



First 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

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

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
Web: 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 Taraqiati Bank Limited
Mobilink Microfinance Bank Limited
Telenor Microfinance Bank Limited
U Microfinance Bank Limited
Pak Kuwait Investment Company Limited
Pak Brunei 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., Shahra-e-Faisal, Karachi.
Tel: +92-21-34380101-2
Fax: +92-21-34380106
Email: 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 three months ended 31st March 2025.

In the first three months of 2025, the PTCL Group has sustained its strong performance, reinforcing its position as Pakistan's leading integrated telecom service provider. The Group has achieved an impressive 22% increase in revenue compared to the same period last year. This substantial growth can be mainly attributed to excellent performance in multiple segments, including fixed broadband, mobile data, business solutions and microfinance.

Macroeconomic conditions in the country have shown significant improvement. Interest rates have declined by 45% compared to the same period last year, while the inflation rate dropped to 0.7% in March 2025, down from 20.7% in March 2024. Additionally, energy costs have decreased, and the currency remained stable throughout the period. These positive developments in the macroeconomic environment contributed to the Group achieving an operating profit of Rs 2.4 billion.

PTCL Group's revenue is Rs 61.8 billion which is 22% higher than in the same period of last year. The Group has recorded an operating profit of Rs 2.4 billion and posted a net loss of Rs 3.9 billion for the period. PTCL sustained its growth momentum by posting 14% YoY revenue growth. PTML's (Ufone) revenue grew notably by 21% as compared to the same period of last year, while Ubank achieved revenue growth of 77% as compared to the same period of last year.

PTCL continued its upward growth trend, posting a 14% YoY increase in revenue to Rs. 29.6 billion, contributed primarily by 70% revenue growth in Flash Fiber and 23% revenue growth in Business Solutions versus the same quarter last year.

PTCL's aggressive FTTH expansion has fueled its remarkable topline growth. Building on last year's momentum, PTCL prioritized on delivering the fastest and most reliable internet services through its flagship 'Flash Fiber' that remained No. 1 FTTH service in Pakistan. During Q1, 2025, Flash Fiber proudly surpassed 700K customers across the country leading to a YoY subscriber growth of 50%.

PTCL's Enterprise Business grew by 23% as compared to same period last year, while Carrier and Wholesale business continued its growth momentum and achieved 24% overall revenue growth. International segment revenue has increased by 8% as compared to the same period last year.

The business services segment strengthened its market dominance and maintained its leading position in IP Bandwidth, Cloud, Data Center, and other ICT services segments.

In Q1 2025, PTCL remained at the forefront with digital transformation by introducing industry-first WhatsApp-based bill payment solution in Pakistan, offering customers unmatched convenience, security, and accessibility in paying their monthly PTCL Bills. The initiative is a significant step towards advancing 'Digital Pakistan'.

PTML's (Ufone 4G's) revenue grew by 21% compared to Q1, 2024. PTML posted an increase in operating profit by 11% during the quarter as compared to last quarter of 2024 driven by an enhanced customer experience and increased digital engagement through a range of data-centric products and strategic partnerships.

Ufone's impressive 4G expansion reflects its strong commitment to customer satisfaction and digital innovation. Ufone 4G continued to enrich customer experiences with pioneering products and offers in Q1'25, including:

- More Data, More Fun with Super 5: Ufone 4G's 'Super 5' package, a comprehensive connectivity solution designed for groups of up to five individuals, enabling seamless sharing of resources that provide uninterrupted communication and internet access for families, friends, or small teams.

- PTML's digital brand is redefining the traditional telecom experience with key achievements including 183% growth in subscribers.

During Q1, 2025, PTCL Group continued its commitment to giving back to the community through various initiatives by uplifting lives and transform society through its social impact platform 'Dil Se', designed to promote digital inclusion, compassion and innovation.

Women Empowerment (Ba-Ikhtiar Program)

In this quarter, under the flagship Social Impact initiative, Dil Se 'Ba-Ikhtiar', the talented entrepreneurs enrolled in the program designed Peshawar Zalmi's kit. More than just a jersey, it stands as a symbol of strength, resilience, and empowerment. The road ahead will include expansion in more than 20 districts and facilitate startup registrations with seed funding to scale their businesses.

Women Career Summit by Pink Collar

PTCL Group partnered with Pink Collar to facilitate Pakistan's inaugural Women Career Summit in Lahore. The summit drew 30 leading corporates conducting recruitment drives. The summit also provided Ba-Ikhtiar beneficiaries a valuable platform to connect with industry leaders and inspire fellow entrepreneurs.

Inclusivity and Accessibility

PTCL Group partnered with ConnectHear on GSMA project, providing free data for the ConnectHear app and enabling deaf individuals to access interpreters and receive early warning video messages during disasters.

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: April 21, 2025

2024 کی پہلی سہ ماہی کے مقابلے میں PTML (یو فون 4 جی) کی آمدنی میں 21 فیصد کا اضافہ ہوا۔ PTML نے 2024 کی آخری سہ ماہی کے مقابلے میں اس سہ ماہی کے دوران آپریٹنگ منافع میں 11 فیصد اضافہ کیا، جو کہ صارف کے بہتر تجربے اور ڈیٹا سینٹرل پرائیکٹس اور اسٹریٹجک شراکت داری کے ذریعے بڑھتی ہوئی ڈیجیٹل مشغولیت کی بدولت ممکن ہوا۔

یوفون کی متاثر کن 4 جی توسیع صارفین کے اطمینان اور ڈیجیٹل جدت طرازی کے لیے اس کے مضبوط عزم کی عکاسی کرتی ہے۔ یوفون 4G نے 2025 کی پہلی سہ ماہی کے دوران جن اہم پرائیکٹس اور آفرز کے ذریعے صارفین کے تجربات کو مزید بہتر بنانے کا عمل جاری رکھا ان میں درج ذیل شامل ہیں۔

● زیادہ ڈیٹا ، زیادہ تفریح سپر 5 کے ساتھ : یوفون 4 جی کا 'سپر 5' پیکج ، ایک جامع کنیکٹوٹی حل ہے جو پانچ افراد تک کے گروپس کے لیے ڈیزائن کیا گیا ہے، یہ خاندان ، دوستوں یا چھوٹی ٹیموں میں بلا تعطل رابطوں اور انٹرنیٹ تک رسائی کے لئے وسائل کو بلا رکاوٹ اشتراک کے قابل بناتا ہے۔

● PTML کا ڈیجیٹل برانڈ صارفین میں 183 فیصد اضافے سمیت کلیدی کامیابیوں کے ساتھ روایتی ٹیلی کام کے تجربے کی نئی تعریف کر رہا ہے ۔

2025 کی پہلی سہ ماہی کے دوران پی ٹی سی ایل گروپ نے کمیونٹی کو واپس دینے کے عزم کے تحت ڈیجیٹل شمولیت ، ہمدردی اور اختراع کو فروغ دینے کے لیے اپنے سماجی فلاح کے پلیٹ فارم 'دل سے' کے ذریعے لوگوں کی زندگیوں میں بہتری اور معاشرے میں مثبت تبدیلی کے لئے مختلف اقدامات جاری رکھے ۔

خواتین کو باختیار بنانا(بااختیار پروگرام)

