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BOARD OF DIRECTORS

Chairman PTCL Board

Aamir Ashraf Khawaja

Members PTCL Board

Abdulrahim A. Al Nooryani

Arif Ahmed Khan

Hatem Dowidar

Serkan Okandan

Irfan Ali

Khalifa Al Shamsi

Hesham Al Qassim

Mudassar Hussain

CORPORATE INFORMATION

Management

Dr. Daniel Ritz
President & Chief Executive Officer

Mohammad Nadeem Khan
Chief Financial Officer

Syed Mazhar Hussain
Chief Human Resource Officer

Saad Muzaffar Waraich
Chief Technology and Information Officer

Sikandar Naqi
Chief Business Development Officer

Adnan Shahid
Chief Commercial Officer

Adil Rashid
Chief Digital Services Officer

Jahanzeb Taj
Chief Business Operations Officer

Muhammad Shehzad Yousuf
Chief Internal Auditor

Moqem ul Haque
Chief Strategy Officer

Company Secretary

Saima Akbar Khattak

Legal Advisor

Zahida Awan
Executive Vice President (Legal)

Bankers

Conventional

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
The Bank of Punjab
Citibank N.A. - Pakistan
Faysal Bank Limited
Habib Metropolitan Bank Limited
Habib Bank limited
Industrial and Commercial Bank of China Limited
JS Bank Limited
Khushhali Bank Limited
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Telenor Microfinance Bank Limited
(Formerly Tameer Microfinance Bank Limited)
The Bank of Khyber
U Microfinance Bank Limited
United Bank Limited

Islamic

Meezan Bank

Registered Office

PTCL Headquarters,
Sector G-8/4,
Islamabad-44000, Pakistan.
Fax: +92-51-2263733
E-mail: company.secretary@ptcl.net.pk
Web: www.ptcl.com.pk

Auditors

Deloitte Yousuf Adil
Chartered Accountants

Share Registrar

FAMCO Associates (Pvt.) Limited
8-F, Next to 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

DIRECTORS' REVIEW

The Directors of Pakistan Telecommunication Company Limited (PTCL) are pleased to present to the shareholders the un-audited financial information of the Company for the three months ended 31st March 2018.

During the quarter under review, PTCL's revenue was Rs. 17.6 billion registering 1% increase over same period last year (SPLY). The said growth was achieved for the first time, after arresting the revenue decline witnessed since second quarter of 2014 over SPLY. PTCL's leading fixed Broadband DSL service, with accelerated momentum, posted revenue growth of 9% over first quarter of 2017. Investments made in Charji/LTE during previous years also yielded positive results with year-on-year (YoY) revenue growth in double digits. Similarly, revenue from Corporate services also grew significantly by 17% over SPLY. However, due to continued conversion of subscribers to OTT and cellular services resulting in reduced voice traffic volumes, revenue from Voice services, both domestic and international, declined during the quarter.

PTCL's operating profit of Rs. 2.3 billion and net profit after tax of Rs. 1.8 billion during the period decreased by 3% and 14% respectively over SPLY. Main reasons for the said reduction were higher marketing and customer acquisition costs incurred at the beginning of the current financial year as well as lower non-operating income due to reduced availability of funds on account of VSS payments and CAPEX investments during last year. Overall operating expenses during the quarter, however, increased by mere 1% over the same period of last year.

PTCL Group's revenue of Rs. 30 billion during the period grew by 4% over SPLY. Besides the growth in PTCL's revenue as aforesaid, Ufone's revenue also increased by 4% YoY despite tough competition in cellular market. Similarly, revenues of Ubank almost doubled during the quarter over SPLY as well.

PTCL Group's operating profit of Rs. 2.2 billion for the period increased by 43% over SPLY mainly on account of growth in Group's revenue. However, the Group's net profit after tax at Rs. 1 billion declined by 10% over SPLY due to enhanced financial costs on account of devaluation of Pakistani currency during the period. Excluding the one-off items including the said devaluation, the operating and net profitability of the Group increased by 27% and 28% respectively in a like-to-like manner.

During the period, your Company continued with its comprehensive Network Transformation project and accordingly several additional exchanges were fully transformed in various regions. In this regard, 145 new MSAGs were commissioned, adding over 41K additional VDSL2 broadband ports. Moreover, 14K new GPON lines were also added in the network to provide high speed FTTH (Fiber to the Home) broadband services. Besides, various commercial promotions with attractive terms were continued to encourage new subscriptions of DSL broadband services as well as conversion of existing customers to higher speed and volume packages. Resultantly, customer base availing 5Mbps and above DSL broadband packages grew by 25% during the period.

In view of the increasing demand of Charji LTE services, the wireless broadband access network is being continuously transformed in different regions / cities to provide Charji LTE services with higher speeds and volumes thus considerably improving customer experience. At the same time, through various promotions having attractive commercial terms e.g. free

device swapping, double volume offers etc., existing EVO 3.1 Mbps and 9.3Mbps subscribers are being persuaded to shift to the Charji LTE services which can provide speeds up to 75Mbps. Consequently, the Charji customer base increased by 45% during the quarter.

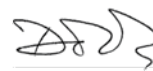
PTCL also partnered with Netflix, the world's leading streaming content provider, to give customers access to quality international content, thus further enhancing their viewing experience. Customers having 8Mbps and above unlimited internet packages can enjoy Netflix subscription for six months free of cost.

During the period, your Company signed new Cloud Infrastructure Services and Connectivity Services agreements with various enterprise customers thus expanding its customer base. At the same time, the Enterprise Solutions and Cloud Services portfolio was further enhanced by signing reseller partnership agreements with global IT companies. PTCL and Telenor Pakistan, for the third consecutive year, have entered into a fiber leasing agreement, under which PTCL will deliver fiber footprint to Telenor Pakistan for 2018.

Being the leading national telecom operator, PTCL contributed in supporting the national sports by sponsoring Hockey Cup 2018, Pakistan team in T20 cricket series i.e. Pakistan vs. New Zealand and Pakistan vs. West Indies and Islamabad United Team in Pakistan Super League Season 3 (PSL3) held during the period. The said contribution aided significantly in enhancing brand value of your Company. PTCL was recognized by Brand Finance as the 'Fastest Growing Brand in Pakistan'.

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

On behalf of the Board



Dr. Daniel Ritz
President & Chief Executive Officer



Aamir Ashraf Khawaja
Chairman

Islamabad: April 12, 2018

مالیاتی جائزہ برائے سہ ماہی 31 مارچ 2018

پاکستان ٹیلی کمیونیکیشن کمپنی لمیٹڈ (پی ٹی سی ایل) کے ڈائریکٹرز 31 مارچ 2018 کو ختم ہونے والی سہ ماہی کی غیر آڈٹ شدہ مالی معلومات اپنے حصص داران کے سامنے پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

زیر جائزہ سہ ماہی کے دوران پی ٹی سی ایل کی آمدن گزشتہ برس کی اسی سہ ماہی کے مقابلے میں 1 فیصد اضافہ کے ساتھ 17.6 ارب روپے رہی۔ جو کہ 2014 کی دوسری سہ ماہی کی آمدن میں تنزلی کے بعد ہونے والا پہلا اضافہ ہے۔ پی ٹی سی ایل کی معروف فلسڈ لائن ڈی ایس ایل سروسز کی آمدن میں اپنی تیز تر ترقی کے ساتھ 2017 کے پہلے کوارٹر کے مقابلے میں 9% اضافہ ہوا۔ گزشتہ برسوں کے دوران CharJi LTE کی مد میں گئی سرمایہ کاری کے نتیجے میں سال بہ سال کی نسبت سے آمدن میں خاطر خواہ اضافہ ہوا۔ تاہم مذکورہ سہ ماہی کے دوران صارفین کی OTT اور سیلولر سروسز پر مسلسل منتقلی کی وجہ سے اندرون اور بیرون ملک وائس سروسز کی آمدن میں کمی دیکھنے میں آئی ہے۔

