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BOARD OF DIRECTORS

Chairman PTCL Board

Dr. Muhammad Sohail Rajput

Members PTCL Board

Abdulrahim A. Al Nooryani

Hamed Yaqoob Sheikh

Hatem Dowidar

Hassan Nasir Jamy

Khalifa Al Shamsi

Dr. Mohamed Karim Bennis

Syed Hussnain Abbas Kazmi

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

Zahida Awan
Group Chief Legal Officer

Naveed Khalid Butt
Group Chief Regulatory Officer

Moqees UI Haque
Group Chief Strategy and
Transformation Officer

Saad Muzaffar Waraich
Group Chief Information Officer

Jafar Khalid
Group Chief Technology Officer

Adnan Anjum
Group Chief Commercial Officer

Ahmad Kamal
Group Chief Customer Care Officer

Zarrar Hasham Khan
Chief Business Solutions Officer

Muhammad Shehzad Yousuf
Chief Business Operations Officer

Shahid Abbas
Group Chief Internal Auditor

Syed Mazhar Hussain
Advisor to President and
Group Chief Executive Officer

Company Secretary

Saima Akbar Khattak
Group Company Secretary

Legal Advisor

Zahida Awan
Group Chief Legal Officer

Bankers

Conventional

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

Islamic

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

Registered Office

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

Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

Share Registrar

FAMCO Associates (Pvt.) Limited
8-F, Next to Hotel Faran, Nursery,
Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi.
Tel: +92-21-34380101-2
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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 2022.

During the first quarter of 2022, PTCL Group successfully managed to keep the topline growth momentum, which has further strengthened its market standing as an integrated telecom services provider in Pakistan. Growth in revenue is mainly driven by strong performance in the consumer segment led by fixed broadband, mobile data, business solutions, and microfinance services that supported the Group in achieving 3.2% growth in revenues over the comparative period despite the challenges of increase in Advance Income Tax (AIT) and reduction in Mobile Termination Rates (MTR).

During the period under review, PTCL Group's revenue of Rs 35.1 billion is 3.2% higher as compared to the same period of last year. The Group's profitability remained under pressure due to significant hike in power tariffs, devaluation of the Pak Rupee against USD, higher interest rates, and other factors like upfront costs associated with the acquisition of 4G spectrum and related network rollout. The Group has posted a net loss of Rs 1.6 billion. PTCL continued its growth by posting 3.5% YoY revenue growth in Q1, 2022. PTCL's (Ufone) revenue grew by 1% as compared to Q1, 2021. U Bank continued its growth momentum and has achieved a 13% growth in its quarterly revenue over the same period of last year.

PTCL's revenue of Rs 19.6 billion for the quarter is 3.5% higher than Q1 2021, mainly driven by growth in broadband and corporate revenue segments. The company has posted an operating profit of Rs 1 billion for the quarter. Operating profit for the period remained under pressure compared to last year mainly due to increase in operating costs on account of significant hike in power tariffs. Net profit of Rs 1.9 billion for the quarter is 10% higher as compared to the same period of last year. Increase in non-operating income, due to translation gain on the Company's forex denominated assets, dividend income from a subsidiary and gain on disposal of obsolete assets due to upgrade and fiberization of network, has helped turn the 39% decrease at operating profit level to a 10% increase at the net profit level.

During the past quarters, PTCL mainly focused on enhancing customer experience by providing the fastest and most reliable internet services under its flagship 'Flash Fiber' Fiber-To-The-Home (FTTH) brand. Through an aggressive and robust commercial strategy, PTCL managed to expand its FTTH services in 27 cities with capacity enhancement for 125,000 new lines during the past year. The rapid rollout of FTTH and strong performance in corporate segment ensured PTCL's topline growth.

During 2022, the company's fixed broadband business grew by 10.4% YoY, whereas IPTV segment also showed a 9.3% growth YoY. Within the broadband business, Flash Fiber, the company's premium FTTH service, showed significant growth of 86.6%. The Company achieved the highest ever fixed broadband sales in Q1, 2022 since 2015. Voice revenue stream has seen a decline due to lower voice traffic and continued conversion of customers to OTT services.

Business services segment continued its momentum and sustained its market leadership in IP bandwidth, cloud, data center, and other ICT services segments. PTCL's corporate business grew by 14.0% as compared to last year. Within the wholesale business segment, carrier revenue grew by 6.6% but the overall wholesale segment revenue has declined as a result of closure of certain international IP leased circuits. PTCL business solutions wing strives to provide innovative enterprise solutions to accelerate growth through a robust telecommunication infrastructure and a diverse portfolio of services with enhanced customer experience. International revenue, helped by the favorable impact of currency devaluation, has increased by 13.7% over last year.

Ufone posted a YoY growth of 1% in topline in Q1 2022 despite challenges of increase in Advance Income Tax (AIT) and reduction in Mobile Termination Rates (MTR). Excluding the impact of these factors, the normalized growth is 5.3% as compared to the same period of last year. Significant network modernization activity and rollout of new sites has been carried out in Q1 2022. With the

acquisition of 4G spectrum, Ufone's performance in data segment has improved considerably, achieving the highest number of total data subscribers in the industry during the first two months of 2022 and continues to increase its share of new 4G subscriber acquisitions in the industry. With better data speeds, Ufone has been able to improve customer experience for its users across the country. The recent 'Mobile Networks Benchmark Report for 2022' by PTA also declared Ufone as Pakistan's best quality Voice and Data Network. UPower, a flagship customer-centric product, was launched during the first quarter and has registered tremendous response from the customers. Attracting significant attention of mobile users across Pakistan, the launch of UPower has resulted in substantial subscriptions to the product. UPower gives its users the freedom to choose from various voice and data bundles tailored to their needs.

U Bank, the microfinance and branchless banking subsidiary of PTCL, continued its growth trajectory and has achieved 13% growth in its revenue. The balance sheet footing of the bank remained in excess of the Rs 100 billion mark as the bank continued to diversify its funding streams and asset classes while ensuring positive bottom-line impact. U Bank aims to emerge as a major player in the areas of low-cost housing loans, international remittances, and Islamic Banking as it continues to expand its geographical outreach, both vertically and horizontally. The bank plans to invest in technology to make the most of the opportunities available on the digital banking front.

As part of an effort to build a greener Pakistan, PTCL Group, in collaboration with CDA, arranged a tree plantation drive by engaging its employee volunteer force – PTCL Razakaar. In addition to the benefits associated with the environment, this drive provided an opportunity for PTCL employees to contribute towards the fight against climate change. The same drive was carried out nationwide across North, South and Central Zones, where employees from various cities also planted trees to help support the initiative.