اس سہ ماہی میں فلیگ شپ سوشل امپیکٹ اقدام دل سے 'بااختیار' کے تحت، پروگرام میں شامل ہونے والے باصلاحیت کاروباری افراد نے پشاور زلمی کی کٹ ڈیزائن کی۔ یہ ایک جرسی سے زیادہ ہمت، عزم اور خواتین کو باختیار بنانے کی علامت ہے۔ اس پروگرام کو 20 سے زیادہ اضلاع تک پھیلایا جائے گا اور اپنے کاروبار کو بڑھانے کے لیے سیڈ فنڈنگ کے ساتھ اسٹارٹ اپ رجسٹریشن کی سہولت فراہم کی جائے گی۔

پنک کالر کے ذریعے خواتین کیریئر سمٹ

پی ٹی سی ایل گروپ نے لاہور میں پنک کالر کے ساتھ اشتراک کرکے پاکستان کی پہلی خواتین کیریئر سمٹ کا انعقاد کیا۔ اس سمٹ میں 30 معروف کارپوریٹس نے ملازمتوں میں بھرتی کی۔ اس سمٹ نے باختیار پروگرام سے مستفید ہونے والوں کو صنعت کی سرکردہ شخصیات اور دیگر کاروباری افراد کو متاثر کرنے کا ایک بہترین پلیٹ فارم مہیا کیا۔

شمولیت اور رسائی

پی ٹی سی ایل گروپ نے کنیکٹ ہیئر کے ساتھ GSMA پراجیکٹ میں اشتراک کرتے ہوئے کنیکٹ ہیئر ایپ کے لیے مفت ڈیٹا فراہم کیا۔ اور قوت سماعت سے محروم افراد کو مترجمین تک رسائی اور آفات کے دوران ابتدائی انتباہی ویڈیو پیغامات وصول کرنے کے قابل بنایا گیا۔

پی ٹی سی ایل گروپ کی انتظامیہ اور ملازمین اپنے صارفین کے لیے پسند کا پارٹنر بننے اور شیئر ہولڈرز کی قدر کو بہتر بنانے کے لیے ٹھوس کوششوں کے ذریعے مسابقتی قیمتوں پر معیاری خدمات فراہم کرنے کے لیے پرعزم ہیں۔

منجانب بورڈ


حاتم محمد بامطرف

صدر و گروپ چیف ایگزیکٹو آفیسر


ذراہاشم خان

چیرمین بورڈ آف ڈائریکٹرز

اسلام آباد: 21 اپریل، 2025

ڈائریکٹرز کا جائزہ

پاکستان ٹیلی کمیونیکیشن کمپنی لمیٹڈ (PTCL) کے ڈائریکٹرز کمپنی کے شیئر ہولڈرز کے سامنے 31 مارچ 2025 کو ختم ہونے والی سہ ماہی کی مالیاتی کارکردگی پیش کرتے ہوئے انتہائی خوشی محسوس کر رہے ہیں۔

2025 کی پہلی سہ ماہی کے دوران PTCL گروپ نے اپنی زبردست کارکردگی کو برقرار رکھتے ہوئے پاکستان کے مقبول اور مربوط ٹیلی کام سروس پرووائڈر کے طور پر اپنی پوزیشن مضبوط کی ہے۔ گروپ نے گزشتہ سال کی اسی مدت کے مقابلے میں آمدنی میں 22 فیصد کا شاندار اضافہ کیا ہے۔ یہ نمایاں ترقی بنیادی طور پر مختلف شعبوں میں شاندار کارکردگی کا نتیجہ ہے، جن میں فکسڈ براڈ بینڈ، موبائل ڈیٹا، بزنس سلوشنز اور مائیکرو فنانس شامل ہیں۔

ملک کے میکرو اکنامک حالات میں نمایاں بہتری آئی ہے۔ شرح سود میں گزشتہ سال کی اسی مدت کے مقابلے میں 45 فیصد کمی ہوئی ہے۔ جبکہ مارچ 2025 میں مہنگائی کی شرح 0.7 فیصد کی سطح پر آگئی جو مارچ 2024 میں 20.7 فیصد تھی۔ اس کے علاوہ توانائی کی قیمتیں کم ہوئیں اور اس دورانیے میں کرنسی کی قدر بھی مستحکم رہی۔ میکرو اکنامک ماحول میں اس مثبت پیشرفت نے گروپ کو 2.4 ارب روپے کا آپریٹنگ منافع حاصل کرنے میں اہم کردار ادا کیا۔

PTCL گروپ کی آمدنی 61.8 ارب روپے رہی جو پچھلے سال کے اسی عرصے کے مقابلے میں 22 فیصد زیادہ ہے۔ اسی دورانیے میں گروپ کو 2.4 ارب روپے کا آپریٹنگ منافع اور 3.9 ارب روپے کا خالص نقصان ہوا۔ PTCL نے سالانہ آمدنی میں 14 فیصد اضافے کے ساتھ شرح نمو برقرار رکھی۔ PTML (یو فون) کی آمدنی میں پچھلے سال کے اسی عرصے کے مقابلے میں 21 فیصد کا اضافہ ہوا، جبکہ یو بینک کو گزشتہ برس کے اسی عرصے کے مقابلے میں 77 فیصد زیادہ آمدنی ہوئی۔

PTCL نے ترقی کی رفتار کو برقرار رکھتے ہوئے سالانہ بنیادوں پر اپنی آمدنی کو 14 فیصد اضافے کے ساتھ 29.6 ارب روپے پر پہنچا دیا ہے۔ پچھلے سال کے اسی سہ ماہی کے مقابلے میں فلیش فائبر کی آمدنی میں 70 فیصد اور بزنس سلوشنز کے شعبے کی آمدنی میں 23 فیصد اضافہ ہوا ہے۔

پی ٹی سی ایل کی جارحانہ ایف ٹی ٹی ایچ توسیع نے اس کی آمدنی میں شاندار اضافہ کیا ہے۔ پی ٹی سی ایل نے پچھلے سال کی رفتار کو برقرار رکھتے ہوئے اپنے فلیگ شپ 'فلیش فائبر' کے ذریعے سب سے تیز اور قابل اعتماد انٹرنیٹ خدمات فراہم کرنے کو ترجیح دی، جو پاکستان میں نمبر 1 ایف ٹی ٹی ایچ سروس رہی۔ 2025 کی پہلی سہ ماہی کے دوران سالانہ بنیادوں پر فلیش فائبر صارفین میں 50 فیصد اضافہ ہوا۔ اس طرح ملک بھر میں فلیش فائبر صارفین کی تعداد 7 لاکھ سے بڑھ گئی۔

پی ٹی سی ایل کے انٹرپرائز بزنس میں گزشتہ سال کی اسی مدت کے مقابلے میں 23 فیصد اضافہ ہوا، جبکہ کیریئر اور ہول سیل بزنس نے اپنی ترقی کی رفتار کو جاری رکھتے ہوئے آمدنی میں مجموعی طور پر 24 فیصد کا اضافہ کیا۔ بین الاقوامی سیگمنٹ کی آمدنی میں گزشتہ سال کی اسی مدت کے مقابلے میں 8 فیصد اضافہ ہوا ہے۔

بزنس سروسز کے شعبے نے مارکیٹ میں اپنی قدر کو مزید مستحکم کیا، آئی پی بینڈوٹھ، کلاؤڈ، ڈیٹا سینٹر اور دیگر آئی سی ٹی خدمات کے شعبوں میں اپنی برتری برقرار رکھی۔

