

## *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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# **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2015**



## COMPANY INFORMATION

<b>Chairman</b>	Mr. Mehdi Mohammed Al Abduwani
<b>Chief Executive Officer</b>	Mr. Babar Ali Syed
<b>Board of Directors</b>	Mr. Mehdi Mohammed Al Abduwani (Chairman) Mr. Talal Said Marhoon Al Mamari (Vice Chairman) Mr. Aimen bin Ahmed Al Hosni Mr. Samy Ahmed Abdulqadir Al Ghassany Mr. Sohail Qadir Mr. Syed Salman Ali shah Dr. Shahid Aziz Siddiqi
<b>Chief Financial Officer</b>	Mr. Muhammad Murtaza Raza
<b>Executive Committee</b>	Mr. Mehdi Mohammed Al Abduwani (Chairman) Mr. Talal Said Marhoon Al Mamari (Vice Chairman) Mr. Aimen Bin Ahmed Al Hosni (Member) Mr. Sohail Qadir (Member) Mr. Babar Ali Syed (CEO) (Member) Mr. Saud Mansoor Mohammed Al Mazrooei (Secretary)
<b>Audit Committee</b>	Mr. Talal Said Marhoon Al Mamari (Chairman) Mr. Aimen Bin Ahmed Al Hosni (Vice Chairman) Mr. Syed Salman Ali Shah (Member) Dr. Shahid Aziz Siddiqi (Member) Mr. Mirghani Hamza Al Madani (Secretary)
<b>Human Resource &amp; Remuneration Committee</b>	Mr. Talal Said Marhoon Al Mamari - (Chairman) Mr. Samy Ahmed Abdul Qadir Al Ghassany Mr. Aimen Bin Ahmed Al Hosni Mr. Sohail Qadir
<b>Chief Internal Auditor</b>	Mr. Mirghani Hamza Al Madani
<b>Company Secretary</b>	Mr. Saud Mansoor Mohammed Al Mazrooei
<b>Auditors</b>	A. F. Ferguson & Co. Chartered Accountants





**Legal Advisers**

M/s Miankot & Co.  
Barristers, Advocates &  
Corporate Legal Consultant

**Bankers**

Allied Bank Limited  
Askari Bank Limited  
Bank Al Habib Limited  
National Bank of Oman  
Deutsche Bank AG  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
IGI Investment Bank Limited  
JS Bank Limited  
Bank Islamic Pakistan Limited  
MCB Bank Limited  
National Bank of Pakistan  
NIB Bank Limited  
Pak Oman Investment Co. Limited  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Summit Bank Limited  
Tameer Microfinance Bank Limited  
The Bank of Punjab  
United Bank Limited  
Waseela Microfinance Bank Limited

**Registrar and Shares Transfer Office**

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

**Registered Office/Head Office**

67-A, C/III, Gulberg-III,  
Lahore, Pakistan  
Tel: (042) 3587 2633-38  
Fax: (042) 3575 5231

**Webpage**

[www.worldcall.com.pk](http://www.worldcall.com.pk)




## NOTICE OF 16th ANNUAL GENERAL MEETING

Notice is hereby given that 16<sup>th</sup> Annual General Meeting (“AGM”) of the shareholders of WorldCall Telecom Limited (the “Company” or “WTL”) will be held on Friday 31<sup>st</sup> March 2017 at 11:00 a.m. at Institute of Chartered Accountants of Pakistan, 155-156, West Wood Colony, Thokar Niaz Baig, Lahore to transact the following business:

### **A. ORDINARY BUSINESS:**

1. To confirm the minutes of the 15<sup>th</sup> Annual General Meeting held on 30 April 2015;
2. To receive, consider and adopt financial statements of the Company for the year ended 31 December 2015 together with Director's and Auditor's report thereon;
3. To appoint Auditors of the Company for the year ending 31 December 2016 and to fix their remuneration.
4. To transact any other business with the permission of the Chair.

By order of the Board

  
**Babar Ali Syed**  
Chief Executive Officer

10 March 2017  
Lahore:

### **NOTES**

#### **1. Closure of Share Transfer Books:**

The Share Transfer Books of the Company will remain closed from 25 March 2017 to 31 March 2017 (both days inclusive). Transfers received at the office of the Company's Registrars, M/s THK Associates (Pvt.) Limited, 1<sup>st</sup> Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400., by the close of business on 24 March 2017 will be treated in time.

#### **2. Participation in the Annual General Meeting:**

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

In order to be effective, duly completed and signed proxy forms must be received at the Company's Registered Office at 67-A, C/III, Gulberg-III, Lahore, Pakistan at least 48 hours before the time of the meeting.

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

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

**For attending the meeting personally:**

- i. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall authenticate his/her original valid Computerized National Identity Card (CNIC) or the original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Director's resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

**b. For appointing other members as proxies:**

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

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

- i) (name of the person), (designation) is appointed as execution officer for the meeting.
- ii) The instruction to appoint execution officer and opting to e-vote through Intermediary as per the Companies (E-Voting) Regulations, 2016 shall be deposited to the company at least end days before holding of general meeting at 67-A, C-III, Gulberg-III, Lahore or through email [member.report@worldcall.pk](mailto:member.report@worldcall.pk)



- iii) The proxy/e-voting form shall be witnessed by two persons whose names, addresses and CNIC members shall be mentioned on the form.
- iv) The company will arrange for e-voting if the company receives demand for poll from atleast five members or by any member or members having not less than one thenth of the voting power.

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

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

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

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

**Form for Video Conference Facility**

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

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

I/We, \_\_\_\_\_ of \_\_\_\_\_, being a member of WorldCall Telecom Limited, holder of \_\_\_\_\_ (Ordinary Share(s) as per Register Folio No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_.

\_\_\_\_\_  
**Signature of Member**

## ورلڈ کال ٹیلی کام لمیٹڈ کا 16 واں سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ ورلڈ کال ٹیلی کام لمیٹڈ ("کمپنی" یا "W T L") کے حصص داران کا 16 واں سالانہ اجلاس عام ("AGM") مندرجہ ذیل امور کی انجام دہی کے لئے 31 مارچ 2017 بروز جمعہ بوقت 11:00 بجے دن انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان 155-156، ویسٹ ووڈ کالونی، ٹھوکرنیاز بیگ، لاہور میں ہونا قرار پایا ہے۔

### A. عمومی امور

1. 15 ویں سالانہ اجلاس عام منعقدہ 30 اپریل 2015 کی روئداد/تفصیلات کی تصدیق کرنا۔
2. 31 دسمبر 2015 کو اختتام پذیر سال کے لئے کمپنی کی مالی سٹیٹمنٹ بمع ڈائریکٹرز اور آڈیٹر کی رپورٹ کو وصول، زیر غور اور اختیار کرنا۔
3. 31 دسمبر 2016 کو اختتام پذیر سال کے لئے آڈیٹرز کو مقرر کرنا اور ان کا مشاہدہ طے کرنا۔
4. چیئرمین کی اجازت سے کسی اور امر پر بحث کرنا۔

بحکم بورڈ  
باہر علی سید  
چیف ایگزیکٹو آفیسر

10 مارچ 2017ء

لاہور

### مندرجات

1. حصص کی منتقلی کی کتاب کی بندش  
کمپنی کے حصص کی منتقلی کی کتاب 25 مارچ 2017ء سے 31 مارچ 2017ء (بشمول دونوں دن) بند رہے گی۔ کمپنی کے رجسٹرار کے دفتر، مینسز T.H.K. ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل، C-40، بلاک-6، PECHS، کراچی-75400 میں 24 مارچ 2017ء کو کاروباری وقت ختم ہونے تک موصول ہونے والی منتقلی پر بروقت عمل ہوگا۔

2. سالانہ اجلاس عام میں شرکت  
تمام اراکین جو اجلاس میں شرکت اور ووٹ کرنے کے اہل ہیں، اپنی طرف سے ووٹ اور شرکت کرنے کے لئے کسی دوسرے رکن کو تحریری طور پر اپنا نمائندہ مقرر کرنے کے مجاز ہیں۔ ایک کاروباری ادارہ، ایک رکن کی حیثیت سے کسی بھی شخص کو چاہے وہ رکن ہے یا نہیں، اپنا نمائندہ مقرر کر سکتا ہے۔ کاروباری ادارہ کے معاملہ میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ جس پر کاروباری ادارے کی طرف سے نمائندگی اور ووٹ دینے کے لئے اُس شخص کے نمونہ کے دستخط موجود ہوں بمعہ مکمل پراکسی فارم پارٹی کو جمع کرائے گا۔ نمائندگی حاصل کرنے والوں سے درخواست کی گئی ہے کہ وہ اجلاس کے وقت اپنے شناختی کارڈ اور اصلی پاسپورٹ پیش کریں۔ اس کے اطلاق کے لئے، حسب ضابطہ مکمل اور دستخط شدہ پراکسی فارم کمپنی کے رجسٹرز دفتر واقع A-67، III-C، گلبرگ III، لاہور میں اجلاس شروع ہونے سے کم از کم 48 گھنٹے پہلے پہنچ جانا چاہئے۔

3. C D C کاؤنٹ ہولڈرز کے لئے ہدایات  
C D C کاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے عائد کی گئی مندرجہ ذیل ہدایات کی بھی پیروی کرنی ہوگی۔

- .a** ذاتی طور پر اجلاس میں حاضری کے لئے
- (i) انفرادی طور پر، کھاتہ داران اور ذیلی کھاتہ داران جس کی رجسٹریشن کی تفصیلات قواعد کے مطابق شائع کی گئی ہیں ان کو اپنے مجاز کمپیوٹرائزڈ قومی شناختی کارڈ یا اصلی پاسپورٹ کی اجلاس کے موقع پر توثیق کرنی ہوگی۔
- (ii) کاروباری ادارہ کے معاملہ میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ جسپر نامزد شخص کے نمونہ کے دستخط موجود ہوں اجلاس کے موقع پر پیش کرنا ہوگا۔ (اگر یہ پہلے جمع نہیں کرائے گئے)۔

- .b** دوسرے ارکان کے لئے جن کو نمائندہ مقرر کیا گیا ہے
- (i) انفرادی طور پر، کھاتہ داران یا ذیلی کھاتہ داران جن کی رجسٹریشن کی تفصیلات قواعد کے مطابق شائع کی گئی ہیں ان کو مندرجہ بالا ہدایات کے مطابق پراسی فارم جمع کرانا ہوگا۔
- (ii) نمائندہ اور استغافی مالک کے مجاز CNIC اور پاسپورٹ کی تصدیق شدہ نقول پراسی فارم کے ساتھ پیش کرنا ہوگی۔
- (iii) نمائندہ کو اجلاس کے موقع پر اصل شناختی کارڈ اور پاسپورٹ پیش کرنا ہوگا۔
- (iv) کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمع نمونہ کے دستخط (اگر پہلے جمع نہیں کرائے گئے ہیں) پراسی فارم کے ہمراہ کمپنی میں جمع کرانا ہوں گے۔
- (v) پراسی فارم کی گواہی دو افراد دیں گے۔ جن کے نام، پتے اور قومی شناختی کارڈ نمبر فارم پر درج ہوں گے۔

- .c** ثالث کے ذریعے نمائندے کی حیثیت سے تعینل کرنے والے افسر کی تعیناتی کی تحریری رضامندی فراہم کر کے کمپنی کے (ای ووٹنگ) قواعد 2016ء کے مطابق الیکٹرانک ووٹ کے حق کے اطلاق کے لئے
- (i) ..... (فرد کا نام)، ..... (عہدہ) کو اجلاس کے لئے اطلاق افسر مقرر کیا گیا ہے۔
- (ii) کمپنی کے (ای ووٹنگ) قواعد، 2016ء کے مطابق ثالثی کے ذریعے ای ووٹ کو اختیار کرتے ہوئے اطلاق افسر کو تعینات کرنے کی ہدایت عمومی اجلاس کے انعقاد سے پہلے کم از کم آخر دنوں میں C-III، 67-A، گلبرگ - III، لاہور میں جمع کرانا ہوگی۔ یا ای میل ایڈریس member.report@worldcall.pk ای میل کرنا ہوگی۔
- (iii) پراسی/ای ووٹنگ فارم کی توثیق دو گواہ کریں گے جن کے نام، پتے اور شناختی کارڈ فارم پر درج ہوں گے۔
- (iv) کمپنی کے کم از کم 5 ارکان یا کسی بھی رکن یا ارکان، جن کے پاس کم از کم ایک دہائی ووٹنگ کی طاقت ہو، کے مطالبہ پر کمپنی ای ووٹنگ کے انتظامات کرے گی۔

- .4** ای میل کے ذریعے آڈیٹ مالیاتی سٹیٹمنٹ
- SECP اپنے 8 ستمبر 2014 کے نوٹیفیکیشن نمبر SRO 787(I)/2014 جو کمپنیز آرڈیننس 1984ء کی سقوں 50، 158 اور 233 کے دائرہ اختیار میں آتا ہے کے تحت آڈیٹ مالی سٹیٹمنٹ بمع نوٹس کو جاری کرنے کی اجازت دیتا ہے۔ اس لئے، جو اراکین سالانہ رپورٹ کی نقل اور

نوٹس حاصل کرنا چاہتے ہیں کو ہدایت کی جاتی ہے کہ وہ اپنا ای میل ایڈریس فراہم کریں۔ الیکٹرانک ترسیل کی رضامندی کمپنی کی ویب سائٹ [www.worldcall.com.pk](http://www.worldcall.com.pk) پر انویسٹر کی اطلاع کے لنک پر شائع ہونی چاہئے۔  
تاہم کمپنی مطالبے پر بغیر کسی خرچ کے آڈٹ مالی سٹیٹمنٹس کی تحریری کاپی درخواست موصول ہونے کے سات دن کے اندر اپنے حصص داران کو فراہم کرے گی۔ اگر کسی رکن کے پتے میں تبدیلی ہوگئی ہے تو انہیں اپنا رجسٹرڈ پتہ فوراً تبدیل کرنے کی ہدایت کی جاتی ہے۔  
S E C P 10 جولائی 2014ء کو جاری کردہ نوٹیفیکیشن نمبر SRO 634(I)/2014 کے تحت کمپنی سالانہ اجلاس عام کے انعقاد کے بعد ایکس (21) دن کے اندر اپنی ویب سائٹ [www.worldcall.com.pk](http://www.worldcall.com.pk) پر مالی سٹیٹمنٹ اور رپورٹ شائع کرے گی۔

### کمپنیز آرڈیننس، 1984ء کے سیکشن (b) (1) 160 کے تحت بیان

کمپنی کے سالانہ اجلاس عام جو 7 مارچ 2017ء کو ہونا قرار پایا ہے میں خاص امور پر بحث کے لئے یہ بیان مادی حقائق کو ظاہر کرتا ہے۔  
وڈیو کانفرنس سہولت کی نوعیت

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

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

رکن کے دستخط

## MESSAGE FROM THE CHAIRMAN

Dear shareholders,

The broadband segment has reflected consistent improvement which is attributable to better service offering and digital TV launch after desired up gradation and expansion in network. Technological shift and economic conditions has affected the performance of Wireless broadband segment (WLL). Management has plan to restructure WLL segment and so major initiative for reduction in fixed operational cost was taken last year by signing an agreement for sale of passive infrastructure which is expected to conclude soon. Lower traffic under ICH regime and subsequent abolishment of ICH in February 2015 has revived competition within the LDI industry. Worldcall has however successfully rejuvenated its LDI business to capture the opportunities with focus on continuous improvement. Despite all challenges during the year 2015 due to multiple factors like energy crisis, inconsistent tax regime, political instability, curtailed economic activities in the ICT sector etc Worldcall continued to show steady performance and has been able to maintain the revenue line with minimal 5% decline.

In pursuance of a strategy of achieving desired results through revamping of the Company's organizational structure, a Share Purchase Agreement ("SPA") dated 11 October 2016 has been entered between the Parent company, Worldcall Services (Private) Limited ("WSL") and Ferret Consulting F.Z.C (a company based in the United Arab Emirates). (hereinafter collectively also referred to as the "Acquirers"). As per the SPA, WSL shall acquire the 56.8% ordinary shares (488,839,429 ordinary shares) of the Company that are held by the Parent company and Ferret Consulting F.Z.C shall acquire the 85% CPS aggregating 297,500 CPS that are held by the Parent company on fulfilment of certain terms and conditions. Further detail of SPA has been disclosed in detail in Directors review and note 2.2 of financial statements. This will not only provide financial support for settling overdue outstanding operational, financial and statutory liabilities major portion of which has already been executed but would also ease up the liabilities stress by novation of major liabilities. The Company is also in the process of rescheduling existing finance facilities, which would ease it to a great extent in meeting its financial obligations and continued operations. All this will provide opportunity for operations and business enhancement including grasping the opportunities with promulgation of 3G/4G according to business plan. Besides this, improving the delivery and enhancing the corporate image in the current service net is also a top priority.

I would take this opportunity to sincerely thank all our employees, Omantel for their continued support, especially our customers for selecting Worldcall as the preferred choice for telecom services.

I feel convinced that the Worldcall will produce positive outcomes in times ahead.

**Chairman, Board of Directors of Worldcall Telecom Limited**

Muscat:  
07 March 2017



**Mehdi Mohammed Al-Abduwani**  
Chairman, Board of Directors of  
Worldcall Telecom Limited



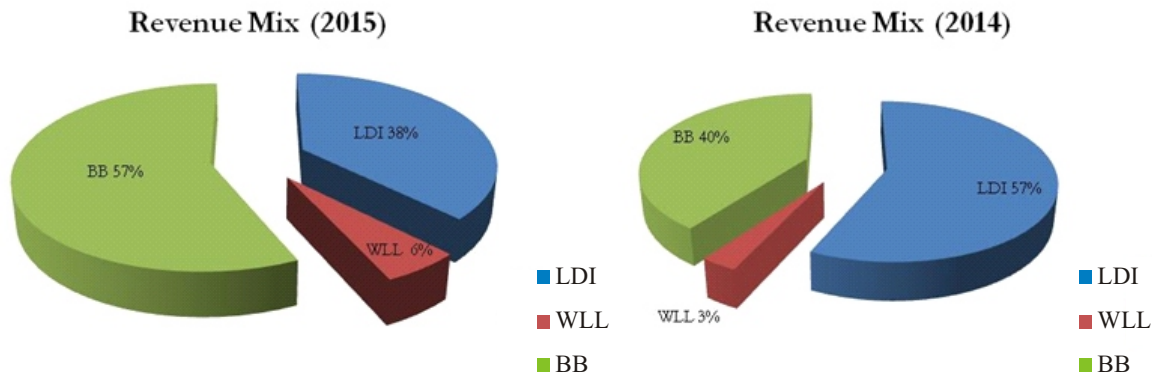
## DIRECTORS' REPORT

The Board of Directors of Worldcall Telecom Limited (“Worldcall” or “the Company”) is pleased to present the annual audited financial statements of the company and a review of its performance for the year ended 31 December 2015.

### Financial Overview

The Company's performance in the year under review remained somewhat steady with a slight decline of 5% in the topline. Management focus has been towards improvement with more emphasis on profitable business lines and restructuring of loss making segments. Though broadband segment has shown improvement after roll out, network improvements and infrastructure enhancements but significant change in technological and economic conditions of wireless broadband, general macroeconomic & political instability and abolishment of ICH in February 2015 has contributed towards overall losses.

The revenue has declined from PKR 2,315 million to PKR 2,192 million. Segment wise revenue is represented below:



The revenue graph depicts that the Company has shown improvement mainly in broadband segment (BB) which is attributable to better service offering and digital TV launch after desired up gradation and expansion in network. LDI business has shown decline after abolishment of ICH in February 2015. The Company has made immense efforts and time to re build LDI business structure and the relationship in both local and International market to materialize its share from the market with focus on improvement in the ensuing years. Wireless broadband segment (WLL) has again suffered with minimal share in topline due to decline in performance of wireless broadband segment mainly on account of major shift in technological, economic conditions. There is significant decline in market value of WLL assets and therefore impairment loss has been recognized as disclosed in note 5.1.2.

As an initiative for reduction in fixed operational cost in wireless broadband Management has already signed an agreement for sale of passive infrastructure last year in October 2014. Execution of the agreement has been delayed due to default on part of the buyer. Matter has been taken up with the buyer by the management for rectification of default and conclusion of sale agreement as per terms agreed.

The current year revenue remained insufficient even to absorb the direct costs of PKR 4,395 million due to heavy depreciation and amortization charge. The operating cost as compared to last year has witnessed

12% increase majorly due to charge of salaries & benefits after completion of projects and inflationary impact. On the other hand finance cost declined by 52% owing to full amortization of discount of PKR 768 million on a long term liability last year 2014. Impairment loss of PKR 4,240 million represents significant reduction in carrying amount of WLL CGU against goodwill and property, plant and equipment. when compared with its recoverable amount. Un-favorable movements in foreign exchange rates have negatively affected the Company which resulted in significant increase of other expenses. After accounting for taxation, the year has been closed with a net loss of PKR 10,633 million.

Major financial line items compared with the last year figures have been summarized in the following table

	Year 2015	Year 2014
	Rs in Million	
Revenues - net	2,192	2,315
Direct cost	(4,395)	(3,278)
Gross loss	(2,203)	(963)
Operating cost	(1,520)	(1,363)
Operating loss	(3,723)	(2,326)
Finance cost	(678)	(1,412)
Impairment of assets	(4,240)	-
Other income	244	490
Other expenses	(314)	(27)
Loss after tax	(10,633)	(2,797)
Loss per share basic and diluted (Rupees)	(12.79)	(3.30)

### Dividend

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

### The future outlook and way forward

In pursuance of a strategy of achieving desired results through revamping of the Company's organizational structure, a Share Purchase Agreement ("SPA") dated 11 October 2016 has been entered between the Parent company, Worldcall Services (Private) Limited ("WSL") and Ferret Consulting F.Z.C (a company based in the United Arab Emirates).. (hereinafter collectively also referred to as the "Acquirers"). As per the SPA, WSL shall acquire the 56.8% ordinary shares (488,839,429 ordinary shares) of the Company that are held by the Parent company and Ferret Consulting F.Z.C shall acquire the 85% CPS aggregating 297,500 CPS that are held by the Parent company on fulfilment of certain terms and conditions. As per the terms of the SPA, the Parent company will provide a funding of USD 11.5 million (approximately Rs 1,202.9 million) to the Company in tranches which will be waived off later on the successful execution of the SPA. Moreover, liability of the Company towards the Parent company amounting to Rs 2,684.72 million will be written off by the Parent company and National Bank of Oman's ("NBO") loan of USD 35 million (Rs 3,668 million) along with its accrued markup will be assumed by the Parent company on successful execution of the SPA. As part of the SPA, WSL will also provide USD 4 million (approximately Rs 418.40 million) to the Company in tranches. In pursuance of the SPA, the Company has received USD 9.913 million (USD 5.913 million from the Parent company and USD 4 million from WSL) by February 2017. The funds received and to be received from the Parent company and WSL under the terms of the SPA have been and will be mainly applied in partially

settling overdue and outstanding operational, financial and statutory liabilities. Apart from the SPA, WSL will further arrange to provide USD 5 million (approximately Rs 523 million) for operations and business enhancement.

Based on the above factors and keeping in view the technological and economic shift in the market, the Company's BOD in consultation with the Acquirers, has approved a business plan in October 2016 that includes investment in infrastructure of Broadband business to enhance its customer base, capacities and resultant sales volumes, increase in international termination revenue, enhancement of EVDO business, sale of passive infrastructure (towers, civil works and gensets etc.) and properties and containment of excess costs through layoffs and retrenchment to achieve right sizing; and using the proceeds therefrom for other profitable operations and for settling liabilities. The right sizing has already been made by January 2017.

The five years plan effectively addresses the evolving market challenges and demonstrates clear road map to achieve the Company's objectives of long term value creation for all the stake holders. The Company is also in the process of rescheduling existing finance facilities, which would ease it to a great extent in meeting its financial obligations.

Services such as voice are reaching its maturity so data is going to be main driver for growth in the future. With the launch of 3G/4G services, operators have opportunities for data and bandwidth. Company is therefore pursuing the strategy of penetrating the broadband segment at a wider scale. The major portion of the resources will be channeled towards this segment in order to seize the opportunities in the arena. Digital offering has been actualized with state of art CAS enabled for bouquet and subscription management along with revenue assurance. The presence in diversified areas would also allow use of segmented pricing so as to adequately address the market dynamics and customer affordability in respective areas. The whole experience of the customer from the first interaction at the touch point to the consistent usage of the service will be enriched. Network upgrades and expansions will ensure delivery of seamless, high quality and reliable services to end users. Management plans to restructure the wireless business with major focus on reduction in fixed operational cost. LDI will be facing challenge in the shape of lower margins and high competition. Although business will gradually streamline, there is need for industry reform so that players may get better returns. Financial indicators are thus expected to improve in near future.

The service standard and the customer satisfaction has been a critical factor as all market participants offer highly substantive products. The Company is mindful of the quality and value requirements of its subscriber base and has planned to adequately address them. Further, the process of creating awareness about the company's portfolio and building an image of reliability and quality will also be addressed with keen vision.

### **Auditors Report**

The External Auditors have given their unqualified opinion on the financial statements of the company for the year ended 31 December 2015 wherein they have given an emphasis of matter para on going concern indicating that the Company has incurred a net loss of Rs. 10,633 million during the year ended 31 December 2015 that include one time impairment loss of Rs. 4,240 million and as of that date, the Company's current liabilities exceeded its current assets by Rs. 15,254 million. These conditions, along with other matters as set forth in note 2.2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's management however has carried out a going concern assessment of the Company and

believes that the going concern assumption used for the preparation of these financial statements is appropriate based on the grounds explained in note 2.2 of financial statements.

### Statement on Corporate and Financial Reporting Framework

In compliance with the provisions of the listing regulations of Stock Exchanges, the Board members are pleased to place the following statements on record:

The financial statements for the year ended 31 December 2015 present fairly its state of affairs, the results of its operations, cash flow and changes in equity;

Proper books of accounts have been maintained;

Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended 31 December 2015 and accounting estimates are based on reasonable and prudent judgment;

International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements;

The systems of internal control is sound in design and has been effectively implemented and monitored;

There has been no material departure from the best practices of corporate governance, as detailed in listing regulations as on 31 December 2015;

The key operating and financial data for last six years is given in this report;

Information regarding outstanding taxes & levies / default is given in notes to the financial statements for the year ended 31 December 2015. Note No.24 / 2.2

### Board of Directors

Currently the Board consists of seven non-executive directors, all of them carry a wide range of experience to the Board, thereby ensuring best interest of stakeholders and the Company. Out of them two directors are independent in accordance with the criteria mentioned in code of corporate governance.

During the year under review, Four (04) meetings of the Board of Directors were held from 01 January 2015 to 31 December 2015. The attendance of the Board members was as follows:

<b>Name of Directors</b>	<b>No of Meetings Attended</b>
<b>Non-Executive Directors</b>	
Mr. Mehdi Mohammed Al Abduwani (Chairman)	4
Mr. Talal Said Marhoon Al Mamari (Vice Chairman)	4
Mr. Aimen bin Ahmed Al Hosni	3
Mr. Samy Ahmed Abdulqadir Al Ghassany	2
Mr. Sohail Qadir	4
<b>Independent Director</b>	
Mr. Asadullah Khawaja (Resigned on 02 Feb 2015)*	0
Mr. Syed Salman Ali Shah	2
Mr. Shahid Aziz Siddiqi (Appointed on 30 April 2015)	2

\* Mr. Asadullah Khawaja has resigned from Board from 02 February 2015. Casual vacancy occurred was filled within the period as per requirements of Code of Corporate Governance.

The leave of absence was granted to the members not attending the Board meetings.

