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.

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

COMPANY INFORMATION

Chairman	Dr. Syed Salman Ali Shah
Chief Executive Officer	Mr. Babar Ali Syed
Board of Directors	Dr. Syed Salman Ali Shah (Chairman) Mr. Babar Ali Syed Mr. Muhammad Murtaza Raza Mr. Muhammad Azhar Saeed Mr. Faisal Ahmed Mr. Mansoor Ali Mrs. Hina Babar
Chief Financial Officer	Mr. Muhammad Azhar Saeed, ACA
Executive Committee	Dr. Syed Salman Ali Shah (Chairman) Mr. Babar Ali Syed (Member) Mr. Muhammad Murtaza Raza (Member) Mr. Muhammad Azhar Saeed (Member)
Audit Committee	Mr. Faisal Ahmed (Chairman) Mr. Muhammad Murtaza Raza (Member) Mr. Mansoor Ali (Member) Mrs. Hina Babar (Member) Mr. Anser Iqbal Chauhan (Secretary)
Human Resource & Remuneration Committee	Mr. Mansoor Ali (Chairman) Mr. Babar Ali Syed (Member) Mr. Muhammad Murtaza Raza (Member) Mr. Muhammad Azhar Saeed (Member) Mr. Faisal Ahmed (Member)
Chief Internal Auditor	Mr. Anser Iqbal Chauhan
Company Secretary	Mr. Mueen Tauqir , ACA
Auditors	Horwath Hussain Chaudhury & Co. Chartered Accountants
Legal Advisers	M/s Miankot & Co. Barristers, Advocates & Corporate Legal Consultant

Bankers	Allied Bank Limited Askari Bank Limited Bank Al Habib Limited National Bank of Oman Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited IGI Investment Bank Limited JS Bank Limited Bank Islamic Pakistan Limited MCB Bank Limited National Bank of Pakistan NIB Bank Limited Pak Oman Investment Co. Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited Summit Bank Limited Tameer Microfinance Bank Limited The Bank of Punjab United Bank Limited Waseela Microfinance Bank Limited
Registrar and Shares Transfer Office	THK Associates (Pvt.) Limited 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400. Tel: (021) 111-000-322
Registered Office/Head Office	Plot No. 1566/124, Main Walton Road, Lahore, Pakistan Tel: (+92 42) 36671191-94 Fax: (+92 42) 36671197
Webpage	www.worldcall.com.pk www.worldcall.net.pk

Notice of 18th Annual General Meeting

Notice is hereby given that 18th Annual General Meeting ("AGM") of the shareholders of WorldCall Telecom Limited (the "Company" or "WTL") will be held on Monday, 30th April 2018 at 11:00 a.m. at Institute of Chartered Accountants of Pakistan, 155-156, West Wood Colony, Thokar Niaz Baig, Lahore to transact the following business:

A. ORDINARY BUSINESS:

1. To confirm the minutes of the 17th Annual General Meeting held on 31 May 2017;
2. To receive, consider and adopt financial statements of the Company for the year ended 31 December 2017 together with Director's and Auditor's report thereon;
3. To appoint Auditors of the Company for the year ending 31 December 2018 and to fix their remuneration.
4. To transact any other business with the permission of the Chair.

09 April, 2018
Lahore:

By Order of the Board

Babar Ali Syed
Chief Executive Officer

Notes:

1. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from 24 April 2018 to 30 April 2018 (both days inclusive). Transfers received at the office of the Company's Registrars, M/s THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400., by the close of business on 23 April 2018 will be treated in time.

2. Participation in the Annual General Meeting:

All members entitled to attend and vote at the meeting, are entitled to appoint another member in writing as their proxy to attend and vote on their behalf. A corporate entity, being a member, may appoint any person, regardless they are member or not, as its proxy. In case of corporate entities, a resolution of the Board of Directors / Power of attorney with specimen signature of the person nominated to represent and vote on behalf of corporate entity shall be submitted to the Company along with completed proxy form. The proxy holders are requested to produce their CNICs or original passports at the time of meeting.

In order to be effective, duly completed and signed proxy forms must be received at the Company's Registered Office at Plot No. 1566/124, Main Walton Road, Lahore, Pakistan at least 48 hours before the time of the meeting.

3. **Guidelines for CDC Account Holders:**

Member who have deposited their shares into CDC will further have to follow the under-mentioned guidelines as laid down in circular 01 of 2000 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

a. For attending the meeting personally:

i. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall authenticate his/her original valid Computerized National Identity Card (CNIC) or the original passport at the time of attending the meeting.

ii. In case of corporate entity, the Board of Director's resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

b. For appointing other members as proxies:

i) In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall submit the proxy form as per above requirements.
ii) Attested copies of valid CNIC or of the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
iii) The proxy shall produce original valid CNIC or original passport at the time of meeting.
iv) In case of corporate entity, the Board of Director's resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form to the Company.
v) Proxy form will be witnessed by two persons whose names, addresses and valid CNIC numbers shall be mentioned on the forms.

c. For exercising electronic voting right through Intermediary by providing consent in writing regarding appointment of execution officer as proxy as per the Companies (E-Voting) Regulations, 2016:

i) (name of the person), (designation) is appointed as execution officer for the meeting.
ii) The instruction to appoint execution officer and opting to e-vote through Intermediary as per the Companies (E-Voting) Regulations, 2016 shall be deposited to the company at least end days before

holding of general meeting at Plot No. 1566/124, Main Walton Road, Lahore or through email member.report@worldcall.pk
iii) The proxy/e-voting form shall be witnessed by two persons whose names, addresses and CNIC members shall be mentioned on the form.
iv) The company will arrange for e-voting if the company receives demand for poll from at least five members or by any member or members having not less than one tenth of the voting power.

4. **Audited Financial Statement Through Email:**

SECP through its Notification SRO 787 (I)/2014 dated 08 September 2014 has allowed circulation of Audited Financial Statements along with and notice which falls in the ambit of sections 50, 158 and 233 of the Companies Ordinance 1984. Therefore, all members who wish to receive soft copy of Annual Report and notices are requested to send their email addresses. The consent for electronic transmission to be updated on investor's information link of the Company's website: **www.worldcall.com.pk**

The Company shall, however, provide hard copy of the Audited Financial Statements to its shareholders, on request, free of cost, within seven days of receipt of such request. Members are requested to notify any change in their registered address if any, immediately.

The Company shall place the financial statements and reports on the Company's website: **www.worldcall.com.pk** at least twenty one (21) days prior to the date of the Annual General Meeting in terms of SRO 634 (I)/2014 dated 10 July 2014 issued by the SECP.

5. Form for Video Conference Facility

Members can also avail video conference facility in (Karachi, Lahore) In this regard please fill the following and submit to registered address of the Company 10 days before holding of general meeting.

If the company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the company will arrange video conference facility in that city subject to availability at least 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

I/We, ______________________of __________________, being a member of WorldCall Telecom

Limited, holder of ________________ (Ordinary Share(s) as per Register Folio No.____________ hereby

opt for video conference facility at _____________________________________

____
Signature of Member

(iv	کمپنی کے کم از کم 5 ارکان یا کسی بھی رکن یا ارکان، جن کے پاس کم از کم ایک دہائی ووٹنگ کی طاقت ہو، کے مطالبہ پر کمپنی ای ووٹنگ کے انتظامات کرے گی۔

.4	ای میل کے ذریعے آڈٹڈ مالیاتی سٹیٹمینٹ

SECP اپنے 8 ستمبر 2014 کے نوٹیفیکیشن نمبر SRO 787 (I)/2014 کمپنیز آرڈیننس 1984ء کی شقوں 50، 158 اور 233 کے دائرہ اختیار میں آتا ہے کے تحت آڈٹڈ مالی اسٹیٹمنٹ بمع نوٹس کو جاری کرنے کی اجازت دیتا ہے۔ اس لئے، جو اراکین سالانہ رپورٹ کی نقل اور نوٹس حاصل کرنا چاہتے ہیں کو ہدایت کی جاتی ہے کہ وہ اپنا ای میل ایڈریس فراہم کریں۔ الیکٹرانک ترسیل کی رضامندی کمپنی کی ویب سائٹ www.worldcall.com.pk پر انویسٹر کی اطلاع کے لنک پر شائع ہونی چاہیئے۔
تاہم کمپنی مطالبے پر بغیر کسی خرچ کے آڈٹڈ مالی سٹیٹمنٹس کی تحریری کاپی درخواست موصول ہونے کے سات دن کے اندر اپنے حصص داران کو فراہم کرے گی۔ اگر کسی رکن کے پتہ میں تبدیلی ہوگئی ہے تو انہیں اپنا رجسٹرڈ پتہ فوراً تبدیل کرنے کی ہدایت کی جاتی ہے۔
SECP کے 10 جولائی 2014ء کو جاری کردہ نوٹیفیکیشن نمبر SRO 634 (I)/2014 کے تحت کمپنی سالانہ اجلاس عام کے انعقاد کے بعد اکیس (21) دن کے اندر اپنی ویب سائٹ www.worldcall.com.pk پر مالی سٹیٹمنٹ اور رپورٹ شائع کرے گی۔

ویڈیو کانفرنس سہولت کی نوعیت

اراکین (کراچی، لاہور کے لئے) ویڈیو کانفرنس کی سہولت بھی حاصل کر سکتے ہیں۔ اس تناظر میں مندرجہ ذیل کو پر کریں اور اور اجلاسِ عام کے انعقاد سے 10 دن پہلے کمپنی کے رجسٹرڈ پتے پر جمع کروائیں۔
اگر کمپنی 10 فی صد یا اس سے زیادہ مجموعی حصص داری کے حامل اراکین اجلاس کی تاریخ سے کم از کم 10 دن پہلے کسی جغرافیائی مقام پر رہتے ہوئے اجلاس میں شرکت کرنے کے لئے رضامندی حاصل کرتی ہے تو اجلاس عام کی تاریخ سے کم از کم 5 دن پہلے دستیابی کی صورت میں ویڈیو کانفرنس کی سہولت کا انتظام کرے گی اور ضروری اطلاع دے گی تا کہ وہ اس سہولت سے استفادہ حاصل کر سکیں۔

میں/ہم .... رہائش ....
ورلڈ کال ٹیلی کام لمیٹڈ کے رکن کی حیثیت سے .... (کے عمومی حصص) کے مالک ہونے پر رجسٹرڈ فولیو
نمبر .... تحت .... کے مقام پر ویڈیو کانفرنس کی سہولت حاصل کرنے کا خواہش مند ہوں۔

رکن کے دستخط

اس کے اطلاق کے لئے ،حسبِ ضابطہ مکمل اور دستخط شدہ پراکسی فارم کمپنی کے رجسٹرڈ دفتر واقع ،1566/124 ، مین والٹن روڈ ، لاہور میں اجلاس شروع ہونے سے کم از کم 48 گھنٹے پہلے پہنچ جانا چاہیے۔

.3 CDC اکاؤنٹ ہولڈرز کے لئے ہدایات

CDC اکاؤنٹ ہولڈرز کو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے عائد کی گئی مندرجہ ذیل ہدایات کی بھی پیروی کرنا ہوگی۔

.a ذاتی طور پر اجلاس میں حاضری کے لئے

(i) انفرادی طور پر، کھاتہ داران اور ذیلی کھاتہ داران جس کی رجسٹریشن کی تفصیلات قواعد کے مطابق شائع کی گئی ہیں اُن کو اپنے مجاز کمپیوٹرائزڈ قومی شناختی کارڈ یا اصلی پاسپورٹ کی اجلاس کے موقع پر توثیق کرنی ہوگی۔

(ii) کاروباری ادارہ کے معاملہ میں، بورڈ آف ڈائریکٹر کی قرارداد/مختار نامہ جس پر نامزد شخص کے نمونہ کے دستخط موجود ہوں اجلاس کے موقع پر پیش کرنا ہوگا۔(اگر یہ پہلے جمع نہیں کرائے گئے)۔

.b دوسرے ارکان کے لئے جن کو نمائندہ مقرر کیا گیا ہے

(i) انفرادی طور پر، کھاتہ داران یا ذیلی کھاتہ داران جن کی رجسٹریشن کی تفصیلات قواعد کے مطابق شائع کی گئی ہیں اُن کو مندرجہ بالا ہدایات کے مطابق پراکسی فارم جمع کرانا ہوگا۔

(ii) نمائندہ اور استفامی مالک کے مجاز شناختی کارڈ اور پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ پیش کرنا ہوگی۔

(iii) نمائندہ کو اجلاس کے موقع پر اصل شناختی کارڈ اور پاسپورٹ پیش کرنا ہوگا۔

(iv) کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمع نمونہ کے دستخط (اگر پہلے جمع نہیں کرائے گئے ہیں) پراکسی فارم کے ہمراہ کمپنی میں جمع کرانا ہوگی۔

(v) پراکسی فارم کی گواہی دو افراد دیں گے۔جن کے نام، پتے اور قومی شناختی کارڈ نمبر فارم پر درج ہوں گے۔

.c ثالث کے ذریعے نمائندے کی حیثیت سے تعمیل کرنے والے افسر کی تعیناتی کی تحریری رضامندی فراہم کر کے کمپنی کے (ای ووٹنگ) قواعد **2016**ء کے مطابق الیکٹرانک ووٹ کے حق کے اطلاق کے لئے

(i ....(فرد کا نام)،............................(عہدہ) کو اجلاس کے لئے اطلاقی افسر مقرر کیا گیا ہے۔

(ii کمپنی کے (ای ووٹنگ) قواعد،2016ء کے مطابق ثالثی کے ذریعے ای ووٹ کو اختیار کرتے ہوئے اطلاقی افسر کو تعینات کرنے کی ہدایت عمومی اجلاس کے انعقاد سے پہلے کم از کم آخر دنوں میں 1566/124 ، مین والٹن روڈ ، لاہور میں جمع کرانا ہوگی۔یا ای میل ایڈریس member. report@worldcall.pk ای میل کرنا ہوگی۔

(iii پراکسی/ای ووٹنگ فارم کی توثیق دو گواہ کریں گے جن کے نام، پتے اور شناختی کارڈ فارم پر درج ہوں گے۔

ورلڈ کال ٹیلی کام لمٹیڈ کا اٹھارواں سالانہ اجلاسِ عام

بذریعہ ہذا نوٹس مطلع کیا جاتا ہے کہ ورلڈ کال ٹیلی کام لمیٹڈ (''کمپنی'' یا ''WTL'') کے حصص داران کا اٹھارواں سالانہ اجلاسِ عام (''AGM'') مندرجہ ذیل امور کی انجام دہی کے لئے 30 اپریل 2018 بروز پیر بوقت 11:00 بجے دن انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان، 155-156، ویسٹ ووڈ کالونی، ٹھوکر نیاز بیگ، لاہور میں ہونا قرار پایا ہے۔

عمومی امور:

1. 17 واں سالانہ اجلاس عام منعقدہ 31 مئی 2017 کی روئداد/تفصیلات کی تصدیق کرنا۔
2. 31 دسمبر 2017 کو اختتام پذیر سال کے لئے کمپنی کی مالی سٹیٹمنٹ بمع ڈائریکٹرز اور آڈیٹرز کی رپورٹ کو وصول، زیرغور اور اختیار کرنا۔
3. 31 دسمبر 2018ء سال کے لئے آڈیٹرز کو مقرر کرنا اور ان کا مشاہدہ طے کرنا۔
4. چیئرمین کی اجازت سے کسی اور امر پر بحث کرنا۔

بحکم بورڈ آف ڈائریکٹرز

بابر علی سید

چیف ایگزیکٹو آفیسر

9 اپریل 2018

لاہور:

مندرجات:

1. حصص کی منتقلی کی کتاب کی بندش

کمپنی کے حصص کی منتقلی کی کتاب 24 اپریل 2018 سے 30 اپریل 2018ء (بشمول دونوں دن) بند رہے گی۔ کمپنی کے رجسٹرار کے دفتر، میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل، 40-C، بلاک-6، PECHS، کراچی- 75400 میں 23 اپریل 2018ء کو کاروباری وقت ختم ہونے تک موصول ہونے والی منتقلی پر بروقت عمل ہوگا۔

2. سالانہ اجلاس عام میں شرکت

تمام اراکین جو اجلاس میں شرکت اور ووٹ کرنے کے اہل ہیں، اپنی طرف سے ووٹ اور شرکت کرنے کے لئے کسی دوسرے رکن کو تحریری طور پر اپنا نمائندہ مقرر کرنے کے مجاز ہیں۔ ایک کاروباری ادارہ، ایک رکن کی حیثیت سے، کسی بھی شخص کو چاہے وہ رکن ہے یا نہیں، اپنا نمائندہ مقرر کرسکتا ہے۔ کاروباری ادارہ کے معاملہ میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ جس پر کاروباری ادارے کی طرف سے نمائندگی اور ووٹ دینے کے لئے اُس شخص کے نمونہ کے دستخط موجود ہوں بمعہ مکمل پراکسی فارم پارٹی کو جمع کرائے گا۔ نمائندگی حاصل کرنے والوں سے درخواست کی گئی ہے کہ وہ اجلاس کے وقت اپنے شناختی کارڈ اور اصلی پاسپورٹ پیش کریں۔

CHAIRMAN'S MESSAGE

Dear Shareholders,

Pakistan is currently at an inflection point for digital services and the burgeoning demand for 3G/4G services is continually rising. This presents WorldCall Telecom Limited a realm of opportunities. To embark upon the path of success it needs preparedness, foresight and utmostly your confidence in the Company. There have been ups and downs recently but it was buoyance of our investors that has helped us to continue during such times of distress. I would like to thank you for your assurance in WorldCall.

Our previous sponsors, Oman Telecommunications Company SAOG, have taken an exit during the year 2017. Share Purchase Agreement that was initiated in year 2016 got successfully closed under which the liabilities amounting to Rs. 8 billion were settled which have relieved the financial burden on the company's resources. The outcome is positive. Funds released have been applied to company's operations which have paid off dividends. LDI business has successfully rejuvenated with almost 2 times the international traffic that was witnessed previously. Despite all the challenges including energy crisis, inconsistent tax regimes, political instability and curtailed activities in the ICT sector, WorldCall Teleco m Limited has closed the year at Rs. 2,322 million in comparison to Rs. 1,820 million last year.

Emphasis on exploiting the assets have been the motto lately. WorldCall endeavor to be one of the most competitive companies in the industry with emphasis on efficiency in operations and reliability for customers. Guided by our glorious past and geared towards the future, we have the key success factors necessary to withstand the winds of change. Our well-recognized market presence with a strong portfolio of products and services, is what will take us marching into the future.

I again would like to extend my gratitude to our partners, our employees and our customers for trusting WorldCall as the preferred choice for telecom services.

I feel convinced that WorldCall Telecom will produce positive outcomes in times ahead.

Syed Salman Ali Shah
Chairman, Board of Directors
WorldCall Telecom Limited

Lahore, Pakistan
April 09, 2018

DIRECTORS' REPORT TO THE SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2017

DEAR SHAREHOLDERS,

We are pleased to present the Annual Audited Financial Statements of the company for the year ended December 31, 2017 and a review of its performance.

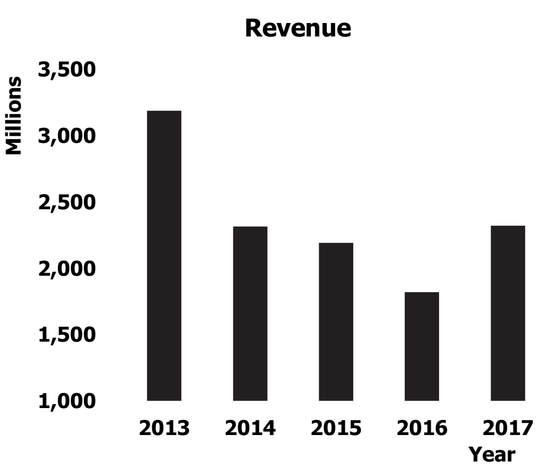
ECONOMIC OVERVIEW

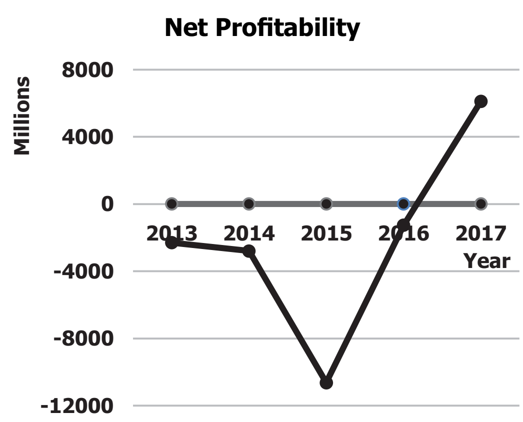
The recent oversubscription of the foreign loans sought by the Government and the relatively favourable rates on which these were obtained, indicates that lenders seem to have shrugged off this year's sharp fall in the Pakistan Stock Exchange and concerns about widening trade deficits, domestic political turmoil and threats of US sanctions.

The markets optimism about Pakistan's economy is well placed. Despite bad or indifferent management, the country's GDP has grown in nominal terms recording growth of 5.3 percent for the year 2017. One of the major reasons for this phenomenon is the rising levels of income of consumers that is fuelling the commercial activities. In terms of Purchasing Power Parity, Pakistan economy's size is USD 1 trillion and these do not count the estimated 36 percent of the economy which remains undocumented.

Still investment needs to be deployed strategically to create sustained growth, employment and development. One of the main fields to harvest is technology. A key to economic dynamism, every industrial process, every business model, is being transformed by the application of digital and other technological innovations. Pakistan must absorb these developments like a sponge, mobilizing public and private entities, at home and abroad, to find the most efficient and productive ways to promote growth and development in targeted areas. In the final analysis, this will be one of the decisive factors in Pakistan's economic success.

FINANCIAL PERFORMANCE REVIEW





The company has reported a net profit of Rs. 6,102 million for the year ended December 31, 2017 as compared to net loss of Rs. 1,265 million in the year 2016. This jump has been caused by the successful execution of Share Purchase Agreement which concluded on November 2nd during the year. Under the said arrangement Oman Telecommunications Company SAOG (formerly the Parent Company) divested its stake in WorldCall Telecom Limited and the liabilities that stood payable by WTL amounting to Rs. 7,958 million in aggregate were waived off. This had a positive effect on the profitability of the Company which in turn changed the equity to positive. Apart from this, the Company has started to gain grounds in respect of its operations as well.

Yearly revenue for 2017 was closed at Rs. 2,322 million in comparison to Rs. 1,820 million for the year ended 2016. The company had been experiencing downfall in its revenue earning till 2016 when it shifted its focus to more profitable business lines and restructuring of loss making segments. The emphasis has been on sweating the assets, lately. The LDI business was the standout out of all the businesses with 70% increase in revenue as compared to the last year. The traffic flow in terms of international minutes increased to 1,270 which is almost 2 times the traffic that was witnessed previously. Keeping that in perspective the company is constantly injecting capital into the LDI business, targeting expansion in the LDI infrastructure and the resultant interconnect revenues.

The Broadband business however continued its battle to restore its lost footing in the market. The revenue for the business slipped by Rs. 83 million during the year. But during the last 2 quarters of year 2017 the revenue has shot up courtesy enhanced service offering. Concerted efforts were made to increase the network base and tap in more customers which have started to pay off dividends.

The demand for data is still there and is growing at an ever increasing rate. With a huge carrier network across the country WTL has a comparative advantage in offering quality infrastructure services to households as well as to corporate entities. In a nutshell, Company is fully geared up to capture market share with better service offering and upgraded HFC network.

Summary of financial results for the year ended December 31, 2017 are as follows:

Particulars	December 31, 2017	December 31, 2016
	Rs. in million	
Revenue – net	2,322	1,820
Direct Cost (excluding depreciation and Amortization)	(1,934)	(1,848)
Other Income	8,145	192
EBITDA	7,660	(765)
Depreciation and Amortization	(1,067)	(1,233)
Finance Cost	(348)	(566)
Profit/(Loss) after tax	6,102	(1,265)

The Company has been successful in sustaining its Direct Costs in comparison to increase in revenue Measures such as right sizing and engaging competent professionals to uplift the operations are some of the major factors for such sustenance. Other costs warranting a mention are ‘Depreciation and Amortization’ and ‘Finance Cost’. During the year 2017 Company has disposed / settled of passive infrastructure as part of its organizational restructuring program which resulted in lower depreciation expense whilst finance cost reduced as the National Bank of Oman’s loan was taken over by Oman Telecommunications Company under the Share Purchase Agreement.

DIVIDEND

Considering the cash flow situations and expansion plans, directors have not recommended any dividend payout or bonus shares for the year.

FUTURE OUTLOOK

Company has undergone a major transformation with the exit of its previous sponsors. Cost restructuring has been effected because of which Operating Costs have been reduced by Rs. 45 million per month and Finance Cost has been curtailed by Rs. 35 million per month. Critical deliverables left unaddressed over the last two years are being addressed through funds made available as part of the transaction and Management is pleased to report that results are showing a corresponding improvement in absolute terms along with positive trends moving forward. The targets have been broken down into quantitative objectives with emphasis on productive utilization of dormant assets, enhanced quality service while monetizing associated offerings. The assets possessed by the Company are very much capable to deliver the desired results.

Segmental wise, for the Broadband segment network reach expansion has been targeted through owned network as well as through loop holders. Fiber to the Home has been launched which would add to the revenue of the Company. For the LDI business the Company is currently in negotiations to acquire state of the art Switch which in return would improve the rating engine. Moreover SMS Monetization project is in the pipeline to get data across the same network for which an agreement is near closure. Cashing in on the new developments in ICT technologies, the company has started to set its footprints in the e-commerce and other business related IT applications as well. To quote one of such campaigns, it has recently got registration with Pakistan Software Export Board as Call Centre to provide services domestically and internationally. International Call Centre service has been kicked off and the revenue has started to flow in from such services. To take it a step further ON DEMAND platform for such International Contact Centres are also being planned. Moreover IT based business venture for providing transportation solutions is too under consideration.

The financial burden is also easing out. The liabilities payable to Oman Telecommunications Company SAOG and National Bank of Oman are no longer an obligation and therefore the funds available with the Company can be directed for operation betterment more steadily. Moreover recently Term Finance Certificate holders of the Company have agreed to reschedule the facility which adds more certainty to the cash flows.

AUDITORS REPORT

The External Auditors have given their unqualified opinion on the financial statements of the company for the year ended December 31, 2017 wherein they have given an emphasis of matter para on going concern indicating that the Company has accumulated losses of Rs. 13,029 million and current liabilities exceeds current assets by Rs. 9,500 million. These conditions, along with other matters as set forth in note 2.2, indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

The Company's management however has carried out a going concern assessment of the Company and believes that the going concern assumption used for the preparation of these financial statements is appropriate based on the grounds explained in note 2.2 of financial statements.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

In compliance with the provisions of the Listing Regulations of Pakistan Stock Exchange, the Board members are pleased to place the following statements on record:

- The financial statements for the year ended December 31, 2017 present fairly the state of affairs, the results of the operations, cash flow and changes in equity;
- Proper books of accounts have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended December 31, 2017 and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements;

- The systems of internal control is sound in design and has been effectively implemented and monitored;
- There has been no material departure from the best practices of corporate governance, as detailed in listing regulations as on December 31, 2017;
- The key operating and financial data for last six years is given in this report;
- Information regarding outstanding taxes & levies / default is given in notes to the financial statements for the year ended December 31, 2017.

BOARD OF DIRECTORS

New management took over the control of the Company on June 08, 2017. Following changes were made on the Board during the year ended December 31, 2017

Incoming Directors		Outgoing Directors	
Syed Salman Ali Shah	Chairman	Mehdi Muhammad Al Abduwani	Chairman
Babar Ali Syed	Director	Talal Said Marhoon Al Mamari	Director
Muhammad Murtaza Raza	Director	Samy Ahmed Abdulqadir Ghassany	Director
Muhammad Azhar Saeed	Director	Aimen bin Ahmed Al Hosni	Director
Faisal Ahmed	Director	Sohail Qadir	Director
Mansoor Ali	Director		
Hina Babar	Director	Martial Caratti	Director
		Shahid Aziz Siddiqui	Director

Currently the Board consists of seven directors. All of them carry a wide range of experience to the Board watching over best interest of stakeholders and the Company. Out of them one director is independent in accordance with the criteria mentioned in Code of Corporate Governance.

During the year under review, Seven (07) meetings of the Board of Directors were held from January 1, 2017 to December 31, 2017. The attendance of the Board members at the meetings was as follows:

New Management

Board Composition	Attendance at Meetings
Executive Directors	
Babar Ali Syed	2/2
Muhammad Azhar Saeed	2/2
Non-Executive Directors	
Muhammad Murtaza Raza	2/2
Faisal Ahmed	2/2
Mansoor Ali	2/2
Hina Babar	2/2
Independent Director	
Syed Salman Ali Shah	2/2

Previous Management

Board Composition	Attendance at Meetings
Non-Executive Directors	
Mehdi Muhammad Al Abduwani	5/5
Talal Said Marhoon Al Mamari	4/5
Samy Ahmed Abdulqadir Ghassany	5/5
Aimen bin Ahmed Al Hosni	1/5
Sohail Qadir	5/5
Martial Caratti	1/5
Independent Director	
Syed Salman Ali Shah	5/5
Shahid Aziz Siddiqui	0/5

- The leave of absence was granted to the members, who did not attend the Board meetings.