پی ٹی سی ایل کا آپریٹنگ منافع گزشتہ برس کی اسی سہ ماہی کے مقابلے میں 3 فیصد کمی کے ساتھ 2.3 ارب روپے رہا اور اس کا بعد از ٹیکس منافع 14 فیصد کمی کے ساتھ 1.8 ارب روپے رہا۔ مذکورہ کمی کی نمایاں وجہ حالیہ مالی سال کے شروع میں کئے گئے مارکیٹنگ اور کسٹمر ایکویزیشن اخراجات اور ساتھ ہی دیگر آمدن میں تنزلی ہے جو کہ فنڈز کی کمی کے باعث ہوئی جس کی وجہ سے سال گزشتہ میں VSS کے اخراجات اور CAPEX کی مد میں سرمایہ کاری ہے۔

پی ٹی سی ایل گروپ کی آمدن گزشتہ برس کی اسی سہ ماہی کے مقابلے میں 4 فیصد اضافے کے ساتھ 30 ارب روپے رہی۔ پی ٹی سی ایل کی مذکورہ بالا آمدن میں اضافے کے ساتھ یوفون کی آمدن باوجود سخت سیلولر مارکیٹ مقابلے کے، میں بھی 4 فیصد اضافہ ہوا۔ اسی طرح یو بیٹک کی آمدن گزشتہ دورانیے سے تقریباً دو گنا بڑھ گئی۔ پی ٹی سی ایل گروپ کا آپریٹنگ منافع گزشتہ برس کی اسی سہ ماہی کے مقابلے میں 4.3 فیصد اضافے کے ساتھ 2.2 ارب روپے رہا جس کی بنیادی وجہ گروپ کی آمدن میں اضافہ ہے۔ تاہم گزشتہ برس کی اسی سہ ماہی کے مقابلے میں پاکستانی روپے کی قدر میں کمی کے باعث ہونے والے مالی اخراجات کے سبب پی ٹی سی ایل گروپ کا بعد از ٹیکس منافع 10 فیصد کمی کے ساتھ 1 ارب روپے رہا۔ ون آف آئٹمز کے علاوہ، بشمول روپے کی قدر میں مذکورہ کمی، گروپ کی آپریٹنگ اور خالص منافع پذیری میں بالترتیب 27 فیصد اور 28 فیصد اضافہ ہوا۔

پی ٹی سی ایل کی انتظامیہ اور ملازمین پُر عزم ہیں کہ وہ اپنی انتھک محنت کے ذریعے صارفین کو اعلیٰ خدمات مسابقتی قیمت پر مہیا کریں اور صارفین کے لیے بہترین معاون تصور ہوں تاکہ شیئر ہولڈرز کی قدر میں اضافہ ہو۔

منجانب بورڈ آف ڈائریکٹرز



ڈاکٹر ڈینیل رٹز

صدر و چیف ایگزیکٹو آفیسر

اسلام آباد 12 اپریل 2018



عامر اشرف خواجہ

چیئر مین پی ٹی سی ایل بورڈ

optcl

CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED
MARCH 31, 2018 (UN-AUDITED)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2018 (UN-AUDITED)

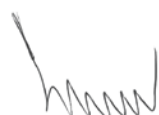
Note	March 31, 2018 (Un-Audited) Rs '000	December 31, 2017 (Restated) Rs '000
Equity and liabilities		
Equity		
Share capital and reserves		
Share capital	51,000,000	51,000,000
Revenue reserves		
Insurance reserve	2,985,696	2,806,993
General reserve	27,497,072	27,497,072
Unappropriated profit	5,437,305	3,797,720
	35,920,073	34,101,785
Unrealized gain on investments measured at fair value through OCI	15,845	-
	86,935,918	85,101,785
Liabilities		
Non-current liabilities		
Long term security deposits	578,792	553,446
Deferred income tax	6,790,054	7,145,461
Employees retirement benefits	24,152,947	23,503,831
Deferred government grants	7,942,210	8,059,878
	39,464,003	39,262,616
Current liabilities		
Trade and other payables	63,377,676	62,984,018
Total equity and liabilities	189,777,597	187,348,419

Contingencies and commitments

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The annexed notes 1 to 19 are an integral part of this condensed interim financial information.

Note	March 31, 2018 (Un-Audited) Rs '000	December 31, 2017 (Restated) Rs '000	
Assets			
Non-current assets			
Property, plant and equipment	5	96,561,945	98,250,679
Intangible assets	6	1,895,700	1,882,868
		98,457,645	100,133,547
Long term investments		8,977,300	7,977,300
Long term loans and advances	7	8,540,731	7,670,324
Contract cost	8	317,134	300,046
Investment in finance lease		22,275	17,268
		116,315,085	116,098,485
Current assets			
Stores, spares and loose tools		4,006,507	3,633,569
Trade debts and contract assets		15,207,485	16,040,224
Contract cost		951,401	900,139
Loans and advances		1,984,494	1,511,669
Investment in finance lease		31,645	35,137
Income tax recoverable		15,624,167	15,253,394
Receivable from the Government of Pakistan		2,164,072	2,164,072
Prepayments and other receivables		12,288,242	11,860,653
Short term investments	9	18,804,787	5,607,778
Cash and bank balances	10	2,399,712	14,243,299
		73,462,512	71,249,934
Total assets		189,777,597	187,348,419



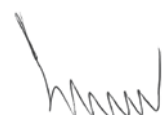
Chief Financial Officer



President & CEO



Chairman



Chief Financial Officer



President & CEO



Chairman

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS

FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

	Note	Three months ended	
		March 31, 2018 Rs '000	March 31, 2017 Rs '000 (Restated)
Revenue	12	17,579,313	17,472,722
Cost of services		(12,398,925)	(12,174,728)
Gross profit		5,180,388	5,297,994
Administrative and general expenses		(2,061,254)	(2,291,350)
Selling and marketing expenses		(819,753)	(625,515)
		(2,881,007)	(2,916,865)
Operating profit		2,299,381	2,381,129
Other income	13	549,005	810,668
Finance costs		(174,432)	(41,033)
Profit before tax		2,673,954	3,150,764
Provision for income tax			
- Current		(1,211,072)	(1,328,083)
- Deferred		355,406	288,331
		(855,666)	(1,039,752)
Profit for the period		1,818,288	2,111,012
Earnings per share - basic and diluted (Rupees)		0.36	0.41

The annexed notes 1 to 19 are an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

	Three months ended	
	March 31, 2018 Rs '000	March 31, 2017 Rs '000 (Restated)
Profit for the period	1,818,288	2,111,012
Other comprehensive income for the period		
Items that may be subsequently reclassified to profit and loss:		
Gain on investments measured at fair value	22,636	-
Tax on gain on investment measured at fair value	(6,791)	-
	15,845	-
Total comprehensive income for the period	1,834,133	2,111,012

The annexed notes 1 to 19 are an integral part of this condensed interim financial information.