2025 کی پہلی سہ ماہی کے دوران پاکستان میں پہلی بار واٹس ایپ کے ذریعے بل کی ادائیگی متعارف کروا کر PTCL اس شعبے کی ڈیجیٹل ٹرانسفارمیشن میں سب سے آگے رہا۔ جس سے صارفین کو ان کے مابانہ پی ٹی سی ایل بلوں کی ادائیگی میں بہترین سہولت، سیکیورٹی اور رسائی ملی ہے۔ یہ اقدام 'ڈیجیٹل پاکستان' کو آگے بڑھانے کی طرف ایک اہم پیش رفت ہے۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2025

	Note	March 31, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
Equity and liabilities			
Equity			
Share capital and reserves			
Share capital		51,000,000	51,000,000
Revenue reserves			
General reserve		27,497,072	27,497,072
Unappropriated profit		37,786,648	36,610,433
		65,283,720	64,107,505
		116,283,720	115,107,505
Liabilities			
Non-current liabilities			
Employees retirement benefits		43,453,887	42,652,874
Deferred government grants		17,703,150	16,721,916
Long term loans from banks	6	62,789,728	62,780,360
Contract liabilities		1,409,823	1,442,432
Lease liabilities		1,074,111	1,027,777
		126,430,699	124,625,359
Current liabilities			
Trade and other payables	7	169,909,184	169,319,472
Short term running finance	8	56,139,191	47,116,732
Security deposits		710,362	653,373
Unclaimed dividend		208,102	208,131
Current maturity of lease liabilities		333,805	337,022
Current portion of long term loans from banks		256,568	318,719
		227,557,212	217,953,449
Total equity and liabilities		470,271,631	457,686,313

Contingencies and commitments 13


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



Chief Financial Officer




President & CEO



Chairman

	Note	March 31, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
Assets			
Non-current assets			
Property, plant and equipment	9	163,361,057	161,172,503
Right of use assets		1,312,691	1,383,038
Intangible assets		1,502,901	1,467,066
		166,176,649	164,022,607
Long term investments		77,236,284	76,236,284
Long term loans and advances	10	51,831,914	51,780,602
Deferred income tax		6,567,269	5,470,851
Contract cost		106,592	139,135
		301,918,708	297,649,479
Current assets			
Stores and spares		7,780,263	8,201,385
Contract cost		3,421,704	3,707,304
Trade debts and contract assets	11	63,505,220	60,563,180
Loans and advances		4,189,914	2,778,971
Income tax recoverable		39,673,686	40,536,947
Prepayments and other receivables		35,954,274	32,160,933
Cash and bank balances	12	13,827,862	12,088,114
		168,352,923	160,036,834
Total assets		470,271,631	457,686,313



Chief Financial Officer



President & CEO



Chairman

CONDENSED INTERIM

STATEMENT OF PROFIT OR LOSS

FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

		Three months ended	
	Note	March 31, 2025 Rs '000	March 31, 2024 Rs '000
Revenue	14	29,600,884	25,923,846
Cost of services		(21,050,658)	(19,194,921)
Gross profit		8,550,226	6,728,925
Administrative and general expenses		(2,342,695)	(2,187,850)
Selling and marketing expenses		(1,487,025)	(1,138,467)
Impairment loss on financial assets		(601,855)	(452,000)
		(4,431,575)	(3,778,317)
Operating profit		4,118,651	2,950,608
Other income	15	2,379,966	3,192,760
Finance and other costs		(4,795,799)	(5,535,981)
Profit before tax		1,702,818	607,387
Taxation		(526,603)	(176,142)
Profit for the period		1,176,215	431,245
Earnings per share - basic and diluted (Rupees)		0.23	0.08

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



Chief Financial Officer



President & CEO



Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	Three months ended	
	March 31, 2025 Rs '000	March 31, 2024 Rs '000
Profit for the period	1,176,215	431,245
Other comprehensive income for the period		
Items that will not be reclassified to statement of profit or loss:		
Remeasurement gain / (loss) on employees retirement benefits	-	-
Tax Effect	-	-
Other comprehensive income for the period - net of tax	-	-
Total comprehensive income for the period	1,176,215	431,245


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



Chief Financial Officer



President & CEO



Chairman

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

		Three months ended	
	Note	March 31, 2025 Rs '000	March 31, 2024 Rs '000
Cash flows from operating activities			
Cash generated from operations	16	4,100,805	4,486,821
Employees retirement benefits paid		(688,005)	(430,657)
Addition to contract costs		(605,107)	(385,148)
Advances from customers		147,787	39,550
Income tax paid		(759,760)	(652,568)
Net cash generated from operating activities		2,195,720	3,057,998
Cash flows from investing activities			
Capital expenditure		(7,198,564)	(9,751,794)
Proceeds from disposal of property, plant and equipment		83,990	1,269,237
Long term loans and advances		(176,312)	(111,225)
Return on long term loan to subsidiaries		1,430,676	1,826,290
Investment in U Microfinance Bank Limited		(1,000,000)	-
Long term subordinated loans - Pak Telecom Mobile Limited		-	(5,000,000)
Repayment of subordinated loans - Pak Telecom Mobile Limited		208,333	625,000
Return on short term investments and bank deposit		65,232	82,721
Government grants received		1,200,457	778,327
Net cash used in investing activities		(5,386,188)	(10,281,444)
Cash flows from financing activities			
Dividend paid		(29)	(67)
Interest paid on short term running finance		(1,992,013)	(869,921)
Interest paid on long term loans		(2,037,586)	(2,775,260)
Lease liabilities paid		(62,615)	(343,201)
Net cash used in financing activities		(4,092,243)	(3,988,449)
Net decrease in cash and cash equivalents		(7,282,711)	(11,211,895)
Cash and cash equivalents at the beginning of the period		(35,028,618)	(14,185,383)
Cash and cash equivalents at the end of the period	17	(42,311,329)	(25,397,278)

The annexed notes 1 to 21 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 THREE MONTHS ENDED MARCH 31, 2025

	Issued, subscribed and paid-up capital			Revenue reserves	
	Class "A"	Class "B"	Total	General reserve	Unappropriated profit
	(Rupees in '000)				
Balance as at January 01, 2024 (Audited)	37,740,000	13,260,000	51,000,000	27,497,072	38,871,108
Total comprehensive income for the three months period ended					117,368,180
Profit for the period ended March 31, 2024	-	-	-	-	431,245
Other comprehensive income / (loss) - net of tax	-	-	-	-	-
	-	-	-	-	431,245
Balance as at March 31, 2024 (Un-Audited)	37,740,000	13,260,000	51,000,000	27,497,072	39,302,353
Total comprehensive income for the nine months period ended					117,799,425
Profit for the period ended December 31, 2024	-	-	-	-	4,394,598
Other comprehensive income / (loss) - net of tax	-	-	-	-	[7,086,518]
	-	-	-	-	[2,691,920]
Balance as at January 01, 2025 (Audited)	37,740,000	13,260,000	51,000,000	27,497,072	36,610,433
Total comprehensive income for the three months period ended					115,107,505
Profit for the period ended March 31, 2025	-	-	-	-	1,176,215
Other comprehensive income / (loss) - net of tax	-	-	-	-	-
	-	-	-	-	1,176,215
Balance as at March 31, 2025 (Un-Audited)	37,740,000	13,260,000	51,000,000	27,497,072	37,786,648
					116,283,720

The annexed notes 1 to 21 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 THREE MONTHS ENDED MARCH 31, 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
- Provision of and directives issued under the Companies Act, 2017.

