثریت حاصل ہوئی۔ ان بہتریوں نے SME سیگمنٹ میں صارفین کے لیے زیادہ مستقل اور قابل اعتماد تجربہ فراہم کرنے میں مدد دی۔

اسی دوران، کمپنی نے سیلز اور کسٹمر انگیجمنٹ کی صلاحیتوں کو مزید مضبوط کیا، جس کے لیے ایک مخصوص ٹیلی سیلز پلیٹ فارم متعارف کروایا گیا جو بنیادی B2B سسٹمز کے ساتھ مربوط ہے۔ اس سے سیلز کارکردگی پر بہتر نظر رکھنے، صارفین کے ساتھ زیادہ ہدفی تعامل، اور آمدنی میں اضافے، اپ سیلنگ، اور ریکوری کے لیے بہتر معاونت ممکن ہوئی۔

مجموعی طور پر، مالی سال 2025 ایس ایم ای سلوشنز کے لیے خدمات کے استحکام اور آپریشنل کارکردگی میں بہتری کا سال رہا، جس سے پی ٹی سی ایل گروپ کے قابل اعتماد، اعلیٰ معیار کے کنیکٹیویٹی اور منظم خدمات کی فراہمی کے عزم کو تقویت ملی اور ایس ایم ای صارفین کے لیے صارفین کے اطمینان اور طویل مدتی قدر میں اضافہ ہوا۔

## انٹرنیٹ سروسز

پی ٹی سی ایل انٹرنیٹ سروسز نے مختلف اقدامات اور منصوبوں کے ذریعے درست سمت میں اپنی پیش قدمی جاری رکھی۔ کمپنی کی پوری توجہ موجودہ کلاؤڈ کنیکٹیویٹی پورٹ فولیو کو وسعت دینے پر مرکوز رہی، ساتھ ہی انٹرنیٹ آف تھنگز اور ٹرمینلز جیسے جدید شعبوں میں بھی نمایاں انداز سے اپنے قدم جمائے ہیں۔ کمپنی کی بنیادی خدمات کنیکٹیویٹی، مینیجڈ سروسز، اور کلاؤڈ سیکورٹی سروسز کے ذریعے کاروباری اداروں کو مسلسل سہولت فراہم کرتی رہیں۔ ساتھ ہی کمپنی نے وائریس کنیکٹیویٹی کے شعبے میں بھی نمایاں کامیابی حاصل کی، جہاں اس نے مارکیٹ کے بڑے جی ایس ایم صارفین میں سے ایک کو حاصل کیا اور حجاج کرام کو مقدس سفر کے دوران بلا تعطل کنیکٹیویٹی کی فراہمی کو یقینی بنایا۔ اس کے ساتھ ہی پی ٹی سی ایل انٹرنیٹ سروسز نے پاکستان کے معروف بینک کے ساتھ مینیجڈ ڈیٹا سینٹر کے لیے آئی سی ٹی اور ٹیلی کام معاہدہ بھی کیا، جس نے ایک بڑے آئی سی ٹی پلیئر کی حیثیت سے پی ٹی سی ایل کی پوزیشن مزید مستحکم بنائی۔

سال 2025 کے دوران انٹرنیٹ سروسز نے اپنی ترقی کی رفتار برقرار رکھی، اسٹریٹجک آئی سی ٹی اور کلاؤڈ پراجیکٹس حاصل کئے، ساتھ ہی سرکاری و نجی شعبے میں اپنے بنیادی کنیکٹیویٹی کاروبار کو مزید وسعت دی۔ یہ کامیابی جارحانہ سیلز حکمت عملی، جدید پروڈکٹ مینجمنٹ اور کسٹمرز کی ضروریات پر غیر متزلزل توجہ کے باعث حاصل ہوئی، جس نے پی ٹی سی ایل کو اپنے کسٹمر بڑھانے اور نئی مارکیٹوں تک رسائی میں مدد دی۔

پی ٹی سی ایل نے مختلف شعبوں میں نئے انٹرنیٹ کسٹمرز بنانے پر خصوصی توجہ دے کر فن ٹیک سیکٹر میں بھی کامیابی سے قدم رکھا، جہاں اس نے اپنے کنیکٹیویٹی سے چلنے والے ہینڈ ہیپلڈ پی او ایس ڈیوائسز اور ٹرمینلز اور مینجمنٹ سسٹمز کے ذریعے بلاز کاؤٹ ٹرانزیکشنز (لین دین) ممکن بنائی۔

آج پی ٹی سی ایل تعلیم، مالیات، صحت اور ایف ایم سی جی (فاسٹ موونگ کنزیومر گڈز) جیسے اہم ترین شعبوں میں آئی سی ٹی اور کلاؤڈ کسٹمرز کو خدمات فراہم کر رہا ہے۔ بطور قومی کیریئر پی ٹی سی ایل پاکستان کے ڈیجیٹل ماحول کے کلیدی کردار کی حیثیت سے اپنی پوزیشن مستحکم کر رہا ہے، جو کاروباروں کے لیے ڈیجیٹل تبدیلی کو تیز کرنے کے لیے پرعزم ہے۔ مستقبل میں بھی کمپنی معروف ٹیکنالوجی پرووائیڈرز کے ساتھ اسٹریٹجک شراکت داری قائم کر کے جدید اور مستقبل کے تقاضوں سے ہم آہنگ سروسز فراہم کرنے کے لیے پرعزم ہے۔

سال 2025 کے دوران کمپنی نے کئی بڑے اسٹریٹجک پروجیکٹس حاصل کئے، جن میں بینکنگ، تعلیم، حکومتی اقدامات، ایوی ایشن سمیت مختلف شعبوں میں ڈیجیٹل ٹرانسفارمیشن کے بڑے منصوبے شامل ہیں۔ ان میں ڈیٹا سینٹرز، کلاؤڈ، اور جدید ٹیکنالوجی پر مبنی حل بھی شامل ہیں، جو پی ٹی سی ایل کی جانب سے مختلف شعبوں میں ڈیجیٹلائزیشن کو تیز کرنے کے لیے فراہم کیے گئے۔

## بین الاقوامی اور کیریئر سروسز

2025 میں پی ٹی سی ایل کے کیریئر اور ہول سیل بزنس نے ٹیلی کام ایکوسسٹم کے لیے ایک قابل اعتماد اسٹریٹجک پارٹنر کے طور پر اپنی پوزیشن کو مزید مضبوط کیا، جو سیلولر موبائل آپریٹرز، LD اور FLL فراہم کنندگان، ٹیلی کام انفراسٹرکچر کمپنیوں، ISPS، OTT پلیئرز، اور پاکستان بھر میں دفاعی اداروں کو خدمات فراہم کر رہا ہے۔ کاروبار نے ڈیٹا، بین الاقوامی کنیکٹیویٹی، اور کیریئر گریڈ ڈیجیٹل سروسز کی تیزی سے بڑھتی ہوئی مانگ کو پورا کرنے کے لیے بحالی کی صلاحیت، توسیع پذیری اور اعلیٰ معیار پر توجہ مرکوز رکھی۔

معروف بین الاقوامی IPBW اپ اسٹریٹجک پارٹنر کے ساتھ پی ٹی سی ایل کی اسٹریٹجک شراکت داری ایک کلیدی اہمیت کی حامل رہی، جس میں چار آپریٹنگ روتس AAE-1، IMEWE، SMW-4، اور PEACE پر پہلے ہوئے متنوع سب میرین

## پی ٹی سی ایل گروپ کانٹیکٹ سینٹرز: کسٹمر کے ساتھ مزید مضبوط رابطہ کاری

پی ٹی سی ایل گروپ کانٹیکٹ سینٹرز نے اپنی توجہ اپی ٹی سی ایل فلیش فائبر کے صارفین کو مخصوص سپورٹ فراہم کر کے بہترین ان کال کسٹمر ایکسپیرینس دینے پر برقرار رکھی، جس نے مارکیٹ میں پی ٹی سی ایل کی مسابقتی پوزیشن کو مستحکم کیا اور سال کے دوران خدمات کے بلا تعطل تسلسل کو یقینی بنایا۔ کسٹمر سروس کی ہموار فراہمی کے ساتھ ساتھ، کانٹیکٹ سینٹرز نے نئی سیلز اور آؤٹ باؤنڈ سی وی ایم مہمات کے ذریعے کمپنی کی آمدنی میں بھی اضافہ کیا۔ صارفین کو برقرار رکھنے اور واپس لانے کی حکمت عملیوں پر بھرپور توجہ کے نتیجے میں کسٹمر کیئر نے 53 فیصد کی بلند ترین سیوریٹی حاصل کر کے کمپنی کے مالی نتائج پر مثبت اثرات مرتب کئے۔

اعلیٰ معیار کی سروس فراہمی کا عزم کی تجدید کرتے ہوئے، پی ٹی سی ایل گروپ کے کانٹیکٹ سینٹرز نے کامیابی کے ساتھ ISO 9001:2018 سرٹیفیکیشن برقرار رکھا، جو اعلیٰ ترین کسٹمر سروس فراہمی کے عزم کی عکاس ہے۔

## پی ٹی سی ایل گروپ پی او: کاروبار کے لیے نئے شعبوں کی تلاش

بزنس پروسیس آپریشنز (پی او) بزنس نے سال 2025 میں بہترین مالیاتی اور اسٹریٹیجک کارکردگی دکھائی، جس کی سالانہ آمدنی نے دہرے ہندسوں کا اضافہ اور ایک ارب روپے کی سالانہ آمدنی کا سنگ میل حاصل کیا منظم عمل درآمد، دائرہ کار میں وسعت اور بہترین شرح کی بدولت کارکردگی سالانہ اہداف سے تجاوز کر گئی، جو کہ بہتر تجارتی اثر انگیزی اور آپریشنل کارکردگی کا آئینہ دار ہے۔

سال کے دوران، متعدد نئے انٹریپرائز اور پبلک سیکٹر کلائنٹس کی شمولیت سے پی او پورٹ فولیو مزید مستحکم ہوا، جس سے سیکٹرل کوریج اور مجموعی ریونیو میں اضافہ ہوا۔ اس کے ساتھ ساتھ، تمام بڑے موجودہ کلائنٹس کو برقرار رکھنے میں کامیابی نے مستقل آمدنی مستحکم کی اور طویل مدتی کلائنٹ شراکت داری مضبوط ہوئی۔

حل پر مبنی انگیجمنٹس پر مسلسل توجہ اور پورٹ فولیو میں تنوع کے امتزاج نے ترقی کے امکانات کو مزید مضبوط کیا اور کاروبار کو پائیدار، طویل مدتی توسیع کے لیے موثر انداز میں پوزیشن کیا۔

## سوشل امپیکٹ (Social Impact)

پی ٹی سی ایل کے فلیگ شپ پلیٹ فارم 'دل سے' کے تحت کی مثبت سماجی اثرات کی کوششیں کی جا رہی ہیں، جو کہ پورے پاکستان میں مثبت تبدیلی لانے کے حوالے سے پی ٹی سی ایل کے عزم کی عکاسی کرتا ہے۔ یہ پلیٹ فارم تین کلیدی ستونوں 'ٹیک فار انکلوژن'، 'ٹیک فار سوشل انوویشن' اور 'ایکٹ آف کائنات نیس' پر مبنی ہے، جو ٹیکنالوجی کے ذریعے رسائی، اختیار اور ڈیجیٹل شمولیت کو فروغ دیتا ہے، جب کہ صحت، تعلیم اور پینے کے صاف پانی جیسی بنیادی انسانی ضروریات پر بھی کام کرتا ہے۔

پی ٹی سی ایل کے 2025 کے اقدامات سماجی خلاق کام کرنے، فلاح و بہبود کو بہتر بنانے اور ٹیکنالوجی و شفقت کے ذریعے مساوی مواقع فراہم کرنے کے وژن کے تحت اس کے عزم کی تجدید کرتے ہیں کہ وہ بامعنی سماجی تبدیلی کے فروغ اور اقوام متحدہ کے پائیدار ترقیاتی اہداف (SDG) کے حصول میں اپنا کردار ادا کرے۔

## پائیداری کی جانچ اور انتظام۔ متعلقہ خطرات

کمپنی تسلیم کرتی ہے کہ ماحولیاتی، سماجی اور انتظامی معاملات (ESG) سے متعلق عوامل ایسے خطرات اور مواقع پیدا کرتے ہیں جو طویل مدتی کاروباری استحکام اور اسٹیک ہولڈرز (شراکت داروں) کے اعتماد پر اثر انداز ہو سکتے ہیں۔ سال کے دوران، پی ٹی سی ایل گروپ نے ذمہ دارانہ مستقل مزاج کاروباری طریقوں کے عزم کے تحت، پائیداری سے متعلق خطرات کی نشاندہی اور ان کے خاتمے کے لیے ایک منظم طریقہ اور کار کا آغاز کیا ہے۔

نگرانی کے نظام کو مستحکم بنانے کے لیے، کمپنی نے سٹینڈیٹ گورننس فریم ورک (Sustainability Governance Framework) وضع کیا ہے۔ جو کارپوریٹ گورننس کی ابھرتی ہوئی توقعات کے عین مطابق، پائیداری کے معاملات کے لیے باضابطہ نگرانی اور انتظامی نگرانی کا طریقہ کار وضع کرتا ہے، اس میں بورڈ کی سطح پر نگرانی بھی شامل ہے۔ ایک سٹینڈیٹ قائمہ کمیٹی کی سربراہی اعلیٰ قیادت کرتی ہے، جو پورے گروپ میں کلیدی ESG ترجیحات پر اسٹریٹیجک رہنمائی کی فراہمی اور پیش رفت کی نگرانی کرتی ہے۔ کمپنی کے وسیع تر رسک مینجمنٹ اور گورننس کے عمل میں پائیداری سے متعلق خطرات اور مواقع کو بتدریج شامل کیا جا رہا ہے تا کہ بدلتی ریگولیٹری توقعات اور ذمہ دارانہ کاروباری طریقوں کے ساتھ ہم آہنگی یقینی ہو سکے۔

آب و ہوا کی تبدیلی، ماحولیاتی اثرات، ریگولیٹری تبدیلیوں اور سماجی ذمہ داری جیسے شعبوں میں پائیداری سے متعلقہ خطرات اور مواقع کی نشاندہی کے لیے ابتدائی تخمینے لگائے گئے ہیں۔

کمپنی ان تمام کاوشوں کے ذریعے انتظامی اور فیصلہ سازی امور میں پائیداری شامل کر رہی ہے، ساتھ ہی اس سے متعلقہ خطرات کی نشاندہی، بند و بست اور ان کے تدارک کی صلاحیت کو بھی بتدریج بڑھا رہی ہے۔

## کسٹمر کیئر

کسٹمر کیئر کا شعبہ پرو ایکٹیو کیئر اور مصنوعی ذہانت (AI) سے ایس کسٹمر ایکسپیریئنس متعارف کروا کر گروپ کی صارف دوست حکمت عملی آگے بڑھانے میں مسلسل کلیدی کردار ادا کر رہا ہے۔ کسٹمر کیئر کی تمام تر توجہ آپریشنل بہترین کارکردگی، ڈیجیٹل سہولیات کے فروغ اور استعداد کار میں مسلسل اضافے کے ذریعے سروس کے معیار کا تسلسل برقرار رکھنے، صارفین کے ساتھ تعلقات کو مضبوط بنانے اور کاروبار میں اضافے پر دی ہے۔ صارف کو فوقیت ہمیشہ سے پی ٹی سی ایل گروپ کی حکمت عملی کا بنیادی جزو رہی ہے، جس کے تحت مختلف اقدامات متعارف کروائے گئے تاکہ یوفون کی نیٹ پر موثر اسکور (NPS) میں مارکیٹ لیڈر شپ کو برقرار رکھا جاسکے اور مجموعی کسٹمر پیپینس انڈیکس (CHI) کو بہتر بنایا جاسکے۔

پی ٹی سی ایل گروپ فلیش فائبر کسٹمر ایکسپیریئنس پروگرام پریمیم کسٹمر سپورٹ اور بہتر سروس لیول کی پیشکش پر توجہ مرکوز کرتا ہے۔ مزید برآں، ای اینڈ کے ساتھ مل کر، پی ٹی سی ایل گروپ کسٹمر کیئر نے کسٹمر ایکسپیریئنس فریم ورک اور مومنتس آف ٹرو تھ پروگرام میں انڈسٹری کے بہترین طریقوں کو نافذ کیا۔

## اے آئی اور آٹومیشن: کسٹمرز کے تجربے میں جدت

پی ٹی سی ایل گروپ کا اے آئی پروگرام صارفین کے ساتھ مجموعی رابطے کو جدید خطوط پر استوار کر رہا ہے، جس کے ذریعے تیز تر، زیادہ درست اور گہری ذاتی نوعیت کی معاونت ممکن بنائی جا رہی ہے۔ اے آئی اور آٹومیشن میں بہتری پی ٹی سی ایل گروپ کی کسٹمر ایکسپیریئنس حکمت عملی کا بنیادی ستون ہے، جن کے تحت کسٹمر کیئر کے اہم شعبوں میں جدید ترین اے آئی پروگرامز متعارف کروائے گئے۔ اے آئی پر مبنی کوالٹی اشورنس کے نفاذ کے بعد نمایاں کامیابیاں حاصل ہوئیں، جبکہ اے آئی پر مبنی ای میل کو پائلٹ بوٹ میں بھی خاطر خواہ پیش رفت دیکھی گئی۔ ان اقدامات کے نتیجے میں صارفین کو زیادہ با اختیار بنایا گیا، جس سے سیلف کیئر کے استعمال میں نمایاں اضافہ اور مجموعی کسٹمر ایکسپیریئنس میں بہتری آئی۔

## ایکٹس آف کائڈنس: صاف پانی تک رسائی

پی ٹی سی ایل نے "ایکٹس آف کائڈنس مہم" کے ذریعے کمیونٹی کی فلاح و بہبود کے عزم کو مزید مضبوط کرتے ہوئے پاکستان کے دور دراز علاقوں میں صاف پانی تک پائیدار رسائی فراہم کرنے پر توجہ دی۔ اس اقدام کے تحت عمر کوٹ، تھر میں ہینڈ پمپ نصب کیے گئے، جس سے خاندانوں کو گھر کے قریب ہی صاف پانی میسر آیا۔

پی ٹی سی ایل کی تھر وائر مہم کو ڈیجیٹل رسائی کے حوالے سے نمایاں پذیرائی ملی، جہاں اسے ڈریگن آف پاکستان ایوارڈز میں گولڈ ایوارڈ اور بعد ازاں ڈریگن آف ایشیا ایوارڈز میں بھی گولڈ سے نوازا گیا، جہاں چالیس سے زائد ممالک کی انٹریز کا جائزہ لیا گیا۔ یہ اعزاز مہم کے مؤثر پیغام اور تھر کی آبادی پر اس کے مثبت اثرات کی عکاسی کرتا ہے۔

اس کامیابی کو آگے بڑھاتے ہوئے، پی ٹی سی ایل نے پاورٹی ایلویشن فنڈ (PPAF) کے ساتھ ایک مفاہمتی یادداشت (MOU) دستخط کیے، جس کے تحت اس اقدام کو جنوبی پنجاب اور تھر تک توسیع دی گئی، جہاں اس سے دو لاکھ سے زائد افراد مستفید ہوں گے۔ اس مرحلے میں ریورس اوسموسس پلانٹس، بارش کے پانی کو محفوظ بنانے کے نظام، اور ہینڈ پمپس جیسے پائیدار حل شامل ہیں، جو صاف پانی تک طویل مدتی رسائی کو یقینی بناتے ہوئے صحت مند اور مستحکم کمیونٹیز کی تشکیل میں مددگار ثابت ہوں گے۔

## اختتامیہ

دل سے پلیٹ فارم کے ذریعے، پی ٹی سی ایل اپنے مقصد کو عملی جامہ پہنارہا ہے، ایسے سماجی اثرات مرتب کر رہا ہے جو نا صرف آج کمیونٹیز کی مدد کرتے ہیں بلکہ طویل مدتی اور پائیدار ترقی کی بنیاد بھی رکھتے ہیں۔

## کارپوریٹ گورننس

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (جنہیں بعد ازاں ریگولیشنز "کہا گیا ہے) اور پاکستان اسٹاک ایکسچینج (PSX) ریگولیشنز کی تمام اہم ضروریات کی مکمل تعمیل کی ہے۔ ڈائریکٹرز مڈ کورہ ریگولیشنز کی تعمیل میں درج ذیل امور کی تصدیق کرتے ہیں:

## تعمیل - عمومی معاملات

• بورڈ کی جانب سے حسب ضرورت کمپنی کے وژن اور مشن اسٹیٹمنٹ، کارپوریٹ اقدار اور مجموعی کارپوریٹ حکمت عملی کی تیاری منظوری اور اس کا جائزہ لیا جاتا ہے۔

• ایک باقاعدہ وضابطہ اخلاق (Code of Conduct) نافذ العمل ہے اور کمپنی کی ویب سائٹ پر موجود ہے۔

• غیر اخلاقی سرگرمیوں سے پیدا ہونے والی شکایات کی نشاندہی اور ان کے ازالے کے لیے مناسب نظام اور کنٹرول بشمول 'وسل بلوننگ' (Whistle-blowing) پالیسی موجود ہیں۔

• اندرونی کنٹرول کا نظام، بشمول مالیاتی کنٹرول، اپنی ساخت میں مضبوط ہے اور اسے مؤثر طریقے سے نافذ اور مانیٹر کیا جا رہا ہے۔ تمام اہم لین دین اور نمایاں معاملات سے متعلق فیصلے بورڈ آف ڈائریکٹرز اور انتظامیہ کی جانب سے بورڈ کے منظور کردہ تفویض اختیارات کے مطابق کیے جاتے ہیں۔

• اہم پالیسیوں کی تفصیلات کا مکمل ریکارڈ، ان کی منظوری یا ترمیم کی تاریخوں کے ساتھ رکھا گیا ہے۔

## سماجی اثرات کی جھلکیاں بااختیار خواتین: تبدیلی کی قیادت کا سفر

سال 2025 پی ٹی سی ایل کے فلیگ شپ 'بااختیار پروگرام سے 79 خواتین کی گریجویٹیشن کے ساتھ ایک اہم سنگ میل ثابت ہوا۔ جامع ڈیجیٹل اور کاروباری تربیت کے ذریعے یہ شرکاء اب کاروباری خواتین کے طور پر اپنے آن لائن کاروبار کر رہی ہیں۔ تقریباً تقسیم اسناد میں پاکستان کا پہلا آئی فیشن شو بھی پیش کیا گیا، جس میں 'بااختیار پروگرام کی فارغ التحصیل خواتین کے تیار کردہ ڈیزائنز کی نمائش کی گئی۔

اس پروگرام کو بعد ازاں قومی سطح پر نمایاں توجہ حاصل ہوئی جب بااختیار گریجویٹس نے پشاور زلمی کے ساتھ مل کر پاکستان سپر لیگ (PSL) کے لیے آفیشل کٹ ڈیزائن کی، جو تخلیقی اور ڈیجیٹل شعبوں میں خواتین کی بڑھتی ہوئی شمولیت کی علامت ہے۔ اس اقدام کو پی ٹی سی ایل اور اربو اور پشتو سمیت مختلف پلیٹ فارمز پر وسیع کوریج ملی، جب کہ ماہرہ خان کے ساتھ ایک پوڈ کاسٹ میں بھی اسے اجاگر کیا گیا، جس سے بااختیاری اور شمولیت کا پیغام مزید تقویت اختیار کر گیا۔

دہلی میں منعقدہ GITEX گلوبل کے موقع پر، پی ٹی سی ایل نے بااختیار پروگرام کو پاکستان کے 23 شہروں تک وسعت دینے کے لیے ایک معاہدہ کیا، جس میں سیلاب سے متاثرہ علاقوں پر خصوصی توجہ دی گئی تاکہ کمیونٹی کی بحالی اور عزم کو برقرار رکھا جاسکے۔ اس اقدام کو لاہور میں منعقدہ پنک کالرویمین سمٹ میں بھی پیش کیا گیا۔

بااختیار پروگرام کے بنیادی فلسفے میں یہ یقین شامل ہے کہ خواتین اپنی برادریوں کی حالت بدلنے کی بھرپور صلاحیت رکھتی ہیں۔ آسان ڈیجیٹل ٹولز کے ذریعے خواتین کو گھریٹھے مہارت اور روزگار کے قابل بنا کر، یہ پروگرام معاشی خود مختاری میں مدد دیتا ہے، جو خاندانوں کے لیے بہتر گھریلو استحکام، صحت کی سہولیات تک رسائی اور تعلیم کے مضبوط مواقع فراہم کرنے کا باعث بنتا ہے۔

### جب شمولیت جدت کے ذریعے بولتی ہے: کنیکٹ ہیئر شراکت داری

”دل سے“ پلیٹ فارم کے تحت، پی ٹی سی ایل اور یوفون 4G نے کنیکٹ ہیئر کے ساتھ شراکت داری کرتے ہوئے دنیا کا پہلا آئی سے تیار کردہ سائن لینگویج پرمینی ابتدائی انتہائی نظام متعارف کروایا، جو قوت سماعت سے محروم افراد کے لیے ہنگامی حالات میں بروقت آگاہی فراہم کرتا ہے۔ جی ایس ایم اے انوویشن فنڈ کے تعاون سے تیار کردہ یہ نظام یوفون کے واٹس ایپ بوٹ کے ذریعے انتہائی کم وقت میں ہنگامی اطلاعات فراہم کرتا ہے، تاکہ سماعت سے محروم افراد کو اہم صورتحال میں بروقت اور قابل رسائی معلومات حاصل ہو سکیں۔

اس اقدام کو ڈیجیٹل لیڈرز کانفرنس، ایکسپینڈ نارٹھ اسٹار اور GITEX گلوبل میں پیش کیا گیا، جہاں اسے اس بات کی بہترین مثال قرار دیا گیا کہ کس طرح ہمدردی اور جدت مل کر ایک جامع معاشرہ تشکیل دے سکتے ہیں۔

### صحت، تحفظ اور فلاح و بہبود کے لیے عزم

یونیسیف کے ساتھ مسلسل شراکت داری کے تحت، یوفون 4G نے پاکستان پولیو کے خاتمے کے پروگرام کی معاونت کی، جس کے لیے ملک بھر میں لاکھوں والدین تک صحت سے متعلق آگاہی پیغامات پہنچائے گئے۔ اس اقدام نے بچوں کو قابل تدارک بیماریوں سے محفوظ رکھنے اور عوامی صحت کے بہتر نتائج کے حصول میں اہم کردار ادا کیا۔

خیبر پختونخوا اور جنوبی پنجاب میں سیلاب سے متاثرہ علاقوں میں، یوفون 4G نے متاثرہ خاندانوں کو مفت کالنگ منٹس فراہم کیے، تاکہ وہ اپنے پیاروں سے رابطے میں رہ سکیں اور ہنگامی امداد تک رسائی حاصل کر سکیں۔ یہ اقدامات مشکل حالات میں کمیونٹی کی بحالی اور اہم مواصلاتی روابط کو برقرار رکھنے میں پی ٹی سی ایل کے کردار کو اجاگر کرتے ہیں۔

• سال کے دوران، ایک ڈائریکٹر کے لیے مقررہ سرٹیفیکیشن کے سلسلے میں ڈائریکٹرز ٹریننگ پروگرام کا اہتمام کیا گیا۔ ڈائریکٹرز کو ان کے کردار، فرائض، اختیارات اور ذمہ داریوں سے آگاہ کرنے کے لیے ایک مینوئل فراہم کیا گیا تھا۔ بورڈ آف ڈائریکٹرز نے PSX ریگولیشنز کی شق 5.6.1 اور 5.6.4 کے مقاصد کے لیے کمپنی کے ان ملازمین کی حد (threshold) مقرر کردی ہے جنہیں ایگزیکٹو تصور کیا جائے گا۔

## بورڈ کی تشکیل

بورڈ آف ڈائریکٹرز (بورڈ) نوار کان پر مشتمل ہے۔ حکومت پاکستان کی جانب سے صدر پاکستان اور اتصالات انٹرنیشنل پاکستان (اسٹریٹجک سرمایہ کار) کے درمیان طے پانے والے شیئر ہولڈرز معاہدے، اور کمپنی کے آرٹیکلز آف ایسوسی ایشن کے مطابق، حکومت پاکستان (GOP) کمپنی کے بورڈ کے چار (04) جب کہ اسٹریٹجک سرمایہ کار پانچ (05) اراکین نامزد کرتا ہے۔ موجودہ بورڈ نو (09) ڈائریکٹرز پر مشتمل ہے، جن کی تفصیل درج ذیل ہے:

مرد: 8

خاتون: 1

بورڈ کی تشکیل درج ذیل ہے:

i	آزاد ڈائریکٹرز	کوئی نہیں
ii	نان ایگزیکٹو ڈائریکٹرز	1. جناب زرارہ شام خان، چیئرمین 2. جناب خلیفہ الشمسی 3. جناب امداد اللہ بوسال 4. جناب جواد پال خواجہ 5. جناب خالد حجازی 6. جناب احد خان چیمہ 7. محترمہ لمیا مکشر 8. جناب مروان بن شکر 9. جناب نزیہ الحسنیہ
iii	نان ایگزیکٹو ڈائریکٹرز	کوئی نہیں
iv	خاتون ڈائریکٹر	محترمہ لمیا مکشر

مزید برآں، سال کے دوران درج ذیل حضرات بورڈ کے ممبران رہے:

جناب ظفر منظور

جناب زرارہ شام خان

جناب جواد پال خواجہ

جناب امداد اللہ بوسال

جناب احد خان چیمہ

جناب عبدالرحیم اے النوریانی

محترمہ بروک میری لنڈسے

ڈاکٹر محمد کریم بینس

جناب خالد حجازی

جناب خالد مرشد

جناب مروان بن شکر

جناب نزیہ الحسنیہ

• کارپوریٹ گورننس کے بہترین طریقہ کار، جیسا کہ ریگولیشنز میں درج ہیں، سے کوئی نمایاں انحراف نہیں کیا گیا ہے۔

## تعمیل۔ مالیاتی گوشوارے اور آڈیٹرز

• کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی بیانات کمپنی کی مالی حالت، آپریشنز کے نتائج، کیش فلو، اور ایکویٹی میں تبدیلیوں کی درست عکاسی کرتے ہیں۔

• کمپنی کی حسابی کتب (books of accounts) باقاعدگی سے برقرار رکھی گئی ہیں۔

• مالیاتی معلومات کی تیاری میں مناسب اکاؤنٹنگ پالیسیز کو مستقل بنیادوں پر اپنایا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط فیصلوں پر مبنی ہیں۔

• مالی معلومات کی تیاری کے لیے پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) کی مکمل پیروی کی گئی ہے، اور کسی بھی انحراف کی صورت میں اسے مناسب طور پر ظاہر کیا گیا ہے۔

• کمپنی کے بطور جاری کاروبار (going concern) برقرار رہنے کے حوالے سے کوئی نمایاں خدشات موجود نہیں۔

• آڈٹ کمیٹی نے بعد ازاں، 31 دسمبر 2026 کو ختم ہونے والے مالی سال کے لیے EY Ford Rhodes، چارٹرڈ اکاؤنٹنٹس کی بطور کمپنی آڈیٹر ترقی کی سفارش کی ہے۔

• بقایا ٹیکسز اور لیویز سے متعلق معلومات مالیاتی بیانات کے نوٹس میں ظاہر کی گئی ہیں۔

• ڈائریکٹرز کے مجموعی معاوضے بشمول، مراعات اور فوائد کی تفصیل مالیاتی بیانات کے نوٹ 43 میں فراہم کی گئی ہے۔

• متعلقہ فریقین (related parties) کے ساتھ لین دین کی تفصیل مالیاتی بیانات کے نوٹ 47 میں ظاہر کی گئی ہے۔

• ملازمین کے ریٹائرمنٹ پلانز سے متعلق سرمایہ کاری کی قدر کا بیان مالیاتی بیانات کے نوٹ 7.4 میں فراہم کیا گیا ہے۔

## تعمیل۔ بورڈ کی کارکردگی

• بورڈ کی اپنی کارکردگی اور اس کی کمیٹیوں کے سالانہ جائزے کے لیے ایک باقاعدہ اور مؤثر نظام نافذ کیا گیا ہے۔

• بورڈ کے چیئرمین نے ہر ڈائریکٹر کی مدت ملازمت کے آغاز پر اسے ایک خط جاری کیا جس میں کمپنی ایکٹ 2017، کمپنی کے آرٹیکلز آف ایسوسی ایشن اور پالیسیوں کے مطابق اس کے کردار، فرائض، اختیارات، ذمہ داریوں، معاوضے اور استحقاق کا تعین کیا گیا تھا۔

• بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضے کی پالیسی منظور کی ہے، جو بہترین کارپوریٹ اور گورننس طریقہ کار کے عین مطابق ہے۔ ڈائریکٹرز بورڈ اور اس کی ذیلی کمیٹیوں کے اجلاسوں میں شرکت کا معاوضہ وصول کرتے ہیں۔

• بورڈ اس بات کو یقینی بناتا ہے کہ ڈائریکٹرز اور چیئرمین کا معاوضہ یا فیس اس سطح پر نہ ہو کہ ان کی آزادی پر سمجھوتہ کیا جاسکتا ہو، اور یہ کہ ڈائریکٹرز کا معاوضہ کمپنی کے اندر ویلیو کری ایشن (قدر میں اضافے) کی حوصلہ افزائی کرے۔

اندرونی اور بیرونی اسٹیک ہولڈرز کے ساتھ مل کر، پی ٹی سی ایل مسلسل موجودہ اور ابھرتے ہوئے خطرات کے ممکنہ اثرات کا جائزہ لیتا ہے اور اپنے منظور شدہ Risk Appetite کے مطابق ان کے اثرات کو کم یا محدود کرنے کے لیے ضروری اقدامات کرتا ہے

## مستقبل کا اٹھ عمل

شعبے کا سب سے بڑا چیلنج توانائی کی بڑھتی قیمتوں، ٹیکس اور سرمایہ کاری کے دباؤ کے باوجود سستی اور اعلیٰ معیار کنیکٹیویٹی ہے، جس کا حل اسکیل ایفیشینسیز، اسمارٹ نیٹ ورکس اور ڈیجیٹل آمدنی کے نئے ذرائع سے نکالا جائے گا۔ اخراجات میں کمی اور صارفین کے تجربے کو بہتر بنانے کے لیے آپریٹرز اب 5 جی کی تیاری، فائبر نیٹ ورک میں تیزی اور کسٹمر سروسز ڈیجیٹل کرنے پر بڑے فعال انداز میں توجہ دے رہے ہیں۔ اس حکمت عملی کا مقصد ڈیٹا پر مبنی مصنوعات اور کارپوریٹ آئی سی ٹی (کلاؤڈ، سائبر سیکیورٹی، مینیجڈ سروسز) کے ذریعے فی صارف اوسط آمدنی (ARPU) اور سرمایہ کاری کی گنجائش میں اضافہ کرنا ہے۔

پی ٹی سی ایل گروپ کی اسٹریٹجک سمت اپنے انضمام کو کامیابی سے مکمل کرے اور انضمام کے سنگ میل کو حاصل کرنے پر مرکوز ہے تاکہ خود کو ایک بہترین نیٹ ورک آپریٹر کے طور پر سامنے لا سکے۔ کمپنی کا مقصد فکسڈ اور موبائل سروسز کے ملاپ سے آمدنی میں اضافہ، فائبر نیٹ ورک کی ملک گیری توسیع اور ڈیجیٹل چینلز کے ذریعے کسٹمر انگیجمنٹ بہتر بنانا ہے۔ یہ کثیر الجہتی حکمت عملی نہ صرف مارکیٹ میں پی ٹی سی ایل گروپ کی پوزیشن مستحکم کرے گی بلکہ مستقبل میں پائیدار ترقی کی راہ بھی ہموار کرے گی۔

## اعترافات

بورڈ آف ڈائریکٹرز اپنے تمام کسٹمرز، سپلائرز، ٹھیکیداروں، سروس پرووائیڈرز، اسٹیک ہولڈرز اور شیئر ہولڈرز کا ان کے غیر متزلزل اعتماد پر دل کی گہرائیوں سے مشکور ہیں۔

ہم ملک بھر میں موجود اپنے ملازمین کی لگن، وابستگی اور انتہک کوششوں کے بھی معترف ہیں اور انہیں قدر کی نگاہ سے دیکھتے ہیں، جن کی کاوشوں نے بلا تعطل خدمات کی فراہمی کو یقینی بنایا اور کمپنی کو ایک انتہائی مسابقتی ماحول میں کامیابی سے کام کرنے میں مدد دی۔

حکومت پاکستان اور e & Group کے خصوصی طور پر شکر گزار ہیں، جن کی مستقل حمایت اور حوصلہ افزائی سے ہمیں شیئر ہولڈرز کے لیے قدر میں اضافے اور ڈیجیٹل تبدیلی کے عمل کو آگے بڑھانے میں مدد ملی۔

منجانب بورڈ آف ڈائریکٹرز



حاتم محمد بامطرف  
صدر گروپ چیف ایگزیکٹو آفیسر



زرار ہاشم خان  
چیئرمین پی ٹی سی ایل بورڈ

اسلام آباد: 23 فروری 2026

ڈائریکٹرز سی ای او اور ایکزیکیٹوز کا کمپنی کے شیئرز میں کوئی مفاد نہیں سوائے اس کے جس کا اظہار پیٹرن آف شیئر ہولڈنگ میں کیا گیا ہے۔

عبوری / حتمی نتائج کے اعلان سے پہلے کلوزڈ پیریڈ کا تعین کیا گیا، ڈائریکٹرز، ملازمین اور اسٹاک ایکسچینج کو کمپنی کے شیئرز کی مارکیٹ قیمت پر اثر انداز ہونے والے نمایاں کاروباری فیصلوں سے مطلع کر دیا گیا تھا۔ تمام مارکیٹ شرکاء تک اسٹاک ایکسچینج کے ذریعے اہم اور قیمت پر اثر انداز ہونے والی معلومات پہنچادی گئی تھیں۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تعمیل کا بیان اور اس پر قانونی آڈیٹرز کی ریویورپورٹ اس رپورٹ کا حصہ ہیں۔ چیئرمین کا جائزہ (Chairman's Review)، سالانہ جنرل میٹنگ کا نوٹس، تاریخی کاروباری اشاریے، آڈٹ کمیٹی کی تشکیل، ہیومن ریسورس اینڈ ریمونیشن کمیٹی، انویسٹمنٹ اینڈ فنانس کمیٹی، بورڈ کے اجلاسوں کی تعداد، ڈائریکٹرز کی حاضری اور شیئر ہولڈنگ پیٹرن بھی اس رپورٹ میں شامل ہیں۔

## رسک مینجمنٹ

انٹرنیٹرز رسک مینجمنٹ (ERM) پی ٹی سی ایل (PTCL) کی اسٹریٹیجک حکمت عملی پر عملدرآمد کا بنیادی جز ہے، جسے تیزی سے پیچیدہ اور بدلتے خطرات سے نمٹنے کے لیے تیار کیا گیا ہے۔ جیسے جیسے پی ٹی سی ایل اپنی وسعت میں اضافہ کر رہا ہے، سنگین خطرات کی بروقت شناخت، تشخیص اور ان کی روک تھام کی اہمیت بڑھتی جا رہی ہے۔ رسک مینجمنٹ میں کسی بھی قسم کی کوتاہی اسٹریٹیجک اہداف کے حصول میں رکاوٹ بن سکتی ہے، صارفین کے تجربے پر منفی اثر ڈال سکتی ہے، اسٹیک ہولڈرز کے اعتماد اور ساکھ کو نقصان پہنچا سکتی ہے، مالیاتی کارکردگی کو کمزور کر سکتی ہے اور بالآخر شیئر ہولڈرز کی قدر (Value) پر سمجھوتہ کر سکتی ہے۔

بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی کے ذریعے پی ٹی سی ایل کے انٹرنیٹرز رسک مینجمنٹ (ERM) فریم ورک کی نگرانی کا حتمی ذمہ دار اور اس بات کو یقینی بناتا ہے کہ اسے اسٹریٹجک، مالیاتی اور آپریشنل فیصلہ سازی میں مؤثر طور پر شامل کیا جائے۔ بورڈ سے منظور شدہ ERM پالیسی اور فریم ورک پی ٹی سی ایل کی خطرات مول لینے کی گنجائش کا تعین کرتے ہیں اور کمپنی کے رسک پروفائل کی تشکیل کرتے ہیں، جس کی مسلسل نگرانی اور جائزہ لیا جاتا ہے۔ انتظامیہ باقاعدگی سے سنگین خطرات کی شناخت اور تشخیص کرتی ہے اور آڈٹ کمیٹی کو رپورٹ فراہم کرتی ہے، تاکہ باخبر نگرانی اور بروقت مداخلت ممکن ہو سکے۔ پی ٹی سی ایل کے ERM طریقے عالمی سطح پر تسلیم شدہ معیارات بشمول Gartner، COSO اور ISO 31000 کے عین مطابق ہیں، جو نظم و ضبط پر مبنی رسک گورننس کو تقویت دیتے ہیں۔

کمپنی کے اسٹریٹجک اہداف کے حصول کو متاثر کر سکنے والے اہم خطرات درج ذیل ہیں:

- قرض اور لیکویڈیٹی سے متعلق چیلنجز (بشمول ذیلی کمپنیاں)
- ٹیلی نارپاکستان کے انضمام سے ہونے والی ہم آہنگی کا حصول
- دیگر آپریٹرز سے مسابقت
- قابل وصول ٹیکس اور اس سے متعلق زیر التواء مقدمات
- ماحولیاتی، سماجی اور گورننس (ESG) اہداف اور پیشہ ورانہ حفاظت
- مصنوعی ذہانت (AD) اور سائبر سیکیورٹی کے خطرات
- ریگولیٹری تعمیل

# FIBER-TO-THE-TOWER (FTTT)

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



## Composition of Audit Committee as at February 23, 2026

1	Mr. Nazih El Hassanieh, Chairman
2	Mr. Khalifa Al Shamsi
3	Mr. Mohamed Dukandar
4	Mr. Ahad Khan Cheema
5	Mr. Imdad Ullah Bosal

## Attendance of Directors-Members of the Committee during FY-2025.

Total 04 meetings of the Audit Committee were held during the Financial Year ended December 31, 2025.

Sr.	Name of Director-Member	Attendance
1	Dr. Mohamed Karim Bennis	1
2	Mr. Nazih El Hassanieh	3
3	Mr. Abdulrahim A. Al Nooryani	4
4	Mr. Mohamed Dukandar	4
5	Mr. Ahad Khan Cheema	4
6	Mr. Jawad Paul Khawaja	4

### Functions of Audit Committee

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

## Composition of Human Resource & Remuneration Committee as at February 23, 2026

1	Mr. Khalifa Al Shamsi, Chairman
2	Mr. Khaled Hegazy
3	Mr. Nazih El Hassanieh
4	Mr. Ahad Khan Cheema
5	Mr. Jawad Paul Khawaja

## Attendance of Directors-Members of the Committee during FY-2025

Total 03 meetings of the HR & R Committee were held during the Financial Year ended December 31, 2025.

## Attendance of Directors-Members of the committee during FY-2025.

Sr.	Name of Director-Member	Attendance
1	Mr. Abdulrahim A. Al Nooryani	3
2	Ms. Brooke Marie Lindsay	3
3	Khaled Hegazy	3
4	Mr. Ahad Khan Cheema	3
5	Mr. Jawad Paul Khawaja	3

### Functions of Human Resource & Remuneration Committee

- Reviews / recommends development, maintenance of long-term HR policies, effective employee development programs, appropriate compensation & benefit plans and good governance model in line with statutory requirements as well as best practices of good corporate governance.
- Ensures that the governance, HR policies and procedures are aligned with the strategic vision and core objectives of the Company.
- Provides leadership and guidance for the organizational transformation required to achieve Company's corporate objectives.

## Composition of Investment & Finance Committee as at February 23, 2026

1	Mr. Khaled Hegazy, Chairman
2	Mr. Nazih El Hassanieh
3	Mr. Marwan Bin Shakar
4	Mr. Imdad Ullah Bosal
5	Mr. Jawad Paul Khawaja

## Attendance of Directors-Members of the Committee during FY-2025

Total 04 meetings of the Investment and Finance Committee were held during the Financial Year ended December 31, 2025.

Sr.	Name of Director-Member	Attendance
1	Mr. Khaled Hegazy	4
2	Mr. Nazih El Hassanieh	4
3	Mr. Marwan Bin Shakar	4
4	Mr. Imdad Ullah Bosal	4
5	Mr. Jawad Paul Khawaja	4

### Functions of Investment and Finance Committee

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

## Composition of PTCL Board and Attendance of PTCL Board Members during the FY-2025

Total 06 Board Meetings were held during the Financial Year ended December 31, 2025.

Sr.	Name of Director-Member	Portfolio	Attendance
1	Mr. Azfar Manzoor	Chairman	1
	Mr. Zarrar Hasham Khan		5
2	Mr. Imdad Ullah Bosal	Member	6
3	Mr. Jawad Paul Khawaja	Member	6
4	Mr. Ahad Khan Cheema	Member	6
5	Mr. Abdulrahim A. Al Nooryani	Member	6
6	Ms. Brooke Marie Lindsay	Member	5
7	Mr. Khaled Hegazy	Member	6
8	Dr. Mohamed Karim Bennis	Member	1
	Mr. Nazih El Hassanieh		5
9	Mr. Khalid Murshed	Member	1
	Mr. Marwan Bin Shakar		5



## Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the "Regulations") Pakistan Telecommunication Company Limited (the "Company") Year ending December 31, 2025

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

1. The total number of Directors are nine as per the following:

- a. Male: Eight
- b. Female: One

2. The composition of the Board of Directors (the "Board") is as follows:

i.	Independent Directors	None
ii.	Non-executive	1. Mr. Zarrar Hasham Khan, Chairman 2. Mr. Abdulrahim A. Al Nooryani 3. Mr. Imdad Ullah Bosal 4. Mr. Jawad Paul Khawaja 5. Mr. Ahad Khan Cheema 6. Ms. Brooke Marie Lindsay 7. Mr. Khaled Hegazy 8. Mr. Nazih El Hassanieh 9. Mr. Marwan Bin Shakar
ii.	Executive Directors	None
iii.	Female Directors	1. Ms. Brooke Marie Lindsay

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of the significant policies along with their date of approval or updating, is maintained by the Company.

6. All the powers of the Board have been duly exercised, and decisions on relevant

matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the "Act") and the Regulations.

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations.
9. During the year, Directors Certifications under the Directors Training Program was arranged for following:
  1. Mr. Khaled Hegazy

Additionally, an information booklet to acquaint the Directors with their role, obligations, powers and responsibilities, has been provided to them.
10. The Board has approved appointment of Chief Financial Officer ("CFO"), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. The CFO and the Chief Executive Officer ("CEO") duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising members given below:
  - a) Audit Committee
    1. Mr. Nazih El Hassanieh, Chairman
    2. Mr. Abdulrahim A. Al Nooryani
    3. Mr. Mohamed Dukandar
    4. Mr. Imdadullah Bosal
    5. Mr. Ahad Khan Cheema
  - b) Human Resource and Remuneration Committee
    1. Mr. Abdulrahim A. Al Nooryani, Chairman
    2. Mr. Khaled Hegazy
    3. Ms. Brooke Marie Lindsay
    4. Mr. Ahad Khan Cheema
    5. Mr. Jawad Paul Khawaja

- c) Investment and Finance Committee
  1. Mr. Khaled Hegazy, Chairman
  2. Mr. Nazih El Hassanieh
  3. Mr. Marwan Bin Shakar
  4. Mr. Imdad Ullah Bosal
  5. Mr. Jawad Paul Khawaja

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

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

a) **Audit Committee:**

The frequency of meetings is on quarterly basis and as per the requirement of the Company. Total four meetings were held during year 2025.

b) **Human Resource and Remuneration Committee:**

The frequency of meetings is on quarterly basis and as per the requirement of the Company. Total three meetings were held during year 2025.

c) **Investment and Finance Committee:**

The frequency of meetings is on quarterly basis and as per the requirement of the Company. Total four meetings were held during year 2025.

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

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

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or

any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

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

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

19. The Company routinely arranges Directors' training whenever required. The election of the Board of Directors was held on November 06, 2024, and the current Board is not fully certified.



**HATEM MOHAMED BAMATRAF**  
President and Group Chief Executive Officer  
February 23, 2026



**Zarrar Hasham Khan**  
Chairman PTCL Board



EY Ford Rhodes  
Chartered Accountants  
Randhawa Tower, 12<sup>th</sup> and 13<sup>th</sup> Floor,  
Plot B-3, New Blue Area, P.O. Box 2388  
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## **Independent Auditors' Review Report**

### **To the members of Pakistan Telecommunication Company Limited**

#### **Review Report on the Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Pakistan Telecommunication Company Limited** (the Company) for the year ended **31 December 2025** in accordance with the requirements of Regulation 36 of the Regulations.

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

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

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

Based on our review nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended 31 December 2025.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Paragraph reference to the Statement of Compliance	Description for non-compliances
18	There are no Independent Directors on the Board of the Company.
18	The Chairman of the Audit Committee is a non-executive director.
18	The Chairman of the Human Resource and Remuneration Committee is a non-executive director.



Chartered Accountants

Place: Islamabad

Date: 07 April 2026

UDIN: CR202510120TrjRntQZu

# DATA CENTER & CLOUD SERVICES





### West Lower Ground

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## Independent Assurance Report on the Statement of Compliance with the Shariah Governance Regulations, 2023.

### To the Board of Directors of Pakistan Telecommunication Company Limited (PTCL)

#### 1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of the Pakistan Telecommunication Company Limited (PTCL) (the company) for assessing compliance of the company's financial arrangements, contracts, and transactions in relation to following sukuks with criteria specified below for the year ended 31 December 2025.

Sr. No	Sukuks	Issue Amount-PKR
1	STS-IX	2,500,000,000
2	STS-X	10,000,000,000
3	STS XI	5,000,000,000
4	STS XII	5,000,000,000
5	STS XIII	5,000,000,000
6	STS XIV	10,000,000,000
7	STS-XV	5,000,000,000
8	STS-A-BOP	5,000,000,000

This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar(s).

#### 2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions in relation to above mentioned sukuks) for the year ended 31 December 2025 is assessed, comprise of the Shariah principles and rules, as defined in the regulations reproduced as under;

- a) Legal and regulatory framework administered by the Commission;
- b) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;
- c) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;
- d) Guidance and recommendations of the Shariah advisory committee, as notified by Commission;and
- e) Approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution,

### **3. Management's Responsibility for Shariah Compliance**

Management is responsible for ensuring that all financial arrangements, contracts, and transactions relating to the issuance of all above mentioned sukuks, including agreements entered into (by the company) with investors, arrangers, trustees, and other stakeholders, are structured and executed, both in substance and legal form, in compliance with Shariah rules and principles. Management is also responsible for the design, implementation, and maintenance of appropriate internal controls to ensure such compliance, as well as for maintaining adequate accounting records and documentation relating to the Sukuk issuance.

### **4. Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management (ISQM-1) "Quality Management for Firms That Perform Audits and Reviews of Historical Financial Information, And Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **5. Our Responsibility and Summary of the Work Performed**

Our responsibility in connection with this engagement is to express an opinion on compliance of the company's financial arrangements, contracts, and transactions in relation to all Sukuks issued with Shariah principles, in all material respects, for the year ended 31 December 2025 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000, "Assurance Engagements other than audits or reviews of historical financial statements", issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the company's financial arrangements, contracts, and transactions in relation to Sukuks issued with Shariah

principle is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the company's compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions in relation to all sukuk issued during the year and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

## 6. Conclusion

Based on our engagement performed, we report that in our opinion the company's financial arrangements, contracts and transactions related to all sukuk issued during the year ended 31 December 2025 are in compliance, in all material respects, with Shariah principles and Regulation 29 of the Shariah Governance Regulations, 2023.



*UHY Hassan Naeem & Co.*

UHY Hassan Naeem & Co,  
Chartered Accountants  
Muhammad Shahid Farooq  
Dated: February 13, 2026

## Statement of Compliance with the Shariah Governance Regulations, 2023 & Sukuk (Privately Placed) Regulations 2017

This Statement of Compliance (the Statement) for the year ended December 31, 2025, is being presented to comply with the requirements under the Shariah Governance Regulations, 2023 and Sukuk (Privately Placed) Regulations, 2017 (the Regulations) issued by the Securities and Exchange Commission of Pakistan (SECP).

