Quarterly Report

March 31, 2022

WorldCall Telecom Limited

CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

QUARTERLY REPORT 2022

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 Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500 Pakistan. Tel: (+92 21) 35310191-6
Registered Office/Head Office	Plot No. 112/113, Block S, Quaid-e-Azam Industrial Estate, Kot Lakhpat Lahore - Pakistan Tel: (+92 42) 3540 0544 Fax: (+92 42) 3540 0609
Webpage	www.worldcall.com.pk www.worldcall.net.pk

DIRECTORS' REVIEW REPORT

The Board of Directors of Worldcall Telecom Limited ("Worldcall" or the "Company") is pleased to present its review report along with condensed interim standalone and consolidated financial information for the first quarter ended March 31, 2022.

Economic Overview

To quote that national economy has been on a roller coaster ride with more down the drill flights than ups may sound vicious but not far from reality. Political instability and lack of consistency in devising an economic health check program wherein macro/ micro economic variables are gauged against global parameters generally and national constraints specifically has led us to where we find ourselves in. Much awaited tranche under IMF steered EFF program has come in the face of another national and economic disaster; this time only by the Act of God in shape of floods sweeping millions away from their homes, internally displaced, awaiting their feared fate at the mercy of; not pointing fingers (Any educated guess is as good as mine). This flood being tangible and its catastrophic impacts visible is, it is believed, lesser in magnitude than the intangible one of hyper-inflation.

Financial Overview

Standalone Financial Statements

Summary of financial results for the first quarter ended March 31, 2022 are as follows:

Particulars	1st Quarter March 31, 2022	1st Quarter March 31, 2021
	Rs. in million	
Revenue-net	522	691
Direct Cost (excluding depreciation and Amortization)	(315)	(600)
Other Income	(92)	48
EBITDA	17	37
Depreciation and Amortization	(283)	(264)
Finance Cost	(117)	(70)
Profit/(Loss) after tax	(390)	(308)

During the period under review, the Company closed its financial results reporting Rs 390 million as loss after tax. The results of company remained consistent compared to the corresponding period previous year as evident from figurative narration in the table pasted above; aligning with Company's long term strategy of sustainability first and planned systematic linear progression upwards thereafter. Furthermore, pressing point which needs to be reverberated here is sizeable decrease in direct costs which substantiates management's success in synergy and conservation while maintaining enviable quality standards of products/ services offered.

Consolidated Financial Statements

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

Earnings per Share

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

Future Outlook

Divulging in the unknown has been a go to forte for this exciting enterprise over the years with investments in lucrative startups, potentially prosperous conglomerate ventures a regular feature and will continue to be; thereby eliminating overdue reliance on core businesses; lending the latter added leeway to thrive, meanwhile attaining status of force to reckon with on their own.

Company's staff and customers

We at WorldCall here attach highest intrinsic value to our human resource who aspire us to be on our toes, remain abreast with global advancements in technological realm and help strengthen our relationship with customers/ stakeholders by offering them innovative solutions, services to their satisfaction and quality pocket friendly products/ packages.

For and on behalf of the Board of Directors

Babar Ali Syed
Chief Executive Officer

Lahore, Pakistan
September 09, 2022

مستقبل کا نظریہ

گزشتہ برسوں کے دوران منافع بخش اسٹارٹ اپس میں سرمایہ کاری کے ساتھ ایک اہم کام رہا ہے، ممکنہ طور پر خوشحال اجتماعی منصوبے ایک باقاعدہ خصوصیت رکھتے ہیں اور یہ جاری رہیں گے۔اس طرح بنیادی کاروبار پر واجب الادا انحصار کو ختم کرنا؛ مؤخرالذکر کو قرض دینے سے ترقی کی منازل طے کرنے میں مزید اضافہ ہوا، اس دوران وہ اپنے طور پر شمار کرنے کی طاقت کا درجہ حاصل کر لیتے ہیں۔

کمپنی کا عملہ اور صارفین

ہم یہاں ورلڈ کال پر اپنے ہیومن ریسورس کو سب سے زیادہ اہمیت دیتے ہیں جو ہم سے اپنی توقعہ پر قائم رہنے کی خواہش رکھتے ہیں، جیسا کہ دوستانہ مصنوعات/ پیکجز، تکنیکی میدان میں عالمی ترقی کے ساتھ ہم آہنگی اور گاہکوں/ اسٹیک ہولڈرز کو ان کے اطمینان اور معیار کے مطابق جدید حل، خدمات پیش کر کے ان کے ساتھ اپنے تعلقات کو مضبوط بنانے میں مدد کریں۔

بحکم بورڈ آف ڈائریکٹرز

Babar Ali

بابر علی سید

چیف ایگزیکٹو آفیسر

لاہور

09 ستمبر 2022

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

ڈائریکٹرز کی جائزہ رپورٹ

ورلڈکال ٹیلی کام لمیٹڈ ("ورلڈکال" یا" کمپنی") کے بورڈ آف ڈائریکٹرز 31 مارچ 2022 کوختم ہونے والی پہلی سہ ماہی کے لئے اپنی جائزہ رپورٹ کے ساتھ عبوری اور مستحکم مالی بیانات کی معلومات پیش کرنے پرخوش ہیں۔

معاشی جائزہ

قومی معیشت کے اُتار چڑھاؤ میں بہت زیادہ کمی واقع ہوئی ہے۔جس کی حقیقت سے انکار نہیں کیا جاسکتا۔سیاسی عدم استحکام اور معاشی صحت کی جانچ کے پروگرام کو وضع کرنے میں مستقل مزاجی کا فقدان جس میں عام طور پر عالمی پیرامیٹرز کے خلاف میکرو/ مائیکرو اکنامک متغیرات کا اندازہ لگایا جاتا ہے اور خاص طور پر قومی رکاوٹوں نے ہمیں اس مقام تک پہنچایا ہے جہاں ہم خود کو پاتے ہیں۔ایک اور قومی اور اقتصادی تباہی کا سامنا ہمیں سیلاب کی شکل میں ملا جہاں لاکھوں افراد اپنے گھروں سے دور بہہ گئے، اندرونی طور پر بے گھر ہوگئے، اور اپنی قسمت کے رحم وکرم پر کسی مسیحا کے منتظر ہیں۔سیلاب کے تباہ کن اثرات نظر آرہے ہیں، خیال کیا جاتا ہے کہ اس کی شدت انتہائی مہنگائی کے غیر محسوس سیلاب سے کم ہے۔

مالیاتی جائزہ۔علیحدہ معاشی بیانئے

31 مارچ 2022 کوختم ہونے والی پہلی سہ ماہی کے مالی نتائج کا خلاصہ مندرجہ ذیل ہے۔

Particulars	1st Quarter March 31, 2022	1st Quarter March 31, 2021
	Rs. in million	
Revenue-net	522	691
Direct Cost (excluding depreciation and Amortization)	(315)	(600)
Other Income	(92)	48
EBITDA	17	37
Depreciation and Amortization	(283)	(264)
Finance Cost	(117)	(70)
Profit/(Loss) after tax	(390)	(308)

زیر جائزہ مدت کے دوران، کمپنی نے 390 ملین روپے کے بعد ٹیکس کے نقصان کی اطلاع دیتے ہوئے اپنے مالیاتی نتائج کو بند کیا۔کمپنی کے نتائج پچھلے سال کی اسی مدت کے مقابلے میں مسلسل رہے جیسا کہ اوپر چسپاں جدول میں علامتی بیان سے ظاہر ہوتا ہے۔کمپنی کی پائیداری کی طویل مدتی حکمت عملی کے ساتھ سب سے پہلے اور اس کے بعد منصوبہ بند منظّم ترقی کے ساتھ ہم آہنگ۔مزید برآں، ایک اہم نکتہ جس کو یہاں دہرانے کی ضرورت ہے وہ براہ راست اخراجات میں نمایاں کمی ہے جو پیش کردہ مصنوعات/ سروسز کے قابل رشک معیار کو برقرار رکھتے ہوئے ہم آہنگی اور تحفظ میں انتظامیہ کی کامیابی کو ثابت کرتا ہے۔