Aggregate amount charged in the financial statements for remuneration (advisory fee) to seven non-executive directors was Rupees 4.2 (2014: 4.2 million). During the year Meeting fee charged to the financial statements to directors' amount to Rupees 2.18 million (2014: Rupees 4.4 million) for attending board and other meetings, which is not part of remuneration.

Five directors resident in Oman have attended workshop on Corporate Governance.

### Board Changes

Mr. Asadullah Khawaja, resigned as Director and Mr. Shahid Aziz Siddiqi was appointed to fill in the casual vacancy on 30 April 2015. The Board of Directors places on record its appreciation for services rendered by Mr. Asadullah Khawaja and welcomes Mr. Shahid Aziz Siddiqi on Board.

### Board Committees

The Board has constituted the following committees:

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

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

### Audit Committee

Audit Committee comprises of four non-executive directors. The Chairman of the Committee is a non-executive director while Vice Chairman is an independent director. During the year, Audit Committee held Four (04) meetings. Audit Committee meetings were held before each of the Board of Directors meeting held to review financial statements. Audit Committee meetings were also held to review audit reports and compliance of the Corporate Governance requirements and other issues covered in TORs of Audit Committee. These meetings also include meetings with external auditors before and after completion of audit for the year ended 31 December 2015 and other statutory meetings as required by the CCG. Audit Committee consists of following members namely;

<b>Audit Committee Members</b>	<b>Designation</b>	<b>No. of Meetings Attended</b>
<b>Non-Executive Directors</b>		
Mr. Talal Said Marhoon Al Mamari	Chairman	4
Mr. Aimen bin Ahmed Al Hosni	Member	3
Dr. Syed Salman Ali Shah	Member	2
<b>Independent Director</b>		
Mr. Asadullah Khawaja (Resigned on 02 Feb 2015)	-	0
Mr. Shahid Aziz Siddiqi *(Appointed)	Vice Chairman	2
<b>Secretary</b>		
Mr. Mirghani Hamza Al Madani	Chief Internal Auditor	4

\* Became member of the Audit Committee on 30 April 2015.

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

### Human Resource and Remuneration (HR & R) Committee

Human Resource & Remuneration Committee consist of four members. As required, the Chairman of the HR & R Committee is a non-executive director. The Committee will hold meetings to discuss the matters falling under the terms of reference of the Committee. No meeting was held during the year. HR & R Committee consists of following members namely;

Human Resource and Remuneration Members	Designation
Mr. Talal Said Marhoon Al Mamari	Chairman
Mr. Samy Ahmed Abdulqadir Al Ghassany	Member
Mr. Aimen bin Ahmed Al Hosni	Member
Mr. Sohail Qadir	Member

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

### Executive Committee (EC)

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

Executive Committee Members	Designation
Mr. Mehdi Mohammed Al Abduwani	Chairman
Mr. Talal Said Marhoon Al Mamari	Vice Chairman
Mr. Aimen bin Ahmed Al Hosni	Member
Mr. Sohail Qadir	Member
Mr. Babar Ali Syed (CEO)	Member

The Committee is entrusted with the tasks of oversight, performance of Company to assist Board and, to review and approve the business plans and budgets, follow-up the achievements of the Company's strategic intent as approved by the Board, review and recommend investment proposals, recommend for approval both short term and long term finance options, ensure adherence to administrative and control policies



adopted by the Board and monitoring compliance thereof. The Committee is also responsible for dealing on the Board's behalf with matters of an urgent nature when the Board of Directors is not in session, in addition to other duties delegated by the Board.

### **Auditors**

The present auditors Messer's A. F. Ferguson & Co., Chartered Accountants would retire as suggested by the Audit Committee, the Board of Directors has recommended Messer's Horwath Hussain Chaudhury & Co., Chartered Accountants as Auditors of the company for the year ending December 31, 2016, at a fee to be mutually agreed. They have confirmed achieving satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and compliance with the International Federation of Accountants' (IFAC) Guidelines on Code of Ethics, as adopted by the Institute of Chartered Accountants of Pakistan.

### **Holding Company**

The Company is subsidiary of Omantel Telecommunication Company SOAG which is holding 56.80% shares of the Company. Omantel is incorporated in Sultanate of Oman and is largest communication service provider of Oman.

### **Chairman's Review**

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

### **Pattern of Shareholding**

The pattern of shareholding as on 31 December 2015 and its disclosure as required by the Ordinance and Code of Corporate Governance is annexed with this report.

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

<b>Name</b>	<b>Number of shares</b>	<b>Date of sale/Purchase</b>
Mr. Shahid Aziz Siddiqi	500 (Purchase)	April 5, 2015
Dr. Syed Salman Ali Shah	500 (sales)	April 5, 2015

### **Compliance with Code of Corporate Governance**

The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchanges in their Listing Regulations relevant for the year ended 31 December 2015 have been adopted by the Company and have been duly complied with. A statement of this fact is annexed to the report.

### **Material Changes**

There has been no material changes since year end 31 December 2015 till date of the report except as disclosed in this annual report and the company has not entered into any commitment which would affect its financial position at the date except for those mentioned in audited financial statements of the company for the year ended 31 December 2015.





## **Statutory Compliance**

During the year the company has complied with all applicable provisions, filed all returns / forms and furnished all the relevant particulars as required under the Companies Ordinance, 1984 and allied rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the listing requirements.

## **Code of Conduct**

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

## **Related Party Transactions**

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

## **Web Presence**

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

## **Corporate Social Responsibility**

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

## **Health Safety & Environment**

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

## **Employee of the Month Awards**

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

## **Acknowledgment**

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

It goes without saying that all the achievements of the Company have been possible only due to the





ceaseless and untiring efforts of its dedicated employees. Their professionalism, commitment to work and ability to perform remarkably well even in certain adverse conditions helped the Company to sustain during the worst economic recession. The Company remains thankful to all of its employees for their persistent efforts and valuable contributions. The Board also appreciates the helpful role played by members of Audit, Human Resource and Executive Committees in assisting the management on various governance matters.

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

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

For and on behalf of the Board of Directors

**BABAR ALI SYED**  
CHIEF EXECUTIVE OFFICER

**Muscat:**

07 March 2017

## ڈائریکٹر کی رپورٹ 31 دسمبر 2015ء کو اختتام پذیر سال کے لئے

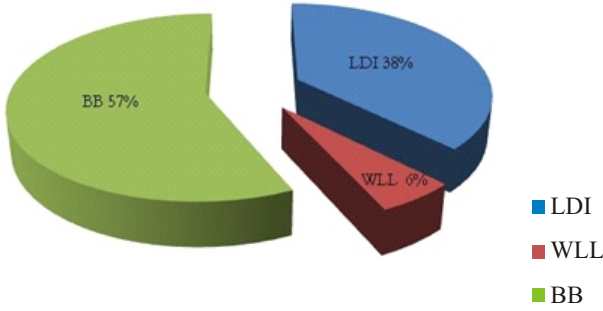
ورلڈ کال ٹیلی کام لمیٹڈ ("ورلڈ کال" یا "کمپنی") کے بورڈ آف ڈائریکٹر 31 دسمبر 2015ء کو اختتام پذیر سال کے لئے کمپنی کی سالانہ آڈیٹڈ مالیاتی سٹیٹمنٹ اور اس کی کارکردگی کا جائزہ پیش کرنے میں فخر محسوس کرتے ہیں۔

### مالیاتی جائزہ

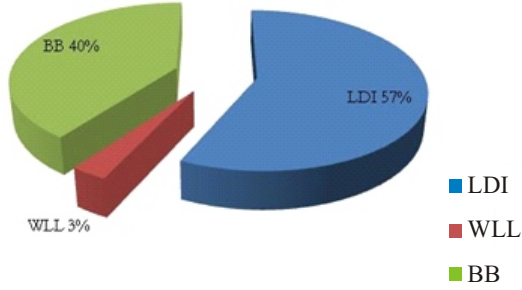
زیر جائزہ سال میں کمپنی کی کارکردگی ٹاپ لائن میں 5 فی صد کی خفیف سی تنزلی کے باوجود مستحکم رہی۔ منافع بخش کاروبار پر توجہ دیتے ہوئے اور نقصان پہنچانے والے شعبوں کی تنظیم نو کرتے ہوئے انتظامیہ کی توجہ بہتری پر رہی۔ اگرچہ براڈ بینڈ کے شعبہ نے نیٹ ورک کی تجدید اور ڈھانچے میں تبدیلی کی وجہ سے کافی ترقی کی ہے لیکن وائرلیس براڈ بینڈ کی ٹیکنالوجی اور معاشی صورت حال میں اتار چڑھاؤ، عام کھلیاتی معاشیات اور سیاسی غیر استحکام اور فروری 2015ء میں ICH کی بندش کی وجہ سے مجموعی طور پر نقصان دیکھنے میں آیا ہے۔

آمدنی میں 2,192 ملین روپے سے 2,315 ملین روپے کی آئی ہے۔ حصہ وار آمدنی نے ظاہر کی گئی ہے:

Revenue Mix (2015)



Revenue Mix (2014)



ریونیو گراف ظاہر کرتا ہے کہ کمپنی نے براڈ بینڈ (BB) کے شعبہ میں خاطر خواہ ترقی کی ہے۔ جو نیٹ ورک میں ضروری تجدید اور پھیلاؤ کے ذریعے بہتر خدمات کی فراہمی اور ڈیجیٹل ٹی وی کے آغاز سے منسلک ہے۔ فروری 2015ء میں ICH کے خاتمے کے بعد LDI کاروبار میں تنزلی دیکھنے میں آئی۔ LDI کاروباری ڈھانچے کو دوبارہ پروان چڑھانے کے لئے اور اگلے سالوں کے مارکیٹ میں اس کی حصہ داری کے خاطر خواہ نتائج کے لئے ملکی اور عالمی منڈی میں بہتر تعلقات قائم کرنے کے لئے کمپنی نے بے حد کوششیں کیں اور وقت صرف کیا۔ ٹیکنالوجی کی معاشی حالات میں بڑی تبدیلی کے تناظر میں وائرلیس براڈ بینڈ شعبہ کی کارکردگی میں تنزلی کی وجہ سے وائرلیس براڈ بینڈ کے شعبہ (WLL) نے ٹاپ لائن میں خفیف سے حصہ میں مقام کھویا ہے۔ WLL اثاثوں کی بازاری قدر میں خاطر خواہ کمی واقع ہوئی ہے اس لئے خرابی کا نقصان جزو 5.1.2 میں بیان کیا گیا ہے۔

ابتدائی طور پر مستحکم آپریشنل خرچ کو کم کرنے کے لئے وائرلیس براڈ بینڈ انتظامیہ نے گذشتہ سال اکتوبر 2014ء میں بے کار ڈھانچے کی فروخت کے لئے معاہدہ کیا۔ گاہک کی جانب سے کوتاہی کی وجہ سے معاہدے پر عملداری روک دی گئی۔ اس کوتاہی کی تصحیح کے لئے انتظامیہ کی جانب سے گاہک کے علم میں یہ بات لائی گئی اور شرائط کے مطابق فروخت کے معاہدے پر عملدرآمد کے لئے تصحیح کی گئی۔

تختیر میں زیادتی اور کساد بازاری کی وجہ سے سال کاروبار میں 4,395 ملین روپے کے براہ راست خرچ کو برداشت کرنے کے لئے ناکافی ہے۔ پرائیویٹس کی تکمیل کے بعد تنخواہوں اور مراعات کی ادائیگی اور افراط زر کے اثر کی وجہ سے گذشتہ سال کے مقابلے میں آپریشنل اخراجات میں 12 فی صد اضافہ دیکھا گیا ہے۔ دوسری طرف گذشتہ سال 2014ء میں 768 ملین روپے کی رعایتی کساد بازاری کی وجہ سے فائننس اخراجات میں 52 فی صد کمی دیکھی گئی۔ خرابی کی وجہ سے 4,240 ملین روپے کا نقصان کمپنی کی ساکھ اور املاک، مشینری اور ساز و سامان کی مدد میں WLL اور CGU کی قیمت میں خاطر خواہ کمی کو ظاہر کرتا ہے۔ غیر ملکی زرمبادلہ کی شرح میں غیر موافق تبدیلی نے کمپنی کو بہت بری طرح متاثر کیا جس کی وجہ سے دوسرے اخراجات میں بے شمار اضافہ دیکھا گیا۔ ٹیکسیشن کے حساب کے بعد سال کا اختتام 10.633 ملین روپے کے نقصان سے ہوا۔

اہم مالی درجے کی آٹمز کے گزشتہ سال سے موازنہ کے اعداد و شمار مندرجہ ذیل ٹیبل میں بیان کئے گئے ہیں:

سال 2014ء	سال 2015ء	
(رقم ملین روپوں میں)		
2,315	2,192	خالص ریونیو
(3,278)	(4,395)	براہ راست اخراجات
(963)	(2,203)	مجموعی نقصان
(1,363)	(1,520)	آپریٹنگ اخراجات
(2,326)	(3,723)	آپریٹنگ نقصان
(1,412)	(678)	اثاثہ جاتی کی خرابی
-	(4,240)	دیگر آمدنی
490	244	دیگر اخراجات
(27)	(314)	نقصان ماسوائے ٹیک
(2,797)	(10,633)	نقصان فی حصص بنیادی اور تحلیلی (روپے)
(3.30)	(12.79)	

### ڈیوڈنڈ

کیش فلو حالات اور توسیع کے منصوبوں پر غور و خوض کے بعد ڈائریکٹرز نے اس سال کے لئے کسی بھی الاؤنس ادائیگی یا بونس شیئرز کی سفارش نہیں کی ہے۔

### مستقبل کا نقطہ نظر اور توقعات

حسب منشاء نتائج حاصل کرنے کے لئے حکمت عملی پر کام کو آگے بڑھانے کے لئے کمپنی کے تنظیمی ڈھانچے کی تجدید کی گئی اور آبائی کمپنی ورلڈ کال سروسز (پرائیویٹ) لمیٹڈ ("WSL") اور فیئرٹ کنسلٹنگ - FZC (جس کی بنیاد متحدہ عرب امارات میں ہے)..... (بعد میں مجموعی طور پر اسے "حاصل کرنے والا" کہا گیا) کے مابین 11 اکتوبر 2016ء کو حصص کی خرید کا معاہدہ ("SPA") طے پایا۔ SPA کے مطابق، WSL کمپنی کے 56.8 فی صد عمومی حصص (488,839,429 عمومی حصص) کا مالک ہوگا جو آبائی کمپنی کے پاس موجود ہیں۔ اور چند قواعد و ضوابط پر عمل کرتے ہوئے فیئرٹ کنسلٹنگ - FZC آبائی کمپنی کے پاس موجود CPC میں سے 85 فی صد CPS مجموعی طور پر CPS 297,500 کی مالک ہوگی۔ SPA کی شرائط کے مطابق، آبائی کمپنی 11.5 ملین ڈالر (1,202.9 ملین روپے تقریباً) کی سرمایہ داری قسطوں میں کرے گی۔ جو کہ SPA کی کامیاب عمل داری پر بعد میں ختم کر دی جائے گی۔ مزید برآں کہ آبائی کمپنی کی جانب کمپنی کی واجب الادا 2,684.72 ملین روپے کی رقم آبائی کمپنی کی جانب سے چھوڑ دی جائے گی۔ اور SPA کی کامیابی عمل داری پر پینٹل بینک آف اومان ("NBO") کا 35 ملین ڈالر (3,668 ملین روپے) کا قرضہ جمع شدہ مارک اپ آبائی کمپنی کی جانب سے واجب الادا سمجھا جائے گا۔ SPA کا حصہ ہونے کی وجہ سے، WSL 4 ملین ڈالر (تقریباً 418.40 ملین روپے) کی رقم کمپنی کو قسطوں میں دے گی۔ SPA کی عملداری میں، کمپنی نے فروری 2017ء تک 9.913 ملین ڈالر (5.913 ملین ڈالر آبائی کمپنی کی جانب سے اور 4 ملین ڈالر WSL کی جانب سے) وصول کئے۔ آبائی کمپنی اور WSL کو SPA کی شرائط کے مطابق وصول کردہ اور مستقبل میں موصول ہونے والی رقم واجب الادا آپریشنل، مالیاتی اور قانونی ادائیگیوں کے لئے استعمال ہوگی۔ SPA کے علاوہ، WSL آپریشنز اور کاروبار کو بڑھانے کے لئے 5 ملین ڈالر (تقریباً 523 ملین روپے) کی رقم کا بندوبست کرے گی۔

مندرجہ بالا عوامل کی بنیاد پر اور ٹیکنالوجی اور مارکیٹ میں معاشی اتار چڑھاؤ کو مد نظر رکھتے ہوئے کمپنی کے بورڈ آف ڈائریکٹرز نے حاصل کنندگان کے مشورے سے اکتوبر 2016ء میں ایک کاروباری منصوبہ منظور کیا ہے جس میں براڈ بینڈ شعبہ کے ڈھانچے میں سرمایہ کاری کر کے اپنے گاہکوں کی تعداد، فروختی کا حجم، بین الاقوامی ٹرمینیشن آمدنی کو بڑھانے، EVDO کاروبار کی بڑھوتری، غیر فعال اثاثہ جات کی فروخت (ٹاور، سول ورک اور جنیسیٹ وغیرہ)، املاک اور اضافی اخراجات کو کم اور ختم کر کے صحیح سائزنگ کے حاصل کرنے، اور یہاں سے حاصل کئے گئے منافع کو منافع بخش آپریشنز اور واجب الادا رقم کی ادائیگی شامل ہے۔ جنوری 2017ء میں پہلے ہی رائٹ سائزنگ کر دی گئی ہے۔

پانچ سالہ منصوبہ منڈی کے اتار چڑھاؤ کے چیلنج سے متاثر کن طریقے سے نپٹنے کے لئے بنایا گیا اور کمپنی کے دور رس مقاصد کے حصول کے لئے ایک شفاف طریقہ کار کو ظاہر کرتا ہے جسے تمام سٹیک ہولڈرز مستفید ہوں۔

خدمات جیسا کہ Voice اور نچائی کی منزلیں طے کر رہی ہیں پس ڈیٹا مستقل میں ترقی کے لئے اہم کردار ادا کرے گا۔ 3G/4G کی سروسز کے آغاز سے صارفین کے پاس ڈیٹا اور بینڈ وڈتھ کا موقع ہے۔ اس لئے کمپنی براڈ بینڈ کے شعبے کو بڑے پیمانے پر بڑھانے کے لئے حکمت عملی اپنائے ہوئے ہے۔ وسائل کا بڑا حصہ اس شعبہ پر لگایا جائے گا تاکہ اس میدان میں کامیابی حاصل کی جاسکے۔ ڈیجیٹل پیکیجنگ اعلیٰ سطحی CAS کے ذریعے ڈیجیٹل پیکیجنگ کو حقیقی رنگ دیا گیا ہے۔ جس کی مدد سے مجموعی اور رکنیت کی کے انتظامات اور آمدنی کی یقین دہانی ہوتی ہے۔ متنوع علاقوں میں فراہمی حصوں میں قیمتوں کے تعین پر مجبور کرے گی۔ جس سے مارکیٹ کے اتار چڑھاؤ اور گاہک کی استطاعت کو بھی مد نظر رکھا جائے گا۔ گاہک کی طرف سے پہلی دفع مسلسل استعمال خدمات کو بہتر بنانے کا موقع ملے گا۔ نیٹ ورک کی تجدید اور پھیلاؤ صارفین کو ہموار، اور قابل اعتبار خدمات کی فراہمی کو یقینی بنائے گی۔ انتظامیہ مستحکم آپریشنل اخراجات کو مد نظر رکھتے ہوئے وائرلیس کے کاروبار کی تنظیم نو کی منصوبہ کر رہی ہے۔ LDI کے شعبہ کو کم اہداف اور زیادہ مقابلے کے رجحانات سے واسطہ پڑے گا۔ اگرچہ کاروبار آہستہ آہستہ پروان چڑھ رہا ہے پس صنعتی تبدیلی کی ضرورت نہیں تاکہ متعلقین بہتر فائدہ اٹھاسکیں۔ مستقبل قریب میں مالیاتی ادارے کے بہتر ہونے کی توقع ہے۔

خدمات کا معیار اور گاہک کا اطمینان ایک اہم نقطہ ہے کیونکہ مارکیٹ کے تمام شرکاء اعلیٰ پروڈکٹس متعارف کر رہے ہیں۔ کمپنی اپنے صارفین کی ضروریات کے مطابق معیار اور مقدار کو مد نظر رکھتی ہے اور ان کے ساتھ مستقل رابطہ استوار رکھنے کے لئے منصوبہ بندی کی ہے۔ مزید آں کہ کمپنی کے پورٹ فولیو کے بارے میں آگاہی کے طریقہ کار اور اعتبار معیار بنانے کے لئے خصوصی توجہ دی جائے گی۔

## آڈیٹری رپورٹ

31 دسمبر 2015ء کو اختتام پذیر سال کے لئے بیرونی آڈیٹرز نے کمپنی کی مالی سٹیٹمنٹس پر اپنی غیر حتمی رائے دی ہے۔ جس میں انہوں نے حالیہ تشویش کا اظہار کیا ہے کہ کمپنی نے 31 دسمبر 2015ء کو اختتام پذیر سال کے دوران 10,633 ملین روپے کا خسارہ برداشت کیا ہے۔ جس میں 4,240 ملین روپے کا ایک دفعہ خرابی کا نقصان شامل ہے۔ اسی عرصہ کے دوران کمپنی کی حالیہ ادائیگیاں اپنے اثاثوں سے 15,254 ملین روپے بڑھ گئی ہیں۔ یہ حالات بمع دیگر معاملات جو نوٹ 2.2 میں درج ہیں، مادی غیر یقینی کی صورت حال کو ظاہر کرتے ہیں جو کمپنی کے کاروبار کو جاری رکھنے کی اہلیت کو شک میں ڈال دیتی ہے۔

تاہم کمپنی کی انتظامیہ نے کمپنی کے کاروبار کو جاری رکھنے کے بارے میں اندازہ لگایا ہے اور یہ یقین رکھتی ہے کہ کاروبار کو جاری رکھنے کی توقعات مناسب ہیں جو مالیاتی سٹیٹمنٹس کو تیار کرنے کے لئے استعمال ہوئی ہیں جس کی بنیاد مالیاتی سٹیٹمنٹس کے نوٹ 2.2 پر ہے۔

## کاروباری اور مالیاتی رپورٹنگ فریم ورک پر بیان

شاک آپریشن کے سٹینڈرڈ قواعد کے قوانین کے مطابق بورڈ کے اراکین مندرجہ ذیل تفصیلات بیان کرنے پر فرسٹ محسوس کرتے ہیں:

- ☆ 31 دسمبر 2015ء کو اختتام پذیر سال کے لئے مالیاتی سٹیٹمنٹس اپنے دائرہ کار، اس کے کام کے نتائج، کیش فلوا اور ایکویٹی میں تبدیلیوں کو مہصفانہ طور پر بیان کرتی ہیں۔
- ☆ کھاتہ داری کی کتابیں مناسب طریقے سے برقرار رکھی گئی ہیں۔
- ☆ 31 دسمبر 2015ء کو اختتام پذیر سال کے لئے مالیاتی سٹیٹمنٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے۔ اور اکاؤنٹنگ تخمینے مناسب اور قابل فیصلوں کو مد نظر رکھ کر لگائے گئے ہیں۔
- ☆ مالیاتی سٹیٹمنٹس کی تیاری کے لئے بین الاقوامی مالیاتی رپورٹنگ سٹینڈرڈ (IFRS)، جس کا اطلاق پاکستان میں ہوتا ہے، کو مد نظر رکھا گیا ہے۔
- ☆ اندرونی کنٹرول بہت اعلیٰ سے اور اس پر موثر طریقے سے عمل درآمد اور نگرانی ہو رہی ہے۔
- ☆ کارپوریٹ گورننس کی بہترین عمل داری کوئی ابہام نہیں جیسا کہ سٹینڈرڈ ریگولیشنز میں بتایا گیا ہے۔
- ☆ گذشتہ 6 مہینوں کا آپریٹنگ اور مالیاتی ڈیٹا اس رپورٹ میں بیان کیا گیا ہے۔
- ☆ 31 دسمبر 2015ء کو اختتام پذیر سال کے لئے واجب الادا ٹیکس اور لیوی/ڈیفالٹ کی معلومات مالیاتی سٹیٹمنٹس کے notes میں بیان کی گئی ہیں۔

## بورڈ آف ڈائریکٹرز

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

زیر جائزہ سال کے دوران، 01 جنوری 2015ء سے 31 دسمبر 2015ء تک بورڈ آف ڈائریکٹرز کے چار (04) اجلاس منعقد ہوئے۔ بورڈ کے اراکین کی حاضری مندرجہ ذیل ہے۔

اجلاس میں حاضر یوں کی تعداد	ڈائریکٹرز کا نام
	غیر ایگزیکٹو ڈائریکٹرز
4	جناب مہدی محمد العبدوانی (چیئر مین)
4	جناب طلال سیدمرہون المماری (وائس چیئر مین)
3	جناب ایمن بن احمد حسنی
2	جناب سمیع احمد عبدالقادر الغسانی
4	جناب سہیل قادر
	آزاد ڈائریکٹرز
0	جناب اسد اللہ خواجہ (2 فروری 2015ء کو مستعفی ہوئے)
2	جناب سید سلمان علی شاہ
2	جناب شاہد عزیز صدیقی (30 اپریل 2015ء کو تعیناتی ہوئی)

جناب اسد اللہ خواجہ نے 2 فروری 2015ء کو بورڈ سے استعفیٰ دیا۔ کارپورٹ گورننس کے ضابطہ کے عین مطابق مناسب عرصہ میں خالی نشست کو پورا کیا گیا۔

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

☆ مالیاتی ایسٹیمٹس میں 7 غیر ایگزیکٹو ڈائریکٹروں کے مشاہرے کی مجموعی رقم 4.2 روپے (2014:4.2 ملین) تھی۔ مالیاتی ایسٹیمٹس میں ڈائریکٹرز کو جاری کی جانے والی رقم سال کے دوران اجلاس/ایڈوائزری فیس کی مد میں بورڈ یا دوسرے اجلاسوں میں شرکت کے لئے ڈائریکٹرز کو 2.18 ملین (2014:4.4 ملین روپے) روپے کی رقم جاری کی گئی جو مالیاتی ایسٹیمٹس میں درج ہے۔ مزید یہ کہ سے مشاہرہ کا حصہ نہیں ہے۔

☆ اومان میں مقیم پانچ ڈائریکٹروں نے کارپوریٹ گورننس کی ورکشاپ میں شرکت کی۔

### بورڈ میں تبدیلیاں

☆ جناب اسد اللہ خواجہ ڈائریکٹر کے عہدہ سے مستعفی ہوئے اور جناب شاہد عزیز صدیقی کو حادثاتی خالی نشست کو پر کرنے کے 30 اپریل 2015ء کو مقرر کیا گیا۔ بورڈ آف ڈائریکٹرز جناب اسد اللہ خواجہ کی خدمات کو قدر کی نگاہ سے دیکھتے ہیں اور جناب شاہد عزیز صدیقی کو بورڈ میں خوش آمدید کہتے ہیں۔

### بورڈ کی کمیٹیاں

بورڈ نے مندرجہ ذیل کمیٹیاں قائم کیں:

☆ آڈٹ کمیٹی

☆ انسانی وسائل اور مشاہرہ کمیٹی

☆ ایگزیکٹو کمیٹی

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

### آڈٹ کمیٹی

آڈٹ کمیٹی 4 غیر ایگزیکٹو ارکان پر مشتمل ہے۔ کمیٹی کا چیئر مین غیر ایگزیکٹو ڈائریکٹر اور وائس چیئر مین آزاد ڈائریکٹر ہے۔ سال کے دوران آڈٹ کمیٹی نے چار (04) اجلاس بلائے۔ مالیات کے جائزے کے لئے بورڈ آف ڈائریکٹرز کے اجلاس کے ہر انعقاد کے ساتھ آڈٹ کمیٹی کا اجلاس بلا یا گیا۔ آڈٹ رپورٹ اور کارپوریٹ گورننس کی ضروریات کی تعمیل اور آڈٹ کمیٹی کے حوالہ جات کی شرائط (TORs) میں بتائے گئے دیگر معاملات کے جائزے کے لئے بھی آڈٹ کمیٹی کے اجلاس بلائے گئے۔ ان اجلاسوں میں 31 دسمبر 2015ء کو اختتام پذیر سال کے لئے آڈٹ کی تکمیل سے پہلے اور بعد بیرونی آڈیٹرز کے اجلاس اور CCG کی ضروریات کے مطابق قانونی اجلاس بھی شامل ہیں۔ آڈٹ کمیٹی مندرجہ ذیل ارکان پر مشتمل ہے:

آڈٹ کمیٹی ارکان	عہدہ	اجلاس میں حاضر یوں کی تعداد
غیر- ایگزیکٹو ڈائریکٹرز		
جناب مہدی محمد العبدوانی	چیئر مین	4
جناب ایمن بن احمد حسنی	رکن	3
ڈاکٹر سید سلمان علی شاہد	رکن	2
آزاد ڈائریکٹرز		
جناب اسد اللہ خواجہ (2 فروری 2015ء کو مستعفی ہوئے)	-	0
جناب شاہد عزیز صدیقی* (تعییناتی)	وائس چیئر مین	2
سکرٹری		
جناب میر غنی حمزہ المدنی	چیف انٹرنل آڈیٹر	4

\* 30 اپریل 2015ء کو آڈٹ کمیٹی کے رکن منتخب ہوئے۔

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

### انسانی وسائل اور مشاہرہ (HR & R) کمیٹی

انسانی وسائل اور مشاہرہ (HR & R) کمیٹی چار ارکان پر مشتمل ہے۔ ضرورت کے مطابق HR & R کمیٹی کا چیئر مین غیر ایگزیکٹو ڈائریکٹر ہے۔ کمیٹی، کمیٹی کے ٹرمز آف ریفرنس میں بیان کردہ معاملات پر بحث کے لئے اجلاس بلائی ہے۔ اس عرصے کے دوران کوئی بھی اجلاس نہیں بلایا گیا۔ HR & R کمیٹی مندرجہ ذیل ارکان پر مشتمل ہے:

انسانی وسائل اور مشاہرہ کمیٹی کے ارکان	عہدہ
جناب طلال سید مرہون الحماری	چیئر مین
جناب سمیع احمد عبدالقادر الغسانی	رکن
جناب ایمن بن احمد حسنی	رکن
جناب سہیل قادر	رکن

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

### ایگزیکٹو کمیٹی

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



عہدہ	ایگزیکٹو کمیٹی اراکین
چیئر مین	جناب مہدی محمد العبدوانی
وائس چیئر مین	جناب طلال سیدمرہون المماری
رکن	جناب ایمن بن احمد الحسینی
رکن	جناب سہیل قادر
رکن	جناب بابر علی سید (CEO)

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

### آڈیٹرز

آڈٹ کمیٹی کی تجویز پر موجودہ آڈیٹرز میسرز A.F. فرگوس اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو جائیں گے۔ بورڈ آف ڈائریکٹرز نے باہمی مشورے سے فیس مقرر کر کے میسرز ہوروس حسین چودھری اینڈ کو، چارٹرڈ اکاؤنٹنٹس کو 31 دسمبر 2016ء کو اختتام پذیر سال کے لئے کمپنی کا آڈیٹ مقرر کیا ہے۔ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوائٹی کنٹرول جائزہ کے پروگرام اور بین الاقوامی فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ضابطہ اخلاق جن کا اطلاق انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کرتی ہے کی ہدایات کی تعمیل کے تحت انہوں نے تسلی بخش درجہ حاصل کرنے کی توثیق کی ہے۔

### ہولڈنگ کمپنی

کمپنی اومان ٹیل ٹیلی کمیونیکیشن کمپنی SOAG کی ذیلی کمپنی ہے۔ جس کے پاس کمپنی کے 56.80 فی صد حصص ہیں۔ اومان ٹیل سلطنت اومان میں رجسٹرڈ ہے اور اومان میں موصلات کی خدمات فراہم کرنے والی سب سے بڑی کمپنی ہے۔

### چیئر مین کا جائزہ

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

### شیر ہولڈنگ کا پیٹرن

31 دسمبر 2015ء کو کمپنی کا شیر ہولڈنگ کے پیٹرن اور اس کا انکشاف کارپوریٹ گورننس کے ضابطہ اور آرڈیننس کے تحت رپورٹ کے ساتھ منسلک ہے۔

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

سال کے دوران ڈائریکٹرز اور ان کی اہلیان کی جانب سے حصص کی خرید و فروخت کی تفصیلات:

خرید/فروخت کی تاریخ	حصص کی تعداد	نام
15 اپریل 2015ء	500 (خریدے)	جناب شاہد عزیز صدیقی
15 اپریل 2015ء	500 (فروخت)	ڈاکٹر سید سلمان علی شاہ

### کارپوریٹ گورننس کے ضابطہ کی تعمیل

31 دسمبر 2015ء کو اختتام پذیر سال کے لئے پاکستان سٹاک ایکسچینج کے سٹینڈرڈ قواعد کے مطابق کارپوریٹ گورننس کے ضابطہ کو کمپنی نے کلی طور پر اختیار کیا ہے اور اس پر من و عن عمل کیا ہے۔ اس کے حقائق کا بیان اس رپورٹ کے ساتھ منسلک ہے۔

### تبدیلیاں

31 دسمبر 2015ء کو اختتام پذیر سال سے لے کر رپورٹ کی تاریخ تک کوئی تبدیلی نہیں دیکھی گئی، بجائے اس کے جو اس سال لا ندر رپورٹ میں منکشف ہیں اور کمپنی نے کسی قسم کا معاہدہ نہیں کیا ہے جو کمپنی کی مالی حالت کو متاثر کرے بجائے اس کے کہ جو 31 دسمبر 2015ء کو اختتام پذیر سال کے لئے کمپنی کی مالی اسٹیٹمنٹس میں بتائے گئے ہیں۔

## قانونی تعین

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

## ضابطہ اخلاق

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

## متعلقہ پارٹی لین دین کی تفصیلات

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

## ویب کی موجودگی

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

## کارپوریٹ سماجی ذمہ داری

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

## صحت اور تحفظ اور ماحول

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

## مہینے کے بہترین ملازم کا ایوارڈ

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

## اعتراف

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

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

ہم ٹیلی کام شعبہ کی کامیابی اور ترقی میں PTA کے مثبت اور اعلیٰ تعمیراتی کردار کی بھی قدر کرتے ہیں۔

اس کے علاوہ ہم پورے سال کے دوران ہماری اباہنی کمپنی کی جانب سے مسلسل حمایت اور معاونت کے بھی شکرگزار ہیں۔ یہ حمایت بڑے چیلنجز سے نپٹنے اور انتظامیہ اور ملازمین کی حوصلہ افزائی کے لئے انتہائی اہم ہے۔

بورڈ آف ڈائریکٹرز کے لئے اور ان کی طرف سے

Balanda

بابر علی سید  
چیف ایگزیکٹو آفیسر

مسقط:

07 مارچ 2017ء



## SIX YEAR FINANCIAL PERFORMANCE

### INCOME STATEMENTS

	Dec 15	Dec 14	Dec 13	Dec 12	Dec 11	Dec 10
	-----Rupees in thousands-----					
Revenue - net	2,191,552	2,314,753	3,187,636	7,118,825	8,001,013	7,464,404
Direct cost	(4,394,968)	(3,277,682)	(4,042,699)	(6,606,299)	(6,012,774)	(6,615,984)
<b>Gross (loss)/profit</b>	<b>(2,203,416)</b>	<b>(962,929)</b>	<b>(855,063)</b>	<b>512,526</b>	<b>1,988,239</b>	<b>848,420</b>
Operating cost	(1,519,902)	(1,362,908)	(1,569,984)	(1,946,468)	(1,460,237)	(1,610,041)
<b>Operating (loss)/profit</b>	<b>(3,723,318)</b>	<b>(2,325,837)</b>	<b>(2,425,047)</b>	<b>(1,433,942)</b>	<b>528,002</b>	<b>(761,621)</b>
Finance cost	(677,792)	(1,411,686)	(636,182)	(1,245,090)	(714,654)	(743,413)
	(4,401,110)	(3,737,523)	(3,061,229)	(2,679,032)	(186,652)	(1,505,034)
Gain on re-measurement of investment property at fair value	15,320	(39,774)	-	-	-	1,378
Impairment loss on available for sale financial assets	(4,240,451)	-	(19,656)	(265,365)	(26,508)	(65,894)
Other income	243,999	490,489	85,145	694,172	504,213	58,097
Other operating expenses	(314,443)	(27,171)	(520,199)	(370,392)	(190,216)	-
<b>(Loss)/profit before taxation</b>	<b>(8,696,685)</b>	<b>(3,313,979)</b>	<b>(3,515,939)</b>	<b>(2,620,617)</b>	<b>100,837</b>	<b>(1,511,453)</b>
Taxation	(1,936,202)	516,765	1,214,359	970,975	189,413	364,447
<b>(Loss)/profit after taxation</b>	<b>(10,632,887)</b>	<b>(2,797,214)</b>	<b>(2,301,580)</b>	<b>(1,649,642)</b>	<b>290,250</b>	<b>(1,147,006)</b>
<b>(Loss)/earning per share - basic</b>	(Rupees) (12.79)	(3.30)	(2.78)	(1.92)	0.34	(1.33)
<b>(Loss)/earning per share - diluted</b>	(Rupees) (3.19)	(0.85)	(1.44)	(1.92)	0.34	(1.33)



## STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES ON TRANSFER PRICING FOR THE YEAR ENDED 31 DECEMBER 2015

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

For and on behalf of the Board

**BABAR ALI SYED**  
CHIEF EXECUTIVE OFFICER

**Muscat:**  
07 March 2017

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2015

This statement is being presented to comply with the Code of Corporate Governance 2012 (CCG) contained in Regulation No.35 of listing regulation of Karachi & Lahore Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

1. The company encourages representation of independent non-executive directors; at present the board includes:

Category	Names
<b>Independent Directors</b>	Mr. Shahid Aziz Siddiqui Dr. Syed Salman Ali Shah
<b>Non- Executive Directors</b>	Mr. Mehdi Mohammed Al Abduwani Mr. Talal Said Marhoon Al Mamari Mr. Aimen bin Ahmed Al Hosni Mr. Samy Ahmed Abdulqadir Al Ghassany Mr. Sohail Qadir

The independent directors meet the criteria of independence under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurring on the board on 02 February 2015 was filled up by the directors within 90 days.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained. The board is in the process of formulating a mechanism for annual evaluation of its own performance. The same has not been conducted during the year.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), other non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings except for one meeting which was held on a shorter notice. The minutes of the meetings were appropriately recorded and circulated.

9. Five directors resident in Oman have attended workshop on Corporate Governance, One director is exempt from Director training while remaining one director completed Director training program by PICG as required by Code of Corporate Governance.
10. There is no change of Chief Financial Officer (CFO), company secretary and Head of Internal Audit during the year, including their remuneration and terms and conditions of employment.
11. The directors report for the year ended 31 December 2015 has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises four members; of whom two are independent and two non-executive directors including the chairman of the committee.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an Human Resource and Remuneration Committee. It comprises four members, who are non-executive directors including the chairman of the committee.
18. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The "Closed period", prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles enshrined in the CCG have been complied with.

For and on behalf of the Board



**BABAR ALI SYED**  
CHIEF EXECUTIVE OFFICER

**Muscat:**  
07 March 2017

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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the 'Code') prepared by the Board of Directors of Worldcall Telecom Limited (the 'Company') to comply with the Listing Regulation No. 35 of the Karachi and Lahore Stock Exchanges (now merged as Pakistan Stock Exchange Limited) where the Company is listed.

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

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

The Code requires the Company to place before the Board of Directors for their consideration and approval, related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. Further all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not. Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended December 31, 2015.

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

<b>Paragraph reference</b>	<b>Description</b>
i) 6	The Board of Directors is in the process of formulating a mechanism for annual evaluation of its own performance. The same has not been conducted during the year.
ii) 8	One meeting of the Board of Directors was held on a shorter notice than required.



**A.F. Ferguson & Co.**  
Chartered Accountants

**Lahore:** 07 March 2017

**Engagement Partner:** Muhammad Masood

## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Worldcall Telecom Limited ('Company') as at 31 December 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of the loss, total comprehensive loss, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Without qualifying our opinion, we draw attention to note 2.2 to the annexed financial statements which indicates that the Company has incurred a net loss of Rs 10,632.887 million during the year ended 31 December 2015 and, as of that date, the Company's current liabilities exceeded its current assets by Rs 15,254.477 million. These conditions, along with other matters as set forth in note 2.2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.



**A.F. Ferguson & Co.**  
Chartered Accountants

**Lahore:** 07 March 2017

**Engagement Partner:** Muhammad Masood

## BALANCE SHEET AS AT 31 DECEMBER 2015

	Note	2015 ------(Rupees in '000)-----	2014 -----
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	8,084,786	12,503,346
Intangible assets	6	2,352,039	5,165,776
Investment properties	7	38,520	23,200
Long term trade receivables	8	91,953	110,380
Deferred taxation	9	1,500,000	2,917,389
Long term loans - considered good	10	2,878	3,802
Long term deposits	11	36,046	58,566
		<b>12,106,222</b>	<b>20,782,459</b>
<b>CURRENT ASSETS</b>			
Stores and spares	12	115,535	223,264
Stock-in-trade	13	67,175	273,614
Trade debts	14	481,246	911,906
Loans and advances	15	80,590	612,608
Deposits and prepayments	16	51,412	121,710
Short term investments	17	87,860	74,767
Other receivables	18	300,149	38,894
Income tax recoverable - net		43,730	144,547
Cash and bank balances	19	398,667	749,999
		<b>1,626,364</b>	<b>3,151,309</b>
Non-current assets classified as held for sale	20	892,883	1,120,502
		<b>2,519,247</b>	<b>4,271,811</b>
<b>CURRENT LIABILITIES</b>			
Current maturities of non-current liabilities	21	7,613,907	5,001,151
Short term borrowings - secured	22	563,902	768,890
License fee payable	23	1,021,500	1,021,500
Trade and other payables	24	8,320,771	7,197,619
Interest and mark up accrued	25	253,644	202,051
		<b>17,773,724</b>	<b>14,191,211</b>
		<b>(15,254,477)</b>	<b>(9,919,400)</b>
<b>NET CURRENT LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Term finance certificates - secured	26	-	-
Long term loans - secured	27	87,750	2,385,683
Retirement benefits	28	373,999	334,582
Liabilities against assets subject to finance lease	29	1,609	2,991
Long term payables	30	526,250	627,715
Long term deposits		35,136	35,421
		<b>1,024,744</b>	<b>3,386,392</b>
Contingencies and commitments	31	(4,172,998)	7,476,667
<b>REPRESENTED BY</b>			
<b>EQUITY AND SURPLUS ON REVALUATION</b>			
<b>Share capital and reserves:</b>			
Authorized share capital:			
1,500,000,000 (2014: 1,500,000,000) ordinary shares of Rs 10 each		15,000,000	15,000,000
500,000 (2014: 500,000) preference shares of USD 100 each (USD 50,000,000 equivalent to Rs 6,000,000,000)		6,000,000	6,000,000
Ordinary share capital	32	8,605,716	8,605,716
Preference share capital	33	3,537,700	3,537,700
Capital reserves:			
- Share premium	34	837,335	837,335
- Fair value reserve		22,971	3,276
- Exchange translation reserve		130,300	(16,700)
Revenue reserve: Accumulated loss		(17,307,020)	(6,373,241)
		<b>(4,172,998)</b>	<b>6,594,086</b>
<b>Surplus on revaluation of fixed assets</b>	35	-	882,581
		<b>(4,172,998)</b>	<b>7,476,667</b>

The annexed notes 1 to 50 form an integral part of these financial statements.

*Balambhity*

**CHIEF EXECUTIVE OFFICER**

*G. H. M. S.*  
**DIRECTOR**

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 ------(Rupees in '000)-----	2014
Revenue - net	36	2,191,552	2,314,753
Direct cost	37	(4,394,968)	(3,277,682)
<b>Gross loss</b>		<b>(2,203,416)</b>	<b>(962,929)</b>
Operating cost	38	(1,519,902)	(1,362,908)
<b>Operating loss</b>		<b>(3,723,318)</b>	<b>(2,325,837)</b>
Finance cost	39	(677,792)	(1,411,686)
		<b>(4,401,110)</b>	<b>(3,737,523)</b>
Impairment of assets	5.1.2	(4,240,451)	-
Change in fair value of investment properties	7	15,320	(39,774)
Other income	40	243,999	490,489
Other expenses	41	(314,443)	(27,171)
<b>Loss before taxation</b>		<b>(8,696,685)</b>	<b>(3,313,979)</b>
Taxation	42	(1,936,202)	516,765
<b>Loss after taxation</b>		<b>(10,632,887)</b>	<b>(2,797,214)</b>
<b>Loss per share - basic and diluted</b>	<b>(Rupees)</b>	<b>(12.79)</b>	<b>(3.30)</b>

The annexed notes 1 to 50 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR



## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	----- (Rupees in '000) -----	
Loss for the year	(10,632,887)	(2,797,214)
<b>Other comprehensive income/(loss):</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
- Remeasurement of post retirement benefit obligation	11,819	(15,041)
- Accumulated fair value gain on investment disposed of transferred to profit or loss	(7,363)	-
<i>Item that may be subsequently reclassified to profit or loss:</i>		
- Changes in fair value of available-for-sale financial assets	27,058	(8,426)
<b>Other comprehensive income - net of tax</b>	<b>31,514</b>	<b>(23,467)</b>
<b>Total comprehensive loss for the year - net of tax</b>	<b><u>(10,601,373)</u></b>	<b><u>(2,820,681)</u></b>

The annexed notes 1 to 50 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 ------(Rupees in '000)-----	2014 ------(Rupees in '000)-----
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	45	441,823	(130,519)
<i>Decrease in non-current assets:</i>			
- Long term loans		924	2,967
- Long term deposits		1,038	12,280
- Long term trade receivables		18,427	62,414
<i>(Decrease)/increase in non-current liabilities:</i>			
- Long term deposits		(285)	250
- Long term payables		-	27,078
Retirement benefits paid		(33,379)	(103,485)
Finance cost paid		(303,333)	(540,992)
Taxes paid		(43,519)	(82,744)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>81,696</b>	<b>(752,751)</b>
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(340,855)	(856,363)
Proceeds from disposal of property, plant and equipment		45,445	25,264
<b>Net cash outflow from investing activities</b>		<b>(295,410)</b>	<b>(831,099)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long term loan acquired		3,555,300	-
Initial loan transaction cost paid		(39,616)	-
Redemption of term finance certificates		(126,625)	-
Repayment of long term loans		(3,445,479)	(115,546)
Repayment of short term borrowings - net		(79,988)	(21,054)
Repayment of liabilities against assets subject to finance lease		(1,210)	(31,402)
<b>Net cash outflow from financing activities</b>		<b>(137,618)</b>	<b>(168,002)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(351,332)</b>	<b>(1,751,853)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>749,999</b>	<b>2,501,852</b>
<b>Cash and cash equivalents at the end of the year</b>	19	<b>398,667</b>	<b>749,999</b>

The annexed notes 1 to 50 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Share Capital		Capital Reserves			Revenue Reserve	Total
	Ordinary share capital	Preference share capital	Share premium	Fair value reserve	Exchange translation reserve	Accumulated loss	
	(Rupees in '000)						
<b>Balance as at 01 January 2014</b>	<b>8,605,716</b>	<b>3,537,700</b>	<b>837,335</b>	<b>11,702</b>	<b>144,300</b>	<b>(3,527,284)</b>	<b>9,609,469</b>
Loss for the year	-	-	-	-	-	(2,797,214)	(2,797,214)
Other comprehensive (loss)/income for the year - net of tax	-	-	-	(8,426)	-	(15,041)	(23,467)
Total comprehensive loss for the year - net of tax	-	-	-	(8,426)	-	(2,812,255)	(2,820,681)
Transfer to surplus on revaluation of fixed assets	-	-	-	-	-	8,936	8,936
Exchange translation reserve	-	-	-	-	(161,000)	161,000	-
Dividend on preference shares	-	-	-	-	-	(203,638)	(203,638)
Total transactions with owners, recognized directly in equity	-	-	-	-	(161,000)	(42,638)	(203,638)
<b>Balance as at 31 December 2014</b>	<b>8,605,716</b>	<b>3,537,700</b>	<b>837,335</b>	<b>3,276</b>	<b>(16,700)</b>	<b>(6,373,241)</b>	<b>6,594,086</b>
Loss for the year	-	-	-	-	-	(10,632,887)	(10,632,887)
Other comprehensive income for the year - net of tax	-	-	-	19,695	-	11,819	31,514
Total comprehensive (loss)/income for the year - net of tax	-	-	-	19,695	-	(10,621,068)	(10,601,373)
Transfer from surplus on revaluation of fixed assets	-	-	-	-	-	63,119	63,119
Exchange translation reserve	-	-	-	-	147,000	(147,000)	-
Dividend on preference shares	-	-	-	-	-	(228,830)	(228,830)
Total transactions with owners, recognized directly in equity	-	-	-	-	147,000	(375,830)	(228,830)
<b>Balance as at 31 December 2015</b>	<b>8,605,716</b>	<b>3,537,700</b>	<b>837,335</b>	<b>22,971</b>	<b>130,300</b>	<b>(17,307,020)</b>	<b>(4,172,998)</b>

The annexed notes 1 to 50 form an integral part of these financial statements.

*Balambidi*  
CHIEF EXECUTIVE OFFICER

*GHIMT*  
DIRECTOR

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2015

### 1. Legal status and nature of business

Worldcall Telecom Limited ("the Company") is a public limited company incorporated in Pakistan on 15 March 2001 under the Companies Ordinance, 1984 and its shares are quoted on the Karachi and Lahore Stock Exchanges. The Company commenced its operations on 01 December 2004 and is engaged in providing Wireless Local Loop ("WLL") and Long Distance & International ("LDI") services in Pakistan, operation and maintenance of public payphones network and re-broadcasting international/national satellite/terrestrial wireless and cable television and radio signals as well as interactive communication and to establish, maintain and operate the licensed telephony services. The Company has been licensed by Pakistan Telecommunication Authority ("PTA") and Pakistan Electronic Media Regulatory Authority ("PEMRA") for these purposes. The registered office of the Company is situated at 67A, C-III, Gulberg III, Lahore.

During the year ended 30 June 2008, 56.80% ordinary shares (488,839,429 ordinary shares) were acquired by Oman Telecommunications Company SAOG ("the Parent company"). In addition to this, the Parent company also acquired 57.14% preference shares (200,000 preference shares) during the year ended 31 December 2013. Subsequent to the reporting date, on 30 June 2016, the Parent company's holding in preference shares increased to 100% (350,000 preference shares) as explained in detail in note 33 to these financial statements.

### 2. Basis of preparation

**2.1** These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") as are notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan ("SECP") differ with the requirements of these IFRSs, requirements of the Companies Ordinance, 1984 or requirements of the said directives prevail.

**2.2** The Company has incurred a net loss of Rs 10,632.887 million during the year ended 31 December 2015 while the accumulated loss stands at Rs 17,307.020 million as at 31 December 2015. Current liabilities exceed current assets by Rs 15,254.477 million and the Company has a negative equity of Rs 4,172.998 million as of that date. The Company has fully availed the credit facilities available to it and has not been able to meet various obligations towards its lenders, including repayment of principal and markup thereon in respect of its long term borrowings, as referred to in notes 21.1, 25.1, 25.2, 26 and 27.2 to these financial statements. Subsequent to the balance sheet date, the Company has received a notice dated 23 April 2016, from the legal advisor of the Trustee (IGI Investment Bank Limited) of the Term Finance Certificate ("TFC") holders, to pay the outstanding principal, overdue markup and liquidated damages within thirty days of the notice, failing which the Trustee would initiate legal proceedings against the Company, however, no further action has been initiated from the Trustee yet. Further, it has also not been able to pay its creditors timely whereby certain suppliers/vendors have filed appeals for debt recovery and Company's dissolution before various courts as explained in note 31.4.2 to these financial statements. The Company is also facing difficulties in realization of existing receivables and sale of its inventory due to overall business environment. These conditions indicate existence of a material uncertainty that may 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. Continuation of the Company as a going concern is dependent on its ability to attain satisfactory levels of profitability and liquidity in the future and maintain its liabilities at serviceable levels.

The Company's management has carried out a going concern assessment of the Company and believes that the going concern assumption used for the preparation of these financial statements is appropriate based on the following grounds:

- (i) Subsequent to the balance sheet date, as stated in the extracts of minutes of the Company's Board of Directors' meeting held on 16 October 2016, in pursuance of a strategy of achieving desired results through revamping of the Company's organizational structure, a Share Purchase Agreement ("SPA") dated 11 October 2016 has been entered between the Parent company, Worldcall Services (Private) Limited ("WSL") and Ferret Consulting – F.Z.C (a company based in the United Arab Emirates). The Company's Chief Executive, Chief Financial Officer and Officiating Company Secretary are majority shareholders of WSL and Ferret Consulting – F.Z.C. (hereinafter collectively also referred to as the "Acquirers"). As per the SPA, WSL shall acquire the 56.8% ordinary shares (488,839,429 ordinary shares) of the Company that are held by the Parent company and Ferret Consulting – F.Z.C shall acquire the 85% CPS aggregating 297,500 CPS that are held by the Parent company on fulfilment of certain terms and conditions. As per the terms of the SPA, the Parent company will provide a funding of USD 11.5 million (approximately Rs 1,202.9 million) to the Company in tranches which will be waived off later on the successful execution of the SPA. Moreover, liability of the Company towards the Parent company amounting to Rs 2,684.72 million will be written off by the Parent company and National Bank of Oman's ("NBO") loan of USD 35 million (Rs 3,668 million) along with its accrued markup will be assumed by the Parent company on successful execution of the SPA. As part of the SPA, WSL will also provide USD 4 million (approximately Rs 418.40 million) to the Company in tranches as a loan that will not be repaid before conclusion of SPA. In pursuance of the SPA, the Company has received USD 9.913 million (USD 5.913 million from the Parent company and USD 4 million from WSL) by February 2017. The funds received and to be received from the Parent company and WSL under the terms of the SPA have been and will be mainly applied in partially settling overdue and outstanding operational, financial and statutory liabilities. Apart from the SPA, WSL will further arrange to provide USD 5 million (approximately Rs 523 million) for operations and business enhancement.
- (ii) Based on the above factors, the Company's BOD in consultation with the Acquirers, has approved a business plan that includes investment in infrastructure of Broadband business to enhance its customer base, capacities and resultant sales volumes, increase in international termination revenue, enhancement of EVDO business, sale of passive infrastructure (towers, civil works and gensets etc.) and properties and containment of excess costs through layoffs and retrenchment to achieve right sizing; and using the proceeds therefrom for other profitable operations and for settling liabilities. The right sizing has already been made by January 2017.
- (iii) As mentioned above, there is a net current liability position of approximately Rs 15.3 billion as of 31 December 2015. The Company's strategy in respect of addressing this shortfall and servicing/settlement of material liabilities is as follows:
  - As explained in (i) above, subject to successful execution of the SPA, NBO's loan amounting to Rs 3,668 million and its accrued markup will be assumed by the Parent company (note 27.2) and liability of the Company towards the Parent company amounting

to Rs 2,684.72 million will be written off by the Parent company (note 24) that will resultantly increase the Company's Equity by such amounts when these adjustments are incorporated.