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

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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

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.

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	March 31, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
6. LONG TERM LOANS FROM BANKS			
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
Less: transaction costs		(210,272)	(219,640)
		62,789,728	62,780,360
Accrued Interest		256,568	318,719
		63,046,296	63,099,079
Current portion of long term loans from banks		(256,568)	(318,719)
		62,789,728	62,780,360
7. TRADE AND OTHER PAYABLES			
Trade creditors		14,056,038	13,264,221
Accrued and other liabilities	7.1	45,347,332	46,085,468
Technical services assistance fee	7.2	50,166,910	48,230,684
Advances from customers / contract liability		7,426,620	9,155,557
Retention money / payable to contractors and suppliers		7,666,214	7,582,467
Payable to subsidiaries on account of group taxation		40,733,736	40,733,736
Sales tax payable		3,514,431	3,468,014
Income tax collected / deducted at source		997,903	799,325
		169,909,184	169,319,472

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	March 31, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
7.1 Accrued and other liabilities		
Accrued liability for operational expenses	11,777,345	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	17,987,600	16,812,077
Accrued wages	1,415,399	3,253,401
Others	2,056,185	1,973,591
	45,347,332	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 35,550,000 thousand (December 31, 2024: 31,550,000 thousand) and are secured against 1st pari passu charge on present and future current assets and all other movable assets of the Company. These facilities carry markup rates ranging from 1-month KIBOR to 3-month KIBOR plus weighted average rate of 0.27% (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 0.03% (December 31, 2024: 6-month KIBOR plus weighted average rate of 0.13%) per annum. Habib Bank Limited was a mandated lead advisor, arranger and investment agent for the sukuk. The issuer has the right to exercise call option on or after 3 months from issue date.

	Note	March 31, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
9. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	9.1	142,453,446	138,294,889
Capital work-in-progress	9.3	20,907,611	22,877,614
		163,361,057	161,172,503

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	Note	March 31, 2025 (Un-Audited) Rs '000	March 31, 2024 (Un-Audited) Rs '000
9.1 Operating fixed assets			
Opening net book value		138,294,889	123,757,109
Additions during three month period ended	9.2	8,939,087	7,693,282
		147,233,976	131,450,391
Disposals during the period - at net book value		[31,362]	[5,029]
Depreciation charge for the period		[4,749,168]	[4,453,922]
		[4,780,530]	[4,458,951]
Closing net book value		142,453,446	126,991,440
9.2 Detail of additions during the period:			
Buildings on freehold land		34,969	121,577
Buildings on leasehold land		111,736	15,810
Lines and wires		5,270,069	2,143,247
Apparatus, plant and equipment		3,412,615	5,261,418
Office equipment		16,185	106,773
Computer equipment		81,902	38,351
Furniture and fittings		-	3,255
Vehicles		11,611	2,851
		8,939,087	7,693,282

9.3 Additions to Capital work-in-progress during the three months period ended March 31, 2025 were Rs 7,127,299 thousand (March 31, 2024: Rs 9,727,891 thousand).

	March 31, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
10. LONG TERM LOANS AND ADVANCES		
Loans to PTML - unsecured	39,374,995	39,499,995
Loans to employees - secured	724,334	845,168
Others	11,732,585	11,435,439
	51,831,914	51,780,602

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	Note	March 31, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
11. TRADE DEBTS AND CONTRACT ASSETS			
Trade debts		64,919,642	61,483,727
Contract assets		6,550,837	6,488,312
		71,470,479	67,972,039
Allowance for expected credit loss		(7,965,259)	(7,408,859)
		63,505,220	60,563,180
12. CASH AND BANK BALANCES			
Cash in hand		89,303	112,080
Balances with banks:	12.1		
Deposit accounts local currency		2,353,560	1,440,655
Current accounts			
Local currency		1,550,011	1,213,715
Foreign currency		9,834,988	9,321,664
		11,384,999	10,535,379
		13,827,862	12,088,114

12.1 Bank balance includes Rs 51,564 thousand (December 31, 2024: Rs 212,391 thousand) carrying profit rates ranging from 4.78% to 11% (December 31, 2024: 7% to 21%) per annum from Shariah arrangements.

13. 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 note 13.1 in the following:

13.1 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 58,387,332 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.

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

The Honorable Supreme Court of Pakistan (Apex Court) disposed the Review Petitions filed by the Company, the Pakistan Telecommunication Employees Trust (PTET) and the Federal Government (collectively, the Review Petitioners) vide the order dated May 17, 2017. Through the said order, the

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

Apex Court directed the Review Petitioners to seek remedy under section 12(2) CPC (Civil Procedure Code) which shall be decided by the concerned Court in accordance with the law, and to pursue all grounds of law and fact in other cases pending before High Courts. The Review Petitioners filed the applications under section 12(2) CPC before respective High Courts, however the same were dismissed by the Islamabad High Court vide Judgment dated January 22, 2018, as being not maintainable. The said order of the Islamabad High Court was challenged by the Company and PTET before the Supreme Court which was pleased to recently dispose of the Appeals vide its order dated April 29, 2024 and remanded back the 12(2) applications to the High Court(s) for recalling the earlier order in respect of those Petitioners who opted for VSS. The fresh 12(2) applications were filed before the Honorable Islamabad and Peshawar High court(s) and the cases have been admitted for hearing vide order dated June 24, 2024 and July 11, 2024, respectively. Both the high courts have issued notices to the VSS optees seeking pension. The applications before the Islamabad High Court are fixed for hearing on April 17, 2025 and on April 08, 2025 before the Peshawar High Court.

PTET has implemented the Apex court decision dated June 12, 2015 to the extent of 342 pensioners who were the petitioners in the main case. Some of the interveners (pensioners) seeking the same relief as allowed vide order dated June 12, 2015, have been directed by the Apex Court to approach the appropriate forum on May 10, 2018. Islamabad High Court on November 02, 2021, has decided that the GOP increases are not allowed to VSS optees, PTC pensioners and to the workmen. To the extent of Civil Servants, the Islamabad High Court allowed the GOP increase. However, to the same extent appeal has been filed before Apex court within the limitation. The pension cases before the Supreme Court were fixed on February 11, 2025 and the Court directed the pensioners, PTCL and PTET to submit their written submissions/arguments. The court has reserved the judgment, however, the matter may be fixed for hearing if the Court requires any further clarification after thorough review of the submissions. Under the circumstances, management of the Company, on the basis of legal advice, believes that the Company's obligations against benefits is restricted to the extent of pension increases as determined solely by the Board of Trustees of the PTET in accordance with the Pakistan Telecommunication (Re-Organization) Act, 1996 and the Pension Trust Rules of 2012 and accordingly, no provision has been recognized in the Company's financial statements.

Due to complexity of the matter and varying decisions from courts in this regard, it is not practical to estimate reliably the financial impact, in case of unfavorable outcome of this matter, before its conclusion.

	Note	March 31, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
13.3 Guarantees and bid bonds issued in favour of :			
Universal Service Fund (USF) against government grants		8,099,522	9,270,431
Others	13.3.1	3,217,531	3,252,806
		11,317,053	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

13.3.1 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).

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	March 31, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
13.4 Commitments		
Contracts for capital expenditure	8,493,573	10,275,706
Letter of comforts in favour of PTML	3,500,000	3,500,000
	11,993,573	13,775,706

14. REVENUE

The Company principally obtains revenue from providing telecommunication services such as Broadband, IPTV, Voice, data, wireless services, interconnect, corporate and international services.

