

# FIRST QUARTER REPORT 2023



Pakistan  
Telecommunication  
Company Limited

PTCL Head Office  
Room #17, Ufone Tower, Plot #55-C,  
Main Jinnah Avenue, Sector F-7/1,  
Blue Area, Islamabad



**FORWARD TOGETHER**

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## BOARD OF DIRECTORS

### Chairman PTCL Board

Navid Ahmed Shaikh

### Members PTCL Board

Abdulrahim A. Al Nooryani

Ahad Khan Cheema

Hatem Dowidar

Hamed Yaqoob Sheikh

Mikhail Gerchuk

Dr. Ahmed Mujtaba Memon

Dr. Mohamed Karim Bennis

Burak Sevilengul

## CORPORATE INFORMATION

### Management

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

**Mohammad Nadeem Khan**  
Group Chief Financial Officer

**Muhammad Shoaib Baig**  
Group Chief Human Resources Officer

**Naveed Khalid Butt**  
Group Chief Regulatory Officer

**Zahida Awan**  
Group Chief Legal Officer

**Jafar Khalid**  
Group Chief Technology Officer and  
Group Chief Information Officer

**Ahmad Kamal**  
Group Chief Customer Care Officer

**Zarrar Hasham Khan**  
Group Chief Business Solutions Officer

**Muhammad Shehzad Yousuf**  
Chief Business Operations Officer

**Shahid Abbas**  
Group Chief Internal Audit

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

### Company Secretary

**Saima Akbar Khattak**  
Group Company Secretary

### Legal Advisor

**Zahida Awan**  
Group Chief Legal Officer

### 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  
e-mail: [company.secretary@ptclgroup.com](mailto:company.secretary@ptclgroup.com)  
Web: [www.ptcl.com.pk](http://www.ptcl.com.pk)

### Auditors

**KPMG Taseer Hadi & Co.,**  
Chartered Accountants

### Bankers

#### Conventional

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

#### Islamic

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

### Share Registrar

**FAMCO Associates (Pvt.) Limited**  
8-F, Near Hotel Faran, Nursery,  
Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi.  
Tel: +92-21-34380101-2  
Fax: +92-21-34380106  
E-mail: [info.shares@famco.com.pk](mailto:info.shares@famco.com.pk)

## DIRECTORS' REVIEW

The Directors of Pakistan Telecommunication Company Limited (PTCL) are pleased to present to the shareholders, the un-audited financial statements of the Company for the three months period ended 31st March 2023.

During the first quarter of 2023, PTCL Group sustained its momentum and strengthened its position as the leading integrated telecom service provider in Pakistan. Despite the ongoing challenging macroeconomic conditions, the Group achieved a 23.2% growth in its revenue compared to the same period of last year. This substantial growth in revenue is primarily attributable to strong performance in the fixed broadband, mobile data, business solutions, and banking services.

The adverse effects of macroeconomic challenges that emerged in the year 2022 continued to affect businesses in 2023 as well. With continuing increase in the energy and fuel tariffs, telecom operators are faced with significant challenges to provide quality services to their consumers at an affordable price point. Pakistan's balance of payment issues and restrictions imposed by the State Bank of Pakistan on LC opening have impacted the network roll-out timelines of the operators and also resulted in a significant devaluation of PKR against foreign currencies. This deteriorating Rupee-Dollar parity, rising interest rates and additional taxes on telecom operators, over and above the normal corporate tax, have severely affected the profitability. To mitigate the effects of these challenging issues, policy intervention by the Government is required to provide much needed relief to the sector.

During the period under review, PTCL Group's revenue of Rs 43.2 billion is 23.2% higher as compared to the same period of last year. The Group's profitability was, among other factors, particularly affected by the significant bout of devaluation as the Group has unhedged FOREX liabilities. The Group has posted a net loss of Rs 5.7 billion. PTCL continued its growth by posting 17.1% YoY revenue growth. PTCL's (Ufone) revenue grew by 20% YoY as compared to Q1, 2022. Ubank continued its growth momentum and has achieved a 73% growth in its quarterly revenue over the same period of last year.

PTCL's revenue of Rs 22.95 billion for the quarter is 17.1% higher than Q1 2022, mainly driven by growth in carrier & wholesale and broadband segments. The company has posted an operating profit of Rs 1.5 billion with a 54.7% growth over last year and a net profit of Rs 5.5 billion for the quarter. Increase in non-operating income, due to translation gain on the Company's forex denominated receivables, dividend income from a subsidiary and gain on disposal of obsolete assets due to upgrade and fiberization of network, played a significant role in achieving 187.2% increase in the company's net profit as compared to same period of last year.

PTCL further strengthened its flag ship FTTH brand, 'Flash Fiber', by acquiring the highest net adds in the industry, this was possible through exceptional customer experience and aggressive expansion of fiber network across the country. The rapid rollout of FTTH and strong performance in the carrier & wholesale segments ensured PTCL's topline growth.

PTCL recently launched an OTT streaming platform 'SHOQ', that provides premium entertainment, sports, and news content to all data users, and is bridging the gap for need of high-quality content at an affordable cost. Moreover, PTCL Group partnered with PUBG Mobile and launched the biggest E-Sports gaming competition through its gaming platform 'GameKey'. The Group also partnered with DE-CIX to establish Internet Exchange, and with Vodafone to introduce end-to-end IoT solutions in Pakistan. PTCL marked International Women's Day 2023 by launching a dedicated voice package, called SheTalks, for its female customers.

The company's fixed broadband business achieved 17.4% growth in revenue YoY, which is primarily attributable to a two-fold increase in Flash Fiber's revenue and subscribers over the comparative quarter. IPTV segment also showed a 6.2% revenue growth YoY. Voice and wireless revenue streams have seen a decline due to continued conversion of customers to OTT services and tough competition from cellular operators.

The Business services segment continued its momentum sustaining market leadership in IP bandwidth, cloud, data center, and other ICT services segments. PTCL's enterprise business grew by 12.1% as compared to last year, while carrier and wholesale business continued its growth momentum and achieved 36.9% overall revenue growth. International voice revenue has increased by 22.7% as compared to last year. Despite the slowdown of economic activity, overall Business Solutions revenue has shown a remarkable growth of 27.2% on a year-on-year basis.

Being the national telecom carrier and connectivity backbone in Pakistan, PTCL Group strives to provide innovative solutions to accelerate growth for a 'Digital Pakistan' through robust telecommunication infrastructure and a diverse portfolio of services with enhanced customer experience. PTCL collaborated with the Ministry of Federal Education to develop an app called Teleschool Pakistan, which aims to provide free digital learning for students. The launch of this app by the Prime Minister of Pakistan in March attracted widespread attention across Pakistan.

Ufone, continuing its growth trajectory, recorded an impressive 20% YoY increase in its revenue. Ufone has recently gained a momentous milestone of achieving 24 million subscribers resulting in a 0.4 percentage point increase in market share. Network modernization activities, carried out in the first quarter of 2023, resulted in better customer experience for Ufone subscribers. With this improved customer experience, growth in engagement acquisition numbers and better data speeds, Ufone achieved the 2nd highest customer net adds in the industry during the first quarter. Ufone 4G recently launched a WhatsApp service for a hassle-free customer experience, collaborated with Nestlé Pakistan Limited to establish an advanced customer service solution for Ufone's BPO operations and partnered with Islamabad United for PSL8.

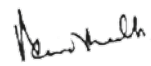
OpenSignal recognized Ufone as the most improved 4G Quality Network in Pakistan and awarded Ufone with 'Global Rising Star' as the only operator globally to win across all 5 experience categories of voice, download speed, upload speed, games, and time on 4G.

U Bank, the microfinance and branchless banking subsidiary of PTCL, despite an extremely tough macroeconomic environment, continued its growth trajectory and has achieved a remarkable 73% growth in revenue and an impressive 64.5% growth in net profit over the comparative quarter of last year, while maintaining a strong balance sheet position. The bank stands resolute in its commitment towards financial and social inclusion, utilizing its extensive outreach to provide exceptional services to a diverse clientele across the length and breadth of the country through its rural retail banking, corporate finance & investment banking, Islamic banking, urban retail banking, corporate banking, and digital banking canvases.

PTCL Group undertook various CSR initiatives to strengthen its position as a national carrier. Amongst these initiatives, Ufone 4G proudly collaborated with ConnectHear to facilitate communication and socialization for the hearing-impaired community. The initiative perfectly resonates with Ufone 4G's brand philosophy of inclusivity, under which we strive to foster equality and shared growth.

