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## BOARD OF DIRECTORS

### Chairman PTCL Board

Maroof Afzal

### Members PTCL Board

Abdulrahim A. Al Nooryani

Mohammed Younus Dagha

Hatem Dowidar

Serkan Okandan

Rizwan Malik

Khalifa Al Shamsi

Hesham Al Qassim

Mudassar Hussain

## CORPORATE INFORMATION

### Management

**Rashid Naseer Khan**  
President & Chief Executive Officer

**Mohammad Nadeem Khan**  
Chief Financial Officer

**Syed Mazhar Hussain**  
Chief Human Resource Officer

**Saad Muzaffar Waraich**  
Chief Technology & Information Officer and  
Chief Business Services Officer

**Sikandar Naqi**  
Chief Business Development Officer

**Moqem ul Haque**  
Chief Commercial Officer / Chief Strategy Officer

**Jahanzeb Taj**  
Chief Business Operations Officer

**Muhammad Shehzad Yousuf**  
Chief Internal Auditor

### Company Secretary

Saima Akbar Khattak

### Legal Advisor

**Zahida Awan**  
Executive Vice President (Legal Affairs)

### Bankers

#### Conventional

Citibank N.A - Pakistan  
Faysal Bank Limited  
Habib Metropolitan Bank Limited  
Habib Bank Limited  
JS Bank Limited  
Khushhali Bank Limited  
MCB Bank Limited  
Mobilink Microfinance Bank Limited  
National Bank of Pakistan  
NRSP Microfinance Bank Limited  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
The Bank of Punjab  
Telenor Microfinance Bank Limited  
The Bank of Khyber  
United Bank Limited  
U Microfinance Bank Limited

#### Islamic

Meezan Bank

### Registered Office

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

### Auditors

**KPMG Taseer Hadi & Co.,**  
Chartered Accountants

### Share Registrar

**FAMCO Associates (Pvt.) Limited**  
8-F, Next to Hotel Faran, Nursery,  
Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi.  
Tel: +92-21-34380101-2  
Fax: +92-21-34380106  
E-mail: info.shares@famco.com.pk

## DIRECTORS' REVIEW

The Directors of Pakistan Telecommunication Company Limited (PTCL) are pleased to present to the shareholders, the un-audited financial information of the Company for the three months period ended 31st March 2019.

During the period under review, PTCL's revenue was Rs 17.9 billion which is 0.8% higher quarter-on-quarter but slightly lower than last year. PTCL's flagship Fixed Broadband services posted revenue growth of 5.8% over same period last year. Corporate business and carrier & wholesale continued its growth momentum and has achieved a double digit revenue growth year-on-year (YoY). Wireless revenue for the quarter has declined on YoY basis due to strong competition from the cellular companies providing wireless data services. There is continued decline in domestic and international voice revenues due to continued conversion of subscribers to OTT and cellular services and illegal/grey traffic termination resulting in declining voice traffic volumes.

PTCL posted a Net Profit after Tax which is 10% higher than last year. Operating profit for the quarter remained under pressure mainly due to increase in operating cost on account of significant hike in power tariffs and currency devaluation. However, non-operating income has increased due to higher income on investments as a result of significant increase in policy rates by State Bank of Pakistan.

PTCL Group's revenue for the quarter has grown YoY by 11% to Rs 33.5 billion as a result of an accelerated growth in Ufone and Ubank revenues. Ufone revenue has increased double digits YoY, Ubank, a microfinance banking subsidiary of PTCL, has shown a significant growth in its quarterly revenue over last year. PTCL Group's operating profit and net profit for the quarter have improved by 34% and 95% respectively as a result of significant revenue growth.

During the period, PTCL continued with its Network Transformation project to upgrade its top 100 exchanges in different parts of Pakistan. So far, 76 exchanges have been fully transformed to date in 12 cities. For the transformed exchanges YoY revenue growth is around 12% and there is a 40% reduction in customer complaints. Various commercial promotions with attractive terms were continued to encourage new subscriptions of DSL broadband services as well as conversion of existing customers to higher speed and value packages.

Focused on bringing value for our esteemed customers, PTCL has enhanced its corporate digital services portfolio from serving connectivity needs to becoming the customer's trusted security arm through offerings like cyber threat intelligence, IT Service Management solutions, virtual as well as physical firewalls, DNS and other security solutions. Main drivers for corporate revenue growth during the quarter include managed services, data centers and cloud / ICT products. During the quarter, multiple cloud services deals were successfully executed resulting in the on-boarding of several new ICT customers to the platform.

PTCL's comprehensive product portfolio of domestic and international connectivity, mobile terminations, interconnect, international transit and passive infrastructure sharing offers great reliability and affordability to our valued business partners. This has enabled the Company to post an impressive double digit growth in carrier and wholesale services' revenue.

The international revenue segment continues to face the challenge of illegal grey traffic termination in Pakistan. PTCL, in collaboration with PTA and the telecom industry, is making concerted efforts to implement a new grey traffic monitoring and controlling system. Meanwhile, the Company is working with its international retail partners for securing international traffic termination to stabilize international revenue until the new system becomes operational. PTCL is also establishing strategic partnerships with neighboring countries to enable cross border connectivity. We expect that these strategic priorities will have a positive impact and will help lessen the pressure imposed by declining voice traffic volumes on the Company's revenue.

