

Quarterly Report

March 31, 2023

WorldCall Telecom Limited





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

QUARTERLY REPORT 2023





VISION

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

MISSION STATEMENT

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

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

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

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

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



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COMPANY INFORMATION

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





Bankers

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

Registrar and Shares Transfer Office

THK Associates (Pvt.) Limited
Plot No. 32-C, Jami Commercial Street 2,
D.H.A., Phase VII,
Karachi-75500 Pakistan.

 (+92 21) 35310191-6

 (+92 21) 35310190


 sfc@thk.com.pk

Registered Office/Head Office

Plot No. 112/113, Block S,
Quaid-e-Azam Industrial Estate,
Kot Lakhpat,

Lahore - Pakistan

 (+92 42) 35400544, 35400609,

 (+92 42) 35110965

Webpage

www.worldcall.com.pk

www.worldcall.net.pk



DIRECTORS' REVIEW REPORT

The Board of Directors of Worldcall Telecom Limited (the "Company") is pleased to present its review report along with condensed interim standalone and consolidated financial information for the first quarter ended March 31, 2023.

Economic Overview

Owing to persistent political unrest, Pakistan is faced with multiple economic challenges such as low growth and falling investment. As if this alone was not enough; we somehow have managed to get entangled in IMF steered fiscal recovery program with tranche going far and covenants/sanctions getting stringent by the clock. This farcical timing of coincidences; that too in the wake of devastating floods in agriculturally rich areas of the country has led to disrupted supply chain, hyper-inflation, excessive fiscal deficits, deteriorating foreign reserves & external balance position.

Financial Overview

Standalone Financial Statements

Summary of financial results for the first quarter ended March 31, 2023 are as follows:

Particulars	1 st Quarter March 31, 2023	1 st Quarter March 31, 2022
	Rs. in million	
Revenue-net	615	522
Direct Cost (excluding depreciation and Amortization)	(539)	(315)
Other Income	14	34
EBITDA	(128)	17
Depreciation and Amortization	(268)	(283)
Finance Cost	(140)	(117)
Profit/(Loss) after tax	(546)	(390)

During the period under review, the Company closed its financial results reporting Rs 546 million as loss after tax. Positive movement in revenue was witnessed and corresponding hike in direct costs aligned with the earlier. Depreciation and amortization expense is more or less consistent with the comparative figure and finance cost witnessing adverse movement on account of rupee devaluation against USD.

Consolidated Financial Statements

Condensed interim consolidated financial statements comprise the financial results of WorldCall Telecom Limited (Parent Company) consolidated with Route 1 Digital (Private) Limited (Subsidiary Company). Route 1 Digital is a private limited Company incorporated in Pakistan.

Earnings per Share

The loss per share of the Company on a consolidated as well as on standalone basis is Rupees 0.14 per share.

**Future Outlook**

WTL's future outlook is all about technological transformation; roadmap of which may be segregated in broader segments of (1) Fiber to The Home planned deployment & penetration in urban areas (2) Blockchain deployment and (3) strategic alliance with World Mobile Group (WMG) by lending technological/ logistic support to them in their initiatives for the underprivileged nations around the globe namely "connect the unconnected" and broadband for all. Pivotal point which needs utmost emphasis is that our existing infrastructure is massive, ample and positioned in a way to fully augment and advance business segments mentioned hereinabove and our future technological expansion.

Company's staff and customers

We at WorldCall here have the culture of walking the talk & attach highest intrinsic value to our human resource who are flagbearers of this motto. As WTL enters into new era of technological transformation by connecting the unconnected and spearheading the nationwide digital storm; it has only been made possible by the untiring efforts of our team. We work closely towards collective goal of digital awakening and ensuring that affordable access to latest technological offering, at par with global standards, is made available to the masses.

For and on behalf of the Board of Directors

Lahore, Pakistan
April 30, 2023


Babar Ali Syed
Chief Executive Officer



مستقبل کا نظریہ

ڈیجیٹل ایل کے لیے مستقبل کا نقطہ نظر تکنیکی تبدیلی پر مرکوز ہے، ایک روڈ میپ کے ساتھ جسے تین وسیع حصوں میں تقسیم کیا جاسکتا ہے: (1) شہری علاقوں میں گھر تک فائبر کی تعمیراتی اور توسیع، (2) بلاک چین، بیگانہ لوجی کا نفاذ، اور (3) ایک تشکیل ورلڈ موہاٹل گروپ (WMG) کے ساتھ ترویجی اتحاد دنیا بھر میں پس ماندہ قوموں کو جوڑنے اور سب کے لیے براڈ بینڈ تک رسائی فراہم کرنے کے لیے ان کی کوششوں میں تکنیکی اور لاجسٹک مدد فراہم کرنے کے لیے۔ یہ نوٹ کرنا ضروری ہے کہ ہمارا موجودہ بنیادی ڈھانچہ وسیع، بھرپور، اور حکمت عملی کے لحاظ سے اوپر بیان کردہ کاروباری حصوں کے ساتھ ساتھ ہماری مستقبل کی تکنیکی وسعتوں کی مکمل حمایت اور آگے بڑھانے کے لیے پوزیشن میں ہے۔

کمپنی کا عملہ اور صارفین

ورلڈ کال میں، ہمارے پاس اپنے الفاظ کی پیروی کرنے کا کلچر ہے، اور ہم اپنے ملازمین کو بہت احترام سے دیکھتے ہیں کیونکہ وہ اس اخلاق کی نمائندگی کرتے ہیں۔ جیسا کہ ہم ڈیجیٹل تقسیم کو ختم کر کے اور ملک گیر ڈیجیٹل انقلاب کی قیادت کرتے ہوئے تکنیکی تبدیلی کے ایک نئے دور کا آغاز کر رہے ہیں، یہ صرف ہماری ٹیم کی انتھک کوششوں کی وجہ سے ممکن ہے۔ ہم ڈیجیٹل بااختیار بنانے کے دہشتہ کہ مقصد کے لیے باہمی تعاون کے ساتھ کام کرتے ہیں، اس بات کو یقینی بناتے ہوئے کہ عالمی معیارات کے مطابق جدید ترین تکنیکی ترقی تک دستی رسائی سب کے لیے قابل رسائی ہو۔

بحکم پورڈ آف ڈائریکٹرز

Balwinder

باہر علی سید

چیف ایگزیکٹو آفیسر

لاہور

30 اپریل 2023

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



ڈائریکٹرز کی جائزہ رپورٹ

ورلڈ کال ٹیلی کام لمیٹڈ ("ورلڈ کال" یا "کمپنی") کے بورڈ آف ڈائریکٹرز 31 مارچ 2023 کو ختم ہونے والی پہلی سہ ماہی کے لئے اپنی جائزہ رپورٹ کے ساتھ عبوری اور مستحکم مالی بیانات کی معلومات پیش کرنے پر خوش ہیں۔

معاشی جائزہ

پاکستان اس وقت سیاسی عدم استحکام کی وجہ سے مختلف معاشی مشکلات سے نمٹ رہا ہے جن میں سست شرح نمو اور سرمایہ کاری میں کمی شامل ہے۔ اس کے علاوہ، ملک آئی ایم ایف کی زیر قیادت مالیاتی بحالی کے پروگرام میں شامل ہو گیا ہے، جس میں ہم پر سخت شرائط اور پابندیاں عائد کی گئی ہیں۔ یہ بد قسمت اتفاق ایک ایسے وقت میں پیش آیا ہے جب ہم زرعی لحاظ سے خوشحال خطوں میں تباہ کن سیلابوں کے بعد بھی سامنا کر رہے ہیں، جس نے سپلائی چین کو درہم برہم کر دیا ہے اور اس کے نتیجے میں افراط زر، حد سے زیادہ مالیاتی خسارے، اور غیر ملکی ذخائر اور بیرونی توازن کی بگڑتی ہوئی صورت حال ہے۔

مالیاتی جائزہ - علیحدہ معاشی بائیسے

31 مارچ 2023 کو ختم ہونے والی پہلی سہ ماہی کے مالی نتائج کا خلاصہ مندرجہ ذیل ہے۔

Particulars	1 st Quarter March 31, 2023	1 st Quarter March 31, 2022
	Rs. in million	
Revenue-net	615	522
Direct Cost (excluding depreciation and Amortization)	(539)	(315)
Other Income	14	34
EBITDA	(128)	17
Depreciation and Amortization	(268)	(283)
Finance Cost	(140)	(117)
Profit/(Loss) after tax	(546)	(390)

نظر ثانی شدہ مدت میں، کمپنی نے محصولات میں مثبت اضافے کا سامنا کرنے کے باوجود ٹیکسوں کے بعد 546 ملین روپے کا نقصان رپورٹ کیا۔ آمدنی میں یہ اضافہ براہ راست اخراجات میں اسی اضافے کے ساتھ تھا جو پچھلے ادوار کے مطابق تھے۔ فرسودگی اور معافی کے اخراجات پچھلے ادوار کے مقابلے نسبتاً مستقل رہے، جبکہ امریکی ڈالر کے مقابلے پاکستانی روپے کی قدر میں کمی سے مالیاتی اخراجات بری طرح متاثر ہوئے۔

مجموعی مالیاتی بیانات

کنٹریڈیٹ انٹرم کنسولیدیشن مالیاتی بیانات روٹ 1 ڈیجیٹل (پرائیویٹ) لمیٹڈ (ڈیجیٹل کمپنی) کے ساتھ مل کر ورلڈ کال ٹیلی کام لمیٹڈ (ہیڈ کوارٹر کمپنی) کے مالی نتائج پر مشتمل ہیں۔ روٹ 1 ڈیجیٹل پاکستان میں شامل ایک پرائیویٹ لمیٹڈ کمپنی ہے۔

نی شیئر آمدنی

کمپنی کا فی شخص خسارہ مجموعی اور علیحدہ طور پر 0.14 روپے فی شخص ہے۔

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023**

		March 31 2023 (Un-Audited)	December 31 2022 (Un-Audited)
SHARE CAPITAL AND RESERVES			
	Note	----- (Rupees in '000) -----	
Authorized share capital		29,000,000	29,000,000
Ordinary share capital	4	13,513,207	13,136,257
Preference share capital	5	1,053,321	1,185,479
Dividend on preference shares	6	376,371	425,652
Capital reserves		199,581	236,897
Accumulated loss		(15,805,155)	(15,167,270)
Surplus on revaluation of fixed assets		1,735,857	1,804,747
		1,073,183	1,621,762
NON-CURRENT LIABILITIES			
Term finance certificates	7	837,183	917,312
Long term financing	8	428,340	450,462
Sponsor's loan	9	2,398,970	2,171,307
License fee payable		45,513	45,513
Post employment benefits		211,256	200,030
Long term deposit		102,937	100,915
Lease liabilities	10	196,029	194,460
		4,220,228	4,079,999
CURRENT LIABILITIES			
Trade and other payables		6,726,655	6,456,393
Accrued mark up		747,222	598,184
Current and overdue portion of non-current liabilities		1,129,788	1,023,425
Short term borrowings	11	140,500	116,419
Unclaimed dividend		1,807	1,807
Provision for taxation - net		361,418	353,012
		9,107,390	8,549,241
Contingencies and Commitments			
	12	-	-
TOTAL EQUITY AND LIABILITIES		14,400,801	14,251,002
NON-CURRENT ASSETS			
Property, plant and equipment	13	5,225,514	5,320,386
Right of use assets	14	3,337,853	3,407,381
Intangible assets		491,423	592,619
Investment properties		51,470	51,470
Long term investment	15	-	-
Deferred taxation	16	2,371,463	2,371,463
Long term deposits		9,494	9,494
		11,487,217	11,752,813
CURRENT ASSETS			
Stores and spares		30,076	31,182
Stock-in-trade		210,858	210,858
Trade debts		1,609,420	1,195,345
Loans and advances		312,538	316,011
Deposits and prepayments		582,678	580,646
Short term investments		34,877	37,296
Other receivables		123,688	117,412
Cash and bank balances		9,448	9,439
		2,913,583	2,498,189
TOTAL ASSETS		14,400,800	14,251,002