- Aggregate amount charged in the financial statements for remuneration (advisory fee) to non-executive directors was Rupees 4.9 million (2016: 4.2 million). During the year Meeting fee charged to the financial statements amounts to Rupees 1.3 million (2016: Rupees 0.17 million) for attending board and other meetings, which is not part of remuneration.

CHANGE OF COMPANY SECRETARY

Rizwan Abdul Hayi, resigned as Company Secretary on 30 Sept 2017 and Mueen Tauqir was appointed to fill in the position on December 27, 2017. The Board of Directors places on recorded its appreciation for services rendered by Rizwan Abdul Hayi and welcomed Mueen Tauqir.

CHANGE OF CHIEF FINANCIAL OFFICER

Muhammad Murtaza Raza, resigned from the post of Chief Financial Officer on December 27, 2017 and Mr. Muhammad Azhar Saeed, ACA was appointed to fill in the position. The Board of Directors acknowledged Murtaza's contribution and extended their gratitude for services rendered. Muhammad Azhar Saeed was received with good wishes in his new role.

RE-APPOINTMENT OF CHIEF EXECUTIVE OFFICER

The Chief Executive's term in the office had expired on August 11, 2017. The members have passed a resolution through circulation for his re-appointment dated August 12, 2017.

Consequently Babar Ali Syed has been re-appointed as the Chief Executive Officer of WorldCall Telecom Limited effective from August 12, 2017 for 3 years.

BOARD COMMITTEES

The Board has re-constituted the following committees:

- Audit Committee
- Human Resource and Remuneration Committee
- Executive Committee

Through its committees, the Board provides proactive oversight in some of the key areas of business and the performance of CEO. The Board regularly reviews the respective charters / terms of references (TORs) of these committees.

Audit Committee

Audit Committee comprises of four non-executive directors. Five meetings were held during the year. Audit Committee meetings preceded each Board of Directors' meeting held to review financial statements during which audit reports, compliance with Code of Corporate Governance (CCG) requirements were reviewed by the committee members. These meetings also included meetings held with external auditors before and after completion of audit for the year ended December 31, 2017 and other statutory meetings as required by the CCG. The composition of Audit Committee is as follows:

New Management

Committee Composition	Designation	Attendance at Meetings
Faisal Ahmed	Chairman	2/2
Muhammad Murtaza Raza	Member	2/2
Mansoor Ali	Member	2/2
Hina Babar	Member	2/2
Anser Iqbal Chauhan	Secretary	2/2

Previous Management

Committee Composition	Designation	Attendance at Meetings
Talal Said Marhoon Al Mamari	Chairman	3/3
Samy Ahmed Abdulqadir Ghassany	Member	3/3
Aimen bin Ahmed Al Hosni	Member	1/3
Sohail Qadir	Member	1/3
Shahid Aziz Siddiqui	Member	1/3
Mirghani Hamza Al Madani	Secretary	3/3

The Audit Committee operates under TORs duly approved by the Board. TORs of the Audit Committee address the requirements of the Code of Corporate Governance issued by the SECP and includes the requirements of best practices. The Committee is accountable to the Board for the recommendation of appointment of external auditors, directing and monitoring the audit function and reviewing the adequacy and quality of the audit process. The Committee also monitors the performance of Internal Audit Department which adopts risk based approach for planning & execution of assurance & consulting assignments to ensure value addition and improving company's operations. Further, the Committee ensures that the Company has an effective internal control framework. Objectives of these controls include safe-guarding of assets, maintaining of proper accounting records complying with legislation, ensuring the reliability of financial information and efficiency & effectiveness of operations. The Chief Internal Auditor reports directly to the Chairman of the Audit Committee.

Human Resource and Remuneration (HR & R) Committee

Human Resource & Remuneration Committee consist of five members. As required, the Chairman of the HR & R Committee is a non-executive director. The Committee holds meetings to discuss the matters falling under the terms of its reference. One meeting was held during the year which was attended by the all members as follows

Committee Composition	Designation
Mansoor Ali	Chairman
Babar Ali Syed	Member
Muhammad Murtaza Raza	Member
Muhammad Azhar Saeed	Member
Faisal Ahmed	Member

The HR & R Committee is responsible to review the human resource architecture of the Company and address the requirements described in its Terms of References as per Code of Corporate Governance. The committee has been constituted to address and improve the crucial area of human resource development. Its aim is to assist the Board and guide the management in the formulation of the market driven HR policies regarding performance management, HR staffing, compensation and benefits. Selection, evaluation and compensation of CEO, COO, CFO, Company Secretary and Head of Internal Audit is also be reviewed and recommended to the Board by the Committee.

Executive Committee (EC)

Executive Committee consists of four members. The Committee holds meetings to discuss the matters falling under its Terms of Reference. No meeting was held during the period. Following are the details about members.

Committee Composition	Designation
Syed Salman Ali Shah	Chairman
Babar Ali Syed	Member
Muhammad Murtaza Raza	Member
Muhammad Azhar Saeed	Member

The Committee is entrusted with the tasks of oversight, performance of Company to assist Board and, to review and approve the business plans and budgets, follow-up the achievements of the Company's strategic intent as approved by the Board, review and recommend investment proposals, recommend for approval both short term and long term finance options, ensure adherence to administrative and control policies adopted by the Board and monitoring compliance thereof. The Committee is also responsible for dealing on the Board's behalf with matters of an urgent nature when the Board of Directors is not in session, in addition to other duties delegated by the Board.

AUDITORS

The retiring auditors Messer's Horwath Hussain Chaudhury & Co., Chartered Accountants have offered themselves for reappointment. The Board of Directors has recommended their appointment as auditors of the company for the year ending December 31, 2018, at a fee to be mutually agreed. They have confirmed achieving satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and compliance with the International Federation of Accountants' (IFAC) Guidelines on Code of Ethics, as adopted by the Institute of Chartered Accountants of Pakistan.

HOLDING COMPANY

The Company has become a subsidiary of WorldCall Services (Pvt) Limited (WSL). During the year 488,839,429 ordinary shares from Oman Telecommunications Company SAOG were transferred to WSL whilst 13,028,498 shares at a price of Rs. 2.69 per ordinary share were acquired through public offer.

WorldCall Services is a private limited company in Pakistan incorporated under the Companies Act 2017. The objects of the Company include carrying on and undertaking the business of providing payphone services and generating revenue from communication services in Pakistan.

CHAIRMAN'S REVIEW

The accompanied Chairman's review deals with the performance of the Company during the year and future outlook. The directors of the Company endorse the contents of the review.

PATTERN OF SHAREHOLDOING

The pattern of shareholding as on December 31, 2017 and its disclosure as required by the Ordinance and Code of Corporate Governance is annexed with this report.

There was no other reported transaction of sale or purchase of shares of the Company by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Chief Internal Auditor, Chief Operating Officer and their spouses or minor children during the year under review, except as given in Pattern of Shareholding.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchanges in their Listing Regulations relevant for the year ended December 31, 2017 have been adopted by the Company and have been duly complied with. A statement of this fact is annexed to the report.

MATERIAL CHANGES

There has been no material changes since year end December 31, 2017 till date of the report except as disclosed in this annual report and the company has not entered into any commitment which would affect its financial position at the date except for those mentioned in audited financial statements of the company for the year ended December 31, 2017.

STATUTORY COMPLIANCE

During the year the company has complied with all applicable provisions, filed all returns / forms and furnished all the relevant particulars as required under the Companies Act 2017 and allied rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the listing requirements.

CODE OF CONDUCT

The Board has adopted a Code of Conduct as a framework to exhibit sound and ethical behavior in internal dealings and dealing with customers, suppliers, regulators and other stakeholders. The Board has taken steps to disseminate the Code throughout the company along with supporting policies and procedures while this Code is available on the employee’s web portal as well.

RELATED PARTY TRANSACTIONS

All transactions with related parties are reviewed and approved by the Board. The Board approved pricing policy for related party transactions as discussed in the notes to the financial statements.

WEB PRESENCE

Updated information regarding the company can be accessed at Company website: www.worldcall.com.pk. The website contains the latest financial results of the company along with company's profile. To facilitate its customers the Company also has its commercial website: www.worldcall.net.pk that contains information about product and services offered by the Company.

CORPORATE SOCIAL RESPONSIBILITY

The company believes in its social responsibility and performed the same through environmental protection measures, community investment and associates welfare scheme, consumer protection measures, industrial relations, occupational safety and health, business ethics and national cause donation.

HEALTH AND SAFETY ENVIRONMENT

The Company conducts its business responsibly and in a way to make sure health, safety and protection from environmental aspects of its associates and the society by complying with all applicable Government and internal health, safety and environmental requirements.

EMPLOYEE OF THE MONTH AWARDS

The Company is committed to ensure that the personnel performing services for the company are treated with dignity & respect. We believe in long term relationship with the employee and duly recognize associate's efforts on successful accomplishment of their KPIs. Numbers of associates were rewarded with Employee of the Month Awards. Commemorating certificates and gift vouchers were presented to the associates.

ACKNOWLEDGEMENT

The Board of Directors wishes to place on record here, appreciation and gratitude for the continued support and trust of our valuable customers, suppliers, contractors and stakeholders. We appreciate their cooperation and assistance which helped us in meeting the challenges and improving our performance.

It goes without saying that all the achievements of the Company have been possible only due to the ceaseless and untiring efforts of its dedicated employees. Their professionalism, commitment to work and ability to perform remarkably well even in certain adverse conditions helped the Company to sustain during the worst economic recession. The Company remains thankful to all of its employees for their persistent efforts and valuable contributions. The Board also appreciates the helpful role played by members of Audit, Human Resource and Executive Committees in assisting the management on various governance matters.

We would also like to appreciate the positive and highly constructive role played by PTA in the success and development of the telecom sector.

Apart from this we are also thankful for the continued support and assistance extended to us by our Parent Company throughout the year. This support has been highly pivotal in encouraging the management and employees and in meeting the formidable challenges.

For and on behalf of the Board of Directors

Babar Ali Syed
Chief Executive Officer

Lahore, Pakistan
April 09, 2018

اعتراف

بورڈ آف ڈائریکٹرز آن ریکارڈ یہ بات کہتے ہیں کہ وہ اپنے گراں قدر گاہکوں، سپلائرز، کانٹریکٹرز اور سٹیک ہولڈرز کی مسلسل حمایت اور اعتماد کو قدر کی نگاہ سے دیکھتے ہیں۔ ہم ان کے تعاون اور مدد کی بھی قدر کرتے ہیں جس نے ہمیں اپنی کارکردگی کو بہتر بنانے اور چیلنجز سے نپٹنے کے لئے مدد فراہم کی ہے۔

بلاشک کمپنی کی کامیابیاں اس کے پرعزم ملازمین کی انتھک اور لگاتار کاوشوں کی مرہون منت ہیں۔ ان کی پیشہ ورانہ مہارت، کام کے ساتھ لگن اور بدترین حالات میں بھی بہترین کارکردگی دکھانے کی اہلیت نے کمپنی کو بدترین معاشی بدحالی کے عرصہ میں پرعزم رہنے میں مدد دی۔ کمپنی اپنے ملازمین کی مسلسل کاوشوں اور گراں قدر شراکت کے وجہ سے ہمیشہ شرگزار رہے گی بورڈ آڈٹ، انسانی وسائل اور ایگزیکٹو کمیٹی کے اراکین کے متعدد گورننس معاملات میں انتظامیہ کی معاونت کے کردار کو بھی سراہتی ہے۔

ہم ٹیلی کام شعبہ کی کامیابی اور ترقی میں PTA کے مثبت اور اعلیٰ تعمیراتی کردار کی بھی قدر کرتے ہیں۔ اس کے علاوہ ہم پورے سال کے دوران ہماری ابائی کمپنی کی جانب سے مسلسل حمایت اور معاونت کے بھی شکرگزار ہیں۔ یہ حمایت بڑے چیلنجز سے نپٹنے اور انتظامیہ اور ملازمین کی حوصلہ افزائی کے لئے انتہائی اہم ہے۔

بورڈ آف ڈائریکٹرز کے لئے اور ان کی طرف سے

Babar Ali

بابر علی سید
چیف ایگزیکٹو آفیسر

لاہور:
09 اپریل 2018

قانونی تعمیل

سال کے دوران کمپنی نے تمام قوانین پر عمل کیا ہے، تمام ریٹرنز/ فارم جمع کروائے ہیں اور کمپنیز آرڈیننس 1984ء اور اس سے متعلق تمام ضوابط، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے قواعد اور لسٹنگ ضروریات کے مطابق تمام متعلقہ تفصیلات فراہم کی ہیں۔

ضابطہ اخلاق

اندرونی معاملات اور گاہکوں، سپلائرز، ریگولیٹرز اور دیگر سٹیک ہولڈرز کے ساتھ معاملات میں اخلاقی اور اچھے رویے کو برقرار رکھنے کے لئے بورڈ نے طریقہ کار کے طور پر ایک ضابطہ اخلاق اختیار کیا ہے۔ بورڈ نے ضابطہ بشمول متعلقہ پالیسیوں اور طریقہ کار کو کمپنی میں لاگو کرنے کے لئے اقدامات کئے ہیں جب کہ ضابطہ ملازمین کے ویب پورٹل میں دستیاب ہے۔

متعلقہ پارٹی لین دین کی تفصیلات

بورڈ نے تمام لین دین کی تفصیلات کا جائزہ لیا ہے اور اس کی توثیق کی ہے۔ بورڈ نے متعلقہ پارٹی لین دین کی تفصیلات کے متعلق ایک پرائسنگ پالیسی منظور کی ہے۔ جیسا کے مالی اسٹیٹمنٹس کے مندرجات میں بحث کی گئی ہے۔

ویب کی موجودگی

کمپنی کے بارے میں تازہ ترین تفصیلات کمپنی کی ویب سائٹ: www.worldcall.com.pk سے حاصل کی جاسکتی ہیں۔ ویب سائٹ میں کمپنی کے تازہ ترین مالی نتائج بمع کمپنی کا پروفائل موجود ہے۔ اپنے گاہکوں کو سہولت فراہم کرنے کی غرض سے کمپنی کی اپنی کمرشل ویب سائٹ www.worldcall.net.pk بھی موجود ہے جس میں پراڈکٹ اور کمپنی کی جانب سے پیش کردہ خدمات کی تفصیل دستیاب ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی اپنی سماجی ذمہ داری پر یقین رکھتی ہے اور ماحولیاتی تحفظ کے اقدامات، کمیونٹی کی سرمایہ داری اور منسلکہ فلاحی سکیم، گاہک کی حفاظت کے اقدامات، صنعتی تعلقات، شعبہ جاتی حفاظت اور صحت، کاروباری اخلاقیات اور قومی مقاصد کے لئے چندہ دینا وغیرہ کے ذریعے اپنا کردار ادا کیا ہے۔

صحت اور تحفظ اور ماحول

کمپنی پوری ذمہ داری سے اپنا کاروبار کررہی ہے اور کمپنی حکومت اور اندرونی صحت، تحفظ اور ماحولیاتی ضروریات کو مدنظر رکھتے ہوئے ایک لحاظ سے صحت، تحفظ اور اپنے ساتھیوں اور معاشرے کے لئے ماحولیاتی تبدیلیوں سے بچاؤ کے لئے کردار ادا کررہی ہے۔

مہینے کے بہترین ملازم کا ایوارڈ

کمپنی یہ یقین دلانے کے لئے پرعزم ہے کہ کمپنی کے لئے ذاتی کارکردگی کی خدمات کو قدر اور عزت کی نگاہ سے دیکھا جاتا ہے۔ ہم ملازمین کے ساتھ طویل مدتی تعلق قائم کرنے پر یقین رکھتے ہیں۔ اور ان کے KPI کی کامیاب تکمیل کی ساتھی ملازم کی کوششوں کو سراہتے ہیں۔ بہت سے ساتھیوں کو مہینے کے بہترین ملازم کا ایوارڈ دیا جاچکا ہے۔ ساتھیوں کو یادگاری اسناد اور گفٹ واؤچر بھی پیش کئے گئے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز ہارورتھ حسین چودھری اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں۔اور دوبارہ تعیناتی کے خواہش مند ہیں۔بورڈ آف ڈائریکٹرز نے ان کو اختتام پزیر سال 31 دسمبر 2018ء تک کمپنی کے آڈیٹر کے طور پر تعینات کرنے کی سفارش کی ہے۔اور فیس پر دونوں کا باہمی اتفاق ہو گیا ہے۔انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول جائزہ کے پروگرام اور بین الاقوامی فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ضابطہ اخلاق جن کا اطلاق انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کرتی ہے کی ہدایات کی تعمیل کے تحت انہوں نے تسلی بخش درجہ حاصل کرنے کی توثیق کی ہے۔

ہولڈنگ کمپنی

ورلڈ کال سروسز (پرائیوٹ) لمٹیڈ کمپنی کی ذیلی کمپنی بن چکی ہے۔سال 2017 کے دوران 488,839,429 آرڈنری شیئز عمان ٹیل کیومنکیشن کمپنی SAOG سے ورلڈ کال سروسز (پرائیوٹ) لمٹیڈ کو منتقل کئے گئے جبکہ ورلڈ کال سروسز (پرائیوٹ) لمٹیڈ نے 13,028,498 شیئز فی قیمت 2.69 پر بذریعہ پبلک آفر حاصل کیئے۔

ورلڈ کال سروسز (پرائیوٹ) لمٹیڈ پاکستان کے قانون کمپنیز ایکٹ 2017 کے تحت رجسٹرڈ ہے۔اس کی بدولت پاکستان میں پے فون سروسز اور کیومنکیشن سروسز فراہم کی جاتی ہیں۔

چیئرمین کا جائزہ

چیئرمین کا جائزہ سال کے دوران کمپنی کی کارکردگی اور مستقبل کے نقطہ نظر کو ظاہر کرتا ہے۔کمپنی کے ڈائریکٹر جائزہ کے مندرجات کی توثیق کرتے ہیں۔

شیئر ہولڈنگ کا پیٹرن

31 دسمبر 2017ء کو کمپنی کا شیئر ہولڈنگ کے پیٹرن اور اس کا انکشاف کارپوریٹ گورننس کے ضابطہ اور آرڈیننس کے تحت رپورٹ کے ساتھ منسلک ہے۔

پیٹرن آف شیر ہولڈنگ میں درج اجازت نامے کے علاوہ ڈائریکٹرز، چیف ایگزیکٹو آفیسر، کمپنی سیکرٹری، چیف فائننشیل آفیسر، چیف انٹرل آڈیٹر، چیف آپریٹنگ آفیسر اور ان کی اہلیان یا نابالغان نے زیر جائزہ سال کے دوران حصص کی خرید و فروخت کے متعلق کوئی لین دین نہیں کیا ہے۔

کارپوریٹ گورننس کے ضابطہ کی تعمیل

31 دسمبر 2017ء کو اختتام پذیر سال کے لئے پاکستان سٹاک ایکسچینج کے لسٹنگ قواعد کے مطابق کارپوریٹ گورننس کے ضابطے کو کمپنی نے کلی طور پر اختیار کیا ہے اور اس پر من و عن عمل کیا ہے۔اس کے حقائق کا بیان اس رپورٹ کے ساتھ منسلک ہے۔

تبدیلیاں

31 دسمبر 2017ء کو اختتام پذیر سال سے لے کر رپورٹ کی تاریخ تک کوئی تبدیلی نہیں دیکھی گئی بجائے اس کے جو اس سالانہ رپورٹ میں منکشف ہیں اور کمپنی نے کسی قسم کا معاہدہ نہیں کیا ہے جو کمپنی کی مالی حالت کو متاثر کرے بجائے اس کے کہ جو 31 دسمبر 2017ء کو اختتام پذیر سال کے لئے کمپنی کی مالی اسٹیٹمنٹس میں بتائے گئے ہیں۔

ہیومن ریسورسس اور مشاہرہ (HR & R) کمیٹی

ہیومن ریسورسس اور مشاہرہ (HR & R) کمیٹی چار ارکان پر مشتمل ہے۔ضرورت کے مطابق HR&R کمیٹی کا چیئرمین غیر ایگزیکٹو ڈائریکٹر ہے۔کمیٹی، کمیٹی کے ٹرمز آف ریفرنس میں بیان کردہ معاملات پر بحث کے لئے اجلاس بلاتی ہے۔HR & R کمیٹی مندرجہ ذیل ارکان پر مشتمل ہے:

کمیٹی کمپوزیشن	عہدہ
منصور علی	چیئرمین
بابر علی سید	ممبر
محمد مرتضیٰ رضا	ممبر
محمد اظہر سعید	ممبر
فیصل احمد	ممبر

HR & R کمیٹی کمپنی کے ہیومن ریسورسس کی تشکیل کے جائزے کی ذمہ دار ہے اور کارپوریٹ گورننس کے ضابطہ کے مطابق ٹرمز آف ریفرنس میں درج ضروریات کے مطابق کام کرتی ہے۔انسانی وسائل کی ترقی کے اہم شعبہ میں بہتری کے لئے یہ کمیٹی تشکیل دی گئی ہے۔اس کا مقصد بورڈ کو مشورہ دینا اور انتظامیہ کو انتظامی کارکردگی، HR سٹاف کی بھرتی، جرمانہ اور فوائد سے متعلق مارکیٹ میں موجود HR پالیسیوں کی بناوٹ کے بارے میں آگاہ کرنا ہے۔انتخاب، اندازے اور CEO ، COO ، CFO ، کمپنی سیکرٹری اور انٹرنل آڈٹ کے سربراہ کے مشاہرے کا بھی جائزہ لیا جائے گا اور کمیٹی کی جانب سے بورڈ کو سفارش کی جائے گی۔

ایگزیکٹو کمیٹی

ایگزیکٹو کمیٹی پانچ ارکان پر مشتمل ہے۔کمیٹی اپنے ٹرمز آف ریفرنس کے تحت معاملات پر بحث کے لئے اجلاس بلاتی ہے۔اس عرصے کے دوران کوئی بھی اجلاس نہیں بلایا گیا۔ارکان کی تفصیل مندرجہ ذیل ہے:

کمیٹی کمپوزیشن	عہدہ
سید سلمان علی شاہ	چیئرمین
بابر علی سید	ممبر
محمد مرتضیٰ رضا	ممبر
محمد اظہر سعید	ممبر

کمپنی کا دائرہ کار میں نگرانی، بورڈ کی معاونت کے لئے کمپنی کی کارکردگی پر غور، کاروباری منصوبوں اور بجٹ کا جائزہ اور توثیق، بورڈ سے منظور شدہ کمپنی کی حکمت عملی پر نگران بننا، سرمایہ کاری کے تجاویز پر غور کرنا اور نگرانی کرنا، قلیل مدتی اور طویل مدتی مالی آپشنز کی توثیق کے لئے معاونت کرنا، بورڈ کی جانب سے منظور شدہ انتظامی اور کنٹرول پر کام کی یقین دہانی اور ان پر تعمیل کی نگرانی شامل ہیں۔کمپنی جب بورڈ کے ڈائریکٹرز موجود نہ ہوں تو بورڈ کی جانب سے فوری نوعیت کے معاملات اور دیگر معاملات جن کا بورڈ ذمہ دار ہے پر عمل داری کی ذمہ دار ہے۔

بورڈ کی کمیٹیاں

بورڈ نے مندرجہ ذیل کمیٹیوں کی تشکیلِ نو قائم کیں ہیں:

- ☆ آڈٹ کمیٹی
- ☆ ہیومن ریسورس اور ریمونیریشن کمیٹی
- ☆ ایگزیکٹو کمیٹی

ان کمیٹیوں کے ذریعے بورڈ کاروبار کے اہم شعبوں اور CEO کی کارکردگی پر فعال نگرانی رکھے ہوئے ہے۔ بورڈ مسلسل ان کمیٹیوں سے متعلق چارٹر/حوالہ جات کی شرائط (TORs) پر نظر رکھے ہوئے ہے۔

آڈٹ کمیٹی

آڈٹ کمیٹی 4 غیر ایگزیکٹو ارکان پر مشتمل ہے۔ کمیٹی کا چیئرمین غیر ایگزیکٹو ڈائریکٹر اور وائس چیئرمین آزاد ڈائریکٹر ہے۔ سال کے دوران آڈٹ کمیٹی کے 5 اجلاس بلائے گئے۔ مالیات کے جائزے کے لئے بورڈ آف ڈائریکٹر کے اجلاس کے ہر انعقاد کے ساتھ آڈٹ کمیٹی کا اجلاس بلایا گیا۔ ان اجلاسوں میں 31 دسمبر 2017ء کو اختتام پذیر سال کے لئے آڈٹ کی تکمیل سے پہلے اور بعد بیرونی آڈیٹرز کے اجلاس اور CCG کی ضروریات کے مطابق قانونی اجلاس بھی شامل ہیں۔ آڈٹ کمیٹی مندرجہ ذیل ارکان پر مشتمل ہے:

نئی انتظامیہ			پرانی انتظامیہ		
کمیٹی کمپوزیشن	عہدہ	حاضریوں کی تعداد	کمیٹی کمپوزیشن	عہدہ	حاضریوں کی تعداد
فیصل احمد	چیئرمین	2/2	طلال سید مرحون المعمری	چیئرمین	3/3
محمد مرتضٰی رضا	ممبر	2/2	سامی احمد عبدالقادر الغسانی	ممبر	3/3
منصور علی	ممبر	2/2	ایمن بن احمد الحسنی	ممبر	1/3
حنا بابر	ممبر	2/2	سہیل قادر	ممبر	1/3
عنصر اقبال چوہان	سیکرٹری	2/2	شاہد عزیز صدیقی	ممبر	1/3
—	—	—	میر غنی حمزہ المعدنی	سیکرٹری	3/3

آڈٹ کمیٹی بورڈ سے منظور شدہ ٹرمز آف ریفرنس (TORs) کے مطابق کام کرتی ہے۔ آڈٹ کمیٹی کے ٹرمز آف ریفرنس SECP سے جاری کردہ کارپوریٹ گورننس کے ضابطہ کے عین مطابق ہیں اور اس میں بہترین عملداری کی ضرورت ہے۔ بیرونی آڈیٹرز کے تقرر کی سفارشات، آڈٹ کے کام کی سمت اور نگرانی اور آڈٹ کے عمل کی اہلیت اور معیار کے لئے کمیٹی بورڈ کو جواب دہ ہے۔ کمیٹی اندرونی آڈٹ ڈپارٹمنٹ جو خطرات سے بھرپور منصوبوں اور عمل داری کی یقین دہانی، قدر میں اضافہ کے لئے مشورے کی اسائنمنٹس اور کمپنی کے آپریشنز کی بہتری کے متعلق کارکردگی کی بھی نگرانی کرتی ہے۔ مزید یہ کہ کمیٹی یقین دہانی کراتی ہے کہ کمپنی کے پاس متاثر کن اندرونی کنٹرول کا فریم ورک ہے۔ ان کنٹرول کے مقاصد میں اثاثہ جات کی حفاظت، قانون کے مطابق مناسب اکاؤنٹنگ ریکارڈ کی حفاظت، مالیاتی معلومات کی بااعتباری کی یقین دہانی اور آپریشنز کی کارکردگی اور تاثر شامل ہیں۔

نئی انتظامیہ		پرانی انتظامیہ	
محمد اظہر سعید	2/2	طلال سید مرحون المعمری	4/5
نان ایگزیکیٹو ڈائریکٹرز		سامی احمد عبدالقادر الغسانی	5/5
محمد مرتضیٰ رضا	2/2	ایمن بن احمد الحسنی (رخصت ہوئے 27-03-2017)	1/5
فیصل احمد	2/2	سہیل قادر	5/5
منصور علی	2/2	مارشل کیراتی	1/5
حنا بابر	2/2	آزاد ڈائریکٹر	
آزاد ڈائریکٹر		سید سلمان علی شاہ	5/5
سید سلمان علی شاہ	2/2	شاہد عزیز صدیقی (رخصت ہوئے 31-05-2017)	0/5

☆ بورڈ کے اجلاس میں شریک نہ ہونے والے ارکان کو غیر حاضری کی رخصت دی گئی۔

☆ مالیاتی اسٹیٹمنٹس میں 7 غیر ایگزیکیٹو ڈائریکٹروں کی ایڈوائزری فیس کی مجموعی رقم 4.9 ملین روپے (2016: 4.2 ملین روپے) تھی۔ مالیاتی اسٹیٹمنٹس میں ڈائریکٹرز کو جاری کی جانے والی رقم سال کے دوران اجلاس/ ایڈوائزری فیس کی مد میں بورڈ یا دوسرے اجلاسوں میں شرکت کے لئے 1.3 ملین روپے (2016: 0.17 ملین روپے) کی رقم جاری کی گئی جو مالیاتی اسٹیٹمنٹس میں درج ہے۔