PTCL partnered with Netflix, the world's leading subscription based video-on-demand service, for payment integration enabling PTCL customers to easily pay their Netflix subscription as part of their monthly PTCL broadband bill. The integration eliminates the need for customers to share their credit or debit card details.

As a national company, PTCL has undertaken various initiatives for climate change and environmental preservation such as collaborating with Ministry of Climate Change to support the Clean Green Pakistan Movement by planting 200,000 trees on Company sites. To be an environment friendly company, PTCL has also launched campaign for its customers to opt for e-billing, instead of receiving monthly paper bills. PTCL headquarters, a green office certified by WWF, observed Earth Hour to show its support for the global cause.

As its contribution towards the advancement of education in Pakistan, PTCL took a noteworthy step by adopting Sojhro Twin Schools, with over 553 children, in Khairpur Sindh. This collaboration will make a positive contribution towards accomplishment of a bright future for the children of this impoverished area. Living up to the reputation of exemplary employee volunteerism, PTCL employees donated over 1,700 hand-packed gift boxes for the elderly population of the country. The boxes were distributed in old age homes, community centers and open settlements across 25 locations nationwide by PTCL Razakaars under the 'Box of Happiness for the Elderly' initiative. To proactively encourage different strata of society to make our country an inclusive place, PTCL sponsored the 4th Blind Women's Cricket Match in Islamabad at the start of the year. The match was contested between the dynamic Blind Women Cricket teams of Pakistan and Nepal and became a source of inspiration for many aspiring sportspersons who struggle with visual clarity.

For the financial year 2019, the Directors declared an interim cash dividend of 5% (Re. 0.50 per share).

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

On behalf of the Board



**Maroof Afzal**  
Chairman



**Rashid Naseer Khan**  
President & Chief Executive Officer

Islamabad: April 17, 2019

## مالیاتی جائزہ برائے سہ ماہی 31 مارچ 2019

پاکستان ٹیلی کمیونیکیشن کمپنی لمیٹڈ (پی ٹی سی ایل) کے ڈائریکٹرز شیئر ہولڈرز کو کمپنی کی 31 مارچ 2019 کو ختم ہونے والی سہ ماہی کی غیر آڈٹ شدہ مالی تفصیلات پیش کرتے ہیں۔

زیر جائزہ سہ ماہی کے دوران، پی ٹی سی ایل کی آمدن 17.9 ارب روپے رہی، جو کہ گزشتہ سہ ماہی کی نسبت 0.8 فیصد زیادہ مگر گزشتہ مالی سال کی سہ ماہی سے کم ہے۔ پی ٹی سی ایل کی اہم فکسڈ براڈ بینڈ سروسز نے گزشتہ سال اسی مدت میں 5.8 فیصد کا منافع ظاہر کیا تھا۔ کارپوریٹ بزنس اور کیریئر اینڈ ہول سیل نے اپنی ترقی کی رفتار کو جاری رکھا اور گزشتہ سال کے مقابلے ڈبل ڈیجیٹ منافع ظاہر کیا۔ تاہم رواں سہ ماہی میں گزشتہ سال کی نسبت کم آمدن دیکھی گئی جس کی وجہ وائرلیس ڈیٹا فراہم کرنے والی سیلولر کمپنیوں کی جانب سے درپیش سخت مقابلے کا رجحان تھا۔ صارفین کی اوٹی ٹی اور سیلولر سروسز اور غیر قانونی / گرے ٹریڈ پر منتقلی کے باعث اندرون ملک اور بین الاقوامی وائس (کالز کی) آمدن میں مسلسل کمی کی وجہ سے وائس ٹریڈ وائیم میں بھی کمی واقع ہوئی ہے۔

پی ٹی سی ایل نے گزشتہ سال کی نسبت 10 فیصد زیادہ بعد از ٹیکس منافع ظاہر کیا ہے۔ اس سہ ماہی کے لئے آپریٹنگ منافع بنیادی طور پر بجلی کی قیمتوں اور روپے کی قدر میں نمایاں کمی کے باعث آپریٹنگ لاگت میں ہونے والے اضافے کی وجہ سے دباؤ میں رہا۔ تاہم، اسٹیٹ بینک آف پاکستان کی طرف سے پالیسی ریٹ کی شرح میں نمایاں اضافہ کے نتیجے میں سرمایہ کاری سے حاصل ہونے والی زیادہ آمدنی کی وجہ سے نان آپریٹنگ آمدنی میں بھی اضافہ ہوا ہے۔

یوفون اور یو بیٹک کے تیزی سے بڑھتے منافع کے نتیجے میں اس سہ ماہی کے لئے پی ٹی سی ایل گروپ کی آمدنی 11 فیصد اضافے کے ساتھ 33.5 ارب روپے تک بڑھ چکی ہے۔ یوفون کے منافع میں گزشتہ سال کی نسبت ڈبل ڈیجیٹ کا اضافہ ہو چکا ہے۔ جبکہ پی ٹی سی ایل کے مائیکرو فنانس بینکنگ ادارے، یو بیٹک نے گزشتہ سال کی سہ ماہی کی نسبت نمایاں منافع ظاہر کیا ہے۔ اس سہ ماہی کے دوران آمدن میں نمایاں اضافے کی وجہ سے پی ٹی سی ایل گروپ کا آپریٹنگ منافع اور خالص منافع بالترتیب 34 فیصد اور 95 فیصد رہا۔