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


Chief Executive Officer


Director


Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
(UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

	March 31 2023	March 31 2022
	Note	
	------(Rupees in '000)-----	
Revenue	614,783	521,780
Direct costs excluding depreciation and amortization	(538,664)	(314,833)
Operating costs	(121,515)	(97,730)
Other income - net	14,053	33,966
Other Expenses	(97,103)	(126,063)
Profit/ (loss) before Interest, Taxation, Depreciation and Amortization	(128,446)	17,120
Depreciation and amortization	(268,093)	(283,212)
Finance cost	(139,629)	(116,996)
Loss before Taxation	(536,168)	(383,088)
Taxation	(9,992)	(6,522)
Net Loss for the Period	(546,160)	(389,610)
Loss per Share - basic (Rupees)	(0.14)	(0.12)
Loss per Share - diluted (Rupees)	(0.14)	(0.12)

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


Chief Executive Officer


Director


Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

	Quarter ended Mar 31,	
	2023	2022
	Un-Audited	Un-Audited
	------(Rupees in '000)-----	
Net loss for the Period	(546,160)	(389,610)
Other comprehensive income:		
<i>Items that will not be reclassified to profit or loss:</i>		
- Remeasurement of post employment benefit obligations - net of tax	-	-
- Surplus on revaluation of fixed assets - net of tax	-	-
- Changes in fair value of financial assets through other comprehensive income - net of tax	(2,419)	(3,014)
<i>Item that may be subsequently reclassified to profit or loss:</i>	-	-
Other Comprehensive (loss)/Income - net of tax	(2,419)	(3,014)
Total Comprehensive loss for the Period - net of tax	<u>(548,579)</u>	<u>(392,624)</u>

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


Chief Executive Officer


Director


Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

	Note	Quarter Ended March 31,	
		2023	2022
		Un-Audited	Un-Audited
CASH FLOWS FROM OPERATING ACTIVITIES			
		----- (Rupees in '000) -----	
Cash used in operations	17	(31,617)	(30,604)
<i>Increase / (Decrease) in non-current liabilities:</i>			
- Long term deposit		-	1,868
<i>Decrease / (Increase) in non-current assets:</i>			
- Long term trade receivables		-	-
- Long term deposits		-	450
		-	450
		(31,617)	(28,286)
Post employment benefits paid		(350)	(152)
Finance cost paid		(1,590)	(47,153)
Income tax paid		(1,586)	(1,862)
Net Cash used in Operating Activities		(35,143)	(77,453)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,489)	(4,897)
Short term investments		-	3,641
Income on deposit and savings accounts		43	395
Proceeds from disposal of inventory		-	-
Proceeds from disposal of property, plant and equipment		-	-
Net Cash Used in Investing Activities		(2,446)	(861)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of term finance certificates		-	(72,968)
Repayment of long term financing		(19,102)	(4,648)
Sponsor's loan		63,548	180,093
Short term borrowings - net		1,085	20,945
Repayment of lease liability		(7,934)	(4,745)
Net Cash Generated from Financing Activities		37,597	118,677
Net (Decrease)/Increase in Cash and Cash Equivalents		7	40,363
Cash and cash equivalents at the beginning of the year		9,439	33,208
Cash and Cash Equivalents at the End of the Year		9,448	73,571

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


Chief Executive Officer


Director


Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED MARCH 31, 2023



Particulars	Ordinary Share Capital	Preference Share Capital	Dividend on Preference Shares	Capital Reserves			Revenue Reserve (Accumulated Loss)	Surplus on Revaluation of Fixed Assets	Total
				Fair Value Reserve	Exchange Translation Reserve	Total Capital Reserves			
----- (Rupees in '000) -----									
Balance as at December 31, 2021	12,495,571	1,576,870	571,600	(6,308)	360,761	353,853	(14,023,087)	2,027,872	3,002,469
Net profit for the period	-	-	-	-	-	-	(388,610)	-	(388,610)
Other comprehensive income for the period - net of tax	-	-	-	(3,014)	-	(3,014)	-	-	(3,014)
Total comprehensive income for the period - net of tax	-	-	-	(3,014)	-	(3,014)	-	-	(3,014)
Adjustment of Surplus on retirement of intangible assets	-	-	-	-	-	-	(388,610)	-	(388,610)
Incremental depreciation / amortization for the period on surplus	-	-	-	-	-	-	66,890	-	(66,890)
Exchange rate fluctuations on foreign currency and normal sales	-	-	-	-	-	-	-	-	-
Conversion of preference shares and dividend thereon	-	-	-	-	-	-	-	-	-
Discount on issuance of ordinary shares	-	-	-	-	-	-	-	-	-
Total transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	12,495,571	1,576,870	571,600	(9,322)	360,761	350,839	(14,343,617)	1,958,729	2,609,845
Net loss for the year	-	-	-	-	-	-	(91,684)	-	(91,684)
Other comprehensive income for the period - net of tax	-	-	-	(10,595)	-	(10,595)	14,206	-	3,611
Total comprehensive income for the period - net of tax	-	-	-	(10,595)	-	(10,595)	(77,478)	-	(88,063)
Incremental depreciation / amortization for the period on surplus	-	-	-	-	-	-	(977,488)	-	(977,488)
Exchange rate fluctuations on foreign currency and normal sales	-	-	-	-	-	-	-	-	-
Conversion of preference shares and dividend thereon	-	-	-	-	-	-	-	-	-
Adjustment of Surplus on retirement of tangible assets	-	-	-	-	-	-	137,781	(137,781)	-
Adjustment of Surplus on retirement of intangible assets	-	-	-	-	-	-	16,254	(16,254)	-
Adjustment of Surplus on retirement of tangible assets	-	-	-	-	-	-	-	-	-
Conversion of preference shares and dividend thereon	-	-	-	-	-	-	-	-	-
Discount on issuance of ordinary shares	5,367,041	(391,391)	(145,948)	-	(103,347)	(108,347)	-	-	4,726,355
Discount on issuance of ordinary shares	(4,726,355)	-	-	-	-	-	-	-	(4,726,355)
Total transactions with owners, recognized directly in equity	640,686	(391,391)	(145,948)	-	(103,347)	(108,347)	-	-	-
Balance as at December 31, 2022	13,136,257	1,185,479	425,652	(20,517)	257,414	236,887	(15,167,270)	1,804,747	1,621,782
Net loss for the period	-	-	-	-	-	-	(946,160)	-	(946,160)
Other comprehensive income for the period - net of tax	-	-	-	(2,419)	-	(2,419)	-	-	(2,419)
Total comprehensive income for the period - net of tax	-	-	-	(2,419)	-	(2,419)	(946,160)	-	(948,579)
Incremental depreciation / amortization for the period on surplus	-	-	-	-	-	-	66,890	-	(66,890)
Exchange rate fluctuations on foreign currency and normal sales	-	-	-	-	-	-	-	-	-
Conversion of preference shares and dividend thereon	4,135,890	(132,158)	(85,658)	-	154,897	154,897	(180,615)	-	3,758,436
Discount on issuance of ordinary shares	(3,758,430)	-	-	-	(158,923)	(158,923)	-	-	(3,758,430)
Total transactions with owners, recognized directly in equity	376,950	(132,158)	(85,658)	-	(158,923)	(158,923)	-	-	-
Balance as at March 31, 2023	13,513,207	1,053,321	376,371	(22,936)	222,517	199,581	(15,805,155)	1,735,857	1,073,183

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

Salawati
Chief Executive Officer

N. S. Sanyal
Director

Deep Singh
Chief Financial Officer



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2023

Note 1

THE COMPANY AND ITS OPERATIONS

1.1 Worldcall Telecom Limited ("the Company") is a public limited Company incorporated in Pakistan on March 15, 2001 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange. The Company commenced its operations on December 01, 2004 and is engaged in providing Wireless Local Loop ("WLL") and Long Distance & International ("LDI") services in Pakistan; re-broadcasting international/national satellite/terrestrial wireless and cable television and radio signals; interactive communication and to establish, maintain and operate the licensed telephony services. The Company is domiciled in Pakistan and its registered office cum principal place of business is situated at Plot # 112-113, Block S, Quaid e Azam Industrial Estate Kot Lakhpat Lahore.

Worldcall Services (Pvt.) Limited (the "Parent Company"), incorporated in Pakistan.

Note 2

BASIS OF PREPARATION

2.1 These condensed interim financial statements are the separate condensed financial statements of the Company in which investment in subsidiary is stated at cost. Condensed consolidated interim financial statements are prepared separately.

2.2 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

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

2.3 These condensed interim financial statements are unaudited.

2.4 These condensed interim financial statements (un-audited) do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2022. Selected explanatory notes are included to explain events and transactions that are significant to understanding of the changes in the Company's financial statements since the last financial statements.

2.5 These condensed interim financial statements (un-audited) should be read in conjunction with annual audited financial statements for the year ended December 31, 2022. Comparative statement of financial position is extracted from annual audited financial statements for the year ended December 31, 2022 whereas comparative statement of profit or loss, comparative statement of comprehensive income, comparative statement of changes in equity and comparative statement of cash flows are extracted from unaudited condensed interim financial statements for the quarter ended March 31, 2023.

2.6 These condensed interim (un-audited) financial statements are presented in Pak Rupees, which is the Company's functional and presentational currency. All the figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

2.7 Going concern assumption

2.7.1 The Company has incurred a loss after taxation of Rs. 546.160 million during the period ended March 31, 2023 (March 2022: Rs. 389.610 million). As at March 31, 2023, the accumulated loss of the Company stands at Rs. 15,805.155 million (December 31, 2022: Rs. 15,167.270 million) and its current liabilities exceed its current assets by Rs. 6,193.807 million (December 31, 2021: Rs. 6,051.052 million). These conditions, along with the other factors like declining revenue and contingencies and commitments as mentioned in note 13, indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

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

**2.7.2 Net Liabilities Position - Risk Mitigation**

As mentioned above, there is a net current liability position of approximately Rs. 6.193 billion as on the reporting date, which has the following major components:

Description	Note	Rs in million
Short term Borrowings	2.7.2.1	141
Pakistan Telecommunication Authority (PTA)	2.7.2.2	2,349
Claims of Parties Challenged	2.7.2.3	927
Continuing business partners	2.7.2.4	67
Contract liabilities	2.7.2.5	706
Provision for taxation	2.7.2.6	361
		<u>4,551</u>

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

- 2.7.2.1** The management of the Company is in negotiation with bank for roll over of this facility (note no 20). Moreover, short term borrowing include funds obtained from related parties to the tune of Rs. 108.435 million.
- 2.7.2.2** Liabilities towards PTA as incorporated in these financial statements stand at approximately Rs. 2.349 billion which are not immediately payable owing to non-fulfillment of certain conditions relating to the demand of such amounts. These conditions relate to the industry circumstances and Court Orders.
- 2.7.2.3** This amount represents the amounts owed to certain parties whose claims have been challenged by the Company in various judicial forums for the breach and non-performance of their contractual obligations. Based on the merits of Company's position, the management believes that such amounts may not be immediately payable under the circumstances.
- 2.7.2.4** The amount payable to creditors amounting Rs. 67 million represents routine trade credits extended by regular parties and these balances are of revolving nature. Thus, no immediate net cash outlay would be required.
- 2.7.2.5** Contract liabilities represents advances received from customers and this will be adjusted against future services. Based on which no cash outflow will occur.
- 2.7.2.6** The Company does not anticipate cash outlays on account of Provision for Taxation, since it has sufficient brought forward losses.
- 2.7.3 Continued Support from a Majority Shareholder**
The Company's majority shareholder, Worldcall Services (Private) Limited (WSL) has given assurance to provide continued cash flow support to the Company through its letter to the Company's Board of Directors.