The management and employees of PTCL remain committed to provide 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



Hassan Nasir Jamy
Chairman, Board of Directors PTCL



Hatem Mohamed Bamatraf
President & Group Chief Executive Officer

Islamabad: April 13, 2022

ڈائریکٹرز کا جائزہ

پاکستان ٹیلی کمیونیکیشن کمپنی لمیٹڈ (پی ٹی سی ایل) کے ڈائریکٹرز 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کے لئے 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 2022 کی پہلی سہ ماہی کے دوران بھی اپنی ترقی کی رفتار کو برقرار رکھا، اور ملک میں سب سے بڑے ٹیلی کام خدمات فراہم کرنے والے گروپ کے طور پر اپنی مارکیٹ کو مزید مضبوط کیا۔ آمدنی میں اضافہ بنیادی طور پر عوامی صارفین کے سیگمنٹ کی مضبوط کارکردگی سے ہوا ہے جس میں نمایاں کردار فیکسڈ براڈ بینڈ، موبائل ڈیٹا، بزنس سلوشنز، اور مائیکرو فنانس سروسز نے ادا کیا ہے، جس نے ایڈوانسڈ ٹیکنیکس (AIT) میں اضافے اور موبائل ٹرانسمیشن ریٹ (MTR) میں کمی کے چیلنجز کے باوجود تقابلی مدت کے دوران آمدن میں 3.2 فیصد اضافہ کے حصول کو ممکن بنایا

اس سال کی پہلی سہ ماہی کے دوران، پی ٹی سی ایل گروپ کی 35.1 ارب روپے کی آمدنی گزشتہ سال کی اسی مدت کے مقابلے میں 3.2 فیصدز زیادہ ہے۔ بجلی کے نرخوں میں نمایاں اضافے، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی، شرح سود میں نمایاں اضافے سمیت دیگر عوامل جیسے 4G سپیکٹرم کے حصول اور متعلقہ نیٹ ورک رول آؤٹ کے ساتھ منسلک پیٹنگی لاگت کی وجہ سے گروپ کا منافع دباؤ کا شکار رہا۔ گروپ کو 1.6 ارب روپے کا خالص نقصان ہوا ہے۔ پی ٹی سی ایل نے 2022 کی پہلی سہ ماہی کے دوران 3.5 فیصد سال بہ سال آمدن میں اضافے کی شرح کو برقرار رکھا۔ پی ٹی ایم ایل (یونٹن) کی آمدنی میں موجودہ سہ ماہی میں گزشتہ سال کی بہ نسبت 1 فیصد اضافہ ہوا جب کہ یونیک نے بھی اپنی ترقی کی رفتار کو برقرار رکھا اور گزشتہ سال کی اسی مدت کے مقابلے میں 13 فیصد منافع حاصل کیا۔

سال رواں کی پہلی سہ ماہی میں پی ٹی سی ایل نے 19.6 ارب روپے کی آمدن حاصل کی جو گزشتہ سال کی اسی مدت کے مقابلے میں 3.5 فیصدز زیادہ ہے، آمدن کے حصول میں کامیابی کی نمایاں وجہ براڈ بینڈ اور کارپوریٹ ریونیو کے شعبوں میں ترقی کی شرح میں اضافہ رہی۔ کمپنی نے اس سہ ماہی میں 1 ارب روپے کا آپریٹنگ منافع کمایا، گزشتہ سال کی اسی مدت کے مقابلے میں آپریٹنگ منافع کے حصول میں کمی دیکھی گئی جس کی نمایاں وجہ بجلی کے بڑھتے ریٹس کے باعث آپریٹنگ لاگت میں اضافہ تھی۔ اس سہ ماہی میں ہونے والے 1.9 ارب روپے کا خالص منافع گزشتہ سال کی اسی مدت کے دوران ہونے والے منافع سے 10 فیصدز زیادہ ہے۔ 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 فائبر انٹرنیشن کے باعث بے کار و مٹر وک اثاثوں کی فروخت پہ حاصل ہونے والی آمدنی تھی۔ جس سے خالص منافع کی سطح پر 10 فیصد اضافہ ہوا اور آپریٹنگ منافع کی سطح پر 39 فیصد کمی کو دور کرنے میں مدد ملی۔

گزشتہ سہ ماہیوں کے دوران پی ٹی سی ایل نے اپنے کسٹمر کو تیز ترین اور قابل بھروسہ انٹرنیٹ خدمات فراہم کرنے پر توجہ دی اور اپنا فلیگ شپ فائبر ٹودی ہوم برانڈ فلیش فائبر متعارف کرایا جس نے صارفین کی فاسٹ انٹرنیٹ کی خواہش کو ممکن بنایا۔ مضبوط اور جارحانہ تجارتی حکمت عملی کے تحت پی ٹی سی ایل نے ملک بھر کے 27 شہروں میں فائبر ٹودی ہوم (FTTH) سروسز کو وسعت دی اور 125,000 نئی لائنوں کا اضافہ کیا۔ FTTH کے تیز رفتار رول آؤٹ اور کارپوریٹ سیگمنٹ میں مضبوط کارکردگی نے PTCL کی ٹاپ لائن ترقی کو یقینی بنایا۔

2022 کے دوران، کمپنی کے فیکسڈ براڈ بینڈ کاروبار میں 10.4 فیصد سال بہ سال اضافہ ہوا، جب کہ IPTV کے شعبے میں بھی 9.3 فیصد سال بہ سال اضافہ ریکارڈ کیا گیا۔ براڈ بینڈ کے شعبے میں کمپنی کی پریمنیم فائبر ٹودی ہوم سروسز فلیش فائبر سروسز نے 86.6 فیصد کی نمایاں ترقی حاصل کی۔ کمپنی نے 2015 کے بعد اس سہ ماہی میں اب تک کی سب سے زیادہ فیکسڈ براڈ بینڈ سبزیز حاصل کیں۔ وائس سروسز میں کمی کے باعث وائس ریونیو سٹیم اس بار بھی کم رہی جب کہ OTT سروسز کے ذریعے صارفین کے رابطے میں اضافہ دیکھا گیا۔

بزنس سروسز کے شعبے میں ترقی کی رفتار بدستور جاری رہی اور IP بینڈ وڈھ، کلاؤڈ، ڈیٹا سینٹر، اور دیگر ICT خدمات کے شعبوں نے مارکیٹ میں اپنی لیڈنگ حیثیت کو برقرار رکھا۔ پی ٹی سی ایل کے کارپوریٹ بزنس میں گزشتہ سال کے مقابلے میں 14 فیصد اضافہ ہوا۔ ہول سیل بزنس سیگمنٹ، کیریئر ریونیو میں 6.6 فیصد اضافہ ہوا لیکن کچھ بین الاقوامی آنی پلیر ڈسٹرکٹس کی بندش کے باعث ہول سیل سیگمنٹ کی مجموعی آمدنی میں کمی واقع ہوئی۔ پی ٹی سی ایل بزنس سلوشنز ونگ ایک مضبوط ٹیلی کمیونیکیشن انفراسٹرکچر اور بہتر کسٹمر کے تجربے کے ساتھ خدمات کے متنوع پورٹ فولیو کے ذریعے ترقی کو تیز کرنے کے لیے جدید انٹریپرائز حل فراہم کرنے کی کوشش کرتا ہے۔ انٹرنیشنل ریونیو میں کرنسی کی قدر میں کمی کے باعث سازگار حالات دیکھے گئے اور گزشتہ سال کے مقابلے میں 13.7 فیصد اضافہ ہوا۔