مجموعی مالیاتی بیانات

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

فی شیئر آمدنی

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

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	Note	March 31 2022 (Un-audited)	December 31 2021 (Audited)
		-----------(Rupees in '000)----------	
SHARE CAPITAL AND RESERVES			
Authorized share capital		29,000,000	29,000,000
Ordinary share capital	4	12,495,571	12,495,571
Preference share capital	5	1,576,870	1,576,870
Dividend on preference shares	6	571,600	571,600
Capital reserves		350,839	353,853
Accumulated loss		(14,343,817)	(14,023,097)
Surplus on revaluation of fixed assets		1,958,780	2,027,672
		2,609,843	3,002,469
NON-CURRENT LIABILITIES			
Term finance certificates	7	1,132,449	1,204,445
Long term financing	8	174,031	182,264
Sponsor's loan	9	1,843,370	1,676,880
License fee payable		45,513	45,513
Post employment benefits		203,766	193,756
Long term deposit		95,083	93,215
Lease liabilities	10	216,008	195,016
		3,710,220	3,591,089
CURRENT LIABILITIES			
Trade and other payables		6,145,857	6,006,492
Accrued mark up		431,571	415,372
Current and overdue portion of non-current liabilities		845,329	842,866
Short term borrowings	11	434,372	411,912
Unclaimed dividend		1,807	1,807
Provision for taxation - net		349,097	344,437
		8,208,033	8,022,886
Contingencies and Commitments	12	-	-
TOTAL EQUITY AND LIABILITIES		14,528,097	14,616,444
NON-CURRENT ASSETS			
Property, plant and equipment	13	5,671,661	5,794,029
Right of use assets	14	3,629,443	3,694,104
Intangible assets		896,228	997,491
Investment properties		51,218	51,218
Long term investment	15	-	-
Deferred taxation	16	2,369,644	2,369,644
Long term deposits		10,285	10,735
		12,628,479	12,917,221
CURRENT ASSETS			
Stores and spares		29,311	30,355
Stock-in-trade		209,401	209,401
Trade debts		600,590	456,651
Loans and advances		264,095	251,570
Deposits and prepayments		560,079	554,696
Short term investments		47,685	54,340
Other receivables		114,886	109,002
Cash and bank balances		73,571	33,208
		1,899,618	1,699,223
TOTAL ASSETS		14,528,097	14,616,444

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

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

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2022

	Quarter Ended March 31,	
	2022	2021
	(Un-audited)	**(Un-audited)**
	--------------(Rupees in '000)--------------	
Revenue	521,780	690,589
Direct costs excluding depreciation and amortization	(314,833)	(600,235)
Operating costs	(97,730)	(101,373)
Other (expenses) / income	(92,097)	47,774
Profit before Interest, Taxation, Depreciation and Amortization	17,120	36,755
Depreciation and amortization	(283,212)	(264,033)
Finance cost	(116,996)	(70,238)
Loss before Taxation	(383,088)	(297,516)
Taxation	(6,522)	(10,396)
Net Loss for the Period	(389,610)	(307,912)
Loss per Share - basic (Rupees)	(0.12)	(0.12)
Loss per Share - diluted (Rupees)	(0.12)	(0.12)

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

Chief Executive Officer | Director | Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2022

	Quarter Ended March 31,	
	2022	2021
	(Un-audited)	**(Un-audited)**
	--------------(Rupees in '000)--------------	
Net Profit for the Period	(389,610)	(307,912)
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	(3,014)	7,742
Item that may be subsequently reclassified to profit or loss:	-	-
Other Comprehensive (Loss) / Income - net of tax	(3,014)	7,742
Total Comprehensive Loss for the Period - net of tax	(392,624)	(300,170)

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

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

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2022

	Note	Quarter Ended March 31, 2022 (Un-audited)	2021 (Un-audited)
		--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	17	(30,604)	81,860
Increase / (Decrease) in non-current liabilities:			
- Long term deposit		1,868	
Decrease / (Increase) in non-current assets:			
- Long term deposits		450	(15)
		450	(15)
		(28,286)	81,845
Post employment benefits paid		(152)	-
Finance cost paid		(47,153)	(2,356)
Income tax paid		(1,862)	(2,368)
Net Cash (used in) / genarated from Operating Activities		(77,453)	77,121
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(4,897)	(64,103)
Short term investments		3,641	
Income on deposit and savings accounts		395	195
Net Cash Used in Investing Activities		(861)	(63,908)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of term finance certificates		(72,968)	-
Repayment of long term financing		(4,648)	(3,459)
Sponsor's loan		180,093	(6,306)
Short term borrowings - net		20,945	(13,021)
Repayment of lease liability		(4,745)	(7,424)
Net Cash Generated from /(Used in) Financing Activities		118,677	(30,210)
Net Increase / (Decrease) in Cash and Cash Equivalents		40,363	(16,997)
Cash and cash equivalents at the beginning of the year		33,208	56,440
Cash and Cash Equivalents at the End of the Year		73,571	39,443

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

Chief Executive Officer	Director	Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2022

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, 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 loss for the year	-	-	-	-	-	-	(307,912)	-	(307,912)
Other comprehensive income for the period - net of tax	-	-	-	7,742	-	7,742	-	-	7,742
Total comprehensive income for the period - net of tax	-	-	-	7,742	-	7,742	(307,912)	-	(300,170)
Adjustment of Suplus on retirement of intangible assets	-	-	-	-	-	-		-	
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	68,890	(68,890)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(16,051)	(16,051)
Conversion of preference shares and dividend thereon	-	-	-	-	-	-	-	-	-
Discount on issuance of ordinary shares	-	-	-	-	-	-	-	-	-
Total transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	11,863,206	1,963,178	715,652	(5,473)	462,766	457,293	(13,040,957)	2,233,827	4,192,199
Net loss for the year	-	-	-	-	-	-	(1,198,338)	-	(1,198,338)
Other comprehensive income for the period - net of tax	-	-	-	(1,435)	-	(1,435)	9,526	-	8,091
Total comprehensive income for the period - net of tax	-	-	-	(1,435)	-	(1,435)	(1,188,812)	-	(1,190,247)
Adjustment of Suplus on retirement of intangible assets	-	-	-	-	-	-		-	-
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	206,672	(206,672)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	517	517
Conversion of preference shares and dividend thereon	5,297,339	(386,308)	(144,052)	-	(102,005)	(102,005)	-	-	4,664,974
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)	-	-	-
Balance as at December 31, 2021	12,495,571	1,576,870	571,600	(6,908)	360,761	353,853	(14,023,097)	2,027,672	3,002,469
Net profit for the period	-	-	-	-	-	-	(389,610)	-	(389,610)
Other comprehensive income for the period - net of tax	-	-	-	(3,014)	-	(3,014)	-	-	(3,014)
Total comprehensive income for the period - net of tax	-	-	-	(3,014)	-	(3,014)	(389,610)	-	(392,624)
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	68,890	(68,890)	-
Balance as at March 31, 2022	12,495,571	1,576,870	571,600	(9,922)	360,761	350,839	(14,343,817)	1,958,782	2,609,845

The annexed notes from 1 to 22 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 QUARTER ENDED MARCH 31, 2022

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 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, incorporated in Pakistan, is the Parent Company and Ferret Consulting F.Z.C is the associated Company.

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, 2021. 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, 2021. Comparative statement of financial position is extracted from annual audited financial statements for the year ended December 31, 2021 whereas comparative statement of profit or loss, comparative statement of comprehensive income, comparative statement of changes in equity and comparative statement of cash flows are extracted from unaudited condensed interim financial statements for the quarter ended March 31, 2021.

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 incurred a profit after taxation of Rs. 360.383 million during the period ended March 31, 2022 (March 2021: Rs. 307.912 million) which includes the impact of write back of liabilities for nil (March 31, 2021: Rs. 15.067 million). As at March 31, 2022, the accumulated loss of the Company stands at Rs. 14,314.590 million (December 31, 2021: Rs. 14,023.097 million) and its current liabilities exceed its current assets by Rs. 6,387.348 million (December 31, 2021: Rs. 6,323.663 million). These conditions, along with the other factors like declining revenue and contingencies and commitments as mentioned in note 12, 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. 4.521 billion as on the reporting date, which has the following major components:

Description	Note	Rs in million
Short term Borrowings	2.7.2.1	434
Pakistan Telecommunication Authority (PTA)	2.7.2.2	2,342
Claims of Parties Challenged	2.7.2.3	957
Continuing business partners	2.7.2.4	439
Provision for taxation	2.7.2.5	349
		4,517

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

2.7.2.1 The management of the Company is in negotiation with banks for restructuring of its running finance facilities amounting Rs. 365.981 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. 68.391 Million.

2.7.2.2 Liabilities towards PTA as incorporated in these financial statements stand at approximately Rs. 2.342 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. 439 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, 2021

3.2 Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 1, 2022, 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

Ordinary Share Capital

March 31 2022 (Un-audited)	December 31, 2021 (Audited)		Note	March 31 2022 (Un-audited)	December 31, 2021 (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	2,335,627,756	Ordinary shares of Rs. 10 each issued against convertible preference shares	4.1	23,356,278	23,356,278
				31,961,994	31,961,994
		Less: Discount on issue of shares	4.6	(19,466,423)	(19,466,423)
3,196,199,269	3,196,199,269			12,495,571	12,495,571

4.1 During the period, NIL (2021: 38,000) convertible preference shares and accumulated preference dividend thereon amounting to Rs. NIL (2021: Rs. 144.052 million) have been converted into ordinary shares in accordance with the agreed terms and conditions detailed in Note 5.2.

