

**PAKISTAN TELECOMMUNICATION GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019 (UN-AUDITED)**

	Note	March 31, 2019 Rs '000 (Un-Audited)	December 31, 2018 Rs '000 (Audited)		Note	March 31, 2019 Rs '000 (Un-Audited)	December 31, 2018 Rs '000 (Audited)
Equity and liabilities				Assets			
Equity				Non-current assets			
Share capital and reserves				Property, plant and equipment	8	175,360,929	177,479,128
Share capital		51,000,000	51,000,000	Right of use assets	6	20,191,651	-
Revenue reserves				Intangible assets		30,387,708	31,177,147
Insurance reserve		3,172,624	2,985,696	Long term investments		83,900	83,900
General reserve		27,497,072	27,497,072	Long term loans and advances		819,737	706,390
Unappropriated profit		3,346,131	1,535,145	Long term loan to banking customers		243,445	457,920
		34,015,827	32,017,913	Contract costs		499,221	461,145
Statutory and other reserves		221,601	221,601			227,586,591	210,365,630
Unrealized loss on investments measured at fair value through OCI		(866)	(29)				
		85,236,562	83,239,485				
Liabilities				Current assets			
Non-current liabilities				Stock in trade, stores and spares		5,506,452	6,281,620
Long term loans from banks		22,375,000	24,408,332	Trade debts and contract assets	9	19,880,915	18,903,883
Subordinated debt		599,640	599,640	Loans to banking customers		18,657,979	16,561,918
Deposits from banking customers		4,051,839	3,400,885	Loans and advances		2,529,968	1,864,766
Lease liabilities	6	16,544,511	15,558	Contract costs		2,033,465	1,842,504
Deferred income tax		8,610,405	8,975,585	Income tax recoverable		23,254,085	23,791,348
Employees retirement benefits		29,218,041	28,594,794	Receivable from the GoP		2,164,072	2,164,072
Deferred government grants		18,423,245	18,720,796	Deposits, prepayments and other receivables		10,362,632	10,986,451
Advances from customers		1,090,944	1,112,453	Short term investments	10	16,218,502	17,198,237
Long term vendor liability		25,084,052	26,951,860	Cash and bank balances	11	7,794,381	9,157,769
		125,997,677	112,779,903			108,402,451	108,752,568
Current liabilities							
Trade and other payables	7	81,817,993	81,325,176	Total assets		335,989,042	319,118,198
Deposits from banking customers		17,747,179	17,133,725				
Interest accrued		817,708	966,161				
Short term running finance		2,072,794	1,225,137				
Current portion of:							
Long term loans from banks		7,405,834	7,176,667				
Lease liabilities	6	1,860,012	3,287				
Long term vendor liability		11,325,774	13,532,709				
Security deposits		1,497,528	1,471,112				
Unpaid / unclaimed dividend		209,981	264,836				
		124,754,803	123,098,810				
Total equity and liabilities		335,989,042	319,118,198				
Contingencies and commitments	12						

The annexed notes 1 to 23 are an integral part of this condensed consolidated interim financial statements.

Chief Financial Officer

President & CEO

Chairman



PAKISTAN TELECOMMUNICATION GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

		Three months ended	
	Note	March 31, 2019 Rs '000	March 31, 2018 Rs '000 Restated
Revenue	13	33,534,964	30,291,924
Cost of services		(24,042,384)	(21,858,708)
Gross profit		9,492,580	8,433,216
Administrative and general expenses	14	(4,858,483)	(4,434,533)
Selling and marketing expenses		(1,623,494)	(1,748,705)
		(6,481,977)	(6,183,238)
Operating profit		3,010,603	2,249,978
Other income	15	1,469,732	884,240
Finance costs		(1,598,315)	(1,581,345)
Profit before tax		2,882,020	1,552,873
Provision for income tax		(884,106)	(530,010)
Profit for the period		1,997,914	1,022,863

The annexed notes 1 to 23 are an integral part of this condensed consolidated interim financial statements.