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

On behalf of the Board



**Navid Ahmed Shaikh**  
Chairman, Board of Directors PTCL  
Islamabad: April 17, 2023



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

## ڈائریکٹرز کا جائزہ

پاکستان ٹیلی کمیونیکیشن کمپنی لمیٹڈ (پی ٹی سی ایل) کے ڈائریکٹرز 31 مارچ 2023 کو ختم ہونے والی سرمایہ کیلئے کمپنی کے غیر آڈٹ شدہ مالی حسابات اپنے شیئر ہولڈرز کو پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

پی ٹی سی ایل گروپ نے 2023 کی پہلی سرمایہ کے دوران بھی اپنی ترقی کی رفتار کو برقرار رکھا اور پاکستان میں ٹیلی کام سروسز فراہم کرنے والی معروف کمپنی کے طور پر اپنی پوزیشن کو مضبوط کیا۔ اس مدت کے دوران جاری چیلنجنگ مینڈاٹا کا مکمل حالات کے باوجود پی ٹی سی ایل گروپ نے گزشتہ سال کی اسی مدت کے مقابلے میں اپنی آمدنی میں 23.2 فیصد اضافہ حاصل کیا۔ آمدنی میں یہ اضافہ بنیادی طور پر عوامی صارفین کے سگنٹ کے مضبوط کارکردگی سے ہوا ہے جس میں نمایاں کردار گلسٹ براڈ بینڈ، موبائل ڈیٹا، بزنس سلسلے اور مائیکرو ٹرانسمیٹرز سے ہونے لگا۔

2022 میں کمپنی کو بن مبرور کا تک چیلنجنگ سائنس کرنا پڑا تھا ان کے منفی اثرات 2023 میں بھی نمایاں ہیں، جنہوں نے کاروبار کو کافی متاثر کیا۔ توانائی اور ایندھن کے زرخوں میں مسلسل اضافے کے باعث ٹیلی کام آپریٹرز کیلئے اپنے صارفین کو کم قیمت پر معیاری سروسز کی فراہمی ایک بہت بڑا چیلنج بن کر سامنے آئی۔ پاکستان میں ادائیگی کے توازن میں عدم استحکام اور اسٹیٹ بینک آف پاکستان کی جانب سے ایل سی ڈی کے لئے پابندیوں نے ٹیلی کام آپریٹرز کے نیٹ ورک رول آؤٹ ناٹھ لائزنگ کا کافی حد تک متاثر کیا، جس کے نتیجے میں غیر ملکی کرنسیوں کے مقابلے میں پاکستانی روپے کی قدر میں نمایاں کمی واقع ہوئی۔ ڈالر کے مقابلے میں پاکستانی روپے کی گرتی قدر، شرح سود میں اضافے اور ٹیلی کام آپریٹرز پر عام کارپوریٹ ٹیکس کے علاوہ مزید اضافی ٹیکسوں نے منافع کی شرح کو بری طرح متاثر کیا۔ ان چیلنجنگ مسائل کے اثرات کو کم کرنے کے لیے حکومت پاکستان کی طرف سے موثر پالیسیوں، اجراء کی ضرورت ہے تاکہ ٹیلی کام سیکٹر کو ضروری ریلیف فراہم کیا جاسکے۔

دو سال کی پہلی سرمایہ میں پی ٹی سی ایل گروپ نے 43.2 ارب روپے کی آمدن حاصل کی جو گزشتہ سال کی اسی مدت کے مقابلے میں 23.2 فیصد زیادہ ہے، اس دوران گروپ کو 5.7 ارب روپے کا خالص نقصان ہوا، دیگر عوامل کے علاوہ اس کی سب سے بنیادی وجہ غیر ملکی کرنسی کی قدر میں اضافہ اور فارن ایکسچین میں ادائیگی تھی۔ پی ٹی سی ایل نے اپنی سالانہ آمدنی میں 17.1 فیصد اضافہ کرتے ہوئے اپنی ترقی کے سفر کو جاری رکھا، جب کہ یونٹوں (پی ٹی ایم ایل) نے گزشتہ برس کی پہلی سرمایہ کے مقابلے میں اس سال 20 فیصد زیادہ منافع حاصل کیا۔ یونٹ کے لیے بھی اپنی ترقی کی رفتار کو برقرار رکھا گزشتہ سال کی اسی مدت کے مقابلے میں اپنی سرمایہ آمدنی میں 73 فیصد زیادہ منافع کمایا۔

دو سال کی اس سرمایہ میں پی ٹی سی ایل نے 22.95 ارب روپے کی آمدن حاصل کی جو گزشتہ سال کی اسی مدت کے مقابلے میں 17.1 فیصد زیادہ ہے، آمدن کے حصول میں کامیابی کی نمایاں وجہ براڈ بینڈ اور ہول سیل، بزنس سگنٹ کے شعبوں میں ترقی کی شرح میں اضافہ رہی۔ کمپنی نے گزشتہ سال کے مقابلے میں 54.7 فیصد اضافے کے ساتھ 1.5 ارب روپے کا آپریٹنگ منافع حاصل کیا اور اس سرمایہ کیلئے 5.5 ارب روپے کا خالص منافع حاصل کیا۔ غیر آپریٹنگ آمدنی میں اضافے کی وجہ کمپنی کے غیر ملکی کرنسی کے اثاثوں، ذیلی کمپنی سے ڈیویڈنڈ کی آمدنی اور نیٹ ورک کی اپ گریڈیشن و فائبرائزیشن کے باعث بے کار و خراب اثاثوں کی فروخت سے حاصل ہونے والی آمدنی تھی۔ جس کی وجہ سے گزشتہ سال کی اسی مدت کے مقابلے میں کمپنی کو 187.2 فیصد زیادہ خالص منافع حاصل کرنے میں مدد ملی۔

پی ٹی سی ایل کی پرییم FTTH سروس فلیش فائبر نے FTTH مارکیٹ میں سب سے زیادہ صارفین کا اضافہ کرتے ہوئے زبردست نمود کھائی۔ اس اضافے کیلئے پی ٹی سی ایل نے فلیش فائبر کو مدد دینے کے علاوہ اپنے موجودہ انفراسٹرکچر اور نیٹ ورک کی اپ گریڈیشن کے عمل کو جاری رکھا، صارفین کو بہترین سروسز کی فراہمی، فلیش فائبر سروس کی فوری تنصیب اور کارپوریٹ وہول سیل سگنٹس میں مضبوط کارکردگی، پی ٹی سی ایل کی کامیابی کی نمایاں وجوہات تھیں جس کے باعث کمپنی نے ریکارڈ منافع حاصل کیا۔

پی ٹی سی ایل نے حال ہی میں SHQQ کے نام سے ایک اوٹ ٹی سٹریٹجک پلیٹ فارم کا آغاز کیا، جو تمام ڈیٹا صارفین کو سپورٹس اور نیٹوز کے علاوہ پریسٹیجیئم انٹرنیٹ کنٹینٹ فراہم کرتا ہے۔ SHQQ کی لانچ نے کم قیمت میں بہترین تفریح کی صارفین کی خواہش کو پورا کر دیا ہے۔ اس کے علاوہ پی ٹی سی ایل گروپ نے PUBG کے ساتھ پارٹنرشپ کرتے ہوئے گیمنگ پلیٹ فارم Game Key کے ذریعے پاکستان کے سب سے بڑے ای اسپورٹس گیمنگ مقابلے کا آغاز کیا۔ پی ٹی سی ایل گروپ نے انٹرنیٹ ایکسچینج کے قیام کے لیے DE-CIX کے ساتھ بھی شراکت داری کی اور پاکستان میں اینڈ ٹو اینڈ IoT سلسلے متعارف کرانے کے لیے دو ڈوائس کے ساتھ اشتراک کیا۔ پی ٹی سی ایل نے خواتین کے مالی دن 2023 کے موقع پر خواتین کو خراج تحسین پیش کرنے کی غرض سے اپنی تمام خواتین صارفین کے لیے SheTalks کے نام سے ایک وائس چیٹ فراہم کیا۔

کمپنی کے گلسٹ براڈ بینڈ کاروبار میں سالانہ 17.4 فیصد اضافہ دیکھا گیا، سرمایہ کے موازنے کے دوران فلیش فائبر کی آمدنی اور صارفین کی تعداد کے لحاظ سے دوگانہ اضافہ ہے۔ آئی ٹی ڈی وی کے شعبے میں بھی سالانہ 6.2 فیصد آمدنی میں اضافہ ہوا۔ اوروری ٹاپ سروسز کی جانب صارفین کی مسلسل منتقلی اور سیلولر آپریٹرز کے درمیان سخت مسابقت کے باعث وائس اور اورلیس ریونیو میں کافی کمی ریکارڈ کی گئی۔

بزنس سروسز کے شعبے نے اپنی ترقی کی رفتار کو جاری رکھا اور IP بینڈ ویڈ، کلاؤڈ، ڈیٹا سینٹر، اور دیگر ICT خدمات میں اپنی مارکیٹ کی قیادت کو برقرار رکھا۔ پی ٹی سی ایل کے انٹریڈ بزنس میں گزشتہ سال کے مقابلے میں 12.1 فیصد اضافہ ہوا، جبکہ کیریئر ہول سیل بزنس نے اپنی ترقی کی رفتار کو جاری رکھا اور مجموعی طور پر 36.9 فیصد شرح نمو حاصل کی۔ اسی طرح گزشتہ سال کے مقابلے میں انٹرنیشنل بزنس میں 22.7 فیصد اضافہ ریکارڈ کیا گیا۔ بزنس سلسلے میں مجموعی آمدنی میں سالانہ 27.2 فیصد کمی معمولی ترقی ہوئی۔

قومی ٹیلی کام کیریئر اور پاکستان میں کنکلیٹیو بیٹن میں ریڈھ کی ہڈی کی حیثیت سے پی ٹی سی ایل گروپ مضبوط ٹیلی کمیونیکیشن انفراسٹرکچر اور سروسز کے بہترین پورٹ فولیو کے ساتھ ڈیجیٹل پاکستان کے خواب کو مکمل کرنے کے لئے جدید ترین سروسز فراہم کرنے کے لئے مصروف عمل ہے، اسی عزم کے ساتھ پی ٹی سی ایل نے ٹیلی اسکول پاکستان کے نام سے ایک ایپ کی تیاری کے لیے وفاقی وزارت تعلیم کے ساتھ تعاون کیا، جس کا مقصد طلباء کے لیے مفت ڈیجیٹل تعلیم فراہم کرنا ہے۔ مارچ میں وزیر اعظم پاکستان کی طرف سے اس ایپ کے اجراء نے پورے پاکستان میں بڑے پیمانے پر توجہ مبذول کروائی۔