Chief Financial Officer




President & CEO



Chairman



Chief Financial Officer



President & CEO



Chairman

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

	Note	Three months ended	
		March 31, 2018 Rs '000	March 31, 2017 Rs '000 (Restated)
Cash flows from operating activities			
Cash generated from operations	14	6,491,003	8,530,060
Employees retirement benefits paid		(242,422)	(228,222)
Payment of voluntary separation scheme		(3,405)	(4,652,155)
Long term security deposits		25,346	26
Purchase of tax loss from PTML		-	(2,244,885)
Income tax paid - net		(1,581,845)	(270,362)
Net cash inflows from operating activities		4,688,677	1,134,462
Cash flows from investing activities			
Capital expenditure		(1,651,420)	(2,831,812)
Acquisition of intangible assets		(120,530)	(50,880)
Proceeds from disposal of property, plant and equipment		1,030	2,340
Short term investments		3,080,778	1,000,000
Finance lease		-	12,557
Long term loans and advances		(865,934)	(879,531)
Retrun on long term loan to Pakistan Telecom Mobile Ltd (PTML)		78,376	-
Return on short term investments		226,332	169,702
Long term investment in U Microfinance Bank Limited (Ubank)		(1,000,000)	-
Net cash outflow from investing activities		(251,368)	(2,577,624)
Cash flows from financing activities			
Dividend paid		(3,108)	(5,284)
Net increase / (decrease) in cash and cash equivalents		4,434,200	(1,448,446)
Cash and cash equivalents at the beginning of the Period		16,770,299	5,902,144
Cash and cash equivalents at the end of the Period		21,204,499	4,453,698

The annexed notes 1 to 19 are an integral part of this condensed interim financial information.


Chief Financial Officer


President & CEO


Chairman


Chief Financial Officer


President & CEO


Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

	Revenue reserves				Unrealized gain on investments measured at fair value through OCI	Total
	Class "A"	Class "B"	Insurance reserve	General reserve		
	(Rupees in '000)					
Balance as at December 31, 2016	37,740,000	13,260,000	2,621,288	27,497,072	-	83,013,099
Impact of change in accounting policy - note 16	-	-	-	-	-	131,408
Balance as at January 01, 2017 - restated	37,740,000	13,260,000	2,621,288	27,497,072	-	83,144,507
Total comprehensive income for the period	-	-	-	-	-	-
Profit for the three months period ended March 31, 2017 - restated	-	-	185,705	-	2,111,012	2,111,012
Transfer to insurance reserve	-	-	(185,705)	(185,705)	-	(371,410)
Balance as at March 31, 2017 - restated	37,740,000	13,260,000	2,806,993	27,497,072	-	85,255,519
Profit for the nine months period ended December 31, 2017 - restated	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	6,257,005	6,257,005
Transfer to insurance reserve	-	-	-	(178,703)	(1,310,739)	(1,310,739)
Interim dividend for the year ended December 31, 2017 - Re 1.00 per share	-	-	-	-	4,946,266	4,946,266
Balance as at December 31, 2017 - restated	37,740,000	13,260,000	2,806,993	27,497,072	-	85,101,785
Total comprehensive income for the period	-	-	-	-	-	-
Profit for the three months period ended March 31, 2018	-	-	-	-	1,818,288	1,818,288
Other comprehensive income	-	-	-	-	15,845	15,845
Transfer to insurance reserve	-	-	178,703	(178,703)	-	-
Balance as at March 31, 2018	37,740,000	13,260,000	2,985,696	27,497,072	15,845	86,935,918

The annexed notes 1 to 19 are an integral part of this condensed interim financial information.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS ENDED MARCH 31, 2018 (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) (formerly Karachi, Lahore and Islamabad Stock Exchanges), 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, G-8/4, 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

This condensed interim financial information of the Company for the three months ended March 31, 2018 has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions of or directives issued under the Companies Act, 2017 shall prevail.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with approved accounting 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 information are the same as those used in the preparation of audited financial statements of the Company for the year ended December 31, 2017.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of this condensed interim financial information are consistent with those followed in the preparation of the Company's audited financial statements for the year ended December 31, 2017, except for the changes given here under.

4.1 IFRS 9 Financial Instruments

The Company has adopted IFRS 9 "Financial Instruments" with a date of initial application of 1st January 2018. However it has no significant impact on the Company's financial statements.

4.2 IFRS 15 Revenue from Contracts with Customer

The Company has adopted IFRS 15 "Revenue from contracts with customers" with a date of initial application of 1st January 2018. As a result, the Company has changed its accounting policy for revenue recognition as detailed below:

i) Installation Charges

Installation charges for provision of Voice, Broadband, IPTV and corporate services were previously

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

being recognized as revenue when billed. Under IFRS 15 these charges shall be deferred and recognized as revenue over the average customer life.

ii) Contract cost

The Company previously recognized cost of acquiring a customer as distribution and selling costs and cost of fulfilling a contract as cost of sales when they were incurred. Under IFRS 15, 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. 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 one year or less.

Effect of adoption of IFRS 15 on opening balances has been disclosed in note 16..

	Note	March 31, 2018 (Un-Audited) Rs '000	December 31, 2017 (Audited) Rs '000
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	90,485,029	91,196,004
Capital work-in-progress		6,076,916	7,054,675
		96,561,945	98,250,679
5.1 Operating fixed assets			
Opening net book amount		91,196,004	85,046,586
Additions during the three months period	5.2	2,624,101	3,064,205
Additions during the nine months (Apr-Dec 2017)		-	17,685,184
		93,820,105	105,795,975
Disposals during the period / year			
- at net book amount		(1)	(2,739)
Depreciation charge for the period / year		(3,312,396)	(13,550,839)
Impairment charge for the period / year		(22,679)	(1,046,393)
		(3,335,076)	(14,599,971)
Closing net book amount		90,485,029	91,196,004
		March 31, 2018 (Un-Audited) Rs '000	March 31, 2017 (Un-Audited) Rs '000
5.2 Detail of additions during the period :			
Buildings on freehold land		66,551	112,134
Buildings on leasehold land		22,855	-
Lines and wires		761,894	963,114
Apparatus, plant and equipment		1,524,291	1,819,890
Office equipment		60,675	93,226
Computer equipment		32,397	19,414
Furniture and fittings		16,335	7,097
Vehicles		-	49,330
Submarine cables		139,103	-
		2,624,101	3,064,205

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

	March 31, 2018 (Un-Audited) Rs '000	December 31, 2017 (Audited) Rs '000
6. INTANGIBLE ASSETS		
Opening net book amount	1,882,868	2,332,789
Additions during the period / year - net	120,530	87,881
	2,003,398	2,420,670
Amortization charge for the period / year	(107,698)	(537,802)
Closing net book amount	1,895,700	1,882,868
7. LONG TERM LOANS AND ADVANCES		
Loans to PTML - unsecured	5,000,000	5,000,000
Loans to employees -secured	444,371	443,308
Advances to suppliers against turnkey contracts	3,162,263	2,286,440
Others	41,063	40,551
	8,647,697	7,770,299
Current portion shown under current assets		
Loans to employees -secured	(106,966)	(99,975)
	8,540,731	7,670,324

8. CONTRACT COSTS

Management expects that incremental costs for obtaining new subscribers are recoverable. The company has therefore capitalized them as contract costs. These costs are amortized over the expected average customer life. There was no impairment loss in relation to the costs capitalized.