ایڈوانسڈ ٹیکنیکس (AIT) میں اضافے اور موبائل ٹرانسمیشن ریٹس (MTR) میں کمی کے چیلنجز کے باوجود Ufone نے 2022 کی پہلی سہ ماہی میں 1 فیصد کمی سال بہ سال نمو حاصل کی۔ ان عوامل کے باوجود پچھلے سال کی اسی مدت کے مقابلے میں ترقی کی شرح 5.3 فیصد رہی۔ نیٹ ورک کی جدت اور نئی سائٹس کارول آؤٹ اس سال کی پہلی سہ ماہی میں بھی جاری رہا۔ UPOWER کسٹمرز کیلئے ایک نئی جدید اور منفرد پروڈکٹ ہے جسے پہلی سہ ماہی کے دوران لانچ کیا گیا اور اس نے صارفین کی طرف سے زبردست کامیابی حاصل کی۔ 4G سپیکٹرم کے حصول کے ساتھ ڈیٹا سیگمنٹ میں Ufone کی کارکردگی میں کافی بہتری آئی ہے، جس نے 2022 کے پہلے دو مہینوں کے دوران انڈسٹری میں ڈیٹا سبسکرائبرز کی سب سے زیادہ تعداد حاصل کی ہے اور موبائل انڈسٹری میں نئے 4G سبسکرائبرز کی تعداد میں اضافے کے سفر کو جاری رکھا۔ ڈیٹا کی بہترین رفتار کے ساتھ، یونٹن ملک بھر میں اپنے صارفین کو زبردست انٹرنیٹ سروسز فراہم کرنے میں کامیاب رہا ہے۔ پی ٹی سی اے کی حالیہ موبائل نیٹ ورکس پیچ مارک رپورٹ برائے 2022 میں بھی یونٹن کو پاکستان کا بہترین معیار کا وائس اینڈ ڈیٹا نیٹ ورک قرار دیا گیا ہے۔ پاکستان بھر میں موبائل صارفین کی توجہ اپنی طرف مبذول کرواتے ہوئے، UPower کے اجراء کے نتیجے میں پروڈکٹ کے لیے کافی سبسکرائبرز حاصل ہوئے ہیں۔ UPower اپنے صارفین کو ان کی ضروریات کے مطابق مختلف وائس اور ڈیٹا بند لڑ میں سے انتخاب کرنے کی آزادی دیتا ہے۔

پی ٹی سی ایل کے مائیکرو فنانس اور برانچ لیس بینکنگ کے ذیلی ادارے یونیک نے اپنی ترقی کی رفتار کو جاری رکھا اور اپنی آمدنی میں 13 فیصد اضافہ حاصل کیا۔ بینک کی بیلنس شیٹ کی سطح 100 ارب روپے سے زیادہ رہی کیونکہ بینک نے مثبت نچلے درجے کے اثرات کو یقینی بناتے ہوئے اپنی فنڈنگ کے سلسلے اور اثاثوں کی کلاسوں کو متنوع بنانا جاری رکھا۔ یونیک کا مقصد کم لاگت والے باؤسنگ قرضوں، بین الاقوامی ترسیلات زر اور اسلامی بینکاری کے شعبوں میں ایک بڑے پلنیر کے طور پر ابھرنا ہے کیونکہ یہ عمودی اور افقی طور پر اپنی جغرافیائی رسائی کو بڑھا رہا ہے۔ بینک ڈیجیٹل بینکنگ کے شعبے میں دستیاب مواقع سے زیادہ سے زیادہ فائدہ اٹھانے کے لیے ٹیکنالوجی میں سرمایہ کاری کرنے کا ارادہ رکھتا ہے۔

سرسبز و شاداب پاکستان کی تعمیر کی کوششوں کے ایک حصے کے طور پر، پی ٹی سی ایل گروپ نے سی ڈی اے کے ساتھ مل کر اپنی رضا کار فورس بنائی اور پی ٹی سی ایل رضا کار کو شامل کر کے شجرکاری مہم کا اہتمام کیا۔ ماحولیات سے وابستہ فوائد کے علاوہ، اس مہم نے پی ٹی سی ایل کے ملازمین کو موسمیاتی تبدیلی کے خلاف جنگ میں اپنا شہرہ کردار ادا کرنے کا موقع فراہم کیا۔ اسی مہم کو پورے ملک میں شمالی، جنوبی اور وسطی زونز میں چلایا گیا، جہاں مختلف شہروں کے ملازمین نے اس اقدام کی حمایت میں مدد کے لیے درخت بھی لگائے۔

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 رکھا جائے تاکہ یہ صارفین کو ان کی پسند کی ہر سہولت فراہم کرنے والا پارٹنر اور شیئر ہولڈرز کی ویلیو میں اضافہ کرنے والا نیٹ ورک بن سکے۔

حاتم محمد باطرف

صدر اور گروپ چیف ایگزیکٹو آفیسر

حسن ناصر جامی

چیئر مین، بورڈ آف ڈائریکٹرز پی ٹی سی ایل

اسلام آباد 13 اپریل 2022

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022 (UN-AUDITED)

Note	March 31, 2022 (Un-Audited) Rs '000	December 31, 2021 (Audited) Rs '000
Equity and liabilities		
Equity		
Share capital and reserves		
Share capital	51,000,000	51,000,000
Revenue reserves		
General reserve	27,497,072	27,497,072
Unappropriated profit	23,061,758	21,156,077
	50,558,830	48,653,149
	101,558,830	99,653,149
Liabilities		
Non-current liabilities		
Deferred income tax	2,388,040	2,897,782
Employees retirement benefits	27,491,696	27,065,257
Deferred government grants	9,273,459	8,618,967
Advances from customers	1,800,242	1,649,806
Lease liabilities	1,251,612	1,307,056
	42,205,049	41,538,868
Current liabilities		
Trade and other payables	6 106,059,991	103,320,087
Security deposits	592,749	591,137
Unpaid / unclaimed dividend	210,266	210,317
Current maturity of lease liabilities	401,356	421,755
	107,264,362	104,543,296
Total equity and liabilities	251,028,241	245,735,313

Contingencies and commitments 11

The annexed notes 1 to 19 are an integral part of these condensed interim financial statements.


Note	March 31, 2022 (Un-Audited) Rs '000	December 31, 2021 (Audited) Rs '000
Assets		
Non-current assets		
Property, plant and equipment	7 122,355,814	121,507,885
Right of use assets	1,960,337	2,085,452
Intangible assets	1,888,660	1,866,109
	126,204,811	125,459,446
Long term investments	30,736,284	30,736,284
Long term loans and advances	8 8,484,243	9,077,445
Contract costs	581,173	580,895
	166,006,511	165,854,070
Current assets		
Stores and spares	8,015,624	5,575,040
Contract costs	1,743,518	1,742,684
Trade debts and contract assets	9 31,077,461	27,936,723
Loans and advances	4,828,791	4,931,477
Income tax recoverable	17,722,968	18,548,005
Receivable from GoP	2,164,072	2,164,072
Prepayments and other receivables	16,429,586	16,427,088
Cash and bank balances	10 3,039,710	2,556,154
	85,021,730	79,881,243
Total assets	251,028,241	245,735,313


Chief Financial Officer

President & CEO

Chairman

Chief Financial Officer

President & CEO

Chairman

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

	Note	Three months ended	
		March 31, 2022 Rs '000	March 31, 2021 Rs '000
Revenue	12	19,601,734	18,931,762
Cost of services		(15,398,476)	(14,466,000)
Gross profit		4,203,258	4,465,762
Administrative and general expenses		(1,907,596)	(1,741,536)
Selling and marketing expenses		(958,846)	(781,427)
Impairment loss on trade debts and contract assets		(390,294)	(389,569)
		(3,256,736)	(2,912,532)
Operating profit		946,522	1,553,230
Other income	13	1,804,000	1,245,717
Finance costs		(66,464)	(366,092)
Profit before tax		2,684,058	2,432,855
Provision for income tax		(778,377)	(705,528)
Profit for the period		1,905,681	1,727,327
Earnings per share - basic and diluted (Rupees)		0.37	0.34