Note 3**SIGNIFICANT ACCOUNTING POLICIES**

- 3.1** The Company's accounting and financial risk management policies and methods of computation adopted in the preparation of these condensed interim (un-audited) financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended December 31, 2022.
- 3.2** Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 1, 2023, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

Note 4**Ordinary Share Capital**

	March 31, 2023	December 31, 2022		March 31, 2023	December 31, 2022
(Un-audited)		(Audited)	Note		
No. of Shares					
344,000,000		344,000,000		3,440,000	3,440,000
309,965,789		309,965,789		3,099,658	3,099,658
98,094,868		98,094,868		980,949	980,949
108,510,856		108,510,856		1,085,109	1,085,109
3,285,869,893		2,872,331,856	4.1	32,858,699	28,723,319
				41,464,415	37,329,035
				(27,951,208)	(24,192,778)
				<u>13,513,207</u>	<u>13,136,257</u>
4,146,441,406		3,732,903,369			



- 4.1 During the year, 13,000 (2022: 38,500) convertible preference shares and accumulated preference dividend thereon amounting to Rs. 85.869 million (2021: Rs. 145.948 million) have been converted into ordinary shares in accordance with the agreed terms and conditions detailed in Note 6.2.
- 4.2 The terms of agreement between the Company and certain lenders impose certain restrictions on distribution of dividends by the Company.
- 4.3 Worldcall Services (Private) Limited, parent of the Company, holds 854,914,152 shares (2022: 854,914,152 shares) in the Company.
- 4.4 Ferret Consulting F.Z.C. is an associated Company.
- 4.5 Reconciliation of discount on issue of shares is as follows:

	March 31 2023	December 31 2022
	----- (Rupees in '000) -----	
Opening balance	24,192,778	19,466,423
Add: Discount on issuance of ordinary shares during the year	3,758,430	4,726,355
Closing balance	<u>27,951,208</u>	<u>24,192,778</u>

- 4.6 Reconciliation of ordinary share capital is as follows:

Opening balance	37,329,035	31,961,994
Add: Shares issued during the year	4,135,380	5,367,041
Closing balance	<u>41,464,415</u>	<u>37,329,035</u>

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

Note 5

Preference Share Capital	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
	-----No. of Shares-----		----- (Rupees in '000) -----	
Opening balance	117,200	155,700	1,185,479	1,576,870
Less: Preference shares converted into ordinary shares during the year	6.3	<u>(13,000)</u>	<u>(132,158)</u>	<u>(391,391)</u>
		<u>104,200</u>	<u>1,053,321</u>	<u>1,185,479</u>

- 5.1 These preference shares are US Dollars denominated, non-voting, cumulative and convertible preference shares ("CPS", or "preference shares") having a face value of USD 100 each.
- 5.2 In accordance with the terms of CPS, certain preference shareholders have exercised conversion option. Thus, their CPS and accrued preference dividend thereon have been converted into ordinary shares as reflected in Note 5.1.
- 5.3 CPS holders are entitled to non-cash dividend which shall be calculated @ 5.9% per annum on each of the preference shares or the dividend declared by WTL for ordinary shareholders, whichever is higher.
- 5.4 Ferret Consulting F.Z.C., an associate of the Company, holds preference shares in the Company.
- 5.5 Mandatory conversion date of convertible preference shares (CPS) is December 31, 2024.

Note 6

Dividend on Preference Shares	March 31, 2023	December 31, 2022
	----- (Rupees in '000) -----	
Dividends on preference shares	6.1	<u>376,371</u>
		<u>425,652</u>

- 6.1 This represents accumulated dividend on preference shares which is not payable in cash rather it will be converted into ordinary shares as and when the preference shares are converted into ordinary shares.
- 6.2 During the period, cumulative preference dividend amounting to Rs. 85.869 million (2021: Rs. 145.948 million) was converted into ordinary shares as a result of conversion option exercised by certain preference shareholders in accordance with the terms and conditions given in Note 6.3 above.



Note 7

Term Finance Certificates

		March 31, 2023	December 31, 2022
	Note	------(Rupees in '000)-----	
Opening balance		1,187,853	1,259,152
Less: Payments made during the period / year		-	(71,299)
		<u>1,187,853</u>	<u>1,187,853</u>
Less: Current and overdue portion		(615,689)	(559,022)
		<u>572,164</u>	<u>628,831</u>
Add: Deferred markup	7.1	265,019	288,481
		<u>837,183</u>	<u>917,312</u>

Term finance certificates (TFCs) have a face value of Rs. 5,000 per certificate. These TFCs carry mark up at the rate of six months average KIBOR plus 1.0% per annum (2022: six month average KIBOR plus 1.0% per annum), payable quarterly. The mark up rate charged during the period on the outstanding balance ranged from 17.10% to 22.15% (2022: 8.76% to 17.10%) per annum.

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

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

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

The other main terms included appointment of one representative as a nominee director nominated by the Trustee which has been complied with. Further, 175 million sponsor's shares are pledged for investors which will be released with quarterly scheduled principal repayments proportionately starting from June 2019.

The Company has not paid due quarterly installments of June 2019 to March 2023 amounting Rs. 510.00 million. In case of failure to make due payments by the Company, Trustee can instruct the security agent to enforce the letter of pledge and sell the quantum of the pledged shares to generate the amount required for the settlement of the outstanding redemption amount.

Due to non-payment of due instalments, Trustee enforced the letter of pledge in 2021 and called 128.2 million shares from sponsors account out of which 50.38 million shares (2021:13.6 million shares) were sold for the amount of Rs. 113.63 (2021: 45.9 million) out of which Rs. 71.29 million settled against principal and Rs. 42.33 million against accrued markup (2021 Rs. 27.9 million settled against principal and Rs. 17.9 million against accrued mark-up).

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

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

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



7.1	Deferred markup	Note	March 31,	December 31,
			2022	2022
			(Un-audited)	(Audited)
------(Rupees in '000)-----				
	Deferred markup	7.1.1	746,494	746,494
	Adjustment due to impact of IFRS 9	7.1.2	(66,094)	(75,088)
			680,400	671,406
	Payment/Adjustment		(60,255)	(60,255)
	Less: Current portion		(355,126)	(322,670)
			<u>265,019</u>	<u>288,481</u>
7.1.1	Reconciliation of deferred markup is as follows:			
	Opening balance		746,494	746,494
	Add: Markup deferred during the period/year		-	-
			<u>746,494</u>	<u>746,494</u>
7.1.2	Reconciliation is as follows:			
	Opening balance		75,088	116,084
	Add: Discounting impact of deferred markup		-	-
			75,088	116,084
	Less: Unwinding impact of discounted deferred markup		(8,994)	(40,996)
			<u>66,094</u>	<u>75,088</u>

Note 8

Long Term Financing

From Banking Companies (secured)

Allied Bank Limited	8.1	58,617	65,365
Bank Islami Pakistan Limited	8.2	83,067	90,952
Askari Bank Limited	8.3	286,656	294,145
		<u>428,340</u>	<u>450,462</u>
8.1 Allied Bank Limited			
Opening balance		58,314	75,476
Repayments		(5,078)	(17,162)
		53,236	58,314
Less: Current and overdue portion		(35,291)	(30,781)
		17,945	27,533
Add: Deferred markup	8.1.1	44,447	42,001
Less: Discounting of deferred markup	8.1.2	(3,775)	(4,170)
		40,672	37,831
		<u>58,617</u>	<u>65,364</u>
8.1.1	Reconciliation of deferred markup is as follows:		
	Opening balance	42,001	32,630
	Add: Markup deferred during the year	2,446	9,371
		<u>44,447</u>	<u>42,001</u>
8.1.2	Reconciliation is as follows:		
	Opening balance	4,170	4,846
	Add: Discounting impact of deferred markup	362	1,556
		4,532	6,402
	Less: Unwinding impact of discounted deferred markup	(757)	(2,232)
		<u>3,775</u>	<u>4,170</u>

This represents balance transferred as a result of restructuring of short term running finance (RF) facility to Term Loan Facility and subsequently amended on 8th October 2020 and 30th September 2021. Principal will be repaid in 37 stepped up monthly installments starting from August 2021 till August 2024. Markup will be accrued and will be serviced in 12 equal monthly installments, starting from September 2024. Effective markup rate applicable will be 3 Month KIBOR + 85 bps. The mark up charged during the period on the outstanding balance at 17.85% (2022: 11.39% to 16.62%) per annum. The facility is secured against 1st joint pari passu charge on present and future current and fixed assets excluding building of the Company for Rs. 534 million and right to set off on collection account.



		March 31, 2023	December 31, 2022
	Note	------(Rupees in '000)-----	
8.2 Bank Islami Pakistan Limited			
Opening balance		53,808	81,308
Transfer from running finance		-	-
Repayments		(6,024)	(27,500)
		47,784	53,808
Less: Current and overdue portion		(13,154)	(8,637)
		34,630	45,171
Add: Deferred markup	8.2.1	56,764	54,659
Less: Discounting of deferred markup	8.2.2	(8,327)	(8,878)
		48,437	45,781
		83,067	90,952
8.2.1 Reconciliation of deferred markup is as follows:			
Opening balance		54,659	46,015
Add: Deferred markup during the period/year		2,105	8,644
		56,764	54,659
8.2.2 Reconciliation is as follows:			
Opening balance		8,878	10,219
Add: Discounting impact of deferred markup		325	1,474
		9,203	11,693
Less: Unwinding impact of discounted deferred markup		(876)	(2,815)
		8,327	8,878

This represents balance transferred as a result of restructuring of short term running finance (RF) facility to Term Loan Facility as on 12th Feb 2021. Principal will be repaid in 29 installments starting from Feb 2022 till May 2026. Markup will be accrued and will be serviced in 24 monthly installments, starting from June 01, 2024. Effective markup rate applicable will be 6 Month KIBOR (Floor 7.5% and capping 17%). The mark up charged during the period on the outstanding balance ranged from 15.87% to 17% (2022: 7.65% to 15.87%). The facility is secured against 1st joint pair passu charge on present and future current and fixed assets excluding land & building & licences/receivable of LDI & WLL) of the Company for Rs. 880 million with 25% margin, pledge of various listed securities of the Company having carrying value Rs. 31.916 Million and along with Mortgage over the Company's Offices at Ali Tower MM Alam Road Lahore and at The Plaza Shopping Mall Kehkashan Karachi.