The financial arrangements, contracts and transactions, entered into by The Pakistan Telecommunication Company Limited (the Company) in respect of Sukuk-9 amounting to Rs. 2,500 million, Sukuk-10 amounting to Rs. 10,000 million, Sukuk-11 amounting to Rs. 5,000 million, Sukuk-12 amounting to Rs. 5,000 million, Sukuk-13 amounting to Rs. 5,000 million, Sukuk-14 amounting to Rs. 10,000 million, Sukuk-15 amounting to Rs. 5,000 million and Sukuk-A amounting to Rs. 5,000 million (collectively referred to as "the Sukuk") for the year ended December 31, 2025, are in compliance with the Sukuk features and Shariah requirements in accordance with the Regulations.

We also confirm that:

- The Company has established procedures and processes for all Sukuk related transactions to comply with Sukuk features and applicable Shariah governance law requirements;
- The Company has implemented and maintained such internal control and risk management system, that the management determines necessary to mitigate the risk of non-compliances of the Sukuk features and applicable Shariah governance law requirements, whether due to fraud or error; and
- The Company has a process to ensure that the management and, where appropriate authorized personnel responsible to ensure the Company's compliance with the Sukuk related features and applicable Shariah governance law requirements, are properly trained and systems are properly updated.

We also confirm that the Company, in respect of the Sukuk, is in compliance with:

- a) Rules, regulations and directives issued by the SECP;
- b) Pronouncements of Shariah Supervisory Board;
- c) Requirements of the applicable Islamic Financial Accounting Standards as notified by the SECP, if any; and
- d) Approvals and rulings given by the Shariah Advisor of the Sukuk which are in line with the Regulations and in accordance with the rulings of Shariah Advisory Committee.



**HATEM MOHAMED BAMATRAF**  
President and Group Chief Executive Officer

January 26, 2026



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the rated, unsecured privately placed Sukuk of PKR 5,000,000,000/- (Pak Rupees Five Billion Only), issued by Pakistan Telecommunication Company Limited Sukuk-A.

It is the core responsibility of Pakistan Telecommunication Company Limited to Manage the Sukuk-A in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the Sukuk. We express our opinion based on the review of the information, provided by the issuer, to an extent where compliance with the Shariah guidelines can be objectively verified.

Keeping in view the above; we certify that:

We have reviewed all the transactions, documents, procedures adopted by the issuer as well as the operational activities of the Sukuk which included the review of all transactions and source of earning. We have found them to be in compliance with the Shariah Guidelines.

On the basis of information provided by the company, all operations and affairs have been carried out in accordance with the rules and principles of Shariah for the sukuk year ended Dec 2025. The Sukuk is in compliance with the provided Shariah guidelines and there is no need to provide for any charity to purify the income. Therefore, it is resolved those investments in rated, unsecured privately placed Sukuk of PKR 5,000,000,000/- (Pak Rupees Five Billion Only), issued by Pakistan Telecommunication Company Limited Sukuk-A is in accordance with Shariah principles as per the Shariah guidelines provided by the Shariah supervisory council.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

For and on behalf of Shariah Supervisory Council of Al-Hilal Shariah Advisors (Pvt.) Limited



**Mufti Irshad Ahmad Aijaz**  
Member Shariah Council




**Faraz Younus Bandukda, CFA**  
Chief Executive



**January 12, 2026**



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the rated, unsecured privately placed Sukuk of PKR 2,500,000,000/- (Pak Rupees Two Billion and Five Hundred Million Only), issued by Pakistan Telecommunication Company Limited Sukuk-9.

It is the core responsibility of Pakistan Telecommunication Company Limited Sukuk-9 to Manage the Sukuk in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the Sukuk. We express our opinion based on the review of the information, provided by the issuer, to an extent where compliance with the Shariah guidelines can be objectively verified.

Keeping in view the above; we certify that:

We have reviewed all the transactions, documents, procedures adopted by the issuer as well as the operational activities of the Sukuk which included the review of all transactions and source of earning. We have found them to be in compliance with the Shariah Guidelines.

On the basis of information provided by the company, all operations and affairs have been carried out in accordance with the rules and principles of Shariah for the sukuk year ended Dec 2025. The Sukuk is in compliance with the provided Shariah guidelines and there is no need to provide for any charity to purify the income. Therefore, it is resolved those investments in rated, unsecured privately placed Sukuk of PKR 2,500,000,000/- (Pak Rupees Two Billion and Five Hundred Million Only), issued by Pakistan Telecommunication Company Limited Sukuk-9 is in accordance with Shariah principles as per the Shariah guidelines provided by the Shariah supervisory council.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

For and on behalf of Shariah Supervisory Council of Al-Hilal Shariah Advisors (Pvt.) Limited

**Mufti Irshad Ahmad Aijaz**  
Member Shariah Council



**Faraz Younus Bandukda, CFA**  
Chief Executive



January 12, 2026



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the rated, unsecured privately placed Sukuk of PKR 10,000,000,000/- (Pak Rupees Ten Billion Only), issued by Pakistan Telecommunication Company Limited Sukuk-10.

It is the core responsibility of Pakistan Telecommunication Company Limited Sukuk-10 to Manage the Sukuk in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the Sukuk. We express our opinion based on the review of the information, provided by the issuer, to an extent where compliance with the Shariah guidelines can be objectively verified.

Keeping in view the above; we certify that:

We have reviewed all the transactions, documents, procedures adopted by the issuer as well as the operational activities of the Sukuk which included the review of all transactions and source of earning. We have found them to be in compliance with the Shariah Guidelines.

On the basis of information provided by the company, all operations and affairs have been carried out in accordance with the rules and principles of Shariah for the sukuk year ended Dec 2025. The Sukuk is in compliance with the provided Shariah guidelines and there is no need to provide for any charity to purify the income. Therefore, it is resolved those investments in rated, unsecured privately placed Sukuk of PKR 10,000,000,000/- (Pak Rupees Ten Billion Only), issued by Pakistan Telecommunication Company Limited Sukuk-10 is in accordance with Shariah principles as per the Shariah guidelines provided by the Shariah supervisory council.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

For and on behalf of Shariah Supervisory Council of Al-Hilal Shariah Advisors (Pvt.) Limited

**Mufti Irshad Ahmad Aijaz**  
Member Shariah Council



**Faraz Younus Bandukda, CFA**  
Chief Executive



**January 14, 2026**



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the rated, unsecured privately placed Sukuk of PKR 5,000,000,000/- (Pak Rupees Five Billion Only), issued by Pakistan Telecommunication Company Limited Sukuk-11.

It is the core responsibility of Pakistan Telecommunication Company Limited Sukuk-11 to Manage the Sukuk in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the Sukuk. We express our opinion based on the review of the information, provided by the issuer, to an extent where compliance with the Shariah guidelines can be objectively verified.

Keeping in view the above; we certify that:

We have reviewed all the transactions, documents, procedures adopted by the issuer as well as the operational activities of the Sukuk which included the review of all transactions and source of earning. We have found them to be in compliance with the Shariah Guidelines.

On the basis of information provided by the company, all operations and affairs have been carried out in accordance with the rules and principles of Shariah for the sukuk year ended Dec 2025. The Sukuk is in compliance with the provided Shariah guidelines and there is no need to provide for any charity to purify the income. Therefore, it is resolved those investments in rated, unsecured privately placed Sukuk of PKR 5,000,000,000/- (Pak Rupees Five Billion Only), issued by Pakistan Telecommunication Company Limited Sukuk-11 is in accordance with Shariah principles as per the Shariah guidelines provided by the Shariah supervisory council.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

For and on behalf of Shariah Supervisory Council of Al-Hilal Shariah Advisors (Pvt.) Limited

**Mufti Irshad Ahmad Aijaz**  
Member Shariah Council



**Faraz Younus Bandukda, CFA**  
Chief Executive



January 14, 2026



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the rated, unsecured privately placed Sukuk of PKR 5,000,000,000/- (Pak Rupees Five Billion Only), issued by Pakistan Telecommunication Company Limited Sukuk-12.

It is the core responsibility of Pakistan Telecommunication Company Limited Sukuk-12 to Manage the Sukuk in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the Sukuk. We express our opinion based on the review of the information, provided by the issuer, to an extent where compliance with the Shariah guidelines can be objectively verified.

Keeping in view the above; we certify that:

We have reviewed all the transactions, documents, procedures adopted by the issuer as well as the operational activities of the Sukuk which included the review of all transactions and source of earning. We have found them to be in compliance with the Shariah Guidelines.

On the basis of information provided by the company, all operations and affairs have been carried out in accordance with the rules and principles of Shariah for the sukuk year ended Dec 2025. The Sukuk is in compliance with the provided Shariah guidelines and there is no need to provide for any charity to purify the income. Therefore, it is resolved those investments in rated, unsecured privately placed Sukuk of PKR 5,000,000,000/- (Pak Rupees Five Billion Only), issued by Pakistan Telecommunication Company Limited Sukuk-12 is in accordance with Shariah principles as per the Shariah guidelines provided by the Shariah supervisory council.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

For and on behalf of Shariah Supervisory Council of Al-Hilal Shariah Advisors (Pvt.) Limited

**Mufti Irshad Ahmad Aijaz**  
Member Shariah Council



**Faraz Younus Bandukda, CFA**  
Chief Executive



January 14, 2026



الحمد لله رب العالمين، والصلاة والسلام على سيد الأئبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the rated, unsecured privately placed Sukuk of PKR 5,000,000,000/- (Pak Rupees Five Billion Only), issued by Pakistan Telecommunication Company Limited Sukuk-13.

It is the core responsibility of Pakistan Telecommunication Company Limited Sukuk-13 to Manage the Sukuk in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the Sukuk. We express our opinion based on the review of the information, provided by the issuer, to an extent where compliance with the Shariah guidelines can be objectively verified.

Keeping in view the above; we certify that:

We have reviewed all the transactions, documents, procedures adopted by the issuer as well as the operational activities of the Sukuk which included the review of all transactions and source of earning. We have found them to be in compliance with the Shariah Guidelines.

On the basis of information provided by the company, all operations and affairs have been carried out in accordance with the rules and principles of Shariah for the sukuk year ended Dec 2025. The Sukuk is in compliance with the provided Shariah guidelines and there is no need to provide for any charity to purify the income. Therefore, it is resolved those investments in rated, unsecured privately placed Sukuk of PKR 5,000,000,000/- (Pak Rupees Five Billion Only), issued by Pakistan Telecommunication Company Limited Sukuk-13 is in accordance with Shariah principles as per the Shariah guidelines provided by the Shariah supervisory council.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

For and on behalf of Shariah Supervisory Council of Al-Hilal Shariah Advisors (Pvt.) Limited

Mufti Irshad Ahmad Aijaz  
Member Shariah Council



Faraz Younus Bandukda, CFA  
Chief Executive



January 14, 2026



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the rated, unsecured privately placed Sukuk of PKR 10,000,000,000/- (Pak Rupees Ten Billion Only), issued by Pakistan Telecommunication Company Limited Sukuk-14.

It is the core responsibility of Pakistan Telecommunication Company Limited Sukuk-14 to Manage the Sukuk in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the Sukuk. We express our opinion based on the review of the information, provided by the issuer, to an extent where compliance with the Shariah guidelines can be objectively verified.

Keeping in view the above; we certify that:

We have reviewed all the transactions, documents, procedures adopted by the issuer as well as the operational activities of the Sukuk which included the review of all transactions and source of earning. We have found them to be in compliance with the Shariah Guidelines.

On the basis of information provided by the company, all operations and affairs have been carried out in accordance with the rules and principles of Shariah for the sukuk year ended Dec 2025. The Sukuk is in compliance with the provided Shariah guidelines and there is no need to provide for any charity to purify the income. Therefore, it is resolved those investments in rated, unsecured privately placed Sukuk of PKR 10,000,000,000/- (Pak Rupees Ten Billion Only), issued by Pakistan Telecommunication Company Limited Sukuk-14 is in accordance with Shariah principles as per the Shariah guidelines provided by the Shariah supervisory council.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

For and on behalf of Shariah Supervisory Council of Al-Hilal Shariah Advisors (Pvt.) Limited

**Mufti Irshad Ahmad Aijaz**  
Member Shariah Council



**Faraz Younus Bandukda, CFA**  
Chief Executive



**January 14, 2026**



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the rated, unsecured privately placed Sukuk of PKR 5,000,000,000/- (Pak Rupees Five Billion Only), issued by Pakistan Telecommunication Company Limited Sukuk-15.

It is the core responsibility of Pakistan Telecommunication Company Limited Sukuk-15 to Manage the Sukuk in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the Sukuk. We express our opinion based on the review of the information, provided by the issuer, to an extent where compliance with the Shariah guidelines can be objectively verified.

Keeping in view the above; we certify that:

We have reviewed all the transactions, documents, procedures adopted by the issuer as well as the operational activities of the Sukuk which included the review of all transactions and source of earning. We have found them to be in compliance with the Shariah Guidelines.

On the basis of information provided by the company, all operations and affairs have been carried out in accordance with the rules and principles of Shariah for the sukuk year ended Dec 2025. The Sukuk is in compliance with the provided Shariah guidelines and there is no need to provide for any charity to purify the income. Therefore, it is resolved those investments in rated, unsecured privately placed Sukuk of PKR 5,000,000,000/- (Pak Rupees Five Billion Only), issued by Pakistan Telecommunication Company Limited Sukuk-15 is in accordance with Shariah principles as per the Shariah guidelines provided by the Shariah supervisory council.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

For and on behalf of Shariah Supervisory Council of Al-Hilal Shariah Advisors (Pvt.) Limited

**Mufti Irshad Ahmad Aijaz**  
Member Shariah Council



**Faraz Younus Bandukda, CFA**  
Chief Executive



# PTCL SHOOQ TV



	2024	2023	2024	2023
Operating Income	2791.60	2801.31	2791.60	2801.31
Operating Expenses	12449.31	12540.17	12449.31	12540.17
Operating Profit	1536.89	1587.08	1536.89	1587.08
Other Income	24890.1	25019.4	24890.1	25019.4
Other Expenses	7803.34	7825.98	7803.34	7825.98
Profit Before Tax	7151.13	7861.87	7151.13	7861.87
Tax	1555	1655	1555	1655
Profit After Tax	5596.13	6206.87	5596.13	6206.87

The background features a stack of gold coins in the center, slightly out of focus. To the left, there is a blurred financial table with columns for 'Change (%)' and 'Volume'. The overall color scheme is a monochromatic green.

# FINANCIAL STATEMENTS



# INDEPENDENT AUDITORS' REPORT

## To the members of Pakistan Telecommunication Company Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed unconsolidated financial statements of Pakistan Telecommunication Company Limited (the Company), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

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

# INDEPENDENT AUDITORS' REPORT

## To the members of Pakistan Telecommunication Company Limited

### Key Audit Matters

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

Following are the Key audit matters:

Key audit matter	How our audit addressed the key audit matter
<b>Revenue recognition</b>	
<p>As more fully described in Note 5.19, Note 31, Note 25 and Note 12, to the unconsolidated financial statements, the Company reported revenue of Rs. 120,113 million (FY24: Rs. 107,766 million), trade debts and contract assets of Rs. 71,264 million (FY24: Rs. 60,563 million) and contract liabilities of Rs. 943 million (FY24: Rs. 1,011 million) for the year ended or as of 31 December 2025.</p> <p>Management records revenue according to the principles of IFRS 15 "Revenue from Contracts with Customers", including following the 5-step model therein.</p> <p>The Company's financial reporting processes rely heavily on complex, highly integrated information technology (IT) systems. These systems support the initiation, processing, recording, and settlement of high volume transactions, many of which are individually low in monetary value but collectively significant to the financial statements.</p> <p>The Company's reliance on complex, interconnected IT systems that process high volumes of automated transactions increases the risk that errors from weaknesses in related IT application controls may go undetected and because revenue is a key performance indicator linked to external reporting and management incentives, there is an elevated risk of management override through inappropriate manual topside revenue journal entries.</p> <p>Accordingly, auditing the revenue recognized by the Company was a key area of focus in our audit.</p>	<p>Our audit procedures included among others the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the Company's revenue and billing processes, and this involved assessing processes at every stage, from the initiation of the contract to the final measurement, recognition, and recording. This also included an understanding of all manual revenue-related adjustments recognized after the automated billing run and before revenue posting (including installation charge deferrals, free-service adjustments, zero usage reversals, and other out of system updates).</li> <li>• We involved our IT professionals and assessed the design and tested the operational effectiveness of controls over IT systems.</li> <li>• We assessed the relevant manual controls over revenue to determine if they had been designed and implemented appropriately and tested these controls to determine if they were operating effectively.</li> <li>• For an extended sample of transactions and manual adjustments, selected across all revenue streams: <ul style="list-style-type: none"> <li>- We traced transactions to the relevant underlying supporting documents.</li> <li>- We traced the manual adjustment amounts to underlying supporting documentation/records.</li> </ul> </li> <li>• We obtained automated billing output generated from the system and reconciled it with the revenue posted in general ledger after considering all manual revenue-related adjustments.</li> <li>• We assessed the adequacy of the Company's disclosures in relation to revenue recognition under IFRS 15.</li> </ul>

# INDEPENDENT AUDITORS' REPORT

## To the members of Pakistan Telecommunication Company Limited

Key audit matter	How our audit addressed the key audit matter
<b>Impairment of Investment in U Microfinance Bank Limited (Ubank) – a subsidiary company</b>	
<p>As more fully described in Note 4(d), Note 5.11 and Note 19 to the unconsolidated financial statements, in accordance with IAS 36 "Impairment of Assets", the Company calculates the value in use ("VIU") for equity investment in Ubank to determine whether an adjustment to the carrying value of the equity investment in Ubank is required. As of 31 December 2025, the Company has recognized equity investment in Ubank of Rs. 16,084 million, plus sub-ordinated loan in the form of Term Finance Certificates of Rs. 850 million (FY24: Rs. 11,084 million).</p> <p>The Company's assessment of the VIU of its equity investment in Ubank involves judgements about the future performance of the microfinance business of Ubank and is sensitive to significant assumptions including the long-term growth rate, the discount rate and the projected financial information within the cash flow forecast period.</p> <p>Auditing the Company's annual impairment test was considered a key audit area given the significant estimates and assumptions involved in determining the value in use.</p>	<ul style="list-style-type: none"> <li>• We obtained understanding and evaluated the design effectiveness of controls over the Company's equity investment impairment review process.</li> <li>• We tested, with the involvement of internal valuation specialists, the methodology and inputs used by the Company in the discounted cash flow model for impairment testing including key assumptions relating to the reasonableness of the cashflows within the projected financial information, long term growth rate, discount rate, growth in deposit, Advance to Deposit Ratio (ADR) and dividend payouts; including mathematical accuracy of management's model.</li> <li>• We reviewed and tested management's sensitivity analysis to determine the extent of change in these assumptions that would either individually or collectively result in an impairment charge.</li> <li>• We compared the cash flow projections used in the impairment model to the financial forecast within the 5-year business plan approved by the Ubank and Company's respective Boards of Directors, which were submitted to the Ubank's regulator. We also compared the actual performance of Ubank to the assumptions applied in the discounted cash flow model to assess the historical accuracy of management's estimates.</li> <li>• Assessed the adequacy of the related disclosures provided in the financial statements in accordance with the requirements of IAS 36 "Impairment of Assets".</li> </ul>

# INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited

Key audit matter	How our audit addressed the key audit matter
<p><b>Capitalization of property and equipment</b></p> <p>As more fully described in Note 5.10(a) and Note 16 to the unconsolidated financial statements, during the year, the Company has recognized additions to property and equipment amounting to Rs. 31,239 million.</p> <p>In order to expand its network coverage and bring improvements to network quality, the Company continues to incur relatively high level of capital expenditure.</p> <p>Auditing the Company's recognition of additions to property and equipment is significant to the audit because it involves material amounts and judgement in determination of certain elements of incurred cost as revenue or capital expenditure and allocation of cost to different projects.</p>	<p>Our audit procedures included among others the following:</p> <ul style="list-style-type: none"> <li>• We obtained understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process for incurrence of capital expenditure.</li> <li>• For a sample of transactions selected across all classes of property and equipment, undertaken during the year, we: <ul style="list-style-type: none"> <li>- Traced the amount capitalized in the general ledger to the relevant underlying supporting documents.</li> <li>- Ascertained the nature of cost incurred to assess whether it meets the criteria for capitalization, as per IAS 16 "Property, plant and equipment".</li> </ul> </li> <li>• In respect of overheads, we designed and performed extended procedures by: <ul style="list-style-type: none"> <li>- Obtaining understanding about the types of expenses eligible for inclusion in the cost of these assets and, on a sample basis, specifically traced these amounts to the relevant fixed asset general ledger codes to confirm completeness.</li> <li>- For each category of overhead, on a sample basis, evaluated whether criteria for capitalization were met, in accordance with the requirements of IAS 16 "Property, plant and equipment".</li> <li>- Assessed the reasonableness of the basis of overhead allocation to different projects.</li> </ul> </li> <li>• Analyzed general ledger account for repair and maintenance expenses to identify any items that may meet the capitalization criteria.</li> <li>• Assessed the adequacy of the disclosures provided in the financial statements in accordance with the requirements of IAS 16 "Property, plant and equipment".</li> </ul>

# INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited

Key audit matter	How our audit addressed the key audit matter
<b>Past service costs – litigation relating to certain pensioners claim under Funded Pension Scheme</b>	
<p>As more fully described in Note 15.7 to the unconsolidated financial statements, during the year, the Company recognized past service costs amounting to Rs. 6,901 million, under its (defined benefit) Funded Pension Scheme, pursuant to the implementation of a Supreme Court decision dated 10 July 2025 granting revisionary pension benefits to eligible pensioners at par with similarly placed government employees.</p> <p>The recognition and measurement of the past service cost involved significant management judgement and estimation uncertainty. In particular, management was required to interpret the Supreme Court decision and determine the population of pensioners eligible for these revised benefits and determine the related liability using the projected unit credit method under IAS 19 “Employee benefits”.</p> <p>Given the material amount of the past service costs, the complexity involved in identifying eligible pensioners, the significant judgement required in interpreting the legal ruling and the high degree of estimation uncertainty inherent in the actuarial valuation, we considered this matter to be one of most significant in our audit.</p>	<p>Our audit procedures included among others the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the Supreme Court’s judgment.</li> <li>• We obtained and reviewed the management’s determination of the population of pensioners eligible for these revised benefits, along with the related legal opinion from the Company’s legal advisors.</li> <li>• We engaged an independent legal expert to assess the reasonableness of the management’s determination of the population of pensioners eligible for these revised benefits.</li> <li>• Obtained and reviewed the management expert’s actuarial report supporting the calculation of past service costs and evaluated key actuarial assumptions.</li> <li>• We also engaged an independent actuarial expert to assess the reasonableness of the past service costs determined by the management’s actuary along with the related assumptions.</li> <li>• Assessed the adequacy of the disclosures provided in the financial statements in accordance with the requirements of IAS 19 “Employee benefits”.</li> </ul>

# INDEPENDENT AUDITORS' REPORT

## To the members of Pakistan Telecommunication Company Limited

Key audit matter	How our audit addressed the key audit matter
<p data-bbox="169 407 422 434"><b>Income tax recoverable</b></p> <p data-bbox="169 465 754 748">As more fully described in Note 5.23 and Note 27 to the unconsolidated financial statements, the Company has recognized income tax recoverable in accordance with IAS 12, Income Taxes, being the amount already paid in respect of current and prior periods in excess of current tax due for those periods, based on whether management judges that it is expected that the amount will be recovered from the federal tax authorities.</p> <p data-bbox="169 779 754 1025">An income tax recoverable of Rs. 50,024 million (FY24: Rs. 40,537 million) has been recognized, as management has concluded that this amount will be recovered via a mixture of receipts of refunds and adjustment against the current tax due for future periods. Currently, a large number of tax assessments are pending at different appellate forums.</p> <p data-bbox="169 1057 754 1245">Auditing the Company's recognition and recoverability of income tax recoverable is significant to the audit because it involves material amounts, and the judgements and estimates in relation to the period of time over which it is expected to utilize these assets, results in increased estimation uncertainty.</p>	<p data-bbox="799 465 1430 528">Our audit procedures included among others the following:</p> <ul data-bbox="799 555 1430 1411" style="list-style-type: none"> <li data-bbox="799 555 1430 712">• Obtaining an understanding of, evaluating the effectiveness of design of controls over the Company's recognition and recoverability of income tax recoverable, including reassessment at each reporting date.</li> <li data-bbox="799 739 1430 958">• Involvement of tax specialist in assessment of whether the tax paid by/ on behalf of the Company to federal tax authorities is adjustable under the provisions of the Income Tax Ordinance, 2001, including review of underlying documentation relating to any related tax litigation/ income tax assessment before appellate forums and/ or federal tax authority.</li> <li data-bbox="799 985 1430 1106">• Examination of income tax returns and tax refund applications, to assess existence, accuracy and valuation of amount recognized in the unconsolidated financial statements.</li> <li data-bbox="799 1133 1430 1321">• Inspecting correspondence with tax authorities, minutes of the meetings of the Board of Directors of the Company and direct replies against confirmations circularized by us to selected tax and legal advisor of the Company to identify any pending taxation matters relating to the income tax recoverable.</li> <li data-bbox="799 1348 1430 1411">• Evaluating the adequacy of the disclosures in respect of the recognition of the income tax recoverable.</li> </ul>

# INDEPENDENT AUDITORS' REPORT

## To the members of Pakistan Telecommunication Company Limited

### Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

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

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

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

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

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

# INDEPENDENT AUDITORS' REPORT

## To the members of Pakistan Telecommunication Company Limited

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

# INDEPENDENT AUDITORS' REPORT

## To the members of Pakistan Telecommunication Company Limited

### Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Omer Chughtai.



### Chartered Accountants

Place: Islamabad  
Date: 06 April 2026  
UDIN: AR202510120BSwpjl0uq

# STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Share capital and reserves</b>			
Share capital	6	51,000,000	51,000,000
Revenue reserves			
General reserve		27,497,072	27,497,072
Unappropriated profits		48,598,534	36,610,433
		76,095,606	64,107,505
		127,095,606	115,107,505
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Employees retirement benefits	7	47,057,747	42,652,874
Deferred government grants	8	17,584,151	16,721,916
Long term loans from banks	9	210,520,271	62,780,360
Contract liabilities	10	1,620,648	1,442,432
Lease liabilities	11	715,554	1,027,777
		277,498,371	124,625,359
<b>Current liabilities</b>			
Trade and other payables	12	194,433,281	169,319,472
Short term financing	13	44,521,690	47,116,732
Security deposits	14	726,544	653,373
Unclaimed dividend		207,751	208,131
Current maturity of lease liabilities	11	385,390	337,022
Current portion of long term loans from banks	9	2,275,167	318,719
		242,549,823	217,953,449
<b>Total equity and liabilities</b>		<b>647,143,800</b>	<b>457,686,313</b>

## Contingencies and commitments

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The annexed notes 1 to 52 are an integral part of these financial statements.



Chief Financial Officer



President & CEO



Chairman

	Note	2025 Rs '000	2024 Rs '000
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	16	178,931,022	161,172,503
Right of use assets	17	1,032,807	1,383,038
Intangible assets	18	929,626	1,467,066
		180,893,455	164,022,607
Long term investments	19	139,104,824	76,236,284
Long term loans and advances	20	122,369,475	51,780,602
Employees retirement benefits	21	13,762,801	2,951,439
Deferred income tax	22	2,636,218	5,470,851
Contract cost	23	130,673	139,135
		458,897,446	300,600,918
<b>Current assets</b>			
Stores and spares	24	5,561,621	8,201,385
Contract cost	23	3,220,788	3,707,304
Trade debts and contract assets	25	71,263,745	60,563,180
Loans and advances	26	3,905,211	2,778,971
Income tax recoverable	27	50,023,735	40,536,947
Prepayments and other receivables	28	31,661,562	29,209,494
Cash and bank balances	29	22,396,786	12,088,114
Asset classified as held for sale	30	212,906	-
		188,246,354	157,085,395
<b>Total assets</b>		<b>647,143,800</b>	<b>457,686,313</b>



Chief Financial Officer



President &amp; CEO



Chairman

# STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
Revenue	31	120,112,631	107,766,309
Cost of services	32	(84,229,052)	(79,490,710)
Gross profit		35,883,579	28,275,599
Administrative and general expenses	33	(9,743,673)	(9,027,260)
Selling and marketing expenses	34	(5,544,792)	(4,853,017)
Impairment loss on trade debts and contract assets	25.3	(2,370,320)	(2,145,765)
		(17,658,785)	(16,026,042)
Operating profit		18,224,794	12,249,557
Past service cost - Pension	15.7	(6,901,456)	-
Subsidiary acquisition cost	35	(1,760,670)	-
Other income	36	16,662,351	17,224,380
Finance and other costs	37	(20,023,185)	(22,588,481)
Profit before tax		6,201,834	6,885,456
Taxation	38	(4,819,580)	(2,059,613)
Profit after tax		1,382,254	4,825,843
Earnings per share - basic and diluted (Rupees)	39	0.27	0.95

The annexed notes 1 to 52 are an integral part of these financial statements.



Chief Financial Officer



President & CEO



Chairman

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 Rs '000	2024 Rs '000
Profit for the year	1,382,254	4,825,843
Other comprehensive income for the year		
Items that will not be reclassified to statement of profit or loss:		
Remeasurement gain / (loss) on employees retirement benefits	17,386,634	(9,172,587)
Tax effect	(6,780,787)	2,086,069
	10,605,847	(7,086,518)
<b>Total comprehensive income / (loss) for the year</b>	<b>11,988,101</b>	<b>(2,260,675)</b>

The annexed notes 1 to 52 are an integral part of these financial statements.



Chief Financial Officer



President & CEO



Chairman

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>Cash flows from operating activities</b>			
Cash generated from operating activities	41	46,123,971	40,887,084
Payment to Pakistan Telecommunication Employees Trust (PTET)	7.3	-	(990,436)
Payment to PTCL Employees Gratuity Fund	7.3	-	(47,131)
Other employees retirement benefits paid		(2,902,340)	(2,408,793)
Advances from customers		359,929	(38,707)
Addition to contract cost		(5,079,434)	(5,795,303)
Income tax paid	27	(3,689,423)	(3,345,105)
<b>Net cash generated from operating activities</b>		<b>34,812,703</b>	<b>28,261,609</b>
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment		(26,874,495)	(35,706,991)
Acquisition of intangible assets	18	(326,151)	(479,592)
Proceeds from disposal of property and equipment		4,736,382	5,508,216
Long term subordinated loans to Pak Telecom Mobile Limited		(19,500,000)	(19,500,000)
Repayment of subordinated loans by Pak Telecom Mobile Limited		750,000	2,500,000
Investment in U Microfinance Bank Limited		(5,850,000)	(3,200,000)
Investment in Telenor Pakistan (Private) Limited		(49,018,040)	-
Investment in Pak Telecom Mobile Limited		(8,000,000)	-
Investment in Orion Towers (Private) Limited		(500)	-
Debt free settlement of pre-acquisition shareholder loan		(63,184,153)	-
Return on employee loans and deposits		644,635	414,565
Return on long term loans from subsidiaries		5,415,222	6,160,949
Government grants - net	8	3,736,703	3,071,005
Long term loans and advances		20,809	(1,986,261)
<b>Net cash used in investing activities</b>		<b>(157,449,588)</b>	<b>(43,218,109)</b>
<b>Cash flows from financing activities</b>			
Unclaimed dividends paid		(380)	(1,125)
Interest paid on short term financing		(4,351,478)	(5,509,578)
Proceeds from long term loans		149,728,007	11,959,500
Interest paid on long term loans		(9,241,593)	(11,308,509)
Repayment of lease liabilities - interest		(225,691)	(293,170)
Repayment of lease liabilities - principal		(368,266)	(733,853)
<b>Net cash generated from / (used in) financing activities</b>		<b>135,540,599</b>	<b>(5,886,735)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>12,903,714</b>	<b>(20,843,235)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>(35,028,618)</b>	<b>(14,185,383)</b>
<b>Cash and cash equivalents at the end of the year</b>	42	<b>(22,124,904)</b>	<b>(35,028,618)</b>

The annexed notes 1 to 52 are an integral part of these financial statements.



Chief Financial Officer



President & CEO



Chairman

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2025

	Issued, subscribed and paid-up capital			Revenue reserves		Total
	Class 'A'	Class 'B'	Total	General reserve	Unappropriated profits	
	(Rupees in '000)					
<b>Balance as at January 01, 2024</b>	37,740,000	13,260,000	51,000,000	27,497,072	38,871,108	117,368,180
Total comprehensive income for the year						
Profit for the year	-	-	-	-	4,825,843	4,825,843
Other comprehensive loss - net of tax	-	-	-	-	(7,086,518)	(7,086,518)
	-	-	-	-	(2,260,675)	(2,260,675)
<b>Balance as at December 31, 2024</b>	37,740,000	13,260,000	51,000,000	27,497,072	36,610,433	115,107,505
<b>Balance as at January 01, 2025</b>	37,740,000	13,260,000	51,000,000	27,497,072	36,610,433	115,107,505
Total comprehensive income for the year						
Profit for the year	-	-	-	-	1,382,254	1,382,254
Other comprehensive income - net of tax	-	-	-	-	10,605,847	10,605,847
	-	-	-	-	11,988,101	11,988,101
<b>Balance as at December 31, 2025</b>	37,740,000	13,260,000	51,000,000	27,497,072	48,598,534	127,095,606

The annexed notes 1 to 52 are an integral part of these financial statements.



Chief Financial Officer



President & CEO



Chairman

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 1. The Company and its operations

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

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

**The business units of the Company include the following:**

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

The Company entered into a Share Purchase Agreement with Telenor Pakistan B.V. in 2023 to acquire a 100% equity stake in Telenor Pakistan (Private) Limited and Orion Towers (Private) Limited. Following the receipt of all required regulatory approvals, the transaction was successfully completed as on December 31, 2025, at which date the Company obtained control over the acquired entities.

Subsequent to the reporting date, Pakistan Telecommunication Authority (PTA) has formally approved the proposed amalgamation of Pakistan Telecom Mobile Limited and Telenor Pakistan (Private) Limited. The proposed amalgamation shall be implemented through a scheme of arrangement in accordance with applicable laws.

## 2. Statement of compliance

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

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

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

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

### 2.1 Standards, interpretations and amendments adopted during the year

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

**(a) New accounting standards / amendments and IFRSs accounting standards interpretations that are effective for the year ended December 31, 2025.**

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after January 01, 2025 (unless otherwise stated). The Company has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**IAS 21 Lack of exchangeability – Amendments to IAS 21**

**Lack of Exchangeability – Amendments to IAS 21:** For annual reporting periods beginning on or after January 01, 2025, the Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on these financial statements.

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

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

	Effective date (annual periods beginning on or after)
<p><b>IFRS 18 Presentation and Disclosure in Financial Statements</b></p> <p>In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.</p> <p>The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.</p> <p>In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.</p> <p>IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after January 01, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.</p>	<p>January 01, 2027</p>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Effective date (annual periods beginning on or after)
<p>The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. The initial expected material impacts on Company's financial statements are as follows:</p> <ul style="list-style-type: none"> <li>- Rental income, change in fair value from investment properties and share of profit or an associate and a joint venture will be classified in the investing category within the statement of profit or loss.</li> <li>- Foreign exchange differences will be classified in the category where the related income and expense form the item giving rising to the foreign exchange difference.</li> <li>- New disclosure will be added: <ul style="list-style-type: none"> <li>(a) management-defined performance measures (where applicable);</li> <li>(b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and</li> <li>(c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.</li> </ul> </li> <li>- Interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.</li> </ul>	
<p><b>IFRS 19 Subsidiaries without Public Accountability: Disclosures</b></p> <p>In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.</p>	January 01, 2027
<p><b>Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7</b></p> <p>On May 30, 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:</p> <ul style="list-style-type: none"> <li>- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.</li> <li>- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.</li> <li>- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.</li> </ul>	January 01, 2026

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Effective date (annual periods beginning on or after)
<p>- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).</p> <p>The Amendments are effective for annual periods starting on or after January 01, 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Company is currently not intending to early adopt the Amendments.</p> <p>With respect to the amendments on the derecognition of financial liabilities that are settled through an electronic payment system, the Company is currently performing an assessment of all material electronic payment systems it uses, in order to assess whether the amendments will result in a material change with respect to current practices and whether it meets the conditions to apply the accounting policy option to derecognise such financial liabilities before the settlement date. Moreover, the Company is reviewing all its other payment systems to ensure that the corresponding financial assets are derecognised when the right to cash flows are extinguished and that the corresponding financial liabilities are derecognised on settlement date.</p>	
<p><b>Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7</b></p> <p>In December 2024, IASB issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments include:</p> <ul style="list-style-type: none"> <li>- Clarifying the application of the ‘own-use’ requirements</li> <li>- Permitting hedge accounting if these contracts are used as hedging instruments</li> <li>- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.</li> </ul> <p>The amendments will be effective for annual reporting periods beginning on or after January 01, 2026. Early adoption is permitted, but will need to be disclosed. The clarifications regarding the ‘own use’ requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.</p> <p>These amendments are not applicable to the Company.</p>	January 01, 2026
<p><b>IFRS 17 Insurance Contracts</b></p> <p>In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance</p>	January 01, 2027

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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	Effective date (annual periods beginning on or after)
<p>contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:</p> <ul style="list-style-type: none"> <li>- A specific adaptation for contracts with direct participation features (the variable fee approach)</li> <li>- A simplified approach (the premium allocation approach) mainly for short-duration contracts.</li> </ul> <p>IFRS 17 is effective for reporting periods beginning on or after January 01, 2027, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.</p>	
<p><b>Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21:</b></p> <p>In November 2025, the Board issued Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate.</p> <p>If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position.</p> <p>An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29, to the foreign operation's comparative figures.</p> <p>If an entity's functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and it translates the results and financial position of foreign operations whose functional currency is that of a non-hyperinflationary economy, then it is required to apply the amendments from the beginning of the annual reporting period in which it first applies the amendments. In addition, it restates the comparative amounts of its foreign operations included in the entity's previously issued financial statements by applying the general price index it applies to corresponding figures in accordance with paragraph 34 of IAS 29.</p> <p>The amendments apply for annual reporting periods beginning on or after January 01, 2027 and earlier application is permitted. The Company does not expect that the amendments will have a material impact on its financial statements.</p>	January 01, 2027

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Effective date (annual periods beginning on or after)
<p><b>IFRS 10 and IAS 28 Consolidated financial statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendment)</b></p> <p>On September 11, 2014, the IASB issued Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28). The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.</p> <p>In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.</p> <p>Further, IASB has issued annual improvements in IFRS in July 2024, wherein certain amendments have been made to various standards which are effective for annual periods beginning on and after January 01, 2026. The Company is currently evaluating the impact of these recently announced improvements.</p>	Not yet determined
<p>In addition to the above, the following new standards have been issued by IASB but are not notified by SECP for application in Pakistan:</p> <p><b>IFRS 1 - First time adoption of International Financial Reporting Standards</b></p>	January 01, 2004

The application of the above standard is not expected to have a material impact on the Company's financial statements, in the period of applicability.

### 3. Basis of measurement

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

### 4. Critical accounting estimates and judgments

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

#### (a) Provision for employees retirement benefits

The actuarial valuation of pension, gratuity, medical, accumulating compensated absences plans and benevolent grants requires the use of certain assumptions related to future periods, including increase in

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

future salary / pension / medical costs, rate of increase in benevolent grant, expected long-term returns on plan assets and the discount rate used to discount future cash flows to present values.

**(b) Provision for current and deferred taxation**

The Company recognizes income tax provision using estimates based upon expert opinions of its tax and legal advisors. Differences, if any, between the recorded income tax provision and the Company's tax liability, are recorded on the final determination of such liability. Deferred income tax is calculated at the rates that are expected to apply to the periods when the temporary differences reverse, based on tax rates that have been enacted or substantively enacted, by the date of the statement of financial position. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of deferred tax assets to be utilized.

**(c) Useful life and residual value of fixed assets**

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

**(d) Impairment of financial assets and investment in subsidiaries**

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

The Company performed impairment test for its equity investments in U Microfinance Bank Limited (Ubank) as on December 31, 2025, considering the current and historical financial performance and capital requirements of the entity, as explained below:

The Company has determined recoverable amount of Investment in Ubank, a subsidiary of the Company providing microfinance and branchless banking services, based on a value-in-use determined through discounted cash flow method, which was higher than the carrying value of investment in Ubank in the Company's financial statements. Value-in-use was estimated using cash flow projections approved by the Board of Directors of Ubank, covering a five-year period. The Company has applied a discount rate of 16.47% and the long-term steady growth-rate of 6.00%, to the cash flow projections. The calculation of value-in-use is most sensitive to the following assumptions:

**(i) Discount rates:**

The discount rate reflects current market assessment of the rate of return required for the business and is calculated using the Capital Asset Pricing Model. The discount rate reflects the target Weighted Average Cost of Capital of the Company.

**(ii) Key business assumptions:**

Key assumptions relating to the reasonableness of cashflows within the business plan includes long term growth rate, discount rate, growth and deposit, advance deposit ratio (ADR) and dividend payouts. These assumptions are based on business plan approved by the Board of Directors which includes revenue improvements on the basis of multiple strategies planned, including increase in loan disbursement in secured portfolio, and cost rationalization.

**(iii) Sensitivity to changes in assumptions:**

Management believes that after considering the various scenarios, change in any of the above key assumptions would not cause the carrying value of the investment to materially exceed its recoverable amount.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 4.1 Other estimates and judgments

### (a) Provision for stores and spares

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

### (b) Contract costs

Contract cost comprises incremental cost of acquiring the customers that are directly associated with the contracts as an asset if those costs are expected to be recoverable and the Company estimates the average life of the customer for amortization of capitalized contract cost.

### (c) Government grants

The Company recognizes government grants when there is reasonable assurance that grants will be received and the Company will be able to fulfill conditions associated with grants. Further, the Company recognizes grant income on a systematic basis over the periods in which the Company recognizes its expenses, the related costs for which the grants are intended to compensate, restricted to the extent of any amount the Company determines is likely to be refunded back to the donor.

### (d) Other provisions

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

### (e) Right of use assets and lease liability

The Company has applied incremental borrowing rate for recognition of lease liabilities and corresponding right of use assets under IFRS-16.

## 5. Material accounting policies

The accounting policies as set out below have been applied consistently to all periods presented in these financial statements. Material accounting policies of the Company are as follows:

### 5.1 Functional and presentation currency

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

### 5.2 Foreign currency transactions and translations

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

### 5.3 Short-term employee benefits

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 5.4 Government grants

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

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

## 5.5 Borrowings and borrowing costs

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

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

## 5.6 Trade and other payables

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

## 5.7 Provisions

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

## 5.8 Contingent liabilities

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

## 5.9 Dividend distribution

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

## 5.10 Non-current assets

### (a) Property and equipment

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

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

maintenance costs, are charged to statement of profit or loss during the period in which they are incurred.

Capital work in progress is stated at cost less impairment losses if any. It consists of expenditure incurred in respect of tangible fixed assets in the course of their construction and installation. Further, it includes capitalisation against turnkey projects to the extent of the work completed.

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

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

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

## (b) Compensation for impaired, lost or given up assets

Compensation from third parties for items of property and equipment that were impaired, lost or given up are included in statement of profit or loss when the compensation becomes receivable. Impairment or losses of items of property and equipment, related claims for or payments from third parties and any subsequent purchase or construction of replacement assets are separate economic events and are accounted for separately.

## (c) Right of use assets

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

## (d) Intangible assets

### (i) Licenses

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

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

### (ii) Computer software

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

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

## 5.11 Investments in subsidiaries and associates

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 5.12 Impairment of non-financial assets

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

## 5.13 Stores and spares

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

## 5.14 Earnings Per Share (EPS)

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

## 5.15 Trade debts / Contract assets

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

## 5.16 Financial instruments

### 5.16.1 Classification

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

#### (a) Amortized cost

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

#### (b) Fair value through other comprehensive income

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

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## (c) Fair value through profit or loss

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

### 5.16.2 Recognition and measurement

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

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

### 5.16.3 Subsequent measurement and gains and losses

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

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

### 5.16.4 Impairment of financial assets

The Company applies a simplified approach where applicable in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix for large portfolio of customer having similar characteristics and default rates based on the credit rating of customers from which receivables are due that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 5.16.5 Financial liabilities

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

## 5.16.6 Derecognition

### Financial assets

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

### Financial liabilities

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

## 5.17 Offsetting of financial assets and liabilities

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

## 5.18 Cash and cash equivalents

Cash and cash equivalents are carried at cost. Cash and cash equivalents comprise cash in hand, cash with banks and short term finances under mark up arrangements with banks. Cash equivalents are short term highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## 5.19 Revenue recognition

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

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

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

Services are offered separately and as bundled packages along with other services and / or devices. For bundled packages, the Company accounts for individual products and services separately if they are distinct i.e. if a product or service is separately identifiable from other items in the bundled package and if

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

a customer can benefit from it. The consideration is allocated between separate product and services (i.e. distinct performance obligations, "POs") in a bundle based on their stand-alone selling prices.

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

Nature and timing of satisfaction of performance obligations:

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

## Principal versus agent presentation

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

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

### 5.19.1 Income on bank deposits

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

### 5.19.2 Dividend income

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

## 5.20 Contract cost

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 5.21 Contract assets

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

## 5.22 Contract liability

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

## 5.23 Taxation

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

### (a) Current

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

### (b) Deferred

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

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

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

### (c) Group taxation

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

## 5.24 Employees retirement benefits

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

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

The Company operates an approved funded provident plan covering its permanent employees. For the purposes of this plan, a separate trust, the "PTCL Employees GPF Trust" (the Trust), has been established.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Monthly contributions are deducted from the salaries of employees and are paid to the Trust by the Company. In line with the Trust's earnings for a year, the board of trustees approves a profit rate for payment to the members. The Company contributes to the fund, the differential, if any, of the interest paid/credited for the year and the income earned on the investments made by the Trust.

## (b) Defined benefit plans

The Company provides the following defined benefit plans:

### (i) Pension plans

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

### (ii) Gratuity plan

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

### (iii) Medical benefits plan

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

### (iv) Accumulated compensated absences

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

### (v) Benevolent grants

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

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

## 5.25 Lease liability

The Company recognizes lease liabilities as per IFRS - 16 at the present value of the remaining lease payments using the Company's incremental borrowing rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease liabilities are measured at their amortized cost using the effective interest method.

## 6. Share capital

### 6.1 Authorized share capital

2025 (Number of shares '000)	2024		2025 Rs '000	2024 Rs '000
11,100,000	11,100,000	"A" class ordinary shares of Rs 10 each	111,000,000	111,000,000
3,900,000	3,900,000	"B" class ordinary shares of Rs 10 each	39,000,000	39,000,000
15,000,000	15,000,000		150,000,000	150,000,000

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 6.2 Issued, subscribed and paid up capital

2025 (Number of shares '000)	2024		2025 Rs '000	2024 Rs '000
3,774,000	3,774,000	"A" class ordinary shares of Rs 10 each issued as fully paid for consideration other than cash - note 6.3 and note 6.5.	37,740,000	37,740,000
1,326,000	1,326,000	"B" class ordinary shares of Rs 10 each issued as fully paid for consideration other than cash - note 6.3 and note 6.6.	13,260,000	13,260,000
5,100,000	5,100,000		51,000,000	51,000,000

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

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

6.5 The Government of Pakistan, through an "Offer for Sale" document, dated July 30, 1994, issued to its domestic investors, a first tranche of vouchers exchangeable for "A" class ordinary shares of the Company; subsequently, through an Information Memorandum dated September 16, 1994, a second tranche of vouchers was issued to international investors, also exchangeable, at the option of the voucher holders, for "A" class ordinary shares or Global Depository Receipts (GDRs) representing "A" class ordinary shares of the Company. Out of 3,774,000 thousand "A" class ordinary shares, vouchers against 601,084 thousand "A" class ordinary shares were issued to the general public. Till December 31, 2025, 599,613 thousand (December 31, 2024: 599,611 thousand) "A" class ordinary shares had been exchanged for such vouchers.

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

	Note	2025 Rs '000	2024 Rs '000
<b>7. Employees retirement benefits</b>			
Liabilities for pension obligations			
Unfunded	7.1	15,492,470	15,278,509
		15,492,470	15,278,509
Gratuity - funded	7.1	993,436	-
Accumulated compensated absences - unfunded	7.1	2,852,686	2,143,511
Post retirement medical facility- unfunded	7.1	23,281,619	21,049,516
Benevolent grants - unfunded	7.1	4,437,536	4,181,338
		47,057,747	42,652,874

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

**7.1** The latest actuarial valuations of the Company's defined benefit plans, were conducted at December 31, 2025 using the projected unit credit method. Details of obligations for defined benefit plans are as follows:

	Pension		Gratuity		Accumulated compensated absences		Post-retirement medical facility		Benevolent grants		Total
	Funded		Unfunded		Funded		Unfunded		Unfunded		
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000	
<b>a) The amounts recognized in the statement of financial position:</b>											
Present value of defined benefit obligations	156,138,897	159,483,002	15,492,470	15,278,509	4,793,974	3,322,418	2,852,686	2,143,511	23,281,619	21,049,516	205,458,294
Fair value of plan assets Note: 7.3	(169,901,698)	(162,434,441)	-	-	(3,800,538)	(3,444,019)	-	-	-	-	(165,878,460)
(Asset)/ liability at end of the year	(13,762,801)	(2,951,439)	15,492,470	15,278,509	993,436	(121,601)	2,852,686	2,143,511	23,281,619	21,049,516	39,579,834
<b>b) Changes in the present value of defined benefit obligations:</b>											
Balance at beginning of the year	159,483,002	142,863,607	15,278,509	12,283,715	3,322,418	2,831,040	2,143,511	2,052,020	21,049,516	15,634,286	179,971,862
Current service cost	930,345	967,204	541,074	528,053	345,084	332,782	114,689	111,341	178,205	122,087	2,103,549
Past service cost	6,901,456	-	-	-	-	-	-	-	-	-	6,901,456
Interest expense	17,980,343	19,878,826	1,775,844	1,765,293	381,732	397,916	243,744	288,484	2,351,741	2,147,136	25,082,752
Actuarial loss / (gain) on accumulated compensated absences	-	-	-	-	-	-	488,932	(183,375)	-	-	(183,375)
Remeasurements:											
Loss / (gain) due to financial / experience adjustments	(16,238,638)	7,309,895	(1,773,069)	920,005	892,010	(65,739)	-	-	1,771,549	4,798,906	(15,368,404)
Benefits paid	(12,917,611)	(11,536,530)	(329,888)	(218,557)	(147,270)	(173,581)	(138,190)	(124,959)	(2,069,392)	(1,652,899)	(13,974,744)
<b>Balance at end of the year</b>	<b>156,138,897</b>	<b>159,483,002</b>	<b>15,492,470</b>	<b>15,278,509</b>	<b>4,793,974</b>	<b>3,322,418</b>	<b>2,852,686</b>	<b>2,143,511</b>	<b>23,281,619</b>	<b>21,049,516</b>	<b>205,458,294</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Pension						Accumulated compensated absences						Post-retirement medical facility						Benevolent grants						Total	
	Funded			Unfunded			Funded			Unfunded			Unfunded			Unfunded			Unfunded							
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024				
Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000				
<b>c) Charge for the year:</b>																										
Profit or loss:																										
Current service cost	930,345	967,204	541,074	528,053	345,084	332,782	114,689	111,341	178,205	122,087	43,764	42,082	2,153,161	2,103,549												
Past service cost	6,901,456	-	-	-	-	-	-	-	-	-	-	-	6,901,456	-												
Net interest expense	(346,794)	(906,513)	1,775,844	1,765,293	(14,288)	(9,167)	243,744	288,484	2,351,741	2,147,136	476,957	605,097	4,487,204	3,890,330												
Actuarial gain on accumulated compensated absences	-	-	-	-	-	-	488,932	(183,375)	-	-	-	-	-	(183,375)												
Contribution from deputationists / employees	(10,710)	(13,801)	-	-	-	-	-	-	-	-	(15,957)	(15,620)	(26,667)	(29,421)												
	7,474,297	46,890	2,316,918	2,293,346	330,796	323,615	847,365	216,450	2,529,946	2,269,223	504,764	631,559	14,004,086	5,781,083												
Other comprehensive income:																										
Remeasurements:																										
Loss / (gain) on rereasurement of assets	(2,057,731)	(3,079,767)	-	-	39,501	(205,896)	-	-	-	-	-	-	-	(3,285,663)												
Loss / (gain) due to change in financial assumptions	(23,844,951)	(42,134)	(2,402,047)	(18,058)	-	(3,165)	-	-	-	(3,820,651)	(2,958)	(3,073)	(26,249,956)	(3,887,101)												
Loss / (gain) due to experience adjustments	7,606,313	7,352,029	628,978	938,063	892,010	(62,554)	-	-	1,771,549	8,619,557	(17,298)	(501,744)	10,881,552	16,345,351												
	(18,296,369)	4,230,128	(1,773,069)	920,005	931,511	(271,635)	-	-	1,771,549	4,798,906	(20,256)	(504,817)	(17,386,634)	9,172,587												
	(10,822,072)	4,277,018	543,849	3,213,351	1,262,307	51,980	847,365	216,450	4,301,495	7,068,129	484,508	126,742	(3,382,548)	14,953,670												
<b>d) Significant actuarial assumptions at the date of the statement of financial position:</b>																										
Discount rate	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%				
Future salary / medical cost increase	8.75%	9.75%	8.75%	9.75%	10.75%	10.75%	10.75%	10.75%	9.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%				
Future pension increase	7.00%	8.00%	7.00%	8.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Rate of increase in benevolent grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Average duration of the obligation	15 years	16 years	17 years	17 years	6 years	6 years	6 to 9 years	6 to 9 years	15 years	16 years	15 years	16 years	16 years	16 years	15 years	16 years	16 years	16 years	16 years	16 years	16 years	16 years				
Expected mortality rate	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005				
Expected withdrawal rate	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience				

**7.2** As more fully explained in note 15.7, the Company's obligation for funded pension is restricted to the extent of pension increases and benefits as determined by the Board of Trustees of the Pakistan Telecommunication Employees Trust (PTET).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Defined benefit pension plan Funded		Defined benefit gratuity plan Funded	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
<b>7.3 Changes in the fair value of plan assets</b>				
Balance at beginning of the year	162,434,441	149,115,429	3,444,019	2,783,909
Expected return on plan assets	18,327,137	20,785,339	396,020	407,083
Payments made to members on behalf of fund	-	-	147,270	173,581
Gain on remeasurement of assets	2,057,731	3,079,767	(39,501)	205,896
Contributions made by the Company during the year	-	990,436	-	47,131
Benefits paid	(12,917,611)	(11,536,530)	(147,270)	(173,581)
Balance at end of the year	169,901,698	162,434,441	3,800,538	3,444,019

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

	2025		2024	
	Rs '000	Percentage	Rs '000	Percentage
Debt instruments - unquoted				
- Defense savings certificates	39,060,481	22.99	34,729,689	21.39
- Pakistan investment bonds	44,474,763	26.18	36,144,413	22.25
	83,535,244	49.17	70,874,102	43.64
Cash and cash equivalents				
- Term deposits receipts	17,000,000	10.01	24,600,000	15.15
- Sukuks	4,035,662	2.38	3,741,428	2.30
- Pakistan investment bond	3,247,351	1.91	1,866,330	1.15
- Term finance certificates	-	-	44,775	0.03
- Treasury bills	37,820,682	22.26	33,771,089	20.79
- Cash and bank balances	1,696	-	2,430	-
	62,105,391	36.56	64,026,052	39.42
Investment property				
- Telecom tower	11,847,038	6.97	11,807,573	7.26
- Telehouse	3,342,236	1.97	3,333,976	2.05
- Corporate offices	2,327,901	1.37	2,317,067	1.43
	17,517,175	10.31	17,458,616	10.74
Fixed assets	11,130	0.01	11,463	0.01
Other assets	8,654,789	5.09	11,789,622	7.26
	171,823,729	101.14	164,159,855	101.07
Liabilities				
- Staff retirement benefits	(191,957)	(0.12)	(166,051)	(0.10)
- Amount due to PTCL	(59,538)	(0.04)	(25,634)	(0.02)
- Accrued and other liabilities	(356,583)	(0.21)	(328,046)	(0.20)
- Provision for zakat	(1,313,953)	(0.77)	(1,205,683)	(0.75)
	(1,922,031)	(1.14)	(1,725,414)	(1.07)
	169,901,698	100.00	162,434,441	100.00

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

	2025		2024	
	Rs '000	Percentage	Rs '000	Percentage
Units of mutual funds	898,441	23.64	162,659	4.72
Term deposit receipt	-	-	1,500,000	43.55
Term finance certificate	150,000	3.95	450,000	13.07
Bank balances	2,752,097	72.41	1,331,360	38.66
	3,800,538	100.00	3,444,019	100.00

7.6 The expected contributions in the next financial year to be paid to the funded gratuity plan by the Company is Rs 993,436 thousand.