کمپنی سیکرٹری کی تبدیلی

جناب رضوان عبدالحئی، کمپنی سیکرٹری کے عہدہ سے 30 ستمبر 2017 کو مستعفی ہوئے اور جناب معین توقیر کو خالی نشت پر کرنے کیلئے 27 دسمبر 2017ء کو مقرر کیا گیا۔ بورڈ آف ڈائریکٹرز جناب رضوان عبدالحئی کی خدمات کو قدر کی نگاہ سے دیکھتے ہیں اور جناب معین توقیر کو خوش آمدید کہتے ہیں۔

چیف فنانشل آفیسر کی تبدیلی

جناب محمد مرتضیٰ رضا، 27 دسمبر 2017 کو چیف فنانشل آفیسر کے عہدے سے مستعفی ہوئے اوران کی خالی نشست کو پُر کرنے کیلئے جناب محمد اظہر سعید، (اے سی اے) کو مقرر کیا گیا۔ بورڈ آف ڈائیریکٹرز نے جناب محمد مرتضیٰ رضا کی گراں قدر خدمات کی تعریف کی اور ان کی خدمات کو سراہا اور جناب محمد اظہر سعید کی شمولیت کو خوش آمدید کہا۔

چیف ایگزیکیٹو آفیسر کی تبدیلی

بابر علی سید بطور چیف ایگزیکیٹو آفیسر کی معینہ مدت 11 اگست 2017 کو مکمل ہوگئی ہے اور ارکان نے 12 اگست 2017 کو ان کی دوبارہ تعیناتی کے لئے سرکلر کے ذریعے ایک قرارداد منظور کی ہے۔

بابر علی سید کو 12 اگست 2017 سے 3 سال تک ورلڈ کال ٹیلی کام لمٹیڈ کے چیف ایگزیکیٹو آفیسر کے طور پر مقرر کیا گیا ہے۔

☆ کھاتہ داری کی کتابیں مناسب طریقے سے برقرار رکھی گئی ہیں۔

☆ 31 دسمبر 2017ء کو اختتام پذیر سال کے لئے مالیاتی اسٹیٹمنٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے۔اور اکاؤنٹنگ تخمینے مناسب اور قابل فیصلوں کو مدنظر رکھ کر لگائے گئے ہیں۔

☆ مالیاتی اسٹیٹمنٹس کی تیاری کے لئے بین الاقوامی مالیاتی رپورٹنگ سٹینڈرڈ (IFRS) جس کا اطلاق پاکستان میں ہوتا ہے، کو مدنظر رکھا گیا ہے۔

☆ اندرونی کنٹرول بہت اعلیٰ ہے اور اس پر موئثر طریقے سے عمل درآمد اور نگرانی ہو رہی ہے۔

☆ کارپوریٹ گورننس کی بہترین عمل داری کوئی ابہام نہیں جیسا کہ لسٹنگ ریگولیشنز میں بتایا گیا ہے۔

☆ گذشتہ (6) چھے سالوں کا آپریٹنگ اور مالیاتی ڈیٹا اس رپورٹ میں بیان کیا گیا ہے۔

☆ 31 دسمبر 2017ء کو اختتام پذیر سال کے لئے واجب الادا ٹیکس اور لیوی/ ڈیفالٹ کی معلومات مالیاتی اسٹیٹمنٹس کے Notes میں بیان کی گئی ہیں۔

بورڈ آف ڈائریکٹرز

نئی انتظامیہ نے 08 جون 2017 کو کمپنی کا کنٹرول سنبھالا تھا۔اس سال کمپنی کے بورڈ آف ڈائریکٹرز میں مندرجہ ذیل تبدیلیاں کی گئی ہیں۔

آنے والے ڈائریکٹرز		رخصت ہونے والے ڈائریکٹرز	
سید سلمان علی شاہ	چیئرمین	مہدی محمد العبدوانی	چیئرمین
بابر علی سید	ڈائریکٹر	طلال سید مرحون المعمری	ڈائریکٹر
محمد مرتضی رضا	ڈائریکٹر	سامی احمد عبدالقادر الغسانی	ڈائریکٹر
محمد اظہر سعید	ڈائریکٹر	ایمن بن احمد الحسنی	ڈائریکٹر
فیصل احمد	ڈائریکٹر	سہیل قادر	ڈائریکٹر
منصور علی	ڈائریکٹر	مارشل کیراتی	ڈائریکٹر
حنا بابر	ڈائریکٹر	شاہد عزیز صدیقی	ڈائریکٹر

حال میں بورڈ 7 ڈائریکٹرز پر مشتمل ہے۔تمام ڈائریکٹرز بورڈ میں اپنا بھرپور تجربہ استعمال کرتے ہیں تاکہ کمپنی اور سٹیک ہولڈرز کی دلچسپی کو ملحوظ خاطر رکھا جائے۔ کارپوریٹ گورننس کے ضابطہ میں بیان کردہ معیار کے مطابق ان میں سے ایک ڈائریکٹر آزاد ہے۔

زیر جائزہ سال کے دوران، 01 جنوری 2017ء سے 31 دسمبر 2017ء تک بورڈ آف ڈائریکٹرز کے (07) اجلاس منعقد ہوئے۔ بورڈ کے اراکین کی حاضریاں مندرجہ ذیل ہیں۔

نئی انتظامیہ		پرانی انتظامیہ	
بورڈ کمپوزیشن	حاضریوں کی تعداد	بورڈ کمپوزیشن	حاضریوں کی تعداد
ایگزیکٹو ڈائریکٹرز		نان ایگزیکٹو ڈائریکٹرز	
بابر علی سید	2/2	مہدی محمد العبدوانی	5/5

ڈیوڈینڈ

کیش فلو حالات اور توسیع کے منصوبوں پر غور وخوص کے بعد ڈائیریکٹرز نے اس سال کے لئے کسی بھی الاونس ادائیگی یا بونس شیئرز کی سفارش نہیں کی ہے۔

مستقبل کا نقطۂ نظر اور توقعات

کمپنی کے پچھلے سپانسرز کی رخصتی کے بعد کمپنی نے ایک اہم تبدیلی کی ہے۔لاگت کی بحالی کو متاثر کیا گیا ہے جس کی وجہ سے آپریٹنگ اخراجات میں ماہانہ 45 ملین اور فنانس کی لاگت میں 35 ملین کی ٹھوس کمی کی گئی ہے۔گزشتہ دو سال سے پسِ پشت غیر معمولی نتائج کو ٹرانزکشن کے حصہ کے طور پر دستیاب فنڈ سے حل کیا گیا ہے۔ گزشتہ دو سال سے پسِ پشت غیر معمولی نتائج کو ٹرانزکشن کے حصہ کے طور پر دستیاب فنڈ سے حل کیا گیا ہے۔مینجمنٹ کو رپورٹ کرنے پر خوشی ہے کہ نتائج مستقبل میں مثبت رجحانات کے ساتھ ساتھ مطلق شرائط میں بہتری کی طرف گامزن ہیں۔

حصول وار، براڈ بینڈ سیگمنٹ کے لئے کمپنی اپنے جال اور لوپ ہولڈرز کے ذریعے نیٹ ورک کی توسیع کو نشانہ بنائے ہوئے ہے۔فائبر ٹو دی ہوم سروس کا آغاز کر دیا گیا ہے جو کہ آمدنی میں اضافے کا باعث بنے گا۔LDI بزنس کے لئے کمپنی ایک جدید سوئچ کے حصول کے لئے بات چیت کے سلسلے میں ہے جس کی بدولت ریٹنگ انجن کو بہتر بنایا جائے گا۔اس کے علاوہ SMS مونیٹائزیشن کا پروجیکٹ زیرِ غور ہے جسے عملی جامہ پہنانے کیلئے معاہدہ نز دقلم بند ہے۔اُبھرتی ہوئی ICT کی دنیا میں کمپنی نے قدم رکھ دیا ہے۔ ایسی مہموں میں سے ایک کو اقتباس کرتے ہوئے اس نے حال ہی میں پاکستان سوفٹ ویئر ایکسپورٹ بورڈ کے ساتھ کال سنٹر کے طور پر رجسٹریشن حاصل کی ہے تا کہ ملک بھر میں اور بین الاقوامی سطح پر خدمات مہیا کی جاسکیں۔

مالی بوجھ میں بھی آسانی ہوگئی ہے۔اومان ٹیلی کمیونیکیشن کمپنی SAOG اور نیشنل بینک آف عمان کی طرف ذمہ دار ذمہ داریاں اب کوئی ذمہ داری نہیں رہیں اور اس وجہ سے کمپنی کے ساتھ دستیاب فنڈز اب آپریشن کو بہتر بنانے کے لئے مزید ثابت قدمی کے ساتھ استعمال کئے جا سکتے ہیں۔اس کے علاوہ حال ہی میں کمپنی کے ٹرم فنانس سٹیفکیٹ ہولڈرز سہولت کو دوبارہ بحال کرنے پر متفق ہیں جس سے کیش فلو میں زیادہ اعتماد شامل ہوگا۔

آڈیٹر کی رپورٹ

31 دسمبر 2017ء کو اختتام پذیر سال کے لئے بیرونی آڈیٹرز نے کمپنی کی مالی سٹیٹمنٹس پر اپنی unqualified رائے دی ہے۔ جس میں انہوں نے اس معاملے پر زور دیا ہے کہ کمپنی نے 31 دسمبر 2017ء کو اختتام پذیر سال کے دوران 13,029 ملین روپے کا خسارہ برداشت کیا ہے۔اور موجودہ قرضے اس کے موجودہ اثاثوں سے 9,500 ملین روپے بڑھ گئے ہیں۔یہ حالات بمع دیگر معملات جو نوٹ 2.2 میں درج ہیں، مادی غیر یقینی کی صورت حال کو ظاہر کرتے ہیں جو کمپنی کے کاروبار کو جاری رکھنے کی اہلیت کو شک میں ڈال دیتی ہے۔

تاہم کمپنی کی انتظامیہ کو یقین ہے کہ کمپنی کا کاروبار جاری رہے گا۔اور کاروبار کو جاری رکھنے کی توقعات مناسب ہیں جو مالیاتی اسٹیٹمنٹس کو تیار کرنے کے لئے استعمال ہوئی ہیں جو کہ نوٹ 2.2 میں بیان کی گئی ہیں۔

کاروباری اور مالیاتی رپورٹنگ فریم ورک پر بیان

اسٹاک ایکسچینج کے لسٹنگ قواعد کے قوانین کے مطابق بورڈ کے اراکین مندرجہ ذیل تفصیلات بیان کرنے پر فخر محسوس کرتے ہیں:

☆ 31 دسمبر 2017ء کو اختتام پذیر سال کے لئے مالیاتی اسٹیٹمنٹس اپنے دائرہ کار، اس کے کام کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر بیان کرتی ہیں۔

سال 2017 میں سالانہ آمدنی 2,322 ملین روپے ریکارڈ کی گئی جب کہ اس کے مقابلے میں سال 2016 میں سالانہ آمدنی 1,820 ملین روپے تھی۔ سال 2016 تک کمپنی نے آمدنی میں کمی کا سامنا کیا لیکن اس سال کے بعد کمپنی کی توجہ اُن خبروں پے مذکور رہی جو منافع بخش تھے جبکہ نقصان دہ حصوں کی تعمیرِ نو پر کام کیا جا رہا ہے۔ کمپنی یہ ارادہ رکھتی ہے کہ موجودہ اثاثوں کو مکمل استعمال میں لایا جائے۔ اسی مشق کی بدولت گزشتہ سال کے مقابلے میں LDI بزنس کی آمدن میں 70% اضافہ ہوا ہے۔ جبکہ انٹرنیشنل منٹس کے لحاظ سے ٹریفک کا بہاو 1,270 تک بڑھ گیا جو کہ پہلے کے مقابلے میں 2 گُنا ہے۔ اس چیز کے مدِ نظر رکھتے ہوئے کمپنی مسلسل LDI بزنس میں سرمایہ کاری کر رہی ہے جس سے مقصود آمدن میں اضافہ ہے۔

براڈ بینڈ بزنس نے اپنی جدوجہد جاری رکھی ہوئی ہے جس کا عزم مارکیٹ میں کھویا ہوا قدوقامد بحال کرنا ہے۔ سال کے دوران آمدن میں 83 ملین روپے کی آمدنی واقع ہوئی۔ لیکن اگر آخری دوسہاہی کا جائزہ لیا جائے تو آمدنی میں بہتری آئی ہے۔ جس کی قصوروار اعلیٰ کوالٹی سروس ہے۔ نیٹ ورک بیس کو بڑھانے کی جدوجہد آخر اب کارآمد ثابت ہو رہی ہے۔

ڈیٹا کی ڈیمانڈ ابھی بھی موجود ہے۔ اور پہلے سے زیادہ تیزی سے بڑھ رہی ہے۔ ملک بھر میں بہت بڑے کیئرر نیٹ ورک کے ساتھ گھریلو اور کاروباری اداروں کو معیاری خدمات پیش کرنے میں ورلڈ کال ٹیلی کام لمیٹڈ کو نسبتاً فائدہ ہے۔ مختصر یہ کہ کمپنی کے پاس وہ تمام ذرائع موجود ہیں جس سے مارکیٹ شیئر میں اضافہ کیا جا سکتا ہے۔

31 دسمبر 2017 کو ختم ہونے والے مالیاتی سال کا جائزہ مندرجہ ذیل ہے:۔

Particulars	December 31, 2017	December 31, 2016
	Rs. in million	
Revenue – net	2,322	1,820
Direct Cost (excluding depreciation and Amortization)	(1,934)	(1,848)
Other Income	8,145	192
EBITDA	7,660	(765)
Depreciation and Amortization	(1,067)	(1,233)
Finance Cost	(348)	(566)
Profit/(Loss) after tax	6,102	(1,265)

آمدنی میں اضافے کے مقابلے میں کمپنی اپنے براہِ راست اخراجات کو برقرار رکھنے میں کامیاب رہی ہے۔ اپریشنس کو بڑھانے کے لئے رائٹ سائزنگ اور قابل پیشہ ور ماہرین کی خدمات حاصل کی جا رہی ہیں۔ جو کہ براہِ راست اخراجات کو برقرار رکھنے میں کافی اہمیت رکھتی ہے۔ باقی اخراجات جیسے Depreciation and Amortization اور فنانس کاسٹ خاص اہمیت کی حامل ہیں۔ سال 2017 کے دوران کمپنی نے اس رائٹ سائزنگ تنظیم کے تحت غیر فعال ڈھانچے کو خارج کر دیا ہے جس کے نتیجے میں Depreciation and Amortization میں کمی واقع ہوئی ہے۔ جبکہ فنانس کاسٹ میں کمی NBO قرض کی بدولت ہوئی ہے۔ جو کہ شیئر خریداری معاہدے کے تحت عمان ٹیل نے اپنے ذمے لے لیا ہے۔

ڈائریکٹرز رپورٹ

31 دسمبر **2017**ء کو اختتام پذیر سال کے لئے

ڈیئر شیئر ہولڈرز

ہم کمپنی کے 31 دسمبر 2017 کے سالانہ آڈٹ کردہ مالیاتی اسٹیٹمینٹ اور اس کی کارکردگی کا جائزہ پیش کرنے میں فخر محسوس کرتے ہیں۔

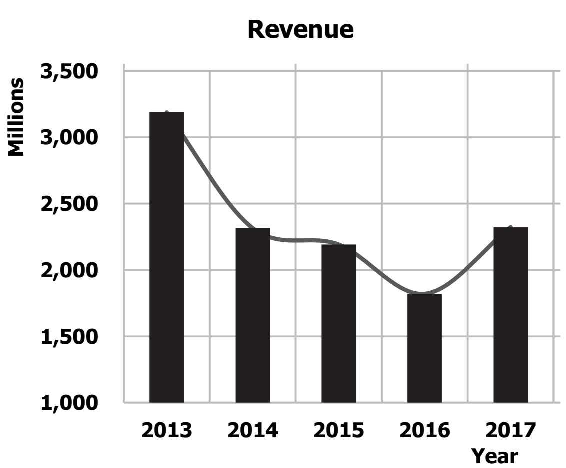
اقتصادی جائزہ

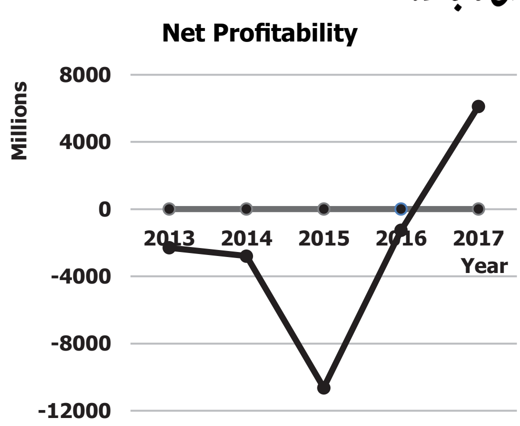
نسبتاً سازگار قیمتوں پر حاصل کئے گئے حالیہ غیر ملکی قرضوں میں اضافے سے ظاہر ہوتا ہے کہ قرض دہندگان پاکستان اسٹاک ایکسچینج میں مندی، مقامی سیاسی بحران اور امریکی پابندیوں سے بالکل متاثر نہیں ہوئے۔

مارکیٹ ابھی بھی پاکستانی معیشت کا اچھا تاثر رکھتی ہے۔ غیر مستحکم انتظامیہ کے باوجود مالیاتی سال 2017 میں جی ڈی پی میں 5.3 فیصد اضافہ ریکارڈ کیا گیا۔ اس رجحان کا ایک اہم سبب یہ ہے کہ صارفین کی آمدنی کی بڑھتی ہوئی سطح ہے جو تجارتی سرگرمیوں کو فروغ دے رہی ہے۔ پرچیزنگ پاور پیریٹی کی شرائط کے مطابق پاکستان کی معیشت کا سائز 1 ٹریلین ڈالر ہے جبکہ اس میں 36 فیصد اکانومی بے شمار ہے۔

مسلسل ترقی اور روزگار کیلئے سرمایہ کاری ابھی بھی درکار ہے۔ اور یہ سرمایہ کاری خصوصاً ٹیکنالوجی کے شعبے کی ضرورت ہے۔ ہر کاروباری ماڈل کو ڈیجیٹیل اور دیگر تکنیکی صلاحیات سے آراستہ کرنے میں ٹیکنالوجی کا اہم کردار رہا ہے۔ پاکستان کو نہ صرف ٹیکنالوجی اپنانے کی ضرورت ہے بلکہ وقت کے ساتھ اس میں تبدیلیوں میں بھی اپنا حصہ ڈالنا کی ضرورت ہے۔ یہ پاکستان کی اقتصادی کامیابی میں فیصلہ کن عوامل میں سے ایک ہوگا۔

مالیاتی کارکردگی کا جائزہ





سال 2017 کے دوران کمپنی نے منافع کے طور پر 6,102 ملین روپے کے اپنے مالیاتی نتائج کا اعلان کیا ہے۔ جبکہ اس کے مقابلے میں گزشتہ سال دسمبر 2016 میں 1,265 ملین روپے کا خسارہ تھا۔ اس بہتری کی وجہ شیئر خریداری کا معاہدہ ہے جس پہ 2 نومبر 2017 کو کامیابی سے عملدرآمد کر لیا گیا ہے۔ کئے گئے معاہدے کے مطابق عمان ٹیلی کیومنکیشن کمپنی (سابقہ پیرنٹ کمپنی) نے ورلڈ کال ٹیلی کام لمیٹڈ سے علیدگی اختیار کی اور ورلڈ کال ٹیلی کام لمیٹڈ کی جانب سے واجب ادا 7,958 ملین روپے کے واجبات بھی معاف کر دیئے۔ اس سے نہ صرف کمپنی کی منافع بخشی پر مثبت اثر پڑا بلکہ اس کی ایکوٹی بھی مثبت ہوگئی۔ اس کے علاوہ کمپنی کے آپریشنس میں بھی بہتری آئی ہے۔

SIX YEAR FINANCIAL PERFORMANCE

INCOME STATEMENTS

	Dec'17	Dec'16	Dec'15	Dec'14	Dec'13	Dec'12
	Rupees in Thousands					
Revenue - net	2,321,750	1,819,706	2,191,552	2,314,753	3,187,636	7,118,825
Direct cost excluding depreciation and amortization	(1,933,523)	(1,848,172)	(2,992,674)	(1,956,859)	(2,665,057)	(5,321,975)
Operating cost	(629,484)	(641,925)	(1,488,488)	(1,203,516)	(1,488,384)	(1,850,863)
Other income	8,145,200	192,335	259,319	490,489	85,145	694,172
Other expenses	(243,767)	(286,743)	(314,443)	(66,945)	(520,199)	(370,392)
Profit / (Loss) before Interest, Taxation, Depreciation and Amotization	7,660,176	(764,799)	(2,344,734)	(422,078)	(1,400,859)	269,767
Depreciation and amortization	(1,067,169)	(1,232,683)	(1,433,708)	(1,483,653)	(1,459,242)	(1,379,929)
Impairment loss on available for sale financial asset	-	-	(4,240,451)	-	(19,656)	(265,365)
Finance cost	(347,694)	(566,329)	(677,792)	(1,408,248)	(636,182)	(1,245,090)
Profit / (Loss) before Taxation	6,245,313	(2,563,811)	(8,696,685)	(3,313,979)	(3,515,939)	(2,620,617)
Taxation	(143,553)	1,299,074	(1,936,202)	516,765	1,214,359	970,975
Net Profit / (Loss) for the Year	6,101,760	(1,264,737)	(10,632,887)	(2,797,214)	(2,301,580)	(1,649,642)
Earnings / (Loss) per share - basic (Rupees)	6.18	(1.72)	(12.79)	(3.30)	(2.78)	(1.92)
Earnings / (Loss) per share - diluted (Rupees)	1.86	(1.72)	(12.79)	(3.30)	(2.78)	(1.92)

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES ON TRANSFER PRICING FOR THE YEAR ENDED 31 DECEMBER 2017

The Company has fully complied with the best practices on Transfer Pricing as contained in the listing regulations of Stock Exchanges where the Company is listed.

For and on behalf of the Board

Lahore:
09 April 2018

BABAR ALI SYED
CHIEF EXECUTIVE OFFICER

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED DECEMBER 31, 2017

This statement is being presented to comply with the requirement of Rule Book of Pakistan Stock Exchange Limited, Chapter 5.19.24 of the Code of Corporate Governance where the Company is listed for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Director	Syed Salman Ali Shah
Executive Directors	Babar Ali Syed Muhammad Azhar Saeed
Non- Executive Directors	Muhammad Murtaza Raza Faisal Ahmed Mansoor Ali Hina Babar

The independent director meets the criteria of independence under clause 5.19.1(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.

4. All casual vacancies occurring on the board on June 8, 2017 were filled up by the directors on the same day.

5. The company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained. The board is in the process of formulating a mechanism for annual evaluation of its own performance. The same has been not been conducted during the year.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. One director is exempt from Directors Training while remaining Directors on the new board will undergo training program in due course.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

11. The directors' report for the year ended December 31, 2017 has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.

15. The board has formed an Audit Committee. It comprises of four members; of whom all are non-executive directors including the chairman of the committee.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The board has formed a Human Resource and Remuneration Committee. It comprises of five members, of whom three are non-executive directors including the chairman of the committee.

18. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The ‘closed period’, prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company’s securities, was determined and intimated to directors, employees and stock exchange.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.

23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

24. We confirm that all other material principles enshrined in the CCG have been complied with.

Lahore:
April 09, 2018

BABAR ALI SYED
Chief Executive Officer

REVIEW REPORT TO THE MEMBERS
ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of Worldcall Telecom Limited ("the Company") for the year ended December 31, 2017 to comply with the Rule No. 5.19.24 of the Rule Book of Pakistan Stock Exchange where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Following instances of non-compliance with the requirements of the Code were observed which are not stated in the Statement of Compliance:

a) Three meetings of the Board of Directors were held on a shorter notice than required and
b) One of the directors of the Company is not registered as a taxpayer

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended December 31, 2017.

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the note reference where these are stated in the Statement of Compliance:

Serial No.	Description
6	The Board of Directors is in the process of formulating a mechanism for annual evaluation of its own performance. The same has not been conducted during the year.

Horwath Hussain Ch. & Co.

HORWATH HUSSAIN CHAUDHURY & CO.
Chartered Accountants
(Engagement Partner: Amin Ali)

Lahore
Dated: April 09, 2018

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of WorldCall Telecom Limited as at December 31, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

in our opinion;

the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied;

the expenditure incurred during the year was for the purpose of the Company's business; and

the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2017 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

We draw attention to Note 2.2 in the accompanying financial statements, which indicates that the Company has earned profit after taxation of Rs. 6,101.76 million during the year ended December 31, 2017 which includes the impact of write back of liabilities for Rs. 7,964.73 million. As of that date, the Company has accumulated losses of Rs. 13,027.33 million and its current liabilities exceeded its current assets by Rs. 9,499.77 million. These conditions, along with others set forth in note 19 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Horwath Hussain Ch & Co.

Lahore
Dated: April 09, 2018

HORWATH HUSSAIN CHAUDHURY & CO.
Chartered Accountants
(Engagement Partner: Amin Ali)

BALANCE SHEET AS AT DECEMBER 31, 2017

	Note	2017	2016	2015
		--------(Rupees in '000)--------		
			(Restated)	(Restated)
SHARE CAPITAL AND RESERVES				
Authorized share capital:				
1,500,000,000 (2016: 1,500,000,000) ordinary shares of Rs 10 each		15,000,000	15,000,000	15,000,000
500,000 (2016: 500,000) preference shares of USD 100 each (USD 50,000,000 equivalent to Rs 6,000,000,000)		6,000,000	6,000,000	6,000,000
Ordinary share capital	5	11,211,158	8,605,716	8,605,716
Preference share capital	6	3,150,236	3,537,700	3,537,700
Dividend on preference shares	7	900,687	743,255	526,250
Capital reserves	8	(974,701)	1,053,545	990,606
Accumulated loss		(13,027,326)	(18,755,400)	(17,307,020)
		1,260,054	(4,815,184)	(3,646,748)
Surplus on Revaluation of Fixed Assets	9	605,249	697,849	-
NON-CURRENT LIABILITIES				
Term finance certificates	10	-	-	-
Long term financing	11	719,889	42,887	87,750
Retirement benefits	12	253,213	274,930	373,998
Liabilities against assets subject to finance lease		-	-	1,609
Long term deposit	13	105,000	-	-
		1,078,102	317,817	463,357
CURRENT LIABILITIES				
Trade and other payables	14	7,556,218	11,949,447	10,738,757
License fee payable	15	1,021,500	1,021,500	1,021,500
Accrued mark up	16	540,671	384,092	253,644
Current portion of non-current liabilities	17	1,605,672	5,247,019	5,231,057
Short term borrowings	18	563,936	960,677	563,902
Provision for taxation - net		177,015	-	-
		11,465,012	19,562,735	17,808,860
Contingencies and Commitments	19	-	-	-
TOTAL EQUITY AND LIABILITIES		14,408,417	15,763,217	14,625,469
NON-CURRENT ASSETS				
Property, plant and equipment	20	6,924,723	8,076,299	8,084,786
Intangible assets	21	2,697,636	3,088,720	2,352,039
Investment properties	22	45,800	38,520	38,520
Long term trade receivable	23	65,240	77,061	91,953
Deferred taxation	24	2,661,372	2,531,937	1,500,000
Long term loans	25	2,890	3,211	2,878
Long term deposits	26	45,511	32,641	36,046
		12,443,172	13,848,389	12,106,222
CURRENT ASSETS				
Stores and spares	27	76,291	91,373	115,535
Stock-in-trade	28	67,258	67,290	67,175
Trade debts	29	1,075,745	761,262	481,246
Loans and advances	30	171,711	141,389	80,590
Deposits and prepayments	31	443,801	431,819	420,179
Short term investments	32	58,961	150,799	87,860
Other receivables	33	49,258	119,486	300,149
Income tax recoverable - net		-	31,440	43,730
Cash and bank balances	34	22,220	119,970	29,900
		1,965,245	1,914,828	1,626,364
Non-Current Assets Classified as Held for Sale	35	-	-	892,883
TOTAL ASSETS		14,408,417	15,763,217	14,625,469

The annexed notes 1 to 55 form an integral part of these financial statements.

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

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Revenue - net	36	2,321,750	1,819,706
Direct cost excluding depreciation and amortization	37	(1,933,523)	(1,848,172)
Operating cost	38	(629,484)	(641,925)
Other income	39	8,145,200	192,335
Other expenses	40	(243,767)	(286,743)
Profit / (Loss) before Interest, Taxation, Depreciation and Amortization		7,660,176	(764,799)
Depreciation and amortization	41	(1,067,169)	(1,232,683)
Finance cost	42	(347,694)	(566,329)
Profit / (Loss) before Taxation		6,245,313	(2,563,811)
Taxation	43	(143,553)	1,299,074
Net Profit / (Loss) for the Year		6,101,760	(1,264,737)
Earnings / (Loss) per share - basic (Rupees)	44	6.18	(1.72)
Earnings / (Loss) per share - diluted (Rupees)	44	1.86	(1.72)

The annexed notes 1 to 55 form an integral part of these financial statements.