مالی سال 2019 کے لئے، ڈائریکٹرز نے 5 فیصد عبوری نقد منافع کا اعلان کیا ہے (0.50 روپیہ فی حصص)۔ پی ٹی سی ایل انتظامیہ اور ملازمین اپنے صارفین کو مسابقتی قیمتوں پر معیاری خدمات کی فراہمی اور اپنے شراکت داروں (شیئر ہولڈرز) کی بہتری کے لئے مسلسل کوشاں ہے۔

منجانب بورڈ آف ڈائریکٹرز



معروف افضل

چیئر مین پی ٹی سی ایل بورڈ

اسلام آباد: 17 اپریل 2019



راشد نصیر خان

صدر و چیف ایگزیکٹو آفیسر

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019 (UN-AUDITED)

	Note	March 31, 2019 (Un-Audited) Rs '000	December 31, 2018 (Audited) Rs '000
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Share capital and reserves</b>			
Share capital		51,000,000	51,000,000
Revenue reserves			
Insurance reserve		3,172,624	2,985,696
General reserve		27,497,072	27,497,072
Unappropriated profit		3,912,076	2,088,583
		34,581,772	32,571,351
		85,581,772	83,571,351
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred income tax		6,764,484	6,991,303
Employees retirement benefits		29,181,125	28,487,425
Deferred government grants		7,737,241	7,841,637
Advances from customers		1,090,944	1,112,453
Lease liabilities	6	1,058,356	-
		45,832,150	44,432,818
<b>Current liabilities</b>			
Trade and other payables	7	68,225,896	67,195,789
Security deposits		582,312	579,039
Unpaid / unclaimed dividend		209,981	264,836
Current maturity of lease liabilities	6	178,181	-
		69,196,370	68,039,664
<b>Total equity and liabilities</b>		<b>200,610,292</b>	<b>196,043,833</b>

Contingencies and commitments

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



Chief Financial Officer



President &amp; CEO



Chairman



Chief Financial Officer



President &amp; CEO



Chairman

	Note	March 31, 2019 (Un-Audited) Rs '000	December 31, 2018 (Audited) Rs '000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	106,986,271	106,151,422
Right of use assets	6	1,344,034	-
Intangible assets		1,589,380	1,690,725
Long term investments		8,968,757	8,968,757
Long term loans and advances		10,806,502	10,690,139
Contract cost		386,643	364,502
		130,081,587	127,865,545
<b>Current assets</b>			
Stores and spares		5,232,660	6,067,575
Contract cost		1,159,927	1,093,505
Trade debts and contract assets	9	19,429,807	16,178,523
Loans and advances		2,430,509	1,762,470
Income tax recoverable		15,648,971	16,478,323
Receivable from the GoP		2,164,072	2,164,072
Prepayments and other receivables		14,693,043	14,128,424
Short term investments	10	5,041,874	4,930,370
Cash and bank balances	11	4,727,842	5,375,026
		70,528,705	68,178,288
<b>Total assets</b>		<b>200,610,292</b>	<b>196,043,833</b>

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

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)
Revenue	13	17,864,813	17,970,362
Cost of services		(13,121,683)	(12,789,974)
Gross profit		4,743,130	5,180,388
Administrative and general expenses	14	(2,046,181)	(2,061,254)
Selling and marketing expenses		(707,889)	(819,753)
		(2,754,070)	(2,881,007)
Operating profit		1,989,060	2,299,381
Other income	15	1,007,077	571,641
Finance costs		(82,483)	(174,432)
Profit before tax		2,913,654	2,696,590
Provision for income tax		(903,233)	(862,457)
Profit for the period		2,010,421	1,834,133
Earnings per share - basic and diluted (Rupees)		0.39	0.36

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



Chief Financial Officer



President & CEO



Chairman



Chief Financial Officer



President & CEO



Chairman

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Three months ended	
	March 31, 2019 Rs '000	March 31, 2018 Rs '000 (Restated)
Profit for the period	2,010,421	1,834,133
Other comprehensive income for the period	-	-
Total comprehensive income for the period	2,010,421	1,834,133

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

## CONDENSED 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)
<b>Cash flows from operating activities</b>			
Cash generated from operations	16	4,255,419	6,512,943
Employees retirement benefits paid		(273,334)	(242,422)
Income tax paid		(300,700)	(1,581,845)
<b>Net cash inflow from operating activities</b>		<b>3,681,385</b>	<b>4,688,676</b>
<b>Cash flows from investing activities</b>			
Capital expenditure		(4,301,972)	(2,647,773)
Proceeds from disposal of property, plant and equipment		36,237	1,030
Disposal of short term investments - net		-	3,080,778
Long term loans and advances		(150,415)	9,889
Return on long term loan to subsidiaries		154,493	78,376
Return on short term investments		145,100	226,332
Long term investments in Ubank		-	(1,000,000)
<b>Net cash outflow from investing activities</b>		<b>(4,116,557)</b>	<b>(251,368)</b>
<b>Cash flows from financing activities</b>			
Dividend paid		(54,855)	(3,108)
Lease liability		(45,653)	-
<b>Net cash outflow from financing activities</b>		<b>(100,508)</b>	<b>(3,108)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(535,680)</b>	<b>4,434,200</b>
Cash and cash equivalents at the beginning of the period		10,305,396	16,770,299
<b>Cash and cash equivalents at the end of the period</b>	17	<b>9,769,716</b>	<b>21,204,499</b>