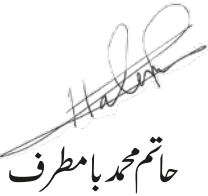
Ufone نے ترقی کی رفتار کو جاری رکھتے ہوئے اپنی آمدنی میں 20 فیصد سالانہ کا اضافہ حاصل کیا۔ یونٹوں نے حال ہی میں 24 ملین سبسکرائبرز حاصل کرنے کا اعہم سگ میل بھی عبور کیا، جس کے باعث اس کے مارکیٹ شیئر میں 0.4 فیصد اضافہ ہوا ہے۔ یونٹوں نے پہلی سرمایہ کے دوران اپنے نیٹ ورک میں جدید سروسز کی فراہمی کا سلسلہ جاری رکھا، جس کے نتیجے میں کسٹمرز کو بہترین سروسز حاصل ہوئیں۔ کسٹمرز کو بہترین سروسز کی فراہمی اور ڈیٹا کی تیز ترین اسپید کے باعث یونٹوں اس سال کی پہلی سرمایہ کے دوران نئے کسٹمرز کے حصول میں ٹیلی کام انڈسٹری میں دوسرے نمبر پر رہا۔ Ufone 4G نے حال ہی میں کسٹمرز کو بہترین سروسز فراہم کرنے اور ان کے تمام مسائل کے حل کیلئے ایک WhatsApp سروس کا آغاز کیا، Nestlé Pakistan Limited کے اشتراک سے Ufone کے BPO آپریٹرز کے لیے جدید کسٹمر سروس سلسلے قائم کیا گیا، اس کے علاوہ یونٹوں نے اس سرمایہ میں PSL8 کے لیے اسلام آباد یونائیٹڈ کے ساتھ شراکت داری کی۔

OpenSignal نے Ufone کو پاکستان میں سب سے بہترین 4G نیٹ ورک کے طور پر تسلیم کیا اور یونٹوں وہ واحد ٹیلی کام آپریٹرز ہے جسے عالمی سطح پر گلوبل رینجنگ اسٹار ایوارڈ کے طور پر نوازا گیا، اس ایوارڈ کیلئے یونٹوں کو 4G پر بلاک ٹرافک صاف آواز، تیز ڈاؤن لوڈ اسپید، بہترین اپ لوڈ اسپید، گیمز، اور ناٹم کے پانچ مرحلوں پر جانچا گیا اور ان تمام شعبوں میں نمایاں کارکردگی کا حامل ہونے پر یونٹوں کو یہ ایوارڈ دیا گیا۔

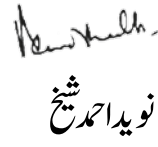
پی ٹی سی ایل کا مائیکرو ٹرانسمیٹرز اور برانچ لیس بیکنگ کا ذیلی ادارہ یونٹ کے مشکل ترین معاشی حالات میں بھی اپنی ترقی کی رفتار کو جاری رکھے ہوئے ہے اور گزشتہ سال کی سرمایہ کے مقابلے میں اپنی آمدنی میں 73 فیصد کمی غیر معمولی شرح نمو اور خالص منافع میں 64.5 فیصد متاثر کن اضافہ حاصل کیا۔ یونٹ ایک مضبوط پبلنٹ سٹیٹ کی حیثیت برقرار رکھتے ہوئے اپنے چھ کاروباری کیمپوں، یعنی رول ریٹیل بیکنگ، کارپوریٹ فنانس اینڈ نوٹسٹس بیکنگ، اسلامک بیکنگ، اریسن ریٹیل بیکنگ، کارپوریٹ بیکنگ اور ڈیجیٹل بیکنگ کے ذریعے ملک بھر میں ایک ایسا کاروباری سٹریٹجی قائم دے رہا ہے جس میں معاشرے کے تمام طبقات کی شمولیت یقینی بنائی جائے اور پاکستان کے زیادہ سے زیادہ لوگوں کو بیکنگ نیٹ میں شامل کیا جاسکے۔

پی ٹی سی ایل گروپ نے قومی کیریئر کے طور پر سماجی ذمہ داریوں کو نبھانے میں بھی اپنا بھرپور کردار ادا کیا ہے۔ اس سلسلے میں کئے جانے والے اقدامات میں نمایاں اہمیت قوت سماعت سے محروم افراد کو رابطے کی بہترین سہولیات فراہم کرنا ہے جس کیلئے یونٹوں نے ConnectHear ایپ کے ساتھ اشتراک کیا ہے، یہ اقدام یونٹوں 4G کے اس نظریے کا عکاس ہے جس کے تحت وہ معاشرے کے تمام افراد کیلئے مساوی سہولیات کی فراہمی اور مشترکہ ترقی کے فروغ کو ممکن بنا رہا ہے۔

پی ٹی سی ایل کی انتظامیہ اور ملازمین کا یہ عزم ہے کہ مارکیٹ میں مسابقتی قیمتوں پر معیاری خدمات کی فراہمی کے سلسلے کو جاری رکھائے تاکہ یہ صارفین کو ان کی پسند کی سہولیات فراہم کرنے والا پارٹنر اور شیئر ہولڈرز کی ویلیو میں اضافہ کرنے والا نیٹ ورک بن سکے۔

  
حاتم محمد با مطرف

صدر اور گروپ چیف ایگزیکٹو آفیسر

  
نوید احمد شینگ

چیئر مین، بورڈ آف ڈائریکٹرز پی ٹی سی ایل

اسلام آباد: 17 اپریل 2023



## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023 (UN-AUDITED)

Note	March 31, 2023 (Un-Audited) Rs '000	December 31, 2022 (Audited) Rs '000
<b>Equity and liabilities</b>		
<b>Equity</b>		
<b>Share capital and reserves</b>		
Share capital	51,000,000	51,000,000
Revenue reserves		
General reserve	27,497,072	27,497,072
Unappropriated profit	35,029,345	29,556,957
	62,526,417	57,054,029
	113,526,417	108,054,029
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred income tax	1,515,237	1,898,305
Employees retirement benefits	29,899,210	29,208,130
Deferred government grants	14,116,100	14,205,487
Long term loans from banks	28,351,862	22,379,981
Contract liabilities	1,783,536	1,885,020
Lease liabilities	1,027,312	1,271,634
	76,693,257	70,848,557
<b>Current liabilities</b>		
Trade and other payables	126,418,572	124,932,591
Short term running finance	4,365,657	92,582
Security deposits	607,506	606,424
Unclaimed dividend	209,397	209,814
Current maturity of lease liabilities	371,998	347,459
Current portion of long term loans from banks	92,431	68,386
	132,065,561	126,257,256
<b>Total equity and liabilities</b>	<b>322,285,235</b>	<b>305,159,842</b>

## Contingencies and commitments

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The annexed notes 1 to 21 are an integral part of these condensed interim financial statements.

Note	March 31, 2023 (Un-Audited) Rs '000	December 31, 2022 (Audited) Rs '000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	130,440,075	131,489,641
Right of use assets	1,622,109	1,777,706
Intangible assets	2,233,358	1,445,264
	134,295,542	134,712,611
Long term investments	50,736,284	44,736,284
Long term loans and advances	16,718,907	17,432,860
Contract costs	638,971	644,804
	202,389,704	197,526,559
<b>Current assets</b>		
Stores and spares	7,165,758	7,636,587
Contract costs	1,917,156	1,934,409
Trade debts and contract assets	45,083,325	39,293,476
Loans and advances	12,910,540	8,091,983
Income tax recoverable	17,983,980	21,138,370
Receivable from GoP	2,164,072	2,164,072
Prepayments and other receivables	26,024,754	21,689,431
Cash and bank balances	6,645,946	5,684,955
	119,895,531	107,633,283
<b>Total assets</b>	<b>322,285,235</b>	<b>305,159,842</b>

Chief Financial Officer

President &amp; CEO

Chairman

Chief Financial Officer

President &amp; CEO

Chairman

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Note	Three months ended	
		March 31, 2023 Rs '000	March 31, 2022 Rs '000
Revenue	14	22,946,952	19,601,734
Cost of services		(17,840,611)	(15,398,476)
Gross profit		5,106,341	4,203,258
Administrative and general expenses		(2,084,482)	(1,907,596)
Selling and marketing expenses		(1,092,601)	(958,846)
Impairment loss on trade debts and contract assets		(464,832)	(390,294)
		(3,641,915)	(3,256,736)
Operating profit		1,464,426	946,522
Other income	15	8,417,699	1,804,000
Finance costs		(1,202,834)	(66,464)
Profit before tax		8,679,291	2,684,058
Provision for income tax		(3,206,903)	(778,377)
<b>Profit for the period</b>		<b>5,472,388</b>	<b>1,905,681</b>
<b>Earnings per share - basic and diluted (Rupees)</b>		<b>1.07</b>	<b>0.37</b>

The annexed notes 1 to 21 are an integral part of these condensed interim financial statements.

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Three months ended	
	March 31, 2023 Rs '000	March 31, 2022 Rs '000
Profit for the period	5,472,388	1,905,681
Other comprehensive income for the period		
Items that will not be reclassified to statement of profit or loss:		
Remeasurement loss on employees retirement benefits	-	-
Tax effect	-	-
	-	-
<b>Total comprehensive income for the period</b>	<b>5,472,388</b>	<b>1,905,681</b>

The annexed notes 1 to 21 are an integral part of these condensed interim financial statements.