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
	(Rupees in '000)	
Net Profit / (Loss) for the Year	6,101,760	(1,264,737)
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
- Remeasurement of post retirement benefit obligation - net of tax	(27,284)	10,212
Item that may be subsequently reclassified to profit or loss:		
- Changes in fair value of available-for-sale financial assets	(91,838)	62,939
Other Comprehensive (Loss) / Income - net of tax	(119,122)	73,151
Total Comprehensive Income / (Loss) for the Year - net of tax	5,982,638	(1,191,586)

The annexed notes 1 to 55 form an integral part of these financial statements.

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017	2016
		--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	45	346,261	(51,653)
Decrease / (Increase) in non-current assets:			
- Long term loans		321	(333)
- Long term deposits		(12,870)	1,613
- Long term trade receivables		29,839	14,892
		17,290	16,172
Cash generated from / (used in) operations		363,551	(35,481)
Retirement benefits paid		(100,051)	(43,201)
Finance cost paid		(104,271)	(123,195)
Income tax paid		(53,923)	(33,949)
Net Cash Generated from / (Used in) Operating Activities		105,306	(235,826)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(116,923)	(41,529)
Intangibles purchased		(1,750)	-
Proceeds from disposal of property, plant and equipment		3,396	1,160
Net Cash Used in Investing Activities		(115,277)	(40,369)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(108,629)	(29,128)
Short term borrowings - net		22,459	396,775
Repayment of liabilities against assets subject to finance lease		(1,609)	(1,382)
Net Cash (Used in) / Generated from Financing Activities		(87,779)	366,265
Net (Decrease) / Increase in Cash and Cash Equivalents		(97,750)	90,070
Cash and cash equivalents at the beginning of the year		119,970	29,900
Cash and Cash Equivalents at the End of the Year	34	22,220	119,970

The annexed notes 1 to 55 form an integral part of these financial statements.

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

Particulars	Ordinary Share Capital	Preference Share Capital	Dividend on Preference Shares	Capital Reserves				Revenue Reserve	Total
				Share Premium	Discount on issue of Shares	Fair Value Reserve	Exchange Translation Reserve	Accumulated loss	
	(Rupees in '000)								
Balance as at December 31, 2015 as previously reported	8,605,716	3,537,700	-	837,335	-	22,971	130,300	(17,307,020)	(4,172,998)
Effect of restatement (Note 52)	-	-	526,250	-	-	-	-	-	526,250
Balance as at December 31, 2015 as restated	8,605,716	3,537,700	526,250	837,335	-	22,971	130,300	(17,307,020)	(3,646,748)
Net loss for the year	-	-	-	-	-	-	-	(1,264,737)	(1,264,737)
Other comprehensive income for the year - net of tax	-	-	-	-	-	62,939	-	10,212	73,151
Total comprehensive income / (loss) for the year - net of tax	-	-	-	-	-	62,939	-	(1,254,525)	(1,191,586)
Incremental depreciation for the year on surplus on revaluation of fixed assets	-	-	-	-	-	-	-	23,150	23,150
Exchange translation reserve	-	-	-	-	-	-	-	-	-
Dividend on preference shares for the year	-	-	217,005	-	-	-	-	(217,005)	-
Total transactions with owners, recognized directly in equity	-	-	217,005	-	-	-	-	(217,005)	-
Balance as at December 31, 2016 as restated	8,605,716	3,537,700	743,255	837,335	-	85,910	130,300	(18,755,400)	(4,815,184)
Balance as at December 31, 2016 as previously reported	8,605,716	3,537,700	-	837,335	-	85,910	130,300	(18,755,400)	(5,558,439)
Effect of restatement (Note 52)	-	-	743,255	-	-	-	-	-	743,255
Balance as at December 31, 2016 as restated	8,605,716	3,537,700	743,255	837,335	-	85,910	130,300	(18,755,400)	(4,815,184)
Net profit for the year	-	-	-	-	-	-	-	6,101,760	6,101,760
Other comprehensive loss for the year - net of tax	-	-	-	-	-	(91,838)	-	(27,284)	(119,122)
Total comprehensive (loss) / income for the year - net of tax	-	-	-	-	-	(91,838)	-	6,074,476	5,982,638
Incremental depreciation for the year on surplus on revaluation of fixed assets	-	-	-	-	-	-	-	92,600	92,600
Exchange translation reserve	-	-	-	-	-	-	180,302	(180,302)	-
Conversion of preference shares and dividend thereon	2,605,442	(387,464)	(101,268)	(837,335)	(1,260,612)	-	(18,763)	-	-
Dividend on preference shares for the year	-	-	258,700	-	-	-	-	(258,700)	-
Total transactions with owners, recognized directly in equity	2,605,442	(387,464)	157,432	(837,335)	(1,260,612)	-	161,539	(439,002)	-
Balance as at December 31, 2017	11,211,158	3,150,236	900,687	-	(1,260,612)	(5,928)	291,839	(13,027,326)	1,260,054

The annexed notes 1 to 55 form an integral part of these financial statements.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

1.2 During the last year, a share purchase agreement (SPA) dated October 11, 2016 was signed between the Oman Telecommunications Company SAOG (the former Parent company), Worldcall Services (Private) Limited ("WSL") and Ferret Consulting – F.Z.C (a company based in the United Arab Emirates), through which 488,839,429 ordinary shares (56.80% ordinary shares) and 297,500 preference shares (85% preference shares) of the Company were to be acquired by WSL and Ferret Consulting - F.Z.C respectively from the Oman Telecommunications Company SAOG. The Company's Chief Executive, a Director and Chief Financial Officer are majority shareholders of WSL and Ferret Consulting - F.Z.C. (hereinafter collectively also referred to as "Acquirers").

1.3 During the year, on successful execution of SPA, Preference shares of the Company were transferred to Ferret Consulting - F.Z.C and 488,839,429 ordinary shares from the former Parent Company have been transferred to WSL. WSL also announced the public offer to acquire shares from minority shareholders on March 8, 2017 and acquired 13,028,498 shares at a price of Rs. 2.69 per ordinary share.

Note 2

Basis of Preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984 (the Ordinance). Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Going concern assumption

The Company has earned a profit after taxation of Rs. 6,101.76 million during the year ended December 31, 2017 (2016: loss after taxation of Rs. 1,264.74 million) which includes the impact of write back of liabilities for Rs. 7,964.73 million. As at December 31, 2017, the accumulated loss of the Company stands at Rs. 13,027.33 million (December 31, 2016: Rs. 18,755.4 million) and current liabilities exceed current assets by Rs. 9,499.77 million (December 31, 2016: Rs. 17,647.91 million). These conditions, along with the factors discussed in note 19, 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 following factors:

2.2.1 Changes in Operational Plans

The management has carried out a general revamping of various functions and, as of December 31, 2017, amounts aggregating approximately USD 20 million have been injected into the Company during the transition period. These funds have been mainly applied in partially settling overdue and outstanding operational, financial and statutory liabilities. The management anticipates a significant reduction in costs due to right sizing and optimization of human resources performed in the reported year as a strategic planning.

The management also anticipates an enhancement of revenue with improved contribution margins since it has shifted its focus towards digitalization of Cable TV (CATV) services across Pakistan. These plans have been put to action and subsequent to reporting date, the Company has inked agreement for procurement of 250,000 digital boxes. Owing to these plans and appropriate positioning, the number of subscribers for these services would significantly increase in coming periods.

2.2.2 Net Liabilities Position - Risk Mitigation

As mentioned above, there is a net current liability position of approximately Rs. 9.5 billion as on the balance sheet date, which can be summarized as below:

Desription	Note	Rs in million
Term Finance Certificate-TFC (Principal+Markup)	2.2.2.1	1,991
Short term Borrowings	2.2.2.2	595
Pakitsan Telecommunication Authority (PTA)	2.2.2.3	3,264
Claims of Parties Challenged	2.2.2.4	1,336
Advance from Customers	2.2.2.5	195
Income Tax Provision	2.2.2.6	177
Continuing Business Partners	2.2.2.7	1,222
Others	2.2.2.8	720
		9,500

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

2.2.2.1 The total liability for TFCs in respect of principal and interest accrued aggregates to Rs. 1.99 billion. The management is actively engaged with TFCs holders for restructuring of the liability and indicative term sheet has been exchanged with them. This can be anticipated that the restructuring of TFCs liabilities will be achieved on terms potentially convenient to the Company.

2.2.2.2 The Company has been successful in obtaining renewals of its short term financing facilities from all major banks and markup servicing is also being improved (note 18).

2.2.2.3 Liabilities towards PTA stand at approximately Rs. 3.26 billion which are not immediately payable owing to non-fulfillment of certain conditions relating to the demand of such amounts. These conditions relate to industry circumstances and Court Orders.

2.2.2.4 Above amount includes Rs. 1.33 billion relating 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.

2.2.2.5 Advances from customers and unearned revenue aggregating Rs 195 million will be recognized as revenue on rendering of services.

2.2.2.6 The Company does not anticipate cash outlays on account of Provision for Taxation amounting to Rs. 177 million, since it has sufficient brought forward losses.

2.2.2.7 The amount payable to creditors amounting Rs. 1.2 billion represents routine trade credits extended by regular parties and these balances represent a revolving nature. Thus, no immediate net cash outlay would be required.

2.2.2.8 Other payables amounting Rs. 720 million include the amounts aggregating approximately Rs. 400 million which are expected to settle favourably and adjustments against non-current assets and would not require any cash payments. The balance amount represents the balances which are not being instantly demanded or pressed. However, the company is in process of settlement of these balances in normal course of business without any emergency outcome.

2.2.1 Continued Parent Company Support

The **Company's** majority shareholder, Worldcall Services (Pvt.) Limited (WSL) has given assurance to provide continued cash flow support to the Company through its letter to the **Company's** Board of Directors. WSL also intends to complete the payment of promised USD 5 million support (approximately Rs. 552.50 million) for replenishment of the **Company's** inventory, mainly for the purchase of Customer Premises Equipment (CPEs) for digital services in order to increase customer base and revenue.

2.3 **Functional and presentation currency**

These financial statements are prepared and presented in Pak Rupees which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest thousand of Pak Rupees, unless otherwise stated.

2.4 Adoption of new and revised standards, amendments and interpretations:

2.4.1 The following standards have been issued by the International Accounting Standards Board [IASB], which are yet to be notified by the Securities and Exchange Commission of Pakistan [SECP] for the purpose of their applicability in Pakistan.

		Effective date [annual periods beginning on or after]
IFRS 1	First-Time Adoption of International Financial Reporting Standards	January 01, 2009
IFRS 14	Regulatory Deferral Accounts	January 01, 2016
IFRS 16	Leases	January 01, 2019
IFRS 17	Insurance Contracts	January 01, 2021

2.4.2 The following standards and amendments to published accounting standards were not effective during the year and have not been early adopted by the Company:

		Effective date [annual periods beginning on or after]
IAS 28	Investment in Associates and Joint Ventures [Amendments]	January 01, 2018
IAS 40	Investment Property [Amendments]	January 01, 2018
IFRIC 40	Foreign Currency Transactions and Advances Consideration	January 01, 2018
IFRS 9	Financial Instruments	July 01, 2018
IFRS 15	Revenue from Contracts with Customers	July 01, 2018

The management anticipates that the adoption of the above standards and amendments in future periods, will not have any material impact on the Company's financial statements other than in presentation / disclosures.

Note 3
Basis of Measurement

These financial statements have been prepared under the historical cost convention, as modified by revaluation of investment properties; property, plant and equipment; intangible assets, short term investments measured at fair value, and recognition of certain other assets and liabilities at their present value.

3.1 Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which revisions are made. Revision to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years. Significant management estimates in these financial statements relate to useful lives, revalued amounts, and residual values of property plant and equipment; fair value of intangibles; impairment testing of assets; taxation; provision against balance receivables; provision for retirement benefits and provisions against contingencies. However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these financial statements.

Note 4
Significant Accounting Policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property, plant and equipment

4.1.1 *Operating fixed assets*

Owned assets

Owned assets except freehold land and plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss and plant and equipment are stated at revalued amount less accumulated depreciation and any identified impairment loss. Revaluation is carried out with sufficient regularity to ensure that the carrying amounts of assets do not differ materially from their fair value. Revalued amounts are determined by an independent professional valuer on the basis of open market value of the asset based on estimated gross replacement cost, depreciated to reflect the residual service potential of the asset having paid due regard to age, condition and obsolescence. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Additions, subsequent to revaluation, are stated at cost less accumulated depreciation and any identified impairment loss. Cost in relation to self constructed assets includes direct cost of material, labor and other allocable expenses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Cost in relation to certain assets also includes cost of borrowing during construction period in respect of loans taken for specific projects.

Increases in the carrying amount arising on revaluation of assets are credited to surplus on revaluation of fixed assets. Decreases that offset available surplus are charged against this surplus and all other decreases are charged to the profit and loss account. Each year the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the profit an loss account) and depreciation based on the asset's original cost - incremental depreciation on revalued assets is transferred from surplus on revaluation of fixed assets to retained earnings (accumulated loss). All transfers from surplus on revaluation of fixed assets are net of applicable deferred taxation.

Depreciation on owned assets, except freehold land, is charged to the profit and loss account on straight line method so as to write off the cost or revalued amount of an asset over its estimated useful life.

Depreciation on additions is charged from the month in which the assets are available for use while no depreciation is charged in the month in which the assets are disposed off. Rates of depreciation are disclosed in Note 20.1.

Depreciation method, residual value and useful lives of assets are reviewed at least at each financial year end and adjusted if impact on depreciation is significant.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with items will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit and loss account during the period in which they are incurred.

The gain or loss on disposal of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense. Related surplus/loss on revaluation of fixed assets are transferred directly to retained earnings (accumulated loss).

Leased assets

Leases in terms of which the Company has substantially all the risks and rewards of ownership are classified as finance leases. Assets subject to finance lease are initially recognized at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. Subsequently these assets are stated at cost less accumulated depreciation and any identified impairment loss.

Related rental obligations, net of finance charges, are included in liabilities against assets subject to finance lease. These liabilities are classified as current / non-current depending upon the timing of their settlement. Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to the profit and loss account over the lease term.

Assets acquired under a finance lease are depreciated over the estimated useful life of the asset on straight-line method at rates given in note 20.1. Depreciation on leased assets is charged to the profit and loss account.

Depreciation on additions to leased assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed off.

Residual value and the useful lives of leased assets are reviewed at each financial year end and adjusted if the impact on depreciation is significant.

4.1.2 ***Capital work-in-progress***

Capital work-in-progress is stated at cost less any identified impairment loss and represents expenditure incurred on property, plant and equipment during construction and installation. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. Cost also includes applicable borrowing costs. Transfers are made to relevant property, plant and equipment category as and when the assets are available for use.

4.1.3 ***Major spare parts and stand-by equipment***

Major spare parts and stand-by equipment qualify as property, plant and equipment when the Company expects to use them during more than one year. Transfers are made to operating fixed assets category as and when such items are used.

4.2 Intangible assets

4.2.1 ***Goodwill***

Goodwill represents the difference between the cost of the acquisition (fair value of consideration paid) and the fair value of the net identifiable assets acquired. Goodwill is tested annually for impairment. Any impairment is immediately recognized as an expense and is not subsequently reversed.

4.2.2 *Other intangible assets*

Other intangible assets except for licenses and software are stated at cost less accumulated amortization and any identified impairment loss. Licenses and software are stated at revalued amount less accumulated amortization and any identified impairment loss. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Revalued amounts are determined by independent professional valuers on the basis of current market prices with reference to an active market. Any accumulated amortization at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation of licenses and software are credited to surplus on revaluation of fixed assets. Decreases that offset available surplus are charged against this surplus, all other decreases are charged to the profit and loss account. Each year the difference between amortization based on revalued carrying amount of the asset (the amortization charged to the profit and loss account) and amortization based on the assets' original cost - incremental amortization on revalued assets is transferred from surplus on revaluation of fixed assets to retained earnings (accumulated loss). All transfers from surplus on revaluation of fixed assets are net of applicable deferred taxation.

Indefeasible Right to Use ("IRU") contracts are recognized at cost as an intangible asset when the Company has the specific IRU on identified portion of the underlying asset, generally optical fibers or dedicated bandwidth, and the duration of the right is for the major part of the underlying asset's economic life. They are amortized on a straight-line basis over the period of the contract.

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is charged to the profit and loss account as and when incurred. Amortization on other intangible assets is charged to the profit and loss account on straight-line method at the rates given in note 21. Amortization on additions to intangible assets is charged from the month in which an asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off.

Gain or loss arising on disposal of intangible assets is determined as a difference between net disposal proceeds and carrying amount of the assets and is recognized as income or expense. Related surplus on revaluation of fixed assets is transferred directly to retained earnings (accumulated loss).

4.3 Investment properties

Properties which are held to earn rentals or for capital appreciation or for both are classified as investment properties. Investment properties are initially recognized at cost, being the fair value of the consideration given. Subsequently these are stated at fair value. The fair value is determined annually by an independent professional valuer based on market values; being the estimated amount for which a property could be exchanged on the date of valuation between knowledgeable willing parties in an arm's length transaction. Any gain or loss arising from a change in fair value is charged to the profit and loss account.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized in surplus on revaluation of fixed assets. Upon disposal of the item, the related surplus on revaluation is transferred to retained earnings (accumulated loss). Any loss arising in this manner is immediately charged to the profit and loss account.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes for subsequent recording.

4.4 Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready to use - are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on fixed assets that offset available revaluation surplus are charged against this surplus, all other impairment losses are charged to the profit and loss account.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

4.5 Trade debts and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less provision for doubtful debts, if any. A provision for doubtful debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade debt is doubtful. The provision is charged to the profit and loss account. Debts, considered irrecoverable, are written off as and when identified. Subsequent recoveries of amounts previously written off are credited to the profit and loss account.

4.6 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

4.6.1 ***Current***

The charge for current tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001.

4.6.2 ***Deferred***

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax losses and tax credits can be utilized.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

4.7 Stores and spares

Usable stores and spares are valued principally at weighted average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. Provision is made in the financial statements for obsolete and slow moving stores and spares based on management estimate.

4.8 Stock-in-trade

All stocks except for stock in transit, are stated at lower of cost and net realizable value. Cost is determined on weighted average basis. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. If the net realizable value is lower than the carrying amount, a write-down is recognized for the amount by which the carrying amount exceeds its net realizable value. Provision is made in the financial statements for obsolete and slow moving stock in trade based on management estimate.

4.9 Investments

Investments intended to be held for less than twelve months from the balance sheet date or to be sold to raise operating capital, are included in current assets, all other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on a regular basis.

4.9.1 *Investments in equity instruments of subsidiary*

Investment in subsidiary where the Company has significant influence is measured at cost less any identified impairment loss in the company's financial statements. Cost in relation to investment made in foreign currency is determined by translating the consideration paid in foreign currency into Pak Rupees at exchange rates prevailing on the date of transaction.

At each reporting date, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists, the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are charged to the profit and loss account. Investments in subsidiaries, that suffer an impairment, are reviewed for possible reversal of impairment at each reporting date. Impairment losses charged to profit or loss on investments in subsidiaries are reversed through the profit and loss account.

4.10 Financial assets

4.10.1 *Classification*

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at the time of initial recognition.

a) *Financial assets at fair value through profit and loss*

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets, if expected to be settled within twelve months, otherwise they are classified as non-current assets.

b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise loans, advances, deposits and other receivables and cash and cash equivalents in the balance sheet.

c) *Held to maturity*

Financial assets with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity are classified as held to maturity and are stated at amortized cost.

d) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the management intends to dispose of the investments within twelve months from the balance sheet date.

4.10.2 *Recognition and measurement*

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are charged to profit or loss. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Available-for-sale financial assets are carried at cost in case fair value cannot be measured reliably. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is credited to the profit or loss account as part of other income when the Company's right to receive payments is established.

Changes in the fair value of securities classified as available-for-sale are recognized in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the profit and loss account as gains and losses from investment securities.

Interest on available-for-sale securities calculated using the effective interest rate method is credited to the profit and loss account. Dividends on available-for-sale equity instruments are credited to the profit and loss account when the Company's right to receive payments is established.

Fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from equity and recognized in the profit and loss account. Impairment losses recognized in the profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment testing of trade debts and other receivables is described in note 4.5.

4.11 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit and loss account.

4.12 Offsetting of financial assets and liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to setoff the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

4.14 Non-current assets classified as held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

4.15 Impairment of Assets

The Company reviews its assets at each balance sheet date to determine whether there is any indication of impairment loss. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in the profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit and loss account. Where an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the asset’s revised carrying amount over its estimated useful life.

4.16 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is charged to the profit and loss account over the period of the borrowings using the effective interest rate method. Finance costs are accounted for on an accrual basis and are reported under 'interest and mark up accrued' to the extent of the amount remaining unpaid. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

4.17 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are charged to profit or loss in the period in which they are incurred.

4.18 Trade and other payables

Trade and other payables are initially recognized at fair value which is the consideration to be paid or given in future for goods and services received or to be delivered or for any other amount, whether or not billed to the Company. Trade and other payables are subsequently recognized at amortized cost using effective interest rate method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

4.19 Employee retirement and other benefits

The main features of the schemes operated by the Company for its employees are as follows:

4.19.1 *Defined benefit plan*

The Company operates an unfunded defined benefit gratuity plan for all permanent employees as per the Company's policy. Provisions are made in the financial statements to cover obligations on the basis of actuarial valuations carried out annually under the projected unit credit method. All actuarial gains and losses are recognized in other comprehensive income as and when they occur.

4.19.2 *Accumulating compensated absences*

Employees are entitled to 20 days' earned leave annually. Un-utilized earned leave can be accumulated up to a maximum of 40 days and utilized at any time subject to the approval. Earned leaves in excess of 40 days shall lapse. An employee will be entitled to encash the accumulated earned leaves at the time of leaving Company's service on last drawn gross salary basis. Provisions are made annually to cover the obligation for accumulating compensated absences on the basis of actuarial valuation and are charged to the profit and loss account.

4.20 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources shall be required to settle the obligation and the amount has been reliably estimated. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.21 Contingent liabilities

Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.22 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into Pak rupees at exchange rates prevailing at the date of transaction. Exchange gains and losses are charged / credited to the profit and loss account.

4.23 Share capital

Ordinary and preference shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

4.24 Revenue recognition

Revenue represents the fair value of the consideration received or receivable for goods sold or services rendered, net of discounts and sales tax. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue, and the associated cost incurred, or to be incurred, can be measured reliably. Revenue from different sources is recognized as follows:

- Revenue from terminating minutes is recognized at the time the call is made over the network of the Company.
- Capacity/media sold under IRU arrangement is recognized upfront if it is determined that the arrangement is a finance lease.
- Revenue from originating minutes is recognized on the occurrence of calls both for prepaid and postpaid subscribers.
- Subscription revenue from Cable TV, EVDO, internet over cable and channels subscription fee is recognized on provision of services.
- Connection and membership fee is recognized at the time of sale of connection.
- Sale of goods is recognized on dispatch of goods to customer.
- Advertisement income is recognized on the basis of spots run when commercials are aired on the network.
- Interest income is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.
- Revenue from metro fiber solutions/sale is recognized on delivery of goods / services.
- Rental income from investment properties is recognized on accrual basis.
- Dividend income is recognized when the right to receive payment is established.
- All other revenues are booked on accrual basis.

4.25 Dividend and other appropriations

Dividend distribution to the Company's members and other appropriations are recognized as a liability in the Company's financial statements in the period in which these are approved.

4.26 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. When applicable, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to the profit and loss account on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Note 5
Ordinary Share Capital

2017	2016		Note	2017	2016
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
260,544,234	-	Ordinary shares of Rs. 10 each issued against convertible preference shares	5.1	2,605,442	-
1,121,115,747	860,571,513			11,211,158	8,605,716

5.1 During the year, 38,500 (2016: Nil) convertible preference shares and accumulated preference dividend thereon amounting to Rs. 101.268 million (2016: Nil) have been converted into ordinary shares in accordance with the agreed terms and conditions detailed in Note 6.2.

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

5.3 During the year, the SPA was executed whereby WSL acquired 56.8% ordinary shares (488,839,429 ordinary shares) of the Company from the former Parent company.

Note 6
Preference Share Capital

	Note	2017	2016	2017	2016
		--------No of Shares--------		------------(Rupees in '000)------------	
Opening balance		350,000	350,000	3,537,700	3,537,700
Less: Preference shares converted into ordinary shares during the year	6.3	(38,500)	-	(387,464)	-
		311,500	350,000	3,150,236	3,537,700

6.1 These are foreign currency denominated, in US Dollars, non-voting, cumulative and convertible preference shares ("CPS", or "preference shares") having a face value of USD 100 each.

6.2 The conversion option is exercisable by the holder at any time after the 1st anniversary of the issue date but no later than the 5th anniversary. On 5th anniversary, CPS will be mandatorily converted into ordinary voting common shares. CPS shall be converted fully or partially not less than USD 1 million at the conversion ratio defined in the agreement at 10% discount on share price after first anniversary and thereby increased by 10% additional discount for each completed year of anniversary.

6.3 In accordance with the terms detailed in Note 6.2 above, certain preference shareholders have exercised conversion option. Thus, their cumulative preference shares and accrued preference dividend thereon have been converted into ordinary shares as reflected in Note 5.1 and Note 7.2.

6.4 CPS holders are entitled to non-cash dividend which shall be calculated at the rate of 5.9% per annum on each of the preference shares or the dividend declared by the Company for Ordinary Shareholders, whichever is higher.

6.5 CPS have been treated as part of equity on the following basis:

- The shares were issued under the provisions of section 84, 86 and 90 of the Companies Ordinance, 1984 and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.
- The financial capital of the Company and the issue of the shares were duly approved by the members of the Company at the Annual General Meeting held on April 30, 2012.

- The requirements of the Companies Ordinance, 1984 take precedence over the requirements of International Financial Reporting Standards.
- The preference shareholders have the right to convert these shares into ordinary shares.

Note 7
Dividends on Preference Shares

	Note	2017	2016
		Rupees in '000	
Dividend on preference shares	7.1	900,687	743,255

7.1 This represents accumulated dividend on preference shares which is not payable in cash rather it will be converted into ordinary shares as and when the preference shares are converted into ordinary shares.

7.2 During the year, cumulative preference dividend amounting to Rs. 101.268 million (2016: Nil) was converted into ordinary shares as a result of conversion option exercised by certain preference shareholders in accordance with the terms and conditions given in Note 6.2 above.

Note 8
Capital Reserves

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Share premium reserve	8.1	-	837,335
Discount on issue of shares		(1,260,612)	-
Fair value reserve		(5,928)	85,910
Exchange translation reserve		291,839	130,300
		(974,701)	1,053,545

8.1 This reserve can be utilized by the Company only for purposes specified in Section 83(2) of the Companies Ordinance, 1984. During the year, share premium reserve account has been utilized against discount of Rs. 2,097.947 million (2016: Nil) offered to cumulative preference shareholders who exercised conversion option in accordance with the terms and conditions detailed in Note 6.2.

Note 9
Surplus on Revaluation of Fixed Assets

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Opening balance - net of tax		697,849	-
Surplus on revaluation arisen during the year	9.1	-	1,029,998
Related deferred taxation		-	(308,999)
		-	720,999
Transfer to retained earnings in respect of net incremental depreciation/amortization net of deferred tax		(92,600)	(23,150)
Closing balance - net of tax	9.2	605,249	697,849

9.1 This represents surplus over book value resulting from the revaluation of licenses and softwares, adjusted by incremental depreciation arising on revaluation.

9.2 Latest revaluation was carried out by an approved, independent valuer at September 30, 2016 using current market price / replacement cost methods, wherever applicable. This resulted in revaluation surplus of Rs. 1.030 billion. The revaluation surplus is net of applicable deferred taxes. Incremental depreciation charged on revalued fixed assets is transferred to the statement of changes in equity to record realization of surplus to the extent of incremental depreciation. Incremental depreciation represents the difference between the actual amortization on licensed softwares and the equivalent amortization based on the historical cost of these assets.

Note 10
Term Finance Certificates

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Opening balance		1,517,110	1,517,110
Less: Current and overdue portion	17	(1,517,110)	(1,517,110)
		-	-

Term finance certificates (TFCs) have a face value of Rs. 5,000 per certificate. These TFCs carry mark up at the rate of six month average KIBOR plus 1.60% per annum, payable quarterly. The mark up rate charged during the year on the outstanding balance ranged from 7.66% to 7.77% (2016: 7.66% to 8.19%) per annum.

IGI Investment Bank Limited is the Trustee (herein referred to as the Trustee) under the Trust Deed. These TFCs are secured against pari passu charge over the Company's present and future fixed assets 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.

These TFCs were earlier rescheduled in December 2012, under which the principal was repayable in three semi-annual installments ending on October 07, 2015. In July 2014, the Company initiated the process of second rescheduling with the TFC holders. On April 03, 2015, the TFCs were rescheduled and the terms of the revised rescheduling agreement were effective from October 07, 2014. As per the revised terms, the tenure of the TFCs was extended by seven years with quarterly principal installments ending in October 2021. Mark up rate and security remained the same.

