Quarterly Report
September 30, 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 over-whelming 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.

Contents

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 nine months and quarter ended Sep 30, 2021.

Economic Overview

Ever looming threat of economy falling flat on the faces of those on helm of economic/ fiscal measures owing to political turmoil has made it revolve turbulently around the International Monetary Fund – Extended Fund Facility (IMF-EFF) program. Every stringent or disguised well thought out fiscal measure seems a stepping stone towards appeasing the decision makers to somehow secure the next tranche of discipline mentioned hereinabove. Forget about the policies to sustain diminishing economic activity not to mention targeted growth we have been made to structure our eco-financial decisions on a unilateral goal explicitly elaborated above. One can take short lived relief in fooling oneself to believe that hyperinflation & supply-demand disparity is a global phenomenon but a bare rational analysis of macroeconomic variables when gauged with geo-political instability suggests otherwise and comes with a stark realization that what is faced has no significant relevance other than our own doing. Still all hope is not lost and there seems to be silver lining to the clouds in shape of de-categorization from gray list of Financial Action Task Force (FATF). Further expected and needed fiscal steps combined with stability at governmental institutions will catalyze the economic parabola.

Financial Overview

Standalone Financial Statements

Summary of financial results for the nine months ended September 30, 2021 are as follows:

Particulars	September 30, 2021	September 30, 2020
	Rs. in million	
Revenue-net	1,719	2,617
Direct Cost (excluding depreciation and Amortization)	(1,353)	(1,401)
Other Income	175	333
EBITDA	223	1,138
Depreciation and Amortization	(822)	(709)
Finance Cost	(234)	(435)
Profit/(Loss) after tax	(857)	88

During the period under review, the Company closed its financial results reporting Rs 857 million as loss after tax. The Company continues to strive for better financial and operational results under the guided leadership of existing management and their understanding to a close of alternate business streams and streamlining of existing cash generating activities. Operating costs continued to decline signifying effective cost control measures but the decrease was less when compared with the corresponding period last year.

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 subsidiary is domiciled in Pakistan and its registered office & principal place of business is situated at the Plot # 112-113, Block – S, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore.

Earnings per Share

Loss per share of the Company has been reported on consolidated as well as on standalone basis.

Future Outlook

Company has been making significant inroads and will continue to do so in capitalizing the huge potential embedded in the ICT segment; the company has delved in the e-commerce industry through value added services such as Bulk SMS, Software/ Apps/ Web development, Mass email broadcasting response & IVR (Interactive Voice Response).

Company's staff and customers

We acknowledge deep inside unwavering faith of our die-hard members who place utmost trust in embedded potential of the enterprise which has kept our boat sailing in the turbulent tides of recession, inadvertent outbreak of pandemic globally & its subsequent mutated variants and attached catastrophic impacts. We further express heartfelt gratitude towards our customers for trusting WorldCall as preferred choice of telecom services and entertainment provider.

For and on behalf of the Board of Directors

Babar Ali Syed
Chief Executive Officer

Lahore, Pakistan
July 16, 2022

فی شیئر آمدنی

کمپنی کے فی حصص کے نقصان کو یکجا اور اسٹینڈ اکیلے بنیادوں پر رپورٹ کیا گیا ہے۔

مستقبل کا آؤٹ لک

کمپنی اہم پیشرفت کر رہی ہے اور آئی سی ٹی سیگمنٹ میں سرایت کرنے والے بہت بڑے امکانات سے فائدہ اٹھانے کے لیے ایسا کرتی رہے گی۔ کمپنی نے ای کامرس انڈسٹری میں ویلیو ایڈڈ سروسز جیسے کہ بلک ایس ایم ایس، سافٹ ویئر/ ایپس/ ویب ڈویلپمنٹ، ماس ای میل براڈ کاسٹنگ رسپانس اور آئی وی آر (انٹرا ایکٹو وائس رسپانس) کے ذریعے ترقی کی ہے۔

کمپنی کا عملہ اور صارفین

ہم اپنے دل کی گہرائیوں سے اٹل ارکان کے غیر متزلزل ایمان کو تسلیم کرتے ہیں جو انٹر پرائز کی سرایت شدہ صلاحیت پر مکمل بھروسہ رکھتے ہیں جس نے کساد بازاری کے ہنگامہ خیز لہروں، عالمی سطح پر وبائی امراض کے نادانستہ پھیلنے اور اس کے نتیجے میں تبدیل شدہ تغیرات اور اس سے منسلک تباہ کن اثرات میں ہماری کشتی کو رواں دواں رکھا ہے۔ ہم ورلڈ کال کو ٹیلی کام سروسز اور تفریحی فراہم کنندہ کے ترجیحی انتخاب کے طور پر بھروسہ کرنے کے لیے اپنے صارفین کے لیے تہہ دل سے شکریہ ادا کرتے ہیں۔

بحکم بورڈ آف ڈائریکٹرز

Babarali

بابر علی سید

چیف ایگزیکٹو آفیسر

لاہور:

16 جولائی 2022

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

ڈائریکٹرز کی جائزہ رپورٹ

ورلڈکال ٹیلی کام لمیٹڈ کے بورڈ آف ڈائریکٹرز ("ورلڈکال"یا" کمپنی") کو30 ستمبر2021 کوختم ہونے والی نومہینوں اور سہ ماہی کے لیے کنڈینسڈ عبوری اسٹینڈ اور یکجا مالیاتی معلومات کے ساتھ اپنی جائزہ رپورٹ پیش کرنے پر خوشی ہے۔

معاشی جائزہ

سیاسی انتشار کی وجہ سے معاشی/ مالیاتی اقدامات کے ذمہ داروں کے چہروں پر مسلسل خطرے نے بین الاقوامی مالیاتی فنڈ-توسیعی فنڈ سہولت (EFF-IMF) پروگرام کے گرد گھومنے پر مجبور کر دیا ہے۔ ہر سخت یا چھپی ہوئی اچھی طرح سے سوچا گیا مالی اقدام فیصلہ سازوں کو مطمئن کرنے کی طرف ایک قدم کا پتھر لگتا ہے تاکہ کسی نہ کسی طرح یہاں ذکر کردہ نظم وضبط کی اگلی قسط کو محفوظ بنایا جا سکے۔ کم ہوتی ہوئی اقتصادی سرگرمیوں کو برقرار رکھنے کی پالیسیوں کے بارے میں بھول جائیں، ہدف شدہ نمو کا ذکر نہ کریں، ہمیں اپنے ماحولیاتی مالیاتی فیصلوں کو ایک یکطرفہ ہدف پر تشکیل دینے کے لیے بنایا گیا ہے جو اوپر واضح طور پر بیان کیے گئے ہیں۔ کوئی شخص اپنے آپ کو بے وقوف بنانے میں قلیل المدتی راحت لے سکتا ہے کہ افراط زر اور طلب اور رسد کا تفاوت ایک عالمی رجحان ہے لیکن جب جغرافیائی سیاسی عدم استحکام کا اندازہ لگایا جاتا ہے تو میکرواکنامک متغیرات کا ایک تجزیہ دوسری صورت میں تجویز کرتا ہے اور یہ ایک واضح احساس کے ساتھ آتا ہے کہ جس چیز کا سامنا ہے ہمارے اپنے کام کے علاوہ کوئی اہم مطابقت نہیں ہے۔ اب بھی تمام امیدیں ختم نہیں ہوئیں اور ایسا لگتا ہے کہ فنانشل ایکشن ٹاسک فورس (FATF) کی گرے لسٹ سے امید کی کرن باقی ہے۔ حکومتی اداروں میں استحکام کے ساتھ مل کر مزید متوقع اور ضروری مالیاتی اقدامات معاشی پیرابولا کو متحرک کریں گے۔

مالیاتی جائزہ ۔اسٹینڈا کیلے مالی بیانات

30 ستمبر2021 کوختم ہونے والے نومہینوں کے مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

Particulars	September 30, 2021	September 30, 2020
	Rs. in million	
Revenue-net	1,719	2,617
Direct Cost (excluding depreciation and Amortization)	(1,353)	(1,401)
Other Income	175	333
EBITDA	223	1,138
Depreciation and Amortization	(822)	(709)
Finance Cost	(234)	(435)
Profit/(Loss) after tax	(857)	88

زیر جائزہ مدت کے دوران، کمپنی نے 857 ملین روپے کے بعد ٹیکس کے نقصان کی اطلاع دیتے ہوئے اپنے مالیاتی نتائج کو بند کیا۔ کمپنی موجودہ انتظامیہ کی رہنمائی کے تحت بہتر مالیاتی اور آپریشنل نتائج کے لیے کوششیں جاری رکھے ہوئے ہے اور متبادل کاروباری سلسلے کے قریب جانے اور موجودہ نقدی پیدا کرنے والی سرگرمیوں کو ہموار کرنے کے لیے ان کی سمجھ بوجھ کے ساتھ۔ لاگت پر قابو پانے کے موثر اقدامات کی نشاندہی کرتے ہوئے آپریٹنگ اخراجات میں مسلسل کمی واقع ہوئی لیکن گزشتہ سال کی اسی مدت کے مقابلے میں کمی کم تھی۔

مجموعی مالیاتی بیانات

کنڈینسڈ عبوری کنسولیڈیٹڈ مالیاتی بیانات روٹ 1 ڈیجیٹل (پرائیویٹ) لمیٹڈ (سبسڈری کمپنی) کے ساتھ مل کر ورلڈ کال ٹیلی کام لمیٹڈ (پیرنٹ کمپنی) کے مالی نتائج پر مشتمل ہیں۔ روٹ 1 ڈیجیٹل ایک پرائیویٹ لمیٹڈ کمپنی ہے جسے پاکستان میں 21 دسمبر2016 کو منسوخ شدہ کمپنیز آرڈیننس،1984 (اب کمپنیز ایکٹ،2017) کے تحت شامل کیا گیا تھا۔ بنیادی کاروبار تمام ٹرانسپورٹ خدمات کا کاروبار کرنا، موٹر گاڑیوں کی نقل وحمل کو کسی دوسرے یا دوسرے کے ساتھ بانٹنا، اور انفارمیشن ٹیکنالوجی، سافٹ ویئر کی ترقی اور اس سے متعلق تمام سرگرمیوں کے شعبے میں مشاورت کرنا ہے۔ ذیلی ادارہ پاکستان میں مقیم ہے اور اس کا رجسٹرڈ دفتر اور کاروبار کی اصل جگہ پلاٹ 112#-113، بلاک-ایس، قائدِ اعظم انڈسٹریل اسٹیٹ، کوٹ لکھپت، لاہور میں واقع ہے۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

	Note	September 30, 2021 Un-audited	December 31, 2020 Audited
		-----------(Rupees in '000)----------	
SHARE CAPITAL AND RESERVES			
Authorized share capital		29,000,000	29,000,000
Ordinary share capital	5	12,495,572	11,863,206
Preference share capital	6	1,576,870	1,963,178
Dividend on preference shares	7	571,600	715,652
Capital reserves	8	360,690	449,551
Accumulated loss		(13,520,965)	(12,801,935)
Surplus on revaluation of fixed assets	9	2,165,558	2,318,768
		3,649,325	4,508,420
NON-CURRENT LIABILITIES			
Term finance certificates	10	1,361,204	1,433,280
Long term financing	11	157,013	68,635
Sponsor's loan	12	1,496,613	1,345,289
License fee payable	13	45,513	45,513
Post employment benefits		215,030	203,133
Long term deposit		91,384	86,103
Lease liabilities	14	195,933	172,671
		3,562,690	3,354,624
CURRENT LIABILITIES			
Trade and other payables		6,003,969	6,230,153
Unearned revenue		80,474	-
Accrued mark up		362,609	278,318
Current and overdue portion of non-current liabilities		734,472	590,872
Short term borrowings	15	409,795	487,360
Unclaimed dividend		1,807	1,807
Provision for taxation - net		343,561	331,715
		7,936,687	7,920,225
Contingencies and Commitments	16	-	-
TOTAL EQUITY AND LIABILITIES		15,148,702	15,783,269
NON-CURRENT ASSETS			
Property, plant and equipment	17	5,863,454	6,204,805
Right of use assets	18	3,757,031	3,680,465
Intangible assets		1,110,564	1,402,655
Investment properties		49,958	49,958
Long term investment	19	50,000	50,000
Deferred taxation		2,373,846	2,389,069
Long term deposits		17,236	17,221
		13,222,089	13,794,173
CURRENT ASSETS			
Stores and spares		32,730	32,595
Stock-in-trade		204,777	204,777
Trade debts		735,752	807,879
Loans and advances		183,140	209,200
Deposits and prepayments		538,029	533,457
Short term investments		64,818	51,674
Other receivables		109,586	93,074
Cash and bank balances		57,781	56,440
		1,926,613	1,989,096
TOTAL ASSETS		15,148,702	15,783,269

The annexed notes from 1 to 26 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 AND NINE MONTHS ENDED SEPTEMBER 30, 2021

	Nine Months ended Sep 30,		Quarter ended Sep 30,	
	2021	2020	2021	2020
	--------------(Rupees in '000)--------------			
Revenue	1,719,255	2,617,391	387,115	484,166
Direct costs excluding depreciation and amortization	(1,353,439)	(1,400,577)	(381,192)	(403,196)
Operating costs	(317,852)	(412,601)	(107,064)	(177,243)
Other income	175,440	333,480	14,008	249,810
Impairment of assets	-	-	-	-
Profit before Interest, Taxation, Depreciation and Amortization	223,404	1,137,693	(87,133)	153,537
Depreciation and amortization	(822,311)	(709,302)	(294,764)	(94,521)
Finance cost	(234,078)	(434,952)	(88,789)	(161,291)
(Loss) / Profit before Taxation	(832,985)	(6,561)	(470,686)	(102,275)
Taxation	(23,825)	94,999	-	107,706
Net (Loss) / Profit for the Period	(856,810)	88,438	(470,686)	5,431
(Loss) / Earning per Share - basic (Rupees)	(0.31)	0.04	(0.04)	0.005
(Loss) / Earnings per Share - diluted (Rupees)	(0.31)	0.02	(0.04)	0.004

The annexed notes from 1 to 26 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 AND NINE MONTHS ENDED SEPTEMBER 30, 2021

	Nine Months ended Sep 30,		Quarter ended Sep 30,	
	2021	2020	2021	2020
	--------------(Rupees in '000)-------------			
Net Profit for the Period	(856,810)	88,438	(470,686)	5,431
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
- Changes in fair value of financial assets through other comprehensive income - net of tax	13,144	10,336	5,402	14,639
Item that may be subsequently reclassified to profit or loss:	-	-		
Other Comprehensive Income - net of tax	13,144	10,336	5,402	14,639
Total Comprehensive Income for the Period - net of tax	(843,666)	98,774	(465,284)	20,070

The annexed notes from 1 to 26 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 NINE MONTHS ENDED SEPTEMBER 30, 2021

	Note	Nine Months ended Sep 30, 2021	2020
		--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	20	(101,220)	486,215
Increase / (Decrease) in non-current liabilities:			
- Long term deposit		1,795	-
Decrease / (Increase) in non-current assets:			
- Long term trade receivables		-	-
- Long term deposits		(15)	(51)
		(15)	(51)
		(99,440)	486,164
Post employment benefits paid		(19,559)	(20,029)
Finance cost paid		(13,541)	(68,975)
Income tax paid		(14,455)	(6,943)
Net Cash genarated from Operating Activities		(146,995)	390,217
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(69,775)	(6,041)
Dividend income		-	49
Income on deposit and savings accounts		19,923	17,477
Proceeds from disposal of property, plant and equipment		57,603	39
Net Cash (Used in) / generated from Investing Activities		7,751	11,524
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(11,338)	(29,559)
Sponsor's loan		158,825	(247,050)
Short term borrowings - net		29,449	(126,867)
Repayment of lease liability		(36,351)	(31,591)
Net Cash Used in Financing Activities		140,585	(435,067)
Net Increase / (Decrease) in Cash and Cash Equivalents		1,341	(33,326)
Cash and cash equivalents at the beginning of the year		56,440	40,083
Cash and Cash Equivalents at the End of the Year		57,781	6,757

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

Chief Executive Officer | **Director** | **Chief Financial Officer**

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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	(13,186,813)	1,247,166	3,038,845
Net profit for the period	-	-	-	-	-	-	88,438	-	88,438
Other comprehensive loss for the period - net of tax	-	-	-	10,336	-	10,336	-	-	10,336
Total comprehensive income for the period - net of tax	-	-	-	10,336	-	10,336	88,438	-	98,774
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	111,994	(111,994)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(8,637)	(8,637)
Balance as at September 30, 2020	11,615,252	2,114,651	772,136	(15,974)	502,763	486,789	(12,986,381)	1,126,535	3,128,982
Net loss for the period	-	-	-	-	-	-	(234,775)	-	(234,775)
Other comprehensive income for the period - net of tax	-	-	-	2,759	-	2,759	16,447	1,491,000	1,510,206
Total comprehensive income for the period - net of tax	-	-	-	2,759	-	2,759	(218,328)	1,491,000	1,275,431
Adjustment of Suplus on retirement of intangible assets	-	-	-	-	-	-	360,483	(255,943)	104,540
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	42,291	(42,291)	-
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 issuance 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 period	-	-	-	-	-	-	(856,810)	-	(856,810)
Other comprehensive income for the period - net of tax	-	-	-	13,144	-	13,144	-	-	13,144
Total comprehensive income for the period - net of tax	-	-	-	13,144	-	13,144	(856,810)	-	(843,666)
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	137,780	(137,780)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(15,430)	(15,430)
Conversion of preference shares and dividend thereon	5,297,339	(386,308)	(144,052)		(102,005)	(102,005)	-	-	4,664,973
Discount on issuance of ordinary shares	(4,664,973)					-	-	-	(4,664,973)
Total transactions with owners, recognized directly in equity	632,366	(386,308)	(144,052)	-	(102,005)	(102,005)	-	-	(0)
Balance as at September 30, 2021	12,495,572	1,576,870	571,600	(71)	360,761	360,690	(13,520,965)	2,165,558	3,649,324

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

Chief Executive Officer | **Director** | **Chief Financial Officer**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 26.75 % (2020: 36.87%) ordinary shares of the Company. Aggregate holding of Worldcall Services (Private) Limited through other associates is 43.36% (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 half year ended June 30, 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. 856.810 million during the period ended September 30, 2021 (September 2020: profit after taxation of Rs. 88.438 million) which includes the impact of write back of liabilities for Rs. 94.817 million (September 2020: Rs. 320.740 million). As at September 30, 2021, the accumulated loss of the Company stands at Rs. 13,520.965 million (December 31, 2020: Rs. 12,801.935 million) and its current liabilities exceed its current assets by Rs. 6,010.074 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. 5.999 billion as on the reporting date, which has the following major components:

Description	Note	Rs in million
Short term Borrowings	2.7.2.1	448
Pakistan Telecommunication Authority (PTA)	2.7.2.2	2,327
Claims of Parties Challenged	2.7.2.3	913
Continuing business partners	2.7.2.4	603
Provision for taxation	2.7.2.5	344
		4,635

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 rollover of its running finance facilities amounting Rs. 346.475 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. 60.632 Million.

2.7.2.2 Liabilities towards PTA as incorporated in these financial statements stand at approximately Rs. 2.3 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. 603 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 an 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

September 30, 2021 (Un-audited)	December 31, 2020 (Audited)		Note	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
No. of Shares				--------------(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
2,335,627,756	1,805,893,836	Ordinary shares of Rs. 10 each issued against convertible preference shares	5.1	23,356,278	18,058,939
				31,961,994	26,664,655
		Less: Discount on issue of shares	5.6	(19,466,422)	(14,801,449)
3,196,199,269	2,666,465,349			12,495,572	11,863,206

5.1 During the period, 38,000 (2020: 14,900) convertible preference shares and accumulated preference dividend thereon amounting to Rs. 144.052 (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 854,914,152 shares (2020: 983,117,312 shares) representing 26.75% (2020: 36.87%) shareholding in the Company.

5.4 Ferret Consulting F.Z.C., an associate of the Company, holds 529,984,463 shares (2020: 139,750,543 shares) representing 16.58% (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	4,664,973	1,829,161
Closing balance	19,466,422	14,801,449

5.7 Reconciliation of ordinary share capital is as follows:

Opening balance	26,664,655	24,587,540
Add: Shares issued during the year	5,297,339	2,077,115
Closing balance	31,961,994	26,664,655

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

	Note	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		--------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	(38,000)	(14,900)	(386,308)	(151,473)
		155,700	193,700	1,576,870	1,963,178

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 103,200 preference shares (2020: 141,200 preference shares) in the Company.

Note 7

Dividend on Preference Shares

	Note	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		(Rupees in '000)	
Dividends on preference shares	7.1	571,600	715,652

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. 144.052 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

	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	(Rupees in '000)	
Fair value reserve	(71)	(13,215)
Exchange translation reserve	360,761	462,766
	360,690	449,551

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

	September 30, 2021 (Un-audited)	December 31, 2020 (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	(15,430)	(9,170)
Transfer to retained earnings in respect of net incremental depreciation / amortization net of deferred tax	(137,780)	(154,285)
Closing balance - net of tax	2,165,558	2,318,768

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	September 30 2021 Un-audited	December 31 2020 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		(395,065)	(320,076)
		892,045	967,034
Add: Deferred markup	10.1	469,159	466,246
		1,361,204	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 September 2021 amounting Rs. 290 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. In August 2021 exercising its right trustee recovered Rs. 27.95 million against outstanding June 2019 installment through sale of shares.

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:

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

10.1 Deferred markup

		Note	September 30 2021	December 31 2020
	Deferred markup	10.1.1	746,494	746,494
	Adjustment due to impact of IFRS 9	10.1.2	(121,249)	(156,621)
			625,245	589,873
	Less: Current portion		(156,086)	(123,627)
			469,159	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

	September 30 2021 Un-audited	December 31 2020 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	(35,372)	(47,267)
	121,249	156,621

Note 11

Long Term Financing

	Note	September 30 2021 Un-audited	December 31 2020 Audited
		--------------(Rupees in '000)--------------	
From Banking Companies (secured)			
Allied Bank Limited	11.1	57,330	68,635
Bank Islami Limited	11.2	99,683	-
		157,013	68,635

11.1 Allied Bank Limited

Opening balance	91,509	106,550
Transfer from running finance	-	-
Repayments	(11,338)	(15,041)
	80,171	91,509
Less: Current and overdue portion	(49,806)	(43,909)
	30,365	47,600
Add: Deferred markup	30,945	25,647
Less: Discounting of deferred markup	(3,980)	(4,612)
	26,965	21,035
	57,330	68,635

11.1.1 Reconciliation of deferred markup is as follows:		
Opening balance	25,647	15,098
Add: Markup deferred during the year	5,298	10,549
	30,945	25,647

11.1.2 Reconciliation is as follows:		
Opening balance	4,612	5,768
Add: Discounting impact of deferred markup	681	1,897
	5,293	7,665
Less: Unwinding impact of discounted deferred markup	(1,313)	(3,053)
	3,980	4,612

This represent balance transferred on 14th June, 2019 as a result of restructuring of short term running finance (RF) facility to Term Loan Facility and subsequently amended on 8th October 2020 and 30th September 2021. Outstanding Principal will be repaid in 37 Stepped up monthly installments starting from August 2021 till August 2024. Markup will be accrued and will be serviced in 12 equal monthly installments, starting from September, 2024. 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 8.44% (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.

	September 30 2021 Un-audited	December 31 2020 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	(15,500)	-
	65,808	-
Add: Deferred markup	44,385	-
Less: Discounting of deferred markup	(10,510)	-
	33,875	-
	99,683	-

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 shaes 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

Sponsor's Loan

	Note	September 30 2021 Un-audited	December 31 2020 Audited
		--------------(Rupees in '000)--------------	
Sponsor's Loan - unsecured			
- Interest bearing	12.1	474,900	482,400
- Non-interest bearing	12.2	1,021,713	862,889
		1,496,613	1,345,289

12.1 Opening balance	482,400	466,050
Exchange loss	(7,500)	16,350
	474,900	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 June 30, 2022.

12.2 This represents interest free loan obtained from Worldcall Services (Private) Limited, the Parent Company. The amount is not payable before June 30, 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
Add: Addition during the year	165,130	
Less: Payments during the period/year	(6,305)	(243,253)
Amount of loan	1,136,909	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)
	1,021,713	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.

PTA has withdrawn the frequencies 3.5 Ghz, 479 Mhz, 450 Mhz and 1900 Mhz . PTA in haste and unilaterally has 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.

As a consequence of above , during last year the outstanding liability for 1900 Mhz was reduced to zero on the basis that 1900 Mhz frequency had been fully paid for until 2015 (11th year). Similarly, liability for 450Mhz frequency spectrum was reduced on prorata after withdrawal. Owing to these circumstances, the management does not expect the liability to materialize fully in the near future.

Note 14 **Lease Liabilities**	**September 30 2021**	**December 31 2020**
	Un-audited	**Audited**
	--------------(Rupees in '000)--------------	
Opening balance	275,931	239,454
Add: Additions during the year	164,509	48,515
Add: Interest expense	31,326	30,916
Less: Termination of lease agreement	(121,467)	-
Less: Lease payments	(36,351)	(42,954)
Gross liability	313,948	275,931
Less: Current and overdue portion	(118,015)	(103,260)
Closing balance	195,933	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	Note	**September 30 2021**	**December 31 2020**
		Un-audited	**Audited**
		--------------(Rupees in '000)--------------	
Banking companies (secured - interest bearing):			
- Running finances	15.1	344,950	427,419
Related parties (unsecured - interest free):			
- Ferret Consulting F.Z.C.	15.2	64,845	59,941
		409,795	487,360

15.1 Short term running finance facilities available from commercial banks under mark up arrangements amount to Rs. 344.950 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 9.53% (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.

	September 30 2021 Un-audited	December 31 2020 Audited
	--------------(Rupees in '000)--------------	
Guarantees and Letter of Credits		
Outstanding guarantees and letters of credit	344,461	353,761
Commitments		
Commitments in respect of capital expenditure	9,696	9,202

Note 17

Property, Plant and Equipment

Operating fixed assets	17.1	5,850,611	6,193,323
Capital work-in-progress		12,843	11,482
		5,863,454	6,204,805

17.1 Operating fixed assets

Opening book value		6,193,323	6,516,313
Impairment- assets written off		-	-
Additions during the period / year	17.1.1	2,400	74,634
		6,195,723	6,590,947
Disposals (at book value) for the period / year	17.1.2	(10,608)	(12,993)
Depreciation charged during the period / year		(334,504)	(384,631)
Closing book value		5,850,611	6,193,323

17.1.1 Detail of additions

Plant and equipment	1,948	74,034
Office equipment	-	94
Furniture and fixtures	-	92
Computers	452	414
	2,400	74,634

17.1.2 Book values of assets disposed off

Plant and equipment	10,608	12,777
Computers	-	216
	10,608	12,993

Note 18

Right of use assets

	September 30 2021 (Un-audited)	December 31 2020 (Audited)
	--------------(Rupees in '000)--------------	
Opening balance	3,680,465	2,138,001
Add: Additions during the year	364,337	281,156
Add: Revaluation Surplus during the year	-	1,440,000
Add: Lease termination	(92,056)	-
Less: Depreciation charge for the period / year	(195,715)	(178,692)
Closing balance	3,757,031	3,680,465
Lease Term (Years)	**2 to 14**	**1.4 - 20**

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

	September 30 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%)	50,000	50,000

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

	Nine Months ended September 30, 2021 (Un-audited)	Nine Months ended September 30, 2020 (Un-audited)
	--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(832,985)	(6,561)
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	334,504	284,158
- Amortization on intangible assets	292,092	292,528
- Amortization of right of use assets	195,715	132,618
- Provision for expected credit losses on trade debts	-	72,200
- (Gain) / Loss on disposal of property, plant and equipment	(46,995)	(39)
- Revenue from IRU agreement	(199,828)	(249,785)
- Gain on termination of lease	(29,410)	-
- Disposal of fiber under IRU arrangement	-	12,778
- Unclaimed liabilities written back during the year	-	(91,323)
- Liabilities written back on settlement with parties	(94,817)	-
- Reversal of provision for advance to suppliers	-	(3,692)
- Post employment benefits	31,456	36,635
- Dividend income on short term investments	-	(49)
- Adjustment due to impact of IFRS 9	(12,853)	(18,095)
- Income on deposits, advances and savings accounts	(19,923)	(17,477)
- Exchange gain/(loss) on foreign currency loan	(7,500)	33,150
- Exchange (gain)/loss on foreign currency accrued markup	-	2,717
- Exchange (gain)/loss on foreign currency balances - net	40,970	(12,947)
- Imputed interest on lease liability	31,326	26,664
- Unwinding impact of liabilities under IFRS 9	43,628	167,283
- Finance cost	159,124	241,005
	717,489	908,329
Operating loss before working capital changes	(115,496)	901,768
(Increase) / decrease in current assets		
- Stores and spares	(135)	6,905
- Trade debts	72,127	(36,060)
- Loans and advances	26,060	70,869
- Deposits and prepayments	(4,572)	(19,351)
- Other receivables	(16,512)	2,741
Increase / (decrease) in current liabilities		
- Unearned revenue	80,474	63,614
- Trade and other payables	(143,166)	(504,271)
	14,276	(415,553)
Cash used in operations	(101,220)	486,215

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

Related party	Relationship	Nature of transaction	Nine Months ended September 30, 2021 (Un-audited)	Nine Months ended September 30, 2020 (Un-audited)
			---(Rupees in '000)---	
Worldcall Services (Private) Limited	Parent Company	Funds received by the Company during the period	225,325	56,376
		Funds repaid by the Company during the period	43,089	208,932
		Expense paid on behalf of the Company	(2)	-
		Settlement with multimedia	37,363	24,448
		Markup on long term borrowings	32,287	53,834
		Exchange (gain)/loss on markup	(72)	1,344
		Exchange (gain)/loss on Loan	30,450	-
Route 1 Digital (Private) Limited	Wholly Owned Subsidiary	Interest charged during the period	588	-
		Expenses borne on behalf of subsidiary	1,162	1,368
Worldcall Business Solutions (Private) Limited	Associate	Expenses borne on behalf of associate	5,032	10,211
		Interest charged during the period	2,551	-
Worldcall Cable (Private) Limited	Associate	Interest charged during the period	76	-
ACME Telecom (Private) Limited	Associate	Interest charged during the period	1	-
Worldcall Ride Hail (Private) Limited	Associate	Interest charged during the period	1	-
Key management personnel	Associated persons	Salaries and employees benefits	61,686	71,168
		Advances against expenses disbursed / (adjusted) - net	886	-

Transactions during the period with foreign companies

Related party	Relationship	Nature of transaction	2021	2020
Ferret Consulting - F.Z.C	Associate	Direct Cost-IT Service		2,700
		Exchange loss	3,195	-
		Expenses Charged	1,709	2,125
		Adjustment during the Period	4,675	337,500
		Net funds received by the Company during the period	-	4,500

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

Outstanding Balance as at the period end

		September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
Worldcall Services (Private) Limited	Sponsor's loan	1,496,613	1,345,289
	Accrued markup	16,710	17,781
Ferret Consulting - F.Z.C	Dividend on CPS	519,473	519,473
	Short term borrowings	64,845	59,941
Route 1 Digital (Private) Limited	Investment in subsidiary	50,000	50,000
	Other receivables	18,776	16,423
Worldcall Business Solutions (Private) Limited	Other receivables	81,586	70,109
ACME Telecom (Private) Limited	Other receivables	34	32
Worldcall Ride Hail (Private) Limited	Other receivables	18	17
Worldcall Cable (Private) Limited	Other receivables	2,378	2,263
Key management personnel	Payable against expenses, salaries and other employee benefits	158,397	152,681
	Advance against expenses and salaries	12,769	11,883

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 lliability settled, between knowledgeable willing parties in an arms' length transaction. Consequenlty difference may arise between carrying value and fair value estimates. The carrying value of all financial assets and liabilities reflected in the financial statemetns 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 September 30, 2021:

	Level 1	Level 2	Level 3	Total
		Rupees in '000		
Assets				
Short-term investments	64,818	-	-	64,818

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 June, 2021, 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

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

QUARTERLY REPORT 2021

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2021

	Note	September 30, 2021 Un-audited	December 31, 2020 Audited
		-----------(Rupees in '000)----------	
SHARE CAPITAL AND RESERVES			
Authorized share capital		29,000,000	29,000,000
Ordinary share capital	5	12,495,571	11,863,206
Preference share capital	6	1,576,870	1,963,178
Dividend on preference shares	7	571,600	715,652
Capital reserves	8	360,690	449,551
Accumulated loss		(13,540,965)	(12,820,619)
Surplus on revaluation of fixed assets	9	2,165,558	2,318,768
		3,629,324	4,489,736
NON-CURRENT LIABILITIES			
Term finance certificates	10	1,361,204	1,433,280
Long term financing	11	157,013	68,635
Sponsor's loan	12	1,496,613	1,345,289
License fee payable	13	45,513	45,513
Post employment benefits		215,030	203,133
Long term deposit		91,384	86,103
Lease liabilities	14	195,933	172,671
		3,562,690	3,354,624
CURRENT LIABILITIES			
Trade and other payables		6,003,872	6,231,517
Unearned revenue		80,474	-
Accrued mark up		362,609	278,318
Current and overdue portion of non-current liabilities		734,472	590,872
Short term borrowings	15	409,795	487,360
Unclaimed dividend		1,807	1,807
Provision for taxation - net		343,528	331,683
		7,936,557	7,921,557
Contingencies and Commitments	16	-	-
TOTAL EQUITY AND LIABILITIES		15,128,571	15,765,917
NON-CURRENT ASSETS			
Property, plant and equipment	17	5,865,544	6,207,321
Right of use assets	18	3,757,031	3,680,465
Intangible assets		1,156,866	1,448,958
Investment properties		49,958	49,958
Deferred taxation		2,373,846	2,389,069
Long term deposits		17,236	17,221
		13,220,481	13,792,992
CURRENT ASSETS			
Stores and spares		32,730	32,595
Stock-in-trade		204,777	204,777
Trade debts		735,951	808,078
Loans and advances		183,177	209,236
Deposits and prepayments		538,029	533,457
Short term investments		64,818	51,674
Other receivables		90,810	76,651
Cash and bank balances		57,798	56,457
		1,908,090	1,972,925
TOTAL ASSETS		15,128,571	15,765,917

The annexed notes from 1 to 25 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2021

	Nine Months ended Sep 30,		Quarter ended Sep 30,	
	2021	2020	2021	2020
	--------------(Rupees in '000)--------------			
Revenue	1,719,255	2,617,391	399,604	484,166
Direct costs excluding depreciation and amortization	(1,353,439)	(1,400,738)	(377,340)	(403,196)
Operating costs	(317,852)	(414,084)	(111,701)	(177,697)
Other income	174,550	333,480	(2,071)	249,810
Impairment of assets	-	-	-	-
Profit before Interest, Taxation, Depreciation and Amortization	222,514	1,136,049	(91,508)	153,083
Depreciation and amortization	(822,737)	(709,819)	(255,802)	(94,683)
Finance cost	(234,078)	(434,952)	(81,666)	(161,291)
(Loss) / Profit before Taxation	(834,301)	(8,722)	(428,976)	(102,891)
Taxation	(23,825)	94,999	(999)	107,706
Net (Loss) / Profit for the Period	(858,126)	86,277	(429,975)	4,815
(Loss) / Earning per Share - basic (Rupees)	(0.31)	0.04	(0.04)	0.002
(Loss) / Earnings per Share - diluted (Rupees)	(0.31)	0.02	(0.04)	0.001

The annexed notes from 1 to 25 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 AND NINE MONTHS ENDED SEPTEMBER 30, 2021

	Nine Months ended Sep 30,		Quarter ended Sep 30,	
	2021	2020	2021	2020
	--------------(Rupees in '000)-------------			
Net Profit for the Period	(858,126)	86,277	(429,975)	4,815
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
- Changes in fair value of financial assets through other comprehensive income - net of tax	13,144	10,336	(27,145)	14,639
Item that may be subsequently reclassified to profit or loss:	-	-		
Other Comprehensive Income - net of tax	13,144	10,336	(27,145)	14,639
Total Comprehensive Income for the Period - net of tax	(844,982)	96,613	(457,120)	19,454

The annexed notes from 1 to 25 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 (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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	-	-	-	-	-	-	86,277	-	86,277
Other comprehensive loss for the period - net of tax	-	-	-	10,336	-	10,336	-	-	10,336
Total comprehensive income for the period - net of tax	-	-	-	10,336	-	10,336	86,277	-	96,613
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	104,184	(104,184)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	70	70
Balance as at September 30, 2020	11,615,252	2,114,651	772,136	(15,974)	502,763	486,789	(13,011,099)	1,143,052	3,120,781
Net loss for the period	-	-	-	-	-	-	(236,551)	-	(236,551)
Other comprehensive income for the period - net of tax	-	-	-	2,759	-	2,759	16,447	1,491,000	1,510,206
Total comprehensive income for the period - net of tax	-	-	-	2,759	-	2,759	(220,104)	1,491,000	1,273,655
Adjustment of Suplus on retirement of intangible assets	-	-	-	-	-	-	360,483	(255,943)	104,540
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	50,101	(50,101)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(9,240)	(9,240)
Conversion of preference shares and dividend thereon	2,077,115	(151,473)	(56,484)	-	(39,997)	(39,997)	-	-	1,829,161
Discount on issuance 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	(12,820,619)	2,318,768	4,489,736
Net profit for the period	-	-	-	-	-	-	(858,126)	-	(858,126)
Other comprehensive income for the period - net of tax	-	-	-	13,144	-	13,144	-	-	13,144
Total comprehensive income for the period - net of tax	-	-	-	13,144	-	13,144	(858,126)	-	(844,982)
Adjustment of Suplus on retirement of intangible assets	-	-	-	-	-	-	-	-	-
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	137,780	(137,780)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(15,430)	(15,430)
Conversion of preference shares and dividend thereon	5,297,339	(386,308)	(144,052)		(102,005)	(102,005)	-	-	4,664,973
Discount on issuance of ordinary shares	(4,664,974)					-	-	-	(4,664,974)
Total transactions with owners, recognized directly in equity	632,365	(386,308)	(144,052)	-	(102,005)	(102,005)	-	-	(1)
Balance as at September 30, 2021	12,495,571	1,576,870	571,600	(71)	360,761	360,690	(13,540,965)	2,165,558	3,629,323

The annexed notes from 1 to 25 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

	Note	Nine Months ended Sep 30, 2021	2020
		--------------(Rupees in '000)-------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	19	(101,219)	486,215
Increase / (Decrease) in non-current liabilities:			
- Long term deposit		1,795	-
Decrease / (Increase) in non-current assets:			
- Long term deposits		(15)	(51)
		(15)	(51)
		(99,439)	486,164
Post employment benefits paid		(19,559)	(20,029)
Finance cost paid		(13,541)	(68,975)
Income tax paid		(14,456)	(6,943)
Net Cash genarated from Operating Activities		(146,995)	390,217
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(69,775)	(6,041)
Dividend income		-	49
Income on deposit and savings accounts		19,923	17,477
Proceeds from disposal of property, plant and equipment		57,603	39
Net Cash (Used in) / generated from Investing Activities		7,751	11,524
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(11,338)	(29,559)
Sponsor's loan		158,825	(247,050)
Short term borrowings - net		29,449	(126,867)
Repayment of lease liability		(36,351)	(31,591)
Net Cash Used in Financing Activities		140,585	(435,067)
Net Increase / (Decrease) in Cash and Cash Equivalents		1,341	(33,326)
Cash and cash equivalents at the beginning of the year		56,457	40,100
Cash and Cash Equivalents at the End of the Year		57,798	6,774

The annexed notes from 1 to 25 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

Note 1

The Group and its Operations

1.1 Worldcall Telecom Limited ("the Group") is a public limited Group 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 Group 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 Group has been licensed by Pakistan Telecommunication Authority ("PTA") and Pakistan Electronic Media Regulatory Authority ("PEMRA") for these purposes. The Group 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 Group"), incorporated in Pakistan, owns 26.75 % (2020: 36.87%) ordinary shares of the Group. Aggregate holding of Worldcall Services (Private) Limited through other associates is 43.36% (2020: 42.14%)

Note 2

Basis of Preparation

2.1 These condensed interim financial statements are the separate condensed financial statements of the Group 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 Group'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 half year ended June 30, 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 Group'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 Group has earned a loss after taxation of Rs. 858.126 million during the period ended September 30, 2021 (September 2020: profit after taxation of Rs. 86.277 million) which includes the impact of write back of liabilities for Rs. 94.817 million (September 2020: Rs. 320.740 million). As at September 30, 2021, the accumulated loss of the Group stands at Rs. 13,540.965 million (December 31, 2020: Rs. 12,820.619 million) and its current liabilities exceed its current assets by Rs. 6,028.467 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 Group'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 Group's management has carried out an assessment of going concern status of the Group 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. 5.999 billion as on the reporting date, which has the following major components:

Description	Note	Rs in million
Short term Borrowings	2.7.2.1	448
Pakistan Telecommunication Authority (PTA)	2.7.2.2	2,327
Claims of Parties Challenged	2.7.2.3	913
Continuing business partners	2.7.2.4	603
Provision for taxation	2.7.2.5	344
		4,635

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 Group is in negotiation with banks for rollover of its running finance facilities amounting Rs. 346.475 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. 60.632 Million.

2.7.2.2 Liabilities towards PTA as incorporated in these financial statements stand at approximately Rs. 2.3 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 Group in various judicial forums for the breach and non-performance of their contractual obligations. Based on the merits of Group'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. 603 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 Group 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 Group's majority shareholder, Worldcall Services (Private) Limited (WSL) has given assurance to provide continued cash flow support to the Group through its letter to the Group's Board of Directors.

Note 3
Significant Accounting Policies

3.1 The Group'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 Group 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 Group'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 an 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

September 30, 2021 (Un-audited)	December 31, 2020 (Audited)		Note	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
No. of Shares				-------------(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
2,335,627,756	1,805,893,836	Ordinary shares of Rs. 10 each issued against convertible preference shares	5.1	23,356,278	18,058,939
				31,961,994	26,664,655
		Less: Discount on issue of shares	5.6	(19,466,423)	(14,801,449)
3,196,199,269	2,666,465,349			12,495,571	11,863,206

5.1 During the period, 38,000 (2020: 14,900) convertible preference shares and accumulated preference dividend thereon amounting to Rs. 144.052 (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 Group and certain lenders impose certain restrictions on distribution of dividends by the Group.

5.3 Worldcall Services (Private) Limited, parent of the Group, holds 854,914,152 shares (2020: 983,117,312 shares) representing 26.75% (2020: 36.87%) shareholding in the Group.

5.4 Ferret Consulting F.Z.C., an associate of the Group, holds 529,984,463 shares (2020: 139,750,543 shares) representing 16.58% (2020: 5.24%) shareholding in the Group.

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

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	4,664,974	1,829,161
Closing balance	19,466,423	14,801,449

5.7 Reconciliation of ordinary share capital is as follows:

Opening balance	26,664,655	24,587,540
Add: Shares issued during the year	5,297,339	2,077,115
Closing balance	31,961,994	26,664,655

5.8 All ordinary shares rank equally with regard to residual assets of the Group. 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 Group. Voting and other rights are in proportion to the shareholding.

Note 6

Preference Share Capital

	Note	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		--------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	(38,000)	(14,900)	(386,308)	(151,473)
		155,700	193,700	1,576,870	1,963,178

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 Group for ordinary shareholders, whichever is higher.

6.5 Ferret Consulting F.Z.C., an associate of the Group, holds 103,200 preference shares (2020: 141,200 preference shares) in the Group.

Note 7 **Dividend on Preference Shares**		**September 30, 2021**	**December 31, 2020**
		(Un-audited)	**(Audited)**
	Note	--------------(Rupees in '000)	--------------
Dividends on preference shares	7.1	571,600	715,652

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. 144.052 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**	**September 30, 2021**	**December 31, 2020**
	(Un-audited)	**(Audited)**
	--------------(Rupees in '000)	--------------
Fair value reserve	(71)	(13,215)
Exchange translation reserve	360,761	462,766
	360,690	449,551

These reserves are not distributable by the Group. 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**	**September 30, 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	(15,430)	(9,170)
Transfer to retained earnings in respect of net incremental depreciation / amortization net of deferred tax	(137,780)	(154,285)
Closing balance - net of tax	2,165,558	2,318,768

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	September 30 2021 Un-audited	December 31 2020 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		(395,065)	(320,076)
		892,045	967,034
Add: Deferred markup	10.1	469,159	466,246
		1,361,204	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 Group.

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 Group has not paid due quarterly installments of June 2019 to September 2021 amounting Rs. 290 million. In case of failure to make due payments by the Group, 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. In August 2021 exercising its right Trustee recovered Rs. 27.95 million against outstanding June 2019. Installment through sale of shares.

These TFCs are secured against first pari passu charge over the Group'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 Group under:

a) LDI and WLL license issued by PTA to the Group; and
b) Assigned frequency spectrum as per deed of assignment.

10.1 Deferred markup

	Note	September 30 2021	December 31 2020
Deferred markup	10.1.1	746,494	746,494
Adjustment due to impact of IFRS 9	10.1.2	(121,249)	(156,621)
		625,245	589,873
Less: Current portion		(156,086)	(123,627)
		469,159	466,246

10.1.1 Reconciliation of deferred markup is as follows:

	September 30 2021	December 31 2020
Opening balance	746,494	667,277
Add: Markup deferred during the period/year	-	79,217
	746,494	746,494

	Note	September 30 2021 Un-audited	December 31 2020 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		(35,372)	(47,267)
		121,249	156,621

Note 11

Long Term Financing

	Note	September 30 2021 Un-audited	December 31 2020 Audited
		--------------(Rupees in '000)--------------	
From Banking Companies (secured)			
Allied Bank Limited	11.1	57,330	68,635
Bank Islami Limited	11.2	99,683	-
		157,013	68,635

11.1 Allied Bank Limited

Opening balance		91,509	106,550
Transfer from running finance		-	-
Repayments		(11,338)	(15,041)
		80,171	91,509
Less: Current and overdue portion		(49,806)	(43,909)
		30,365	47,600
Add: Deferred markup		30,945	25,647
Less: Discounting of deferred markup		(3,980)	(4,612)
		26,965	21,035
		57,330	68,635

11.1.1 Reconciliation of deferred markup is as follows:			
Opening balance		25,647	15,098
Add: Markup deferred during the year		5,298	10,549
		30,945	25,647

11.1.2 Reconciliation is as follows:			
Opening balance		4,612	5,768
Add: Discounting impact of deferred markup		681	1,897
		5,293	7,665
Less: Unwinding impact of discounted deferred markup		(1,313)	(3,053)
		3,980	4,612

This represent balance transferred on 14th June, 2019 as a result of restructuring of short term running finance (RF) facility to Term Loan Facility and subsequently amended on 8th October 2020 and 30th September 2021. Outstanding Principal will be repaid in 37 Stepped up monthly installments starting from August 2021 till August 2024. Markup will be accrued and will be serviced in 12 equal monthly installments, starting from September, 2024. 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 8.44% (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.

	Note	September 30 2021 Un-audited	December 31 2020 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		(15,500)	-
		65,808	-
Add: Deferred markup		44,385	-
Less: Discounting of deferred markup		(10,510)	-
		33,875	-
		99,683	-

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 shaes 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

Sponsor's Loan

	Note	2021 Un-audited	2020 Audited
		--------------(Rupees in '000)--------------	
Sponsor's Loan - unsecured			
- Interest bearing	12.1	474,900	482,400
- Non-interest bearing	12.2	1,021,713	862,889
		1,496,613	1,345,289

		2021	2020
12.1	Opening balance	482,400	466,050
	Exchange loss	(7,500)	16,350
		474,900	482,400

This represents USD denominated loan obtained from Worldcall Services (Private) Limited, the Parent Group. 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 June 30, 2022.

12.2 This represents interest free loan obtained from Worldcall Services (Private) Limited, the Parent Group. The amount is not payable before June 30, 2022.

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

	2021	2020
Opening balance	978,084	1,221,337
Add: Addition during the year	165,130	
Less: Payments during the period/year	(6,305)	(243,253)
Amount of loan	1,136,909	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)
	1,021,713	862,889

Note 13

License Fee Payable

This represents balance amount of license fee payable to Pakistan Telecommunication Authority (PTA) for WLL licenses. The Group had filed an application with PTA for grant of moratorium over payment of balance amount of WLL license. However, PTA rejected the Group's application and demanded its payment. Being aggrieved by this, the Group 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 Group, 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.

PTA has withdrawn the frequencies 3.5 Ghz, 479 Mhz, 450 Mhz and 1900 Mhz . PTA in haste and unilaterally has 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 Group, 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.

As a consequence of above , during last year the outstanding liability for 1900 Mhz was reduced to zero on the basis that 1900 Mhz frequency had been fully paid for until 2015 (11th year). Similarly, liability for 450Mhz frequency spectrum was reduced on prorata after withdrawal. Owing to these circumstances, the management does not expect the liability to materialize fully in the near future.

Note 14

Lease Liabilities

	September 30 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	164,509	48,515
Add: Interest expense	31,326	30,916
Less: Termination of lease agreement	(121,467)	
Less: Lease payments	(36,351)	(42,954)
Gross liability	313,948	275,931
Less: Current and overdue portion	(118,015)	(103,260)
Closing balance	195,933	172,671

14.1 Nature of leasing activities

The Group'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 Group 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

	Note	September 30 2021	December 31 2020
		Un-audited	**Audited**
		-------------(Rupees in '000)-------------	
Banking companies (secured - interest bearing):			
- Running finances	15.1	344,950	427,419
Related parties (unsecured - interest free):			
- Ferret Consulting F.Z.C.	15.2	64,845	59,941
		409,795	487,360

15.1 Short term running finance facilities available from commercial banks under mark up arrangements amount to Rs. 344.950 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 9.53% (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 Group for the year ended December 31, 2020.

	September 30 2021 Un-audited	December 31 2020 Audited
	--------------(Rupees in '000)--------------	
Guarantees and Letter of Credits		
Outstanding guarantees and letters of credit	344,461	353,761
Commitments		
Commitments in respect of capital expenditure	9,696	9,202

Note 17

Property, Plant and Equipment

	Note	September 30 2021	December 31 2020
Operating fixed assets	17.1	5,852,701	6,195,839
Capital work-in-progress		12,843	11,482
		5,865,544	6,207,321

17.1 Operating fixed assets

	Note	September 30 2021	December 31 2020
Opening book value		6,195,839	6,519,429
Impairment- assets written off		-	-
Additions during the period / year	17.1.1	2,400	74,634
		6,198,239	6,594,063
Disposals (at book value) for the period / year	17.1.2	(10,608)	(12,993)
Depreciation charged during the period / year		(334,930)	(385,231)
Closing book value		5,852,701	6,195,839

17.1.1 Detail of additions

	September 30 2021	December 31 2020
Leasehold improvements	-	-
Plant and equipment	1,948	74,034
Office equipment	-	94
Furniture and fixtures	-	92
Computers	452	414
	2,400	74,634

17.1.2 Book values of assets disposed off

	September 30 2021	December 31 2020
Plant and equipment	10,608	12,777
Computers	-	216
	10,608	12,993

Note 18
Right of use assets

	September 30 2021	December 31 2020
	(Un-audited)	(Audited)
	--------------(Rupees in '000)--------------	
Opening balance	3,680,465	2,138,001
Add: Additions during the year	364,337	281,156
Add: Revaluation Surplus during the year	-	1,440,000
Add: Lease termination	(92,056)	
Less: Depreciation charge for the period / year	(195,715)	(178,692)
Closing balance	3,757,031	3,680,465
Lease Term (Years)	**2 to 14**	**1.4 - 20**

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 Group is committed.

Note 19
Cash Used in Operations

	Nine Months ended September 30, 2021	2020
	(Un-audited)	(Un-audited)
	--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(834,301)	(8,722)
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	334,930	284,615
- Amortization on intangible assets	292,092	292,588
- Amortization of right of use assets	195,715	132,618
- Provision for expected credit losses on trade debts	-	72,200
- (Gain) / Loss on disposal of property, plant and equipment	(46,995)	(39)
- Revenue from IRU agreement	(199,828)	(249,785)
- Gain on termination of lease	(29,410)	-
- Disposal of fiber under IRU arrangement	-	12,778
- Unclaimed liabilities written back during the year	-	(91,323)
- Liabilities written back on settlement with parties	(94,817)	-
- Reversal of provision for advance to suppliers	-	(3,692)
- Post employment benefits	31,456	36,635
- Dividend income on short term investments	-	(49)
- Adjustment due to impact of IFRS 9	(12,853)	(18,095)
- Income on deposits, advances and savings accounts	(19,923)	(17,477)
- Exchange gain/(loss) on foreign currency loan	(7,500)	33,150
- Exchange (gain)/loss on foreign currency accrued markup	-	2,717
- Exchange (gain)/loss on foreign currency balances - net	40,970	(12,947)
- Imputed interest on lease liability	31,326	26,664
- Unwinding impact of liabilities under IFRS 9	43,628	167,283
- Finance cost	159,124	241,005
	717,915	908,846
Operating loss before working capital changes	(116,386)	900,124
(Increase) / decrease in current assets		
- Stores and spares	(135)	6,905
- Trade debts	72,127	(36,060)
- Loans and advances	26,059	70,966
- Deposits and prepayments	(4,572)	(19,351)
- Other receivables	(14,159)	4,109
Increase / (decrease) in current liabilities		
- Unearned revenue	80,474	63,614
- Trade and other payables	(144,627)	(504,092)
	15,167	(413,909)
Cash used in operations	(101,219)	486,215

Note 20

Transaction with Related Parties

Related parties comprise the parent Group, associated companies / undertakings, directors of the Group and their close relatives and key management personnel of the Group. The Group 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

Related party	Relationship	Nature of transaction	Nine Months ended September 30, 2021 (Un-audited)	Nine Months ended September 30, 2020 (Un-audited)
			-------------(Rupees in '000)-------------	
Worldcall Services (Private) Limited	Parent Group	Funds received by the Group during the period	225,325	56,376
		Funds repaid by the Group during the period	43,089	208,932
		Expense paid on behalf of the Group	(2)	-
		Settlement with multimedia	37,363	24,448
		Markup on long term borrowings	32,287	53,834
		Exchange (gain)/loss on markup	(72)	1,344
		Exchange (gain)/loss on Loan	30,450	
Route 1 Digital (Private) Limited	Wholly Owned Subsidiary	Interest charged during the period	588	-
		Expenses borne on behalf of subsidiary	1,162	1,368
Worldcall Business Solutions (Private) Limited	Associate	Expenses borne on behalf of associate	5,032	10,211
		Interest charged during the period	2,551	-
Worldcall Cable (Private) Limited	Associate	Interest charged during the period	76	-
ACME Telecom (Private) Limited	Associate	Interest charged during the period	1	-
Worldcall Ride Hail (Private) Limited	Associate	Interest charged during the period	1	-
Key management personnel	Associated persons	Salaries and employees benefits	61,686	71,168
		Advances against expenses disbursed / (adjusted) - net	886	-

Transactions during the period with foreign companies

Related party	Relationship	Nature of transaction	2021	2020
Ferret Consulting - F.Z.C	Associate	Direct Cost-IT Service		2,700
		Exchange loss	3,195	-
		Expenses Charged	1,709	2,125
		Adjustment during the Period	4,675	337,500
		Net funds received by the Group during the period	-	4,500

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

Outstanding Balance as at the period end

		September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
Worldcall Services (Private) Limited	Sponsor's loan	1,496,613	1,345,289
	Dividend on CPS	-	-
	Accrued markup	16,710	17,781
Ferret Consulting - F.Z.C	Dividend on CPS	519,473	519,473
	Short term borrowings	64,845	59,941
Route 1 Digital (Private) Limited	Investment in subsidiary	50,000	50,000
	Other receivables	-	16,423
Worldcall Business Solutions (Private) Limited	Other receivables	81,586	70,109
ACME Telecom (Private) Limited	Other receivables	34	32
Worldcall Ride Hail (Private) Limited	Other receivables	18	17
Worldcall Cable (Private) Limited	Other receivables	2,378	2,263
Key management	Payable against expenses, salaries and other employee benefits	158,397	152,681
	Advance against expenses and salaries	12,769	11,883

Note 21

Financial Risk Management

21.1 Financial risk factors

The Group'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 Group'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 lliability settled, between knowledgeable willing parties in an arms' length transaction. Consequenlty difference may arise between carrying value and fair value estimates. The carrying value of all financial assets and liabilities reflected in the financial statemetns 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 Group's assets and liabilities that are measured at fair value at September 30, 2021:

	Level 1	Level 2	Level 3	Total
		Rupees in '000		
Assets				
Short-term investments	**64,818**	**-**	**-**	**64,818**

The following table presents the Group'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 Group'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 Group 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 Group's entire product portfolio and considers business as a single operating segment. The Group's assets allocation decisions are based on a single integrated investment strategy and the Group's performance is evaluated on an overall basis.

The internal reporting provided to the CEO for the Group'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 Group is domiciled in Pakistan. All of the Group'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 June, 2021, 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 Group 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

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 Group.

Note 25

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

Data

Entertainment

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