		March 31, 2023	December 31, 2022
	Note	------(Rupees in '000)-----	
8.3 Askari Bank Limited			
Opening balance		288,547	-
Transfer from running finance		-	310,547
Repayments		(8,000)	(22,000)
		280,547	288,547
Less: Current and overdue portion		(54,000)	(44,000)
		226,547	244,547
Add: Deferred markup	8.3.1	75,646	64,596
Less: Discounting of deferred markup	8.3.2	(15,537)	(14,998)
		60,109	49,598
		286,656	294,145
8.3.1 Reconciliation of deferred markup is as follows:			
Opening balance		64,596	-
Add: Deferred markup during the period/year		11,050	64,596
		75,646	64,596
8.3.2 Reconciliation is as follows:			
Opening balance		14,998	-
Add: Discounting impact of deferred markup		2,167	14,998
		17,165	14,998
Less: Unwinding impact of discounted deferred markup		(1,628)	-
		15,537	14,998



This represents balance transferred as a result of restructuring of short term running finance (RF) facility to Term Loan Facility as on 12th Feb 2021. Principal will be repaid in 29 installments starting from Feb 2022 till May 2026. Markup will be accrued and will be serviced in 24 monthly installments, starting from June 01, 2024. Effective markup rate applicable will be 6 Month KIBOR (Floor 7.5% and capping 17%). The mark up charged during the period on the outstanding balance ranged from 15.87% to 17% (2022: 7.65% to 15.87%). The facility is secured against 1st joint pair passu charge on present and future current and fixed assets excluding land & building & licences/receivable of LDI & WLL) of the Company for Rs. 880 million with 25% margin, pledge of various listed securities of the Company having carrying value Rs. 31.916 Million and along with Mortgage over the Company's Offices at Ali Tower MM Alam Road Lahore and at The Plaza Shopping Mall Kehkashan Karachi.

		March 31, 2023	December 31, 2022
	Note	----- (Rupees in '000) -----	
8.3 Askari Bank Limited			
Opening balance		288,547	-
Transfer from running finance		-	310,547
Repayments		(8,000)	(22,000)
		<u>280,547</u>	<u>288,547</u>
Less: Current and overdue portion		(54,000)	(44,000)
		<u>226,547</u>	<u>244,547</u>
Add: Deferred markup	8.3.1	75,646	64,596
Less: Discounting of deferred markup	8.3.2	(15,537)	(14,998)
		<u>60,109</u>	<u>49,598</u>
		<u>286,656</u>	<u>294,145</u>
8.3.1 Reconciliation of deferred markup is as follows:			
Opening balance		64,596	-
Add: Deferred markup during the period/year		11,050	64,596
		<u>75,646</u>	<u>64,596</u>
8.3.2 Reconciliation is as follows:			
Opening balance		14,998	-
Add: Discounting impact of deferred markup		2,167	14,998
		<u>17,165</u>	<u>14,998</u>
Less: Unwinding impact of discounted deferred markup		(1,628)	-
		<u>15,537</u>	<u>14,998</u>

This represents balance transferred as a result of settlement agreement from short term running finance (RF) facility to Term Loan Facility as on November 02, 2022. Principal will be repaid in 48 installments starting from Nov 2022 till Oct 2026. Markup outstanding after effective discounts / waivers as per settlement agreement and markup to be accrued will be serviced in 36 monthly installments, starting from Nov 2024. Effective markup rate applicable will be 1MK - 2% (Floor 10%). The mark up charged during the period on the outstanding balance ranged from 14.4% to 17.38% (2022: 13.46% to 14.61%). The facility is secured against 1st joint pair passu charge on present and future current and fixed assets (excluding land & building & licences) of the Company with Margin 25%, collection account with AKBL for routing of LDI receivables alongwith additional mortgage on Properties situated in Sindh.

		March 31, 2023	December 31, 2022
	Note	----- (Rupees in '000) -----	
Sponsor's Loan			
Sponsor's Loan - unsecured			
- Interest bearing	9.1	852,300	680,700
- Non-interest bearing	9.2	1,546,670	1,490,607
		<u>2,398,970</u>	<u>2,171,307</u>
9.1 Opening balance		680,700	533,850
Exchange loss		171,600	146,850
		<u>852,300</u>	<u>680,700</u>

This represents USD denominated loan obtained from Worldcall Services (Private) Limited, the Parent Company. It carries mark up at 12 months KIBOR plus 1%. The mark up rate charged during the period on the outstanding balance is 18.36% (2022: 12.79%) per annum. The amount is not payable before March 31, 2024.

9.2 This represents interest free loan obtained from Worldcall Services (Private) Limited, the Parent Company. The amount is not payable before March 31, 2024.

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

Opening balance	1,692,907	1,289,338
Less: Net receipts /(Payments) during the period/year	63,547	403,569
Amount of loan	1,756,454	1,692,907
Adjustment due to impact of IFRS 9:		
Discounting	(209,784)	(202,300)
	<u>(209,784)</u>	<u>(202,300)</u>
	<u>1,546,670</u>	<u>1,490,607</u>



Note 10

Lease Liabilities	March 31, 2023	December 31, 2022
	----- (Rupees in '000) -----	
Opening balance	252,776	314,666
Add: Initial application of IFRS 16 on January 1, 2019	-	-
Add: Accrued lease rentals as at December 31, 2018	-	-
Add: Additions during the year	-	7,998
Add: Interest expense	7,714	30,955
Less: Termination of lease agreement	-	(67,595)
Less: Lease payments	(7,934)	(33,248)
Gross liability	252,557	252,776
Less: Current and overdue portion	(56,528)	(58,316)
Closing balance	<u>196,029</u>	<u>194,460</u>

10.1 Nature of leasing activities

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

Lease terms, and the remaining lease terms at the date of initial application, vary. Remaining lease term of existing lease contracts for which lease liability is booked ranges from 2 to 14 years.

Note 11

Short Term Borrowings		March 31, 2023	December 31, 2022
	Note	----- (Rupees in '000) -----	
Banking companies (secured - interest bearing):			
- Running finances	11.1	32,065	32,064
Related parties (unsecured - interest free):			
- Ferret Consulting F.Z.C.	11.2	108,435	84,355
		<u>140,500</u>	<u>116,419</u>

11.1 Short term running finance facilities available from commercial banks under mark up arrangements amount to Rs. 32,065 million (2022: Rs. 32,064 million). Running finance facilities are available at mark up rate of KIBOR plus 1.5% per annum (2022: KIBOR plus 1.5% TO 2% per annum), payable quarterly, on the balance outstanding. The mark up charged during the period on outstanding balance at 18.52% (2022: 11.94% to 17.60%) per annum, effectively. As of reporting date Company is in negotiations with Lender for restructuring of its short term liability into long term.

11.2 This represents interest free USD denominated loan received from M/s Ferret Consulting - F.Z.C to meet working capital requirements. The accumulated balance as at reporting date is USD 81,679 (2022: USD 377,598). In the absence of written agreement, the amount is repayable on demand.

11.3 Guarantees

Of the aggregate facilities of Rs. 398.862 million (2022: Rs. 398.862 million) for guarantees, the amount utilized as at March 31, 2023 was Rs. 334.461 million (2022: Rs. 334.461 million).

11.4 The facilities in note 20.1 are secured against first pari passu hypothecation charge on all present and future current and fixed assets excluding building, WLL / LDI receivables, first joint pari passu hypothecation charge over all present and future current and fixed assets of the Company with security margin over the facility amount, pledge of shares of listed companies in CDC account of the Company, Margin over cash deposit of Rs. 34.563 million, first exclusive assignment of all present and future receivables of LDI business arm of the Company, collection accounts with Bank for routing of LDI receivables, counter guarantee of the Company, equitable mortgage over the property of office # 302, 303, 304, 3rd Floor, the Plaza on Plot # G-7, Block-9, KDA Scheme # 5, Kehkashan Clifton, Karachi and equitable mortgage over the property of office # 07, 08, 09 situated on 1st Floor, Ali Tower, MM Alam Road, Gulberg III.

Note 12

Contingencies and Commitments**Contingencies and commitments****Contingencies**

There is no significant change in the status of contingencies from the preceding annual financial statements of the Company for the year ended December 31, 2022.

	2023	2022
	----- Rupees in 000 -----	
Outstanding guarantees and letter of credit	344,461	344,461
Commitments	7,631	9,313



Note 13

Property, Plant and Equipment

		March 31 2023	December 31 2022
	Note	(Un-audited)	(Audited)
------(Rupees in '000)-----			
Operating fixed assets	13.1	5,212,001	5,307,479
Capital work-in-progress		13,513	12,907
		<u>5,225,514</u>	<u>5,320,386</u>
13.1 Operating fixed assets			
Opening book value		5,307,479	5,781,122
Additions during the year	13.1.1	1,883	23,631
		<u>5,309,362</u>	<u>5,804,753</u>
Disposals (at book value) for the year	13.1.2	-	(107,828)
Depreciation charged during the year		(97,361)	(389,446)
Closing book value		<u>5,212,001</u>	<u>5,307,479</u>
13.1.1 Detail of additions			
Leasehold improvements		913	6,639
Plant and equipment		533	13,063
Office equipment		252	1,466
Furniture and fixtures		185	698
Computers			1,765
		<u>1,883</u>	<u>23,631</u>
13.1.2 Book values of assets disposed off			
Plant and equipment		-	107,828
		<u>-</u>	<u>107,828</u>

Note 14

Right of use assets

	March 31 2023	December 31 2022
	(Un-audited)	(Audited)
------(Rupees in '000)-----		
Opening balance	3,407,381	3,694,104
Add: Additions during the year	-	7,998
Add: Lease termination	-	(16,608)
Less: Depreciation charge for the period / year	(69,528)	(278,113)
Closing balance	<u>3,337,853</u>	<u>3,407,381</u>
Lease Term (Years)	<u>2 to 13</u>	<u>2 to 14</u>

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



Note 15

Long Term Investment

	March 31 2023	December 31 2022
	(Un-audited)	(Audited)
	------(Rupees in '000)-----	
Wholly owned subsidiary Company - at cost [unquoted]		
Route 1 Digital (Private) Limited		
30,000 (December 31, 2022: 30,000) ordinary shares of		
Rs. 100 each, equity held 100% (December 31, 2020: 100%)	-	-

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

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

Note 16

Deferred Taxation

	March 31 2023	December 31 2022
	(Un-audited)	(Audited)
	------(Rupees in '000)-----	
<i>Asset for deferred taxation comprising temporary differences related to:</i>		
-Unused tax losses	2,960,917	3,013,949
-Provision for doubtful debts	900,194	900,194
-Post employment benefits	61,264	58,009
-Provision for stores and spares & stock-in-trade	1,173	1,173
-Provision for doubtful advances and other receivables	82,981	82,981
<i>Liability for deferred taxation comprising temporary differences related to:</i>		
-Surplus on revaluation of assets	(1,635,066)	(1,684,843)
	2,371,463	2,371,463