As per terms of second rescheduling, payments in respect of principal and mark up aggregating to Rs. 886.928 million were required to be made up to year ended December 31, 2017. However, payments of only Rs. 146.617 million were made during financial year 2015 and no further payments, of principal and mark up, have been made upto December 31, 2017. Hence, constituting a default as per the terms of second rescheduling. Consequently, the total amount has become immediately payable.

In April 2016, the Trustee's legal counsel issued a legal notice to the Company demanding immediate payment of all principal amount and interest accrued thereon and liquidated damages within thirty days of the notice, failing which the Trustee would initiate legal proceedings against the Company. The Trustee also withdrew its Non Objection Certificate (NOC) given to the Company in respect of sale of Wireless Local Loop (WLL) passive infrastructure.

The management is positively engaged with TFC holders for restructuring of the liability. As a positive development in this regard the Board has approved the indicative term sheet received subsequent to year end. The appointed restructuring agent has circulated the terms sheet and management is confident to get approval in near future.

Note 11
Long Term Financing

	Note	2017	2016
		--------------(Rupees in '000)--------------	
From Parent Company			
Sponsor's loan (interest-bearing - unsecured)	11.1	331,500	-
Sponsor's loan (interest-free - unsecured)	11.2	344,393	-
From Banking Companies (interest-bearing - secured)			
National Bank of Oman	11.3	-	-
Allied Bank Limited	11.4	-	42,250
Soneri Bank Limited	11.5	-	637
Askari Bank Limited	11.6	43,996	-
		43,996	42,887
		719,889	42,887

			2017	2016
			--------------(Rupees in '000)--------------	
11.1	Transfer from short term borrowings		419,200	-
	Exchange loss		17,300	-
			436,500	-
	Adjusted during the year		(105,000)	-
			331,500	-

This was previously classified in short term borrowings being payable on demand, however it has been renegotiated during the year and is now not payable within next 12 months. It carries mark up at 12 months KIBOR plus 1%. The mark up rate charged during the year on the outstanding balance was 7.45% (2016: 7.36%) per annum.

11.2 This represents balance transferred from current account (refer to Note 14.3). The amount is interest free and is agreed to be paid in long term.

In accordance with the requirements of IAS-39, this loan has been carried at amortized cost and the relevant difference is being charged to the profit and loss account. During the year, imputed markup has been calculated at 7% and accounted for.

		2017	2016
Amount of loan	14.3	368,500	-
Adjustment due to impact of IAS-39		(24,107)	-
		344,393	-

11.3 National Bank of Oman

		2017	2016
Loan liability		3,555,300	3,555,300
Exchange loss		112,700	112,700
		3,668,000	3,668,000
Less: Liability novated by Omantel as part of SPA / Current portion	39	(3,668,000)	(3,668,000)
		-	-

This represented foreign currency syndicated loan facility ("facility") amounting to USD 35 million from National Bank of Oman (NBO) and Ahli Bank SAOG ("the consortium") with NBO as the lead arranger. The loan was disbursed on June 30, 2015 and was repayable in 16 quarterly installments commencing from September 30, 2017. Mark up was payable quarterly at three months average LIBOR plus 1.75% per annum along with monitoring fee at 1.5% per annum. No mark up is charged during the year on outstanding balance (2016: 3.86% to 3.88%) per annum. To secure the facility, corporate guarantee of the former Parent company was furnished along with a provision for cash cover / direct debit of its bank account in the event of the Company's failure to fund obligations under the facility agreement. This loan has now been assumed and taken up by the former Parent company and no liability is owned by the Company.

11.4 Allied Bank Limited

		2017	2016
Loan liability		125,000	125,000
Repayments		(73,180)	(37,250)
		51,820	87,750
Less: Current and overdue portion	17	(51,820)	(45,500)
		-	42,250

This represents a running finance facility restructured into term loan facility of Rs. 125 million. This facility was rescheduled in January 2015 and is now repayable in 43 monthly installments ending on July 31, 2018. It carries mark up at one month KIBOR plus 3% per annum till March 31, 2015, payable on monthly basis. The mark up rate with effect from April 01, 2015, is 3 months KIBOR plus 0.5% per annum to be reset and recoverable quarterly. The mark up rate charged during the year on the outstanding balance ranged from 6.62% to 6.65% (2016: 6.54% to 6.99%) per annum. This facility is secured through joint pari passu charge on present and future current and fixed assets excluding land and building of the Company with 25% margin.

11.5 Soneri Bank Limited

	Note	2017	2016
		(Rupees in '000)	
Loan liability		66,756	66,756
Repaid		(62,432)	(51,319)
		4,324	15,437
Less: Current and overdue portion	17	(4,324)	(14,800)
		-	637

This facility was initially repayable in 23 monthly installments ending on February 28, 2016. However, in August 2016, the facility was rescheduled by Soneri Bank Limited and now the principal is repayable in 18 monthly installments ending on January 30, 2018. The facility carries mark up at one month KIBOR plus 3% per annum and is payable monthly. The mark up rate charged during the year on the outstanding balance ranged from 9.25% to 9.27% (2016: 9.22%% to 9.52%) per annum. It is secured through joint pari passu hypothecation agreement over current and movable fixed assets.

11.6 Askari Bank Limited

	Note	2017	2016
Principal liability		138,000	-
Repayments / adjustments		(61,586)	-
		76,414	-
Less: Current and overdue portion	17	(32,418)	-
		43,996	-

This represents liability created by the bank due to encashment of performance guarantee issued in favour of Universal Service Fund (USF). Tenor is 3 years. Rs. 45 Million is to be paid upfront and remaining amount is payable in 36 monthly installments commencing from May 1, 2017. It carries mark up at 6 months KIBOR plus 2% per annum. The mark up charged during the year on the outstanding balance ranged from 8.11% to 8.16% per annum. It is secured through joint collateral comprising first joint pari passu hypothecation charge of Rs. 1.26 billion over all present and future fixed and current assets of the Company with 25% margin, first exclusive assignment of all present and future receivables of LDI business arm of the Company in favour of lender with 25% margin and collection accounts with the Bank for routing of LDI receivables.

Note 12
Retirement Benefits

	Note	2017	2016
		(Rupees in '000)	
Gratuity	12.1	236,014	257,296
Accumulating compensated absences	12.2	17,199	17,634
		253,213	274,930

12.1 Gratuity

Latest actuarial valuation of the gratuity scheme was conducted as on December 31, 2017. Results of actuarial valuation are as under:

12.1.1 Movement in net liability for staff gratuity

	Note	2017	2016
Opening balance		257,296	337,723
Charge for the year - Profit and loss account	12.1.2	49,748	68,938
Net remeasurements for the year - Other comprehensive income		37,894	(14,589)
Transferred to trade and other payables		(15,035)	(94,995)
Payments made		(93,889)	(39,781)
Closing balance		236,014	257,296

12.1.2 Charge for the year

The amounts recognized in the profit and loss account against defined benefit scheme are as follows:

	2017	2016
	(Rupees in '000)	
Current service cost	30,479	41,905
Interest cost	19,269	27,033
	49,748	68,938

12.1.3 Significant actuarial assumptions

	2017	2016
Discount rate - per annum	9.50%	9.50%
Expected rate of increase in salary level - per annum	8.50%	8.50%
Weighted average duration of defined benefit obligation	11 Years	11 Years
Expected mortality rate for active employees	SLIC (2001-2005) Mortality Table	
Actuarial cost method	Projected Unit Credit Method	

12.1.4 The Company does not have any plan assets covering its post-employment benefits payable. The comparative statement of present value of defined benefit obligations is as under:

	2017	2016	2015	2014	2013
	(Rupees in '000)				
Present value of defined benefit obligation	236,014	257,296	337,723	298,790	262,848
Fair value of plan asset	-	-	-	-	-
Net deficit	236,014	257,296	337,723	298,790	262,848

12.1.5 Estimated charge for the year 2018

	Rupees in '000'
Current service cost	33,783
Interest cost	21,462
	55,245

12.1.6 Year end sensitivity analysis on defined benefit obligation

Reasonably possible changes as at the balance sheet date to one of the relevant actuarial assumptions, holding other assumptions constant, would have resulted in present value of defined benefit obligation as stated below:

	Rupees in '000
Discount rate + 100 bps	(211,552)
Discount rate - 100 bps	264,796
Salary increase + 100 bps	265,207
Salary increase - 100 bps	(210,768)

12.1.7 Allocation of charge for the year

	Note	2017	2016
		(Rupees in '000)	
Direct cost excluding depreciation and amortization	37	22,903	31,738
Operating cost	38	26,845	37,200
		49,748	68,938

12.2 Accumulating compensated absences

Latest actuarial valuation of the gratuity scheme was conducted as on December 31, 2017. Results of actuarial valuation are as under:

12.2.1 Movement in net liability for accumulating compensated absences

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Opening balance		17,634	36,275
Charge for the year - Profit and loss account	12.2.2	1,578	13,442
Net remeasurements for the year		5,265	(22,740)
Transferred to trade and other payables		(1,116)	(5,923)
Paid during the year		(6,162)	(3,420)
Closing balance		17,199	17,634

12.2.2 Charge for the year

The amounts recognized in the profit and loss account against defined benefit scheme are as follows:

Current service cost	248	10,282
Interest cost for the year	1,330	3,160
	1,578	13,442

12.2.3 Actuarial assumptions

	2017	2016
Discount rate - per annum	9.50%	9.50%
Expected rate of increase in salary level - per annum	8.50%	8.50%
Expected mortality rate for active employees	SLIC (2001-2005) Mortality Table	
Actuarial cost method	Projected Unit Credit Method	

12.2.4 Estimated charge for the year 2018

	Rupees in '000'
Current service cost	1,130
Interest cost	1,570
	2,700

12.2.5 Year end sensitivity analysis on defined benefit obligation

Reasonably possible changes as at the balance sheet date to one of the relevant actuarial assumptions, holding other assumptions constant, would have resulted in present value of defined benefit obligation as stated below:

	Rupees in '000
Discount rate + 100 bps	(15,485)
Discount rate - 100 bps	19,229
Salary increase + 100 bps	19,195
Salary increase - 100 bps	(15,486)

12.2.6 Allocation of charge for the year

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Direct cost excluding depreciation and amortization	37	726	6,188
Operating cost	38	852	7,254
		1,578	13,442

Note 13
Long Term Deposits

This represents amount received as a security deposit pursuant to the agreement for selling and distributing the WTL products and services for three years commencing from June 09, 2017. Security deposit is refundable within one month of expiry of term of the agreement. However until the security deposit is refunded, WTL shall remain liable to pay monthly service charges as per defined terms.

Note 14
Trade and Other Payables

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Trade creditors	14.1 & 14.2	4,200,273	7,302,819
Accrued and other liabilities		1,899,473	1,963,929
Less: Liabilities adjusted against disposal arrangement	20.1.2	(623,949)	-
	14.3	1,275,524	1,963,929
Payable to PTA against APC charges		1,766,190	1,766,190
Funds received from the Former parent Company - Omantel	14.4	-	579,659
Advances from customers		194,683	193,678
Retention money		18,804	19,385
Withholding tax		33,054	21,113
Un-claimed dividend		1,807	1,807
Sales tax	14.5	30,747	11,537
Advances against assets held for sale	14.6	-	38,194
Security deposit		35,136	35,136
Others		-	16,000
		7,556,218	11,949,447

14.1 This includes payable to the following related parties:

	Note	2017	2016
Former parent company - Omantel		3,085,841	2,998,998
Less: Written back as part of SPA	39	(3,085,841)	-
		-	2,998,998
Parent company - WSL		7,375	23,121
		7,375	3,022,119

14.2 This also includes payable to PTA amounting to Rs. 374.89 million (2016: Rs. 340.33 million) regarding Annual Radio Spectrum Fee in respect of WLL licenses. PTA has issued multiple determinations that have been challenged and contested by the Company on legal grounds as well as on account of preoccupation of frequency/spectrums and losses suffered by the Company due to such preoccupancy for which the Company has demanded due compensation from PTA. In all these matters, the Company has filed appeals against PTA's determinations before the honorable Lahore High Court and the honorable Islamabad High Court and stay orders were obtained against the recovery. This has been decided in favour of the Company, however, PTA has gone into appeal before the Honourable Supreme Court of Pakistan.

14.3 This includes payable to key management personnel in respect of salaries amounting to Rs. 27.980 million (2016: Rs. 115.049 million) and payable to WSL in respect of current account amounting to Rs. 63.637 million (2016: Nil). Reconciliation of payable to WSL is as follows:

	Note	2017	2016
Opening balance		-	-
Add: Funds received during the year		419,264	-
Add: Payments by WSL on behalf of the Company		90,000	-
		509,264	-
Less: Repaid during the year		(77,127)	-
Less: Transferred to sponsor's loan	11.2	(368,500)	
		63,637	-

14.4 This represented funding received from the former Parent company as part of the SPA as stated in note 2.2. Reconciliation of the funding is as follows:

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Opening balance		579,659	-
Add: Funds received during the year		624,867	579,659
		1,204,526	579,659
Less: Waive off as part of SPA	39	(1,204,526)	-
Closing balance		-	579,659

As discussed in Note 1 and Note 2.2, this balance has now been waived off by Omantel, the former Parent company.

14.5 This is net of Rs. 33.4 million (2016: Rs. 33.4 million) recovered by the tax authorities in respect of sales tax demand, facts and litigation status whereof has been discussed in note 19.3.4.

14.6 This represented advance received from Towershare (Private) Limited against sale of towers as disclosed in Note 20.1.2 and 48. Reconciliation of the advance received is as follows:

Opening balance		38,194	38,194
Add: Advance received during the year		8,159	-
		46,353	38,194
Less: Adjusted against disposal arrangement	20.1.2	(46,353)	-
Closing balance		-	38,194

Note 15
License Fee Payable

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

Note 16
Accrued Mark up

	2017	2016
	--------------(Rupees in '000)--------------	
Short term borrowings	31,454	25,913
Term finance certificates	473,565	356,563
Long term financing	35,652	1,616
	540,671	384,092

Note 17
Current Portion of Non-Current Liabilities

	Note	2017	2016
		--------------(Rupees in '000)--------------	
			(Restated)
Term finance certificates	10	1,517,110	1,517,110
Long term financing	11	88,562	3,728,300
Liabilities against assets subject to finance lease	17.1	-	1,609
		1,605,672	5,247,019

17.1 This represented finance lease agreements entered into with Summit Bank Limited for vehicles with aggregate facility of Rs. 15 million (2016: Rs. 15 million). Interest rate used as discounting factor was 13.45% (2016: 13.45%) per annum. Taxes, repairs, replacements and insurance costs were borne by the Company. These arrangements were secured against lien over TDRs equivalent to lease liability repaid to be released on quarterly basis and first pari passu charge over present and future current and fixed assets of the Company with 25% margin. Under the terms of the agreements, the Company had an option to acquire the assets at the end of the respective lease terms by adjusting the deposit amount against the residual value of the assets; the Company has exercised this option. The entire liability has been repaid during the year.

Note 18
Short Term Borrowings

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Banking companies (secured - interest bearing):			
- Running finances	18.1	563,936	541,477
Related Party (unsecured - interest bearing):			
Worldcall Services (Private) Limited (WSL)	18.3	-	419,200
		563,936	960,677

18.1 Short term running finance facilities available from commercial banks under mark up arrangements amount to Rs. 587 million (2016: Rs. 587 million). Running finance facilities are available at mark up rate of three month KIBOR plus 1.5% to 2.5% per annum, payable quarterly, on the balance outstanding. These are secured against first pari passu hypothecation charge on all present and future current and fixed assets excluding land and building, joint pari passu hypothecation charge on all present and future current and fixed assets with 25% security margin over the facility amount, pledge of shares of listed companies in CDC account of the Company and first exclusive assignment of all present and future receivables of LDI business arm of the Company. The mark up charged during the year on outstanding balances ranged from 7.60% to 8.65% (2016: 8.08% to 12.13%) per annum. These facilities are being rolled over subsequent to reporting date with the exception of one facility of Rs. 50 million.

18.2 ***Letters of credit and guarantees***

Of the aggregate facilities of Rs. 20 million (2016: Rs. 20 million) for opening letters of credit and Rs. 414.626 million (2016: Rs. 863.42 million) for guarantees, the amount utilized as at December 31, 2017 was Nil (2016: 8.7 million) and Rs. 356.288 million (2016: Rs. 490.79 million) respectively. The facilities for opening letters of credit are secured against import documents and lien over bank accounts. These are secured against first pari passu hypothecation charge on all present and future current and fixed assets excluding land and building, joint pari passu hypothecation charge on all present and future current and fixed assets with 25% security margin over the facility amount, pledge of shares of listed companies in CDC account of the company and first exclusive assignment of all present and future receivables of LDI business arm of the Company.

18.3 These loans have been re-negotiated during the year and converted into long term financing (refer to Note 11.1).

Note 19
Contingencies and Commitments

Contingencies

19.1 Billing disputes with PTCL

19.1.1 There is a dispute of Rs. 72.64 million (2016: Rs. 72.64 million) with Pakistan Telecommunication Limited (PTCL) in respect of non-revenue time of prepaid calling cards and Rs. 46.92 million (2016: Rs. 46.92 million) in respect of excess minutes billed on account of interconnect and settlement charges. Similarly, PTCL has charged the Company excess Domestic Private Lease Circuits ("DPLC") and other media charges amounting to Rs. 334.08 million (2016: Rs. 334.08 million) on account of difference in rates, distances and date of activations. The management has taken up both these issues with PTCL and considers that these would most likely be decided in Company's favor as there are reasonable grounds to defend the Company's stance. Hence, no provision has been made in these financial statements for the above amounts.

19.2 Disputes with PTA

19.2.1 There is a dispute with PTA on payment of research and development fund contribution amounting to Rs. 5.65 million (2016: Rs. 5.65 million). The legal validity of this fund has been challenged before the Supreme Court of Pakistan. The management considers that there are strong grounds to support the Company's stance and is hopeful of a favorable decision. Consequently, no provision has been made in these financial statements for this amount.

19.2.2 During the year 2016, PTA again demanded immediate payment of the principal amount of APC amounting to Rs. 1.766 billion along with default surcharge thereon amounting to Rs. 1.654 billion as of July 31, 2016 vide its notice dated August 19, 2016. Through the aforesaid show cause notice, PTA has also shown intentions to impose penal provisions to levy fine up to Rs. 350 million or to suspend or terminate the LDI license by issuance of an enforcement order against the Company. The Company has challenged the show cause notice before the Sindh High Court wherein the Court has passed orders restraining PTA from cancelling the licenses of the Company and from taking any coercive action against it. The matter is at the stage of hearing of applications. Based on the advice of the legal counsel, the Company's management feels that there are strong grounds to defend the Company's stance and the liability will not materialize, hence, no provision has been made in these financial statements for the amounts of default surcharge.

19.2.3 PTA has raised demand amounting to Rs. 29.77 million on account of using extra Radio Spectrum not assigned to the Company. The Company challenged this amount before Islamabad High Court which has suspended the demand of PTA and decided the case in favour of the Company. However PTA has gone into appeal before the Honourable Supreme Court of Pakistan. The management is hopeful that its viewpoint shall be upheld; thus no provision has been incorporated in this financial information against this demand.

19.3 Taxation issues

19.3.1 Separate returns of total income for the Tax Year 2003 were filed by M/s Worldcall Communications Limited, M/s Worldcall Multimedia Limited, M/s Worldcall Broadband Limited and M/s Worldcall Phone Cards Limited, now merged into the Company. Such returns of income were amended by relevant officials under section 122(5A) of the Income Tax Ordinance, 2001 ("Ordinance") through separate orders. Through such amendment orders, in addition to enhancement in aggregate tax liabilities by an amount of Rs. 9.90 million, tax losses declared by the respective companies too were curtailed by an aggregate amount of Rs. 66.19 million. The Company contested such amendment orders before Commissioner Inland Revenue (Appeals) [CIR(A)] and while amendment order for Worldcall Broadband Limited was annulled, partial relief was extended by CIR(A) in respect of appeals pertaining to other companies. The appellate orders extending partial relief were further assailed by the Company before Appellate Tribunal Inland Revenue (ATIR), which are pending adjudication. The Company's management considers that meritorious grounds exist to support the Company's stances and expects relief from ATIR in respect of all the issues being contested. Accordingly, no adjustments / liabilities on these accounts have been incorporated / recognized in these financial statements.

19.3.2 Through amendment order passed under section 122(5A) of the Ordinance, the Company's return of total income for Tax Year 2006 was amended and declared losses were curtailed by an amount of Rs. 780.46 million. The Company's appeal was not entertained by CIR(A) and the amendment order was upheld whereupon the matter was further agitated before ATIR, which is pending adjudication. The Company's management expects relief from ATIR in respect of issues involved in the relevant appeal there being valid precedents available on record supporting the Company's stance. Accordingly, no adjustment on this account has been incorporated in these financial statements.

19.3.3 A demand of Rs. 1.059 billion (including default surcharge of Rs. 325.849 million) was raised against the Company under section 161/205 of the Ordinance for the period relevant to Tax Year 2012 alleging non-compliance with various applicable withholding provisions contained in the Ordinance. The management assailed the subject order in usual appellate course and while first appellate authority decided certain issues in the Company's favor, major issues were remanded back to department for adjudication afresh. Such appellate order was further assailed by the Component before Appellate Tribunal Inland Revenue (ATIR), at which forum, adjudication is pending. Meanwhile, department concluded the reassessment proceedings, primarily repeating the treatment earlier accorded, however, based on relief allowed by first appellate authority, demand now stands reduced to Rs. 1.003 billion (including default surcharge of Rs. 384.329 million). Such reassessment order was assailed by the Company in second round of litigation and the first appellate authority, through its order dated June 29, 2015, has upheld the departmental action. The management has contested this order before ATIR for favorable outcome.

19.3.4 A sales tax demand of Rs. 167 million was raised against the Company for recovery of an allegedly inadmissible claim of sales tax refund in Tax Year 2006 filed and sanctioned under section 66 of the Sales Tax Act, 1990. The Company's appeal against such order was allowed to the extent of additional tax and penalties; however, principal amount was held against the Company by the then relevant Customs, Excise and Sales Tax Appellate Tribunal (CESTAT). The Company further assailed the issue before LHC where the litigation is presently pending. While, recovery to the extent of 20% of principal demand of sales tax has been made by the tax authorities, an interim injunction by honorable Court debars the department for enforcing any further recovery. Since the management considers the refund to be legally admissible to the Company, no liability on this account has been recognized in these financial statements and the amount already recovered has been recorded as being receivable from the tax authorities. It is pertinent to highlight here that adverse judgment earlier passed by CESTAT no longer holds the field as through certain subsequent judgments, controversy has been decided by ATIR (forum now holding appellate jurisdiction under the law) in favor of other taxpayers operating in telecom sector. The Honourable Lahore High Court has set aside the judgment of the Tribunal and has remanded the case for decision afresh. The Tribunal is yet to issue notice for the hearing.

19.3.5 In June 2015, the Company challenged imposition of sales tax on LDI services by the Punjab Revenue Authority (PRA) through filing a petition in LHC on the grounds that it was unconstitutional and in violation of fundamental principles of sales tax and international commitments of Government of Pakistan. The petition was combined with other petitions of similar sort for hearing purposes by a single member bench of LHC. In January 2016, LHC declared the functioning of PRA illegal and set aside all notices issued by PRA for recovery of sales tax, thereby granting the Company's prayer. PRA filed an intra-court appeal against the decision and in February 2016, the decision of single member bench was suspended. As of the latest, the Company's petition is pending adjudication in LHC. Stay orders restraining PRA from collection of sales tax on LDI services have been granted to several other LDI operators. Based on the advice of the Company's tax advisor, the management is of the view that the Company's case is based on meritorious grounds and hence, relief would be secured from the Court. In view of the above, provision for sales tax on LDI services aggregating Rs. 211.454 million (2016: Rs. 145.935 million) has not been made in these financial statements.

19.4 Others

19.4.1 Samsung claimed an amount of USD 1.4 million equivalent to Rs. 154.7 million (2016: USD 1.4 million equivalent to Rs. 146.72 million) against its receivables under a certain settlement and service agreement. However, the Company denies the claim on the basis that Samsung failed to fulfill its obligations under the agreement and did not provide services for which the Company reserves the right to initiate appropriate proceedings against Samsung. Based on the advice of legal counsel, the management is of the view that there are meritorious grounds to defend the Company's position and it would be resolved in the Company's favor. Hence, no provision has been made in these financial statements.

19.4.2 Certain suppliers / vendors of the Company have filed petitions before LHC through which they have claimed Rs. 263.343 million receivable from the Company. Further details of the litigations have not been disclosed as it may prejudice the Company's position. The Company has denied the veracity of such claims and has also challenged the maintainability of the proceedings. Also, the Company has filed a counter petition claiming Rs. 315.178 million receivable from one of the above suppliers / vendors under the same contract against which the supplier has claimed its dues. Based on the advice of the Company's legal counsel, the management is of the view that it is unlikely that any adverse order will be passed against the Company.

19.4.3 One of the Company's suppliers has filed petition before LHC through which it has claimed Rs. 64.835 million and USD 4.869 equivalent to Rs. 538.025 million receivable from the Company. The balance relates to years 2006 to 2010 in relation to provision of services by the supplier to the Company for installation, testing and commissioning of telecommunications equipment. Further details of the claim have not been disclosed as it may prejudice the Company's position. The Company has denied such claim. Also, the Company has filed a counter petition against the supplier claiming damages amounting to USD 93.3 million before the learned Civil Court which is now being adjudicated. The claim is for non-provision of services. The management is of the view that it is unlikely that any such claim will materialize. In view of the above, no provision has been made in these financial statements.

19.4.4 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 for recovery of dues amounting to USD 7.03 million along with mark up @ 15% amounting to USD 1.58 million equivalent to Rs. 174.59 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 the 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 WTL, 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 WTL 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 to refer the matter to Arbitration as per the dispute resolution mechanism provided in the agreement dated 2011. Based on the advice of the Company's legal counsel, the management is of the view that it is unlikely that any adverse order pertaining to the Supplier's Claim will be passed against the Company.

		2017	2016
		--------------(Rupees in '000)--------------	
19.5	Outstanding guarantees and letters of credit	356,288	499,490
Commitments			
19.6	Commitments in respect of capital expenditure	16,597	286,812

Note 20
Property, Plant and Equipment

	Note	2017	2016
		(Rupees in '000)	
Operating fixed assets	20.1	6,814,020	7,957,927
Capital work-in-progress	20.2	110,703	118,372
		6,924,723	8,076,299

20.1 Operating fixed assets

		Owned assets										Leased assets			
	Note	Freehold Land	Building	Leasehold Improvements	Plant and Equipment	Office Equipment	Computers	Furniture and Fixtures	Vehicles	Laboratory and Other Equipment	Sub-total	Plant and Equipment	Vehicles	Sub-total	Total
		(Rupees in '000)													
Cost / Revalued Amount															
Balance as at December 31, 2015		19,800	97,500	134,146	11,966,143	100,146	179,617	23,629	49,903	21,180	12,592,064	518,514	9,182	527,696	13,119,760
Additions during the year		-	-	545	21,398	-	1,205	104	-	-	23,252	-	-	-	23,252
Transfers from non-current assets classified as held for sale	35	-	-	-	892,883	-	-	-	-	-	892,883	-	-	-	892,883
Transfers from leased assets		-	-	-	-	-	-	-	4,305	-	4,305	-	(4,305)	(4,305)	-
Disposals during the year	Note 48	-	-	-	-	-	-	-	(9,732)	-	(9,732)	-	-	-	(9,732)
Balance as at December 31, 2016		**19,800**	**97,500**	**134,691**	**12,880,424**	**100,146**	**180,822**	**23,733**	**44,476**	**21,180**	**13,502,772**	**518,514**	**4,877**	**523,391**	**14,026,163**
Additions during the year		-	-	23,422	57,376	6,243	2,366	8,834	-	760	99,001	-	-	-	99,001
Transfers from leased assets		-	-	-	-	-	-	-	4,877	-	4,877	-	(4,877)	(4,877)	-
Disposals / settlement during the year	Note 48	-	-	-	(733,084)	-	(2,015)	-	(6,012)	-	(741,111)	-	-	-	(741,111)
Balance as at December 31, 2017		**19,800**	**97,500**	**158,113**	**12,204,716**	**106,389**	**181,173**	**32,567**	**43,341**	**21,940**	**12,865,539**	**518,514**	**-**	**518,514**	**13,384,053**
Depreciation and Impairment															
Balance as at December 31, 2015		-	5,281	109,777	4,556,407	74,276	178,278	20,922	48,511	18,751	5,012,203	122,453	3,946	126,399	5,138,602
Depreciation for the year		-	4,875	6,088	683,451	7,113	2,159	1,689	1,392	68	706,835	31,104	2,880	33,984	740,819
Depreciation on transfers from non-current assets classified as held for sale		-	-	-	198,547	-	-	-	-	-	198,547	-	-	-	198,547
Transfers from leased assets		-	-	-	-	-	-	-	4,305	-	4,305	-	(4,305)	(4,305)	-
Depreciation on disposals / settlement	Note 48	-	-	-	-	-	-	-	(9,732)	-	(9,732)	-	-	-	(9,732)
Balance as at December 31, 2016		**-**	**10,156**	**115,865**	**5,438,405**	**81,389**	**180,437**	**22,611**	**44,476**	**18,819**	**5,912,158**	**153,557**	**2,521**	**156,078**	**6,068,236**
Depreciation for the year		-	4,875	6,538	620,320	6,460	2,008	1,485	545	25	642,256	31,104	975	32,079	674,335
Transfers from leased assets		-	-	-	-	-	-	-	3,496	-	3,496	-	(3,496)	(3,496)	-
Depreciation on disposals	Note 48	-	-	-	(164,944)	-	(1,582)	-	(6,012)	-	(172,538)	-	-	-	(172,538)
Balance as at December 31, 2017		**-**	**15,031**	**122,403**	**5,893,781**	**87,849**	**180,863**	**24,096**	**42,505**	**18,844**	**6,385,372**	**184,661**	**-**	**184,661**	**6,570,033**
Book value as at December 31, 2016		19,800	87,344	18,826	7,442,019	18,757	385	1,122	-	2,361	7,590,614	364,957	2,356	367,313	7,957,927
Book value as at December 31, 2017		19,800	82,469	35,710	6,310,935	18,540	310	8,471	836	3,096	6,480,167	333,853	-	333,853	6,814,020
Annual rate of depreciation (%)		-	5	10 to 20	5 to 33	10	33.33	10	20	20		5 to 33	20		

20.1.1 No revaluation has been carried out during the year; latest revaluation of plant and equipment was carried out in 2016, by an independent professional valuer M/s Arch-E'-Decon that resulted in Nil revaluation gain / impairment loss.