- Subsequent to the balance sheet date, repayment terms of loan of Rs 18.57 million from Soneri Bank Limited have been relaxed through rescheduling (note 27.4).

- Short term running finance facilities available from commercial banks aggregating Rs 537.08 million are being rolled over, subsequent to the balance sheet date, as the markup has been serviced timely, with the exception of one facility of Rs 33.3 million. This facility of Rs 33.3 million has not been renewed since October 2012, however, the Company has been making gradual repayments including the markup thereon under an understanding with the bank (note 22).

- Statutory liability aggregating Rs 129 million in respect of withholding income tax payable to be settled using the funds to be received under the SPA. A major portion of such statutory liability has been settled from the funds received under the SPA.

- The total liability for TFCs in respect of principal and interest accrued aggregates Rs 1,752.86 million. The Company intends to engage with the TFC holders for the amounts that are due by using the funds to be received under the SPA and funds to be generated from rejuvenated operations whereby the default is intended to be rectified within year 2017. Management is confident that as a result of the above, the TFC holders would reschedule the redemption terms for the remaining liability and will not initiate legal proceedings against the Company (note 26).

- Out of the total balance owed to PTA, settlement of Rs 1,397 million in respect of Access Promotion Contribution ("APC") charges for Universal Service Fund ("USF") (note 30.2) and Rs 1,021.5 million in respect of initial license fee for WLL licenses (note 23) is subject to formation of an agreed installment plan by PTA. Considering the industry's circumstances and Court's orders, these liabilities are not expected to materialize fully in the near future. Moreover, the Lahore High Court has granted a stay against PTA's demand of Rs 305.78 million in respect of annual spectrum fee (note 24.2) which is operative as of balance sheet date.

- Payable to employees aggregating Rs 350 million have been settled from the funds received under the SPA.

- Advances from customers and unearned revenue aggregating Rs 155 million will be recognized as revenue on rendering of services.

- Remaining net current liabilities aggregating approximately Rs 3 billion represent various creditors against supplies, rent and services (including those that have filed appeals before Courts for debt recovery or dissolution). Out of this amount, Rs 1.347 billion represents payables to certain parties which management disputes on non-performance of contractual obligations by these parties and is hopeful that these amounts would settle favourably. With regards to the remaining balance, the Company is in the process of approaching these creditors for extending the payment period beyond one year as implicitly allowed by them in the past, and settlement of their liabilities using the funds to be received under the SPA and the funds to be generated from rejuvenated operations in line with the approved business plan. Such plan also includes partial settlements aggregating Rs 471 million on early basis of those creditors that are critical to the smooth running of the Company's operations. The Company's management is confident that as a result of the signing of the SPA and partial settlement of liabilities aggregating Rs 471 million as

explained above, it will be able to obtain relaxations whereby the payment period will be extended beyond one year and litigation against the Company would not be pursued by the concerned parties.

As mentioned in (i) above, the Parent company and WSL have injected the required funds in the Company up to now as agreed under the SPA. The Company is confident that the SPA shall be executed successfully and all matters explained above will materialize accordingly. Further, the Parent company has shown its support to the Company until conclusion of the SPA. Thereafter, WSL, based on certain commitments of an investor, has assured support to the Company to continue as a going concern through its letter to the Company's Board of Directors. Consequently, these financial statements have been prepared on the going concern assumption that the Company will continue as a going concern and consequently, do not include any adjustment relating to the realization of the assets and liquidation of its liabilities that might be necessary should the Company be unable to continue as a going concern.

### **2.3 Initial application of standards, amendments or an interpretation to existing standards**

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

#### **2.3.1 Standards, amendments and interpretations to approved accounting standards that are effective in current year**

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on 01 January 2015 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 financial statements, except for the following:

- International Accounting Standard ('IAS') 27 (revised) 'Separate Financial Statements'. This standard replaces the current IAS 27 'Consolidated and Separate Financial Statements' (as amended in 2008) and includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10. The Company's current accounting treatment is already in line with the requirements of this standard.

#### **2.3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company**

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the companies having accounting periods beginning on or after 01 January 2016 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

- IAS 27 (Amendments), 'Separate Financial Statements' are applicable on accounting periods beginning on or after 01 January 2016. These provide entities the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Company shall apply these amendments from 01 January 2016, and has not yet evaluated whether it shall change its accounting policy to avail this option.



### 3. Basis of measurement

**3.1** These financial statements have been prepared under the historical cost convention, as modified by revaluation of investment properties, plant and equipment, licenses, software and available-for-sale financial assets at fair value, and recognition of certain employee benefits and financial liabilities at present value.

### 3.2 Critical accounting estimates and judgments

The Company's significant accounting policies are stated in note 4. The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years. The areas where various assumptions and estimates are significant to the Company's financial statements are as follows:

- Useful life of property, plant and equipment and intangible assets - note 4.1, 4.2, 5 & 6
- Revaluation of plant and equipment, - note 4.1, 4.2, & 5
- Impairment testing of assets and goodwill - note 4.2, 4.3, 5.1.2 & 6.5
- Taxation - note 4.6, 9 & 42
- Retirement benefits - note 4.18 & 28
- Provisions and contingencies - note 4.5, 4.8, 4.19, 13, 14 & 31

### 4. Summary of significant accounting policies

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

#### 4.1 Property, plant and equipment

##### 4.1.1 Operating fixed assets

###### Owned assets

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



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

Depreciation on owned assets is charged to profit or loss on the straight line method so as to write off the cost or revalued amount of an asset over its estimated useful life at the annual rates mentioned in note 5.1 after taking into account their residual values.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.3).

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

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

#### **Leased assets**

Leases in terms of which the Company has substantially all the risks and rewards of ownership are classified as finance leases. At inception, finance leases are capitalized at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets.

The related rental obligations, net of finance charges, are included in liabilities against assets subject to finance lease as referred to in note 29. The liabilities are classified as current and long term depending upon the timing of the payment.

Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit or loss over the lease term.

Assets acquired under a finance lease are depreciated over the estimated useful life of the asset on a straight-line method at the rates given in note 5.1. Depreciation of leased assets is charged to profit or loss.

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

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

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

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

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

#### 4.2 Intangible assets

##### 4.2.1 Goodwill

Good will represents the difference between the cost of the acquisition (fair value of consideration paid) and the fair value of the net identifiable assets acquired.

Goodwill is tested annually for impairment. Any impairment is immediately recognized as an expense and is not subsequently reversed.

##### 4.2.2 Other intangible assets

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

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

Amortization on other intangible assets is charged to profit or loss on straight-line method at the rates given in note 6.

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

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is charged to profit or loss as and when incurred.

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

#### 4.3 Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready to use - are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on fixed assets that offset available revaluation surplus are charged against this surplus, all other impairment losses are charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

#### 4.4 Investment properties

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

Any gain or loss arising from a change in fair value is charged to profit or loss. Rental income from investment properties is accounted for as described in note 4.21.

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

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

#### 4.5 Trade debts and other receivables

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

#### 4.6 Taxation

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

##### Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

##### Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

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

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except in the case of items credited or charged directly to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

#### 4.7 Stores and spares

Usable stores and spares are valued principally at weighted average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Provision is made in the financial statements for obsolete and slow moving stores and spares based on management estimate.

#### 4.8 Stock-in-trade

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Provision is made in the financial statements for obsolete and slow moving stock-in-trade based on management estimate.

#### **4.9 Investments**

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

##### **4.9.1 Investments in equity instruments of subsidiary**

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

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

#### **4.10 Financial assets**

##### **4.10.1 Classification**

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

##### **a) Financial assets at fair value through profit or loss**

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

##### **b) Loans and receivables**

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

**c) Available-for-sale financial assets**

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

**d) Held to maturity**

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

**4.10.2 Recognition and measurement**

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

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

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

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

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

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

#### 4.11 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

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

#### 4.12 Offsetting of financial assets and financial liabilities

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

#### 4.13 Cash and cash equivalents

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

#### 4.14 Non-current assets classified as held for sale

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

#### 4.15 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is charged to profit or loss over the period of the borrowings using the effective interest rate method. Finance costs are accounted for on an accrual basis and are reported under 'interest and mark up accrued' to the extent of the amount remaining unpaid.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

#### 4.16 Borrowing cost

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

#### 4.17 Trade and other payables

Trade and other payables are initially recognized at fair value and subsequently at amortized cost using effective interest rate method. Exchange gains and losses arising on translation in respect



of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

#### **4.18 Employee retirement and other benefits**

##### **Defined benefit plan**

The Company operates an unfunded defined benefit gratuity plan for all permanent employees as per the Company's policy. Provisions are made in the financial statements to cover obligations on the basis of actuarial valuations carried out annually under the projected unit credit method.

All actuarial gains and losses are recognized in other comprehensive income as and when they occur.

##### **Accumulating compensated absences**

Employees are entitled to take earned leave 20 days every year.

The un-utilized earned leave can be accumulated up to a maximum of 40 days and can be utilized at any time subject to the approval. Earned leaves in excess of 40 days shall lapse. An employee will be entitled to encash the accumulated earned leaves at the time of leaving Company's service. The earned leave encashment is made on last drawn gross salary.

Provisions are made annually to cover the obligation for accumulating compensated absences on the basis of actuarial valuation and are charged to profit or loss.

#### **4.19 Provisions**

Provisions are recognized in the balance sheet when:

1. The Company has a legal or constructive obligation as a result of past events;
2. It is probable that outflow of economic benefits will be required to settle the obligation; and
3. A reliable estimate of the amount can be made.

However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

#### **4.20 Share capital**

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

#### **4.21 Revenue recognition**

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

Revenue from different sources is recognized as follows:

- Revenue from terminating minutes is recognized at the time the call is made over the network of the Company.



- Capacity/media sold under Indefeasible Right to Use ("IRU") arrangement is recognized upfront if it is determined that the arrangement is a finance lease.
- Revenue from originating minutes is recognized on the occurrence of calls both for prepaid and postpaid subscribers.
- Subscription revenue from Cable TV, EVDO, internet over cable and channels subscription fee is recognized on provision of services.
- Connection and membership fee is recognized at the time of sale of connection.
- Sale of goods is recognized on dispatch of goods to customer.
- Advertisement income is recognized on the basis of spots run when commercials are aired on the network.
- Interest income is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.
- Revenue from metro fiber solutions/sale is recognized on delivery of services.
- Rental income from investment properties is credited to profit or loss on accrual basis.
- Revenue from prepaid cards is recognized as credit is used.
- Dividend income is recognized when the right to receive payment is established.
- The revenue under Universal Service Fund ("USF") services and subsidy agreement is recognized under International Accounting Standards (IAS) 18, "Revenue", based on stage of completion with reference to the achievement of each milestone as provided in the agreement.

#### **4.22 Foreign currency transactions and translation**

##### **a) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

##### **b) Transactions and balances**

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to profit or loss.

#### **4.23 Dividend**

Dividend distribution to the Company's members is recognized as a liability in the Company's financial statements in the period in which the dividends are approved.

#### 4.24 Fair value measurement

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

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

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

#### 5. Property, plant and equipment

		2015	2014
		----- (Rupees in '000) -----	
Operating fixed assets	- note 5.1	7,981,158	11,641,345
Capital work-in-progress	- note 5.2	99,838	836,413
Major spare parts and stand-by equipment	- note 5.3	3,790	25,588
		<u>8,084,786</u>	<u>12,503,346</u>

5.1 Operating fixed assets

**COST/REVALUED AMOUNT**

	Owned assets										Leased assets				Total
	Freehold land	Building	Leasehold improvements	Plant and equipment	Office equipment	Computers	Furniture and fixtures	Vehicles	Lab and other equipment	Sub-total	Plant and equipment	Computers	Vehicles	Sub-total	
	(Rupees in '000)														
Balance as at 01 January 2014	19,800	-	127,203	20,024,011	99,410	160,332	23,618	70,845	21,180	20,546,199	518,514	18,443	1,39,924	676,881	21,223,080
Elimination of accumulated depreciation against cost on revaluation	-	-	-	(8,240,112)	-	-	-	-	-	(8,240,112)	-	-	-	-	(8,240,112)
Revaluation surplus during the year	-	-	-	45,572	-	-	-	-	-	45,572	-	-	-	-	45,572
Additions during the year	-	2,741	-	1,199,213	2,623	2,114	-	-	-	1,206,681	-	-	5,375	5,375	1,212,066
Transfers in from investment properties - note 7	-	97,500	-	-	-	-	-	-	-	97,500	-	-	-	97,500	
Transfers in from leased assets	-	-	-	-	-	18,443	-	133,659	-	152,102	-	(10,443)	(133,659)	(152,102)	
Deposits during the year - note 5.1.8	-	-	(2,724)	(6,020)	(2,254)	(2,912)	(23)	(30,308)	-	(43,141)	-	-	(2,458)	(45,599)	
Transferred out to non-current assets classified as held for sale - note 20	-	-	-	(2,170,905)	-	-	-	-	-	(2,170,905)	-	-	-	(2,170,905)	
Balance as at 31 December 2014	19,800	97,500	127,220	11,262,959	99,779	177,977	23,595	174,096	21,180	12,004,106	518,514	-	9,192	527,696	12,331,802
Balance as at 01 January 2015	19,800	97,500	127,220	11,262,959	99,779	177,977	23,595	174,096	21,180	12,004,106	518,514	-	9,192	527,696	12,331,802
Elimination of accumulated depreciation against cost on revaluation	-	-	-	(658,747)	-	-	-	-	-	(658,747)	-	-	-	-	(658,747)
Additions during the year	-	6,926	-	351,138	367	3,245	34	-	-	361,710	-	-	-	-	361,710
Disposals during the year - note 5.1.8	-	-	-	(4,608)	-	(1,605)	-	(124,183)	-	(130,406)	-	-	-	-	(130,406)
Revaluation surplus during the year - note 5.1.1	-	-	-	1,050,223	-	-	-	-	-	1,050,223	-	-	-	-	1,050,223
Assets written off due to fire - note 5.1.3	-	-	-	(34,822)	-	-	-	-	-	(34,822)	-	-	-	-	(34,822)
Balance as at 31 December 2015	19,800	97,500	134,146	11,966,143	100,146	179,617	23,629	49,903	21,180	12,592,064	518,514	-	9,192	527,696	13,119,760

**DEPRECIATION AND IMPAIRMENT**

Balance as at 01 January 2014	-	-	96,378	8,169,398	60,125	144,841	17,157	62,764	17,724	8,570,367	60,245	10,196	61,267	131,738	8,702,125
Elimination of accumulated depreciation against cost on revaluation	-	-	-	(6,240,112)	-	-	-	-	-	(6,240,112)	-	-	-	-	(6,240,112)
Depreciation for the year - note 5.1.7	-	406	7,041	1,172,523	8,202	14,717	1,970	25,973	677	1,231,509	31,104	5,123	2,989	38,316	1,269,825
Transfers in from leased assets	-	-	-	-	-	15,319	-	59,909	-	75,228	-	(15,319)	(59,909)	(75,228)	-
Depreciation on disposals - note 5.1.8	-	-	(2,724)	(700)	(1,813)	(2,644)	(17)	(17,274)	-	(25,272)	-	-	(1,215)	(1,215)	(26,487)
Transferred out to non-current assets classified as held for sale - note 20	-	-	-	(814,894)	-	-	-	-	-	(814,894)	-	-	-	-	(814,894)
Balance as at 31 December 2014	-	406	102,696	286,215	66,514	172,233	19,110	131,272	18,401	796,846	91,349	-	2,262	93,611	890,457
Balance as at 01 January 2015	-	406	102,696	286,215	66,514	172,233	19,110	131,272	18,401	796,846	91,349	-	2,262	93,611	890,457
Elimination of accumulated depreciation against cost on revaluation	-	-	-	(658,747)	-	-	-	-	-	(658,747)	-	-	-	-	(658,747)
Depreciation for the year - note 5.1.7	-	4,975	7,082	1,110,947	7,782	7,155	1,812	684	350	1,146,677	31,104	-	1,684	32,788	1,173,465
Depreciation on disposals - note 5.1.8	-	-	-	(1,381)	-	(1,110)	-	(65,455)	-	(65,946)	-	-	-	-	(65,946)
Assets written off due to fire - note 5.1.3	-	-	-	(4,417)	-	(4,417)	-	-	-	(4,417)	-	-	-	-	(4,417)
Impairment - note 5.1.2	-	-	-	3,823,790	-	-	-	-	-	3,823,790	-	-	-	-	3,823,790
Balance as at 31 December 2015	-	5,281	109,777	4,556,407	74,276	178,276	20,922	48,511	18,751	5,012,203	122,453	-	3,946	126,399	5,138,602
Book value as at 31 December 2014	19,800	97,094	24,525	10,976,744	33,265	5,744	4,485	42,824	2,779	11,207,260	427,165	-	6,920	434,085	11,641,345
Book value as at 31 December 2015	19,800	92,219	24,369	7,409,736	25,970	1,389	2,707	1,392	2,429	7,578,651	398,061	-	5,265	401,327	7,981,155
Annual rate of depreciation (%)	-	5	20 to 33	4 to 33.33	10	33	10	20	10 to 20	4 to 33.33	33	-	20	33	20

**5.1.1** During the year, plant and equipment (owned) has been revalued by an independent professional valuer M/s Arch-E'-Decon as on 31 December 2015 that resulted in revaluation gain on assets of Broadband operations and impairment loss on assets of WLL operations (explained in note 5.1.2). The table below analyses the non-financial assets 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 (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Company's plant and equipment (owned) that are measured at fair value at 31 December 2015.

	<b>Fair value measurements at 31 December 2015 using significant unobservable inputs (Level 3)</b>		
	<b>LDI and Broadband Operations</b>	<b>WLL Operations</b>	<b>Total</b>
	----- (Rupees in '000) -----		
<b>Recurring fair value measurements</b>			
Plant and equipment (owned)	<b>7,254,354</b>	<b>155,382</b>	<b>7,409,736</b>

The following table presents the Company's plant and equipment (owned) that are measured at fair value at 31 December 2014.

	<b>Fair value measurements at 31 December 2014 using significant other observable inputs (Level 2)</b>		
	<b>LDI and Broadband Operations</b>	<b>WLL Operations</b>	<b>Total</b>
	----- (Rupees in '000) -----		
<b>Recurring fair value measurements</b>			
Plant and equipment (owned)	<b>6,513,048</b>	<b>4,463,696</b>	<b>10,976,744</b>

There are no level 1 assets and no transfers between levels 1 and 2 during 2015 or 2014. During the current year, fair value measurement of plant and equipment (owned) has been transferred from level 2 to 3 due to significant adjustments to valuation inputs on account of the Company's specific circumstances, operational uses and future prospects of these assets as detailed in notes 2.2 and 5.1.2 as management believes that these adjustments reflect a more realistic fair value estimate.

**Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the year ended 31 December 2015 for recurring fair value measurements:

	LDI and Broadband Operations	WLL Operations	Total
----- (Rupees in '000) -----			
Opening balance on 01 January 2015	-	-	-
Transfers from level 2	6,513,048	4,463,696	10,976,744
Additions	247,550	103,588	351,138
Disposals	-	(3,227)	(3,227)
Assets written off due to fire	(20,699)	(9,706)	(30,405)
Amounts recognised in profit or loss:			
Depreciation	(535,768)	(575,179)	(1,110,947)
Impairment loss	-	(1,686,955)	(1,686,955)
Amounts recognised in surplus on revaluation of fixed assets:			
Impairment loss	-	(2,136,835)	(2,136,835)
Gain on revaluation	1,050,223	-	1,050,223
Closing balance on 31 December 2015	<b>7,254,354</b>	<b>155,382</b>	<b>7,409,736</b>

**Valuation techniques used to derive level 3 fair values:**

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

**Valuation inputs and relationship to fair value**

The following table summarises the quantitative and qualitative information about the significant unobservable inputs used in level 3 fair value measurements. See paragraph above for the valuation techniques adopted.

Description	Fair value at 31 December		Significant Unobservable Inputs	Quantitative Data / Range and Relationship to the Fair Value
	2015	2014		
----- (Rupees in '000) -----				
Plant and Equipment (Owned) - LDI and Broadband Operations	7,254,354	6,513,048	Cost of acquisition of similar plant and equipment with similar level of technology.  Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using cost of acquisition of similar plant and machinery with similar level of technology and applying a suitable depreciation factor based on normal wear and remaining useful lives of plant and machinery. Remaining useful lives have been estimated from 4 to 13 years. The higher the cost of acquisition of similar plant and machinery, higher the fair value of plant and machinery. Further, higher the depreciation rate, the lower the fair value of plant and machinery.
Plant and Equipment (Owned) - WLL Operations	155,382	4,463,696	Rating, nameplate data and fundamental characteristics of equipment.  Prevalent market prices for these assets.	The market value has been determined by applying prevalent market prices to the rating, nameplate data and fundamental characteristics of plant and equipment. Higher the market price, higher the fair value.
	<b>7,409,736</b>	<b>10,976,744</b>		

**5.1.2** Management has reviewed the business performance of the Company's WLL operations during the year and an assessment has been made in respect of triggering events as specified by IAS 36 'Impairment of Assets' applicable to the assets relating to WLL operations at a CGU level. Based on the following indicators applicable to WLL CGU, an impairment test has been carried out by the management:

- Decline in the market value of WLL operations' assets;
- Significant change in the technological and economic conditions;
- Decrease in the economic performance of WLL business; and
- Management plans and actions to restructure the WLL operations.

WLL CGU is mainly comprised of items of property, plant and equipment relating to WLL operations, WLL licenses and the entire amount of goodwill. The recoverable amount of WLL CGU has been determined based on fair value less costs of disposal materially assessed by an independent professional valuer M/s Arch-E-Decon as on 31 December 2015. The fair value of plant and equipment (owned) less costs of disposal has been determined using sales comparison approach as explained in note 5.1.1. The fair value of WLL licenses has been determined using sales comparison approach as explained in note 6.1. Since there are observable indications that the fair value of WLL CGU has declined significantly, therefore, it has been impaired.

WLL CGU has been written down from its carrying value of Rs 8,373.41 million to its recoverable amount (fair value less costs of disposal) of Rs 1,996.13 million. Total impairment loss of Rs 6,377.28 million has been allocated first to eliminate the carrying amount of goodwill and then to the plant and equipment (owned). Impairment loss of Rs 1,495.79 million (net of related deferred tax of Rs 641.05 million) has been offset against the available revaluation surplus as per Section 235 of the Ordinance and the remaining impairment loss of Rs 4,240.45 million has been charged to profit or loss.

**5.1.3** During the current year, fire at the Company's warehouse in Kot Lakhpat, Lahore, damaged certain items of plant and equipment (owned). These items had an aggregate book value of Rs 30.41 million. The Company has claimed such loss from its insurer and booked the resultant gain thereon as referred to in note 40.1.

**5.1.4** Had there been no revaluation, the net book value of plant and equipment (owned) would have amounted to Rs 5,450 million (2014: Rs 10,511 million).

**5.1.5** Carrying value of property, plant and equipment and current assets having a charge against borrowings amounts to Rs 10,800 million (2014: Rs 11,225 million).

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

2015                      2014  
----- (Rupees in '000) -----

**5.1.7** Depreciation for the year has been allocated as follows:

Direct cost	- <b>note 37</b>	1,142,051	1,204,034
Operating cost	- <b>note 38</b>	31,414	65,791
		1,173,465	1,269,825

**5.1.8 Disposal of operating fixed assets**

Particulars	Sold to	2015			Mode of disposal	
		Cost	Accumulated depreciation	Book value		Sale proceeds
----- (Rupees in '000) -----						
<b>Plant and equipment</b>	<b>Outside party</b>					
	Shaheen Insurance Company Limited	4,608	1,381	3,227	3,008	Insurance Claim
<b>Vehicles</b>	<b>Employees</b>					
	Faraz Ahmad Siddique	1,483	347	1,136	1,136	As per Company policy
	Aurangzeb Alamgir Khan	920	291	629	629	- do -
	Rizwan Abdul Hayi	2,122	1,202	919	919	- do -
	Bilal Zafar	920	567	353	353	- do -
	Sarfraz Khurshid	893	551	342	342	- do -
	Najia Qamar	920	215	705	705	- do -
	Aziz Anwar	920	230	690	690	- do -
	Nadeem Akram Khan	2,122	322	1,800	1,800	- do -
	Umar Hayat Rana	893	342	551	551	- do -
	Shamim ul Zafar	893	238	655	655	- do -
	Rabia Affaf	1,608	295	1,313	1,313	- do -
	Sajjad Salman	893	74	819	820	- do -
	Farrukh Ali	1,537	1,229	307	307	- do -
	Sarfraz Javed	893	715	179	179	- do -
	Salman Murawat	893	715	179	179	- do -
	Nasir Suhail	893	715	179	179	- do -
	Bilal Amin	919	736	184	184	- do -
	Muhammad Imran Sheikh	919	736	184	184	- do -
	Qamar Iqbal	919	736	184	184	- do -
	Sajjid Saleem	919	736	184	184	- do -
	Maghees Ahmed Sheikh	919	736	184	184	- do -
	Muhammad Karamat	919	736	184	184	- do -
	Tahir Mahmood	919	736	184	184	- do -
	Fazal Ali	919	736	184	184	- do -
	Muntaha Iqbal	896	717	179	179	- do -
	Syed Khurram Kazmi	919	736	184	184	- do -
	Rana Altaf ur Rehman	893	715	179	179	- do -
	Muneef Malik	1,537	1,229	307	307	- do -
	Syed Jafri	1,537	1,229	307	307	- do -
	Imran Bashir	1,537	1,229	307	307	- do -
	Adnan Waheed	893	715	179	179	- do -
	Aziz ur Rehman	893	715	179	179	- do -
	Umar Durani	2,081	1,665	416	416	- do -
	Atif Sheikh (Key Management Personnel)					
		2,081	1,665	416	416	- do -
	Tahir Yaqub	1,537	1,229	307	307	- do -
	Faheem Akhtar (Key Management Personnel)					
		913	731	183	183	- do -
	Muhammad Naveed (Key Management Personnel)					
		2,081	1,665	416	416	- do -
	Altaf Hussain Bajwa	920	291	629	740	- do -
	Omer Qureshi	920	77	843	845	- do -
	Syed Hamid Ali	893	506	387	387	- do -
	Umar Munim	919	368	551	551	- do -
	Babar Ali Syed - Chief Executive Officer (Key Management Personnel)					
		9,300	8,370	930	1,860	- do -
	Muhammad Javed	893	461	432	432	- do -
	Mushtaq Abdul Nasir	1,517	1,112	405	405	- do -