For bundled packages, the Company accounts for individual products and services separately if they are distinct i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle based on their stand alone selling prices.

The Company generates revenue from the following performance obligations of its telecommuni-
cation services.

	Three months ended	
	March 31, 2025 (Un-Audited) Rs '000	March 31, 2024 (Un-Audited) Rs '000
Revenue segments		
Broadband and IPTV	13,595,081	11,870,516
Voice services	2,038,138	2,169,476
Wireless data	121,378	354,427
Revenue from retail customers	15,754,597	14,394,419
Corporate and wholesale	11,235,255	9,105,068
International	2,611,032	2,424,359
Total revenue	29,600,884	25,923,846

14.1 Revenue is stated net of trade discount amounting to Rs 4,939 thousand (March 31, 2024: Rs 10,701 thousand) and Federal Excise Duty and sales tax amounting to Rs 5,720,710 thousand (March 31, 2024: Rs 4,319,145 thousand).

		Three months ended	
	Note	March 31, 2025 (Un-Audited) Rs '000	March 31, 2024 (Un-Audited) Rs '000
15. OTHER INCOME			
Income from financial assets	15.1	1,759,628	1,404,589
Income from non-financial assets		620,338	1,788,171
		2,379,966	3,192,760

15.1 Income from financial assets include Rs 3 thousand (March 31, 2024: Rs 3 thousand) earned from Shariah arrangements.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	Three months ended	
	March 31, 2025 (Un-Audited) Rs '000	March 31, 2024 (Un-Audited) Rs '000
16. CASH GENERATED FROM OPERATIONS		
Profit before tax	1,702,818	607,387
Adjustments for non-cash charges and other items:		
Depreciation of property, plant and equipment	4,749,169	4,453,922
Amortization of intangible assets	193,644	203,568
Depreciation of right of use assets	115,550	191,783
Amortization of contract costs	1,554,772	1,056,103
Amortization of transaction costs on long term loans	9,368	9,368
Provision/(reversal) for obsolete stores and spares	(1,042)	(139)
Impairment loss on financial assets	601,855	452,000
Provision for employees retirement benefits	548,205	525,887
Gain on disposal of property, plant and equipment	(52,629)	(1,274,266)
Interest on bank deposits	(109,781)	(63,259)
Imputed interest on lease liabilities	60,530	53,774
Interest cost on employee retirement benefits	1,122,041	974,931
Interest on long term loan to subsidiaries	(1,290,258)	(1,341,329)
Interest on long term loans from banks	1,975,436	2,775,266
Interest on short term running finance	1,527,478	1,233,615
Unearned revenue realized against advances		
from customers	(180,397)	(39,643)
Release of deferred government grants	(219,223)	(184,608)
Exchange gain / (loss) - net	229,842	(303,358)
	12,537,378	9,331,002
Effect on cash flows due to working capital changes:		
(Increase) / Decrease in current assets:		
Stores and spares	(209,358)	(749,868)
Trade debts and contract assets	(3,733,496)	(3,114,723)
Loans and advances	(1,494,278)	(587,928)
Prepayments and other receivables	(4,070,439)	(981,065)
	(9,507,571)	(5,433,584)
Increase in current liabilities:		
Trade and other payables	1,014,009	586,884
Security deposits	56,989	2,519
	4,100,805	4,486,821
17. CASH AND CASH EQUIVALENTS		
Short term running finance	(56,139,191)	(34,300,934)
Cash and bank balances	13,827,862	8,903,656
	(42,311,329)	(25,397,278)

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

		Three months ended	
		March 31, 2025 (Un-Audited) Rs '000	March 31, 2024 (Un-Audited) Rs '000
Relationship with the Company	Nature of transaction		
i. Shareholders	Technical services assistance fee - note 18.1	981,205	851,210
ii. Subsidiaries	Sale of goods and services	1,563,548	1,518,825
	Purchase of goods and services	310,601	606,557
	Mark up on loans	1,291,801	1,341,329
	Long term investment in subsidiary	1,000,000	-
	Short term loan to subsidiary	-	5,000,000
	Repayment of long term loans from subsidiary	208,333	625,000
iii. Associated undertakings	Sale of goods and services	1,713,356	1,898,263
	Purchase of goods and services	281,683	252,022
iv. Employees contribution plan	PTCL Employees GPF Trust - net	28,627	34,817
v. Employees retirement benefit plan	Contribution to the plan- Gratuity	25,868	26,118
vi. Other related parties	Charge under license obligations	847,289	648,020
vii. Directors, Chief Executive and Key management personnel	Fee and remuneration including benefits and perquisites	528,713	361,710
		March 31, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
Period / year-end balances			
Receivables from related parties			
	Long term loans to subsidiaries	40,041,667	40,250,000
Trade debts			
	- Subsidiaries	-	29,946
	- Associated undertakings	43,584,998	42,005,179
Other receivables			
	- Subsidiaries	23,644,790	21,422,956
	- Associated undertakings	71,305	71,305
	- Pakistan Telecommunication Employees Trust (PTET)	35,613	25,634
	- Long term loans to executives and key management personnel	77,131	96,680
	Bank deposit with subsidiary	851,538	1,499
	Pakistan Telecommunication Employees Trust (PTET)	2,806,078	2,951,438
Payables to related parties			
Trade creditors			
	- Subsidiaries	1,955,938	1,955,895
	- Associated undertakings	4,536,724	4,316,537
	- The Government of Pakistan related entities	3,634,707	2,293,643
	Payable to subsidiaries on account of group taxation	40,733,736	40,733,736
	Security deposits from subsidiary	12,368	3,623
	Retention money payable to associated undertakings	2,940	2,940
	Technical services assistance fee payable to Etisalat	18.1 50,166,910	48,230,684
	Pakistan Telecommunication Company Limited		
	Employees Gratuity Fund	85,733	89,535

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

19. 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
As At March 31, 2025 (Un-Audited)					
Trade debts and contract assets	41,640,834	(4,171,511)	37,469,323	26,035,897	63,505,220
Trade creditors	(5,152,694)	4,171,511	(981,183)	(13,074,855)	(14,056,038)
As At December 31, 2024 (Audited)					
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)

20. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements for the year ended December 31, 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.

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

21.1 These condensed interim financial statements for the three months period ended March 31, 2025 were authorized for issue by the Board of Directors of the Company on April 21, 2025.