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

4.3 Worldcall Services (Private) Limited, parent of the Company, holds 854,914,152 shares (2021: 854,914,152 shares) in the Company. Out of these shares, 46.7 million shares are pledged to secure TFC liability which will be released with quarterly scheduled principal repayments proportionately (refer to note 7).

4.4 Ferret Consulting F.Z.C., an associate of the Company, holds 381,984,463 shares (2021: 468,284,463 shares) in the Company.

4.5 AMB Management Consultants (Private) Limited, an associate of the Company, holds 914,053 shares (2021: 914,053 shares) in the Company.

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

	March 31 2022	December 31, 2021
	(Un-audited)	(Audited)
	(Rupees in '000)	
Opening balance	19,466,423	14,801,449
Add: Discount on issuance of ordinary shares during the year	-	4,664,974
Closing balance	19,466,423	19,466,423

4.7 Reconciliation of ordinary share capital is as follows:

Opening balance	31,961,994	26,664,655
Add: Shares issued during the year	-	5,297,339
Closing balance	31,961,994	31,961,994

4.8 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.

4.9 Shareholders of the Company resolved in annual general meeting held on April 30, 2019 that the authorized capital of the Company be increased from Rs. 21 billion to Rs. 29 billion divided into 2.9 billion ordinary shares of Rs. 10 which may be utilized to issue ordinary shares of Rs. 10 each and / or preference shares of Rs. 10 each of the Company as the Board of Directors of the Company may decide from time to time in accordance with the Companies Act, 2017. Regulatory requirements as to the alteration of Memorandum and Articles of Association and legal formalities have yet to be fulfilled.

Note 5
Preference Share Capital

	Note	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
		(Un-audited)	(Audited)	(Un-audited)	(Audited)
		No. of Shares		(Rupees in '000)	
Opening balance		155,700	193,700	1,576,870	1,963,178
Less: Preference shares converted into ordinary shares during the year		-	(38,000)	-	(386,308)
		155,700	155,700	1,576,870	1,576,870

5.1 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.

5.2 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 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.

5.3 In accordance with the terms detailed in Note 5.2 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 6.2.

5.4 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 till date of maturity.

5.5 Ferret Consulting F.Z.C., an associate of the Company, holds 103,200 preference shares (2021: 103,200 preference shares) in the Company.

5.6 Mandatory date of conversion of CPS has expired during 2018 and the Company is yet to redeem the un-converted preference shares as required by its Articles of Association.

5.7 The preference shareholders in an Extraordinary General Meeting held on January 4, 2019 and ordinary shareholders in annual general meeting held on April 30, 2019 have given their assent for the conversion of preference shares at nominal value of Rs. 10 each and for amendments in the Memorandum and Articles of Association of the Company. Resultantly, preference shares along with dividend accrued thereon shall be converted on any date from the mandatory conversion date, at par value of Rs. 10 each. However, the shares for which notices have been received before mandatory conversion date would be converted on the terms prevalent on the date of notice.

Note 6

Dividend on Preference Shares

	Note	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
		(Rupees in '000)	
Dividends on preference shares	6.1	571,600	571,600

6.1 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.

6.2 During the period, cumulative preference dividend amounting to Rs. NIL (2021: Rs. 144.052 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 5.2 above.

Note 7

Term Finance Certificates

	Note	March 31 2022 (Un-audited)	December 31 2021 (Audited)
		(Rupees in '000)	
Opening balance		1,259,152	1,287,110
Less: Payments made during the period / year		(72,968)	(27,958)
		1,186,184	1,259,152
Less: Current and overdue portion		(409,041)	(432,016)
		777,143	827,136
Add: Deferred markup	7.1	355,306	377,309
Less: Payment during the period/year		-	-
		1,132,449	1,204,445

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 (2021: six month average KIBOR plus 1.0% per annum), payable quarterly. The mark up rate charged during the Period on the outstanding balance ranged from 8.76% to 13.02 (2021: 8.30% to 8.84%) per annum.

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

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

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

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

The Company has not paid due quarterly installments of June 2019 to March 2022 amounting Rs. 355.00 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.

Last year due to non-payment of due instalments, Trustee enforced the letter of pledge and called 128.2 million shares from sponsors account out of which 13.6 million shares were sold for the amount of Rs. 45.9 million (Rs. 27.9 million settled against principal and Rs. 17.9 million against accrued mark-up) during the year. After sale remaining number of shares held by trustees and pledged are 161.3 million shares.

This year in January 2022 Trustee has sold 24.63 million shares for the amount of Rs. 56.26 million (Rs. 36.47 million settled against principal and Rs. 19.79 million against accrued mark-up) and in February 2022 Trustee has sold further 25.75 million shares for the amount of Rs. 57.36 million (Rs. 34.82 million settled against principal and Rs. 22.54 million against accrued mark-up) to recover o/s installments of June 2019, September 2019 and Dec 2019.

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.

			March 31, 2022	December 31 2021
			(Un-audited)	(Audited)
7.1	**Deferred markup**		--------------(Rupees in '000)--------------	
	Deferred markup	7.1.1	746,494	746,494
	Adjustment due to impact of IFRS 9	7.1.2	(105,632)	(116,084)
			640,862	630,410
	Less: Current portion		(285,556)	(253,101)
			355,306	377,309
7.1.1	Reconciliation of deferred markup is as follows:			
	Opening balance		746,494	746,494
	Add: Markup deferred during the period/year		-	-
			746,494	746,494
7.1.2	Reconciliation is as follows:			
	Opening balance		116,084	156,621
	Add: Discounting impact of deferred markup		-	-
			116,084	156,621
	Less: Unwinding impact of discounted deferred markup		(10,452)	(40,537)
			105,632	116,084

Note 8
Long Term Financing

From Banking Companies (secured)				
Allied Bank Limited		8.1	74,773	83,228
Bank Islami Limited		8.2	99,258	99,036
			174,031	182,264
8.1	**Allied Bank Limited**			
	Opening balance		75,476	91,509
	Repayments		(4,648)	(16,033)
			70,828	75,476
	Less: Current and overdue portion		(26,032)	(20,032)
			44,796	55,444
	Add: Deferred markup		34,430	32,630
	Less: Discounting of deferred markup		(4,453)	(4,846)
			29,977	27,784
			74,773	83,228
8.1.1	Reconciliation of deferred markup is as follows:			
	Opening balance		32,630	25,647
	Add: Markup deferred during the year		1,800	6,983
			34,430	32,630
8.1.2	Reconciliation is as follows:			
	Opening balance		4,846	4,612
	Add: Discounting impact of deferred markup		199	1,636
			5,045	6,248
	Less: Unwinding impact of discounted deferred markup		(592)	(1,402)
			4,453	4,846

This represents balance transferred 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. 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 at 11.39% (2021: 8.14% to 8.63%) 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	March 31, 2022 (Un-audited)	December 31 2021 (Audited)
			(Rupees in '000)	
8.2	**Bank Islami Pakistan Limited**			
	Opening balance		81,308	-
	Transfer from running finance		-	81,308
			81,308	81,308
	Less: Current and overdue portion		(22,585)	(18,068)
			58,723	63,240
	Add: Deferred markup	8.2.1	50,511	46,015
	Less: Discounting of deferred markup	8.2.2	(9,976)	(10,219)
			40,535	35,796
			99,258	99,036
8.2.1	Reconciliation of deferred markup is as follows:			
	Opening balance		46,015	-
	Add: Deferred markup during the period/year		4,496	46,015
			50,511	46,015
8.2.2	Reconciliation is as follows:			
	Opening balance		10,219	-
	Add: Discounting impact of deferred markup		907	12,456
			11,126	12,456
	Less: Unwinding impact of discounted deferred markup		(1,150)	(2,237)
			9,976	10,219

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 ranged from 7.65% to 11.40% (2021: 7.50% to 7.65%). The facility is secured against 1st joint pari passu charge on present and future current and fixed assets excluding building of the Company for Rs. 880 million and Pledge of shares of listed companies in CDC account of the company along with Mortgage over the Company's Offices at Ali Tower MM Alam Road Lahore and at The Plaza Shoping Mall Kehkashan Karachi.

Note 9

Sponsor's Loan

		Note	March 31, 2022 (Un-audited)	December 31 2021 (Audited)
			(Rupees in '000)	
Sponsor's Loan - unsecured				
- Interest bearing		9.1	549,600	533,850
- Non-interest bearing		9.2	1,293,770	1,143,030
			1,843,370	1,676,880
9.1	Opening balance		533,850	482,400
	Exchange loss		15,750	51,450
			549,600	533,850

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 Period on the outstanding balance is 12.79% (2021: 8.67%) per annum. The amount is not payable before December 31, 2022.