Particulars	Sold to	2015				Mode of disposal
		Cost	Accumulated depreciation	Book value	Sale proceeds	
----- (Rupees in '000) -----						
	Muhammad Ashfaq	893	283	610	610	- do -
	Muhammad Mansoor Ali Khan (Key Management Personnel)	1,517	278	1,239	1,300	- do -
	Syed Farooq Hassan	893	715	179	179	- do -
	Khurram Anis Rao	919	736	184	184	- do -
	Muhammad Saleem Siddiqui	893	715	179	179	- do -
	Amjad Afzal	905	724	181	181	- do -
	Asad Gul	893	715	179	179	- do -
	Shahzad Saleem (Key Management Personnel)	1,570	1,256	314	314	- do -
	Amil Ijaz Mufti	1,571	1,257	314	314	- do -
	Akram Feroze	919	736	184	184	- do -
	Furqan Mubarik	1,537	1,229	307	307	- do -
	Razaq Paracha (Key Management Personnel)	2,128	1,703	426	426	- do -
	Agha Mansoor Ali (Key Management Personnel)	2,081	1,665	416	416	- do -
	Kashif Naseer	920	169	751	760	- do -
	Bilal Javaid	893	715	179	179	- do -
	Waseem Qamar	893	253	640	640	- do -
	Nasir Bashir	2,087	1,078	1,008	1,008	- do -
	Hassan Zaheer	893	461	432	432	- do -
	Mubarik Khan	1,537	871	666	666	- do -
	Kamran Yousaf	1,537	845	691	691	- do -
	Nadeem Aslam	893	625	268	268	- do -
	Muhammad Waseem Naeem	893	625	268	268	- do -
	Faisal Ahmed Khan (Key Management Personnel)	1,537	1,050	487	487	- do -
	Azhar Saeed	2,116	1,693	423	423	- do -
	Hamad Hassan Khan	1,537	1,229	307	307	- do -
	Amir Gulzar (Key Management Personnel)	2,081	1,665	416	416	- do -
	Khawaja Fayyaz	893	715	179	179	- do -
	Muhammad Akmal Javed	1,537	1,229	307	307	- do -
	Syed Fakhir Anwar	1,571	1,257	314	314	- do -
	Muhammad Kamil Khan (Key Management Personnel)	2,081	1,665	416	416	- do -
	Danial Ahmed Khan	893	715	179	179	- do -
	Homaira Arif (Key Management Personnel)	1,537	1,229	307	307	- do -
	Abdul Rashid Bari	1,536	154	1,382	1,250	- do -
	Jawad Saraf	2,081	1,665	416	416	- do -
	Syed Waqar Hussain	1,537	512	1,024	1,024	- do -
	Anser Iqbal Chohan	893	715	179	179	- do -
	Syed Shujad Hussain	913	731	183	183	- do -
	Farhan Qadeer	1,503	626	877	877	- do -
	Farrukh Zaman	892	372	520	520	- do -
	Asif Iqbal	892	327	565	565	- do -
	Imran Ahmad Sheikh	888	509	378	378	- do -
	Irshad Ali Pitafi	892	327	565	565	- do -
	Abdul Hai Usmani	893	715	179	179	- do -
	Waqas Hussain Lagari	893	715	179	179	- do -
	Adnan Asif	893	715	179	179	- do -
	Muhammad Imran Khan	893	715	179	179	- do -
	Iftikhar Qureshi	893	715	179	179	- do -
	Fahad Raza	893	715	179	179	- do -
	Maqbool Ahmed	1,537	1,229	307	307	- do -



Particulars	Sold to	2015				Mode of disposal
		Cost	Accumulated depreciation	Book value	Sale proceeds	
----- (Rupees in '000) -----						
	Asmar Mushtaq	893	715	179	179	- do -
	Amjad Sabir	893	715	179	179	- do -
-----						
	Faheem Akhtar (Key Management Personnel)	1,019	1,019	-	204	- do -
<b>Computers</b>	<b>Employees</b>					
	Rizwan Abdul Hayi	95	18	77	77	- do -
	<b>Outside party</b>					
	Shaheen Insurance Company Limited	65	4	61	68	Insurance claim
<b>Items with book value less than Rs 50,000</b>		1,548	1,175	353	364	
<b>Total</b>		<b>130,406</b>	<b>85,946</b>	<b>44,460</b>	<b>45,445</b>	
-----						
Particulars	Sold to	2014				Mode of disposal
		Cost	Accumulated depreciation	Book value	Sale proceeds	
----- (Rupees in '000) -----						
<b>Plant and equipment</b>	<b>Outside party</b>					
	Shaheen Insurance Company Limited	5,020	700	4,320	4,000	Insurance Claim
<b>Vehicles</b>	<b>Employees</b>					
	Hassan Raza	1,539	795	744	744	As per Company policy
	Naveed Alam	920	292	628	628	- do -
	Waqas Aslam	1,537	743	794	794	- do -
	Saqib Idrees Taj	919	291	628	628	- do -
	Malik Salman Sadiq Awan	1,537	589	948	948	- do -
	Rana Rehan	1,537	691	846	845	- do -
	Muhammad Tauseef Zia	893	402	491	491	- do -
	Adnan Siddiqui	1,483	561	922	922	- do -
	Mazhar Haider	896	528	368	368	- do -
	Adeel Ahmed	870	379	491	491	- do -
	Burhan Ahmed	896	284	612	612	- do -
	Abu Zar	2,066	1,174	892	891	- do -
	Munir Ahmad	896	287	609	609	- do -
	Usman Masood	870	349	521	521	- do -
	Tanvir Ahmed Sheikh	1,483	817	666	666	- do -
	Mudessar Ramzan	1483	459	1,024	1,024	- do -
	Muhammad Waseem Akber	870	245	625	625	- do -
	Mustanser Siddique	896	406	490	490	- do -
	Farrukh Ijaz	896	360	536	536	- do -
	Nauman Adil	2,458	1,215	1,243	1,243	- do -
<b>Computers</b>	<b>Employees</b>					
	Tanvir Ahmed Sheikh	73	18	55	54	- do -
<b>Office equipment</b>	<b>Outside party</b>					
	Shaheen Insurance Company Limited	521	167	354	248	Insurance claim
<b>Items with book value less than Rs 50,000</b>		15,040	14,735	305	6,886	
<b>Total</b>		<b>45,599</b>	<b>26,487</b>	<b>19,112</b>	<b>25,264</b>	

<b>5.2 Capital work-in-progress ("CWIP")</b>	<b>2015</b>	<b>2014</b>
	------(Rupees in '000)-----	
Advances to suppliers	<b>66,649</b>	253,364
Plant and equipment	<b>33,189</b>	583,049
	<b>99,838</b>	836,413

**5.2.1** The reconciliation of the carrying amount is as follows:

Opening balance		<b>836,413</b>	1,018,067
Additions during the year		<b>362,568</b>	1,008,863
Transfers during the year	<b>- note 5.2.1.1</b>	<b>(543,374)</b>	(1,190,517)
Charged to profit or loss	<b>- note 5.2.1.2</b>	<b>(553,775)</b>	-
Damaged during the year	<b>- note 5.2.1.3</b>	<b>(1,994)</b>	-
Closing balance		<b>99,838</b>	836,413

**5.2.1.1** The Company entered into a contract with Pace Pakistan Limited ("Pace") in 2011 for purchase of two floors in Pace Tower located at Block H, Gulberg III, Lahore wherein an advance of Rs 136 million was paid to Pace. However, the Company was unable to pay the remaining dues for the said floors. Subsequent to the reporting date in June 2016, both parties have cancelled the contract with mutual consent and it has been agreed that Pace will return the advance to the Company. Therefore, the amount of Rs 136 million which is included in these transfers, has been classified as 'other receivable' as at the reporting date.

**5.2.1.2** The Company entered into a contract with Huawei in 2012 to install security cameras and ancillary equipment in Islamabad, Pakistan, under the Safe City Project ("Project"). This amount includes all expenses aggregating Rs 527.44 million incurred by the Company for installation of security cameras. The Project has been completed during the year and all dues/adjustments have been agreed with Huawei resulting in the charge off of such amount.

**5.2.1.3** During the current year, fire at the Company's warehouse in Kot Lakhpat, Lahore, damaged certain items of plant and equipment. This represents carrying value of these items. The Company has claimed such loss from its insurer and booked the resultant gain thereon as referred to in note 40.1.

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

	2015	2014
	------(Rupees in '000)-----	
<b>Gross carrying value</b>		
Opening balance	37,748	-
Additions during the year	35,982	176,394
Transfers during the year	(54,788)	(138,646)
Damaged during the year - note 5.3.2	(12,429)	-
Closing balance	<u>6,513</u>	<u>37,748</u>
Provision for impairment - note 5.3.1	(2,723)	(12,160)
Net carrying value	<u><u>3,790</u></u>	<u><u>25,588</u></u>

**5.3.1 Provision for impairment**

Opening Provision	12,160	-
Transfer during the year - note 12	341	12,160
Reversal during the year - note 5.3.2	(9,778)	-
Closing Provision	<u>2,723</u>	<u>12,160</u>

**5.3.2** During the current year, fire at the Company's warehouse in Kot Lakhpat, Lahore, damaged certain items of major spares and stand-by equipment. These items costing Rs 12.43 million had been provided for to the extent of Rs 9.78 million in the previous years. The Company has claimed such loss from its insurer and booked the resultant gain thereon as referred to in note 40.1.

**6. Intangible assets**

	Licenses	Patents and copyrights	IRU - media cost	Softwares	Goodwill	Total
	------(Rupees in '000)-----					
<b>COST/REVALUED AMOUNT</b>						
Balance as at 01 January 2014	2,893,290	5,333	784,800	30,533	2,690,403	6,404,359
Elimination of accumulated amortization against cost on revaluation	(1,427,465)	-	-	(19,253)	-	(1,446,718)
Revaluation surplus during the year	608,201	-	-	-	-	608,201
Balance as at 31 December 2014	<u>2,074,026</u>	<u>5,333</u>	<u>784,800</u>	<u>11,280</u>	<u>2,690,403</u>	<u>5,565,842</u>
Balance as at 01 January 2015	2,074,026	5,333	784,800	11,280	2,690,403	5,565,842
Additions/(deletions) during the year	-	-	-	-	-	-
Balance as at 31 December 2015	<u>2,074,026</u>	<u>5,333</u>	<u>784,800</u>	<u>11,280</u>	<u>2,690,403</u>	<u>5,565,842</u>
<b>AMORTIZATION AND IMPAIRMENT</b>						
Balance as at 01 January 2014	1,315,552	5,333	152,500	18,184	136,909	1,628,478
Elimination of accumulated amortization against cost on revaluation	(1,427,465)	-	-	(19,253)	-	(1,446,718)
Amortization for the year - note 6.3	163,188	-	52,268	2,850	-	218,306
Balance as at 31 December 2014	<u>51,275</u>	<u>5,333</u>	<u>204,768</u>	<u>1,781</u>	<u>136,909</u>	<u>400,066</u>
Balance as at 01 January 2015	51,275	5,333	204,768	1,781	136,909	400,066
Amortization for the year - note 6.3	205,125	-	52,268	2,850	-	260,243
Impairment of goodwill - note 6.5	-	-	-	-	2,553,494	2,553,494
Balance as at 31 December 2015	<u>256,400</u>	<u>5,333</u>	<u>257,036</u>	<u>4,631</u>	<u>2,690,403</u>	<u>3,213,803</u>
Book value as at 31 December 2014	<u>2,022,751</u>	<u>-</u>	<u>580,032</u>	<u>9,499</u>	<u>2,553,494</u>	<u>5,165,776</u>
<b>Book value as at 31 December 2015</b>	<u><u>1,817,626</u></u>	<u><u>-</u></u>	<u><u>527,764</u></u>	<u><u>6,649</u></u>	<u><u>-</u></u>	<u><u>2,352,039</u></u>
Annual amortization rate (%)	5.02 to 10.22	10	6.67	20 to 34	-	



**6.1** During the year, licenses and softwares were revalued by an independent professional valuer M/s Arch-E'-Decon on 31 December 2015. The table below analyses the non-financial assets 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 (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Company's licenses and softwares that are measured at fair value at 31 December 2015.

	<b>Fair value measurements at 31 December 2015 using significant other observable inputs (Level 2)</b>
<b>(Rupees in '000)</b>	
<b>Recurring fair value measurements</b>	
Licenses	1,817,626
Softwares	6,649
	1,824,275

The following table presents the Company's licenses and softwares that are measured at fair value at 31 December 2014.

	<b>Fair value measurements at 31 December 2014 using significant other observable inputs (Level 2)</b>
<b>(Rupees in '000)</b>	
<b>Recurring fair value measurements</b>	
Licenses	2,022,751
Softwares	9,499
	2,032,250

There are no level 1 and level 3 assets and no transfers between levels 1, 2 and 3 during 2015 or 2014.

There are no level 1 assets and no transfers between levels 1 and 2 during 2014 or 2015. During the current year, fair value measurement of licenses and softwares has been transferred from level 2 to 3 due to significant adjustments to valuation inputs on account of the Company's specific circumstances, operational uses and future prospects of these assets as detailed in notes 2.2 and 5.1.2 as management believes that these adjustments reflect a more realistic fair value estimate.

### Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended 31 December 2015, for recurring fair value measurements:

	<b>Licenses and Softwares (Rupees in '000)</b>
Opening balance on 01 January 2015	-
Transfers from level 2	2,032,250
Amortization charged during the year	(207,975)
Closing balance on 31 December 2015	<u>1,824,275</u>

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

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

### Valuation inputs and relationship to fair value

The following table summarises the quantitative and qualitative information about the significant unobservable inputs used in level 3 fair value measurements. See paragraph above for the valuation technique adopted.

Description	Fair value at 31 December		Significant Unobservable Inputs	Quantitative Data / Range and Relationship to the Fair Value
	2015	2014		
	-----(Rupees in '000)----			
Licenses and Softwares	1,824,275	2,032,250	Auction prices for recently issued comparable licenses.  Fundamental technical characteristics of the WLL licenses such as frequency and region.	The market value has been determined by applying recent auction prices to the fundamental technical characteristics of the WLL licenses. Higher the auction price, higher the fair value.
	<u>1,824,275</u>	<u>2,032,250</u>		

6.2 Had there been no revaluation, the net book value of licenses and softwares would have amounted to Rs 1,056 million (2014: Rs 1205 million).

2015                      2014  
-----**(Rupees in '000)**-----

6.3 Amortization for the year has been allocated as follows:

Direct cost	- note 37	260,243	213,828
Capitalized during the year		-	4,478
		260,243	218,306

6.4 Licenses of the Company are assigned to IGI Investment Bank Limited, trustee of TFC holders as disclosed in note 26.

### 6.5 Goodwill

Goodwill represented the difference between the cost of acquisition (fair value of consideration paid) and fair value of net identifiable assets acquired at the time of merger of Worldcall Telecom Limited with Worldcall Communications Limited, Worldcall Multimedia Limited and Worldcall Broadband Limited.

Goodwill has been allocated for impairment testing purposes to the assets on which it arose as referred to in note 5.1.2. The carrying amount of the CGU has been reduced to its recoverable amount through recognition of an impairment loss against goodwill and property, plant and equipment. Consequently, the goodwill has been fully impaired as on 31 December 2015.

2015                      2014  
-----**(Rupees in '000)**-----

### 7. Investment properties

Opening balance		23,200	160,474
Fair value adjustment	- note 7.1	15,320	(39,774)
Transfer to operating fixed assets (owned assets)	- note 5.1	-	(97,500)
Closing balance		38,520	23,200

7.1 As of reporting date, investment properties comprise of land. Fair value of investment properties is determined by an independent professional valuer. Latest valuation of these properties was carried out on 31 December 2015 by an approved independent valuer, M/s Gandhara Consultants. The table below analyses the non-financial assets 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 (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).



The following table presents the Company's investment properties that are measured at fair value at 31 December 2015.

**Fair value  
measurements at  
31 December 2015  
using significant  
other observable  
inputs (Level 2)**

**(Rupees in '000)**

**Recurring fair value measurements**

Investment properties

**38,520**

The following table presents the Company's investment properties that are measured at fair value at 31 December 2014.

**Fair value  
measurements at  
31 December 2014  
using significant  
other observable  
inputs (Level 2)**

**(Rupees in '000)**

Recurring fair value measurements

Investment properties

**23,200**

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2015 or 2014.

**Valuation techniques used to derive level 2 fair values:**

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

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

2015                      2014  
-----**(Rupees in '000)**-----

**9. Deferred taxation**

This is composed of the following:

*Liability for deferred taxation comprising temporary differences related to:*

Accelerated tax depreciation	<b>1,555,843</b>	2,659,743
Surplus on revaluation of fixed assets	-	592,295
Accelerated tax amortization	<b>585,930</b>	1,214,139
Transaction cost on long term loans	-	30,138
Long term trade receivables	<b>64,613</b>	73,065
Leasehold improvements	<b>7,311</b>	8,584

*Asset for deferred taxation comprising temporary differences related to:*

Unused tax losses	<b>(2,784,089)</b>	(6,469,883)
Provision for doubtful debts	<b>(663,092)</b>	(655,475)
Retirement benefits	<b>(120,557)</b>	(122,837)
Provision for stores and spares & stock-in-trade	<b>(70,394)</b>	(21,200)
Exchange loss	<b>(75,565)</b>	(225,958)
	<b><u>(1,500,000)</u></b>	<b><u>(2,917,389)</u></b>

Deferred tax asset on tax losses available for carry forward has been recognised to the extent that the realisation 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 monetary support from the Parent company as explained in detail in note 2.2 to these financial statements. The Company has not recognised deferred tax assets of Rs 5,218.03 million (2014: Nil) in respect of unused tax losses and Rs 248.18 million (2014: Rs 294.15 million) in respect of minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 ("ITO"), as sufficient taxable profits would not be available to utilise these in the foreseeable future. Minimum tax available for carry forward under section 113 of the ITO and unused tax losses on which deferred tax asset has not been recognised, would expire as follows:

Accounting year to which minimum tax relates	Amount of minimum tax (Rupees in '000)	Accounting year in which minimum tax will expire
2010	77,549	2016
2011	80,010	2017
2012	35,594	2018
2013	31,876	2019
2014	23,148	2020
	<b><u>248,177</u></b>	
Accounting year to which unused tax loss tax relates	Amount of unused tax loss that will expire (Rupees in '000)	Accounting year in which unused tax loss will expire
2012	543,995	2018
2013	1,366,139	2019
2014	842,853	2020
2015	2,812,697	2021
	<b><u>5,565,684</u></b>	



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

	2015	2014
	------(Rupees in '000)-----	
Opening balance	(2,917,389)	(2,546,247)
Charged directly to equity	-	4,944
Deferred tax on surplus on revaluation of fixed assets	315,067	-
Deferred tax credited to surplus on revaluation on account of change in rate of tax	- note 35 (84,614)	-
Deferred tax adjustment relating to surplus on revaluation offset against impairment	(702,530)	-
Charged to other comprehensive income	5,065	281,863
Charged/(credited) to profit and loss account	- note 42 1,884,401	(657,949)
Closing balance	<u>(1,500,000)</u>	<u>(2,917,389)</u>

#### 10. Long term loans - considered good

Loans to employees:

- Chief executive	- note 10.1	-	3,361
- Executives	- note 10.2	5,564	9,385
- Others		-	3,328
		<u>5,564</u>	<u>16,074</u>

Current maturity:

- Chief executive		-	(3,361)
- Executives		(2,686)	(5,583)
- Others		-	(3,328)
	- note 15	<u>(2,686)</u>	<u>(12,272)</u>
		<u>2,878</u>	<u>3,802</u>

#### 10.1 Chief executive

Opening balance	3,361	4,853
Disbursements during the year	-	-
	<u>3,361</u>	<u>4,853</u>
Repayments/adjustments during the year	(3,361)	(1,492)
	<u>-</u>	<u>3,361</u>
Closing balance	<u>-</u>	<u>3,361</u>

This represented interest free loan given for the purpose of acquisition of land and construction of house. The loan was repaid/adjusted completely during the year. Maximum aggregate balance due at the end of any month during the year was Rs 3.36 million (2014: Rs 4.85 million).

**10.2 Executives**

	2015	2014
	------(Rupees in '000)-----	
Opening balance	9,385	13,808
Disbursements during the year	3,412	3,100
	<u>12,797</u>	<u>16,908</u>
Repayments/adjustments during the year	(7,233)	(7,522)
Closing balance	<u>5,564</u>	<u>9,386</u>

These represent interest free loans given for various purposes, such as construction of house and other personal needs as per the Company's policy. These are secured against gratuity and are recoverable within a period of three years from the date of disbursement through monthly deductions from salary. Maximum aggregate balance due at the end of any month during the year was Rs 11.98 million (2014: Rs 16.91 million). These include interest free loans given to key management personnel of the Company aggregating Rs 4.65 million (2014: Rs 5.74 million).

**11. Long term deposits**

	2015	2014
	------(Rupees in '000)-----	
Security deposits with:		
- Pakistan Telecommunication Company Limited ("PTCL")	-	21,482
- Financial institutions	975	975
- Others	35,071	36,109
	<u>36,046</u>	<u>58,566</u>

**12. Stores and spares**

Cost	- note 12.1	141,260	259,472
Provision for obsolete/slow-moving items:			
Opening balance		(36,208)	(58,942)
Addition during the year	- note 37	(10,989)	-
Reversal during the year	- note 12.1	21,131	10,574
Transfer during the year	- note 5.3.1	341	12,160
Closing balance	- note 12.2	<u>(25,725)</u>	<u>(36,208)</u>
		<u>115,535</u>	<u>223,264</u>

**12.1** During the current year, fire at the Company's warehouse in Kot Lakhpat, Lahore damaged certain items of stores and spares. These items costing Rs 78.17 million had been provided for to the extent of Rs 21.13 million in the previous years. The Company has claimed such loss from its insurer and booked the resultant gain thereon as referred to in note 40.1.

**12.2** This includes items which may result in fixed capital expenditure but are not distinguishable.

		2015	2014
		------(Rupees in '000)-----	
<b>13. Stock-in-trade</b>			
Cost	- note 13.2	273,375	281,617
Provision for stock-in-trade	- note 13.1	(206,200)	(8,003)
		<u>67,175</u>	<u>273,614</u>

**13.1 Provision for obsolete/slow-moving stock-in-trade**

Opening balance		8,003	-
Addition during the year		201,608	8,003
Reversal during the year		(52)	-
	- note 37	201,556	8,003
Reversal against items damaged in fire loss	- note 13.2	(3,359)	-
		<u>206,200</u>	<u>8,003</u>

**13.2** During the current year, fire at the Company's warehouse in Kot Lakhpat, Lahore damaged certain items of stock-in-trade. These items costing Rs 3.36 million had been fully provided for in the previous years. The Company has claimed such loss from its insurer and booked the resultant gain thereon as referred to in note 40.1.

		2015	2014
		------(Rupees in '000)-----	
<b>14. Trade debts</b>			
Considered good - unsecured		481,246	911,906
Considered doubtful - unsecured		2,028,401	1,809,352
		2,509,647	2,721,258
Provision for doubtful debts	- note 14.1	(2,028,401)	(1,809,352)
		<u>481,246</u>	<u>911,906</u>

**14.1 Provision for doubtful debts**

Opening balance		1,809,352	1,605,494
Charged during the year	- note 38	219,049	203,858
Closing balance		<u>2,028,401</u>	<u>1,809,352</u>

**15. Loans and advances**

Advances to employees - considered good	- note 15.1	13,239	24,949
Current maturity of long term loans to employees	- note 10	2,686	12,272
Advances to PTA - considered good	- note 15.2	40,000	519,992

	2015	2014
	----- (Rupees in '000) -----	
Advances to suppliers:		
- Considered good	24,665	55,395
- Considered doubtful	111,980	48,296
	136,645	103,691
	192,570	660,904
Provision for doubtful advances	- note 15.3 (111,980)	(48,296)
	80,590	612,608

**15.1** This includes advances given to executives amounting to Rs 4.75 million (2014: Rs 17.69 million) out of which Rs 0.86 million (2014: Rs 2.18 million) represent advances given to key management personnel of the Company.

	2015	2014
	----- (Rupees in '000) -----	
<b>15.2 Advances to PTA - considered good</b>		
Access Promotion Contribution ("APC") for USF prior to the formation of fund	- note 15.2.1 -	479,992
Annual spectrum fee	- note 15.2.2 40,000	40,000
	40,000	519,992

**15.2.1** PTA vide order dated 04 December 2006, raised a demand of Rs 491 million regarding payment of APC for USF in relation to the period prior to the valid formation of USF by the Federal Government. The Company disputed such demand, however, it had deposited Rs 394 million with PTA against it and booked it as a receivable from PTA while Rs 11.01 million was expensed out and the remaining Rs 85.99 million was recognized as a liability with a corresponding receivable from PTA. Against this demand, the Company had filed an appeal before the Supreme Court of Pakistan. During the year, Supreme Court of Pakistan decided this matter against the Company vide its order dated 22 December 2015. Therefore, the amount being no longer receivable, has been charged to profit and loss account.

**15.2.2** This represents amount paid against demand on account of annual spectrum fee and other regulatory charges. PTA determined the demand amounting to Rs 242.66 million vide its determination dated 22 February 2010. Being aggrieved, Company's management preferred an appeal bearing No. 147/2010 before the Lahore High Court ("LHC") against the PTA's determination. LHC granted stay against the recovery subject to payment of Rs 40 million which was complied by the Company. Based on the advice of the Company's legal counsel, Company's management feels that there are strong grounds to defend the Company's position and the ultimate decision would be in the Company's favor, therefore, it considers that the receivable amount is unimpaired at the reporting date.

	2015	2014
	----- (Rupees in '000) -----	
<b>15.3 Provision for doubtful advances</b>		
Opening balance	48,296	-
Charged during the year	64,684	48,296
Reversal during the year	(1,000)	-
	63,684	48,296
Closing balance	- note 38 111,980	48,296
	111,980	48,296

2015                      2014  
------(Rupees in '000)-----

**16. Deposits and prepayments**

Margin and other deposits	- note 16.1	34,308	100,124
Prepayments	- note 16.2	17,104	21,586
		51,412	121,710

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

**16.2** This includes annual cable license fee prepaid to PEMRA amounting to Rs 1.52 million (2014: Rs 4.96 million).

**17. Short term investments**

2015                      2014  
------(Rupees in '000)-----

Available-for-sale:

Carrying value:	- note 17.1		
- Opening carrying value		83,193	83,193
- Carrying value of investments disposed of		(22,391)	-
- Closing carrying value		60,802	83,193
Fair value adjustment		27,058	(8,426)
		87,860	74,767

**17.1 Particulars of listed shares - Available-for-sale investments**

All shares have a face value of Rs 10 each.

Name	2015	2014	2015		2014	
	No. of shares		Carrying value	Market value	Carrying value	Market value
			------(Rupees in '000)-----			
<b>Commercial Bank</b>						
The Bank of Punjab	10,528	10,528	115	97	118	115
<b>Mutual Funds</b>						
First Dawood Mutual Fund	-	580,750	-	-	4,065	4,065
Pak Oman Advantage Fund	-	1,000,000	-	-	7,500	9,900
<b>Leasing</b>						
Standard Chartered Leasing Limited	70,000	70,000	589	658	490	589
<b>Insurance</b>						
Shaheen Insurance Company Limited	3,136,963	3,136,963	18,822	18,069	21,645	18,822
<b>Financial Services</b>						
First Capital Securities Corporation Limited	3,991,754	3,991,754	8,023	11,576	11,576	8,023
<b>Real Estate</b>						
Pace (Pakistan) Limited	6,959,290	6,959,290	23,174	49,481	26,376	23,174
<b>Media Group</b>						
Media Times Limited	4,199,500	4,199,500	10,079	7,979	11,423	10,079
			60,802	87,860	83,193	74,767

**18. Other receivables**

Other receivables - considered good:

		2015	2014
		----- (Rupees in '000) -----	
- Interest receivable on bank deposits		-	892
- Others	- note 18.1	<b>300,149</b>	4,642
		<b>300,149</b>	5,534
Other receivables - considered doubtful		<b>69,930</b>	15,139
Sales tax refundable		-	33,360
		<b>370,079</b>	54,033
Provision for doubtful receivables	- note 18.2	<b>(69,930)</b>	(15,139)
		<b>300,149</b>	38,894

**18.1** This includes receivable from Reliance Insurance Company Limited ("insurer") aggregating Rs 150 million (2014: Nil) in respect of insurance claim for assets destroyed in fire at Company's warehouse in Kot Lakhpat, Lahore during the current year as referred to in note 40.1. This also includes Rs 136 million receivable from Pace as referred to in note 5.2.1.1.