	Note	March 31, 2018 (Un-Audited) Rs '000	December 31, 2017 (Un-Audited) Rs '000
Capitalized cost to obtain a contract		190,661	178,819
Capitalized cost to fulfill a contract		1,077,874	1,021,366
	8.1	1,268,535	1,200,185
Current maturity of contract costs		(951,401)	(900,139)
		317,134	300,046
		March 31, 2018 (Un-Audited) Rs '000	March 31, 2017 (Un-Audited) Rs '000
8.1 Movement during the year			
Balance at the beginning of the year		1,200,185	1,033,932
Capitalized during the period		536,636	411,884
		1,736,821	1,445,816
Amortized during the period		(468,286)	(427,396)
Balance at end of the period		1,268,535	1,018,420

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

	Note	March 31, 2018 (Un-Audited) Rs '000	December 31, 2017 (Audited) Rs '000
9. SHORT TERM INVESTMENT			
Term deposit- maturity up to 6 months		-	3,080,778
Market treasury bills		11,879,581	-
Mutual funds - Investment measured at fair value through OCI		6,925,206	2,527,000
		18,804,787	5,607,778
10. CASH AND BANK BALANCES			
Cash in hand		563,048	85
Balances with banks:	10.1		
Deposit accounts local currency		1,026,756	13,743,769
Current accounts			
Local currency		6,780	96,517
Foreign currency		803,128	402,928
		809,908	499,445
		2,399,712	14,243,299

10.1 Bank balance includes Rs.15,546 thousands (December 31, 2017: Rs. 39,076 thousand) carrying profit at the rate of 2.4% to 4% (December 31, 2017: 2.4% to 4%) per annum from Shariah arrangements.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

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, 2017, except the followings:

- (a) For the tax years 2012, 2013, 2015 and 2016, Taxation Officer disallowed certain expenses having tax impact of Rs. 22,536,409 thousand. The Company has filed appeals before ATIR against the disallowed expenses which are pending adjudication. For tax years 2012, 2015 and 2016, the Company has obtained stay orders from the Honorable Islamabad High Court and ATIR against any coercive measures.
- (b) The Honorable 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 17th May 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 the Islamabad High Court has dismissed the application on technicality which has been challenged before the Supreme Court. Under the circumstances, management of the Company is of the view that it is not possible at this stage to ascertain the financial obligations, if any, flowing from the referred decision of the Apex Court which could be disclosed in these financial statements.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

	March 31, 2018 (Un-Audited) Rs '000	December 31, 2017 (Restated) Rs '000
(c) Bank guarantee and bid bonds issued in favour of Universal Service Fund (USF) against government grants and others.	6,999,728	6,845,906

11.2 Commitments

Commitments, in respect of contracts for capital expenditure amount to Rs 6,775,772 thousand (December 31, 2017: Rs 5,682,111 thousand).

12 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, 2018 (Un-Audited) Rs '000	March 31, 2017 (Restated) Rs '000
Revenue Segments		
Broadband & IPTV	6,637,453	6,097,263
Voice services	3,811,619	3,915,424
Wireless DSL	914,914	1,239,545
Revenue from retail customers	11,363,986	11,252,232
Corporate	1,703,413	1,459,443
Carrier and wholesale	2,641,255	2,708,453
International	1,870,659	2,052,594
Total Revenue	17,579,313	17,472,722

	Note	Three months ended	
		March 31, 2018 (Un-Audited) Rs '000	March 31, 2017 (Un-Audited) Rs '000
13. OTHER INCOME			
Return on bank deposits	13.1	139,272	441,529
Mark-up on subordinated long term loan to PTML		79,925	-
Late payment surcharge from subscribers on overdue bills		70,838	72,966
Gain on disposal of investment measured at fair value through OCI		15,440	-
Recovery from written off defaulters		9,876	14,083
Release of deferred government grants		117,668	133,819
Pre-deposit income		86,410	115,504
Others		29,576	32,767
		549,005	810,668

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

13.1 Return on bank deposit include Rs 14 thousand (March 31, 2017: Rs 87 thousand) earned from Shariah arrangements.

	Note	Three months ended	
		March 31, 2018 (Un-Audited) Rs '000	March 31, 2017 (Restated) Rs '000
14. CASH GENERATED FROM OPERATIONS			
Profit before tax		2,673,954	3,150,764
Adjustments for non-cash charges and other items:			
Depreciation and amortization charge		3,420,093	3,465,308
Impairment		22,679	-
Amortization of contract cost		468,286	427,396
Provision for doubtful trade debts		490,000	497,000
Provision for employees retirement benefits		891,539	926,871
Loss / (gain) on disposal of property, plant and equipment		4,049	(215)
Return on bank deposits		(139,272)	(441,529)
Imputed interest on long term loans		(11,463)	(5,500)
Imputed Interest on finance lease		(1,515)	(4,199)
Return on subordinated long term loan to PTML		(79,925)	-
Realized gain on investment measured at fair value through OCI		(15,440)	-
Unrealized gain on investment measured at fair value through OCI		15,845	-
Release of deferred government grants		(117,668)	(133,819)
		7,621,161	7,882,077
Effect on cash flows due to working capital changes:			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		(372,939)	301,830
Trade debts		342,740	(1,737,782)
Loans and advances		(465,835)	(282,255)
Contract cost		(536,636)	(411,884)
Prepayments and other receivables		(497,659)	(480,555)
		(1,530,329)	(2,610,646)
Increase in current liabilities:			
Trade and other payables		400,171	3,258,629
		6,491,003	8,530,060
15. CASH AND CASH EQUIVALENTS			
Short term investments		18,804,787	-
Cash and bank balances		2,399,712	4,453,698
		21,204,499	4,453,698

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

16. CHANGE IN ACCOUNTING POLICY AND ITS IMPACT ON FINANCIAL STATEMENTS

The following table summarise the impacts of adopting IFRS 15 on the Company's Financial Statements.

	Impact of Changes in accounting policies		
	As previously reported Rs '000	Adjustments Rs '000	As restated Rs '000
I) STATEMENT OF FINANCIAL POSITION			
JANUARY 01, 2017			
Assets			
Contract assets	-	1,033,932	1,033,932
Others	182,636,563	-	182,636,563
Total Assets	182,636,563	1,033,932	183,670,495
EQUITY AND LIABILITIES			
Equity			
Share capital	51,000,000	-	51,000,000
Reserves	30,118,160	-	30,118,160
Retained earnings	1,894,739	131,408	2,026,147
	83,013,099	131,408	83,144,507
Liabilities			
Deferred tax	7,264,575	59,037	7,323,612
Trade & other payables	59,142,912	843,487	59,986,399
Others	33,215,977	-	33,215,977
	99,623,464	902,524	100,525,988
Total equity and liabilities	182,636,563	1,033,932	183,670,495
DECEMBER 31, 2017			
Assets			
Contract assets	-	1,200,185	1,200,185
Income tax recoverable	15,263,357	(9,963)	15,253,394
Others	170,894,840	-	170,894,840
Total Assets	186,158,197	1,190,222	187,348,419
EQUITY AND LIABILITIES			
Equity			
Share capital	51,000,000	-	51,000,000
Reserves	30,304,065	-	30,304,065
Retained earnings	3,647,809	149,911	3,797,720
	84,951,874	149,911	85,101,785
Liabilities			
Deferred tax	7,086,423	59,038	7,145,461
Trade & other payables	62,002,745	981,273	62,984,018
Others	32,117,155	-	32,117,155
	101,206,323	1,040,311	102,246,634
Total equity and liabilities	186,158,197	1,190,222	187,348,419

