

Quarterly Report

March 31, 2021

WorldCall Telecom Limited





**CONDENSED INTERIM
FINANCIAL INFORMATION
(UN-AUDITED)**

QUARTERLY REPORT 2021





VISION

We at Worldcall are committed to achieving dynamic growth and service excellence by being at the cutting edge of technological innovation. We strive to consistently meet and surpass customers', employees' and stake-holders' expectations by offering state-of-the-art telecom solutions with national & international footprints. We feel pride in making efforts to position Worldcall and Pakistan in the forefront of international arena.

MISSION STATEMENT

In the telecom market of Pakistan, Worldcall to have an overwhelming impact on the basis of following benchmarks:

Create new standards of product offering in basic and value added telephony by being more cost effective, easily accessible and dependable. Thus ensuring real value for money to all segments of market.

Be a leader within indigenous operators in terms of market share, gross revenues and ARPU within five years and maintain the same positioning thereafter.

Achieve utmost customer satisfaction by setting up high standards of technical quality and service delivery.

Ensuring the most profitable and sustainable patterns of ROI (Return on Investment) for the stake-holders.



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COMPANY INFORMATION

Chairman	Mr. Muhammad Shoaib
Chief Executive Officer	Mr. Babar Ali Syed
Board of Directors	Mr. Muhammad Shoaib (Chairman) Mr. Muhammad Azhar Saeed Mr. Faisal Ahmed Mr. Mubasher Lucman Mrs. Hina Babar Mr. Mansoor Ali Mr. Tariq Hasan
Chief Financial Officer	Mr. Muhammad Azhar Saeed, FCA
Executive Committee	Mr. Muhammad Shoaib (Chairman) Mr. Babar Ali Syed (Member) Mr. Muhammad Azhar Saeed (Member) Mr. Faisal Ahmed (Member) Mr. Muhammad Zaki Munawar (Secretary)
Audit Committee	Mr. Mubasher Lucman (Chairman) Mr. Faisal Ahmed (Member) Mrs. Hina Babar (Member) Mr. Mansoor Ali (Member) Mr. Ansar Iqbal Chauhan (Secretary)
Human Resource & Remuneration Committee	Mr. Muhammad Shoaib (Chairman) Mr. Babar Ali Syed (Member) Mr. Muhammad Azhar Saeed (Member) Mrs. Hina Babar (Member) Mr. Mansoor Ali (Member) Mr. Muhammad Zaki Munawar (Secretary)
Chief Internal Auditor	Mr. Ansar Iqbal Chauhan
Company Secretary	Mr. Muhammad Zaki Munawar, FCCA
Auditors	NASIR JAVAID MAQSOOD IMRAN Chartered Accountants
Legal Advisers	M/s Miankot & Co. Barristers, Advocates & Corporate Legal Consultant

**Bankers**

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
BankIslami (Pakistan) Limited
MCB Bank Limited
National Bank of Pakistan
Pak Oman Investment Co. Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
Telenor Microfinance Bank Limited
The Bank of Punjab
United Bank Limited
Silkbank Limited
Meezan Bank Limited
Mobilink Microfinance Bank Limited

Registrar and Shares Transfer Office

THK Associates (Pvt.) Limited
1st Floor, 40-C, Block-6, P.E.C.H.S.,
Karachi-75400.
Tel: (021) 111-000-322

Registered Office/Head Office

Plot No. 112/113, Block S,
Quaid-e-Azam Industrial Estate, Kot Lakhpat
Lahore - Pakistan
Tel: (+92 42) 3540 0544
Fax: (+92 42) 3540 0609

Webpage

www.worldcall.com.pk
www.worldcall.net.pk



DIRECTORS' REVIEW REPORT

The Board of Directors of Worldcall Telecom Limited ("Worldcall" or the "Company") is pleased to present its review report along with condensed interim standalone and consolidated financial information for the first quarter ended March 31, 2021.

Economic Overview

Macroeconomic variables propelling economic growth of the country tend to be directly proportional with linear fiscal policies, balance of power & autonomy at the national level and overall geo-political stability. The primary variables mentioned herein above have spiraled beyond rational calculations owing to democratic setup pitted against dynasty and have marred any reasonable prospects of sustainable growth. These unstipulated impediments have primarily contributed to hyperinflation, below bottom-line per capita income of the masses when compared with demographic trends continuum in this part of the globe, policy changes by the minute and ever decreasing living standards when gauged with general access to basic necessities/ commodities for survival. Inculcation of economic awareness wrt available resources at disposal is a must with simultaneous realization and approach of conservation at grass root level. With inevitable next tranche from International Monetary Fund (IMF) appearing so near yet so far, some stringent measures in long term interests of the economy are both expected and needed.

Financial Overview

Standalone Financial Statements

Summary of financial results for the first quarter ended March 31, 2021 are as follows:

Particulars	1st Quarter March 31, 2021	1st Quarter March 31, 2020
	Rs. in million	
Revenue-net	691	1,249
Direct Cost (excluding depreciation and Amortization)	(600)	(541)
Other Income	48	(54)
EBITDA	37	520
Depreciation and Amortization	(264)	(312)
Finance Cost	(70)	(150)
Profit/(Loss) after tax	(308)	39

During the period under review, the Company closed its financial results reporting Rs308 million as loss after tax. The company experienced decrease of Rs 347 million in its revenue as compared to the corresponding period previous year; aligning with Company's long term strategy of reinvesting cash generated from core segments in underutilized potentially lucrative conglomerate ventures which would eventually come around at par with primary businesses instead of lending marginal support to the latter.

**Consolidated Financial Statements**

Condensed interim consolidated financial statements comprise the financial results of WorldCall Telecom Limited (Parent Company) consolidated with Route 1 Digital (Private) Limited (Subsidiary Company). Route 1 Digital is a private limited Company incorporated in Pakistan on December 21, 2016 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The primary business is to carry out the business of all transport services, sharing motor vehicle transportation with another or others, and consultancy in the field of information technology, software development and all activities ancillary thereto. The Group acquired this subsidiary during the year ended December 31, 2018 for which control was obtained on April 20, 2018.

Earnings per Share

The loss per share of the Company on a consolidated as well as on standalone basis is Rupees 0.12 per share.

Future Outlook

Apart from long-term goal of making internet accessible to every individual by the day, we at WorldCall have set our eyes on alternate revenue streams & conglomerate ventures thereby aligning with the long term strategy of non-reliance on primary line of business.

Company's staff and customers

We take this opportunity to show our utmost gratitude towards die-hard WTL family members who propel us towards achievement of vision envisaged and strive for better. It is their unwavering faith in abilities and potential of the enterprise to grow exponentially in conjunction to each other that has made challenging times fathomable.

For and on behalf of the Board of Directors

Lahore, Pakistan
July 16, 2022


Babar Ali Syed
Chief Executive Officer



فی شیئر آمدنی

کمپنی نے انفرادی اور مجموعی طور پر فی ہصصہ 0.12 روپے تخمینہ قرار دیا ہے۔

مستقبل کا نظریہ

روز بروز ہر فرد کے لیے انٹرنیٹ تک رسائی کے طویل المدتی ہدف کے علاوہ، ورلڈ کال پر ہم نے اپنی نظریں تبادلہ آمدنی کے سلسلے اور اجتماعی منصوبوں پر مرکوز کر رکھی ہیں اور اس طرح کاروبار کی بنیادی لائن پر عدم انحصار کی طویل مدتی حکمت عملی کے ساتھ ہم آہنگ ہیں۔

کمپنی کا عملہ اور صارفین

ہم اس موقع پر ورلڈ کال ٹیلی کام لمیٹڈ کے فیملی ممبران کے تمام افراد کے تہہ دل سے شکر گزار ہیں جو ہمارے دھن کے حصول میں اپنی بہترین صلاحیتوں کو بروئے کار لاتے ہوئے کوشاں ہیں۔ ہم ایک دوسرے کے ساتھ مل کر جیزی سے آگے بڑھنے کی صلاحیتوں پر ان کا غیر متزلزل یقین ہے جس نے مشکل وقت کو قابل فہم بنا دیا ہے۔

بحکم بورڈ آف ڈائریکٹرز

Balaram

بابر علی سید

چیف ایگزیکٹو آفیسر

16 جولائی 2022

(نوٹ: اردو متن میں کسی ابہام کی صورت میں انگریزی متن کو ترجیح دی جائے۔)



ڈائریکٹرز کی جائزہ رپورٹ

ورلڈ کال ٹیلی کام لمیٹڈ ("ورلڈ کال" یا "کمپنی") کے بورڈ آف ڈائریکٹرز 31 مارچ 2021 کو ختم ہونے والی پہلی سہ ماہی کے لئے اپنی جائزہ رپورٹ کے ساتھ عبوری اور مستحکم مالی بیانات کی معلومات پیش کرنے پر خوش ہیں۔

معاشی جائزہ

ملک کی معاشی ترقی کو آگے بڑھانے والے Macroeconomic متغیرات لکیری مالیاتی پالیسیوں، قومی سطح پر طاقت اور خود مختاری کے توازن اور مجموعی جغرافیائی سیاسی استحکام کے ساتھ براہ راست متناسب ہوتے ہیں۔ یہاں جن بنیادی متغیرات کا ذکر کیا گیا ہے وہ خاندانی نظام کے خلاف جمہوری سیٹ اپ کی وجہ سے عقلی حساب سے آگے بڑھ گئے ہیں اور پائیدار ترقی کے کسی بھی معقول امکان کا کوئی متاثرہ کر چکے ہیں۔ ان غیر معقولہ رکاوٹوں نے بنیادی طور پر افراط زر میں اہم کردار ادا کیا ہے، جب دنیا کے اس حصے میں آبادیاتی رجحانات کے تسلسل کے ساتھ موازنہ کیا جائے تو عوام کی فی کس آمدنی سے نیچے، پالیسیوں میں لمحہ بھر تبدیلیاں اور بنیادی ضروریات تک عام رسائی کے ساتھ معیار زندگی میں کمی آتی ہے۔ / ہٹا کے لیے اشیاء غلیظ پر تحفظ کے لیے بیک وقت ادراک اور نقطہ نظر کے ساتھ دستیاب وسائل کے ساتھ معاشی بیداری کا فروغ ضروری ہے۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کی جانب سے اگلی قسط ابھی تک ناگزیر نظر آ رہی ہے، معیشت کے طویل مدتی مفادات میں کچھ سخت اقدامات اور ضرورت دونوں متوقع ہیں۔

مالیاتی جائزہ۔ علیحدہ معاشی بیانیے

31 مارچ 2021 کو ختم ہونے والی پہلی سہ ماہی کے مالی نتائج کا خلاصہ مندرجہ ذیل ہے۔

Particulars	1st Quarter March 31, 2021	1st Quarter March 31, 2020
	Rs. in million	
Revenue-net	691	1,249
Direct Cost (excluding depreciation and Amortization)	(600)	(541)
Other Income	48	(54)
EBITDA	37	520
Depreciation and Amortization	(264)	(312)
Finance Cost	(70)	(150)
Profit/(Loss) after tax	(308)	39

زیر جائزہ مدت کے دوران، کمپنی نے 308 ملین روپے کے بعد ٹیکس کے نقصان کی اطلاع دیتے ہوئے اپنے مالیاتی نتائج کو بہد کیا۔ کمپنی نے گزشتہ سال کی اسی مدت کے مقابلے میں اپنی آمدنی میں 347 ملین روپے کی کمی کا تجربہ کیا۔ کمپنی کی طویل مدتی حکمت عملی کے مطابق بنیادی حصوں سے پیدا ہونے والی رقم کو کم استعمال شدہ مکتدہ طور پر منافع بخش اجتماعی منصوبوں میں دوبارہ سرمایہ کاری کرنے کی حکمت عملی کے ساتھ جو کہ آخرا کو معمولی مدد دینے کے بجائے بنیادی کاروباروں کے برابر آئے گی۔

مجموعی مالیاتی بیانات

عبوری مستحکم مالی بیانات روٹ 1 ڈیجیٹل (پرائیوٹ) لمیٹڈ (ماحتہ کمپنی) کے ساتھ مل کر ورلڈ کال ٹیلی کام لمیٹڈ (پبلک کمپنی) کے مالی نتائج پر مشتمل ہیں۔ روٹ 1 ڈیجیٹل ایک پرائیوٹ لمیٹڈ کمپنی ہے جو 21 دسمبر 2016 کو کمپنیز آرڈیننس، 1984 (جو کہ کمپنیز ایکٹ، 2017 ہے) انکارپورٹ ہوئی۔ اس کا بنیادی کاروبار تمام نقل و حمل کی خدمات، کسی دوسرے یا دوسروں کے ساتھ موٹر گاڑی کی نقل و حمل کا اشتراک، اور انفارمیشن ٹیکنالوجی کے میدان میں، سافٹ ویئر کی ترقی اور تمام سرگرمیوں کی مدد سے متعلق ہے۔ اس گروپ نے 31 دسمبر، 2018 کو ختم ہونے والے سال کے دوران اس ذیلی ادارہ کو حاصل کیا جس کے لئے 20 اپریل، 2018 کو کنٹرول حاصل کیا گیا تھا۔



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021

AS AT MARCH 31, 2021		March 31, 2021	December 31, 2020
		Un-audited	Audited
Note		----- (Rupees in '000) -----	
SHARE CAPITAL AND RESERVES			
Authorized share capital		29,000,000	29,000,000
Ordinary share capital	5	11,863,206	11,863,206
Preference share capital	6	1,963,178	1,963,178
Dividend on preference shares	7	715,652	715,652
Capital reserves	8	457,293	449,551
Accumulated loss		(13,040,957)	(12,801,935)
Surplus on revaluation of fixed assets	9	2,233,827	2,318,768
		4,192,199	4,508,420
NON-CURRENT LIABILITIES			
Term finance certificates	10	1,378,081	1,433,280
Long term financing	11	159,776	68,635
Sponsor's loan	12	1,317,383	1,345,289
License fee payable	13	45,513	45,513
Post employment benefits		213,618	203,133
Long term deposit		86,103	86,103
Lease liabilities	14	172,496	172,671
		3,372,970	3,354,624
CURRENT LIABILITIES			
Trade and other payables		6,251,734	6,230,153
Unearned revenue		29,243	-
Accrued mark up		266,545	278,318
Current and overdue portion of non-current liabilities		676,728	590,872
Short term borrowings	15	403,609	487,360
Unclaimed dividend		1,807	1,807
Provision for taxation - net		339,743	331,715
		7,969,409	7,920,225
Contingencies and Commitments			
	16	-	-
TOTAL EQUITY AND LIABILITIES			
		15,534,578	15,783,269
NON-CURRENT ASSETS			
Property, plant and equipment	17	6,095,776	6,204,805
Right of use assets	18	3,619,065	3,680,465
Intangible assets		1,313,165	1,402,655
Investment properties		49,958	49,958
Long term investment	19	50,000	50,000
Deferred taxation		2,373,018	2,389,069
Long term deposits		17,236	17,221
		13,518,218	13,794,173
CURRENT ASSETS			
Stores and spares		31,105	32,595
Stock-in-trade		204,777	204,777
Trade debts		881,455	807,879
Loans and advances		167,619	209,200
Deposits and prepayments		536,062	533,457
Short term investments		59,416	51,674
Other receivables		96,483	93,074
Cash and bank balances		39,443	56,440
		2,016,360	1,989,096
TOTAL ASSETS			
		15,534,578	15,783,269

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
(UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

	Quarter ended March 31,	
	2021	2020
	(Un-audited)	(Un-audited)
	----- (Rupees in '000) -----	
Revenue	690,589	1,249,240
Direct costs excluding depreciation and amortization	(600,235)	(541,047)
Operating costs	(101,373)	(133,971)
Other income	47,774	(54,228)
Profit before Interest, Taxation, Depreciation and Amortization	36,755	519,994
Depreciation and amortization	(264,033)	(312,221)
Finance cost	(70,238)	(149,969)
(Loss) / Profit before Taxation	(297,516)	57,804
Taxation	(10,396)	(18,805)
Net Profit for the Year	(307,912)	38,999
Earnings / (Loss) per Share - basic (Rupees)	(0.12)	0.02
Earnings / (Loss) per Share - diluted (Rupees)	(0.12)	0.01

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

	Quarter ended March 31,	
	2021	2020
	(Un-audited)	(Un-audited)
	------(Rupees in '000)-----	
Net Profit for the Year	(307,912)	38,999
Other comprehensive income:		
<i>Items that will not be reclassified to profit or loss:</i>		
- Changes in fair value of financial assets through other comprehensive income - net of tax	7,742	(13,594)
<i>Item that may be subsequently reclassified to profit or loss:</i>	-	-
Other Comprehensive Income - net of tax	7,742	(13,594)
Total Comprehensive Income for the Year - net of tax	<u>(300,170)</u>	<u>25,405</u>

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer



CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2021

		Quarter ended March 31,	
		2021	2020
		(Un-audited)	(Un-audited)
Note		------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	20	81,860	24,946
<i>Decrease / (Increase) in non-current assets:</i>			
- Long term deposits		(15)	-
		(15)	-
		81,845	24,946
Post employment benefits paid		-	(6,925)
Finance cost paid		(2,356)	(2,571)
Income tax paid		(2,368)	(2,529)
Net Cash Used in Operating Activities		77,121	12,921
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(64,103)	(2,485)
Dividend income		-	49
Income on deposit and savings accounts		195	261
Proceeds from disposal of property, plant and equipment		-	39
Net Cash Used in Investing Activities		(63,908)	(2,136)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(3,459)	(14,103)
Sponsor's loan		(6,306)	-
Short term borrowings - net		(13,021)	51,241
Repayment of lease liability		(7,424)	(13,260)
Net Cash Generated from Financing Activities		(30,210)	23,878
Net Increase / (Decrease) in Cash and Cash Equivalents		(16,997)	34,663
Cash and cash equivalents at the beginning of the year		56,440	40,083
Cash and Cash Equivalents at the End of the Year		39,443	74,746

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer



STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED MARCH 31, 2021

Particulars	Ordinary Share Capital	Preference Share Capital	Dividend on Preference Shares	Capital Reserves			Revenue Reserve (Accumulated Loss)	Surplus on Revaluation of Fixed Assets	Total
				Fair Value Reserve	Exchange Transition Reserve	Total Capital Reserves			
				(Rupees in '000)					
Balance as at December 31, 2019	11,615,252	2,114,651	772,136	26,310	502,763	476,453	(13,186,813)	1,247,166	3,038,845
Net profit for the period	-	-	-	-	-	-	-	-	38,999
Other comprehensive income for the year - net of tax	-	-	-	(13,594)	-	(13,594)	-	-	(13,594)
Total comprehensive income for the year - net of tax	-	-	-	(13,594)	-	(13,594)	38,999	-	25,405
Incremental depreciation / amortization for the year on surplus on revaluation of fixed assets	-	-	-	-	-	-	55,997	(55,997)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(8,637)	(8,637)
Balance as at March 31, 2020	11,615,252	2,114,651	772,136	(39,904)	502,763	462,859	(13,091,817)	1,182,532	3,055,613
Net loss for the period	-	-	-	26,689	-	26,689	(185,336)	-	(185,336)
Other comprehensive income for the year - net of tax	-	-	-	-	-	-	16,447	1,491,000	1,534,136
Total comprehensive income for the year - net of tax	-	-	-	26,689	-	26,689	(168,889)	1,491,000	1,348,800
Adjustment of Surplus on retirement of intangible assets	-	-	-	-	-	-	360,483	(255,943)	104,540
Incremental depreciation / amortization for the year on surplus on revaluation of fixed assets	-	-	-	-	-	-	98,288	(98,288)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(533)	(533)
Conversion of preference shares and dividend thereon	2,077,115	(151,473)	(56,484)	-	(39,997)	(39,997)	-	-	1,829,161
Discount on issuances of ordinary shares	(1,829,161)	-	-	-	-	-	-	-	(1,829,161)
Total transactions with owners, recognized directly in equity	247,954	(151,473)	(56,484)	-	(39,997)	(39,997)	-	-	-
Balance as at December 31, 2020	11,863,206	1,963,178	715,652	(13,215)	462,766	449,551	(12,801,935)	2,318,768	4,508,420
Net profit for the year	-	-	-	7,742	-	7,742	(307,912)	-	(307,912)
Other comprehensive income for the year - net of tax	-	-	-	-	-	-	-	-	7,742
Total comprehensive income for the year - net of tax	-	-	-	7,742	-	7,742	(307,912)	-	(300,170)
Adjustment of Surplus on retirement of intangible assets	-	-	-	-	-	-	-	-	-
Incremental depreciation / amortization for the year on surplus on revaluation of fixed assets	-	-	-	-	-	-	68,890	(68,890)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(16,051)	(16,051)
Conversion of preference shares and dividend thereon	-	-	-	-	-	-	-	-	-
Discount on issuances of ordinary shares	-	-	-	-	-	-	-	-	-
Total transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	11,863,206	1,963,178	715,652	(5,473)	462,766	457,293	(13,040,957)	2,233,827	4,192,199

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

Balanda
Chief Executive Officer

N. B. Singh
Director

N. B. Singh
Chief Financial Officer



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2021

Note 1

The Company and its Operations

- 1.1 Worldcall Telecom Limited ("the Company") is a public limited Company incorporated in Pakistan on March 15, 2001 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange. The Company commenced its operations on December 01, 2004 and is engaged in providing Wireless Local Loop ("WLL") and Long Distance & International ("LDI") services in Pakistan; re-broadcasting international/national satellite/terrestrial wireless and cable television and radio signals; interactive communication and to establish, maintain and operate the licensed telephony services. The Company has been licensed by Pakistan Telecommunication Authority ("PTA") and Pakistan Electronic Media Regulatory Authority ("PEMRA") for these purposes. The Company is domiciled in Pakistan and its registered office cum principal place of business is situated at Plot # 1566/124, Main Walton Road, Lahore Cantt.

Worldcall Services (Pvt.) Limited (the "Parent Company"), incorporated in Pakistan, owns 36.87 % (2020: 36.87%) ordinary shares of the Company. Aggregate holding of Worldcall Services (Private) Limited through other associates is 40.83% (2020: 42.14%)

Note 2

Basis of Preparation

- 2.1 These condensed interim financial statements are the separate condensed financial statements of the Company in which investment in subsidiary is stated at cost. Condensed consolidated interim financial statements are prepared separately.
- 2.2 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.

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

- 2.3 These condensed interim financial statements are unaudited.
- 2.4 These condensed interim financial statements (un-audited) do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2020. Selected explanatory notes are included to explain events and transactions that are significant to understanding of the changes in the Company's financial statements since the last financial statements.
- 2.5 These condensed interim financial statements (un-audited) should be read in conjunction with annual audited financial statements for the year ended December 31, 2020. Comparative statement of financial position is extracted from annual audited financial statements for the year ended December 31, 2020 whereas comparative statement of profit or loss, comparative statement of comprehensive income, comparative statement of changes in equity and comparative statement of cash flows are extracted from unaudited condensed interim financial statements for the quarter ended March 31, 2020 and are adjusted in line with restatement done on year ended December 31, 2020.
- 2.6 These condensed interim (un-audited) financial statements are presented in Pak Rupees, which is the Company's functional and presentational currency. All the figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.
- 2.7 **Going concern assumption**
- 2.7.1 The Company has earned a loss after taxation of Rs. 307.912 million during the period ended March 31, 2021 (March 2020: profit after taxation of Rs. 38.999 million) which includes the impact of write back of liabilities for Rs. 15.067 million (March 2020: Rs. Nil). As at March 31, 2021, the accumulated loss of the Company stands at Rs. 13,040.957 million (December 31, 2020: Rs. 12,801.935 million) and its current liabilities exceed its current assets by Rs. 5,953.049 million (December 31, 2020: Rs. 5,931.129 million). These conditions, along with the other factors like declining revenue and contingencies and commitments as mentioned in note 16, indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company's management has carried out an assessment of going concern status of the Company and believes that preparation of these financial statements on going concern assumption is appropriate. The management has placed reliance on the following factors:

**2.7.2 Net Liabilities Position - Risk Mitigation**

As mentioned above, there is a net current liability position of approximately Rs. 5.800 billion as on the reporting date, which has the following major components:

Description	Note	Rs in million
Short term Borrowings	2.7.2.1	494
Pakistan Telecommunication Authority (PTA)	2.7.2.2	2,396
Claims of Parties Challenged	2.7.2.3	846
Continuing business partners	2.7.2.4	617
Provision for taxation	2.7.2.5	340
		4,693

The management believes that certain balances included in the above amounts do not represent immediately payable liabilities as detailed below:

- 2.7.2.1** The management of the Company is in negotiation with banks for restructuring of its running finance facilities amounting Rs. 346.352 Million and is confident that these will be rolled over on favorable terms with no immediate cash outflow. Moreover, it also include funds obtained from sponsor / related parties to the tune of Rs. 62.028 Million.
- 2.7.2.2** Liabilities towards PTA as incorporated in these financial statements stand at approximately Rs. 2.4 billion which are not immediately payable owing to non-fulfillment of certain conditions relating to the demand of such amounts. These conditions relate to the industry circumstances and Court Orders.
- 2.7.2.3** This amount represents the amounts owed to certain parties whose claims have been challenged by the Company in various judicial forums for the breach and non-performance of their contractual obligations. Based on the merits of Company's position, the management believes that such amounts may not be immediately payable under the circumstances.
- 2.7.2.4** The amount payable to creditors amounting Rs. 617 million represents routine trade credits extended by regular parties and these balances are of revolving nature. Thus, no immediate net cash outlay would be required.
- 2.7.2.5** The Company does not anticipate cash outlays on account of Provision for Taxation, since it has sufficient brought forward losses.

2.7.3 Continued Support from a Majority Shareholder

The Company's majority shareholder, Worldcall Services (Private) Limited (WSL) has given assurance to provide continued cash flow support to the Company through its letter to the Company's Board of Directors.

Note 3**Significant Accounting Policies**

- 3.1** The Company's accounting and financial risk management policies and methods of computation adopted in the preparation of these condensed interim (un-audited) financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended December 31, 2020
- 3.2** Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 1, 2021, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

Note 4**Significant accounting Judgements and Estimates**

The preparation of condensed interim (un-audited) financial statements in conformity with approved accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expense. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgement about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing these condensed interim (un-audited) financial statements, the significant judgements made by the management in applying accounting policies and the key source of estimation were the same as those that were applied to the financial statements for the year ended December 31, 2020.



Note 5

Ordinary Share Capital

March 31, 2021 (Un-audited)	December 31, 2020 (Audited)		March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
No. of Shares		Note	------(Rupees in '000)-----	
344,000,000	344,000,000	Ordinary shares of Rs. 10 each fully paid in cash	3,440,000	3,440,000
309,965,789	309,965,789	Ordinary shares of Rs. 10 each issued in accordance with the scheme of merger	3,099,658	3,099,658
98,094,868	98,094,868	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	980,949	980,949
108,510,856	108,510,856	Ordinary shares of Rs. 10 each issued against convertible loan	1,085,109	1,085,109
1,805,893,836	1,805,893,836	Ordinary shares of Rs. 10 each issued against convertible preference shares	18,058,939	18,058,939
			26,664,655	26,664,655
		Less: Discount on issue of shares	(14,801,449)	(14,801,449)
<u>2,666,465,349</u>	<u>2,666,465,349</u>		<u>11,863,206</u>	<u>11,863,206</u>

5.1 During the period, Nil (2020: 14,900) convertible preference shares and accumulated preference dividend thereon amounting to Rs. Nil (2020: Rs. 56.484 million) have been converted into ordinary shares in accordance with the agreed terms and conditions detailed in Note 6.2.

5.2 The terms of agreement between the Company and certain lenders impose certain restrictions on distribution of dividends by the Company.

5.3 Worldcall Services (Private) Limited, parent of the Company, holds 983,117,312 shares (2020: 983,117,312 shares) representing 36.87% (2020: 36.87%) shareholding in the Company. Out of these shares, 175 million shares are pledged to secure TFC liability which will be released with quarterly scheduled principal repayments proportionately starting from June 2019

5.4 Ferret Consulting F.Z.C., an associate of the Company, holds 104,750,543 shares (2020: 139,750,543 shares) representing 3.93% (2020: 5.24%) shareholding in the Company.

5.5 AMB Management Consultants (Private) Limited, an associate of the Company, holds 914,053 shares (2020: 914,053 shares) representing 0.03% (2020: 0.03%) shareholding in the Company.

5.6 Reconciliation of discount on issue of shares is as follows:

Opening balance	14,801,449	12,972,288
Add: Discount on issuance of ordinary shares during the year	-	1,829,161
Closing balance	<u>14,801,449</u>	<u>14,801,449</u>

5.7 Reconciliation of ordinary share capital is as follows:

Opening balance	26,664,655	24,587,540
Add: Shares issued during the year	-	2,077,115
Closing balance	<u>26,664,655</u>	<u>26,664,655</u>

5.8 All ordinary shares rank equally with regard to residual assets of the Company. Ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. Voting and other rights are in proportion to the shareholding.



Note 6

Preference Share Capital

		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
		(Un-audited)	(Audited)	(Un-audited)	(Audited)
	Note	-----No. of Shares-----		------(Rupees in '000)-----	
Opening balance		193,700	208,600	1,963,178	2,114,651
Less: Preference shares converted into ordinary shares during the year	6.3	-	(14,900)	-	(151,473)
		<u>193,700</u>	<u>193,700</u>	<u>1,963,178</u>	<u>1,963,178</u>

- 6.1 These preference shares are US Dollars denominated, non-voting, cumulative and convertible preference shares ("CPS", or "preference shares") having a face value of USD 100 each.
- 6.2 The conversion option is exercisable by the holder at any time after the 1st anniversary of the issue date but not later than the 5th anniversary. On 5th anniversary, CPS will be mandatorily converted into ordinary voting common shares. CPS shall be converted at the conversion ratio defined in the agreement at 10% discount on share price after first anniversary and thereby increased by 10% additional discount for each completed year of anniversary.
- 6.3 CPS holders are entitled to non-cash dividend which shall be calculated @ 5.9% per annum on each of the preference shares or the dividend declared by the Company for ordinary shareholders, whichever is higher.
- 6.4 Ferret Consulting F.Z.C., an associate of the Company, holds 141,200 preference shares (2020: 141,200 preference shares) in the Company.

Note 7

Dividend on Preference Shares

		March 31, 2021	December 31, 2020
		(Un-audited)	(Audited)
	Note	------(Rupees in '000)-----	
Dividends on preference shares	7.1	<u>715,652</u>	<u>715,652</u>

- 7.1 This represents accumulated dividend on preference shares which is not payable in cash rather it will be converted into ordinary shares as and when the preference shares are converted into ordinary shares.
- 7.2 During the period, cumulative preference dividend amounting to Rs. Nil million (December 31, 2020: Rs. 56.484 million) was converted into ordinary shares as a result of conversion option exercised by certain preference shareholders in accordance with the terms and conditions given in Note 6.2 above.

Note 8

Capital Reserves

	March 31, 2021	December 31, 2020
	(Un-audited)	(Audited)
	------(Rupees in '000)-----	
Fair value reserve	(5,473)	(13,215)
Exchange translation reserve	<u>462,766</u>	<u>462,766</u>
	<u>457,293</u>	<u>449,551</u>

These reserves are not distributable by the Company. Fair value reserve represents change in fair values of short term investments and exchange translation reserve represents translational exchange loss on dividend accrued on issued preference shares.

Note 9

Surplus on Revaluation of Fixed Assets

	March 31, 2021	December 31, 2020
	(Un-audited)	(Audited)
	------(Rupees in '000)-----	
Opening balance - net of tax	2,318,768	1,247,166
Surplus on revaluation arisen during the year	-	2,100,000
Related deferred taxation	-	(609,000)
	-	1,491,000
Transfer to retained earnings on retirement of intangible assets	-	(255,943)
Adjustment of related deferred tax due to change in tax rate and proportion of normal sales	(16,051)	(9,170)
Transfer to retained earnings in respect of net incremental depreciation / amortization net of deferred tax	(68,890)	(154,285)
Closing balance - net of tax	<u>2,233,827</u>	<u>2,318,768</u>

- 9.1 This represents surplus, net of tax, over book value resulting from the revaluation of plant and equipment, licenses and softwares as adjusted by incremental depreciation / amortization arising on revaluation. Revaluation surplus cannot be distributed to shareholders as dividend.

Latest revaluation was carried out by an approved independent valuer, M/s Arch-E-Decon, on December 31, 2020 using current market price / replacement cost methods, wherever applicable. This has resulted in revaluation surplus of Rs. 2.1 billion. Incremental depreciation charged on revalued fixed assets is taken to the statement of changes in equity to record realization of surplus to the extent of incremental depreciation. Incremental depreciation represents the difference between the actual depreciation / amortization on revalued assets based on revalued amounts and the equivalent depreciation / amortization based on the historical cost of these assets.



Note 10

Term Finance Certificates

	Note	March 31	December 31
		2021	2020
		Un-audited	Audited
		(Rupees in '000)-----	
Opening balance		1,287,110	1,287,110
Less: Payments made during the period / year		-	-
		1,287,110	1,287,110
Less: Current and overdue portion		(355,076)	(320,076)
		932,034	967,034
Add: Deferred markup	10.1	446,047	466,246
		1,378,081	1,433,280

Term finance certificates (TFCs) have a face value of Rs. 5,000 per certificate. These TFCs carry mark up at the rate of six months average KIBOR plus 1.0% per annum (2020: six month average KIBOR plus 1.0% per annum), payable quarterly. The mark up rate charged during the year on the outstanding balance ranged from 8.30% to 8.84% (2020: 8.30% to 14.91%) per annum.

IGI Holding Limited (previously IGI Investment Bank Limited) is the Trustee (herein referred to as the Trustee) under the Trust Deed.

The liability of these TFCs has been rescheduled in December 2012 and then on April 03, 2015. During the year 2018, third rescheduling of these TFCs was successfully executed through signing of the Third Supplemental Trust Deed between the Trustees and the Company.

In accordance with the 3rd Supplemental Trust Deed executed during the year 2018, the outstanding principal is repayable by way of quarterly staggered installments with downward revision in markup of 0.60% i.e. revised markup of six months average KIBOR + 1%. The outstanding markup payable as at the date of restructuring and up to December 20, 2018 is agreed to be deferred and shall be paid from March 20, 2021 in quarterly installments. 50% of the markup accrued for the period between December 20, 2018 to December 20, 2020 shall be paid on regular quarterly basis commencing from March 20, 2019 and the remaining 50% shall be deferred and paid from March 20, 2021. Markup deferred has been measured at present value. Under the revised term sheet, these TFCs are due to mature on September 20, 2026.

The other main terms included appointment of one representative as a nominee director nominated by the Trustee which has been complied with. Further, 175 million sponsor's shares are pledged for investors which will be released with quarterly scheduled principal repayments proportionately starting from June 2019. The pledged shares have not been released in proportion to the payments made during the year.

The Company has not paid due quarterly installments of June 2019 to March 2021 amounting Rs. 230 million. In case of failure to make due payments by the Company, Trustee can instruct the security agent to enforce the letter of pledge and sell the quantum of the pledged shares to generate the amount required for the settlement of the outstanding redemption amount.

These TFCs are secured against first pari passu charge over the Company's present and future fixed assets including equipment, plant and machinery, fixtures excluding land and building with 25% margin in addition to all rights, benefits, claims and interests procured by the Company under:

- LDI and WLL license issued by PTA to the Company; and
- Assigned frequency spectrum as per deed of assignment.

10.1 Deferred markup

Deferred markup	10.1.1	746,494	746,494
Adjustment due to impact of IFRS 9	10.1.2	(144,361)	(156,621)
		602,133	589,873
Less: Current portion		(156,086)	(123,627)
		446,047	466,246
10.1.1 Reconciliation of deferred markup is as follows:			
Opening balance		746,494	667,277
Add: Markup deferred during the period/year		-	79,217
		746,494	746,494



	March 31 2021	December 31 2020
	Un-audited	Audited
	(Rupees in '000)	
10.1.2 Reconciliation is as follows:		
Opening balance	156,621	187,207
Add: Discounting impact of deferred markup	-	16,681
	156,621	203,888
Less: Unwinding impact of discounted deferred markup	(12,260)	(47,267)
	144,361	156,621

Note 11

Long Term Financing

		March 31 2021	December 31 2020
		Un-audited	Audited
		(Rupees in '000)	
	Note		
From Banking Companies (secured)			
Allied Bank Limited	11.1	60,671	68,635
Bank Islami Limited	11.2	99,105	-
		159,776	68,635
11.1 Allied Bank Limited			
Opening balance		91,509	106,550
Transfer from running finance		-	-
Repayments		(4,003)	(15,041)
		87,506	91,509
Less: Current and overdue portion		(49,806)	(43,909)
		37,700	47,600
Add: Deferred markup	11.1.1	27,447	25,647
Less: Discounting of deferred markup	11.1.2	(4,476)	(4,612)
		22,971	21,035
		60,671	68,635
11.1.1 Reconciliation of deferred markup is as follows:			
Opening balance		25,647	15,098
Add: Markup deferred during the year		1,800	10,549
		27,447	25,647
11.1.2 Reconciliation is as follows:			
Opening balance		4,612	5,768
Add: Discounting impact of deferred markup		293	1,897
		4,905	7,665
Less: Unwinding impact of discounted deferred markup		(429)	(3,053)
		4,476	4,612

This represents balance transferred on June 14, 2019 as a result of restructuring of short term running finance (RF) facility to Term Loan Facility and subsequently amended on 8th October 2020. Principal will be repaid in 48 stepped up monthly installments starting from January 2019 till December 2022. Markup will be accrued and will be serviced in 12 equal monthly installments, starting from January 01, 2023. Effective markup rate applicable will be 3 Month KIBOR + 85 bps. The mark up charged during the period on the outstanding balance ranged from 8.14% to 8.14% (2020: 8.10% to 14.40%) per annum. The facility is secured against 1st joint pari passu charge on present and future current and fixed assets excluding building of the Company for Rs. 534 million and right to set off on collection account.



		March 31 2021	December 31 2020
		Un-audited	Audited
Note		----- (Rupees in '000) -----	
11.2 Bank Islami Pakistan Limited			
Opening balance		-	-
Transfer from running finance		81,308	-
Repayments		-	-
		81,308	-
Less: Current and overdue portion		(12,500)	-
		68,808	-
Add: Deferred markup		41,235	-
Less: Discounting of deferred markup	11.2.1	(10,938)	-
		30,297	-
		99,105	-
11.2.1 Reconciliation is as follows:			
Opening balance		-	-
Add: Discounting impact of deferred markup		11,482	-
		11,482	-
Less: Unwinding impact of discounted deferred markup		(544)	-
		10,938	-

This represents balance transferred as a result of restructuring of short term running finance (RF) facility to Term Loan Facility. Principal will be repaid in 29 installments starting from Feb 2022 till May 2026. Markup will be accrued and will be serviced in 24 monthly installments, starting from June 01, 2024. Effective markup rate applicable will be 6 Month KIBOR (Floor 7.5% and capping 17%). The mark up charged during the period on the outstanding balance 7.5% per annum. The facility is secured against 1st joint pari passu charge on present and future current and fixed assets excluding building of the Company for Rs. 880 million and Pledge of shares of listed companies in CDC account of the company along with Mortgage over the Company's Offices at Ali Tower MM Alam Road Lahore and at The Plaza Shopping Mall Kehkashan Karachi.

Note 12		March 31 2021	December 31 2020
Sponsor's Loan		Un-audited	Audited
Note		----- (Rupees in '000) -----	
Sponsor's Loan - unsecured			
- Interest bearing	12.1	460,800	482,400
- Non-interest bearing	12.2	856,583	862,889
		1,317,383	1,345,289
12.1 Opening balance		482,400	466,050
Exchange loss		(21,600)	16,350
		460,800	482,400

This represents USD denominated loan obtained from Worldcall Services (Private) Limited, the Parent Company. It carries mark up at 12 months KIBOR plus 1%. The mark up rate charged during the year on the outstanding balance is 8.67% (2020: 14.46%) per annum. The amount is not payable before March 31, 2022.



- 12.2** This represents interest free loan obtained from Worldcall Services (Private) Limited, the Parent Company. The amount is not payable before March 31, 2022.

This loan has been carried at amortized cost and the relevant difference is being charged to the statement of profit or loss account.

Opening balance	978,084	1,221,337
Less: Payments during the year	(6,305)	(243,253)
Amount of loan	971,779	978,084
Adjustment due to impact of IFRS 9:		
Discounting	(406,813)	(406,813)
Unwinding of discount	291,617	291,618
	(115,196)	(115,195)
	856,583	862,889

Note 13

License Fee Payable

This represents balance amount of license fee payable to Pakistan Telecommunication Authority (PTA) for WLL licenses. The Company had filed an application with PTA for grant of moratorium over payment of balance amount of WLL license. However, PTA rejected the Company's application and demanded its payment. Being aggrieved by this, the Company filed an appeal before Islamabad High Court ("IHC") against PTA's order. Meanwhile, the Ministry of Information Technology ("Ministry") through its letter dated August 30, 2011, allowed to the operators, the staggering for settlement of Access Promotion Contribution ("APC") and Initial Spectrum Fee ("ISF") dues and required PTA to submit an installment plan for this purpose after consultations with the operators. In respect of an appeal filed by the Company, IHC took notice of the Ministry's letter and directed PTA through its order dated January 20, 2015, to expeditiously proceed with the preparation and submission of the said installment plan. As of the date, no such installment plan has been submitted by PTA. Owing to these circumstances, the management does not expect the liability to materialize fully in the near future.

In a recent decision, PTA has withdrawn the frequencies 3.5 Ghz, 479 Mhz, 450 Mhz and 1900 Mhz. PTA in haste and unilaterally has also withdrawn 3.5 Ghz and 479 Mhz frequencies which have already been paid in full till 2024. Through said decision PTA has also withdrawn 1900 Mhz frequency spectrum which was already withdrawn by PTA/FAB in 2015 (11th year) until which the spectrum is fully paid on the basis of actual period of usage by the Company. The WLL License provides for such eventuality that when frequency spectrum is withdrawn, the licensee is to be compensated for the balance life of the frequency spectrum, therefore, after withdrawal of spectrum, there is no outstanding amount to be paid related to 1900 Mhz frequency spectrum.

WTL has filed an appeal at next judicial forum against said decision of PTA on similar lines as explained above and favorable outcome is expected

As a consequence of above, during the year under review the outstanding liability for 1900 Mhz may be reduced to zero on the basis that 1900 Mhz frequency has been fully paid for until 2015 (11th year). Similarly, liability for 450Mhz frequency spectrum be reduced on prorata after withdrawal. Corresponding assets has also been retired.

Note 14

Lease Liabilities

	March 31 2021	December 31 2020
	Un-audited	Audited
	------(Rupees in '000)-----	
Opening balance	275,931	239,454
Add: Initial application of IFRS 16 on January 1, 2019	-	-
Add: Accrued lease rentals as at December 31, 2018	-	-
Add: Additions during the year	-	48,515
Add: Interest expense	7,249	30,916
Less: Lease payments	(7,424)	(42,954)
Gross liability	275,756	275,931
Less: Current and overdue portion	(103,260)	(103,260)
Closing balance	172,496	172,671

14.1 Nature of leasing activities

The Company's leases comprise cables and certain premises for installation of equipment and used as warehouse, guest house and office operations. Periodic rentals are usually fixed over the lease term. However, in some contracts, it is customary for lease contracts to provide escalation in lease payments after specified period of time. These neither contain any variable lease payments nor any lease incentives. The Company is not committed to any lease not yet commenced at the reporting date.

Lease terms, and the remaining lease terms at the date of initial application, vary. Remaining lease term of existing lease contracts for which lease liability is booked ranges from 2 to 15 years.



Note 15

Short Term Borrowings

		March 31 2021	December 31 2020
		Un-audited	Audited
	Note	----- (Rupees in '000) -----	
Banking companies (secured - interest bearing):			
- Running finances	15.1	346,352	427,419
Related parties (unsecured - interest free):			
- Ferret Consulting F.Z.C.	15.2	57,257	59,941
		<u>403,609</u>	<u>487,360</u>

15.1 Short term running finance facilities available from commercial banks under mark up arrangements amount to Rs. 346.352 million (2020: Rs. 427.41 million). Running finance facilities are available at mark up rate of KIBOR plus 1.5% to 2.0% per annum (2020: KIBOR plus 1.5% to 2.5% per annum), payable quarterly, on the balance outstanding. The mark up charged during the period on outstanding balances ranged from 8.79% to 9.49% (2020: 8.75% to 16.06%) per annum, effectively. The management of the Company is in negotiation with banks for restructuring of its running finance facilities into long term loans.

15.2 This represents interest free USD denominated loan received from M/s Ferret Consulting - F.Z.C to meet working capital requirements. The accumulated balance as at reporting date is USD 372,765 (2020: USD 372,765). In the absence of written agreement, the amount is repayable on demand.

Note 16

Contingencies and Commitments

Contingencies

There is no significant change in the status of contingencies from the preceding annual financial statements of the Company for the year ended December 31, 2020.

		March 31 2021	December 31 2020
		Un-audited	Audited
	Note	----- (Rupees in '000) -----	
Guarantees and Letter of Credits			
Outstanding guarantees and letters of credit		353,761	353,761
Commitments			
Commitments in respect of capital expenditure		-	9,202

Note 17

Property, Plant and Equipment

Operating fixed assets	17.1	6,081,151	6,193,323
Capital work-in-progress		14,625	11,482
		<u>6,095,776</u>	<u>6,204,805</u>
17.1 Operating fixed assets			
Opening book value		6,193,323	6,516,313
Additions during the period / year	17.1.1	970	74,634
		6,194,293	6,590,947
Disposals (at book value) for the period / year	17.1.2	-	(12,993)
Depreciation charged during the period / year		(113,142)	(384,631)
Closing book value		<u>6,081,151</u>	<u>6,193,323</u>
17.1.1 Detail of additions			
Leasehold improvements		-	-
Plant and equipment		812	74,034
Office equipment		-	94
Furniture and fixtures		-	92
Computers		158	414
		<u>970</u>	<u>74,634</u>

**17.1.2 Book values of assets disposed off**

	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
	----- (Rupees in '000) -----	
Plant and equipment	-	12,777
Computers	-	216
	<u>-</u>	<u>12,993</u>

Note 18

Right of use assets

Opening balance	3,680,465	2,138,001
Add: Initial application of IFRS 16 on January 1, 2019	-	-
Add: Prepaid lease rentals as at December 31, 2018	-	-
Add: Additions during the year	-	281,156
Add: Revaluation Surplus during the year	-	1,440,000
Less: Depreciation charge for the period / year	(61,400)	(178,692)
Closing balance	<u>3,619,065</u>	<u>3,680,465</u>
Lease Term (Years)	<u>2 to 14</u>	<u>1.4 to 20</u>

18.1 Depreciation on right-of-use assets has been allocated to depreciation and amortization on face of the statement of profit or loss.

18.2 There are no variable lease payments in the lease contracts. There were no leases with residual value guarantees or leases not yet commenced to which the Company is committed.

Note 19

Long Term Investment

	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
	----- (Rupees in '000) -----	

Wholly owned subsidiary Company - at cost [unquoted]

Route 1 Digital (Private) Limited

30,000 (December 31, 2020: 30,000) ordinary shares of

Rs. 100 each, equity held 100% (December 31, 2020: 100%)

<u>50,000</u>	<u>50,000</u>
---------------	---------------

19.1 The Company has acquired 100% shares of Route 1 Digital (Private) Limited during 2018. The principal place of business of Route 1 Digital (Private) Limited is situated at 2nd Floor 300-Y Block Phase III Defence Housing Authority Lahore, Pakistan. This investment in subsidiary is stated at cost.



Note 20

Cash Used in Operations

	Quarter ended March 31,	
	2021	2020
	(Un-audited)	(Un-audited)
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(297,516)	57,804
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	113,142	174,040
- Amortization on intangible assets	89,491	97,509
- Amortization of right of use assets	61,400	40,670
- (Gain) / Loss on disposal of property, plant and equipment	-	(39)
- Liabilities written back on settlement with parties	(15,067)	-
- Post employment benefits	10,485	12,212
- Dividend income on short term investments	-	(49)
- Adjustment due to impact of IFRS 9	(11,775)	(7,065)
- Income on deposits, advances and savings accounts	(195)	(261)
- Exchange gain/(loss) on foreign currency loan	(21,600)	34,200
- Exchange (gain)/loss on foreign currency accrued markup	(1,072)	4,056
- Exchange (gain)/loss on foreign currency balances - net	3,513	23,386
- Imputed interest on lease liability	7,249	6,806
- Unwinding impact of liabilities under IFRS 9	13,233	49,783
- Finance cost	49,756	93,380
	<u>298,560</u>	<u>528,628</u>
Operating loss before working capital changes	1,044	586,432
(Increase) / decrease in current assets		
- Stores and spares	1,490	2,028
- Trade debts	(132,417)	(245,035)
- Loans and advances	41,581	18,776
- Deposits and prepayments	(2,605)	(2,858)
- Other receivables	(3,409)	(5,370)
Increase / (decrease) in current liabilities		
- Unearned revenue	29,243	27,484
- Trade and other payables	146,933	(356,511)
	<u>80,816</u>	<u>(561,486)</u>
Cash used in operations	<u>81,860</u>	<u>24,946</u>



Note 21

Transaction with Related Parties

Related parties comprise the parent Company, associated companies / undertakings, directors of the Company and their close relatives and key management personnel of the Company. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and due to related parties are shown under respective notes to these financial statements.

Transactions during the period with local companies

			Quarter ended March 31,	
			2021	2020
			(Un-audited)	(Un-audited)
			----- (Rupees in '000) -----	
Related party	Relationship	Nature of transaction		
Worldcall Services (Private) Limited	Parent Company	Funds received by the Company during the period	6,500	37,028
		Funds repaid by the Company during the period	26,068	6,400
		Settlement with multimedia	13,262	-
		Markup on long term borrowings	10,490	22,814
		Exchange (gain)/loss on markup	(1,072)	4,056
Route 1 Digital (Private) Limited	Wholly Owned Subsidiary	Interest charged during the period	289	-
		Expenses borne on behalf of subsidiary	800	463
Worldcall Business Solutions (Private) Limited	Associate	Expenses borne on behalf of associate	2,531	4,326
		Interest charged during the period	1,249	-
Key management personnel	Associated persons	Salaries and employees benefits	19,443	29,332

The amounts above do not include salaries and other related benefits of the Chief Executive Officer, directors and executives of the Company.

Transactions during the period with foreign companies

Ferret Consulting - F.Z.C	Associate	Exchange loss	2,684	20,595
		Adjustment with third party	3,083	-

Ferret Consulting is incorporated in United Arab Emirates. Basis for association of the Company with Ferret is common directorship.

		March 31, 2021	December 31, 2020
		(Un-audited)	(Audited)
Outstanding Balance as at the period end			
Worldcall Services (Private) Limited	Sponsor's loan	1,317,383	1,345,289
	Accrued markup	16,710	17,781
Ferret Consulting - F.Z.C	Dividend on CPS	519,473	519,473
	Short term borrowings	57,257	59,941
Route 1 Digital (Private) Limited	Investment in subsidiary	50,000	50,000
	Other receivables	17,512	16,423
Worldcall Business Solutions (Private) Limited	Other receivables	73,890	70,109
ACME Telecom (Private) Limited	Other receivables	33	32
Worldcall Ride Hail (Private) Limited	Other receivables	18	17
Worldcall Cable (Private) Limited	Other receivables	2,301	2,110
Key management	Payable against expenses, salaries and other employee benefits	155,308	143,476
	Advance against expenses and salaries	12,571	14,291



Note 22

Financial Risk Management**22.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The condensed interim financial statements (un-audited) do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2020.

There have been no changes in any risk management policies since the year end.

22.2 Fair value estimation

22.2.1 Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable willing parties in an arms' length transaction. Consequently difference may arise between carrying value and fair value estimates. The carrying value of all financial assets and liabilities reflected in the financial statements approximate to their fair values. During the period, there were no significant changes in the business or economic circumstances that affect the fair value of these assets and liabilities.

22.2.2 The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities that are measured at fair value at March 31, 2021:

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Assets				
Short-term investments	59,416	-	-	59,416

The following table presents the Company's assets and liabilities that are measured at fair value at December 31, 2020:

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Assets				
Short-term investments	51,674	-	-	51,674

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets and there were no changes in valuation techniques during the period.



Note 23

Segment Information

As per IFRS 8, "Operating Segments", operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision maker. The Chief Executive Officer (CEO) of the Company has been identified as the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

The CEO is responsible for the Company's entire product portfolio and considers business as a single operating segment. The Company's assets allocation decisions are based on a single integrated investment strategy and the Company's performance is evaluated on an overall basis.

The internal reporting provided to the CEO for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting and reporting standards as applicable in Pakistan.

The Company is domiciled in Pakistan. All of the Company's assets are located in Pakistan as at the reporting date.

Note 24

Impact of Covid 19 on the financial statements

Due to rapid spread of COVID-19 all across the world the overall global economy has been affected. At the end of March, 2020, the authorities implemented various measures trying to reduce the spread of the COVID-19 which includes a lock down, travel bans and quarantines. Telecommunication sector was among the sectors those were exempted from lockdown.

After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company henceforth continued its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity.

The management has assessed the implications of these developments on these condensed interim financial statements, including but not limited to the following areas:

- recoverability of receivable balances;
- the impairment of tangible assets under IAS 36, 'Impairment of non financial assets';
- the net realizable value of inventory under IAS 2, 'Inventories'; and
- going concern assumption used for the preparation of these financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 on these condensed interim financial statements.

Note 25

Subsequent Event

On September 20, 2021 the Board of Directors of the Company converted 38,000 preference shares along with dividend accrued on them into ordinary shares of the Company. As a result of conversion 529,733,920 ordinary shares of the Company are issued to preference shareholders detail of which is as follows:

	No. of	No. of ordinary
Ferret Consulting - F.Z.C	38,000	529,733,920
	<u>38,000</u>	<u>529,733,920</u>

Note 26

Date of Authorization for Issue

These condensed interim financial statements (un-audited) were approved and authorized for issue on 16 July 2022 by the Board of Directors of the Company.

Note 27

Corresponding Figures

Corresponding figures have been re-arranged / reclassified, wherever necessary, to reflect more appropriate presentation of events and transactions for the purpose of comparison.


Chief Executive Officer


Director


Chief Financial Officer



**CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION
(UN-AUDITED)**

QUARTERLY REPORT 2021





The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.


Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

	Quarter ended March 31,	
	2021	2020
	(Un-audited)	(Un-audited)
	------(Rupees in '000)-----	
Revenue	690,589	1,249,240
Direct costs excluding depreciation and amortization	(600,430)	(541,208)
Operating costs	(101,827)	(134,521)
Other income	47,485	(54,228)
Profit before Interest, Taxation, Depreciation and Amortization	35,817	519,283
Depreciation and amortization	(264,175)	(312,400)
Finance cost	(70,238)	(149,969)
(Loss) / Profit before Taxation	(298,596)	56,914
Taxation	(10,396)	(18,805)
Net Profit for the Year	(308,992)	38,109
Earnings / (Loss) per Share - basic (Rupees)	(0.12)	0.02
Earnings / (Loss) per Share - diluted (Rupees)	(0.12)	0.01

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer



CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2021

	Quarter ended March 31,	
	2021	2020
	(Un-audited)	(Un-audited)
	----- (Rupees in '000) -----	
Net Profit for the Year	(308,992)	38,109
Other comprehensive income:		
<i>Items that will not be reclassified to profit or loss:</i>		
- Changes in fair value of financial assets through other comprehensive income - net of tax	7,742	(13,594)
<i>Item that may be subsequently reclassified to profit or loss:</i>	-	-
Other Comprehensive Income - net of tax	7,742	(13,594)
Total Comprehensive Income for the Year - net of tax	<u>(301,250)</u>	<u>24,515</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED MARCH 31, 2021

Particulars	Ordinary Share Capital	Preference Share Capital	Dividend on Preference Shares	Capital Reserves			Revenue Reserve (Accumulated Loss)	Surplus on Revaluation of Fixed Assets	Total
				Fair Value Reserve	Exchange Translation Reserve	Total Capital Reserves			
				(Rupees in '000)					
Balance as at December 31, 2019	11,615,252	2,114,651	772,136	(26,310)	502,763	476,453	(13,201,560)	1,247,166	3,024,098
Net profit for the period	-	-	-	-	-	-	38,999	-	38,999
Other comprehensive loss for the year - net of tax	-	-	-	(13,594)	-	(13,594)	-	-	(13,594)
Total comprehensive income for the year - net of tax	-	-	-	(13,594)	-	(13,594)	38,999	-	25,405
Incremental depreciation / amortization for the year on surplus on revaluation of fixed assets	-	-	-	-	-	-	55,997	(55,997)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(8,637)	(8,637)
Balance as at March 31, 2020	11,615,252	2,114,651	772,136	(30,904)	502,763	462,859	(13,106,564)	1,182,532	3,040,866
Net loss for the period	-	-	-	26,689	-	26,689	(189,273)	-	(189,273)
Other comprehensive income for the year - net of tax	-	-	-	-	-	-	16,447	1,491,000	1,534,136
Total comprehensive income for the year - net of tax	-	-	-	26,689	-	26,689	(172,826)	1,491,000	1,344,863
Adjustment of Surplus on retirement of intangible assets	-	-	-	-	-	-	360,463	(235,943)	104,540
Incremental depreciation / amortization for the year on surplus on revaluation of fixed assets	-	-	-	-	-	-	98,288	(98,288)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(533)	(533)
Conversion of preference shares and dividend thereon	2,077,115 (1,829,161)	(151,473)	(56,484)	-	(39,997)	(39,997)	-	-	1,829,161 (1,829,161)
Discount on issuance of ordinary shares	247,954	(151,473)	(56,484)	-	(39,997)	(39,997)	-	-	-
Total transactions with owners, recognized directly in equity	11,863,206	1,963,178	715,652	(13,215)	462,766	449,551	(12,820,619)	2,318,768	4,488,796
Balance as at December 31, 2020	-	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	(308,992)	-	(308,992)
Other comprehensive income for the year - net of tax	-	-	-	7,742	-	7,742	-	-	7,742
Total comprehensive income for the year - net of tax	-	-	-	7,742	-	7,742	(308,992)	-	(301,250)
Adjustment of Surplus on retirement of intangible assets	-	-	-	-	-	-	-	-	-
Incremental depreciation / amortization for the year on surplus on revaluation of fixed assets	-	-	-	-	-	-	68,890	(68,890)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(16,051)	(16,051)
Conversion of preference shares and dividend thereon	-	-	-	-	-	-	-	-	-
Discount on issuance of ordinary shares	-	-	-	-	-	-	-	-	-
Total transactions with owners, recognized directly in equity	11,863,206	1,963,178	715,652	(5,473)	462,766	457,293	(13,060,721)	2,233,827	4,172,435

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.

Balandina
Chief Executive Officer

Nigam
Director

Bas
Chief Financial Officer



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
(UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

		Quarter ended March 31,	
		2021	2020
		(Un-audited)	(Un-audited)
Note		------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	19	81,860	24,946
<i>Decrease / (Increase) in non-current assets:</i>			
- Long term deposits		(15)	-
		(15)	-
		81,845	24,946
Post employment benefits paid		-	(6,925)
Finance cost paid		(2,356)	(2,571)
Income tax paid		(2,369)	(2,529)
Net Cash Used in Operating Activities		77,120	12,921
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(64,103)	(2,485)
Dividend income		-	49
Income on deposit and savings accounts		195	261
Proceeds from disposal of property, plant and equipment		-	39
Net Cash Used in Investing Activities		(63,908)	(2,136)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(3,459)	(14,103)
Sponsor's loan		(6,305)	-
Short term borrowings - net		(13,021)	51,241
Repayment of lease liability		(7,424)	(13,260)
Net Cash Generated from Financing Activities		(30,209)	23,878
Net Increase / (Decrease) in Cash and Cash Equivalents		(16,997)	34,663
Cash and cash equivalents at the beginning of the year		56,457	40,100
Cash and Cash Equivalents at the End of the Year		39,460	74,763

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer



NOTES OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2021

Note 1

The Company and its Operations

- 1.1 Worldcall Telecom Limited ("the Company") is a public limited Company incorporated in Pakistan on March 15, 2001 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange. The Company commenced its operations on December 01, 2004 and is engaged in providing Wireless Local Loop ("WLL") and Long Distance & International ("LDI") services in Pakistan; re-broadcasting international/national satellite/terrestrial wireless and cable television and radio signals; interactive communication and to establish, maintain and operate the licensed telephony services. The Company has been licensed by Pakistan Telecommunication Authority ("PTA") and Pakistan Electronic Media Regulatory Authority ("PEMRA") for these purposes. The Company is domiciled in Pakistan and its registered office cum principal place of business is situated at Plot # 1566/124, Main Walton Road, Lahore Cantt.

Worldcall Services (Pvt.) Limited (the "Parent Company"), incorporated in Pakistan, owns 36.87 % (2020: 36.87%) ordinary shares of the Company. Aggregate holding of Worldcall Services (Private) Limited through other associates is 40.83% (2020: 42.14%)

Note 2

Basis of Preparation

- 2.1 These condensed interim financial statements are the separate condensed financial statements of the Company in which investment in subsidiary is stated at cost. Condensed consolidated interim financial statements are prepared separately.
- 2.2 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.
- Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 2.3 These condensed interim financial statements are unaudited.
- 2.4 These condensed interim financial statements (un-audited) do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2020. Selected explanatory notes are included to explain events and transactions that are significant to understanding of the changes in the Company's financial statements since the last financial statements.
- 2.5 These condensed interim financial statements (un-audited) should be read in conjunction with annual audited financial statements for the year ended December 31, 2020. Comparative statement of financial position is extracted from annual audited financial statements for the year ended December 31, 2020 whereas comparative statement of profit or loss, comparative statement of comprehensive income, comparative statement of changes in equity and comparative statement of cash flows are extracted from unaudited condensed interim financial statements for the quarter ended March 31, 2020 and are adjusted in line with restatement done on year ended December 31, 2020.
- 2.6 These condensed interim (un-audited) financial statements are presented in Pak Rupees, which is the Company's functional and presentational currency. All the figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.
- 2.7 **Going concern assumption**
- 2.7.1 The Company has earned a loss after taxation of Rs. 308.992 million during the period ended March 31, 2021 (March 2020: profit after taxation of Rs. 38.109 million) which includes the impact of write back of liabilities for Rs. 15.067 million (March 2020: Rs. Nil). As at March 31, 2021, the accumulated loss of the Company stands at Rs. 13,060.721 million (December 31, 2020: Rs. 12,820.619 million) and its current liabilities exceed its current assets by Rs. 5,971.49 million (December 31, 2020: Rs. 5,948.632 million). These conditions, along with the other factors like declining revenue and contingencies and commitments as mentioned in note 16, indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company's management has carried out an assessment of going concern status of the Company and believes that preparation of these financial statements on going concern assumption is appropriate. The management has placed reliance on the following factors:

**2.7.2 Net Liabilities Position - Risk Mitigation**

As mentioned above, there is a net current liability position of approximately Rs. 5.800 billion as on the reporting date, which has the following major components:

Description	Note	Rs in million
Short term Borrowings	2.7.2.1	494
Pakistan Telecommunication Authority (PTA)	2.7.2.2	2,396
Claims of Parties Challenged	2.7.2.3	846
Continuing business partners	2.7.2.4	617
Provision for taxation	2.7.2.5	340
		4,693

The management believes that certain balances included in the above amounts do not represent immediately payable liabilities as detailed below:

- 2.7.2.1** The management of the Company is in negotiation with banks for restructuring of its running finance facilities amounting Rs. 346.352 Million and is confident that these will be rolled over on favorable terms with no immediate cash outflow. Moreover, it also include funds obtained from sponsor / related parties to the tune of Rs. 62.028 Million.
- 2.7.2.2** Liabilities towards PTA as incorporated in these financial statements stand at approximately Rs. 2.4 billion which are not immediately payable owing to non-fulfillment of certain conditions relating to the demand of such amounts. These conditions relate to the industry circumstances and Court Orders.
- 2.7.2.3** This amount represents the amounts owed to certain parties whose claims have been challenged by the Company in various judicial forums for the breach and non-performance of their contractual obligations. Based on the merits of Company's position, the management believes that such amounts may not be immediately payable under the circumstances.
- 2.7.2.4** The amount payable to creditors amounting Rs. 617 million represents routine trade credits extended by regular parties and these balances are of revolving nature. Thus, no immediate net cash outlay would be required.
- 2.7.2.5** The Company does not anticipate cash outlays on account of Provision for Taxation, since it has sufficient brought forward losses.

2.7.3 Continued Support from a Majority Shareholder

The Company's majority shareholder, Worldcall Services (Private) Limited (WSL) has given assurance to provide continued cash flow support to the Company through its letter to the Company's Board of Directors.

Note 3

Significant Accounting Policies

- 3.1** The Company's accounting and financial risk management policies and methods of computation adopted in the preparation of these condensed interim (un-audited) financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended December 31, 2020
- 3.2** Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 1, 2021, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

Note 4

Significant accounting Judgements and Estimates

The preparation of condensed interim (un-audited) financial statements in conformity with approved accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expense. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgement about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing these condensed interim (un-audited) financial statements, the significant judgements made by the management in applying accounting policies and the key source of estimation were the same as those that were applied to the financial statements for the year ended December 31, 2020.



Note 5

Ordinary Share Capital

March 31, 2021 (Un-audited)	December 31, 2020 (Audited)			March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
No. of Shares		Note		(Rupees in '000)	
344,000,000	344,000,000	Ordinary shares of Rs. 10 each fully paid in cash		3,440,000	3,440,000
309,965,789	309,965,789	Ordinary shares of Rs. 10 each issued in accordance with the scheme of merger		3,099,658	3,099,658
98,094,868	98,094,868	Ordinary shares of Rs. 10 each issued as fully paid bonus shares		980,949	980,949
108,510,856	108,510,856	Ordinary shares of Rs. 10 each issued against convertible loan		1,085,109	1,085,109
1,805,893,836	1,805,893,836	Ordinary shares of Rs. 10 each issued against convertible preference shares	5.1	18,058,939	18,058,939
				26,664,655	26,664,655
		Less: Discount on issue of shares	5.6	(14,801,449)	(14,801,449)
<u>2,666,465,349</u>	<u>2,666,465,349</u>			<u>11,863,206</u>	<u>11,863,206</u>

5.1 During the period, Nil (2020: 14,900) convertible preference shares and accumulated preference dividend thereon amounting to Rs. Nil (2020: Rs. 56.484 million) have been converted into ordinary shares in accordance with the agreed terms and conditions detailed in Note 6.2.

5.2 The terms of agreement between the Company and certain lenders impose certain restrictions on distribution of dividends by the Company.

5.3 Worldcall Services (Private) Limited, parent of the Company, holds 983,117,312 shares (2020: 983,117,312 shares) representing 36.87% (2020: 36.87%) shareholding in the Company. Out of these shares, 175 million shares are pledged to secure TFC liability which will be released with quarterly scheduled principal repayments proportionately starting from June 2019

5.4 Ferret Consulting F.Z.C., an associate of the Company, holds 104,750,543 shares (2020: 139,750,543 shares) representing 3.93% (2020: 5.24%) shareholding in the Company.

5.5 AMB Management Consultants (Private) Limited, an associate of the Company, holds 914,053 shares (2020: 914,053 shares) representing 0.03% (2020: 0.03%) shareholding in the Company.

5.6 Reconciliation of discount on issue of shares is as follows:

Opening balance	14,801,449	12,972,288
Add: Discount on issuance of ordinary shares during the year	-	1,829,161
Closing balance	<u>14,801,449</u>	<u>14,801,449</u>

5.7 Reconciliation of ordinary share capital is as follows:

Opening balance	26,664,655	24,587,540
Add: Shares issued during the year	-	2,077,115
Closing balance	<u>26,664,655</u>	<u>26,664,655</u>

5.8 All ordinary shares rank equally with regard to residual assets of the Company. Ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. Voting and other rights are in proportion to the shareholding.



Note 6

Preference Share Capital

		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
		(Un-audited)	(Audited)	(Un-audited)	(Audited)
Note		-----No. of Shares-----		----- (Rupees in '000)-----	
Opening balance		193,700	208,600	1,963,178	2,114,651
Less: Preference shares converted into ordinary shares during the year	6.3	-	(14,900)	-	(151,473)
		<u>193,700</u>	<u>193,700</u>	<u>1,963,178</u>	<u>1,963,178</u>

- 6.1 These preference shares are US Dollars denominated, non-voting, cumulative and convertible preference shares ("CPS", or "preference shares") having a face value of USD 100 each.
- 6.2 The conversion option is exercisable by the holder at any time after the 1st anniversary of the issue date but not later than the 5th anniversary. On 5th anniversary, CPS will be mandatorily converted into ordinary voting common shares. CPS shall be converted at the conversion ratio defined in the agreement at 10% discount on share price after first anniversary and thereby increased by 10% additional discount for each completed year of anniversary.
- 6.3 In accordance with the terms detailed in Note 6.2 above, certain preference shareholders have exercised conversion option. Thus, their CPS and accrued preference dividend thereon have been converted into ordinary shares as reflected in Note 5.1 and Note 7.2.
- 6.4 CPS holders are entitled to non-cash dividend which shall be calculated @ 5.9% per annum on each of the preference shares or the dividend declared by the Company for ordinary shareholders, whichever is higher.
- 6.5 Ferret Consulting F.Z.C., an associate of the Company, holds 141,200 preference shares (2020: 141,200 preference shares) in the Company.
- 6.6 Mandatory date of conversion of CPS has expired during 2018 and the Company has failed to redeem the un-converted preference shares in a timely fashion as required by its Articles of Association. Thus, the Company is in default of Regulation 12 of the Companies (Further Issue of Shares) Regulations, 2018. According to these Regulations, a listed Company that fails to, completely or partially, fulfill or comply with any of the relevant terms and conditions of preference shares is considered to be in an event of default.

Note 7

Dividend on Preference Shares

		March 31, 2021	December 31, 2020
		(Un-audited)	(Audited)
Note		----- (Rupees in '000)-----	
Dividends on preference shares	7.1	<u>715,652</u>	<u>715,652</u>

- 7.1 This represents accumulated dividend on preference shares which is not payable in cash rather it will be converted into ordinary shares as and when the preference shares are converted into ordinary shares.
- 7.2 During the period, cumulative preference dividend amounting to Rs. Nil million (December 31, 2020: Rs. 56.484 million) was converted into ordinary shares as a result of conversion option exercised by certain preference shareholders in accordance with the terms and conditions given in Note 6.2 above.

Note 8

Capital Reserves

	March 31, 2021	December 31, 2020
	(Un-audited)	(Audited)
	----- (Rupees in '000)-----	
Fair value reserve	(5,473)	(13,215)
Exchange translation reserve	<u>462,766</u>	<u>462,766</u>
	<u>457,293</u>	<u>449,551</u>

These reserves are not distributable by the Company. Fair value reserve represents change in fair values of short term investments and exchange translation reserve represents translational exchange loss on dividend accrued on issued preference shares.

Note 9

Surplus on Revaluation of Fixed Assets

	March 31, 2021	December 31, 2020
	(Un-audited)	(Audited)
	----- (Rupees in '000)-----	
Opening balance - net of tax	2,318,768	1,247,166
Surplus on revaluation arisen during the year	-	2,100,000
Related deferred taxation	-	(609,000)
	-	1,491,000
Transfer to retained earnings on retirement of intangible assets	-	(255,943)
Adjustment of related deferred tax due to change in tax rate and proportion of normal sales	(16,051)	(9,170)
Transfer to retained earnings in respect of net incremental depreciation / amortization net of deferred tax	(68,890)	(154,285)
Closing balance - net of tax	<u>2,233,827</u>	<u>2,318,768</u>



9.1 This represents surplus, net of tax, over book value resulting from the revaluation of plant and equipment, licenses and softwares as adjusted by incremental depreciation / amortization arising on revaluation. Revaluation surplus cannot be distributed to shareholders as dividend.

Latest revaluation was carried out by an approved independent valuer, M/s Arch-E'-Decon, on December 31, 2020 using current market price / replacement cost methods, wherever applicable. This has resulted in revaluation surplus of Rs. 2.1 billion. Incremental depreciation charged on revalued fixed assets is taken to the statement of changes in equity to record realization of surplus to the extent of incremental depreciation. Incremental depreciation represents the difference between the actual depreciation / amortization on revalued assets based on revalued amounts and the equivalent depreciation / amortization based on the historical cost of these assets.

Note 10

Term Finance Certificates		March 31	December 31
		2021	2020
		Un-audited	Audited
	Note	----- (Rupees in '000) -----	
Opening balance		1,287,110	1,287,110
Less: Payments made during the period / year		-	-
		1,287,110	1,287,110
Less: Current and overdue portion		(355,076)	(320,076)
		932,034	967,034
Add: Deferred markup	10.1	446,047	466,246
		1,378,081	1,433,280

Term finance certificates (TFCs) have a face value of Rs. 5,000 per certificate. These TFCs carry mark up at the rate of six months average KIBOR plus 1.0% per annum (2020: six month average KIBOR plus 1.0% per annum), payable quarterly. The mark up rate charged during the year on the outstanding balance ranged from 8.30% to 8.84% (2020: 8.30% to 14.91%) per annum.

IGI Holding Limited (previously IGI Investment Bank Limited) is the Trustee (herein referred to as the Trustee) under the Trust Deed.

The liability of these TFCs has been rescheduled in December 2012 and then on April 03, 2015. During the year 2018, third rescheduling of these TFCs was successfully executed through signing of the Third Supplemental Trust Deed between the Trustees and the Company.

In accordance with the 3rd Supplemental Trust Deed executed during the year 2018, the outstanding principal is repayable by way of quarterly staggered installments with downward revision in markup of 0.60% i.e. revised markup of six months average KIBOR + 1%. The outstanding markup payable as at the date of restructuring and up to December 20, 2018 is agreed to be deferred and shall be paid from March 20, 2021 in quarterly installments. 50% of the markup accrued for the period between December 20, 2018 to December 20, 2020 shall be paid on regular quarterly basis commencing from March 20, 2019 and the remaining 50% shall be deferred and paid from March 20, 2021. Markup deferred has been measured at present value. Under the revised term sheet, these TFCs are due to mature on September 20, 2026.

The other main terms included appointment of one representative as a nominee director nominated by the Trustee which has been complied with. Further, 175 million sponsor's shares are pledged for investors which will be released with quarterly scheduled principal repayments proportionately starting from June 2019. The pledged shares have not been released in proportion to the payments made during the year.

The Company has not paid due quarterly installments of June 2019 to March 2021 amounting Rs. 230 million. In case of failure to make due payments by the Company, Trustee can instruct the security agent to enforce the letter of pledge and sell the quantum of the pledged shares to generate the amount required for the settlement of the outstanding redemption amount.

These TFCs are secured against first pari passu charge over the Company's present and future fixed assets including equipment, plant and machinery, fixtures excluding land and building with 25% margin in addition to all rights, benefits, claims and interests procured by the Company under:

- LDI and WLL license issued by PTA to the Company; and
- Assigned frequency spectrum as per deed of assignment.



		March 31 2021	December 31 2020
		Un-audited	Audited
Note		(Rupees in '000)	
10.1	Deferred markup		
	Deferred markup	10.1.1 746,494	746,494
	Adjustment due to impact of IFRS 9	10.1.2 (144,361)	(156,621)
		602,133	589,873
	Less: Current portion	(156,086)	(123,627)
		446,047	466,246
10.1.1	Reconciliation of deferred markup is as follows:		
	Opening balance	746,494	667,277
	Add: Markup deferred during the period/year	-	79,217
		746,494	746,494
10.1.2	Reconciliation is as follows:		
	Opening balance	156,621	187,207
	Add: Discounting impact of deferred markup	-	16,681
		156,621	203,888
	Less: Unwinding impact of discounted deferred markup	(12,260)	(47,267)
		144,361	156,621
Note 11			
Long Term Financing			
From Banking Companies (secured)			
	Allied Bank Limited	11.1 60,671	68,635
	Bank Islami Limited	11.2 99,105	-
		159,776	68,635
11.1	Allied Bank Limited		
	Opening balance	91,509	106,550
	Transfer from running finance	-	-
	Repayments	(4,003)	(15,041)
		87,506	91,509
	Less: Current and overdue portion	(49,806)	(43,909)
		37,700	47,600
	Add: Deferred markup	11.1.1 27,447	25,647
	Less: Discounting of deferred markup	11.1.2 (4,476)	(4,612)
		22,971	21,035
		60,671	68,635
11.1.1	Reconciliation of deferred markup is as follows:		
	Opening balance	25,647	15,098
	Add: Markup deferred during the year	1,800	10,549
		27,447	25,647
11.1.2	Reconciliation is as follows:		
	Opening balance	4,612	5,768
	Add: Discounting impact of deferred markup	293	1,897
		4,905	7,665
	Less: Unwinding impact of discounted deferred markup	(429)	(3,053)
		4,476	4,612

This represents balance transferred on June 14, 2019 as a result of restructuring of short term running finance (RF) facility to Term Loan Facility and subsequently amended on 8th October 2020. Principal will be repaid in 48 stepped up monthly installments starting from January 2019 till December 2022. Markup will be accrued and will be serviced in 12 equal monthly installments, starting from January 01, 2023. Effective markup rate applicable will be 3 Month KIBOR + 85 bps. The mark up charged during the period on the outstanding balance ranged from 8.14% to 8.14% (2020: 8.10% to 14.40%) per annum. The facility is secured against 1st joint pari passu charge on present and future current and fixed assets excluding building of the Company for Rs. 534 million and right to set off on collection account.



	March 31 2021	December 31 2020
	Un-audited	Audited
	------(Rupees in '000)-----	
11.2 Bank Islami Pakistan Limited		
Opening balance	-	-
Transfer from running finance	81,308	-
Repayments	-	-
	81,308	-
Less: Current and overdue portion	(12,500)	-
	68,808	-
Add: Deferred markup	41,235	-
Less: Discounting of deferred markup	(10,938)	-
	30,297	-
	99,105	-
11.2.1 Reconciliation is as follows:		
Opening balance	-	-
Add: Discounting impact of deferred markup	11,482	-
	11,482	-
Less: Unwinding impact of discounted deferred markup	(544)	-
	10,938	-

This represents balance transferred as a result of restructuring of short term running finance (RF) facility to Term Loan Facility. Principal will be repaid in 29 installments starting from Feb 2022 till May 2026. Markup will be accrued and will be serviced in 24 monthly installments, starting from June 01, 2024. Effective markup rate applicable will be 6 Month KIBOR (Floor 7.5% and capping 17%). The mark up charged during the period on the outstanding balance 7.5% per annum. The facility is secured against 1st joint pari passu charge on present and future current and fixed assets excluding building of the Company for Rs. 880 million and Pledge of shares of listed companies in CDC account of the company along with Mortgage over the Company's Offices at Ali Tower MM Alam Road Lahore and at The Plaza Shopping Mall Kehkashan Karachi.

Note 12

		March 31 2021	December 31 2020
		Un-audited	Audited
Sponsor's Loan		------(Rupees in '000)-----	
Sponsor's Loan - unsecured	Note		
- Interest bearing	12.1	460,800	482,400
- Non-interest bearing	12.2	856,583	862,889
		1,317,383	1,345,289
12.1 Opening balance		482,400	466,050
Exchange loss		(21,600)	16,350
		460,800	482,400

This represents USD denominated loan obtained from Worldcall Services (Private) Limited, the Parent Company. It carries mark up at 12 months KIBOR plus 1%. The mark up rate charged during the year on the outstanding balance is 8.67% (2020: 14.46%) per annum. The amount is not payable before March 31, 2022.



- 12.2** This represents interest free loan obtained from Worldcall Services (Private) Limited, the Parent Company. The amount is not payable before March 31, 2022.

This loan has been carried at amortized cost and the relevant difference is being charged to the statement of profit or loss account.

Opening balance	978,084	1,221,337
Less: Payments during the year	(6,305)	(243,253)
Amount of loan	971,779	978,084
Adjustment due to impact of IFRS 9:		
Discounting	(406,813)	(406,813)
Unwinding of discount	291,617	291,618
	(115,196)	(115,195)
	856,583	862,889

Note 13

License Fee Payable

This represents balance amount of license fee payable to Pakistan Telecommunication Authority (PTA) for WLL licenses. The Company had filed an application with PTA for grant of moratorium over payment of balance amount of WLL license. However, PTA rejected the Company's application and demanded its payment. Being aggrieved by this, the Company filed an appeal before Islamabad High Court ("IHC") against PTA's order. Meanwhile, the Ministry of Information Technology ("Ministry") through its letter dated August 30, 2011, allowed to the operators, the staggering for settlement of Access Promotion Contribution ("APC") and Initial Spectrum Fee ("ISF") dues and required PTA to submit an installment plan for this purpose after consultations with the operators. In respect of an appeal filed by the Company, IHC took notice of the Ministry's letter and directed PTA through its order dated January 20, 2015, to expeditiously proceed with the preparation and submission of the said installment plan. As of the date, no such installment plan has been submitted by PTA. Owing to these circumstances, the management does not expect the liability to materialize fully in the near future.

In a recent decision, PTA has withdrawn the frequencies 3.5 Ghz, 479 Mhz, 450 Mhz and 1900 Mhz. PTA in haste and unilaterally has also withdrawn 3.5 Ghz and 479 Mhz frequencies which have already been paid in full till 2024. Through said decision PTA has also withdrawn 1900 Mhz frequency spectrum which was already withdrawn by PTA/FAB in 2015 (11th year) until which the spectrum is fully paid on the basis of actual period of usage by the Company. The WLL License provides for such eventuality that when frequency spectrum is withdrawn, the licensee is to be compensated for the balance life of the frequency spectrum, therefore, after withdrawal of spectrum, there is no outstanding amount to be paid related to 1900 Mhz frequency spectrum.