## 7.7 Sensitivity analysis

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

	Impact on defined benefit obligation	
	1% Increase in assumption	1% Decrease in assumption
	Rs '000	Rs '000
Future salary / medical cost		
Pension - funded	12,939,232	(11,948,092)
Pension - unfunded	1,621,065	(1,467,421)
Gratuity - funded	294,989	(277,860)
Accumulating compensated absences - unfunded	239,533	(220,605)
Post-retirement medical facility - unfunded	3,747,950	(3,228,126)
Discount rate		
Pension - funded	(21,649,433)	25,131,288
Pension - unfunded	(2,410,984)	2,855,308
Gratuity - funded	(277,856)	294,920
Accumulating compensated absences - unfunded	(220,580)	239,491
Post-retirement medical facility - unfunded	(3,228,108)	3,747,585
Benevolent grants - unfunded	(615,455)	714,299
Future pension		
Pension - funded	25,135,742	(21,649,529)
Pension - unfunded	2,855,556	(2,411,054)
Benevolent grants		
Benevolent grants - unfunded	714,369	(615,491)
	<b>Increase by 1 year</b>	<b>Decrease by 1 year</b>
	<b>Rs '000</b>	<b>Rs '000</b>
Expected mortality rate		
Pension - funded	(2,340,696)	2,349,506
Pension - unfunded	(228,784)	232,965
Post-retirement medical facility - unfunded	(343,809)	350,093

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

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

	Note	2025 Rs '000	2024 Rs '000
<b>8. Deferred government grants</b>			
Balance at beginning of the year		16,721,916	15,080,525
Received / (repaid) during the year - net		3,736,703	3,071,005
Transferred to operating grant		20,458,619	18,151,530
Income recognized during the year	36	(177,136)	-
		(2,697,332)	(1,429,614)
Balance at end of the year	8.1	17,584,151	16,721,916

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

	Note	2025 Rs '000	2024 Rs '000
<b>9. Long term loans from banks</b>			
<b>Bank</b>			
MCB Bank Ltd	9.1	11,000,000	11,000,000
Habib Bank Ltd	9.2	35,000,000	35,000,000
Bank Alfalah Ltd	9.3	8,000,000	8,000,000
Faysal Bank Ltd	9.4	7,000,000	7,000,000
BankIslami Pakistan Ltd	9.5	4,500,000	2,000,000
Pak China Investment Company	9.6	2,500,000	-
International Finance Corporation	9.7	62,887,636	-
British International Investment	9.7	14,006,155	-
Silk Road Fund	9.7	35,155,449	-
Meezan Bank Limited	9.8	5,000,000	-
MCB Bank Ltd	9.9	10,000,000	-
Faysal Bank Ltd - Syndicate	9.9	7,833,029	-
Bank Alfalah Ltd	9.9	8,500,000	-
Bank of Punjab	9.9	4,500,000	-
Less: transaction costs		(3,528,665)	(219,640)
		212,353,604	62,780,360
Accrued Interest		441,834	318,719
		212,795,438	63,099,079
Current portion of long term loans from banks		(2,275,167)	(318,719)
		210,520,271	62,780,360

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

- 9.1** The Company entered into a Syndicate Term Finance Agreement dated June 16, 2022 to avail a long-term finance facility of Rs. 11,000,000 thousand for the purpose of equity injection into its wholly owned subsidiary, PTML. The facility is secured by a first-ranking charge by way of hypothecation over the hypothecated assets. The loan carries a mark-up at the rate of 3-Month KIBOR plus 0.30% per annum repayable in bi-annual installments, with mark-up payments commencing from September 15, 2022 and principal repayment commencing from December 15, 2026.
- 9.2** The Company entered into a Syndicate Term Finance Agreement dated December 29, 2022 to avail a long-term finance facility of Rs. 35,000,000 thousand for the purpose of equity injection into its wholly owned subsidiary, PTML. The facility is secured by a first-ranking charge by way of hypothecation over the hypothecated assets. The loan carries a mark-up at the rate of 3-Month KIBOR plus 0.40% per annum repayable in bi-annual installments, with mark-up payments commencing from March 31, 2023 and principal repayment commencing from June 30, 2027.
- 9.3** The Company has entered into a finance agreement dated April 5, 2024 to avail long term finance facility to the extent of Rs. 5,000,000 thousand for the purpose of equity/subordinated loan to its wholly owned subsidiary PTML. The finance facility is secured by creating a charge by way of hypothecation over the hypothecated assets. The loan carries a mark-up at the rate of 3-Month KIBOR plus 0.60% per annum and is repayable in quarterly installments, with mark-up payments commencing from July 18, 2024 and principal repayment commencing from July 18, 2028.

In 2023, the Company has entered into a finance agreement dated October 24, 2023 to avail long term finance facility to the extent of Rs. 3,000,000 thousand for the purpose of equity injection into its wholly owned subsidiary PTML. The finance facility is secured by creating a charge by way of hypothecation over the hypothecated assets. The loan carries a mark-up at the rate of 3-Month KIBOR plus 0.40% per annum and is repayable in quarterly installments, with mark-up payments commencing from January 25, 2024 and principal repayment commencing from January 25, 2028.

- 9.4** The Company entered into a 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 hypothecation over the hypothecated assets. The loan carries a mark-up at the rate of 3-Month KIBOR plus 0.50% per annum repayable in quarterly installments, with mark-up payments commencing from October 1, 2024 and principal repayment commencing from October 1, 2028.
- 9.5** The Company has obtained finance facility under musharakah agreement with BankIslami Pakistan Limited dated December 28, 2023 to avail the finance facility to the extent of Rs. 2,000,000 thousand to meet the capex requirements of the Company. The contract is secured by creating a charge by way of hypothecation over hypothecated assets. The musharaka agreement involve twelve quarterly payments carrying mark-up at the rate of 3-Month KIBOR plus 0.55% per annum with mark up payments commencing from March 28, 2024 and principal repayments commencing from March 28, 2028.

The Company has entered into a new finance agreement dated September 10, 2025 to avail long term finance facility to the extent of Rs. 2,500,000 thousand to meet the ongoing capex requirements of the Company. The finance facility is secured by way of hypothecation against the hypothecated assets of the Company. The musharaka contract involve quarterly payments carrying mark-up at the rate of 3-Month KIBOR plus 0.55% per annum with mark up payments commencing from December 31, 2025 and principal repayments commencing from December 31, 2029.

- 9.6** The Company entered into a new finance agreement dated June 26, 2025 to avail long term finance facility to the extent of Rs. 2,500,000 thousand to meet the capex requirements of the Company. The finance facility is secured by way of hypothecation against assets of the Company, excluding land, building, licenses etc.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

The loan is repayable in quarterly installments commencing from September 30, 2028. The loan carries a mark-up at the rate of 3-Month KIBOR plus 0.60% per annum, with mark-up payments commencing from July 01, 2025 and principal repayment commencing from June 27, 2028.

- 9.7** The Company entered into a Syndicated Term Finance Facility Agreement on June 27, 2024 with the International Finance Corporation (IFC) acting as Lead Arranger, alongside British International Investment (BII) and Silk Road Fund (SRF), to secure long-term financing of up to USD 400 million. The facility was arranged to finance the acquisition of 100% shareholding of Telenor Pakistan (Private) Limited and Orion Towers (Private) Limited. The facility is benchmarked to Term SOFR, has a seven-year tenor with a one-year grace period, and is repayable on quarterly basis. It was fully disbursed in December 2025 after completion of all conditions precedent.
- 9.8** The Company has obtained a new finance facility under musharakah agreement with Meezan Bank Limited dated December 22, 2025 to avail the finance facility to the extent of Rs. 5,000,000 thousand for the purpose of subordinated loan, equity injection in PTML and to meet the capex requirements of the Company. The contract is secured by creating a charge by way of hypothecation over hypothecated assets. The musharaka contract involve quarterly payments carrying mark-up at the rate of 3-Month KIBOR plus 0.60% per annum with mark up payments commencing from December 22, 2025 and principal repayments commencing from December 22, 2029.
- 9.9** The Company has entered into Bridge Finance Facilities obtained from MCB Bank Limited, Faysal Bank Limited, Bank Alfalah Limited and Bank of Punjab. The Company is currently in negotiations for a syndicated long-term finance facility of Rs. 35,000,000 thousand. These Bridge Facilities will be settled upon disbursement of the syndicated financing facility.

## 10. Contract liabilities

This includes balance from Telenor Pakistan (Private) Limited, a related party, amounting to Rs. 1,085,508 thousand (December 31, 2024: 841,179 thousand).

	Note	2025 Rs '000	2024 Rs '000
<b>11. Lease liabilities</b>			
<b>Balance at the beginning of year</b>		1,364,799	1,682,714
Additions during the year		100,857	251,360
Modifications during the year		4,390	171,564
Terminations during the year		(836)	(6,986)
Interest expense	37	225,691	293,170
Lease rentals paid		(593,957)	(1,027,023)
Balance at the end of the year		1,100,944	1,364,799
Current portion shown under current liabilities		(385,390)	(337,022)
Due after 12 months		715,554	1,027,777
<b>Lease commitments</b>			
Not later than one year		539,816	547,686
Later than one year and not later than 5 years		636,694	1,068,159
Later than 5 years		469,141	428,618
Total undiscounted lease commitments		1,645,651	2,044,463
Future finance cost		(544,707)	(679,664)
		1,100,944	1,364,799

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>12. Trade and other payables</b>			
Trade creditors		15,773,238	13,264,221
Accrued and other liabilities	12.1	48,874,297	46,077,337
Technical services assistance fee	12.2	56,116,645	48,230,684
Advances from customers		7,171,691	8,144,824
Contract liabilities		943,272	1,010,733
Retention money / payable to contractors and suppliers		7,135,436	7,590,598
Payable to subsidiaries on account of group taxation	12.4	55,296,835	40,733,736
Sales tax payable		2,551,922	3,468,014
Income tax collected / deducted at source		569,945	799,325
	12.3	194,433,281	169,319,472
<b>12.1 Accrued and other liabilities</b>			
Accrued liability for operational expenses		14,425,349	13,169,211
Amount withheld on account of provincial levies (Sub-judice) for ICH operations	12.1.1	12,110,803	12,110,803
Accrual for Government / regulatory expenses		17,736,378	16,812,077
Accrued wages		3,756,424	3,253,401
Others		845,343	731,845
		48,874,297	46,077,337
<b>12.1.1</b>			
This represents International Clearing House "ICH" revenue which were shared between the Company and other Long Distance and International "LDI" operators in the ratio of 50:50. Therefore, out of this, 50% of the amount represents revenue not recognized by the Company. As the ICH operator, the Company challenged the imposition of sales tax on ICH revenue and the matter is sub-judice in different courts of law; therefore, the relevant share of the ICH partners is being held by the Company till the finalization of the subject cases. The amount includes Rs. 559,000 thousand (December 31, 2024: 559,000 thousand) payable to Telenor LDI Communications (Pvt) Limited.			
<b>12.2</b>			
Liability has not been settled since State Bank of Pakistan has not yet acknowledged the extension of Technical Service Assistance (TSA) Agreement.			
		2025 Rs '000	2024 Rs '000
<b>12.3 Trade and other payables include payables to the following related parties:</b>			
U Microfinance Bank Limited		19,494	895
DVCOM Data (Private) Limited (DVCOM)		1,955,000	1,955,000
Emirates Telecommunication Corporation		5,037,288	4,151,059
Etisalat - Afghanistan		53,257	53,718
Etihad Etisalat (Mobily)		4,631	3,941
Thuraya Satellite Telecommunication Company - Dubai, UAE		18,003	13,618
Telecom Foundation		1,057	13,654
TF Pipes Limited		2,940	4,630
PTCL Employees GPF Trust		30,496	89,535
Retention money / payable to contractors and suppliers			
TF Pipes Limited		-	2,940
Telenor Pakistan (Private) Limited		6,677	6,677
PTML		2,316	1,035

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

**12.4** This represents payable to PTML Rs 45,765,436 thousand (December 31, 2024: Rs 36,754,667 thousand), Ubank Rs. 9,110,991 thousand (December 31, 2024: 3,559,472 thousand), DVCOM Rs 415,745 thousand (December 31, 2024: Rs 416,051 thousand) and Smart Sky Rs. 4,663 thousand (December 31, 2024: 3,546 thousand) on account of group taxation.

## **13. Short term financing**

These facilities are obtained from various commercial banks with an aggregate limit of Rs. 25,510,000 thousand (December 31, 2024: 31,550,000 thousand) and are secured against 1st pari passu charge on present and future assets of the Company. These facilities carry markup rates ranging from 1-month KIBOR to 3-month KIBOR plus weighted average rate of 0.18% (December 31, 2024: 1-month KIBOR to 6-month KIBOR plus weighted average rate of 0.17%) per annum. As of reporting date, facilities amounting to Rs. 7,941,627 thousand were un-utilised by the Company.

This also include shariah compliant, rated, unlisted, unsecured, privately placed short term sukuk amounting to Rs. 25,000,000 thousand (December 31, 2024: 20,000,000 thousand) issued to meet the working capital requirements with a tenor of 6 months carrying mark-up rates of 3-month KIBOR minus weighted average rate of 0.01% (December 31, 2024: 6-month KIBOR plus weighted average rate of 0.13%) 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. As of reporting date, these facilities were fully utilized by the Company.

## **14. Security deposits**

These security deposits are received from customers for services to be provided and are refundable / adjustable on termination of their relationship with the Company. These are non interest bearing and includes security deposits of Rs 3,650 thousand (December 31, 2024: Rs 3,623 thousand) from Pak Telecom Mobile Limited (PTML) and Rs 33,468 thousand (December 31, 2024: Rs 33,468 thousand) from Telenor Pakistan (Private) Limited, the related parties. The Company has adjusted / paid a sum of Rs 5 thousand (December 31, 2024: Rs nil) to its customers during the year against their balances. Amount of these security deposits has been kept in a separate bank account.

## **15. Contingencies and commitments**

### **Contingencies**

#### **Indirect taxes**

**15.1** For cases before Federal Board of Revenue (FBR), the Honorable Islamabad High Court in its last decision has declared the Company as State-owned Enterprise (SOE) and referred both the cases to Alternative Dispute Resolution Committee (ADRC). Against this decision, the Company has filed CPLA before Honorable Supreme Court of Pakistan, hearing of which is underway. For cases before Punjab Revenue Authority (PRA), the writ petitions challenged in Lahore High Court (LHC) have been decided in favour of the Company. Intra-court appeal (ICA) was filed by PRA, which has also been allowed in favour of the Company.

**15.2** Based on an audit of certain monthly returns of Federal Excise Duty (FED), a demand of Rs 1,289,957 thousand was raised on the premise that the Company did not apportion the input tax between allowable and exempt supplies. The Company is in appeal before Appellate Tribunal Inland Revenue (ATIR), which is pending adjudication. Meanwhile, the Honorable Islamabad High Court (IHC) has granted a stay order in this regard against any coercive measures.

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

- 15.4** The Sindh Revenue Board (SRB) has assessed Sindh sales tax on services amounting to Rs 702 million on the premise that the Company did not pay sales tax on invoices issued for services rendered to Cellular Mobile Operators (CMOs). Department view was not supported by the record and the Company has submitted detailed evidence to refute the same before the learned Commissioner Appeals, SRB and stay has been granted. Management and tax advisors believe that this case would be settled in favor of the Company owing to the evidence on record.
- 15.5** Large Taxpayer Office (LTO) Islamabad has issued notices under section 14 of FED Act, 2005, from July 2021 to June 2025 with intention to levy Federal Excise Duty in terms of Franchise Fee. The Company has challenged the notices before Islamabad High Court (IHC). The Court after hearing our case has provided interim stay. As on today, there is no demand in field.

## Income tax

- 15.6** For the tax years 2007, 2009, 2010, 2011 to 2023, Taxation Officer disallowed certain expenses, tax credits and levied short deduction of WHT. The impugned orders were challenged at the relevant appellate forums which allowed partial relief thereof. After taking into account the orders of CIR (Appeals), ATIR as well as rectification orders tax impact of the disallowances is Rs 51,115,762 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 (IHC). 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.

## Others

- 15.7** In 2010, Pakistan Telecommunication Employees Trust ("PTET") board approved the pension increase which was less than the increase notified by the Government of Pakistan ("GoP"). Thereafter, pensioners filed several Writ Petitions. After a series of hearings, on June 12, 2015, the Apex Court decided the case in the interest of pensioners. On July 13, 2015, Review Petition was filed in Supreme Court of Pakistan against the Judgment of June 12, 2015. The Honourable Supreme Court of Pakistan (Apex Court) disposed the Review Petitions filed by the Company, the Pakistan Telecommunication Employees Trust (PTET) and the Federal Government (collectively, the Review Petitioners) vide the order dated May 17, 2017.

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 (IHC) 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.

The Supreme Court vide its judgement dated July 10, 2025 has disposed off the petitions in the following terms:

1. Only those employees who were Civil Servants in the former T&T Department are entitled to increases in pension as are admissible to Civil Servants.
2. T&T employees who do not fall within the definition of Civil Servants are not entitled to any increase in pensionary benefits granted by government.
3. Employees categorized as Workmen or Workers under the relevant labour laws are not eligible for pensionary increases.
4. Employees recruited after January 01, 1991 by the corporation are not entitled to increases at par with civil servants.
5. VSS optees are not entitled to any increases at par with civil servants.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

The Honourable Supreme Court (SCP) has remanded some of the cases to Honourable Islamabad and Peshawar High Court for determining whether some of the petitioners falls within the status of Civil Servant or workmen. The pensioners aggrieved by the judgment of the Supreme Court have opted to file the Review Petitions which have not been fixed for hearing. The T&T pensioners are seeking allowances whereas corporation, VSS optees and workmen are seeking pension increases at part with the T&T Civil servants.

The pension cases before the SCP directed the Company to recognize its continuing liability towards former civil servants transferred from the Telegraph & Telephone (T&T) Department to the PTC and subsequently to the Company, and to record this as a declared liability in line with applicable accounting and corporate law.

The liability covers differential of pension payable in accordance with prevailing standards for similarly placed public servants. The SCP further held that such benefits are not payable to workmen/workers, ex-civil servants who availed Voluntary Separation Scheme (VSS), or employees appointed by PTC, and remanded certain transferred employees' cases to the High Courts for determination of their civil servant status.

To comply, the Company engaged an independent legal advisor to determine such transferred employees who being civil servant at the time of their transfer are entitled to increase in pension and has recognized an amount of Rs. 6,901,456 thousand, as past service cost in the statement of profit or loss for the year ended 31 December 2025, based on its best estimate of expenditure required to meet its obligation as determined by the SCP. In this respect, the Company had also engaged independent actuary to calculate additional pension liability.

Based on this exercise, adequate provision has been made, and based on legal advice, any potential adverse findings from the High Courts are not expected to materially impact the financial statements.

- 15.8** A total of 1,107 cases (December 31, 2024: 1,452 cases) against the Company involving Regulatory, Telecom Operators, Employees and Subscribers are pending adjudication. Because of number of cases and their uncertain nature, it is not possible to quantify their financial impact. Management and Legal advisors of the company are of the view that the outcome of these cases is expected to be favourable and liability, if any, arising out on the settlement is not likely to be material.
- 15.9** Except stated above, no provision on account of above contingencies has been made in these financial statements as the management and tax / legal advisors of the Company are of the view, that these matters will eventually be settled in favour of the Company.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>15.10 Guarantees and bid bonds issued in favour of:</b>			
Bank guarantees			
Universal Service Fund (USF) against government grants		7,604,921	9,270,431
Others	15.10.1	3,559,544	3,252,806
		11,164,465	12,523,237
Corporate guarantee in favour of PTML			
Corporate guarantee in favour of PTML		72,997,000	65,497,000
Corporate guarantee in favour of Ubank		-	10,000,000
		72,997,000	75,497,000
<b>15.10.1</b> Others includes bank guarantees given on behalf of DVCOM Data (Private) Limited to PTA amounting to Rs 675,000 thousand (December 31, 2024: Rs. 675,000 thousand).			
	Note	2025 Rs '000	2024 Rs '000
<b>15.11 Commitments</b>			
Contracts for capital expenditure		5,638,130	10,275,706
Letter of comforts in favour of PTML		3,500,000	3,500,000
		9,138,130	13,775,706
<b>16. Property and equipment</b>			
Operating fixed assets	16.1	149,236,665	138,294,889
Capital work in progress	16.6	29,694,357	22,877,614
		178,931,022	161,172,503

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 16.1 Operating fixed assets

	Land		Buildings on		Leasehold land	Lines and wires	Apparatus, plant and equipment	Passive Network & Allied systems	Submarine cables	Office equipment	Computer equipment	Furniture and fittings	Vehicles	Total
	Freehold - note 16.2	Leasehold	Freehold land	Leasehold land										
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>As at December 31, 2023</b>														
Cost	1,637,680	100,782	14,253,562	1,518,128	147,832,666	256,128,608	1,402,508	19,192,358	4,319,638	2,777,604	940,488	3,603,236	453,707,258	
Accumulated depreciation and impairment	-	(45,859)	(7,363,561)	(766,235)	(95,609,504)	(202,950,723)	(1,277,973)	(13,165,554)	(2,457,911)	(2,539,420)	(693,866)	(3,079,543)	(329,950,149)	
Net book value	1,637,680	54,923	6,890,001	751,893	52,223,162	53,177,885	124,535	6,026,804	1,861,727	238,184	246,622	523,693	123,757,109	
<b>Movement during 2024</b>														
Additions	-	-	312,705	94,047	14,090,192	17,000,321	-	798,293	407,376	273,524	7,248	106,349	33,090,055	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cost	-	-	-	-	(6,808,300)	(20,113,699)	(12,975)	-	(3,871)	(209,650)	-	-	(27,323,840)	
Accumulated depreciation	-	-	-	-	6,795,727	19,894,554	7,658	-	3,235	102,341	-	-	26,961,776	
Depreciation charge for the year	-	(1,643)	(370,163)	(41,473)	(12,573)	(219,145)	(5,317)	-	(636)	(107,309)	-	(17,084)	(362,064)	
Impairment charge	-	-	-	-	(4,359,765)	(12,073,901)	(20,638)	(581,156)	(637,515)	(148,305)	(44,025)	(211,627)	(18,190,211)	
Net book value	1,637,680	53,280	6,832,543	804,467	61,941,016	57,885,160	98,580	6,243,941	1,930,952	256,094	209,845	401,331	138,294,889	
<b>As at December 31, 2024</b>														
Cost	1,637,680	100,782	14,566,267	1,612,175	155,114,558	253,015,230	1,389,533	19,990,651	4,723,143	2,841,478	947,736	3,534,240	459,473,473	
Accumulated depreciation and impairment	-	(47,502)	(7,733,724)	(807,708)	(93,173,542)	(195,130,070)	(1,290,953)	(13,746,710)	(2,792,191)	(2,585,384)	(737,891)	(3,132,909)	(321,178,584)	
Net book value	1,637,680	53,280	6,832,543	804,467	61,941,016	57,885,160	98,580	6,243,941	1,930,952	256,094	209,845	401,331	138,294,889	
<b>Movement during 2025</b>														
Additions	-	-	250,212	253,259	14,530,497	15,370,828	-	144,538	434,847	209,259	8,847	36,989	31,239,276	
Transfers - note 30	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cost	(932)	-	(440,104)	-	-	-	-	-	-	-	-	-	(441,036)	
Accumulated depreciation	-	-	228,130	-	-	-	-	-	-	-	-	-	228,130	
Disposals - note 16.4	(932)	-	-	(211,974)	-	-	-	-	-	-	-	-	(212,906)	
Cost	-	-	-	-	(2,635,547)	(6,231,717)	(6,474)	-	(6,118)	(94,125)	(2,244)	-	(8,976,225)	
Accumulated depreciation	-	-	-	-	2,633,211	6,162,342	5,829	-	2,792	60,329	2,244	-	8,866,747	
Depreciation charge for the year - note 16.5	-	(1,642)	(377,155)	(45,551)	(5,209,483)	(13,015,588)	(14,578)	(539,313)	(369,247)	(169,279)	(43,175)	(190,105)	(19,975,116)	
Impairment charge	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net book value	1,636,748	51,638	6,705,600	800,201	71,259,694	60,171,025	83,357	5,849,166	1,993,226	262,278	175,517	248,215	149,236,665	
<b>As at December 31, 2025</b>														
Cost	1,636,748	100,782	14,816,479	1,425,330	167,009,508	262,154,341	1,383,059	20,135,189	5,151,872	2,956,612	954,339	3,571,229	481,295,488	
Accumulated depreciation and impairment	-	(49,144)	(8,110,879)	(625,129)	(95,749,814)	(201,983,316)	(1,299,702)	(14,286,023)	(3,158,646)	(2,694,334)	(778,822)	(3,323,014)	(332,088,823)	
Net book value	1,636,748	51,638	6,705,600	800,201	71,259,694	60,171,025	83,357	5,849,166	1,993,226	262,278	175,517	248,215	149,236,665	
Annual rate of depreciation (%)	-	1 to 3.3	2.5	2.5	5 to 7	10 to 20	10 to 15	5	10	33.33	10	10	20	

16.2 The Company has over 3,000 properties located throughout Pakistan. Business zone-wise disclosure of these properties is given below:

Regions	No. of Properties	Area Sq Yards
Central	1,544	3,983,523
North	1,104	4,487,597
South	672	8,836,432
Grand Total	3,320	17,307,552

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Sr. No.	Description	Address	The Person in whose name the property is registered	Person in Possession or control	Reasons for the property or asset not being in the name of or possession or control of the Company	(Rupees)
26	Tando Muhammad Khan Telephone Exchange	Survey No. 40, 41 etc. Near Civil Hospital, Deh Tando Mohd. Khan, Hyderabad.	Private Name	PTCL	Pending for Transfer with Sindh Government	43,650
27	Sirnikot Telephone Exchange	Khasra No. 895/896/897, etc. Sirnikot Road, Moza Sirnikot, Haripur.	Private Name	PTCL	Under Litigation	33,652
28	Wana Telephone Exchange	Azam Warsak Road, Wana, S.W. Agency H/Q Wana.	Provincial Government	PTCL	Exchange is located in Tehsil Office and not a PTCL Property.	1
29	Mirpur Khas Customer Service Center Building	Survey No. 1320, Hyderabad Road, Mirpur Khas	Private Name	PTCL	Pending for Transfer with Sindh Government	1
30	Shahi Bala Telephone Exchange	Khasra No. 968, 969, Khewat No. 139 etc. Moza Shahi Bala, Peshawar.	Private Name	PTCL	Under Litigation	1
31	Baba Jee Khando Hill DRS	Khasra No. 73, Khatoni No. 169 etc. Baba Jee Kandoo Hill, Bunair.	Private Name	PTCL	Under Litigation	15,755
32	Sambrial-II	Near Petrol Pump & Annayat Group Factory, Moza Sambrial, Sialkot.	-	Not in Possession of PTCL.	The site delisted by PC because Sambrial T/E and Sambrial-II are the same sites.	2,800,000
33	Rashki Telephone Exchange	Khasra No. 40/121, Khata No. 210/844, Mutation No. 5282, Moza Rashki, Nowshera.	-	Not in Possession of PTCL.	The site delisted by PC because it came under Peshawar-Islamabad Motorway (MI).	1
34	Kharian Cantt Telegraph office (Site-III)	Behind GPO, Kharian, Gujrat.	-	Not in Possession of PTCL.	The site delisted by PC because a room was provided by MEO to facilitate Pakistan army in Cantt. Telegraph Office closed since 2006.	1
35	Sita Road RCD Microwave	Survey No. 814, Deh Bhagana, Tapa Danager-I, Sita Road RCD Microwave, Khairpur, Nathan Shah, Dadu.	-	Not in Possession of PTCL.	The site delisted by PC because the land is not transferred to PTCL & no network element existed on ground.	1
36	Tarnol (Additional Land)	Khasra No. 1552/683, Khewat No. 249 (1980-81) etc. Moza Sariay Kharboza, G.T. Road, Islamabad	-	Not in Possession of PTCL.	The site delisted by PC because the land owned by private party	2
37	Chakra (Chowker) Telephone Exchange	Khasra No. 1499-1502, Khewat No. 97-98, 115, Khatoni No. 171, 196 etc. Moza Chowker, Rawalpindi.	-	Not in Possession of PTCL.	The site delisted by PC because no PTCL land exists there	260,000
38	Sindhri Telephone Exchange	Survey No. 153 etc. Near Police Station, Deh Khani Mangri, Sindhri, Khipro, Sanghar.	Private Name	PTCL	Conditionally Transferred not accepted by PTCL	1
39	Chakwal EMD & Colony	Khasra No. 5955/2123, Khewat No. 1485, Khatoni No. 2750 (1999-00) etc. -Chakwal	Private Name	PTCL	Mutation in favour of PTCL has been cancelled and previous Mutation restored in favour of private owners.	17,000

Apart from the above disclosed [39] properties, there are additional properties that are not part of the Financial Statements because they are also not held in the name or control of the Company since legal title to them has not been transferred from the relevant parties/authorities to the Company. Some of these additional properties were also listed in the SRO 430(1)/2004 dated 7th June 2004 (the SRO) to be transferred to the Company free from any charge, burden, hypothecation or encumbrances and no stamp duty or transfer charges shall be payable under any law in relation to the transfer or vesting of these properties to the Company. These properties are under discussion between the Government of Pakistan and the Ultimate Parent Company and upon the conclusion of the matter, appropriate accounting treatment or disclosure will be made in the subsequent Financial Statements, if required.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 16.4 Disposals of property and equipment:

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

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Loss on disposal	Mode of disposal	Particulars of purchaser / relationship with Company
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000		
Apparatus, plant and equipment	8,288	7,666	622	7	(615)	Auction	M/S Zeeshan & Co
Apparatus, plant and equipment	7,946	7,350	596	6	(590)	Auction	M/S Zeeshan & Co
Apparatus, plant and equipment	14,925	10,945	3,980	412	(3,568)	Auction	Abdullah Engineering Works
Apparatus, plant and equipment	16,521	15,832	689	456	(233)	Auction	Abdullah Engineering Works
Apparatus, plant and equipment	12,213	11,704	509	337	(172)	Auction	Abdullah Engineering Works
	59,893	53,497	6,396	1,218	(5,178)		

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

	Note	2025 Rs '000	2024 Rs '000
Cost of services	32	19,628,448	17,854,225
Administrative and general expenses	33	215,818	210,037
Selling and marketing expenses	34	130,850	125,949
		19,975,116	18,190,211

## 16.6 Capital work in progress

Buildings	441,600	433,337
Lines and wires	14,700,321	12,737,776
Apparatus, plant and equipment	5,727,327	4,337,792
Turnkey projects	8,825,109	5,368,709
	29,694,357	22,877,614

## 16.7 Movement during the year

Balance at beginning of the year	22,877,614	20,260,678
Additions during the year	38,222,243	35,902,977
Transfers during the year		
- operating fixed assets	(31,079,349)	(32,806,449)
- intangible assets	(326,151)	(479,592)
	(31,405,500)	(33,286,041)
Balance at end of the year	29,694,357	22,877,614

**16.8** Total capitalization during the year amounted to Rs 38,382,170 thousand (December 31, 2024: Rs 36,186,583 thousand).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 17. Right of use (ROU) assets

	Note	Site Leases Rs '000	Right of way Rs '000	2025 Rs '000	2024 Rs '000
Movement during the year					
Balance as at January 01, 2025		616,826	766,212	1,383,038	1,698,902
Additions during the year		85,882	14,975	100,857	251,360
Modifications during the year		(999)	5,389	4,390	171,564
Terminations during the year		(836)	-	(836)	(6,987)
Depreciation for the year	32	(220,264)	(234,378)	(454,642)	(731,801)
Balance as at December 31, 2025		480,609	552,198	1,032,807	1,383,038

17.1 The right-of-use assets are depreciated over the life of 2 to 15 years.

	Note	Licenses and spectrum Rs '000	Computer software Rs '000	Total Rs '000
As at December 31, 2023				
Cost		4,639,013	4,486,981	9,125,994
Accumulated amortization		(4,020,708)	(3,362,623)	(7,383,331)
Net book value		618,305	1,124,358	1,742,663
Movement during 2024				
Opening net book value		618,305	1,124,358	1,742,663
Additions		-	479,592	479,592
Disposals	18.2			
Cost		3,646,884	-	3,646,884
Accumulated amortization		(3,646,884)	-	(3,646,884)
		-	-	-
Amortization charge for the year	32	(169,434)	(585,755)	(755,189)
Net book value	18.1	448,871	1,018,195	1,467,066
As at December 31, 2024				
Cost		992,129	4,966,573	5,958,702
Accumulated amortization		(543,258)	(3,948,378)	(4,491,636)
Net book value		448,871	1,018,195	1,467,066
Movement during 2025				
Opening net book value		448,871	1,018,195	1,467,066
Additions		-	326,151	326,151
Amortization charge for the year	32	(35,284)	(828,307)	(863,591)
Net book value	18.1	413,587	516,039	929,626
As at December 31, 2025				
Cost		992,129	5,292,724	6,284,853
Accumulated amortization		(578,542)	(4,776,685)	(5,355,227)
Net book value		413,587	516,039	929,626
Annual rate of amortization (%)		4 - 10	6.67 - 33	

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>18.1</b> Breakup of net book values as at year end is as follows :			
Licenses and spectrum			
Telecom	18.2	377,775	396,662
WLL and LDI License - AJK & GB	18.3	31,180	44,651
IPTV	18.4	4,632	7,558
		413,587	448,871
Computer software		516,039	1,018,195
		929,626	1,467,066

**18.2** The Pakistan Telecommunication Authority (PTA) renewed the license of the Company, to provide telecommunication services in Pakistan, for a period of 25 years, commencing January 01, 2021, at an agreed license fee of Rs 472,219 thousand. In June 2005 PTA modified the previously issued license to provide telecommunication services to include a spectrum license at an agreed license fee of Rs 3,646,884 thousand. Wireless Local Loop (WLL) license under which the Company provided WLL services in Pakistan, over a period of 20 years, commencing October 2004, expired in October 2024 and accordingly has been derecognised from the financial statements.

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

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

	Note	2025 Rs '000	2024 Rs '000
<b>19. Long term investments</b>			
Investments in subsidiaries and associates	19.1	139,053,397	76,184,857
Other investments	19.3	51,427	51,427
		139,104,824	76,236,284

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>19.1 Investments in subsidiaries and associate - at cost (unquoted)</b>			
<b>Wholly owned subsidiaries</b>			
Pak Telecom Mobile Limited - Islamabad 6,500,000,000 (December 31, 2024: 6,500,000,000) ordinary shares of Rs 10 each		65,000,000	65,000,000
Advance against issue of shares		8,000,000	-
Shares held 100% (December 31, 2024: 100%)		73,000,000	65,000,000
Telenor Pakistan (Private) Limited 8,512,110,270 (December 31, 2024: Nil) ordinary shares of Rs 10 each	19.2	49,018,040	-
Shares held 100% (December 31, 2024: 0%)			
U Microfinance Bank Limited - Islamabad 808,571,420 (December 31, 2024: 808,571,420) ordinary shares of Rs 10 each		8,083,857	8,083,857
100,000,000 (December 31, 2024: 100,000,000) preference shares of Rs 10 each		1,000,000	1,000,000
Term Finance Certificates		850,000	-
Advance for purchase of shares		7,000,000	2,000,000
Shares held 100% (December 31, 2024: 100%)		16,933,857	11,083,857
DVCOM Data (Private) Limited - Karachi 10,000 (December 31, 2024: 10,000) ordinary shares of Rs 100 each		1,000	1,000
Shares held 100% (December 31, 2024: 100%)			
Orion towers (Private Limited) 50,000 (December 31, 2024: Nil) ordinary shares of Rs 10 each	19.2	500	-
Shares held 100% (December 31, 2024: 0%)			
Smart Sky (Private) Limited - Islamabad 10,000,000 (December 31, 2024: 10,000,000) ordinary shares of Rs 10 each		100,000	100,000
Shares held 100% (December 31, 2024: 100%)			
		139,053,397	76,184,857
<b>Associate</b>			
TF Pipes Limited - Islamabad 1,658,520 (December 31, 2024: 1,658,520) ordinary shares of Rs 10 each			
Shares held 40% (December 31, 2024: 40%)		23,539	23,539
Less: accumulated impairment loss on investment		(23,539)	(23,539)
		-	-
		139,053,397	76,184,857

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

**19.2** During the year, on December 31, 2025, the Company has acquired 100% of the shareholding of Telenor Pakistan (Private) Limited and Orion Towers (Private) Limited and shares have been duly transferred in the name of the Company.

	Note	2025 Rs '000	2024 Rs '000
<b>19.3 Other investments</b>			
Fair value through other comprehensive income (FVOCI) - unquoted			
Thuraya Satellite Telecommunication Company - Dubai, UAE			
3,670,000 (December 31, 2024: 3,670,000) ordinary shares of AED 1 each		31,427	31,427
Alcatel - Lucent Pakistan Limited - Islamabad		20,000	20,000
2,000,000 (December 31, 2024: 2,000,000) ordinary shares of Rs 10 each			
	19.3.1	51,427	51,427

**19.3.1** These investments are not quoted in an active market and therefore does not have a readily observable market price. In determining the fair value at the reporting date, management considered the requirements of IFRS 13, including the use of appropriate valuation techniques and market participant assumptions. Due to the absence of recent observable market transactions, quoted prices, or reliable comparable market data, the fair value measurement is categorised within Level 3 of the fair value hierarchy. As management performed an assessment of the investee's financial position, performance, and business outlook using the latest available financial information. No significant changes in the investee's underlying fundamentals were identified that would indicate that the carrying amount materially differs from fair value. Accordingly, management has concluded that the cost of the investment represents the best estimate of its fair value at 31 December 2025.

	Note	2025 Rs '000	2024 Rs '000
<b>20. Long term loans and advances - considered good</b>			
Loans to PTML - unsecured	20.1	59,000,000	40,250,000
Loan to Telenor Pakistan - Shareholders	20.1	63,184,153	-
Loans to employees - secured	20.2	1,170,142	1,172,074
		123,354,295	41,422,074
Advances to vendors and suppliers		233,106	11,435,439
		123,587,401	52,857,513
Current portion shown under current assets			
Loans to subsidiaries - unsecured	26	(833,339)	(750,005)
Loans to employees - secured	26	(384,587)	(326,906)
		(1,217,926)	(1,076,911)
		122,369,475	51,780,602

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

**20.1** These represent various unsecured loans given to PTML and Telenor Pakistan under subordinated debts agreements, from 2017 to 2025 on following terms:

	PTML					
	First loan	Second loan	Third loan	Fourth loan	Fifth loan	Sixth loan
Disbursement Date	December 04, 2017	August 03, 2018	December 24, 2019	July 20, 2022	October 28, 2022	April 18, 2023
Loan (Rs '000)	5,000,000	1,000,000	1,500,000	4,000,000	7,500,000	4,500,000
Mark-up Rate - 3 months KIBOR Plus	24 basis points	25 basis points	60 basis points	50 basis points	50 basis points	50 basis points
Grace Period	4 years	4 years	4 years	4 years	4 years	4 years
Repayment method	Twelve equal quarterly installments	Twelve equal quarterly installments	Twelve equal quarterly installments	Twelve equal quarterly installments	Twelve equal quarterly installments	Twelve equal quarterly installments
Due date of first installment	March 04, 2022	November 04, 2022	March 24, 2024	October 20, 2026	January 28, 2027	July 18, 2027
	PTML					
	Seventh loan	Eighth Loan	Ninth Loan	Tenth Loan	Eleventh Loan	Twelfth Loan
Disbursement Date	August 24, 2023	March 22, 2024	September 16, 2024	November 28, 2024	December 17, 2024	September 25, 2025
Loan (Rs '000)	3,500,000	5,000,000	8,000,000	1,500,000	5,000,000	10,000,000
Mark-up Rate - 3 months KIBOR Plus	50 basis points	50 basis points	70 basis points	70 basis points	70 basis points	70 basis points
Grace Period	4 years	4 years	4 years	4 years	4 years	4 years
Repayment method	Twelve equal quarterly installments	Twelve equal quarterly installments	Twelve equal quarterly installments	Twelve equal quarterly installments	Twelve equal quarterly installments	Twelve equal quarterly installments
Due date of first installment	November 24, 2027	June 22, 2028	December 16, 2028	February 28, 2028	March 17, 2029	December 25, 2029
	Telenor					
	Thirteenth Loan	Fourteenth Loan	First loan			
Disbursement Date	December 11, 2025	December 30, 2025	December 29, 2025			
Loan (Rs '000)	5,000,000	4,500,000	63,184,153			
Mark-up Rate - 3 months KIBOR Plus	70 basis points	70 basis points	70 basis points			
Grace Period	4 years	4 years	1 years			
Repayment method	Twelve equal quarterly installments	Twelve equal quarterly installments	Twenty four equal quarterly installments			
Due date of first installment	March 18, 2030	March 30, 2030	March 29, 2027			

Maximum amount of outstanding subsidiary loans at any time during the year was Rs. 122,184,153 thousand (December 31, 2024: Rs. 40,250,000 thousand).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 20.2 Reconciliation of carrying amounts of loans to executives and other employees:

	As at January 01, 2025	Disbursements	Repayments	As at December 31, 2025
	Rs '000	Rs '000	Rs '000	Rs '000
Executives	174,045	134,872	(92,821)	216,096
Other employees	998,029	511,878	(555,861)	954,046
	1,172,074	646,750	(648,682)	1,170,142

	As at January 01, 2024	Disbursements	Repayments	As at December 31, 2024
	Rs '000	Rs '000	Rs '000	Rs '000
Executives	128,394	69,774	(24,123)	174,045
Other employees	1,024,903	396,732	(423,606)	998,029
	1,153,297	466,506	(447,729)	1,172,074

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

	2025 Rs '000	2024 Rs '000
Executives	363,832	114,501
Other employees	1,305,508	1,516,354

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

Loans to executive employees include loan balances of key management personnel aggregating Rs 89,119 thousand (December 31, 2024: Rs 96,680 thousand).

List of key management personnel having outstanding balances of loans up till December 31, 2025 are as under:

No.	Name of employees	No.	Name of Employees
1.	Mr. Aamer Ejaz	9.	Mr. Muhammad Nadeem Khan
2.	Mr. Abdullah Hameed	10.	Mr. Muhammad Shehzad Yousaf
3.	Mr. Adnan Ali Ansari	11.	Mr. Saleem Ullah Baig
4.	Mr. Asif Imtiaz	12.	Mr. Salman Ali Bajwa
5.	Mr. Ch. Mudasser Shafiq	13.	Mr. Syed Muhammad Shoaib
6.	Mr. Ishtiaq Naveed Gill	14.	Mr. Syed Muhammad Imran Ali
7.	Mr. Mubashir Naseer Ch.	15.	Ms. Zahida Awan
8.	Mr. Muhammad Fahim Ur Rehman		

The maximum aggregate amount of loans to key management personnel outstanding at any time during the year was Rs 108,767 thousand (December 31, 2024: Rs. 110,226 thousand).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

		2025 Rs '000	2024 Rs '000
<b>21. Employees retirement benefits</b>			
Funded pension - net asset	7.1	13,762,801	2,951,439
<b>22. Deferred income tax</b>			
Deferred tax asset / (liability) relating to:			
Deductible / (taxable) temporary differences			
Accelerated tax depreciation		(14,096,024)	(7,839,125)
Accelerated tax amortization		(11,632)	(69,577)
Contract cost		(1,307,070)	(1,115,467)
Right of use assets		(402,795)	(401,081)
Provision for obsolete stores		79,096	57,751
Impairment loss on trade debts and other receivables		3,141,070	2,148,569
Liabilities claimable on payment		8,077,483	6,006,333
Lease liabilities		429,368	395,792
Long term investment and other receivables		725,795	288,196
Minimum tax		6,000,927	5,080,490
Tax losses		-	909,553
Others		-	9,417
		2,636,218	5,470,851
<b>22.1 Movement during the year</b>			
Balance at the beginning of the year		5,470,851	2,745,195
Charge / (reversal) for the year in respect of			
Accelerated tax depreciation		(6,256,900)	(842,053)
Accelerated tax amortization		57,946	30,966
Provision for obsolete stores		21,345	(325)
Impairment loss on trade debts and other receivables		992,501	166,600
Right of use assets		(1,713)	91,601
Lease liabilities		33,576	(92,195)
Contract cost		(191,602)	(310,189)
Long term investment and other receivables		437,598	72,500
Liabilities claimable on payment		2,071,149	-
Tax losses		(909,553)	909,553
Minimum tax		920,437	2,699,198
Others		(9,417)	-
Recognized in statement of profit or loss		(2,834,633)	2,725,656
Balance at end of the year		2,636,218	5,470,851

**22.2** Recovery of deferred tax asset against minimum turnover tax and other deductible temporary differences are based on the Company achieving sufficient profitability. The Company estimates recoverability of these deferred tax assets based on future taxable projections.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>23. Contract cost</b>			
Cost to obtain a contract		652,003	472,930
Cost to fulfil a contract		2,699,458	3,373,509
	23.1	3,351,461	3,846,439
Current maturity of contract costs		(3,220,788)	(3,707,304)
		130,673	139,135
<b>23.1 Movement during the year</b>			
Balance at the beginning of the year		3,846,439	2,776,820
Capitalization during the year		5,079,434	5,795,303
	32	8,925,873	8,572,123
Amortization during the year		(5,574,412)	(4,725,684)
Balance at end of the year		3,351,461	3,846,439
<b>24. Stores and spares</b>			
Stores and spares		5,764,431	8,400,527
Provision for obsolescence	24.1	(202,810)	(199,142)
		5,561,621	8,201,385
<b>24.1 Provision for obsolescence</b>			
Balance at beginning of the year		199,142	200,263
Provision / (Reversal) during the year		3,668	(1,121)
Balance at end of the year	24.2	202,810	199,142

**24.2** The Company has provided for Rs. 3,668 thousand (December 31, 2024: Reversal of Rs. 1,121 thousand) of the store and spares during the year. Furthermore, the Company has written-off stores amounting to Rs. nil (December 31, 2024: Rs. 161,000).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>25. Trade debts and contract assets - unsecured</b>			
Trade debts		64,141,045	54,074,869
Contract asset		7,122,700	6,488,311
		71,263,745	60,563,180
Domestic			
Considered good	25.1	20,205,500	16,517,529
Considered doubtful		7,996,550	7,351,384
		28,202,050	23,868,913
International			
Considered good	25.2	51,058,245	44,045,651
Considered doubtful		57,475	57,475
		51,115,720	44,103,126
Expected credit loss on trade debts and contract assets	25.3	79,317,770 (8,054,025)	67,972,039 (7,408,859)
	25.4	71,263,745	60,563,180

**25.1** These include amounts due from the following related parties:

	Maximum aggregate amount Rs '000	Up to 6 months Rs '000	More than 6 months Rs '000	2025 Rs '000	2024 Rs '000
U Microfinance Bank Limited	97,084	97,084	-	97,084	29,946
Telenor Pakistan (Private) Limited	618,010	618,010	-	618,010	-
Telenor LDI Communication (Private) Limited	298,961	298,961	-	298,961	-
	1,014,055	1,014,055	-	1,014,055	29,946

**25.2** These include amounts due from the following related parties:

	Maximum aggregate amount Rs '000	Up to 6 months Rs '000	More than 6 months Rs '000	2025 Rs '000	2024 Rs '000
Emirates Telecommunication Corporation	48,305,581	2,539,893	45,664,864	48,204,757	42,005,179
Etisalat - Egypt	214	214	-	214	-
	48,305,795	2,540,107	45,664,864	48,204,971	42,005,179

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 Rs '000	2024 Rs '000
<b>25.3 Expected credit loss on trade debts and contract assets</b>		
Balance at beginning of the year	7,408,859	6,834,377
Expected credit loss on trade debts and contract assets	2,370,320	2,145,765
Write off against expected credit loss on trade debts and contract assets	(1,725,154)	(1,571,283)
Balance at end of the year	8,054,025	7,408,859

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

	Note	2025 Rs '000	2024 Rs '000
<b>26. Loans and advances - considered good</b>			
Current portion of long term loans to employees	20	384,587	326,906
Current portion of long term loans to subsidiaries	20	833,339	750,005
Advances to suppliers and contractors	26.1	2,687,285	1,702,060
		3,905,211	2,778,971

**26.1** These include Rs 26,774 thousand (December 31, 2024: Rs 26,774 thousand) to TF Pipes Limited, a related party.

	Note	2025 Rs '000	2024 Rs '000
<b>27. Income tax recoverable</b>			
Balance at beginning of the year		(196,789)	(842,694)
Current tax charge for the year - profit or loss		(1,984,947)	(4,785,269)
Tax impact on re-measurement gains / (loss) - OCI		(6,780,787)	2,086,069
Tax paid during the year		3,689,423	3,345,105
		(5,273,100)	(196,789)
Tax receivable on behalf of subsidiaries under group taxation	12.4	55,296,835	40,733,736
Balance at end of the year		50,023,735	40,536,947

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>28. Prepayments and other receivables</b>			
Prepayments			
- Pakistan Telecommunication Authority		13,143	9,647
- Others		784,656	1,031,509
		797,799	1,041,156
Other receivables			
Due from related parties	28.1	23,592,593	22,297,710
Gratuity - funded	7.1	-	121,601
Receivable from Government of Pakistan	28.2	2,164,072	2,164,072
Federal Excise Duty (FED)	28.3	3,283,111	3,283,111
Others		4,151,176	1,738,259
Less: Impairment loss on other receivables	28.4	(2,327,189)	(1,436,415)
		31,661,562	29,209,494

	Note	Maximum aggregate amount Rs '000	Up to 6 months Rs '000	More than 6 months Rs '000	2025 Rs '000	2024 Rs '000
<b>28.1</b>						
Pak Telecom Mobile Limited	28.5	18,698,044	2,236,495	16,327,517	18,698,044	18,038,078
Telenor Pakistan (Private) Limited		608,316	608,316	-	608,316	-
DVCOM Data (Pvt) Limited		3,407,082	-	3,407,082	3,407,082	3,384,878
Emirates Telecommunication Corporation		71,305	-	71,305	71,305	71,305
Interest on subordinated loan to PTML		870,731	18,170	536,536	554,706	674,895
Interest on subordinated loan to Ubank		-	-	-	-	85,634
Markup Receivable on Shareholder Loan - Telenor		58,839	58,839	-	58,839	-
Pakistan Telecommunication Employees Trust		59,538	15,740	43,798	59,538	25,634
U Microfinance Bank Limited		146,278	146,278	-	126,140	16,426
Smart Sky (Pvt) Limited		8,623	-	8,623	8,623	860
		23,928,756	3,083,838	20,394,861	23,592,593	22,297,710

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

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

**28.4** This includes provision for impairment of Rs. 1,036,336 thousand (December 31, 2024: Rs 535,000 thousand) in respect of DVCOM Data (Pvt) Limited.