Chief Financial Officer

President & CEO

Chairman



**PAKISTAN TELECOMMUNICATION GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)**

	Three months ended	
	March 31, 2019	March 31, 2018
	Rs '000	Rs '000
		Restated
Profit for the period	1,997,914	1,022,863
Other comprehensive income for the period		
Items that may be subsequently reclassified to profit and loss:		
Loss on investments measured at fair value arising during the period	(981)	(188)
Tax effect of revaluation of investments measured at fair value	25	43
Unrealized loss on investments measured at fair value - net of tax	(956)	(145)
Loss on disposal transferred to income for the period	119	46
	(837)	(99)
Total comprehensive income for the period	1,997,077	1,022,764

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Chief Financial Officer

President & CEO

Chairman

PAKISTAN TELECOMMUNICATION GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)



	Note	Three months ended	
		March 31, 2019 Rs '000	March 31, 2018 Rs '000 Restated
Cash flows from operating activities			
Cash generated from operations	16	10,596,819	11,427,187
Employees retirement benefits paid		(369,911)	(328,912)
Finance cost paid		(1,786,023)	(1,556,242)
Income tax paid		(711,998)	(1,973,904)
Net cash inflow from operating activities		7,728,887	7,568,129
Cash flows from investing activities			
Capital expenditure		(5,148,140)	(4,045,938)
Proceeds from disposal of property, plant and equipment		78,636	57,607
Disposal of short term investments - net		-	2,080,778
Long term loans and advances		(123,264)	(19,763)
Government grants received		-	510,800
Return on long term loans and short term investments		261,111	23,976
Net cash outflow from investing activities		(4,931,657)	(1,392,540)
Cash flows from financing activities			
Loan from banks		(1,804,165)	740,819
Subordinated debt		-	(120)
Vendor liability		(4,074,743)	(2,285,094)
Deposits from banking customers		1,264,408	1,550,258
Lease liability		(1,318,655)	(6,193)
Dividend paid		(54,855)	(3,108)
Net cash outflow from financing activities		(5,988,010)	(3,438)
Net (decrease) / increase in cash and cash equivalents		(3,190,780)	6,172,151
Cash and cash equivalents at the beginning of the period		25,130,869	18,536,890
Cash and cash equivalents at the end of the period	17	21,940,089	24,709,041

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PAKISTAN TELECOMMUNICATION GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Issued, subscribed and paid-up capital		Revenue reserves			Statutory and other reserves	Unrealized (loss)/gain on investments measured at fair value through OCI	Total
	Class "A"	Class "B"	Insurance reserve	General reserve	Unappropriated profit			
----- (Rupees in '000) -----								
Balance as at December 31, 2017 - Restated	37,740,000	13,260,000	2,806,993	27,497,072	5,109,744	84,837	(28)	86,498,618
Total comprehensive income for the period - Restated								
Profit for the three months period ended March 31, 2018	-	-	-	-	1,022,863	-	-	1,022,863
Other comprehensive income for the period	-	-	-	-	-	-	(99)	(99)
	-	-	-	-	1,022,863	-	(99)	1,022,764
Transfer to insurance reserve	-	-	178,703	-	(178,703)	-	-	-
Balance as at March 31, 2018 - Restated	37,740,000	13,260,000	2,985,696	27,497,072	5,953,904	84,837	(127)	87,521,382
Total comprehensive income for the period								
Profit for the nine months period ended December 31, 2018	-	-	-	-	4,687,141	-	-	4,687,141
Other comprehensive income	-	-	-	-	(3,869,136)	-	98	(3,869,038)
	-	-	-	-	818,005	-	98	818,103
Distribution to owners of the Holding Company								
Interim dividend for the year ended December 31, 2018 - Re 1.00 per share	-	-	-	-	(5,100,000)	-	-	(5,100,000)
Transfer to statutory and other reserves	-	-	-	-	(136,764)	136,764	-	-
Balance as at December 31, 2018	37,740,000	13,260,000	2,985,696	27,497,072	1,535,145	221,601	(29)	83,239,485
Total comprehensive income for the period								
Profit for the three months period ended March 31, 2019	-	-	-	-	1,997,914	-	-	1,997,914
Other comprehensive income for the period	-	-	-	-	-	-	(837)	(837)
	-	-	-	-	1,997,914	-	(837)	1,997,077
Transfer to insurance reserve	-	-	186,928	-	(186,928)	-	-	-
Balance as at March 31, 2019	37,740,000	13,260,000	3,172,624	27,497,072	3,346,131	221,601	(866)	85,236,562

The annexed notes 1 to 23 are an integral part of this condensed consolidated interim financial statements.