WTL has filed an appeal at next judicial forum against said decision of PTA on similar lines as explained above and favorable outcome is expected

As a consequence of above, during the year under review the outstanding liability for 1900 Mhz may be reduced to zero on the basis that 1900 Mhz frequency has been fully paid for until 2015 (11th year). Similarly, liability for 450Mhz frequency spectrum be reduced on prorata after withdrawal. Corresponding assets has also been retired.

Note 14

Lease Liabilities

	March 31 2021	December 31 2020
	Un-audited	Audited
	------(Rupees in '000)-----	
Opening balance	275,931	239,454
Add: Additions during the year	-	48,515
Add: Interest expense	7,249	30,916
Less: Lease payments	(7,424)	(42,954)
Gross liability	275,756	275,931
Less: Current and overdue portion	(103,260)	(103,260)
Closing balance	172,496	172,671

14.1 Nature of leasing activities

The Company's leases comprise cables and certain premises for installation of equipment and used as warehouse, guest house and office operations. Periodic rentals are usually fixed over the lease term. However, in some contracts, it is customary for lease contracts to provide escalation in lease payments after specified period of time. These neither contain any variable lease payments nor any lease incentives. The Company is not committed to any lease not yet commenced at the reporting date.

Lease terms, and the remaining lease terms at the date of initial application, vary. Remaining lease term of existing lease contracts for which lease liability is booked ranges from 2 to 15 years.



Note 15

Short Term Borrowings

		March 31 2021	December 31 2020
		Un-audited	Audited
	Note	----- (Rupees in '000) -----	
Banking companies (secured - interest bearing):			
- Running finances	15.1	346,352	427,419
Related parties (unsecured - interest free):			
- Ferret Consulting F.Z.C.	15.2	57,257	59,941
		<u>403,609</u>	<u>487,360</u>

15.1 Short term running finance facilities available from commercial banks under mark up arrangements amount to Rs. 346.352 million (2020: Rs. 427.41 million). Running finance facilities are available at mark up rate of KIBOR plus 1.5% to 2.0% per annum (2020: KIBOR plus 1.5% to 2.5% per annum), payable quarterly, on the balance outstanding. The mark up charged during the period on outstanding balances ranged from 8.79% to 9.49% (2020: 8.75% to 16.06%) per annum, effectively. The management of the Company is in negotiation with banks for restructuring of its running finance facilities into long term loans.

15.2 This represents interest free USD denominated loan received from M/s Ferret Consulting - F.Z.C to meet working capital requirements. The accumulated balance as at reporting date is USD 372,765 (2020: USD 372,765). In the absence of written agreement, the amount is repayable on demand.

Note 16

Contingencies and Commitments**Contingencies**

There is no significant change in the status of contingencies from the preceding annual financial statements of the Company for the year ended December 31, 2020.

	March 31 2021	December 31 2020
	Un-audited	Audited
	----- (Rupees in '000) -----	
Guarantees and Letter of Credits		
Outstanding guarantees and letters of credit	<u>353,761</u>	<u>353,761</u>
Commitments		
Commitments in respect of capital expenditure	<u>-</u>	<u>9,202</u>



Note 17

Property, Plant and Equipment

		March 31, 2021	December 31, 2020
	Note	(Un-audited)	(Audited)
		------(Rupees in '000)-----	
Operating fixed assets	17.1	6,083,526	6,195,839
Capital work-in-progress		14,625	11,482
		<u>6,098,151</u>	<u>6,207,321</u>
17.1 Operating fixed assets			
Opening book value		6,195,839	6,519,429
Additions during the period / year	17.1.1	970	74,634
		<u>6,196,809</u>	<u>6,594,063</u>
Disposals (at book value) for the period / year	17.1.2	-	(12,993)
Depreciation charged during the period / year		<u>(113,283)</u>	<u>(385,231)</u>
Closing book value		<u>6,083,526</u>	<u>6,195,839</u>
17.1.1 Detail of additions			
Leasehold improvements		-	-
Plant and equipment		812	74,034
Office equipment		-	94
Furniture and fixtures		-	92
Computers		158	414
		<u>970</u>	<u>74,634</u>
17.1.2 Book values of assets disposed off			
Plant and equipment		-	12,777
Computers		-	216
		<u>-</u>	<u>12,993</u>

Note 18

Right of use assets

	March 31, 2021	December 31, 2020
	(Un-audited)	(Audited)
	------(Rupees in '000)-----	
Opening balance	3,680,465	2,138,001
Add: Additions during the year	-	281,156
Add: Revaluation Surplus during the year	-	1,440,000
Less: Depreciation charge for the period / year	<u>(61,400)</u>	<u>(178,692)</u>
Closing balance	<u>3,619,065</u>	<u>3,680,465</u>
Lease Term (Years)	<u>2 to 14</u>	<u>1.4 to 20</u>

18.1 Depreciation on right-of-use assets has been allocated to depreciation and amortization on face of the statement of profit or loss.

18.2 There are no variable lease payments in the lease contracts. There were no leases with residual value guarantees or leases not yet commenced to which the Company is committed.



Note 19

Cash Used in Operations

	Quarter ended March 31,	
	2021	2020
	(Un-audited)	(Un-audited)
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(298,596)	56,914
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	113,283	174,199
- Amortization on intangible assets	89,491	97,529
- Amortization of right of use assets	61,400	40,670
- (Gain) / Loss on disposal of property, plant and equipment	-	(39)
- Liabilities written back on settlement with parties	(15,067)	
- Post employment benefits	10,485	12,212
- Dividend income on short term investments	-	(49)
- Adjustment due to impact of IFRS 9	(11,775)	(7,065)
- Income on deposits, advances and savings accounts	(195)	(261)
- Exchange gain/(loss) on foreign currency loan	(21,600)	34,200
- Exchange (gain)/loss on foreign currency accrued markup	(1,072)	4,056
- Exchange (gain)/loss on foreign currency balances - net	3,513	23,386
- Imputed interest on lease liability	7,249	6,806
- Unwinding impact of liabilities under IFRS 9	13,233	49,783
- Finance cost	49,756	93,380
	<u>298,701</u>	<u>528,807</u>
Operating loss before working capital changes	105	585,721
(Increase) / decrease in current assets		
- Stores and spares	1,490	2,028
- Trade debts	(132,417)	(245,035)
- Loans and advances	41,580	18,873
- Deposits and prepayments	(2,605)	(2,858)
- Other receivables	(2,320)	(4,907)
Increase / (decrease) in current liabilities		
- Unearned revenue	29,243	27,484
- Trade and other payables	146,784	(356,360)
	<u>81,755</u>	<u>(560,775)</u>
Cash used in operations	<u>81,860</u>	<u>24,946</u>



Note 20

Transaction with Related Parties

Related parties comprise the parent Company, associated companies / undertakings, directors of the Company and their close relatives and key management personnel of the Company. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and due to related parties are shown under respective notes to these financial statements.

Transactions during the period with local companies

			Quarter ended March 31,	
			2021	2020
			(Un-audited)	(Un-audited)
			----- (Rupees in '000) -----	
Related party	Relationship	Nature of transaction		
Worldcall Services (Private) Limited	Parent Company	Funds received by the Company during the period	6,500	37,028
		Funds repaid by the Company during the period	26,068	6,400
		Settlement with multimedia	13,262	-
		Markup on long term borrowings	10,490	22,814
		Exchange (gain)/loss on markup	(1,072)	4,056
Route 1 Digital (Private) Limited	Wholly Owned Subsidiary	Interest charged during the period	289	-
		Expenses borne on behalf of subsidiary	800	463
Worldcall Business Solutions (Private) Limited	Associate	Expenses borne on behalf of associate	2,531	4,326
		Interest charged during the period	1,249	-
Key management personnel	Associated persons	Salaries and employees benefits	19,443	29,332

The amounts above do not include salaries and other related benefits of the Chief Executive Officer, directors and executives of the Company.

Transactions during the period with foreign companies

Ferret Consulting - F.Z.C	Associate	Exchange loss	2,684	20,595
		Adjustment with third party	3,083	-

Ferret Consulting is incorporated in United Arab Emirates. Basis for association of the Company with Ferret is common directorship.

		March 31, 2021	December 31, 2020
Outstanding Balance as at the period end		(Un-audited)	(Audited)
Worldcall Services (Private) Limited	Sponsor's loan	1,317,383	1,345,289
	Accrued markup	16,710	17,781
Ferret Consulting - F.Z.C	Dividend on CPS	519,473	519,473
	Short term borrowings	57,257	59,941
Route 1 Digital (Private) Limited	Investment in subsidiary	-	50,000
	Other receivables	-	16,423
Worldcall Business Solutions (Private) Limited	Other receivables	73,890	70,109
ACME Telecom (Private) Limited	Other receivables	33	32
Worldcall Ride Hail (Private) Limited	Other receivables	18	17
Worldcall Cable (Private) Limited	Other receivables	2,301	2,110
Key management	Payable against expenses, salaries and other employee benefits	155,308	143,476
	Advance against expenses and salaries	12,571	14,291



Note 21

Financial Risk Management**21.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The condensed interim financial statements (un-audited) do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2020.

There have been no changes in any risk management policies since the year end.

21.2 Fair value estimation

21.2.1 Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable willing parties in an arms' length transaction. Consequently difference may arise between carrying value and fair value estimates. The carrying value of all financial assets and liabilities reflected in the financial statements approximate to their fair values. During the period, there were no significant changes in the business or economic circumstances that affect the fair value of these assets and liabilities.

21.2.2 The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities that are measured at fair value at March 31, 2021:

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Assets				
Short-term investments	59,416	-	-	59,416

The following table presents the Company's assets and liabilities that are measured at fair value at December 31, 2020:

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Assets				
Short-term investments	51,674	-	-	51,674

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets and there were no changes in valuation techniques during the period.



Note 22

Segment Information

As per IFRS 8, "Operating Segments", operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision maker. The Chief Executive Officer (CEO) of the Company has been identified as the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

The CEO is responsible for the Company's entire product portfolio and considers business as a single operating segment. The Company's assets allocation decisions are based on a single integrated investment strategy and the Company's performance is evaluated on an overall basis.

The internal reporting provided to the CEO for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting and reporting standards as applicable in Pakistan.

The Company is domiciled in Pakistan. All of the Company's assets are located in Pakistan as at the reporting date.

Note 23

Impact of Covid 19 on the financial statements

Due to rapid spread of COVID-19 all across the world the overall global economy has been affected. At the end of March, 2020, the authorities implemented various measures trying to reduce the spread of the COVID-19 which includes a lock down, travel bans and quarantines. Telecommunication sector was among the sectors those were exempted from lockdown.

After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company henceforth continued its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity.

The management has assessed the implications of these developments on these condensed interim financial statements, including but not limited to the following areas:

- recoverability of receivable balances;
- the impairment of tangible assets under IAS 36, 'Impairment of non financial assets';
- the net realizable value of inventory under IAS 2, 'Inventories'; and
- going concern assumption used for the preparation of these financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 on these condensed interim financial statements.

Note 24

Subsequent Event

On September 20, 2021 the Board of Directors of the Company converted 38,000 preference shares along with dividend accrued on them into ordinary shares of the Company. As a result of conversion 529,733,920 ordinary shares of the Company are issued to preference shareholders detail of which is as follows:

	No. of	No. of ordinary
Ferret Consulting - F.Z.C	38,000	529,733,920
	38,000	529,733,920

Note 25

Date of Authorization for Issue

These condensed interim financial statements (un-audited) were approved and authorized for issue on 16 July 2022 by the Board of Directors of the Company.

Note 26

Corresponding Figures

Corresponding figures have been re-arranged / reclassified, wherever necessary, to reflect more appropriate presentation of events and transactions for the purpose of comparison.


Chief Executive Officer


Director


Chief Financial Officer



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