The annexed notes 1 to 19 are an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

	Three months ended	
	March 31, 2022 Rs '000	March 31, 2021 Rs '000
Profit for the period	1,905,681	1,727,327
Other comprehensive income for the period		
Items that will not be reclassified to statement of profit or loss:		
Remeasurement loss on employees retirement benefits	-	(1,568,160)
Tax effect	-	454,766
	-	(1,113,394)
Total comprehensive income for the period	1,905,681	613,933

The annexed notes 1 to 19 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, 2022 (UN-AUDITED)

		Three months ended	
	Note	March 31, 2022 Rs '000	March 31, 2021 Rs '000
Cash flows from operating activities			
Cash generated from operations	14	4,972,437	6,982,198
Employees retirement benefits paid		(428,930)	(346,107)
Advances from customers		186,870	5,284
Income tax paid		(463,081)	(313,428)
Net cash inflow from operating activities		4,267,296	6,327,947
Cash flows from investing activities			
Capital expenditure		(4,764,973)	(2,972,076)
Acquisition of intangible assets		(174,569)	(495,077)
Proceeds from disposal of property, plant and equipment		198,211	325,994
Addition to contract costs		(930,635)	(947,247)
Long term loans and advances		134,014	81,382
Return on long term loan to subsidiaries		197,939	141,208
Long term Advance to subsidiaries		416,667	-
Dividend Income from Subsidiary		195,286	-
Return on short term investments and bank deposit		51,688	138,866
Government grants received		1,011,602	753,293
Net cash outflow from investing activities		(3,664,770)	(2,973,657)
Cash flows from financing activities			
Dividend paid		(51)	(335)
Lease liabilities		(118,919)	(88,834)
Net cash outflow from financing activities		(118,970)	(89,169)
Net increase in cash and cash equivalents		483,556	3,265,121
Cash and cash equivalents at the beginning of the period		2,556,154	11,976,601
Cash and cash equivalents at the end of the period	15	3,039,710	15,241,722

The annexed notes 1 to 19 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, 2022 (UN-AUDITED)

	Revenue reserves			Total
	General reserve	Unappropriated profit		
	(Rupees in '000)			
Balance as at December 31, 2020	27,497,072	15,512,733		94,009,805
Total comprehensive income for the period				
Profit for the three months period ended March 31, 2021		1,727,327		1,727,327
Other comprehensive income for the period - loss		(1,113,394)		(1,113,394)
Balance as at March 31, 2021			613,933	613,933
Balance as at March 31, 2021	27,497,072	16,126,666		94,623,738
Total comprehensive income for the period				
Profit for the nine months period ended December 31, 2021		5,146,650		5,146,650
Other comprehensive income for the period - loss		(117,239)		(117,239)
Balance as at December 31, 2021			5,029,411	5,029,411
Balance as at December 31, 2021	27,497,072	21,156,077		99,653,149
Total comprehensive income for the period				
Profit for the three months period ended March 31, 2022		1,905,681		1,905,681
Other comprehensive income for the period - loss		-		-
Balance as at March 31, 2022			1,905,681	1,905,681
Balance as at March 31, 2022	27,497,072	23,061,758		101,558,830

The annexed notes 1 to 19 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, 2022 (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, 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

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, 2021.

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, 2021.

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, 2021.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

Note	March 31, 2022 (Un-Audited) Rs '000	December 31, 2021 (Audited) Rs '000
6. TRADE AND OTHER PAYABLES		
Trade creditors	15,337,473	13,495,298
Accrued and other liabilities	6.1 32,720,856	33,308,502
Technical services assistance fee	6.2 31,871,294	30,644,507
Advances from customers / contract liabilities	7,146,830	7,136,903
Retention money / payable to contractors and suppliers	6,513,248	6,666,995
Payable to subsidiaries on account of group taxation	10,070,728	10,070,728
Sales tax payable	1,607,241	1,505,864
Income tax collected / deducted at source	792,321	491,290
	106,059,991	103,320,087

6.1 Accrued and other liabilities

Accrued liability for operational expenses	7,771,948	7,647,118
Amount withheld on account of provincial levies(Sub-judice) for ICH operations	12,110,803	12,110,803
Accrual for Government / regulatory expenses	11,303,339	10,670,730
Accrued wages	989,050	2,318,258
Others	545,716	561,593
	32,720,856	33,308,502

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

Note	March 31, 2022 (Un-Audited) Rs '000	December 31, 2021 (Audited) Rs '000
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	7.1 105,726,601	107,937,650
Capital work-in-progress	7.3 16,629,213	13,570,235
	122,355,814	121,507,885

Note	March 31, 2022 (Un-Audited) Rs '000	March 31, 2021 (Un-Audited) Rs '000
7.1 Operating fixed assets		
Opening net book value	107,937,650	103,724,068
Additions during three months period	7.2 1,705,994	3,851,742
	109,643,644	107,575,810
Disposals during the period - at net book value	(13,127)	(2,970)
Depreciation charge for the period	(3,903,916)	(3,776,075)
	(3,917,043)	(3,779,045)
Closing net book value	105,726,601	103,796,765

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

	March 31, 2022 (Un-Audited) Rs '000	March 31, 2021 (Un-Audited) Rs '000
7.2 Detail of additions during the period:		
Buildings on freehold land	8,689	1,999
Buildings on leasehold land	3,020	893
Lines and wires	761,680	1,488,575
Apparatus, plant and equipment	807,143	2,230,441
Office equipment	4,141	81,035
Computer equipment	37,098	4,496
Furniture and fittings	8,720	86
Vehicles	1,864	44,217
Submarine cables	73,639	-
	1,705,994	3,851,742

7.3 Additions to CWIP during the three months period ended March 31, 2022 were Rs 4,915,008 thousand [March 31, 2021: Rs 3,462,317 thousand].

	March 31, 2022 (Un-Audited) Rs '000	December 31, 2021 (Audited) Rs '000
8. LONG TERM LOANS AND ADVANCES		
Loans to PTML - unsecured	5,250,000	5,749,999
Loans to Ubank - unsecured	2,200,000	2,200,000
Loans to employees - secured	888,318	973,822
Others	145,925	153,624
	8,484,243	9,077,445
9. TRADE DEBTS AND CONTRACT ASSETS		
Trade debts	33,803,428	30,463,686
Contract assets	4,677,625	4,484,029
	38,481,053	34,947,715
Allowance for expected credit loss	(7,403,592)	(7,010,992)
	31,077,461	27,936,723

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

	Note	March 31, 2022 (Un-Audited) Rs '000	December 31, 2021 (Audited) Rs '000
10. CASH AND BANK BALANCES			
Cash in hand		715,776	71,671
Balances with banks:	10.1		
Deposit accounts local currency		545,139	1,280,946
Current accounts			
Local currency		143,690	269,498
Foreign currency		1,635,105	934,039
		1,778,795	1,203,537
		3,039,710	2,556,154

10.1 Bank balance includes Rs 1,391 thousand [December 31, 2021: Rs 1,924 thousand] carrying profit at the rate of 4.50% [December 31, 2021: 4.00%] per annum from Shariah arrangements.