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



Note 17

Cash Used in Operations**Quarter Ended March 31,
2023****2022****Un-Audited****Un-Audited**

------(Rupees in '000)-----

CASH FLOWS FROM OPERATING ACTIVITIES

Loss before taxation (536,168) (383,088)

Adjustment for non-cash charges and other items:

- Depreciation on property, plant and equipment	97,361	117,288
- Amortization on intangible assets	101,204	101,263
- Amortization of right of use assets	69,528	64,661
- Revenue from IRU agreement	-	(200,000)
- Disposal of fiber under IRU arrangement	-	9,978
- Post employment benefits	11,576	10,162
- Adjustment due to impact of IFRS 9	(10,339)	-
- Income on deposits, advances and savings accounts	(43)	(395)
- Exchange gain/(loss) on foreign currency loan	171,600	15,750
- Exchange (gain)/loss on foreign currency accrued markup	48,591	2,401
- Exchange (gain)/loss on foreign currency balances - net	(124,038)	107,912
- Provision for doubtful advances	-	-
- Deposits written off	-	-
- Impairment of long term investment	-	-
- Imputed interest on lease liability	7,714	8,202
- Unwinding impact of liabilities under IFRS 9	14,278	45,954
- Finance cost	117,637	62,840
	<u>505,069</u>	<u>346,016</u>

Operating loss before working capital changes (31,099) (37,072)

(Increase) / decrease in current assets

- Stores and spares	1,106	1,044
- Stock-in-trade	-	-
- Trade debts	(21,336)	(110,149)
- Loans and advances	3,473	(12,525)
- Deposits and prepayments	(2,032)	(5,383)
- Short term investment	-	-
- Other receivables	(6,276)	(5,884)

Increase / (decrease) in current liabilities

- Trade and other payables	24,548	139,365
	<u>(518)</u>	<u>6,468</u>

Cash used in operations**(31,617) (30,604)**



Note 18

Transaction with Related Parties

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

			Quarter ended March 31,	
			2023	2022
			----- (Rupees in '000) -----	
Transactions during the period with local companies				
Related party	Relationship	Nature of transaction		
Worldcall Services (Private) Limited	Parent Company	Funds received by the Company during the period	52,500	104,500
		Funds repaid by the Company during the period	3,070	50,005
		Settlement with multimedia	14,118	11,129
		Markup on long term borrowings	46,926	19,126
		Adjustments	-	114,469
		Exchange (gain)/loss on markup	48,591	2,401
		Exchange (gain)/loss on loan	171,600	15,750
Route 1 Digital (Private) Limited	Wholly Owned Subsidiary	Interest charged during the period	1,650	528
		Expenses borne on behalf of subsidiary	1,122	300
Worldcall Cable (Private) Limited	Associate	Interest charged during the year	197	66
Worldcall Ride Hail (Private) Limited	Associate	Expenses borne on behalf of associate	0	-
		Interest charged during the year	2	1
Key management personnel	Associated persons	Salaries and employees benefits	22,719	19,443
		Advances against expenses disbursed / (adjusted) - net	671	(581)

Transactions during the period/year with foreign companies

Related party	Relationship	Nature of transaction		
Ferret Consulting - F.Z.C	Associate	preference dividend converted into ordinary shares	-	-
		Exchange (Gain)/loss	21,673	1,967
		Adjustment with third party	(475)	-
		Direct Cost - IT Service	1,560	720
		Expenses Charged during the year	-	452

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

			March 31,	December 31,
			2023	2022
			----- (Rupees in '000) -----	
Outstanding Balance as at the period/year end				
Worldcall Services (Private) Limited	Sponsor's loan		2,398,970	2,171,307
	Accrued markup		279,897	184,380
Ferret Consulting - F.Z.C	Dividend on CPS		143,515	229,383
	Short term borrowings		108,435	84,355
Route 1 Digital (Private) Limited	Other receivables		22,449	21,854
Worldcall Ride Hail (Private) Limited	Other receivables		21	20
Worldcall Cable (Private) Limited	Other receivables		2,684	2,613
Key management	Payable against expenses, salaries and other employee benefits		179,406	184,718
	Advance against expenses		13,361	12,690



Note 19

Financial Risk Management**19.1 Financial risk factors**

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

The condensed interim financial statements (un-audited) do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2022.

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

19.2 Fair value estimation

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

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

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

The following table presents the Company's assets and liabilities that are measured at fair value at March 31, 2023:

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Assets				
Short-term investments	34,877	-	-	34,877

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

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Assets				
Short-term investments	37,296	-	-	37,296

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



Note 20

Segment Information

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

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

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

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

Note 21

Date of Authorization for Issue

These condensed interim financial statements (un-audited) were approved and authorized for issue on 30 April 2023 by the Board of Directors of the Company.

Note 22

Corresponding Figures

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


Chief Executive Officer


Director


Chief Financial Officer



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

QUARTERLY REPORT 2023





CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

		March 31 2023	December 31 2022
		(Un-Audited)	(Un-Audited)
	Note	----- (Rupees in '000) -----	
SHARE CAPITAL AND RESERVES			
Authorized share capital		29,000,000	29,000,000
Ordinary share capital	4	13,513,207	13,136,257
Preference share capital	5	1,053,321	1,185,479
Dividend on preference shares	6	376,371	425,652
Capital reserves		199,581	236,897
Accumulated loss		(15,829,230)	(15,189,738)
Surplus on revaluation of fixed assets		1,735,857	1,804,747
		1,049,108	1,599,294
NON-CURRENT LIABILITIES			
Term finance certificates	7	837,183	917,312
Long term financing	8	428,340	450,462
Sponsor's loan	9	2,398,970	2,171,307
License fee payable		45,513	45,513
Post employment benefits		211,256	200,030
Long term deposit		102,937	100,915
Lease liabilities	10	196,029	194,460
		4,220,228	4,079,999
CURRENT LIABILITIES			
Trade and other payables		6,729,901	6,458,580
Unearned revenue		-	1
Accrued mark up		747,222	598,184
Current and overdue portion of non-current liabilities		1,129,788	1,023,425
Short term borrowings	11	140,500	116,419
Unclaimed dividend		1,807	1,807
Provision for taxation - net		361,385	352,979
		9,110,603	8,551,395
Contingencies and Commitments	12	-	-
TOTAL EQUITY AND LIABILITIES		14,379,939	14,230,688
NON-CURRENT ASSETS			
Property, plant and equipment	13	5,226,847	5,321,908
Right of use assets	14	3,337,853	3,407,381
Intangible assets		491,423	592,619
Investment properties		51,470	51,470
Long term investment	15	-	-
Long term trade receivable	16	-	-
Deferred taxation	15	2,371,463	2,371,463
Long term loans		-	-
Long term deposits		9,494	9,494
		11,488,550	11,754,335
CURRENT ASSETS			
Stores and spares		30,076	31,182
Stock-in-trade		210,858	210,858
Trade debts		1,609,619	1,195,346
Loans and advances		312,576	316,011
Deposits and prepayments		582,678	580,646
Short term investments		34,877	37,296
Other receivables		101,239	95,558
Cash and bank balances		9,465	9,456
		2,891,388	2,476,353
TOTAL ASSETS		14,379,938	14,230,688

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


Chief Executive Officer


Director


Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

	Quarter Ended March 31,	
	2023 (Un-audited)	2022 (Un-audited)
	----- (Rupees in '000) -----	
Revenue	614,783	521,780
Direct costs excluding depreciation and amortization	(545,700)	(314,833)
Operating costs	(115,302)	(98,326)
Other (Expenses) / Income	(83,645)	(92,625)
Profit/ (loss) before Interest, Taxation, Depreciation and Amortization	<u>(129,864)</u>	<u>15,996</u>
Depreciation and amortization	(268,282)	(283,212)
Finance cost	(139,629)	(116,996)
Loss before Taxation	<u>(537,775)</u>	<u>(384,212)</u>
Taxation	(9,992)	(6,522)
Net Loss for the period	<u><u>(547,767)</u></u>	<u><u>(390,734)</u></u>
Loss per Share - basic (Rupees)	<u><u>(0.14)</u></u>	<u><u>(0.12)</u></u>
Loss per Share - diluted (Rupees)	<u><u>(0.14)</u></u>	<u><u>(0.12)</u></u>

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


Chief Executive Officer


Director


Chief Financial Officer



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

	Quarter ended Mar 31,	
	2023	2022
	Un-Audited	Un-Audited
	------(Rupees in '000)-----	
Net loss for the Period	(547,767)	(390,734)
Other comprehensive income:		
<i>Items that will not be reclassified to profit or loss:</i>		
- Remeasurement of post employment benefit obligations - net of tax	-	-
- Surplus on revaluation of fixed assets - net of tax	-	-
- Changes in fair value of financial assets through other comprehensive income - net of tax	(2,419)	(3,014)
<i>Item that may be subsequently reclassified to profit or loss:</i>	-	-
Other Comprehensive (loss)/Income - net of tax	(2,419)	(3,014)
Total Comprehensive loss for the Period - net of tax	<u>(550,186)</u>	<u>(393,748)</u>

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


Chief Executive Officer


Director


Chief Financial Officer



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2023**

Particulars	Ordinary Share Capital	Preference Share Capital	Dividend on Preference Shares	Capital Reserves			Revenue Reserve (Accumulated Loss)	Surplus on Revaluation of Fixed Assets	Total
				Fair Value Reserve	Exchange Translation Reserve	Total Capital Reserves			
Balance as at December 31, 2021	12,495,571	1,576,870	571,600	(6,908)	360,761	353,853	(14,041,887)	2,027,672	2,993,679
Net profit for the period	-	-	-	-	-	-	(390,734)	-	(390,734)
Other comprehensive income for the period - net of tax	-	-	-	(3,014)	-	(3,014)	-	-	(3,014)
Total comprehensive income for the period - net of tax	-	-	-	(3,014)	-	(3,014)	-	-	(3,014)
Adjustment of Surplus on retirement of intangible assets	-	-	-	(3,014)	-	(3,014)	(390,734)	-	(393,748)
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	68,890	(68,890)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	-	-
Conversion of preference shares and dividend thereon	-	-	-	-	-	-	-	-	-
Discount on issuance of ordinary shares	-	-	-	-	-	-	-	-	-
Total transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	12,495,571	1,576,870	571,600	(9,922)	360,761	350,839	(14,363,731)	1,956,782	2,599,931
Net loss for the year	-	-	-	-	-	-	(954,248)	-	(954,248)
Other comprehensive income for the period - net of tax	-	-	-	(10,595)	-	(10,595)	14,206	-	3,611
Total comprehensive income for the period - net of tax	-	-	-	(10,595)	-	(10,595)	14,206	-	3,611
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	(990,042)	-	(990,042)
Adjustment of Surplus on retirement of tangible assets	-	-	-	-	-	-	-	(137,781)	(137,781)
Conversion of preference shares and dividend thereon	-	-	-	-	-	-	16,254	(16,254)	-
Discount on issuance of ordinary shares	5,367,041	(391,391)	(145,948)	-	(103,347)	(103,347)	-	-	4,726,355
Total transactions with owners, recognized directly in equity	(4,726,355)	-	-	-	(103,347)	(103,347)	-	-	(4,726,355)
Net loss for the period	640,686	(391,391)	(145,948)	-	(103,347)	(103,347)	-	-	-
Other comprehensive income for the period - net of tax	-	-	-	(20,517)	257,414	236,897	(15,189,738)	1,804,747	1,599,294
Total comprehensive income for the period - net of tax	13,136,257	1,185,479	425,652	-	153,067	393,544	(15,189,738)	1,804,747	1,599,294
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	(2,419)	-	(2,419)	(547,767)	-	(547,767)
Conversion of preference shares and dividend thereon	-	-	-	(2,419)	-	(2,419)	-	-	(550,186)
Discount on issuance of ordinary shares	-	-	-	-	-	-	68,890	(68,890)	-
Total transactions with owners, recognized directly in equity	-	-	-	-	-	-	68,890	(68,890)	-
Net loss for the period	-	-	-	-	-	-	(160,615)	-	(160,615)
Total comprehensive income for the period - net of tax	4,135,380	(132,159)	(65,689)	-	(158,923)	(158,923)	-	-	3,798,430
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	(3,756,430)	-	-	-	(158,923)	(158,923)	-	-	(3,756,430)
Conversion of preference shares and dividend thereon	376,930	(132,159)	(65,689)	-	(158,923)	(158,923)	-	-	-
Total transactions with owners, recognized directly in equity	13,512,207	1,053,321	376,371	(22,836)	222,517	199,581	(15,829,230)	1,735,857	1,049,108