**28.5** This amount includes TSA fee receivable from PTML Rs 17,740,833 thousand (December 31, 2024: Rs 13,822,359 thousand).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>29. Cash and bank balances</b>			
Cash in hand		53,539	112,080
Balances with banks:			
Deposit accounts - local currency	29.1	752,788	1,440,655
Current accounts			
Local currency		4,379,783	1,213,715
Foreign currency- USD 61,342 thousand (December 31, 2024: USD 33,465 thousand)		17,210,676	9,321,664
		21,590,459	10,535,379
	29.2	22,396,786	12,088,114

**29.1** The balances in deposit accounts, carry mark-up ranging between 3% and 10% (December 31, 2024: 7% and 21%) per annum. These deposit accounts include Rs 2 thousand (December 31, 2024: Rs. 1,498 thousand) with U Microfinance Bank Limited - a related party. The maximum aggregate amount outstanding at any time during the year amounts to Rs 2 thousand.

**29.2** Bank balance includes Rs. 642 thousand (December 31, 2024: Rs. 212,391 thousand) carrying profit at the rate of 6.7% (December 31, 2024: 5.87%) per annum from Shariah arrangements.

## 30. Asset classified as held for sale

During the year, the Company committed to a plan to sell/transfer certain non-current assets and classified them as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The non-current assets classified as held for sale comprise of freehold land and buildings located in Pakistan, previously recognized under property and equipment. These assets include property to be transferred to the Company's subsidiary, Ubank; and other freehold land and buildings relating to idle properties that are no longer operationally required.

During the year, the Company initiated a plan to dispose of certain idle properties as part of its asset rationalization initiative. These properties are not currently in use and have been identified for sale to optimize the Company's asset base. Further, the Board of directors of the Company has given in-principle approval, subject to regulatory approval, to transfer a property to the subsidiary, Ubank, in order to support Ubank in meeting the minimum capital requirements and Capital Adequacy Ratio (CAR). The disposal and transfer process is ongoing, and management expects completion within twelve months from the reporting date. The assets are available for immediate disposal in their present condition, and the respective transactions are considered highly probable.

Upon classification as held for sale, the assets were measured at the lower of their carrying amount and fair value less costs to sell. As the fair value less costs to sell exceeded the carrying amount at the reporting date, no impairment loss or gain was recognized in the statement of comprehensive income for the year ended December 31, 2025. Accordingly, no related amount is included in statement of profit or loss.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>31. Revenue</b>			
Broadband and IPTV		55,210,938	49,280,794
Voice services		7,964,543	8,685,123
Wireless data		486,810	1,058,630
Revenue from retail customers		63,662,291	59,024,547
Corporate and wholesale		46,077,233	38,624,476
International		10,373,107	10,117,286
Total revenue	31.1	120,112,631	107,766,309

**31.1** Revenue is stated net of trade discount amounting to Rs 17,849 thousand (December 31, 2024: Rs 31,684 thousand) and Federal Excise Duty and sales tax amounting to Rs 15,689,663 thousand (December 31, 2024: Rs 16,955,531 thousand). International revenue represents revenue from foreign network operators, for calls that originate outside Pakistan. Revenue amounting to Rs. 1,069,019 thousand (2024: Rs. 1,153,383 thousand) has been recognized during the year from opening contract liability.

	Note	2025 Rs '000	2024 Rs '000
<b>32. Cost of services</b>			
Staff cost	32.1	17,190,344	15,042,936
Outsourced staff cost		3,021,247	2,653,333
Interconnect costs		1,148,056	1,157,552
Foreign operators costs and satellite charges		8,840,652	8,113,950
Fuel and power		10,425,635	11,633,974
Cost of devices sold		2,509,178	3,643,032
Amortization of contract costs	23.1	5,574,412	4,725,684
Rent, rates and taxes		606,164	1,406,157
Repairs and maintenance and IT cost		9,575,289	7,907,841
Annual license fee and regulatory charges	32.2	3,301,638	2,842,722
Security service charges		926,951	861,435
Depreciation on property and equipment	16.5	19,628,448	17,854,225
Depreciation on ROU assets	17	454,642	731,801
Amortization of intangible assets	18	863,591	755,189
Other expenses		162,805	160,879
		84,229,052	79,490,710

**32.1** This includes Rs 2,015,917 thousand (December 31, 2024: Rs 1,465,093 thousand) in respect of employees retirement benefits.

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>33. Administrative and general expenses</b>			
Staff cost	33.1	2,928,892	2,563,017
Outsourced staff cost		72,221	63,426
Fuel and power		397,435	466,566
Rates and taxes		345,126	235,118
Repairs and maintenance cost		407,518	370,190
Gas and water		174,582	155,829
Travelling and conveyance		166,988	128,097
Technical services assistance fee	33.2	3,958,170	3,550,846
Legal and professional charges	33.3	587,548	734,191
Billing and printing expenses		320,385	363,234
Depreciation on property and equipment	16.5	215,818	210,037
Other expenses		168,990	186,709
		<b>9,743,673</b>	<b>9,027,260</b>

**33.1** This includes Rs 343,472 thousand (December 31, 2024: Rs 249,623 thousand) in respect of employees retirement benefits.

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

	Note	2025 Rs '000	2024 Rs '000
<b>33.3</b> This includes auditors' remuneration as given below:			
Statutory audit, including half yearly review		15,746	14,456
Audit and reviews of special purpose financial statements		13,066	-
	33.3.1	<b>28,812</b>	<b>14,456</b>

**33.3.1** This fee is inclusive of out of pocket expenses.

	Note	2025 Rs '000	2024 Rs '000
<b>34. Selling and marketing expenses</b>			
Staff cost	34.1	2,410,704	2,109,560
Outsourced staff cost		918,812	806,923
Advertisement and publicity		866,148	720,358
Sales and distribution charges		1,218,278	1,090,227
Depreciation on property and equipment	16.5	130,850	125,949
		<b>5,544,792</b>	<b>4,853,017</b>

**34.1** This includes Rs 282,704 thousand (December 31, 2024: Rs 205,459 thousand) in respect of employees retirement benefits.

### 35. Subsidiary acquisition cost

This represents cost incurred in relation to acquisition of Telenor Pakistan (Private) Limited.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>36. Other income</b>			
Income from financial assets:			
Return on bank deposits	36.1	567,534	366,773
Late payment surcharge from subscribers		650,315	550,142
Interest on subordinated long term loan to subsidiaries		5,268,238	5,792,408
Exchange gain		252,850	-
		6,738,937	6,709,323
Income from non-financial assets:			
Government grants recognised		2,697,332	1,429,614
Re-chargeable projects income		1,770,832	599,676
Gain on disposal of property and equipment		1,823,202	5,146,152
Imputed interest income on employee loans		-	345,027
Scrap sales		2,803,702	2,334,271
Rental income		548,979	459,275
Others		279,367	201,042
		16,662,351	17,224,380

**36.1** Income from financial assets include Rs 67 thousand (December 31, 2024: Rs 268 thousand) earned from Shariah arrangements.

	Note	2025 Rs '000	2024 Rs '000
<b>37. Finance and other costs</b>			
Bank and other charges		455,948	288,709
Interest on long term Loans		9,364,708	11,387,820
Interest on short term financing		4,691,859	6,389,277
International finance corporation expenses		65,612	-
Interest expense - employee benefits		4,460,537	3,859,624
Interest on lease liabilities	11	225,691	293,170
Others	37.1	758,830	-
		20,023,185	22,218,600
Exchange loss		-	369,881
		20,023,185	22,588,481

**37.1** The Company implemented policy directives of Ministry of Information Technology conveyed by the Pakistan Telecommunication Authority regarding termination of all international incoming calls into Pakistan. On suspension of these directives by the Honorable Lahore High Court, the Honorable Supreme Court of Pakistan dismissed the pertinent writ petitions by directing Competition Commission of Pakistan (CCP) to decide the case. The Honorable Sindh High Court suspended the adverse decision of CCP. The case was fixed on September 12, 2024. Sindh High Court has disposed of the case, directing the Competition Commission Appellate Tribunal (CCAT) to decide the pending matter. The court has also granted a stay against any adverse action by the CCP until the appeals are finally decided by the CCAT. Pursuant to the proceedings, the CCAT, vide its order dated August 11, 2025, has imposed a penalty on the Company equivalent to 2% of the turnover from the relevant period, generated by Long Distance and International (LDI) operations solely through International Clearing House (ICH) linked activities.

In compliance with this order, the Company has recognized a penalty amounting to Rs. 458,830 thousand. The Company has deposited the amount under protest and filed an appeal before Supreme Court against the said order.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>38. Taxation</b>			
Current tax			
Normal Tax Regime		241,312	2,086,069
Minimum Tax Regime		885,714	2,699,200
Super Tax		375,096	-
		1,502,122	4,785,269
Prior year			
Normal Tax		63,086	-
Minimum Tax Regime		34,723	-
Super Tax		385,016	-
		482,825	-
Deferred tax	22.1	2,834,633	(2,725,656)
		4,819,580	2,059,613

		2025	2024
<b>38.1 Reconciliation of effective tax rate</b>			
Profit before tax (Rupees in thousand)		6,201,834	6,885,456
		<b>Percentage</b>	<b>Percentage</b>
Applicable tax rate		29.00	29.00
Super tax		10.00	-
Impact of prior year charge		7.23	-
Impact of permanent differences		27.43	-
Impact of change in tax rate		3.08	-
Others		0.97	0.91
		48.71	0.91
Average effective tax rate		77.71	29.91

		2025	2024
<b>39. Earnings per share - basic and diluted</b>			
Profit for the year	Rupees in thousand	1,382,254	4,825,843
Weighted average number of ordinary shares	Numbers in thousand	51,000,000	51,000,000
Earnings per share	Rupees	0.27	0.95

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 40. Non-funded finance facilities

The Company has non funded financing facilities available with banks, which include facilities to avail letters of credit and letters of guarantee. The aggregate facility of Rs 22,890,000 thousand (December 31, 2024: Rs 26,350,000 thousand) and Rs 17,100,000 thousand (December 31, 2024: Rs 17,350,000 thousand) is available for letters of credit and letters of guarantee respectively, out of which the facility availed at the year end is Rs. 9,386,693 thousand (December 31, 2024: Rs 9,313,640 thousand) and Rs 15,599,814 thousand (December 31, 2024: Rs 15,074,000 thousand) respectively. Letter of guarantees are secured by way of hypothecation through pari passu charge over the hypothecated assets of the Company.

Note	2025 Rs '000	2024 Rs '000
<b>41. Cash generated from operating activities</b>		
Profit before tax	6,201,834	6,885,456
Adjustments for non-cash charges and other items:		
Depreciation of property and equipment	19,975,116	18,190,211
Amortization of intangible assets	863,591	755,189
Depreciation of right of use assets	454,642	731,801
Amortization of contract cost	5,574,412	4,725,684
Amortization of transaction costs on long term loans	35,997	39,556
Provision of obsolete stores and spares	3,668	159,879
Impairment loss on trade debts and contract assets	2,370,320	2,145,765
Provision for employees retirement benefits	14,004,086	5,781,823
Gain on disposal of property and equipment	(4,626,904)	(5,146,152)
Return on bank deposits	(567,534)	(366,773)
Imputed interest on lease liabilities	225,691	293,170
Return on subordinated long term loans to subsidiaries	(5,268,238)	(5,792,408)
Interest on long term Loans	9,364,708	11,387,820
Interest on short term financing	4,691,859	6,389,277
Unearned revenue realised	(181,713)	(180,397)
Release of deferred government grants	(2,721,221)	(1,429,614)
Exchange (gain) / loss	(197,599)	319,146
	50,202,715	44,889,433
Effect of cash flows due to working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	2,636,096	1,072,002
Trade debts and contract assets	(13,249,318)	(10,406,096)
Loans and advances	(1,042,906)	99,476
Prepayments and other receivables	(2,738,142)	(4,493,437)
	(14,394,270)	(13,728,055)
Increase in current liabilities:		
Trade and other payables	10,242,355	9,688,364
Security deposits	73,171	37,342
Cash generated from operating activities	46,123,971	40,887,084
<b>42. Cash and cash equivalents</b>		
Cash and bank balances	29	22,396,786
Short term financing	13	(44,521,690)
		(22,124,904)
		(35,028,618)

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

	Liabilities		Long term	Total Rs '000
	Lease liabilities	Unpaid / unclaimed dividend	loans from banks	
	Rs '000	Rs '000	Rs '000	
Balance as at January 01, 2025	1,364,799	208,131	63,099,081	64,672,011
Addition during the year - net	-	-	149,728,007	149,728,007
Changes from financing cash flow	(593,957)	(380)	123,115	(471,222)
Total liability related changes	330,102	-	(154,765)	175,337
Balance as at December 31, 2025	1,100,944	207,751	212,795,438	214,104,133
Balance as at January 01, 2024	1,682,714	209,256	51,020,714	52,912,684
Addition during the year - net	-	-	11,959,500	11,959,500
Changes from financing cash flow	(1,027,023)	(1,125)	79,311	(948,837)
Total liability related changes	709,108	-	39,556	748,664
Balance as at December 31, 2024	1,364,799	208,131	63,099,081	64,672,011

## 43. Remuneration of Directors, Chief Executive Officer and Executives

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

	Chairman		Chief Executive Officer		Executives			
					Key management personnel		Other executives	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
Managerial remuneration	-	-	139,849	129,806	439,407	375,872	3,238,551	3,022,751
Honorarium	300	300	-	-	-	-	-	-
Retirement benefits	-	-	8,293	7,827	36,773	35,254	241,040	244,519
Medical	-	-	-	-	45,840	41,615	319,402	296,868
Housing	-	-	98,873	98,993	-	-	2,843	1,400
Utilities	-	-	30,308	50,800	37,552	27,892	337,509	364,090
	300	300	277,323	287,426	559,572	480,633	4,139,345	3,929,628
Bonus paid	-	-	190,646	119,960	142,989	157,761	1,069,329	1,170,190
	300	300	467,969	407,386	702,561	638,394	5,208,674	5,099,818
Number of persons	1	1	1	1	38	32	1,264	1,084

The Company also provides free medical and limited residential telephone facilities, to all its Executives, including the Chief Executive Officer (CEO). The Chairman is entitled to free transport and a limited residential telephone facility, whereas, the Directors of the Company are provided only with limited telephone facilities; certain executives are also provided with the Company maintained cars. Approximate value of medical and car facility is Rs. 600,816 thousand (December 31, 2024: Rs. 490,964 thousand).

Aggregate amount charged in the financial statements for the year ended December 31, 2025 as fee to 9 directors including chairman fee is Rs 118,688 thousand (December 31, 2024: Rs 176,798 thousand) for attending Board of Directors and sub-committee meetings.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 44. Rates of exchange

Assets and liabilities in US dollars have been translated into Rupees at USD 1 = Rs 280.12 (December 31, 2024: USD 1 = Rs 278.55).

## 45. Employees' provident fund

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

## 46. Financial instruments and risk management

### 46.1 Financial risk factors

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

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

#### (a) Market risk

##### (i) Currency risk

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

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

	2025 Rs '000	2024 Rs '000
USD		
Trade and other payables	(13,826,545)	(11,000,505)
Trade debts	50,329,917	43,690,293
Cash and bank balances	17,210,676	9,321,664
Net exposure	53,714,048	42,011,452
EUR		
Trade and other payables	(17,439)	(3,017)
CNY		
Trade and other payables	(327,452)	(651,283)

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

The following significant exchange rates were applied during the year:

	2025	2024
Rupees per USD		
Average rate	281.18	278.48
Reporting date rate	280.12	278.55
Rupees per EUR		
Average rate	317.66	301.24
Reporting date rate	328.85	290.08
Rupees per CNY		
Average rate	39.13	38.71
Reporting date rate	40.07	38.16

If the functional currency, at the reporting date, had fluctuated by 5% against the USD, EUR and CNY with all other variables held constant, the impact on profit after taxation for the year would have been Rs. 1,627,759 thousand (December 31, 2024: Rs. 1,468,178 thousand) respectively lower / higher, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

## (ii) Other price risk

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

## (iii) Interest rate risk

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

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

		2025 Rs '000	2024 Rs '000
<b>Financial assets</b>			
Fixed rate instruments:			
Employee loans		1,170,142	1,172,074
Bank balances - deposit accounts		752,788	1,440,655
		1,922,930	2,612,729
Variable rate instruments:			
Subordinated long term loan to PTML	20.1	59,000,000	40,250,000
<b>Financial liability</b>			
Variable rate instruments:			
Long term loans from banks		212,795,438	63,099,079

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## Fair value sensitivity analysis for fixed rate instruments

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

## Cash flow sensitivity analysis for variable rate instruments

If interest rates on long-term loans to subsidiaries and long term loans from banks at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rs 24,648 thousand (December 31, 2024: Rs 30,172 thousand ) higher / lower, mainly as a result of higher / lower mark-up income on floating rate loans / investments.

## (b) Credit risk

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

	2025 Rs '000	2024 Rs '000
Long term loans and advances	122,136,369	40,345,163
Trade debts and contract assets	71,263,745	60,563,180
Loans and advances	1,217,926	1,076,911
Other receivables	27,743,769	24,035,969
Bank balances	22,343,247	11,976,034
	244,705,056	137,997,257

The credit risk on liquid funds is limited, because the counter parties are banks with reasonably high credit ratings. In case of trade debts, the Company believes that it is not exposed to major concentrations of credit risk, as its exposure is spread over a large number of counter parties and subscribers. The long term loans include a sub-ordinated loan of Rs 59,000,000 thousand (December 31, 2024: Rs 40,250,000 thousand) to PTML and shareholder loan of Rs. 63,184,153 to Telenor Pakistan (December 31, 2024: Rs nil). Impairment loss on trade debts and contract assets arising from contract with customers amounts to Rs 23,270,320 thousand (December 31, 2024: Rs 2,145,765 thousand). Trade debts include receivable of Rs. 49,219,206 thousand (December 31, 2024: Rs 42,035,125 thousand) from related parties.

The credit risk exposure on the Company's trade debts and contract assets as at December 31, 2025 is given below:

	Trade Debts				Total
	Contract Assets	Less than 3 Months	3 to 6 Months	More than 6 months	
	Rs '000	Rs '000	Rs '000	Rs '000	
Exposure at default	7,122,700	14,847,197	2,747,439	11,535,492	29,130,128
Expected Credit loss	-	276,736	389,040	7,388,249	8,054,025

The credit risk exposure on the Company's trade debts and contract assets as at December 31, 2024 is given below:

	Trade Debts				Total
	Contract Assets	Less than 3 Months	3 to 6 Months	More than 6 months	
	Rs '000	Rs '000	Rs '000	Rs '000	
Exposure at default	6,488,311	11,534,832	2,558,333	9,036,111	23,129,276
Expected Credit loss	-	188,277	413,437	6,807,145	7,408,859

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

	Rating		Rating
	Short term	Long term	Agency
National Bank of Pakistan	A-1+	AAA	PACRA
Bank Alfalah Limited	A-1+	AAA	PACRA
MCB Bank Limited	A-1+	AAA	PACRA
Soneri Bank Limited	A-1+	AA-	PACRA
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA
The Bank of Punjab	A-1+	AA+	PACRA
Habib Bank Limited	A-1+	AAA	VIS
Askari Bank Limited	A-1+	AA+	PACRA
Allied Bank Limited	A-1+	AAA	PACRA
United Bank Limited	A-1+	AAA	VIS
BankIslami Pakistan Limited	A-1	AA-	PACRA
Bank Al-Habib Limited	A-1+	AAA	PACRA
Faysal Bank Limited	A-1+	AA	PACRA
Citi Bank, N.A	F-1	A+	Fitch
Albaraka Bank (Pakistan) Limited	A-1	AA-	VIS
Mobilink Microfinance Bank Limited	A-1	A	PACRA
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS
JS Bank Limited	A-1+	AA	PACRA
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA
Meezan Bank Limited	A-1+	AAA	VIS
The Bank of Khyber	A-1	A+	VIS
U Microfinance Bank Limited	A-1	A+	VIS
Telenor Microfinance Bank Limited	A-1	A+	PACRA
Bank Marakramah Limited	A-3	BBB-	VIS
Deutsche Bank AG	F-1	A-	Fitch
Pak Brunei Investment Company Limited	A-1+	AA+	VIS
Pak China Investment Company Limited	A-1+	AAA	VIS
Pak Kuwait Investment Company	A-1+	AAA	PACRA
Zarai Taraqiati Bank Limited	A-1+	AAA	VIS
MCB Islamic Bank Limited	A-1	A+	PACRA

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## (c) Liquidity risk

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

The Company follows an effective cash management policy and continuously monitors its liquidity position to ensure availability of funds, and to take appropriate measures for new requirements.

The following are the contractual maturities of financial liabilities as at December 31, 2025:

	Carrying amount Rs '000	Less than one year Rs '000	One to five years Rs '000	More than five years Rs '000
Long term loans from banks	210,520,271	-	133,821,271	76,699,000
Security deposits	726,544	726,544	-	-
Short term financing	44,521,690	44,521,690	-	-
Trade and other payables	153,349,270	153,349,270	-	-
Unclaimed dividend	207,751	207,751	-	-
Current portion of long term loans from banks	2,275,167	2,275,167	-	-
Lease liabilities	1,645,651	539,816	636,694	469,141
	413,246,344	201,620,238	134,457,965	77,168,141

The following are the contractual maturities of financial liabilities as at December 31, 2024:

	Carrying amount Rs '000	Less than one year Rs '000	One to five years Rs '000	More than five years Rs '000
Long term loans from banks	62,780,360	-	54,530,360	8,250,000
Security deposits	653,373	653,373	-	-
Short term financing	47,116,732	47,116,732	-	-
Trade and other payables	126,973,696	126,973,696	-	-
Unclaimed dividend	208,131	208,131	-	-
Current portion of long term loans from banks	318,719	318,719	-	-
Lease liabilities	2,044,463	547,686	1,068,159	428,618
	240,095,474	175,818,337	55,598,519	8,678,618

## 46.2 Fair value of financial instruments

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

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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Details of the Company's assets' fair value hierarchy as at December 31, 2025 are as follows:

	Level 1 Rs '000	Level 2 Rs '000	Level 3 Rs '000	Total Rs '000
Long term other investments 2025	-	-	51,427	51,427
Long term other investments 2024	-	-	51,427	51,427

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

### Measurement of fair value

As at December 31, 2025, except for the Company's investment in Thuraya Satellite Telecommunication Company and Alcatel - Lucent Pakistan Limited (which is valued under level 3 using the discounting cashflow technique), none of the financial instruments are carried at fair value in these financial statements.

The major assumptions and inputs used by the management and related sensitivity have not been disclosed as the amounts are not material to these financial statements.

	FVOCI - equity instruments Rs '000	Assets at amortized cost Rs '000	Total Rs '000
<b>46.3 Financial instruments by categories - 2025</b>			
Financial assets as per statement of financial position			
Long term other investments	51,427	-	51,427
Long term loans and advances	-	122,136,369	122,136,369
Trade debts and contract assets	-	71,263,745	71,263,745
Loans and advances	-	1,217,926	1,217,926
Other receivables	-	33,190,952	33,190,952
Cash and bank balances	-	22,396,786	22,396,786
	51,427	250,205,778	250,257,205

	Liabilities at amortized cost
Financial liabilities as per statement of financial position	
Trade and other payables	184,139,723
Securities deposits	726,544
Unclaimed dividend	207,751
Lease liabilities	1,100,944
	186,174,962

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	FVOCI - equity instruments Rs '000	Assets at amortized cost Rs '000	Total Rs '000
<b>Financial instruments by categories - 2024</b>			
Financial assets as per statement of financial position			
Long term other investments	51,427	-	51,427
Long term loans and advances	-	40,345,163	40,345,163
Trade debts and contract assets	-	60,563,180	60,563,180
Loans and advances	-	1,076,911	1,076,911
Other receivables	-	29,483,152	29,483,152
Cash and bank balances	-	12,088,114	12,088,114
	51,427	143,556,520	143,607,947
Financial liabilities as per statement of financial position			
	<b>Liabilities at amortized cost</b>		
Trade and other payables	156,907,309		
Securities deposits	653,373		
Unclaimed dividend	208,131		
Lease liabilities	1,364,799		
	159,133,612		

#### 46.4 Capital risk management

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

The Company's objectives when managing capital are:

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

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

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 47. Transactions with related parties

The Government of Pakistan and Etisalat International Pakistan (EIP), UAE are the majority shareholders of the Company. Additionally, the Company's subsidiaries Pak Telecom Mobile Limited, U Microfinance Bank Limited, DVCOM Data (Private) Limited, Smart Sky (Private) Limited, associate T.F. Pipes Limited, Directors, Chief Executive Officer, Key management personnel and employee funds are also related parties of the Company. The remuneration of the Directors, Chief Executive Officer and Executives is given in note 43 to the financial statements. The amounts due from and due to these related parties are disclosed in the respective notes including note 7,10,12,14,20,21,25,26,27,28 and 29. The Company has also issued a letter of comfort and corporate guarantee in favour of PTML as disclosed in note 15.10. The Company had transactions with the following related parties during the year:

Particulars	Aggregate % of shareholding in the Company
<b>Shareholders</b>	
The Government of Pakistan	62.18%
Etisalat International Pakistan	26%
<b>Subsidiaries</b>	
Pak Telecom Mobile Limited	Not applicable
U Microfinance Bank Limited	Not applicable
DVCOM Data (Private) Limited	Not applicable
Smart Sky (Private) Limited	Not applicable
Telenor Pakistan (Private) Limited	Not applicable
Telenor LDI Communication (Pvt.) Ltd	Not applicable
Orion Towers (Private) Limited	Not applicable
Margalla Ventures (Private) Limited	Not applicable
<b>Associated undertakings</b>	
Alcatel - Lucent Pakistan Limited	Not applicable
Emirates Telecommunication Corporation - Ultimate Parent Company	Not applicable
Etisalat - Afghanistan	Not applicable
Etisalat - Egypt	Not applicable
Etihad Etisalat Company	Not applicable
TF Pipes Limited	Not applicable
Thuraya Satellite Telecommunication Company - Dubai, UAE	Not applicable
Telecom Foundation	Not applicable
<b>Employees retirement benefits plans</b>	
Pakistan Telecommunication Employees Trust	Not applicable
Pakistan Telecommunication Company Limited General Provident Fund Trust	Not applicable
Pakistan Telecommunication Company Limited Employees Gratuity Fund	Not applicable

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## Chief Executive, directors and key management personnel

The Company also has transactions with Chief Executive Officer, directors and other key management personnel transactions with whom are disclosed in note 20 and 43 to these financial statements.

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

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

	2025 Rs '000	2024 Rs '000
<b>Details of transactions with related parties</b>		
<b>Shareholders</b>		
Technical services assistance fee	3,958,170	3,550,846
<b>Subsidiaries</b>		
Sale of goods and services	6,641,496	6,376,676
Purchase of goods and services	1,259,175	1,927,623
Mark up on long term loans	5,211,337	5,792,408
Rental income	27,667	47,557
Return on deposit accounts	147	15,017
Long term loans to subsidiaries	82,684,153	19,500,000
Long term investment in subsidiaries	62,868,540	4,400,000
Repayment of Long term loan from Subsidiaries	750,000	2,500,000
<b>Associated undertakings</b>		
Sale of goods and services	7,447,161	7,198,677
Purchase of goods and services	1,109,264	952,976
<b>Contribution to:</b>		
Pakistan Telecommunication Employees Trust	-	990,436
PTCL Employees Gratuity Fund	-	47,131

Transactions with the entities controlled by Government of Pakistan, have not been separately disclosed as these are ordinary transactions conducted in normal course of business.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 48. Offsetting of financial assets and liabilities

	Gross amount subject to offsetting Rs '000	Offset Rs '000	Net amount Rs '000	Amount not in scope of offsetting Rs '000	Net as per statement of financial position Rs '000
<b>As at December 31, 2025</b>					
Trade debts	45,726,550	(3,990,904)	41,735,646	29,528,099	71,263,745
Trade creditors	(4,959,494)	3,990,904	(968,590)	14,804,648	15,773,238
<b>As at December 31, 2024</b>					
Trade debts	43,809,880	(5,649,369)	38,160,511	22,402,669	60,563,180
Trade creditors	(6,624,898)	5,649,369	(975,529)	12,288,692	13,264,221

	2025 (Number)	2024 (Number)
<b>49. Number of employees</b>		
Total number of persons employed at end of the year	13,859	14,466
Average number of employees during the year	14,077	14,715

## 50. Corresponding Figures

Prior year figures have been re-arranged, wherever necessary, for better presentation and comparison.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 51. Disclosure Requirements For Shariah Compliant Companies

As per the requirements of the fourth Schedule to the Companies Act, 2017, Shariah compliant companies and companies listed on the Islamic index shall disclose the following:

	Note	2025 Rs '000	2024 Rs '000
<b>Financing obtained as per Islamic mode</b>			
Long term loans from banks	9	26,833,029	14,000,000
Short term financing	13	34,047,757	32,438,746
<b>Interest accrued on any conventional loan or advance</b>			
Long term loans from banks	37	9,364,708	11,387,820
Short term financing	37	4,691,859	6,389,277
<b>Shariah-compliant bank deposits, bank balances, and TDRs</b>			
Bank balances	29	642	212,391
<b>Revenue earned from shariah compliant business</b>			
Revenue	31	120,112,631	107,766,309
<b>Late payment or liquidated damages</b>			
Late payment surcharge from subscribers	36	650,315	550,142
<b>Profit earned from Shariah-compliant bank deposits, bank balances, and TDRs</b>			
Return on bank deposits	36	67	268
<b>Exchange gain / (loss) earned from actual currency</b>			
Exchange gain / (loss)		252,850	(369,881)
<b>Interest earned on any loans or advances</b>			
Interest on subordinated long term loan to subsidiaries	36	5,268,238	5,792,408

## 52. Date of authorization for issue

52.1 These financial statements were authorized for issue by the Board of Directors of the Company on February 23, 2026.



Chief Financial Officer



President & CEO



Chairman







# CONSOLIDATED FINANCIAL STATEMENTS



# INDEPENDENT AUDITORS' REPORT

## To the members of Pakistan Telecommunication Company Limited (the Holding Company)

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the annexed consolidated financial statements of Pakistan Telecommunication Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

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

# INDEPENDENT AUDITORS' REPORT

## To the members of Pakistan Telecommunication Company Limited (the Holding Company)

### Key Audit Matters

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

### Following are the Key audit matters:

Key audit matter	How our audit addressed the key audit matter
<b>Revenue recognition from telecom business</b>	
<p>As more fully described in Note 5.28(a), Note 54.3, Note 28 and Note 15 to the consolidated financial statements, the Group reported revenue from wireline and wireless reporting segments of Rs. 225,523 million (FY24: Rs. 199,385 million), trade debts and contract assets of Rs. 82,824 million (FY24: Rs. 64,356 million) and contract liabilities of Rs. 9,189 million (FY24: Rs. 5,837 million), for the year ended or as of 31 December 2025, from its telecom operations.</p> <p>Management records revenue according to the principles of IFRS 15 "Revenue from Contracts with Customers", including following the 5-step model therein.</p> <p>The Group's financial reporting processes rely heavily on complex, highly integrated information technology (IT) systems. These systems support the initiation and processing of high volume transactions, many of which are individually low in monetary value but collectively significant to the consolidated financial statements.</p> <p>The Group's reliance on complex, interconnected IT systems that process high volumes of automated transactions increases the risk that errors from weaknesses in related IT application controls may go undetected and because revenue is a key performance indicator linked to external reporting and management incentives, there is an elevated risk of management override through inappropriate manual topside revenue journal entries.</p> <p>Accordingly, auditing the revenue recognized by the Group was a key area of focus in our audit.</p>	<p>Our audit procedures included among others the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the Group's revenue and billing processes, and this involved assessing processes at every stage, from the initiation of the contract to the final measurement, recognition, and recording. This also included an understanding of all manual revenue-related adjustments recognized after the automated billing run and before revenue posting (including installation charge deferrals, free-service adjustments, zero usage reversals, and other out of system updates).</li> <li>• We involved our IT professionals and assessed the design and tested the operational effectiveness of controls over IT systems.</li> <li>• We assessed the relevant manual controls over revenue to determine if they had been designed and implemented appropriately and tested these controls to determine if they were operating effectively.</li> <li>• For an extended sample of transactions and manual adjustments, selected across all revenue streams: <ul style="list-style-type: none"> <li>- We traced transactions to the relevant underlying supporting documents.</li> <li>- We traced the manual adjustment amounts to underlying supporting documentation/records.</li> </ul> </li> <li>• We obtained automated billing output generated from the system and reconciled it with the revenue posted in general ledger after considering all manual revenue-related adjustments.</li> <li>• We assessed the adequacy of the Group's disclosures in relation to revenue recognition under IFRS 15.</li> </ul>

# INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited  
(the Holding Company)

Key audit matter	How our audit addressed the key audit matter
<p><b>Capitalization of property and equipment</b></p> <p>As more fully described in Note 5.17(a) and Note 20 to the consolidated financial statements, during the year, the Group has recognized additions to property and equipment amounting to Rs. 40,624 million.</p> <p>In order to expand its network coverage and bring improvements to network quality, the Group continues to incur relatively high level of capital expenditure.</p> <p>Auditing the Group's recognition of additions to property and equipment is significant to the audit because it involves material amounts and judgement in determination of certain elements of incurred cost as revenue or capital expenditure and allocation of cost to different projects.</p>	<p>Our audit procedures included among others the following:</p> <ul style="list-style-type: none"> <li>• We obtained understanding, evaluated the design and tested the operating effectiveness of controls over the Group's process for incurrence of capital expenditure.</li> <li>• For a sample of transactions selected across all classes of property and equipment, undertaken during the year, we: <ul style="list-style-type: none"> <li>- Traced the amount capitalized in the general ledger to the relevant underlying supporting documents.</li> <li>- Ascertained the nature of cost incurred to assess whether it meets the criteria for capitalization, as per IAS 16 "Property, plant and equipment".</li> </ul> </li> <li>• In respect of overheads, we designed and performed extended procedures by: <ul style="list-style-type: none"> <li>- Obtaining understanding about the types of expenses eligible for inclusion in the cost of these assets and, on a sample basis, specifically traced these amounts to the relevant fixed asset general ledger codes to confirm completeness.</li> <li>- For each category of overhead, on a sample basis, evaluated whether criteria for capitalization were met, in accordance with the requirements of IAS 16 "Property, plant and equipment".</li> <li>- Assessed the reasonableness of the basis of overhead allocation to different projects.</li> </ul> </li> <li>• Analyzed general ledger account for repair and maintenance expenses to identify any items that may meet the capitalization criteria.</li> <li>• Assessed the adequacy of the disclosures provided in the consolidated financial statements in accordance with the requirements of IAS 16 "Property, plant and equipment".</li> </ul>

# INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited  
(the Holding Company)

Key audit matter	How our audit addressed the key audit matter
<p data-bbox="177 439 703 465"><b>Expected credit loss allowance against advances</b></p> <p data-bbox="177 499 759 909">As more fully described in Note 5.27.iv and Note 30 to the consolidated financial statements, in accordance with requirements of IFRS 9 "Financial Instruments" (as applicable in Pakistan), the Group recognizes expected credit loss allowance against its portfolio of advances to the customers, extended by U Microfinance Bank Limited (U Bank, a component of the Group) amounting to Rs. 86,920 million (FY24: Rs. 81,377 million), which is spread across various branches. As of 31 December 2025, the allowance for expected credit loss on the portfolio of advances to the customers amounted to Rs. 18,150 million (FY24: Rs. 6,910 million).</p> <p data-bbox="177 938 759 1061">The Group has applied IFRS 9 "Financial Instruments" (as applicable in Pakistan) which requires application of a forward looking, expected credit loss ("ECL") impairment model.</p> <p data-bbox="177 1090 759 1245">We consider this as a key audit matter, as the determination of ECL involves significant estimation and management judgement and this has a material impact on consolidated financial statements of the Group. The key area of judgement includes:</p> <ol data-bbox="177 1274 759 1912" style="list-style-type: none"> <li>1. Categorization of advances into Stage 1, 2 and 3 based on identification of:               <ol style="list-style-type: none"> <li>a. Exposures with a significant increase in credit risk ("SICR") since their origination.</li> <li>b. Classified portfolio, in accordance with requirements of the Prudential Regulations (Non-performing Loans [NPL]).</li> <li>c. Other Individually impaired / defaulted exposures.</li> </ol> </li> <li>2. Assumptions used in the ECL model for determining probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") including, and not limited to, assessment of financial condition of the counterparties, expected future cashflows, developing and incorporating forward looking assumptions, macroeconomic factors and the associated scenarios and expected probability weightages.</li> </ol>	<p data-bbox="804 499 1434 591">We applied a range of audit procedures to audit the Group's estimate of IFRS 9 expected credit loss including the following:</p> <ul data-bbox="804 620 1434 1787" style="list-style-type: none"> <li>• We reviewed the management's process of assessment of allowance for ECL against advances including the Group's accounting policy and ECL model.</li> <li>• Where required, we involved our IFRS 9 experts to assist us in assessing the reasonableness of ECL models (including EADs, PDs and LGDs), methodology and assumptions used in the ECL models.</li> <li>• We assessed the design effectiveness of the key controls over:               <ul style="list-style-type: none"> <li>- Validation of data inputs including relevant approvals.</li> <li>- The classification of advances into Stages 1, 2 and 3 and timely identification of SICR and the determination of NPL.</li> </ul> </li> <li>• For a sample of exposure / borrowers, we performed procedures to test the accuracy of critical data used in ECL estimations such as Probability of Default (PDs) determined by management and its reasonableness, accuracy of cash flows used in ECL models, including the impact of collaterals and the accuracy of other critical data and assumption used in ECL models.</li> <li>• In addition, we selected a representative sample of borrowers from the advance portfolios and performed tests and procedures such as review of credit documentation, past due status and nature of collateral held by the Group.</li> <li>• We also assessed adequacy of disclosures as included in Note 30 to the consolidated financial statements regarding the advances.</li> </ul>

# INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited  
(the Holding Company)

Key audit matter	How our audit addressed the key audit matter
<p><b>Going concern</b></p> <p>As stated in note 1.4 to the consolidated financial statements for the year ended 31 December 2025, the Group has incurred loss after tax amounting to Rs. 9,746 million, for the year ended 31 December 2025 (FY24: Rs. 14,394 million) and its accumulated losses as of 31 December 2025 amount to Rs. 42,694 million (FY24: Rs. 43,576 million). As of 31 December 2025, current liabilities of the Group exceed its current assets by Rs 151,303 million (FY24: Rs. 87,296 million).</p> <p>Management has prepared the consolidated financial statements of the Group on a going concern basis. This requires management to exercise judgement in assessing the Group's ability to continue as a going concern and to meet its obligations as they fall due. In particular, management's assessment involves the preparation of forecasts and prospective financial information incorporating assumptions about future operating performance, cash flows and financing arrangements.</p> <p>Given the degree of judgement involved in these assumptions and forecasts, we considered this matter to be of most significance in our audit and therefore a key audit matter.</p>	<p>Our audit procedures included among others the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the processes and controls relevant to management's going concern assessment.</li> <li>• We read the Group's business plans and cash flow projections approved by the Board of Directors.</li> <li>• We evaluated whether the methodology applied by management in preparing the projections was consistent with the Group's historical practices.</li> <li>• We compared historical financial results with prior period forecasts to assess the reliability of management's forecasting process.</li> <li>• We tested the mathematical accuracy of the projections and assessed the consistency of key inputs to underlying accounting records and historical data.</li> <li>• We challenged key assumptions used in the projections, including assumptions relating to subscriber growth, average revenue per user, operating margins, interest rates and capital expenditure, and performed sensitivity analyses to assess the impact of reasonably possible changes in these assumptions.</li> <li>• We evaluated whether the disclosures relating to the going concern basis of accounting are presented in accordance with the requirements of the applicable financial reporting framework.</li> </ul>

# INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited  
(the Holding Company)

Key audit matter	How our audit addressed the key audit matter
<b>Past service costs – litigation relating to certain pensioners claim under Funded Pension Scheme</b>	
<p>As more fully described in Note 19.7 to the consolidated financial statements, during the year, the Holding Company recognized past service costs amounting to Rs. 6,901 million, under its (defined benefit) Funded Pension Scheme, pursuant to the implementation of a Supreme Court decision dated 10 July 2025 granting revisionary pension benefits to eligible pensioners at par with similarly placed government employees.</p> <p>The recognition and measurement of the past service cost involved significant management judgement and estimation uncertainty. In particular, management was required to interpret the Supreme Court decision and determine the population of pensioners eligible for these revised benefits and determine the related liability using the projected unit credit method under IAS 19 "Employee benefits".</p>	<p>Our audit procedures included among others the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the Supreme Court's judgment.</li> <li>• We obtained and reviewed the management's determination of the population of pensioners eligible for these revised benefits, along with the related legal opinion from the Group's legal advisors.</li> <li>• We engaged an independent legal expert to assess the reasonableness of the management's determination of the population of pensioners eligible for these revised benefits.</li> <li>• Obtained and reviewed the management expert's actuarial report supporting the calculation of past service costs and evaluated key actuarial assumptions.</li> <li>• We also engaged an independent actuarial expert to assess the reasonableness of the past service costs determined by the management's actuary along with the related assumptions.</li> <li>• Assessed the adequacy of the disclosures provided in the consolidated financial statements in accordance with the requirements of IAS 19 "Employee benefits".</li> </ul>

# INDEPENDENT AUDITORS' REPORT

To the members of Pakistan Telecommunication Company Limited  
(the Holding Company)

Key audit matter	How our audit addressed the key audit matter
<p><b>Income tax recoverable</b></p> <p>As more fully described in Note 5.33 and Note 32 to the consolidated financial statements, the Group has recognized income tax recoverable in accordance with IAS 12 "Income Taxes", being the amount already paid in respect of current and prior periods in excess of current tax due for those periods, based on whether management judges that it is expected that the amount will be recovered from the federal tax authorities.</p> <p>An income tax recoverable of Rs. 79,559 million (FY24: Rs. 52,305 million) has been recognized, as management has concluded that this amount will be recovered via a mixture of receipts of refunds and adjustment against amount of current tax due for future periods. Currently, a number of tax assessments are pending at different appellate forums.</p> <p>Auditing the Group's recognition and recoverability of income tax recoverable is significant to the audit because it involves material amounts, and the judgements and estimates in relation to the period of time over which it is expected to utilize these assets, results in increased estimation uncertainty.</p>	<p>Our audit procedures included among others the following:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and evaluating the design effectiveness of controls over the Group's recognition and recoverability of income tax recoverable, including reassessment at each reporting date.</li> <li>• Involvement of tax specialist in assessment of whether the tax paid by/ on behalf of the Group to federal tax authorities is adjustable under the provisions of the Income Tax Ordinance, 2001, including review of underlying documentation relating to any related tax litigation/ income tax assessment before appellate forums and/ or federal tax authority.</li> <li>• Examination of income tax returns and tax refund applications, to assess existence, accuracy and valuation of amount recognized in the consolidated financial statements.</li> <li>• Inspecting correspondence with tax authorities, minutes of the meetings of the Boards of Directors of the Holding Company and its subsidiaries and direct replies against confirmations circularized by us to selected tax and legal advisor of the Group to identify any pending taxation matters relating to the income tax recoverable.</li> <li>• Evaluating the adequacy of the disclosures in respect of the recognition of the income tax recoverable.</li> </ul>

# INDEPENDENT AUDITORS' REPORT

## To the members of Pakistan Telecommunication Company Limited (the Holding Company)

### Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. Other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditors' report thereon.

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

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

### Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

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

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

# INDEPENDENT AUDITORS' REPORT

## To the members of Pakistan Telecommunication Company Limited (the Holding Company)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Omer Chughtai.



### Chartered Accountants

Place: Islamabad  
Date: 06 April 2026  
UDIN: AR2025101207BifHdA0x

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

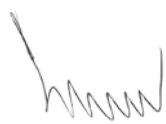
AS AT DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Share capital and reserves</b>			
Share capital	6	51,000,000	51,000,000
Revenue reserves			
General reserve		27,497,072	27,497,072
Accumulated losses		(42,693,655)	(43,575,731)
		(15,196,583)	(16,078,659)
Statutory and other reserves		954,563	935,752
Unrealized gain on investments measured at fair value through OCI		111,732	409,162
		36,869,712	36,266,255
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long term loans from banks	7	238,351,273	104,867,250
Deposits from banking customers	8	141,394	39,870,286
Lease liabilities	9	52,171,230	10,579,466
Employees retirement benefits	10	47,893,345	42,846,083
Deferred government grants	11	49,165,643	35,252,992
Provision for asset retirement obligations	12	1,110,448	-
Advances from customers		535,140	1,442,432
License fee payable	13	2,390,154	8,799,401
Long term vendor liability	14	24,758,299	30,816,234
		416,516,926	274,474,144
<b>Current liabilities</b>			
Trade and other payables	15	200,743,692	158,600,800
Deposits from banking customers	8	156,058,475	96,741,897
Interest accrued		3,604,214	6,716,644
Short term financing	16	71,487,663	51,678,636
Subordinated debt	17	150,000	1,000,000
Current portion of:			
Long term loans from banks	7	17,949,653	134,887,702
Lease liabilities	9	16,029,293	6,308,941
License fee payable	13	8,340,464	2,328,854
Long term vendor liability	14	23,789,108	35,565,847
Security deposits	18	2,290,615	1,654,053
Unpaid / unclaimed dividend		207,751	208,131
		500,650,928	495,691,505
<b>Total equity and liabilities</b>		<b>954,037,566</b>	<b>806,431,904</b>

## Contingencies and commitments

19

The annexed notes 1 to 59 are an integral part of these consolidated financial statements.



Chief Financial Officer

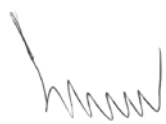


President & CEO



Chairman

	Note	2025 Rs '000	2024 Rs '000
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	20	361,439,043	283,621,411
Right of use assets	21	51,610,626	15,528,532
Intangible assets	22	135,060,288	52,713,512
		548,109,957	351,863,455
Long term investments	23	51,427	51,427
Long term loans and advances	24	2,196,892	12,280,602
Long term loans to banking customers	30	12,112,463	13,664,090
Deferred income tax	31	26,871,817	16,896,173
Employees retirement benefits	25	13,762,801	2,951,439
Contract costs	26	1,584,213	329,145
		604,689,570	398,036,331
<b>Current assets</b>			
Stock in trade, stores and spares	27	6,348,808	8,891,967
Trade debts and contract assets	28	82,824,227	64,355,709
Current portion of loans to banking customers	30	56,657,024	60,802,770
Loans and advances	29	4,944,890	3,706,842
Contract costs	26	5,514,961	5,575,409
Income tax recoverable	32	79,558,762	52,304,986
Deposits, prepayments and other receivables	33	30,794,051	27,385,600
Short term investments	34	43,950,004	161,231,289
Cash and bank balances	35	38,754,337	24,141,001
Asset classified as held for sale	36	932	-
		349,347,996	408,395,573
<b>Total assets</b>		<b>954,037,566</b>	<b>806,431,904</b>



Chief Financial Officer



President &amp; CEO



Chairman

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
Revenue	37	251,733,534	224,264,468
Cost of services	38	(167,757,784)	(166,864,954)
Gross profit		83,975,750	57,399,514
Administrative and general expenses	39	(32,609,640)	(32,859,412)
Selling and marketing expenses	40	(13,876,653)	(13,305,289)
Allowance for expected credit losses	41	(18,136,320)	(5,117,163)
		(64,622,613)	(51,281,864)
Operating profit		19,353,137	6,117,650
Past service cost - pension	19.7	(6,901,456)	-
Subsidiaries acquisition cost		(1,760,670)	-
Other income	42	21,154,391	25,618,798
Finance costs and other expenses	43	(46,657,653)	(52,633,552)
Loss before tax		(14,812,251)	(20,897,104)
Income tax	44	5,066,134	6,502,944
Loss for the year		(9,746,117)	(14,394,160)
Loss per share - basic and diluted (Rupees)	45	(1.91)	(2.82)

The annexed notes 1 to 59 are an integral part of these consolidated financial statements.



Chief Financial Officer



President & CEO



Chairman

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 Rs '000	2024 Rs '000
Loss for the year	(9,746,117)	(14,394,160)
Other comprehensive income for the year		
Items that will not be subsequently reclassified to consolidated statement of profit or loss:		
Remeasurement gain / (loss) on employees retirement benefits	17,445,045	(9,190,006)
Tax effect	(6,798,041)	2,086,069
	10,647,004	(7,103,937)
Items that may be subsequently reclassified to consolidated statement of profit or loss:		
(Loss) / gain on debt instruments arising during the year	(384,067)	631,493
Tax effect	86,637	(183,133)
(Loss) / gain on debt instruments arising during the year – net of tax	(297,430)	448,360
	10,349,574	(6,655,577)
<b>Total comprehensive income / (loss) for the year</b>	<b>603,457</b>	<b>(21,049,737)</b>

The annexed notes 1 to 59 are an integral part of these consolidated financial statements.



Chief Financial Officer



President & CEO



Chairman

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>Cash flows from operating activities</b>			
Cash generated from operations	47	99,550,290	82,735,612
Employees retirement benefits paid		(3,266,724)	(2,786,139)
Deposits from banking customers		19,587,686	32,549,639
Return on long term loans and short term investments		2,132,222	5,068,552
Advances from customers		(839,120)	2,455,189
Additions to contract costs		(7,839,327)	(8,789,152)
Payment made to Pakistan Telecommunication Employees Trust (PTET)		-	(990,436)
Income tax paid		(7,786,330)	(8,746,712)
<b>Net cash generated from operating activities</b>		<b>101,538,697</b>	<b>101,496,553</b>
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment		(30,765,966)	(43,514,149)
Acquisition of intangible assets		(589,209)	(1,085,163)
Proceeds from disposal of property and equipment		2,235,338	6,298,815
Cash paid for acquisition of subsidiaries		(49,018,540)	-
Cash and cash equivalents in acquired subsidiaries (net)		(18,104,586)	-
Debt free settlement of pre-acquisition shareholder loan		(63,184,153)	-
Long term loans and advances		91,684	(1,660,393)
Encashment of short term investments		261,263,427	169,739,974
Short term investments made		(144,366,209)	(279,373,669)
Government grants repaid		(390,358)	-
Government grants received		6,883,686	8,137,042
<b>Net cash used in investing activities</b>		<b>(35,944,886)</b>	<b>(141,457,543)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long term loans		118,894,978	137,156,084
Repayment of long term loans		(102,158,244)	(19,781,534)
Settlement of subordinated debt		(850,000)	(149,701)
Finance cost paid		(31,862,517)	(47,352,012)
Repayment of license fee		(2,967,960)	(263,233)
Repayment of vendor liability - net		(36,250,136)	(18,631,486)
Repayment of lease liabilities - principal		(9,657,464)	(7,457,736)
Repayment of lease liabilities - interest		(5,937,779)	(3,087,046)
Settlement of unclaimed dividend		(380)	(1,125)
<b>Net cash (used in) / generated from financing activities</b>		<b>(70,789,502)</b>	<b>40,432,211</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(5,195,691)</b>	<b>471,221</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>(27,537,635)</b>	<b>(28,008,856)</b>
<b>Cash and cash equivalents at end of the year</b>	47.2	<b>(32,733,326)</b>	<b>(27,537,635)</b>

The annexed notes 1 to 59 are an integral part of these consolidated financial statements.