11. CONTINGENCIES AND COMMITMENTS

There has been no material change in contingencies as disclosed in the last audited financial statements of the Company for the year ended December 31, 2021, except in note 11.1, and 11.2 in the following:

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 as rectification orders tax impact of the disallowances is Rs 62,684,014 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 & 2023, Taxation officer objected to the quarterly advance tax calculation submitted by the Company based on group taxation and raised demand amounting to Rs. 6,801,513 thousand despite that PTCL had filed option for group taxation within prescribed time. PTCL obtained stay order from Honorable Islamabad High against any coercive measures.

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 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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

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, 2022 (Un-Audited) Rs '000	December 31, 2021 (Audited) Rs '000
11.4 Bank guarantee and bid bonds issued in favour of :		
Universal Service Fund (USF) against government grants	7,934,405	9,058,005
Others	3,207,844	2,809,251
	11,142,249	11,867,256

Others includes bank guarantee given on behalf of DVCOM Data (Private) Limited to PTA amounting to Rs 675,000 thousand (December 31, 2021: Rs. 675,000 thousand).

	March 31, 2022 (Un-Audited) Rs '000	December 31, 2021 (Audited) Rs '000
11.5 Commitments		
Contracts for capital expenditure	8,158,532	7,319,139
Letter of comforts in favour of PTML	3,500,000	3,500,000
Corporate guarantee in favour of PTML	39,791,416	27,991,416
	51,449,948	38,810,555

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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

	Three months ended	
	March 31, 2022 (Un-Audited) Rs '000	March 31, 2021 (Un-Audited) Rs '000
Revenue segments		
Broadband and IPTV	8,403,082	7,613,404
Voice services	2,299,345	2,583,801
Wireless data	577,321	620,759
Revenue from retail customers	11,279,748	10,817,964
Corporate and wholesale	6,312,673	6,346,767
International	2,009,313	1,767,031
Total revenue	19,601,734	18,931,762

12.1 Revenue is stated net of trade discount amounting to Rs 14,930 thousand (March 31, 2021 Rs 17,914 thousand) and Federal Excise Duty and sales tax amounting to Rs 3,181,031 thousand (March 31, 2021: Rs 2,910,082 thousand).

		Three months ended	
	Note	March 31, 2022 (Un-Audited) Rs '000	March 31, 2021 (Un-Audited) Rs '000
13. OTHER INCOME			
Income from financial assets	13.1	943,758	435,234
Income from non-financial assets		860,242	810,483
		1,804,000	1,245,717

13.1 Income from financial assets include Rs 14 thousand (March 31, 2021: Rs 111 thousand) earned from Shariah arrangements.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

	Three months ended	
	March 31, 2022 (Un-Audited) Rs '000	March 31, 2021 (Un-Audited) Rs '000
14. CASH GENERATED FROM OPERATIONS		
Profit before tax	2,684,058	2,432,855
Adjustments for non-cash charges and other items:		
Depreciation of property, plant and equipment	3,903,916	3,776,075
Amortization of intangible assets	152,018	125,138
Depreciation of right of use assets	125,115	100,220
Amortization of contract costs	929,523	892,954
Provision for obsolete stores and spares	[4,148]	[17,529]
Impairment loss on trade debts and contract assets	390,294	389,569
Provision for employees retirement benefits	1,048,337	1,021,168
Gain on disposal of property, plant and equipment	[185,084]	[323,024]
Return on bank deposits	[45,648]	[199,921]
Imputed interest on long term loans	[19,953]	[21,119]
Imputed interest on lease liabilities	43,076	34,080
Return on long term loan to subsidiaries	[254,563]	[191,489]
Unearned revenue realised	[36,434]	[23,437]
Dividend Income	[195,286]	-
Release of deferred government grants	[357,110]	[374,997]
	8,178,111	7,620,543
Effect on cash flows due to working capital changes:		
Decrease / (increase) in current assets:		
Stores and spares	[2,436,436]	[211,849]
Trade debts and contract assets	[3,531,032]	[2,580,155]
Loans and advances	165,161	74,138
Prepayments and other receivables	[144,883]	[329,036]
	[5,947,190]	[3,046,902]
Increase in current liabilities:		
Trade and other payables	2,739,904	2,405,477
Security deposits	1,612	3,080
	4,972,437	6,982,198
15. CASH AND CASH EQUIVALENTS		
Short term investments	-	9,070,564
Cash and bank balances	3,039,710	6,171,158
	3,039,710	15,241,722

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

		Three months ended	
		March 31, 2022 (Un-Audited) Rs '000	March 31, 2021 (Un-Audited) Rs '000
16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES			
Relationship with the Company	Nature of transaction		
i. Shareholders	Technical services assistance fee - note 16.1	748,446	714,363
ii. Subsidiaries	Sale of goods and services	1,417,874	1,226,162
	Purchase of goods and services	1,134,667	701,020
	Mark up on long term loans	265,650	192,242
	Dividend income	195,286	-
iii. Associated undertakings	Sale of goods and services	855,657	868,308
	Purchase of goods and services	140,435	80,004
iv. Employees contribution plan	PTCL Employees GPF Trust - net	14,432	18,097
v. Employees retirement benefit plan	Contribution to the plan- Gratuity	20,949	18,957
vi. Other related parties	Charge under license obligations	462,141	415,625
vii. Directors, Chief Executive and Key management personnel	Fee and remuneration including benefits and perquisites	349,009	212,840
		March 31, 2022 (Un-Audited) Rs '000	December 31, 2021 (Audited) Rs '000
Period / year-end balances			
Receivables from related parties			
Long term loans to subsidiaries		7,083,333	7,500,000
Trade debts			
- Subsidiaries		1,009,842	487,663
- Associated undertakings		16,123,240	15,311,907
Other receivables			
- Subsidiaries		11,154,356	10,524,113
- Associated undertakings		71,305	71,305
- Pakistan Telecommunication Employees Trust (PTET)		297	1,300
- Long term loans to executives and key management personnel		51,426	63,548
Bank deposit with subsidiary		197	209,678
Pakistan Telecommunication Employees Trust (PTET)		1,609,370	1,802,337
Payables to related parties			
Trade creditors			
- Subsidiaries		1,981,504	2,468,785
- Associated undertakings		1,631,750	1,475,384
- The Government of Pakistan related entities		1,833,039	1,464,680
Payable to subsidiaries on account of group taxation		10,070,728	10,070,728
PTCL Employee GPF Trust		20,339	5,541
Security deposits from subsidiary		3,623	3,623
Retention money payable to associated undertakings		3,055	3,055
Technical services assistance fee payable to Etisalat		31,871,294	30,644,507
Pakistan Telecommunication Company Limited			
Employees Gratuity Fund		334,069	308,994

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

16.1 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.

17. 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, 2022					
Trade debts and contract assets	17,592,933	(1,441,023)	16,151,910	22,329,143	38,481,053
Trade creditors	(1,843,974)	1,441,023	(402,951)	(14,934,522)	(15,337,473)
As at December 31, 2021					
Trade debts and contract assets	21,820,678	(6,444,128)	15,376,550	12,560,173	27,936,723
Trade creditors	(6,853,324)	6,444,128	(409,196)	13,904,494	13,495,298

18. 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, 2021. 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, 2021.