Chief Financial Officer

President & CEO

Chairman

Chief Financial Officer

President & CEO

Chairman



## CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Note	Three months ended	
		March 31, 2023 Rs '000	March 31, 2022 Rs '000
<b>Cash flows from operating activities</b>			
Cash generated from operations	16	(490,183)	4,972,437
Employees retirement benefits paid		(396,788)	(428,930)
Advances from customers		44,005	186,870
Income tax paid		(435,580)	(463,081)
<b>Net cash (outflow) / inflow from operating activities</b>		<b>(1,278,546)</b>	<b>4,267,296</b>
<b>Cash flows from investing activities</b>			
Capital expenditure		(3,074,160)	(4,764,973)
Acquisition of intangible assets		(1,024,319)	(174,569)
Proceeds from disposal of property, plant and equipment		1,251,194	198,211
Addition to contract costs		(967,491)	(930,635)
Long term loans and advances		119,547	134,014
Return on long term loan to subsidiaries		899,461	197,939
Investment in Pak Telecom Mobile Limited		(6,000,000)	-
Repayment of subordinated loans - Pak Telecom Mobile Limited		500,000	416,667
Dividend income - U Microfinance Bank Limited		443,743	195,286
Return on short term investments and bank deposit		58,705	51,688
Government grants received		39,769	1,011,602
<b>Net cash outflow from investing activities</b>		<b>(7,753,551)</b>	<b>(3,664,770)</b>
<b>Cash flows from financing activities</b>			
Dividend paid		(417)	(51)
Long term loan from banks - net of transaction costs		5,995,926	-
Lease liabilities		(275,496)	(118,919)
<b>Net cash inflow / (outflow) from financing activities</b>		<b>5,720,013</b>	<b>(118,970)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(3,312,084)</b>	<b>483,556</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>5,592,373</b>	<b>2,556,154</b>
<b>Cash and cash equivalents at the end of the period</b>	17	<b>2,280,289</b>	<b>3,039,710</b>

The annexed notes 1 to 21 are an integral part of these condensed interim financial statements.

Chief Financial Officer

President & CEO

Chairman

Chief Financial Officer

President & CEO

Chairman

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Issued, subscribed and paid-up capital			Revenue reserves		Total
	Class 'A'	Class 'B'	General reserve	Unappropriated profit	(Rupees in '000)	
<b>Balance as at December 31, 2021</b>	37,740,000	13,260,000	27,497,072	21,156,077	99,653,149	
Impact of change in accounting policy - net of tax	-	-	-	(869,206)	(869,206)	
Adjusted balance as at 01 January 2022	37,740,000	13,260,000	27,497,072	20,286,871	98,783,943	
<b>Total comprehensive income for the three months period ended</b>						
Profit for the period ended March 31, 2022	-	-	-	1,905,681	1,905,681	
Other comprehensive income for the period	-	-	-	-	-	
<b>Balance as at March 31, 2022</b>	37,740,000	13,260,000	27,497,072	22,192,552	100,689,624	
<b>Total comprehensive income for the nine months period ended</b>						
Profit for the period ended December 31, 2022	-	-	-	7,147,703	7,147,703	
Other comprehensive income for the period	-	-	-	216,702	216,702	
<b>Balance as at December 31, 2022</b>	37,740,000	13,260,000	27,497,072	29,556,957	108,054,029	
<b>Total comprehensive income for the three months period ended</b>						
Profit for the period ended March 31, 2023	-	-	-	5,472,388	5,472,388	
Other comprehensive income for the period	-	-	-	-	-	
<b>Balance as at March 31, 2023</b>	37,740,000	13,260,000	27,497,072	35,029,345	113,526,417	

The annexed notes 1 to 21 are an integral part of these condensed interim financial statements.

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

### 1. THE COMPANY AND ITS OPERATIONS

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

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

### 2. STATEMENT OF COMPLIANCE

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

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

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

### 3. BASIS OF PREPARATION

These condensed interim financial statements do not include all of the information required in the annual financial statements prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements. These condensed interim financial statements should be read in conjunction with the Company's latest annual financial statements as at and for the year ended December 31, 2022.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim 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 Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and judgments made by the management in the preparation of this condensed interim financial statements are the same as those used in the preparation of audited financial statements of the Company for the year ended December 31, 2022.

### 5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's audited financial statements for the year ended December 31, 2022.

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Note	March 31, 2023 (Un-Audited) Rs '000	December 31, 2022 (Audited) Rs '000
<b>6. LONG TERM LOANS FROM BANKS</b>			
MCB Bank Ltd		11,000,000	11,000,000
Habib Bank Ltd		17,500,000	11,500,000
Less: transaction costs		(148,138)	(120,019)
		28,351,862	22,379,981
Accrued Interest		92,431	68,386
		28,444,293	22,448,367
Current portion of long term loans from banks		(92,431)	(68,386)
		28,351,862	22,379,981
<b>7. TRADE AND OTHER PAYABLES</b>			
Trade creditors		18,032,466	17,961,115
Accrued and other liabilities	7.1	38,248,337	36,715,513
Technical services assistance fee	7.2	36,982,625	35,656,357
Advances from customers / contract liabilities		7,538,494	8,156,078
Retention money / payable to contractors and suppliers		6,977,375	7,666,471
Payable to subsidiaries on account of group taxation		16,032,624	16,032,624
Sales tax payable		2,217,044	2,057,179
Income tax collected / deducted at source		389,607	687,254
		126,418,572	124,932,591
<b>7.1 Accrued and other liabilities</b>			
Accrued liability for operational expenses		11,282,594	9,251,535
Amount withheld on account of provincial levies (Sub-judice) for ICH operations		12,110,803	12,110,803
Accrual for Government / regulatory expenses		13,014,565	12,183,134
Accrued wages		950,169	2,451,585
Others		890,206	718,456
		38,248,337	36,715,513
<b>7.2</b> Liability has not been settled since State Bank of Pakistan has not yet acknowledged the extension of Technical Service Assistance (TSA) Agreement.			
<b>8. SHORT TERM RUNNING FINANCE</b>			
These facilities are obtained from various commercial banks with an aggregate limit of Rs. 9,100,000 thousand (December 31, 2022: 9,100,000 thousand) and are secured against 1st pari passu charge on present and future current assets and all other movable assets of the Company. These facilities carry markup rates ranging from 1-month KIBOR to 3-month KIBOR plus 0.2% to 1.5% (December 31, 2022: 0.2% to 1.5% ) per annum.			

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Note	March 31, 2023 (Un-Audited) Rs '000	December 31, 2022 (Audited) Rs '000
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	9.1	114,661,125	114,100,867
Capital work-in-progress	9.3	15,778,950	17,388,774
		130,440,075	131,489,641
	Note	March 31, 2023 (Un-Audited) Rs '000	March 31, 2022 (Un-Audited) Rs '000
<b>9.1 Operating fixed assets</b>			
Opening net book value		114,100,867	107,937,650
Additions during three months period	9.2	4,683,986	1,705,994
		118,784,853	109,643,644
Disposals during the period - at net book value		(7,882)	(13,127)
Depreciation charge for the period		(4,115,846)	(3,903,916)
		(4,123,728)	(3,917,043)
Closing net book value		114,661,125	105,726,601
<b>9.2 Detail of additions during the period:</b>			
Buildings on freehold land		112,860	8,689
Buildings on leasehold land		40,587	3,020
Lines and wires		2,532,029	761,680
Apparatus, plant and equipment		1,668,287	807,143
Office equipment		277,511	4,141
Computer equipment		12,084	37,098
Furniture and fittings		26,109	8,720
Vehicles		7,461	1,864
Passive and allied equipment		7,058	-
Submarine cables		-	73,639
		4,683,986	1,705,994
<b>9.3 Additions to CWIP during the three months period ended March 31, 2023 were Rs 4,087,142 thousand (March 31, 2022: Rs 4,915,008 thousand).</b>			
		March 31, 2023 (Un-Audited) Rs '000	December 31, 2022 (Audited) Rs '000
<b>10. LONG TERM LOANS AND ADVANCES</b>			
Loans to PTML - unsecured		14,625,000	15,250,000
Loans to Ubank - unsecured		1,200,000	1,200,000
Loans to employees - secured		738,913	803,813
Others		154,994	179,047
		16,718,907	17,432,860

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Note	March 31, 2023 (Un-Audited) Rs '000	December 31, 2022 (Audited) Rs '000
<b>11. TRADE DEBTS AND CONTRACT ASSETS</b>			
Trade debts		47,969,967	42,041,581
Contract assets		5,675,356	5,349,060
		53,645,323	47,390,641
Allowance for expected credit loss		(8,561,998)	(8,097,166)
		45,083,325	39,293,475
<b>12. CASH AND BANK BALANCES</b>			
Cash in hand		628,582	367,188
Balances with banks:	12.1		
Deposit accounts local currency		727,164	877,538
Current accounts			
Local currency		470,119	988,975
Foreign currency		4,820,081	3,451,254
		5,290,200	4,440,229
		6,645,946	5,684,955
<b>12.1 Bank balance includes Rs 3,074 thousand (December 31, 2022: Rs 862 thousand) carrying profit at the rate of 8.50% (December 31, 2022: 7.00%) per annum from Shariah arrangements.</b>			
<b>13. CONTINGENCIES AND COMMITMENTS</b>			
There has been no material change in contingencies as disclosed in the last audited financial statements of the Company for the year ended December 31, 2022, except in note 13.1 and 13.2 in the following:			
<b>13.1</b> For the tax years 2007, 2009, 2010, 2011 to 2021, Taxation Officer disallowed certain expenses, tax credits and levied short deduction of WHT. The impugned orders were challenged at the relevant appellate forums which allowed partial relief thereof. After taking into account the orders of CIR (Appeals), ATIR as well as rectification orders tax impact of the disallowances is Rs 49,789,815 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.			
<b>13.2</b> For the Tax Year 2020, Taxation officer objected to the quarterly advance tax calculation submitted by the Company based on group taxation and raised demand amounting to Rs. 2,855,907 thousand despite that PTCL had filed option for group taxation within prescribed time. The Islamabad High Court has decided the case in favor of PTCL.			
<b>13.3</b> In 2010, Pakistan Telecommunication Employees Trust ("PTET") board approved the pension increase which was less than the increase notified by the Government of Pakistan ("GoP"). Thereafter, pensioners filed several Writ Petitions. After a series of hearings, on June 12, 2015 the Apex Court decided the case in the interest of pensioners. On July 13, 2015, Review Petition was filed in Supreme Court of Pakistan against the Judgment of June 12, 2015.			