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

	March 31, 2017	Impact of Changes in accounting policies		March 31, 2017
	As previously reported Rs '000	Adjustments Rs '000	As restated Rs '000	As restated Rs '000
II) STATEMENT OF PROFIT AND LOSS				
Revenue				
Revenue	17,508,877	(36,155)		17,472,722
Cost of services	(12,141,755)	(32,973)		(12,174,728)
Gross profit	5,367,122	(69,128)		5,297,994
Administrative and general expenses				
Selling and marketing expenses	(2,291,350)	-		(2,291,350)
	(642,975)	17,460		(625,515)
	(2,934,325)	17,460		(2,916,865)
Operating profit	2,432,797	(51,668)		2,381,129
Other income	810,668	-		810,668
Finance costs	(41,033)	-		(41,033)
Profit before tax	3,202,432	(51,668)		3,150,764
Provision for income tax	(1,056,802)	17,050		(1,039,752)
Profit for the period	2,145,630	(34,618)		2,111,012
III) STATEMENT OF CASH FLOWS				
for the period ended 31 March 2017				
Profit before tax	3,202,432	(51,668)		3,150,764
Adjustments for non-cash and other items				
Contract cost	-	427,396		427,396
Others	4,303,917	-		4,303,917
	4,303,917	427,396		4,731,313
Operating profit before working capital changes	7,506,349	375,728		7,882,077
Contract cost	-	(411,884)		(411,884)
Trade & other payables	3,222,473	36,156		3,258,629
Working capital changes	(2,198,762)	-		(2,198,762)
Cash generated from operations	8,530,060	-		8,530,060
Retirement benefits and income taxes paid etc	(7,395,598)	-		(7,395,598)
Net cash generated from operating activities	1,134,462	-		1,134,462
Cash flow from investing activities				
Net cash flow from investing activities	(2,577,624)	-		(2,577,624)
Cash flow from financing activities				
Net cash generated from financing activities	(5,284)	-		(5,284)
Net increase in cash and cash equivalents	(1,448,446)	-		(1,448,446)
Cash and cash equivalents at beginning of the period				
	5,902,144	-		5,902,144
Cash and cash equivalents at end of the period	4,453,698	-		4,453,698

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

		Three months ended	
		March 31, 2018 (Un-Audited) Rs '000	March 31, 2017 (Un-Audited) Rs '000
17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES			
Relationship with the Company	Nature of transaction		
i. Shareholders	Technical services assistance fee - note 17.1	605,743	584,798
ii. Subsidiaries	Sale of goods and services	1,246,738	1,301,852
	Purchase of goods and services	694,510	832,962
	Mark up on long term loans	79,925	-
	Return on bank deposit	-	11,103
iii. Associated undertakings	Sale of goods and services	462,534	304,995
	Purchase of goods and services	355,854	253,634
iv. Employees contribution plan	PTCL Employees GPF Trust - net	9,650	37,465
v. Other related parties	Sale of goods and services	434,887	429,105
	Charge under license obligations	400,462	404,513
vi. Directors, Chief Executive and Executives	Fee and remuneration including benefits and perquisites	368,677	261,439
		March 31, 2018 (Un-Audited) Rs '000	December 31, 2017 (Audited) Rs '000
Period-end balances			
Receivables from related parties			
Trade debts			
- Subsidiaries		1,496,969	925,572
- Associated undertakings		1,225,405	932,912
- The Government of Pakistan and its related entities		1,499,205	1,392,331
Other receivables			
- Subsidiaries		8,404,094	7,928,172
- Associated undertakings		71,305	71,305
- PTCL Employees GPF Trust		65,398	55,748
- Pakistan Telecommunication Employees Trust (PTET)		9,043	7,712
- Pakistan Telecommunication Company Limited Employees Gratuity Fund		112,221	82,513
- Long term loans to executives and key management personnel		29,145	-
Bank deposit with subsidiary		-	1,130,877

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

	March 31, 2018 (Un-Audited) Rs '000	December 31, 2017 (Audited) Rs '000
Payables to related parties		
Trade creditors		
- Subsidiaries	-	641,630
- Associated undertakings	437,456	311,296
- The Government of Pakistan and its related entities	1,678,326	1,380,182
Security deposits from subsidiary	3,623	3,623
Retention money payable to associated undertakings	8,566	7,832
Technical services assistance fee payable to Etisalat	13,399,388	12,347,648
Pakistan Telecommunication Employees Trust (PTET)	3,011,585	2,779,570

17.1 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.

18. 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
As at March 31, 2018					
Trade debts & Contract assets	5,009,742	(1,509,980)	3,499,762	20,361,516	23,861,278
Trade creditors	(2,767,535)	1,509,980	(1,257,554)	(8,794,462)	(10,052,016)
As at December 31, 2017					
Trade debts & Contract assets	10,294,641	(7,556,453)	2,738,188	21,469,217	24,207,405
Trade creditors	(8,628,339)	7,556,453	(1,071,886)	(11,153,841)	(12,225,727)

19. DATE OF AUTHORIZATION FOR ISSUE OF CONDENSED INTERIM FINANCIAL INFORMATION

This condensed interim financial information for the Three months ended March 31, 2018 was authorized for issue by the Board of Directors of the Company on April 12, 2018.


Chief Financial Officer


President & CEO


Chairman

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2018 (UN-AUDITED)

Note	March 31, 2018 (Un-Audited) Rs '000	December 31, 2017 (Restated) Rs '000
Equity and liabilities		
Equity		
Share capital and reserves		
Share capital	51,000,000	51,000,000
Revenue reserves		
Insurance reserve	2,985,696	2,806,993
General reserve	27,497,072	27,497,072
Unappropriated profit	5,938,060	5,109,744
	36,420,828	35,413,809
Statutory and other reserves	84,837	84,837
Unrealized gain / (loss) on investments measured at fair value through OCI	15,717	(28)
	87,521,382	86,498,618
Liabilities		
Non-current liabilities		
Long term loans from banks	25,020,833	25,584,999
Subordinated debt	599,880	600,000
Customers deposits	3,988,483	3,884,344
Long term security deposits	1,455,026	1,445,262
Deferred Income tax	9,872,652	10,634,558
Employees retirement benefits	24,174,602	23,590,275
Deferred government grants	15,817,704	15,619,006
Long term vendor liability	28,689,904	31,150,659
	109,619,084	112,509,103
Current liabilities		
Trade and other payables	73,317,024	69,488,174
Customer deposits	8,383,265	6,937,146
Interest accrued	528,199	503,096
Short term running finance	-	834,233
Current portion of:		
Long term loans from banks	5,306,139	4,001,154
Liability against assets subject to finance lease	3,953	10,146
Long term vendor liability	7,649,718	7,474,057
Unearned income - contract liability	5,642,768	6,695,724
	100,831,066	95,943,730
Total equity and liabilities	297,971,532	294,951,451

Contingencies and commitments

8

The annexed notes 1 to 17 are an integral part of this condensed consolidated interim financial information.



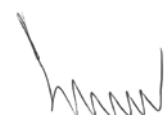
Chief Financial Officer



President & CEO



Chairman



Chief Financial Officer



President & CEO



Chairman

Note	March 31, 2018 (Un-Audited) Rs '000	December 31, 2017 (Restated) Rs '000	
Assets			
Non-current assets			
Property, plant and equipment	5	163,313,950	167,490,798
Intangible assets	6	33,444,738	34,164,307
		196,758,688	201,655,105
Long term investments		93,600	93,600
Long term loans and advances		3,605,567	2,698,518
Contract costs	7	370,774	338,231
Investment in finance lease		22,275	17,268
		200,850,904	204,802,722
Current assets			
Stock in trade, stores and spares		4,246,903	3,827,171
Trade debts and contract assets		17,025,895	16,805,595
Loans to banking customers		12,314,657	10,554,358
Loans and advances		2,053,182	1,613,562
Contract costs	7	1,315,720	1,207,882
Investment in finance lease		31,645	35,137
Income Tax Recoverable		20,510,349	19,828,318
Receivable from the Government of Pakistan		2,164,072	2,164,072
Deposits, prepayments and other receivables		9,749,164	9,660,733
Short term investments		22,798,058	9,394,153
Cash and bank balances		4,910,983	15,057,748
		97,120,628	90,148,729
Total assets		297,971,532	294,951,451

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT AND LOSS

FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

	Note	Three months ended	
		March 31, 2018 Rs '000	March 31, 2017 Rs '000 (Restated)
Revenue	9	30,049,721	28,826,553
Cost of services		(21,616,505)	(21,358,298)
Gross profit		8,433,216	7,468,255
Administrative and general expenses		(4,434,533)	(4,418,676)
Selling and marketing expenses		(1,748,705)	(1,472,778)
		(6,183,238)	(5,891,454)
Operating profit		2,249,978	1,576,801
Other income		861,605	1,052,486
Finance costs		(1,581,345)	(864,642)
Profit before tax		1,530,238	1,764,645
Provision for income tax			
- Current		(1,285,082)	(1,606,788)
- Deferred		761,863	961,250
		(523,219)	(645,538)
Profit for the period		1,007,019	1,119,107
Earnings per share - basic and diluted (Rupees)		0.20	0.22

The annexed notes 1 to 17 are an integral part of this condensed consolidated interim financial information.