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

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

19.1 This condensed interim financial statements for the three months period ended March 31, 2022 were authorized for issue by the Board of Directors of the Company on April 13, 2022.



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED
MARCH 31, 2022 (UN-AUDITED)

Chief Financial Officer

President & CEO

Chairman


CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022 (UN-AUDITED)

Note	March 31, 2022 (Un-Audited) Rs '000	December 31, 2021 (Audited) Rs '000
Equity and liabilities		
Equity		
Share capital and reserves		
Share capital	51,000,000	51,000,000
Revenue reserves		
General reserve	27,497,072	27,497,072
Unappropriated profit	6,887,994	9,107,014
	34,385,066	36,604,086
Statutory and other reserves	789,313	789,313
Unrealized loss on investments measured at fair value through OCI	(58,928)	(288,630)
	86,115,451	88,104,769
Liabilities		
Non-current liabilities		
Long term loans from banks	51,559,938	52,242,044
Subordinated debt	449,100	449,100
Deposits from banking customers	1,171,340	1,323,709
Lease liabilities	14,003,294	14,879,122
Deferred income tax	516,496	2,499,975
Employees retirement benefits	27,514,910	27,097,185
Deferred government grants	21,567,623	20,377,148
Advances from customers	1,802,296	1,651,860
License fee payable	22,246,919	21,006,989
Long term vendor liability	37,756,359	35,600,437
	178,588,275	177,127,569
Current liabilities		
Trade and other payables	6 107,248,785	103,983,955
Deposits from banking customers	52,995,291	53,432,764
Interest accrued	1,954,667	1,033,404
Short term running finance	10,473,888	8,227,208
Current portion of:		
Long term loans from banks	10,314,979	11,162,076
Repo borrowing	12,843,611	17,472,353
Subordinated debt	149,820	149,820
Lease liabilities	3,428,975	3,377,198
Long term vendor liability	14,224,902	10,386,943
License fee payable	4,794,910	4,809,781
Security deposits	1,403,370	1,364,880
Unpaid / unclaimed dividend	210,266	210,317
	220,043,464	215,610,699
Total equity and liabilities	484,747,190	480,843,037

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 & CEO



Chairman

Note	March 31, 2022 (Un-Audited) Rs '000	December 31, 2021 (Audited) Rs '000
Assets		
Non-current assets		
Property, plant and equipment	7 208,826,530	204,872,579
Right of use assets	16,433,155	17,154,073
Intangible assets	69,727,391	71,171,339
	294,987,076	293,197,991
Long term investments	51,427	51,427
Long term loans and advances	1,034,243	1,127,445
Long term loan to banking customers	6,101,492	8,212,253
Contract costs	767,472	697,273
	302,941,710	303,286,389
Current assets		
Stock in trade, stores and spares	8 8,566,134	5,947,168
Trade debts and contract assets	32,110,624	29,190,559
Loans to banking customers	29,855,692	26,163,476
Loans and advances	3,169,428	3,356,292
Contract costs	2,860,407	2,879,400
Income tax recoverable	27,393,193	27,404,527
Receivable from the Government of Pakistan	2,164,072	2,164,072
Deposits, prepayments and other receivables	21,207,269	19,667,039
Short term investments	9 42,623,283	46,564,520
Cash and bank balances	10 11,855,378	14,219,595
	181,805,480	177,556,648
Total assets	484,747,190	480,843,037



Chief Financial Officer



President & CEO



Chairman

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

	Note	Three months ended	
		March 31, 2022 Rs '000	March 31, 2021 Rs '000
Revenue	12	35,051,051	33,959,997
Cost of services		(27,299,214)	(24,633,475)
Gross profit		7,751,837	9,326,522
Administrative and general expenses		(4,609,941)	(4,397,138)
Selling and marketing expenses		(2,160,518)	(1,925,009)
Impairment loss on trade debts and contract assets		(668,106)	(630,957)
		(7,438,565)	(6,953,104)
Operating profit		313,272	2,373,418
Other income	13	3,565,315	3,010,570
Finance costs		(6,038,655)	(3,120,622)
(Loss) / profit before tax		(2,160,068)	2,263,366
Income tax		601,601	(656,560)
(Loss) / profit for the period		(1,558,467)	1,606,806

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, 2022 (UN-AUDITED)

	Three months ended	
	March 31, 2022 Rs '000	March 31, 2021 Rs '000
(Loss) / profit for the period	(1,558,467)	1,606,806
Other comprehensive income for the period		
Items that will not be reclassified to consolidated statement of profit or loss:		
Remeasurement loss on employees retirement benefits	-	(1,568,160)
Tax effect	-	454,766
	-	(1,113,394)
Items that may be subsequently reclassified to consolidated statement of profit or loss:		
Gain / (loss) on revaluation of assets transferred to consolidated statement of profit or loss	25,485	(58)
Loss on revaluation of assets	(134,465)	(55,680)
Tax effect	31,604	9,552
	(77,376)	(46,186)
Other comprehensive loss for the period - net of tax	(77,376)	(1,159,580)
Total comprehensive (loss) / income for the period	(1,635,843)	447,226

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, 2022 (UN-AUDITED)

Note	Three months ended	
	March 31, 2022 Rs '000	March 31, 2021 Rs '000
Cash flows from operating activities		
Cash generated from operations	14 6,808,513	14,409,953
Employees retirement benefits paid	(472,571)	(394,946)
Income tax paid	(1,402,148)	(801,205)
Net cash inflow from operating activities	4,933,794	13,213,802
Cash flows from investing activities		
Capital expenditure	(10,993,099)	(4,021,407)
Acquisition of intangible assets	(301,415)	(600,208)
Proceeds from disposal of property, plant and equipment	274,445	337,632
Additions to contract costs	(1,437,501)	(1,462,264)
Long term loans and advances	113,155	80,283
Short term investments	4,248,316	5,296,093
Government grants received	1,896,085	1,292,623
Return on long term loans and short term investments	1,201,549	646,148
Net cash (outflow) / inflow from investing activities	(4,998,465)	1,568,900
Cash flows from financing activities		
Loan from banks - net	(6,157,945)	(4,180,648)
Vendor liability	5,993,881	(4,302,561)
Finance cost paid	(2,186,932)	(1,787,080)
Deposits from banking customers	(589,842)	(236,580)
Lease liabilities	(1,605,337)	(1,281,913)
Dividend paid	(51)	(335)
Net cash outflow from financing activities	(4,546,226)	(11,789,117)
Net (decrease) / increase in cash and cash equivalents	(4,610,897)	2,993,585
Cash and cash equivalents at the beginning of the period	5,992,387	12,024,517
Cash and cash equivalents at the end of the period	15 1,381,490	15,018,102