Chief Financial Officer

President & CEO

Chairman



PAKISTAN TELECOMMUNICATION GROUP

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Constitution and ownership

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

Pakistan Telecommunication Company Limited (PTCL)

Pakistan Telecommunication Company Limited (the Holding Company) was incorporated in Pakistan on December 31, 1995 and commenced business on January 01, 1996. The Holding Company, which is listed on the Pakistan Stock Exchange Limited (PSX) (formerly Karachi, Lahore and Islamabad Stock Exchanges), was established to undertake the telecommunication business formerly carried on by Pakistan Telecommunication Corporation (PTC). PTC's business was transferred to the Holding Company on January 01, 1996 under the Pakistan Telecommunication (Re-organization) Act, 1996, on which date, the Holding Company took over all the properties, rights, assets, obligations and liabilities of PTC, except those transferred to the National Telecommunication Corporation (NTC), the Frequency Allocation Board (FAB), the Pakistan Telecommunication Authority (PTA) and the Pakistan Telecommunication Employees Trust (PTET). The registered office of the Holding Company is situated at PTCL Headquarters, G-8/4, Islamabad.

Pak Telecom Mobile Limited (PTML)

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

U Microfinance Bank Limited (Ubank)

The Holding Company acquired 100% ownership of Ubank on August 30, 2012 to offer services of digital commerce and branchless banking. Ubank was incorporated on October 29, 2003 as a public limited company. The registered office of Ubank is situated at Jinnah Super Market F-7 Markaz, Islamabad.

DVCOM Data (Private) Limited (DVCOM Data)

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

Smart Sky (Private) Limited (Smart Sky)

Smart Sky was incorporated in Pakistan on October 12, 2015 as a private limited company to provide Direct-to-Home (DTH) television services throughout the country under the license from Pakistan Electronic Media Regulatory Authority (PEMRA). Auction for DTH license was held on 23 November 2016, in which Company had actively participated. PEMRA has announced three winning companies of DTH Licenses. Later on, the honorable Lahore High Court has declared whole process of DTH auction as null and void and advised PEMRA to restart the whole process. The Supreme Court has overturned LHC's decision against PEMRA on DTH auction. Smart Sky is a wholly owned subsidiary of PTCL. The registered office of the Company is located at PTCL Headquarters, G-8/4, Islamabad.

1.2 Activities of the Group

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

2. STATEMENT OF COMPLIANCE

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

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

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

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

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

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

3 BASIS OF PREPARATION

These condensed consolidated interim financial statements do not include all of the information required in the annual financial statements prepared in accordance with the accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Groups'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 Groups's latest annual consolidated financial statements for the year ended December 31, 2018.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Estimates and judgements made by the management in the preparation of this condensed consolidated interim financial statements are the same as those used in the preparation of annual audited consolidated financial statements of the Group for the year ended December 31, 2018, except for new significant judgments relating to lease accounting under IFRS 16, which are described in note 5.1.

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of this condensed consolidated interim financial statements are consistent with those followed in the preparation of the consolidated annual audited financial statements for the year ended December 31, 2018, except for the changes given here-under.

5.1 Leases

The Group has adopted IFRS 16 'Leases' with the date of initial application of January 01, 2019 other than

IFRS 16 introduced a single, on-balance sheet accounting model for leases. As a result, the Group, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Group applied IFRS 16 using the modified retrospective approach, under which the Group has recognized lease liabilities at the date of initial recognition for leases previously classified as operating lease under IAS 17 at the present value of the remaining lease payments using the Group's incremental borrowing rate and recognizing a right of use assets at the date of initial application for leases. The Group has chosen to measure the right of use assets at an amount equal to the lease liabilities. Accordingly, the comparative figure presented for 2018 has not been restated.