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

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

	March 31 2022 Un-audited	December 31 2021 Audited
	--------------(Rupees in '000)--------------	
Opening balance	1,289,338	978,084
Less: Net receipts /(Payments) during the period/year	180,093	311,254
Amount of loan	1,469,431	1,289,338
Adjustment due to impact of IFRS 9:		
Discounting	(175,661)	(146,308)
Unwinding of discount	-	-
	(175,661)	(146,308)
	1,293,770	1,143,030

Note 10

Lease Liabilities

Opening balance	314,666	275,931
Add: Additions during the year	-	164,509
Add: Interest expense	8,202	42,310
Less: Termination of lease agreement	-	(121,467)
Less: Lease payments	(4,745)	(46,617)
Gross liability	318,123	314,666
Less: Current and overdue portion	(102,115)	(119,650)
Closing balance	216,008	195,016

10.1 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 11

Short Term Borrowings

	Note	March 31 2022 Un-audited	December 31 2021 Audited
		--------------(Rupees in '000)--------------	
Banking companies (secured - interest bearing):			
- Running finances	11.1	365,981	345,756
Related parties (unsecured - interest free):			
- Ferret Consulting F.Z.C.	11.2	68,391	66,156
		434,372	411,912

11.1 Short term running finance facilities available from commercial banks under mark up arrangements amount to Rs. 345.756 million (2021: Rs. 345.756 million). Running finance facilities are available at mark up rate of KIBOR plus 1.5% to 2.0% per annum (2021: KIBOR plus 1.5% to 2.0% per annum), payable quarterly, on the balance outstanding. The mark up charged during the period on outstanding balances ranged from 11.94% to 12.39% (2021: 8.79% to 11.51%) per annum, effectively. As of reporting date Company is in negotiations with Lenders for restructuring of its short term liabilities into long terms. One of the Lender i.e. Askari Bank Limited has filled a legal suit for recovery of its outstanding loan.

11.2 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 373,315 (2021: USD 371,770). In the absence of written agreement, the amount is repayable on demand.

11.3 Guarantees

Of the aggregate facilities of Rs. 408.111 million (2021: Rs. 418.162 million) for guarantees, the amount utilized as at March 30, 2022 was Rs. 344.461 million (2021: Rs. 353.761 million).

11.4 The facilities in note 11.1 are secured against first pari passu hypothecation charge on all present and future current and fixed assets excluding building, WLL / LDI receivables, first joint pari passu hypothecation charge over all present and future current and fixed assets of the Company with security margin over the facility amount, pledge of shares of listed companies in CDC account of the Company, lien over cash deposit of Rs. 3.9 million, lien over bank deposits of Rs. 30.87 million, first exclusive assignment of all present and future receivables of LDI business arm of the Company, collection accounts with Bank for routing of LDI receivables, counter guarantee of the Company, equitable mortgage over the property of office # 302, 303, 304, 3rd Floor, the Plaza on Plot # G-7, Block-9, KDA Scheme # 5, Kehkashan Clifton, Karachi and equitable mortgage over the property of office # 07, 08, 09 situated on 1st Floor, Ali Tower, MM Alam Road, Gulberg III, Lahore.

Note 12

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 except following:

12.1 The Company acquired Indefeasible Right to Use ("IRU") of media and related Operations and Maintenance Services ("O&M") from one of the Company's suppliers through an agreement entered in August 2011. An agreement between the parties was reached in April 2015 for the payment against O&M services whereby it was decided that monthly payments in respect of O&M will be made by the Company and other deliverables under IRU agreement shall be mutually agreed by June 30, 2016. However, the supplier illegally and violating the terms for the Agreement, disconnected its services to the Company and filed a Civil Suit before the Sindh High Court in October 2016 for recovery of dues amounting to USD 7.03 million equivalent to Rs. 1.09 billion along with mark up @ 15% amounting to USD 1.58 million equivalent to Rs. 245.453 million, allegedly due under the stated agreement. The subject suit is pending adjudication.

The management believes that supplier's claim is invalid since it relates to the un-utilized future period and for the media which has never been provisioned as required under the Agreement and the supplier is/was under contractual obligation to provide (media) to the Company. That, a net sum of USD 2.977 million is due and payable by Supplier to the Company, in respect of reimbursement and refund obligation under and pursuant to the IRU Contract. The net sum is calculated on the basis of actual utilization of the capacity calculated on pro rata basis hence the Company was/is entitled to and Supplier was/is liable to refund USD 2.977 million within 90 days of the termination of the IRU instead of claiming USD 7.03 million. The subject media / services have never been provisioned therefore the Supplier is not entitled to claim any amount for media or services. As the Company holds an indefeasible right to use the supplier's media for the contract duration of 15 years, early and unilateral termination of services by supplier, amounts to a breach.

Under these circumstances, the Company under the express contractual rights have claimed the amounts pertaining to (i) media which has yet not been delivered, and (ii) un-utilized future period on a prorata basis, as required under the terms and conditions of the Agreement. Moreover, the Supplier is also liable to make payments to the Company on account of different services received from the Company. The Company has filed an application before SHC in January 2017 under section 34 of the Arbitration Act, 1940 to refer the matter to Arbitrator as per the dispute resolution mechanism provided in the agreement dated 2011.

During 2019, the supplier has signed an MoU with the Company undertaking to withdraw all legal cases which has completed in August 2022 and both parties have withdrawn their respective cases.

		March 31 2022 (Un-audited)	December 31 2021 (Audited)
		--------------(Rupees in '000)--------------	
12.2	Outstanding guarantees and letters of credit	344,461	353,761
12.3	Commitments in respect of capital expenditure	7,854	9,696

Note 13

Property, Plant and Equipment

	Note	March 31 2022 (Un-audited)	December 31 2021 (Audited)
		--------------(Rupees in '000)--------------	
Operating fixed assets	13.1	5,658,754	5,781,122
Capital work-in-progress		12,907	12,907
		5,671,661	5,794,029

13.1 Operating fixed assets

	Note	March 31 2022	December 31 2021
Opening book value		5,781,122	6,193,323
Additions during the year	13.1.1	4,897	40,312
		5,786,019	6,233,635
Disposals (at book value) for the year	13.1.2	(9,978)	(40,328)
Depreciation charged during the year		(117,288)	(412,185)
Closing book value		5,658,754	5,781,122

13.1.1 Detail of additions

	March 31 2022	December 31 2021
Leasehold improvements	1,813	11,858
Plant and equipment	1,817	23,035
Office equipment	609	3,207
Furniture and fixtures	578	612
Computers	80	1,600
	4,897	40,312

13.1.2 Book values of assets disposed off

	March 31 2022	December 31 2021
Plant and equipment	9,978	40,328
	9,978	40,328

Note 14

Right of use assets

	March 31 2022	December 31 2021
Opening balance	3,694,104	3,680,465
Add: Additions during the year	-	364,337
Add: Lease termination	-	(92,056)
Less: Depreciation charge for the period / year	(64,661)	(258,642)
Closing balance	3,629,443	3,694,104
Lease Term (Years)	**2 to 13**	**2 to 14**

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

14.2 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 15

Long Term Investment

	March 31 2022 (Un-audited)	December 31 2021 (Audited)
	--------------(Rupees in '000)--------------	
Wholly owned subsidiary Company - at cost [unquoted]		
Route 1 Digital (Private) Limited		
30,000 (December 31, 2021: 30,000) ordinary shares of		
Rs. 100 each, equity held 100% (December 31, 2020: 100%)	50,000	50,000
Less: Impairment of investment	(50,000)	(50,000)
	-	-

15.1 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.

Due to continuous losses the net assets of the subsidiary became negative. Based on negative net assets and subsidiaries inability to implement the business plan the management of the Company charged impairment of Rs. 50 Million in 2021.

Note 16

Deferred Taxation

	March 31 2022 (Un-audited)	December 31 2021 (Audited)
	--------------(Rupees in '000)--------------	
Asset for deferred taxation comprising temporary differences related to:		
-Unused tax losses	3,425,035	3,425,035
-Provision for doubtful debts	871,647	871,647
-Post employment benefits	56,190	56,190
-Provision for stores and spares & stock-in-trade	1,173	1,173
-Provision for doubtful advances and other receivables	82,979	82,979
Liability for deferred taxation comprising temporary differences related to:		
-Surplus on revaluation of assets	(2,067,380)	(2,067,380)
	2,369,644	2,369,644

Deferred tax asset on tax losses available for carry forward has been recognized to the extent that the realization of related tax benefit is probable from reversal of existing taxable temporary differences and future taxable profit. Management's assertion of future taxable profit is mainly based on income due to write back of liabilities and business plan to initiate fiber to home services with monetary support from the majority shareholder as explained in detail in note 2.7 to these financial statements.