	Fair value measurement of Plant and Equipment using significant unobservable inputs (Level 3)	
	2017	2016
	--------------(Rupees in '000)--------------	
Recurring fair value measurements		
Plant and equipment (owned)	6,310,935	7,442,019

There are no level 1 or 2 assets and have no transfers between levels 1 and 2 during the year.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 items for the year ended December 31, 2017 for recurring fair value measurements:

	LDI and Broadband Operations	WLL Operations	Total
	-------------------- (Rupees in '000) -------------------		
Balance as at December 31, 2016	6,634,840	807,179	7,442,019
Additions	57,376	-	57,376
Disposals	-	(568,140)	(568,140)
Depreciation	(581,953)	(38,367)	(620,320)
Balance as at December 31, 2017	6,110,263	200,672	6,310,935

Valuation techniques used to derive level 3 fair values

The Company obtains independent valuations for its plant and equipment (owned) at regular intervals. At the end of each reporting period, the management updates its assessment of the fair value of these assets, taking into account the most recent independent valuation. The management determines an asset's value within a range of reasonable fair value estimates. Level 3 fair value of plant and equipment (owned) relating to LDI and Broadband operations has been determined using a depreciated replacement cost approach, whereby, the current replacement cost of plant and equipment of similar make / origin, capacity and level of technology has been adjusted using a suitable depreciation rate on account of normal wear and tear and remaining useful lives of the assets. Level 3 fair value of plant and equipment (owned) relating to WLL operations has been mainly derived using the sales comparison approach. Sale prices of comparable assets are adjusted for differences in key attributes such as condition and location of assets.

Valuation inputs and relationship to fair value

Qualitative information about the significant unobservable inputs used in level 3 fair value measurements and their sensitivity analysis is as under:

Description	Significant Unobservable Inputs	Quantitative Data / Range and Relationship to the Fair Value
Plant and Equipment (Owned) - LDI and Broadband Operations	Cost of acquisition of similar plant and equipment with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using cost of acquisition of similar plant and machinery with similar level of technology and applying a suitable depreciation factor based on normal wear and tear and remaining useful lives of plant and machinery. Remaining useful lives have been estimated from 1 to 20 years. The higher the cost of acquisition of similar plant and machinery, higher the fair value of plant and machinery. Further, higher the depreciation rate, the lower the fair value of plant and machinery.
Plant and Equipment (Owned) - WLL Operations	Rating, nameplate data and fundamental technical characteristics of plant and equipment.	The market value has been determined by applying prevalent market prices to the rating, nameplate data and fundamental technical characteristics of plant and equipment. Higher the market price, higher the fair value.

20.1.2 Worldcall WLL business had been continuously facing challenges due to economic conditions and availability of better contemporary technologies. In order to reduce fixed network operational cost, certain towers were sold / settled to Towershare (Private) Limited (Towershare) and certain other landlords against advances received and outstanding rent payable. This initiative has resulted in settlement of liabilities and saving certain fixed network operational cost. Detail of carrying values adjusted under this disposal / settlement is as follows:

	2017	2016
	--------------(Rupees in '000)--------------	
Book value of tower sites disposed / settled	568,140	-
Adjusted accrued rent liability disclosed in trade and other payables	(623,949)	-
Adjusted advance received from Towershare disclosed in trade and other payables	(46,353)	-
Resultant gain on disposal arrangement	(102,162)	-

20.1.3 Carrying values of property, plant and equipment and current assets having charge against borrowings amount to Rs. 10.727 billion (2016: Rs. 10.727 billion).

20.1.4 Plant and equipment includes equipment deployed in implementing the Universal Service Fund ("USF") network which is subject to lien exercisable by USF Company ("USFC") in the event of failure by the Company to maintain service availability and quality specification.

20.1.5 A land measuring around 44.25 Marlas situated at Central Park Housing Society, Lahore is in ownership of the Company but has not been booked in these accounts as title of the land has not yet transferred to the Company.

20.2 Capital work-in-progress ("CWIP")

		2017	2016
Advances to suppliers		62,975	64,823
Plant and equipment		47,728	53,549
	20.2.1	110,703	118,372

20.2.1 The reconciliation of the carrying amount is as follows:

		2017	2016
Opening balance		118,372	99,838
Additions during the year		85,348	39,933
Transfers during the year		(66,828)	(21,399)
Written off during the year	37	(25,591)	-
Closing balance		110,703	118,372

Note 21
Intangible Assets

	Note	Licenses	Patents and copyrights	IRU - media cost	Softwares	Goodwill	Total
		----------	----------	(Rupees in '000)	----------	----------	
Cost / Revalued Amount							
Balance as at December 31, 2015		2,074,026	5,333	784,800	11,280	2,690,403	5,565,842
Elimination of accumulated depreciation against cost on revaluation		(23,019)	-	-	-	-	(23,019)
Revaluation surplus during the year		1,029,998	-	-	-	-	1,029,998
Additions / (deletions) during the year		-	-	-	-	-	-
Balance as at December 31, 2016		**3,081,005**	**5,333**	**784,800**	**11,280**	**2,690,403**	**6,572,821**
Additions / (deletions) during the year		1,750	-	-	-	-	1,750
Balance as at December 31, 2017		**3,082,755**	**5,333**	**784,800**	**11,280**	**2,690,403**	**6,574,571**
Amortization and Impairment							
Balance as at December 31, 2015		256,400	5,333	257,036	4,631	2,690,403	3,213,803
Elimination of accumulated depreciation against cost on revaluation		(23,019)	-	-	-	-	(23,019)
Amortization for the year	41	238,199	-	52,268	2,850	-	293,317
Balance as at December 31, 2016		471,580	5,333	309,304	7,481	2,690,403	3,484,101
Amortization for the year	41	337,716	-	52,268	2,850		392,834
Balance as at December 31, 2017		**809,296**	**5,333**	**361,572**	**10,331**	**2,690,403**	**3,876,935**
Book value as at December 31, 2016		2,609,425	-	475,496	3,799	-	3,088,720
Book value as at December 31, 2017		**2,273,459**	**-**	**423,228**	**949**	**-**	**2,697,636**
Annual amortization rate (%)		5 to 20	10	6.67	20	-	

21.1 During 2016, licenses and softwares were revalued by an independent professional valuer, M/s Arch-E'-Decon. The table below analyses the non-financial assets carried at fair value, by valuation method.

	2017	2016
	--------------(Rupees in '000)	--------------
Recurring fair value measurements of following items of intangible assets		
Licenses	2,273,459	2,609,425
Softwares	949	3,799
	2,274,408	2,613,224

There are no level 1 and level 2 assets and hence no transfers between levels 1 and 2 during 2017. During 2016, fair value measurement of licenses and softwares was transferred from level 2 to 3 due to significant adjustments to valuation inputs on account of the Company's specific circumstances, operational uses and future prospects of these assets to reflect a more realistic fair value estimate.

Fair value measurements using significant unobservable inputs (level 2)

The following table presents the changes in level 3 items for recurring fair value measurements:

	Licenses and Softwares	
	2017	2016
	--------------(Rupees in '000)--------------	
Opening balance	2,613,224	-
Transfers from level 2	-	1,824,275
Revaluation surplus arising during the year	-	1,029,998
Additions during the year	1,750	-
Amortization charged during the year	(340,566)	(241,049)
Closing balance	2,274,408	2,613,224

Valuation techniques used to derive level 2 and level 3 fair values:

The Company obtains independent valuations for its intangible assets (licenses and software) at regular intervals. At the end of each reporting period, the management updates its assessment of the fair value of these assets, taking into account the most recent independent valuation. The management determines an asset's value within a range of reasonable fair value estimates. Level 3 fair value of licenses and softwares has been mainly derived using the sales comparison approach. Auction prices of comparable assets are adjusted for differences in key attributes such as frequency and region of the assets.

Valuation inputs and relationship to fair value

The following table summarizes the quantitative and qualitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Significant Unobservable Inputs	Quantitative Data / Range and Relationship to the Fair Value
Licenses and Softwares	Auction prices for recently issued comparable licenses. Fundamental technical characteristics of WLL licenses such as frequency and region.	The market value has been determined by applying recent auction prices to the fundamental technical characteristics of WLL licenses. Higher the auction price, higher the fair value.

21.2 Had there been no revaluation, the net book value of licenses and softwares would have amounted to Rs. 1,409 million (2016: Rs. 838 million).

21.3 Licenses of the Company are encumbered with IGI Investment Bank Limited, trustee of TFC holders, as disclosed in Note 10.

Note 22
Investment Properties

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Opening balance		38,520	38,520
Fair value adjustment	22.1	7,280	-
Closing balance		45,800	38,520

22.1 As of the reporting date, investment properties comprise land. Latest valuation of these properties was carried out on December 31, 2017 by an approved independent valuer, M/s Gandhara Consultants, using sales comparison approach resulted in fair value gain of Rs. 7.28 million.

Fair value of the investment property of the Company is determined using significant other observable inputs [level 2].

Recurring fair value measurements

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2017.

Valuation techniques used to derive level 2 fair values

At the end of each reporting period, the management updates its assessment of the fair value of investment properties, taking into account the most recent independent valuation. The management determines the properties' value within a range of reasonable fair value estimates. Level 2 fair value of investment properties has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per square foot.

Note 23

Long Term Trade Receivable

This represents receivable against the sale of "Optical Fiber Cable" stated at amortized cost using effective interest rate of 16% per annum.

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Opening balance		77,061	91,953
Amortization of receivable	39	18,018	15,722
		95,079	107,675
Less: current portion		(29,839)	(30,614)
		65,240	77,061

Note 24

Deferred Taxation

		2017	2016
		--------------(Rupees in '000)--------------	
Asset for deferred taxation comprising temporary differences related to:			
-Unused tax losses		3,906,595	3,906,595
-Provision for doubtful debts		583,755	623,069
-Retirement benefits		72,672	82,479
-Provision for stores and spares & stock-in-trade		71,161	73,015
-Provision for doubtful advances and other receivables		52,603	56,001
Liability for deferred taxation comprising temporary differences related to:			
-Accelerated tax depreciation		(1,011,524)	(1,372,874)
-Surplus on revaluation of fixed assets		(318,920)	(318,920)
-Accelerated tax amortization		(661,603)	(489,479)
-Long term trade receivables		(23,118)	(23,118)
-Leasehold improvements		(10,249)	(4,831)
		2,661,372	2,531,937

Being prudent the Company has not recognised deferred tax assets of Rs. 2,608.96 million (2016: Rs. 1,648.96 million) in respect of unused tax depreciation losses.

The gross movement in net deferred tax asset during the year is as follows:

		2017	2016
Opening balance		(2,531,937)	(1,500,000)
Deferred tax on surplus on revaluation of fixed assets		-	308,999
Charged to other comprehensive income		(10,610)	4,377
Charged to the profit and loss account	43	(118,825)	(1,345,313)
Closing balance		2,661,372	(2,531,937)

Note 25

Long Term Loans (Secured Considered Good)

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Loans to employees:			
- Executives	25.1	6,731	4,377
- Others		2,865	6,872
		9,596	11,249
Current portion:			
- Executives		(3,869)	(4,029)
- Others		(2,837)	(4,009)
		(6,706)	(8,038)
		2,890	3,211

25.1 Executives

	2017	2016
Opening balance	4,377	5,564
Disbursements during the year	2,394	2,004
	6,771	7,568
Repayments/adjustments during the year	(40)	(3,191)
	6,731	4,377

These represent interest free loans given for various purposes, such as construction of houses and other personal needs as per the Company's policy. These are secured against gratuity and are recoverable within a period of three years from the date of disbursement through monthly deductions from salary. Maximum aggregate balance due at the end of any month during the year was Rs. 6.77 million (2016: Rs. 9.05 million). These include interest free loans given to key management personnel of the Company aggregating Rs. 2.45 million (2016: Rs. 3.32 million).

Note 26

Long Term Deposits

	2017	2016
	--------------(Rupees in '000)--------------	
Security deposits with:		
- Financial institutions	-	975
- Others	45,511	34,433
	45,511	35,408
Current portion	-	(975)
Less: Security deposits written off	-	(1,792)
	45,511	32,641

Note 27

Stores and Spares

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Cost		126,597	131,279
Less: Provision for obsolete/slow-moving items	27.1	(50,306)	(39,906)
		76,291	91,373

27.1 Provision for obsolete/slow-moving items

	Note	2017	2016
Opening balance		39,906	28,448
Add: Provision for the year	37	10,400	11,458
Closing balance		50,306	39,906

Note 28

Stock-in-Trade

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Cost		273,490	273,490
Less: Provision for obsolete/slow-moving stock-in-trade	28.1	(206,232)	(206,200)
		67,258	67,290

28.1 Provision for obsolete/slow-moving stock-in-trade

	Note	2017	2016
Opening balance		206,200	206,200
Add: Provision for the year	37	32	-
Closing balance		206,232	206,200

Note 29

Trade Debts

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Considered good - unsecured		1,075,745	761,262
Considered doubtful - unsecured		2,033,988	2,076,898
		3,109,733	2,838,160
Less: Provision for doubtful debts	29.1	(2,033,988)	(2,076,898)
		1,075,745	761,262

29.1 Provision for doubtful debts

	Note	2017	2016
Opening balance		2,076,898	2,028,401
Charged during the year	38	2,005	48,497
		2,078,903	2,076,898
Less: Bad debts written off		(44,915)	-
Closing balance		2,033,988	2,076,898

Note 30

Loans and Advances

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Advances to employees - considered good	30.1	46,183	49,264
Current portion of long term loans to employees	25	6,706	8,038
Advances to PTA - considered good	30.2	40,000	40,000
		92,889	97,302
Advances to suppliers:			
- Considered good	30.3	78,822	44,087
- Considered doubtful		111,229	114,612
		190,051	158,699
Less: Provision for doubtful advances	30.4	(111,229)	(114,612)
		78,822	44,087
		171,711	141,389

30.1 This includes advances given to executives amounting to Rs. 28.87 million (2016: Rs. 7.57 million) out of which Rs. 11.3 million (2016: Rs. 3.34 million) represents advances given to key management personnel of the Company.

30.2 This represents amount paid against demand on account of annual spectrum fee and other regulatory charges. PTA determined the demand amounting to Rs. 223.34 million vide its determination dated February 22, 2010. Being aggrieved, the Company's management preferred an appeal before the Honorable Lahore High Court ("LHC") against the PTA's determination. LHC granted stay against the recovery subject to payment of Rs. 40 million which was complied by the Company. Based on the advice of the Company's legal counsel, the Company's management feels that there are strong grounds to defend the Company's position and the ultimate decision would be in the Company's favor, therefore, the receivable amount is considered unimpaired as at the reporting date.

30.3 This includes advances given to a related party amounting to Rs. Nil (2016: Rs. 2.11 million)

30.4 Provision for doubtful advances

	2017	2016
	--------------(Rupees in '000)--------------	
Opening balance	114,612	111,980
Charged during the year	-	7,053
Less: reversal / written off during the year	(3,383)	(4,421)
Closing balance	111,229	114,612

Note 31

Deposits and Prepayments

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Deposit in Escrow Account	31.1	398,149	383,576
Margin and other deposits	31.2	25,355	32,680
Prepayments	31.3	20,297	14,588
Current portion of long term deposits		-	975
		443,801	431,819

31.1 The telecom operators challenged the legality of Access Promotion Contribution (APC) for Universal Service Fund (USF), as levied by PTA in 2009, and the dispute was finally decided by the honorable Supreme Court in December 2015. During pendency of the court proceedings, International Clearing House (ICH) agreement was signed in 2012, whereby it was decided that regular contributions for APC, based on each operator's share under the ICH agreement, shall be made by LDI operators in an Escrow Account maintained with PTCL. The balance in savings accounts includes Rs. 398.15 million (2016: Rs. 383.57 million) accumulated in Escrow Account as per this understanding.

The formation of ICH was declared anti-competitive by the Competition Commission of Pakistan, and resultantly PTA issued a policy directive in June 2014 terminating ICH arrangement. Some operators challenged this termination and obtained interim relief from Sindh High Court and Lahore High Court. However, Supreme Court adjudicated the matter in February 2015 in favor of termination of ICH, and pursuant upon this, PTA issued its notification of termination of ICH arrangement. As of now, the mechanism of the adjustment of the amount available in Escrow Account remains to be finalized.

31.2 These include deposits placed with banks against various guarantees and letters of credit.

31.3 This includes annual cable license fee prepaid to PEMRA amounting to Rs. 6.55 million (2016: Rs. 5.09 million).

Note 32
Short Term Investments - Available-for-Sale

	2017	2016	2017	2016
	------'No. of Shares ------		-----------(Rupees in '000)-----------	
The Bank of Punjab	10,528	10,528	87	186
Orix Leasing Pakistan Limited	10,903	10,903	453	515
Shaheen Insurance Company Limited	3,136,963	3,136,963	15,685	27,417
First Capital Securities Corporation Limited	3,991,754	3,991,754	6,786	23,392
Pace (Pakistan) Limited	6,959,290	6,959,290	28,811	78,501
Media Times Limited	4,199,500	4,199,500	7,139	20,788
			58,961	150,799

32.1 All shares have a face value of Rs. 10 each.

Note 33
Other Receivables

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Other receivables - considered good	33.1	49,258	119,486
Other receivables - considered doubtful		72,055	72,055
		121,313	191,541
Less: Provision for doubtful receivables	33.2	(72,055)	(72,055)
		49,258	119,486

33.1 This includes receivable aggregating Rs. 2.47 million (2016: Rs. 8.4 million) in respect of insurance claim for assets destroyed in fire at the Company's warehouse in Kot Lakhpat, Lahore during 2015 and Rs. 46.2 million (2016: Rs. 100 million) receivable from Pace Pakistan Limited.

33.2 Provision for doubtful receivables

	Note	2017	2016
Opening balance		72,055	69,930
Charged during the year	40	-	2,125
Closing balance		72,055	72,055

Note 34
Cash and Bank Balances

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Cash at bank:			
- Current accounts		2,602	3,845
- Savings accounts	34.1	7,366	7,006
		9,968	10,851
Cash in hand		3,284	5,219
Pay orders in hand		8,968	103,900
		22,220	119,970

34.1 The balances in savings accounts bear mark up at the rate ranging from 3% to 5% (2016: 4.5% to 5%) per annum.

Note 35

Non-Current Assets Classified as Held for Sale

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Opening balance		-	892,883
Transferred to property, plant and equipment	20.1	-	(892,883)
Closing balance		-	-

This represented Passive infrastructure (towers, civil works and gensets etc.) relating to WLL operations of the Company. An active plan to sell these assets was commenced in 2014 and a sale agreement was signed with Towershare (Private) Limited ("Towershare") on October 01, 2014. Accordingly, these assets were classified as held for sale under IFRS 5 - "Non-current Assets Held for Sale and Discontinued Operations". However, Towershare did not take transfer of all sites as per the aforementioned sale agreement. In view of the non-conclusion of the sale agreement with Towershare, these were re-classified to property, plant and equipment (Note 20.1) during the year 2016. However, the sale agreements were executed in the current year and 39 towers, having NBV of Rs. 71.565 million were sold to Towershare while 293 towers were sold / disposed to other parties as disclosed in Note 48.

Note 36

Revenue - net

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Gross revenue	36.1	2,433,507	1,963,640
Less: Sales tax		(86,902)	(68,637)
Less: Discount and commission		(24,855)	(75,297)
		(111,757)	(143,934)
		2,321,750	1,819,706

36.1 This includes revenue in respect of LDI services rendered to former Parent company aggregating Rs. Nil (2016: Rs. 20.55 million).

Note 37

Direct Cost

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Salaries, wages and benefits	37.1	214,915	297,343
Interconnect, settlement and other charges		1,106,018	721,683
PTCL share cost	37.2	23,953	46,144
Bandwidth and other PTCL charges		160,237	147,805
Power consumption and rent	37.3	138,858	337,158
Security services		9,087	46,371
PTA charges	37.4	13,166	9,068
Cable license fee		24,254	25,891
Stores and spares consumed		17,273	17,728
Annual spectrum fee		34,558	34,558
Content cost		14,263	33,982
Network maintenance and insurance		91,525	86,866
Network partner share		28,179	23,346
Fees and subscriptions		9,667	18,692
Revenue share cost		45,000	-
Others		2,570	1,537
		1,933,523	1,848,172

37.1 This includes contribution to gratuity amounting to Rs. 22.903 million (2016: Rs. 31.738 million) and accumulated leave absences amounting to Rs. 0.726 million (2016: Rs. 6.188 million).

37.2 This represents PTCL share cost determined under Revenue Sharing Agreement for WLL network services.

37.3 This includes operating lease rentals amounting to Rs. 73.048 million (2016: Rs. 263.81 million).

37.4 This represents PTA charges in respect of the following:

LDI license	37.4.1	10,171	3,934
WLL license - royalty fee		74	142
Broadband license		2,783	3,194
Telephony license	37.4.2	25	94
Annual numbering charges		113	1,704
		13,166	9,068

37.4.1 This represents LDI license charges in respect of the following:

Universal Service Fund	6,103	2,360
Research and Development Fund	2,034	787
Annual Regulatory Fee	2,034	787
	10,171	3,934

37.4.2 This represents Telephony license charges in respect of the following:

	2017	2016
	--------------(Rupees in '000)--------------	
Universal service fund	5	56
Research and development fund	5	19
Annual regulatory fee	15	19
	25	94

Note 38

Operating Cost

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Salaries, wages and benefits	38.1	303,217	324,316
Rent, rates and taxes	38.2	60,890	79,910
Travelling and conveyance		60,532	71,159
Legal and professional		46,320	37,385
Utilities		22,314	27,400
Transportation		19,747	20,429
Communications		11,976	12,184
Repairs and maintenance		15,333	14,559
Fees and subscriptions		10,742	1,461
Marketing, advertisement and selling expenses		4,491	852
Insurance		9,014	10,230
Printing and stationery		4,217	3,315
Business promotion and entertainment		34,942	9,445
Directors' meeting expenses		1,541	168
Postage and courier		875	386
Newspapers and periodicals		188	165
Security services		15,425	17,550
Miscellaneous		7,720	11,011
		629,484	641,925

38.1 This includes contribution to gratuity amounting to Rs. 26.845 million (2016: Rs. 37.200 million) and accumulated leave absences amounting to Rs. 0.851 million (2016: Rs. 7.254 million).

38.2 This includes operating lease rentals amounting to Rs. 60.583 million (2016: Rs. 77.34 million).

Note 39

Other Income

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Income from financial assets / liabilities			
Income on deposit and savings accounts		18,130	18,664
Adjustment due to impact of IAS-39	11.2	24,107	-
Amortization of receivable	23	18,018	15,722
		60,255	34,386
Income from non - financial assets / liabilities			
Scrap sales		4,184	1,395
Gain on disposal of property, plant and equipment		105,125	5,245
Change in fair value of investment properties		7,280	-
Liabilities written back:			
Liabilities towards the former Parent Company - Omantel	14.1	3,085,841	-
Write back of receipts from the former Parent Company - Omantel under SPA		1,204,526	-
Write back of loan from National Bank of Oman	11.3	3,668,000	-
Write back of insurance premium payable		-	62,826
Write back of miscellaneous liabilities no longer payable		6,359	37,330
Reversal of provision for advance to suppliers		3,384	-
Liquidated damages		-	45,312
Miscellaneous		246	5,841
		8,084,945	157,949
		8,145,200	192,335

Note 40
Other Expenses

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Early termination charges		97,940	-
Exchange loss		104,499	2,995
Capital work in progress written off during the year	20.2.1	25,591	-
Provision for stores and spares	27.1	10,400	11,458
Auditors' remuneration	40.1	3,300	4,900
Provision for doubtful debts	29.1	2,005	48,497
Provision for stock-in-trade	28.1	32	-
Forfeiture of performance guarantee		-	138,676
Metro cost		-	69,168
Provision for doubtful advances	30.4	-	7,053
Provision for doubtful receivables	33.2	-	2,125
Long term deposits written off	26	-	1,792
Fine and penalties		-	79
		243,767	286,743

40.1 Auditors' remuneration

	2017	2016
Statutory audit	1,750	2,750
Half year review	750	1,100
Other assurance services	150	300
Out of pocket expenses	350	750
Certifications	300	-
	3,300	4,900

Note 41
Depreciation and Amortization

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Depreciation	20.1	674,335	939,366
Amortization	21	392,834	293,317
		1,067,169	1,232,683

Note 42
Finance Cost

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Mark up on term finance certificates		168,681	165,292
Management and advisory fee	42.1	86,844	186,268
Mark up on long term financing		41,928	155,479
Mark up on short term borrowings		44,658	50,355
Financial charge on lease liabilities		23	188
Bank charges and commission		5,560	8,747
		347,694	566,329

42.1 This includes Rs. 86.84 million (2016: Rs. 181.58 million) for management fee in respect of CPS to the former Parent company.

Note 43
Taxation

	Note	2017	2016
		--------------(Rupees in '000)--------------	
Current			
- For the year	43.1	276,517	46,239
- Prior years		(14,139)	-
		262,378	46,239
Deferred		(118,825)	(1,345,313)
		143,553	(1,299,074)

43.1 The provision for current taxation represents Alternate Corporate Tax under section 113 of the Income Tax Ordinance, 2001 (ITO) and minimum / final tax under section 153(1)(b) of ITO on deductible services.

Note 44
Earnings / (Loss) per Share - Basic and Diluted

		2017	2016
		--------------(Rupees in '000)--------------	
44.1 Basic earnings / (loss) per share:			
Profit / (Loss) after taxation		6,101,760	(1,264,736)
Adjustments for:			
Dividend on CPS		(258,700)	(217,006)
Exchange loss on CPS		(180,302)	-
		(439,002)	(217,006)
Profit / (Loss) attributable to ordinary shareholders		5,662,758	(1,481,742)
Weighted average number of ordinary shares	Number in '000	917,022	860,572
Basic earnings / (loss) per share	Rupees	6.18	(1.72)

44.2 Diluted earnings / (loss) per share:

		2017	2016
Profit / (Loss) attributable to ordinary shareholders		5,662,758	(1,481,742)
Adjustments for:			
Dividend on CPS		258,700	217,006
Exchange loss on CPS		180,302	-
		439,002	217,006
Profit / (Loss) used to determine diluted loss per share		6,101,760	(1,264,736)
Weighted average number of ordinary shares	Number in '000	917,022	860,572
Assumed conversion of CPS and dividend thereon into ordinary shares	Number in '000	2,363,137	2,291,974
Weighted average number of ordinary shares for diluted loss per share	Number in '000	3,280,159	3,152,546
Diluted earnings / (loss) per share	Rupees	1.86	(0.40)

44.2.1 The dilution effect on basic earning per share is due to conversion option on CPS. The basic weighted average number of shares have been adjusted for conversion option available to preference shareholders.

44.2.2 The effect of the conversion of the CPS into ordinary shares is anti-dilutive for comparative year presented. Accordingly, the diluted loss per share is restricted to the basic loss per share.