**18.2 Provision for doubtful receivables**

		2015	2014
		----- (Rupees in '000) -----	
Opening balance		15,139	15,139
Charged during the year	- note 38	54,791	-
Closing balance		<b>69,930</b>	15,139

**19. Cash and bank balances**

Cash at bank:

Current accounts		2,656	51,146
Savings accounts	- note 19.1	<b>370,987</b>	353,958
		<b>373,643</b>	405,104
Cash in hand		1,524	4,903
Pay orders in hand		<b>23,500</b>	339,992
		<b>398,667</b>	749,999

**19.1** The balances in savings accounts bear mark up at the rate ranging from 3.85% to 7.10% (2014: 5.00% to 7.00%) per annum. These include Rs 369 million (2014: Rs 340 million) in an Escrow account in relation to APC payable to PTA (prior to International Clearing House ["ICH"] formation) as referred to in note 30.2.

		2015	2014
		----- (Rupees in '000) -----	
<b>20. Non-current assets classified as held for sale</b>			
Long term investment classified as held for sale	- note 20.1	-	-
Plant and equipment classified as held for sale	- note 20.2	<b>892,883</b>	1,120,502
		<u><b>892,883</b></u>	<u>1,120,502</u>

**20.1 Long term investment classified as held for sale**
**Foreign subsidiary - unquoted**
**Worldcall Telecommunications Lanka (Private) Limited  
Incorporated in Sri Lanka**

Nil (2014: 7,221,740) ordinary shares of Sri Lankan Rs 10 each.

Equity held Nil (2014: 70.65%)

Share deposit money

Provision for impairment

-	44,406
-	13,671
-	58,077
-	(58,077)
<u>-</u>	<u>-</u>

The Company's foreign subsidiary namely Worldcall Telecommunications Lanka (Private) Limited ("the Subsidiary") had been suffering losses as the demand for payphones in Sri Lanka has greatly diminished. Keeping in view the Sri Lankan market conditions and negative equity of the Subsidiary, the shareholders of the Subsidiary, in their Extraordinary General Meeting dated 02 July 2013, resolved that the Subsidiary be wound up by Court. Therefore, the long term investment in the Subsidiary was classified as held for sale. During the year, the Commercial High Court of the Western Province, Colombo, Sri Lanka, ("Commercial High Court") has passed an order dated 16 June 2015, whereby it has directed that the Subsidiary be wound up. Consequent to the order of the Commercial High Court, the Subsidiary has ceased to be a company and therefore, the investment has been written off against the provision. Hence, the Company has not prepared and presented consolidated financial statements.

		2015	2014
		----- (Rupees in '000) -----	
<b>20.2 Plant and equipment classified as held for sale</b>			
Opening balance		<b>1,120,502</b>	-
Carrying amount of assets transferred from fixed assets	- note 5.1	-	1,356,011
Impairment loss		<b>(204,925)</b>	(235,509)
Disposal during the year		<b>(22,694)</b>	-
Closing balance		<u><b>892,883</b></u>	<u>1,120,502</u>

This represents Passive infrastructure (towers, civil works and gensets etc.) relating to WLL operations of the Company. An active plan to sell these assets was commenced during the previous year as management considers that disposal of such assets would result in major reduction in operational costs. On 01 October 2014, a sale agreement was signed with Towershare (Private) Limited ("Towershare") which was subject to due diligence inter alia, No Objection Certificates (NOCs) from financial institutions and necessary approvals. Accordingly, these assets were classified as held for sale under IFRS 5 - "Non-current Assets Held for Sale and Discontinued Operations". In the previous year, fair value less costs to sell of these assets was determined as per the terms of the aforementioned sale agreement.

During the year, the passive infrastructure at certain sites was transferred to Towershare, however, Towershare did not take transfer of all sites as per the aforementioned sale agreement. Included in the sites transferred to Towershare were certain sites that were dismantled by Towershare and the Company has accordingly recognised their disposal. Subsequent to the reporting date, for the remaining sites that were not taken over by Towershare, the Company wrote a letter in June 2016, to Towershare to either fulfil its obligations by taking over all the remaining sites as per the agreement or to return the sites that had been taken over by Towershare (excluding dismantled sites). Since this transaction/agreement with Towershare has not been concluded, the Company is in the process of finding a new buyer for sale of these assets as it is committed to sell them. In light of the non-conclusion of the sale agreement with Towershare, the fair value less costs to sell as of 31 December 2015, has been determined by an independent professional valuer, M/s Arch-E'-Decon, the basis of which have been detailed below. Further, as referred to in note 26, in April 2016, the TFC holders have withdrawn the NOC for sale of these assets. Consequently, in order to sell any of the remaining sites, the Company will firstly have to obtain NOC from the relevant parties that have charge on these assets.

Included in the above amount are assets of Rs 96.90 million that are in the possession and control of Towershare as a result of the above mentioned agreement. The impairment loss which arose during the year has been offset against the available revaluation surplus as per Section 235 of the Ordinance.

The different fair value 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 (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Company's plant and equipment classified as held for sale that are measured at fair value less costs to sell at 31 December 2015.

	<b>Fair value measurements at 31 December 2015 using significant unobservable inputs (Level 3)</b>
	<b>(Rupees in '000)</b>
<b>Non-recurring fair value measurements</b>	
Plant and equipment classified as held for sale	<b>892,883</b>

The following table presents the Company's plant and equipment classified as held for sale that are measured at fair value less costs to sell at 31 December 2014.



Fair value  
measurements at  
31 December 2014  
using significant  
unobservable  
inputs (Level 3)

---

(Rupees in '000)

### Non-recurring fair value measurements

Plant and equipment classified as held for sale 1,120,502

There are no level 1 or 2 assets or transfers between levels 1, 2 or 3 during 2014 or 2015.

### Valuation techniques used to derive level 3 fair values

At the end of each reporting period, the management updates its assessment of the fair value of the plant and equipment held for sale, taking into account available contract price and the most recent independent valuation. The management determines the assets' value within a range of reasonable fair value estimates. Level 3 fair value of plant and equipment held for sale has been mainly derived using the sales comparison approach. Sale prices of comparable sites are adjusted for differences in key attributes such as condition and location of the site. The significant inputs into this valuation approach and their sensitivity analysis has been given below. Costs to sell have been estimated based on the Company's experience with disposal of assets and on industry benchmarks and are not considered a significant valuation input.

### Valuation inputs and relationship to fair value

The following table summarises the quantitative and qualitative information about the significant unobservable inputs used in level 3 fair value measurements. See paragraph above for the valuation techniques adopted.

Description	Fair value at 31 December		Significant Unobservable Inputs	Quantitative Data / Range and Relationship to the Fair Value
	2015	2014		
	---(Rupees in '000)---			
Towers	215,805	290,519	Height of towers in meters. Prevalent market price per meter.	The market value has been determined by applying prevalent market price per meter to the height of each tower. Higher the price per meter, higher the fair value.
Civil works on towers	555,426	636,730	Cost incurred in respect of erection / installation of towers and other equipment.	The market value has been determined as the cost incurred in respect of erection / installation of towers and other equipment as per prevalent market practices. Higher the cost incurred, higher the fair value.
Equipment	121,652	193,253	Rated capacity of equipment (air conditioners and generators). Prevalent market prices.	The market value has been determined by applying prevalent market prices to the rated capacities of equipment. Higher the market price, higher the fair value.
	<u>892,883</u>	<u>1,120,502</u>		

		2015	2014
		----- (Rupees in '000) -----	
<b>21. Current maturities of non-current liabilities</b>			
Term finance certificates	- note 21.1 & 26	1,517,110	1,643,735
Long term loans	- note 21.1 & 27	3,712,565	948,269
Payable to PTA	- note 30	1,766,190	1,711,254
Payable to Multinet Pakistan (Private) Limited ("MPL")	- note 30	616,660	696,684
Liabilities against assets subject to finance lease	- note 29	1,382	1,209
		<u>7,613,907</u>	<u>5,001,151</u>

**21.1** Overdue principal included in current maturity is as follows:

Term finance certificates	43,377	547,910
Long term loan - Soneri Bank Limited	11,340	-
Long term loan - Askari Bank Limited	-	201,200
	<u>54,717</u>	<u>749,110</u>

**22** Short term running finance facilities available from commercial banks under mark up arrangements amount to Rs 798 million (2013: Rs 798 million). Running finance facilities are available at mark up rate of three month Karachi Inter Bank Offered Rate (KIBOR) plus 1.5% to 2.5% per annum, payable quarterly, on the balance outstanding. These are secured against joint pari passu hypothecation of fixed and current assets with 25% security margin over the facility amount. The mark up charged during the year on the outstanding balances ranged from 8.08% to 12.13% (2014: 11.57% to 12.71%) per annum. A major portion of these facilities is being rolled over, subsequent to reporting date, as mark up has been serviced timely as referred to in note 2.2.

### **22.1 Letters of credit and guarantees**

Of the aggregate facilities of Rs 70.00 million (2014: Rs 144.79 million) for opening letters of credit and Rs 1,147.26 million (2014: Rs 1,178.79 million) for guarantees, the amount utilized as at 31 December 2015 was Nil (2014: Rs 4.60 million) and Rs 869.78 million (2014: Rs 1,140.22 million) respectively. The facilities for opening letters of credit are secured against import documents and lien over bank accounts. The facilities for guarantees are secured against pari passu and joint pari passu charge over current and moveable fixed assets and lien over bank accounts.

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

2015                      2014  
------(Rupees in '000)-----

**24. Trade and other payables**

Trade creditors:

Related parties	- note 24.1	2,693,054	2,401,690
Others	- note 24.2 & 24.3	3,605,108	2,939,118
		<b>6,298,162</b>	5,340,808
Accrued and other liabilities:			
Related parties	- note 24.4	77,405	50,632
Others		1,570,755	1,165,725
		<b>1,648,160</b>	1,216,357
Advances from customers		123,496	340,952
Retention money		19,385	79,064
Withholding tax		128,764	218,631
Un-claimed dividend		1,807	1,807
Sales tax	- note 24.5	30,803	-
Others		70,194	-
		<u><b>8,320,771</b></u>	<u><b>7,197,619</b></u>

**24.1** This represents payable to the following related parties:

Parent company	- note 24.1.1	2,684,723	2,397,894
Associated company - WSL	- note 24.1.2	8,332	3,796
		<u><b>2,693,054</b></u>	<u><b>2,401,690</b></u>

**24.1.1** The write back of this balance is subject to execution of the SPA as detailed in note 2.2.

**24.1.2** During the year in December 2015, the Company entered into an agreement with WSL whereby certain liabilities of WSL aggregating Rs 84.297 million were transferred to the Company. Consequent to the agreement, all agreements with WSL as referred to in notes 36.2, 37.5 and 38.3 have been terminated and all employees of WSL have been transferred to the Company.

**24.2** This includes payable to PTA amounting to Rs 305.78 million (2014: Rs 271.25 million) regarding Annual Radio Spectrum Fee in respect of WLL licenses. PTA has issued multiple determinations that have been challenged and contested by the Company on the grounds, besides legal, of preoccupation of frequency/spectrums and losses suffered by the Company due to such preoccupation for which the Company has demanded due compensation from PTA. In all these matters, the Company has filed appeals against PTA's determinations before the honorable LHC and the honorable IHC and stay orders exist against the recovery. Under these circumstances, management does not expect the liability to materialize fully in the near future.

**24.3** This includes a balance of Rs 209.57 million payable to M/s Technology At Work (Private) Limited ("Tech At Work"). Tech At Work had filed a suit for recovery of this balance in the Civil Court of Lahore. During the current year in March 2015, the Civil Court decreed in the favour of Tech At Work for initiation of recovery proceedings. Meanwhile, the Company and Tech At Work entered into a settlement agreement in May 2015,

whereby a payment plan was devised that was submitted in the Civil Court. However, the Company failed to comply with the payment plan. Consequently, Tech At Work has re-filed its recovery suit in the Civil Court which is pending adjudication.

**24.4** This represents payable against expenses incurred on behalf of the Company and salaries payable to key management personnel.

**24.5** This is net of Rs 33.4 million (2014: Rs 33.4 million) recovered by the tax authorities in respect of sales tax demand, facts and litigation status whereof has been discussed in note 31.3.4.

		2015	2014
		------(Rupees in '000)-----	
<b>25. Interest and mark up accrued</b>			
Accrued interest/mark up on:			
Long term loans	- note 25.1	3,649	69,840
Short term borrowings		14,247	23,557
Share deposit money		-	351
Term finance certificates	- note 25.2	235,748	108,303
		<u>253,644</u>	<u>202,051</u>

**25.1** This includes overdue markup of Rs 0.93 million (2014: Rs 47.74 million).

**25.2** This includes overdue markup of Rs 60.02 million (2014: Rs 53.12 million).

**26. Term finance certificates - secured**

Term finance certificates - III		1,643,735	1,643,735
Restructuring fee		(13,480)	-
		<u>1,630,255</u>	<u>1,643,735</u>
Amortization of restructuring fee		13,480	-
		<u>1,643,735</u>	<u>1,643,735</u>
Redeemed		(126,625)	-
		<u>1,517,110</u>	<u>1,643,735</u>
Current maturity	- note 21	(1,517,110)	(1,643,735)
		<u>-</u>	<u>-</u>

Term finance certificates have a face value of Rs 5,000 per certificate.

These TFCs carry mark up at the rate of six month average KIBOR plus 1.60% per annum, payable semi-annually. The mark up rate charged during the year on the outstanding balance ranges from 8.67 % to 11.79 % (2014: 11.12 % to 11.79 %) per annum.

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

(a) LDI and WLL license issued by PTA to the Company; and

(b) Assigned frequency spectrum as per deed of assignment.

These TFCs were earlier rescheduled in December 2012, under which the principal was repayable in three semi-annual installments ending on 07 October 2015.

In July 2014, the Company initiated the process of second restructuring with the TFC holders. On 03 April 2015, the TFCs were rescheduled and the terms of the revised rescheduling agreement are effective from 07 October 2014. As per revised terms, the tenure of the TFCs is extended by seven years with quarterly principal installments ending in October 2021. Profit rate and security has remained the same.

As per terms of second rescheduling, payments in respect of principal and markup aggregating to Rs 250.010 million were required to be made during the year ended 31 December 2015. However, payments of only Rs 146.617 million were made, hence, constituting a default as per the terms of second rescheduling. Consequently, the total amount has become immediately payable.

Subsequent to the reporting date in April 2016, the Trustee's legal counsel issued a legal notice to the Company demanding immediate payment of all principal amount and interest accrued thereon. The Trustee also withdrew its NOC given to the Company in respect of sale of WLL passive infrastructure referred to in note 20.2. No payments have been made by the Company in respect of principal amount or interest accrued thereon, subsequent to the reporting date. However, till February 2017, no legal proceedings have been initiated against the Company in this respect.

		2015	2014
		------(Rupees in '000)-----	
<b>27. Long term loans - secured</b>			
Askari Bank Limited	- note 27.1	-	2,378,458
National Bank of Oman	- note 27.2	-	-
Allied Bank Limited	- note 27.3	87,750	-
Soneri Bank Limited	- note 27.4	-	7,225
		<u>87,750</u>	<u>2,385,683</u>
<b>27.1 Askari Bank Limited</b>			
Receipt		2,943,855	2,943,855
Initial transaction cost		(129,365)	(129,365)
		<u>2,814,490</u>	<u>2,814,490</u>
Amortization of transaction cost		129,365	43,257
		<u>2,943,855</u>	<u>2,857,747</u>
Exchange loss		557,729	524,995
		<u>3,501,584</u>	<u>3,382,742</u>
Repaid		(3,501,584)	(98,884)
		-	3,283,858
Current maturity	- note 21	-	(905,400)
		-	<u>2,378,458</u>

This represented foreign currency syndicated loan facility amounting to USD 35 million from Askari Bank Limited Off-Shore Banking Unit, Bahrain, with the lead arranger being Askari Bank Limited. During 2013, this loan was rescheduled whereby the principal was repayable in 16 quarterly installments ending on 06 March 2018. Mark up was payable quarterly and was charged at three months average London Inter Bank Offered Rate ("LIBOR") plus 1.75% per annum and monitoring fee at 1.2% per annum. The mark up rate charged

during the year on the outstanding balance ranged from 3.19% to 3.23% (2014: 3.18% to 3.19%) per annum. To secure the facility, an unconditional, irrevocable, first demand stand-by letter of credit ("SBLC") was issued by NBO favoring Askari Bank Limited against the corporate guarantee of the Parent company.

In September 2014, the Company in agreement with Askari Bank Limited, arranged a financing from consortium of banks comprising NBO and Ahli Bank SAOG ("the consortium") with NBO as the lead arranger, whereby Askari Bank Limited would be fully repaid from the proceeds of the loan from the consortium. During the year on 30 June 2015, this loan has been repaid from the loan proceeds from NBO and SBLC has been released by Askari Bank Limited.

	2015	2014
	----- (Rupees in '000) -----	
<b>27.2 National Bank of Oman</b>		
Receipt	3,555,300	-
Initial transaction cost	(39,616)	-
	<u>3,515,684</u>	<u>-</u>
Amortization of transaction cost	39,616	-
	<u>3,555,300</u>	<u>-</u>
Exchange loss	112,700	-
	<u>3,668,000</u>	<u>-</u>
Current maturity	- note 21 (3,668,000)	-
	<u>-</u>	<u>-</u>

This represents foreign currency syndicated loan facility ("facility") amounting to USD 35 million from NBO and Ahli Bank SAOG ("the consortium") with NBO as the lead arranger. The loan was disbursed on 30 June 2015. It is repayable in 16 quarterly installments commencing from 30 September 2017. Profit is payable quarterly and is charged at three months average LIBOR plus 1.75% per annum and monitoring fee at 1.5% per annum. The mark up rate charged during the year on the outstanding balance ranged from 3.53% to 3.58% (2014: Nil) per annum. To secure the facility, corporate guarantee of the Parent company has been furnished alongwith a provision for cash cover/direct debit of the Parent company's bank account in the event of the Company's failure to fund obligations under the facility agreement.

As of the reporting date, the Company is in breach of a covenant of the facility. Moreover, the Company has failed to pay interest against this facility for the quarter ended 31 December 2015, which led to the consortium adjusting the payable against interest with the Debt Service Reserve Account Balance ("security") held with them. These constitute events of default under the facility and empowers the consortium to demand the outstanding amount at their will. Consequently, the total amount has become immediately payable. However, subsequent to the reporting date, the Parent company has been servicing the markup timely on behalf of the Company. The assumption of this liability by the Parent company is subject to execution of SPA as detailed in note 2.2.

	2015	2014
	----- (Rupees in '000) -----	
<b>27.3 Allied Bank Limited</b>		
Transfer from running finance	125,000	-
Repaid during the year	(11,250)	-
	<u>113,750</u>	<u>-</u>
Current maturity	- note 21 (26,000)	-
	<u>87,750</u>	<u>-</u>

This represents a term loan facility of Rs 125 million obtained through restructuring of Running Finance facility. This facility was rescheduled in January 2015 and is now repayable in 43 monthly installments ending on 31 July 2018. It carried mark up at one month KIBOR plus 3% per annum till 31 March 2015, and was payable monthly. The mark up rate with effect from 01 April 2015, is 3 months KIBOR plus 0.5% per annum to be reset and recoverable quarterly. The mark up rate charged during the year on the outstanding balance ranged from 7.10% to 12.13% (2014: Nil) per annum. It is secured through joint pari passu charge on present and future current and fixed assets excluding land and building of the Company with 25% margin.

	2015	2014
	----- (Rupees in '000) -----	
<b>27.4 Soneri Bank Limited</b>		
Transferred from short term borrowings	66,756	66,756
Repaid	<u>(48,191)</u>	<u>(16,662)</u>
	18,565	50,094
Current maturity	- note 21	
	<u>(18,565)</u>	<u>(42,869)</u>
	<u>-</u>	<u>7,225</u>

This facility is repayable in 23 monthly installments ending on 28 February 2016. It carries mark up at one month KIBOR plus 3% per annum and is payable monthly. The mark up rate charged during the period on the outstanding balance ranges from 9.00% to 12.90% (2014: 12.84% to 13.97%) per annum. It is secured through joint pari passu hypothecation agreement over current and movable fixed assets.

Subsequent to the reporting date in August 2016, the facility has been rescheduled by Soneri Bank Limited. Keeping other terms and conditions of the agreement un-modified, the principal is repayable in 18 monthly instalments ending on 30 January 2018.

	2015	2014
	----- (Rupees in '000) -----	
<b>28. Retirement benefits</b>		
Gratuity	- note 28.1	
	337,723	298,790
Accumulating compensated absences	- note 28.2	
	36,275	35,791
	<u>373,999</u>	<u>334,582</u>

### 28.1 Gratuity

The amounts recognized in the balance sheet are as follows:

Present value of defined benefit obligation	337,723	298,790
Benefits due but not paid	-	-
	<u>337,723</u>	<u>298,790</u>
Liability at beginning of the year	298,790	295,694
Charge for the year	- note 28.1.1	
	97,209	69,697
Net remeasurements for the year	(16,884)	23,140
Transferred to trade and other payables	(10,489)	(14,507)
Paid during the year	(30,903)	(75,234)
	<u>337,723</u>	<u>298,790</u>



2015                      2014  
 -----(Rupees in '000)-----

**28.1.1** Charge for the year represents the following:

Interest cost:

- Operating cost	31,295	21,907
- Capitalized in CWIP	-	6,012
- Included in stock-in-trade	-	1,066
	<b>31,295</b>	<b>28,985</b>

Current service cost:

- Operating cost	43,003	30,770
- Capitalized in CWIP	-	8,445
- Included in stock-in-trade	-	1,497
	<b>43,003</b>	<b>40,712</b>

Past service cost:

- Operating cost	22,911	-
	<b>97,209</b>	<b>69,697</b>

**28.1.2** The latest actuarial valuation of this plan was carried out on 31 December 2015, by Nauman Associates. Significant assumptions used for valuation of this plan are as follows:

	2015	2014
Discount rate (per annum)	10.00%	11.25%
Expected rate of salary increase (per annum)	9.00%	10.25%

**Mortality rate**

Mortality of active members is represented by the SLIC 2001 - 2005 Table. As at 31 December 2015, the weighted average duration of the defined benefit obligation was 11 years (2014: 12 years). These figures are based on the actuarial valuation as at 31 December 2015. The valuation uses the Projected Unit Credit (PUC) Actuarial Cost Method.

	2015	2014
Weighted average duration of defined benefit obligation	11.7 years	12.0 years

**28.1.3 Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.



	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		----(Rupees in '000)---	
Discount rate	1%	(301,760)	380,329
Salary growth rate	1%	380,880	(300,660)

#### 28.1.4 Historical information for gratuity

	2011	2012	2013	2014	2015
	----- (Rupees in '000) -----				
Present value of defined benefit obligation	251,878	250,207	262,848	298,790	<b>337,723</b>
Experience adjustment arising on plan liabilities	15,069	(32,564)	(1,665)	23,140	<b>(16,884)</b>
				<b>2015</b>	<b>2014</b>
				----- (Rupees in '000) -----	

#### 28.2 Accumulating compensated absences

The amount recognized in the balance sheet is as follows:

Present value of defined benefit obligation	<b>36,275</b>	35,791
Benefits due but not paid	-	-
	<b>36,275</b>	<b>35,791</b>
Liability at beginning of the year	<b>35,791</b>	41,297
Charge for the year	<b>3,949</b>	8,240
Transferred to trade and other payables	<b>(989)</b>	(1,875)
Paid during the year	<b>(2,476)</b>	(11,870)
	<b>36,275</b>	<b>35,791</b>

##### 28.2.1 Charge for the year represents the following:

	2015	2014
	----- (Rupees in '000) -----	
Interest cost for the year	<b>3,832</b>	4,082
Current service cost	<b>9,519</b>	7,427
Past service cost	<b>1,945</b>	-
Net remeasurements for the year	<b>(11,347)</b>	(3,270)
	<b>3,949</b>	<b>8,240</b>

##### 28.2.2 The latest actuarial valuation of this plan was carried out on 31 December 2015, by Nauman

Associates. Significant assumptions used for valuation of this plan are as follows:

	2015	2014
Discount rate (per annum)	<b>10.00%</b>	11.25%
Expected rate of salary increase (per annum)	<b>9.00%</b>	10.25%

### 28.2.3 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		----(Rupees in '000)---	
Discount rate	1%	(32,606)	40,634
Salary growth rate	1%	40,560	(32,610)
		2015	2014
		----- (Rupees in '000) -----	

### 29. Liabilities against assets subject to finance lease

Present value of minimum lease payments		<b>2,991</b>	4,200
Current portion shown under current liabilities	<b>- note 21</b>	<b>(1,382)</b>	(1,209)
		<b>1,609</b>	2,991

Interest rate used as discounting factor was 13.45% per annum (2014: 12.02% to 16.56% per annum). Under the terms of the agreements, the Company has an option to acquire the assets at the end of the respective lease terms by adjusting the deposit amount against the residual value of the assets. The Company intends to exercise the option. In case of default in payment of installments, the Company will be liable to pay additional lease rental on overdue payment at the rate of 0.10% per day.

The amount of future payments of the lease and the period in which these payments will become due are as follows:

	2015			2014		
	Minimum lease payments	Finance cost	Principal	Minimum lease payments	Finance cost	Principal
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Not later than one year	1,570	188	1,382	1,570	361	1,209
Later than one year but not later than five years	1,630	21	1,609	3,200	209	2,991
	<b>3,200</b>	<b>209</b>	<b>2,991</b>	<b>4,770</b>	<b>570</b>	<b>4,200</b>

2015                      2014  
-----**(Rupees in '000)**-----

**30. Long term payables**

Dividend payable on preference shares	- <b>note 30.1</b>	<b>526,250</b>	297,420
Payable to Pakistan Telecommunication Authority	- <b>note 30.2 &amp; 21</b>	-	-
Payable to MPL	- <b>note 30.3 &amp; 21</b>	-	-
Others		-	330,295
		<b>526,250</b>	<b>627,715</b>

**30.1** This includes dividend payable to the Parent company amounting to Rs 301.88 million (2014: Rs 171.07 million). As detailed in note 33, the Parent company provided a put option to Habib Bank Limited ("the Investor") in USD whereby the Investor could sell its preference shares at participation amount along with any accumulated and accrued dividend shares and other pre-agreed charges and expenses (put strike price) to the Parent company. Subsequent to the reporting date, on 30 June 2016, the put option has been exercised in full by the Investor. Moreover, as referred to in note 2.2, the Parent company and Ferret Consulting – F.Z.C have entered into an SPA whereby Ferret Consulting – F.Z.C shall acquire the 85% CPS aggregating 297,500 CPS that are held by the Parent company along with accumulated dividend thereon and rights attached therewith.

**30.2** This represents amount of interest free APC charges for USF payable to PTA, prior to the formation of ICH. Legality of APC charges was disputed by some operators in the Supreme Court of Pakistan in 2009. Meanwhile, PTA vide its order dated 14 April 2011, demanded immediate payment of the total liability. Being aggrieved by this, the Company filed a suit in the Sindh High Court ("SHC") against PTA's order. SHC, through its order dated 02 July 2011, prohibited PTA from taking any coercive action against the Company, including collection of APC charges, till further order. It is the case of the Company that APC charges as calculated by PTA were against the Telecom Policy and contrary to margins prevalent at that time. On the stated basis, the Company has actually sought recovery of the excess APC charges paid. Further, at the time of formation of ICH in August 2012, it was agreed through the ICH agreement that regular contributions for the abovementioned APC shall be made in an Escrow account by LDI operators based on each operator's share under the ICH agreement until resolution of the dispute before Supreme Court of Pakistan.