Note 17

Cash Used in Operations

	Quarter Ended March 31, 2022 (Un-audited)	2021 (Un-Audited)
	--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(383,088)	(297,516)
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	117,288	113,142
- Amortization on intangible assets	101,263	89,491
- Amortization of right of use assets	64,661	61,400
- Revenue from IRU agreement	(200,000)	-
- Disposal of fiber under IRU arrangement	9,978	-
- Liabilities written back on settlement with parties	-	(15,067)
- Post employment benefits	10,162	10,485
- Adjustment due to impact of IFRS 9	-	(11,775)
- Income on deposits, advances and savings accounts	(395)	(195)
- Exchange gain/(loss) on foreign currency loan	15,750	(21,600)
- Exchange (gain)/loss on foreign currency accrued markup	2,401	(1,072)
- Exchange (gain)/loss on foreign currency balances - net	107,912	3,513
- Imputed interest on lease liability	8,202	7,249
- Unwinding impact of liabilities under IFRS 9	45,954	13,233
- Finance cost	62,840	49,756
	346,016	298,560
Operating loss before working capital changes	(37,072)	1,044
(Increase) / decrease in current assets		
- Stores and spares	1,044	1,490
- Trade debts	(110,149)	(132,417)
- Loans and advances	(12,525)	41,581
- Deposits and prepayments	(5,383)	(2,605)
- Other receivables	(5,884)	(3,409)
Increase / (decrease) in current liabilities		
- Unearned revenue	-	29,243
- Trade and other payables	139,365	146,933
	6,468	80,816
Cash (used in) generated from operations	(30,604)	81,860

Note 18

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	Quarter ended March 31, 2022 (Un-audited)	2021 (Un-audited)
			--------------(Rupees in '000)--------------	
Worldcall Services (Private) Limited	Parent Company	Funds received by the Company during the period	104,500	6,500
		Funds repaid by the Company during the period	50,005	26,068
		Settlement with multimedia	11,129	13,262
		Markup on long term borrowings	19,126	10,490
		Adjustments	114,469	-
		Exchange (gain)/loss on markup	2,401	(1,072)
Route 1 Digital (Private) Limited	Wholly Owned Subsidiary	Interest charged during the period	528	289
		Expenses borne on behalf of subsidiary	300	800
Worldcall Business Solutions (Private) Limited	Associate	Expenses borne on behalf of associate	2,732	2,531
		Interest charged during the period	2,416	1,249
Worldcall Cable (Private) Limited	Associate	Interest charged during the period	66	38
Worldcall Ride Hail (Private) Limited	Associate	Interest charged during the period	1	-
ACME Telecom (Private) Limited	Associate			-
		Interest charged during the period	1	1
Key management personnel	Associated persons	Salaries and employees benefits	19,443	19,443
		Advances against expenses disbursed / (adjusted) - net	(581)	-

Transactions during the period/year with foreign companies

Related party	Relationship	Nature of transaction	2022	2021
Ferret Consulting - F.Z.C	Associate	Exchange (Gain)/loss	1,967	2,684
		Adjustment with third party	-	3,083
		Direct Cost - IT Service	720	-
		Expenses Charged during the period	452	-

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

		March 31, 2021 (Un-audited)	December 31, 2021 (Audited)
		-------------(Rupees in '000)-------------	
Outstanding Balance as at the period/year end			
Worldcall Services (Private) Limited	Sponsor's loan	1,843,370	1,676,880
	Accrued markup	76,896	67,618
Ferret Consulting - F.Z.C	Dividend on CPS	375,421	375,421
	Short term borrowings	68,391	66,156
Route 1 Digital (Private) Limited	Other receivables	19,909	19,081
Worldcall Business Solutions (Private) Limited	Other receivables	91,140	85,992
ACME Telecom (Private) Limited	Other receivables	35	34
Worldcall Ride Hail (Private) Limited	Other receivables	19	19
Worldcall Cable (Private) Limited	Other receivables	2,482	2,416
Key management	Payable against expenses, salaries and other employee benefits	179,482	179,773
	Advance against expenses	12,264	12,845

Note 19

Financial Risk Management

19.1 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, 2021.

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

19.2 Fair value estimation

19.2.1 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.

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

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

The following table presents the Company's assets and liabilities that are measured at fair value at March 31, 2022:

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Assets				
Short-term investments	**47,685**	-	-	**47,685**

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

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Assets				
Short-term investments	**54,340**	-	-	**54,340**

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 20

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 21

Date of Authorization for Issue

These condensed interim financial statements (un-audited) were approved and authorized for issue on September 09, 2022 by the Board of Directors of the Company.

Note 22

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 2022

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

	Note	March 31 2022 (Un-audited)	December 31 2021 (Audited)
		-----------(Rupees in '000)-----------	
SHARE CAPITAL AND RESERVES			
Authorized share capital		29,000,000	29,000,000
Ordinary share capital	4	12,495,571	12,495,571
Preference share capital	5	1,576,870	1,576,870
Dividend on preference shares	6	571,600	571,600
Capital reserves		350,839	353,853
Accumulated loss		(14,363,731)	(14,041,887)
Surplus on revaluation of fixed assets		1,958,780	2,027,672
		2,589,929	2,983,679
NON-CURRENT LIABILITIES			
Term finance certificates	7	1,132,449	1,204,445
Long term financing	8	174,031	182,264
Sponsor's loan	9	1,843,370	1,676,880
License fee payable		45,513	45,513
Post employment benefits		203,766	193,756
Long term deposit		95,083	93,215
Lease liabilities	10	216,008	195,016
		3,710,220	3,591,089
CURRENT LIABILITIES			
Trade and other payables		6,148,096	6,008,434
Accrued mark up		431,571	415,372
Current and overdue portion of non-current liabilities		845,329	842,866
Short term borrowings	11	434,372	411,912
Unclaimed dividend		1,807	1,807
Provision for taxation - net		349,064	344,404
		8,210,239	8,024,795
Contingencies and Commitments	12	-	-
TOTAL EQUITY AND LIABILITIES		14,510,389	14,599,563
NON-CURRENT ASSETS			
Property, plant and equipment	13	5,673,609	5,795,977
Right of use assets	14	3,629,443	3,694,104
Intangible assets		896,228	997,491
Investment properties		51,218	51,218
Deferred taxation	15	2,369,644	2,369,644
Long term deposits		10,285	10,735
		12,630,427	12,919,169
CURRENT ASSETS			
Stores and spares		29,311	30,355
Stock-in-trade		209,401	209,401
Trade debts		600,789	456,849
Loans and advances		264,132	251,608
Deposits and prepayments		560,079	554,696
Short term investments		47,685	54,340
Other receivables		94,977	89,921
Cash and bank balances		73,588	33,224
		1,879,962	1,680,394
TOTAL ASSETS		14,510,389	14,599,563

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2022

	Quarter Ended March 31, 2022 (Un-audited)	2021 (Un-audited)
	--------------(Rupees in '000)--------------	
Revenue	521,780	690,589
Direct costs excluding depreciation and amortization	(314,833)	(600,430)
Operating costs	(98,326)	(101,827)
Other (expenses)/ income	(92,625)	47,485
Profit before Interest, Taxation, Depreciation and Amortization	15,996	35,817
Depreciation and amortization	(283,212)	(264,175)
Finance cost	(116,996)	(70,238)
Loss before Taxation	(384,212)	(298,596)
Taxation	(6,522)	(10,396)
Net Loss for the Period	(390,734)	(308,992)
Loss per Share - basic (Rupees)	(0.12)	(0.12)
Loss per Share - diluted (Rupees)	(0.12)	(0.12)

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Chief Executive Officer | Director | Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2022

	Quarter Ended March 31,	
	2022	2021
	(Un-audited)	**(Un-audited)**
	--------------(Rupees in '000)-------------	
Net Profit for the Period	(390,734)	(308,992)
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	(3,014)	7,742
Item that may be subsequently reclassified to profit or loss:	-	-
Other Comprehensive Income - net of tax	(3,014)	7,742
Total Comprehensive Income for the Period - net of tax	(393,748)	(301,250)

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2022

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, 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 loss for the year	-	-	-	-	-	-	(308,992)	-	(308,992)
Other comprehensive income for the period - net of tax	-	-	-	7,742	-	7,742	-	-	7,742
Total comprehensive income for the period - net of tax	-	-	-	7,742	-	7,742	(308,992)	-	(301,250)
Adjustment of Suplus on retirement of intangible assets	-	-	-	-	-	-		-	-
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	68,890	(68,890)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(16,051)	(16,051)
Conversion of preference shares and dividend thereon	-	-	-	-	-	-	-	-	-
Discount on issuance of ordinary shares	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	11,863,206	1,963,178	715,652	(5,473)	462,766	457,293	(13,060,721)	2,233,827	4,172,435
Net loss for the year	-	-	-	-	-	-	(1,197,364)	-	(1,197,364)
Other comprehensive income for the period - net of tax	-	-	-	(1,435)	-	(1,435)	9,526	-	8,091
Total comprehensive income for the period - net of tax	-	-	-	(1,435)	-	(1,435)	(1,187,838)	-	(1,189,273)
Adjustment of Suplus on retirement of intangible assets	-	-	-	-	-	-		-	-
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	206,672	(206,672)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	517	517
Conversion of preference shares and dividend thereon	5,297,339	(386,308)	(144,052)	-	(102,005)	(102,005)	-	-	4,664,974
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)	-	-	-
Balance as at December 31, 2021	12,495,571	1,576,870	571,600	(6,908)	360,761	353,853	(14,041,887)	2,027,672	2,983,679
Net profit for the period	-	-	-	-	-	-	(390,734)	-	(390,734)
Other comprehensive income for the period - net of tax	-	-	-	(3,014)	-	(3,014)	-	-	(3,014)
Total comprehensive income for the period - net of tax	-	-	-	(3,014)	-	(3,014)	(390,734)	-	(393,748)
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	68,890	(68,890)	-
Balance as at March 31, 2022	12,495,571	1,576,870	571,600	(9,922)	360,761	350,839	(14,363,731)	1,958,782	2,589,931

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2022

	Note	Quarter Ended March 31, 2022 (Un-audited)	2021 (Un-audited)
		--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	16	(30,603)	81,860
Increase / (Decrease) in non-current liabilities:			
- Long term deposit		1,868	-
Decrease / (Increase) in non-current assets:			
- Long term deposits		450	(15)
		450	(15)
		(28,285)	81,845
Post employment benefits paid		(152)	-
Finance cost paid		(47,153)	(2,356)
Income tax paid		(1,862)	(2,369)
Net Cash (used in) / genarated from Operating Activities		(77,452)	77,120
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(4,897)	(64,103)
Short term investments		3,641	-
Income on deposit and savings accounts		395	195
Net Cash Used in Investing Activities		(861)	(63,908)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of term finance certificates		(72,968)	-
Repayment of long term financing		(4,648)	(3,459)
Sponsor's loan		180,093	(6,305)
Short term borrowings - net		20,945	(13,021)
Repayment of lease liability		(4,745)	(7,424)
Net Cash Generated from /(Used in) Financing Activities		118,677	(30,209)
Net Increase / (Decrease) in Cash and Cash Equivalents		40,364	(16,997)
Cash and cash equivalents at the beginning of the year		33,224	56,457
Cash and Cash Equivalents at the End of the Year		73,588	39,460

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

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

NOTES OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2022

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 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, incorporated in Pakistan, is the Parent Company and Ferret Consulting F.Z.C is the associated Company.

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, 2021. 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, 2021. Comparative statement of financial position is extracted from annual audited financial statements for the year ended December 31, 2021 whereas comparative statement of profit or loss, comparative statement of comprehensive income, comparative statement of changes in equity and comparative statement of cash flows are extracted from unaudited condensed interim financial statements for the quarter ended March 31, 2021.

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 incurred a profit after taxation of Rs. 390.734 million during the period ended March 31, 2022 (March 2021: Rs. 308.992 million) which includes the impact of write back of liabilities for nil (March 31, 2021: Rs. 15.067 million). As at March 31, 2022, the accumulated loss of the Group stands at Rs. 14,363.731 million (December 31, 2021: Rs. 14,041.887 million) and its current liabilities exceed its current assets by Rs. 6,330.277 million (December 31, 2021: Rs. 6,344.401 million). These conditions, along with the other factors like declining revenue and contingencies and commitments as mentioned in note 12, 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. 4.521 billion as on the reporting date, which has the following major components:

Description	Note	Rs in million
Short term Borrowings	2.7.2.1	434
Pakistan Telecommunication Authority (PTA)	2.7.2.2	2,342
Claims of Parties Challenged	2.7.2.3	957
Continuing business partners	2.7.2.4	439
Provision for taxation	2.7.2.5	349
		4,522

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 restructuring of its running finance facilities amounting Rs. 365.981 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. 68.391 Million.

2.7.2.2 Liabilities towards PTA as incorporated in these financial statements stand at approximately Rs. 2.342 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. 439 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, 2021

3.2 Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 1, 2022, 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

Ordinary Share Capital

March 31 2022 (Un-audited)	December 31, 2021 (Audited)		Note	March 31 2022 (Un-audited)	December 31, 2021 (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	2,335,627,756	Ordinary shares of Rs. 10 each issued against convertible preference shares	4.1	23,356,278	23,356,278
				31,961,994	31,961,994
		Less: Discount on issue of shares	4.6	(19,466,423)	(19,466,423)
3,196,199,269	3,196,199,269			12,495,571	12,495,571

4.1 During the period, NIL (2021: 38,000) convertible preference shares and accumulated preference dividend thereon amounting to Rs. NIL (2021: Rs. 144.052 million) have been converted into ordinary shares in accordance with the agreed terms and conditions detailed in Note 5.2.

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

4.3 Worldcall Services (Private) Limited, parent of the Group, holds 854,914,152 shares (2021: 854,914,152 shares) in the Group. Out of these shares, 46.7 million shares are pledged to secure TFC liability which will be released with quarterly scheduled principal repayments proportionately (refer to note 7).

4.4 Ferret Consulting F.Z.C., an associate of the Group, holds 381,984,463 shares (2021: 468,284,463 shares) shareholding in the Group.

4.5 AMB Management Consultants (Private) Limited, an associate of the Group, holds 914,053 shares (2021: 914,053 shares) in the Group.

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

	March 31 2022 (Un-audited)	December 31, 2021 (Audited)
	(Rupees in '000)	
Opening balance	19,466,423	14,801,449
Add: Discount on issuance of ordinary shares during the year	-	4,664,974
Closing balance	19,466,423	19,466,423

4.7 Reconciliation of ordinary share capital is as follows:

	March 31 2022 (Un-audited)	December 31, 2021 (Audited)
Opening balance	31,961,994	26,664,655
Add: Shares issued during the year	-	5,297,339
Closing balance	31,961,994	31,961,994

4.8 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.

4.9 Shareholders of the Group resolved in annual general meeting held on April 30, 2019 that the authorized capital of the Group be increased from Rs. 21 billion to Rs. 29 billion divided into 2.9 billion ordinary shares of Rs. 10 which may be utilized to issue ordinary shares of Rs. 10 each and / or preference shares of Rs. 10 each of the Group as the Board of Directors of the Group may decide from time to time in accordance with the Companies Act, 2017. Regulatory requirements as to the alteration of Memorandum and Articles of Association and legal formalities have yet to be fulfilled.

Note 5
Preference Share Capital

	Note	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
		No. of Shares		(Rupees in '000)	
Opening balance		155,700	193,700	1,576,870	1,963,178
Less: Preference shares converted into ordinary shares during the year			(38,000)	-	(386,308)
		155,700	155,700	1,576,870	1,576,870

5.1 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.

5.2 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 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.

5.3 In accordance with the terms detailed in Note 5.2 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 6.2.

5.4 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 till date of maturity.

5.5 Ferret Consulting F.Z.C., an associate of the Group, holds 103,200 preference shares (2021: 103,200 preference shares) in the Group.

5.6 Mandatory date of conversion of CPS has expired during 2018 and the Group is yet to redeem the un-converted preference shares as required by its Articles of Association.

5.7 The preference shareholders in an Extraordinary General Meeting held on January 4, 2019 and ordinary shareholders in annual general meeting held on April 30, 2019 have given their assent for the conversion of preference shares at nominal value of Rs. 10 each and for amendments in the Memorandum and Articles of Association of the Group. Resultantly, preference shares along with dividend accrued thereon shall be converted on any date from the mandatory conversion date, at par value of Rs. 10 each. However, the shares for which notices have been received before mandatory conversion date would be converted on the terms prevalent on the date of notice.

Note 6
Dividend on Preference Shares

	Note	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
		------(Rupees in '000)------	
Dividends on preference shares	6.1	571,600	571,600

6.1 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.

6.2 During the period, cumulative preference dividend amounting to Rs. NIL (2021: Rs. 144.052 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 5.2 above.

Note 7
Term Finance Certificates

	Note	March 31 2022 (Un-audited)	December 31 2021 (Audited)
		------(Rupees in '000)------	
Opening balance		1,259,152	1,287,110
Less: Payments made during the period / year		(72,968)	(27,958)
		1,186,184	1,259,152
Less: Current and overdue portion		(409,041)	(432,016)
		777,143	827,136
Add: Deferred markup	7.1	355,306	377,309
Less: Payment during the period/year		-	-
		1,132,449	1,204,445

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 (2021: six month average KIBOR plus 1.0% per annum), payable quarterly. The mark up rate charged during the Period on the outstanding balance ranged from 8.76% to 13.02 (2021: 8.30% to 8.84%) 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 March 2022 amounting Rs. 355.00 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.

Last year due to non-payment of due instalments, Trustee enforced the letter of pledge and called 128.2 million shares from sponsors account out of which 13.6 million shares were sold for the amount of Rs. 45.9 million (Rs. 27.9 million settled against principal and Rs. 17.9 million against accrued mark-up) during the year. After sale remaining number of shares held by trustees and pledged are 161.3 million shares.

This year in January 2022 Trustee has sold 24.63 million shares for the amount of Rs. 56.26 million (Rs. 36.47 million settled against principal and Rs. 19.79 million against accrued mark-up) and in February 2022 Trustee has sold further 25.75 million shares for the amount of Rs. 57.36 million (Rs. 34.82 million settled against principal and Rs. 22.54 million against accrued mark-up) to recover o/s installments of June 2019, September 2019 and Dec 2019.

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.

		Note	March 31, 2022 (Un-audited)	December 31 2021 (Audited)
			--------------(Rupees in '000)--------------	
7.1	**Deferred markup**			
	Deferred markup	7.1.1	746,494	746,494
	Adjustment due to impact of IFRS 9	7.1.2	(105,632)	(116,084)
			640,862	630,410
	Less: Current portion		(285,556)	(253,101)
			355,306	377,309
7.1.1	Reconciliation of deferred markup is as follows:			
	Opening balance		746,494	746,494
	Add: Markup deferred during the period/year		-	-
			746,494	746,494
7.1.2	Reconciliation is as follows:			
	Opening balance		116,084	156,621
	Add: Discounting impact of deferred markup		-	-
			116,084	156,621
	Less: Unwinding impact of discounted deferred markup		(10,452)	(40,537)
			105,632	116,084

Note 8
Long Term Financing

		Note	March 31, 2022	December 31 2021
From Banking Companies (secured)				
Allied Bank Limited		8.1	74,773	83,228
Bank Islami Limited		8.2	99,258	99,036
			174,031	182,264
8.1	**Allied Bank Limited**			
	Opening balance		75,476	91,509
	Transfer from running finance		-	-
	Repayments		(4,648)	(16,033)
			70,828	75,476
	Less: Current and overdue portion		(26,032)	(20,032)
			44,796	55,444
	Add: Deferred markup		34,430	32,630
	Less: Discounting of deferred markup		(4,453)	(4,846)
			29,977	27,784
			74,773	83,228
8.1.1	Reconciliation of deferred markup is as follows:			
	Opening balance		32,630	25,647
	Add: Markup deferred during the year		1,800	6,983
			34,430	32,630
8.1.2	Reconciliation is as follows:			
	Opening balance		4,846	4,612
	Add: Discounting impact of deferred markup		199	1,636
			5,045	6,248
	Less: Unwinding impact of discounted deferred markup		(592)	(1,402)
			4,453	4,846

This represents balance transferred 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. 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 at 11.39% (2021: 8.14% to 8.63%) per annum. The facility is secured against 1st joint pari passu charge on present and future current and fixed assets excluding building of the Group for Rs. 534 million and right to set off on collection account.

		Note	March 31, 2022 (Un-audited)	December 31 2021 (Audited)
			(Rupees in '000)	
8.2	**Bank Islami Pakistan Limited**			
	Opening balance		81,308	-
	Transfer from running finance		-	81,308
			81,308	81,308
	Less: Current and overdue portion		(22,585)	(18,068)
			58,723	63,240
	Add: Deferred markup	8.2.1	50,511	46,015
	Less: Discounting of deferred markup	8.2.2	(9,976)	(10,219)
			40,535	35,796
			99,258	99,036
8.2.1	Reconciliation of deferred markup is as follows:			
	Opening balance		46,015	-
	Add: Deferred markup during the period/year		4,496	46,015
			50,511	46,015
8.2.2	Reconciliation is as follows:			
	Opening balance		10,219	-
	Add: Discounting impact of deferred markup		907	12,456
			11,126	12,456
	Less: Unwinding impact of discounted deferred markup		(1,150)	(2,237)
			9,976	10,219

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 ranged from 7.65% to 11.40% (2021: 7.50% to 7.65%). The facility is secured against 1st joint pari passu charge on present and future current and fixed assets excluding building of the Group for Rs. 880 million and Pledge of shares of listed companies in CDC account of the Group along with Mortgage over the Group's Offices at Ali Tower MM Alam Road Lahore and at The Plaza Shoping Mall Kehkashan Karachi.

Note 9

Sponsor's Loan

		Note	March 31, 2022 (Un-audited)	December 31 2021 (Audited)
			(Rupees in '000)	
Sponsor's Loan - unsecured				
- Interest bearing		9.1	549,600	533,850
- Non-interest bearing		9.2	1,293,770	1,143,030
			1,843,370	1,676,880
9.1	Opening balance		533,850	482,400
	Exchange loss		15,750	51,450
			549,600	533,850

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 Period on the outstanding balance is 12.79% (2021: 8.67%) per annum. The amount is not payable before December 31, 2022.

9.2 This represents interest free loan obtained from Worldcall Services (Private) Limited, the Parent Group. The amount is not payable before December 31, 2022.

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

	March 31 2022 (Un-audited)	December 31 2021 (Audited)
	--------------(Rupees in '000)--------------	
Opening balance	1,289,338	978,084
Less: Net receipts /(Payments) during the period/year	180,093	311,254
Amount of loan	1,469,431	1,289,338
Adjustment due to impact of IFRS 9:		
Discounting	(175,661)	(146,308)
Unwinding of discount	-	-
	(175,661)	(146,308)
	1,293,770	1,143,030

Note 10

Lease Liabilities

Opening balance	314,666	275,931
Add: Additions during the year	-	164,509
Add: Interest expense	8,202	42,310
Less: Termination of lease agreement	-	(121,467)
Less: Lease payments	(4,745)	(46,617)
Gross liability	318,123	314,666
Less: Current and overdue portion	(102,115)	(119,650)
Closing balance	216,008	195,016

10.1 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 11

Short Term Borrowings

	Note	March 31 2022 (Un-audited)	December 31 2021 (Audited)
		--------------(Rupees in '000)--------------	
Banking companies (secured - interest bearing):			
- Running finances	11.1	365,981	345,756
Related parties (unsecured - interest free):			
- Ferret Consulting F.Z.C.	11.2	68,391	66,156
		434,372	411,912

11.1 Short term running finance facilities available from commercial banks under mark up arrangements amount to Rs. 345.756 million (2021: Rs. 345.756 million). Running finance facilities are available at mark up rate of KIBOR plus 1.5% to 2.0% per annum (2021: KIBOR plus 1.5% to 2.0% per annum), payable quarterly, on the balance outstanding. The mark up charged during the period on outstanding balances ranged from 11.94% to 12.39% (2021: 8.79% to 11.51%) per annum, effectively. As of reporting date Group is in negotiations with Lenders for restructuring of its short term liabilities into long terms. One of the Lender i.e. Askari Bank Limited has filled a legal suit for recovery of its outstanding loan.

11.2 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 373,315 (2021: USD 371,770). In the absence of written agreement, the amount is repayable on demand.

11.3 Guarantees

Of the aggregate facilities of Rs. 408.111 million (2021: Rs. 418.162 million) for guarantees, the amount utilized as at March 30, 2022 was Rs. 344.461 million (2021: Rs. 353.761 million).

11.4 The facilities in note 11.1 are secured against first pari passu hypothecation charge on all present and future current and fixed assets excluding building, WLL / LDI receivables, first joint pari passu hypothecation charge over all present and future current and fixed assets of the Group with security margin over the facility amount, pledge of shares of listed companies in CDC account of the Group, lien over cash deposit of Rs. 3.9 million, lien over bank deposits of Rs. 30.87 million, first exclusive assignment of all present and future receivables of LDI business arm of the Group, collection accounts with Bank for routing of LDI receivables, counter guarantee of the Group, equitable mortgage over the property of office # 302, 303, 304, 3rd Floor, the Plaza on Plot # G-7, Block-9, KDA Scheme # 5, Kehkashan Clifton, Karachi and equitable mortgage over the property of office # 07, 08, 09 situated on 1st Floor, Ali Tower, MM Alam Road, Gulberg III, Lahore.

Note 12
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 except following:

12.1 The Group acquired Indefeasible Right to Use ("IRU") of media and related Operations and Maintenance Services ("O&M") from one of the Group's suppliers through an agreement entered in August 2011. An agreement between the parties was reached in April 2015 for the payment against O&M services whereby it was decided that monthly payments in respect of O&M will be made by the Group and other deliverables under IRU agreement shall be mutually agreed by June 30, 2016. However, the supplier illegally and violating the terms for the Agreement, disconnected its services to the Group and filed a Civil Suit before the Sindh High Court in October 2016 for recovery of dues amounting to USD 7.03 million equivalent to Rs. 1.09 billion along with mark up @ 15% amounting to USD 1.58 million equivalent to Rs. 245.453 million, allegedly due under the stated agreement. The subject suit is pending adjudication.