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

Chief Financial Officer

President & CEO

Chairman

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Issued, subscribed and paid-up capital		Revenue reserves			Total
	Class "A"	Class "B"	Insurance reserve	General reserve	Unappropriated profit	
Balance as at December 31, 2017 - Restated	37,740,000	13,260,000	2,806,993	27,497,072	3,797,720	85,101,785
<b>Total comprehensive income for the period - Restated</b>	-	-	-	-	1,834,133	1,834,133
Profit for the three months period ended March 31, 2018	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	1,834,133	1,834,133
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	5,453,150	86,935,918
<b>Total comprehensive income for the period</b>	-	-	-	-	5,588,314	5,588,314
Profit for the nine months period ended December 31, 2018	-	-	-	-	(3,852,881)	(3,852,881)
Other comprehensive income for the period	-	-	-	-	1,735,433	1,735,433
<b>Distribution to owners of the Company</b>	-	-	-	-	(5,100,000)	(5,100,000)
Interim dividend for the year ended December 31, 2018 - Re 1.00 per share	-	-	-	-	(5,100,000)	(5,100,000)
Balance as at December 31, 2018	37,740,000	13,260,000	2,985,696	27,497,072	2,088,583	83,571,351
<b>Total comprehensive income for the period</b>	-	-	-	-	2,010,421	2,010,421
Profit for the three months period ended March 31, 2019	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	2,010,421	2,010,421
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	3,912,076	85,581,772

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

Chief Financial Officer

President & CEO

Chairman

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

### 1. THE COMPANY AND ITS OPERATIONS

Pakistan Telecommunication Company Limited ("PTCL", "the Company") was incorporated in Pakistan on December 31, 1995 under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017) and commenced business on January 01, 1996. The Company, which is listed on the Pakistan Stock Exchange Limited (PSX), was established to undertake the telecommunication business formerly carried on by the Pakistan Telecommunication Corporation (PTC). PTC's business was transferred to the Company on January 01, 1996 under the Pakistan Telecommunication (Re-organization) Act, 1996, on which date, the Company took over all the properties, rights, assets, obligations and liabilities of PTC, except those transferred to the National Telecommunication Corporation (NTC), the Frequency Allocation Board (FAB), the Pakistan Telecommunication Authority (PTA) and the Pakistan Telecommunication Employees Trust (PTET). The registered office of the Company is situated at PTCL Headquarters, G-8/4, Islamabad.

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

### 2. STATEMENT OF COMPLIANCE

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

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

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

### 3. BASIS OF PREPARATION

These condensed interim financial statements do not include all of the information required in the annual financial statements prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements. These condensed interim financial statements should be read in conjunction with the Company's latest annual financial statements as at and for the year ended December 31, 2018.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

### 5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of this 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, 2018, except for the changes given here under.

#### 5.1 Leases

The Company has initially adopted IFRS 16 'Leases' from January 01, 2019.

IFRS 16 introduced a single, on-balance sheet accounting model for leases. As a result, the Company, 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 Company applied IFRS 16 using the modified retrospective approach, under which the Company 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 Company's incremental borrowing rate and recognizing right of use assets at the date of initial application for leases. The Company has chosen to measure the right of use assets at an amount equal to the lease liabilities. Accordingly, the comparative figures presented for 2018 have not been restated.

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 '*Determining Whether an Arrangement contains a Lease*'. The Company 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 Company 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 lease.
- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.

### 6. LEASE LIABILITIES AND RIGHT OF USE OF ASSETS

	January 01, 2019 (Un-Audited) Rs '000
<b>Lease liabilities</b>	
Operating lease commitments	1,692,549
Discounted using the incremental borrowing rate	1,252,039

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

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

### 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 interim statement of financial position as at January 01, 2019.

	January 01, 2019 (Un-Audited) Rs '000
Present value of the future lease payments	1,252,039
Prepayments reclassified as right of use assets	164,266
	1,416,305
	March 31, 2019 (Un-Audited) Rs '000
<b>Lease commitments</b>	
- Within one year	294,401
- Between 2 and 5 years	1,063,972
- After 5 years	288,523
Total undiscounted lease commitments	1,646,896
Discounted lease liability using the incremental borrowing rate	1,236,537
Current portion shown under current liabilities	(178,181)
Due after 12 months	1,058,356
<b>Right of use assets</b>	
Balance as at January 01, 2019	1,416,305
Amortization for the period	(72,271)
Balance as at March 31, 2019	1,344,034
<b>Amounts recognized in condensed interim statement of profit or loss</b>	
Interest on lease liabilities	30,150
Amortization of right of use assets	72,271
	102,421

If IFRS 16 was not applicable than rental cost of Rs 75,952 thousand and Rs 1,407 thousand would have been recognized in cost of sales and administration and general expenses respectively. Accordingly, profit before tax decreased by Rs 25,062 thousand for three months period ended March 31, 2019 as a result of the adoption of IFRS 16.