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

The Honourable Supreme Court of Pakistan (Apex Court) disposed the Review Petitions filed by the Company, the Pakistan Telecommunication Employees Trust (PTET) and the Federal Government (collectively, the Review Petitioners) vide the order dated May 17, 2017. Through the said order, the Apex Court directed the Review Petitioners to seek remedy under section 12(2) CPC (Civil Procedure Code) which shall be decided by the concerned Court in accordance with the law, and to pursue all grounds of law and fact in other cases pending before High Courts. The Review Petitioners have filed the applications under section 12(2) CPC before respective High Courts. However, PTET has implemented the Apex court decision dated 12 June 2015 to the extent of 343 pensioners who were the petitioners in the main case. Some of the interveners (pensioners) seeking the same relief as allowed vide order dated June 12, 2015 have been directed by the Apex Court to approach the appropriate forum on May 10, 2018. Islamabad High Court on 2nd November, 2021, has decided that the GOP increases are not allowed to VSS optees, PTC pensioners and to the workmen. To the extent of Civil Servants the Islamabad High Court allowed the GOP increase. However, to the same extent appeal has been filed before Apex court within the limitation. Under the circumstances, management of the Company, on the basis of legal advice, believes that the Company's obligations against benefits is restricted to the extent of pension increases as determined solely by the Board of Trustees of the PTET in accordance with the Pakistan Telecommunication (Re-Organization) Act, 1996 and the Pension Trust Rules of 2012 and accordingly, no provision has been recognized in the Company's financial statements.

	March 31, 2023 (Un-Audited) Rs '000	December 31, 2022 (Audited) Rs '000
<b>13.4 Bank guarantee and bid bonds issued in favour of :</b>		
Universal Service Fund (USF) against government grants	8,875,921	9,195,921
Others	2,237,062	2,362,885
	11,112,983	11,558,806

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

	March 31, 2023 (Un-Audited) Rs '000	December 31, 2022 (Audited) Rs '000
<b>13.5 Commitments</b>		
Contracts for capital expenditure	10,476,939	8,850,046
Letter of comforts in favour of PTML	3,500,000	3,500,000
Corporate guarantee in favour of PTML	43,800,000	43,800,000
	57,776,939	56,150,046

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

### 14. REVENUE

The Company principally obtains revenue from providing telecommunication services such as Broadband, IPTV, Voice, data, wireless services, interconnect, corporate and international services. For bundled packages, the Company accounts for individual products and services separately if they are distinct i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle based on their stand alone selling prices.

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

	Three months ended	
	March 31, 2023 (Un-Audited) Rs '000	March 31, 2022 (Un-Audited) Rs '000
<b>Revenue segments</b>		
Broadband and IPTV	9,831,295	8,403,082
Voice services	2,090,836	2,299,345
Wireless data	439,366	577,321
<b>Revenue from retail customers</b>	12,361,497	11,279,748
Corporate and wholesale	8,120,798	6,312,673
International	2,464,657	2,009,313
<b>Total revenue</b>	22,946,952	19,601,734

14.1 Revenue is stated net of trade discount amounting to Rs 10,340 thousand (March 31, 2022 Rs 14,930 thousand) and Federal Excise Duty and sales tax amounting to Rs 2,693,780 thousand (March 31, 2022: Rs 3,181,031 thousand).

	Note	Three months ended	
		March 31, 2023 (Un-Audited) Rs '000	March 31, 2022 (Un-Audited) Rs '000
<b>15. OTHER INCOME</b>			
Income from financial assets	15.1	5,931,920	943,758
Income from non-financial assets		2,485,779	860,242
		8,417,699	1,804,000

15.1 Income from financial assets include Rs 62 thousand (March 31, 2022: Rs 14 thousand) earned from Shariah arrangements.

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Three months ended	
	March 31, 2023 (Un-Audited) Rs '000	March 31, 2022 (Un-Audited) Rs '000
<b>16. CASH GENERATED FROM OPERATIONS</b>		
Profit before tax	8,679,291	2,684,058
Adjustments for non-cash charges and other items:		
Depreciation of property, plant and equipment	4,115,846	3,903,916
Amortization of intangible assets	236,226	152,018
Depreciation of right of use assets	176,579	125,115
Amortization of contract costs	990,577	929,523
Provision for obsolete stores and spares	(5,225)	(4,148)
Impairment loss on trade debts and contract assets	464,832	390,294
Provision for employees retirement benefits	1,265,669	1,048,337
Gain on disposal of property, plant and equipment	(1,243,312)	(185,084)
Return on bank deposits	(50,910)	(45,648)
Imputed interest on long term loans	(17,088)	(19,953)
Imputed interest on lease liabilities	34,730	43,076
Return on long term loan to subsidiaries	(954,800)	(254,563)
Interest on long term loans from banks	1,039,450	-
Unearned revenue realised	(45,309)	(36,434)
Dividend Income from subsidiary	(443,743)	(195,286)
Release of deferred government grants	(129,156)	(357,110)
Exchange gain	(3,573,133)	(349,045)
	10,540,524	7,829,066
Effect on cash flows due to working capital changes:		
Decrease / (increase) in current assets:		
Stores and spares	476,054	(2,436,436)
Trade debts and contract assets	(2,681,548)	(3,181,987)
Loans and advances	(4,707,063)	165,161
Prepayments and other receivables	(4,465,579)	(144,883)
	(11,378,136)	(5,598,145)
Increase in current liabilities:		
Trade and other payables	346,347	2,739,904
Security deposits	1,082	1,612
	(490,183)	4,972,437
<b>17. CASH AND CASH EQUIVALENTS</b>		
Short term running finance	(4,365,657)	-
Cash and bank balances	6,645,946	3,039,710
	2,280,289	3,039,710

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Three months ended		
	March 31, 2023 (Un-Audited) Rs '000	March 31, 2022 (Un-Audited) Rs '000	
<b>18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES</b>			
<b>Relationship with the Company</b>	<b>Nature of transaction</b>		
i. Shareholders	Technical services assistance fee - note 18.1	747,933	748,446
ii. Subsidiaries	Sale of goods and services	1,556,251	1,417,874
	Purchase of goods and services	1,466,183	1,134,667
	Mark up on loans	954,800	265,650
	Dividend income	443,743	195,286
	Long term investment in subsidiary	6,000,000	-
	Short term loan to subsidiary	4,626,000	-
iii. Associated undertakings	Sale of goods and services	2,079,802	855,657
	Purchase of goods and services	181,417	140,435
iv. Employees contribution plan	PTCL Employees GPF Trust - net	21,848	14,432
v. Employees retirement benefit plan	Contribution to the plan- Gratuity	23,775	20,949
vi. Other related parties	Charge under license obligations	598,884	462,141
vii. Directors, Chief Executive and Key management personnel	Fee and remuneration including benefits and perquisites	431,134	349,009
		<b>March 31, 2023 (Un-Audited) Rs '000</b>	<b>December 31, 2022 (Audited) Rs '000</b>
<b>Period / year-end balances</b>			
<b>Receivables from related parties</b>			
Long term loans to subsidiaries		17,950,000	18,450,000
Trade debts			
- Subsidiaries		4,397	156,969
- Associated undertakings		32,135,997	25,806,922
Other receivables			
- Subsidiaries		17,347,866	14,346,087
- Associated undertakings		71,305	71,305
- Pakistan Telecommunication Employees Trust (PTET)		15,366	15,366
- Long term loans to executives and key management personnel		29,010	34,174
Bank deposit with subsidiary		1,200	580,797
Pakistan Telecommunication Employees Trust (PTET)		3,041,462	3,189,002
Pakistan Telecommunication Company Limited Employees Gratuity Fund		-	30,260

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	March 31, 2023 (Un-Audited) Rs '000	December 31, 2022 (Audited) Rs '000
<b>Payables to related parties</b>		
Trade creditors		
- Subsidiaries	1,678,963	1,627,963
- Associated undertakings	2,411,658	2,327,261
- The Government of Pakistan related entities	2,222,412	1,732,806
Payable to subsidiaries on account of group taxation	16,032,624	16,032,624
PTCL Employee GPF Trust	60,453	38,606
Security deposits from subsidiary	3,623	3,623
Retention money payable to associated undertakings	2,940	2,940
Technical services assistance fee payable to Etisalat	36,982,625	35,656,357
Pakistan Telecommunication Company Limited		
Employees Gratuity Fund	18,718	-

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

### 19. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

	Gross amounts subject to setoff 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 March 31, 2023</b>					
Trade debts and contract assets	32,432,413	(2,671,134)	29,761,279	15,322,046	45,083,325
Trade creditors	(3,359,254)	2,671,134	(688,120)	18,720,586	18,032,466
<b>As at December 31, 2022</b>					
Trade debts	31,324,154	(6,079,952)	25,244,202	14,049,274	39,293,476
Trade creditors	(7,011,267)	6,079,952	(931,315)	17,029,800	17,961,115

### 20. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements for the year ended December 31, 2022. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended December 31, 2022.