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under *IFRIC 4 'Determining Whether an Arrangement contains a Lease'*. The Group now assesses whether a contract is, or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The impact of adoption of IFRS 16, on transition is disclosed in note 6.

The Group used the following practical expedients when applying IFRS 16, to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the
- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.

6 LEASE LIABILITIES AND RIGHT OF USE ASSETS

January 01, 2019

**Rs '000
(Un-Audited)**

Lease liabilities

Operating lease commitments	29,080,433
Discounted using the incremental borrowing rate	19,193,624

When measuring the lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using an estimated incremental borrowing rate of 10%.

Right of use (ROU) assets

Right of use assets have been measured at the amount equal to the lease liability, adjusted by the amount of prepaid lease payments relating to the lease recognized in the condensed consolidated interim statement of financial position as at January 01, 2019.

January 01, 2019

**Rs '000
(Un-Audited)**

Present value of the future lease payments	19,193,624
Prepayments reclassified as right of use assets	1,791,510
	20,985,134

March 31,
2019
Rs '000
(Un-Audited)

Lease commitments

	Note	
- Within one year		3,648,745
- Between 2 and 5 years		13,714,479
- After 5 years		8,852,918
Total undiscounted lease commitments		<u>26,216,142</u>
Discounted lease liability using the incremental borrowing rate		18,386,469
Current portion shown under current liabilities	6.1	<u>(1,856,844)</u>
Due after 12 months		16,529,625
Long term lease liability of Ubank		<u>14,886</u>
		<u>16,544,511</u>

6.1 This amount is exclusive of current portion of long term lease liability of Ubank amounting to Rs 3,168

Right of use assets

Balance as at January 01, 2019	20,985,134
Additions	48,474
Amortization for the period	(841,957)
Balance as at March 31, 2019	<u>20,191,651</u>

Amounts recognized in condensed consolidated interim statement of profit or loss

Interest on lease liabilities	461,697
Amortization of right of use assets	841,957
	<u>1,303,654</u>

If IFRS 16 were not applicable than rental cost of Rs 785,952 thousand and Rs 209,640 thousand would have been recognized in cost of sales and administration and general expenses respectively. Accordingly, profit before tax decreased by Rs 308,062 thousand for three months period ended March 31, 2019 as a result of the adoption of IFRS 16.

	March 31, 2019 Rs '000 (Un-Audited)	December 31, 2018 Rs '000 (Audited)
7 TRADE AND OTHER PAYABLES		
Trade creditors	13,829,586	16,197,479
Accrued and other liabilities	33,175,661	32,738,230
Technical services assistance fee	17,937,091	16,763,367
Advances from customers/ contract liability	8,799,388	8,506,360
Retention money / payable to contractors and suppliers	6,939,675	6,000,635
Income tax collected from subscribers / deducted at source	585,159	736,425
Sales tax payable	466,282	345,385
Payable to GPF Trust	85,151	37,295
	<u>81,817,993</u>	<u>81,325,176</u>