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

N. B. Bandyopadhyay

Director

P. S. Sengupta

Chief Financial Officer



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
(UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

	Note	Quarter Ended March 31,	
		2023	2022
		Un-Audited	Un-Audited
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	16	(31,617)	(30,603)
<i>Increase / (Decrease) in non-current liabilities:</i>			
- Long term deposit		-	1,868
<i>Decrease / (Increase) in non-current assets:</i>			
- Long term trade receivables		-	-
- Long term deposits		-	450
		-	450
		(31,617)	(28,285)
Post employment benefits paid		(350)	(152)
Finance cost paid		(1,590)	(47,153)
Income tax paid		(1,586)	(1,862)
Net Cash used in Operating Activities		(35,143)	(77,452)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,489)	(4,897)
Short term investments		-	3,641
Income on deposit and savings accounts		43	395
Proceeds from disposal of inventory		-	-
Proceeds from disposal of property, plant and equipment		-	-
Net Cash Used in Investing Activities		(2,446)	(861)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of term finance certificates		-	(72,968)
Repayment of long term financing		(19,102)	(4,648)
Sponsor's loan		63,548	180,093
Short term borrowings - net		1,085	20,945
Repayment of lease liability		(7,934)	(4,745)
Net Cash Generated from Financing Activities		37,597	118,677
Net (Decrease)/Increase in Cash and Cash Equivalents		7	40,364
Cash and cash equivalents at the beginning of the period		9,456	33,224
Cash and Cash Equivalents at the End of the Period		9,464	73,588

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


Chief Executive Officer


Director


Chief Financial Officer



NOTES OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2023

Note 1

THE GROUP AND ITS OPERATIONS

- 1.1 Worldcall Telecom Limited ("the Group") is a public limited Group incorporated in Pakistan on March 15, 2001 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange. The Group commenced its operations on December 01, 2004 and is engaged in providing Wireless Local Loop ("WLL") and Long Distance & International ("LDI") services in Pakistan; re-broadcasting international/national satellite/terrestrial wireless and cable television and radio signals; interactive communication and to establish, maintain and operate the licensed telephony services. The Group is domiciled in Pakistan and its registered office cum principal place of business is situated at Plot # 112-113, Block S, Quaid e Azam Industrial Estate Kot Lakhpat Lahore.

Worldcall Services (Pvt.) Limited (the "Parent Company"), incorporated in Pakistan.

Note 2

BASIS OF PREPARATION

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

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

- 2.3 These condensed interim financial statements are un-audited.
- 2.4 These condensed interim financial statements (un-audited) do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2022. Selected explanatory notes are included to explain events and transactions that are significant to understanding of the changes in the Group's financial statements since the last financial statements.
- 2.5 These condensed interim financial statements (un-audited) should be read in conjunction with annual audited financial statements for the year ended December 31, 2022. Comparative statement of financial position is extracted from annual audited financial statements for the year ended December 31, 2022 whereas comparative statement of profit or loss, comparative statement of comprehensive income, comparative statement of changes in equity and comparative statement of cash flows are extracted from unaudited condensed interim financial statements for the quarter ended March 31, 2023.
- 2.6 These condensed interim (un-audited) financial statements are presented in Pak Rupees, which is the Group's functional and presentational currency. All the figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.
- 2.7 **Going concern assumption**
- 2.7.1 The Group has incurred a loss after taxation of Rs. 547,767 million during the period ended March 31, 2023 (March 2022: Rs. 390.734 million). As at March 31, 2023, the accumulated loss of the Group stands at Rs. 15,829,230 million (December 31, 2022: Rs. 15,189.738 million) and its current liabilities exceed its current assets by Rs. 6,219.215 million (December 31, 2022: Rs. 6,075.042 million). These conditions, along with the other factors like declining revenue and contingencies and commitments as mentioned in note 13, indicate the existence of material uncertainties that cast significant doubt about the Group's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

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

**2.7.2 Net Liabilities Position - Risk Mitigation**

As mentioned above, there is a net current liability position of approximately Rs. 6.219 billion as on the reporting date, which has the following major components:

Description	Note	Rs in million
Short term Borrowings	2.7.2.1	141
Pakistan Telecommunication Authority (PTA)	2.7.2.2	2,349
Claims of Parties Challenged	2.7.2.3	927
Continuing business partners	2.7.2.4	67
Contract liabilities	2.7.2.5	706
Provision for taxation	2.7.2.6	361
		4,551

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

- 2.7.2.1** The management of the Group is in negotiation with bank for roll over of this facility (note no 20). Moreover, short term borrowing include funds obtained from related parties to the tune of Rs. 108.435 Million.
- 2.7.2.2** Liabilities towards PTA as incorporated in these financial statements stand at approximately Rs. 2.349 billion which are not immediately payable owing to non-fulfillment of certain conditions relating to the demand of such amounts. These conditions relate to the industry circumstances and Court Orders.
- 2.7.2.3** This amount represents the amounts owed to certain parties whose claims have been challenged by the Group in various judicial forums for the breach and non-performance of their contractual obligations. Based on the merits of Group's position, the management believes that such amounts may not be immediately payable under the circumstances.
- 2.7.2.4** The amount payable to creditors amounting Rs. 67 million represents routine trade credits extended by regular parties and these balances are of revolving nature. Thus, no immediate net cash outlay would be required.
- 2.7.2.5** Contract liabilities represents advances received from customers and this will be adjusted against future services. Based on which no cash outflow will occur.
- 2.7.2.6** The Group does not anticipate cash outlays on account of Provision for Taxation, since it has sufficient brought forward losses.
- 2.7.3 Continued Support from a Majority Shareholder**
The Group's majority shareholder, Worldcall Services (Private) Limited (WSL) has given assurance to provide continued cash flow support to the Group through its letter to the Group's Board of Directors.

Note 3**SIGNIFICANT ACCOUNTING POLICIES**

- 3.1** The Group's accounting and financial risk management policies and methods of computation adopted in the preparation of these condensed interim (un-audited) financial statements are the same as those applied in the preparation of preceding annual financial statements of the Group for the year ended December 31, 2022.
- 3.2** Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 1, 2023, but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

Note 4**Ordinary Share Capital**

March 31, 2023	December 31, 2022		March 31, 2023	December 31, 2022
(Un-audited)	(Audited)	Note	----- (Rupees in '000) -----	
No. of Shares				
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
3,285,869,893	2,872,331,856	Ordinary shares of Rs. 10 each issued against convertible preference shares	4.1	32,858,699
		Less: Discount on issue of shares	4.5	
			41,464,415	37,329,035
			(27,951,208)	(24,192,778)
4,146,441,406	3,732,903,369		13,513,207	13,136,257



- 4.1 During the year, 13,000 (2022: 38,500) convertible preference shares and accumulated preference dividend thereon amounting to Rs. 85.869 million (2021: Rs. 145.948 million) have been converted into ordinary shares in accordance with the agreed terms and conditions detailed in Note 6.2.
- 4.2 The terms of agreement between the Group and certain lenders impose certain restrictions on distribution of dividends by the Group.
- 4.3 Worldcall Services (Private) Limited, parent of the Group, holds 854,914,152 shares (2022: 854,914,152 shares) in the Group.
- 4.4 Ferret Consulting F.Z.C. is an associated Company.
- 4.5 Reconciliation of discount on issue of shares is as follows:

	March 31 2023	December 31 2022
	------(Rupees in '000)-----	
Opening balance	24,192,778	19,466,423
Add: Discount on issuance of ordinary shares during the year	3,758,430	4,726,355
Closing balance	<u>27,951,208</u>	<u>24,192,778</u>

- 4.6 Reconciliation of ordinary share capital is as follows:

Opening balance	37,329,035	31,961,994
Add: Shares issued during the year	4,135,380	5,367,041
Closing balance	<u>41,464,415</u>	<u>37,329,035</u>

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

Note 5

Preference Share Capital		March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
	Note	-----No. of Shares-----		------(Rupees in '000)-----	
Opening balance		117,200	155,700	1,185,479	1,576,870
Less: Preference shares converted into ordinary shares during the year	6.3	<u>(13,000)</u>	<u>(38,500)</u>	<u>(132,158)</u>	<u>(391,391)</u>
		<u>104,200</u>	<u>117,200</u>	<u>1,053,321</u>	<u>1,185,479</u>

- 5.1 These preference shares are US Dollars denominated, non-voting, cumulative and convertible preference shares ("CPS", or "preference shares") having a face value of USD 100 each.
- 5.2 In accordance with the terms of CPS, certain preference shareholders have exercised conversion option. Thus, their CPS and accrued preference dividend thereon have been converted into ordinary shares as reflected in Note 5.1.
- 5.3 CPS holders are entitled to non-cash dividend which shall be calculated @ 5.9% per annum on each of the preference shares or the dividend declared by WTL for ordinary shareholders, whichever is higher.
- 5.4 Ferret Consulting F.Z.C., an associate of the Group, holds preference shares in the Group.
- 5.5 Mandatory conversion date of convertible preference shares (CPS) is December 31, 2024.

Note 6

Dividend on Preference Shares		March 31, 2023	December 31, 2022
	Note	------(Rupees in '000)-----	
Dividends on preference shares	6.1	<u>376,371</u>	<u>425,652</u>

- 6.1 This represents accumulated dividend on preference shares which is not payable in cash rather it will be converted into ordinary shares as and when the preference shares are converted into ordinary shares.
- 6.2 During the period, cumulative preference dividend amounting to Rs. 85.869 million (2021: Rs. 145.948 million) was converted into ordinary shares as a result of conversion option exercised by certain preference shareholders in accordance with the terms and conditions given in Note 5.3 above.

Note 7

Term Finance Certificates		March 31, 2023	December 31, 2022
	Note	------(Rupees in '000)-----	
Opening balance		1,187,853	1,259,152
Less: Payments made during the period / year		-	(71,299)
		<u>1,187,853</u>	<u>1,187,853</u>
Less: Current and overdue portion		<u>(615,689)</u>	<u>(559,022)</u>
		572,164	628,831
Add: Deferred markup	7.1	<u>265,019</u>	<u>288,481</u>
		<u>837,183</u>	<u>917,312</u>



Term finance certificates (TFCs) have a face value of Rs. 5,000 per certificate. These TFCs carry mark up at the rate of six months average KIBOR plus 1.0% per annum (2022: six month average KIBOR plus 1.0% per annum), payable quarterly. The mark up rate charged during the period on the outstanding balance ranged from 17.10% to 22.15% (2022: 8.76% to 17.10%) per annum.

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

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

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

The other main terms included appointment of one representative as a nominee director nominated by the Trustee which has been complied with. Further, 175 million sponsor's shares are pledged for investors which will be released with quarterly scheduled principal repayments proportionately starting from June 2019.

The Group has not paid due quarterly installments of June 2019 to March 2023 amounting Rs. 510.00 million. In case of failure to make due payments by the Group, Trustee can instruct the security agent to enforce the letter of pledge and sell the quantum of the pledged shares to generate the amount required for the settlement of the outstanding redemption amount.

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

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

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

7.1	Deferred markup	March 31,	December 31,
		2023	2022
		(Un-audited)	(Audited)
------(Rupees in '000)-----			
	Deferred markup	7.1.1 746,494	746,494
	Adjustment due to impact of IFRS 9	7.1.2 (66,094)	(75,088)
		680,400	671,406
	Payment/Adjustment	(60,255)	(60,255)
	Less: Current portion	(355,126)	(322,670)
		265,019	288,481
7.1.1	Reconciliation of deferred markup is as follows:		
	Opening balance	746,494	746,494
	Add: Markup deferred during the period/year	-	-
		746,494	746,494
7.1.2	Reconciliation is as follows:		
	Opening balance	75,088	116,084
	Add: Discounting impact of deferred markup	-	-
		75,088	116,084
	Less: Unwinding impact of discounted deferred markup	(8,994)	(40,996)
		66,094	75,088



Note 8

Long Term Financing

		March 31, 2023	December 31, 2022
		(Un-audited)	(Audited)
Note		------(Rupees in '000)-----	
From Banking Companies (secured)			
Allied Bank Limited	8.1	58,617	65,365
Bank Islami Pakistan Limited	8.2	83,067	90,952
Askari Bank Limited	8.3	286,656	294,145
		<u>428,340</u>	<u>450,462</u>
8.1 Allied Bank Limited			
Opening balance		58,314	75,476
Repayments		(5,078)	(17,162)
		<u>53,236</u>	<u>58,314</u>
Less: Current and overdue portion		(35,291)	(30,781)
		<u>17,945</u>	<u>27,533</u>
Add: Deferred markup	8.1.1	44,447	42,001
Less: Discounting of deferred markup	8.1.2	(3,775)	(4,170)
		<u>40,672</u>	<u>37,831</u>
		<u>58,617</u>	<u>65,364</u>
8.1.1 Reconciliation of deferred markup is as follows:			
Opening balance		42,001	32,630
Add: Markup deferred during the year		2,446	9,371
		<u>44,447</u>	<u>42,001</u>
8.1.2 Reconciliation is as follows:			
Opening balance		4,170	4,846
Add: Discounting impact of deferred markup		362	1,556
		<u>4,532</u>	<u>6,402</u>
Less: Unwinding impact of discounted deferred markup		(757)	(2,232)
		<u>3,775</u>	<u>4,170</u>

This represents balance transferred as a result of restructuring of short term running finance (RF) facility to Term Loan Facility and subsequently amended on 8th October 2020 and 30th September 2021. Principal will be repaid in 37 stepped up monthly installments starting from August 2021 till August 2024. Markup will be accrued and will be serviced in 12 equal monthly installments, starting from September 2024. Effective markup rate applicable will be 3 Month KIBOR + 85 bps. The mark up charged during the period on the outstanding balance at 17.85% (2022: 11.39% to 16.62%) per annum. The facility is secured against 1st joint pari passu charge on present and future current and fixed assets excluding building of the group for Rs. 534 million and right to set off on collection account.



		March 31, 2023	December 31, 2022
	Note	------(Rupees in '000)-----	
8.2 Bank Islami Pakistan Limited			
Opening balance		53,808	81,308
Transfer from running finance		-	-
Repayments		(6,024)	(27,500)
		47,784	53,808
Less: Current and overdue portion		(13,154)	(8,637)
		34,630	45,171
Add: Deferred markup	8.2.1	56,764	54,659
Less: Discounting of deferred markup	8.2.2	(8,327)	(8,878)
		48,437	45,781
		83,067	90,952
8.2.1 Reconciliation of deferred markup is as follows:			
Opening balance		54,659	46,015
Add: Deferred markup during the period/year		2,105	8,644
		56,764	54,659
8.2.2 Reconciliation is as follows:			
Opening balance		8,878	10,219
Add: Discounting impact of deferred markup		325	1,474
		9,203	11,693
Less: Unwinding impact of discounted deferred markup		(876)	(2,815)
		8,327	8,878

This represents balance transferred as a result of restructuring of short term running finance (RF) facility to Term Loan Facility as on 12th Feb 2021. Principal will be repaid in 29 installments starting from Feb 2022 till May 2026. Markup will be accrued and will be serviced in 24 monthly installments, starting from June 01, 2024. Effective markup rate applicable will be 6 Month KIBOR (Floor 7.5% and capping 17%). The mark up charged during the period on the outstanding balance ranged from 15.87% to 17% (2022: 7.65% to 15.87%). The facility is secured against 1st joint pair passu charge on present and future current and fixed assets excluding land & building & licences/receivable of LDI & WLL) of the Group for Rs. 880 million with 25% margin, pledge of various listed securities of the Group having carrying value Rs. 31.916 Million and along with Mortgage over the Group's Offices at Ali Tower MM Alam Road Lahore and at The Plaza Shopping Mall Kehkashan Karachi.

		March 31, 2023	December 31, 2022
	Note	------(Rupees in '000)-----	
8.3 Askari Bank Limited			
Opening balance		288,547	-
Transfer from running finance		-	310,547
Repayments		(8,000)	(22,000)
		280,547	288,547
Less: Current and overdue portion		(54,000)	(44,000)
		226,547	244,547
Add: Deferred markup	8.3.1	75,646	64,596
Less: Discounting of deferred markup	8.3.2	(15,537)	(14,998)
		60,109	49,598
		286,656	294,145
8.3.1 Reconciliation of deferred markup is as follows:			
Opening balance		64,596	-
Add: Deferred markup during the period/year		11,050	64,596
		75,646	64,596
8.3.2 Reconciliation is as follows:			
Opening balance		14,998	-
Add: Discounting impact of deferred markup		2,167	14,998
		17,165	14,998
Less: Unwinding impact of discounted deferred markup		(1,628)	-
		15,537	14,998



This represents balance transferred as a result of settlement agreement from short term running finance (RF) facility to Term Loan Facility as on November 02, 2022. Principal will be repaid in 48 installments starting from Nov 2022 till Oct 2026. Markup outstanding after effective discounts / waivers as per settlement agreement and markup to be accrued will be serviced in 36 monthly installments, starting from Nov 2024. Effective markup rate applicable will be 1MK - 2% (Floor 10%). The mark up charged during the period on the outstanding balance ranged from 14.4% to 17.38% (2022: 13.56% to 14.61%). The facility is secured against 1st joint pair passu charge on present and future current and fixed assets (excluding land & building & licences) of the Group with Margin 25%, collection account with AKBL for routing of LDI receivables alongwith additional mortgage on Properties situated in Sindh.

Note 9

Sponsor's Loan

		March 31, 2023	December 31, 2022
	Note	------(Rupees in '000)-----	
Sponsor's Loan - unsecured			
- Interest bearing	9.1	852,300	680,700
- Non-interest bearing	9.2	1,546,670	1,490,607
		<u>2,398,970</u>	<u>2,171,307</u>
9.1	Opening balance	680,700	533,850
	Exchange loss	171,600	146,850
		<u>852,300</u>	<u>680,700</u>

This represents USD denominated loan obtained from Worldcall Services (Private) Limited, the Parent Group. It carries mark up at 12 months KIBOR plus 1%. The mark up rate charged during the period on the outstanding balance is 18.36% (2022: 12.79%) per annum. The amount is not payable before March 31, 2024.

- 9.2 This represents interest free loan obtained from Worldcall Services (Private) Limited, the Parent Company. The amount is not payable before March 31, 2024.

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

Opening balance	1,692,907	1,289,338
Less: Net receipts /(Payments) during the period/year	63,547	403,569
Amount of loan	<u>1,756,454</u>	<u>1,692,907</u>
Adjustment due to impact of IFRS 9:		
Discounting	<u>(209,784)</u>	<u>(202,300)</u>
	<u>(209,784)</u>	<u>(202,300)</u>
	<u>1,546,670</u>	<u>1,490,607</u>



Note 10

Lease Liabilities	March 31, 2023	December 31, 2022
	------(Rupees in '000)-----	
Opening balance	252,776	314,666
Add: Initial application of IFRS 16 on January 1, 2019	-	-
Add: Accrued lease rentals as at December 31, 2018	-	-
Add: Additions during the year	-	7,998
Add: Interest expense	7,714	30,955
Less: Termination of lease agreement	-	(67,595)
Less: Lease payments	(7,934)	(33,248)
Gross liability	<u>252,557</u>	<u>252,776</u>
Less: Current and overdue portion	<u>(56,528)</u>	<u>(58,316)</u>
Closing balance	<u>196,029</u>	<u>194,460</u>

10.1 Nature of leasing activities

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

Lease terms, and the remaining lease terms at the date of initial application, vary. Remaining lease term of existing lease contracts for which lease liability is booked ranges from 2 to 14 years.

Note 11

Short Term Borrowings		March 31, 2023	December 31, 2022
	Note	------(Rupees in '000)-----	
Banking companies (secured - interest bearing):			
- Running finances	11.1	32,065	32,064
Related parties (unsecured - interest free):			
- Ferret Consulting F.Z.C.	11.2	<u>108,435</u>	<u>84,355</u>
		<u>140,500</u>	<u>116,419</u>

11.1 Short term running finance facilities available from commercial banks under mark up arrangements amount to Rs. 32.065 million (2022: Rs. 32.064 million). Running finance facilities are available at mark up rate of KIBOR plus 1.5% per annum (2022: KIBOR plus 1.5% TO 2% per annum), payable quarterly, on the balance outstanding. The mark up charged during the period on outstanding balance at 18.52% (2022: 11.94% to 17.60%) per annum, effectively. As of reporting date Group is in negotiations with Lender for restructuring of its short term liability into long term.

11.2 This represents interest free USD denominated loan received from M/s Ferret Consulting - F.Z.C to meet working capital requirements. The accumulated balance as at reporting date is USD 81,679 (2022: USD 377,598). In the absence of written agreement, the amount is repayable on demand.

11.3 Guarantees

Of the aggregate facilities of Rs. 398.862 million (2022: Rs. 398.862 million) for guarantees, the amount utilized as at March 31, 2023 was Rs. 334.461 million (2022: Rs. 334.461 million).