Chief Financial Officer



President & CEO



Chairman

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2025

	Issued, subscribed and paid-up capital			Revenue reserves		Statutory and other reserves	Unrealized gain on investments measured at fair value through OCI	Total
	Class 'A'	Class 'B'	Total	General reserve	Accumulated losses			
(Rupees in '000)								
<b>Balance as at January 01, 2024</b>	37,740,000	13,260,000	51,000,000	27,497,072	(22,077,634)	909,981	(39,198)	57,290,221
Total comprehensive income for the year								
Loss for the year	-	-	-	-	(14,394,160)	-	-	(14,394,160)
Other comprehensive (loss) / income	-	-	-	-	(7,103,937)	-	448,360	(6,655,577)
	-	-	-	-	(21,498,097)	-	448,360	(21,049,737)
Statutory and other reserves	-	-	-	-	-	25,771	-	25,771
<b>Balance as at December 31, 2024</b>	37,740,000	13,260,000	51,000,000	27,497,072	(43,575,731)	935,752	409,162	36,266,255
Total comprehensive income for the year								
Loss for the year	-	-	-	-	(9,746,117)	-	-	(9,746,117)
Other comprehensive income / (loss)	-	-	-	-	10,647,004	-	(297,430)	10,349,574
	-	-	-	-	900,887	-	(297,430)	603,457
Statutory and other reserves	-	-	-	-	(18,811)	18,811	-	-
<b>Balance as at December 31, 2025</b>	37,740,000	13,260,000	51,000,000	27,497,072	(42,693,655)	954,563	111,732	36,869,712

The annexed notes 1 to 59 are an integral part of these consolidated financial statements.



Chief Financial Officer



President & CEO



Chairman

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 1. Legal status and nature of business

### 1.1 Constitution and ownership

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

#### **Pakistan Telecommunication Company Limited (PTCL)**

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

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 entered into a Share Purchase Agreement with Telenor Pakistan B.V. in 2023 to acquire a 100% equity stake in Telenor Pakistan (Private) Limited and Orion Towers (Private) Limited (collectively referred to as TP Group). Following the receipt of all required regulatory approvals, the transaction was successfully completed as on December, 31 2025, at which date the Holding Company obtained control over the acquired entities. Accordingly, the Consolidated Statement of Financial Position of Telenor Pakistan (Private) Limited and Statement of Financial Position of Orion Towers (Private) Limited have been consolidated as subsidiaries of the Holding Company with effect from the acquisition date i.e. December, 31 2025, in accordance with IFRS 10 – Consolidated Financial Statements. Since control was obtained on December, 31 2025, the Statements of Profit Or Loss and Statements of Comprehensive Income of the acquired entities have not been consolidated for the year ended December, 31 2025.

#### **Pak Telecom Mobile Limited (PTML)**

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

#### **Telenor Pakistan (Private) Limited (TP)**

Telenor Pakistan (Private) Limited was incorporated in Pakistan in 2004 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of TP is to provide cellular mobile communication services in Pakistan and Azad Jammu & Kashmir (AJK) under a license from Pakistan Telecommunication Authority (PTA). It is a wholly owned subsidiary of the Holding Company. The registered office of TP is located at 345 Telenor Headquarters, Plot No. 55, River View Avenue, Block B, Gulberg Greens, Islamabad.

#### **Telenor LDI Communications (Private) Limited (TLDI)**

Telenor LDI Communications (Private) Limited (TLDI) was incorporated in Pakistan in 2006 as a private limited company under the Companies Act, 2017. The principal activity of TLDI is to provide Long Distance and International (LDI) calls and allied telecommunication services. TLDI has obtained license for LDI telephony services from Pakistan Telecommunication Authority (PTA). It is a wholly owned subsidiary of the TP. Registered office of TLDI is located at 345 Telenor Headquarters, Plot No. 55, River View Avenue, Block B, Gulberg Greens, Islamabad.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## **Margalla Ventures (Private) Limited (MVPL)**

Margalla Ventures (Private) Limited (MVPL) was incorporated in Pakistan on 27 October 2010 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal line of business is to carry on the trade and business of internet related software/hardware, cloud computing, advertising, marketing, promotion, branding, mobile and web based applications and other related services including digital, technical products, business analytics, solutions, software and services and to enter into and create partnerships (based on equity contributions or otherwise) with other entities as it deems appropriate. It is a wholly owned subsidiary of the TP. The registered office of MVPL is located at 345 Telenor Headquarters, Plot No. 55, River View Avenue, Block B, Gulberg Greens, Islamabad. Currently MVPL has no active business operations.

## **Orion Towers (Private) Limited (OT)**

Orion Towers (Private) Limited (OT) was incorporated in Pakistan on 04 May 2018 as a private limited Company under the Companies Act, 2017. The principal activity of OT is to undertake in Pakistan and elsewhere the business of constructing, acquiring, establishing, developing, maintaining and managing telecommunications infrastructure. It is a wholly owned subsidiary of the Holding Company. The registered office of OT is located at 345, Plot No. 55, River View Avenue, Block B, Gulberg Greens Islamabad. OT is expected to commence operations in the future, and the Group is committed to providing the necessary support.

## **U Microfinance Bank Limited (U Bank)**

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

## **DVCOM Data (Private) Limited (DVCOM Data)**

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

Effective April 01, 2015, the Holding Company acquired 100% shareholding of DVCOM Data from DVCOM Limited and is the sole customer of the DVCOM Data. The management has agreed in principle to merge its operations with the Holding Company. DVCOM Data is currently in the process of completing the legal formalities of the merger.

## **Smart Sky (Private) Limited (Smart Sky)**

Smart Sky was incorporated in Pakistan on October 12, 2015 as a private limited company. Smart Sky is a wholly owned subsidiary of the Holding Company. The registered office of Smart Sky is located at PTCL Headquarters, G-8/4, Islamabad. Currently Smart Sky has no active business operations.

## **1.2 Activities of the Group**

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

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

Business units	Geographical locations
PTCL Headquarters	Ufone Tower, Blue Area, F-7/1, Islamabad
PTCL Business Zone - North	Telecom House, F-5/1, Islamabad
PTCL Business Zone - Central	131, Tufail Road, Lahore
PTCL Business Zone - South	Hatim Alvi Road, Clifton, Karachi
PTML Headquarters	Ufone Tower, Blue Area, Islamabad
TP Headquarters	345 Telenor Headquarters, Gulberg Greens, Islamabad
TLDI Headquarters	345 Telenor Headquarters, Gulberg Greens, Islamabad
MVPL Headquarters	345 Telenor Headquarters, Gulberg Greens, Islamabad
OT Headquarters	345 Telenor Headquarters, Gulberg Greens, Islamabad
U Bank Headquarters	F-7 Markaz, Islamabad
DVCOM Data	Hatim Alvi Road, Clifton, Karachi
Smart Sky	PTCL Office, G-8/4, Islamabad

## 1.4 Going concern basis of accounting

The Group has incurred loss after tax amounting to Rs 9,746 million, for the year ended 31 December 2025 (2024: Rs 14,394 million) and its accumulated loss as at 31 December 2025 amounts to Rs 42,694 million (2024: Rs 43,576 million). As of 31 December 2025, current liabilities of the Group exceed its current assets by Rs 151,303 million (2024: Rs 87,296 million). Further, Ubank is in the process of complying with the regulatory capital requirements in accordance with the approval granted by State Bank of Pakistan.

During the year, the Holding Company acquired 100% shareholding in Telenor Pakistan (Private) Limited and Orion Towers (Private) Limited. Subsequent to the reporting date, Pakistan Telecommunication Authority (PTA) has formally approved the proposed amalgamation of Pakistan Telecom Mobile Limited and Telenor Pakistan (Private) Limited. The proposed amalgamation shall be implemented through a scheme of arrangement in accordance with applicable laws.

As part of annual budgetary process of the Group, the Group has prepared five years projections till the years ending 31 December 2030 duly approved by the Board of Directors of the Group. These projections are based on individual business plans for the Holding Company, and each of its subsidiaries approved by those charged with governance. As per these projections, the Group will continue to generate sufficient cashflows to meet its obligations as they fall due. Further, banking operation generates 10% of the Group revenue, it has negligible impact on the Group's telecom operations (refer note 54), so the conditions at banking operations do not have any significant impact on going concern assessment of the Group. The existence of material uncertainty, if any, is mitigated based on the following factors: a) the proposed amalgamation of Pakistan Telecom Mobile Limited and Telenor Pakistan (Private) Limited is expected to generate operational and financial synergies through an expanded customer base, improved spectrum and infrastructure utilization, cost efficiencies, and enhanced revenue opportunities, thereby strengthening the Group's profitability and cash flows; b) there has been increase in Wireline segment's revenue in 2025 due to introduction of Flash Fiber, Fiber-to-the-Home (FTTH) service and Business segment revenue which is expected to continue to grow in future years; c) The reduction in State Bank of Pakistan's policy (interest) rate from 23% in 2023 to 10.5% in 2025 has resulted in decrease in finance cost of the Group; e) secured lending as a proportion of total advances in Banking segment is expected to increase which will result in lower delinquency ratio and improved profitability along with cost optimization measures including closure of certain branches; and f) the above-mentioned projections of the Holding Company incorporate the cashflows for further capital injections into Ubank, as required by Ubank's business plan approved by the State Bank of Pakistan to ensure that Ubank is in compliance with the regulatory capital requirements, within the next few years.

Accordingly, considering the aforesaid factors, these consolidated financial statements have been prepared on a going concern basis.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 2. Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of the Chartered Accountants of Pakistan as notified under the Companies Act, 2017;
- Provisions of, and directives issued under the Companies Act, 2017.

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

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

- Provisions of, and directives issued under the Microfinance Institutions Ordinance, 2001 (the MFI Ordinance) and the Companies Act, 2017; and
- directives issued by the State Bank of Pakistan (SBP) as well as U Bank's specific communication with SBP on specific matters and the directives issued by the Securities and Exchange Commission of Pakistan (SECP).

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

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

### 2.1 Standards, interpretations and amendments adopted during the year

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

#### a) **New accounting standards / amendments and IFRSs interpretations that are effective for the year ended December 31, 2025.**

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after January, 01 2025 (unless otherwise stated). The Group has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### **IAS 21 Lack of exchangeability – Amendments to IAS 21**

Lack of Exchangeability – Amendments to IAS 21: For annual reporting periods beginning on or after January, 01 2025, the Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on these consolidated financial statements.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

	Effective date (annual periods beginning on or after)
<p><b>IFRS 18 Presentation and Disclosure in Financial Statements</b></p> <p>In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.</p> <p>The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.</p> <p>In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.</p> <p>IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after January 01, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.</p> <p>The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. The initial expected material impacts on Group's consolidated financial statements are as follows:</p> <ul style="list-style-type: none"> <li>- Rental income, change in fair value from investment properties and share of profit of an associate and a joint venture will be classified in the investing category within the statement of profit or loss.</li> <li>- Foreign exchange differences will be classified in the category where the related income and expense form the item giving rise to the foreign exchange difference.</li> <li>- New disclosure will be added: <ul style="list-style-type: none"> <li>(a) management-defined performance measures (where applicable);</li> <li>(b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and</li> <li>(c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.</li> </ul> </li> <li>- Interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.</li> </ul>	<p>January 01, 2027</p>

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Effective date (annual periods beginning on or after)
<p><b>IFRS 19 Subsidiaries without Public Accountability: Disclosures</b></p> <p>In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.</p>	January 01, 2027
<p><b>Amendments to the Classification and Measurement of Financial Instruments — Amendments to IFRS 9 and IFRS 7</b></p> <p>On May 30, 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:</p> <ul style="list-style-type: none"> <li>- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.</li> <li>- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed</li> <li>- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments</li> <li>- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).</li> </ul> <p>The Amendments are effective for annual periods starting on or after January 01, 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Group is currently not intending to early adopt the Amendments.</p> <p>With respect to the amendments on the derecognition of financial liabilities that are settled through an electronic payment system, the Group is currently performing an assessment of all material electronic payment systems it uses, in order to assess whether the amendments will result in a material change with respect to current practices and whether it meets the conditions to apply the accounting policy option to derecognise such financial liabilities before the settlement date. Moreover, the Group is reviewing all its other payment systems to ensure that the corresponding financial assets are derecognised when the right to cash flows are extinguished and that the corresponding financial liabilities are derecognised on settlement date.</p>	January 01, 2026

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Effective date (annual periods beginning on or after)
<p><b>Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7</b></p> <p>In December 2024, IASB issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments include:</p> <ul style="list-style-type: none"> <li>- Clarifying the application of the ‘own-use’ requirements</li> <li>- Permitting hedge accounting if these contracts are used as hedging instruments</li> <li>- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a Group’s consolidated financial performance and cash flows.</li> </ul> <p>The amendments will be effective for annual reporting periods beginning on or after January 01, 2026. Early adoption is permitted, but will need to be disclosed. The clarifications regarding the ‘own use’ requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.</p> <p>These amendments are not applicable to the Group.</p>	January 01, 2026
<p><b>IFRS 17 Insurance Contracts</b></p> <p>In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:</p> <ul style="list-style-type: none"> <li>- A specific adaptation for contracts with direct participation features (the variable fee approach)</li> <li>- A simplified approach (the premium allocation approach) mainly for short-duration contracts.</li> </ul> <p>IFRS 17 is effective for reporting periods beginning on or after January 01, 2027, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.</p>	January 01, 2027

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Effective date (annual periods beginning on or after)
<p><b>Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21:</b></p> <p>In November 2025, the Board issued Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate.</p> <p>If an entity’s functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position.</p> <p>An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29, to the foreign operation’s comparative figures.</p> <p>If an entity’s functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and it translates the results and financial position of foreign operations whose functional currency is that of a non-hyperinflationary economy, then it is required to apply the amendments from the beginning of the annual reporting period in which it first applies the amendments. In addition, it restates the comparative amounts of its foreign operations included in the entity’s previously issued financial statements by applying the general price index it applies to corresponding figures in accordance with paragraph 34 of IAS 29.</p> <p>If an entity’s functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and it translates the results and financial position of foreign operations whose functional currency is that of a non-hyperinflationary economy, then it is required to apply the amendments from the beginning of the annual reporting period in which it first applies the amendments. In addition, it restates the comparative amounts of its foreign operations included in the entity’s previously issued financial statements by applying the general price index it applies to corresponding figures in accordance with paragraph 34 of IAS 29.</p> <p>The amendments apply for annual reporting periods beginning on or after January 01, 2027 and earlier application is permitted. The Group does not expect that the amendments will have a material impact on its consolidated financial statements.</p>	<p>January 01, 2027</p>

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Effective date (annual periods beginning on or after)
<p><b>IFRS 10 and IAS 28 Consolidated financial statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (amendment)</b></p> <p>On September 11, 2014, the IASB issued Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28). The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.</p> <p>In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.</p> <p>Further, IASB has issued annual improvements in IFRS in July 2024, wherein certain amendments have been made to various standards which are effective for annual periods beginning on and after January 01, 2026. The Group is currently evaluating the impact of these recently announced improvements.</p>	Not yet determined

In addition to the above, the following new standards have been issued by IASB but are not notified by SECP for application in Pakistan:

	Effective date (annual periods beginning on or after)
<b>IFRS 1 - First time adoption of International Financial Reporting Standards</b>	January 01, 2004

The application of the above standard is not expected to have a material impact on the Group's consolidated financial statements, in the period of applicability.

### 3. Basis of measurement

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

### 4. Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience, including expectations of future events that

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are as follows:

**(a) Provision for employees retirement benefits**

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

**(b) Provision for income tax**

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

**(c) Useful life and residual value of fixed assets**

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

**(d) Provision for doubtful receivables and contract assets**

A provision against overdue receivable balances is recognized after considering the pattern of receipts from, and the future financial outlook of the concerned receivable party. It is reviewed by the management on a regular basis. Contract assets arise when the Group performs its performance obligations by transferring goods or services to a customer before the customer pays consideration or before payment is due.

**(e) Impairment of non - financial assets**

Management exercises judgment in measuring the recoverable amount of assets at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated to determine the extent of impairment of such assets.

As at the reporting date, the Group performed an impairment test for its banking segment.

## **Banking**

The Group has determined recoverable amount of banking segment, consisting of property and equipment, right of use assets, intangible, long term investments and loans to banking customers based on a value-in-use determined through discounted cash flow method, which was higher than the carrying amount of the banking segment in the consolidated financial statements. Value-in-use was estimated using cash flow projections approved by the Board of Directors, covering a five-year period. The Group has applied a discount rate of 16.47% and the long-term steady growth-rate of 6%, to the cash flow projections. The calculation of value-in-use is most sensitive to the following assumptions:

- a) discount rates
- b) key business assumptions

## **Discount rates**

The discount rate reflects current market assessment of the rate of return required for the business and is calculated using the Capital Asset Pricing Model. The discount rate reflects the target Weighted Average Cost of Capital of the banking segment.

## **Key business assumptions**

These assumptions are based on business plan approved by the Board of Directors which includes revenue improvements on the basis of multiple strategies planned, including increase in loan disbursement in secured portfolio, advance to deposit ratio, deposit growth, dividend payouts and cost rationalization.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## Sensitivity to changes in assumptions

Management believes that after considering the various scenarios change in any of the above key assumptions would not cause the carrying value of the unit to materially exceed its recoverable amount.

## Other estimates and judgments

### (a) Provision for stores and spares

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

### (b) Revenue from contracts with customers

The Group applies probability approach and constrains the unused resources pertaining to remaining performance obligations as at the reporting date for recognition of revenue against cash consideration received. Contract costs comprise incremental cost of acquiring the customers and the Group estimates the average life of the customer for amortization of capitalized contract cost.

### (c) Recognition of government grants

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

### (d) Right of use assets and lease liability

The Group has applied incremental borrowing rate for recognition of lease liabilities and corresponding right of use assets under IFRS-16.

### (e) Expected credit losses on advances (Note 5.27 Financial instruments (U Bank))

### (f) Contingent Assets and Liabilities (Note 19 Contingencies and Commitments)

### (g) Other provisions

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

## 5. Material accounting policies

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

### 5.1 Consolidation

#### a) Subsidiaries

Subsidiaries are entities over which the Group has the power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from its involvement with the investee; or the ability to use its power over the investee to affect its returns. The consolidated financial statements include Pakistan Telecommunication Company Limited and all companies in which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date control ceases to exist.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and amount of any non controlling interest in the acquiree. For each business

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

combination, the acquirer measures the non controlling interest in the acquiree either at fair value or at the proportionate share of the acquirer's identifiable net assets. Acquisition costs incurred are expensed. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9, either in profit or loss or charged to other comprehensive income. If the contingent consideration is classified as equity, it is remeasured until it is finally settled within equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any non controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in income.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses on assets transferred are also eliminated and considered an impairment indicator of such assets. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

## b) Associates

Associates are entities over which the Group has significant influence, but not control, and generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, and are initially recognized at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognized in the consolidated statement of profit or loss, and its unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses on the assets transferred are also eliminated to the extent of the Group's interest and considered an impairment indicator of such asset. Accounting policies of the associates are changed where necessary to ensure consistency with the policies adopted by the Group.

## 5.2 Functional and presentation currency

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

## 5.3 Foreign currency transactions and translations

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

## 5.4 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When it is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price."

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in the consolidated profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

## 5.5 Short-term employee benefits

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

## 5.6 Dividend distribution

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

## 5.7 Statutory reserve

In compliance with the requirements of the Regulation R-4, U Bank maintains statutory reserve to which an appropriation equivalent to 20% of the profit after tax is made till such time the reserve fund equals the paid up capital of the U Bank. However, thereafter, the contribution is reduced to 5% of the profit after tax.

## 5.8 Depositors' protection fund

In compliance with the requirements of section 19 of the Microfinance Institutions Ordinance 2001, U Bank contributes 5% of annual profit after tax to the Depositors' Protection Fund for the purpose of providing security or guarantee to the persons depositing money in U Bank.

## 5.9 Cash reserve

In compliance with the requirements of the Regulation R-3A, U Bank maintains a cash reserve equivalent to not less than 5% of its deposits (including demand deposits and time deposits with tenure of less than 1 year) in a current account opened with the State Bank of Pakistan (SBP) or its agent.

## 5.10 Statutory liquidity requirement

In compliance with the requirements of the Regulation R-3B, U Bank maintains liquidity equivalent to at least 10% of its total demand liabilities and time liabilities with tenure of less than one year in the form of liquid assets i.e. cash, gold, unencumbered treasury bills, Pakistan Investment Bonds and Government of Pakistan Sukuk bonds. Treasury bills and Pakistan Investment Bonds held under Depositors' protection fund are excluded for the purposes of determining liquidity.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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## 5.11 Borrowings and borrowing costs

Borrowings are recognized equivalent to the value of the proceeds received by the Group. Any difference, between the proceeds (net of transaction costs) and the redemption value, is recognized in consolidated statement of profit or loss, over the period of the borrowings, using the effective interest method.

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

## 5.12 Deposits from banking customers

Deposits are initially recorded at the amounts of proceeds received. Mark-up accrued on deposits is recognized separately as part of other liabilities and is charged to the consolidated statement of profit or loss over the period.

## 5.13 Sale and repurchase agreements

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognized in the consolidated statement of financial position and are measured in accordance with the accounting policies for investment securities by U Bank. The counter party liability for consideration received is included in borrowings from financial institutions. The difference between sale and repurchase price is treated as markup / return / interest expense over the period of the transaction. Assets purchased with a corresponding commitment to resell at a specified future date (reverse repo) are not recognized as investment in the consolidated statement of financial Position. Amounts paid under these agreements are included in lending to financial institutions. The difference between the purchase and resale price is treated as markup / return / interest income over the period of the transaction.

## 5.14 Employees retirement benefits

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

The main features of these benefits provided by the Group in the Holding Company and its subsidiaries - PTML, TP and U Bank are as follows:

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

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

### (b) Defined benefit plans

The Holding Company provides the following defined benefits:

#### (i) Pension plans

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

#### (ii) Gratuity plan

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

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

### (iii) Medical benefits plan

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

### (iv) Accumulated compensated absences

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

### (v) Benevolent grants

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

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

## PTML

### (i) Gratuity plan

PTML operates a funded gratuity scheme, a defined benefit plan, for all permanent employees which has been approved by the Commissioner of Income Tax in accordance with Part III of Sixth Schedule to the Income Tax Ordinance, 2001. Gratuity is payable to each permanent employee with a minimum qualifying service period of three years.

The liability recognized in the consolidated statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. Defined benefit obligation is based on actuarial valuation by independent actuary based on projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in Pakistan rupee and have terms to maturity approximating to the terms of the related liability.

The current service cost of the defined plan, recognized in the profit or loss for the year reflects the increase in the defined benefit obligation resulting from employee service in the current year. Past service costs are recognized immediately in the profit or loss for the year. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets, and is recognized in the profit or loss for the year.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

## TP

### (i) Defined benefit scheme

TP operates a funded gratuity scheme for all permanent employees of the TP and TLDI who have completed the minimum prescribed period of service under the scheme. Contributions are made to the schemes on the basis of independent actuarial recommendations using the Projected Unit Credit method.

During the current year, TP has recognized actuarial loss in full in other comprehensive income which will not be reclassified to profit or loss in subsequent periods.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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The related plan assets (established as a Trust) of the schemes are governed by the trust deed and rules. All matters pertaining to this scheme including contributions to the scheme and payments to outgoing members are dealt with in accordance with the trust deed and rules.

## (ii) Defined contribution plan

TP operates a recognized contributory provident fund for all eligible employees, governed by a Trust Deed. Contributions to the fund are made in accordance with the terms of the Trust Deed. TP's contributions related to the defined contribution plan are charged to the consolidated statement of profit or loss in the year to which they relate. This fund is consolidated fund covering the employees of TP, and its subsidiary TLDI as approved by order no. CIR (Z-11)/2012/2823 dated June 15, 2012 by the Commissioner of Inland Revenue under Rule 1 of Part I of the Sixth Schedule to the Income Tax Ordinance, 2001.

## U Bank

### (i) Gratuity plan

U Bank operates defined benefit plan comprising an funded gratuity scheme covering all eligible employees completing the minimum qualifying period of service (three years) as specified by the scheme.

### (ii) Provident fund

U Bank operates a defined contribution provident fund scheme for permanent employees. Contributions to the fund are made on monthly basis by U Bank and employees at an agreed rate of salary (8% of the basic salary of the employee), the fund is managed by its Board of Trustees. The contribution of U Bank is charged to profit or loss.

## 5.15 Government grants

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

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

## 5.16 Trade and other payables

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

## 5.17 Non current Assets

### (a) Property and equipment

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

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

Capital work in progress is stated at cost less impairment losses if any. It consists of expenditure incurred in respect of tangible fixed assets in the course of their construction and installation. Further, it includes capitalisation against turnkey projects to the extent of the work completed.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss from the disposal are determined as the difference between the net disposal proceeds, if any and the carrying amount of the item and are included in consolidated statement of profit or loss for the year.

## (b) Intangible assets

### (i) Goodwill

Goodwill is initially measured at cost being the excess of the consideration transferred, over the fair value of subsidiary's identifiable assets acquired and liabilities assumed. Goodwill is tested for impairment annually.

### (ii) Licenses

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

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

### (iii) Computer software

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

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

If payment for an intangible asset is deferred beyond normal credit terms, it is recognized at the cash price equivalent. The difference between the cash price equivalent and the total payments is recognized as interest expense over the period of credit.

## (c) Impairment of Goodwill

Impairment of goodwill is recognised when the recoverable amount of goodwill falls below the previously recorded value at the time of acquisition.

## (d) Right of use assets

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

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 5.18 Impairment of non financial assets

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

## 5.19 Long term loans

Long term loans are initially recognized at present value of loan amount disbursed to employees. On initial recognition, the discount representing difference between loan disbursed and its present value is recognized as deferred employee benefit in the consolidated statement of financial position. Subsequently, the unwinding of discount on present value of loans is recognized as income over the loan term using the effective interest method.

## 5.20 Stock in trade

Stock in trade is valued at the lower of cost and net realizable value. Cost comprises the purchase price of items of stock, including import duties and other related costs. Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

## 5.21 Stores and spares

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

## 5.22 Trade debts and contract assets

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

Securities and Exchange Commission of Pakistan issued an SRO through which only financial assets due from Government of Pakistan in respect of circular debt will be exempt from the requirements of calculating expected credit loss as per the requirements of IFRS 9 "Financial Instruments" till 30 June 2022. As the Holding Company's receivable from Government of Pakistan is not in respect of circular debt, the Holding Company has recorded the impact of expected credit loss on opening balances of financial assets due from Government of Pakistan in the Statement of Changes in Equity. There has been no change in classification of financial assets and financial liabilities due to this change in accounting policy.

## 5.23 Lease liability

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

### Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of property and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

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## 5.24 Cash and cash equivalents

For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash in hand, cash with banks and short term finances under mark up arrangements with banks. Cash equivalents are short term highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## 5.25 Provisions

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

## 5.26 Contingent liabilities

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

## 5.27 Financial instruments

### The Group (other than U Bank):

#### Classification

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

#### (i) Amortized cost

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

#### (ii) Fair value through other comprehensive income

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

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

#### (iii) Fair value through profit or loss

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

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## Recognition and measurement

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

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

## Subsequent measurement and gains and losses

**a) Financial assets at amortized costs** These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gain and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

**b) Financial assets at FVOCI** Debt investments are subsequently measured at fair value. Interest income calculated using effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments are subsequently measured at fair value. Net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to accumulated profits.

**c) Financial assets at FVTPL** These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets of the Group include trade debts, contract assets, long term loans, deposits, other receivables, short term investments and forward exchange contracts.

## (iv) Impairment of financial assets

The Group applies a simplified approach where applicable in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix for large portfolio of customer having similar characteristics and default rates based on the credit rating of customers from which receivables are due that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

## Financial liabilities

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

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include subordinated debt, long term loans from banks, long term vendor liability, lease liabilities, license fee payable, long term security deposits, interest accrued, short term running finance and trade and other payables.

## Derecognition

### Financial assets

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

### Financial liabilities

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

### Derivative financial instruments

Derivative financial instruments are initially recognized at fair value and are subsequently remeasured at fair value. These are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is charged to profit or loss for the year.

### Offsetting of financial assets and liabilities

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

### U Bank

Financial assets and financial liabilities are recognised when U Bank becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the U Bank commits to purchase or sell the asset.

### Financial instruments – initial recognition

All financial assets are initially recognised on the trade date, i.e. the date at which the U bank becomes a party to the contractual provisions of the instruments. This includes purchases or sale of financial assets that require delivery of asset within the time frame generally established by regulations in market conventions.

All financial assets and financial liabilities are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where transaction cost is taken directly to the consolidated statement of profit or loss.

### Classification and measurement

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL"). This classification is generally based on the business model in which a financial asset is managed and is based on its contractual cash flows.

### Financial assets

IFRS has different requirements for debt or equity financial assets. Debt instruments are classified and measured either at:

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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- Amortized cost, where the effective interest rate method will apply;
- Fair value through other comprehensive income, with subsequent recycling to the statement of profit or loss upon disposal of the financial asset; or
- Fair value through profit or loss.

Equity instruments, other than those to which consolidation or equity accounting apply, are classified and measured either at:

- Fair value through profit or loss; or
- Fair value through other comprehensive income, with no subsequent recycling to the statement of profit or loss upon disposal of the financial asset (if the instrument by instrument option is to classify at fair value through other comprehensive income is elected).

When classifying a financial asset (other than derivatives and equity instruments), IFRS requires that the contractual cash flows test is performed, commonly referred to as the solely payments of principal and interest test ("SPPI") test. If an instrument fails the SPPI test, it is classified as Fair Value through profit or loss. When an instrument passes the SPPI test, it undergoes the business model test, on a portfolio level.

Business model	Classification basis
Hold to collect	Portfolio accounted at amortized cost
Hold to collect and sell	Portfolio accounted at fair value through other comprehensive income with recycling
Others	Portfolio accounted at fair value through profit or loss

All instruments held for trading are classified as Fair value through profit or loss.

Equity instruments are by default classified as fair value through profit or loss, however, the U bank has an irrevocable choice on an instrument by instrument basis, to elect that the fair value changes on the equity investment are accounted for through other comprehensive income. Upon disposal of the investment, the gain or loss on disposal is recognized in equity. Dividends received are recognized in the profit and loss account. The following table summarizes the two-stage approach for financial assets classification on their initial recognition.

At initial recognition		Contractual cash flow characteristics test	
		Pass	Fail
Business model	Held within a business model whose objective is to hold financial assets in order to collect contractual cash flows	Amortized cost	Fair value through profit or loss (FVTPL)
	Held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets	Fair value through other comprehensive income (FVOCI) with recycling (debt)	Fair value through profit or loss (FVTPL)
	Financial assets which are neither held at amortized cost nor at fair value through other comprehensive income	Fair value through profit or loss (FVTPL)	Fair value through profit or loss (FVTPL)
Options	Conditional fair value option is elected	Fair value through profit or loss (FVTPL)	Fair value through profit or loss (FVTPL)
	Option elected to present changes in fair value of an equity instrument not held for trading in OCI	N/A	Fair value through other comprehensive income (FVOCI) without recycling (equity)

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## Financial liabilities

All financial liabilities are carried at amortized cost (i.e. loan payables) and are subsequently accounted in accordance with the effective interest rate method.

## Recognition and measurement

The U bank recognizes a financial asset or a financial liability in its financial statements when and only when it becomes a party to the contractual provisions of the instrument.

## Initial measurement of financial assets and financial liabilities

### Financial assets and liabilities not measured at fair value through profit or loss

When a financial asset or financial liability is recognized initially, the U Bank measures it at its fair value plus or minus, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Examples of transaction costs include fees and commissions paid to agents such as broker commissions and stamp duty.

### Financial assets and liabilities at fair value through profit or loss

Financial asset or financial liability are measured at initial recognition at the fair value excluding transaction costs. Transaction costs for this class of financial instrument are recognized directly in the profit and loss account.

## Subsequent measurement of financial assets

Financial assets can be categorized into the following categories:

- i. Amortized cost (expected credit losses need to be provided);
- ii. Fair value through other comprehensive income with recycling (expected credit losses need to be provided);
- iii. Fair value through other comprehensive income without recycling (for equity instruments for which the FVOCI option was elected)
- iv. Fair value through profit and loss.

The categorization of the instrument determines the manner of subsequent measurement.

## Derecognition

### Financial assets

A financial asset is derecognized when, and only when:

- the contractual rights to the cash flows from the financial asset expire; or
- the entity transfers the financial asset and the transfer qualifies for derecognition (substantially all risks and rewards are transferred meaning that no control is retained).

### Financial liabilities

A financial liability (e.g. debt) is derecognized from the balance sheet when it is extinguished, that is when the obligation is discharged, cancelled or expired. This condition is met when the debtor either:

- Discharges the liability (or part of it) by paying the creditor, normally with cash, other financial assets, goods or services; or
- is legally released from primary responsibility for the liability (or part of it) either by process of law or by the creditor.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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## Impairment requirement for financial assets

### a) Impairment of financial assets

U Bank records allowance for expected credit losses for all loans and other debt financial assets held at amortised cost or FVOCI, together with loan commitments, letters of credit and financial guarantee contracts (if there is any). Under the SBP's instructions, local currency credit exposures guaranteed by the Government and Government Securities are exempted from the application of ECL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL) as outlined below.

The 12 month ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 month after the reporting date. Both LTECLs and 12 month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

U Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. U Bank also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as account becoming forborne. Regardless of the change in credit grades, generally, U Bank considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

When estimating ECLs on a collective basis for a group of similar assets, U Bank applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Based on the above process, U Bank groups its loans into Stage 1, Stage 2, and Stage 3, as described below:

- Stage 1** When loans are first recognised, U Bank recognises an allowance based on 12 month ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2. The 12 month ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. U Bank calculates the 12 month ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12 month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original effective interest rate (EIR). This calculation is made for all the scenarios.
- Stage 2** When a loan has shown a significant increase in credit risk since origination, U Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3** For loans considered credit-impaired, U Bank recognises the lifetime expected credit losses for these loans. U Bank uses a PD of 100% and LGD as computed for each portfolio or as prescribed by the SBP under the prudential regulations which ever is higher.

### Calculation of ECLs

U Bank calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash

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flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD** The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PDs for Non rated portfolios are calculated based on Days Past Due (DPD) bucket level for each segment separately. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.
- LGD** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.
- EAD** The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless U Bank has the legal right to call it earlier.

The interest rate used to discount the ECLs is based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities. In the absence of computation of the effective interest rate (at reporting date), U Bank uses an approximation e.g. contractual rate (at reporting date) due to specific exemption received from SBP till December 31, 2025 regarding application of EIR.

When estimating the ECLs, U Bank considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

ECL is accounted for and changes in these ECLs at each reporting date is updated relating to the loss allowance to reflect changes in credit risk since initial recognition.

U Bank uses minimum seven years historical data for computation of LGD or since the inception of product, where product has been launched within seven year.

## 5.28 (a) Revenue recognition

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

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

The Group mainly generates revenue from providing telecommunication services such as Data, Voice, IPTV, Connectivity services, Interconnect, Information and communication technology (ICT), digital solutions and equipment sales, messaging services, sales of mobile devices etc.

Services are offered separately and as bundled packages along with other services and/or devices.

For bundled packages, the Group accounts for individual products and services separately if they are distinct i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate product and

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services (i.e. distinct performance obligations, "POs") in a bundle based on their stand-alone selling prices.

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

Nature and timing of satisfaction of Performance obligations are as follows:

<b>Product and services</b>	<b>Nature and timing of satisfaction of Performance obligations</b>
<b>Voice, Broadband, IPTV</b>	The Holding Company recognizes revenue as and when these services are provided (i.e. actual usage by the customer).
<b>Installation charges</b>	Installation services provided for service fulfillment are not distinct performance obligation and the amount charged for installation service is recognized over the average customer life.
<b>Corporate Services</b>	Revenue is recognized over the period when these services are provided to the customers. Where hardware (e.g. routers) are provided as part of the contract, the Holding Company recognizes these as distinct POs only if the customer can benefit from them either by selling for more than scrap value or using with services from other service providers.
<b>Carrier and Wholesale (C&amp;WS)</b>	Revenue from C&WS services is recognized when the services are rendered.
<b>Mobile telecommunication services</b>	Mobile telecommunication services include voice, data and messaging services. The Group recognizes revenue as and when these services are provided. These services are either prepaid or billed, in which case they are paid for on a monthly basis. Revenue for SIM activation and special numbers is recognized on the date of activation.
<b>Equipment revenue</b>	Group recognizes revenue when the control of the device is transferred to the customer. This usually occurs at the contract inception when the customer takes the possession of the device.
<b>International Revenue</b>	Revenue is recognized over the period when services are provided to the customers.

## **Principal versus agent presentation**

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

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

## **Transaction price allocated to the remaining performance obligations**

The Group applies the practical expedient in para 121 of IFRS - 15 and does not disclose information about the remaining performance obligations that have original expected duration of one year or less.

## **Constraining of transaction price under pre-paid customer contracts**

The Group constrains the unused subscriber resources to the historic pattern of usage for calculation of the unsatisfied performance obligations as at the reporting date. The Group does not expect adjustment to the amount of revenue recognized based on such constraining of resources.

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## 5.28 (b) Contract liabilities

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

## 5.28 (c) Contract assets

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

## 5.28 (d) Contract costs

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

## 5.28 (e) U Bank revenue recognition

### (i) Mark up / Return / Interest earned on advances

Mark up income is recognised in profit and loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

When calculating the effective interest rate for financial assets other than purchased or originated credit impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

The effective interest rate of a financial asset is calculated on initial recognition of a financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired). The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating-rate instruments to reflect movements in market rates of interest.

### (ii) Fee, commission and brokerage income

Fee, commission and brokerage income are recognized as services are performed.

### (iii) Income from investments

Income on investments is recognized on accrual basis or the effective Interest rate method where applicable. Where debt securities are purchased at premium or discount, those premiums / discounts are made part of EIR of investments.

## 5.29 Income on bank deposits

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

## 5.30 Income on inter bank deposits

Income from inter bank deposits in saving accounts are recognized in the consolidated statement of profit or loss using the effective interest method.

## 5.31 Income from investment

Mark-up / return on investments is recognized on time proportion basis using effective interest method. Where debt securities are purchased at premium or discount, the related premiums or discounts are amortized through the consolidated profit or loss statement over the remaining period of maturity of said investment. Gain or loss on sale of securities is accounted for in the period in which the sale occurs.

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## 5.32 Dividend income

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

## 5.33 Taxation

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

### (a) Current

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

### (b) Deferred

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

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

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

### (c) Group taxation

The Group is taxed as a one fiscal unit along with Holding Company and its other wholly owned subsidiaries under section 59AA to the Income Tax Ordinance, 2001. Current and deferred income taxes are recognized by each entity within the Group in their respective statement of comprehensive income, regardless of who has the legal rights or obligation for the recovery or payment of tax from or to the tax authorities. However, tax liability / receivable is shown by the parent, on submission of annual tax return, who has the legal obligation to pay or right of recovery of tax from the taxation authorities. Balances between the group entities on account of group tax are shown as other receivables / liabilities by the respective group entities. As of the reporting date, TP group is not yet included in group taxation.

## 5.34 Subordinated debt

Deposits, borrowings and subordinated debt represents sources of funding of U Bank. Deposits, debt securities in issue and subordinated liabilities are initially measured at fair value minus incremental direct transaction costs. Subsequently, they are measured at their amortised cost using the effective interest method, except where the U Bank designates liabilities at FVTPL.

## 5.35 Loans to banking customers

Advances are stated net of ECL provisions determined in accordance with policies stated in note 5.27. However, for advances that has been classified in Stage 3, provision is determined based on higher of ECL provision determined in accordance with note 5.27 and provision as per Prudential Regulations for Microfinance Banks (the Prudential Regulations) issued by SBP as explained below. Advances are written off according to the Prudential Regulations or when there is no realistic prospect of recovery. These regulations prescribe a time based criteria for classification of non-performing advances into the following categories:

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Category	General loans	Housing loans	Microenterprise loans
<b>Other Assets Especially Mentioned (OAEM)</b>	Loan (principal / mark-up) is overdue for 30 or more but less than 60 days	Loan (principal / mark-up) is overdue for 90 or more but less than 180 days	Loan (principal / mark-up) is overdue for 90 or more but less than 180 days
<b>Substandard</b>	Loan (principal / mark-up) is overdue for 60 or more but less than 90 days	Loan (principal / mark-up) is overdue for 180 or more but less than one year	Loan (principal / mark-up) is overdue for 180 or more but less than one year
<b>Doubtful</b>	Loan (principal / mark-up) is overdue for 90 or more but less than 180 days	Loan (principal / mark-up) is overdue for one year or more but less than two years	Loan (principal / mark-up) is overdue for one year or more but less than 18 months
<b>Loss</b>	Loan (principal / mark-up) is overdue for 180 days or more	Loan (principal / mark-up) is overdue for two year or more	Loan (principal / mark-up) is overdue for 18 months or more

In accordance with the Prudential Regulations, U Bank maintains specific provision for potential loan losses for all non-performing advances. The provision is determined on the basis of outstanding principal net of collaterals ( such as gold) realizable without recourse to a Court of Law.

Category	General loans	Housing loans	Microenterprise loans
<b>Other Assets Especially Mentioned (OAEM)</b>	Nil	Nil	10%
<b>Substandard</b>	25%	25%	25%
<b>Doubtful</b>	50%	50%	50%
<b>Loss</b>	100%	100%	100%

Specific and general provisions against loans and advances are made in accordance with the requirements of the Prudential Regulations issued by the State Bank of Pakistan from time to time and management assumptions.

Non-performing advances are written off after the loan is classified as "Loss" as per the below criteria. However, U Bank continues its efforts for recovery of the written off balances.

Categories	Criteria for Charging Off NPLs
General loans	One month after being classified as "Loss."
Housing loans	One month after 05 years from the date of classification of loan.
Microenterprise Loans	Loan secured against Mortgaged residential, commercial and industrial properties (Land & building only) is charged off, one month after 05 years from the date of classification of loan.  All other loan shall be charged off, one month after 03 years from the date of classification.

## 5.36 Operating segments

Operating segments are reported in a manner consistent with the internal reporting of the Group in note 54 to the consolidated financial statements.

## 5.37 Earnings Per Share

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

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 6. Share capital

### 6.1 Authorized share capital

2025 (Number of shares '000)	2024		2025 Rs '000	2024 Rs '000
11,100,000	11,100,000	"A" class ordinary shares of Rs 10 each	111,000,000	111,000,000
3,900,000	3,900,000	"B" class ordinary shares of Rs 10 each	39,000,000	39,000,000
15,000,000	15,000,000		150,000,000	150,000,000

### 6.2 Issued, subscribed and paid up capital

2025 (Number of shares '000)	2024		2025 Rs '000	2024 Rs '000
3,774,000	3,774,000	"A" class ordinary shares of Rs 10 each issued as fully paid for consideration other than cash - note 6.3 and note 6.5.	37,740,000	37,740,000
1,326,000	1,326,000	"B" class ordinary shares of Rs 10 each issued as fully paid for consideration other than cash - note 6.3 and note 6.6.	13,260,000	13,260,000
5,100,000	5,100,000		51,000,000	51,000,000

**6.3** These shares were initially issued to the Government of Pakistan, in consideration for the assets and liabilities transferred from Pakistan Telecommunication Corporation (PTC) to the Holding Company, under the Pakistan Telecommunication (Re-organization) Act, 1996, as referred to in note 1.1.

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

**6.5** The Government of Pakistan, through an "Offer for Sale" document, dated July 30, 1994, issued to its domestic investors, a first tranche of vouchers exchangeable for "A" class ordinary shares of the Holding Company; subsequently, through an Information Memorandum dated September 16, 1994, a second tranche of vouchers was issued to international investors, also exchangeable, at the option of the voucher holders, for "A" class ordinary shares or Global Depository Receipts (GDRs) representing "A" class ordinary shares of the Holding Company. Out of 3,774,000 thousand "A" class ordinary shares, vouchers against 601,084 thousand "A" class ordinary shares were issued to the general public. Till December 31, 2025, 599,613 thousand (December 31, 2024: 599,611 thousand) "A" class ordinary shares had been exchanged for such vouchers.

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

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>7. Long term loans from banks</b>			
These represent secured loans from the following banks:			
MCB Bank Limited		333,333	1,000,000
Bank Islami Pakistan Limited		333,333	666,667
Askari Bank Limited		666,667	1,333,333
MCB Bank Limited		1,500,000	2,500,000
Meezan Bank Limited		1,000,000	1,666,667
Meezan Bank Limited		1,000,000	1,500,000
Faysal Bank Limited		666,667	1,000,000
MCB Islamic Bank Limited		333,333	500,000
Syndicate loan MCB	7.1	20,956,002	20,926,703
Faysal Bank Limited		3,333,333	4,000,000
Meezan Bank Limited		4,000,000	4,000,000
Askari Bank		2,000,000	2,000,000
Bank Alfalah Limited		2,000,000	2,000,000
Bank Alfalah Limited		2,000,000	2,000,000
	7.2	40,122,668	45,093,370
State Bank of Pakistan	7.3	1,500,000	1,500,000
State bank of Pakistan	7.4	1,021,709	1,015,743
MCB Bank Limited		-	24,916,872
Askari Bank Limited		-	49,780,500
Allied Bank Limited		-	750,000
Allied Bank Limited	7.5	111,111	222,222
Bank of Punjab		-	85,714
JS Bank Limited		-	2,000,000
MCB Bank Limited		-	166,667
National Bank of Pakistan	7.6	750,000	1,125,000
Bank of Punjab		-	49,999,785
		3,382,820	131,562,503
MCB Bank Ltd	7.7	11,000,000	11,000,000
Habib Bank Ltd	7.8	35,000,000	35,000,000
Bank Alfalah Ltd	7.9	8,000,000	8,000,000
Faysal Bank Ltd	7.10	7,000,000	7,000,000
Bank Islami Pakistan Ltd	7.11	4,500,000	2,000,000
Pak China Investment Company	7.12	2,500,000	-
IFC Syndicate	7.13	62,887,636	-
British International Investment	7.13	14,006,155	-
Silk Road Fund	7.13	35,155,449	-
Meezan Bank Limited	7.14	5,000,000	-
MCB Bank Ltd	7.15	10,000,000	-
Faysal Bank Ltd - Syndicate	7.15	7,833,029	-
Bank Alfalah Ltd	7.15	8,500,000	-
Bank of Punjab	7.15	4,500,000	-
Accrued Interest		441,834	318,719
Less: Transaction cost		(3,528,665)	(219,640)
		212,795,438	63,099,079
		256,300,926	239,754,952
Current portion of long term loans from banks		(17,949,653)	(134,887,702)
		238,351,273	104,867,250

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

- 7.1** PTML in 2021 entered into an arrangement with MCB Bank Limited for syndicated term finance facility of Rs. 21,000,000 thousand. The facility is secured against hypothecation over fixed and current asset (excluding land, building and cellular licenses) and corporate guarantee of PTCL amounting to Rs. 21,000,000 thousand.
- 7.2** All loans are secured by way of first charge ranking pari passu by way of hypothecation over all present and future movable equipment and other assets (excluding land, building and licenses) of PTML. 3-Month KIBOR stands at 10.63% at December 31, 2025 (December 31, 2024: 12.14%) and 6-Month KIBOR stands at 10.65% at December 31, 2025 (December 31, 2024: 12.16%). These loans also require PTML to comply with the financial covenants and other operational requirements.
- 7.3** This represents a term finance facility amounting to Rs.1,500,000 thousand with State Bank of Pakistan. The loan is repayable in a single bullet after 5 years. Markup is chargeable at the rate of 6-Month KIBOR with a negative spread of 1% (6-Month KIBOR - 1%) per annum payable semi-annually by 15th day of subsequent month of half year.
- 7.4** U Bank entered into a term finance facility agreement amounting to Rs.1,039,000 thousand with State Bank of Pakistan. The loan is repayable in a single bullet after 3 years. Markup is chargeable at the rate of 6-Month KIBOR with a negative spread of 1% (6-Month KIBOR - 1%) per annum payable semi-annually by 15th day of subsequent month of half year.
- 7.5** U Bank entered into a loan agreement for house financing amounting to Rs 500,000 thousand with Allied Bank Limited. This loan is repayable in 9 equal semi-annual instalments of Rs. 55,555 thousand each inclusive of 6-Month grace period. Markup is chargeable at the rate of 6-Month KIBOR + 0.95% per annum. The loan was drawn on December 17, 2021. This is secured against first pari-passu hypothecated charge on all present and future assets (excluding land and building) of U Bank inclusive of 25% margin.
- 7.6** U Bank entered into a term finance facility agreement amounting to Rs.1,500,000 thousand with National Bank of Pakistan. The loan term was 5 years inclusive of 1 year grace period. The loan is repayable in 8 equal semi annual installments from the eighteenth (18th) month from disbursement. Markup is chargeable at the rate of 6-Month KIBOR plus 0.65% per annum. The first markup payment shall fall due at the end of 6th month from first disbursement date. The facility is secured against First pari passu hypothecation charge over all present and future assets (excluding land and building) of U Bank including but not limited to advances, microcredit receivables, and investments beyond CRR and SLR requirements of U Bank with 25% margin.
- 7.7** PTCL entered into a Syndicate Term Finance Agreement dated June 16, 2022 to avail a long-term finance facility of Rs. 11,000,000 thousand for the purpose of equity injection into its wholly owned subsidiary, PTML. The facility is secured by a first-ranking charge by way of hypothecation over the Hypothecated Assets. The loan carries a mark-up at the rate of 3-Month KIBOR plus 0.30% per annum repayable in bi-annual instalments, with mark-up payments commencing from September 15, 2022 and principal repayment commencing from December 15, 2026.
- 7.8** PTCL entered into a Syndicate Term Finance Agreement dated December 29, 2022 to avail a long-term finance facility of Rs. 35,000,000 thousand for the purpose of equity injection into its wholly owned subsidiary, PTML. The facility is secured by a first-ranking charge by way of hypothecation over the hypothecated assets. The loan carries a mark-up at the rate of 3-Month KIBOR plus 0.40% per annum repayable in bi-annual instalments, with mark-up payments commencing from March 31, 2023 and principal repayment commencing from June 30, 2027.
- 7.9** PTCL has entered into a finance agreement dated April 5, 2024 to avail long term finance facility to the extent of Rs. 5,000,000 thousand for the purpose of equity/subordinated loan to its wholly owned subsidiary PTML. The finance facility is secured by creating a charge by way of hypothecation over the hypothecated assets. The loan carries a mark-up at the rate of 3-Month KIBOR plus 0.60% per annum and is repayable in quarterly instalments, with mark-up payments commencing from July 18, 2024 and principal repayment commencing from July 18, 2028.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

In 2023, PTCL has entered into a finance agreement dated October 24, 2023 to avail long term finance facility to the extent of Rs. 3,000,000 thousand for the purpose of equity injection into its wholly owned subsidiary PTML. The finance facility is secured by creating a charge by way of hypothecation over the Hypothecated assets. The loan carries a mark-up at the rate of 3-Month KIBOR plus 0.40% per annum and is repayable in quarterly instalments, with mark-up payments commencing from January 25, 2024 and principal repayment commencing from January 25, 2028.

**7.10** PTCL entered into a 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 PTCL. The finance facility is secured by way of hypothecation over the hypothecated assets. The loan carries a mark-up at the rate of 3-Month KIBOR plus 0.50% per annum repayable in quarterly instalments, with mark-up payments commencing from October 1, 2024 and principal repayment commencing from October 1, 2028.

**7.11** PTCL has obtained finance facility under musharakah agreement with Bank Islami Pakistan Limited dated December 28, 2023 to avail the finance facility to the extent of Rs. 2,000,000 thousand to meet the capex requirements of PTCL. The effective rate of profit is 22% with a share of 96.08% (Bank Islami) and 3.92% (PTCL). The contract is secured by creating a charge by way of hypothecation over hypothecated assets. The musharaka agreement involve 12 quarterly payments carrying mark-up at the rate of 3-Month KIBOR plus 0.55% per annum with mark up payments commencing from March 28, 2024 and principal repayments commencing from March 28, 2028.