Chief Financial Officer

President & CEO

Chairman

NOTES

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**
FOR THE THREE MONTHS PERIOD ENDED
MARCH 31, 2025 (UN-AUDITED)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2025

	Note	March 31, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
Equity and liabilities			
Equity			
Share capital and reserves			
Share capital		51,000,000	51,000,000
Revenue reserves			
General reserve		27,497,072	27,497,072
Unappropriated loss		(47,540,820)	(43,575,731)
		(20,043,748)	(16,078,659)
Statutory and other reserves		935,752	935,752
Unrealized gain on investments measured at fair value through OCI		46,485	409,162
		31,938,489	36,266,255
Liabilities			
Non-current liabilities			
Long term loans from banks		99,855,420	104,867,250
Deposits from banking customers		70,720,676	39,870,286
Lease liabilities		25,049,821	12,429,735
Employees retirement benefits		43,844,178	42,846,083
Deferred government grants		37,191,762	35,252,992
Advances from customers		1,409,823	1,442,432
License fee payable		8,878,713	8,799,401
Long term vendor liability		32,224,499	30,816,234
		319,174,892	276,324,413
Current liabilities			
Trade and other payables	6	158,458,516	158,600,800
Deposits from banking customers		52,483,558	96,741,897
Interest accrued		5,742,443	6,716,644
Short term running finance		66,575,880	51,678,636
Current portion of:			
Long term loans from banks		14,036,726	134,887,702
Subordinated debt		1,000,000	1,000,000
Lease liabilities		14,798,897	4,458,672
License fee payable		2,331,302	2,328,854
Long term vendor liability		27,801,621	35,565,847
Security deposits		1,633,744	1,654,053
Unpaid / unclaimed dividend		208,102	208,131
		345,070,789	493,841,236
Total equity and liabilities		696,184,170	806,431,904

Contingencies and commitments

11


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

Chief Financial Officer

President & CEO

Chairman

	Note	March 31, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
Assets			
Non-current assets			
Property, plant and equipment	7	284,743,131	283,621,411
Right of use assets		38,041,347	15,528,532
Intangible assets		51,161,954	52,713,512
		373,946,432	351,863,455
Long term investments		51,427	51,427
Long term loans and advances		12,456,914	12,280,602
Long term loans to banking customers		9,797,767	13,664,090
Deferred income tax		22,483,440	16,896,173
Contract costs		286,309	329,145
		419,022,289	395,084,892
Stock in trade, stores and spares		8,539,534	8,891,967
Trade debts and contract assets	8	69,681,130	64,355,709
Loans to banking customers		60,571,536	60,802,770
Loans and advances		5,271,422	3,706,842
Contract costs		5,258,066	5,575,409
Income tax recoverable		50,123,907	52,304,986
Deposits, prepayments and other receivables		32,424,363	30,337,039
Short term investments	9	21,610,654	161,231,289
Cash and bank balances	10	23,681,269	24,141,001
		277,161,881	411,347,012
Total assets		696,184,170	806,431,904



Chief Financial Officer



President & CEO



Chairman

CONDENSED CONSOLIDATED INTERIM

STATEMENT OF PROFIT OR LOSS

FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	Note	Three months ended	
		March 31, 2025 Rs '000	March 31, 2024 Rs '000
Revenue	12	61,849,794	50,656,632
Cost of services		(41,880,042)	(41,451,065)
Gross profit		19,969,752	9,205,567
Administrative and general expenses		(8,374,613)	(7,086,553)
Selling and marketing expenses		(3,954,675)	(3,163,713)
(Allowance) / reversal for expected credit loss		(5,260,867)	370,402
		(17,590,155)	(9,879,864)
Operating profit / (loss)		2,379,597	(674,297)
Other income	13	5,526,070	6,949,833
Finance costs		(13,447,202)	(13,550,356)
Loss before tax		(5,541,535)	(7,274,820)
Taxation		1,576,446	2,485,113
Loss for the period		(3,965,089)	(4,789,707)
Loss per share - basic and diluted (Rupees)		(0.78)	(0.94)

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 THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	Three months ended	
	March 31, 2025 Rs '000	March 31, 2024 Rs '000
Loss for the period	(3,965,089)	(4,789,707)
Other comprehensive loss for the period		
Items that may be subsequently reclassified to profit or loss:		
(Loss) / gain on debt instruments arising during the year	(510,812)	(229,140)
Tax effect	148,135	89,545
	(362,677)	(139,595)
Other comprehensive loss for the period - net of tax	(362,677)	(139,595)
Total comprehensive loss for the period	(4,327,766)	(4,929,302)

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 THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

		Three months ended	
	Note	March 31, 2025 Rs '000	March 31, 2024 Rs '000
Cash flows from operating activities			
Cash generated from operations	14	15,525,529	4,281,087
Employees retirement benefits paid		[611,860]	[430,657]
Additions to contract costs		(1,297,160)	(1,093,099)
Deposits from banking customers		(13,407,949)	9,040,750
Return on long term loans and short term investments		3,036,977	3,050,074
Income tax paid		(1,977,877)	(1,903,414)
Net cash generated from operating activities		1,267,660	12,944,741
Cash flows from investing activities			
Capital expenditure		(9,809,769)	[16,519,892]
Acquisition of intangible assets		(419,508)	[112,047]
Proceeds from disposal of property, plant and equipment		554,553	1,162,075
Short term investments		139,620,635	8,357,171
Long term loans and advances		(3,589,535)	[41,616]
Government grants received		2,757,993	2,521,434
Net cash generated from / (used in) investing activities		129,114,369	[4,632,875]
Cash flows from financing activities			
Loan from banks - net		(125,862,806)	[14,090,873]
Subordinated debt		-	[206,106]
Vendor liability		(6,355,961)	(337,711)
License fee - repayment		-	(139,027)
Finance cost paid		(9,554,710)	(3,287,260)
Lease liabilities		(3,965,499)	(2,291,872)
Dividend paid		[29]	[67]
Net cash used in financing activities		(145,739,005)	(20,352,916)
Net decrease in cash and cash equivalents		(15,356,976)	(12,041,050)
Cash and cash equivalents at the beginning of the period		(27,537,635)	(28,011,208)
Cash and cash equivalents at the end of the period	15	(42,894,611)	(40,052,258)

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 THREE MONTHS ENDED MARCH 31, 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	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 / (loss) for the period								
Loss for the three months ended March 31, 2024	-	-	-	-	(4,789,707)	-	-	(4,789,707)
Other comprehensive loss	-	-	-	-	-	-	(139,595)	(139,595)
Balance as at March 31, 2024	37,740,000	13,260,000	51,000,000	27,497,072	(4,789,707)	909,981	(139,595)	(4,929,302)
Loss for the nine months ended December 31, 2024	-	-	-	-	(9,604,453)	-	-	(9,604,453)
Other comprehensive (loss) / income	-	-	-	-	(7,103,937)	-	587,955	(6,515,982)
Transfer to statutory and other reserves	-	-	-	-	(16,708,390)	-	587,955	(16,120,435)
Balance as at December 31, 2024	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 / (loss) for the period								
Loss for the three months ended March 31, 2025	-	-	-	-	(3,965,089)	-	-	(3,965,089)
Other comprehensive loss	-	-	-	-	-	-	(362,677)	(362,677)
Transfer to statutory and other reserves	-	-	-	-	(3,965,089)	-	(362,677)	(4,327,766)
Balance as at March 31, 2025	37,740,000	13,260,000	51,000,000	27,497,072	(47,540,820)	935,752	46,485	31,938,489

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 THREE MONTHS ENDED MARCH 31, 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 the Holding Company. 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 the Holding Company. 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 3,965,089 thousands, for the three months period ended March 31, 2025 (March 31, 2024: Rs 4,789,707 thousand) and its unappropriated

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

loss as at March 31, 2025 amounts to Rs 47,540,820 thousand (December 31, 2024: Rs 43,575,731 thousand). As of March 31, 2025, current liabilities of the Group exceed its current assets by Rs 67,908,908 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 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 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 quarter of the current year, the Group reported a 22% increase in revenue and reported an operating profit of Rs 2,379,597 thousand, compared to an operating loss of Rs 674,297 thousand in the corresponding period of the previous year. Additionally, the net loss reduced by 17% as compared to corresponding period reflecting an improvement in the Group's financial performance.

Accordingly, considering the aforesaid factors, these condensed consolidated interim 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.