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

### 21. DATE OF AUTHORIZATION FOR ISSUE OF CONDENSED INTERIM FINANCIAL STATEMENTS

21.1 This condensed interim financial statements for the three months period ended March 31, 2023 were authorized for issue by the Board of Directors of the Company on April 17, 2023.

Chief Financial Officer

President & CEO

Chairman

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED  
MARCH 31, 2023 (UN-AUDITED)

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023 (UN-AUDITED)

Note	March 31, 2023 (Un-Audited) Rs '000	December 31, 2022 (Audited) Rs '000
<b>Equity and liabilities</b>		
<b>Equity</b>		
<b>Share capital and reserves</b>		
Share capital	51,000,000	51,000,000
Revenue reserves		
General reserve	27,497,072	27,497,072
Unappropriated profit	(8,387,227)	(2,672,095)
	19,109,845	24,824,977
Statutory and other reserves	1,351,802	1,351,802
Unrealized loss on investments measured at fair value through OCI	(170,402)	(2,015)
	71,291,245	77,174,764
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Long term loans from banks	81,382,363	78,260,607
Subordinated debt	448,980	448,980
Deposits from banking customers	1,318,263	1,273,020
Lease liabilities	12,674,697	13,442,256
Employees retirement benefits	30,081,338	29,360,928
Deferred government grants	29,937,517	29,362,359
Advances from customers	1,797,904	1,899,388
License fee payable	11,681,856	13,604,960
Long term vendor liability	50,068,011	43,919,757
	219,390,929	211,572,255
<b>Current liabilities</b>		
Trade and other payables	6 124,028,375	122,541,819
Deposits from banking customers	84,331,001	90,910,070
Interest accrued	3,104,274	1,916,674
Short term running finance	45,229,384	40,799,207
Current portion of:		
Long term loans from banks	48,430,590	46,637,709
Repo borrowing	9,418,534	29,537,082
Subordinated debt	120	120
Lease liabilities	5,171,983	4,476,012
Long term vendor liability	14,958,322	15,915,561
License fee payable	122,797	164,459
Security deposits	1,565,514	1,531,698
Unpaid / unclaimed dividend	209,397	209,814
	336,570,291	354,640,225
<b>Total equity and liabilities</b>	627,252,465	643,387,244

### Contingencies and commitments

11

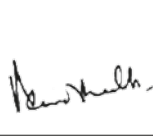
The annexed notes 1 to 21 are an integral part of these condensed consolidated interim financial statements.



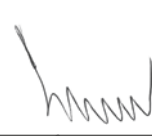
Chief Financial Officer



President &amp; CEO



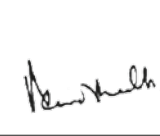
Chairman



Chief Financial Officer



President &amp; CEO



Chairman

Note	March 31, 2023 (Un-Audited) Rs '000	December 31, 2022 (Audited) Rs '000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	7 226,221,476	230,063,134
Right of use assets	16,472,657	16,468,843
Intangible assets	63,421,822	64,167,468
	306,115,955	310,699,445
Long term investments	51,427	51,427
Long term loans and advances	893,907	982,860
Long term loan to banking customers	12,705,207	12,705,350
Deferred income tax	13,925,720	7,901,476
Contract costs	792,906	762,364
	334,485,122	333,102,922
<b>Current assets</b>		
Stock in trade, stores and spares	8,308,480	8,618,963
Trade debts and contract assets	8 46,974,336	41,375,661
Loans to banking customers	53,509,748	46,578,644
Loans and advances	6,400,027	6,278,658
Contract costs	3,300,229	3,138,112
Income tax recoverable	26,329,064	28,736,568
Receivable from the Government of Pakistan	2,164,072	2,164,072
Deposits, prepayments and other receivables	19,290,269	12,948,042
Short term investments	9 107,172,321	143,912,508
Cash and bank balances	10 19,318,797	16,533,094
	292,767,343	310,284,322
<b>Total assets</b>	627,252,465	643,387,244

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Note	Three months ended	
		March 31, 2023 Rs '000	March 31, 2022 Rs '000
Revenue	12	43,186,728	35,051,051
Cost of services		(34,631,098)	(27,299,214)
Gross profit		8,555,630	7,751,837
Administrative and general expenses		(5,675,649)	(4,609,941)
Selling and marketing expenses		(2,505,569)	(2,160,518)
Impairment loss on trade debts and contract assets		(695,837)	(668,106)
		(8,877,055)	(7,438,565)
Operating profit		(321,425)	313,272
Other income	13	14,668,819	3,565,315
Finance costs		(22,235,303)	(6,038,655)
Loss before tax		(7,887,909)	(2,160,068)
Income tax		2,172,776	601,601
<b>Loss for the period</b>		<b>(5,715,133)</b>	<b>(1,558,467)</b>

The annexed notes 1 to 21 are an integral part of these condensed consolidated interim financial statements.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Three months ended	
	March 31, 2023 Rs '000	March 31, 2022 Rs '000
Loss for the period	(5,715,133)	(1,558,467)
Other comprehensive loss for the period		
Items that will not be reclassified to consolidated statement of profit or loss:		
Remeasurement loss on employees retirement benefits	-	-
Tax effect	-	-
	-	-
Items that may be subsequently reclassified to consolidated statement of profit or loss:		
Gain on revaluation of assets transferred to consolidated statement of profit or loss:	23,554	25,485
Loss on revaluation of assets	(573,192)	(134,465)
Tax effect	381,252	31,604
	(168,386)	(77,376)
Other comprehensive loss for the period - net of tax	(168,386)	(77,376)
<b>Total comprehensive loss for the period</b>	<b>(5,883,519)</b>	<b>(1,635,843)</b>

The annexed notes 1 to 21 are an integral part of these condensed consolidated interim financial statements.

Chief Financial Officer

President & CEO

Chairman

Chief Financial Officer

President & CEO

Chairman



## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Note	Three months ended	
		March 31, 2023 Rs '000	March 31, 2022 Rs '000
<b>Cash flows from operating activities</b>			
Cash generated from operations	14	(1,765,937)	6,808,513
Employees retirement benefits paid		(437,507)	(472,571)
Income tax paid		(1,825,216)	(1,402,148)
<b>Net cash (outflow) / inflow from operating activities</b>		<b>(4,028,660)</b>	<b>4,933,794</b>
<b>Cash flows from investing activities</b>			
Capital expenditure		(3,972,368)	(10,993,099)
Acquisition of intangible assets		(1,094,155)	(301,415)
Proceeds from disposal of property, plant and equipment		1,334,106	274,445
Additions to contract costs		(1,689,729)	(1,437,501)
Long term loans and advances		106,041	113,155
Short term investments		36,740,187	4,248,316
Government grants received		1,087,703	1,896,085
Return on long term loans and short term investments		5,205,290	1,201,549
<b>Net cash inflow / (outflow) from investing activities</b>		<b>37,717,075</b>	<b>(4,998,465)</b>
<b>Cash flows from financing activities</b>			
Loan from banks - net		(15,203,911)	(6,157,945)
Vendor liability		5,191,015	5,993,881
License fee		(1,964,766)	1,225,059
Finance cost paid		(14,645,571)	(3,411,991)
Deposits from banking customers		(6,533,826)	(589,842)
Lease liabilities		(2,175,413)	(1,605,337)
Dividend paid		(417)	(51)
<b>Net cash outflow from financing activities</b>		<b>(35,332,889)</b>	<b>(4,546,226)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,644,474)</b>	<b>(4,610,897)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>(24,266,113)</b>	<b>5,992,387</b>
<b>Cash and cash equivalents at the end of the period</b>	15	<b>(25,910,587)</b>	<b>1,381,490</b>

The annexed notes 1 to 21 are an integral part of these condensed consolidated interim financial statements.

Chief Financial Officer

President & CEO

Chairman

Chief Financial Officer

President & CEO

Chairman

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Issued, subscribed and paid-up capital		Revenue reserves		Unrealized gain / (loss) on investments measured at fair value through OCI	Statutory and other reserves	Total
	Class "A"	Class "B"	General reserve	Unappropriated profit / (loss)			
	(Rupees in '000)						
<b>Balance as at December 31, 2021</b>	37,740,000	13,260,000	27,497,072	9,107,014	(288,630)	789,313	88,104,769
Adjustment on initial application of IFRS 9 - PTCL	-	-	-	(869,206)	-	-	(869,206)
Adjustment on initial application of IFRS 9 - Ubank	-	-	-	(2,742,378)	-	-	(2,742,378)
<b>Adjusted balance as at January 01, 2022</b>	37,740,000	13,260,000	27,497,072	5,495,430	(288,630)	789,313	84,493,185
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	(1,558,467)
Loss for the three months period ended March 31, 2022	-	-	-	-	-	-	(77,376)
Other comprehensive loss	-	-	-	-	-	-	(1,635,843)
<b>Balance as at March 31, 2022</b>	37,740,000	13,260,000	27,497,072	3,936,963	(366,006)	789,313	82,857,342
Profit for the nine months period ended December 31, 2021	-	-	-	(6,230,115)	-	-	(6,230,115)
Other comprehensive income	-	-	-	183,546	363,991	-	547,537
Others	-	-	-	(6,046,569)	363,991	-	(5,682,578)
Transfer to statutory and other reserves	-	-	-	(562,489)	-	562,489	-
<b>Balance as at December 31, 2022</b>	37,740,000	13,260,000	27,497,072	(2,672,095)	(2,015)	1,351,802	77,174,764
Total comprehensive income / (loss) for the period	-	-	-	(5,715,133)	-	-	(5,715,133)
Loss for the three months period ended March 31, 2023	-	-	-	-	-	-	(1,68,386)
Other comprehensive loss	-	-	-	(5,715,133)	-	-	(5,883,519)
<b>Balance as at March 31, 2023</b>	37,740,000	13,260,000	27,497,072	(8,387,228)	(1,68,386)	1,351,802	71,291,245

The annexed notes 1 to 21 are an integral part of these condensed consolidated interim financial statements.

## NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

#### 1.1 Constitution and ownership

The condensed consolidated interim financial information of the Pakistan Telecommunication Company Limited and its subsidiaries ("the Group") comprise of the financial information of:

##### **Pakistan Telecommunication Company Limited (PTCL)**

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

##### **Pak Telecom Mobile Limited (PTML)**

PTML was incorporated in Pakistan on July 18, 1998, as a public limited company to provide cellular mobile telephony services in Pakistan. PTML commenced its commercial operations on January 29, 2001, under the brand name of Ufone. It is a wholly owned subsidiary of PTCL. The registered office of PTML is situated at Ufone Tower, Jinnah Avenue, Blue Area, Islamabad.

##### **U Microfinance Bank Limited (U Bank)**

The Holding Company acquired 100% ownership of U Bank on August 30, 2012 to offer services of digital commerce and branchless banking. 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)**

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

##### **Smart Sky (Private) Limited (Smart Sky)**

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

#### 1.2 Activities of the Group

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

## NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

### 2. STATEMENT OF COMPLIANCE

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

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

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

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

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

Where the requirements of the Companies Act, 2017, the MFI Ordinance and the directives issued by the SECP and SBP differ with the requirements of IAS 34, the requirements of the Companies Act, 2017, the Microfinance Ordinance, 2001, or the requirements of the said directives shall prevail."

### 3. BASIS OF PREPARATION

These condensed consolidated interim financial statements do not include all of the information required in the annual financial statements prepared in accordance with the accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Group's latest annual consolidated financial statements as at and for the year ended December 31, 2022.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Estimates and judgements made by the management in the preparation of this condensed consolidated interim financial information are the same as those used in the preparation of annual audited consolidated financial statements of the Group for the year ended December 31, 2022, other than those related to adoption of IFRS 9 "Financial Instruments" by U Bank.

### 5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of this condensed consolidated interim financial information are consistent with those followed in the preparation of the consolidated annual audited financial statements for the year ended December 31, 2021 except for implementation of IFRS 9 "Financial instruments" by U Bank from 1 January 2021 as per the State Bank of Pakistan BPRD Circular No. 04 of 2019 dated 23 October 2019.

## NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. At the initial application date the Group has recognized an additional charges for expected credit loss on opening balances of financial assets of U Bank aggregating to Rs 660,554 thousand and remeasurement gain of Rs 307,079 million on investments reclassified at amortized cost.

	Note	March 31, 2023 (Un-Audited) Rs '000	December 31, 2022 (Audited) Rs '000
<b>6. TRADE AND OTHER PAYABLES</b>			
Trade creditors		18,462,678	19,612,606
Accrued and other liabilities	6.1	47,470,365	44,734,225
Technical services assistance fee		36,982,625	35,656,357
Advances from customers / contract liability		11,367,814	11,798,257
Retention money / payable to contractors and suppliers		6,977,375	7,666,471
Income tax collected from subscribers / deducted at source		590,820	1,070,965
Sales tax payable		2,176,698	2,002,938
		124,028,375	122,541,819
<b>6.1 Accrued and other liabilities</b>			
Accrued liability for operational expenses		16,150,512	14,273,957
Amount withheld on account of provincial levies (Sub-judice) for ICH operations		12,110,803	12,110,803
Accrual for Government / regulatory expenses		15,981,823	14,093,258
Accrued wages		1,423,169	2,683,288
Others		1,804,058	1,572,919
		47,470,365	44,734,225
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	7.1	200,563,113	201,507,607
Capital work-in-progress	7.3	25,658,363	28,555,527
		226,221,476	230,063,134

## NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Note	March 31, 2023 (Un-Audited) Rs '000	March 31, 2022 (Un-Audited) Rs '000
<b>7.1 Operating fixed assets</b>			
Opening net book value		201,507,607	177,451,353
Additions during the period	7.2	6,869,532	5,758,437
		208,377,139	183,209,790
Disposals during the period - at net book value		(101,237)	(66,508)
Depreciation for the period		(7,712,789)	(6,972,640)
		(7,814,026)	(7,039,148)
Closing net book value		200,563,113	176,170,642
<b>7.2 Detail of additions during the period:</b>			
Buildings on freehold land		112,860	8,689
Buildings on leasehold land		40,587	3,020
Lines and wires		2,532,029	761,680
Apparatus, plant and equipment		3,621,094	4,592,361
Office equipment		371,899	18,837
Computer equipment		47,093	287,378
Furniture and fittings		136,509	10,969
Vehicles		7,461	1,864
Submarine cables		-	73,639
		6,869,532	5,758,437
<b>7.3 Additions to CWIP during the three months period ended March 31, 2023 were Rs 4,926,278 thousand (March 31, 2022: Rs 11,238,725 thousand).</b>			
		March 31, 2023 (Un-Audited) Rs '000	December 31, 2022 (Audited) Rs '000
<b>8. TRADE DEBTS AND CONTRACT ASSETS</b>			
Trade debts		50,034,676	44,300,050
Contract assets		5,937,938	5,592,380
		55,972,614	49,892,430
Accumulated impairment loss on trade debts and contract assets		(8,998,278)	(8,516,769)
		46,974,336	41,375,661

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

Note	March 31, 2023 (Un-Audited) Rs '000	December 31, 2022 (Audited) Rs '000
<b>9. SHORT TERM INVESTMENTS</b>		
Amortized cost		
Lending to Financial Institution	5,681,760	6,581,567
Pakistan Investment Bonds (PIBs)		
- Maturity upto 6 months	5,690,878	5,690,878
	11,372,638	12,272,445
Fair value through Profit or Loss		
Mutual Funds	22,986,255	21,971,007
Market treasury bills - Maturity upto 6 months	-	20,326,564
Pakistan Investment Bonds (PIBs)		
- Maturity upto 6 months	55,083,923	51,120,968
TFCs	-	2,268,757
	78,070,178	95,687,296
Fair value through Other Comprehensive Income		
Market treasury bills - Maturity upto 6 months	16,341,930	34,442,206
Sukuks	1,387,575	1,510,561
	17,729,505	35,952,767
	107,172,321	143,912,508
<b>10 CASH AND BANK BALANCES</b>		
Cash in hand	2,404,547	2,116,029
Balances with banks:	10.1	
Local currency		
Current account maintained with SBP	4,556,004	5,721,518
Current accounts	596,764	1,676,399
Saving accounts	5,572,344	2,602,716
	10,725,112	10,000,633
Foreign currency		
Current accounts	4,820,081	3,451,254
Saving accounts	1,369,057	965,178
	6,189,138	4,416,432
	19,318,797	16,533,094

10.1 Bank balance includes Rs 3,074 thousands (December 31, 2022: Rs 862 thousand) carrying profit at the rate of 8.50% (December 31, 2022: 7.00%) per annum from Shariah arrangements.

### 11. CONTINGENCIES AND COMMITMENTS

There has been no material changes in contingencies as disclosed in the annual consolidated financial statements for the year ended December 31, 2021 except as disclosed below.

11.1 For the tax years 2007, 2009, 2010, 2011 to 2021, Taxation Officer disallowed certain expenses and tax credits. 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

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

as rectification orders tax impact of the disallowances is Rs 49,789,815 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.

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

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

The Honourable Supreme Court of Pakistan (Apex Court) disposed the Review Petitions filed by the Holding Company, the Pakistan Telecommunication Employees Trust (PTET) and the Federal Government (collectively, the Review Petitioners) vide the order dated May 17, 2017. Through the said order, the Apex Court directed the Review Petitioners to seek remedy under section 12(2) CPC (Civil Procedure Code) which shall be decided by the concerned Court in accordance with the law, and to pursue all grounds of law and fact in other cases pending before High Courts. The Review Petitioners have filed the applications under section 12(2) CPC before respective High Courts. However, PTET has implemented the Apex court decision dated 12 June 2015 to the extent of 343 pensioners who were the petitioners in the main case. Some of the interveners (pensioners) seeking the same relief as allowed vide order dated June 12, 2015 have been directed by the Apex Court to approach the appropriate forum on May 10, 2018. Islamabad High Court on 2nd November, 2021, has decided that the GOP increases are not allowed to VSS optees, PTC pensioners and to the workmen. To the extent of Civil Servants the Islamabad High Court allowed the GOP increase. However, to the same extent appeal has been filed before Apex court within the limitation. Under the circumstances, management of the Holding Company, on the basis of legal advice, believes that the Holding Company's obligations against benefits is restricted to the extent of pension increases as determined solely by the Board of Trustees of the PTET in accordance with the Pakistan Telecommunication (Re-Organization) Act, 1996 and the Pension Trust Rules of 2012 and accordingly, no provision has been recognized in the consolidated interim financial statements.