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


Chief Financial Officer

President & CEO

Chairman

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

	Issued, subscribed and paid-up capital		Revenue reserves		Statutory and other reserves	Unrealized gain / (loss) on investments measured at fair value through OCI	Total
	Class "A"	Class "B"	General reserve	Unappropriated profit			
(Rupees in '000)							
Balance as at December 31, 2020	37,740,000	13,260,000	27,497,072	7,984,136	511,553	629	86,993,390
Total comprehensive income for the period							
Profit for the three months period ended March 31, 2021		-	-	1,606,806	-	-	1,606,806
Other comprehensive income	-	-	-	-	-	(46,186)	(46,186)
	-	-	-	1,606,806	-	(46,186)	1,560,620
Balance as at March 31, 2021	37,740,000	13,260,000	27,497,072	9,590,942	511,553	(45,557)	88,554,010
Profit for the nine months period ended December 31, 2021		-	-	968,459	-	-	968,459
Other comprehensive income	-	-	-	(1,174,627)	-	(243,073)	(1,417,700)
	-	-	-	(206,168)	-	(243,073)	(449,241)
Others							
Transfer to statutory and other reserves	-	-	-	(277,760)	277,760	-	-
Balance as at December 31, 2021	37,740,000	13,260,000	27,497,072	9,107,014	789,313	(288,630)	88,104,769
Adjustment on initial application of IFRS 9 by U Bank	-	-	-	(660,554)	-	307,079	(353,475)
Adjusted balance as at January 1, 2022	37,740,000	13,260,000	27,497,072	8,446,460	789,313	18,449	87,751,294
Total comprehensive income / (loss) for the period							
Loss for the three months period ended March 31, 2022	-	-	-	(1,558,467)	-	-	(1,558,467)
Other comprehensive income	-	-	-	-	-	(77,376)	(77,376)
	-	-	-	(1,558,467)	-	(77,376)	(1,635,843)
Balance as at March 31, 2022	37,740,000	13,260,000	27,497,072	6,887,993	789,313	(58,927)	86,115,451

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


Chief Financial Officer

President & CEO

Chairman

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (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. 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.

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

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

- 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, 2021.

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, 2021, 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. 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.

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

	Note	March 31, 2022 (Un-Audited) Rs '000	December 31, 2021 (Audited) Rs '000
6. TRADE AND OTHER PAYABLES			
Trade creditors		16,037,571	13,659,146
Accrued and other liabilities	6.1	39,802,226	40,304,005
Technical services assistance fee		31,871,294	30,644,507
Advances from customers / contract liability		10,510,515	10,558,009
Retention money / payable to contractors and suppliers		6,513,249	6,666,995
Income tax collected from subscribers / deducted at source		901,411	636,931
Sales tax payable		1,612,519	1,514,362
		107,248,785	103,983,955
6.1 Accrued and other liabilities			
Accrued liability for operational expenses		12,300,494	12,034,850
Amount withheld on account of provincial levies (Sub-judice) for ICH operations		12,110,803	12,110,803
Accrual for Government / regulatory expenses		13,352,434	12,481,453
Accrued wages		1,319,517	2,628,658
Others		718,978	1,048,241
		39,802,226	40,304,005
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	176,170,642	177,451,353
Capital work-in-progress	7.3	32,655,888	27,421,226
		208,826,530	204,872,579
	Note	March 31, 2022 (Un-Audited) Rs '000	March 31, 2021 (Un-Audited) Rs '000
7.1 Operating fixed assets			
Opening net book value		177,451,353	173,398,682
Additions during the period	7.2	5,758,437	5,457,703
		183,209,790	178,856,385
Disposals during the period - at net book value		(66,508)	(8,394)
Depreciation for the period		(6,972,640)	(6,741,406)
		(7,039,148)	(6,749,800)
Closing net book value		176,170,642	172,106,585

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

	March 31, 2022 (Un-Audited) Rs '000	March 31, 2021 (Un-Audited) Rs '000
7.2 Detail of additions during the period:		
Buildings on freehold land	8,689	1,999
Buildings on leasehold land	3,020	893
Lines and wires	761,680	1,488,575
Apparatus, plant and equipment	4,592,361	3,549,511
Office equipment	18,837	100,394
Computer equipment	287,378	271,555
Furniture and fittings	10,969	559
Vehicles	1,864	44,217
Submarine cables	73,639	-
	5,758,437	5,457,703
7.3 Additions to CWIP during the three months period ended March 31, 2022 were Rs 11,238,725 thousand (March 31, 2021: Rs 4,799,653 thousand).		
	March 31, 2022 (Un-Audited) Rs '000	December 31, 2021 (Audited) Rs '000
8. TRADE DEBTS AND CONTRACT ASSETS		
Trade debts	35,228,229	32,135,064
Contract assets	4,916,852	4,711,533
	40,145,081	36,846,597
Accumulated impairment loss on trade debts and contract assets	(8,034,457)	(7,656,038)
	32,110,624	29,190,559
9. SHORT TERM INVESTMENTS		
Amortized cost		
Pakistan Investment Bonds (PIBs)	6,061,849	-
Term deposit receipts - Maturity up to 6 months	6,250,000	7,750,000
	12,311,849	7,750,000
Fair value through Profit or Loss		
Units of mutual fund	12,860,471	12,082,206
Fair value through Other Comprehensive Income		
Market treasury bills - Maturity up to 6 months	16,449,859	20,996,827
Pakistan Investment Bonds (PIBs)	-	5,735,487
Ijarah Sukuk	1,001,104	-
	42,623,283	46,564,520

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

Note	March 31, 2022 (Un-Audited) Rs '000	December 31, 2021 (Audited) Rs '000
10. CASH AND BANK BALANCES		
Cash in hand	1,740,350	951,354
Balances with banks:	10.1	
Local currency		
Current account maintained with SBP	2,534,622	2,990,491
Current accounts	157,885	282,660
Saving accounts	5,137,587	8,404,468
	7,830,094	11,677,619
Foreign currency		
Current accounts	1,635,105	934,039
Saving accounts	649,829	656,583
	2,284,934	1,590,622
	11,855,378	14,219,595

10.1 Bank balance includes Rs 1,391 thousands (December 31, 2021: Rs 1,924 thousand) carrying profit at the rate of 4.50% (December 31, 2021: 4.00%) 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 as rectification orders tax impact of the disallowances is Rs 62,684,014 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 & 2023, Taxation officer objected to the quarterly advance tax calculation submitted by the Holding Company based on group taxation and raised demand amounting to Rs 6,801,513 thousand despite that the Holding Company had filed option for group taxation within prescribed time. The Holding Company obtained stay order from Honorable Islamabad High against any coercive measures.

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)

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

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, 2022 (Un-Audited) Rs '000	December 31, 2021 (Audited) Rs '000
11.4 Bank guarantees and bid bonds of Group issued in favor of:		
Universal Service Fund against government grants	15,349,853	18,625,353
Pakistan Telecommunication Authority	2,935,651	2,824,217
Others	4,918,384	3,088,102
	23,203,888	24,537,672

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, 2021: Rs. 675,000 thousand).

	March 31, 2022 (Un-Audited) Rs '000	December 31, 2021 (Audited) Rs '000
11.5 Commitments		
Standby Letter of Guarantee	10,600	10,600
Letters of credit for purchase of stock	925,343	1,083,835
Letters of comfort in favour of PTML	3,500,000	3,500,000
Commitments for capital expenditure	22,548,797	23,706,125
Corporate guarantee in favour of PTML	39,791,416	27,991,416
	66,776,156	56,291,976

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

	Three months ended	
	March 31, 2022 (Un-Audited) Rs '000	March 31, 2021 (Un-Audited) Rs '000
12 REVENUE		
Broadband and IPTV	8,403,082	7,613,404
Cellular and other wireless services	12,770,473	12,848,989
Fixed line voice services	2,299,345	2,583,801
Revenue from retail customers	23,472,900	23,046,194
Corporate and wholesale	6,209,943	6,103,648
International	2,308,116	2,101,669
Banking	3,060,092	2,708,486
Total revenue	35,051,051	33,959,997

12.1 Revenue is stated net of trade discount amounting to Rs 408,482 thousand (March 31, 2021: Rs 466,914 thousand) and sales and other taxes directly attributable to sales amounting to Rs 5,467,781 thousand (March 31, 2021: Rs 5,246,082 thousand)

	Note	Three months ended	
		March 31, 2022 (Un-Audited) Rs '000	March 31, 2021 (Un-Audited) Rs '000
13. OTHER INCOME			
Income from financial assets	13.1	2,139,702	1,646,453
Income from non-financial assets		1,425,613	1,364,117
		3,565,315	3,010,570

13.1 Income from financial assets include Rs 14 thousand (March 31, 2021: Rs 111 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, 2022 (UN-AUDITED)

	Three months ended	
	March 31, 2022 (Un-Audited) Rs '000	March 31, 2021 (Un-Audited) Rs '000
14. CASH GENERATED FROM OPERATIONS		
(Loss) / Profit before tax	(2,160,068)	2,263,366
Adjustments for non-cash charges and other items:		
Depreciation of property, plant and equipment	6,972,640	6,741,406
Amortization of intangible assets	1,745,363	914,729
Amortization of contract costs	1,386,295	1,269,202
Depreciation of right of use assets	1,041,304	985,669
Impairment loss on trade debts and contract assets	391,285	406,996
Provision for non performing advances	276,821	223,961
Provision for obsolete stores and spares	(4,148)	(17,529)
Provision for employees retirement benefits	1,083,264	1,054,473
Imputed interest on long term loans	(19,953)	(21,119)
Imputed interest on lease liabilities	460,900	510,901
Gain on disposal of property, plant and equipment	(207,937)	(329,238)
(Gain) / loss on disposal of investments measured at fair value	(25,485)	58
Return on bank deposits and Government Securities	(1,221,836)	(692,391)
Government grants recognized as income	(705,610)	(764,168)
Finance costs	4,333,254	2,272,502
	13,346,089	14,818,818
Effect on cash flows due to working capital changes:		
(Increase) / decrease in current assets:		
Stock in trade, stores and spares	(2,614,818)	(265,580)
Trade debts and contract assets	(3,311,350)	(655,841)
Loans to banking customers	(2,518,830)	(1,885,495)
Loans and advances	186,864	59,252
Deposits, prepayments and other receivables	(1,733,198)	(230,707)
	(9,991,332)	(2,978,371)
Increase in current liabilities:		
Trade and other payables	3,415,266	2,541,453
Security deposit	38,490	28,053
	3,453,756	2,569,506
	6,808,513	14,409,953

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

	Three months ended	
	March 31, 2022 (Un-Audited) Rs '000	March 31, 2021 (Un-Audited) Rs '000
15. CASH AND CASH EQUIVALENTS		
Short term investments	-	9,070,564
Cash and bank balances	11,855,378	11,921,585
Short term running finance	(10,473,888)	(5,974,047)
	1,381,490	15,018,102

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
Three months ended March 31, 2022				
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)
Three months ended March 31, 2021				
Segment revenue	18,311,003	14,522,969	2,708,584	35,542,556
Inter segment revenue 16.1.1	(1,235,306)	(347,155)	(98)	(1,582,559)
Revenue from external customers	17,075,697	14,175,814	2,708,486	33,959,997
Segment results	1,675,507	(410,448)	341,747	1,606,806

16.1.1 Inter segment revenues are eliminated on consolidation.

	Wireline	Wireless	Banking	Total
	Rs '000	Rs '000	Rs '000	Rs '000
As at March 31, 2022				
Segment assets	190,459,747	194,181,853	100,105,590	484,747,190
Segment liabilities	137,045,987	170,627,408	90,958,344	398,631,739
As at December 31, 2021				
Segment assets	184,828,498	193,039,942	102,974,597	480,843,037
Segment liabilities	132,033,093	166,394,841	94,310,334	392,738,268

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

		Three months ended	
		March 31, 2022 (Un-Audited) Rs '000	March 31, 2021 (Un-Audited) Rs '000
17. TRANSACTIONS WITH RELATED PARTIES			
Relationship with the Group	Nature of transaction		
i. Shareholders	Technical services assistance fee	1,226,787	1,188,600
ii. Associated undertakings	Sale of goods and services	916,293	911,608
	Purchase of goods and services	225,582	134,264
	Prepaid rent	180,283	466,206
iii. Employees	PTCL Gratuity Fund	14,798	5,562
benefits plans	PTML Gratuity Fund	21,190	22,323
	U Bank Gratuity Fund	14,904	11,058
iv. Employees	PTCL PTCL Employees GPF Trust - net	18,097	18,097
contribution plans	PTML Provident Fund	35,485	39,428
	U Bank Provident Fund	13,142	9,673
v. Other related parties	PTCL Charges under license obligation	462,141	415,625
	PTML Expenses reimbursed to Pakistan MNP Database (Guarantee) Limited	6,000	5,625
vi. Directors, Chief Executive and Key Management Personnel	Fee and remuneration including benefits and perquisites	579,500	401,422
		March 31, 2022 (Un-Audited) Rs '000	December 31, 2021 (Audited) Rs '000
Trade debts			
- Associated undertakings		16,154,506	15,338,645
Deposits, prepayments and other receivables			
- Associated undertakings		71,305	71,305
- Pakistan Telecommunication Employees Trust (PTET)		297	1,300
- Pakistan MNP Database (Gaurantee) Limited		6,000	-
Pakistan Telecommunication Employees Trust (PTET)		1,609,370	1,802,337
Long term loans to executives and key management personnel			
	PTCL	51,426	63,548
Trade and other payables			
Trade creditors			
- Associated Undertakings		1,766,930	1,642,636
- The Government of Pakistan and its related entities		1,833,039	1,464,680
Retention money payable to associated undertaking		3,055	3,055
Technical services fee payable to Etisalat		31,871,294	30,644,507
PTCL Employees GPF Trust		20,339	5,541
Pakistan Telecommunication Company Limited Employees Gratuity Fund		334,069	308,994
PTML			
- Gratuity Fund		20,043	28,523
- Provident Fund		26,097	-
U Bank			
- Gratuity Fund		5,624	2,240
- Provident Fund		3,170	1,555

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022 (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
As at March 31, 2022					
Trade debts	19,210,539	(2,602,232)	16,608,307	23,536,774	40,145,081
Trade creditors	(3,089,671)	2,602,232	(487,439)	(15,550,132)	(16,037,571)
As at December 31, 2021					
Trade debts	23,144,418	(7,564,956)	15,579,462	21,267,135	36,846,597
Trade creditors	(8,144,923)	7,564,956	(579,967)	(13,079,179)	(13,659,146)

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 2021. 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 2021.

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, 2022 were authorized for issue by the Board of Directors of the Holding Company on April 13, 2022.



Chief Financial Officer



President & CEO



Chairman