PTCL has entered into a new finance agreement dated September 10, 2025 to avail long term finance facility to the extent of Rs. 2,500,000 thousand to meet the ongoing capex requirements of PTCL. The finance facility is secured by way of hypothecation against the hypothecated assets of PTCL. The musharaka contract involve quarterly payments carrying mark-up at the rate of 3-Month KIBOR plus 0.55% per annum with mark up payments commencing from December 31, 2025 and principal repayments commencing from December 31, 2029.

**7.12** PTCL entered into a new finance agreement dated June 26, 2025 to avail long term finance facility to the extent of Rs. 2,500,000 thousand to meet the capex requirements of PTCL. The finance facility is secured by way of hypothecation against assets of PTCL, excluding land, building, licenses etc. The loan is repayable in quarterly instalments commencing from September 30, 2028. The loan carries a mark-up at the rate of 3-Month KIBOR plus 0.60% per annum, with mark-up payments commencing from July 01, 2025 and principal repayment commencing from June 27, 2028.

**7.13** PTCL entered into a Syndicated Term Finance Facility Agreement on June 27, 2024 with the International Finance Corporation (IFC) acting as Lead Arranger, alongside British International Investment (BII) and Silk Road Fund (SRF), to secure long-term financing of up to USD 400 million. The facility was arranged to finance the acquisition of 100% shareholding of Telenor Pakistan (Private) Limited and Orion Towers (Private) Limited. The facility is benchmarked to Term SOFR, has a seven-year tenor with a one-year grace period, and is repayable on quarterly basis. It was fully disbursed in December 2025 after completion of all conditions precedent.

**7.14** PTCL has obtained a new finance facility under musharakah agreement with Meezan Bank Limited dated December 22, 2025 to avail the finance facility to the extent of Rs. 5,000,000 thousand for the purpose of subordinated loan, equity injection in PTML and to meet the capex requirements of PTCL. The contract is secured by creating a charge by way of hypothecation over hypothecated assets. The musharaka contract involve quarterly payments carrying mark-up at the rate of 3-Month KIBOR plus 0.60% per annum with mark up payments commencing from December 22, 2025 and principal repayments commencing from December 22, 2029.

**7.15** PTCL has entered into Bridge Finance Facilities obtained from MCB Bank Limited, Faysal Bank Limited, Bank Alfalah Limited and Bank of Punjab. PTCL is currently in negotiations for a syndicated long-term finance facility of Rs. 35,000,000 thousand. These Bridge Facilities will be settled upon disbursement of the syndicated financing facility.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	Conventional	Islamic	2025 Rs '000	2024 Rs '000
<b>8. Deposits from banking customers</b>					
Fixed deposits		74,564,802	3,306,780	77,871,582	64,485,332
Saving deposits		66,280,998	3,609,726	69,890,724	57,534,421
Current deposits		7,460,253	977,310	8,437,563	14,592,430
	8.1	148,306,053	7,893,816	156,199,869	136,612,183
Current portion				(156,058,475)	(96,741,897)
				141,394	39,870,286

8.1 Deposits include related parties balances amounting to Rs. 7,924,357 thousand (2024: Rs. 8,782,201 thousand).

	Note	2025 Rs '000	2024 Rs '000
<b>9. Lease liabilities</b>			
<b>Lease commitments</b>			
Balance at the beginning of year		16,888,407	17,066,360
Additions during the year		32,781,681	7,919,620
Acquired during business combination		28,511,152	-
Modifications during the year		(107,047)	171,564
Terminations during the year		(216,206)	(811,401)
Interest expense		5,937,779	3,087,046
Lease rental paid		(15,595,243)	(10,544,782)
Balance at the end of the year		68,200,523	16,888,407
Current portion shown under current liabilities		(16,029,293)	(6,308,941)
Due after 12 months		52,171,230	10,579,466
- Not later than one year		16,083,679	6,511,550
- Later than one year and not later than five years		57,383,266	12,812,163
- Later than five years		25,388,766	2,481,040
Total undiscounted lease commitments		98,855,711	21,804,753
Future finance cost		(30,655,188)	(4,916,346)
		68,200,523	16,888,407

<b>10. Employees retirement benefits</b>			
Liabilities for pension obligations - PTCL (Unfunded)	10.1	15,492,470	15,278,509
Gratuity funded - PTCL, PTML, TP and U Bank	10.1	1,829,034	193,209
Accumulated compensated absences - PTCL (Unfunded)	10.1	2,852,686	2,143,511
Post retirement medical facility - PTCL (Unfunded)	10.1	23,281,619	21,049,516
Benevolent grants - PTCL (Unfunded)	10.1	4,437,536	4,181,338
		47,893,345	42,846,083

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

**10.1** The latest actuarial valuations of the Group's defined benefit plans, were conducted at December 31, 2025 using the projected unit credit method. Details of obligations for defined benefit plans are as follows:

	Pension		Gratuity		Accumulated compensated absences		Post-retirement medical facility		Benevolent grants		Total	
	Funded		Funded		Unfunded		Unfunded		Unfunded		Total	
	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000	2025 Rs 000	2024 Rs 000
<b>a) The amounts recognized in the consolidated statement of financial position:</b>												
Present value of defined benefit obligations	156,138,897	159,483,002	9,921,970	5,144,676	2,852,686	2,143,511	23,281,619	21,049,516	4,437,536	4,181,338	212,125,178	207,280,552
Fair value of plan assets - note 10.3	(169,901,698)	(162,434,441)	(8,092,936)	(4,951,467)	-	-	-	-	-	-	(177,994,634)	(167,385,908)
(Asset) / Liability at end of the year - note 10.2	(13,762,801)	(2,951,439)	1,829,034	193,209	2,852,686	2,143,511	23,281,619	21,049,516	4,437,536	4,181,338	34,130,544	39,894,644
<b>b) Changes in the present value of defined benefit obligations:</b>												
Balance at beginning of the year	159,483,002	142,863,607	5,144,676	4,228,663	2,143,511	2,052,020	21,049,516	15,634,286	4,181,338	4,307,194	207,280,552	181,369,465
Current service cost	930,345	967,204	676,891	646,424	114,689	111,341	178,205	122,087	43,764	42,082	2,484,968	2,417,191
Past service cost	6,901,456	-	-	-	-	-	-	-	-	-	6,901,456	-
Interest expense	17,980,363	19,878,826	533,432	593,181	243,744	288,484	2,351,741	2,147,136	476,957	605,097	23,362,061	25,278,017
Actuarial gain on accumulated compensated absences	-	-	-	-	488,932	(183,375)	-	-	-	-	488,932	(183,375)
Remeasurements:												
Gain due to experience adjustments	(16,238,638)	7,309,895	850,743	(72,668)	-	-	1,771,549	4,798,906	(20,256)	(504,817)	(15,409,671)	12,451,321
Acquired during business combination	-	-	3,062,208	-	-	-	-	-	-	-	3,062,208	-
Benefits paid	(12,917,611)	(11,536,530)	(345,980)	(250,904)	(138,190)	(124,959)	(2,069,392)	(1,652,899)	(244,267)	(268,218)	(16,045,328)	(14,052,067)
Balance at end of the year	156,138,897	159,483,002	9,921,970	5,144,676	2,852,686	2,143,511	23,281,619	21,049,516	4,437,536	4,181,338	212,125,178	207,280,552

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

c)	Pension		Gratuity		Accumulated compensated absences		Post-retirement medical facility		Benevolent grants		Total	
	Funded		Funded		Unfunded		Unfunded		Unfunded		Total	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
<b>Charge for the year</b>												
Profit or loss:												
Current service cost	930,345	967,204	541,074	528,063	676,891	646,424	111,341	178,205	122,087	43,764	2,484,968	2,417,191
Past service cost	6,901,456	-	-	-	-	-	-	-	-	-	6,901,456	-
Net interest expense	(346,794)	(906,513)	1,775,844	1,765,293	(680)	12,154	288,484	2,351,741	2,147,136	476,957	4,500,812	3,911,651
Actuarial gain on accumulated compensated absences	-	-	-	-	-	-	488,932	-	-	-	488,932	(183,375)
Contribution from deputationists/employees	(10,710)	(13,801)	-	-	-	-	(183,375)	-	-	(15,957)	(26,667)	(29,421)
	7,474,297	46,890	2,316,918	2,293,346	676,211	658,578	847,365	2,529,946	2,269,223	504,764	14,349,501	6,116,046
<b>Other comprehensive income</b>												
Remeasurements:												
Gain on remeasurement of assets	(2,057,731)	(3,079,767)	-	-	27,672	(190,623)	-	-	-	-	(2,030,059)	(3,270,390)
Gain due to change in financial assumptions	(23,844,951)	(42,134)	(2,402,047)	(18,058)	(38,363)	22,135	-	-	(3,820,651)	(2,958)	(26,286,319)	(3,861,781)
Loss due to experience adjustments	7,606,313	7,352,029	628,978	938,063	883,791	(94,803)	-	1,771,549	8,619,557	(17,298)	10,873,333	16,313,102
	(18,296,369)	4,230,128	(1,773,069)	920,005	873,100	(263,291)	-	1,771,549	4,798,906	(20,256)	(17,445,045)	9,180,931
	(10,822,072)	4,277,018	543,849	3,213,351	1,549,311	395,287	847,365	4,301,495	7,068,129	484,508	(3,095,544)	15,296,977
<b>d) Significant actuarial assumptions at the date of consolidated statement of financial position:</b>												
Discount rate	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%
Future salary/ medical cost increase	8.75%	9.75%	8.75%	9.75%	10.75% - 13.05%	10.75%	10.75%	9.75%	10.75%	10.75%	10.75%	10.75%
Future pension increase	7.00%	8.00%	7.00%	8.00%	-	-	-	-	-	-	-	-
Rate of increase in benevolent grants	-	-	-	-	-	-	-	-	-	-	3.75%	3.75%
Average duration of obligation	15 years	16 years	17 years	17 years	6 years	6 years	6 to 9 years	15 years	16 years	15 years	16 years	16 years
Expected mortality rate	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005	SLIC 2001-2005
Expected withdrawal rate	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience	Based on experience

**10.2** As more fully explained in note 19.7, the Holding Company's obligation for funded pension is restricted to the extent of pension increases and benefits as determined by the Board of Trustees of the Pakistan Telecommunication Employees Trust (PTET).

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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## 10.3 Changes in the fair value of plan assets

	Defined benefit pension plan - funded		Defined benefit gratuity plan - funded		Total plan assets	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
Balance at beginning of the year	162,434,441	149,115,429	4,951,467	3,851,342	167,385,908	152,966,771
Expected return on plan assets	18,327,137	20,785,339	581,350	581,479	18,908,487	21,366,818
Payments made to members on behalf of fund	-	-	147,270	173,581	147,270	173,581
Gain on remeasurement of assets	2,057,731	3,079,767	(27,672)	190,623	2,030,059	3,270,390
Contributions made by the Group during the year	-	990,436	322,461	377,303	322,461	1,367,739
Benefits paid	(12,917,611)	(11,536,530)	(345,980)	(222,861)	(13,263,591)	(11,759,391)
Acquired during business combination	-	-	2,464,040	-	2,464,040	-
Balance at end of the year	169,901,698	162,434,441	8,092,936	4,951,467	177,994,634	167,385,908

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

	2025		2024	
	Rs '000	Percentage	Rs '000	Percentage
<b>Debt instruments - unquoted</b>				
- Defence saving certificates	39,060,481	22.99	34,729,689	21.39
- Pakistan investment bonds	44,474,763	26.18	36,144,413	22.25
	83,535,244	49.17	70,874,102	43.64
<b>Cash and cash equivalents</b>				
- Term deposits	17,000,000	10.01	24,600,000	15.15
- Sukuks	4,035,662	2.38	3,741,428	2.30
- Pakistan investment bond	3,247,351	1.91	1,866,330	1.15
- Term finance certificates	-	0.00	44,775	0.03
- Treasury bills	37,820,682	22.26	33,771,089	20.79
- Cash and bank balances	1,696	0.00	2,430	0.00
	62,105,391	36.56	64,026,052	39.42
<b>Investment property</b>				
- Telecom tower	11,847,038	6.97	11,807,573	7.26
- Telehouse	3,342,236	1.97	3,333,976	2.05
- Corporate offices	2,327,901	1.37	2,317,067	1.43
	17,517,175	10.31	17,458,616	10.74
Fixed assets	11,130	0.01	11,463	0.01
Other assets	8,654,789	5.09	11,789,622	7.26
	171,823,729	101.14	164,159,855	101.07
<b>Liabilities</b>				
- Staff retirement benefits	(191,957)	(0.12)	(166,051)	(0.10)
- Amount due to PTCL	(59,538)	(0.04)	(25,634)	(0.02)
- Accrued & other liabilities	(356,583)	(0.21)	(328,046)	(0.20)
- Provision for zakat	(1,313,953)	(0.77)	(1,205,683)	(0.75)
	(1,922,031)	(1.14)	(1,725,414)	(1.07)
	169,901,698	100.00	162,434,441	100.00

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

	2025		2024	
	Rs '000	Percentage	Rs '000	Percentage
Units of mutual funds	1,623,348	20.06	162,659	3.29
Term deposit receipts	-	0.00	2,000,000	40.39
Term finance certificates	150,000	1.85	450,000	9.09
Other assets	2,321,611	28.69	103,745	2.10
Bank balances	3,997,977	49.40	2,235,063	45.13
	8,092,936	100.00	4,951,467	100.00

10.6 The expected contributions in the next financial year to the funded gratuity plan by the Group is Rs. 1,447,670 thousand.

## 10.7 Sensitivity analysis

The calculations of the defined benefit obligations are sensitive to the significant actuarial assumptions set out in note 10.1 (d). The table below summarizes how the defined benefit obligations at the end of the reporting period would have increased / (decreased) as a result of change in the respective assumptions.

	Impact on defined benefit obligation	
	1% increase in assumption	1% decrease in assumption
	Rs '000	Rs '000
Future salary / medical cost		
Pension - funded	12,939,232	(11,948,092)
Pension - unfunded	1,621,065	(1,467,421)
Gratuity - funded	4,107,104	(3,661,237)
Accumulated compensated absences - unfunded	239,533	(220,605)
Post-retirement medical facility - unfunded	3,747,950	(3,228,126)
Discount rate		
Pension - funded	(21,649,433)	25,131,288
Pension - unfunded	(2,410,984)	2,855,308
Gratuity - funded	(3,992,933)	4,092,832
Accumulated compensated absences - unfunded	(220,580)	239,491
Post-retirement medical facility - unfunded	(3,228,108)	3,747,585
Benevolent grants - unfunded	(615,455)	714,299
Future pension		
Pension - funded	25,135,742	(21,649,529)
Pension - unfunded	2,855,556	(2,411,054)
Benevolent grants		
Benevolent grants - unfunded	714,369	(615,491)
	<b>Increase by 1 year</b>	<b>Decrease by 1 year</b>
	<b>Rs '000</b>	<b>Rs '000</b>
Expected mortality rates		
Pension - funded	(2,340,696)	2,349,506
Pension - unfunded	(228,784)	232,965
Gratuity - funded	(38,782)	33,183
Accumulated compensated absences - unfunded	(25,021)	21,408
Post-retirement medical facility - unfunded	(343,809)	350,093
Benevolent grants - unfunded	(249,378)	257,182

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

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

	Note	2025 Rs '000	2024 Rs '000
<b>11. Deferred government grants</b>			
Balance at beginning of the year		35,252,992	31,578,869
Received during the year		6,493,328	8,137,042
		41,746,320	39,715,911
Acquired during business combination		12,421,164	-
Income recognized during the year	42	(5,001,841)	(4,462,919)
Balance at end of the year		49,165,643	35,252,992

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

Further, this also includes grant recognized on below market interest rate loan of Rs 1,000 million from State Bank of Pakistan (SBP) to meet the business funding requirements / financing investments of U Bank. The differential between the market rate and the actual rate of the loan is recognized as deferred grant.

		2025 Rs '000	2024 Rs '000
<b>12. Provision for asset retirement obligations</b>			
Balance at beginning of the year		-	-
Acquired during business combination		1,110,448	-
Balance at end of the year		1,110,448	-

The provision has been recognized using a discount rate of 11.95% per annum and an average anticipated inflation rate of 5.72% per annum.

	Note	2025 Rs '000	2024 Rs '000
<b>13. License Fee Payable</b>			
Interest bearing	13.1	7,815,331	9,972,090
Non interest bearing	13.2	2,915,287	1,156,165
		10,730,618	11,128,255
Current portion		(8,340,464)	(2,328,854)
		2,390,154	8,799,401

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>13.1 Interest bearing</b>			
Gross amount payable	13.3	7,815,331	9,972,090
Current portion		(7,815,331)	(2,200,545)
		-	7,771,545
<b>13.2 Non Interest bearing</b>			
Gross amount payable	13.4	3,886,867	1,416,198
Imputed deferred interest		(971,580)	(260,033)
Present value of obligation		2,915,287	1,156,165
Current portion		(525,133)	(128,309)
		2,390,154	1,027,856

**13.3** In September 2021, PTML acquired 4G license throughout Pakistan excluding Azad Jammu & Kashmir (AJK) and Gilgit-Baltistan (GB) at a fee of USD 279 million. 50% of the license fee had been paid at the time of acquisition of license. This carries markup at SOFR + 3% per annum.

**13.4** (i) In June 2021, PTML acquired 2G license for operations in AJK and GB at a fee of USD 13.5 million. 50% of the license fee had been paid at the time of acquisition of license and the remaining 50% of the amount is to be paid in 10 equal annual installments on June 24th each year in US Dollars or equivalent Pak Rupees. Accordingly, at initial recognition, the aggregate amount payable is discounted to the present value of future cash flows at the rate of 6% per annum.

(ii) In October 2021, PTML acquired 4G license for operations in AJK and GB at a fee of USD 1.026 million. 50% of the license fee had been paid at the time of acquisition of license and the remaining 50% of the amount is to be paid in 10 equal annual installments on October 11th each year in US Dollars or equivalent Pak Rupees. Accordingly, at initial recognition, the aggregate amount payable is discounted to the present value of future cash flows at the rate of 6% per annum.

(iii) This represents the license fee payable to the Pakistan Telecommunications Authority (PTA) for a mobile cellular license in respect of AJK operations. The license fee payable in AJK represents 50% of the license fee amount of USD 6.75 million, payable in 10 equal annual instalments and is discounted using the incremental borrowing rate of the Holding Company as at the commencement date. These licenses for Pakistan and AJK operations will expire in May 2034 and June 2036, respectively.

(iv) This represents the license fee payable to the Pakistan Telecommunications Authority (PTA) for a next-generation mobile services license in respect of AJK and GB operations. The license fee payable represents 50% of the license fee amount of USD 6.92 million, payable in 10 equal annual instalments and is discounted using the incremental borrowing rate of the Holding Company as at the commencement date. The licenses for AJK and GB operations will expire in July 2036.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 14. Long term vendor liability

This represents amount payable to a vendor in respect of procurement of network and allied assets which comprises:

	Note	2025 Rs '000	2024 Rs '000
Obligation under acceptance of bills of exchange			
Interest bearing	14.1	28,795,370	23,875,788
Non interest bearing	14.2	16,531,607	39,406,915
		45,326,977	63,282,703
Other accrued liabilities		3,220,430	3,099,378
		48,547,407	66,382,081
Current portion		(23,789,108)	(35,565,847)
		24,758,299	30,816,234

**14.1** These liabilities carries interest in the range of 10.63% to 12.18% per annum (December 31, 2024: 12.14% to 21.99% per annum).

**14.2** At initial recognition, the amount payable is discounted to the present value of future cash flows at the rate ranging from 0.60% to 4.6% (December 31, 2024: 0.63% to 5.52%) per annum.

	Note	2025 Rs '000	2024 Rs '000
<b>15. Trade and other payables</b>			
Trade creditors		32,579,244	24,062,927
Accrued and other liabilities	15.1	83,906,070	60,108,504
Technical services assistance fee	15.2	56,116,645	48,230,684
Contract liability		9,189,065	5,837,188
Advances from customers		7,171,691	8,144,824
Retention money / payable to contractors and suppliers		7,135,436	7,582,467
Income tax collected from subscribers / deducted at source		1,878,987	1,048,418
Sales tax payable		2,766,554	3,585,788
	15.3	200,743,692	158,600,800

### 15.1 Accrued and other liabilities comprise:

Accrued liability for operational expenses		37,010,894	21,084,640
Amount withheld on account of provincial levies (sub judice) for ICH operations	15.1.1	11,551,803	12,110,803
Accrual for Government / regulatory expenses		22,784,701	18,172,960
Accrued wages		4,659,291	4,163,239
Others		7,899,381	4,576,862
		83,906,070	60,108,504

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

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

	2025 Rs '000	2024 Rs '000
<b>15.3</b> Trade and other payables include payable to the following related parties:		
Emirates Telecommunication Corporation	5,184,840	4,431,239
Etisalat's subsidiaries and associates	78,661	224,790
Etisalat - Afghanistan	53,257	53,718
Etihad Etisalat (Mobily)	4,631	3,941
Emirates data clearing house	106,978	89,179
Telecom Foundation	1,057	13,654
TF Pipes Limited	2,940	4,630
Digital Technology managed services (Private) limited	115,476	62,826
PTCL Employees GPF Trust	30,496	89,535
Retention money / payable to contractors and suppliers		
TF Pipes Limited	-	2,940

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

## 16. Short term financing

	Note	2025 Rs '000	2024 Rs '000
PTML	16.1	8,316,143	4,061,904
TP	16.2	18,649,830	-
U Bank		-	500,000
PTCL	16.3	44,521,690	47,116,732
		71,487,663	51,678,636

- 16.1** Under mark-up arrangements with banks, total facilities available amounts to Rs. 10,380 million (December 31, 2024: Rs 8,080 million), out of which amount availed at the year end was Rs. 4,842 million (December 31, 2024: Rs. 3,543 million). The current balance of Rs. 8,316 million represents book overdrawn as at December 31, 2025 (December 31, 2024: Rs. 4,062 million). These facilities are secured by first ranking pari passu charge by way of hypothecation over all present and future assets of PTML, excluding land, building and licenses. These facilities carry markup rates ranging from 1-month KIBOR to 3-month KIBOR plus weighted average spread of 0.15% (December 31, 2024: 1-month KIBOR to 3-month KIBOR plus weighted average spread of 0.18%) per annum.

- 16.2** TP had arranged short-term facilities from various banks on a mark-up basis, with limits aggregating to Rs. 21 billion (2024: Rs. 14 billion). The facilities amounting to Rs. 20 billion are secured under pari passu hypothecation charge over all present and future current and fixed assets (moveable) of TP with 25% margin and mortgage over land and building, while the remaining Rs. 1 billion is secured against a lien over collections/cash deposits in favor of the bank. These facilities are obtained from United Bank Limited and Meezan Bank Limited., amounting to Rs. 16 billion & Rs. 5 billion, respectively, and are repayable on demand. The facility from Meezan Bank represents a running Musharika facility. These facilities carry a mark-up ranging from one to three months KIBOR plus 0.45% to 2.50% per annum (2024: one to three months KIBOR plus 0.05% to 0.5% per annum). The mark-up is repayable on a quarterly basis.

- 16.3** These facilities are obtained from various commercial banks with an aggregate limit of Rs. 25,510,000 thousand (December 31, 2024: 31,550,000 thousand) and are secured against 1st pari passu charge on present and future assets of PTCL. These facilities carry markup rates ranging from 1-Month KIBOR to 3-Month KIBOR plus weighted average rate of 0.18% (December 31, 2024: 1-Month KIBOR to 6-Month KIBOR plus weighted average rate of 0.17%) per annum. As of reporting date, facilities amounting to Rs. 7,941,627 thousand were un-utilised by PTCL.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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This also include shariah compliant, rated, unlisted, unsecured, privately placed short term sukuk amounting to Rs. 25,000,000 thousand (December 31, 2024: 20,000,000 thousand) issued to meet the working capital requirements with a tenor of 6 months carrying mark-up rates of 3-month KIBOR minus weighted average rate of 0.01% (December 31, 2024: 6-month KIBOR plus weighted average rate of 0.13%) 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. As of reporting date, these facilities were fully utilized by PTCL.

## 17. Subordinated debt

This represents the fully paid up, rated, privately placed / DSLR listed, unsecured, subordinated, perpetual and non cumulative debt instrument in the nature of Additional TIER 1 Capital Term Finance Certificates of Rs. 1,000 million (inclusive of Green shoe option of Rs. 250 million) (The "TFC") as instrument of redeemable capital under section 66 (1) of Companies Act, 2017 carrying markup at the rate of 6 months KIBOR plus 3.5% payable semi-annually on a non-cumulative basis on the outstanding issue amount. U Bank has full discretion over the amount and timing of profit distribution and waiver of any profit distribution or other payment does not constitute an event of default. U Bank may call the TFCs at par (either partially or in full) with prior approval of State Bank of Pakistan (SBP), on any profit payment date after 5 years from the issue date. The instrument is subordinated as to payment of principal and profit to all other claims except common shares. These term finance certificates are convertible into fixed number of ordinary shares of U Bank upon CET 1 trigger event, the point of non viability (PONV) trigger event of failure by U Bank to comply with the lock in clause.

During the year, the Holding Company acquired Term Finance Certificates (TFCs) aggregating to Rs. 850 million from various parties, on the same terms and conditions as stipulated in the agreed term sheet governing the instrument. The said investment shall be converted into the share capital of U Bank subject to completion of all applicable regulatory requirements and receipt of requisite approvals from the State Bank of Pakistan and other competent authorities, in accordance with the prevailing laws and regulations.

	Note	2025 Rs '000	2024 Rs '000
<b>18. Security deposits</b>			
Utilizable in business	18.1	1,353,630	792,069
Others	18.2	936,985	861,984
		2,290,615	1,654,053

**18.1** These represent utilizable interest free security deposits received from distributors, franchisees and customers for services to be provided and are refundable / adjustable on termination of their relationship with the Group. The amount is being fully utilized for the purpose of Group's business.

**18.2** These security deposits are received from customers for services to be provided and are refundable / adjustable on termination of their relationship with the Group. These are non interest bearing. Amount of these security deposits has been kept in a separate bank account.

## 19. Contingencies and commitments

### Contingencies

#### PTCL

**19.1** For cases before Federal Board of Revenue (FBR), the Honorable Islamabad High Court in its last decision has declared the Holding Company as State-owned Enterprise (SOE) and referred both the cases to Alternative Dispute Resolution Committee (ADRC). Against this decision, the Holding Company has filed CPLA before Honorable Supreme Court of Pakistan, hearing of which is underway. For cases before Punjab Revenue Authority (PRA), the writ petitions challenged in Lahore High Court have been decided in

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

favor of the Holding Company. ICA was filed by PRA, which has also been allowed in favor of the Holding Company.

## Indirect Taxes

- 19.2** Based on an audit of certain monthly returns of FED, a demand of Rs 1,289,957 thousand was raised on the premise that the Holding Company did not apportion the input tax between allowable and exempt supplies. The Holding Company is in appeal before ATIR, which is pending adjudication. Meanwhile, the Honorable Islamabad High Court has granted a stay order in this regard against any coercive measures.
- 19.3** Matters of international incoming has been raised by Sindh Revenue Board (SRB) and Khyber Pakhtunkhwa Revenue Authority (KPRA) with demands of Rs. 4,417,000 thousand and Rs. 2,374,000 thousand. For KPRA, Writ Petition has been filed before Peshawar High Court who has granted stay against the show cause notice. With reference to Sindh Revenue Board (SRB), case has been decided against PTCL by Commissioner Appeals, against whom appeal has been filed before Tribunal. Tribunal SRB has granted stay in the case.
- 19.4** The Sindh Revenue Board (SRB) has assessed Sindh sales tax on services amounting to Rs 702 million on the premise that the Holding Company did not pay sales tax on invoices issued for services rendered to Cellular Mobile Operators (CMOs). Department view was not supported by the record and PTCL has submitted detailed evidence to refute the same before the learned Commissioner Appeals, SRB and stay has been granted. Management and tax advisors believe that this case would be settled in favor of the Holding Company owing to the evidence on record.
- 19.5** Large Taxpayer Office (LTO) Islamabad has issued notices under section 14 of FED Act, 2005, from July 2021 to June 2025 with intention to levy Federal Excise Duty in terms of Franchise Fee. The Holding Company has challenged the notices before Islamabad High Court. The Court after hearing our case has provided interim stay. As on today, there is no demand in field.

## Income Tax

- 19.6** For the tax years 2007, 2009, 2010, 2011 to 2023, Taxation Officer disallowed certain expenses, tax credits and levied short deduction of WHT. The impugned orders were challenged at the relevant appellate forums which allowed partial relief thereof. After taking into account the orders of CIR (Appeals), ATIR as well as rectification orders tax impact of the disallowances is Rs. 51,115,762 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.

## Others

- 19.7** 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 judgement of June 12, 2015. The Honorable 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.

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.

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The Supreme Court vide its judgement dated July 10, 2025 has disposed off the petitions in the following terms:

1. Only those employees who were Civil Servants in the former T&T Department are entitled to increases in pension as are admissible to Civil Servants
2. T&T employees who do not fall within the definition of Civil Servants are not entitled to any increase in pensionary benefits granted by government.
3. Employees categorized as Workmen or Workers under the relevant labour laws are not eligible for pensionary increases.
4. Employees recruited after January 01,1991 by the corporation are not entitled to increases at par with civil servants.
5. VSS optees are not entitled to any increases at par with civil servants.

The Honorable Supreme Court (SCP) has remanded some of the cases to Honorable Islamabad and Peshawar High Court for determining whether some of the petitioners falls within the status of Civil Servant or workmen. The pensioners aggrieved by the judgement of the Supreme Court have opted to file the Review Petitions which have not been fixed for hearing. The T&T pensioners are seeking allowances whereas corporation, VSS optees and workmen are seeking pension increases at par with the T&T Civil servants.

The liability covers differential of pension payable in accordance with prevailing standards for similarly placed public servants. The SCP further held that such benefits are not payable to workmen/workers, ex-civil servants who availed Voluntary Separation Scheme (VSS), or employees appointed by PTC, and remanded certain transferred employees' cases to the High Courts for determination of their civil servant status.

To comply, the Holding Company engaged an independent legal advisor to determine such transferred employees who being civil servant at the time of their transfer are entitled to increase in pension and has recognized an amount of Rs. 6,901,456 thousand, as past service cost in the consolidated statement of profit or loss for the year ended 31 December 2025, based on its best estimate of expenditure required to meet its obligation as determined by the SCP. In this respect, the Holding Company had also engaged independent actuary to calculate additional pension liability.

Based on this exercise, adequate provision has been made, and based on legal advice, any potential adverse findings from the High Courts are not expected to materially impact the consolidated financial statements.

- 19.8** A total of 1,107 cases (December 31, 2024: 1,452 cases) against the Holding Company involving Regulatory, Telecom Operators, Employees and Subscribers are pending adjudication. Because of number of cases and their uncertain nature, it is not possible to quantify their financial impact. Management and Legal advisors of the Holding Company are of the view that the outcome of these cases is expected to be favorable and liability, if any, arising out on the settlement is not likely to be material.

## PTML

### Indirect Taxes

- 19.9** The Federal Board of Revenue (FBR) has raised multiple tax demands, by assessing Federal Excise Duty (FED) on PTML's payments of technical services fee to Etisalat as fee for "Franchise Services", for multiple periods - from July 2006 till December 2021. PTML is contesting such assessments and demands before Commissioner Inland Revenue (Appeals) [CIR-A], Appellate Tribunal Inland Revenue (ATIR) and the Islamabad High Court (IHC). Management contends that payments of technical services fee are outside the ambit of the Federal Excise Act, 2005; and also lack the "franchiser-franchisee" arrangement, essential for the payments to be considered franchise services fee. Against the demands created by FBR, PTML has paid Rs 521.76 million in prior years under protest, being carried as receivable from taxation authorities as reflected in note 34.4 to these consolidated financial statements. Overall exposure on this issue is Rs. 3,674 million (December 31, 2024: Rs. 3,282 million).

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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## Income Tax

- 19.10** The taxation authorities (FBR) had raised demands aggregating to Rs 1,830 million for tax years 2008 to 2014, by disallowing advance income tax paid by PTML on import of telecommunication equipment, on the premise that the same was final tax and could not be adjusted against normal tax liability. The earliest case was instituted in December 2011. PTML contends that these demands are not based on sound taxation principles: PTML's telecommunication services have been subject to normal tax since inception and the imported equipment is used in-house for provision of those services, not sold as commercial imports. On PTML's tax references filed before the IHC against the unfavorable order of the ATIR, the IHC remanded the cases back to ATIR for fresh hearing. The tax authorities responded by filing constitutional petition before the Supreme Court (SC). SC has remanded the matter to ATIR with order of no interference with the directions of IHC.
- 19.11** Since April 2011, PTML is subject to assessments proceedings under Section 122(5A) of the Income Tax Ordinance, 2001 for tax years 2008 to 2018, on account of verification of expenses and tax withholding. The proceedings are pending before the CIR-A, ATIR and IHC.
- 19.12** Since December 2006, PTML has been contesting various notices and orders in front of the Federal, provincial and Azad Jammu and Kashmir tax authorities, CIR-A, ATIR and the high courts in respect of Income Tax, FED and Federal and provincial sales taxes.
- 19.13** Certain Provincial Tax Authorities have disallowed PTML's claim of input tax credit for the period in which Honorable Supreme Court of Pakistan had suspended collection of taxes from cellular subscribers. This matter is sub-judice before different forums.
- 19.14** On 30 July 2020, PTA imposed a fine of Rs. 50 million on PTML on account of suspected grey traffic on their network and directed it to submit the fine within ten working days of the order. PTML filed appeal before the High Court of Sindh on 10 August 2020 which suspended the operation of the PTA's determination.
- 19.15** There are a total of 262 cases against PTML involving Regulatory, Telecom Operators, Employees and Subscribers. Because of number of cases and their uncertain nature, it is not possible to quantify their financial impact. Management and Legal advisors of PTML are of the view that the outcome of these cases is expected to be favorable and liability, if any, arising out on the settlement is not likely to be material.

## U Bank

- 19.16** For the tax years 2015, 2016, 2017 & 2019, Taxation Officer disallowed certain expenses, tax credits, levied short deduction of WHT and adjustment of ACT & minimum tax. The impugned orders were challenged at the relevant appellate forums which allowed partial relief thereof. After taking into account the orders of CIR (Appeals), ATIR as well as rectification orders, the tax impact amounts to Rs 290,980 thousand. Appeals on the remaining outstanding items are pending adjudication before ATIR.
- 19.17** The Sindh Revenue Board (SRB) has passed an order dated December 8, 2022 requiring U Bank to deposit Sindh sales tax amounting to Rs 9.70 million along with penalty and default surcharge on account of non-payment of withholding Sindh sales tax and adjustment of inadmissible input tax during the period from January 2017 to December 2017. U Bank has filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A), which is pending for adjudication.
- 19.18** The Sindh Revenue Board (SRB) has passed orders dated June 2, 2020 and March 12, 2021 requiring U Bank to deposit Sindh sales tax amounting to Rs 10.23 million and Rs 5.19 million retrospectively along with penalty and default surcharge on account of short payment of sales tax during the tax year 2015 (January 2014 to December 2014) and 2018 (January 2017 to December 2017) respectively. U Bank has filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A), which is pending for adjudication.
- 19.19** The Punjab Revenue Authority (PRA) has passed an order dated February 24, 2020 requiring U Bank to deposit Punjab sales tax amounting to Rs 7.89 million along with penalty and default surcharge on account of adjustment of inadmissible input tax for the tax years 2013, 2014, 2015 and 2018. U Bank filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A), who decided the matter in favor of PRA vide order dated November 28, 2023. U Bank has filed an appeal against the decision of CIR-A before the ATIR which is pending for adjudication.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

- 19.20** The Punjab Revenue Authority (PRA) has passed an order dated May 2, 2019 requiring U Bank to deposit Punjab sales tax amounting to Rs 10.06 million along with penalty and default surcharge on account of adjustment of inadmissible input tax for the tax years 2016 and 2017. U Bank has filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A), which decided the matter in favor of PRA in order dated November 25, 2019. The said order was received by U Bank on July 2, 2020 making the order-in-appeal time barred as per the time limit prescribed in Punjab Sales Tax (PST) Act. Being aggravated, U Bank has filed an appeal against the decision of CIR-A before the ATIR who has decided the matter in favor of PRA. U Bank has filed an appeal against the decision of ATIR before the Punjab High Court which is pending for adjudication.
- 19.21** U Bank has been issued Order-in-Original No. ENF-IV, Unit-13/39 dated 19 December 2024, requiring payment of Punjab Sales Tax amounting to Rs. 743,563,208, along with a penalty of Rs. 37,178,160 and default surcharge, on account of alleged short payment of Punjab Sales Tax for the period January 2019 to December 2022. U Bank has filed an appeal against the said Order before the Commissioner (Appeals), PRA.

## Telenor Pakistan

- 19.22** Pakistan Telecommunication Authority (the Authority) imposed a Late Payment Additional Fee (LPAF) of USD 30 million on the TP through an order dated 30 September 2019, followed by a corrigendum dated 02 October 2019, on account of an alleged delay in making payments of license renewal fees. TP filed an appeal with the Authority, which was dismissed on 22 February 2022. TP has challenged the decision of the Authority in the Sindh High Court, which has restrained the Authority from any coercive action.

TP has filed its annual income tax returns up to tax year 2025. However, tax authorities have amended the assessments for tax years 2006 to 2021, 2023 and 2024 under section 122 of the Income Tax Ordinance, 2001 by disallowing certain expenses and have raised demands aggregating to Rs. 17,968 million (2024: Rs. 35,259 million).

The tax demanded and assessment orders are being contested at multiple appellate forums and courts as explained below:

### Before Appellate Tribunal Inland Revenue (ATIR)

TP's appeal for tax years 2016 and 2019 and a few issues of tax year 2011 to 2013 are still pending before ATIR. The total quantum of issues pending before ATIR is Rs. 14,841 million. In addition, appeals against the orders in respect of tax paid at the import stage for the tax years 2008 to 2013, 2015, 2016 and 2019 are pending before ATIR. The total tax exposure for the aforementioned aggregates to Rs. 4,074 million.

### Before Honorable Islamabad High Court (IHC) and Honorable Supreme Court of Pakistan

TP filed references against the tax disallowances pertaining to the tax years 2006, 2008, 2013 to 2015 and 2020, which were decided against TP by the IHC in a judgement dated 29 April 2021. The total quantum of disallowances is Rs. 13,757 million and the related tax demand is Rs. 4,759 million. TP filed an appeal before the Honorable Supreme Court of Pakistan against the judgement of the IHC, which has been admitted for hearing. The Honorable Supreme Court of Pakistan has directed TP to pay Rs. 300 million to the FBR and granted a stay on the rest of the demand.

TP also filed reference against the tax disallowance of expenses and tax credit against tax paid at the import stage pertaining to tax year 2020, which was decided against the TP by IHC in a judgement dated 28 April 2025. The total quantum of disallowances is Rs. 31,850 million and the related tax demand is Rs. 6,744 million including tax paid at the import stage amounted to Rs. 1,446 million. TP has filed an appeal before the Honorable Supreme Court of Pakistan. TP also filed references for the tax years 2007, 2009, 2010, 2011, 2012, 2018 and 2019 before the IHC, which are still pending. The total quantum of disallowances pending before the IHC is Rs. 44,521 million. In addition, appeals against the orders regarding tax paid at the import stage for the tax years 2007, 2014, 2017 and 2018 are pending before the IHC. The total tax exposure for the aforementioned tax paid at import aggregates to Rs. 2,671 million.

The income tax references in respect of tax paid at the import stage for the tax years 2008 to 2013, filed before the IHC, were remanded back to ATIR for de novo consideration, against which the tax department

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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filed an appeal before the Honorable Supreme Court of Pakistan. The Honorable Supreme Court of Pakistan remanded these cases back to the IHC on 07 May 2018, with the direction to properly address the question of law involved. The IHC issued the judgement on 13 October 2022, wherein it was held that the advance tax paid by the TP is adjustable and not a final tax if no income arises from the imports of equipment. However, the IHC has remanded back the case to the ATIR for the determination of questions of fact involved. The tax authority has filed an appeal before the Honorable Supreme Court of Pakistan against the decision of the IHC, which has been decided in favor of the TP. The total exposure of TP for these tax years in respect of the aforementioned aggregates to Rs.1,450 million.

The assessment orders have been challenged on the basis that these expenses are legitimate and incurred for the purpose of the business, hence unjustifiably disallowed by the tax authorities. In addition, appeals on the respective forums for the tax paid at the import stage have been filed on the basis that TP imports the telecom equipment for its own use and not for resale; hence, the advance tax paid at the import stage is adjustable against the final tax liability of TP.

- 19.23** TP has filed its annual income tax returns for tax years 2007 to 2025 in respect of its operations in AJK territory. TP was selected for tax audit for tax years 2010 to 2017 and orders were passed raising a demand aggregating to Rs. 5,289 million. The appeals for tax years 2010 and 2011 were decided in the TP's favor by Commissioner Appeals against which the tax authorities have filed an appeal before ATIR which was decided in favor of TP. AJK tax authority has filed reference before AJK High Court which is pending. The tax demanded is being contested on multiple appellate forums as explained below:

#### **Before Commissioner Inland Revenue - Appeals (CIR(A))**

TP's appeals for tax years 2015, 2016, and 2017 are pending before the Commissioner Appeals. The total quantum of disallowances pending before the Commissioner Appeals is Rs. 3,014 million.

#### **Before Appellate Tribunal Inland Revenue (ATIR)**

TP's appeals for tax years 2012 to 2014 are pending before ATIR. The total quantum of disallowances pending before ATIR is Rs. 5,097 million.

#### **Before Honorable High Court (HC)**

During the year, TP's tax year 2020 was selected for tax audit by the AJK tax authorities. TP has challenged the selection for audit before the Honorable AJK High Court. TP has obtained the stay against the audit proceedings.

- 19.24** TP claimed input sales tax amounting to Rs. 7.1 billion in the period of suspension by the Honorable Supreme Court of Pakistan under Suo Moto, which has been challenged by the Provincial Tax Authorities. TP has filed appeals at different forums against the orders and notifications from the Provincial Tax Authorities, principally on the grounds that the Supreme Court has indicated that the loss of taxes during the suspension period should not be borne by the CMOs and that the suspension of taxes does not meet the criteria of "exempt supplies" against which input tax would be disallowed. The management of TP, based on the advice of its legal and tax advisors, expects that the full amount of input tax will remain available for adjustment upon the final resolution of this matter.

- 19.25** The Federal Board of Revenue (FBR) has imposed Federal Excise Duty on business service costs appearing in the consolidated financial statements by treating the arrangement between TP and its group companies as that of franchisor and franchisee, with a total exposure of Rs. 3,378 million (2024: Rs 3,219 million). The cases relating to FY 2006 to 2010 are pending before the Honorable Islamabad High Court (IHC). Show cause notices for FY 2011 to 2014 have also been challenged before the IHC through the filing of a writ petition. The cases relating to FY 2015 and FY 2017 were decided by the Appellate Tribunal Inland Revenue (ATIR) and the Commissioner Inland Revenue (CIR(A)), respectively, in favor of TP. In respect of FY 2015, the FBR, being aggrieved, filed a reference before the IHC against the order of the ATIR, which remanded the case back to ATIR, where it is currently pending. The FBR's appeal in respect of FY 2017 is pending adjudication at the ATIR. The management of TP is confident of a favorable decision/outcome, as the TP has not paid any franchise fee to any group company.

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In respect of demands relating to FY 2019, FY 2020 and FY 2021, TP filed appeals before the Commissioner Inland Revenue - Appeals (CIR(A)), who has remanded back the case for FY 2019, while the appeals for FYs 2020 and 2021 were transferred to ATIR which were remanded back by ATIR to assessing officer for de novo consideration. The assessing officer issued the order in remand for both years against which appeals were filed before CIR(A). CIR(A) upheld the orders against which appeals were filed before ATIR which are currently pending.

## 19.26 Telenor LDI Communications (Private) Limited (TLDI)

TLDI has filed the tax returns up to tax year 2025, which are deemed self-assessed in terms of Section 120 (1) of the Income Tax Ordinance, 2001. Income Tax Authorities have amended the assessment for tax years 2007, 2008, 2011, 2012, 2013, 2014, 2015, 2016, 2018, 2019 and 2020 under Section 122 of the Income Tax Ordinance, 2001. In respect of tax years 2008, 2011, 2014, 2016, 2019 and 2020, Income Tax Authorities have disallowed expenses amounting to Rs. 11,297 million (2024: Rs. 11,297 million) and have demanded Rs. 1,374 million (2024: Rs. 751 million) on account of income tax. Appeals against above orders are pending before different relevant forums. The management and tax advisors are of the view that TP has valid grounds to defend the aforesaid self-assessment and are confident of a favorable outcome. Accordingly, no provision has been made in this respect in these consolidated financial statements.

The tax demanded and assessment orders are being contested on multiple appellate forums and courts as explained below:

### Before Commissioner Inland Revenue - Appeals (CIR(A))

TLDI filed an appeal for tax year 2020 with CIR(A) having a disallowance of Rs. 315 million which was transferred to Appellate Tribunal Inland Revenue (ATIR) under the Tax (Amendment) Act, 2024, with effect from 15 December 2024. ATIR vide its order dated 07 August 2025 has remanded back the case in respect of depreciation expense to assessing officer and has allowed refunds and tax credit under section 153 and 148 of the Income Tax Ordinance, 2001.

### Before Appellate Tribunal Inland Revenue (ATIR)

TLDI appeal for tax year 2019 was decided by the ATIR, who has remanded back the issue of lease line and legal & professional charges and adjustment of brought forward losses, having related disallowance of Rs. 752 million. The issue of tax depreciation, exchange loss, adjustment of loss against other income and tax credit under section 148 were, however, decided against the TLDI.

### Before Honorable High Court (HC)

TLDI has filed reference for tax years 2008, 2014, 2016 and 2019, which are pending for adjudication with HC, with respect to disallowances amounting to Rs. 1,321 million (2024: Rs. 1,348 million).

**19.27** The CIR (A) and the ATIR has confirmed the appeal effect order for the tax years 2008-2014, issued by the Deputy Commissioner Inland Revenue, Islamabad on levy of additional tax of Rs. 821 million (2024: Rs 821 million) and default surcharge of Rs. 1,136 million (2024: Rs. 1,136 million) under section 161 on short withholding of tax from foreign interconnect payments. TLDI has filed references before the Islamabad High Court (IHC) against the ATIR orders which has been decided in favor of the TLDI vide IHC judgement dated December 2, 2025.

**19.28** The CIR (A) and the ATIR has confirmed the appeal effect order for the tax years 2008-2014, issued by the Deputy Commissioner Inland Revenue, Islamabad on levy of additional tax of Rs. 821 million (2024: Rs 821 million) and default surcharge of Rs. 1,136 million (2024: Rs. 1,136 million) under section 161 on short withholding of tax from foreign interconnect payments. TLDI has filed references before the Islamabad High Court (IHC) against the ATIR orders which has been decided in favor of the TLDI vide IHC judgement dated December 2, 2025.

**19.29** In previous years, in respect of financial years 2014 and 2015, TLDI filed references before the Honorable Lahore High Court (LHC), which is pending proceeding, against the decision of Appellate Tribunal (AT) [Punjab Revenue Authority [PRA]] confirming chargeability of sales tax on revenue generated from international incoming call terminating in the Punjab province. The matter relating to calculation of sales tax demand, amounting to Rs. 944 million, is remanded back by ATPRA. The management and legal / tax

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advisors are of the view that TLDI has valid grounds to defend its position and are confident of a favorable outcome. TLDI contends that, under the applicable international treaty, to which the Government of Pakistan is signatory, indirect tax can only be imposed in jurisdiction where the relevant call has originated. Further, TLDI's active international exchange is situated in Islamabad Capital Territory thus the revenue generated by TLDI is not within the jurisdiction of PRA and being an 'export income' would in any case be exempt from sales tax.

## 19.30 Margalla Ventures (Private) Limited (MVPL)

On 20 September 2017, the Deputy Commissioner Inland Revenue (DCIR) issued an order under the Islamabad Capital Territory Sales Tax on Services Act, 2002 (the Act) alleging non-deposit of sales tax on construction services alleged to have been provided by the MVPL to Telenor Pakistan (Private) Limited (the Parent Company); pursuant to the sale of a building by the MVPL to the TP, creating a demand of Rs. 531 million. Being aggrieved, MVPL filed an appeal on 11 December 2017 with the Commissioner Inland Revenue (Appeals) [CIR(A)], who decided the matter in favor of the tax authorities on 24 April 2018. MVPL filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which decided the matter in favor of MVPL on 04 November 2019, hence, the demand in the field was vacated. The tax authorities filed a reference before the Islamabad High Court (IHC), which remanded the case back to ATIR on 09 January 2021 for de novo consideration. Since the case was remanded, no hearing has taken place at ATIR. As such, the case is still pending before ATIR.

**19.31** Except stated above, no provision on account of above contingencies has been made in these consolidated financial statements as the management and the tax / legal advisors of the Group are of the view, that these matters will eventually be settled in favor of the Group.

	Note	2025 Rs '000	2024 Rs '000
<b>19.32 Bank and other guarantees and bid bonds of Group issued in favor of:</b>			
Universal Service Fund (USF) against government grants		21,966,250	19,079,452
Pakistan Telecommunication Authority		6,082,796	4,387,163
Letter of guarantee issued in favor of IFC, BII and SRF		112,049,240	-
Others	19.32.1	3,787,215	3,514,199
		143,885,501	26,980,814
Corporate guarantee in favor of PTML		72,997,000	65,497,000
Corporate guarantee in favor of U Bank		-	10,000,000
		72,997,000	75,497,000

**19.32.1** Others includes bank guarantees given on behalf of DVCOM Data to PTA amounting to Rs 675,000 thousand (December 31, 2024: Rs. 675,000 thousand).