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Estimates and 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.

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	March 31, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
6. TRADE AND OTHER PAYABLES			
Trade creditors		21,468,618	24,062,927
Accrued and other liabilities	6.1	61,600,056	60,108,504
Technical services assistance fee		50,166,910	48,230,684
Advances from customers / contract liabilities		12,208,921	13,982,012
Retention money / payable to contractors and suppliers		7,666,214	7,582,467
Income tax collected from subscribers / deducted at source		1,653,914	1,048,418
Sales tax payable		3,693,883	3,585,788
		158,458,516	158,600,800
6.1 Accrued and other liabilities			
Accrued liability for operational expenses		22,718,024	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		19,684,711	18,172,962
Accrued wages		1,742,210	4,163,239
Others		5,344,308	5,810,475
		61,600,056	60,108,504
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	240,330,044	238,897,893
Capital work-in-progress	7.3	44,413,087	44,723,518
		284,743,131	283,621,411

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	Note	March 31, 2025 (Un-Audited) Rs '000	March 31, 2024 (Un-Audited) Rs '000
7.1 Operating fixed assets			
Opening net book value		238,897,893	216,873,319
Additions during the period	7.2	10,120,200	10,128,381
		249,018,093	227,001,700
Disposals during the period - at net book value		(145,732)	(7,256)
Depreciation for the period		(8,542,317)	(8,009,798)
		(8,688,049)	(8,017,054)
Closing net book value		240,330,044	218,984,646
7.2 Detail of additions during the period:			
Buildings on freehold land		34,969	121,577
Buildings on leasehold land		111,736	15,810
Lines and wires		5,270,069	2,143,247
Apparatus, plant and equipment		4,453,061	7,405,684
Office equipment		113,223	194,103
Computer equipment		125,531	180,964
Furniture and fittings		-	58,107
Vehicles		11,611	8,889
		10,120,200	10,128,381
7.3 Additions to CWIP during the three months ended March 31, 2025 were Rs 9,984,697 thousand (March 31, 2024: Rs 16,692,148 thousand).			
		March 31, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
8. TRADE DEBTS AND CONTRACT ASSETS			
Trade debts		71,384,184	65,555,932
Contract assets		6,827,349	6,764,824
		78,211,533	72,320,756
Allowance for expected credit loss		(8,530,403)	(7,965,047)
		69,681,130	64,355,709

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	Note	March 31, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
9. SHORT TERM INVESTMENTS			
Amortized cost			
Lending to Financial Institution		4,928,931	12,195,250
Fair value through Profit or Loss			
Non Government debt securities		1,696,984	1,697,008
Fair value through Other Comprehensive Income			
Federal Government securities		14,901,446	147,255,738
Non Government debt securities		83,293	83,293
		14,984,739	147,339,031
		21,610,654	161,231,289
10. CASH AND BANK BALANCES			
Cash in hand		1,811,959	1,827,897
Balances with banks:	10.1		
Local currency			
Current account maintained with SBP		3,640,737	5,140,886
Current accounts		1,684,655	1,280,430
Saving accounts		5,150,081	5,035,063
		10,475,473	11,456,379
Foreign currency			
Current accounts		9,834,988	9,321,664
Saving accounts		1,558,849	1,535,061
		11,393,837	10,856,725
		23,681,269	24,141,001

10.1 Bank balance includes Rs 51,564 thousand (December 31, 2024: Rs 212,391 thousand) carrying profit at the rate of 4.78% to 11% (December 31, 2024: 7% to 21%) per annum from Shariah arrangements.

11. CONTINGENCIES AND COMMITMENTS

There has been no material changes in contingencies as disclosed in note 18 to the audited consolidated financial statements for the year ended December 31, 2024 except in note 11.1 in the following:

11.1 For the tax years 2007, 2009, 2010, 2011 to 2023, Taxation Officer disallowed certain expenses, tax credits and levied short deduction of WHT. The impugned orders were challenged at the relevant appellate forums which allowed partial relief thereof. After taking into account the orders of CIR (Appeals), ATIR as well as rectification orders tax impact of the disallowances is Rs 58,387,332 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.

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

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

The Honourable Supreme Court of Pakistan (Apex Court) disposed the Review Petitions filed by PTCL, the Pakistan Telecommunication Employees Trust (PTET) and the Federal Government (collectively, the Review Petitioners) vide the order dated May 17, 2017. Through the said order, the Apex Court directed the Review Petitioners to seek remedy under section 12(2) CPC (Civil Procedure Code) which shall be decided by the concerned Court in accordance with the law, and to pursue all grounds of law and fact in other cases pending before High Courts. The Review Petitioners filed the applications under section 12(2) CPC before respective High Courts, however the same were dismissed by the Islamabad High Court vide Judgment dated January 22, 2018, as being not maintainable. The said order of the Islamabad High Court was challenged by PTCL and PTET before the Supreme Court which was pleased to recently dispose of the Appeals vide its order dated April 29, 2024 and remanded back the 12(2) applications to the High Court(s) for recalling the earlier order in respect of those Petitioners who opted for VSS. The fresh 12(2) applications were filed before the Honourable Islamabad and Peshawar High court(s) and the cases have been admitted for hearing vide order dated June 24, 2024 and July 11, 2024, respectively. Both the high courts have issued notices to the VSS optees seeking pension. The applications before the Islamabad High Court are fixed for hearing on April 17, 2025 and on April 08, 2025 before the Peshawar High Court.

PTET has implemented the Apex court decision dated June 12, 2015 to the extent of 342 pensioners who were the petitioners in the main case. Some of the interveners (pensioners) seeking the same relief as allowed vide order dated June 12, 2015, have been directed by the Apex Court to approach the appropriate forum on May 10, 2018. Islamabad High Court on November 02, 2021, has decided that the GOP increases are not allowed to VSS optees, PTC pensioners and to the workmen. To the extent of Civil Servants, the Islamabad High Court allowed the GOP increase. However, to the same extent appeal has been filed before Apex court within the limitation. The pension cases before the Supreme Court were fixed on February 11, 2025 and the Court directed the pensioners, PTCL and PTET to submit their written submissions/arguments. The court has reserved the judgment, however, the matter may be fixed for hearing if the Court requires any further clarification after thorough review of the submissions. Under the circumstances, management of PTCL, on the basis of legal advice, believes that PTCL's obligations against benefits is restricted to the extent of pension increases as determined solely by the Board of Trustees of the PTET in accordance with the Pakistan Telecommunication (Re-Organization) Act, 1996 and the Pension Trust Rules of 2012 and accordingly, no provision has been recognized in the condensed consolidated financial statements.

Due to complexity of the matter and varying decisions from courts in this regard, it is not practical to estimate reliably the financial impact, in case of unfavorable outcome of this matter, before its conclusion.

NOTES TO AND FORMING PART OF THE
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	Note	March 31, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
11.3 Guarantees and bid bonds of Group issued in favor of:			
Universal Service Fund (USF) against government grants		17,908,543	19,079,452
Pakistan Telecommunication Authority against 3G and 2G Licenses		3,011,769	4,387,163
Others	11.4.1	3,229,709	3,514,199
		24,150,021	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).