		March 31, 2019 Rs '000 (Un-Audited)	December 31, 2018 Rs '000 (Audited)
8 Property, plant and equipment	Note		
Operating fixed assets	8.1	154,320,340	156,293,468
Capital work-in-progress		21,040,589	21,185,660
		175,360,929	177,479,128
		March 31, 2019 Rs '000 (Un-Audited)	March 31, 2018 Rs '000 (Un-Audited)
8.1 Operating fixed assets			
Opening net book value		156,293,468	157,193,242
Additions during three months period	8.2	5,211,524	2,997,538
		161,504,992	160,190,780
Disposals during the period - at net book value		(42,083)	(75,106)
Depreciation and impairment charge for the period		(7,142,569)	(7,123,035)
		(7,184,652)	(7,198,141)
Closing net book value		154,320,340	152,992,639
8.2 Detail of additions during the period:			
Buildings on freehold land		16,916	66,551
Buildings on leasehold land		57,028	75,831
Lines and wires		872,128	761,894
Apparatus, plant and equipment		3,756,808	1,599,037
Office equipment		4,231	60,675
Computer equipment		428,179	233,389
Furniture and fittings		12,710	61,058
Vehicles		63,524	-
Submarine cables		-	139,103
		5,211,524	2,997,538
8.3	Additions to CWIP during the three months period ended March 31, 2019 were Rs 5,634,995 thousand (March 31, 2018: Rs 3,048,173 thousand).		
		March 31, 2019 Rs '000 (Un-Audited)	December 31, 2018 Rs '000 (Audited)
9 Trade debts and contract assets			
Trade debts		22,260,128	21,090,737
Contract assets		5,423,705	5,448,677
		27,683,833	26,539,414
Allowance for expected credit loss		(7,802,918)	(7,635,531)
		19,880,915	18,903,883

	March 31, 2019 Rs '000 (Un-Audited)	December 31, 2018 Rs '000 (Audited)
10 SHORT TERM INVESTMENTS		
Amortized cost		
Market treasury bills	5,041,874	980,221
Term deposit receipts	9,200,000	9,900,000
	14,241,874	10,880,221
Fair value through profit or loss (FVTPL)		
Money market funds	-	3,950,149
Units of mutual fund	-	400,043
	-	4,350,192
Available for sale investments		
Market treasury bills	1,976,628	1,967,824
	16,218,502	17,198,237
11 CASH AND BANK BALANCES		
Cash in hand	599,617	892,602
Balances with banks:		
Local currency		
Current account maintained with SBP	945,105	904,261
Current accounts	1,083,117	1,994,624
Saving accounts	1,922,606	2,548,828
	3,950,828	5,447,713
Foreign currency		
Current accounts	2,674,930	2,318,748
Saving accounts	569,006	498,706
	3,243,936	2,817,454
	7,794,381	9,157,769
12 CONTINGENCIES AND COMMITMENTS		

12.1 There has been no material change in contingencies as disclosed in the annual consolidated financial statements for the year ended December 31, 2018. Further, there has been no change in the status of the Holding Company's pension case as disclosed in the annual consolidated financial statements for the year ended December 31, 2018. As also disclosed in the annual consolidated financial statements, under the circumstances, management of the Holding Company, on the basis of legal advice, believes that the Holding Company's obligations against benefits are restricted to the extent of pension increases as determined solely by the Board of Trustees of the Pakistan Telecommunication Employees Trust 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 these condensed interim consolidated financial statements.

	March 31, 2019 Rs '000 (Un-Audited)	December 31, 2018 Rs '000 (Audited)
12.2 Bank guarantees and bid bonds of Group issued in favor of:		
Universal Service Fund (USF) against government grants	11,510,895	11,510,895
Pakistan Telecommunication Authority against 3G and 2G Licenses	543,377	537,204
Others	2,939,869	2,740,542
	14,994,141	14,788,641
12.3 Commitments - Group		
Standby Letter of Guarantee	7,425	7,425
Letters of credit for purchase of stock	108,894	60,922
Commitments for capital expenditure	15,511,643	10,129,879
	15,627,962	10,198,226

	Three months ended	
	March 31, 2019 Rs '000 (Un-Audited)	March 31, 2018 Rs '000 Restated
13 REVENUE		
Broadband and IPTV	6,999,859	6,618,498
Cellular and other wireless	15,109,616	12,665,790
Fixed line voice services	2,961,174	3,536,525
Banking	1,487,113	974,906
Revenue from retail customers	26,557,762	23,795,719
Corporate	2,436,527	2,209,427
Carrier and wholesale	2,602,935	1,855,844
International	1,937,740	2,430,934
Total revenue	33,534,964	30,291,924

13.1 Revenue is stated net of trade discount amounting to Rs 481,708 thousand (March 31, 2018: Rs 537,141 thousand) and sales and other taxes directly attributable to sales amounting to Rs 2,396,871 thousand (March 31, 2018: Rs 4,377,272 thousand)