A policy directive was issued in June 2014, for termination of ICH by PTA which was challenged in the SHC and LHC by certain operators, whereby the SHC and LHC granted interim reliefs. However, management considered that the continuity of ICH was uncertain and consequently on prudence basis, the total amount was classified as a current liability at 31 December 2014. During the current year, the Supreme Court of Pakistan passed an order dated 24 February 2015, suspending the operations of the interim relief granted by SHC and LHC. Resultantly, PTA issued a notification dated 24 February 2015, whereby its abovementioned policy directive for termination of ICH became operative. Furthermore, during the current year, Supreme Court of Pakistan decided the matter regarding the legality of APC in favour of PTA vide its order dated 22 December 2015.

However, as referred to in note 23, the Ministry of Information Technology through its letter dated 30 August 2011, allowed to the operators, the staggering for settlement of APC and Initial Spectrum Fee dues and required PTA to submit an installment plan for this purpose after consultations with the operators. IHC, while taking notice of the Ministry's letter, directed PTA through its order dated 20 January 2015, to expeditiously proceed with the preparation and submission of the said installment plan. As of the reporting date, PTA and LDI operators have not yet agreed a revised mechanism for the settlement of APC dues and the stay order issued by SHC as mentioned above is still operative. However, the staggering is without prejudice to the Company's contention in the SHC. Under these circumstances, management does not expect the liability to materialize fully in the near future.

**30.3** This represents net amount payable to MPL in respect of Indefeasible Right to Use ("IRU") of media and related Operations and Maintenance Services ("O&M") under an agreement entered in August 2011.

During the year in April 2015, both parties entered into a settlement agreement regarding the outstanding liability in respect of IRU and O&M whereby it was agreed that from the agreement date, monthly payments in respect of O&M will be made by the Company and the schedule of due payments under IRU agreement, as at the agreement date, shall be mutually agreed by 30 June 2016.

As of December 2016, no schedule of due payments under IRU agreement has been agreed and in the meanwhile, MPL has illegally disconnected its services to the Company and has filed a petition before the Sindh High Court for recovery of dues amounting to USD 7.03 million, allegedly due under the stated agreement, which is pending adjudication. MPL's suit is flawed as the amount of USD 7.03 million is for the entire period of 20 years and since MPL has withdrawn its services unilaterally, it cannot recover the entire amount. Moreover, MPL is also liable to make payments to the Company on account of different services received from the Company. The Company is in the process of preparing its defense in respect of challenging the amount of and MPL's right to receive these dues. Meanwhile, the Company has filed an application before SHC to refer the matter to Arbitration as per the dispute resolution mechanism contained in the agreement signed in August 2011. Based on the advice of the Company's legal counsel, management is of the view that it is unlikely that any adverse order will be passed against the Company.

### **31 Contingencies and commitments**

#### **Contingencies**

##### **31.1 Billing disputes with PTCL**

**31.1.1** There is a dispute of Rs 72.64 million (2014: Rs 72.64 million) with PTCL in respect of non-revenue time of prepaid calling cards and Rs 46.92 million (2014: Rs 44.91 million) in respect of excess minutes billed on account of interconnect and settlement charges. Similarly, PTCL has charged the Company excess Domestic Private Lease Circuits ("DPLC") and other media charges amounting to Rs 294.08 million (2014: Rs 236.30 million) on account of difference in rates, distances and date of activations. Management has taken up both these issues with PTCL and considers that these would most likely be decided in Company's favor as there are reasonable grounds to defend the Company's stance. Hence, no provision has been made in these financial statements for the above amounts.

##### **31.2 Disputes with PTA**

**31.2.1** There is a dispute with PTA on payment of research and development fund contribution amounting to Rs 5.65 million (2014: Rs 5.65 million). The legal validity of this fund has been challenged before the Supreme Court of Pakistan. Management considers that there are strong grounds to support the Company's stance and is hopeful of a favorable decision. Consequently, no provision has been made in these financial statements for this amount.

**31.2.2** Subsequent to the reporting date, PTA again demanded immediate payment of the principal amount of APC (as referred to in note 30.2) along with default surcharge thereon amounting to Rs 1,654.28 million as of 31 July 2016, through issuance of a show cause notice dated 1 December 2016. Through the aforesaid show cause notice, PTA has also shown intentions to impose penal provisions to levy fine up to Rs 350 million or to suspend or terminate the LDI license by issuance of an enforcement order against the Company. The Company has challenged the show cause notice before the Civil Court, Lahore wherein the Court has provided interim relief by granting a stay order against the show cause notice. Based on the advice of the legal counsel, Company's management feels that there are strong grounds to defend the Company's stance and the liability will not materialize, hence, no provision has been made in these financial statements for the amounts of default surcharge and fine.

### 31.3 Taxation issues

- 31.3.1** Returns of total income for the Tax Year 2003 were filed by M/s Worldcall Communications Limited, M/s Worldcall Multimedia Limited, M/s Worldcall Broadband Limited and M/s Worldcall Phone cards Limited, now merged into the Company. Such returns of income were amended by relevant officials under section 122(5A) of ITO through separate orders. Through such amendment orders, in addition to enhancement in aggregate tax liabilities by an amount of Rs 9.90 million, tax losses declared by the respective companies too were curtailed by an aggregate amount of Rs 66.19 million. The Company contested such amendment orders before Commissioner Inland Revenue (Appeals) ["CIR(A)"] and while amendment order for Worldcall Broadband Limited was annulled, partial relief was extended by CIR(A) in respect of appeals pertaining to other companies. The appellate orders extending partial relief were further assailed by Company before Appellate Tribunal Inland Revenue ("ATIR"), which are pending adjudication. Company's management considers that meritorious grounds exist to support the Company's stances and expects relief from ATIR in respect of all the issues being contested. Accordingly, no adjustments/ liabilities on these accounts have been incorporated/ recognized in these financial statements.
- 31.3.2** Through amendment order passed under section 122(5A) of the Ordinance, Company's return of total income for Tax Year 2006 was amended and declared losses were curtailed by an amount of Rs 780.461 million. The Company's appeal was not entertained by CIR(A) and the amendment order was upheld whereupon the matter was further agitated before ATIR, which is pending adjudication. Company's management expects relief from ATIR in respect of issues involved in the relevant appeal there being valid precedents available on record supporting the Company's stance. Accordingly, no adjustment on this account has been incorporated in these financial statements.
- 31.3.3** A demand of Rs 1,059.595 million (including default surcharge of Rs 325.849 million) was raised against the Company under section 161/205 of ITO for the period relevant to Tax Year 2012 alleging non-compliance with various applicable withholding provisions contained in ITO. The management assailed the subject order in usual appellate course and while first appellate authority decided certain issues in Company's favor, major issues were remanded back to department for adjudication afresh. Such appellate order was further assailed by the Company before Appellate Tribunal Inland Revenue ("ATIR"), at which forum, adjudication is pending. Meanwhile, department concluded the reassessment proceedings, primarily repeating the treatment earlier accorded, however, based on relief allowed by first appellate authority, demand now stands reduced to Rs 1,003.426 million (including default surcharge of Rs 384.329 million). Such reassessment order was assailed by the Company in second round of litigation and the first appellate authority, through its order dated 29 June 2015, has upheld the departmental action. Management has contested this order before ATIR for favorable outcome. The Company had recognized a liability of Rs 103.673 million on this account as Company's management considers that Company's position is well founded on meritorious grounds and thus eventually demand would not sustain appellate review.
- 31.3.4** A sales tax demand of Rs 167 million was raised against the Company for recovery of an allegedly inadmissible claim of sales tax refund in Tax Year 2006 filed and sanctioned under section 66 of the Sales Tax Act, 1990. The Company's appeal against such order was allowed to the extent of additional tax and penalties, however, principal amount was held against the Company by the then relevant Customs, Excise and Sales Tax Appellate Tribunal ("CESTAT"). The Company further assailed the issue before LHC where before the litigation is presently pending. While, recovery to the extent of 20% of principal demand of sales tax has been made by the tax authorities, an interim injunction by honorable Court debars the department for

enforcing any further recovery. Since the management considers the refund to be legally admissible to the Company, no liability on this account has been recognized in these financial statements and the amount already recovered has been booked as being receivable from the tax authorities. It is pertinent to highlight here that adverse judgment earlier passed by CESTAT no longer holds the field as through certain subsequent judgments, controversy has been decided by ATIR (forum now holding appellate jurisdiction under the law) in favor of other taxpayers operating in telecom sector.

**31.3.5** During the year in June 2015, the Company challenged imposition of sales tax on LDI services by the Punjab Revenue Authority ("PRA") through filing a petition in LHC on the grounds that it was unconstitutional and in violation of fundamental principles of sales tax and international commitments of Government of Pakistan. The petition was combined with other petitions of similar sort for hearing purposes by a single member bench of LHC. Subsequent to the reporting date in January 2016, LHC declared the functioning of PRA illegal and set aside all notices issued by PRA for recovery of sales tax, thereby granting the Company's prayer. PRA filed an intra-court appeal against the decision and in February 2016, the decision of single member bench was suspended. As of the latest, the Company's petition is pending adjudication in LHC. Stay orders restraining PRA from collection of sales tax on LDI services have been granted to several other LDI operators. Based on the advice of the Company's tax advisor, management is of the view that the Company's case is based on meritorious grounds and hence, relief would be secured from the Court. In view of the above, provision for sales tax on LDI services aggregating Rs 107.324 million has not been made in these financial statements.

#### **31.4 Others**

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

**31.4.2** Certain suppliers/vendors of the Company have filed petitions before the LHC through which they have claimed Rs 263.343 million receivable from the Company out of which Rs 162.631 million is already provided for in these financial statements. Further details of the litigations have not been disclosed as it may prejudice the Company's position. The Company has denied the veracity of such claims and has also challenged the maintainability of the proceedings. Also, the Company has filed a counter petition claiming Rs 315.178 million receivable from one of the above suppliers/vendors under the same contract against which the supplier has claimed its dues. Based on the advice of the Company's legal counsel, management is of the view that it is unlikely that any adverse order will be passed against the Company. In view of the above, no provision has been made in these financial statements for the balance amount of Rs 100.712 million.

**31.4.3** One of the Company's suppliers has claimed an amount of USD 5.234 million equivalent to Rs 548.548 million receivable from the Company. Further details of the claim have not been disclosed as it may prejudice the Company's position. The Company has denied such claim. As of reporting date, negotiations with the supplier for such claim are under way. Considering that the negotiations are at an advanced stage and Company's long business relationship with the supplier, management is of the view that it is unlikely that any such claim will materialize. In view of the above, no provision has been made in these financial statements.



	2015	2014
	------(Rupees in '000)-----	
<b>31.5</b> Outstanding guarantees	<u>869,779</u>	<u>1,140,217</u>
<b>Commitments:</b>		
<b>31.6</b> Commitments in respect of capital expenditure	<u>504,164</u>	<u>1,851,011</u>
<b>31.7</b> Outstanding letters of credit	<u>-</u>	<u>4,596</u>

	2015	2014	2015	2014
	-----No. of shares-----		------(Rupees in '000)-----	
<b>32. Ordinary share capital</b>				
Ordinary shares of Rs 10 each fully paid in cash	<b>344,000,000</b>	344,000,000	<b>3,440,000</b>	3,440,000
Ordinary shares of Rs 10 each issued in accordance with the scheme of merger	<b>309,965,789</b>	309,965,789	<b>3,099,658</b>	3,099,658
Ordinary shares of Rs 10 each issued as fully paid bonus shares	<b>98,094,868</b>	98,094,868	<b>980,949</b>	980,949
Ordinary shares of Rs 10 each issued against convertible loan	<b>108,510,856</b>	108,510,856	<b>1,085,109</b>	1,085,109
	<u><b>860,571,513</b></u>	<u>860,571,513</u>	<u><b>8,605,716</b></u>	<u>8,605,716</u>

**32.1** As at 31 December 2015, the Parent company holds 488,839,429 ordinary shares (2014: 488,839,429) of the Company. As referred to in note 2.2, subsequent to the reporting date, the Parent company and WSL have entered into an SPA whereby WSL shall acquire the 56.8% ordinary shares (488,839,429 ordinary shares) of the Company that are held by the Parent company on execution of the SPA.

In addition, Nil ordinary shares (2014: 75,967,741 ordinary shares) of the Company are held by the following related parties (associated companies) as at 31 December 2015:

		2015	2014
		------(Rupees in '000)-----	
<b>Related parties</b>			
Arif Habib Limited	- note 32.1.1	-	31,607,500
Arif Habib Corporation Limited	- note 32.1.1	<u>-</u>	<u>44,360,241</u>
		<u>-</u>	<u>75,967,741</u>

**32.1.1** These companies ceased to be related parties (associated companies) from 02 February 2015.



**2015**                      **2014**  
-----**(Rupees in '000)**-----

**33. Preference share capital**

350,000 Preference shares of USD 100 each fully paid in cash	<u><b>3,537,700</b></u>	<u><b>3,537,700</b></u>
--	-------------------------	-------------------------

These are foreign currency denominated in US Dollar, non-voting, cumulative and convertible preference shares (“CPS”, or “Preference Shares”) having a face value of USD 100 each, held by the Parent company and Habib Bank Limited (the Investor) amounting to USD 20 million and USD 15 million respectively.

The conversion option is exercisable by the holder at any time after the 1st anniversary of the issue date but no later than the 5th anniversary. On 5th anniversary, CPS will be mandatorily converted into ordinary voting common shares. The CPS shall be converted fully or partially in multiples of USD 1 million at the conversion ratio defined in the agreement at 10% discount on share price after first anniversary and thereby increased by 10% additional discount for each completed year of anniversary.

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

The Parent company has provided a put option to the investor in USD whereby the investor can sell its CPS at participation amount along with any accumulated and accrued dividend shares and other pre-agreed charges and expenses (put strike price) to the Parent company. Subsequent to the reporting date, on 30 June 2016, the put option has been exercised in full by the Investor. Moreover, as referred to in note 2.2, the Parent company and Ferret Consulting – F.Z.C have entered into a SPA whereby Ferret Consulting – F.Z.C shall acquire the 85% CPS aggregating 297,500 CPS that are held by the Parent company along with accumulated dividend thereon and rights attached therewith.

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

- The shares were issued under the provisions of section 84 and 86 of the Ordinance read with section 90 of the Ordinance and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.
- The financial capital of the Company and the issue of the shares were duly approved by the members of the Company at the Annual General Meeting held on 30 April 2012.
- The requirements of the Ordinance take precedence over the requirements of International Financial Reporting Standards.
- The preference shareholders have the right to convert these shares into ordinary shares.

**34.** This reserve can be utilized by the Company only for the purposes specified in section 83(2) of the Ordinance.



	2015	2014
	----- (Rupees in '000) -----	
<b>35. Surplus on revaluation of fixed assets</b>		
Opening balance - net of tax	882,581	357,960
Revaluation surplus during the year	735,156	691,582
Adjustment of related deferred tax due to change in rate - note 9	84,614	-
Transfer to retained earnings in respect of net incremental depreciation/amortization net of deferred tax	(63,119)	(13,880)
Impairment on plant and equipment held for sale	(143,447)	(153,081)
Impairment of WLL CGU - note 5.1.2	(1,495,785)	-
Closing balance - net of tax	-	882,581

**35.1** The surplus on revaluation shall not be utilized directly or indirectly by way of dividend or bonus shares as per section 235 of the Ordinance.

	2015	2014
	----- (Rupees in '000) -----	
<b>36. Revenue - net</b>		
Gross revenue - note 36.1	2,544,065	2,630,170
Less:		
Sales tax	120,723	129,864
Discount and commission - note 36.2	231,790	185,553
	352,513	315,417
	2,191,552	2,314,753

**36.1** This includes revenue in respect of LDI services rendered to the Parent company aggregating Rs 56.53 million (2014: Nil).

**36.2** This includes commission of Rs 42.84 million (2014: Rs 41.60 million) for billing and collection services provided by WSL, a related party (associated company) as per the Billing and Collection Services Agreement.

	2015	2014
	----- (Rupees in '000) -----	
<b>37. Direct cost</b>		
Interconnect, settlement and other charges	1,197,271	747,544
PTCL share cost - note 37.1	80,285	6,126
Bandwidth and other PTCL charges	162,718	181,312
Depreciation - note 5.1.7	1,142,051	1,204,034
Amortization - note 6.3	260,243	213,828
Power consumption and rent - note 37.2	297,398	384,939
Metro cost - note 37.3	563,378	-
Security services	65,683	63,608
PTA charges - note 37.4	(5,621)	19,615

	2015	2014
	----- (Rupees in '000) -----	
Cable license fee	23,862	26,387
Stock-in-trade consumed	52	484
Provision for stock-in-trade	- note 13.1 201,556	8,003
Provision for stores and spares	- note 12 10,989	-
Stores and spares consumed	28,453	33,385
Annual spectrum fee	34,558	30,389
Content cost	30,315	(6,812)
Network maintenance and insurance	- note 37.5 218,924	322,259
Network partner share	25,709	26,324
Others	57,144	16,257
	<u>4,394,968</u>	<u>3,277,682</u>

**37.1** This represents share cost payable to PTCL under Revenue Sharing Agreement for WLL network services.

**37.2** This includes operating lease rentals amounting to Rs 213.16 million (2014: Rs 232.43 million).

**37.3** This includes charge off aggregating Rs 527.44 million (2014: Nil) in respect of the Project completed in Islamabad as referred to in note 5.2.1.2.

**37.4** This represents PTA charges in respect of the following:

	2015	2014
	----- (Rupees in '000) -----	
LDI license	- note 37.4.1 (11,016)	14,565
WLL license	- note 37.4.2 250	68
Broadband license	4,451	4,216
Telephony license	- note 37.4.3 94	166
Annual numbering charges	600	600
	<u>(5,621)</u>	<u>19,615</u>

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

Universal service fund	(6,610)	8,739
Research and development fund	(2,203)	2,913
Annual regulatory fee	(2,203)	2,913
	<u>(11,016)</u>	<u>14,565</u>

As detailed in note 15.2.1, APC for USF amounting to Rs 479.99 million has been expensed out during the current year that has been deducted for the purpose of determination of PTA charges for the current year. This has resulted in negative charges for LDI operations.

**37.4.2** This represents Royalty fee.

2015                      2014  
-----**(Rupees in '000)**-----

**37.4.3** This represents Telephony license charges in respect of the following:

Universal service fund	56	100
Research and development fund	19	33
Annual regulatory fee	19	33
	94	166

**37.5** This includes an expense of Rs 10.25 million (2014: Rs 10.25 million) for maintenance services provided by WSL, a related party (associated company) as per the Gen-set Maintenance Services Agreement.

2015                      2014  
-----**(Rupees in '000)**-----

**38. Operating cost**

Salaries, wages and benefits		710,596	484,586
Marketing, advertisement and selling expenses		8,534	11,065
Rent, rates and taxes	- note 38.1	99,517	90,219
Communications		15,858	8,406
Transportation		27,415	23,406
Legal and professional		34,968	53,778
Insurance		16,092	17,433
Utilities		35,828	31,220
Printing and stationery		4,892	3,856
Entertainment		13,779	15,506
Travelling and conveyance		90,752	94,354
Repairs and maintenance		19,372	22,718
Provision for doubtful debts	- note 14.1	219,049	203,858
Provision for doubtful receivables	- note 18.2	54,791	-
Provision for doubtful advances	- note 15.3	63,684	48,296
Fees and subscriptions		3,562	4,415
Directors' meeting expenses		2,178	4,435
Postage and courier		1,184	859
Newspapers and periodicals		188	433
Auditor's remuneration	- note 38.2	7,465	6,270
Depreciation	- note 5.1.7	31,414	65,791
Security services		14,311	12,613
General support services	- note 38.3	28,800	28,800
Miscellaneous		15,673	130,591
		1,519,902	1,362,908

**38.1** This includes operating lease rentals amounting to Rs 95.55 million (2014: Rs 78.40 million).

**38.2 Auditor's remuneration**

	2015	2014
	----- (Rupees in '000) -----	
Statutory audit	2,750	2,500
Half year review	1,100	1,000
International reporting	2,200	2,000
Other assurance services	632	270
Out of pocket expenses	783	500
	<u>7,465</u>	<u>6,270</u>

**38.3** This represents general support services provided by WSL, a related party (associated company) as per the General Support Services Agreement.

**38.4** The Company has 1,031 (2014: 1,084) employees at the end of year, whereas, the average number of employees during the year were 1,055 (2014: 1,078).

**39. Finance cost**

	2015	2014
	----- (Rupees in '000) -----	
Mark up on long term loans	103,022	158,714
Mark up on short term borrowings	58,918	96,128
Financial charge on leased liabilities	361	1,101
Mark up on Term Finance Certificates	170,149	205,299
Management and advisory fee	- note 39.1	126,978
Discounting charges	-	768,273
Amortization of transaction cost	139,204	28,264
Bank charges and commission	- note 39.2	26,929
	<u>677,792</u>	<u>1,411,686</u>

**39.1** This includes Rs 152.83 million (2014: Rs 124.24 million) for management fee in respect of CPS to the Parent company.

**39.2** This includes guarantee commission amounting to Rs 21.53 million (2014: Nil) relating to the Parent company in respect of its corporate guarantee issued to Askari Bank Limited as referred to in note 27.1.

**40. Other income**

	2015	2014
	----- (Rupees in '000) -----	
<i>Income from financial assets/liabilities:</i>		
Income on deposit and savings accounts	28,022	105,655
Exchange gain	-	334,850
Net gain on sale of available-for-sale financial assets	7,988	-
Amortization of receivables	18,668	10,552
	<u>54,678</u>	<u>451,057</u>

	2015	2014
	----- (Rupees in '000) -----	
<i>Income from non-financial assets:</i>		
Scrap sales	57	396
Profit on sale of property, plant and equipment	985	6,152
Net gain on insurance claim of assets written off due to fire - <b>note 40.1</b>	57,907	-
Liabilities no longer payable written back	92,036	26,251
Miscellaneous	38,336	6,633
	<b>189,321</b>	<b>39,432</b>
	<b>243,999</b>	<b>490,489</b>

**40.1** As referred to in notes 5.1.3, 5.2.1.3, 5.3.2, 12.1 and 13.2, during the current year, a fire incident at Company's warehouse in Kot Lakhpat, Lahore, damaged certain items of property, plant and equipment, stores and spares and stock-in-trade. The Company filed an insurance claim in respect of these assets. The insurer had appointed a surveyor who has, subsequent to the reporting date, submitted a survey certificate based on which a claim receivable of Rs 150 million has been determined as due from the insurer as at the reporting date. The Company is in the process of recovering the insurance proceeds from the insurer. Subsequent to the reporting date, the Company has recovered Rs 145.35 million from the insurer.

	2015	2014
	----- (Rupees in '000) -----	
<b>Carrying value of assets written off due to fire</b>		
<b>Property, plant and equipment</b>		
Plant and equipment - <b>note 5.1</b>	30,405	-
CWIP - <b>note 5.2.1.3</b>	1,994	-
Major spare parts and stand-by equipment - <b>note 5.3.2</b>	2,651	-
	<b>35,050</b>	-
<b>Stores, spares and stock-in-trade</b>		
Stores and spares - <b>note 12.1</b>	57,043	-
Stock-in-trade - <b>note 13.2</b>	-	-
	<b>57,043</b>	-
Carrying value of assets written off due to fire	<b>92,093</b>	-
Insurance claim determined - <b>note 18.1</b>	<b>150,000</b>	-
Net gain on insurance claim of assets written off due to fire	<b>57,907</b>	-

**41. Other expenses**

Advances written off	-	14,786
Other receivable written off	-	9,700
Exchange loss	314,443	-
Miscellaneous	-	2,685
	<b>314,443</b>	<b>27,171</b>

		2015	2014
		----- (Rupees in '000) -----	
<b>42. Taxation</b>			
Current tax:			
- For the year	- note 42.1	45,687	24,309
- Prior years		6,114	116,875
		51,801	141,184
Deferred tax	- note 9	1,884,401	(657,949)
		1,936,202	(516,765)

**42.1** This represents minimum tax under section 153(1)(b) of ITO on deductible services.

<b>42.2 Tax charge reconciliation</b>	2015	2014
	% age	% age
Numerical reconciliation between the average effective tax rate and the applicable tax rate		
Applicable tax rate	32.00	33.00
Tax effect of:		
Amounts that are not deductible for tax purposes	-	(1.81)
Amounts that are not chargeable for tax purposes	0.10	-
Deferred tax asset not recognized on minimum tax available for carry forward	-	(0.73)
Deferred tax asset not recognized on unused tax losses	(49.63)	-
Minimum tax not available for carry forward	(0.53)	-
Change in prior years' tax	(0.07)	(16.76)
Change in tax rate	(4.13)	1.89
	(54.26)	(17.41)
Average effective tax rate	(22.26)	15.59

	2015	2014
	----- (Rupees in '000) -----	
<b>43. Loss per share - basic and diluted</b>		
<b>43.1 Basic loss per share</b>		
Loss after taxation	(10,632,887)	(2,797,214)
Adjustments:		
Dividend on CPS	(228,830)	(203,638)
Exchange (loss)/gain on CPS	(147,000)	161,000
	(375,830)	(42,638)

		2015	2014
		------(Rupees in '000)-----	
Loss attributable to ordinary shareholders		<u>(11,008,716)</u>	<u>(2,839,852)</u>
Weighted average number of ordinary shares	<i>Number in '000</i>	<u>860,572</u>	<u>860,572</u>
Basic loss per share	<i>Rupees</i>	<u>(12.79)</u>	<u>(3.30)</u>

#### 43.2 Diluted loss per share

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

		2015	2014
		------(Rupees in '000)-----	
Loss attributable to ordinary shareholders		<b>(11,008,716)</b>	(2,839,852)
Adjustments:			
Dividend on CPS		228,830	203,638
Exchange loss/(gain) on CPS		147,000	(161,000)
Equity advisory fee payable to investor (net of tax)		6,779	2,174
		<b>382,608</b>	44,812
Loss used to determine diluted loss per share		<u>(10,626,108)</u>	<u>(2,795,040)</u>
Weighted average number of ordinary shares	<i>Number in '000</i>	860,572	860,572
Assumed conversion of CPS and dividend thereon into ordinary shares	<i>Number in '000</i>	2,471,213	2,409,748
Weighted average number of ordinary shares for diluted loss per share	<i>Number in '000</i>	<u>3,331,785</u>	<u>3,270,320</u>
Diluted loss per share	<i>Rupees</i>	<u>(3.19)</u>	<u>(0.85)</u>

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

#### 44. Related party transactions

The related parties comprise the Parent company, subsidiary, associated companies/undertakings 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 to related parties are shown under receivables and payables. Significant related party transactions have been disclosed in respective notes in these financial statements other than the following:

		2015	2014
		----- (Rupees in '000) -----	
Relationship with the Company	Nature of transactions		
1. Parent company	Dividend on CPS	130,806	116,314
2. Key management personnel	Salaries and other employee benefits	91,655	90,855

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

	2015	2014
	----- (Rupees in '000) -----	

#### 45. Cash (used in)/generated from operations

Loss before taxation	(8,696,685)	(3,313,979)
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#### Adjustment for non-cash charges and other items:

- Depreciation on property, plant and equipment	1,173,465	1,269,825
- Amortization on intangible assets	260,243	213,828
- Amortization of transaction cost	139,204	28,264
- Discounting charges	-	768,273
- Amortization of long term trade receivables	(18,668)	(10,552)
- Provision for doubtful debts and other receivables	273,840	203,858
- Provision for stock-in-trade and stores and spares	212,545	(2,571)
- Impairment of assets	4,240,451	-
- Provision for doubtful advances	63,684	48,296
- CWIP charged to profit or loss	553,775	-
- Profit on sale of property, plant and equipment	(985)	(6,154)
- Net gain on insurance claim of assets written off due to fire	(57,907)	-
- Amortization of free hosting right on disposed tower sites	4,512	-
- Liabilities no longer payable written back	(92,036)	(26,251)
- Exchange loss/(gain) on foreign currency loan	145,434	(160,550)
- (Gain)/loss on re-measurement of investment properties at fair value	(15,320)	39,774
- Gain on sale of available-for-sale financial assets	(7,988)	-
- Retirement benefits	101,158	58,992
- Advances written off	-	24,486
- Finance cost	538,588	611,711

<b>Loss before working capital changes</b>	<b>(1,182,690)</b>	<b>(252,750)</b>
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2015                      2014  
------(Rupees in '000)-----

**Effect on cash flow due to working capital changes:**
*Decrease/(increase) in current assets:*

- Stores and spares	39,696	(26,436)
- Stock-in-trade	4,883	(37,719)
- Trade debts	230,279	(69,316)
- Loans and advances	511,432	124,773
- Deposits and prepayments	70,298	49,120
- Other receivables	(19,656)	31,071
	<b>787,581</b>	<b>50,738</b>
	<b>1,624,514</b>	<b>122,231</b>
	<b>441,823</b>	<b>(130,519)</b>

*Increase in current liabilities:*

- Trade and other payables

**46. Remuneration of Chief Executive Officer, Directors and Executives**

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the chief executive officer, directors and executives of the Company are as follows:

	Chief Executive Officer		Non-executive Directors		Executives	
	2015	2014	2015	2014	2015	2014
	------(Rupees in '000)-----					
Managerial remuneration	17,920	17,920	-	-	166,536	171,640
Retirement benefits	2,987	2,987	-	-	27,820	27,985
Housing	7,168	7,168	-	-	66,614	68,656
Utilities	1,792	1,792	-	-	16,654	17,164
Meeting fee allowance	-	-	2,178	4,435	-	-
Advisory fee	-	-	4,200	4,200	-	-
	<b>29,867</b>	<b>29,867</b>	<b>6,378</b>	<b>8,635</b>	<b>277,624</b>	<b>285,445</b>
<b>Number of persons</b>	<b>1</b>	<b>1</b>	<b>7</b>	<b>7</b>	<b>125</b>	<b>135</b>

**46.1** The Chief Executive Officer and certain executives of the Company are provided with Company maintained vehicles and residential telephones.