	Note	2025 Rs '000	2024 Rs '000
<b>19.33 Commitments</b>			
Letter of credit for purchase of stock		415,289	401,084
Letters of comfort in favor of PTML		3,500,000	3,500,000
Contracts for capital expenditure		26,731,397	32,226,978
		30,646,686	36,128,062

## 20. Property and equipment

Operating fixed assets	20.1	297,630,700	238,897,893
Capital work in progress	20.6	63,808,343	44,723,518
		361,439,043	283,621,411

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## 20.1 Operating fixed assets

	Land		Buildings on		Lines and wires	Apparatus, plant and equipment	Passive maintenance and allied systems	Office equipment	Computer and electrical equipment	Furniture and fittings	Vehicles	Submarine cables	Total
	Freehold	Leasehold	Freehold	Leasehold									
	Rs '000	Rs '000	Rs '000	Rs '000									
<b>As at December 31, 2023</b>													
Cost	1,650,684	100,782	14,253,562	3,285,930	147,832,666	462,274,478	47,500,180	4,319,638	16,585,777	2,774,885	3,940,069	19,192,358	723,711,009
Accumulated depreciation and impairment	-	(45,859)	(7,363,561)	(2,479,590)	(95,609,504)	(333,368,361)	(36,384,868)	(2,457,911)	(13,021,701)	(1,223,344)	(3,343,542)	(13,165,554)	(508,463,795)
Net book value	1,650,684	54,923	6,890,001	806,340	52,223,162	128,906,117	11,115,312	1,861,727	3,564,076	1,551,541	596,527	6,026,804	215,247,214
<b>Movement during 2024</b>													
Additions	-	-	312,705	169,216	14,090,192	34,362,412	4,518,485	407,376	2,089,143	455,462	106,349	798,293	57,309,633
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	(99)	(6,808,300)	(21,230,705)	(491,846)	(3,871)	(269,004)	(88,099)	(176,424)	-	(29,068,348)
Accumulated depreciation	-	-	-	99	6,795,727	20,918,616	453,524	3,235	160,127	51,636	159,340	-	28,542,304
Depreciation charge for the year - note 20.5	-	(1,643)	(370,163)	(82,869)	(4,359,765)	(22,995,133)	(2,056,333)	(337,515)	(1,370,855)	(256,059)	(234,782)	(581,156)	(32,646,273)
Impairment charge	-	-	-	-	-	-	-	-	(81,771)	(404,866)	-	-	(486,637)
Net book value	1,650,684	53,280	6,832,543	892,687	61,941,016	139,961,307	13,539,142	1,930,952	4,091,716	1,309,615	451,010	6,243,941	238,897,893
<b>As at December 31, 2024</b>													
Cost	1,650,684	100,782	14,566,267	3,455,047	155,114,558	475,406,185	51,526,819	4,723,143	18,405,916	3,142,248	3,869,994	19,990,651	751,952,294
Accumulated depreciation	-	(47,502)	(7,733,724)	(2,562,360)	(93,173,542)	(335,444,878)	(37,987,677)	(2,792,191)	(14,314,200)	(1,832,633)	(3,418,984)	(13,746,710)	(513,054,401)
Net book value	1,650,684	53,280	6,832,543	892,687	61,941,016	139,961,307	13,539,142	1,930,952	4,091,716	1,309,615	451,010	6,243,941	238,897,893
<b>Movement during 2025</b>													
Additions	-	-	250,212	276,793	14,530,497	22,019,602	2,360,426	434,847	434,671	48,514	124,078	144,538	40,624,178
Acquired during business combination	889,682	-	1,412,730	234,247	-	48,149,312	-	152,437	2,382,310	-	44,215	-	53,264,933
Transfers													
Cost	(932)	-	-	-	-	-	-	-	-	-	-	-	(932)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals - note 20.4	(932)	-	-	-	-	-	-	-	-	-	-	-	(932)
Cost	-	-	-	-	(2,635,547)	(6,656,641)	(93,763)	(6,118)	(594,319)	(105,425)	(64,452)	-	(10,156,265)
Accumulated depreciation	-	-	-	-	2,633,211	6,407,802	93,102	2,792	546,201	66,671	47,779	-	9,797,558
Depreciation charge for the year - note 20.5	-	(1,642)	(377,155)	(85,118)	(5,209,483)	(22,685,929)	(3,549,051)	(369,247)	(48,118)	(38,754)	(16,673)	(539,313)	(34,587,887)
Impairment charge	-	-	-	-	-	-	-	-	(30,070)	(178,708)	-	-	(208,778)
Net book value	2,539,434	51,638	8,118,330	1,318,609	71,259,694	187,195,453	12,349,856	2,145,663	5,478,843	936,095	387,919	5,849,166	297,630,700
<b>As at December 31, 2025</b>													
Cost	3,342,206	100,782	22,007,871	5,706,553	167,009,508	722,789,800	53,793,482	7,052,679	34,449,430	3,085,337	4,108,161	20,135,189	1,043,600,998
Accumulated depreciation and impairment	(802,772)	(49,144)	(13,889,541)	(4,387,944)	(95,749,814)	(535,594,347)	(41,443,626)	(4,907,016)	(28,990,587)	(2,149,242)	(3,720,242)	(14,286,023)	(745,970,298)
Net book value	2,539,434	51,638	8,118,330	1,318,609	71,259,694	187,195,453	12,349,856	2,145,663	5,478,843	936,095	387,919	5,849,166	297,630,700
Annual rate of depreciation (%)	-	1 to 3.3	2.5	2.5-20	5 to 7	10 to 33	6.67- 33	10	20 to 33.33	10	20	5	

**20.2** In view of large number of properties i.e. over three thousand, located across Pakistan, it is impracticable to disclose the details of properties in the consolidated financial statements as required under paragraphs VI.1 sub clause (ii) of the 4th Schedule to the Companies Act, 2017, therefore, this information/record is available for inspection at the registered office of the Holding Company on request and the copy of the details of said properties will be provided on request to the said shareholders who are unable or unwilling to visit the Holding Company's registered office, i.e. PTCL Headquarters, Ufone Tower, F-7/1, Blue Area Islamabad.

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20.3 As explained in note 1.1, the property and rights vesting in the operating assets, as at January 01, 1996, were transferred to the Holding Company from the Pakistan Telecommunication Corporation under the Pakistan Telecommunication (Re-organisation) Act, 1996; however, the possession and control or title to of certain freehold land properties were not transferred in the name of the Holding Company in the land revenue records; therefore, in pursuant to the disclosure required under Clause VI Sub clause 12 of Part 2 of the fourth schedule of the Companies Act 2017, the list of such properties is given below:

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

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FOR THE YEAR ENDED DECEMBER 31, 2025

Sr. No.	Description	Address	The Person in whose name the property is registered	Person in Possession or control	Reasons for the property or asset not being in the name of or possession or control of the Holding Company	Carring Amount (Rupees)
12	Kundwal Telephone Exchange	Khata No. 160/760, Moza Kundwal, Pind Dadan Khan, Jhelum.	Private Name	The Holding Company	Under Litigation	81,000
13	Korangi Plot No. 45, 46 Telephone Exchange	Plot No. 45, 46, Sector No. 22 etc. Township Korangi, KDA, Karachi South.	KM Enterprises	Not in Possession of the Holding Company	Under Litigation	20,880
14	Mardan Central Telephone Exchange	Khasra No. 2114, 2109, 2110, 213, Khewat No. 1410, 1411, Khatoni No. 2029, 2030 [1999-2000] etc. Mardan.	Private Name	The Holding Company	Under Litigation	23,493
15	Havellian Telephone Exchange & Staff Quarters	Khasra No. 1195/2, 1196/2, 1197/2, 1198/3, (305), 306, 307, 286/2, 286, 288, 289 and 290 urban (1263) etc, Railway Station Road, Havellian, Abbottabad	Private Name	The Holding Company	Under Litigation	272,600
16	Rana Town Land	Khasra No. 8/2, 9/2, 12, 13/1/1, Sq. No. 52 etc. Rana Town, Chak No. 39/UCC, Ferowzala, Sheikupura.	Private Name	Not in Possession of the Holding Company	Under Litigation	1
17	Maroot (Chak No. 318/HR) Telephone Exchange	Khewat No. 19/17, Khatoni No. 75-88 [2001-02] etc. Near Pulli Hakra, Chak No. 318/HR, Maroot, Fort Abbas, Bahawalnagar.	Private Name	The Holding Company	Under Litigation	1
18	Wapda Town Gujranwala I Telephone Exchange	Commercial Area, Block B-3, Wapda Town, Gujranwala	Wapda Employees Cooperative Housing Society	Not in Possession of the Holding Company	Plot cancelled by Wapda Employees Cooperative Housing Society due to non-construction of Telephone Exchange	762,500
19	Songal (Scheme-33) Staff Quarter	Deh Songal (Scheme-33) Staff Quarter, Malir, Karachi.	Provincial Government	Not in Possession of the Holding Company	Sindh Government agreed to provide alternate land which is still awaited	94,059
20	Chak 121/NB Telephone Exchange	Khewat No. 18 Khatoni 57, Chak 121/NB, Sillanwali, Sargodha.	Private Name	The Holding Company	Under Litigation	487,700
21	Jhoke Ultra Telephone Exchange	Khata No. 58, Khasra No. 19/8, Killa No. 8, etc. Malkani Kain Road, Chowk Shehbaz, Moza Malkani Khurd, Jhoke Ultra, D.G Khan.	Private Name	The Holding Company	Under Litigation	1
22	Tando Adam PTCL Qtrs.	Survey No. 204, Shahdad Pur Road, Near Siddique Akbar Masjid, Tando Adam, Sanghar.	Private Name	The Holding Company	Pending for Transfer with Sindh Government	1
23	Madeji Telephone Exchange	Federal Govt. Scheme, Station Road, Near Rice Mill, Madeji, Garhi Ysain, Shikarpur.	Private Name	The Holding Company	Pending for Transfer with Sindh Government	1,476,207
24	Compact Exchange Building, MEHMOODABAD	Block No. 85, Village Ahmadiya, Deh Malhansar, Taluka Kunri, Umer kot.	Private Name	The Holding Company	Pending for Transfer with Sindh Government	46,055
25	Sakrand Telephone Exchange	Mehrabpur Road, Main Bazar, Sakrand, Nawabshah.	Provincial Government	The Holding Company	Pending for Transfer with Sindh Government	1

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Sr. No.	Description	Address	The Person in whose name the property is registered	Person in Possession or control	Reasons for the property or asset not being in the name of or possession or control of the Holding Company	Carring Amount (Rupees)
26	Tando Muhammad Khan Telephone Exchange	Survey No. 40, 41 etc. Near Civil Hospital, Deh Tando Mohd. Khan, Hyderabad.	Private Name	The Holding Company	Pending for Transfer with Sindh Government	43,650
27	Sirnikot Telephone Exchange	Khasra No. 895/896/897, etc. Sirnikot Road, Moza Sirnikot, Haripur.	Private Name	The Holding Company	Under Litigation	33,652
28	Wana Telephone Exchange	Azam Warsak Road, Wana, S.W. Agency H/Q Wana.	Provincial Government	The Holding Company	Exchange is located in Tehsil Office and not a PTCL Property.	1
29	Mirpur Khas Customer Service Center Building	Survey No. 1320, Hyderabad Road, Mirpur Khas	Private Name	The Holding Company	Pending for Transfer with Sindh Government	1
30	Shahi Bala Telephone Exchange	Khasra No. 968, 969, Khewat No.139 etc. Moza Shahi Bala, Peshawar.	Private Name	The Holding Company	Under Litigation	1
31	Baba Jee Khando Hill DRS	Khasra No. 73, Khatoni No. 169 etc. Baba Jee Kandoo Hill, Bunair.	Private Name	The Holding Company	Under Litigation	15,755
32	Sambrial -II	Near Petrol Pump & Annayat Group Factory, Moza Sambrial, Sialkot.	-	Not in Possession of the Holding Company	The site delisted by PC because Sambrial T/E and Sambrial-II are the same sites.	2,800,000
33	Rashki Telephone Exchange	Khasra No. 40/121, Khata No. 210/844, Mutation No. 5282, Moza Rashki, Nowshera.	-	Not in Possession of the Holding Company	The site delisted by PC because it came under Peshawar-Islamabad Motorway (MI).	1
34	Kharian Cantt Telegraph office (Site-III)	Behind GPO, Kharian, Gujrat.	-	Not in Possession of the Holding Company	The site delisted by PC because a room was provided by MEO to facilitate Pakistan army in Cantt. Telegraph Office closed since 2006.	1
35	Sita Road RCD Microwave	Survey No. 814, Deh Bhagana, Tapa Danager-I, Sita Road RCD Microwave, Khairpur, Nathan Shah, Dadu.	-	Not in Possession of the Holding Company	The site delisted by PC because the land is not transferred to PTCL & no network element existed on ground.	1
36	Tarnol (Additional Land)	Khasra No. 1552/683, Khewat No. 249 (1980-81) etc. Moza Sariay Kharboza, G. T. Road, Islamabad	-	Not in Possession of the Holding Company	The site delisted by PC because the land owned by private party	2
37	Chakra (Chowker) Telephone Exchange	Khasra No. 1499-1502, Khewat No. 97-98, 115, Khatoni No. 171, 196 etc. Moza Chowker, Rawalpindi.	-	Not in Possession of the Holding Company	The site delisted by PC because no PTCL land exists there	260,000
38	Sindhri Telephone Exchange	Survey No. 153 etc. Near Police Station, Deh Khani Mangri, Sindhri, Khipro, Sanghar.	Private Name	The Holding Company	Conditionally Transferred not accepted by PTCL	1
39	Chakwal EMD & Colony	Khasra No. 5955/2123, Khewat No. 1485, Khatoni No2750 (1999-00) etc.-Chakwal.	Private Name	The Holding Company	Mutation in favour of PTCL has been cancelled and previous Mutation restored in favour of private owners.	17,000

Apart from the above disclosed (39) properties, there are additional properties that are not part of these Consolidated Financial Statements because they are also not held in the name or control of the Holding Company since legal title to them has not been transferred from the relevant parties/ authorities to the Holding Company. Some of these additional properties were also listed in the SRO 430(1)/2004 dated 7th June 2004 (the SRO) to be transferred to the Holding Company free from any charge, burden, hypothecation or encumbrances and no stamp duty or transfer charges shall be payable under any law in relation to the transfer or vesting of these properties to the Holding Company. These properties are under discussion between the Government of Pakistan and the Ultimate Parent Company and upon the conclusion of the matter, appropriate accounting treatment or disclosure will be made in the subsequent Consolidated Financial Statements, if required.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 20.4 Disposal of property and equipment:

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

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain on disposal	Mode of disposal	Particulars of purchaser / Relationship with the Group
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000		
Apparatus, plant and equipment	8,288	7,666	622	7	(615)	Auction	M/S Zeeshan & Co
Apparatus, plant and equipment	7,946	7,350	596	6	(590)	Auction	M/S Zeeshan & Co
Apparatus, plant and equipment	14,925	10,945	3,980	412	(3,568)	Auction	Abdullah Engineering Works
Apparatus, plant and equipment	16,521	15,832	689	456	(233)	Auction	Abdullah Engineering Works
Apparatus, plant and equipment	12,213	11,704	509	337	(172)	Auction	Abdullah Engineering Works
Network and allied systems	95,057	25,325	69,732	69,732	-	Insurance Claim	Insurance Company
Motor vehicle	26,500	16,783	9,717	13,250	3,533	Company policy	Nauman Fakhar - Chief Retail Sales Officer
Motor vehicle	19,118	15,613	3,505	3,505	-	Company policy	Ahmad Kamal - Group Chief Customer Care Officer
Motor vehicle	18,834	15,383	3,451	3,451	-	Company policy	Naveed Khalid Butt - Group Chief Regulatory Officer
Office Equipment	1,306,115	435,372	870,743	340,941	(529,802)	Negotiations	Bank of Azad Jammu Kashmir

	Note	2025 Rs '000	2024 Rs '000
<b>20.5</b>	The depreciation charge for the year has been allocated as follows:		
Cost of services	38	32,833,084	30,811,152
Administrative and general expenses	39	1,623,953	1,709,172
Selling and marketing expenses	40	130,850	125,949
		34,587,887	32,646,273
<b>20.6</b>	<b>Capital work in progress</b>		
Buildings		441,600	433,337
Lines and wires		14,700,321	12,737,776
Apparatus, plant and equipment		35,921,980	23,351,322
Turnkey Projects		8,825,109	5,368,709
Others		3,919,333	2,832,374
	20.6.1	63,808,343	44,723,518
<b>20.6.1</b>	<b>Movement during the year</b>		
Balance at beginning of the year		44,723,518	41,121,679
Additions during the year		42,908,949	62,430,681
Transfer from long term advances		11,181,524	-
Acquired during business combination		6,219,186	-
Transfers during the year to:			
- Operating fixed assets		(40,464,250)	(57,770,284)
- Intangible assets		(589,209)	(1,058,558)
- Impairment charge		(171,375)	-
		(41,224,834)	(58,828,842)
Balance at end of the year		63,808,343	44,723,518

**20.7** Total capitalization during the year amounted to Rs 54,250,400 thousand (2024: 62,891,332 thousand).

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 21. Right of use assets

	Note	Site leases / rentals	Right of way	2025 Rs '000	2024 Rs '000
<b>Movement during the year:</b>					
Balance as at January 01, 2025		14,762,320	766,212	15,528,532	14,798,834
Additions		32,766,706	14,975	32,781,681	7,919,620
Acquired during business combination		14,040,378	-	14,040,378	-
Lease modifications during the year		(109,299)	5,389	(103,910)	171,564
Terminations during the year		(219,343)	-	(219,343)	(903,904)
Depreciation for the year	21.2	(10,182,334)	(234,378)	(10,416,712)	(6,457,582)
		36,296,108	(214,014)	36,082,094	729,698
Balance as at December 31, 2025		51,058,428	552,198	51,610,626	15,528,532

21.1 The right-of-use assets are depreciated over the life of 1 to 15 years.

21.2 Depreciation charge for the year is allocated as follows:

	Note	2025 Rs '000	2024 Rs '000
Cost of services	38	9,165,525	4,915,492
Administrative and general expenses	39	1,251,187	1,542,090
		10,416,712	6,457,582

## 22. Intangible assets

Goodwill on acquisition of U Bank	22.1 / 4 (e)	78,790	78,790
Goodwill on acquisition of TP Group	22.2	16,171,354	-
Other intangible assets	22.3	118,810,144	52,634,722
		135,060,288	52,713,512

### 22.1 Goodwill on acquisition of U Bank

These represent excess of the amount paid over fair value of net assets of U Bank on its acquisition on August 30, 2012. The recoverable amount of goodwill is tested for impairment annually based on its value in use, determined by discounting the future free cash flows to be generated by the respective Cash Generating Units (CGUs).

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 22.2 Goodwill on acquisition of TP Group

The Holding Company entered into a Share Purchase Agreement with Telenor Pakistan B.V. (Telenor) in 2023 to acquire a 100% shareholding in Telenor Pakistan (Private) Limited and Orion Towers (Private) Limited. Following the receipt of all required regulatory approvals, the transaction was successfully completed as on 31 December 2025, at which date the Holding Company obtained control over the acquired entities.

International Financial Reporting Standard (IFRS) 3, Business Combinations, requires that all identified assets (including intangible assets) and liabilities acquired in a business combination should be carried at their fair values in the acquirer's balance sheet. IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalize the determination of the fair values of the assets and liabilities and to determine the value of any intangibles separately identified. The fair valuation exercise is being carried out and due to time constraints it will be finalized within one year as allowed under IFRS 3. Any adjustments arising from the measurement period will be recognised retrospectively as at the acquisition date and will result in corresponding adjustments to goodwill. Comparative information will be restated where applicable, in accordance with IFRS 3.

The provisional amounts of the identifiable assets and liabilities of acquired entities were:

	2025 Rs '000
<b>Net assets acquired</b>	
Property and equipment	59,484,119
Intangible assets	73,263,942
Right-of-use assets	15,698,030
Deferred tax asset - net	9,747,854
Stock-in-trade	204,385
Trade debts and contract assets	7,260,864
Income tax recoverable	21,340,506
Cash and bank balances	545,244
Other assets and receivables	7,263,903
License fees payable	(1,890,666)
Long-term loan	(63,195,414)
Lease liabilities	(29,580,861)
Employee retirement benefits	(598,168)
Trade and other payables	(30,728,043)
Deferred government grants	(12,421,164)
Short-term borrowings	(18,649,830)
Other liabilities	(6,071,358)
<b>Net identifiable assets acquired</b>	<b>31,673,343</b>
Consideration paid	49,018,540
Other adjustments	(1,173,843)
<b>Goodwill</b>	<b>16,171,354</b>

The acquisition resulted in the recognition of provisional goodwill as at December 31, 2025. The goodwill primarily represents expected synergies from the integration of network operations, anticipated cost efficiencies and future economic benefits that do not qualify for separate recognition.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	Licenses and spectrum Rs '000	Computer software Rs '000	Total Rs'000
<b>22.3 Other intangible assets</b>				
<b>As at December 31, 2023</b>				
Cost		93,194,193	10,494,346	103,688,539
Accumulated amortization		(37,252,899)	(7,162,905)	(44,415,804)
Accumulated impairment		-	-	-
Net book value		55,941,294	3,331,441	59,272,735
<b>Movement during the year 2024</b>				
Opening net book value		55,941,294	3,331,441	59,272,735
Additions		-	1,085,163	1,085,163
Amortization charge for the year		(6,231,287)	(1,491,889)	(7,723,176)
Impairment		-	-	-
Closing net book value		49,710,007	2,924,715	52,634,722
<b>As at December 31, 2024</b>				
Cost		93,194,193	11,579,509	104,773,702
Accumulated amortization		(43,484,186)	(8,654,794)	(52,138,980)
Net book value		49,710,007	2,924,715	52,634,722
<b>Movement during the year 2025</b>				
Opening net book value		49,710,007	2,924,715	52,634,722
Additions		-	589,209	589,209
Acquired during business combination		71,310,006	1,953,936	73,263,942
Amortization charge for the year	22.10	(5,964,443)	(1,713,286)	(7,677,729)
Closing net book value		115,055,570	3,754,574	118,810,144
<b>As at December 31, 2025</b>				
Cost		233,983,405	25,904,959	259,888,364
Accumulated amortization and impairment		(118,927,835)	(22,150,385)	(141,078,220)
Net book value	22.4	115,055,570	3,754,574	118,810,144
Amortization rate per annum (%)		4 - 10	6.67 - 33.33	

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

22.4 Breakup of the net book value as at the year end is as follows:

	Note	2025 Rs '000	2024 Rs '000
Licenses and spectrum - PTCL			
Telecom	22.5	377,775	396,662
WLL spectrum	22.5	-	44,651
WLL and LDI License	22.6	31,181	-
IPTV	22.7	4,632	7,558
Next Generation Mobile Services (NGMS)			
Licenses PTML & TP	22.8	58,056,557	41,049,620
Mobile cellular Licenses - PTML & TP	22.8	56,443,663	8,177,594
LDI License - TLDI	22.9	129,689	-
Licenses - U Bank		12,073	68,828
		115,055,570	49,744,913
Computer software		3,754,574	2,889,809
		118,810,144	52,634,722

22.5 The Pakistan Telecommunication Authority (PTA) has renewed the license of the Holding Company, to provide telecommunication services in Pakistan, for a period of 25 years, commencing January 01, 2021, at an agreed license fee of Rs 472,219 thousand. In June 2005 PTA modified the previously issued license to provide telecommunication services to include a spectrum license at an agreed license fee of Rs 3,646,884 thousand. This license allows the Holding Company to provide Wireless Local Loop (WLL) services in Pakistan, over a period of 20 years, commencing October 2004, expired in October 2024 and accordingly has been derecognised from the consolidated financial statements.

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

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

22.8 (i) NGMS License includes acquisition of 4G license by PTML throughout Pakistan (excluding Azad Jammu & Kashmir (AJK) and Gilgit-Baltistan (GB)) in September 2021 at a fee of USD 279 million. The term of the license is 15 years commencing from the date of its acquisition.

(ii) NGMS Licenses also include acquisition of 4G license for operations in AJK and GB in October 2021 at a fee of USD 1.026 million. The term of the license is 15 years from the date of its acquisition.

(iii) Mobile Cellular License include renewal of 2G license by PTML for operations in AJK and GB in June 2021 at a fee of USD 13.5 million. The term of the license is 15 years from the date of its acquisition.

22.9 The Pakistan Telecommunication Authority (PTA) renewed the Telenor Group's license to provide long-distance international services in Pakistan for a further period of 20 years, commencing on 07 August 2024, at an agreed license fee of Rs. 139.45 million. Previously, in August 2004, the PTA issued the long-

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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distance international license under Section 21 of the Pakistan Telecommunication (Re-organization) Act, 1996, allowing the Telenor Group to provide long-distance international services at an agreed license fee of Rs. 29.03 million. The cost of the license is being amortized on a straight-line basis over the license period.

**22.10** The amortization charge for the year has been allocated as follows:

	Note	2025 Rs '000	2024 Rs '000
Cost of services	38	6,735,996	6,754,805
Administrative and general expenses	39	941,733	968,371
		7,677,729	7,723,176

## 23. Long term investments

Investment in associate	23.1	-	-
Other investments	23.2	51,427	51,427
		51,427	51,427

### 23.1 Investment in associate - unquoted

#### TF Pipes Limited - Islamabad

1,658,520 (December 31, 2024: 1,658,520)  
ordinary shares of Rs 10 each

Shares held 40% (December 31, 2024: 40%)

Less: accumulated impairment loss on investment

23,539	23,539
(23,539)	(23,539)
-	-

### 23.2 Other investments

Fair value through other comprehensive income - unquoted

#### Thuraya Satellite Telecommunication Company - Dubai, UAE

3,670,000 (December 31, 2024: 3,670,000)  
ordinary shares of AED 1 each

31,427	31,427
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#### Alcatel - Lucent Pakistan Limited - Islamabad, Pakistan

2,000,000 (December 31, 2024: 2,000,000)  
ordinary shares of Rs 10 each

20,000	20,000
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51,427	51,427
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## 24. Long-term loans and advances - considered good

Loans to employees - secured	24.1	1,170,141	1,172,074
Advances to vendors and suppliers		1,411,338	11,435,439
		2,581,479	12,607,513
Current portion shown under current assets			
Loans to employees - secured	29	(384,587)	(326,911)
		2,196,892	12,280,602

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

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Reconciliation of the gross amounts of loans to executives and other employees:

	As at January 01, 2025	Disbursements	Repayments	As at December 31, 2025
	Rs '000	Rs '000	Rs '000	Rs '000
Executives	174,045	134,872	(92,821)	216,096
Other employees	998,029	511,878	(555,862)	954,045
	1,172,074	646,750	(648,683)	1,170,141

	As at January 01, 2024	Disbursements	Repayments	As at December 31, 2024
	Rs '000	Rs '000	Rs '000	Rs '000
Executives	128,394	69,774	(24,123)	174,045
Other employees	1,024,903	396,732	(423,606)	998,029
	1,153,297	466,506	(447,729)	1,172,074

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

	2025 Rs '000	2024 Rs '000
Executives	363,832	114,501
Other employees	1,305,508	1,516,354

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

Loans to executive employees include loan balances of key management personnel aggregating Rs 89,119 thousand (December 2024: 96,680 thousand).

List of key management personnel having outstanding balances of loans up till December 31, 2025 are as under:

No.	Names of Employees	No.	Names of Employees
1.	Mr. Aamer Ejaz	9.	Mr. Muhammad Shehzad Yousaf
2.	Mr. Abdullah Hameed	10.	Mr. Muhammad Nadeem Khan
3.	Mr. Adnan Ali Ansari	11.	Mr. Saleem Ullah Baig
4.	Mr. Asif Imtiaz	12.	Mr. Salman Ali Bajwa
5.	Mr. Ch. Mudasser Shafiq	13.	Mr. Syed Muhammad Shoaib
6.	Mr. Ishtiaq Naveed Gill	14.	Mr. Syed Muhammad Imran Ali
7.	Mr. Mubashir Naseer Ch.	15.	Ms. Zahida Awan
8.	Mr. Muhammad Fahim Ur Rehman		

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>25. Employees retirement benefits</b>			
Funded pension - net asset	10.1	13,762,801	2,951,439
<b>26. Contract costs</b>			
Cost to obtain a contract		4,399,716	2,531,045
Cost to fulfill a contract		2,699,458	3,373,509
	26.1	7,099,174	5,904,554
Current maturity of contract costs		(5,514,961)	(5,575,409)
		1,584,213	329,145
<b>26.1 Movement during the year</b>			
Balance at the beginning of the year		5,904,554	4,609,635
Capitalization during the year		7,839,327	8,789,152
Acquired during business combination		1,681,420	-
		15,425,301	13,398,787
Amortization during the year	26.2	(8,326,127)	(7,494,233)
Balance at the end of the year		7,099,174	5,904,554

**26.2** Amortization charge for the year has been allocated as follows:

	Note	2025 Rs '000	2024 Rs '000
Cost of services	38	5,860,498	5,023,263
Selling and marketing expenses	40	2,465,629	2,470,970
		8,326,127	7,494,233

## 27. Stock in trade, stores and spares

Stores and spares	27.1	5,561,621	8,201,385
Stock in trade	27.2	787,187	690,582
		6,348,808	8,891,967
<b>27.1 Stores and spares</b>			
Provision for obsolescence	27.1.1	5,764,431	8,400,527
		(202,810)	(199,142)
		5,561,621	8,201,385
<b>27.1.1 Provision for obsolescence</b>			
Balance at beginning of the year		199,142	200,263
Provision during the year		3,668	-
		202,810	200,263
Reversal / Written off during the year	27.1.2	-	(1,121)
Balance at end of the year		202,810	199,142

**27.1.2** The Group has provided for Rs. 3,668 thousand (December 31, 2024: Reversal of Rs. 1,121 thousand) of the store and spares during the year. Furthermore, the Group has written-off stores amounting to Rs. nil (December 31, 2024: Rs. 161,000).

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>27.2 Stock in trade</b>			
SIM cards		338,547	305,362
Mobile phones and accessories		427,581	321,857
Scratch cards		51,840	75,033
ATM cards and stationary		18,382	12,384
		836,350	714,636
Provision for slow moving stock	27.2.2	(49,163)	(24,054)
		787,187	690,582

**27.2.1** The Group also holds the sim cards having aggregate cost of Rs. 10,004 thousand (December 31, 2024: Rs. 2,590 thousand) on behalf of Digital Technology Managed Services Private limited (ONIC), a related party.

	Note	2025 Rs '000	2024 Rs '000
<b>27.2.2 Provision for obsolescence</b>			
Balance at beginning of the year		24,054	-
Provision during the year		85,625	24,893
		109,679	24,893
Reversal / Written off during the year		(60,516)	(839)
Balance at end of the year		49,163	24,054

## 28. Trade debts and contract assets

Trade debts			
- Secured	28.1	5,810,182	729,815
- Unsecured		69,311,106	56,861,071
Contract assets	28.5	7,702,939	6,764,823
		82,824,227	64,355,709
<b>Domestic</b>			
Considered good	28.2	31,765,981	20,310,058
Considered doubtful		12,547,395	7,907,572
		44,313,376	28,217,630
<b>International</b>			
Considered good	28.2	51,058,245	44,045,651
Considered doubtful		57,475	57,475
		51,115,720	44,103,126
Expected credit loss on trade debts and contract assets	28.3	(12,604,869)	(7,965,047)
	28.4	82,824,227	64,355,709

**28.1** These are secured against customer and dealer deposits having aggregate amount of Rs. 1,290,044 thousand (December 31, 2024: Rs. 1,003,004 thousand). The normal credit period of the debtors is not more than one month.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

28.2 These include amounts due from the following related parties:

	Maximum aggregate amount Rs '000	Up to 6 months Rs '000	More than 6 months Rs '000	2025 Rs '000	2024 Rs '000
<b>Domestic</b>					
GoP related entities	5,671,455	2,879,356	2,649,807	5,529,163	2,912,358
<b>International</b>					
Emirates Telecommunication Corporation	48,305,581	2,539,893	45,664,864	48,204,757	42,005,179
Etisalat - Egypt	214	214	-	214	-
Etisalat's subsidiaries and associates	47,031	25,458	-	25,458	16,209
	48,352,826	2,565,565	45,664,864	48,230,429	42,021,388

	Note	2025 Rs '000	2024 Rs '000
<b>28.3 Expected credit loss on trade debts and contract assets</b>			
Balance at beginning of the year		7,965,047	7,301,539
Expected credit loss on trade debts and contract assets	41	2,419,805	2,286,069
		10,384,852	9,587,608
Increase due to business combination		3,990,452	-
Write off against expected credit loss on trade debts and contract assets		(1,770,435)	(1,622,561)
Balance at end of the year		12,604,869	7,965,047

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

28.5 Contract assets primarily relate to the Group's rights to consideration for services provided to customers but not billed at the reporting date. Contract assets are transferred to trade debts when the rights become unconditional.

	Note	2025 Rs '000	2024 Rs '000
<b>29. Loans and advances</b>			
Loans			
Current portion of long term loans to employees - secured	24	384,587	326,911
Advances - considered good			
Advances to employees	29.1	1,385,053	1,343,258
Advances to suppliers and contractors	29.2	3,175,250	2,036,673
		4,560,303	3,379,931
		4,944,890	3,706,842

29.1 This includes advances & loans provided by U Bank to its employees as per their HR policies.

29.2 These include Rs 26,774 thousand (December 31, 2024: Rs 26,774 thousand) to TF Pipes Limited, a related party.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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## 30. Long term loans to banking customers

	Performing				Non performing		Total	
	Stage 1		Stage 2		Stage 3		2025	2024
	2025	2024	2025	2024	2025	2024		
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Micro credit</b>								
Secured	37,170,394	44,742,049	327,112	52,559	1,116,529	1,186,033	38,614,035	45,980,641
Unsecured	8,613,560	23,601,817	1,038,284	2,397,167	20,291,849	7,592,985	29,943,693	33,591,969
Islamic financing	17,654,670	1,475,629	133,299	13,499	574,160	315,273	18,362,129	1,804,401
<b>Advances - gross</b>	<b>63,438,624</b>	<b>69,819,495</b>	<b>1,498,695</b>	<b>2,463,225</b>	<b>21,982,538</b>	<b>9,094,291</b>	<b>86,919,857</b>	<b>81,377,011</b>
<b>Credit loss allowance against long term loans</b>								
- Stage 1	(795,842)	(1,278,360)	-	-	-	-	(795,842)	(1,278,360)
- Stage 2	-	-	(574,520)	(863,697)	-	-	(574,520)	(863,697)
- Stage 3	-	-	-	-	(16,780,008)	(4,768,094)	(16,780,008)	(4,768,094)
	(795,842)	(1,278,360)	(574,520)	(863,697)	(16,780,008)	(4,768,094)	(18,150,370)	(6,910,151)
<b>Advances - net of credit loss allowance</b>	<b>62,642,782</b>	<b>68,541,135</b>	<b>924,175</b>	<b>1,599,528</b>	<b>5,202,530</b>	<b>4,326,197</b>	<b>68,769,487</b>	<b>74,466,860</b>
<b>Long term portion shown under non-current assets</b>							(12,112,463)	(13,664,090)
							56,657,024	60,802,770

## 30.1 Advances - Particulars of credit loss allowance

### 30.1.1 Advances - Exposure

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rs '000			Rs '000		
Gross carrying amount at beginning of the year	69,819,494	2,463,226	9,094,291	67,574,334	6,817,045	3,083,473
New advances	84,639,295	-	-	54,888,976	62,592	440,314
Advances derecognized or repaid	(80,104,303)	91,413	1,759,955	(48,256,387)	(992,456)	417,137
Transfer to stage 1	11,414	(5,642)	(5,773)	284,917	(226,221)	(58,697)
Transfer to stage 2	(957,127)	978,624	(21,497)	(350,360)	486,383	(136,023)
Transfer to stage 3	(9,871,995)	(2,010,631)	11,882,626	(3,312,003)	(2,991,420)	6,303,423
	(6,282,716)	(946,236)	13,615,311	3,255,143	(3,661,122)	6,966,154
Amounts written off / charged off	(98,154)	(18,294)	(727,065)	(1,009,983)	(692,697)	(955,336)
Closing balance	63,438,624	1,498,696	21,982,537	69,819,494	2,463,226	9,094,291

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 30.1.2 Advances - Credit loss allowance

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rs '000			Rs '000		
Balance at beginning of the year	1,278,360	863,697	4,768,094	1,000,885	2,391,727	2,118,023
New advances	2,334,053	-	-	549,300	16,580	187,514
Advances derecognized or repaid	(2,255,043)	(1,492)	1,595,568	(1,199,508)	(127,601)	(68,106)
Transfer to Stage 1	1,053	(521)	(533)	13,064	(11,213)	(1,851)
Transfer to Stage 2	(443,552)	453,458	(9,905)	(141,655)	197,957	(56,302)
Transfer to Stage 3	(7,535,585)	(1,562,707)	9,098,293	(1,313,195)	(1,342,423)	2,655,618
	(7,899,074)	(1,111,262)	10,683,423	(2,091,994)	(1,266,700)	2,716,873
Amounts written off / charged off	(7,498)	(4,658)	(267,491)	(29,807)	(231,149)	(589,015)
Change in exposure	7,424,054	826,743	1,595,982	2,399,276	(30,181)	522,213
Closing balance	795,842	574,520	16,780,008	1,278,360	863,697	4,768,094

## 30.2 Advances - Credit loss allowance details

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rs '000			Rs '000		
<b>Outstanding gross exposure</b>						
<b>Performing - Stage 1</b>	63,438,624	-	-	69,819,494	1,744,146	15,149
to be specified						
<b>Under Performing</b>	-	1,498,696	-	-	30,370	1,193,468
Other assets especially mentioned						
<b>Non - Performing</b>						
Substandard	-	-	11,793,540	-	171,520	2,502,235
Doubtful	-	-	2,299,202	-	513,738	3,355,855
Loss	-	-	7,889,795	-	3,452	2,027,584
	-	-	21,982,537	-	688,710	7,885,674
<b>Total</b>	63,438,624	1,498,696	21,982,537	69,819,494	2,463,226	9,094,291
<b>Corresponding credit loss allowance</b>						
Stage 1	(795,842)	-	-	(1,278,360)	-	-
Stage 2	-	(574,520)	-	-	(863,697)	-
Stage 3	-	-	(16,780,008)	-	-	(4,768,094)
	(795,842)	(574,520)	(16,780,008)	(1,278,360)	(863,697)	(4,768,094)

**30.2.1** This portfolio is classified into different stages based on SBP implementation guidance for IFRS-9 and specific communication by U Bank with the SBP.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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	2025 Rs '000	2024 Rs '000
<b>30.3 Particulars of write offs / charge offs</b>		
Against credit loss allowance	(843,513)	(2,658,016)
	(843,513)	(2,658,016)

**30.4** Movement in impairment allowance for credit losses is as follows:

	Advances Rs '000	Other Assets Rs '000	2025 Rs '000	2024 Rs '000
Balance at beginning of the year	(6,910,151)	(314,161)	(6,910,151)	(7,034,386)
Impairment charge for the year	(12,083,732)	(3,523,636)	(12,083,732)	(2,847,942)
Write off	843,513	-	843,513	2,658,016
Balance at end of the period/ year	(18,150,370)	(3,837,797)	(18,150,370)	(6,910,151)

**30.5** During the year, the Banking segment implemented an internally developed LGD model for certain portfolios, replacing the previously applied regulatory LGD of 45%. The revised LGD for the portfolio is 84%. The change reflects improved modelling capabilities and updated historical loss data.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>31. Deferred income tax</b>			
Deferred tax (asset) / liability relating to:			
Accelerated tax depreciation		19,021,330	10,750,664
Accelerated tax amortization		3,097,264	3,088,212
Provision for stock in trade, stores and spares		(334,307)	(226,021)
Allowance for expected credit loss		(11,716,455)	(4,243,619)
ROU assets		200,397	246,678
Deficit on revaluation of revaluation of fair value through OCI securities		71,492	221,279
Lease liability		(1,283,332)	(641,043)
Contract cost		2,112,924	1,712,319
Liabilities claimable on payment		(15,409,927)	(11,458,663)
Vendor liability		128,900	470,250
Tax Loss		(2,392,710)	(8,403,492)
Capital Loss		(1,040)	(773)
Minimum Tax		(6,000,927)	(5,080,490)
Other receivables		(986,463)	(482,027)
Remeasurement of employees retirement benefits		16,891	(232)
Others		9,920	(84,902)
Unrealised exchange loss		(3,657,920)	(2,764,313)
		(17,123,963)	(16,896,173)
Acquired during business combination	31.2	(9,747,854)	-
		(26,871,817)	(16,896,173)
<b>Movement during the year</b>			
Balance at the beginning of the year		(16,896,173)	(19,692,379)
(Reversal) / Charge for the year in respect of:			
Accelerated tax depreciation		8,270,666	1,020,317
Accelerated tax amortization		9,052	(386,927)
Provision for stock in trade, stores and spares		(108,286)	(81,055)
Allowance for expected credit loss		(7,472,836)	(251,716)
ROU assets		(46,281)	223,541
Lease liability		(642,289)	59,576
Contract cost		400,605	620,761
Liabilities claimable on payment		(3,951,264)	-
Vendor liability		(341,350)	470,250
Tax Loss		(1,312,019)	(9,473,181)
Capital Loss		(267)	-
Minimum Tax		(920,437)	(2,768,266)
Other receivables		(504,436)	(72,500)
Remeasurement of employees retirement benefits		17,123	13,060
Impact of remeasurement of financial assets		-	(5,029)
(Deficit) / Surplus on revaluation of revaluation of fair value through OCI securities		(149,787)	183,133
Others		94,822	(21,952)
Unrealised exchange loss		(893,607)	(1,039,567)
		(7,550,591)	(11,509,555)
Acquired during business combination		(9,747,854)	-
Tax loss claimed / submitted for claim		7,322,801	14,305,761
Balance at the end of the year		(26,871,817)	(16,896,173)

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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**31.1** Recovery of deferred tax asset against minimum turnover tax and other deductible temporary differences is based on the Group achieving sufficient profitability. The Group estimates recoverability of these deferred tax assets based on future taxable projections. Significant assumptions used in preparation of future taxable projections are average revenue per user growth, subscribers/customer growth, increase in loan disbursement and cost optimization.

	Note	2025 Rs '000	2024 Rs '000
<b>31.2 Deferred tax asset acquired during business combination</b>			
Deductible temporary difference			
Accelerated tax depreciation		(4,707,323)	-
Unrealized exchange loss		(1,716,705)	-
Marketing expense		(1,133,179)	-
Lease liability		(41,950)	-
Provision for Asset Retirement Obligations (AROs)		(433,075)	-
Legal provision		(113,665)	-
Remeasurement of employees retirement benefits		(144,343)	-
Allowance for expected credit loss		(1,465,739)	-
Others		(62,159)	-
Taxable temporary difference			
Azad Jammu and Kashmir (AJK) license fees payable		70,284	-
	31.2.1	(9,747,854)	-

**31.2.1** Pursuant to mandatory regulatory approvals, the Holding Company has acquired control over the TP Group, as of 31 December 2025, and accordingly, the Group has prepared financial projections depicting realization of net deductible temporary differences, based on premise that TP will be merged into PTML in near future and the merged entity will be taxed as part of PTCL tax group.

Accordingly, as of 31 December 2025, the Group has not recognized deferred tax asset, amounting to Rs. 14,604,260 thousand. The Group is, however, confident that the remaining net deductible temporary differences, which originally were available to the Group would now be adjustable against taxable income of PTCL group.

	Note	2025 Rs '000	2024 Rs '000
<b>32. Income tax recoverable</b>			
Balance at beginning of the year		52,304,986	32,356,188
Tax charge for the year - net		(2,415,074)	(5,189,744)
Tax loss claimed / submitted for claim		7,322,801	14,305,761
Tax (charge) / credit on re-measurement gains - OCI		(6,780,787)	2,086,069
		(1,873,060)	11,202,086
Acquired during business combination		21,340,506	-
Tax paid during the year		7,786,330	8,746,712
Balance at end of the year	32.1.	79,558,762	52,304,986

**32.1** This balance will be adjusted against future tax liability.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>33. Deposits, prepayments and other receivables</b>			
Deposits		670,660	415,550
Prepayments			
- Pakistan Telecommunication Authority		13,143	9,647
- Prepaid rent and others		4,296,129	2,056,174
		4,309,272	2,065,821
Other receivables			
Due from related parties	33.1	130,843	96,939
Accrued interest receivable	33.2	13,366,787	14,878,989
Receivable from Government of Pakistan	33.3	2,164,072	2,164,072
Federal Excise Duty (FED)	33.4	3,804,870	3,804,870
Grant receivable		-	368,023
Others		11,476,198	4,806,912
Less: Impairment loss on other receivables		(5,128,651)	(1,215,576)
		30,794,051	27,385,600

	Maximum aggregate amount Rs '000	Up to 6 months Rs '000	More than 6 months Rs '000	2025 Rs '000	2024 Rs '000
<b>33.1</b> Emirates Telecommunication Corporation	71,305	-	71,305	71,305	71,305
Pakistan Telecommunication Employees Trust	59,538	15,740	43,798	59,538	25,634
	130,843	15,740	115,103	130,843	96,939

**33.2** This represents mark-up accrued on advances and investments.

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

**33.4** This includes payments under protest on account of FED on interconnect charges. The Honorable Supreme Court has decided the case in favor of the Holding Company.

This also includes federal excise duty on technical service fee of Rs 521,759 thousand (December 31, 2024: Rs 521,759 thousand) paid by PTML to the taxation authority under protest.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>34. Short term investments</b>			
Amortized cost			
Lending to Financial Institution	34.1	13,278,380	12,195,250
Fair value through Profit or Loss			
Non Government debt securities		16,005,271	-
Market treasury bills - Maturity upto 6 months		1,693,996	1,697,008
Fair value through Other Comprehensive Income			
Federal Government securities		12,905,693	147,255,738
Non Government debt securities		66,664	83,293
		43,950,004	161,231,289

**34.1** These are secured against underlying Market Treasury Bills. The differential between the contracted rate and resale price is amortized over the period of related contracts and recorded under mark-up / return / interest earned. These carried mark-up at the rate of 9.75% to 13.90% (2024: 12.5% to 22.9%) per annum.

	Note	2025 Rs '000	2024 Rs '000
<b>35. Cash and bank balances</b>			
Cash in hand		990,498	1,827,897
Balances with banks:			
Local currency			
Current account maintained with SBP and NBP	35.1	3,677,545	5,140,886
Current accounts		4,802,457	1,280,430
Saving accounts	35.2	10,568,425	5,035,063
		19,048,427	11,456,379
Foreign currency			
Current accounts - USD 33,465 thousand (December 31, 2024: USD 33,465 thousand)		17,210,676	9,321,664
Saving accounts - USD 4,690 thousand (December 31, 2024: USD 4,270); and EUR 940 thousand (December 31, 2024: EUR 790 thousand)		1,504,736	1,535,061
		18,715,412	10,856,725
	35.3	38,754,337	24,141,001

**35.1** This includes balance maintained with SBP to comply with the requirement of Prudential Regulations for Microfinance Banks to maintain minimum cash reserve not less than 5% (2024: 5%) of the Bank's time and demand deposits liabilities with tenure of less than one year.

**35.2** These carry mark-up ranging between 2.73% and 16.25% (December 31, 2024: 5.86% and 23.5%) per annum.

**35.3** Bank balance includes Rs. 642 thousand (December 31, 2024: Rs. 212,391 thousand) carrying profit at the rate of 6.7% (December 31, 2024: 5.87% ) per annum from Shariah arrangements.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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## 36. Asset classified as held for sale

During the year, the Holding Company committed to a plan to sell certain non-current assets and classified them as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The non-current assets classified as held for sale comprise of freehold land and buildings located in Pakistan, previously recognized under property and equipment. These assets include freehold land and buildings relating to idle properties that are no longer operationally required.

During the year, the Holding Company initiated a plan to dispose of certain idle properties as part of its asset rationalization initiative. These properties are not currently in use and have been identified for sale to optimize the Group's asset base. The disposal process is ongoing, and management expects completion within twelve months from the reporting date. The assets are available for immediate disposal in their present condition, and the respective transactions are considered highly probable.

Upon classification as held for sale, the assets were measured at the lower of their carrying amount and fair value less costs to sell. As the fair value less costs to sell exceeded the carrying amount at the reporting date, no impairment loss or gain was recognized in the consolidated statement of comprehensive income for the year ended December 31, 2025. Accordingly, no related amount is included in consolidated statement of profit or loss.

	2025 Rs '000	2024 Rs '000
<b>37. Revenue</b>		
Broadband & IPTV	55,210,938	49,280,794
Cellular and other wireless	93,292,797	81,241,114
Fixed line voice services	7,964,543	8,685,123
Revenue from retail customers	156,468,278	139,207,031
Corporate and wholesale	56,621,720	48,056,395
International	12,433,170	12,121,637
Banking	26,210,366	24,879,405
Total revenue	251,733,534	224,264,468

**37.1** Revenue is net of trade discount amounting to Rs 3,097,149 thousand (December 31, 2024: Rs 3,154,454 thousand) and Federal Excise Duty / Sales tax amounting to Rs 35,401,373 thousand (December 31, 2024: Rs 34,299,081 thousand).

**37.2** Revenue amounting to Rs. 4,763,886 thousand (2024: Rs. 5,236,373 thousand) has been recognized during the year from opening contract liability.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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	Note	2025 Rs '000	2024 Rs '000
<b>38. Cost of services</b>			
Staff cost	38.1	18,722,972	16,415,322
Outsourced staff cost		3,021,247	2,652,533
Security service charges		1,645,656	1,552,925
Interconnect cost		4,266,288	3,957,755
Foreign operators cost and satellite charges		10,173,316	9,568,871
Fuel and power cost		24,462,409	27,814,527
Cost of devices sold		3,583,338	3,863,862
Amortization of contract costs	26.2	5,860,498	5,023,263
Rent, rates and taxes		6,895,528	12,771,459
Repairs and maintenance and IT cost		13,642,621	11,702,915
Depreciation on property and equipment	20.5	32,833,084	30,811,152
Depreciation on ROU assets	21.2	9,165,525	4,915,492
Amortization of intangible assets	22.10	6,735,996	6,754,805
Annual license fee and regulatory charges	38.2	5,752,301	4,994,528
Markup / interest expense - U Bank		14,897,352	18,971,242
Other expenses		6,099,653	5,094,303
		167,757,784	166,864,954

**38.1** This includes Rs 2,071,907 thousand (December 31, 2024: Rs 1,518,233 thousand) in respect of employees retirement benefits.

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

	Note	2025 Rs '000	2024 Rs '000
<b>39. Administrative and general expenses</b>			
Staff cost	39.1	11,049,808	10,654,493
Outsourced staff cost		2,712,600	2,415,242
Technical services assistance fee	39.2	7,876,644	6,798,458
Fuel and power cost		890,406	1,085,497
Gas and water		174,582	155,829
Rent, rates and taxes		632,163	556,297
Repairs and maintenance		1,669,319	1,883,867
Travelling and conveyance		975,362	956,669
Legal and professional charges	39.3	964,996	1,150,927
Billing and printing expenses		320,385	363,234
Depreciation on property and equipment	20.5	1,623,953	1,709,172
Depreciation on ROU assets	21.2	1,251,187	1,542,090
Amortization of intangible assets	22.10	941,733	968,371
Impairment of property and equipment		380,153	704,947
Other expenses	40.2	1,146,349	1,914,319
		32,609,640	32,859,412

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

**39.1** This includes Rs 561,954 thousand (December 31, 2024: Rs 454,437 thousand) in respect of employees retirement benefits.

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

	Note	2025 Rs '000	2024 Rs '000
<b>39.3</b>	This includes auditor's remuneration as follows:		
Statutory audit, including half yearly review	40.3.1	30,712	37,047
Other non-audit services including advisory services		13,066	2,635
		43,778	39,682

**39.3.1** This fee is inclusive of out of pocket expenses.

	Note	2025 Rs '000	2024 Rs '000
<b>40. Selling and marketing expenses</b>			
Staff cost	40.1	3,941,379	3,480,197
Outsourced staff cost		918,812	806,923
Sales and distribution charges		2,141,297	2,051,369
Contract cost amortization	26.2	2,465,629	2,470,970
Advertisement and publicity	40.2	4,012,069	4,213,314
Depreciation on property and equipment	20.5	130,850	125,949
Others		266,617	156,567
		13,876,653	13,305,289

**40.1** This includes Rs 338,624 thousand (December 31, 2024: Rs 258,529 thousand) in respect of employees retirement benefits.

**40.2** (i) Donations that exceed Rs 1,000 thousand are given to the parties given hereunder:

	2025 Rs '000	2024 Rs '000
<b>Names of Donees</b>		
Shifa Foundation	-	1,000
	-	1,000

(ii) This also includes penalty paid during the year related to various non-compliances identified by the State Bank of Pakistan during its inspection of U Bank.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>41. Allowance for expected credit losses</b>			
Impairment loss on:			
Trade debts and contract assets	28.3	2,419,805	2,286,069
Loans to banking customers	30.4	15,607,369	2,731,019
Other assets irrecoverable written off		109,146	-
Provision for diminution in the value of investments		-	100,075
		18,136,320	5,117,163
<b>42. Other income</b>			
<b>Income from financial assets:</b>			
Return on bank deposits	42.1	5,316,623	7,334,682
Dividend income		-	580,643
Interest on investment in Government securities		293,636	221,887
Late payment surcharge from subscribers		650,315	550,142
Gain on fair value remeasurement of forward exchange contracts		260,294	-
Exchange gain		-	953,189
Others		1,486,612	1,095,071
		8,007,480	10,735,614
<b>Income from non-financial assets:</b>			
Gain on disposal of property and equipment		1,876,631	5,772,771
Government grants recognized	11	5,001,841	4,462,919
Re-chargeable projects income		1,770,832	599,676
Rental income		1,425,560	1,323,148
Scrap sales		2,803,702	2,334,271
Others		268,345	390,399
		13,146,911	14,883,184
		21,154,391	25,618,798

**42.1** Return on bank deposits includes Rs 67 thousand (December 31, 2024: Rs 268 thousand) earned from Shariah arrangements.

	2025 Rs '000	2024 Rs '000
<b>43. Finance costs and other expenses</b>		
Interest on:		
Long term loans from banks	21,054,562	31,522,825
Short term running finance	5,746,908	7,125,423
International finance corporation expenses	65,612	-
Long term vendor liability	3,971,200	4,149,775
Lease liabilities	5,937,779	3,087,046
License fee	841,010	904,524
Employee retirement benefits	4,474,145	3,883,563
Exchange loss	1,866,043	-
Bank and other charges	2,700,394	1,960,396
	46,657,653	52,633,552

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rs '000	2024 Rs '000
<b>44. Income tax</b>			
Current tax			
Current year		1,811,692	5,199,930
Prior year		603,382	(10,186)
		2,415,074	5,189,744
Deferred			
Current year		(6,428,987)	(11,692,688)
Prior year		(1,052,221)	-
		(7,481,208)	(11,692,688)
		(5,066,134)	(6,502,944)
<b>44.1 Reconciliation of effective tax rate:</b>			
Profit before tax (Rupees in thousand)		(14,812,251)	(20,897,104)
		2025 Percentage	2024 Percentage
Applicable tax rate		29.00	29.00
Super tax		10.00	-
Tax effect of amounts that are not deductible for tax purposes		(11.48)	0.91
Impact of change in tax rate		8.33	-
Effect of prior period tax charge		(2.76)	-
Others		1.11	1.21
		5.20	2.12
Average effective tax rate charged to the consolidated statement of profit or loss		34.20	31.12
		2025 Rs '000	2024 Rs '000
<b>45. Loss per share - basic and diluted</b>			
Loss for the year	Rupees in thousand	(9,746,117)	(14,394,160)
Weighted average number of ordinary shares	Numbers in thousand	5,100,000	5,100,000
Loss per share	Rupees	(1.91)	(2.82)

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 46. Non-funded financing facilities

The Holding Company has non funded financing facilities available with banks, which include facilities to avail letters of credit and letters of guarantee. The aggregate facility of Rs 22,890,000 thousand (December 31, 2024: Rs 26,350,000 thousand) and Rs 17,100,000 thousand (December 31, 2024: Rs 17,350,000 thousand) is available for letters of credit and letters of guarantee respectively, out of which the facility availed at the year end is Rs 9,386,693 thousand (December 31, 2024: Rs 9,313,640 thousand) and Rs 15,599,814 thousand (December 31, 2024: Rs 15,074,000 thousand) respectively. The letter of guarantee facility is secured by a hypothecation charge over certain assets of the Holding Company, amounting to Rs 371,305,612 thousand (December 31, 2024: Rs 176,250,000 thousand).