14 This includes loss allowance on trade debts and contract assets amounting to Rs 467,626 thousand (March 31, 2018: Rs 500,720 thousand)

	Three months ended	
	March 31, 2019 (Un-Audited) Rs '000	March 31, 2018 Restated Rs '000
15 OTHER INCOME		
Income from financial assets	850,936	467,826
Income from non-financial assets	618,796	416,414
	1,469,732	884,240

16 CASH GENERATED FROM OPERATIONS

Profit before tax	2,882,020	1,552,873
Depreciation and impairment of property, plant and equipment	7,142,569	7,123,035
Amortization of intangible assets	871,126	868,391
Amortization of contract costs	792,549	594,127
Amortization of right of use assets	841,957	-
Loss allowance on trade and other receivables, including contract assets	467,626	500,720
Provision for non performing advances	141,719	36,045
Provision for employees retirement benefits	993,158	913,239
Imputed interest on long term loans	9,917	(12,978)
Imputed interest on lease liability	462,235	-
(Gain)/loss on disposal of property, plant and equipment	(36,553)	17,499
Gain on disposal of investments measured at fair value through P&L	(79,564)	(38,075)
Return on bank deposits and Government Securities	(487,741)	(277,996)
Release of deferred government grants	(297,551)	(312,102)
Finance costs	1,637,570	1,581,345
	15,341,037	12,546,123

Effect on cash flows due to working capital changes:

Decrease / (increase) in current assets:

Stock in trade, stores and spares	775,168	(419,732)
Trade debts and contact assets	-1,444,658	(721,020)
Loans to banking customers	(2,023,305)	(1,796,344)
Contract costs	(1,021,586)	(734,508)
Loans and advances	-665,202	(439,620)
Deposits, prepayments and other receivables	(862,359)	203,522
	(5,241,942)	(3,907,702)

Increase in current liabilities:

Trade and other payables	471,308	2,779,002
Security deposit	26,416	9,764
	497,724	2,788,766
	10,596,819	11,427,187

	Three months ended	
	March 31, 2019 (Un-Audited) Rs '000	March 31, 2018 (Un-Audited) Rs '000
17 CASH AND CASH EQUIVALENTS		
Short term investments	16,218,502	19,798,058
Cash and bank balances	7,794,381	4,910,983
Short term running finance	(2,072,794)	-
	<u>21,940,089</u>	<u>24,709,041</u>

18 SEGMENT INFORMATION

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

18.1 Segment information for the reportable segments is as follows:

Three months ended March 31, 2019	Note	Wireline Rs '000	Wireless Rs '000	Banking Rs '000	Total Rs '000
Segment revenue		17,322,454	16,489,428	1,487,179	35,299,061
Inter segment revenue	18.1.1	(1,459,481)	(304,550)	(66)	(1,764,097)
Revenue from external customers		<u>15,862,973</u>	<u>16,184,878</u>	<u>1,487,113</u>	<u>33,534,964</u>
Segment results		<u>1,950,108</u>	<u>(103,045)</u>	<u>150,851</u>	<u>1,997,914</u>
Three months ended March 31, 2018 - Restated					
Segment revenue		17,055,552	14,022,945	975,023	32,053,520
Inter segment revenue	18.1.1	(1,396,127)	(365,352)	(117)	(1,761,596)
Revenue from external customers		<u>15,659,425</u>	<u>13,657,593</u>	<u>974,906</u>	<u>30,291,924</u>
Segment results		<u>1,742,425</u>	<u>(863,579)</u>	<u>144,017</u>	<u>1,022,863</u>

18.1.1 Inter segment revenues are eliminated on consolidation.

As at March 31, 2019	Wireline Rs '000	Wireless Rs '000	Banking Rs '000	Total Rs '000
Segment assets	155,761,022	143,721,999	36,506,021	335,989,042
Segment liabilities	112,284,860	109,211,587	29,256,033	250,752,480
As at December 31, 2018				
Segment assets	153,781,516	130,528,440	34,808,242	319,118,198
Segment liabilities	107,867,014	100,141,609	27,870,090	235,878,713