Note 45

Cash Generated from / (Used in) Operations

	2017	2016
	--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	6,245,313	(2,563,810)
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	674,335	939,366
- Amortization on intangible assets	392,834	293,317
- Amortization of long term trade receivable	(18,018)	(15,722)
- Provision for doubtful debts and other receivables	2,005	50,622
- Provision for stock-in-trade and stores and spares	10,432	11,458
- Provision for doubtful advances	-	7,053
- Profit on disposal of property, plant and equipment	(105,125)	(5,245)
- Liabilities towards Omantel	(3,085,841)	-
- Write back of receipts from the former Parent Company - Omantel under SPA	(1,204,526)	-
- Write back of loan from National Bank of Oman	(3,668,000)	-
- Write back of insurance premium payable	-	(62,826)
- Write back of miscellaneous liabilities no longer payable	(6,359)	(37,330)
- Reversal of provision for advance to suppliers	(3,384)	-
- Gain on re-measurement of investment properties at fair value	(7,280)	-
- Retirement benefits	56,591	59,640
- Capital work in progress written off during the year	25,591	-
- Long term deposits written off	-	1,792
- Adjustment due to impact of IAS-39	(24,107)	-
- Exchange loss on foreign currency loan	17,300	2,995
- Management and advisory fee	86,844	186,268
- Finance cost	260,850	380,061
	(6,595,858)	1,811,449
Operating loss before working capital changes	(350,545)	(752,361)
(Increase) / decrease in current assets		
- Stores and spares	4,682	15,898
- Stock-in-trade	-	(115)
- Trade debts	(316,488)	(312,791)
- Loans and advances	(26,938)	(63,431)
- Deposits and prepayments	(11,982)	(19,571)
- Other receivables	70,228	178,538
Increase in current liabilities		
- Trade and other payables	977,304	902,180
	696,806	700,708
Cash generated from / (used in) operations	346,261	(51,653)

Note 46

Remuneration of Chief Executive Officer, Directors and Executives

Aggregate amounts charged in the financial statements for the year as remuneration and benefits to the chief executive, full time working directors and other executives of the company are as follows:

	Chief Executive		Non-Executive Directors		Executive Directors		Executives	
	2017	2016	2017	2016	2017	2016	2017	2016
	--------(Rupees in '000)-------		--------(Rupees in '000)-------		--------(Rupees in '000)-------		--------(Rupees in '000)-------	
Managerial remuneration	17,920	17,920	6,813	-	1,855	-	120,302	149,559
Retirement benefits	2,987	2,987	1,118	-	309	-	18,400	24,837
House rent allowance	7,168	7,168	2,725	-	742	-	48,121	59,824
Utilities	1,792	1,792	681	-	186	-	12,030	14,956
Meeting fee allowance	171	-	1,028	168	88	-	-	-
Advisory fee	-	-	4,942	4,200	-	-	-	-
	30,038	29,867	17,307	4,368	3,180	-	198,853	249,176
Number of persons	1	1	5	7	1	-	112	89

46.1 An executive is defined as an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 500,000 in a financial year.

Note 47

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 year

Related party	Relationship	Nature of transaction	2017	2016
			--------(Rupees in '000)---------	
Oman Telecommunication SAOG	Former Parent company	Dividend on preference shares	115,168	217,006
		Rendering of LDI services to Omantel	-	20,550
		Management fee on preference shares	86,844	181,580
		Receipts under SPA	624,867	579,659
Worldcall Services (Private) Limited	Parent company	Receipts under SPA	-	419,200
		Advance written off	-	4,421
		Funds received by the Company during the year	419,264	-
		Funds repaid by the Company during the year	77,127	-
		Expense paid on behalf of the Company	90,000	-
		Settlement with multinet	105,000	-
		Markup on long term borrowings	28,606	-
		Markup on short term borrowings	-	4,137
Ferret Consulting - F.Z.C	Associate	Dividend on CPS	143,532	-
Chief Financial Officer	Associated person	Sale of vehicle	-	648

The amounts above do not include salaries and other employee benefits of the Chief Executive Officer, directors and executives of the Company which have been disclosed in note 46.

Outstanding Balance as at the year end

		2017	2016
Oman Telecommunication SAOG	Receipts under SPA	-	579,659
	Trade creditors	-	2,998,997
Worldcall Services (Private) Limited	Advance to supplier	-	2,109
	Short term borrowings	-	419,200
	Sponsors' loan	675,893	-
	Trade creditors	7,375	23,121
	Accrued markup	32,969	4,137
	Payable under current account	63,637	-
Key management personnel	Payable against expenses, salaries and other employee benefits	36,589	115,049
	Long term loans	2,450	11,249
	Advance	5,837	7,567

Note 48

Disposal of Operating Fixed Assets

Particulars	Name of Buyer	2017 Cost	Accumulated Depreciation	Written Down Value	Sale Proceeds / Settlement Value	Gain / (Loss)	Mode of Disposal
		---------- (Rupees in '000) ----------					
Plant and equipment (Note 20.1.2)	Outside party						
	Towershare (Private) Limited	1,857	418	1,439	1,637	198	Negotiation
	Towershare (Private) Limited	3,089	695	2,394	5,651	3,257	Negotiation
	Towershare (Private) Limited	2,159	486	1,673	2,224	551	Negotiation
	Towershare (Private) Limited	2,020	454	1,566	3,325	1,759	Negotiation
	Towershare (Private) Limited	2,403	541	1,862	1,272	(590)	Negotiation
	Towershare (Private) Limited	2,777	625	2,152	1,228	(924)	Negotiation
	Towershare (Private) Limited	2,658	598	2,060	1,655	(405)	Negotiation
	Towershare (Private) Limited	2,166	487	1,679	1,336	(343)	Negotiation
	Towershare (Private) Limited	3,347	753	2,594	1,543	(1,051)	Negotiation
	Towershare (Private) Limited	2,446	550	1,896	1,045	(851)	Negotiation
	Towershare (Private) Limited	1,138	256	882	469	(413)	Negotiation
	Towershare (Private) Limited	897	202	695	1,567	872	Negotiation
	Towershare (Private) Limited	1,138	256	882	1,836	954	Negotiation
	Towershare (Private) Limited	1,613	363	1,250	2,437	1,187	Negotiation
	Towershare (Private) Limited	1,138	256	882	1,092	210	Negotiation
	Towershare (Private) Limited	1,898	427	1,471	2,890	1,419	Negotiation
	Towershare (Private) Limited	1,265	285	980	1,843	863	Negotiation
	Towershare (Private) Limited	3,155	710	2,445	615	(1,830)	Negotiation
	Towershare (Private) Limited	3,116	701	2,415	2,378	(37)	Negotiation
	Towershare (Private) Limited	2,225	501	1,724	2,888	1,164	Negotiation
	Towershare (Private) Limited	2,241	504	1,737	7,681	5,944	Negotiation
	Towershare (Private) Limited	2,948	663	2,285	978	(1,307)	Negotiation
	Towershare (Private) Limited	2,726	613	2,113	2,163	50	Negotiation
	Towershare (Private) Limited	1,948	438	1,510	1,223	(287)	Negotiation
	Towershare (Private) Limited	1,224	276	948	672	(276)	Negotiation
	Towershare (Private) Limited	2,149	483	1,666	2,379	713	Negotiation
	Towershare (Private) Limited	3,799	855	2,944	2,549	(395)	Negotiation
	Towershare (Private) Limited	2,447	551	1,896	2,490	594	Negotiation
	Towershare (Private) Limited	2,262	509	1,753	2,858	1,105	Negotiation
	Towershare (Private) Limited	2,531	570	1,961	2,457	496	Negotiation
	Towershare (Private) Limited	3,120	702	2,418	1,305	(1,113)	Negotiation
	Towershare (Private) Limited	2,003	451	1,552	1,443	(109)	Negotiation
	Towershare (Private) Limited	2,391	538	1,853	1,969	116	Negotiation
	Towershare (Private) Limited	3,137	706	2,431	3,475	1,044	Negotiation
	Towershare (Private) Limited	2,956	665	2,291	2,381	90	Negotiation
	Towershare (Private) Limited	2,929	659	2,270	1,932	(338)	Negotiation
	Towershare (Private) Limited	3,004	676	2,328	2,086	(242)	Negotiation
	Towershare (Private) Limited	2,334	525	1,809	1,721	(88)	Negotiation
	Towershare (Private) Limited	3,689	830	2,859	2,651	(208)	Negotiation
	Muhammad Khan	2,343	527	1,816	1,088	(728)	Settlement
	M. Hassan Khan Tikka	2,097	472	1,625	4,399	2,774	Settlement
	Muhammad Zafar	2,880	648	2,232	1,847	(385)	Settlement
	Muhammad Rasheed	2,922	657	2,265	1,229	(1,036)	Settlement
	Muhammad Kashif	1,880	423	1,457	1,136	(321)	Settlement
	Asad Aziz	2,809	632	2,177	2,771	594	Settlement
	Muhammad Asghar Zahid	2,559	576	1,983	2,384	401	Settlement
	Muhammad Akram / Muhammad Anwar	1,940	436	1,504	5,038	3,534	Settlement
	Malik Muhammad Akram	2,033	457	1,576	3,013	1,437	Settlement
	Muhammad Asghar Cheema	3,004	676	2,328	2,388	60	Settlement
	Nadeem Tahir	3,218	724	2,494	4,033	1,539	Settlement
	Syed Afzal Hussain Shah	2,624	590	2,034	1,515	(519)	Settlement
	M. Asghar	2,423	545	1,878	1,118	(760)	Settlement
	Mrs. Abida Begum	2,678	603	2,075	673	(1,402)	Settlement
	M. Tariq	2,341	527	1,814	1,920	106	Settlement
	Abdul Sattar	2,725	613	2,112	1,651	(461)	Settlement
	Lubna Parveen	2,267	510	1,757	1,341	(416)	Settlement
	Amjad Pervaiz	2,396	539	1,857	2,407	550	Settlement
	Muhammad Hussain	2,151	484	1,667	1,621	(46)	Settlement
	M. Ashraf Awan	3,151	709	2,442	1,887	(555)	Settlement
	Liaqat Ali	3,544	798	2,746	1,620	(1,126)	Settlement
	Basheera Bibi	3,028	681	2,347	1,889	(458)	Settlement
	Khalid Mahmood / M. Irshad Ahmad	2,116	476	1,640	2,621	981	Settlement
	Rana Muhammad Zulfiqar	2,062	464	1,598	3,739	2,141	Settlement
	Nazeer Ahmad Khan	3,037	683	2,354	1,655	(699)	Settlement
	Muhammad Taufiq	3,130	704	2,426	2,492	66	Settlement
	Abid Hussain / Muhammad Nazir	2,475	557	1,918	2,359	441	Settlement
	Muhammad Tahir Sarwer	2,466	555	1,911	2,045	134	Settlement
	Rasool Bibi	2,427	546	1,881	2,024	143	Settlement
	Rubina Sajid	2,485	559	1,926	1,188	(738)	Settlement
	Imran Khan	2,499	562	1,937	1,172	(765)	Settlement
	Zubair Rasheed	1,890	425	1,465	1,940	475	Settlement
	Irum Jahan	2,438	548	1,890	2,244	354	Settlement
	Muhammad Iqbal Dogar	2,665	600	2,065	2,244	179	Settlement
	Irum Jahan	2,743	617	2,126	2,759	633	Settlement
	Mr. Shabbir Hussain Shah	2,976	670	2,306	2,041	(265)	Settlement
	Mr. M. Munir	2,641	594	2,047	2,699	652	Settlement
	Mr. Yasir Waheed Butt	2,478	557	1,921	1,979	58	Settlement
	M. Sharif / Arif Sharif / Tauraf Sharif / M. Asif	2,883	649	2,234	1,979	(255)	Settlement
	Amanat Ali Bhatti	2,001	450	1,551	1,979	428	Settlement
	Sulaiman Khan	2,833	637	2,196	2,619	423	Settlement
	Zubaida Jafree	2,597	584	2,013	1,221	(792)	Settlement
	M. Sharif	3,221	725	2,496	979	(1,517)	Settlement
	Ms. Noor Jahan	2,685	604	2,081	2,348	267	Settlement
	Sohail Naseem Butt	2,606	586	2,020	1,517	(503)	Settlement
	M. Ashfaq	3,244	730	2,514	1,634	(880)	Settlement
	Yousaf Masih / Mrs. Tareeza	3,540	797	2,743	2,436	(307)	Settlement
	M. Nasir	4,296	967	3,329	1,127	(2,202)	Settlement
	M. Nawaz Tahir	3,317	746	2,571	2,345	(226)	Settlement
	Sughra Begum	1,612	363	1,249	1,979	730	Settlement
	Muhammad Hanif	1,527	344	1,183	2,375	1,192	Settlement
	Naeem Anwar / Jamil Ahmed	1,277	287	990	2,243	1,253	Settlement
	Salma Ayub	2,064	464	1,600	1,015	(585)	Settlement
	Musarrat Zaheer	2,064	464	1,600	2,062	462	Settlement
	Mohammad Dawood	1,440	324	1,116	2,497	1,381	Settlement
	Mehffoz Ahmed Bajwa	2,064	464	1,600	1,207	(393)	Settlement
	Haji Abdul Haque	1,440	324	1,116	2,513	1,397	Settlement
	Asif Siddique Khan	1,277	287	990	1,687	697	Settlement
	Abdul Latif	2,064	464	1,600	1,857	257	Settlement

Aijaz Ahmad Qazi	1,612	363	1,249	2,269	1,020	Settlement
Muhammad Ali	1,277	287	990	1,028	38	Settlement
Akhlaq Hussain	1,277	287	990	2,196	1,206	Settlement
Muhammad Umar	1,440	324	1,116	988	(128)	Settlement
Junaid Ur Rahman	1,277	287	990	1,485	495	Settlement
Nagina Baigum	1,440	324	1,116	2,224	1,108	Settlement
Bashir Ahmad	2,385	537	1,848	1,889	41	Settlement
Allah Baksh	1,891	425	1,466	1,447	(19)	Settlement
Muhammad Afzal	2,005	451	1,554	1,442	(112)	Settlement
M. Afzal / M. Akhtar	2,295	516	1,779	2,723	944	Settlement
Muhammad Akhtar / M. Iqbal	3,021	680	2,341	3,394	1,053	Settlement
Muhammad Aslam	3,324	748	2,576	2,390	(186)	Settlement
Muhammad Ahmad Tayyab	1,138	256	882	1,610	728	Settlement
Rabia Begum	1,138	256	882	1,701	819	Settlement
Muhammad Ayoob	1,138	256	882	2,622	1,740	Settlement
Mudasar-ul-Zaman Khan	792	178	614	2,004	1,390	Settlement
Ms. Mariya Usman	1,138	256	882	2,004	1,122	Settlement
Nasir Waheed	1,138	256	882	2,045	1,163	Settlement
Muzaffar Hassan	1,283	289	994	2,226	1,232	Settlement
Mian Dad	1,283	289	994	862	(132)	Settlement
Abdul Haleem	958	216	742	1,710	968	Settlement
Shaikh Gulfam Ahmad / Sheikh Faisal Feroz	1,366	307	1,059	2,225	1,166	Settlement
Muhammad Asif Majeed	1,437	323	1,114	2,392	1,278	Settlement
Mrs. Shabnam	1,283	289	994	1,585	591	Settlement
Muhammad Saleem	1,283	289	994	1,728	734	Settlement
Mubashir Ahmad	1,283	289	994	1,453	459	Settlement
Younis Ali Khan	1,194	269	925	2,812	1,887	Settlement
Mohammad Rafiq	1,138	256	882	1,363	481	Settlement
Nihal Ahmed Khan	1,283	289	994	1,710	716	Settlement
Haroon Rashid / M. Farooq	1,866	420	1,446	1,280	(166)	Settlement
Syed Illyas Rizvi / Arshad Shah	1,283	289	994	2,120	1,126	Settlement
Rabia Bai	1,138	256	882	2,519	1,637	Settlement
Syed Muhammad Khalid Faisal	1,129	254	875	2,519	1,644	Settlement
Abdul Musa	1,866	420	1,446	2,748	1,302	Settlement
Fareeda Lakhani	1,138	256	882	2,004	1,122	Settlement
Dost Mohammad	1,523	343	1,180	1,555	375	Settlement
Muhammad Younus	1,482	333	1,149	1,700	551	Settlement
Mrs. Noor-us- Saba	1,283	289	994	1,536	542	Settlement
Muhammad Adnan	1,437	323	1,114	1,006	(108)	Settlement
Abdur Rasheed	1,138	256	882	1,854	972	Settlement
Ms. Yasmeen	1,437	323	1,114	449	(665)	Settlement
Aisha Begum	1,437	323	1,114	1,669	555	Settlement
Syeda Ishrat Jahan	1,283	289	994	1,710	716	Settlement
Islam ud Din	1,386	312	1,074	1,965	891	Settlement
Muhammad Hussian	1,283	289	994	2,192	1,198	Settlement
Asif Kausar	1,506	339	1,167	1,201	34	Settlement
Abdul Quddous	1,138	256	882	2,874	1,992	Settlement
Shujaat Hussain	1,283	289	994	1,609	615	Settlement
Aftab Ahmad	1,866	420	1,446	1,481	35	Settlement
Muhammed Mirza	1,482	333	1,149	1,896	747	Settlement
Nusrat Begum	1,283	289	994	2,508	1,514	Settlement
Shah Wali Khan	792	178	614	1,220	606	Settlement
Parveez Ahmed	1,138	256	882	1,552	670	Settlement
Waheed Ali Burki	1,898	427	1,471	1,587	116	Settlement
Syed Shoukat Ali	1,283	289	994	2,122	1,128	Settlement
Abdul Hameed Maniar	1,352	304	1,048	1,923	875	Settlement
Dilzaq Khan	1,138	256	882	2,226	1,344	Settlement
Riyaz Khan	1,613	363	1,250	933	(317)	Settlement
Lal Zaman Shah	1,138	256	882	1,725	843	Settlement
Muhammad Imran	1,644	370	1,274	2,571	1,297	Settlement
Fayyazan Bibi	1,283	289	994	2,004	1,010	Settlement
Khuda Bux Baloch	1,138	256	882	1,136	254	Settlement
Muhammad Zia ul Haq Abbasi	1,391	313	1,078	1,449	371	Settlement
Muhammad Hanif	1,283	289	994	3,011	2,017	Settlement
Habib Ur Rahman	1,437	323	1,114	1,394	280	Settlement
Zubaida Khatoon	1,866	420	1,446	1,680	234	Settlement
Afzal Begum	1,283	289	994	961	(33)	Settlement
Muhammad Saleem	1,138	256	882	1,786	904	Settlement
Aqif Qurashi	1,138	256	882	1,126	244	Settlement
Qari Mehmood ul Hassan	1,324	298	1,026	1,136	110	Settlement
Mohammad Iqbal / Zahida Begum	1,138	256	882	1,477	595	Settlement
Abdul Wahid	1,821	410	1,411	2,364	953	Settlement
Malik Muhammad Rafique	1,439	324	1,115	1,764	649	Settlement
Syed Mohammad Ali	1,315	296	1,019	1,481	462	Settlement
Ahmad Khan	1,200	270	930	1,369	439	Settlement
Faisal	1,346	303	1,043	2,200	1,157	Settlement
Rahat Nisar	1,896	427	1,469	1,781	312	Settlement
Munir Haider	1,333	300	1,033	1,419	386	Settlement
Afzal	1,144	257	887	2,560	1,673	Settlement
Riaz Ahmed	1,138	256	882	901	19	Settlement
Fazla Shamim	1,608	362	1,246	1,463	217	Settlement
Qazi Muhd Usman	897	202	695	1,666	971	Settlement
Bacha Khan	1,187	267	920	1,109	189	Settlement
Saleem Kasbati / Saleem Ahmed	872	196	676	1,092	416	Settlement
Sohail Muhammad Sabir	804	181	623	1,079	456	Settlement
Nadeem Rajput	849	191	658	1,052	394	Settlement
Naseer udin Qureshi	822	185	637	739	102	Settlement
Muhammad Saleem Dewan / Sagir Ahmad	853	192	661	816	155	Settlement
Rasheed Ahmed / Samama Hill View Residency Welfare Association	825	186	639	540	(99)	Settlement
Mehboob-Ur-Rehman	899	202	697	2,366	1,669	Settlement
Mr. Ehtisham Ul Haq	962	216	746	2,683	1,937	Settlement
Muhammed Asif	829	187	642	2,569	1,927	Settlement
Muhammad Ali	899	202	697	3,343	2,646	Settlement
Moosa	1,187	267	920	1,806	886	Settlement
Mrs. Tazeen Qadir	3,096	697	2,399	831	(1,568)	Settlement
Rana Muhammad Azam	2,458	553	1,905	1,024	(881)	Settlement
Nasir ul Islam / Qaiser Hussain	1,661	374	1,287	1,092	(195)	Settlement
Abdul Rauf	4,437	998	3,439	2,718	(721)	Settlement
Nadeem Malik	3,600	810	2,790	2,086	(704)	Settlement
Nian Hamid Miraj / Mian Ahmed Miraj	2,226	501	1,725	1,085	(640)	Settlement
Ch M. Nawaz Ghazi	2,080	468	1,612	1,545	(67)	Settlement
Nadeem Arshad	3,019	679	2,340	1,395	(945)	Settlement
Mrs. Arjumand Bano	2,932	660	2,272	1,528	(744)	Settlement
Adeel / Talha / Tayyab	2,469	556	1,913	1,806	(107)	Settlement
Dar ul Shafa	2,786	627	2,159	2,122	(37)	Settlement
Zulfiqar Ali	3,103	698	2,405	3,513	1,108	Settlement
Tariq Pervaiz / Rukhsana Tariq	3,034	683	2,351	1,335	(1,016)	Settlement
Hafeez ur Rehman	2,386	537	1,849	1,310	(539)	Settlement
Muhammad Imran	2,142	482	1,660	2,183	523	Settlement
Mehdi Hassan	1,893	426	1,467	1,681	214	Settlement
Shabana Naz	1,914	431	1,483	1,505	22	Settlement
Rashid Barkat Ali	2,410	542	1,868	6,133	4,265	Settlement
M. Nazeer	2,669	601	2,068	1,756	(312)	Settlement
Altaf ur Rehman / Seema Naz / Faiza Khalid	3,322	747	2,575	1,817	(758)	Settlement
Nisar Ahmad Malik	2,681	603	2,078	3,062	984	Settlement
Javed Tariq	1,515	341	1,174	6,283	5,109	Settlement
Muhammad Shaukat Mighal	1,762	396	1,366	1,434	68	Settlement
Muhammad Anwar	2,878	648	2,230	1,576	(654)	Settlement

Muhammad Ismail	2,826	636	2,190	873	(1,317)	Settlement
Muhammad Ali Sabzwari	2,444	550	1,894	3,513	1,619	Settlement
Malik Muhammad Ameer	2,683	604	2,079	873	(1,206)	Settlement
Sh Hamid Hakeem	2,600	585	2,015	1,069	(946)	Settlement
Muhammad Suleman Ghauri	3,231	727	2,504	1,493	(1,011)	Settlement
Muhammad Ayub / Muhammad Farooq Yousaf	3,499	787	2,712	873	(1,839)	Settlement
Altaf ur Rehman	1,390	313	1,077	5,163	4,086	Settlement
Muhammad Aslam	1,518	342	1,176	5,163	3,987	Settlement
Gulab Devi Chest Hospital	1,465	330	1,135	5,786	4,651	Settlement
Muhammad Shah Jahan Khan / Rehana Shah Jahan Khan	2,449	551	1,898	2,888	990	Settlement
The Co-Operative Model Town Society Lahore	3,427	771	2,656	873	(1,783)	Settlement
Muhammad Ramzan Sajid	2,250	506	1,744	1,908	164	Settlement
Muhammad Sadaqat Raza	3,449	776	2,673	917	(1,756)	Settlement
Mrs. Rafia bibi	3,203	721	2,482	2,544	62	Settlement
Pakistan Expatriates Co-Operative Housing Society Ltd	2,600	585	2,015	755	(1,260)	Settlement
Muhammad Riaz	2,823	635	2,188	1,039	(1,149)	Settlement
Zafar Iqbal Chaudary	2,493	561	1,932	1,303	(629)	Settlement
Muhammad Qasim	4,247	956	3,291	1,509	(1,782)	Settlement
SWOL	3,910	880	3,030	1,505	(1,525)	Settlement
Muhammad Shafiq	2,685	604	2,081	1,099	(982)	Settlement
Amrouz Khan	3,258	733	2,525	1,963	(562)	Settlement
DHA	1,596	359	1,237	1,341	104	Settlement
Social Welfare Society Mughal Pura	1,130	254	876	1,257	381	Settlement
Muhammad Khalid Javed	1,545	348	1,197	1,207	10	Settlement
Riasat Ali	3,563	802	2,761	1,309	(1,452)	Settlement
Muhammad Rafique Riasat Ali	3,785	852	2,933	2,137	(796)	Settlement
M. Bashir	4,475	1,007	3,468	2,291	(1,177)	Settlement
Taj Din	3,539	796	2,743	1,666	(1,077)	Settlement
Hanifan Bibi	3,314	746	2,568	2,317	(251)	Settlement
SWOL	3,391	763	2,628	1,898	(730)	Settlement
Mrs. Naveeda Zarar	2,062	464	1,598	1,430	(168)	Settlement
Muhammad Jamil Ahmed / Nadeem Ali	2,220	500	1,720	2,142	422	Settlement
Miran Jan	2,183	491	1,692	2,185	493	Settlement
Arshad Iqbal	2,668	600	2,068	1,753	(315)	Settlement
Sheikh Muhammad Yaqoob	2,077	467	1,610	2,619	1,009	Settlement
Muhammad Hanif / Muhammad Amin	2,664	599	2,065	1,954	(111)	Settlement
Malik Muhammad Aslam	2,937	661	2,276	1,926	(350)	Settlement
Shahid Aziz	2,377	535	1,842	2,043	201	Settlement
Riaz Ali Shah	2,613	588	2,025	1,301	(724)	Settlement
Mrs. Farzana Imran	1,377	310	1,067	2,677	1,610	Settlement
Haji Muhammad Munir	1,333	300	1,033	2,321	1,288	Settlement
Khawaja Muhammad Bakhsh	1,314	296	1,018	2,648	1,630	Settlement
Mushtaq Ahmad	1,302	293	1,009	2,626	1,617	Settlement
Ali Fawad Malik	2,978	670	2,308	645	(1,663)	Settlement
Jahanzeb Fareed	2,584	581	2,003	898	(1,105)	Settlement
Iftikhar Ahmad Malik	2,163	487	1,676	2,108	432	Settlement
Fawad Yaqub Butt	2,963	667	2,296	2,676	380	Settlement
Mian M. Pervaiz / Mian M. Javed / Mian Fakhar / Mian Nadeem	2,275	512	1,763	2,614	851	Settlement
Shameem Akhtar / Abdul Qadir	2,375	534	1,841	2,346	505	Settlement
Kamalud Din / Jamalud Din	3,051	686	2,365	2,623	258	Settlement
Zubaida Nazir	2,835	638	2,197	3,685	1,488	Settlement
Muhammad Ashraf	2,848	641	2,207	1,544	(663)	Settlement
M. Nawaz / M Sajjad	2,456	553	1,903	1,998	95	Settlement
Shah Baig	2,618	589	2,029	4,225	2,196	Settlement
Ali Badshah	2,166	487	1,679	2,350	671	Settlement
Muhammad Shoaib Khan	1,890	425	1,465	866	(599)	Settlement
Muhammad Bilal	3,460	779	2,681	2,114	(567)	Settlement
Suhail Ashraf	2,981	671	2,310	1,598	(712)	Settlement
Ahmad Hasan / Faisal Shahzad	2,823	635	2,188	664	(1,524)	Settlement
Nazir Ahmed	2,893	651	2,242	2,543	301	Settlement
Abdul Samad	2,725	613	2,112	1,633	(479)	Settlement
Sajjad Ahmad	3,130	704	2,426	1,488	(938)	Settlement
Mushtaq Ahmed Kashif	3,127	704	2,423	2,303	(120)	Settlement
Farhat Begum	3,375	759	2,616	2,532	(84)	Settlement
Ghulam Fareed	3,355	755	2,600	1,917	(683)	Settlement
M. Ashraf / M. Arshad	3,001	675	2,326	613	(1,713)	Settlement
Ashfaq Ahmad	3,541	797	2,744	1,926	(818)	Settlement
Sheikh Muhammad Mudassar	2,996	674	2,322	3,604	1,282	Settlement
Muhammad Ramzan	3,438	773	2,665	2,260	(405)	Settlement
Irfan Ahmad	3,504	788	2,716	1,719	(997)	Settlement
Muhammad Jamil	3,358	756	2,602	1,784	(818)	Settlement
Tariq Shakeel	2,735	615	2,120	2,853	733	Settlement
Uzma Zafar	2,514	566	1,948	2,248	300	Settlement
Mian Muhammad Waseem	1,918	432	1,486	2,053	567	Settlement
Muhammad Amir Khalid	2,020	455	1,565	2,845	1,280	Settlement
Imtiaz Khan / Fayyaz	2,998	674	2,324	2,601	277	Settlement
Abdul Qayum	1,878	423	1,455	2,964	1,509	Settlement
Barat Khan	2,760	621	2,139	3,871	1,732	Settlement
Ajab Khan	2,423	545	1,878	1,819	(59)	Settlement
Izzat Khan	2,929	659	2,270	2,497	227	Settlement
Zafaryab Khan	2,831	637	2,194	2,380	186	Settlement
Muhammad Fawad & Jawad	3,828	861	2,967	1,856	(1,111)	Settlement
Muhammad Umar	2,757	620	2,137	2,638	501	Settlement
Mrs. Roeeda Mehmood	2,231	502	1,729	2,293	564	Settlement
Humayun Shehzad	2,917	656	2,261	2,978	717	Settlement
Mehmood Shah Afridi	2,418	544	1,874	2,264	390	Settlement
Muhammad Rafique	2,492	561	1,931	1,904	(27)	Settlement
Muhammad Asif	2,059	463	1,596	2,263	667	Settlement
Muhammad Ishaque	3,088	695	2,393	2,728	335	Settlement
Zahid Kamal	1,819	409	1,410	2,181	771	Settlement
Muhammad Aslam	2,738	616	2,122	2,767	645	Settlement
Haji M. Tariq / Hafiz M. Arshad	2,158	485	1,673	2,487	814	Settlement
Raheela Nadeem	2,534	570	1,964	2,909	945	Settlement
Farrukh Mushtaq	2,251	506	1,745	802	(943)	Settlement
Zakir Hassan	1,263	284	979	1,475	496	Settlement
Imtiaz Rasool Bajwa	2,140	481	1,659	2,297	638	Settlement
M. Aslam Sherazi	2,070	466	1,604	2,791	1,187	Settlement
Dilawer Hussain	2,115	476	1,639	3,176	1,537	Settlement
Tanveer Abbas	2,101	473	1,628	2,431	803	Settlement
Ashraf Ali	2,746	618	2,128	2,140	12	Settlement
Mrs. Naseem Akhtar	2,737	616	2,121	2,320	199	Settlement
Faiz Ahmad	2,723	613	2,110	2,016	(94)	Settlement
Mirza Mazhar Javed	2,919	657	2,262	160	(2,102)	Settlement
Station Headquarters, Sialkot Cantt	3,356	755	2,601	3,302	701	Settlement
Station Headquarters, Sialkot Cantt	3,763	847	2,916	2,965	49	Settlement
Mrs. Shabeena	3,043	685	2,358	1,142	(1,216)	Settlement
Chaudary Muzaffar Ahmad	1,387	312	1,075	2,170	1,095	Settlement
Mian Ghulam Ali Alias / Muhammad Aslam Pirzada	2,327	524	1,803	1,489	(314)	Settlement
Muhammad Mushtaq Arain / Muhammad Tanveer Arain	1,629	366	1,263	2,468	1,205	Settlement
Azfar shahzad	2,499	562	1,937	1,571	(366)	Settlement
Tahir Mahmood	1,890	425	1,465	2,951	1,486	Settlement
Mian Hafeez Ur Rehman	1,780	400	1,380	1,835	455	Settlement
M. Ali / Mrs. Shafqat Shaheen	1,791	403	1,388	2,920	1,532	Settlement
Hashmat Bibi	2,565	577	1,988	1,613	(375)	Settlement
Muhammad Ameer	2,969	667	2,302	2,521	219	Settlement
Khadim Hussain	3,018	678	2,340	1,860	(480)	Settlement
Total	733,084	164,944	568,140	670,302	102,162	
Assets with book value less than Rs. 50,000						
Vehicles	6,012	6,012	-	2,900	2,900	
Computers	2,015	1,582	433	496	63	
Total 2017	**741,111**	**172,538**	**568,573**	**673,698**	**105,125**	
Total 2016	9,732	9,732	-	5,245	5,245	

Note 49
Financial Risk Management

The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between various sources of finance to minimize the risk.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk, other market price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

The Company's overall risk management procedures, to minimize the potential adverse effects of financial market on the Company's performance, are as follows:

49.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency, interest rate, commodity price and equity price that will affect the Company's income or the value of its holdings of financial instruments.