	March 31, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
11.4 Commitments - Group		
Letters of credit for purchase of stock-in trade	345,396	401,084
Letters of comfort in favour of PTML	3,500,000	3,500,000
Contracts for capital expenditure	42,194,302	47,273,417
	46,039,698	51,174,501

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

	Three months ended	
	March 31, 2025 (Un-Audited) Rs '000	March 31, 2024 (Un-Audited) Rs '000
Revenue segments		
Broadband and IPTV	13,595,081	11,870,516
Cellular and other wireless services	22,948,298	18,458,752
Voice services - fixed line	2,038,138	2,169,476
	38,581,517	32,498,744
Revenue from retail customers		
Corporate and wholesale	13,556,560	11,560,220
International	3,113,697	2,872,701
Banking	6,598,020	3,724,967
Total revenue	61,849,794	50,656,632

12.1 Revenue is stated net of trade discount amounting to Rs 782,977 thousand (March 31, 2024: Rs 748,347 thousand) and Federal excise duty and sales tax amounting to Rs 10,606,136 thousand (March 31, 2024: Rs 8,219,320 thousand).

	Note	Three months ended	
		March 31, 2025 (Un-Audited) Rs '000	March 31, 2024 (Un-Audited) Rs '000
13. OTHER INCOME			
Income from financial assets - net	13.1	4,063,567	4,404,349
Income from non-financial assets		1,462,503	2,545,484
		5,526,070	6,949,833

13.1 Income from financial assets include Rs 3 thousand (March 31, 2024: Rs 3 thousand) earned from Shariah arrangements.

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	Three months ended	
	March 31, 2025 (Un-Audited) Rs '000	March 31, 2024 (Un-Audited) Rs '000
14. CASH GENERATED FROM OPERATIONS		
Loss before tax	(5,541,535)	(7,274,820)
Adjustments for non-cash charges and other items:		
Depreciation of property, plant and equipment	8,542,317	8,009,798
Amortization of intangible assets	1,971,066	1,924,889
Amortization of contract costs	2,288,861	1,704,977
Depreciation of right of use assets	2,959,525	1,716,672
Allowance for expected credit loss	610,811	464,001
Impairment loss on non performing loans to banking customers	4,650,056	(834,403)
Provision for obsolete stores, spares and loose tools	1,679	(139)
Provision for employees retirement benefits	1,755,316	608,413
Imputed interest on lease liabilities	1,453,470	520,343
Gain on disposal of property, plant and equipment	(408,821)	(1,154,819)
Return on bank deposits and Government securities	(3,234,522)	(3,042,922)
Release of deferred government grants	(819,223)	(718,928)
Finance costs	11,993,732	5,003,919
	26,222,732	6,926,981
Effect on cash flows due to working capital changes:		
(Increase) / decrease in current assets:		
Stock in trade, stores and spares	(280,768)	(720,874)
Trade debts and contract assets	(5,936,232)	(2,510,682)
Loans to banking customers	(552,499)	927,234
Loans and advances	(1,564,580)	(652,564)
Deposits, prepayments and other receivables	(2,249,682)	(2,296,286)
	(10,583,761)	(5,253,172)
(Decrease) / Increase in current liabilities:		
Trade and other payables	(93,133)	2,567,552
Security deposits	(20,309)	39,726
	(113,442)	2,607,278
Cash generated from operations	15,525,529	4,281,087

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	Three months ended	
	March 31, 2025 (Un-Audited) Rs '000	March 31, 2024 (Un-Audited) Rs '000
15. CASH AND CASH EQUIVALENTS		
Cash and bank balances	23,681,269	17,585,669
Short term running finance	(66,575,880)	(57,637,927)
	(42,894,611)	(40,052,258)

16. SEGMENT INFORMATION

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

16.1 Segment information for the reportable segments is as follows:

	Wireline	Wireless	Banking	Total
	Rs '000	Rs '000	Rs '000	Rs '000
Three months ended March 31, 2025				
Segment revenue	29,479,506	27,648,583	6,598,020	63,726,109
Inter segment revenue	(1,626,548)	(249,767)	-	(1,876,315)
Revenue from external customers	27,852,958	27,398,816	6,598,020	61,849,794
Segment results	1,178,379	(1,312,627)	(3,830,841)	(3,965,089)
Three months ended March 31, 2024				
Segment revenue	27,022,886	21,722,440	3,725,042	52,470,368
Inter segment revenue	(1,533,625)	(280,036)	(75)	(1,813,736)
Revenue from external customers	25,489,261	21,442,404	3,724,967	50,656,632
Segment results	426,933	(2,925,384)	(2,291,256)	(4,789,707)
	Wireline	Wireless	Banking	Total
	Rs '000	Rs '000	Rs '000	Rs '000
As at March 31, 2025				
Segment assets	329,271,858	232,810,558	134,101,754	696,184,170
Segment liabilities	311,285,869	214,457,805	138,502,007	664,245,681
As at December 31, 2024				
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 THREE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

				Three months ended	
				March 31, 2025 (Un-Audited) Rs '000	March 31, 2024 (Un-Audited) Rs '000
Relationship with the Group				Nature of transaction	
i.	Shareholders		Technical services assistance fee	1,936,226	2,734,960
ii.	Associated undertakings		Sale of goods and services	1,909,146	2,028,673
			Purchase of goods and services	692,530	497,597
			Lease rentals	239,956	218,142
iii.	Employees	PTCL	Gratuity Fund	28,627	34,817
	benefits plans	PTML	Gratuity Fund	54,258	51,554
		U Bank	Gratuity Fund	34,171	21,127
iv.	Employees	PTCL	Employees GPF Trust - net	25,868	26,118
	contribution plans	U Bank	Provident Fund	28,723	17,991
v.	Other related parties	PTCL	Charges under license obligation	847,289	648,020
vi.	Directors, Chief Executive and Key Management Personnel		Fee and remuneration including benefits and perquisites	1,061,961	672,232
				March 31, 2025 (Un-Audited) Rs '000	December 31, 2024 (Audited) Rs '000
Trade debts and contract assets					
- Associated undertakings				43,613,922	42,021,388
Deposits, prepayments and other receivables					
- Pakistan Telecommunication Employees Trust (PTET)				35,613	25,634
- Associated undertakings				71,305	71,305
Pakistan Telecommunication Employees Trust (PTET)				2,806,078	2,951,439
Long term loans to executives and key management personnel				77,131	96,680
Trade and other payables					
Trade creditors					
- Associated Undertakings				4,993,170	4,821,151
- The Government of Pakistan and its related entities				3,634,707	2,293,643
Technical assistance services fee payable to Etisalat				50,166,910	48,230,684
PTCL Employees GPF Trust				85,733	89,535
PTML					
- Gratuity Fund				286,065	231,620
U Bank					
- Gratuity Fund Receivable				104,226	68,787
- Provident Fund				102,013	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 THREE MONTHS ENDED MARCH 31, 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
As at March 31, 2025 (Un-Audited)					
Trade debts and contract assets	42,260,816	(4,642,430)	37,618,386	40,593,147	78,211,533
Trade creditors	(5,832,830)	4,642,430	(1,190,400)	(20,278,218)	(21,468,618)
As at December 31, 2024 (Audited)					
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. Material reclassification of corresponding figures of the financial statements is given below:

Reclassification from	Reclassification to	2024 Rs '000
Cost of services	Revenue	1,453,467

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

These condensed consolidated interim financial statements for the three months period ended March 31, 2025 were authorized for issue by the Board of Directors of the Holding Company on April 21, 2025.



Chief Financial Officer



President & CEO



Chairman

NOTES



Pakistan Telecommunication
Company Limited

**PTCL Head Office Room #17, Ufone
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