				Three months ended	
				March 31, 2019 Rs '000 (Un-Audited)	March 31, 2018 Rs '000 (Un-Audited)
19 TRANSACTIONS WITH RELATED PARTIES					
Relationship with the Group		Nature of transaction			
i.	Shareholders		Technical services assistance fee	1,173,724	1,051,740
ii.	Associated undertakings		Sale of goods and services	787,819	490,938
			Purchase of goods and services	224,519	407,073
			Prepaid rent	48,063	129,365
iii.	Employees	PTCL	Gratuity Fund	48,786	13,179
	benefits plans	PTML	Gratuity Fund	22,797	23,019
		Ubank	Gratuity Fund	7,063	3,648
iv.	Employees	PTCL	PTCL Employees GPF		
	contribution plans		Trust - net	13,733	9,650
		PTML	Provident Fund	26,354	25,280
		Ubank	Provident Fund	6,453	3,634
v.	Other related	PTCL	Charges under license obligation	400,160	400,462
	parties	PTML	Expenses reimbursed to Pakistan MNP Database (Guarantee) Limited	7,825	5,450
vi.	Directors, Chief Executive and Key Management Personnel		Fee and remuneration including benefits and perquisites	1,096,586	561,619
				March 31, 2019 (Un-Audited) Rs '000	December 31, 2018 (Audited) Rs '000
Trade debts					
- Associated undertakings				3,636,599	3,083,344
Deposits, prepayments and other receivables					
- Associated undertakings				71,305	71,305
- Pakistan Telecommunication Employees Trust (PTET)				5,248	2,777
- Prepaid rent				240,313	89,836
- Pakistan Telecommunication Company Limited Employees Gratuity Fund				-	93,293
Long term loans to executives and key management personnel				225,812	241,317
Trade and other payables					
Trade creditors					
- Associated Undertakings				823,913	950,613
- The Government of Pakistan (GoP) related entities				1,651,263	1,208,447
Retention money payable to associated undertaking				3,029	2,751
Technical services fee payable to Etisalat				17,937,091	16,763,367
PTCL Employees GPF Trust				38,828	25,198
Pakistan Telecommunication Company Limited Employees Gratuity Fund				234,237	230,987
Pakistan Telecommunication Employees Trust (PTET)				6,683,386	6,415,222
PTML					
- Gratuity Fund				20,816	98,332
- Provident Fund				21,430	-
- Remuneration payable to chief executive and key management personnels				4,494	-
Ubank					
- Gratuity Fund				25,116	12,097
- Provident Fund				16,100	9,037

20 Fair value estimation

The financial asset of forward exchange contracts at fair value through profit or loss is Rs. 337,885 thousand (December 31, 2018: Rs. 345,772 thousand)

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

21 Financial Risk Management

The Group's financial risk management objectives and policies are consistent with that disclosed in the annual consolidated financial statements for the year ended 31 December 2018. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited consolidated financial statements of the Group for the year ended 31 December 2018.

22 Corresponding Figures

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

Condensed Consolidated Interim Statement of Profit or Loss

	As previously reported	Reclassification Rs.'000	As reclassified
Revenue	30,049,721	242,203	30,291,924
Cost of sales	(21,616,505)	(242,203)	(21,858,708)

Condensed Consolidated Interim Statement of Financial Position

Reclassification From	Reclassification to	Rs.'000
Current assets	Non-current assets	
Loans to banking customers	Long term loans to banking customers	457,920

23 Date of authorisation for issue of condensed consolidated interim financial information

- 23.1 The Board of Directors of Holding Company has declared an interim dividend of Rs 0.50 per share for the year ending December 31, 2019, amounting to Rs. 2,550,000 thousand.
- 23.2 This condensed consolidated interim financial statements for the three months period ended March 31, 2019 was authorised for issue by the Board of Directors of the Holding Company on April 17, 2019.

Chief Financial Officer

President & CEO

Chairman