Chief Financial Officer

President & CEO

Chairman

Chief Financial Officer

President & CEO

Chairman

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

	Three months ended	
	March 31, 2018 Rs '000	March 31, 2017 Rs '000 (Restated)
Profit for the period	1,007,019	1,119,107
Other comprehensive income for the period		
Items that may be subsequently reclassified to profit and loss:		
Gain on investments measured at fair value arising during the period	22,447	2,384
Tax effect of revaluation of investments measured at fair value	(6,748)	(715)
Unrealized gain on investments measured at fair value - net of tax	15,699	1,669
Loss on disposal transferred to income for the period	46	-
	15,745	1,669
Total comprehensive income for the period	1,022,764	1,120,776

The annexed notes 1 to 17 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

	Note	Three months ended	
		March 31, 2018 Rs '000	March 31, 2017 Rs '000 (Restated)
Cash flows from operating activities			
Cash generated from operations	10	12,866,947	10,614,824
Employees retirement benefits paid		(328,912)	(284,098)
Payment of voluntary separation scheme cost		(3,405)	(4,652,155)
Finance cost paid		(1,556,242)	(715,977)
Long term security deposits		9,764	60,944
Income tax paid		(1,973,904)	(514,477)
Net cash inflow from operating activities		9,014,248	4,509,061
Cash flows from investing activities			
Capital expenditure		(3,021,293)	(6,086,387)
Acquisition of Intangible assets		(148,822)	(72,390)
Proceeds from disposal of property, plant and equipment		57,607	41,726
Short term investment-net		2,080,778	1,500,000
Long term loans and advances		(895,586)	(884,892)
Finance lease		-	12,557
Government grants received		510,800	2,883,973
Return on long term loans and short term investments		23,976	387,293
Net cash outflow from investing activities		(1,392,540)	(2,218,120)
Cash flows from financing activities			
Loan fom banks		740,819	1,487,294
Subordinated Debt		(120)	-
Vendor liability		(2,285,094)	797,270
License fee payable		-	145,617
Customers Deposits		104,139	300,014
Liability against assets subject to finance lease		(6,193)	(7,323)
Dividend paid		(3,108)	(5,248)
Net cash (outflow)/inflow from financing activities		(1,449,557)	2,717,624
Net increase in cash and cash equivalents		6,172,151	5,008,565
Cash and cash equivalents at the beginning of the period		18,536,890	12,155,598
Cash and cash equivalents at the end of the period	11	24,709,041	17,164,163

The annexed notes 1 to 17 are an integral part of this condensed consolidated interim financial information.


Chief Financial Officer


President & CEO


Chairman


Chief Financial Officer


President & CEO


Chairman

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

	Issued, subscribed and paid-up capital			Revenue reserves			Unappropriated profit	Statutory and other reserves	Unrealized gain on investments measured at fair value through OCI	Total
	Class 'A'	Class 'B'		Insurance reserve	General reserve					
Balance as at December 31, 2016	37,740,000	13,260,000	-	2,621,288	27,497,072	7,047,199	20,096	1,063	88,186,718	
Impact of change in accounting policy - Note 12	-	-	-	-	-	416,648	-	-	416,648	
Balance as at January 01, 2017 - restated	37,740,000	13,260,000	-	2,621,288	27,497,072	7,463,847	20,096	1,063	88,603,366	
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	
Profit for the three months period ended March 31, 2017 - restated	-	-	-	-	-	1,119,107	-	-	1,119,107	
Other comprehensive income	-	-	-	185,705	-	(185,705)	-	1,669	1,669	
Transfer to insurance reserve	-	-	-	185,705	-	-	-	1,669	1,669	
Balance as at March 31, 2017 - restated	37,740,000	13,260,000	-	2,806,993	27,497,072	8,397,249	20,096	2,732	89,724,142	
Profit for the nine months period ended December 31, 2017 - restated	-	-	-	-	-	3,198,546	-	-	3,198,546	
Other comprehensive income	-	-	-	-	-	(1,321,310)	-	(2,760)	(1,324,070)	
Transfer to statutory and other reserves	-	-	-	-	-	(64,741)	64,741	-	-	
Interim dividend for the year ended December 31, 2017 - Re 1.00 per share	-	-	-	-	-	(5,100,000)	-	-	(5,100,000)	
Balance as at December 31, 2017 - restated	37,740,000	13,260,000	-	2,806,993	27,497,072	5,109,744	84,837	(2,760)	86,498,618	
Total Comprehensive income for the period	-	-	-	-	-	-	-	(28)	-	
Profit for the three months period ended March 31, 2018	-	-	-	-	-	1,007,019	-	-	1,007,019	
Other Comprehensive income	-	-	-	178,703	-	(178,703)	-	-	15,745	
Transfer to insurance reserve	-	-	-	178,703	-	-	-	-	15,745	
Balance as at March 31, 2018	37,740,000	13,260,000	-	2,985,696	27,497,072	5,938,060	84,837	15,717	87,521,382	

The annexed notes 1 to 17 are an integral part of this condensed consolidated interim financial information.

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 2018 (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 Headquarters, G-8/4, 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 to provide Direct-to-Home (DTH) television services throughout the country under the license from Pakistan Electronic Media Regulatory Authority (PEMRA). Auction for DTH license was held on 23 November 2016, in which Company had actively participated. PEMRA has announced three winning companies of DTH Licenses. Later on, the honorable Lahore High Court has declared whole process of DTH auction as null and void and advised PEMRA to restart the whole process. Smart Sky is a wholly owned subsidiary of PTCL. The registered office of the Company is located at PTCL Headquarters, G-8/4, Islamabad.

1.2 Activities of the Group

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

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 2018 (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.

3. 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, 2017.

4. 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, 2017 except for the

4.1 IFRS 9 Financial Instruments

The Group has adopted IFRS 9 "Financial Instruments" with a date of initial application of 1st January 2018. However it has no significant impact on the financial statements of PTCL and PTML.

4.2 IFRS 15 Revenue from contracts with customers

The Group has adopted IFRS 15 "Revenue from contracts with customers" with a date of initial application of 1st January 2018. As a result, the Group has changed its accounting policy for revenue recognition as detailed below:

i) Installation charges

Installation charges for provision of Voice, Broadband, IPTV and corporate services were previously being recognized as revenue when billed. Under IFRS 15 these charges shall be deferred and recognized as revenue over the average customer life.

ii) Upfront maintenance and service fee

The upfront maintenance and service fee was previously included in "Subscription fee and line rent" under Revenue. Under IFRS 15, it has to be recognized as revenue on discharge of respective performance obligations. It will therefore be allocated to the performance obligations viz. Voice, Data, Value added Services and Messaging.

iii) Discount on Prepaid cards and load

The discount on prepaid cards and load was previously shown as a deduction to gross revenue in the revenue note to the Financial Statements. Under IFRS 15, it will be allocated to the respective performance obligations viz. Voice, Data, Value added Services and Messaging.

iv) Sale of Handsets

Handset revenue to be recognized separately from the handset cost as a separate performance obligation. Previously, handset cost net of handset revenue was recognized in Distribution and Selling Costs as customer acquisition cost.