11.4 The facilities in note 20.1 are secured against first pari passu hypothecation charge on all present and future current and fixed assets excluding building, WLL / LDI receivables, first joint pari passu hypothecation charge over all present and future current and fixed assets of the Group with security margin over the facility amount, pledge of shares of listed companies in CDC account of the Group, Margin over cash deposit of Rs. 34.563 million, first exclusive assignment of all present and future receivables of LDI business arm of the Group, collection accounts with Bank for routing of LDI receivables, counter guarantee of the Group, equitable mortgage over the property of office # 302, 303, 304, 3rd Floor, the Plaza on Plot # G-7, Block-9, KDA Scheme # 5, Kehkashan Clifton, Karachi and equitable mortgage over the property of office # 07, 08, 09 situated on 1st Floor, Ali Tower, MM Alam Road, Gulberg III.



Note 12

Contingencies and Commitments**Contingencies and commitments****Contingencies**

There is no significant change in the status of contingencies from the preceding annual financial statements of the Group for the year ended December 31, 2022.

	2023	2022
	------(Rupees in '000)-----	
Outstanding guarantees and letter of credit	344,461	344,461
Commitments	7,631	9,313

Note 13

Property, Plant and Equipment

		March 31	December 31
		2023	2022
	Note	(Un-audited)	(Audited)
		------(Rupees in '000)-----	
Operating fixed assets	13.1	5,213,334	5,309,001
Capital work-in-progress		13,513	12,907
		<u>5,226,847</u>	<u>5,321,908</u>

13.1 Operating fixed assets

Opening book value		5,309,001	5,783,070
Additions during the year	13.1.1	1,883	23,631
		5,310,884	5,806,701
Disposals (at book value) for the year	13.1.2	-	(107,828)
Depreciation charged during the year		(97,550)	(389,872)
Closing book value		<u>5,213,334</u>	<u>5,309,001</u>

13.1.1 Detail of additions

Leasehold improvements		913	6,639
Plant and equipment		533	13,063
Office equipment		252	1,466
Furniture and fixtures		185	698
Computers			1,765
		<u>1,883</u>	<u>23,631</u>

13.1.2 Book values of assets disposed off

Plant and equipment		-	107,828
		<u>-</u>	<u>107,828</u>



Note 14

Right of use assets

	March 31 2023 (Un-audited)	December 31 2022 (Audited)
	------(Rupees in '000)-----	
Opening balance	3,407,381	3,694,104
Add: Additions during the year	-	7,998
Add: Lease termination	-	(16,608)
Less: Depreciation charge for the period / year	(69,528)	(278,113)
Closing balance	<u>3,337,853</u>	<u>3,407,381</u>
Lease Term (Years)	<u>2 to 13</u>	<u>2 to 14</u>

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

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

Note 15

Deferred Taxation

	March 31 2023 (Un-audited)	December 31 2022 (Audited)
	------(Rupees in '000)-----	
<i>Asset for deferred taxation comprising temporary differences related to:</i>		
-Unused tax losses	2,960,917	3,013,949
-Provision for doubtful debts	900,194	900,194
-Post employment benefits	61,264	58,009
-Provision for stores and spares & stock-in-trade	1,173	1,173
-Provision for doubtful advances and other receivables	82,981	82,981
<i>Liability for deferred taxation comprising temporary differences related to:</i>		
-Surplus on revaluation of assets	(1,635,066)	(1,684,843)
	<u>2,371,463</u>	<u>2,371,463</u>

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



Note 16

Cash Used in Operations

	Quarter Ended March 31,	
	2023	2022
	Un-Audited	Un-Audited
	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(537,775)	(384,212)
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	97,550	117,288
- Amortization on intangible assets	101,204	101,263
- Amortization of right of use assets	69,528	64,661
- Revenue from IRU agreement	-	(200,000)
- Disposal of fiber under IRU arrangement	-	9,978
- Post employment benefits	11,576	10,162
- Adjustment due to impact of IFRS 9	(10,339)	-
- Income on deposits, advances and savings accounts	(43)	(395)
- Exchange gain/(loss) on foreign currency loan	171,600	15,750
- Exchange (gain)/loss on foreign currency accrued markup	48,591	2,401
- Exchange (gain)/loss on foreign currency balances - net	(124,038)	107,912
- Imputed interest on lease liability	7,714	8,202
- Unwinding impact of liabilities under IFRS 9	14,278	45,954
- Finance cost	117,637	62,840
	<u>505,258</u>	<u>346,016</u>
Operating loss before working capital changes	(32,517)	(38,196)
(Increase) / decrease in current assets		
- Stores and spares	1,106	1,044
- Trade debts	(21,534)	(110,149)
- Loans and advances	3,435	(12,525)
- Deposits and prepayments	(2,032)	(5,383)
- Other receivables	(5,681)	(5,056)
Increase / (decrease) in current liabilities		
- Trade and other payables	25,607	139,662
	<u>900</u>	<u>7,593</u>
Cash used in operations	(31,617)	(30,603)



Note 17

Transaction with Related Parties

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

			Quarter ended March 31,	
			2023	2022
			----- (Rupees in '000) -----	
Related party	Relationship	Nature of transaction		
Worldcall Services (Private) Limited	Parent Company	Funds received by the Group during the period	52,500	104,500
		Funds repaid by the Group during the period	3,070	50,005
		Settlement with multimedia	14,118	11,129
		Markup on long term borrowings	46,926	19,126
		Adjustments	-	114,469
		Exchange (gain)/loss on markup	48,591	2,401
		Exchange (gain)/loss on loan	171,600	15,750
Worldcall Cable (Private) Limited	Associate	Interest charged during the year	197	66
Worldcall Ride Hail (Private) Limited	Associate	Expenses borne on behalf of associate	0	-
		Interest charged during the year	2	1
Key management personnel	Associated persons	Salaries and employees benefits	22,719	19,443
		Advances against expenses disbursed / (adjusted) - net	671	(581)

Transactions during the period/year with foreign companies

Related party	Relationship	Nature of transaction		
Ferret Consulting - F.Z.C	Associate	preference dividend converted into ordinary shares	-	-
		Exchange (Gain)/loss	21,673	1,967
		Adjustment with third party	(475)	-
		Direct Cost - IT Service	1,560	720
		Expenses Charged during the year	-	452

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

			March 31,	December 31,
			2023	2022
			----- (Rupees in '000) -----	
Outstanding Balance as at the period/year end				
Worldcall Services (Private) Limited	Sponsor's loan		2,398,970	2,171,307
	Accrued markup		279,897	184,380
Ferret Consulting - F.Z.C	Dividend on CPS		143,515	229,383
	Short term borrowings		108,435	84,355
Worldcall Ride Hail (Private) Limited	Other receivables		21	20
Worldcall Cable (Private) Limited	Other receivables		2,684	2,613
Key management	Payable against expenses, salaries and other employee benefits		179,406	184,718
	Advance against expenses		13,361	12,690



Note 18

Financial Risk Management**18.1 Financial risk factors**

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

The condensed interim Consolidated financial statements (un-audited) do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2022.

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

18.2 Fair value estimation

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

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

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

The following table presents the Group's assets and liabilities that are measured at fair value at March 31, 2023:

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Assets				
Short-term investments	34,877	-	-	34,877

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

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Assets				
Short-term investments	37,296	-	-	37,296

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



Note 19

Segment Information

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

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

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

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

Note 20

Date of Authorization for Issue

These condensed interim Consolidated financial statements (un-audited) were approved and authorized for issue on 30 April 2023 by the Board of Directors of the Group.

Note 21

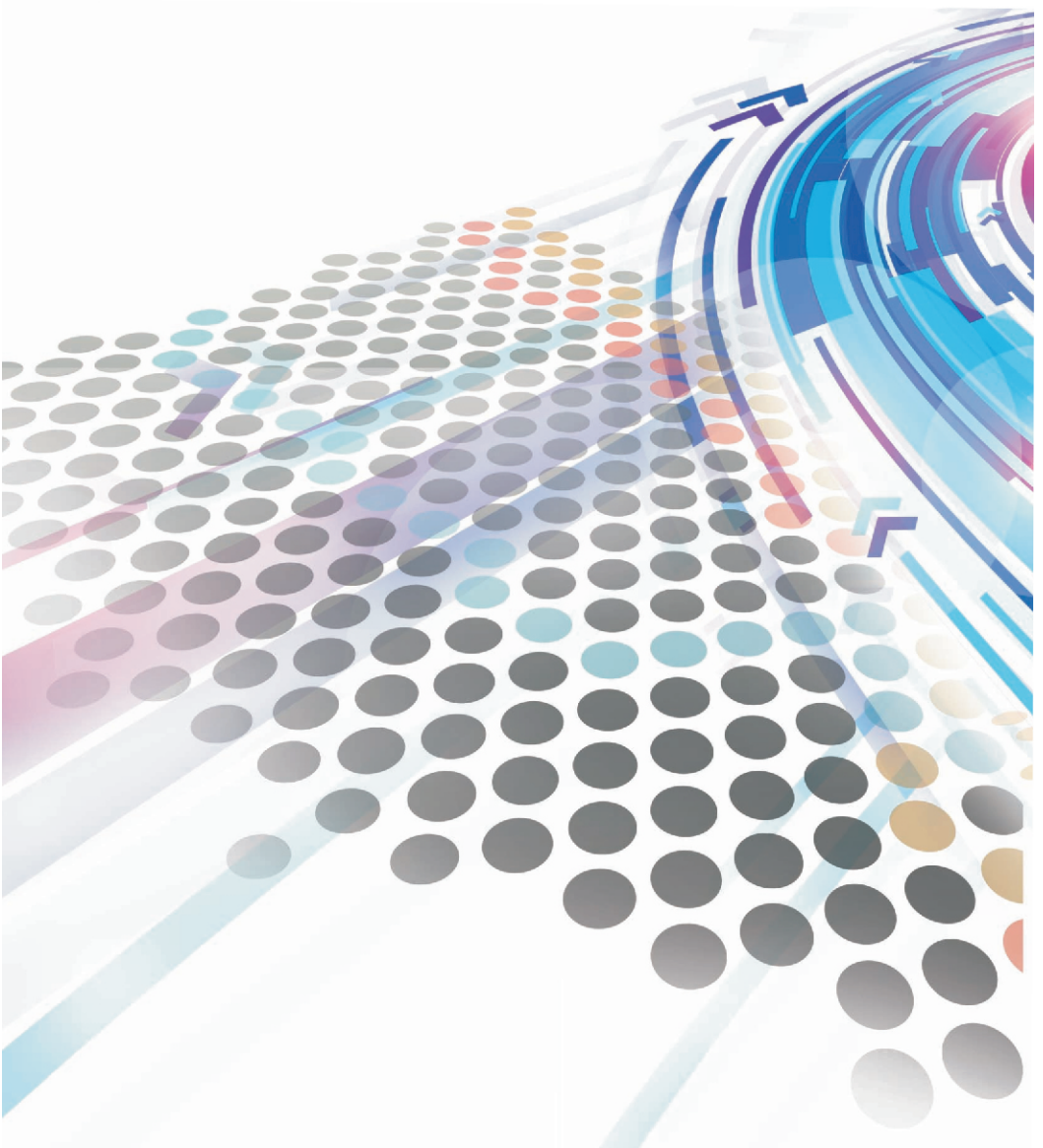
Corresponding Figures

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


Chief Executive Officer


Director


Chief Financial Officer



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