The management believes that supplier's claim is invalid since it relates to the un-utilized future period and for the media which has never been provisioned as required under the Agreement and the supplier is/was under contractual obligation to provide (media) to the Group. That, a net sum of USD 2.977 million is due and payable by Supplier to the Group, in respect of reimbursement and refund obligation under and pursuant to the IRU Contract. The net sum is calculated on the basis of actual utilization of the capacity calculated on pro rata basis hence the Group was/is entitled to and Supplier was/is liable to refund USD 2.977 million within 90 days of the termination of the IRU instead of claiming USD 7.03 million. The subject media / services have never been provisioned therefore the Supplier is not entitled to claim any amount for media or services. As the Group holds an indefeasible right to use the supplier's media for the contract duration of 15 years, early and unilateral termination of services by supplier, amounts to a breach.

Under these circumstances, the Group under the express contractual rights have claimed the amounts pertaining to (i) media which has yet not been delivered, and (ii) un-utilized future period on a prorata basis, as required under the terms and conditions of the Agreement. Moreover, the Supplier is also liable to make payments to the Group on account of different services received from the Group. The Group has filed an application before SHC in January 2017 under section 34 of the Arbitration Act, 1940 to refer the matter to Arbitrator as per the dispute resolution mechanism provided in the agreement dated 2011.

During 2019, the supplier has signed an MoU with the Group undertaking to withdraw all legal cases which has completed in August 2022 and both parties have withdrawn their respective cases.

		March 31 2022 (Un-audited)	December 31 2021 (Audited)
		--------------(Rupees in '000)	--------------
12.2	Outstanding guarantees and letters of credit	344,461	353,761
12.3	Commitments in respect of capital expenditure	7,854	9,696

Note 13

Property, Plant and Equipment

	Note	March 31 2022 (Un-audited)	December 31 2021 (Audited)
		--------------(Rupees in '000)--------------	
Operating fixed assets	13.1	5,660,702	5,783,070
Capital work-in-progress		12,907	12,907
		5,673,609	5,795,977

13.1 Operating fixed assets

	Note	March 31 2022	December 31 2021
Opening book value		5,783,070	6,195,839
Additions during the year	13.1.1	4,897	40,312
		5,787,967	6,236,151
Disposals (at book value) for the year	13.1.2	(9,978)	(40,331)
Depreciation charged during the year		(117,288)	(412,750)
Closing book value		5,660,702	5,783,070

13.1.1 Detail of additions

	March 31 2022	December 31 2021
Leasehold improvements	1,813	11,858
Plant and equipment	1,817	23,035
Office equipment	609	3,207
Furniture and fixtures	578	612
Computers	80	1,600
	4,897	40,312

13.1.2 Book values of assets disposed off

	March 31 2022	December 31 2021
Plant and equipment	9,978	40,331
	9,978	40,331

Note 14

Right of use assets

	March 31 2022	December 31 2021
Opening balance	3,694,104	3,680,465
Add: Additions during the year	-	364,337
Add: Lease termination	-	(92,056)
Less: Depreciation charge for the period / year	(64,661)	(258,642)
Closing balance	3,629,443	3,694,104
Lease Term (Years)	**2 to 13**	**2 to 14**

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

14.2 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 15
Deferred Taxation

	March 31 2022 (Un-audited)	December 31 2021 (Audited)
	--------------(Rupees in '000)--------------	
Asset for deferred taxation comprising temporary differences related to:		
-Unused tax losses	3,425,035	3,425,035
-Provision for doubtful debts	871,647	871,647
-Post employment benefits	56,190	56,190
-Provision for stores and spares & stock-in-trade	1,173	1,173
-Provision for doubtful advances and other receivables	82,979	82,979
Liability for deferred taxation comprising temporary differences related to:		
-Surplus on revaluation of assets	(2,067,380)	(2,067,380)
	2,369,644	2,369,644

Deferred tax asset on tax losses available for carry forward has been recognized to the extent that the realization of related tax benefit is probable from reversal of existing taxable temporary differences and future taxable profit. Management's assertion of future taxable profit is mainly based on income due to write back of liabilities and business plan to initiate fiber to home services with monetary support from the majority shareholder as explained in detail in note 2.7 to these financial statements.

Note 16
Cash Used in Operations

	Quarter Ended March 31, 2022 (Un-audited)	Quarter Ended March 31, 2021 (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES	--------------(Rupees in '000)--------------	
Loss before taxation	(384,212)	(298,596)
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	117,288	113,283
- Amortization on intangible assets	101,263	89,491
- Amortization of right of use assets	64,661	61,400
- Revenue from IRU agreement	(200,000)	-
- Disposal of fiber under IRU arrangement	9,978	-
- Liabilities written back on settlement with parties	-	(15,067)
- Post employment benefits	10,162	10,485
- Adjustment due to impact of IFRS 9	-	(11,775)
- Income on deposits, advances and savings accounts	(395)	(195)
- Exchange gain/(loss) on foreign currency loan	15,750	(21,600)
- Exchange (gain)/loss on foreign currency accrued markup	2,401	(1,072)
- Exchange (gain)/loss on foreign currency balances - net	107,912	3,513
- Imputed interest on lease liability	8,202	7,249
- Unwinding impact of liabilities under IFRS 9	45,954	13,233
- Finance cost	62,840	49,756
	346,016	298,701
Operating loss before working capital changes	(38,196)	105
(Increase) / decrease in current assets		
- Stores and spares	1,044	1,490
- Trade debts	(110,150)	(132,417)
- Loans and advances	(12,524)	41,580
- Deposits and prepayments	(5,383)	(2,605)
- Other receivables	(5,056)	(2,320)
Increase / (decrease) in current liabilities		
- Unearned revenue	-	29,243
- Trade and other payables	139,662	146,784
	7,593	81,755
Cash (used in) generated from operations	(30,603)	81,860

Note 17

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	Quarter ended March 31, 2022 (Un-audited)	Quarter ended March 31, 2021 (Un-audited)
			(Rupees in '000)	(Rupees in '000)
Worldcall Services (Private) Limited	Parent Group	Funds received by the Group during the period	104,500	6,500
		Funds repaid by the Group during the period	50,005	26,068
		Settlement with multimedia	11,129	13,262
		Markup on long term borrowings	19,126	10,490
		Adjustments	114,469	-
		Exchange (gain)/loss on markup	2,401	(1,072)
Worldcall Business Solutions (Private) Limited	Associate	Expenses borne on behalf of associate	2,732	2,531
		Interest charged during the period	2,416	1,249
Worldcall Cable (Private) Limited	Associate	Interest charged during the period	66	38
Worldcall Ride Hail (Private) Limited	Associate	Interest charged during the period	1	-
ACME Telecom (Private) Limited	Associate	Interest charged during the period	1	1
Key management personnel	Associated persons	Salaries and employees benefits	19,443	19,443
		Advances against expenses disbursed / (adjusted) - net	(581)	-

Transactions during the period/year with foreign companies

Related party	Relationship	Nature of transaction	2022	2021
Ferret Consulting - F.Z.C	Associate	Exchange (Gain)/loss	1,967	2,684
		Adjustment with third party	-	3,083
		Direct Cost - IT Service	720	-
		Expenses Charged during the period	452	-

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

		March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
		--------------(Rupees in '000)--------------	
Outstanding Balance as at the period/year end			
Worldcall Services	Sponsor's loan	1,843,370	1,676,880
(Private) Limited	Accrued markup	76,896	67,618
Ferret Consulting - F.Z.C	Dividend on CPS	375,421	375,421
	Short term borrowings	68,391	66,156
Worldcall Business Solutions			
(Private) Limited	Other receivables	91,140	85,992
ACME Telecom (Private) Limited	Other receivables	35	34
Worldcall Ride Hail (Private) Limited	Other receivables	19	19
Worldcall Cable (Private) Limited	Other receivables	2,482	2,416
Key management	Payable against expenses, salaries and other employee benefits	179,482	179,773
	Advance against expenses	12,264	12,845

Note 18

Financial Risk Management

18.1 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, 2021.

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

18.2 Fair value estimation

18.2.1 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.

18.2.2 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 March 31, 2022:

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Assets				
Short-term investments	**47,685**	**-**	**-**	**47,685**

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

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Assets				
Short-term investments	**54,340**	**-**	**-**	**54,340**

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 19

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 20

Date of Authorization for Issue

These condensed interim financial statements (un-audited) were approved and authorized for issue on September 09, 2022 the Board of Directors of the Group.

Note 21

Corresponding Figures

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

Chief Executive Officer	Director	Chief Financial Officer

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