**NOTES TO AND FORMING PART OF THE
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)**

v) 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.

vi) Contract Cost

The Group previously recognized cost of acquiring a customer as distribution and selling costs when they were incurred. Under IFRS 15, 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. 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 the assets is one year or less

Effect of adoption of IFRS 15 on opening balance has been disclosed in note 12.

	Note	March 31, 2018 (Un-Audited) Rs '000	December 31, 2017 (Restated) Rs '000
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	152,992,639	157,193,242
Capital work-in-progress		10,321,311	10,297,556
		163,313,950	167,490,798
5.1 Operating fixed assets			
Opening net book value		157,193,242	158,693,834
Additions during the period / year at cost		2,997,538	30,999,512
		160,190,780	189,693,346
Disposals during the period / year - at net book value		(75,106)	(98,744)
Impairment for the period / year		(22,679)	(2,433,378)
Depreciation for the period / year		(7,100,356)	(29,967,982)
		(7,198,141)	(32,500,104)
Closing net book value		152,992,639	157,193,242
6. INTANGIBLE ASSETS			
Opening net book value		34,164,307	37,111,799
Additions during the period / year at cost		148,822	615,098
		34,313,129	37,726,897
Amortization for the period / year		(868,391)	(3,562,590)
Closing net book value		33,444,738	34,164,307

**NOTES TO AND FORMING PART OF THE
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)**

7. CONTRACT COSTS

Contract costs are amortized over the expected average customer life. There was no impairment loss in relation to the costs capitalized.

	Note	March 31, 2018 (Un-Audited) Rs '000	December 31, 2017 (Restated) Rs '000
Capitalized cost to obtain a contract	7.1	493,083	422,186
Capitalized cost to fulfill a contract		1,193,411	1,123,927
		1,686,494	1,546,113
Current maturity of contract costs		(1,315,720)	(1,207,882)
		370,774	338,231
7.1 Movement during the period			
Balance at the beginning of the period		1,546,113	1,441,418
Capitalized during the period		734,508	524,163
		2,280,621	1,965,581
Amortized during the period		(594,127)	(589,261)
Balance at end of the period		1,686,494	1,376,320

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There has been no material change in contingencies as disclosed in the last audited financial statements of the Group for the year ended December 31, 2017, except the followings:

PTCL

- (a) For the tax years 2012, 2013, 2015 and 2016, Taxation Officer disallowed certain expenses having tax impact of Rs. 22,536,409 thousand. PTCL has filed appeals before ATIR against the disallowed expenses which are pending adjudication. For tax years 2012, 2015 and 2016, PTCL has obtained stay orders from the Honorable Islamabad High Court and ATIR against any coercive measures.
- (b) The Honorable Supreme Court of Pakistan (Apex Court) disposed the Review Petitions filed by PTCL, the Pakistan Telecommunication Employees Trust (PTET) and the Federal Government (collectively, the Review Petitioners) vide the order dated 17th May 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 the Islamabad High Court has dismissed the application on technicality which has been challenged before the Supreme Court. Under the circumstances, management of the Company is of the view that it is not possible at this stage to ascertain the financial obligations, if any, flowing from the referred decision of the Apex Court which could be disclosed in these financial statements.

**NOTES TO AND FORMING PART OF THE
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**
FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

	March 31, 2018 (Un-Audited) Rs '000	December 31, 2017 (Restated) Rs '000
(c) Letter of guarantee issued in favor of PTA for USD 8,321 thousand (December 31, 2016: USD 8,321 thousand) in relation to the performance of PTML's obligation stipulated under the license agreements for 2G and 3G services	960,241	919,471
(d) Bank guarantee and bid bonds of the group issued in favor of Universal Service Fund (USF) against government grants and others	13,676,727	6,628,999
8.2 Commitments - Group		
Commitments for capital expenditure	12,355,130	7,793,694
Standby Letter of Guarantee	6,365	6,365
	12,582,954	7,848,839

	Three months ended	
	March 31, 2018 (Un-Audited) Rs '000	March 31, 2017 (Restated) Rs '000
9. REVENUE		
Broadband & IPTV	6,618,141	6,081,022
Fixed voice services	3,536,562	3,607,333
Cellular and other wireless	12,665,790	12,424,099
Banking	974,906	501,496
Revenue from retail customers	23,795,399	22,613,950
Corporate	2,209,427	1,923,750
Carrier and wholesale	1,804,460	1,791,543
International	2,240,435	2,497,310
Total	30,049,721	28,826,553

**NOTES TO AND FORMING PART OF THE
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**
FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

	Three months ended	
	March 31, 2018 (Un-Audited) Rs '000	March 31, 2017 (Restated) Rs '000
10. CASH GENERATED FROM OPERATIONS		
Profit before tax	1,530,238	1,764,645
Adjustments for non-cash charges and other items:		
Depreciation and amortization	7,968,747	8,310,581
Impairment	22,679	-
Amortization of Contract Costs	594,127	720,669
Provision for doubtful trade debts	500,720	510,460
Provision for non performing advances	36,045	16,236
Provision for employees retirement benefits	913,239	946,022
Imputed interest on long term loans	(11,463)	(5,500)
Imputed interest on finance lease	(1,515)	(4,199)
Loss / (gain) on disposal of property, plant and equipment	17,499	(8,600)
Gain on disposal of investments measured at fair value through OCI	(15,440)	-
Return on bank deposits and Government Securities	(277,996)	(544,959)
Release of deferred government grants	(312,102)	(214,926)
Finance costs	1,581,345	864,642
	12,546,123	12,355,071
Effect on cash flows due to working capital changes:		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(419,732)	315,412
Trade debts	(721,020)	(346,495)
Loans to banking customers	(1,796,344)	(1,378,556)
Contract Costs	(734,508)	(524,236)
Loans and advances	(439,620)	(604,518)
Prepayments and other receivables	203,522	(399,351)
	(3,907,702)	(2,937,744)
Increase / (decrease) in current liabilities:		
Trade and other payables	3,835,363	937,499
Customers deposits	1,446,119	474,081
Unearned income	(1,052,956)	(214,083)
	4,228,526	1,197,497
	12,866,947	10,614,824
11. CASH AND CASH EQUIVALENTS		
Short term investments	19,798,058	11,486,618
Cash and bank balances	4,910,983	5,677,545
	24,709,041	17,164,163

**NOTES TO AND FORMING PART OF THE
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**
FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

12 CHANGE IN ACCOUNTING POLICY AND ITS IMPACT ON FINANCIAL STATEMENTS

The following table summarise the impacts of adopting IFRS 15 on the Groups's Financial Statements

	Impact of Changes in accounting policies		
	As previously reported Rs '000	Adjustments Rs '000	As restated Rs '000
I) STATEMENT OF FINANCIAL POSITION			
JANUARY 01, 2017			
Assets			
Contract Costs	-	1,441,417	1,441,417
Others	302,611,576	-	302,611,576
Total Assets	302,611,576	1,441,417	304,052,993
EQUITY AND LIABILITIES			
Equity			
Share Capital	51,000,000	-	51,000,000
Reserves	30,139,519	-	30,139,519
Unappropriated profit	7,047,199	416,646	7,463,845
	88,186,718	416,646	88,603,364
Liabilities			
Deferred Tax	12,089,802	181,284	12,271,086
Trade and Other payables	70,001,837	843,487	70,845,324
Others	132,333,219	-	132,333,219
	214,424,858	1,024,771	215,449,629
	302,611,576	1,441,417	304,052,993
DECEMBER 31, 2017			
Assets			
Contract Costs	-	1,546,113	1,546,113
Income Tax Recoverable	19,838,281	(9,963)	19,828,318
Others	273,577,019	-	273,577,020
Total Assets	293,415,300	1,536,150	294,951,451
EQUITY AND LIABILITIES			
Equity			
Share Capital	51,000,000	-	51,000,000
Reserves	30,388,874	-	30,388,874
Unappropriated profit	4,717,685	392,059	5,109,744
	86,106,559	392,059	86,498,618
Liabilities			
Deferred Tax	10,471,742	162,816	10,634,558
Trade and Other Payables	69,384,175	103,999	69,488,174
Unearned Revenue	5,818,447	877,277	6,695,724
Others	121,634,377	-	121,634,377
	207,308,741	1,144,092	208,452,833
Total equity and liabilities	293,415,300	1,536,151	294,951,451