Note	March 31, 2023 (Un-Audited) Rs '000	December 31, 2022 (Audited) Rs '000
<b>11.4 Bank guarantees and bid bonds of Group issued in favor of:</b>		
Universal Service Fund against government grants	19,840,942	20,160,942
Pakistan Telecommunication Authority	4,540,671	3,622,895
Others	11.4.1	2,252,829
	26,634,442	26,188,549
Corporate guarantee in favour of PTML	43,800,000	43,800,000

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

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	March 31, 2023 (Un-Audited) Rs '000	December 31, 2022 (Audited) Rs '000
<b>11.5 Commitments</b>		
Standby Letter of Guarantee	13,000	12,800
Letters of credit for purchase of stock	1,967,949	721,799
Letters of comfort in favour of PTML	3,500,000	3,500,000
Commitments for capital expenditure	58,958,000	21,979,149
	64,438,949	26,213,748
	<b>Three months ended</b>	
	<b>March 31, 2023 (Un-Audited) Rs '000</b>	<b>March 31, 2022 (Un-Audited) Rs '000</b>
<b>12. REVENUE</b>		
Broadband and IPTV	9,831,295	8,403,082
Cellular and other wireless services	14,481,720	12,770,473
Fixed line voice services	2,090,836	2,299,345
<b>Revenue from retail customers</b>	26,403,851	23,472,900
Corporate and wholesale	8,513,709	6,209,943
International	2,975,241	2,308,116
Banking	5,293,927	3,060,092
<b>Total revenue</b>	43,186,728	35,051,051

12.1 Revenue is stated net of trade discount amounting to Rs 541,340 thousand (March 31, 2022: Rs 408,482 thousand) and sales and other taxes directly attributable to sales amounting to Rs 5,468,420 thousand (March 31, 2022: Rs 5,467,781 thousand)

		<b>Three months ended</b>	
	<b>Note</b>	<b>March 31, 2023 (Un-Audited) Rs '000</b>	<b>March 31, 2022 (Un-Audited) Rs '000</b>
<b>13. OTHER INCOME</b>			
Income from financial assets	13.1	11,655,785	2,139,702
Income from non-financial assets		3,013,034	1,425,613
		14,668,819	3,565,315

13.1 Income from financial assets include Rs 62 thousand (March 31, 2022: Rs 14 thousand) earned from Shariah arrangements.

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	<b>Three months ended</b>	
	<b>March 31, 2023 (Un-Audited) Rs '000</b>	<b>March 31, 2022 (Un-Audited) Rs '000</b>
<b>14. CASH GENERATED FROM OPERATIONS</b>		
(Loss) / Profit before tax	(7,887,909)	(2,160,068)
Adjustments for non-cash charges and other items:		
Depreciation of property, plant and equipment	7,712,789	6,972,640
Amortization of intangible assets	1,839,801	1,745,363
Amortization of contract costs	1,497,070	1,386,295
Depreciation of right of use assets	1,622,681	1,041,304
Impairment loss on trade debts and contract assets	481,510	391,285
Provision for non performing advances	214,327	276,821
Provision for obsolete stores and spares	(5,225)	(4,148)
Provision for employees retirement benefits	1,305,457	1,083,264
Imputed interest on long term loans	(17,088)	(19,953)
Imputed interest on lease liabilities	477,330	460,900
Gain on disposal of property, plant and equipment	(1,232,869)	(207,937)
(Gain) / loss on disposal of investments measured at fair value	(23,554)	(25,485)
Return on bank deposits and Government Securities	(4,968,870)	(1,221,836)
Government grants recognized as income	(512,545)	(705,610)
Finance costs	15,833,171	4,333,254
	16,336,076	13,346,089
Effect on cash flows due to working capital changes:		
(Increase) / decrease in current assets:		
Stock in trade, stores and spares	315,708	(2,614,818)
Trade debts and contract assets	(6,080,185)	(3,311,350)
Loans to banking customers	(7,145,288)	(2,518,830)
Loans and advances	(121,369)	186,864
Deposits, prepayments and other receivables	(6,489,767)	(1,733,198)
	(19,520,901)	(9,991,332)
Increase in current liabilities:		
Trade and other payables	1,385,072	3,415,266
Security deposit	33,816	38,490
	1,418,888	3,453,756
	(1,765,937)	6,808,513

## NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Three months ended	
	March 31, 2023 (Un-Audited) Rs '000	March 31, 2022 (Un-Audited) Rs '000
<b>15. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	19,318,797	11,855,378
Short term running finance	(45,229,384)	(10,473,888)
	(25,910,587)	1,381,490

### 16. SEGMENT INFORMATION

For management purposes, the Group is organised into three operating segments i.e. fixed line communications (Wireline), wireless communications (Wireless) and Banking. The reportable operating segments derive their revenue primarily from voice, data and other services.

16.1 Segment information for the reportable segments is as follows:

	Note	Wireline	Wireless	Banking	Total
		Rs '000	Rs '000	Rs '000	Rs '000
<b>Three months ended March 31, 2023</b>					
Segment revenue		22,507,586	17,258,185	5,294,002	45,059,773
Inter segment revenue	16.1.1	(1,572,117)	(300,853)	(75)	(1,873,045)
Revenue from external customers		20,935,469	16,957,332	5,293,927	43,186,728
Segment results		5,362,940	(10,991,861)	(86,212)	(5,715,133)
<b>Three months ended March 31, 2022</b>					
Segment revenue		19,024,413	14,600,554	3,060,375	36,685,342
Inter segment revenue	16.1.1	(1,276,566)	(357,442)	(283)	(1,634,291)
Revenue from external customers		17,747,847	14,243,112	3,060,092	35,051,051
Segment results		1,848,511	(3,429,026)	22,048	(1,558,467)

16.1.1 Inter segment revenues are eliminated on consolidation.

		Wireline	Wireless	Banking	Total
		Rs '000	Rs '000	Rs '000	Rs '000
<b>As at March 31, 2023</b>					
Segment assets		225,442,511	208,289,981	193,519,973	627,252,465
Segment liabilities		188,555,344	182,743,194	184,662,682	555,961,220
<b>As at December 31, 2022</b>					
Segment assets		219,832,894	204,880,573	218,673,777	643,387,244
Segment liabilities		173,303,293	180,804,295	212,104,892	566,212,480

## NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Relationship with the Group	Nature of transaction	Three months ended	
			March 31, 2023 (Un-Audited) Rs '000	March 31, 2022 (Un-Audited) Rs '000
<b>17. TRANSACTIONS WITH RELATED PARTIES</b>				
i.	Shareholders	Technical services assistance fee	1,329,091	1,226,787
ii.	Associated undertakings	Sale of goods and services	2,343,139	916,293
		Purchase of goods and services	424,968	225,582
		Prepaid rent	198,311	180,283
iii.	Employees	PTCL Gratuity Fund	21,848	14,432
	benefits plans	PTML Gratuity Fund	29,330	21,190
		U Bank Gratuity Fund	21,127	14,904
iv.	Employees	PTCL PTCL Employees GPF Trust - net	23,775	20,949
	contribution plans	PTML Provident Fund	-	35,485
		U Bank Provident Fund	17,991	13,142
v.	Other related parties	PTCL Charges under license obligation	598,884	462,141
		PTML Expenses reimbursed to Pakistan MNP Database (Guarantee) Limited	-	6,000
vi.	Directors, Chief Executive and Key Management Personnel	Fee and remuneration including benefits and perquisites	603,159	579,500
			<b>March 31, 2023 (Un-Audited) Rs '000</b>	<b>December 31, 2022 (Audited) Rs '000</b>

#### Trade debts

- Associated undertakings

32,210,844 25,921,970

#### Deposits, prepayments and other receivables

- Associated undertakings

71,305 71,305

- Pakistan Telecommunication Employees Trust (PTET)

15,366 15,366

Pakistan Telecommunication Employees Trust (PTET)

3,041,462 3,189,002

Pakistan Telecommunication Company Limited

Employees Gratuity Fund

- 30,260

#### Long term loans to executives

and key management personnel - PTCL

29,010 34,174

#### U Bank

- Provident Fund Receivable

733 16,733

#### Trade and other payables

##### Trade creditors

- Associated Undertakings

2,615,398 2,527,935

- The Government of Pakistan and its related entities

2,222,412 1,732,806

Retention money payable to associated undertaking

2,940 2,940

Technical services fee payable to Etisalat

36,982,625 35,656,357

PTCL Employees GPF Trust

60,453 38,606

Pakistan Telecommunication Company Limited

Employees Gratuity Fund

18,718 -

#### PTML

- Gratuity Fund

182,128 152,798

#### U Bank

- Gratuity Fund Payable / (Receivable)

12,923 (2,376)

## NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

### 18. FAIR VALUE ESTIMATION

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

### 19. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES


	Gross amounts subject to offsetting Rs '000	Offset Rs '000	Net amount Rs '000	Amount not in scope of offsetting Rs '000	Net as per statement of financial position Rs '000
<b>As at March 31, 2023</b>					
Trade debts	29,873,467	(47,970)	29,825,497	26,147,117	55,972,614
Trade creditors	(1,102,647)	47,970	(1,054,677)	(17,408,001)	(18,462,678)
<b>As at December 31, 2022</b>					
Trade debts	32,104,693	(4,068,147)	28,036,546	21,855,884	49,892,430
Trade creditors	(4,572,933)	4,068,147	(504,786)	(19,107,820)	(19,612,606)

### 20. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with that disclosed in the annual consolidated financial statements for the year ended 31 December 2022. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited consolidated financial statements of the Group for the year ended 31 December 2022.

### 21. DATE OF AUTHORIZATION FOR ISSUE OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

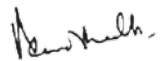
These condensed consolidated interim financial statements for the three months period ended March 31, 2023 were authorized for issue by the Board of Directors of the Holding Company on April 17, 2023.



Chief Financial Officer



President & CEO



Chairman