	2025 Rs '000	2024 Rs '000
<b>47. Cash generated from operations</b>		
Profit before tax	(14,812,251)	(20,897,104)
Adjustments for non-cash charges and other items:		
Depreciation of property and equipment	34,587,887	32,646,273
Impairment of property and equipment	380,153	486,637
Depreciation of right of use assets	10,416,712	6,457,015
Amortization of intangible assets	7,677,729	7,723,176
Amortization of contract costs	8,326,127	7,494,233
Reversal for obsolete stores and spares	28,777	22,933
Expected credit losses on trade debts and contract assets	2,419,805	2,386,144
Expected credit losses on non performing loans to banking customers	15,716,515	2,731,019
Provision for employees retirement benefits	14,349,501	6,078,519
Gain on disposal of property and equipment	(1,876,631)	(5,772,771)
Return on bank deposits and Government securities	(5,022,987)	(7,112,795)
Release of deferred government grants	(5,001,841)	(4,447,562)
Finance cost	31,679,292	49,095,467
Unearned revenue realized	(181,713)	(180,397)
Exchange loss / (gain)	1,750,220	(953,189)
Imputed interest on lease liabilities	5,937,779	3,180,117
	106,375,074	78,937,715
Effect on cash flow due to working capital changes:		
(Increase) / decrease in current assets:		
Stock in trade, stores and spares	2,718,767	1,557,770
Trade debts and contract assets	(13,805,892)	(10,364,479)
Loans to banking customers	(10,019,142)	(5,233,663)
Loans and advances	(945,030)	(670,410)
Deposits, prepayments and other receivables	3,582,281	3,924,395
	(18,469,016)	(10,786,387)
Increase in current liabilities:		
Trade and other payables	11,281,724	14,370,002
Security deposits	362,508	214,282
	11,644,232	14,584,284
	99,550,290	82,735,612

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 47.1. Reconciliation of movement of liabilities to cash flows arising from financing activities

	Liabilities							Equity	
	Sub-ordinated loan	Loans from banks	Vendor liability	Licence fee payable	Lease liabilities	Unpaid / unclaimed dividend	Interest accrued	Revenue reserve	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Balance at December 31, 2024</b>	1,000,000	239,754,952	66,382,081	11,128,255	16,888,407	208,131	6,716,644	(16,078,659)	325,999,811
Changes from financing cash flows									
Draw-downs / additions	-	118,894,978	11,987,160	-	32,781,681	-	-	-	163,663,819
Repayments	(850,000)	(102,158,244)	(36,250,136)	(2,967,960)	(15,595,243)	(380)	(31,862,517)	-	(189,684,480)
	(850,000)	16,736,734	(24,262,976)	(2,967,960)	17,186,438	(380)	(31,862,517)	-	(26,020,661)
Other changes									
Interest cost on lease liabilities	-	-	-	-	5,937,779	-	-	-	5,937,779
Liability related changes	-	(190,760)	6,428,302	2,570,323	28,187,899	-	28,750,087	-	65,745,851
	-	(190,760)	6,428,302	2,570,323	34,125,678	-	28,750,087	-	71,683,630
Total equity related changes	-	-	-	-	-	-	-	882,076	882,076
<b>Balance at December 31, 2025</b>	150,000	256,300,926	48,547,407	10,730,618	68,200,523	207,751	3,604,214	(15,196,583)	372,544,856
<b>Balance at December 31, 2023</b>	1,149,701	122,380,402	67,616,244	11,391,488	17,066,360	209,256	4,973,189	5,419,438	230,206,078
Changes from financing cash flows									
Draw-downs / additions	-	137,156,084	17,397,323	-	7,919,620	-	-	-	162,473,027
Repayments	(149,701)	(19,781,534)	(18,631,486)	(263,233)	(10,544,782)	(1,125)	(47,352,012)	-	(96,723,873)
	(149,701)	117,374,550	(1,234,163)	(263,233)	(2,625,162)	(1,125)	(47,352,012)	-	65,749,154
Other changes									
Interest cost on lease liabilities	-	-	-	-	3,087,046	-	-	-	3,087,046
Liability related changes	-	-	-	-	(639,837)	-	49,095,467	-	48,455,630
	-	-	-	-	2,447,209	-	49,095,467	-	51,542,676
Total equity related changes	-	-	-	-	-	-	-	(21,498,097)	(21,498,097)
<b>Balance at December 31, 2024</b>	1,000,000	239,754,952	66,382,081	11,128,255	16,888,407	208,131	6,716,644	(16,078,659)	325,999,811

	Note	2025 Rs '000	2024 Rs '000
<b>47.2 Cash and cash equivalents</b>			
Cash and bank balances	35	38,754,337	24,141,001
Short term financing	16	(71,487,663)	(51,678,636)
		(32,733,326)	(27,537,635)

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 48. Remuneration of Directors, Chief Executive Officer and Executives

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

	Chairman		Chief Executive Officer		Executives			
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000	Key management personnel		Other executives	
					2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
Managerial remuneration	-	-	260,623	268,180	1,010,461	859,155	6,351,701	5,921,598
Honorarium	300	300	-	-	-	-	-	-
Retirement benefits	-	-	14,092	14,825	72,340	66,806	409,990	438,282
Medical	-	-	-	-	53,042	44,518	369,923	329,170
Housing	-	-	179,769	179,987	58,944	43,724	320,128	264,750
Utilities	-	-	40,430	60,195	127,086	87,472	978,081	835,468
	300	300	494,914	523,187	1,321,873	1,101,675	8,429,823	7,789,268
Bonus paid	-	-	346,629	218,108	272,680	275,041	1,459,131	1,603,948
	300	300	841,543	741,295	1,594,553	1,376,716	9,888,954	9,393,216
Number of persons	1	1	1	1	68	63	2,335	2,076

The Group also provides free medical and limited residential telephone facilities, to all its executives, including the Chief Executive Officer. The Chairman is entitled to free transport and a limited residential telephone facility, whereas, the Directors of the Group are provided only with limited telephone facilities. Certain executives are also provided with the Group maintained cars.

The aggregate amount charged in the consolidated financial statements for the year as fee paid to 22 directors including chairman (December 31, 2024: 20) is Rs 249,233 thousand (December 31, 2024: Rs 302,168 thousand) for attending the Board of Directors, and its sub-committee meetings.

## 49. Rates of exchange

Assets in US dollars have been translated into Rupees at USD 1 = Rs 280.12 (December 31, 2024: USD 1 = Rs 278.55), while liabilities in US dollars have been translated into Rupees at USD 1 = Rs 280.12 (December 31, 2024: USD 278.55).

## 50. Financial instruments and risk management

### 50.1 Financial risk factors

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

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

#### (a) Market risk

##### (i) Currency risk

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

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

	2025 Rs '000	2024 Rs '000
<b>USD</b>		
Trade and other payables	(18,871,218)	(11,183,995)
Long term vendor liability	(1,122,496)	(1,339,344)
License fee payable	(8,894,034)	(13,198,607)
Lease liability	(378,914)	-
Trade debts	53,573,855	44,099,114
Cash and bank balances	18,407,495	10,626,594
Net exposure	42,714,688	29,003,762
<b>EUR</b>		
Trade and other payables	(240,705)	(523,476)
Trade debts	148,374	193,364
Long term vendor liability	-	(136,220)
Cash and bank balances	307,918	230,129
Net exposure	215,587	(236,203)
<b>CNY</b>		
Vendor liability	(18,497,675)	(41,807,357)

The following significant exchange rates were applied during the year:

	2025	2024
<b>Rupees per USD</b>		
Average rate	281.18	278.48
Reporting date rate	280.12	278.55
<b>Rupees per EUR</b>		
Average rate	317.66	301.24
Reporting date rate	328.85	290.08
<b>Rupees per CNY</b>		
Average rate	39.13	38.71
Reporting date rate	40.07	38.16

If the functional currency, at the reporting date, had fluctuated by 5% against the USD, EUR and CNY with all other variables held constant, the impact on profit after taxation for the year would have been Rs 867,357 thousand (December 31, 2024: Rs 462,913 thousand) respectively higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## (ii) Other price risk

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

## (iii) Interest rate risk

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

At the date of the consolidated statement of financial position, the interest rate profile of the Group's interest bearing financial instruments at the year end:

	2025 Rs '000	2024 Rs '000
<b>Financial assets</b>		
Fixed rate instruments:		
Staff loans	1,170,141	1,172,074
Short term investments	1,693,996	1,697,008
Bank balances - savings accounts	12,073,161	6,570,124
	14,937,298	9,439,206
Variable rate instruments:		
Market treasury bills	42,256,008	159,534,281
Loans to banking customers	68,769,487	74,466,860
	111,025,495	234,001,141
	125,962,793	243,440,347
<b>Financial liabilities</b>		
Fixed rate instruments:		
Deposits from banking customers	156,199,869	136,612,183
Floating rate instruments:		
Long term loans from banks	256,300,926	239,754,952
Long term vendor liability	45,326,977	63,282,703
License fee payable	7,815,331	9,972,090
Short term running finance	71,487,663	51,678,636
	380,930,897	364,688,381
	537,130,766	501,300,564

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## Fair value sensitivity analysis for fixed rate instruments

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

## Cash flow sensitivity analysis for floating rate instruments

If interest rates on variable rate instruments of the Group, at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rs 1,646,423 thousand (December 31, 2024: Rs 927,879 thousand) lower / higher, mainly as a result of higher / lower markup income on floating rate loans / investments.

## (b) Credit risk

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

	2025 Rs '000	2024 Rs '000
Long term loans and advances	1,170,141	1,172,074
Trade debts and contract assets	82,824,227	64,355,709
Loans to banking customers	68,769,487	74,466,860
Loans and advances	4,560,303	3,379,931
Deposits and other receivables	27,808,560	22,730,485
Short term investments	43,950,004	161,231,289
Bank balances	37,763,839	22,313,104
	266,846,561	349,649,452

The credit risk on liquid funds is limited, because the counter parties are banks with reasonably high credit ratings. In case of trade debts, the Group believes that it is not exposed to a major concentration of credit risk, as its exposure is spread over a large number of counter parties and subscribers. Allowance for expected credit loss from contracts with customers amounts to Rs 18,136,320 thousand (December 31, 2024: Rs 5,117,163 thousand).

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

The credit risk exposure on the Group's trade debts and contract assets as at December 31, 2025 is given below:

	Trade Debts				Total
	Contract Assets	Less than 3 Months	3 to 6 Months	More than 6 months	
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Exposure at default	4,776,947	21,624,714	6,207,911	17,506,455	45,339,080
Expected Credit loss	127	401,691	707,916	11,495,135	12,604,742

The credit risk exposure on the Group's trade debts and contract assets as at December 31, 2024 is given below:

	Trade Debts				Total
	Contract Assets	Less than 3 Months	3 to 6 Months	More than 6 months	
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Exposure at default	6,764,823	12,223,328	3,085,747	9,937,406	25,246,481
Expected Credit loss	-	323,487	559,224	7,082,336	7,965,047

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Rating		Rating Agency
	Short term	Long term	
National Bank of Pakistan	A-1+	AAA	PACRA
Bank Alfalah Limited	A-1+	AAA	PACRA
MCB Bank Limited	A-1+	AAA	PACRA
Soneri Bank Limited	A-1+	AA-	PACRA
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA
The Bank of Punjab	A-1+	AA+	PACRA
Habib Bank Limited	A-1+	AAA	VIS
Askari Bank Limited	A-1+	AA+	PACRA
Allied Bank Limited	A-1+	AAA	PACRA
United Bank Limited	A-1+	AAA	VIS
Bank Islami Pakistan Limited	A-1	AA-	PACRA
Bank Al-Habib Limited	A-1+	AAA	PACRA
Faysal Bank Limited	A-1+	AA	PACRA
Citi Bank, N.A	F-1	A+	Fitch
Albaraka Bank (Pakistan) Limited	A-1	AA-	VIS
Mobilink Microfinance Bank Limited	A-1	A	PACRA
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS
JS Bank Limited	A-1+	AA	PACRA
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA
Meezan Bank Limited	A-1+	AAA	VIS
The Bank of Khyber	A-1	A+	VIS
U Microfinance Bank Limited	A-1	A+	VIS
Telenor Microfinance Bank Limited	A-1	A+	PACRA
Bank Marakramh Limited	A-3	BBB-	VIS
Deutsche Bank AG	F-1	A-	Fitch
Pak Brunei Investment Company Limited	A-1+	AA+	VIS
Pak China Investment Company Limited	A-1+	AAA	VIS
Pak Kuwait Investment Company	A-1+	AAA	PACRA
Zarai Taraqati Bank Limited	A-1+	AAA	VIS
MCB Islamic Bank Limited	A-1	A+	PACRA
Samba Bank Limited	A-1	AA	PACRA
First Women Bank Limited	A-2	A-	PACRA
Industrial Commercial Bank of China	F-1+	A	Fitch

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

## (c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group follows an effective cash management and planning policy to ensure availability of funds, and to take appropriate measures for new requirements.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

The following are the contractual maturities of the Group's financial liabilities:

	Carrying amount Rs '000	Less than one year Rs '000	One to five years Rs '000	More than five years Rs '000
<b>As at December 31, 2025</b>				
Long term loans from banks	256,300,926	17,949,653	198,461,619	39,889,654
Lease liabilities	98,855,711	16,083,679	57,383,266	25,388,766
Security deposits	2,290,615	2,290,615	-	-
Long term vendor liability	48,547,407	23,789,108	24,758,299	-
Trade and other payables	186,909,086	186,909,086	-	-
Interest accrued	3,604,214	3,604,214	-	-
License fee payable	10,730,618	8,340,464	1,805,820	584,334
Unpaid / Unclaimed Dividend	207,751	207,751	-	-
Short term running finance	71,487,663	71,487,663	-	-
Deposits from banking customers	156,199,869	156,058,475	141,394	-
	835,133,860	486,720,708	282,550,398	65,862,754
<b>As at December 31, 2024</b>				
Long term loans from banks	239,754,952	134,887,702	104,533,917	333,333
Lease liabilities	21,804,753	6,511,550	12,812,163	2,481,040
Security deposits	1,654,053	1,654,053	-	-
Long term vendor liability	66,382,081	35,565,847	30,816,234	-
Trade and other payables	139,984,582	139,984,582	-	-
Interest accrued	6,716,644	6,716,644	-	-
License fee payable	11,128,255	2,328,854	8,414,833	384,568
Unpaid / Unclaimed Dividend	208,131	208,131	-	-
Short term running finance	51,678,636	51,678,636	-	-
Deposits from banking customers	136,612,183	96,741,897	39,870,286	-
	675,924,270	476,277,896	196,447,433	3,198,941

## 50.2 Fair value of financial instruments

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

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

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

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

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

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Details of the Group's assets / (liabilities) fair value hierarchy as at December 31 are as follows:

		Level 1 Rs '000	Level 2 Rs '000	Level 3 Rs '000	Total Rs '000
Long term other investments	2025	-	-	51,427	51,427
Market treasury bills	2025	-	1,693,996	-	1,693,996
Federal Government securities	2025	-	12,905,693	-	12,905,693
Non Government debt securities	2025	-	16,005,271	-	16,005,271
Long term other investments	2024	-	-	51,427	51,427
Market treasury bills	2024	-	1,697,008	-	1,697,008
Federal Government securities	2024	-	147,255,738	-	147,255,738
Forward exchange contracts	2024	-	(260,294)	-	(260,294)

## Measurement of fair value

As at December 31, 2025, except for the Group's investment in Thuraya Satellite Telecommunication Company and Alcatel - Lucent Pakistan Limited (which is valued under level 3 using the discounting cashflow technique), none of the financial instruments are carried at fair value in these consolidated financial statements.

The major assumptions and inputs used by the management and related sensitivity have not been disclosed as the amounts are not material to these consolidated financial statements.

	FVOCI - equity instruments Rs '000	FVTPL - equity instruments Rs '000	FVTPL - debt instruments Rs '000	FVOCI - debt instruments Rs '000	Financial assets at amortized cost Rs '000	Total Rs '000
<b>50.3 Financial instruments by categories - 2025</b>						
<b>Financial assets as per consolidated statement of financial position</b>						
Long term other investments	51,427	-	-	-	-	51,427
Long-term loans and advances	-	-	-	-	1,170,141	1,170,141
Trade debts and contract assets	-	-	-	-	82,824,227	82,824,227
Loans to banking customers	-	-	-	-	68,769,487	68,769,487
Other receivables	-	-	-	-	25,814,119	25,814,119
Short term investments	-	-	17,699,267	12,972,357	13,278,380	43,950,004
Cash and bank balances	-	-	-	-	38,754,337	38,754,337
<b>Financial liabilities as per consolidated statement of financial position</b>						
					<b>Amortized cost</b>	
Loans from Banks					256,300,926	
Subordinated debts					150,000	
Vendor liability					48,547,407	
Trade and other payables					179,737,395	
Security deposits					2,290,615	
Unpaid / unclaimed dividend					207,751	
License fee payable					10,730,618	
Lease liabilities					68,200,523	
Interest accrued					3,604,214	
Short term running finance					71,487,663	

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	FVOCI - equity instruments	FVTPL - equity instruments	FVTPL - debt instruments	FVOCI - debt instruments	Financial assets at amortized cost	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Financial instruments by categories - 2024</b>						
<b>Financial assets as per consolidated statement of financial position</b>						
Long term other investments	51,427	-	-	-	-	51,427
Long-term loans and advances	-	-	-	-	1,172,074	1,172,074
Trade debts and contract assets	-	-	-	-	64,355,709	64,355,709
Loans to banking customers	-	-	-	-	74,466,860	74,466,860
Other receivables	-	-	-	-	24,904,229	24,904,229
Short term investments	-	-	1,697,008	147,339,031	12,195,250	161,231,289
Cash and bank balances	-	-	-	-	24,141,001	24,141,001
<b>Financial liabilities as per consolidated statement of financial position</b>						
					<b>Amortized cost</b>	
Loans from banks					239,754,952	
Subordinated debts					1,000,000	
Vendor liability					66,382,081	
Trade and other payables					139,984,582	
Security deposits					1,654,053	
Unpaid / unclaimed dividend					208,131	
License fee payable					11,128,255	
Lease liabilities					16,888,407	
Interest accrued					6,716,644	
Short term running finance					51,678,636	

## 51. Capital Risk Management

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

The Group's objectives when managing capital are:

- (i) to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- (ii) to provide an adequate return to shareholders.

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

The capital of U Bank is managed keeping in view the minimum CAR (15%) required by the Prudential Regulations for Microfinance Banks / Institutions. The adequacy of the capital is tested with reference to the risk-weighted assets of U Bank. The calculation of capital adequacy enables U Bank to assess the long-term soundness. As U Bank conducts business on a wide area network basis, it is critical that U Bank continuously monitor the exposure across the entire organization.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 52. Employees' Provident Funds

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

## 53. Transactions with related parties

The Government of Pakistan and Etisalat International Pakistan (EIP), UAE are the majority shareholders of the Group. Additionally, the Group's associate T.F. Pipes Limited, Directors, Chief Executive, Key management personnel and employees retirement benefits are also related parties of the Group. The remuneration of the Directors, Chief Executive and Executives is given in note 48 to these Consolidated Financial Statements. The amounts due from and due to these related parties are disclosed in the respective notes including note 10, 15, 24, 25, 28, 29, 33 and 34. The Holding Company has also issued a letter of comfort and corporate guarantee in favor of PTML and U Bank as disclosed in note 19.33. The Group had transactions with the following related parties during the year:

Particulars	Aggregate % of shareholding in the Holding Company
<b>Shareholders</b>	
The Government of Pakistan	62.18%
Etisalat International Pakistan	26%
<b>Associated undertakings</b>	
Emirates Telecommunication Corporation - Ultimate Parent Company	Not applicable
Etisalat - Afghanistan	Not applicable
Etihad Etisalat Company	Not applicable
Etisalat - Egypt	Not applicable
Etisalat - Nigeria	Not applicable
Emirates Data Clearing House	Not applicable
TF Pipes Limited	Not applicable
Telecom Foundation	Not applicable
Pakistan MNP Database (Guarantee) Limited	Not applicable
<b>Employees retirement benefit plans</b>	
Pakistan Telecommunication Employees Trust	Not applicable
PTCL - General Provident Fund Trust	Not applicable
PTCL - Employees Gratuity Fund	Not applicable
PTML - Employees Gratuity Fund	Not applicable
U Bank - Employees Provident Fund	Not applicable
U Bank - Employees Gratuity Fund	Not applicable

### Chief Executive, directors and key management personnel

The Group also has transactions with Chief Executive Officer, directors and other key management personnel which are disclosed in note 24 and 48 to these consolidated financial statements.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

Names	Country of Incorporation	Basis of Association
<b>Holding Company</b>		
Etisalat International Pakistan	United Arab Emirates	Holding Company
<b>Associated Companies</b>		
Emirates Telecommunication Corporation	United Arab Emirates	Associate of the Holding Company
Etisalat - Afghanistan	Afghanistan	Associate of the Holding Company
Etisalat - Egypt	Egypt	Associate of the Holding Company
Etihad Etisalat Company (Mobily)	Kingdom of Saudi Arabia	Associate of the Holding Company
Etisalat - Misr	Egypt	Associate of the Holding Company
Etisalat - Nigeria	Nigeria	Associate of the Holding Company
Emirates Data Clearing House	United Arab Emirates	Associate of the Holding Company

	2025 Rs '000	2024 Rs '000
<b>Details of Transactions with related parties</b>		
<b>Shareholders</b>		
Technical services assistance fee	7,876,644	6,798,458
<b>Associates</b>		
Sale of goods and services	7,430,316	7,925,970
Purchase of goods and services	3,162,574	2,190,919
Rentals paid to Pakistan Telecommunication Employees Trust (PTET)	1,006,267	945,750
<b>Employees retirement benefit plan</b>		
Contribution to PTET	-	990,436
Contribution to Gratuity Fund	303,361	382,094
Contribution to Provident Fund	110,060	106,322

Transactions with the entities controlled by Government of Pakistan, have not been separately disclosed as these are ordinary transactions conducted in normal course of business.

## 54. Operating segment information

- 54.1** Management has determined the operating segments based on the information that is presented to the Board of Directors for allocation of resources and assessment of performance. The Group is organized into three operating segments i.e. fixed line communications (Wireline), wireless communications (Wireless) and banking. The reportable operating segments derive their revenue primarily from voice, data and other services.
- 54.2** The Board of Directors monitor the results of the above mentioned segments for the purpose of making decisions about the resources to be allocated and for assessing performance based on consolidated comprehensive income for the year.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

54.3 The segment information for the reportable segments is as follows:

	Wireline Rs '000	Wireless Rs '000	Banking Rs '000	Total Rs '000
<b>Year ended December 31, 2025</b>				
Segment revenue	119,625,821	113,663,675	26,541,485	259,830,981
Inter - segment revenue	(5,640,386)	(2,125,942)	(331,119)	(8,097,447)
Revenue from external customers	113,985,435	111,537,733	26,210,366	251,733,534
Segment results				
- Operating Profit / (Loss)	18,224,189	17,556,666	(16,427,718)	19,353,137
Segment results				
- Profit / (Loss) after tax	1,395,891	(957,656)	(10,184,352)	(9,746,117)
<b>Year ended December 31, 2024</b>				
Segment revenue	106,707,679	100,879,665	24,879,405	232,466,749
Inter - segment revenue	(6,302,413)	(1,899,868)	-	(8,202,281)
Revenue from external customers	100,405,266	98,979,797	24,879,405	224,264,468
Segment results				
- Operating Profit / (Loss)	12,249,407	4,843,659	(10,975,416)	6,117,650
Segment results				
- Profit / (Loss) after tax	4,801,121	(9,858,724)	(9,336,557)	(14,394,160)

Information on assets and liabilities of the segments is as follows:

	Wireline Rs '000	Wireless Rs '000	Banking Rs '000	Total Rs '000
<b>As at December 31, 2025</b>				
Segment assets	356,347,625	418,685,016	179,004,925	954,037,566
Segments liabilities	461,705,682	287,710,691	167,751,481	917,167,854
<b>As at December 31, 2024</b>				
Segment assets	312,773,909	217,760,775	275,897,220	806,431,904
Segments liabilities	296,343,468	194,236,144	279,586,037	770,165,649

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 54.4 Other segment information is as follows:

	Wireline Rs '000	Wireless Rs '000	Banking Rs '000	Total Rs '000
<b>Year ended December 31, 2025</b>				
Depreciation	19,975,116	14,011,561	601,210	34,587,887
Amortization	863,591	6,696,016	118,122	7,677,729
Finance cost	19,770,335	19,928,514	6,958,804	46,657,653
Interest income	1,294,971	403,686	6,308,823	8,007,480
Income tax	4,819,580	(3,008,925)	(6,876,789)	(5,066,134)
<b>Year ended December 31, 2024</b>				
Depreciation	18,008,309	13,823,969	813,995	32,646,273
Amortization	747,637	6,848,703	126,836	7,723,176
Finance cost	21,995,397	19,106,143	11,532,012	52,633,552
Interest income	516,713	1,626,582	8,592,319	10,735,614
Income tax	2,039,017	(3,947,542)	(4,594,419)	(6,502,944)

54.5 The Group's customer base is diverse with no single customer accounting for more than 10% of net revenues.

54.6 The amounts of revenue from external parties, total segment assets and segment liabilities are measured in a manner consistent with that of the financial information reported to the Board of Directors.

## 55. Number of employees

	2025 (Number)	2024 (Number)
Total number of persons employed at year end	19,652	20,718
Average number of employees during the year	19,598	21,383

## 56. Offsetting of financial assets and liabilities

	Gross amount subject to offsetting Rs '000	Offset Rs '000	Net amount Rs '000	Amount not in scope of offsetting Rs '000	Net as per consolidated statement of financial position Rs '000
<b>As at December 31, 2025</b>					
Trade debts	53,589,203	(11,651,587)	41,937,616	53,491,480	95,429,096
Trade creditors	(9,649,551)	11,651,587	2,002,036	(34,581,280)	(32,579,244)
<b>As at December 31, 2024</b>					
Trade debts	43,855,454	(5,940,017)	37,915,437	34,405,319	72,320,756
Trade creditors	(6,708,478)	5,940,017	(768,461)	(23,294,466)	(24,062,927)

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

## 57. Reclassifications

Prior year figures have been rearranged, wherever necessary, for better presentation and comparison.

## 58. Disclosure Requirements For Shariah Compliant Companies

As per the requirements of the fourth Schedule to the Companies Act, 2017, Shariah compliant companies shall disclose the following:

	Note	2025 Rs '000	2024 Rs '000
<b>Financing obtained as per Islamic mode</b>			
Long term loans from banks	7	37,499,695	27,333,334
Short term financing	16	31,844,427	26,394,513
<b>Interest accrued on any conventional loans or advances</b>			
Long term loans from banks	7	14,632,262	12,938,109
Short term financing	16	10,746,908	11,027,597
<b>Shariah-compliant bank deposits, bank balances and TDRs</b>			
Bank balances	35	52,504	285,581
<b>Revenue earned from shariah compliant business</b>			
Revenue	37	225,523,168	199,385,063
<b>Profit earned from Shariah-compliant bank deposits, bank balances and TDRs</b>			
Return on bank deposits	42	882	3,925
<b>Exchange gains earned using conventional derivative financial instruments</b>			
Unrealized fair value gain / (loss) on forward contracts	42	260,294	(75,696)
<b>Exchange (loss) / gain earned from actual currency</b>			
Exchange (loss) / gain		(1,866,043)	953,189
<b>Late payment or liquidity damages</b>			
Late payment surcharge from subscribers		650,315	550,142

## 59. Date of authorization for issue

59.1 These consolidated financial statements were authorized for issue by the Board of Directors of the Holding Company as on February 23, 2026.



Chief Financial Officer



President & CEO



Chairman



# ANNEXES

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# PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2025

No. of shareholders	From	Shareholdings	To	Total shares held
26,406	1		100	2,460,362
9,147	101		500	2,747,971
2,770	501		1,000	2,385,989
2,812	1,001		5,000	7,274,672
708	5,001		10,000	5,716,381
265	10,001		15,000	3,364,196
199	15,001		20,000	3,689,905
133	20,001		25,000	3,126,582
71	25,001		30,000	2,002,205
57	30,001		35,000	1,887,828
44	35,001		40,000	1,695,337
37	40,001		45,000	1,599,290
63	45,001		50,000	3,121,999
22	50,001		55,000	1,164,699
18	55,001		60,000	1,049,771
23	60,001		65,000	1,443,407
13	65,001		70,000	891,000
17	70,001		75,000	1,265,440
5	75,001		80,000	394,202
9	80,001		85,000	743,241
9	85,001		90,000	796,233
5	90,001		95,000	465,500
42	95,001		100,000	4,185,446
11	100,001		105,000	1,126,359
6	105,001		110,000	649,333
5	110,001		115,000	570,700
6	115,001		120,000	704,600
8	120,001		125,000	989,124
2	125,001		130,000	250,700
5	130,001		135,000	658,631
7	135,001		140,000	967,050
4	140,001		145,000	572,591
13	145,001		150,000	1,941,728
3	150,001		155,000	455,213
4	155,001		160,000	638,500
2	160,001		165,000	326,500
2	165,001		170,000	337,000
1	170,001		175,000	174,500
5	175,001		180,000	888,600
4	180,001		185,000	733,500
3	185,001		190,000	562,500
1	190,001		195,000	192,176
24	195,001		200,000	4,797,743
3	200,001		205,000	610,500
1	205,001		210,000	210,000
5	210,001		215,000	1,068,615
2	215,001		220,000	435,812
3	220,001		225,000	663,203
6	235,001		240,000	1,428,940
3	240,001		245,000	732,397
1	245,001		250,000	250,000
2	255,001		260,000	518,000
1	260,001		265,000	265,000
2	265,001		270,000	539,000
3	270,001		275,000	820,500
1	275,001		280,000	277,996
1	280,001		285,000	284,500
2	285,001		290,000	574,000
7	295,001		300,000	2,098,000
4	300,001		305,000	1,206,150
1	315,001		320,000	316,014
2	325,001		330,000	654,232
4	330,001		335,000	1,337,000

# PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2025

No. of shareholders	From	Shareholdings	To	Total shares held
2	335,001		340,000	680,000
1	340,001		345,000	343,500
2	345,001		350,000	700,000
4	350,001		355,000	1,413,701
2	370,001		375,000	750,000
1	385,001		390,000	387,073
4	395,001		400,000	1,600,000
2	400,001		405,000	804,015
1	415,001		420,000	419,737
2	420,001		425,000	849,000
1	425,001		430,000	426,763
2	430,001		435,000	867,900
2	445,001		450,000	900,000
1	450,001		455,000	455,000
1	455,001		460,000	455,250
1	470,001		475,000	475,000
1	480,001		485,000	481,629
1	485,001		490,000	487,000
1	490,001		495,000	493,675
7	495,001		500,000	3,496,000
1	500,001		505,000	500,332
2	505,001		510,000	1,019,877
1	515,001		520,000	517,554
1	545,001		550,000	550,000
1	575,001		580,000	577,800
1	585,001		590,000	589,342
1	595,001		600,000	600,000
1	605,001		610,000	608,000
1	640,001		645,000	643,900
3	645,001		650,000	1,950,000
1	655,001		660,000	657,000
2	670,001		675,000	1,348,000
1	690,001		695,000	690,400
1	720,001		725,000	722,500
1	730,001		735,000	734,500
1	820,001		825,000	823,310
1	830,001		835,000	833,000
1	835,001		840,000	839,500
1	840,001		845,000	845,000
1	845,001		850,000	847,200
1	915,001		920,000	915,042
1	935,001		940,000	936,817
3	940,001		945,000	2,824,849
7	995,001		1,000,000	6,998,500
1	1,000,001		1,005,000	1,001,149
2	1,025,001		1,030,000	2,055,000
1	1,035,001		1,040,000	1,039,000
1	1,060,001		1,065,000	1,064,019
1	1,065,001		1,070,000	1,069,000
3	1,080,001		1,085,000	3,250,481
1	1,095,001		1,100,000	1,100,000
1	1,105,001		1,110,000	1,105,770
1	1,165,001		1,170,000	1,170,000
1	1,200,001		1,205,000	1,204,985
2	1,245,001		1,250,000	2,500,000
2	1,285,001		1,290,000	2,576,203
1	1,390,001		1,395,000	1,393,000
1	1,395,001		1,400,000	1,400,000
2	1,445,001		1,450,000	2,897,000
1	1,485,001		1,490,000	1,487,500
3	1,495,001		1,500,000	4,500,000
1	1,505,001		1,510,000	1,510,000
1	1,525,001		1,530,000	1,528,200
1	1,560,001		1,565,000	1,561,070

No. of shareholders	From	Shareholdings	To	Total shares held
1	1,570,001		1,575,000	1,575,000
1	1,595,001		1,600,000	1,600,000
1	1,645,001		1,650,000	1,650,000
1	1,665,001		1,670,000	1,668,682
3	1,695,001		1,700,000	5,100,000
1	1,730,001		1,735,000	1,733,168
1	1,770,001		1,775,000	1,775,000
1	1,885,001		1,890,000	1,890,000
1	1,905,001		1,910,000	1,909,780
1	1,985,001		1,990,000	1,985,163
1	1,995,001		2,000,000	2,000,000
1	2,020,001		2,025,000	2,022,501
1	2,095,001		2,100,000	2,100,000
1	2,100,001		2,105,000	2,102,238
1	2,195,001		2,200,000	2,200,000
1	2,200,001		2,205,000	2,202,000
1	2,365,001		2,370,000	2,365,500
1	2,395,001		2,400,000	2,400,000
3	2,495,001		2,500,000	7,500,000
1	2,615,001		2,620,000	2,617,562
1	2,845,001		2,850,000	2,848,824
1	2,945,001		2,950,000	2,949,962
1	2,965,001		2,970,000	2,969,000
1	3,025,001		3,030,000	3,027,630
1	3,080,001		3,085,000	3,084,050
1	3,200,001		3,205,000	3,201,879
1	3,280,001		3,285,000	3,284,139
1	3,365,001		3,370,000	3,367,292
1	3,895,001		3,900,000	3,900,000
1	3,930,001		3,935,000	3,932,185
2	3,995,001		4,000,000	8,000,000
1	4,450,001		4,455,000	4,453,310
1	4,985,001		4,990,000	4,989,500
3	4,995,001		5,000,000	15,000,000
1	5,495,001		5,500,000	5,500,000
1	5,595,001		5,600,000	5,595,450
1	5,715,001		5,720,000	5,716,982
1	6,545,001		6,550,000	6,550,000
1	6,675,001		6,680,000	6,679,311
1	7,235,001		7,240,000	7,236,492
1	8,780,001		8,785,000	8,783,126
1	9,080,001		9,085,000	9,081,559
1	14,240,001		14,245,000	14,242,000
1	14,710,001		14,715,000	14,711,101
1	21,300,001		21,305,000	21,303,075
1	44,345,001		44,350,000	44,345,233
1	48,070,001		48,075,000	48,072,693
1	55,890,001		55,895,000	55,893,800
1	71,045,001		71,050,000	71,048,214
1	196,385,001		196,390,000	196,387,991
1	407,805,001		407,810,000	407,809,524
1	918,190,001		918,195,000	918,190,476
1	2,974,680,001		2,974,685,000	2,974,680,002
<b>43,208</b>				<b>5,100,000,000</b>

# CATEGORIES OF SHAREHOLDERS

AS AT DECEMBER 31, 2025

S. No.	Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
1	Directors, Chief Executive Officer, and their spouses and minor children	11	54,509	0.00
2	President of Pakistan	2	3,171,067,993	62.18
3	Associated Companies, Undertakings and related Parties	2	1,326,000,000	26.00
4	NIT and ICP	2	3,000	0.00
5	Banks, Development Financial Institutions, Non Banking Financial Institutions	19	80,427,473	1.58
6	Insurance Companies	8	5,637,483	0.11
7	Modarabas and Mutual Funds	44	59,218,026	1.16
8	Shareholders holding 10%	4	4,497,067,993	88.18
9	General Public :			
	a. local	42,679	240,328,992	4.71
	b. Foreign	191	126,500	0.00
10	Others	250	217,136,024	4.26
	Total (excluding : shareholders holding 10%)	43,208	5,100,000,000	100.00

## Trades in PTCL Shares

The Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouses and minor children have not traded in PTCL shares during the year ended December 31, 2025.

# INFORMATION OF SHAREHOLDERS

AS AT DECEMBER 31, 2025

S. No.	Shareholder's category	Number of shareholders	Number of shares held
<b>i. Associated Companies, Undertaking and Related Parties</b>			
	ETISALAT INTERNATIONAL PAKISTAN (LLC) - FIRST CDC ACCOUNT	1	918,190,476
	ETISALAT INTERNATIONAL PAKISTAN (LLC) SECOND CDC ACCOUNT	1	407,809,524
	<b>TOTAL</b>	<b>2</b>	<b>1,326,000,000</b>
<b>ii. Mutual Funds</b>			
	CDC - TRUSTEE PAKISTAN INCOME FUND	1	498,500
	CDC - TRUSTEE HBL INVESTMENT FUND	1	340,000
	CDC - TRUSTEE HBL GROWTH FUND	1	1,039,000
	CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	4,453,310
	CDC - TRUSTEE FAYSAL STOCK FUND	1	106,500
	CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	455,250
	CDC - TRUSTEE AKD INDEX TRACKER FUND	1	220,127
	CDC - TRUSTEE NBP BALANCED FUND	1	350,300
	CDC - TRUSTEE ALFALAH GHP INCOME MULTIPLIER FUND	1	734,500
	CDC - TRUSTEE APF-EQUITY SUB FUND	1	270,500
	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	1	3,932,185
	CDC - TRUSTEE HBL - STOCK FUND	1	650,000
	CDC - TRUSTEE HBL MULTI - ASSET FUND	1	34,000
	CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	7,236,492
	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	1,082,378
	CDC - TRUSTEE NIT STATE ENTERPRISE FUND	1	1,083,103
	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	3,284,139
	CDC - TRUSTEE ABL STOCK FUND	1	1,700,000
	CDC - TRUSTEE AL HABIB STOCK FUND	1	14,242,000
	CDC - TRUSTEE LAKSON EQUITY FUND	1	3,201,879
	CDC - TRUSTEE NBP SARMAHA IZAFAT FUND	1	178,000
	CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT	1	1,064,019
	CDC -TRUSTEE HBL ISLAMIC STOCK FUND	1	288,000
	CDC - TRUSTEE HBL IPF EQUITY SUB FUND	1	125,500
	CDC - TRUSTEE HBL PF EQUITY SUB FUND	1	75,000
	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,985,163
	CDC - TRUSTEE HBL ISLAMIC EQUITY FUND	1	329,000
	CDC - TRUSTEE NBP SAVINGS FUND - MT	1	517,554
	CDC - TRUSTEE ALFALAH GHP INCOME MULTIPLIER FUND - MT	1	199,225
	CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	1	115,000
	CDC - TRUSTEE ALFALAH MTS FUND - MT	1	1,909,780
	CDC - TRUSTEE LAKSON TACTICAL FUND	1	237,440
	CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	1	269,000
	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	1	25,000
	CDC - TRUSTEE AL HABIB ASSET ALLOCATION FUND	1	1,000,000
	CDC - TRUSTEE JS MOMENTUM FACTOR EXCHANGE TRADED FUND	1	3,367,292
	CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND	1	242,397
	CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN I - MT	1	55,393
	CDC -TRUSTEE FAYSAL ISLAMIC ASSET ALLOCATION FUND - II	1	1,890,000
	CDC - TRUSTEE ABL OPTIMAL ASSET ALLOCATION FUND	1	40,000
	<b>TOTAL</b>	<b>40</b>	<b>58,826,926</b>

# INFORMATION AS REQUIRED UNDER CODE OF CORPORATE GOVERNANCE

AS AT DECEMBER 31, 2025


S. No. Shareholder's category	Number of shareholders	Number of shares held
<b>iii. Directors and their spouses</b>		
MR. ABDULRAHIM A. AL NOORYANI	1	1
MR. AHAD KHAN CHEEMA	1	1
MS. BROOKE MARIE LINDSAY	1	1
MR. IMDAD ULLAH BOSAL	1	1
MR. JAWAD PAUL KHAWAJA	1	1
MR. KHALED HEGAZY	1	1
MR. ZARRAR HASHAM KHAN	3	54,501
MR. NAZIH EL HASSANIEH	1	1
MR. MARWAN BIN SHAKAR	1	1
<b>TOTAL</b>	<b>11</b>	<b>54,509</b>
<b>iv. Executives</b>		
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>v. Public Sector Companies and Corporations</b>		
<b>TOTAL</b>	<b>2</b>	<b>56,247,700</b>
<b>vi. Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds</b>		
<b>TOTAL</b>	<b>37</b>	<b>87,718,490</b>
<b>vii. Shareholders holding five percent or more voting Rights in the Listed Company</b>		
ETISALAT INTERNATIONAL PAKISTAN (LLC) - FIRST CDC ACCOUNT	1	918,190,476
ETISALAT INTERNATIONAL PAKISTAN (LLC) SECOND CDC ACCOUNT	1	407,809,524
PRESIDENT OF PAKISTAN	1	2,974,680,002
PRESIDENT OF PAKISTAN	1	196,387,991
<b>TOTAL</b>	<b>4</b>	<b>4,497,067,993</b>

# NOTICE OF THE THIRTY FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the thirty first Annual General Meeting (the 'meeting') of Pakistan Telecommunication Company Limited (the 'Company') will be held on Tuesday, April 28, 2026 at 10:30 a.m. at PTCL Nest Office, Sector G-8/4, Islamabad, to transact the following business:

1. To confirm minutes of the 9th Extraordinary General Meeting held on November 20, 2025.
2. To receive, consider and adopt the Audited Accounts for the year ended December 31, 2025, together with the Auditors' and Directors' reports.

Pursuant to the provisions of Section 223(6) of the Companies Act, 2017 (the "Act"), the Annual Audited Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded from the following link and/or QR enabled code:

Weblink	QR Code
<a href="https://ptcl.com.pk/uploads/Annual%20Report%202025.pdf">https://ptcl.com.pk/uploads/Annual%20Report%202025.pdf</a>	

3. To appoint Auditors for the financial year ending December 31, 2026 and to fix their remuneration.
4. To transact any other business with the permission of the Chair.

**By order of the Board**



**Zahida Awan**  
Group Company Secretary

Islamabad  
Dated: April 6, 2026.

# NOTICE OF THE THIRTY FIRST ANNUAL GENERAL MEETING

## Notes:

### 1. Prohibition of grant of gifts to Shareholders

The Securities and Exchange Commission of Pakistan (the "SECP"), through its Circular 2 of 2018, dated February 9, 2018, has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens / coupons / lunches / takeaway / packages) in any form or manner, to shareholders at or in connection with general meetings. Under Section 185 of the Companies Act 2017, any violation of this directive is considered an offense, and companies failing to comply may face penalties.

### 2. Participation in the Annual General Meeting

In compliance with the instructions of Securities and Exchange Commission of Pakistan (the 'Commission') promulgated vide its various Circulars, the Members are encouraged to attend the AGM through video-link or by consolidating their attendance through proxies. The Members who are willing to attend and participate at the AGM through video-link are required to register their particulars by sending an email at company.secretary@ptclgroup.com. Such Members are requested to register by providing their credentials i.e. Name, Folio Number, Scanned copy of CNIC (both sides), Cell Phone Number and Number of Shares held in their name through email with subject 'Registration for PTCL's AGM'. Video link and login details will be shared with only those Members whose emails, containing all the required particulars, are received at the given email address before 05:00 p.m. on April 26, 2026. The Members can also provide their comments and suggestions related to the agenda items of the AGM at email address: company.secretary@ptclgroup.com

The Company will follow the best practices and comply with the instructions of the Government and the Commission to ensure protective measures are in place for wellbeing of its Members.

Any member of the Company entitled to attend and vote at this meeting may appoint another person as his/her proxy to attend and vote on his/her behalf. A corporate entity, being a member, may appoint any person, regardless of whether he is a member or not, as its proxy. In case of corporate entities, a resolution of the Board of Directors /Power of Attorney with specimen signatures of the person nominated to represent and vote on behalf of the corporate entity shall be submitted to the Company along with a completed proxy form. Proxies in order to be effective must be received by the Company at the Registered Office not less than 48 hours before the time fixed for holding the meeting.

### 3. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from April 22, 2026 to April 28, 2026 (both days inclusive). Transfers received by our Share Registrar, FAMCO Share Registration Services (Pvt.) Limited at 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi at the close of business on April 21, 2026 will be treated in time for the purpose to attend the Annual General Meeting.

### 4. Change of Address

Members holding shares in physical form are requested to notify any change in address immediately to our Share Registrar, FAMCO Share Registration Services (Pvt.) Limited. Members holding shares in CDC/Participants accounts are requested to update their addresses with CDC or their Participants/Stock Brokers.

### 5. Notice to shareholders who have not provided their CNICs

As per directives of the Securities and Exchange Commission of Pakistan ("SECP") issued vide S.R.O No. 831(I)/2012 dated July 5, 2012, the dividend warrants should bear the Computerized National Identity Card Number ("CNIC") of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s). Members who have not yet submitted photocopies of their valid CNICs are once again requested to provide the same with their respective folio numbers to Company's Share Registrar, FAMCO Share Registration Services (Pvt.) Limited to ensure disbursement of their dividend withheld with the Company. Members holding shares in CDC/Participants accounts are also requested to update their CNIC/NTN with CDC or their Participants/Stock Brokers.

# NOTICE OF THE THIRTY FIRST ANNUAL GENERAL MEETING

## 6. Payment of dividend electronically (e-mandate)

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.

In order to receive dividends directly into their bank account, shareholders holding shares in physical form are requested to fill in Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the Company's Share Registrar, FAMCO Share Registration Services (Pvt.) Limited at 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi.

Shareholders who hold shares with CDC or Participants/ Stock Brokers, are advised to provide the mandate to CDC or their Participants/ Stock Brokers.

## 7. Further Guidelines for CDC Account Holders

CDC account holders will have to follow the guidelines issued by the SECP through its Circular 1 of January 26, 2000, stated herein below:

### A. For Attending the Meeting

- (i) In case of individuals, the account holder or sub account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original CNIC or original passport at the time of attending the Meeting.
- (ii) In case of corporate entity, a resolution of the Board of Directors / Power of Attorney with specimen signature of the nominee shall be produced (unless the same has been provided to the Company earlier) at the time of the Meeting.

### B. For appointing Proxies

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirement.
- (ii) The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be stated on the proxy form.
- (iii) Attested copies of CNICs or passports of the beneficiary owner and the proxy shall be attached with the proxy form.
- (iv) The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.
- (v) In case of corporate entity, a resolution of the Board of Directors/ Power of Attorney with specimen signature should be submitted along with the proxy form to the Company.

## 8. Consent for Video Conference Facility

Members can also avail video conference facility in Karachi & Lahore. In this regard, please fill the following and submit to registered address of the Company at least 10 days before holding of the meeting.

The video facility will be provided only if the Company receives consent from members holding in aggregate 10% or more shareholding residing at Karachi or Lahore, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of meeting along with complete information necessary to enable them to access such facility.

# NOTICE OF THE THIRTY FIRST ANNUAL GENERAL MEETING

I/we \_\_\_\_\_ of \_\_\_\_\_, being a member of Pakistan Telecommunication Company Limited holder of \_\_\_\_\_ Ordinary Shares(s) as per Register Folio No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_.

Signature of member

## 9. Circulation of annual audited financial statements through QR enabled code and weblink

As allowed by the Securities and Exchange Commission of Pakistan (SECP) vide its Notification S.R.O. 389(I)/2023 dated March 21, 2023, the shareholders of the Company in their general meeting held on April 28, 2023 had authorized the Company to circulate the annual audited financial statements through QR enabled code and weblink instead of circulating the same through CD/DVD/USB. Soft copies of the Annual Audited Financial Statements are available on Company's official website [www.ptcl.com.pk](http://www.ptcl.com.pk).

## 10. Deduction of withholding tax on the amount of dividend

The following information is being disseminated for information of the members in accordance with the instructions of the SECP promulgated vide its Circular No. 19/2014 of October 24, 2014;

- (i) The Government of Pakistan through Finance Act has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:
  - a) For filers of income tax returns: 15%
  - b) For non-filers of income tax returns: 30%

All shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for payment of future cash dividend otherwise tax on their cash dividend will be deducted as per the rates prescribed by the authority.

- (ii) For any further query / problem / information, the investors may contact Company's Share Registrar, FAMCO Share Registration Services (Pvt.) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi (Ph. # +9221- 34380101 and +9221-34380102 Email: [info.shares@famcosrs.com](mailto:info.shares@famcosrs.com)).
- (iii) The corporate shareholders having CDC accounts are required to have their National Tax Number ("NTN") updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to Company or its Share Registrar, FAMCO Share Registration Services (Pvt.) Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

## 11. Conversion of physical shares into book entry form

Pursuant to the provisions of Section 72(2) of the Companies Act, 2017, Shareholders having physical shareholding are encouraged to open a CDC Sub - Account with any authorized Broker or Investor Account directly with CDC, to convert their existing physical shares into scrip less form. It would be pertinent to note that per the existing regulations of the Pakistan Stock Exchange Limited, trading of physical shares is not permitted. Conversion of physical shares into scrip less form will facilitate the shareholders in many ways e.g. safe custody and ease of sale or purchase of shares at their convenience.



AFFIX  
CORRECT  
POSTAGE

To,  
**The Company Secretary,**  
**Pakistan Telecommunication Company Limited**  
Room # 100, Block E, PTCL Nest Office,  
Sector G-8/4, Islamabad-44000

# پراکسی فارم

پاکستان ٹیلی کمیونیکیشن کمپنی لمیٹڈ

میں مسمی / مسمات \_\_\_\_\_ ساکن \_\_\_\_\_

بجائیت ممبر پاکستان ٹیلی کمیونیکیشن کمپنی لمیٹڈ، حامل \_\_\_\_\_  
عمومی حصص (تعداد حصص) (شمیرز)

درج شدہ فولیو نمبر / سی ڈی سی (CDC) اکاؤنٹ نمبر \_\_\_\_\_، اپنی جگہ مسمی / مسمات \_\_\_\_\_

ساکن \_\_\_\_\_ کو بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں تاکہ وہ میری جگہ اور  
میری طرف سے کمپنی کے 31 ویں سالانہ اجلاس عام، جو بتاریخ 28 اپریل 2026ء بروز منگل بوقت 10:30 بجے صبح منعقد ہو رہا ہے یا اس کے ملتوی  
شدہ اجلاس میں شرکت کر سکیں اور ووٹ ڈال سکیں۔

مورخہ: \_\_\_\_\_

جگہ برائے 5 روپے  
کے رسیدی ٹکٹ  
اور ان پر حصے دار کے  
درج شدہ (رجسٹرڈ) دستخط

گواہان:

1.

دستخط:

نام گواہ:

2.

دستخط:

نام گواہ:

پتہ:

پتہ:

شناختی کارڈ / پاسپورٹ نمبر:

شناختی کارڈ / پاسپورٹ نمبر:

نکلٹ  
یہاں چپاں کریں

کمپنی سیکریٹری  
پاکستان ٹیلی کمیونیکیشن کمپنی لمیٹڈ  
کمرہ نمبر 100- بلاک E، پی ٹی سی ایل، نیسٹ آفس  
سیکٹر G-8/4 اسلام آباد-44000 پاکستان





Pakistan Telecommunication  
Company Limited

PTCL Head Office Room #17, Ufone Tower,  
Plot #55-C, Main Jinnah Avenue, Sector  
7-2/L, Blue Area, Islamabad