**46.2** There is no executive director of the Company.

**47. Financial risk management**

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

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

## 47.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The Company's credit risk is primarily attributable to its long term trade receivables, trade debts, loans and advances and deposits with banks. The Company has no significant concentration of credit risk as exposure is spread over a large number of counter parties in case of trade debts. To manage exposure to credit risk, the Company applies credit limits to its customers and obtains advances from certain customers.

### 47.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the balance sheet date was:

	2015	2014
	------(Rupees in '000)-----	
Long term trade receivables	91,953	110,380
Long term loans	2,878	3,802
Long term deposits	36,046	58,566
Trade debts	481,246	911,906
Loans and advances	55,925	557,213
Short term deposits	34,308	100,124
Other receivables	300,149	5,534
Short term investments	87,860	74,767
Bank balances	373,643	405,104
	<u>1,464,008</u>	<u>2,227,396</u>

### 47.1.2 Credit quality of financial assets

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

	Rating		Rating Agency	2015	2014
	Short term	Long term		------(Rupees in '000)-----	
Allied Bank Limited	A1+	AA+	PACRA	191	192
Askari Bank Limited	A-1+	AA	JCR-VIS	981	8,102
Bank AL Habib Limited	A1+	AA+	PACRA	804	47,045
Barclays Bank Limited	F1	A	Fitch	-	1,734
Deutsche Bank AG	P-2	A3	Moody's	-	6
Habib Bank Limited	A-1+	AAA	JCR-VIS	349	66
Faysal Bank Limited	A1+	AA	PACRA	-	-
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	182	425
JS Bank Limited	A1+	A+	PACRA	15	15
HSBC Bank Middle East Limited	F1+	AA-	Fitch	-	-
Bank Islami Pakistan Limited (Formerly KASB Bank Limited)	A1	A+	PACRA	318	1,942
MCB Bank Limited	A1+	AAA	PACRA	120	132
NIB Bank Limited	A1+	AA-	PACRA	822	1,846
National Bank of Pakistan	A-1+	AAA	JCR-VIS	368,766	340,312

	Rating		Rating Agency	2015	2014
	Short term	Long term		----- (Rupees in '000) -----	
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	254	410
Soneri Bank Limited	A1+	AA-	PACRA	-	1,847
Summit Bank Limited	A-1	A	JCR-VIS	184	545
The Bank of Punjab	A1+	AA-	PACRA	-	29
Tameer Microfinance Bank Limited	A-1	A+	PACRA	86	74
United Bank Limited	A-1+	AA+	JCR-VIS	48	382
Waseela Microfinance Bank Limited	A2	A-	PACRA	522	-
				<u>373,643</u>	<u>405,104</u>

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

**47.1.3** The age of trade debts and related impairment loss at the balance sheet date was:

	2015	2014
	----- (Rupees in '000) -----	
<b>The age of gross trade debts and long term trade receivables</b>		
Not past due	203,440	579,055
Past due 1 - 180 days	421,065	268,851
Past due 181 - 365 days	75,054	66,088
1 - 2 years	132,003	215,438
More than 2 years	1,770,038	1,702,206
	<u>2,601,600</u>	<u>2,831,638</u>

**The age of impairment loss**

Past due 1 - 180 days	120,128	1,082
Past due 181 - 365 days	35,083	5,180
1 - 2 years	103,152	100,884
More than 2 years	1,770,038	1,702,206
	<u>2,028,401</u>	<u>1,809,352</u>

**47.2 Liquidity risk**

Liquidity risk reflects an entity's inability in raising funds to meet commitments. The Company has been facing difficulty in meeting various obligations towards its lenders and creditors. However, the management has devised a strategy for settlement and servicing of its liabilities as detailed in note 2.2.

The following are the contractual maturities of financial liabilities as on 31 December 2015:

	Total Amount	Not later than 1 year	1 - 2 year	More than 2 years
------(Rupees in '000)-----				
Term finance certificates - secured	1,517,110	1,517,110	-	-
Long term loans	3,800,315	3,698,284	59,781	42,250
Liabilities against assets subject to finance lease	2,991	1,383	1,608	-
Long term payables	2,909,100	2,382,850	-	526,250
Long term deposits	35,136	-	-	35,136
License fee payable	1,021,500	1,021,500	-	-
Short term borrowings	563,902	563,902	-	-
Trade and other payables	8,005,708	8,005,708	-	-
Interest and mark up accrued	253,644	253,644	-	-
	<b>18,109,406</b>	<b>17,444,381</b>	<b>61,389</b>	<b>603,636</b>

The following are the contractual maturities of financial liabilities as on 31 December 2014:

	Total Amount	Not later than 1 year	1 - 2 year	More than 2 years
------(Rupees in '000)-----				
Term finance certificates - secured	1,643,735	1,643,735	-	-
Long term loans	3,333,952	948,269	919,871	1,465,812
Liabilities against assets subject to finance lease	4,200	1,210	1,382	1,608
Long term payables	3,035,653	2,407,938	330,295	297,420
Long term deposits	35,421	-	-	35,421
License fee payable	1,021,500	1,021,500	-	-
Short term borrowings	768,890	768,890	-	-
Trade and other payables	6,638,036	6,638,036	-	-
Interest and mark up accrued	202,051	202,051	-	-
	<b>16,683,438</b>	<b>13,631,629</b>	<b>1,251,548</b>	<b>1,800,261</b>

## 47.3 Market risk

### 47.3.1 Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currency. The Company is exposed to foreign currency's risk on sales and purchases that are entered in a currency other than Pak Rupees.

The Company's exposure to foreign currency risk was as follows:

	2015	2014
	-----USD ('000)-----	
Trade receivables	990	4,363
Trade payables	(43,182)	(39,095)
Borrowings	(35,000)	(33,500)
Net exposure	<u>(77,192)</u>	<u>(68,232)</u>

The following significant exchange rates were applied during the year

	2015	2014
Average rate - Rupees per US Dollar (USD)	102.70	102.90
Reporting date rate - Rupees per US Dollar (USD)	104.80	100.60

If the functional currency, at reporting date, had weakened/strengthened by 5% against the USD with all other variables held constant, post-tax loss for the year would have been Rs 275.05 million (2014: Rs 229.95 million) higher / lower, mainly as a result of foreign exchange losses / gains on translation of foreign currency denominated loan and trade payables. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

#### 47.3.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company has adopted appropriate policies to cover interest rate risk.

At the balance sheet date, the interest rate profile of the Company's interest bearing financial instruments was:

	2015	2014
	----- (Rupees in '000) -----	
<b><u>Fixed rate instruments</u></b>		
<b>Financial assets</b>		
Deposits - term deposit receipts	-	58,000
<b>Financial liabilities</b>		
	-	-
	<u>-</u>	<u>58,000</u>
<b><u>Floating rate instruments</u></b>		
<b>Financial assets</b>		
Cash and bank balances - saving accounts	370,987	353,958
<b>Financial liabilities</b>		
Term finance certificates	(1,517,110)	(1,643,735)
Long term loans	(3,800,315)	(3,333,952)
Liabilities against assets subject to finance lease	(2,991)	(4,200)
Short term borrowings	(563,902)	(768,890)
	<u>(5,513,331)</u>	<u>(5,396,819)</u>

### **Fair value sensitivity analysis for fixed rate instruments**

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

### **Cash flow sensitivity analysis for variable rate instruments**

An increase of 1% in interest rate at the reporting date would have increased post tax loss by Rs 37.49 million (2014: Rs 36.16 million). Similarly, a decrease of 1% in interest rate would have decreased post tax loss by similar amount. This analysis assumes that all other variables remain constant.

#### **47.3.3 Other market price risk**

Equity price risk arises from investments held by the Company which are classified in the balance sheet as available-for-sale (note 17). The primary goal of the Company's investment strategy is to maximize investment returns on the surplus cash balance. In accordance with this strategy, investments are designated as available-for-sale and their performance is actively monitored.

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

#### **47.4 Fair values of financial assets and liabilities**

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

#### **Fair value estimation**

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

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

The following table presents the Company's financial assets and liabilities that are measured at fair value at 31 December 2015.

	Level 1	Level 2	Level 3	Total
Rupees '000				
<b>Assets</b>				
<b>Recurring fair value measurements</b>				
Available-for-sale investments	87,860	-	-	87,860
<b>Liabilities</b>				
	-	-	-	-

The following table presents the Company's financial assets and liabilities that are measured at fair value at 31 December 2014.

	Level 1	Level 2	Level 3	Total
Rupees '000				
<b>Assets</b>				
<b>Recurring fair value measurements</b>				
Available-for-sale investments	74,767	-	-	74,767
<b>Liabilities</b>				
	-	-	-	-

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

## 47.5 Capital management

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

The Company's objectives when managing capital are:

- a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- b) to provide an adequate return to shareholders.

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

The Company is subject to capital requirements imposed by its lenders. However, the Company has not been able to meet these requirements on account of its financial constraints and the equity of the Company has become negative as on 31 December 2015. The management is confident that after implementation of the strategy detailed in note 2.2, the equity will become positive and the Company will become compliant with the externally imposed capital requirements.

## 47.6 Financial instruments by categories

	Available-for- sale	At fair value through profit or loss	Held to maturity	Loans and receivables	Total
	----- (Rupees in '000) -----				
<b>As at 31 December 2015</b>					
<b>Assets as per balance sheet</b>					
Long term loans	-	-	-	2,878	2,878
Long term deposits	-	-	-	36,046	36,046
Long term trade receivables	-	-	-	91,953	91,953
Trade debts	-	-	-	481,246	481,246
Loans and advances	-	-	-	55,925	55,925
Short term deposits	-	-	-	34,308	34,308
Other receivables	-	-	-	300,149	300,149
Short term investments	87,860	-	-	-	87,860
Cash and bank balances	-	-	-	398,667	398,667
	<b>87,860</b>	<b>-</b>	<b>-</b>	<b>1,401,172</b>	<b>1,489,032</b>





**As at 31 December 2015**

**Financial liabilities at amortized cost**  
(Rupees in '000)

**Liabilities as per balance sheet**

Term finance certificates - secured	1,517,110
Long term loans	3,800,315
Liabilities against assets subject to finance lease	2,991
Long term payables	2,909,100
Long term deposits	35,136
License fee payable	1,021,500
Short term borrowings	563,902
Trade and other payables	8,005,708
Interest and mark up accrued	253,644
	<u>18,109,406</u>

Available-for-sale	At fair value through profit or loss	Held to maturity	Loans and receivables	Total
----- (Rupees in '000) -----				

**As at 31 December 2014**

**Assets as per balance sheet**

Long term advances	-	-	-	3,802	3,802
Long term deposits	-	-	-	58,566	58,566
Long term trade receivables	-	-	-	110,380	110,380
Trade debts	-	-	-	911,906	911,906
Loans and advances	-	-	-	557,213	557,213
Short term deposits	-	-	-	100,124	100,124
Other receivables	-	-	-	5,534	5,534
Short term investments	74,767	-	-	-	74,767
Cash and bank balances	-	-	-	749,999	749,999
	<u>74,767</u>	<u>-</u>	<u>-</u>	<u>2,497,524</u>	<u>2,572,291</u>

	Financial liabilities at amortized cost (Rupees in '000)
Liabilities as per balance sheet	
Term finance certificates - secured	1,643,735
Long term loans	3,333,952
Liabilities against assets subject to	
finance lease	4,200
Long term payables	3,035,653
Long term deposits	35,421
License fee payable	1,021,500
Short term borrowings	768,890
Trade and other payables	6,638,036
Interest and mark up accrued	202,051
	16,683,438

#### 47.7 Offsetting financial assets and financial liabilities

##### (a) Financial assets

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

	Gross amounts of recognized financial assets	Gross amount of recognized financial liabilities off set in the balance sheet	Net amount of financial assets presented in the balance sheet	Related amounts not off set in the balance sheet	Net amount	Financial assets not in scope of off setting disclosures
	----- (Rupees in '000) -----					
	A	B	C = A + B	D	E = C + D	
<b>As at 31 December 2015</b>						
Long term trade receivables	-	-	-	-	-	91,953
Long term loans	-	-	-	-	-	2,878
Long term deposits	-	-	-	-	-	36,046
Trade debts	1,629,841	(1,148,595)	481,246	-	481,246	-
Loans and advances	-	-	-	-	-	55,925
Short term deposits	-	-	-	-	-	34,308
Other receivables	-	-	-	-	-	300,149
Short term investments	-	-	-	-	-	87,860
Cash and bank balances	-	-	-	-	-	398,667
	1,629,841	(1,148,595)	481,246	-	481,246	
	Gross amounts of recognized financial assets	Gross amount of recognized financial liabilities off set in the balance sheet	Net amount of financial assets presented in the balance sheet	Related amounts not off set in the balance sheet	Net amount	Financial assets not in scope of off setting disclosures
	----- (Rupees in '000) -----					
	A	B	C = A + B	D	E = C + D	
<b>As at 31 December 2014</b>						
Long term trade receivables	-	-	-	-	-	110,380
Long term loans	-	-	-	-	-	3,802
Long term deposits	-	-	-	-	-	58,566
Trade debts	2,684,184	(1,772,278)	911,906	-	911,906	-
Loans and advances	-	-	-	-	-	557,213
Short term deposits	-	-	-	-	-	100,124
Other receivables	-	-	-	-	-	5,534
Short term investments	-	-	-	-	-	74,767
Cash and bank balances	-	-	-	-	-	749,999
	2,684,184	(1,772,278)	911,906	-	911,906	

**(b) Financial liabilities**

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

	Gross amounts of recognized financial liabilities	Gross amount of recognized financial assets off set in the balance sheet	Net amount of financial liabilities presented in the balance sheet	Related amounts not off set in the balance sheet	Net amount	Financial liabilities not in scope of off setting disclosures
----- (Rupees in '000) -----						
As at 31 December 2015	A	B	C = A + B	D	E = C + D	
Short term borrowings	-	-	-	-	-	563,902
License fee payable	-	-	-	-	-	1,021,500
Trade and other payables	9,154,303	(1,148,595)	8,005,708	-	8,005,708	-
Interest and mark-up accrued	-	-	-	-	-	253,644
Term finance certificates	-	-	-	-	-	1,517,110
Long term loans	-	-	-	-	-	3,800,315
Liabilities against assets subject to finance lease	-	-	-	-	-	2,991
Long term payables	-	-	-	-	-	2,909,100
Long term deposits	-	-	-	-	-	35,136
	<b>9,154,303</b>	<b>(1,148,595)</b>	<b>8,005,708</b>	<b>-</b>	<b>8,005,708</b>	

	Gross amounts of recognized financial liabilities	Gross amount of recognized financial assets off set in the balance sheet	Net amount of financial liabilities presented in the balance sheet	Related amounts not off set in the balance sheet	Net amount	Financial liabilities not in scope of off setting disclosures
----- (Rupees in '000) -----						
As at 31 December 2014	A	B	C = A + B	D	E = C + D	
Short term borrowings	-	-	-	-	-	768,890
License fee payable	-	-	-	-	-	1,021,500
Trade and other payables	8,410,314	(1,772,278)	6,638,036	-	6,638,036	-
Interest and mark-up accrued	-	-	-	-	-	202,051
Term finance certificates	-	-	-	-	-	1,643,735
Long term loans	-	-	-	-	-	3,333,952
Liabilities against assets subject to finance lease	-	-	-	-	-	4,200
Long term payables	-	-	-	-	-	3,035,653
Long term deposits	-	-	-	-	-	35,421
	<b>8,410,314</b>	<b>(1,772,278)</b>	<b>6,638,036</b>	<b>-</b>	<b>6,638,036</b>	



**48. Date of authorization for issue**

These financial statements were authorized for issue on 07 March 2017 by the Board of Directors.

**49. Corresponding figures**

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, no significant reclassification has been made.

**50. General**

Figures have been rounded off to the nearest thousand of Pak Rupee.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

## PATTERN OF SHAREHOLDING

As at 31 DECEMBER 2015

The Companies Ordinance, 1984 (Section 236(1) and 464)

FORM-34

Incorporation Number : 0042200 OF 15-03-2001

No. of Shareholders	Shareholding		Total Shares Held	
	From	To		
552	1	-	100	23,648
1029	101	-	500	344,028
3153	501	-	1,000	2,184,778
2180	1,001	-	5,000	6,014,087
823	5,001	-	10,000	6,885,906
1269	10,001	-	50,000	32,696,157
291	50,001	-	100,000	22,862,280
266	100,001	-	500,000	59,257,255
41	500,001	-	1,000,000	28,669,118
24	1,000,001	-	5,000,000	49,681,172
2	5,000,001	-	10,000,000	13,082,000
1	10,000,001	-	15,000,000	13,800,000
1	15,000,001	-	25,000,000	20,000,000
1	25,000,001	-	50,000,000	47,435,914
1	50,000,001	-	70,000,000	68,795,741
1	70,000,001	-	above	488,839,429
<b>9635</b>	<b>Total</b>			<b>860,571,513</b>

## PATTERN OF SHAREHOLDING AS AT 31 DECEMBER 2015

Categories of Shareholders	Shares held	Percentage
Directors, Chief Executive Officer and their spouses and minor children	32,650	0.00%
Associated Companies, Undertakings and Related parties	488,839,429	56.80%
NIT and ICP	-	0.00%
Banks, Development Financial Institutions, Non-Banking Financial Institutions	47,866,968	5.56%
Insurance Companies	36,194	0.00%
Modarabas and Mutual Funds	650,802	0.08%
* Shareholders holding 10% or more	488,839,429	56.80%
<b><u>General Public</u></b>		
a. Local	208,044,422	24.18%
b. Foreign	11,928,903	1.39%
<b><u>Others</u></b>		
- Joint Stock Companies	102,816,289	11.95%
- Foreign Companies	355,856	0.04%
<b>Total *</b>	<b>860,571,513</b>	<b>100.00%</b>

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

## PATTERN OF SHAREHOLDING UNDER CODE OF CORPORATE GOVERNANCE As at 31 DECEMBER 2015

Shareholders' Categories	No. of Shares Held	Percentage %
<b><u>Associated Companies, Undertaking and Related Parties</u></b>		
Oman Telecommunications Company (S.A.O.G.)	488,839,429	56.80%
<b><u>Mutual Funds</u></b>		
Prudential Stock Fund Ltd.	302	0.00%
Golden Arrow Selected Stocks Fund Limited	438,000	0.05%
CDC- Trustee AKD Opportunity Fund	12,500	0.00%
<b><u>Directors, Chief Executive Officer and their Spouse &amp; Minor Children</u></b>		
Mr. Mehdi Mohammed Al Abduwani	20,500	0.00%
Mr. Talal Said Marhoon Al Mamari	500	0.00%
Mr. Aimen Bin Ahmed Al Hosni	575	0.00%
Mr. Samy Ahmed Abdulqadir Al Ghassany	500	0.00%
Mr. Sohail Qadir	500	0.00%
Dr. Syed Salman Ali Shah	9,000	0.00%
Mr. Shahid Aziz Siddiqi	1,000	0.00%
Babar Ali Syed (CEO)	75	0.00%
<b><u>Executives</u></b>	210,000	0.02%
<b><u>Public Sector Companies and Corporations</u></b>	103,172,145	11.99%
<b><u>Banks, Development Financial Institutions, Non-Banking, Finance Companies, Insurance Companies and Modarabas</u></b>	48,103,162	5.59%
<b><u>General Public</u></b>	219,763,325	25.54%
	<b>860,571,513</b>	<b>100.00%</b>
<b><u>Shareholders holding 5% or more voting rights in the Company</u></b>		
Oman Telecommunications Company (S.A.O.G.)	488,839,429	56.80%
Arif Habib Limited	68,795,741	7.99%
National Bank of Pakistan	47,435,914	5.51%







**FORM OF PROXY**

The Company Secretary  
Worldcall Telecom Limited  
67-A, C/III, Gulberg-III,  
Lahore, Pakistan

Folio # CDC A/c No. _____
Shares Held _____

I/ We \_\_\_\_\_ of \_\_\_\_\_  
**(Name)** **(Address)**

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

Miss \_\_\_\_\_ of \_\_\_\_\_  
**(Name)** **(Address)**

or failing him / her / Mr. /Mrs. Miss./ \_\_\_\_\_ of \_\_\_\_\_  
**(Name)** **(Address)**

{who is also member of the Company vide Registered Folio # \_\_\_\_\_ (being the member of the  
Company)} as my / our proxy to attend at and vote for me / us and on my/our behalf at the Annual General  
Meeting of the Company to be held at Institute of Chartered Accountants of Pakistan, 155-156, West Wood  
Colony, Thokar Niaz Baig, Lahore on 31 March, 2017 at 11:00 a.m. and at any adjournment thereof.

Signature this \_\_\_\_\_ Day of \_\_\_\_\_ 2017

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

Signature on Rs.5/- Revenue Stamp
--

**1. Witnesses:**

Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC # \_\_\_\_\_

**2. Witnesses:**

Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC # \_\_\_\_\_



**Notes:**

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, 67-A, C-III, Gulberg-III, Lahore, not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he himself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

**For CDC Account Holders / Corporate Entities:**

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

- i. The proxy form shall be witnessed by two persons whose names, addresses and CNIC / SNIC (Computer National Identity Card / Smart National Identity Card) numbers shall be mentioned on the form.
- ii. Attested copies of CNIC / SNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii. The proxy shall produce his original CNIC / SNIC or original passport at the time of the meeting.
- iv. In case of corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

## پراکسی فارم

فونو نمبر/ CDC اکاؤنٹ نمبر: \_\_\_\_\_

قابل حصص: \_\_\_\_\_

کمپنی سیکرٹری  
ورلڈ کال ٹیلی کام لمیٹڈ  
C-III، 67-A، گلبرگ III،  
لاہور، پاکستان

میں/ ہم \_\_\_\_\_ رہائش \_\_\_\_\_ ورلڈ کال ٹیلی کام لمیٹڈ کے  
رکن/ ارکان ہونے کی حیثیت سے محترم/ محترمہ \_\_\_\_\_ رہائش \_\_\_\_\_  
کو اور ان کی ناکامی کی صورت میں محترم/ محترمہ \_\_\_\_\_ رہائش \_\_\_\_\_  
کو {جوفونو نمبر \_\_\_\_\_ (کمپنی کے رکن ہونے کی حیثیت سے) کے تحت کمپنی کا رکن بھی ہے} میرے/ ہمارے لیے ووٹ دینے کے لئے یا میری  
/ ہماری طرف سے 31 مارچ 2017ء کو انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان، 155-156 ویسٹ ووڈ کالونی، ٹھوکر نیا بیگ، لاہور میں دن 11:00 بجے منعقدہ  
کمپنی کے سالانہ اجلاس عام اور اس کے متعلق کسی بھی قسم کے التوا میں شرکت کرنے کے لئے اپنا/ ہمارا نمائندہ مقرر کرتا/ کرتے ہیں۔  
دستخط: \_\_\_\_\_ دن \_\_\_\_\_ سال \_\_\_\_\_

5 روپے کے  
ریونیوٹا مپ  
پر دستخط

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

1. گواہان	2. گواہان
دستخط: _____	دستخط: _____
نام: _____	نام: _____
پتہ: _____	پتہ: _____
کمپیوٹرائزڈ قومی شناختی کارڈ:	کمپیوٹرائزڈ قومی شناختی کارڈ:

### مندرجات

1. یہ نمائندگی کا فارم، حسب ضابطہ تکمیل اور دستخط شدہ، اجلاس کے آغاز سے 48 گھنٹے پہلے کمپنی کے رجسٹرڈ دفتر واقع C-III، 67-A، گلبرگ III، لاہور میں پہنچ جانا چاہئے۔
2. کوئی شخص نمائندہ نہیں بن سکتا جب تک وہ کمپنی کا رکن نہیں ہے۔ بجائے اس شخص کے جس کو کارپوریشن غیر رکن ہونے پر بھی مقرر کرے۔
3. اگر کوئی رکن ایک سے زیادہ نمائندے یا رکن کی جانب سے نمائندے کے ایک سے زیادہ دستاویز کمپنی میں جمع کرواتا ہے تو نمائندگی کے ایسے تمام دستاویز بے کار تصور ہوں گے۔

## CDC کاؤنٹ ہولڈرز/کارپوریٹ اداروں کے لئے

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

- (i) نمائندگی کے فارم کی تصدیق دو گواہان کریں گے جن کے نام، پتے اور CNIC/SNIC (کمپیوٹرائزڈ قومی شناختی کارڈ/سمارٹ قومی شناختی کارڈ) نمبر فارم میں درج کرنے ضروری ہیں۔
- (ii) انتظامی مالک اور نمائندے کے CNIC/SNIC اور پاسپورٹ کی تصدیق شدہ نقل پر کسی فارم کے ساتھ منسلک کرنا ہوگی۔
- (iii) اجلاس کے موقع پر نمائندے کو اپنے اصلی CNIC/SNIC اور اصلی پاسپورٹ کو ظاہر کرنا ہوگا۔
- (iv) کارپوریٹ ادارے کی صورت میں پر کسی فارم کے ساتھ (اگر یہ پہلے جمع نہیں کرائے گئے ہیں) بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نمونہ کے دستخط کمپنی کو جمع کرانا ہوں گے۔