



# 2nd Quarter Report 2025



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# BOARD OF DIRECTORS

## Chairman PTCL Board

Zarrar Hasham Khan

## Members PTCL Board

Abdulrahim A. Al Nooryani

Ahad Khan Cheema

Imdad Ullah Bosal

Jawad Paul Khawaja

Nazih El Hassanieh

Brooke Marie Lindsay

Marwan Bin Shakar

Khaled Hegazy

## CORPORATE INFORMATION

### Management

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

**Mohammad Nadeem Khan**  
Group Chief Financial Officer

**Umer Farid**  
Group Chief People Officer

**Naveed Khalid Butt**  
Group Chief Regulatory Officer

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

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

**Ahmad Kamal**  
Group Chief Customer Care Officer

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

**Shahid Abbas**  
Group Chief Internal Auditor

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

**Asif Ahmad**  
Group Chief Business Solutions Officer

**Khawaja Shehzad Ullah**  
Chief Retail Sales Officer

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

### Legal Advisor & Company Secretary

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

### Registered Office

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

### Auditors

**EY Ford Rhodes**  
Chartered Accountants

### Bankers

#### Conventional

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

#### Islamic

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

### Share Registrar

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

# DIRECTORS' REVIEW

The Directors of Pakistan Telecommunication Company Limited (PTCL) are pleased to present to the shareholders the financial statements of the Company for the half year ended 30 June 2025. The financial statements of the Company have been reviewed by the statutory auditors.

In the first half of 2025, the PTCL Group has maintained its strong momentum, solidifying its position as Pakistan's leading integrated telecom service provider. The Group posted a remarkable 16% year-on-year revenue growth, driven primarily by outstanding performance across key segments such as fixed broadband, mobile data, business solutions and microfinance.

PTCL Group reported revenue of Rs 124.6 billion, reflecting a 16% increase compared to the same period last year. This growth was mainly driven by a 62% surge in Flash Fiber revenue and a 15% increase in Business Solutions revenue compared to the same period of 2024. PTML (Ufone) also demonstrated robust performance, with a 17% rise in revenue, while Ubank recorded an impressive 25% revenue growth compared to the corresponding period last year.

Topline growth coupled with cost optimization measures and a stable macroeconomic environment resulted in posting an operating profit of Rs 9.8 billion by the Group. PTCL operating profit increased by 38% to Rs. 7.9 billion. Ufone posted a strong operating profit of Rs. 7.6 billion. The Group has posted a net loss of Rs. 9.9 billion for the period primarily due to one-off adjustments including recording of additional pension liability as ordered by the Honorable Supreme Court of Pakistan. Further, Ubank's bottom line remained under pressure due to accelerated Expected Credit Loss (ECL) against the unsecured portfolio.

PTCL's rapid expansion of its FTTH footprint has been a key driver of its exceptional revenue growth. Building on the momentum from last year, the company remained focused on providing the fastest and most reliable internet services through its flagship offering, 'Flash Fiber,' which continued to lead as Pakistan's No. 1 FTTH service. Flash Fiber crossed the milestone of 700,000 subscribers nationwide, marking a 39% year-on-year increase in its customer base.

PTCL's Enterprise Business recorded a 14% increase in revenue compared to the same period last year, while the Carrier and Wholesale segment maintained its growth momentum with an 18% overall revenue increase. Additionally, revenue from International segment rose by 10% year-on-year.

The business services segment reinforced its market leadership, retaining its top position in IP bandwidth, cloud services, data centers, and other ICT service areas.

During half year 2025, PTCL experienced strong growth in IP bandwidth and managed capacity penetration within the Wholesale segment, boosting adoption of emerging digital services such as Content Delivery Networks. Strategic partnerships were formed with major CMOs for IP bandwidth and satellite-based connectivity across Pakistan, particularly in AJK and GB, including a landmark alliance with a leading satellite provider to expand broadband access nationwide.

Ufone 4G launched 'Super 5', a flexible connectivity plan for up to five users, offering shared data and voice under a single subscription. Designed for families, friends, and small teams, it provides a simple and cost-effective way to stay seamlessly connected.

PTML's digital sub-brand (ONIC) has crossed 300,000 subscribers in May 2025, marking 132% YoY growth and redefining mobile experiences through a fully digital model tailored to today's user.

### Social Impact: 'Dil Se' Initiatives Making a Difference

PTCL Group continued to create meaningful impact through its flagship platform Dil Se, driven by values of digital inclusion, compassion, and innovation. Key initiatives include:

- Under 'Ba-Ikhtiar', talented women entrepreneurs designed the official Peshawar Zalmi kit for PSL 2025. The initiative was featured exclusively on BBC, receiving widespread recognition.
- The AI-powered fashion show presented at the Ba-Ikhtiar graduation ceremony in Islamabad was featured on the World Economic Forum blog, highlighting how technology can foster inclusive progress.
- The Clean Water Project, originally launched to benefit 15,000 people in Thar, is now expanding to reach 200,000 individuals. The next phase will introduce sustainable solutions including wells, reverse osmosis (RO) plants, and rainwater harvesting systems to ensure long-term access to clean drinking water.

Your attention is drawn to note 14.2 of PTCL's interim financial statements for the period, wherein the Hon'ble Supreme Court of Pakistan (SCP), by order dated July 10, 2025, directed the Company to recognize its continuing liability towards former civil servants transferred from the Telegraph & Telephone (T&T) Department to the Corporation and subsequently to the Company, and to record this as a declared liability in line with applicable accounting and corporate law.

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

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

On behalf of the Board



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



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

Islamabad: August 28, 2025

- صاف پانی کا منصوبہ ابتدائی طور پر تھر میں 15,000 افراد کے لیے شروع کیا گیا تھا لیکن اب اسے 200,000 افراد تک توسیع دی جارہی ہے۔ اگلے مرحلے میں سسٹین ایبل سلوشنز (پائیدار حل) متعارف کرائے جائیں گے جن میں کنوین، ریورس اوسموسس (RO) پلانٹس، اور بارش کا پانی ذخیرہ کرنے کے نظام شامل ہوں گے تاکہ پینے کے صاف پینے تک طویل مدتی رسائی کو یقینی بنایا جا سکے۔

آپ کی توجہ پی ٹی سی ایل کے عارضی مالی گوشوارے کے نوٹ 14.2 کی طرف مبذول کرائی جاتی ہے، جہاں پاکستان کی معزز سپریم کورٹ (SCP) نے 10 جولائی 2025 کو حکم کے ذریعے کمپنی کو ہدایت دی کہ وہ محکمہ ٹیلی گراف اینڈ ٹیلی فون (T&T) سے منتقل ہونے والے سابق سرکاری ملازمین کے حوالے سے اپنی ذمہ داریوں کو تسلیم کرے اور اسے قابل اطلاق اکاؤنٹنگ اینڈ کارپوریٹ قانون کے مطابق اپنی ذمہ داری کے طور پر ریکارڈ پر لائے۔

یہ ذمہ داری پنشن کی ادائیگی سے متعلق اس فرق سے متعلق ہے جو رائج معیارات کے مطابق سرکاری ملازمین کو ادا کی جاتی ہے۔ سپریم کورٹ نے اپنے فیصلے میں کہا ہے کہ یہ فوائد رضاکارانہ علیحدگی اسکیم سے فائدہ اٹھانے والے محنت کشوں اور ملازمین یا PTC کے بھرتی کردہ افراد کے لیے نہیں۔ اور تبادلہ کئے گئے کچھ ملازمین کے کیسز ان کی سرکاری ملازمت کی حیثیت کے تعین کے لیے ہائی کورٹ میں واپس بھیج دیئے ہیں۔

پی ٹی سی ایل گروپ انتظامیہ اور ملازمین اپنے صارفین کے لیے پسندیدہ شراکت دار بننے اور شیئر ہولڈرز کی قدر کو بہتر بنانے کے لیے مشترکہ کوششوں سے مسابقتی قیمتوں پر معیاری خدمات فراہم کرنے کے لیے پرعزم ہیں۔

منجانب بورڈ



حاتم محمد بامطرف

صدر و گروپ چیف ایگزیکٹو آفیسر



ذرا باشم خان

چینرمین بورڈ آف ڈائریکٹرز

اسلام آباد: 28 اگست، 2025



## ڈائریکٹرز کا جائزہ

پاکستان ٹیلی کمیونیکیشن کمپنی لمیٹڈ (پی ٹی سی ایل) کے ڈائریکٹرز 30 جون 2025 کو ختم ہونے والی ششماہی کے لیے کمپنی کے مالیاتی گوشوارے اپنے شیڈولڈ ہولڈرز کے سامنے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ کمپنی کے مالیاتی گوشواروں کا جائزہ قانونی آڈیٹرز نے لیا ہے۔

2025 کی پہلی ششماہی میں، پی ٹی سی ایل گروپ نے اپنی مضبوط رفتار کو برقرار رکھا اور پاکستان کے صف اول کے مربوط ٹیلی کام سروس فراہم کنندہ کے طور پر اپنی پوزیشن کو مزید مستحکم کیا۔ گروپ نے سال بہ سال آمدنی میں نمایاں 16 فیصد اضافہ ریکارڈ کیا، جو کہ بنیادی طور پر فکسڈ براڈ بینڈ، موبائل ڈیٹا، بزنس سلوشنز اور مانیٹکرو فنانس جیسے اہم شعبوں میں شاندار کارکردگی کی بدولت ممکن ہوا۔

پی ٹی سی ایل گروپ نے 124.6 ارب روپے کی آمدنی رپورٹ کی، جو گزشتہ سال کے اسی عرصے کے مقابلے میں 16 فیصد زیادہ ہے۔ یہ اضافہ بنیادی طور پر فلیش فائبر کی آمدنی میں 62 فیصد اور بزنس سلوشنز کی آمدنی میں 15 فیصد اضافے کی وجہ سے ہوا، جو کہ 2024 کی اسی مدت کے مقابلے میں ریکارڈ کیا گیا۔ پی ٹی سی ایل (یوفون) نے بھی مستحکم کارکردگی کا مظاہرہ کیا، جس کی آمدنی میں 17 فیصد اضافہ ہوا، جبکہ یوبینک نے گزشتہ سال کے اسی عرصے کے مقابلے میں قابل ذکر 25 فیصد آمدنی میں اضافہ ریکارڈ کیا۔

مجموعی آمدنی میں اضافے کے ساتھ لاگت میں کمی کے لیے کیے گئے اقدامات اور مستحکم میکرو اکنامک ماحول نے گروپ کو 9.8 ارب روپے کا آپریٹنگ منافع حاصل کرنے میں مدد دی۔ پی ٹی سی ایل کا آپریٹنگ منافع 38 فیصد اضافے کے ساتھ 7.9 ارب روپے تک پہنچ گیا۔ یوفون نے بھی بہترین کارکردگی کا مظاہرہ کرتے ہوئے 7.6 ارب روپے کا آپریٹنگ منافع حاصل کیا۔

گروپ نے اس مدت کے دوران 9.9 ارب روپے کا خالص نقصان ریکارڈ کیا، جو بنیادی طور پر ایک دفعہ کی ایڈجسٹمنٹ کی وجہ سے ہے، جس میں معزز سپریم کورٹ آف پاکستان کے حکم کے تحت اضافی پنشن واجبات کا اندراج شامل ہے۔ مزید برآں، یوبینک کا خالص منافع غیر محفوظ پورٹ فولیو کے خلاف تیز رفتار متوقع کریڈٹ نقصان (ECL) کی وجہ سے دباؤ کا شکار رہا۔

پی ٹی سی ایل کی خصوصی فائبر ٹو دی ہوم (FTTH) سروس فلیش فائبر میں برق رفتار پھیلاؤ کمپنی کی آمدنی میں غیر معمولی اضافے کا اہم محرک رہا۔ گزشتہ سال کے تسلسل کو برقرار رکھتے ہوئے کمپنی نے اپنی فلیک شپ آفر 'فلیش فائبر' کے ذریعے تیز ترین اور قابل اعتماد انٹرنیٹ سروسز فراہم کرنے پر توجہ مرکوز رکھی، جو پاکستان کی نمبر ون FTTH سروس کے طور پر فروغ پاتی رہی۔ فلیش فائبر نے ملک بھر میں 700,000 صارفین کا سنگ میل عبور کیا، جو اس کے صارفین کی تعداد میں 39 فیصد سالانہ اضافے کی نشاندہی کرتا ہے۔

پی ٹی سی ایل کے انٹرپرائز بزنس نے گزشتہ سال کے اسی عرصے کے مقابلے میں آمدنی میں 14 فیصد اضافہ ریکارڈ کیا، جبکہ کیریئر اور ہول سیل شعبے نے اپنی ترقی کی رفتار کو برقرار رکھتے ہوئے مجموعی طور پر 18 فیصد آمدنی میں اضافہ حاصل کیا۔ مزید برآں، بین الاقوامی شعبے سے آمدنی میں سال بہ سال 10 فیصد اضافہ ہوا۔

کاروباری خدمات (بزنس سروسز) کے شعبے نے مارکیٹ میں اپنی حاکمیت کو مستحکم کیا اور آئی پی بینڈوڈتھ، کلاؤڈ سروسز، ڈیٹا سینٹرز سمیت دیگر آئی سی ٹی سروسز کے شعبوں میں اپنی بالادستی برقرار رکھی۔

2025 کی پہلی ششماہی میں پی ٹی سی ایل نے آئی پی بینڈوڈتھ میں مستحکم ترقی کی اور ہول سیل کے شعبے میں توسیع کی صلاحیت بڑھائی، جس سے کانٹینٹ ڈیلیوری نیٹ ورکس جیسی ابھرتی ڈیجیٹل خدمات کو اپنانے کے عمل میں اضافہ ہوا۔ پاکستان بھر بالخصوص آزاد کشمیر اور گلگت بلتستان میں آئی پی بینڈوڈتھ اور سیٹلائٹ کنیکٹیویٹی کے لیے بڑے سی ایم او کے ساتھ اسٹریٹجک شراکت داری قائم کی گئی، جس میں ملک بھر میں برائڈبینڈ تک رسائی کو بڑھانے کے لئے معروف سیٹلائٹ پرووائیڈر کے ساتھ تاریخی اشتراک بھی شامل ہے۔

یوفون 4جی نے 'سپر 5' کے نام سے ایک لچکدار کنیکٹیویٹی پلان متعارف کرایا، جو ایک ہی سبسکرپشن کے تحت پانچ صارفین کو مشترکہ ڈیٹا اور وائس کی سہولت فراہم کرتا ہے۔ یہ پلان خاندانوں، دوستوں، اور چھوٹی ٹیموں کے لیے ڈیزائن کیا گیا ہے، جو بلا رکاوٹ ایک دوسرے سے رابطے میں رہنے کے لیے ایک سادہ اور سستا ذریعہ فراہم کرتا ہے۔

پی ٹی سی ایل کے ڈیجیٹل سب برانڈ (ONIC) نے مئی 2025 میں 3 لاکھ صارفین کا سنگ میل عبور کر لیا، جو سالانہ بنیادوں پر 132 فیصد اضافہ ظاہر کرتا ہے۔ یہ برانڈ ایک مکمل ڈیجیٹل ماڈل کے ذریعے آج کے صارفین کی ضروریات کے مطابق موبائل کے تجربات کو نئے انداز میں پیش کر رہا ہے۔

### سماجی اثر: 'دل سے' اقدامات جو تبدیلی لا رہے ہیں

پی ٹی سی ایل گروپ نے ڈیجیٹل شمولیت، ہمدردی اور جدت پر مبنی اپنے مرکزی پلیٹ فارم 'دل سے' کے ذریعے معاشرے میں بامعنی تبدیلیوں کے لئے اقدامات جاری رکھے۔ جن میں سے اہم ترین یہ ہیں:

- 'بااختیار' پروگرام کے تحت، باصلاحیت کاروباری خواتین نے پی ایس ایل 2025 کے لیے پشاور زلمی کی آفیشل کٹ ڈیزائن کی۔ یہ اقدام بی بی سی پر خاص طور پر پیش کیا گیا اور اسے بہت پزیرائی ملی۔
- اسلام آباد میں بااختیار گریجویٹس تقریب کے دوران مصنوعی ذہانت (آرٹی فیشل انٹیلیجنس) کی مدد سے منعقد کئے گئے فیشن شو کو ورلڈ اکنامک فورم بلاگ میں پیش کیا گیا، جس نے اے آئی کی اہمیت کو اجاگر کیا کہ یہ ٹیکنالوجی کس طرح جامع ترقی کو فروغ دے سکتی ہے۔

# INDEPENDENT AUDITORS' REVIEW REPORT

## TO THE MEMBERS OF PAKISTAN TELECOMMUNICATION COMPANY LIMITED

### REPORT ON REVIEW OF CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

#### INTRODUCTION

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Pakistan Telecommunication Company Limited (PTCL) as at 30 June 2025 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of other comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of the interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

#### SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

#### OTHER MATTERS

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter, accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim unconsolidated statement of profit and loss and condensed interim unconsolidated statement of other comprehensive income for the three-month period ended 30 June 2025 have not been reviewed by us.



**EY Ford Rhodes**

**Chartered Accountants**

**Islamabad:**

**August 29, 2025**

**UDIN Number: RR202510120BExRzwuHl**

**CONDENSED INTERIM  
FINANCIAL STATEMENTS**  
FOR THE SIX MONTHS PERIOD ENDED  
JUNE 30, 2025 (UN-AUDITED)

CONDENSED INTERIM  
STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	Note	June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Share capital and reserves</b>			
Share capital		51,000,000	51,000,000
Revenue reserves			
General reserve		27,497,072	27,497,072
Unappropriated profit		50,150,624	36,610,433
		77,647,696	64,107,505
		128,647,696	115,107,505
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Employees retirement benefits		40,794,728	42,652,874
Deferred government grants		19,138,313	16,721,916
Long term loans from banks	6	64,663,595	62,780,360
Contract liabilities		1,350,233	1,442,432
Lease liabilities		1,049,940	1,027,777
		126,996,809	124,625,359
<b>Current liabilities</b>			
Trade and other payables	7	172,098,991	169,319,472
Short term running finance	8	55,982,157	47,116,732
Security deposits		717,160	653,373
Unclaimed dividend		208,003	208,131
Current maturity of lease liabilities		337,998	337,022
Current portion of long term loans from banks		243,228	318,719
		229,587,537	217,953,449
<b>Total equity and liabilities</b>		485,232,042	457,686,313

Contingencies and commitments 14

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

  
Chief Financial Officer

  
President & CEO

  
Chairman

	Note	June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	170,081,335	161,172,503
Right of use assets		1,232,329	1,383,038
Intangible assets		1,330,913	1,467,066
		172,644,577	164,022,607
Long term investments	10	78,086,284	76,236,284
Long term loans and advances	11	46,237,683	51,780,602
Deferred income tax		629,679	5,470,851
Contract cost		106,436	139,135
		297,704,659	297,649,479
<b>Current assets</b>			
Stores and spares		7,829,094	8,201,385
Contract cost		3,526,490	3,707,304
Trade debts and contract assets	12	66,148,715	60,563,180
Loans and advances		3,080,631	2,778,971
Income tax recoverable		36,304,788	40,536,947
Prepayments and other receivables		56,559,443	32,160,933
Cash and bank balances	13	14,078,222	12,088,114
		187,527,383	160,036,834
<b>Total assets</b>		485,232,042	457,686,313



Chief Financial Officer



President & CEO



Chairman

CONDENSED INTERIM

STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

	Note	Three months ended		Six months ended	
		June 30, 2025 Rs '000	June 30, 2024 Rs '000	June 30, 2025 Rs '000	June 30, 2024 Rs '000
Revenue	15	29,310,884	26,776,582	58,911,768	52,700,428
Cost of services		(21,041,464)	(19,987,493)	(42,092,122)	(39,182,414)
<b>Gross profit</b>		8,269,420	6,789,089	16,819,646	13,518,014
Administrative and general expenses		(2,676,411)	(2,197,443)	(5,019,106)	(4,385,293)
Selling and marketing expenses		(1,348,633)	(1,192,153)	(2,835,658)	(2,330,620)
Impairment loss on financial assets		(551,600)	(666,759)	(1,108,000)	(1,118,759)
		(4,576,644)	(4,056,355)	(8,962,764)	(7,834,672)
<b>Operating profit</b>		3,692,776	2,732,734	7,856,882	5,683,342
Past service cost - Pension	14.2	(5,890,142)	-	(5,890,142)	-
Other income	16	2,771,412	4,098,405	5,151,378	7,291,165
Finance and other costs		(5,392,890)	(5,703,593)	(10,234,144)	(11,239,574)
<b>(Loss) / Profit before tax</b>		(4,818,844)	1,127,546	(3,116,026)	1,734,933
Taxation		377,863	(421,729)	(148,740)	(597,871)
<b>(Loss) / Profit for the period</b>		(4,440,981)	705,817	(3,264,766)	1,137,062
<b>(Loss) / Earnings per share</b>					
- basic and diluted (Rupees)		(0.87)	0.14	(0.64)	0.22

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



Chief Financial Officer



President & CEO



Chairman

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

	Three months ended		Six months ended	
	June 30, 2025 Rs '000	June 30, 2024 Rs '000	June 30, 2025 Rs '000	June 30, 2024 Rs '000
<b>(Loss) / profit for the period</b>	(4,440,981)	705,817	(3,264,766)	1,137,062
Other comprehensive income for the period				
Item that will not be reclassified to statement of profit or loss:				
Remeasurement gain on employees retirement benefits	27,468,223	-	27,468,223	-
Tax effect	(10,663,266)	-	(10,663,266)	-
Other comprehensive income for the period - net of tax	16,804,957	-	16,804,957	-
<b>Total comprehensive income for the period</b>	<b>12,363,976</b>	<b>705,817</b>	<b>13,540,191</b>	<b>1,137,062</b>

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



Chief Financial Officer



President & CEO



Chairman

# CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

		Six months ended	
	Note	June 30, 2025 Rs '000	June 30, 2024 Rs '000
<b>Cash flows from operating activities</b>			
Cash generated from operations	17	12,583,704	17,047,148
Employees retirement benefits paid		(1,355,733)	(1,032,755)
Addition to contract costs		(2,646,963)	(2,605,911)
Advances from customers		(411)	(79,947)
Income tax paid		(1,738,675)	(4,166,015)
<b>Net cash generated from operating activities</b>		6,841,922	9,162,520
<b>Cash flows from investing activities</b>			
Capital expenditure		(18,989,425)	(18,753,066)
Proceeds from disposal of property, plant and equipment		316,071	1,310,193
Long term loans and advances		5,292,918	(2,037,383)
Return on long term loan to subsidiaries		2,677,477	3,072,965
Investment in U Microfinance Bank Limited		(1,850,000)	(1,200,000)
Long term subordinated loans - Pak Telecom Mobile Limited		-	(5,000,000)
Repayment of subordinated loans - Pak Telecom Mobile Limited		416,667	1,250,000
Return on short term investments and bank deposit		290,411	130,869
Government grants received		2,866,681	2,678,751
<b>Net cash used in investing activities</b>		(8,979,200)	(18,547,671)
<b>Cash flows from financing activities</b>			
Dividend paid		(128)	(95)
Interest paid on short term running finance		(2,375,108)	(2,103,534)
Long term loan from banks - net		1,850,000	5,000,000
Interest paid on long term loans		(4,030,660)	(5,633,701)
Lease liabilities paid		(182,143)	(453,542)
<b>Net cash used in financing activities</b>		(4,738,039)	(3,190,872)
<b>Net decrease in cash and cash equivalents</b>		(6,875,317)	(12,576,023)
<b>Cash and cash equivalents at the beginning of the period</b>		(35,028,618)	(14,185,383)
<b>Cash and cash equivalents at the end of the period</b>	18	(41,903,935)	(26,761,406)

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

  
Chief Financial Officer

  
President & CEO

  
Chairman



# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Issued, subscribed and paid-up capital			Revenue reserves		Total
	Class "A"	Class "B"	Total	General reserve	Unappropriated profit	
	(Rupees in '000)					
<b>Balance as at December 31, 2023 (Audited)</b>	37,740,000	13,260,000	51,000,000	27,497,072	38,871,108	117,368,180
Total comprehensive income for the six months period ended						
Profit for the period ended June 30, 2024	-	-	-	-	1,137,062	1,137,062
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-
<b>Balance as at June 30, 2024 (Un-audited)</b>	37,740,000	13,260,000	51,000,000	27,497,072	40,008,170	118,505,242
Total comprehensive income for the six months period ended						
Profit for the period ended December 31, 2024	-	-	-	-	3,688,781	3,688,781
Other comprehensive income / (loss) - net of tax	-	-	-	-	[7,086,518]	[7,086,518]
	-	-	-	-	[3,397,737]	[3,397,737]
<b>Balance as at December 31, 2024 (Audited)</b>	37,740,000	13,260,000	51,000,000	27,497,072	36,610,433	115,107,505
Total comprehensive income for the six months period ended						
Loss for the period ended June 30, 2025	-	-	-	-	[3,264,766]	[3,264,766]
Other comprehensive income - net of tax	-	-	-	-	16,804,957	16,804,957
	-	-	-	-	13,540,191	13,540,191
<b>Balance as at June 30, 2025 (Un-audited)</b>	37,740,000	13,260,000	51,000,000	27,497,072	50,150,624	128,647,696

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

  
**Chief Financial Officer**
  
**President & CEO**
  
**Chairman**

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

## FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

### 1. THE COMPANY AND ITS OPERATIONS

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

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

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

### 2. STATEMENT OF COMPLIANCE

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

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

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

### 3. BASIS OF PREPARATION

These condensed interim financial statements do not include all of the information required in the annual financial statements prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements. These condensed interim financial statements should be read in conjunction with the Company's latest annual financial statements as at and for the year ended December 31, 2024.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

- 4.1 The preparation of these 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.

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

## FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

Estimates and judgments made by the management in the preparation of these condensed interim financial statements are the same as those used in the preparation of the audited financial statements of the Company for the year ended December 31, 2024 except for the following:

As disclosed in Note 14.2, during the period, a change in accounting estimate has been recognized in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, as a result of the judgment of the Supreme Court of Pakistan (SCP) in relation to pension litigation.

Following the SCP's judgment, the Company conducted a revised actuarial valuation for employees entitled to increased pensionary benefits and compensation. This revised valuation was carried out in accordance with prevailing standards applicable to similarly situated civil servants.

As a result of this reassessment, the following changes in actuarial assumptions and estimates were made:

- Adjustment to future pension growth rate assumptions for civil servants and others.
- Incorporation of additional compensation elements mandated by the SCP decision.

As a result, the loss before tax has increased by Rs. 5,890,142 thousand and Other Comprehensive Income (net of tax) has increased by Rs. 16,804,957 thousand. The Company will continue to assess these assumptions periodically in accordance with applicable accounting standards.

**4.2** The Company holds an investment in its wholly owned subsidiary, U Microfinance Bank Limited ("the Bank"), which is carried at cost less any impairment, amounting to Rs. 12,933,857 thousand (December 31, 2024: Rs. 11,083,857 thousand).

As at 30 June 2025, management performed an impairment test to assess whether the carrying amount of the investment in the Bank exceeds its recoverable amount. The recoverable amount was determined based on the value-in-use approach, using the Dividend Discount Model (DDM). The DDM estimates the present value of future expected dividends to be received from the Bank, based on the following key assumptions:

- Forecast period: [e.g., 5 years from 2025 to 2029].
- Expected dividend payouts: Based on approved budgets and management projections.
- Terminal growth rate: 6%.
- Discount rate: 17.7%, reflecting the estimated cost of equity, adjusted for the risks specific to the Bank and the microfinance industry.

Management's projections incorporated expectations of future profitability, regulatory capital requirements, and macroeconomic conditions relevant to the Bank's operations. The Bank's Management forecasts that it will meet all regulatory requirements in due course. Based on the results of the impairment assessment, the recoverable amount of the investment exceeded its carrying amount. Accordingly, no impairment loss was recognized in the financial statements for the period ended 30 June 2025.

Management believes that the key assumptions used are reasonable and supportable. However, changes in any significant assumptions, such as a material decline in the Bank's profitability or dividend capacity, may impact the recoverable amount in future periods.

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

## 5. MATERIAL ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's audited financial statements for the year ended December 31, 2024 .

	Note	June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
<b>6. LONG TERM LOANS FROM BANKS</b>			
MCB Bank Ltd		11,000,000	11,000,000
Habib Bank Ltd		35,000,000	35,000,000
Bank Alfalah Ltd		8,000,000	8,000,000
Faysal Bank Ltd		7,000,000	7,000,000
Bank Islami Pakistan Ltd		2,000,000	2,000,000
Pak China Investment Company	6.1	1,875,000	-
Less: transaction costs		(211,405)	(219,640)
		64,663,595	62,780,360
Accrued Interest		243,228	318,719
		64,906,823	63,099,079
Current portion of long term loans from banks		(243,228)	(318,719)
		64,663,595	62,780,360

**6.1** During the period, the Company entered into a finance agreement dated June 26, 2025 to avail long term finance facility to the extent of Rs. 2,500,000 thousand to meet the capex requirements of the Company. The finance facility is secured by way of hypothecation against assets of the Company, excluding land, building, licenses etc. The loan is repayable in sixteen quarterly instalments commencing from September 30, 2028.

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

	Note	June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
<b>7. TRADE AND OTHER PAYABLES</b>			
Trade creditors		13,429,912	13,264,221
Accrued and other liabilities	7.1	46,922,542	46,085,468
Technical services assistance fee	7.2	52,116,196	48,230,684
Advances from customers / contract liability		7,660,998	9,155,557
Retention money / payable to contractors and suppliers		7,946,361	7,582,467
Payable to subsidiaries on account of group taxation		40,729,884	40,733,736
Sales tax payable		3,293,098	3,468,014
Income tax collected / deducted at source		-	799,325
		172,098,991	169,319,472

## 7.1 Accrued and other liabilities

Accrued liability for operational expenses		13,102,763	11,935,596
Amount withheld on account of provincial levies (Sub-judice) for ICH operations		12,110,803	12,110,803
Accrual for Government / regulatory expenses		16,806,647	16,812,077
Accrued wages		2,304,057	3,253,401
Others		2,598,272	1,973,591
		46,922,542	46,085,468

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

## 8. SHORT TERM RUNNING FINANCE

These facilities are obtained from various commercial banks with an aggregate limit of Rs 42,050,000 thousand (December 31, 2024: 31,550,000 thousand) and are secured against 1st pari passu charge on the assets of the Company. These facilities carry markup rates ranging from 1-month KIBOR to 6-month KIBOR plus weighted average rate of 0.31% (December 31, 2024: 1-month KIBOR to 6-month KIBOR plus weighted average rate of 0.17%) per annum.

This also include shariah compliant, rated, unlisted, unsecured, privately placed short term sukuk amounting to Rs 22,500,000 thousand (December 31, 2024: 20,000,000 thousand) issued to meet the working capital requirements with a tenor of 6 months from the issue date (December 31, 2024: 6 months from the issue date) carrying mark-up rates of 3-month KIBOR plus weighted average rate of 0.02% (December 31, 2024: 3-month KIBOR to 6-month KIBOR plus weighted average rate of 0.13%) per annum. Habib Bank Limited was a mandated lead advisor, arranger and investment agent for the sukuk. The issuer has the right to exercise call option on or after 3 months from issue date.

	Note	June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	9.1	147,261,567	138,294,889
Capital work-in-progress	9.3	22,819,768	22,877,614
		170,081,335	161,172,503

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

	Note	June 30, 2025 (Un-Audited) Rs '000	June 30, 2024 (Un-Audited) Rs '000
<b>9.1 Operating fixed assets</b>			
Opening net book value		138,294,889	123,757,109
Additions during six month period ended	9.2	18,784,584	12,300,524
		157,079,473	136,057,633
Disposals during the period - at net book value		(90,039)	(5,841)
Depreciation charge for the period		(9,727,867)	(8,935,142)
		(9,817,906)	(8,940,983)
Closing net book value		147,261,567	127,116,650

**9.2 Detail of additions during the period:**

Buildings on freehold land	134,652	158,998
Buildings on leasehold land	132,624	28,163
Lines and wires	9,526,607	4,067,092
Apparatus, plant and equipment	8,633,901	7,119,258
Office equipment	83,955	149,975
Computer equipment	138,414	37,747
Furniture and fittings	633	3,255
Submarine Cable	119,311	733,068
Vehicles	14,487	2,968
	18,784,584	12,300,524

**9.3** Additions to Capital work-in-progress during the six months period ended June 30, 2025 were Rs 18,908,210 thousand (June 30, 2024: Rs 18,713,765 thousand). Transfers from Capital work-in-progress to operating fixed assets during the six months period ended June 30, 2025 were Rs 18,959,764 thousand (June 30, 2024: Rs 12,369,786 thousand).

## 10. LONG TERM INVESTMENTS

During the period, the Company made an additional investment amounting to Rs. 1,850,000 thousand in its wholly owned subsidiary, U Microfinance Bank Limited. Furthermore, the Company continues to support its subsidiaries to meet their regulatory and capex requirements.

	June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
<b>11. LONG TERM LOANS AND ADVANCES</b>		
Loans to PTML - unsecured	39,249,995	39,499,995
Loans to employees - secured	887,555	845,168
Others	6,100,133	11,435,439
	46,237,683	51,780,602

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

	Note	June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
<b>12. TRADE DEBTS AND CONTRACT ASSETS</b>			
Trade debts		68,161,649	61,483,727
Contract assets		6,503,925	6,488,312
		74,665,574	67,972,039
Allowance for expected credit loss		(8,516,859)	(7,408,859)
		66,148,715	60,563,180
<b>13. CASH AND BANK BALANCES</b>			
Cash in hand		44,805	112,080
Balances with banks:	13.1		
Deposit accounts local currency		1,409,744	1,440,655
Current accounts			
Local currency		1,680,457	1,213,715
Foreign currency		10,943,216	9,321,664
		12,623,673	10,535,379
		14,078,222	12,088,114

**13.1** Bank balance includes Rs 19,645 thousand (December 31, 2024: Rs 212,391 thousand) carrying profit rates ranging from 4.5% to 9.5% (December 31, 2024: 7% to 21%) per annum from Shariah arrangements.

## 14. 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, 2024, except in 14.1, 14.2 and 14.3 as disclosed below:

**14.1** For the tax years 2007, 2009, 2010, 2011 to 2023, Taxation Officer disallowed certain expenses, tax credits and levied short deduction of Withholding Tax (WHT). The impugned orders were challenged at the relevant appellate forums which allowed partial relief thereof. After taking into account the orders of CIR (Appeals), ATIR as well as rectification orders tax impact of the disallowances is Rs 51,115,762 thousand. Appeals on the remaining outstanding items are pending adjudication before ATIR. Reference in respect of 2007 is subjudice before the Honorable Islamabad High Court. Stay has been obtained in all cases from different fora. The CIR (Appeals) have remanded back the disallowances relating to tax years 2014 and 2020 having tax impact of Rs. 5,937,972 thousand to Taxation Officer.

**14.2** This relates to pension litigation disclosed in note 14.7 of the Company's financial statements for the year ended December 31, 2024. By order dated July 10, 2025, the Honorable Supreme Court of Pakistan (SCP) directed the Company to recognize its continuing liability towards former civil servants transferred from the Telegraph & Telephone (T&T) Department to the PTC and subsequently to the Company, and to record this as a declared liability in line with applicable accounting and corporate law.

The liability covers differential of pension payable in accordance with prevailing standards for similarly placed public servants. The SCP further held that such benefits are not payable to

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

workmen/workers, ex-civil servants who availed Voluntary Separation Scheme (VSS), or employees appointed by PTC, and remanded certain transferred employees’ cases to the High Courts for determination of their civil servant status.

To comply, the Company engaged an independent legal advisor to determine such transferred employees who being civil servant at the time of their transfer are entitled to increase in pension and has recognized an amount of Rs. 5,890,142 thousand, as past service cost in the statement of profit or loss, based on its best estimate of expenditure required to meet its obligation as determined by the SCP. In this respect, the Company had also engaged independent actuary to calculate additional pension liability (refer to note 4.1, for changes in underlying actuarial assumptions).

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

**14.3** This relates to the Competition Commission of Pakistan (CCP) litigation as disclosed in Note 14.8 of the Company’s financial statements for the year ended December 31, 2024. Pursuant to the proceedings, the Competition Appellate Tribunal, vide its order dated August 11, 2025, has imposed a penalty on the Company equivalent to 2% of the turnover from the relevant period, generated by Long Distance and International (LDI) operations solely through International Clearing House (ICH) linked activities. In compliance with this order, the Company has recognized a penalty amounting to Rs. 458,830 thousands under other costs in the statement of profit or loss.

	Note	June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
<b>14.4 Guarantees and bid bonds issued in favour of :</b>			
Universal Service Fund (USF) against government grants		9,041,340	9,270,431
Others	14.4.1	3,141,187	3,252,806
		12,182,527	12,523,237
Corporate guarantee in favour of PTML		71,497,000	65,497,000
Corporate guarantee in favour of Ubank		-	10,000,000
		71,497,000	75,497,000

**14.4.1** Others includes bank guarantee given on behalf of DVCOM Data (Private) Limited to PTA amounting to Rs 675,000 thousand (December 31, 2024: Rs. 675,000 thousand).

		June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
<b>14.5 Commitments</b>			
Contracts for capital expenditure		8,178,979	10,275,706
Letter of comforts in favour of PTML		3,500,000	3,500,000
		11,678,979	13,775,706



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

FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

## 15. REVENUE

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

	Six months ended	
	June 30, 2025 (Un-Audited) Rs '000	June 30, 2024 (Un-Audited) Rs '000
<b>Revenue segments</b>		
Broadband and IPTV	26,965,190	23,776,262
Voice services	4,045,386	4,224,922
Wireless data	246,515	655,192
<b>Revenue from retail customers</b>	31,257,091	28,656,376
Corporate and wholesale	22,378,711	19,227,317
International	5,275,966	4,816,735
<b>Total revenue</b>	58,911,768	52,700,428

**15.1** Revenue is stated net of trade discount amounting to Rs 9,999 thousand (June 30, 2024: Rs 21,341 thousand) and Federal Excise Duty and sales tax amounting to Rs 8,569,728 thousand (June 30, 2024: Rs 7,915,444 thousand).

	Note	Six months ended	
		June 30, 2025 (Un-Audited) Rs '000	June 30, 2024 (Un-Audited) Rs '000
<b>16. OTHER INCOME</b>			
Income from financial assets	16.1	3,794,617	2,976,018
Income from non-financial assets		1,356,761	4,315,147
		5,151,378	7,291,165

**16.1** Income from financial assets include Rs 66 thousand (June 30, 2024: Rs 165 thousand) earned from Shariah arrangements.

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

	Six months ended	
	June 30, 2025 (Un-Audited) Rs '000	June 30, 2024 (Un-Audited) Rs '000
<b>17. CASH GENERATED FROM OPERATIONS</b>		
Profit before tax	(3,116,026)	1,734,933
Adjustments for non-cash charges and other items:		
Depreciation of property, plant and equipment	9,727,868	8,935,142
Amortization of intangible assets	398,840	406,481
Depreciation of right of use assets	232,640	346,011
Amortization of contract costs	2,860,476	2,272,545
Amortization of transaction costs on long term loans	33,235	15,609
Reversal for obsolete stores and spares	(1,312)	(1,096)
Impairment loss on financial assets	1,108,000	1,118,759
Provision for employees retirement benefits	6,986,553	1,051,775
Gain on disposal of property, plant and equipment	(226,032)	(1,304,352)
Interest on bank deposits	(282,366)	(116,872)
Imputed interest on lease liabilities	123,350	136,798
Interest cost on employee retirement benefits	2,244,081	1,956,696
Interest on long term loan to subsidiaries	(2,537,179)	(2,849,005)
Interest on long term loans from banks	3,955,169	5,824,670
Interest on short term running finance	3,167,828	2,847,516
Unearned revenue realized against advances from customers	(91,787)	(45,309)
Release of deferred government grants	(450,285)	(519,829)
Exchange loss / (gain) - net	695,461	(226,878)
	24,828,514	21,583,594
Effect on cash flows due to working capital changes:		
Decrease / (Increase) in current assets:		
Stores and spares	373,603	(488,374)
Trade debts and contract assets	(7,275,941)	(3,584,767)
Loans and advances	(468,327)	(2,376,839)
Prepayments and other receivables	(6,811,675)	(2,069,945)
	(14,182,340)	(8,519,925)
Increase in current liabilities:		
Trade and other payables	1,873,743	3,981,097
Security deposits	63,787	2,382
	12,583,704	17,047,148
<b>18. CASH AND CASH EQUIVALENTS</b>		
Short term running finance	(55,982,157)	(39,736,434)
Cash and bank balances	14,078,222	12,975,028
	(41,903,935)	(26,761,406)

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

## 19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

		Six months ended	
		June 30, 2025 (Un-Audited) Rs '000	June 30, 2024 (Un-Audited) Rs '000
Relationship with the Company	Nature of transaction		
i. Shareholders	Technical services assistance fee - note 19.1	1,931,011	1,734,092
ii. Subsidiaries	Sale of goods and services	3,168,194	3,102,760
	Purchase of goods and services	663,083	1,268,067
	Mark up on loans	2,539,116	2,849,230
	Long term investment in subsidiary	1,850,000	2,400,000
	Long term loan to subsidiary	-	5,000,000
	Repayment of long term loans from subsidiary	416,667	1,250,000
iii. Associated undertakings	Sale of goods and services	3,447,251	3,713,744
	Purchase of goods and services	595,548	520,077
iv. Employees contribution plan	PTCL Employees GPF Trust - net	201,429	60,518
v. Employees retirement benefit plan	Contribution to the plan-gratuity	63,009	56,908
vi. The Government of Pakistan and its related entities	Charge under license obligations	1,659,704	1,326,035
vii. Directors, Chief Executive and Key management personnel	Fee and remuneration including benefits and perquisites	747,276	698,403
		June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
		Note	
<b>Period / year-end balances</b>			
<b>Receivables from related parties</b>			
Long term loans to subsidiaries		39,833,333	40,250,000
<b>Trade debts</b>			
- Subsidiaries		974,582	626,000
- Associated undertakings		45,664,864	42,005,179
<b>Other receivables</b>			
- Subsidiaries		24,721,223	20,826,902
- Associated undertakings		71,305	71,305
- Pakistan Telecommunication Employees Trust (PTET)		43,798	25,634
- Long term loans to executives and key management personnel		77,131	96,680
Bank deposit with subsidiary		1,580	1,499
Pakistan Telecommunication Employees Trust (PTET)		20,790,698	2,951,438
<b>Payables to related parties</b>			
<b>Trade creditors</b>			
- Subsidiaries		1,955,000	1,955,895
- Associated undertakings		4,812,774	4,316,537
- The Government of Pakistan and its related entities		2,128,361	2,293,643
Payable to subsidiaries on account of group taxation		40,729,884	40,733,736
Security deposits from subsidiary		3,653	3,623
Retention money payable to associated undertakings		19,672	2,940
Technical services assistance fee payable to Etisalat		19.1 52,116,196	48,230,684
Pakistan Telecommunication Company Limited			
Employees Gratuity Fund		134,970	89,535

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

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

## 20. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

	Gross amounts subject to setoff	Offset	Net amount	Amount not in scope of offsetting	Net as per statement of financial position
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>As At June 30, 2025 (Un-Audited)</b>					
Trade debts and contract assets	44,654,809	(2,264,724)	42,390,085	23,758,630	66,148,715
Trade creditors	(3,259,006)	2,264,724	(994,282)	(12,435,630)	(13,429,912)
<b>As At December 31, 2024 (Audited)</b>					
Trade debts	43,809,880	(5,649,369)	38,160,511	22,402,669	60,563,180
Trade creditors	(6,624,898)	5,649,369	(975,529)	(12,288,692)	(13,264,221)

## 21. 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, 2024. 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, 2024.

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

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

22.1 These condensed interim financial statements for the six months period ended June 30, 2025 were authorized for issue by the Board of Directors of the Company on August 28, 2025.



Chief Financial Officer



President & CEO



Chairman

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS**  
FOR THE SIX MONTHS PERIOD ENDED  
JUNE 30, 2025 (UN-AUDITED)

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	Note	June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Share capital and reserves</b>			
Share capital		51,000,000	51,000,000
Revenue reserves			
General reserve		27,497,072	27,497,072
Unappropriated loss		(36,668,593)	(43,575,731)
		(9,171,521)	(16,078,659)
Statutory and other reserves		935,752	935,752
Unrealized gain on investments measured at fair value through OCI		97,705	409,162
		42,861,936	36,266,255
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long term loans from banks		98,438,275	104,867,250
Deposits from banking customers		59,425,087	39,870,286
Lease liabilities		25,553,935	12,429,735
Employees retirement benefits		41,261,139	42,846,083
Deferred government grants		39,416,273	35,252,992
Advances from customers		1,350,233	1,442,432
License fee payable		8,837,021	8,799,401
Long term vendor liability		35,123,044	30,816,234
		309,405,007	276,324,413
<b>Current liabilities</b>			
Trade and other payables	6	155,435,685	158,600,800
Deposits from banking customers		72,170,281	96,741,897
Interest accrued		4,430,044	6,716,644
Short term running finance		74,812,871	51,678,636
Current portion of:			
Long term loans from banks		18,341,860	134,887,702
Subordinated debt		150,000	1,000,000
Lease liabilities		13,132,262	4,458,672
License fee payable		2,373,220	2,328,854
Long term vendor liability		23,485,405	35,565,847
Security deposits		1,613,630	1,654,053
Unpaid / unclaimed dividend		208,003	208,131
		366,153,261	493,841,236
<b>Total equity and liabilities</b>		<b>718,420,204</b>	<b>806,431,904</b>

## Contingencies and commitments

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

Chief Financial Officer

President & CEO

Chairman

	Note	June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	293,944,461	283,621,411
Right of use assets		36,406,987	15,528,532
Intangible assets		49,306,333	52,713,512
		379,657,781	351,863,455
Long term investments		51,427	51,427
Long term loans and advances		6,987,683	12,280,602
Long term loans to banking customers		13,473,111	13,664,090
Deferred income tax		12,402,503	16,896,173
Contract costs		382,485	329,145
		412,954,990	395,084,892
<b>Current assets</b>			
Stock in trade, stores and spares		8,435,333	8,891,967
Trade debts and contract assets	8	68,912,416	64,355,709
Loans to banking customers		58,275,626	60,802,770
Loans and advances		4,338,078	3,706,842
Contract costs		5,192,500	5,575,409
Income tax recoverable		52,702,916	52,304,986
Deposits, prepayments and other receivables		51,589,897	30,337,039
Short term investments	9	28,457,382	161,231,289
Cash and bank balances	10	27,561,066	24,141,001
		305,465,214	411,347,012
<b>Total assets</b>		<b>718,420,204</b>	<b>806,431,904</b>



Chief Financial Officer



President & CEO



Chairman

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

	Note	Three months ended		Six months ended	
		June 30, 2025 Rs '000	June 30, 2024 Rs '000	June 30, 2025 Rs '000	June 30 2024 Rs '000
Revenue	12	62,749,312	57,299,832	124,599,106	107,292,652
Cost of services		(41,942,747)	(41,820,256)	(83,822,789)	(82,607,509)
<b>Gross profit</b>		20,806,565	15,479,576	40,776,317	24,685,143
Administrative and general expenses		(8,361,675)	(7,995,014)	(16,736,288)	(15,081,567)
Selling and marketing expenses		(3,373,433)	(3,308,689)	(7,328,108)	(6,472,402)
Impairment loss on financial assets		(1,625,413)	(1,678,421)	(6,886,280)	(1,308,019)
		(13,360,521)	(12,982,124)	(30,950,676)	(22,861,988)
<b>Operating profit</b>		7,446,044	2,497,452	9,825,641	1,823,155
Past service cost - pension		(5,890,142)	-	(5,890,142)	-
Other income	13	3,310,232	4,767,425	8,836,302	11,439,450
Finance and other costs		(12,032,775)	(12,752,525)	(25,479,977)	(26,744,662)
<b>Loss before tax</b>		(7,166,641)	(5,487,648)	(12,708,176)	(13,482,057)
Taxation		1,233,911	2,084,565	2,810,357	4,569,678
<b>Loss for the period</b>		(5,932,730)	(3,403,083)	(9,897,819)	(8,912,379)
<b>Loss per share - basic and diluted (Rupees)</b>		(1.16)	(0.67)	(1.94)	(1.75)

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

Chief Financial Officer

President & CEO

Chairman



# CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

	Three months ended		Six months ended	
	June 30, 2025 Rs '000	June 30, 2024 Rs '000	June 30, 2025 Rs '000	June 30 2024 Rs '000
<b>Loss for the period</b>	(5,932,730)	(3,403,083)	(9,897,819)	(8,912,379)
Other comprehensive income for the period				
Items that will not be reclassified to profit or loss:				
Remeasurement gain on employees retirement benefits	27,468,223	-	27,468,223	-
Tax effect	(10,663,266)	-	(10,663,266)	-
	16,804,957	-	16,804,957	-
Items that may be subsequently reclassified to profit or loss:				
Gain / (loss) on debt instruments arising during the year	72,140	(52,501)	(438,672)	(128,668)
Tax effect	(20,920)	20,476	127,215	50,181
	51,220	(32,025)	(311,457)	(78,487)
Other comprehensive income / (loss) for the period - net of tax	16,856,177	(32,025)	16,493,500	(78,487)
<b>Total comprehensive Income / (loss) for the period</b>	<b>10,923,447</b>	<b>(3,435,108)</b>	<b>6,595,681</b>	<b>(8,990,866)</b>

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



Chief Financial Officer



President & CEO



Chairman

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

		Six months ended	
	Note	June 30, 2025 Rs '000	June 30, 2024 Rs '000
<b>Cash flows from operating activities</b>			
Cash generated from operations	14	38,401,235	37,874,734
Employees retirement benefits paid		(1,359,899)	(1,046,958)
Additions to contract costs		(3,954,397)	(3,859,738)
Deposits from banking customers		(5,016,815)	7,951,638
Income tax paid		(3,884,384)	(7,203,087)
<b>Net cash generated from operating activities</b>		24,185,740	33,716,589
<b>Cash flows from investing activities</b>			
Capital expenditure		(27,919,083)	(30,858,269)
Acquisition of intangible assets		(400,247)	(497,764)
Proceeds from disposal of property, plant and equipment		441,279	1,326,153
Short term investments		132,773,907	28,971,589
Long term loans and advances		5,292,919	(2,037,768)
Government grants received		5,793,566	7,023,713
Return on long term loans and short term investments		3,963,366	4,946,029
<b>Net cash generated from investing activities</b>		119,945,707	8,873,683
<b>Cash flows from financing activities</b>			
Loan from banks - net		(122,974,817)	(11,595,449)
Subordinated debt		(850,000)	(418,054)
Vendor liability		(13,798,701)	2,230,507
License fee - repayment		(191,768)	(292,106)
Finance cost paid		(19,155,265)	(22,296,975)
Lease liabilities		(6,874,938)	(5,152,179)
Dividend paid		(128)	(95)
<b>Net cash used in financing activities</b>		(163,845,617)	(37,524,351)
<b>Net (decrease) / increase in cash and cash equivalents</b>		(19,714,170)	5,065,921
<b>Cash and cash equivalents at the beginning of the period</b>		(27,537,635)	(28,188,412)
<b>Cash and cash equivalents at the end of the period</b>	15	(47,251,805)	(23,122,491)

The annexed notes 1 to 22 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 SIX MONTHS ENDED JUNE 30, 2025

	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"	Total	General reserve	Unappropriated loss			
(Rupees in '000)								
Balance as at January 01, 2024 (Audited)	37,740,000	13,260,000	51,000,000	27,497,072	(22,077,634)	909,981	(39,198)	57,290,221
Total comprehensive income for the period								
Loss for the six months ended June 30, 2024								
Other comprehensive loss					(8,912,379)		(78,487)	(8,912,379)
								(8,990,866)
Balance as at June 30, 2024 (Un-Audited)	37,740,000	13,260,000	51,000,000	27,497,072	(30,990,013)	909,981	(117,685)	48,299,355
Loss for the six months ended December 31, 2024								
Other comprehensive (loss) / income					(5,481,781)		526,847	(5,481,781)
					(7,103,937)			(6,577,090)
					(12,585,718)		526,847	(12,058,871)
Transfer to statutory and other reserves						25,771	-	25,771
Balance as at December 31, 2024 (Audited)	37,740,000	13,260,000	51,000,000	27,497,072	(43,575,731)	935,752	409,162	36,266,255
Total comprehensive income for the period								
Loss for the six months ended June 30, 2025								
Other comprehensive income					(9,897,819)		(311,457)	(9,897,819)
					16,804,957			16,493,500
					6,907,138		(311,457)	6,595,681
Transfer to statutory and other reserves								
Balance as at June 30, 2025 (Un-Audited)	37,740,000	13,260,000	51,000,000	27,497,072	(36,668,593)	935,752	97,705	42,861,936

The annexed notes 1 to 22 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 SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

## 1. LEGAL STATUS AND NATURE OF BUSINESS

### 1.1 Constitution and ownership

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

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

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

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

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

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

PTML was incorporated in Pakistan on July 18, 1998, as a public limited company to provide cellular mobile telephony services in Pakistan. PTML commenced its commercial operations on January 29, 2001, under the brand name of Ufone. It is a wholly owned subsidiary of PTCL. The registered office of PTML is situated at Ufone Tower, Plot No. 55-C, Jinnah Avenue, Blue Area, Islamabad.

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

DVCOM Data was incorporated as a private limited company under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on 30 May 2017) on 27 March 2007. Effective April 01, 2015, the Holding Company acquired 100% shareholding of DVCOM Data. The license for the spectrum allocated to DVCOM Data by PTA expired during 2024. The registered office of DVCOM Data is located at 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.

### 1.3 Going concern basis of accounting

The Group has incurred loss after tax amounting to Rs 9,897,819 thousands, for the six months period ended June 30, 2025 (June 30, 2024: Rs 8,912,379 thousand) and its unappropriated loss as at June 30, 2025 amounts to Rs 36,668,593 thousand (December 31, 2024: Rs 43,575,731 thousand). As of June 30, 2025, current liabilities of the Group exceed its current assets by Rs 60,688,047 thousand (December 31, 2024: Rs 82,494,224 thousand).

However, as part of annual budgetary process of the Group, the Group has prepared five years projections for the years ending 31 December 2029 duly approved by the Board of Directors of the

# NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

Group. These projections are based on individual business plans for the Holding Company, and each of its subsidiaries approved by those charged with governance. As per these projections, the Group will continue to generate sufficient cashflows to meet its obligations as they fall due. The existence of material uncertainty, if any, is mitigated based on the following factors: a) there has been increase in number of subscribers in the Group, the consumption of data per day prices of its products have also increased resulting in overall increase in average revenue per user. These are expected to increase further in future years; b) there has been increase in Wireline segment's revenue due to introduction of Flash Fiber, Fiber-to-the-Home (FTTH) service and is expected to continue to grow in future years; c) the reduction in policy rate to 11% is expected to result in significant decrease in finance cost. Reduction in inflation has been noted in Pakistan which is expected to have positive impact on operational cost of the Group; d) secured lending as a proportion of total advances in Banking segment is expected to increase which will result in lower delinquency ratio and improved profitability; and e) the Banking segment has closed certain banking branches which is expected to have positive impact on the profit of the Banking segment.

During the first half of the current year, the Group reported a 16% increase in revenue and reported an operating profit of Rs 9,825,641 thousand, compared to an operating profit of Rs 1,823,155 thousand in the corresponding period of the previous year.

Accordingly, considering the aforesaid factors, these consolidated financial statements have been prepared on a going concern basis.

## 2. STATEMENT OF COMPLIANCE

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

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

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

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

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

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

## 3. BASIS OF PREPARATION

These condensed consolidated interim financial statements do not include all of the information required in the annual financial statements prepared in accordance with the accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Group's latest annual consolidated financial statements as at and for the year ended December 31, 2024.

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Estimates and judgments made by the management in the preparation of these condensed consolidated interim financial statements are the same as those used in the preparation of audited consolidated financial statements of the Group for the year ended December 31, 2024, except for the note 4.1:

# NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

4.1 As disclosed in Note 11.2, during the period, a change in accounting estimate has been recognized in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, as a result of the judgment of the Supreme Court of Pakistan (SCP) in relation to pension litigation.

Following the SCP’s judgment, the Holding Company conducted a revised actuarial valuation for employees entitled to increased pensionary benefits and compensation. This revised valuation was carried out in accordance with prevailing standards applicable to similarly situated civil servants.

As a result of this reassessment, the following changes in actuarial assumptions and estimates were made:

- Adjustment to future pension growth rate assumptions for civil servants and others.
- Incorporation of additional compensation elements mandated by the SCP decision.

As a result, the loss before tax has increased by Rs. 5,890,142 thousand and Other Comprehensive Income (net of tax) has increased by Rs. 16,804,957 thousand. The Holding Company will continue to assess these assumptions periodically in accordance with applicable accounting standards.

4.2 The Group has determined recoverable amount of banking segment, consisting of property, plant and equipment, right of use assets, intangibles, long term investments and loans to banking customers based on a value-in-use determined through discounted cash flow method, which was higher than the carrying amount of the banking segment in the consolidated financial statements. Value-in-use was estimated using cash flow projections approved by the Board of Directors, covering a five-year period. The Group has applied a discount rate of 17.7% and the long-term steady growth-rate of 6.0%, to the cash flow projections. The calculation of value-in-use is most sensitive to the following assumptions:

- discount rates
- key business assumptions

Management believes that the key assumptions used are reasonable and supportable. However, changes in any significant assumptions, such as a material decline in the banking segment’s profitability may impact the recoverable amount in future periods.”

## 5. MATERIAL ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s audited consolidated financial statements for the year ended December 31, 2024.

	Note	June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
<b>6. TRADE AND OTHER PAYABLES</b>			
Trade creditors		19,089,152	24,062,927
Accrued and other liabilities	6.1	60,139,660	60,108,504
Technical services assistance fee	6.2	52,116,196	48,230,684
Advances from customers / contract liabilities		11,900,645	13,982,012
Retention money / payable to contractors and suppliers		7,946,361	7,582,467
Income tax collected from subscribers / deducted at source		827,720	1,048,418
Sales tax payable		3,415,951	3,585,788
		155,435,685	158,600,800
<b>6.1 Accrued and other liabilities</b>			
Accrued liability for operational expenses		23,400,043	19,851,025
Amount withheld on account of provincial levies (Sub-judice) for ICH operations		12,110,803	12,110,803
Accrual for Government / regulatory expenses		18,523,401	18,172,962
Accrued wages		2,922,230	4,163,239
Others		3,183,183	5,810,475
		60,139,660	60,108,504

## NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

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

		June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	7.1	243,111,489	238,897,893
Capital work-in-progress	7.3	50,832,972	44,723,518
		293,944,461	283,621,411

	Note	June 30, 2025 (Un-Audited) Rs '000	June 30, 2024 (Un-Audited) Rs '000
<b>7.1 Operating fixed assets</b>			
Opening net book value		238,897,893	216,872,000
Additions during the period	7.2	21,809,629	21,657,278
		260,707,522	238,529,278
Disposals during the period - at net book value		(192,705)	(14,264)
Impairment		(134,883)	-
Depreciation for the period		(17,268,445)	(16,173,506)
		(17,596,033)	(16,187,770)
Closing net book value		243,111,489	222,341,508

<b>7.2 Detail of additions during the period:</b>			
Buildings on freehold land		134,652	158,998
Buildings on leasehold land		132,624	98,925
Lines and wires		9,526,607	4,067,092
Apparatus, plant and equipment		11,553,414	15,626,049
Office equipment		98,548	348,863
Computer equipment		218,285	242,243
Furniture and fittings		11,701	378,020
Vehicles		14,487	4,020
Submarine cables		119,311	733,068
		21,809,629	21,657,278

- 7.3** Additions to CWIP during the six months ended June 30, 2025 were Rs 28,241,949 thousand (June 30, 2024: Rs 30,938,114 thousand). Transfers from CWIP to operating fixed assets during the six months period ended June 30, 2025 were Rs 22,122,005 thousand (June 30, 2024: Rs 22,015,501 thousand)

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		June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
<b>8. TRADE DEBTS AND CONTRACT ASSETS</b>			
Trade debts		71,242,675	65,555,932
Contract assets		6,762,116	6,764,824
		78,004,791	72,320,756
Allowance for expected credit loss		(9,092,375)	(7,965,047)
		68,912,416	64,355,709
	Note	June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
<b>9. SHORT TERM INVESTMENTS</b>			
Amortized cost			
Lending to Financial Institution		8,755,783	12,195,250
Fair value through Profit or Loss			
Non Government debt securities		1,698,434	1,697,008
Fair value through Other Comprehensive Income			
Federal Government securities		17,936,539	147,255,738
Non Government debt securities		66,626	83,293
		18,003,165	147,339,031
		28,457,382	161,231,289
<b>10. CASH AND BANK BALANCES</b>			
Cash in hand		1,465,835	1,827,897
Balances with banks:	10.1		
Local currency			
Current account maintained with SBP		4,411,122	5,140,886
Current accounts		1,816,669	1,280,430
Saving accounts		7,283,526	5,035,063
		13,511,317	11,456,379
Foreign currency			
Current accounts		10,943,216	9,321,664
Saving accounts		1,640,698	1,535,061
		12,583,914	10,856,725
		27,561,066	24,141,001

**10.1** Bank balance includes Rs 19,645 thousand (December 31, 2024: Rs 212,391 thousand) carrying profit rates ranging from 4.5% to 9.5% (December 31, 2024: 7% to 21%) per annum from Shariah arrangements.



## NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

### 11. CONTINGENCIES AND COMMITMENTS

There has been no material changes in contingencies as disclosed in the last audited consolidated financial statements for the year ended December 31, 2024 except in note 11.1 , 11.2 & 11.3 as disclosed below:

**11.1** For the tax years 2007, 2009, 2010, 2011 to 2023, Taxation Officer disallowed certain expenses, tax credits and levied short deduction of Withholding Tax (WHT). The impugned orders were challenged at the relevant appellate forums which allowed partial relief thereof. After taking into account the orders of CIR (Appeals), ATIR as well as rectification orders tax impact of the disallowances is Rs 51,115,762 thousand. Appeals on the remaining outstanding items are pending adjudication before ATIR. Reference in respect of 2007 is subjudice before the Honorable Islamabad High Court. Stay has been obtained in all cases from different fora. The CIR (Appeals) have remanded back the disallowances relating to tax years 2014 and 2020 having tax impact of Rs. 5,937,972 thousand to Taxation Officer.

**11.2** This relates to pension litigation disclosed in note 18.7 of the Group's consolidated financial statements for the year ended December 31, 2024. By order dated July 10, 2025, the Honorable Supreme Court of Pakistan (SCP) directed the Holding Company to recognize its continuing liability towards former civil servants transferred from the Telegraph & Telephone (T&T) Department to the PTC and subsequently to the Holding Company, and to record this as a declared liability in line with applicable accounting and corporate law.

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

To comply, the Holding Company engaged an independent legal advisor to determine such transferred employees who being civil servant at the time of their transfer are entitled to increase in pension and has recognized an amount of Rs. 5,890,142 thousand, as past service cost in the consolidated statement of profit or loss, based on its best estimate of expenditure required to meet its obligation as determined by the SCP. In this respect, the Holding Company had also engaged independent actuary to calculate additional pension liability (refer to note 4.1, for changes in underlying actuarial assumptions).

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

**11.3** This relates to the Competition Commission of Pakistan (CCP) litigation as disclosed in Note 18.8 of the Group's consolidated financial statements for the year ended December 31, 2024. Pursuant to the proceedings, the Competition Appellate Tribunal, vide its order dated August 11, 2025, has imposed a penalty on the Holding Company equivalent to 2% of the turnover from the relevant period, generated by Long Distance and International (LDI) operations solely through International Clearing House (ICH) linked activities. In compliance with this order, Group has recognized a penalty amounting to Rs. 458,830 thousands under other costs in the consolidated statement of profit or loss.

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	Note	June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
11.4 Bank guarantees and bid bonds issued in favor of:			
Universal Service Fund (USF) against government grants		17,821,901	19,079,452
Pakistan Telecommunication Authority against 3G and 2G Licenses		3,050,468	4,387,163
Others	11.4.1	3,149,693	3,514,199
		24,022,062	26,980,814
Corporate guarantee in favour of PTML		71,497,000	65,497,000
Corporate guarantee in favour of Ubank		-	10,000,000
		71,497,000	75,497,000

11.4.1 Others includes bank guarantee given on behalf of DVCOM Data (Private) Limited to PTA amounting to Rs 675,000 thousand (December 31, 2024: Rs. 675,000 thousand).

	June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
11.5 Commitments		
Letters of credit for purchase of stock	208,501	401,084
Letters of comfort in favour of PTML	3,500,000	3,500,000
Contracts for capital expenditure	27,494,480	47,273,417
	31,202,981	51,174,501

## NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

### 12. REVENUE

The Group principally obtains revenue from providing telecommunication services such as data, voice, IPTV, connectivity services, interconnect, information and communication technology (ICT), digital solutions and equipment sales, messaging services, sales of mobile devices. Further, U Bank provides banking and microfinance services.

	Six months ended	
	June 30, 2025 (Un-Audited) Rs '000	June 30, 2024 (Un-Audited) Rs '000
<b>Revenue segments</b>		
Broadband and IPTV	26,965,190	23,776,262
Cellular and other wireless services	46,335,050	38,273,116
Voice services - fixed line	4,045,386	4,224,922
<b>Revenue from retail customers</b>	77,345,626	66,274,300
Corporate and wholesale	27,021,044	23,967,865
International	6,291,207	5,784,877
Banking	13,941,229	11,265,610
<b>Total revenue</b>	124,599,106	107,292,652

**12.1** Revenue is stated net of trade discount amounting to Rs 1,492,077 thousand (June 30, 2024: Rs 1,114,342 thousand) and Federal excise duty and sales tax amounting to Rs 18,927,629 thousand (June 30, 2024: Rs 15,911,800 thousand).

	Note	Six months ended	
		June 30, 2025 (Un-Audited) Rs '000	June 30, 2024 (Un-Audited) Rs '000
<b>13. OTHER INCOME</b>			
Income from financial assets - net	13.1	5,857,590	5,623,296
Income from non-financial assets		2,978,712	5,816,154
		8,836,302	11,439,450

**13.1** Income from financial assets include Rs 66 thousand (June 30, 2024: Rs 165 thousand) earned from Shariah arrangements.

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	Six months ended	
	June 30, 2025 (Un-Audited) Rs '000	June 30, 2024 (Un-Audited) Rs '000
14. CASH GENERATED FROM OPERATIONS		
Loss before tax	(12,708,176)	(13,482,057)
Adjustments for non-cash charges and other items:		
Depreciation of property, plant and equipment	17,268,445	16,173,506
Amortization of intangible assets	3,807,426	3,882,106
Amortization of contract costs	4,283,966	3,403,306
Impairment of property, plant and equipment	134,883	-
Depreciation of right of use assets	5,951,065	3,220,416
Impairment loss on financial assets	6,886,280	1,308,019
Provision for obsolete stores, spares and loose tools	70,443	(1,096)
Provision for employees retirement benefits	7,151,250	3,170,614
Imputed interest on lease liabilities	1,843,208	1,474,560
Interest cost on employee retirement benefits	2,256,241	1,971,769
Unearned revenue realized	(91,787)	(45,309)
Gain on disposal of property, plant and equipment	(248,574)	(1,311,889)
Return on bank deposits and Government securities	(4,130,611)	(4,957,338)
Release of deferred government grants	(1,630,285)	(1,590,901)
Finance costs	21,380,528	23,283,260
	52,224,302	36,498,966
Effect on cash flows due to working capital changes:		
Increase in current assets:		
Stock in trade, stores and spares	386,191	(217,096)
Trade debts and contract assets	(5,684,035)	(2,663,375)
Loans to banking customers	(3,040,829)	445,952
Loans and advances	(631,236)	(2,578,434)
Deposits, prepayments and other receivables	(3,434,168)	2,362,605
	(12,404,077)	(2,650,348)
(Decrease) / increase in current liabilities:		
Trade and other payables	(1,378,567)	3,925,886
Security deposits	(40,423)	100,230
	(1,418,990)	4,026,116
	38,401,235	37,874,734

## NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

	Six months ended	
	June 30, 2025 (Un-Audited) Rs '000	June 30, 2024 (Un-Audited) Rs '000
<b>15. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	27,561,066	23,312,146
Short term running finance	(74,812,871)	(46,434,637)
	(47,251,805)	(23,122,491)

### 16. SEGMENT INFORMATION

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

16.1 Segment information for the reportable segments is as follows:

	Wireline	Wireless	Banking	Total
	Rs '000	Rs '000	Rs '000	Rs '000
<b>Six months ended June 30, 2025</b>				
Segment revenue	58,665,253	55,819,485	14,104,229	128,588,967
Inter segment revenue	(3,318,280)	(508,581)	(163,000)	(3,989,861)
Revenue from external customers	55,346,973	55,310,904	13,941,229	124,599,106
Segment results	(3,232,118)	(2,517,385)	(4,148,316)	(9,897,819)
<b>Six months ended June 30, 2024</b>				
Segment revenue	52,045,236	48,381,885	11,265,610	111,692,731
Inter segment revenue	(3,061,970)	(1,338,109)	-	(4,400,079)
Revenue from external customers	48,983,266	47,043,776	11,265,610	107,292,652
Segment results	1,125,691	(6,002,362)	(4,035,708)	(8,912,379)
	Wireline	Wireless	Banking	Total
	Rs '000	Rs '000	Rs '000	Rs '000
<b>As at June 30, 2025</b>				
Segment assets	342,588,831	233,722,202	142,109,171	718,420,204
Segment liabilities	313,852,732	214,242,049	147,463,487	675,558,268
<b>As at December 31, 2024</b>				
Segment assets	312,773,909	217,760,775	275,897,220	806,431,904
Segment liabilities	296,343,468	194,236,144	279,586,037	770,165,649

# NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

## 17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

			Six months ended	
			June 30, 2025 (Un-Audited) Rs '000	June 30, 2024 (Un-Audited) Rs '000
Relationship with the Group				
Nature of transaction				
i.	Shareholders	Technical services assistance fee	3,885,512	3,284,603
ii.	Associated undertakings	Sale of goods and services	3,793,253	3,988,120
		Purchase of goods and services	1,455,167	1,115,602
		Prepaid rent	495,393	450,357
iii.	Employees	PTCL Gratuity Fund	63,009	56,908
	benefits plans	PTML Gratuity Fund	108,515	103,108
		U Bank Gratuity Fund	68,342	59,035
iv.	Employees	PTCL PTCL Employees GPF Trust - net	201,429	60,518
	contribution plans	U Bank Provident Fund	56,877	51,170
v.	The Government of Pakistan and its related entities	Charges under license obligation	1,659,704	1,326,035
vi.	Directors, Chief Executive and Key Management Personnel	Fee and remuneration including		
		benefits and perquisites	1,429,911	1,302,929
			June 30, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
Trade debts and contract assets				
- Associated undertakings			45,664,864	42,021,388
Deposits, prepayments and other receivables				
- Pakistan Telecommunication Employees Trust (PTET)			43,798	25,634
- Associated undertakings			103,032	71,305
Pakistan Telecommunication Employees Trust (PTET)			20,790,698	2,951,439
Long term loans to executives and key management personnel				
PTCL			77,131	96,680
Trade and other payables				
Trade creditors				
- Associated Undertakings			5,379,947	4,821,151
- The Government of Pakistan and its related entities			2,128,361	2,293,643
Retention money payable to associated undertaking			19,672	2,940
Technical assistance services fee payable to Etisalat			52,116,196	48,230,684
Pakistan Telecommunication Company Limited Employees gratuity fund			134,970	89,535
PTML				
- Gratuity Fund			340,510	231,620
U Bank				
- Gratuity Fund Receivable			115,266	68,787
- Provident Fund			125,901	57,406

## 18. FAIR VALUE ESTIMATION

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

## NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UN-AUDITED)

### 19. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

	Gross amounts subject to offsetting Rs '000	Offset Rs '000	Net amount Rs '000	Amount not in scope of offsetting Rs '000	Net as per statement of financial position Rs '000
<b>As at June 30, 2025</b>					
Trade debts and contract assets	47,187,382	(4,410,799)	42,776,583	35,228,208	78,004,791
Trade creditors	(5,738,745)	4,410,799	(1,327,946)	(17,761,206)	(19,089,152)
<b>As at December 31, 2024</b>					
Trade debts and contract assets	43,855,454	(5,940,017)	37,915,437	34,405,319	72,320,756
Trade creditors	(6,708,478)	5,940,017	(768,461)	(23,294,466)	(24,062,927)

### 20. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with that disclosed in the annual consolidated financial statements for the year ended December 31, 2024. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited consolidated financial statements of the Group for the year ended December 31, 2024.

### 21. CORRESPONDING FIGURES

Prior year figure have been re-arranged, wherever necessary, for better presentation and comparison. Reclassification of corresponding figures of the financial statements is given below:

Reclassification from	Reclassification to	Rs '000
Cost of services	Revenue	2,241,790
Selling and marketing expenses	Cost of services	94,820
Other income	Finance costs	15,073

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

These condensed consolidated interim financial statements for the six months period ended June 30, 2025 were authorized for issue by the Board of Directors of the Holding Company on August 28, 2025.



Chief Financial Officer



President & CEO



Chairman

## NOTES







Pakistan Telecommunication  
Company Limited

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