

Annexes

Annex - 1

PAKISTAN TELECOMMUNICATION AUTHORITY BALANCE SHEET AS AT JUNE 30, 2008

Note	2008 Rupees	2007 Rupees	Note	2008 Rupees	2007 Rupees
PAKISTAN TELECOMMUNICATION AUTHORITY FUND					
NON-CURRENT LIABILITIES					
7	78,984,013,500	64,875,169,500	16	515,947,174	371,163,876
PAYABLE AGAINST INITIAL LICENSE FEE			PROPERTY, PLANT AND EQUIPMENT		
8	(37,180,546,749)	(35,785,168,689)	17	4,288,439	4,306,979
LESS CONTRIBUTION TO:					
9	(5,120,284,985)	(5,019,568,230)			
Federal Consolidated Fund					
The Federal Government on account of USF					
36,683,181,766	24,070,432,581				
DEFERRED INCOME					
10	7,447,825,158	7,488,774,416	18	20,000,000	20,000,000
DEFERRED LIABILITIES			INITIAL LICENSE FEE RECEIVABLE		
11	34,831,840	30,974,439	19	59,576,810,000	42,822,700,000
			LONG TERM ADVANCES TO EMPLOYEES		
			20	17,245,589	27,437,347
CURRENT LIABILITIES					
12	702,176,856	739,358,541	CURRENT ASSETS		
Due to Federal Government			21	7,425,201,466	10,268,725,468
Due to Government of AJK&N	433,222,682	1,319,102,664	Fee Receivable		
Due to the Federal Government for Spectrum Receipts in USF	-	1,769,280,000	Tax paid in advance		
Universal Service Fund and Research & Development Fund	1,653,260,911	3,346,860,291	Universal Service Fund and Research & Development Fund Receivable		
Universal Service Fund AJK&N	49,918,545	-			
Advance fee	19,489,031	2,865,676			
Provision for Taxation	804,609,898	-			
Accrued and Other Liabilities	10,887,156	8,568,740			
CONTINGENCIES AND COMMITMENTS					
14	3,673,565,079	7,186,035,912	22	57,555,568	146,989,542
15	-	-	23	1,719,655,362	4,690,206,747
				11,702,438,528	18,032,141,192
	71,836,729,730	61,277,749,394			

AUDITORS' REPORT ANNEXED

The annexed notes form an integral part of these financial statements.

Member (Finance)

Chairman

PAKISTAN TELECOMMUNICATION AUTHORITY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Note</u>	<u>2008</u> <u>Rupees</u>	<u>2007</u> <u>Rupees</u>
INCOME			
Annual License Fee	24	2,498,539,980	2,315,816,810
Initial License Fee	9	50,149,258	48,844,883
		2,548,689,238	2,364,661,693
EXPENDITURE			
Salaries, Allowances and Staff Expenses	25	273,676,722	176,445,310
General Overheads	26	89,588,321	97,567,092
Depreciation	16	54,795,114	47,395,172
Audit Fee		300,000	165,000
Financial Charges		4,241	16,873
		418,364,398	321,589,447
Operating Surplus		2,130,324,840	2,043,072,246
Other Income	27	170,078,899	248,815,967
Surplus for the Year		2,300,403,739	2,291,888,213
Provision for Taxation		804,609,898	-
Net Surplus for the Year		1,495,793,841	2,291,888,213
Accumulated Surplus Brought Forward		22,461,798,218	20,169,910,005
Accumulated Surplus Carried Forward to PTA Fund	6	23,957,592,059	22,461,798,218

Member (Finance)

Chairman

PAKISTAN TELECOMMUNICATION AUTHORITY
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2008

	2008 <u>Rupees</u>	2007 <u>Rupees</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	2,300,403,739	2,291,888,213
Adjustments for:		
Depreciation	54,795,114	47,395,172
Exchange gain	(465,002)	(70,986,505)
Gain on sale of fixed assets	-	(826,715)
Amortization of initial license fee	(50,149,258)	(48,844,883)
Profit on investment and bank deposits	(40,716,378)	(132,493,575)
Rental Income	-	4,032,525
Provision for Pension, CPF & Gratuity	-	7,885,408
Prior year adjustment	(267,526,298)	-
	(304,061,822)	(193,838,573)
Surplus before working capital changes	1,996,341,917	2,098,049,640
Working capital changes:		
Decrease/(increase) in fee receivable	2,843,524,002	(1,772,615,341)
(Decrease)/increase in advances, prepayments and other receivables	(83,205,292)	(13,717,090)
(Decrease)/increase in advance fee	16,623,355	(3,833,982)
(Decrease)/increase in accrued and other liabilities	2,318,416	1,492,892
(Decrease)/Increase in deferred liabilities	3,857,401	30,974,439
	2,783,117,882	(1,757,699,082)
Cash generated from/(used in) operations	4,779,459,799	340,350,558
Gratuity paid	(17,722,070)	(731,820)
Pension paid	(342,114)	(378,911)
Financial charges paid	(4,241)	(16,873)
	(18,068,425)	(1,127,604)
Net cash generated from/ (used in) operating activities	4,761,391,374	339,222,954
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(176,198,197)	(57,429,435)
Proceeds from sale of fixed assets	-	826,715
Profit received on investment and bank deposits	433,333	168,169,375
Initial license fee received	-	3,197,283,268
Contribution to Federal Consolidated Fund	(5,000,000,000)	(5,728,591,003)
Universal Service and Research and Development Fund	(2,432,500,000)	(3,250,288,230)
Funds transferred to FAB	(235,793,816)	(267,526,298)
Receipts against AJK & NAs	100,716,755	-
Universal Service and Research and Development Fund	-	2,424,615,185
Long term advances to employees	11,399,166	(2,156,297)
	(7,731,942,759)	(3,515,096,720)
Net cash (used in)/generated from investing activities	(2,970,551,385)	(3,175,873,766)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash (decrease) / increase in cash and cash equivalents	(2,970,551,385)	(3,175,873,766)
Cash and cash equivalents at the beginning of the year	4,690,206,747	7,866,080,513
Cash and cash equivalents at the end of the year	1,719,655,362	4,690,206,747

Member (Finance)

Chairman

Annex - 2

Telecom Revenues by Service

Rs. Million

		2003-04	2004-05	2005-06	2006-07	2007- 08
1	Cellular	27,839.8	48,880.4	89,896.3	133,131.9	182,080.9
2	Fixed Line	78,931.5	82,775.2	90,839.0	86,580.5	88,577.7
5	VAS (Estimated)	10,056.0	12,570.0	13,827.0	15,901.1	7800.0
	Total	116,827.3	144,225.6	194,562.3	235,613.4	278,458.7

*Fixed Line includes FLL,WLL and LDI

** 2008 PTCL Revenues are Estimated based on Three Quarters

Annex - 3

Cellular Mobile Subscribers Net Addition by Company

	Mobilink	CMPak	Paktel	Instaphone	Telenor	Warid	Total
1997-98	30,312	-	20,602	10,155	-	-	61,069
1998-99	4,644	-	10,000	54,874	-	-	69,518
1999-00	26,716	-	10,221	3,942	-	-	40,879
2000-01	195,000	116,711	16,402	108,000	-	-	436,113
2001-02	490,728	233,289	121,913	110,000	-	-	955,930
2002-03	315,000	200,000	100,864	90,000	-	-	705,864
2003-04	2,100,989	251,160	150,621	115,738	-	-	2,618,508
2004-05	4,253,096	1,777,943	454,465	(81,591)	835,727	508,655	7,748,295
2005-06	9,736,470	4,907,902	116,017	(117,451)	2,737,933	4,354,483	21,735,354
2006-07	9,060,775	6,528,055	(15,940)	(3,615)	7,127,673	5,757,248	28,454,196
2007-08	5,766,033	4,085,380	2,926,195	(11,947)	7,423,856	4,869,472	25,058,989

Annex - 4

Cellular Mobile Subscribers by Province (2007-08)

	Punjab	Sindh	NWFP	Balochistan	AJK & NAs	Total
Mobilink	19,364,085	7,881,920	3,258,929	951,769	575,6 60	32,032,363
Ufone	10,736,933	4,645,316	2,023,176	531,183	163,832	18,100,440
CMPak	2,151,066	848,994	874,618	76,080	14,500	3,965,258
Instaphone	175,386	101,672	31,360	31,360	---	339,778
Telenor	9,765,115	5,312,459	2,066,336	448,225	533,054	18,125,189
Warid	9,820,686	4,286,022	1,014,703	168,026	200,421	15,489,858
Total	52,013,271	23,076,383	9,269,122	2,206,643	1,487,467	88,052,886

Annex - 5

Cellular Mobile ARPU/ m (US\$)

	Mobilink	Ufone	CMPak	Instaphone	Telenor	Warid	Total
2006-07	3.8	2.8	3.3	2.1	4.0	2.5	3.2
2007-08	3.5	2.1	1.6	0.9	3.9	2.7	3.1

Annex - 6

Total Investment in Cellular Mobile

US\$ Million

S.No	Operator	2004	2004-05	2005-06	2006-07	2007-08
1	Mobilink	534.0	459.0	679.0	591	918.74
2	Ufone	89.0	162.0	59.0	232.0	174.00
3	CMPak	32.0	236.0	81.0	704.0	200.25
4	Instaphone	11.1	29.3	-	8.5	0.31
5	Telenor	-	259.5	352.0	761.0	564.74
6	Warid Telecom	-	198.1	155.9	422.2	479.63
Total		666.1	1,314.9	1,326.9	2,718.7	2,395.7

Annex - 7

Local Loop Subscribers

	2004-05	2005-06	2006-07	2007-08
PTCL	5,190,899	5,128,442	4,676,204	4,273,548
NTC	81,027	92,163	99,665	103,991
WorlCall	4,100	9,135	10,748	11,502
Brain	1,520	5,880	6,089	7,376
Uninon Comm.		200	2,500	3,500
Nayatel			11,000	16,500
Total	5,277,546	5,235,820	4,806,206	4,416,417

Annex - 8

WLL Province wise Cell Sites (2008)

	Punjab	Sindh	NWFP	Balochistan	Total
PTCL	808	329	222	89	1,448
Worldcall	156	98	13	-	267
Telecard	157	120	18	10	305
Great Bear	42	-	-	-	42
Wateen	552	220	46	15	833
Mytel	-	-	2	-	2
Total	1,715	767	301	114	2,897

Annex - 9

Cellular Subscribers in AJK & NAs

Name of Company	2006-07			2007-08		
	AJK	NA	Total	AJK	NAs	Total
Mobilink	303,461	701	304,162	515,510	60,150	575,660
Ufone	92,813	-	92,813	163,833	-	163,833
CMPak	-	-	-	14,500	-	14,500
Telenor	311,925	39,148	351,073	455,067	77,987	533,054
Warid	60,138	-	60,138	200,422	-	200,422
SCO	80,112	23,929	104,041	96,000	30,000	126,000
Total	848,449	63,778	912,227	1,445,332	168,137	1,613,469

Pakistan Telecommunication Authority
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