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Note	March 31, 2019 (Un-Audited) Rs '000	December 31, 2018 (Audited) Rs '000
<b>7. TRADE AND OTHER PAYABLES</b>			
Trade creditors		11,025,898	12,233,377
Accrued and other liabilities		26,808,618	26,851,061
Technical services assistance fee		17,937,091	16,763,367
Advances from customers / contract liabilities		4,537,835	4,318,188
Retention money / payable to contractors and suppliers		6,939,675	6,000,635
Income tax collected from subscribers / deducted at source		471,592	658,578
Sales tax payable		466,359	345,385
Payable to GPF Trust		38,828	25,198
		68,225,896	67,195,789
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	8.1	92,300,464	91,947,710
Capital work-in-progress		14,685,807	14,203,712
		106,986,271	106,151,422
	Note	March 31, 2019 (Un-Audited) Rs '000	March 31, 2018 (Un-Audited) Rs '000
<b>8.1 Operating fixed assets</b>			
Opening net book value		91,947,710	91,196,004
Additions during three months period	8.2	3,819,877	2,624,101
		95,767,587	93,820,105
Disposals during the period - at net book value		(2,076)	(1)
Depreciation and impairment charge for the period		(3,465,047)	(3,335,075)
		(3,467,123)	(3,335,076)
Closing net book value		92,300,464	90,485,029
<b>8.2 Detail of additions during the period:</b>			
Buildings on freehold land		16,916	66,551
Buildings on leasehold land		14,749	22,855
Lines and wires		872,128	761,894
Apparatus, plant and equipment		2,819,942	1,524,291
Office equipment		4,231	60,675
Computer equipment		28,277	32,397
Furniture and fittings		110	16,335
Vehicles		63,524	-
Submarine cables		-	139,103
		3,819,877	2,624,101

8.3 Additions to CWIP during the three months period ended March 31, 2019 were Rs 4,812,798 thousand (March 31, 2018: Rs 1,735,402 thousand).

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	March 31, 2019 (Un-Audited) Rs '000	December 31, 2018 (Audited) Rs '000
<b>9. TRADE DEBTS AND CONTRACT ASSETS</b>		
Trade debts	22,032,839	18,245,208
Contract assets	5,174,260	5,208,608
	27,207,099	23,453,816
Allowance for expected credit loss	(7,777,292)	(7,275,293)
	19,429,807	16,178,523
<b>10. SHORT TERM INVESTMENTS</b>		
Market treasury bills - Amortized cost	5,041,874	980,221
Investment in mutual funds - FVTPL	-	3,950,149
	5,041,874	4,930,370
<b>11. CASH AND BANK BALANCES</b>		
Cash in hand	96,624	258,774
Balances with banks:	11.1	
Deposit accounts local currency	892,752	829,885
Current accounts		
Local currency	1,063,536	1,967,619
Foreign currency	2,674,930	2,318,748
	3,738,466	4,286,367
	4,727,842	5,375,026

11.1 Bank balance includes Rs 33,572 thousand (December 31, 2018: Rs 15,343 thousand) carrying profit at the rate of 2.4% to 4% (December 31, 2018: 2.4% to 4%) per annum from Shariah arrangements.

### 12. CONTINGENCIES AND COMMITMENTS

12.1 There has been no material changes in contingencies as disclosed in the annual financial statements for the year ended December 31, 2018. Further, there has been no change in the status of pension case as disclosed in the annual financial statements for the year ended December 31, 2018. As also disclosed in the annual financial statements, under the circumstances, management of the Company, on the basis of legal advice, believes that the 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 financial statements.

	March 31, 2019 (Un-Audited) Rs '000	December 31, 2018 (Audited) Rs '000
<b>12.2 Bank guarantee and bid bonds</b>		
Universal Service Fund (USF)	4,530,296	4,530,296
Others	2,827,391	2,649,064
	7,357,687	7,179,360

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

### 12.3 Commitments

Commitments, in respect of contracts for capital expenditure amount to Rs 8,594,184 thousand (December 31, 2018: Rs 5,727,341 thousand).

### 13. REVENUE

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

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

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

	Three months ended	
	March 31, 2019 (Un-Audited) Rs '000	March 31, 2018 (Restated) Rs '000
<b>Revenue segments</b>		
Broadband and IPTV	7,024,605	6,637,453
Voice services	3,295,705	3,811,619
Wireless data	542,628	914,914
<b>Revenue from retail customers</b>	10,862,938	11,363,986
Corporate	1,881,893	1,703,413
Carrier and wholesale	3,318,973	2,692,959
International	1,801,009	2,210,004
<b>Total revenue</b>	17,864,813	17,970,362

13.1. Revenue is stated net of trade discount amounting to Rs 17,708 thousand (March 31, 2018 Rs 29,141 thousand) and Sales and other taxes directly attributable to sales amounting to Rs 2,396,871 thousand (March 31, 2018: Rs 2,320,272 thousand)

14. This includes loss allowance on trade debts and contract assets amounting to Rs 442,000 thousand (March 31, 2018: Rs 490,000 thousand).

	Note	Three months ended	
		March 31, 2019 (Un-Audited) Rs '000	March 31, 2018 (Un-Audited) Rs '000
<b>15. OTHER INCOME</b>			
Income from financial assets	15.1	720,606	328,111
Income from non-financial assets		286,471	243,530
		1,007,077	571,641

15.1 Income from financial assets include Rs 401 thousand (March 31, 2018: Rs 14 thousand) earned from Shariah arrangements.

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

FOR THE THREE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)

	Three months ended	
	March 31, 2019 (Un-Audited) Rs '000	March 31, 2018 (Restated) Rs '000
<b>16. CASH GENERATED FROM OPERATIONS</b>		
Profit before tax	2,913,654	2,696,590
Adjustments for non-cash charges and other items:		
Depreciation and impairment of property, plant and equipment	3,465,047	3,335,074
Amortization of intangible assets	101,347	107,698
Amortization of right of use assets	72,271	-
Amortization of contract cost	515,046	468,286
Impairment loss on trade debts and contract assets	442,000	490,000
Provision for employees retirement benefits	967,033	891,539
(Gain) / loss on disposal of property, plant and equipment	(34,162)	4,049
Return on bank deposits	(81,455)	(139,272)
Imputed interest on long term loans	9,917	(12,978)
Imputed interest on lease liability	30,150	-
Return on long term loan to subsidiaries	(281,587)	(79,925)
Gain on investment measured at fair value through P&L	(79,683)	(22,231)
Release of deferred government grants	(104,396)	(117,668)
	7,935,182	7,621,162
Effect on cash flows due to working capital changes:		
Decrease / (increase) in current assets:		
Stores and spares	834,915	(372,939)
Contract cost	(603,609)	(536,636)
Trade debts and contract assets	(3,693,283)	342,740
Loans and advances	(643,906)	(465,835)
Prepayments and other receivables	(572,124)	(497,659)
	(4,678,007)	(1,530,329)
Increase in current liabilities:		
Trade and other payables	994,971	396,764
Security deposits	3,273	25,346
	4,255,419	6,512,943
<b>17. CASH AND CASH EQUIVALENTS</b>		
Short term investments	5,041,874	18,804,787
Cash and bank balances	4,727,842	2,399,712
	9,769,716	21,204,499

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

FOR THE THREE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)

	Three months ended	
	March 31, 2019 (Un-Audited) Rs '000	March 31, 2018 (Un-Audited) Rs '000
<b>18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES</b>		
<b>Relationship with the Company</b>	<b>Nature of transaction</b>	
i. Shareholders	Technical services assistance fee - note 18.1	626,236
ii. Subsidiaries	Sale of goods and services	1,459,481
	Purchase of goods and services	682,590
	Mark up on long term loans	281,587
iii. Associated undertakings	Sale of goods and services	761,142
	Purchase of goods and services	171,085
iv. Employees contribution plan	PTCL Employees GPF Trust - net	13,733
v. Employees retirement benefit plan	Contribution to the plan- Gratuity	48,786
vi. Other related parties	Charge under license obligations	400,160
vii. Directors, Chief Executive and Key management personnel	Fee and remuneration including benefits and perquisites	650,884
		March 31, 2019 (Un-Audited) Rs '000
		December 31, 2018 (Audited) Rs '000
<b>Period / year-end balances</b>		
<b>Receivables from related parties</b>		
Long term loans to subsidiaries	10,000,000	10,000,000
Trade debts		
- Subsidiaries	1,803,651	331,634
- Associated undertakings	3,560,766	2,830,294
Other receivables		
- Subsidiaries	11,109,029	10,431,903
- Associated undertakings	71,305	71,305
- Pakistan Telecommunication Employees Trust (PTET)	5,248	2,777
- Long term loans to executives and key management personnel	152,559	156,693
Bank deposit with subsidiary	100	110

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

FOR THE THREE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)

	March 31, 2019 (Un-Audited) Rs '000	December 31, 2018 (Audited) Rs '000
<b>Payables to related parties</b>		
Trade creditors		
- Subsidiaries	1,187,441	1,024,635
- Associated undertakings	649,923	574,684
- The Government of Pakistan related entities	1,651,263	1,208,447
Security deposits from subsidiary	3,623	3,623
Retention money payable to associated undertakings	3,029	2,751
Technical services assistance 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

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.

### 19. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

	Gross amounts subject to setoff Rs '000	Offset Rs '000	Net amount Rs '000	Amount not in scope of offsetting Rs '000	Net as per statement of financial position Rs '000
<b>As at March 31, 2019</b>					
Trade debts and contract assets	4,428,286	(809,440)	3,618,846	23,588,254	27,207,099
Trade creditors	(1,534,792)	809,440	(725,352)	(10,300,546)	(11,025,898)
<b>As at December 31, 2018</b>					
Trade debts and contract assets	14,514,210	(8,203,905)	6,310,305	17,143,511	23,453,816
Trade creditors	(9,352,869)	8,203,905	(1,148,964)	(11,084,413)	(12,233,377)

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

FOR THE THREE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)

### 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, 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 financial statements of the Company for the year ended December 31, 2018.

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

### 21. CORRESPONDING FIGURES

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

#### Condensed Interim Statement of Profit or Loss

	As previously reported Rs '000	Reclassified Rs '000	As reclassified Rs '000
Revenue	17,579,313	391,049	17,970,362
Cost of services	(12,398,925)	(391,049)	(12,789,974)

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

22.1 The Board of Directors 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.

22.2 These condensed interim financial statements for the three months ended March 31, 2019 were authorized for issue by the Board of Directors of the Company on April 17, 2019.



Chief Financial Officer



President & CEO



Chairman



## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019 (UN-AUDITED)

Note	March 31, 2019 (Un-Audited) Rs '000	December 31, 2018 (Audited) Rs '000
<b>Equity and liabilities</b>		
<b>Equity</b>		
<b>Share capital and reserves</b>		
Share capital	51,000,000	51,000,000
Revenue reserves		
Insurance reserve	3,172,624	2,985,696
General reserve	27,497,072	27,497,072
Unappropriated profit	3,346,131	1,535,145
	34,015,827	32,017,913
Statutory and other reserves	221,601	221,601
Unrealized loss on investments measured at fair value through OCI	(866)	(29)
	85,236,562	83,239,485
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Long term loans from banks	22,375,000	24,408,332
Subordinated debt	599,640	599,640
Deposits from banking customers	4,051,839	3,400,885
Lease liabilities	6	15,558
Deferred income tax	8,610,405	8,975,585
Employees retirement benefits	29,218,041	28,594,794
Deferred government grants	18,423,245	18,720,796
Advances from customers	1,090,944	1,112,453
Long term vendor liability	25,084,052	26,951,860
	125,997,677	112,779,903
<b>Current liabilities</b>		
Trade and other payables	7	81,325,176
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	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
<b>Total equity and liabilities</b>	<b>335,989,042</b>	<b>319,118,198</b>

Contingencies and commitments 12

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

Chief Financial Officer

President &amp; CEO

Chairman

Note	March 31, 2019 (Un-Audited) Rs '000	December 31, 2018 (Audited) Rs '000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8	175,360,929
Right of use assets	6	20,191,651
Intangible assets		30,387,708
Long term investments		83,900
Long term loans and advances		819,737
Long term loan to banking customers		243,445
Contract costs		499,221
	227,586,591	210,365,630
<b>Current assets</b>		
Stock in trade, stores and spares		5,506,452
Trade debts and contract assets	9	19,880,915
Loans to banking customers		18,657,979
Loans and advances		2,529,968
Contract costs		2,033,465
Income tax recoverable		23,254,085
Receivable from the GoP		2,164,072
Deposits, prepayments and other receivables		10,362,632
Short term investments	10	16,218,502
Cash and bank balances	11	7,794,381
	108,402,451	108,752,568
<b>Total assets</b>	<b>335,989,042</b>	<b>319,118,198</b>

Contingencies and commitments 12

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

Chief Financial Officer

President &amp; CEO

Chairman

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

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)
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

These annexed notes 1 to 23 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 PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Three months ended	
	March 31, 2019 Rs '000	March 31, 2018 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

These annexed notes 1 to 23 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 PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Note	Three months ended	
		March 31, 2019 Rs '000	March 31, 2018 Rs '000 (Restated)
<b>Cash flows from operating activities</b>			
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)
<b>Net cash inflow from operating activities</b>		<b>7,728,887</b>	<b>7,568,129</b>
<b>Cash flows from investing activities</b>			
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
<b>Net cash outflow from investing activities</b>		<b>(4,931,657)</b>	<b>(1,392,540)</b>
<b>Cash flows from financing activities</b>			
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)
<b>Net cash outflow from financing activities</b>		<b>(5,988,010)</b>	<b>(3,438)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(3,190,780)</b>	<b>6,172,151</b>
Cash and cash equivalents at the beginning of the period		25,130,869	18,536,890
<b>Cash and cash equivalents at the end of the period</b>	17	<b>21,940,089</b>	<b>24,709,041</b>

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

Chief Financial Officer

President & CEO

Chairman

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Issued, subscribed and paid-up capital		Revenue 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	(28)	86,498,618
Total comprehensive income for the period - Restated	-	-	-	-	1,022,863	-	1,022,863
Profit for the three months period ended March 31, 2018	-	-	-	-	-	(99)	(99)
Other comprehensive income for the period	-	-	-	-	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	(127)	87,521,382
Total comprehensive income for the period	-	-	-	-	4,687,141	-	4,687,141
Profit for the nine months period ended December 31, 2018	-	-	-	-	(3,869,136)	98	(3,869,038)
Other comprehensive income	-	-	-	-	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	(29)	83,239,485
Total comprehensive income for the period	-	-	-	-	1,997,914	-	1,997,914
Profit for the three months period ended March 31, 2019	-	-	-	-	-	(837)	(837)
Other comprehensive income for the period	-	-	-	-	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	(866)	85,236,562

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

Chief Financial Officer

President & CEO

Chairman

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

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

### 2. STATEMENT OF COMPLIANCE

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

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

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

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

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

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

### 3. BASIS OF PREPARATION

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

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

### 5.1 Leases

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

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 lease.
- 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 (Un-Audited) Rs '000
<b>Lease liabilities</b>	
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 (Un-Audited) Rs '000
Present value of the future lease payments	19,193,624
Prepayments reclassified as right of use assets	1,791,510
	20,985,134

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

	Note	March 31, 2019 (Un-Audited) Rs '000
<b>Lease commitments</b>		
- Within one year		3,648,745
- Between 2 and 5 years		13,714,479
- After 5 years		8,852,918
<b>Total undiscounted lease commitments</b>		<b>26,216,142</b>
Discounted lease liability using the incremental borrowing rate		18,386,469
Current portion shown under current liabilities	6.1	(1,856,844)
Due after 12 months		16,529,625
Long term lease liability of Ubank		14,886
		16,544,511

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

	March 31, 2019 (Un-Audited) Rs '000
<b>Right of use assets</b>	
Balance as at January 01, 2019	20,985,134
Additions	48,474
Amortization for the period	(841,957)
<b>Balance as at March 31, 2019</b>	<b>20,191,651</b>
<b>Amounts recognized in condensed consolidated interim statement of profit or loss</b>	
Interest on lease liabilities	461,697
Amortization of right of use assets	841,957
	1,303,654

If IFRS 16 was not applicable then 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 the three months period ended March 31, 2019 as a result of the adoption of IFRS 16.

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

Note	March 31, 2019 (Un-Audited) Rs '000	December 31, 2018 (Audited) Rs '000	
<b>7 TRADE AND OTHER PAYABLES</b>			
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	
	81,817,993	81,325,176	
<b>8 PROPERTY, PLANT AND EQUIPMENT</b>			
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 (Un-Audited) Rs '000	March 31, 2018 (Un-Audited) Rs '000
<b>8.1 Operating fixed assets</b>			
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
<b>8.2 Detail of additions during the period:</b>			
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).

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	March 31, 2019 (Un-Audited) Rs '000	December 31, 2018 (Audited) Rs '000
<b>9 TRADE DEBTS AND CONTRACT ASSETS</b>		
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
<b>10. SHORT TERM INVESTMENTS</b>		
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
<b>11. CASH AND BANK BALANCES</b>		
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

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

### 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 (Un-Audited) Rs '000	December 31, 2018 (Audited) Rs '000
<b>12.2 Bank guarantees and bid bonds of Group issued in favor of:</b>		
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
<b>12.3 Commitments - Group</b>		
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

### 13. REVENUE

	Three months ended	
	March 31, 2019 (Un-Audited) Rs '000	March 31, 2018 (Restated) Rs '000
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
<b>Revenue from retail customers</b>	<b>26,557,762</b>	<b>23,795,719</b>
Corporate	2,436,527	2,209,427
Carrier and wholesale	2,602,935	1,855,844
International	1,937,740	2,430,934
<b>Total revenue</b>	<b>33,534,964</b>	<b>30,291,924</b>

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).

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

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
<b>15. OTHER INCOME</b>		
Income from financial assets	850,936	467,826
Income from non-financial assets	618,796	416,414
	1,469,732	884,240
<b>16. CASH GENERATED FROM OPERATIONS</b>		
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

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

	Three months ended	
	March 31, 2019 (Un-Audited) Rs '000	March 31, 2018 (Un-Audited) Rs '000
<b>17. CASH AND CASH EQUIVALENTS</b>		
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)	-
	21,940,089	24,709,041

### 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:

	Note	Wireline Rs '000	Wireless Rs '000	Banking Rs '000	Total Rs '000
Three months ended March 31, 2019					
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		15,862,973	16,184,878	1,487,113	33,534,964
Segment results		1,950,108	(103,045)	150,851	1,997,914
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		15,659,425	13,657,593	974,906	30,291,924
Segment results		1,742,425	(863,579)	144,017	1,022,863

18.1.1 Inter segment revenues are eliminated on consolidation.

	Wireline Rs '000	Wireless Rs '000	Banking Rs '000	Total Rs '000
As at March 31, 2019				
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

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

		Three months ended	
		March 31, 2019 (Un-Audited) Rs '000	March 31, 2018 (Un-Audited) Rs '000
<b>19. TRANSACTIONS WITH RELATED PARTIES</b>			
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 benefits plans	PTCL Gratuity Fund	48,786	13,179
	PTML Gratuity Fund	22,797	23,019
	Ubank Gratuity Fund	7,063	3,648
iv. Employees contribution plans	PTCL PTCL Employees GPF Trust - net	13,733	9,650
	PTML Provident Fund	26,354	25,280
	Ubank Provident Fund	6,453	3,634
v. Other related parties	PTCL Charges under license obligation	400,160	400,462
	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

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	March 31, 2019 (Un-Audited) Rs '000	December 31, 2018 (Audited) Rs '000
<b>Trade debts</b>		
- Associated undertakings	3,636,599	3,083,344
<b>Deposits, prepayments and other receivables</b>		
- 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
<b>Long term loans to executives and key management personnel</b>	225,812	241,317
<b>Trade and other payables</b>		
<b>Trade creditors</b>		
- 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
<b>PTML</b>		
- Gratuity Fund	20,816	98,332
- Provident Fund	21,430	-
- Remuneration payable to chief executive and key management personnels	4,494	-
<b>Ubank</b>		
- Gratuity Fund	25,116	12,097
- Provident Fund	16,100	9,037

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

### 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 December 31, 2018. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments form those as disclosed in the audited consolidated financial statements of the Group for the year ended December 31, 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 Rs '000	Reclassification Rs '000	As reclassified Rs '000
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 These condensed consolidated interim financial statements for the three months period ended March 31, 2019 were authorised for issue by the Board of Directors of the Holding Company on April 17, 2019.



Chief Financial Officer



President & CEO



Chairman