**NOTES TO AND FORMING PART OF THE
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**
FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

	March 31, 2017	Impact of Changes in accounting policies		March 31, 2017
	As previously reported Rs '000	Adjustments Rs '000	As restated Rs '000	As restated Rs '000
II) STATEMENT OF PROFIT AND LOSS				
For the period ended 31 March 2017				
Revenue	28,835,189	(8,636)		28,826,553
Cost of Services	(21,251,851)	(106,447)		(21,358,298)
Gross Profit	7,583,338	(115,083)		7,468,255
Administrative and general expenses	(4,424,723)	6,047		(4,418,676)
Selling and marketing expenses	(1,480,561)	7,783		(1,472,778)
	(5,905,284)	13,830		(5,891,454)
Operating profit	1,678,054	(101,253)		1,576,801
Other income	1,052,486	-		1,052,486
Finance costs	(864,642)	-		(864,642)
Profit before taxation	1,865,898	(101,253)		1,764,645
Provision for income tax	(677,464)	31,926		(645,538)
Profit after taxation	1,188,434	(69,327)		1,119,107
III) STATEMENT OF CASH FLOWS				
For the period ended 31 March 2017				
Profit before taxation	1,865,898	(101,253)		1,764,645
Adjustments for non-cash and other items				
Contract cost	-	720,669		720,669
Others	9,869,757	-		9,869,757
	9,869,757	720,669		10,590,426
Operating profit before working capital changes	11,735,655	619,416		12,355,071
Contract Costs	-	(524,236)		(524,236)
Unearned revenue	(118,903)	(95,180)		(214,083)
Working capital changes	(1,001,928)	-		(1,001,928)
Cash generated from operations	10,614,824	-		10,614,824
Finance cost, income tax and others	(6,105,763)	-		(6,105,763)
Net cash generated from operating activities	4,509,061	-		4,509,061
Cash flow from Investing Activities				
Net cash used in investing activities	(2,218,120)	-		(2,218,120)
Cash flow from Financing Activities				
Net cash generated from financing activities	2,717,624	-		2,717,624
Net increase in cash and cash equivalents	5,008,565	-		5,008,565
Cash and Cash Equivalents at beginning of the period	12,155,598	-		12,155,598
Cash and Cash Equivalents at end of the period	17,164,163	-		17,164,163

**NOTES TO AND FORMING PART OF THE
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**
FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

13. SEGMENT INFORMATION

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

13.1 Segment information for the reportable segments is as follows:

	Note	Wire line Rs '000	Wireless Rs '000	Total Rs '000
Three months ended March 31, 2018				
Segment revenue		16,634,399	15,028,072	31,662,471
Inter segment revenue	13.1.1	(1,247,281)	(365,469)	(1,612,750)
Revenue from external customers		15,387,118	14,662,603	30,049,721
Segment results		1,727,374	(720,355)	1,007,019
Three months ended March 31, 2017 - (Restated)				
Segment revenue		16,189,032	14,352,786	30,541,818
Inter segment revenue	13.1.1	(1,301,851)	(413,414)	(1,715,265)
Revenue from external customers		14,887,181	13,939,372	28,826,553
Segment results		1,963,241	(844,134)	1,119,107

13.1.1 Inter segment revenues are eliminated on consolidation.

		Wire line Rs '000	Wireless Rs '000	Total Rs '000
As at March 31, 2018				
Segment assets		150,018,736	147,952,796	297,971,532
Segment liabilities		100,754,051	109,696,099	210,450,150
As at December 31, 2017 (Restated)				
Segment assets		146,920,724	148,030,727	294,951,451
Segment liabilities		98,461,338	109,991,495	208,452,833

**NOTES TO AND FORMING PART OF THE
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**
FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

		Three months ended	
		March 31, 2018 (Un-Audited) Rs '000	March 31, 2017 (Restated) Rs '000
14. TRANSACTIONS WITH RELATED PARTIES			
Relationship with the Group	Nature of transaction		
i. Shareholders	Technical services assistance fee	1,051,740	1,008,929
ii. Associated undertakings	Sale of goods and services	490,938	332,543
	Purchase of goods and services	407,073	299,137
	Prepaid rent	129,365	120,446
iii. Employees benefits plans	PTCL Gratuity Fund	13,179	354,280
	PTML Gratuity Fund	23,019	17,410
	U Bank Gratuity Fund	3,648	2,250
iv. Employees contribution plans	PTCL PTCL Employees GPF Trust - net	9,650	37,465
	PTML Provident Fund	25,280	25,079
	U Bank Provident Fund	3,634	2,692
v. Other related parties	PTCL Sale of goods and services	434,887	429,105
	PTCL Charges under license obligation	400,462	404,179
	PTML Expenses reimbursed to Pakistan MNP Database (Guarantee) Limited	5,450	3,850
vi. Directors, Chief Executive and Executives	Fee and remuneration including benefits and perquisites	561,619	457,407

**NOTES TO AND FORMING PART OF THE
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**
FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

	March 31, 2018 (Un-Audited) Rs '000	December 31, 2017 (Audited) Rs '000
Trade debts		
- Associated undertakings	1,384,591	1,066,041
- The Government of Pakistan and its related entities	1,499,205	1,392,331
Deposits, Prepayments and other receivables		
- Associated undertakings	71,305	71,305
- PTCL Employees GPF Trust	65,398	55,748
- Pakistan Telecommunication Employees Trust (PTET)	9,043	7,712
- Prepaid rent	224,103	83,959
- Pakistan Telecommunication Authority	-	45,616
- Pakistan Telecommunication Company Limited Employees Gratuity Fund	112,221	93,293
Long term loans to executives and key management personnel		
PTCL	29,145	-
PTML	51,246	56,499
Trade and Other Payables		
Trade creditors		
- Associated Undertakings	718,776	583,741
- The Government of Pakistan and its related entities	1,678,326	1,380,182
Retention money payable to associated undertaking	8,566	7,832
Technical services fee payable to Etisalat	13,399,388	12,347,648
Pakistan Telecommunication Employees Trust (PTET)	3,011,585	2,759,357
PTML		
- Gratuity Fund	20,209	82,980
- Provident Fund	18,733	19,091
- Remuneration payable to chief executive and key management personnels	604	489
Ubank		
- Gratuity Fund	1,904	580
- Provident Fund	1,445	3,464

**NOTES TO AND FORMING PART OF THE
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**
FOR THE THREE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

15. FAIR VALUE ESTIMATION

The financial asset of Forward exchange contracts at fair value through profit or loss is Rs. 273,358 thousand (December 31, 2017: Rs. 155,791 thousand)

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

16. CORRESPONDING FIGURES

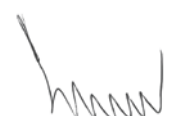
Following corresponding figures have been reclassified for appropriate presentation of operating results

STATEMENT OF PROFIT AND LOSS

From	To	Rs '000
Selling and Marketing Expenses	Cost of Services	73,473

17. DATE OF AUTHORISATION FOR ISSUE OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

This condensed consolidated interim financial information for the three months period ended March 31, 2018 was authorised for issue by the Board of Directors of the Holding Company on April 12, 2018.



Chief Financial Officer



President & CEO



Chairman