49.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to the followings:

	2017	2016
	-----------------USD ('000)-----------------	
Trade receivables	989	4,114
Trade payables	(15,253)	(37,399)
Borrowings	(3,298)	(39,000)
Net exposure	(17,562)	(72,285)

The following significant exchange rates were applied during the year

	2017	2016
Average rate - Rupees per US Dollar (USD)	105.36	104.80
Reporting date rate - Rupees per US Dollar (USD)	110.50	104.80

At December 31, 2017, if the Rupee had weakened / strengthened by 1% against the US dollar with all other variables held constant, pre-tax profit for the year would have been Rs. 19.41 million lower / higher (2016: pre-tax loss would have been Rs. 75.76 million higher / lower), mainly as a result of foreign exchange losses / gains on translation of US dollar-denominated financial assets and liabilities. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

49.1.2 Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company analyses its interest rate exposure on a dynamic basis taking into consideration refinancing, renewal of existing positions, alternative financing etc. At the balance sheet date, the profile of the Company's interest bearing financial instruments was as under:

	2017	2016
	--------------(Rupees in '000)--------------	
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	7,366	7,006
Financial liabilities		
Term finance certificates	(1,517,110)	(1,517,110)
Long term financing	(808,451)	(3,771,187)
Liabilities against assets subject to finance lease	-	(1,609)
Short term borrowings	(563,936)	(960,677)
	(2,882,131)	(6,243,577)

Fair value sensitivity analysis for fixed rate instruments

The Company does not have any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the balance sheet date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the balance sheet date fluctuate by 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs. 28.82 million lower / higher (2016: loss before taxation would have been Rs. 62.44 million higher / lower), mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities outstanding at the balance sheet date are outstanding for the entire year.

49.1.3 Other market price risk

Equity price risk arises from investments held by the Company which are classified in the balance sheet as available-for-sale (Note 32). The primary goal of the Company's investment strategy is to maximize investment returns on the surplus cash balance. In accordance with this strategy, investments are designated as available-for-sale and their performance is actively monitored.

Since the investment amount is too low (less than 1% of the Company's total assets), the performance of the investments will not have any material impact on the Company's performance.

49.2 Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure.

The Company's credit risk is primarily attributable to deposits with banks, long term trade receivables, trade debts, loans and advances and other receivables. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

49.2.1 Exposure to credit risk

Carrying values of financial assets exposed to credit risk and which are neither past due nor impaired are as under:

	2017	2016
	--------------(Rupees in '000)--------------	
Long term trade receivables	65,240	77,061
Long term loans	9,596	11,249
Long term deposits	45,511	32,641
Trade debts	1,075,745	761,262
Short term deposits	423,504	416,256
Other receivables	49,258	119,486
Short term investments	58,961	150,799
Bank balances	9,968	10,851
	1,737,783	1,579,605

49.2.2 The aging of trade debts and related impairment loss as at the balance sheet date is as follows:

The aging of trade debts and long term trade receivables

	2017	2016
Not past due	193,122	98,081
Past due 1 - 180 days	549,292	624,992
Past due 181 - 365 days	49,379	64,741
1 - 2 years	282,712	50,509
More than 2 years	66,480	-
	1,140,985	838,323

The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties and trade debts are subject to specific credit ceilings based on customer credit history.

The management estimates the recoverability of trade receivables on the basis of financial position and past history of its customers based on the objective evidence that it shall not receive the amount due from the particular customer. The provision is written off by the Company when it expects that it cannot recover the balance due. Any subsequent repayments in relation to amounts written off are credited directly to the profit and loss account.

49.2.3 Credit quality of bank balances

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating		
	Short term	Long term	Agency	2017	2016
				--------------(Rupees in '000)--------------	
Allied Bank Limited	A1+	AA+	PACRA	191	191
Askari Bank Limited	A-1+	AA+	JCR-VIS	235	370
Bank AL Habib Limited	A1+	AA+	PACRA	1,122	804
HBL Pakistan	A-1+	AAA	JCR-VIS	227	195
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	280	182
JS Bank Limited	A1+	AA-	PACRA	16	15
Bank Islami Pakistan Limited (Formerly KASB Bank Limited)	A1	A+	PACRA	571	464
MCB Bank Limited	A1+	AAA	PACRA	279	124
NIB Bank Limited	A1+	AA-	PACRA	-	138
National Bank of Pakistan	A1+	AAA	PACRA	11	-
Silk Bank Limited	A-2	A-	JCR-VIS	12	-
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	489	254
Soneri Bank Limited	A1+	AA-	PACRA	23	18
Summit Bank Limited	A-1	A-	JCR-VIS	6,194	5,994
Tameer Microfinance Bank Limited	A-1	A+	PACRA	43	1,052
United Bank Limited	A-1+	AAA	JCR-VIS	49	48
Mobilink Microfinance Bank Limited (Formerly Waseela Microfinance Bank Limited)	A1	A	PACRA	226	1,002
				9,968	10,851

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

49.3 Liquidity risk

Liquidity risk represents the risk that the Company shall encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities. The management monitors the forecasts of the Company's cash and cash equivalents on the basis of expected cash flow. This is generally carried out in accordance with the practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the Company operates. In addition, the Company's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities and maintaining debt financing plans. The Company has been facing difficulty in meeting various obligations towards its lenders and creditors. However, the management has devised a strategy for settlement and servicing of its liabilities as detailed in note 2.2. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period as at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows as the impact of discounting is not significant.

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
	----------Rupees in '000----------					
Contractual maturities of financial liabilities as at December 31, 2017:						
Term finance certificates - secured	1,517,110	1,517,110	1,517,110	-	-	-
Long term financing	808,451	808,451	88,562	719,889	-	-
Liabilities against assets subject to finance lease	-	-	-	-	-	-
Long term deposits	105,000	105,000	-	-	105,000	-
License fee payable	1,021,500	1,021,500	1,021,500	-	-	-
Short term borrowings	563,936	563,936	563,936	-	-	-
Trade and other payables	7,297,734	7,297,734	7,297,734	-	-	-
Interest and mark up accrued	540,671	540,671	540,671	-	-	-
	11,854,402	11,854,402	11,029,513	719,889	105,000	-
Contractual maturities of financial liabilities as at December 31, 2016:						
Term finance certificates - secured	1,517,110	1,517,110	1,517,110	-	-	-
Long term financing	3,771,187	3,771,187	3,728,300	42,887	-	-
Liabilities against assets subject to finance lease	1,609	1,609	1,609	-	-	-
License fee payable	1,021,500	1,021,500	1,021,500	-	-	-
Short term borrowings	960,677	960,677	960,677	-	-	-
Trade and other payables	11,105,266	11,068,323	11,068,323	-	-	-
Interest and mark up accrued	384,092	384,092	384,092	-	-	-
	18,761,441	18,724,498	18,681,611	42,887	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at the balance sheet date. The rates of interest / mark up have been disclosed in relevant notes to these financial statements.

49.4 Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

The carrying values of all financial assets and liabilities reflected in financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Fair value estimation

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 financial assets that are measured at fair value at December 31, 2017:

	Level 1	Level 2	Level 3	Total
	----------Rupees in '000----------			
Assets				
Recurring fair value measurements				
Available-for-sale investments	58,961	-	-	58,961

The following table presents the Company's financial assets that are measured at fair value at December 31, 2016:

	Level 1	Level 2	Level 3	Total
	----------Rupees in '000----------			
Assets				
Recurring fair value measurements				
Available-for-sale investments	150,799	-	-	150,799

49.5 Capital Risk Management

The Company's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the Company's business. The Board of Directors monitors the Return on Capital Employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

a) to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

b) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Company monitors capital on the basis of the debt-to-equity ratio calculated as a ratio of total debt to equity and total debt.

The Company is subject to capital requirements imposed by its lenders. However, the Company has not been able to meet these requirements on account of its financial constraints. The management is confident that after implementation of the strategy detailed in note 2.2, the Company will become compliant with the externally imposed capital requirements.

In line with the industry norm, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current and excluding sponsors' loans), license fee payable disclosed in Note 15 and finance leases less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus net debt. As at the balance sheet date, the gearing ratio of the Company was worked out as under:

	2017	2016
	Rupees in '000	
Borrowings	3,910,997	7,272,083
Cash and bank balances	(22,220)	(119,970)
Net debt	3,888,777	7,152,113
Equity	1,260,054	(4,815,184)
Total capital employed	5,148,831	2,336,929
Gearing ratio	75.53%	306.05%

49.6 Financial instruments by categories

Financial assets as at December 31, 2017

	At fair value through profit or loss	Loans and Receivables	Available - for - sale	Held to maturity	Total
	----------Rupees in '000----------				
Long term loans	-	9,596	-	-	9,596
Long term deposits	-	45,511	-	-	45,511
Long term trade receivables	-	65,240	-	-	65,240
Trade debts	-	1,075,745	-	-	1,075,745
Short term deposits	-	423,504	-	-	423,504
Other receivables	-	49,258	-	-	49,258
Short term investments	-	-	58,961	-	58,961
Cash and bank balances	-	22,220	-	-	22,220
	-	1,691,074	58,961	-	1,750,035

Financial assets as at December 31, 2016

	At fair value through profit or loss	Loans and Receivables	Available-for-sale	Held to maturity	Total
	----------Rupees in '000----------				
Long term loans	-	11,249	-	-	11,249
Long term deposits	-	32,641	-	-	32,641
Long term trade receivables	-	77,061	-	-	77,061
Trade debts	-	761,262	-	-	761,262
Short term deposits	-	416,256	-	-	416,256
Other receivables	-	119,486	-	-	119,486
Short term investments	-	-	150,799	-	150,799
Cash and bank balances	-	119,970	-	-	119,970
	-	1,537,925	150,799	-	1,688,724

Financial liabilities at amortized cost

	2017	2016
	--------(Rupees in '000)--------	
Term finance certificates - secured	1,517,110	1,517,110
Long term financing	808,451	3,771,187
Liabilities against assets subject to finance lease	-	1,609
Long term deposits	105,000	-
License fee payable	1,021,500	1,021,500
Short term borrowings	563,936	960,677
Trade and other payables	7,297,734	11,105,266
Interest and mark up accrued	540,671	384,092
	11,854,402	18,761,441

49.7 Offsetting financial assets and financial liabilities

(a) Financial assets

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar agreements:

	Gross amounts of recognized financial assets	Gross amount of recognized financial liabilities off set in the balance sheet	Net amount of financial assets presented in the balance sheet	Related amounts not off set in the balance sheet	Net amount	Financial assets not in scope of off setting disclosures
	-----	-----	----- (Rupees in '000) -----	-----	-----	
As at December 31, 2017	**A**	**B**	**C = A + B**	**D**	**E = C + D**	
Long term trade receivables	-	-	-	-	-	65,240
Long term loans	-	-	-	-	-	9,596
Long term deposits	-	-	-	-	-	45,511
Trade debts	2,598,490	(1,522,745)	1,075,745	-	1,075,745	-
Short term deposits	-	-	-	-	-	423,504
Other receivables	-	-	-	-	-	49,258
Short term investments	-	-	-	-	-	58,961
Cash and bank balances	-	-	-	-	-	22,220
	2,598,490	**(1,522,745)**	**1,075,745**	**-**	**1,075,745**	

	Gross amounts of recognized financial assets	Gross amount of recognized financial liabilities off set in the balance sheet	Net amount of financial assets presented in the balance sheet	Related amounts not off set in the balance sheet	Net amount	Financial assets not in scope of off setting disclosures
	-----	-----	----- (Rupees in '000) -----	-----	-----	
As at December 31, 2016	A	B	C = A + B	D	E = C + D	
Long term trade receivables	-	-	-	-	-	77,061
Long term loans	-	-	-	-	-	11,249
Long term deposits	-	-	-	-	-	32,641
Trade debts	2,113,737	(1,352,475)	761,262	-	761,262	-
Short term deposits	-	-	-	-	-	416,256
Other receivables	-	-	-	-	-	119,486
Short term investments	-	-	-	-	-	150,799
Cash and bank balances	-	-	-	-	-	119,970
	2,113,737	(1,352,475)	761,262	-	761,262	

(b) Financial liabilities

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements:

	Gross amounts of recognized financial liabilities	Gross amount of recognized financial assets off set in the balance sheet	Net amount of financial liabilities presented in the balance sheet	Related amounts not off set in the balance sheet	Net amount	Financial liabilities not in scope of off setting disclosures
	-----	-----	----- (Rupees in '000) -----	-----	-----	
As at December 31, 2017	**A**	**B**	**C = A + B**	**D**	**E = C + D**	
Short term borrowings	-	-	-	-	-	563,936
License fee payable	-	-	-	-	-	1,021,500
Trade and other payables	8,820,479	(1,522,745)	7,297,734	-	7,297,734	-
Interest and mark-up accrued	-	-	-	-	-	540,671
Term finance certificates	-	-	-	-	-	1,517,110
Long term loans	-	-	-	-	-	808,451
Long term deposits	-	-	-	-	-	105,000
	8,820,479	**(1,522,745)**	**7,297,734**	**-**	**7,297,734**	

	Gross amounts of recognized financial liabilities	Gross amount of recognized financial assets off set in the balance sheet	Net amount of financial liabilities presented in the balance sheet	Related amounts not off set in the balance sheet	Net amount	Financial liabilities not in scope of off setting disclosures
	-----	-----	----- (Rupees in '000) -----	-----	-----	
As at December 31, 2016	A	B	C = A + B	D	E = C + D	
Short term borrowings	-	-	-	-	-	960,677
License fee payable	-	-	-	-	-	1,021,500
Trade and other payables	12,455,934	(1,352,475)	11,103,459	-	11,103,459	-
Interest and mark-up accrued	-	-	-	-	-	384,092
Term finance certificates	-	-	-	-	-	1,517,110
Long term loans	-	-	-	-	-	3,771,187
Liabilities against assets subject to finance lease	-	-	-	-	-	1,609
	12,455,934	(1,352,475)	11,103,459	-	11,103,459	

Note 50
Provident Fund Related Disclosures

The Company has not maintained any provident fund scheme for its employees.

Note 51
Number of Employees

	2017	2016
	Number	Number
Employees as at December 31,	877	757
Average number of employees during the year	817	894

Note 52
Effect of Restatement

During the year, the financial statements have been restated to conform with the requirements of IAS 32-Financial Instruments: Presentation.

The Company had previously classified dividends payable on preference shares in non-current liabilities. However, as it meets the definition of equity instrument under IAS 32 - Financial Instruments: Presentation, and that the Company has no obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with another entity under conditions that were potentially unfavourable to it, and it is convertible into ordinary shares of the Company; the dividend payable on preference shares is now classified as an equity component.

The effect of correction of prior period error on financial statements is summarized below:

Effect on balance sheet

	2016	2015
	--------------(Rupees in '000)--------------	
Equity - Dividend on preference shares		
As previously reported	-	-
Effect of correction of error	743,255	526,250
As restated	743,255	526,250
Long term payables		
As previously reported	743,255	526,250
Effect of correction of error	(743,255)	(526,250)
As restated	-	-

The correction of error does not have any impact on the profit and loss account, other comprehensive income for the year or the operating, investing and financing cash flows of the Company.

Note 53
Subsequent Events

Subsequent to the reporting date, 10,000 Class B preference shares and related dividend payable on these shares have been converted into 80,883,029 ordinary shares of Rupees 10 each.

Note 54
Authorization of Financial Statements

These financial statements were authorized for issue on **09 April, 2018** by the Board of Directors of the Company.

Note 55
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. Following re-arrangements / reclassifications have been made in these financial statements for better presentation:

Nature	From	To	Amount (Rupees in '000)
Dividend Payable	Long Term Payables (Face of balance sheet)	Share Capital & Reserve (Note 7)	743,255
Long term deposits	Long term deposits (Face of balance sheet)	Trade and other payables (Note 14)	35,136
Store and Spare	Property, Plant and Equipment (Note 20)	Stores and spares (Note 27)	3,194
Depreciation	Operating cost (Note 38)	Depreciation and amortization (Note 41)	26,264
Depreciation	Direct cost (Note 37)	Depreciation and amortization (Note 41)	913,102
Amortization	Direct cost (Note 37)	Depreciation and amortization (Note 41)	293,317
Salaries, wages and benefits	Operating cost (Note 38)	Direct cost (Note 37)	297,343

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

PATTERN OF SHAREHOLDING
AS AT 31 DECEMBER 2017

Incorporation Number : 0042200 OF 15-03-2001

NO. OF SHAREHOLDERS	SHAREHOLDING FROM		SHAREHOLDING TO	TOTAL SHARES HELD
588	1	-	100	23,141
1133	101	-	500	403,857
3161	501	-	1,000	2,224,883
2409	1,001	-	5,000	6,797,102
949	5,001	-	10,000	7,997,137
1412	10,001	-	50,000	37,505,184
477	50,001	-	100,000	38,972,774
436	100,001	-	500,000	98,052,490
80	500,001	-	1,000,000	59,888,022
63	1,000,001	-	5,000,000	118,833,363
7	5,000,001	-	15,000,000	58,343,000
3	15,000,001	-	50,000,000	117,550,963
1	50,000,001	-	100,000,000	82,661,541
1	491,860,001	-	above	491,862,290
10720	**Total**			**1,121,115,747**

Categories of Shareholders	Shares held	Percentage
Directors, Chief Executive Officer and their spouses and minor children	12,150	0.00%
Associated Companies, Undertakings and Related parties	584,523,831	52.10%
NIT and ICP	-	0.00%
Banks, Development Financial Institutions, Non-Banking Financial Institutions	47,436,868	4.23%
Insurance Companies	35,694	0.00%
Modarabas and Mutual Funds	195,000	0.02%
* Shareholders holding 10% or more	491,862,290	43.84%
General Public		
a. Local	353,931,457	31.55%
b. Foreign	44,536,903	3.97%
Others		
- Joint Stock Companies	90,281,488	8.05%
- Foreign Companies	162,356	0.01%
Total *	**1,121,115,747**	**100.00%**

*** Note:-** Total is except for shareholders holding 10% or more as some of the shareholders are reflected in more than one category.

PATTERN OF SHAREHOLDING UNDER CODE OF CORPORATE GOVERNANCE
AS ON 31 DECEMBER 2017

CATEGORIES OF SHAREHOLDERS	SHAREHOLDERS	SHARES HELD	PERCENTAGE
Directors, Chief Executive Officer and their Spouse & Minor Children			
Dr. Syed Salman Ali Shah	1	9,000	0.00%
Mr. Babar Ali Syed	1	650	0.00%
Mr. Muhammad Murtaza Raza	1	500	0.00%
Mr. Muhammad Azhar Saeed	1	500	0.00%
Mr. Faisal Ahmad	1	500	0.00%
Mrs. Hina Babar	1	500	0.00%
Mr. Mansoor Ali	1	500	0.00%
Associated Companies, Undertaking and Related Parties			
Worldcall Services (Pvt.) Limited	2	501,862,290	44.74%
Ferret Consulting F.Z.C.	1	82,661,541	7.37%
Mutual Funds			
Prudential Stock Fund Ltd.	1	302	0.00%
Public Sector Companies and Corporations	-	-	0.00%
Banks, Development Financial Institutions, Non-Banking, Finance Companies, Insurance Companies and Modarabas	8	47,667,562	4.25%
Executives	1	150,500	0.01%
General Public			
- Local	10345	353,780,957	31.56%
- Foreign	230	44,536,903	3.97%
Others			
- Joint Stock Companies	123	90,281,186	8.05%
- Foreign Companies	2	162,356	0.01%
	10720	**1,121,115,747**	**100.00%**

Shareholders holding 5% or more voting rights in the Company			
WorldCall Services (Pvt.) Limited	1	491,862,290	43.84%
Ferret Consultinf F.Z.C.	1	82,661,541	7.37%

FORM OF PROXY

The Company Secretary
Worldcall Telecom Limited
Plot No. 1566/124, Main Walton Road,
Lahore, Pakistan

Folio # CDC A/c No.____________________

Shares Held ___________________________

I/We ____ of ____________________
(Name) *(Address)*

being the member (s) of **Worldcall Telecom Limited** hereby appoint Mr. /

Mrs. / Miss__________________________________ of_______________________________
(Name) *(Address)*

or failing him / her / Mr. /Mr. /Mrs. Miss./_____________________________ of_______________
(Name) *(Address)*

{who is also member of the Company vide Registered Folio # _______________ (being the member of the Company)} as my / our proxy to attend at and vote for me / us and on my/our behalf at the Annual General Meeting of the Company to be held at Institute of Chartered Accountants of Pakistan, 155-156, West Wood Colony, Thokar Niaz Baig, Lahore on 30 April 2018 at 11:00 a.m. and at any adjournment thereof.

Signature this __________________________ Day of _________________________ 2018

Signature on Rs.5/- Revenue Stamp

(Signature should agree with the specimen signature registered with the Company)

1. Witnesses:

Signature ___________________________

Name_______________________________
Address_____________________________
____

CNIC # _____________________________

2. Witnesses:

Signature ___________________________

Name_______________________________
Address_____________________________
____

CNIC # _____________________________

Notes:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, Plot No. 1566/124, Main Walton Road, Lahore, not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he himself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders / Corporate Entities:

In addition to the above the following requirements have to be met:

i. The proxy form shall be witnessed by two persons whose names, addresses and CNIC / SNIC (Computer National Identity Card / Smart National Identity Card) numbers shall be mentioned on the form.

ii. Attested copies of CNIC / SNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
iii. The proxy shall produce his original CNIC / SNIC or original passport at the time of the meeting.
iv. In case of corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

پراکسی فارم

کمپنی سیکرٹری
ورلڈ کال ٹیلی کام لمیٹڈ
1566/124، مین والٹن روڈ
لاہور، پاکستان

فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر: ____________________

قابض حصص: ____________________________

میں/ہم ______________ رہائش ____________________________ ورلڈ کال ٹیلی کام لمیٹڈ کے رکن/ارکان ہونے کی حیثیت سے محترم/محترمہ ____________________ رہائش ____________________________ کو اوران کی ناکامی کی صورت میں محترم/محترمہ ____________________ رہائش ____________________________ کو {جو فولیو نمبر ____________________ (کمپنی کے رکن ہونے کی حیثیت سے) کے تحت کمپنی کا رکن بھی ہے} میرے/ ہمارے لیے ووٹ دینے کے لئے یا میری/ ہماری طرف سے 30 اپریل 2018ء کو انسٹیٹیوٹ آف چارٹرا اکاؤنٹنٹس آف پاکستان، 155-156، ویسٹ ووڈ کالونی ٹھوکر نیاز بیگ، لاہور میں دن 11:00 بجے منعقدہ کمپنی کے سالانہ اجلاسِ عام اور اس کے التوا میں شرکت کرنے کے لئے یا اس کے متعلق کسی بھی قسم کے اپنا/ ہمارا نمائندہ مقرر کرتا/کرتے ہیں۔

دستخط: دن ______________ سال ____________________ 2018

5 روپے کے
ریوینیو سٹیمپ
پر دستخط

(دستخط کمپنی میں رجسٹرڈ نمونہ دستخط کے مطابق ہونا چاہیے)

1. گواہان

دستخط: ____________________
نام: ____________________
پتہ: ____________________
____
CNIC: ____________________

2. گواہان

دستخط: ____________________
نام: ____________________
پتہ: ____________________
____
CNIC: ____________________

مندرجات

1. یہ نمائندگی کا فارم، حسب ضابطہ تکمیل اور دستخط شدہ، اجلاس کے آغاز سے 48 گھنٹے پہلے کمپنی کے رجسٹرڈ دفتر واقع 1566/124، مین والٹن روڈ لاہور میں پہنچ جانا چاہیے۔
2. کوئی شخص نمائندہ نہیں بن سکتا جب تک وہ کمپنی کا رکن نہیں ہے، بجائے اس شخص کے جس کو کارپوریشن غیر رکن ہونے پر بھی مقرر کرے۔
3. اگر کوئی رکن ایک سے زیادہ نمائندے یا رکن کی جانب سے نمائندے کے ایک سے زیادہ دستاویز کمپنی میں جمع کرواتا ہے تو نمائندگی کے ایسے تمام دستاویز بے کار متصور ہوں گے۔

CDC اکاؤنٹ ہولڈرز/کارپوریٹ اداروں کے لئے

مندرجہ بالا بیانات کے علاوہ درج ذیل شرائط کو بھی ملحوظ خاطر رکھنا ضروری ہے:

(i) نمائندگی کے فارم کی تصدیق دو گواہان کریں گے جن کے نام، پتے اور CNIC/SNIC (کمپیوٹرائزڈ قومی شناختی کارڈ/سمارٹ قومی شناختی کارڈ) نمبر فارم میں درج کرنے ضروری ہیں۔

(ii) انتفاعی مالک اور نمائندے کے CNIC/SNIC اور پاسپورٹ کی تصدیق شدہ نقل پراکسی فارم کے ساتھ منسلک کرنا ہوگی۔

(iii) اجلاس کے موقع پر نمائندے کو اپنے اصلی CNIC/SNIC اور اصلی پاسپورٹ کو ظاہر کرنا ہوگا۔

(iv) کارپوریٹ ادارے کی صورت میں پراکسی فارم کے ساتھ (اگر یہ پہلے جمع نہیں کرائے گئے ہیں) بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نمونہ کے دستخط کمپنی کو جمع کرانا ہوں گے۔

INVESTORS’ EDUCATION

In compliance with the Securities and Exchange Commission of Pakistan’s SRO 924(1)/2015 dated September 9, 2015, Investors’ attention is invited to the following information message: