

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 2016

COMPANY INFORMATION

Chairman	Mr. Mehdi Mohammed Al Abduwani
Chief Executive Officer	Mr. Babar Ali Syed
Board of Directors	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 Dr. Syed Salman Ali shah Mr. Shahid Aziz Siddiqui
Chief Financial Officer	Mr. Muhammad Murtaza Raza
Executive Committee	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)
Audit Committee	Mr. Talal Said Marhoon Al Mamari (Chairman) Mr. Aimen Bin Ahmed Al Hosni (Vice Chairman) Mr. Syed Salman Ali Shah (Member) Mr. Shahid Aziz Siddiqui (Member) Mr. Mirghani Hamza Al Madani (Secretary)
Human Resource & Remuneration Committee	Mr. Talal Said Marhoon Al Mamari - (Chairman) Mr. Samy Ahmed Abdul Qadir Al Ghassany Mr. Aimen Bin Ahmed Al Hosni Mr. Sohail Qadir
Chief Internal Auditor	Mr. Mirghani Hamza Al Madani
Company Secretary	Mr. Rizwan Abdul Hayi
Auditors	Horwath Hussain Chaudhury & Co. Chartered Accountants



An Omantel Company

Legal Advisers

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

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Islami (Pakistan) Ltd
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
IGI Investment Bank Limited
JS Bank Limited
MCB Bank Limited
Mobilink Microfinance Bank Limited
National Bank of Pakistan
NIB Bank Limited
Pak Oman Investment Co. Limited
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
Tameer Microfinance Bank Limited
The Bank of Punjab
United Bank Limited

Registrar and Shares Transfer Office

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

Registered Office/Head Office

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

Webpage

www.worldcall.com.pk

NOTICE OF 17th ANNUAL GENERAL MEETING

Notice is hereby given that 17th Annual General Meeting (“AGM”) of the shareholders of WorldCall Telecom Limited (the “Company” or “WTL”) will be held on Wednesday, 31st May 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 16th Annual General Meeting held on 31 March 2017;
2. To receive, consider and adopt financial statements of the Company for the year ended 31 December 2016 together with Director's and Auditor's report thereon;
3. To appoint Auditors of the Company for the year ending 31 December 2017 and to fix their remuneration.
4. To elect directors of the Company in accordance with the provisions of Section 178(1) of the Companies Ordinance 1984 for a term of 3 (Three) years. The number of directors to be elected has been fixed at 7 (Seven) by the Board of Directors. Names of the present directors retiring and eligible to file for nominations are as under:
 1. Mr. Mehdi Mohamed Al Abduwani
 2. Mr. Talal Said Marhoon Al Mamari
 3. Mr. Samy Ahmed Abdulqadir Al Ghassany
 4. Mr. Sohail Qadir
 5. Dr. Syed Salman Ali Shah
 6. Mr. Shahid Aziz Siddiqui
5. To transact any other business with the permission of the Chair.

By order of the Board



Babar Ali Syed
Chief Executive Officer

9 May 2017
Muscat:

Notes:

1. Closure of Share Transfer Books:

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

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

a. For attending the meeting personally:

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

b. For appointing other members as proxies:

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

- v. Proxy form will be witnessed by two persons whose names, addresses and valid CNIC numbers shall be mentioned on the forms.

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

- i) (name of the person), (designation) is appointed as execution officer for the meeting.
- ii) The instruction to appoint execution officer and opting to e-vote through Intermediary as per the Companies (E-Voting) Regulations, 2016 shall be deposited to the company at least end days before holding of general meeting at 67-A, C-III, Gulberg-III, Lahore or through email member.report@worldcall.pk
- iii) The proxy/e-voting form shall be witnessed by two persons whose names, addresses and CNIC members shall be mentioned on the form.
- iv) The company will arrange for e-voting if the company receives demand for poll from 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

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

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

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 17 واں سالانہ اجلاس عام

بذریعہ ہذا نوٹس مطلع کیا جاتا ہے کہ ورلڈ کال ٹیلی کام لمیٹڈ ("کمپنی" یا "WTL") کے حصص داران کا 17 واں سالانہ اجلاس عام ("AGM") مندرجہ ذیل امور کی انجام دہی کے لئے 31 مئی 2017 بروز بدھ بوقت 11:00 بجے دن انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان 155-156، ویسٹ ووڈ کالونی، ٹھوکر نیاں بیگ، لاہور میں ہونا قرار پایا ہے۔

عمومی امور

1. 16 واں سالانہ اجلاس عام منعقدہ 31 مارچ 2017 کی روئداد/تفصیلات کی تصدیق کرنا۔
 2. 31 دسمبر 2016 کو اختتام پذیر سال کے لئے کمپنی کی مالی سٹیٹمنٹ بمع ڈائریکٹرز اور آڈیٹرز کی رپورٹ کو وصول، زیر غور اور اختیار کرنا۔
 3. 31 دسمبر 2017ء کو اختتام پذیر سال کے لئے آڈیٹرز کو مقرر کرنا اور ان کا مشاہدہ طے کرنا۔
 4. کمپنی آرڈینینس 1984ء کے سیکشن (1) 178 کے قانون کے مطابق تین (3) سال کی مدت کیلئے کمپنی کے ڈائریکٹرز کی تقرری بورڈ آف ڈائریکٹرز کی جانب سے منتخب کئے جانے والے ڈائریکٹرز کی تعداد (7) سات مقرر کی گئی ہے۔ سبکدوش ہونے والے اور نامزدگی داخل کرنے کے اہل ڈائریکٹرز کے نام درج ذیل ہیں:
- | | |
|--|--------------------------------|
| 1۔ مہدی محمد العبدوانی | 2۔ طلال سعید مرحون المعمری |
| 3۔ سہیل قادر | 4۔ ڈاکٹر سید سلمان علی شاہ |
| 5۔ چیرمین کی اجازت سے کسی اور امر پر بحث کرنا۔ | 6۔ شاہد عزیز صدیقی |
| | 7۔ سامی احمد عبدالقادر الغسانی |

09 مئی 2017ء

بحکم بورڈ

بابر علی سید

چیف ایگزیکٹو آفیسر

مسقط:

مندرجات

1. حصص کی منتقلی کی کتاب کی بندش

کمپنی کے حصص کی منتقلی کی کتاب 25 مئی 2017ء سے 31 مئی 2017ء (بشمول دونوں دن) بند رہے گی۔ کمپنی کے رجسٹرار کے دفتر، میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل، C-40، بلاک-6، PECHS، کراچی-75400 میں 24 مئی 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 ہے 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 رجسٹرڈ دفتر واقع C-III، 67-A، گلبرگ III، لاہور میں اجلاس شروع ہونے سے کم از کم 48 گھنٹے پہلے پہنچ جانا چاہئے۔

3. CDC کاؤنٹ ہولڈرز کے لئے ہدایات

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

a. ذاتی طور پر اجلاس میں حاضری کے لئے

- (i) انفرادی طور پر، کھاتہ داران اور ذیلی کھاتہ داران جس کی رجسٹریشن کی تفصیلات قواعد کے مطابق شائع کی گئی ہیں 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 جس پر نامزد شخص کے نمونہ کے دستخط موجود ہوں اجلاس کے موقع پر پیش کرنا ہوگا۔ (اگر یہ پہلے جمع نہیں کرائے گئے)۔

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

- (i) انفرادی طور پر، کھاتہ داران یا ذیلی کھاتہ داران جن کی رجسٹریشن کی تفصیلات قواعد کے مطابق شائع کی گئی ہیں ان کو مندرجہ بالا ہدایات کے مطابق پراکسی فارم جمع کرانا ہوگا۔
- (ii) نمائندہ اور استقامی مالک کے مجاز شناختی کارڈ اور پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ پیش کرنا ہوگی۔
- (iii) نمائندہ کو اجلاس کے موقع پر اصل شناختی کارڈ اور پاسپورٹ پیش کرنا ہوگا۔
- (iv) کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نمونہ کے دستخط (اگر پہلے جمع نہیں کرائے گئے ہیں) پراکسی فارم کے ہمراہ کمپنی میں جمع کرانا ہوگی۔

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

c. ثالث کے ذریعے نمائندے کی حیثیت سے تعینل کرنے والے افسر کی تعیناتی کی تحریری رضامندی فراہم کر کے کمپنی

کے (ای وونگ) 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 memberreport@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 آڈٹ مالیاتی سٹیٹمنٹ

SECP اپنے 8 ستمبر 2014ء 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 آڈٹ 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 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 پتہ میں تبدیلی ہوگئی ہے تو انہیں اپنا رجسٹرڈ پتہ فوراً تبدیل کرنے کی ہدایت کی جاتی ہے۔

SECP کے 10 جولائی 2014ء کو جاری کردہ نوٹیفیکیشن نمبر SRO 634 (I)/2014 کے تحت کمپنی سالانہ اجلاس عام کے انعقاد کے بعد اکیس (21) دن کے اندر اپنی ویب سائٹ www.worldcall.com.pk پر مالی سٹیٹمنٹ اور رپورٹ شائع کرے گی۔

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 پر کریں اور 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 فوئیو نمبر تحت کے مقام پر وڈیو کانفرنس کی سہولت حاصل کرنے کا خواہش مند ہوں۔

رکن کے دستخط

MESSAGE FROM THE CHAIRMAN

Dear shareholders,

Pakistan is currently at an inflection point for digital services and the burgeoning demand for 3G/4G services will continue to rise, so main focus is to grasp the opportunities in the broadband segment with better service offering. New services like digital set-top-boxes will provide much needed entertainment services. 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 in 2014 by signing an agreement for sale of passive infrastructure which is expected to conclude soon. After abolishment of ICH in 2015, Worldcall has successfully rejuvenated its LDI business to capture the opportunities with focus on continuous improvement. Restructuring and rationalization of expenses has been done. Despite all challenges during the year 2016 due to multiple factors like energy crisis, inconsistent tax regime, political instability, curtailed economic activities in the ICT sector etc. Worldcall has closed the loss at PKR 1,265 million compared to PKR 10,633 million last year.

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 timed ahead.

Chairman, Board of Directors of Worldcall Telecom Limited

Muscat:
09 May 2017



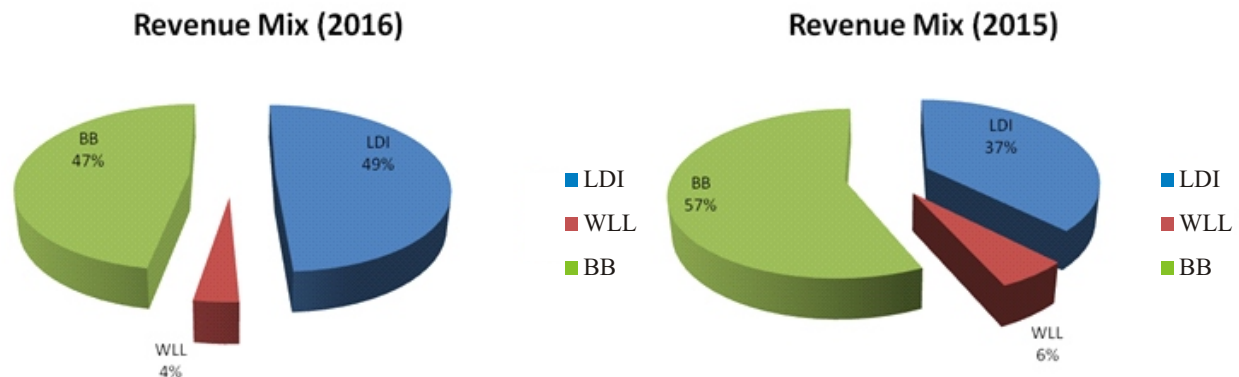
Mehdi Mohammed Al-Abduwani
Chairman, Board of Directors of
Worldcall Telecom Limited

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 2016.

Financial Overview

The current year revenue has closed at PKR 1,820 million compared to PKR 2,192 million corresponding period last year. Segment wise revenue is represented below:



Management focus has been towards revamping of business and organizational structure of the company with more emphasis on profitable business lines and restructuring of loss making segments. The revenue graph depicts that Broadband segment has been one of the main contributors towards top line. Subscribers have moved to the newly launched 3G/4G data services with the increased demand for data. With significant increase in broadband customers requirement of mobile operators to upgrade their infrastructure and hence enhance their reliance on organizations like Worldcall have provided tremendous opportunities to fulfill the surge in these demands. With a huge fiber network across Pakistan, the Company has been ideally positioned as a carrier solution provider to extend quality infrastructure services to telecom operators, financial institutions, educational institutions, SMEs, major corporate entities etc. New services like digital set-top-boxes will provide much needed improved entertainment services which will help to boost revenue and reduction in churn. The Company is fully geared up to capture market share with better service offering and upgraded HFC network.

LDI business has been continued to be a major contributor towards the business through restored operations 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 resulting in growth in LDI business.

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 and economic conditions.

As an initiative for reduction in fixed operational cost in wireless broadband Management has already signed an agreement for sale of passive infrastructure 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 to absorb the direct costs of PKR 2,757 million due to heavy depreciation and amortization charge. The operating cost has witnessed decrease of 18% compared to last year because of restructuring and rationalization of expenses. Consequently operational loss has reduced by approx. 1.3 billion. After accounting for finance cost and taxation, the year has been closed with a net loss of PKR 1,265 million compared to loss of PKR 10,633 million last year.

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

	Year 2016	Year 2015
	Rs in Million	
Revenues - net	1,820	2,192
Direct cost	(2,757)	(4,182)
Gross loss	(938)	(1,991)
Operating cost	(966)	(1,175)
Operating loss	(1,903)	(3,166)
Finance cost	(566)	(678)
Impairment of assets	-	(4,240)
Other income	192	244
Other expenses	(287)	(872)
Loss after tax	(1,265)	(10,633)
Loss per share basic and diluted (Rupees)	(1.72)	(12.79)

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 2998.998 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 13.5 million (USD 9.5 million from the Parent company and USD 4 million from WSL) by April 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 2016 wherein they have given an emphasis of matter para on going concern indicating that the Company has incurred a net loss of Rs. 1,265 million during the year ended 31 December 2016 and the Company's current liabilities exceeded its current assets by Rs. 17,616 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 2016 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 2016 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 2016;
 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 2016.

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, Two (02) meetings of the Board of Directors were held from 01 January 2016 to 31 December 2016. The attendance of the Board members was as follows:

Name of Directors	No of Meetings Attended
Non-Executive Directors	
Mr. Mehdi Mohammed Al Abduwani (Chairman)	2
Mr. Talal Said Marhoon Al Mamari (Vice Chairman)	2
Mr. Aimen bin Ahmed Al Hosni	0
Mr. Samy Ahmed Abdulqadir Al Ghassany	2
Mr. Sohail Qadir	1
Independent Director	
Dr. Syed Salman Ali Shah	2
Mr. Shahid Aziz Siddiq ui	2

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 non-executive director was Rupees 4.2 (2015: Rupees 4.2 million). During the year Meeting fee charged to the financial statements to directors' amount to Rupees 0.17 million (2015: Rupees 2.18 million) for attending board and other meetings, which is not part of remuneration.

Change of Company Secretary

Mr. Saud Mansoor Mohamed Al Mazrooei, resigned as Company Secretary and Mr. Rizwan Abdul Hayi was appointed to fill in the casual vacancy on 16 October 2016. The Board of Directors places on record its appreciation for services rendered by Mr. Saud Mansoor Mohamed Al Mazrooei and welcomes Mr. Rizwan Abdul Hayi .

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. No meeting was held during the year. 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 2016 and other statutory meetings as required by the CCG. Audit Committee consists of following members namely;

Audit Committee Members	Designation
Non-Executive Directors	
Mr. Talal Said Marhoon Al Mamari	Chairman
Mr. Aimen bin Ahmed Al Hosni	Member
Dr. Syed Salman Ali Shah	Member
Independent Director	
Mr. Shahid Aziz Siddiqui	Vice Chairman
Secretary	
Mr. Mirghani Hamza Al Madani	Chief Internal Auditor

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 Horwath Hussain Chaudhury & Co., Chartered Accountants retire and offer

themselves for reappointment. The Board of Directors has recommended their appointment as auditors of the company for the year ending December 31, 2017, 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 2016 and its disclosure as required by the Ordinance and Code of Corporate Governance is annexed with this report.

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

Compliance with Code of Corporate Governance

The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchanges in their Listing Regulations relevant for the year ended 31 December 2016 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 2016 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 2016.

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

Corporate Social Responsibility

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

Health 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

Muscat:

09 May 2017

BABAR ALI SYED
CHIEF EXECUTIVE OFFICER

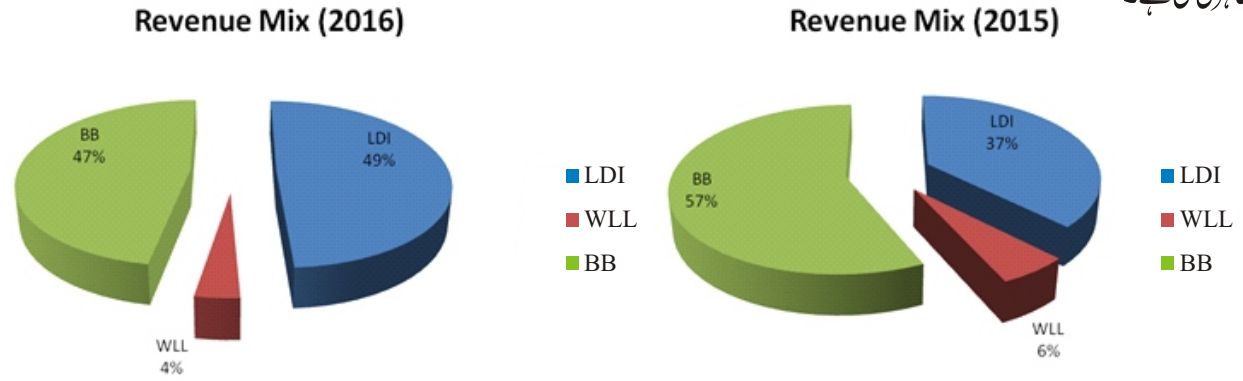
ڈائریکٹر کی رپورٹ

31 دسمبر 2016ء کو اختتام پذیر سال کے لئے

ورلڈ کال ٹیلی کام لمیٹڈ ("ورلڈ کال" یا "کمپنی") کے بورڈ آف ڈائریکٹر 31 دسمبر 2016ء 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

موجودہ سال کی آمدنی PKR1,820 ملین پر بند کر دیا ہے جو کہ گزشتہ سال پاکستانی روپے 2,192 ملین تھی۔ بزنس سیکمنٹ وائز آمدنی کچھ اس طرح سے ظاہر کی گئی ہے۔



مینیجمنٹ کی توجہ نقصان سازی طبقات کو منافع بخش کاروبار بنانے، تنظیم نو اور کمپنی کے تنظیمی ڈھانچے کو بہتر بنانے کی سمت رہی ہے۔ آمدنی کا گراف دیکھا رہا ہے کہ براڈ بینڈ سیکمنٹ کی آمدنی میں اہم شراکت ہے۔ سبسکرائبر حال ہی میں شروع ہونے والی 3G/4G ڈیٹا سروس کو منتقل ہو گئے ہیں۔

پاکستان بھر میں ایک بہت بڑے فائبر نیٹ ورک کے طور پر کمپنی مثالی طور پر ٹیلی کام آپریٹرز، مالیاتی اداروں، تعلیمی اداروں، ایس ایم ایز، بڑے کارپوریٹ اداروں وغیرہ کیلئے معیار کے بنیادی ڈھانچے کی خدمات کو بڑھانے کیلئے ایک کیریئر سلوشن کی حیثیت سے پوزیشن کیا ہے۔ ڈیجیٹل سیٹ ٹاپ کی طرح نئی خدمات بہتر تفریح آمدنی میں اضافہ اور چرن میں کمی کو فروغ دیں گی۔

کمپنی مکمل طور پر بہترین سروس اور اپ گریڈ HFC نیٹ ورک کے ساتھ زیادہ مارکیٹ شیئر حاصل کرنے کیلئے کوشاں ہے۔ ایل ڈی آئی کاروبار فروری 2015 میں آئی سی ایچ کے خاتمے کے بعد بحال شدہ آپریشن کے ذریعے کاروبار میں ایک اہم کٹری بیوٹر ہے۔ کمپنی کی بہت زیادہ کوششوں سے کمپنی نے دونوں مقامی اور بین الاقوامی مارکیٹ میں اپنا شیئر حاصل کرنے کے لئے بہت کوششیں کی ہیں۔ جس کی وجہ سے ایل ڈی آئی کے کاروبار میں ترقی ہوئی ہے۔ وائرلیس براڈ بینڈ ایک بار پھر ٹیکنیکی اور اقتصادی حالات میں بڑی تبدیلی کی وجہ سے کارکردگی میں کمی کے ساتھ ٹاپ لائن میں کم سے کم شراکت کر پایا ہے۔

وائرلیس براڈ بینڈ میں طے آپریشنل لاگت میں کمی کے لئے انتظامیہ نے گزشتہ سال اکتوبر 2014ء میں بے کار ڈھانچے کی فروخت کے لئے ایک معاہدے پر دستخط کئے تھے۔ معاہدے پر عمل درآمد خریدار کی طرف سے طے شدہ ذمہ داری پوری نہ کرنے کی وجہ سے تاخیر کا شکار ہو گیا ہے۔ سیل ایگریمنٹ کو طے شدہ شرائط

کے مطابق مکمل کرنے کے لئے انتظامیہ نے معاملہ اٹھایا ہے۔

موجودہ سال کی آمدنی بھاری فرسودگی اور کساد بازاری کی وجہ سے 2757 ملین روپے کے براہ راست اخراجات کو پورا کرنے کے لئے ناکافی رہی۔ آپریٹنگ کاسٹ میں اخراجات کے جواز اور تنظیم نو کی وجہ سے گزشتہ سال کے مقابلے میں 18 فیصد کمی ریکارڈ کی گئی ہے۔ اس کے نتیجے میں آپریشنل نقصان کم ہو کر تقریباً 1.3 ملین روپے رہ گیا ہے۔ فنانس کاسٹ اور ٹیکسیشن کے بعد موجودہ سال 10,633 ملین روپے (جو کہ گزشتہ سال 1265 ملین روپے تھا) نقصان کے ساتھ بند کر دیا گیا ہے۔

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

سال 2016ء (رقم ملین روپوں میں)	سال 2015ء (restated)	
1,820	2,192	خالص ریونیو
(2,757)	(4,182)	براہ راست اخراجات
(938)	(1,991)	مجموعی نقصان
(966)	(1,175)	آپریٹنگ اخراجات
(1,903)	(3,166)	آپریٹنگ نقصان
(566)	(678)	فنانس کاسٹ
-	(4,240)	اثاثہ جاتی کی خرابی
192	244	دیگر آمدنی
(287)	(872)	دیگر اخراجات
(1,265)	(10,633)	نقصان ماسوائے ٹیکس
(1.72)	(12.79) (روپے)	نقصان فی حصص بنیادی اور تجلیلی

ڈیویڈنڈ

کیش فلو حالات اور توسیع کے منصوبوں پر غور و خوض کے بعد ڈائریکٹرز نے اس سال کے لئے کسی بھی الاؤنس ادا کیلئے 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 ابائی 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 "ایکویٹرز" 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 (488,838,429 عمومی حصص) کا مالک ہوگا جو ابائی کمپنی کے پاس موجود ہیں۔ اور چند قواعد و ضوابط پر عمل کرتے ہوئے فیئرٹ کنسلٹنگ - FZC ابائی کمپنی کے پاس موجود CPS میں سے 85 فی صد CPS مجموعی طور پر 297,500 CPS کی مالک ہوگی۔ SPA کی شرائط کے مطابق، ابائی کمپنی 11.5 ملین ڈالر (1,202.9 ملین روپے تقریباً) کی سرمایہ داری فسطوں میں کرے گی۔ جو کہ SPA کی کامیاب عمل داری پر بعد میں ختم کر دی جائے گی۔

مزید آں کہ ابائی کمپنی کی جانب کمپنی کی واجب الادا 2,684.72 ملین روپے کی رقم ابائی کمپنی کی جانب سے چھوڑ دی جائے گی۔ اور ابائی کمپنی کی جانب سے SPA کی کامیاب عمل داری پرنیشنل بینک آف اومان ("NBO") کا 35 ملین ڈالر (3,668 ملین روپے) کا واجب الادا قرضہ بمع جمع شدہ مارک اپ چھوڑ دیا جائے گا۔ SPA کا حصہ ہونے کی وجہ سے، WSL 4 ملین ڈالر (تقریباً 418.40 ملین روپے) کی رقم کمپنی کو قسٹوں میں دے گی۔ SPA کے مطابق کمپنی نے اس سال کے اختتام تک ٹوٹل 9.3 ملین ڈالر وصول کئے ہیں۔ یہ وصول شدہ رقم بنیادی اور جزوی طور پر واجب الادا پرنیشنل مالی اور قانونی واجبات کو ادا کرنے میں استعمال ہوگی۔

مندرجہ بالا اعمال کی بنیاد پر اور ٹیکنالوجیکل 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 داری کر کے اپنے گاہکوں کی تعداد، فروختگی کا حجم، بین الاقوامی ٹرمینیشن آمدنی کو بڑھانے، EVDO کاروبار کی بڑھوتری، غیر فعال اثاثہ جات کی فروخت (ٹاور، سول ورک اور جینسیٹ 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 قرضوں 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 سے تمام سٹیک ہولڈرز مستفید ہوں گے۔ کمپنی موجودہ فنانس سہولیات ری شیڈلنگ کے عمل میں بھی ہے جس کی وجہ سے مالی ذمہ داریوں کو پورا کرنے میں کافی حد تک آسانی رہے گی۔

خدمات جیسا کہ Voice اونچائی کی منزلیں طے کر رہی ہیں پس ڈیٹا مستقبل 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 پیشکش اعلیٰ سطحی CAS کے ذریعے ڈیجیٹل پیشکش کو حقیقی رنگ دیا گیا ہے۔ 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 کمپنی کی مالی حالت کے بہتر ہونے کی توقع ہے۔

آڈیٹری رپورٹ

31 دسمبر 2016ء کو اختتام پذیر سال کے لئے بیرونی آڈیٹرز نے کمپنی کی مالی سٹیٹمنٹس پر اپنی unqualified رائے دی ہے۔ جس میں انہوں نے اس معاملے پر زور دیا ہے کہ کمپنی نے 31 دسمبر 2016ء کو اختتام پذیر سال کے دوران 10,633 ملین روپے کا خسارہ برداشت کیا ہے۔ اور موجودہ قرضے اس کے موجودہ اثاثوں سے 17,616 ملین روپے بڑھ گئے ہیں۔ یہ حالات بمع دیگر معاملات جونوٹ 2.2 میں درج ہیں، مادی غیر یقینی کی صورت حال کو ظاہر کرتے ہیں جو کمپنی کے کاروبار کو جاری رکھنے کی اہلیت کو شک میں ڈال دیتی ہے۔ تاہم کمپنی کی انتظامیہ کو یقین ہے کہ کمپنی کا کاروبار جاری رہے گا۔ اور کاروبار کو جاری رکھنے کی توقعات مناسب ہیں جو مالیاتی سٹیٹمنٹس کو تیار کرنے کے لئے استعمال ہوئی ہیں جو کہ نوٹ 2.2 میں بیان کی گئی ہیں۔

کاروباری اور مالیاتی رپورٹنگ فریم ورک پر بیان

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

- ☆ 31 دسمبر 2016ء کو اختتام پذیر سال کے لئے مالیاتی اسٹیٹمنٹس 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 2016ء کو اختتام پذیر سال کے لئے مالیاتی اسٹیٹمنٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے۔ اور اکاؤنٹنگ تخمینے مناسب اور قابل فیصلوں کو مد نظر رکھ کر لگائے گئے ہیں۔
- ☆ مالیاتی اسٹیٹمنٹس کی تیاری کے لئے بین الاقوامی مالیاتی رپورٹنگ سٹینڈرڈ (IFRS)، جس کا اطلاق پاکستان میں ہوتا ہے، کو مد نظر رکھا گیا ہے۔
- ☆ اندرونی کنٹرول بہت اعلیٰ ہے اور اس پر موثر طریقے سے عمل درآمد اور نگرانی ہو رہی ہے۔
- ☆ کارپوریٹ گورننس کی بہترین عمل داری کوئی ابہام نہیں جیسا کہ لسٹنگ ریگولیشنز میں بتایا گیا ہے۔
- ☆ گذشتہ 6 تھہ سالوں کا آپریٹنگ اور مالیاتی ڈیٹا اس رپورٹ میں بیان کیا گیا ہے۔
- ☆ 31 دسمبر 2016ء کو اختتام پذیر سال کے لئے واجب الادا ٹیکس اور لیوی/ڈیفالٹ کی معلومات مالیاتی اسٹیٹمنٹس کے Notes میں بیان کی گئی ہیں۔

بورڈ آف ڈائریکٹرز

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

زیر جائزہ سال کے دوران، 01 جنوری 2016ء سے 31 دسمبر 2016ء تک بورڈ آف ڈائریکٹرز کے دو (02) اجلاس منعقد ہوئے۔ بورڈ کے اراکین کی حاضری مندرجہ ذیل ہے۔

ڈائریکٹر کے نام	اجلاس میں حاضریوں کی تعداد
غیر-ایگزیکٹو ڈائریکٹرز	
جناب مہدی محمد العبدوانی (چیئر مین)	2
جناب طللال سعید مرہون الحمیری (وائس چیئر مین)	2
جناب ایمن بن احمد الحسنی	0
جناب سامی احمد عبدالقادر الغسانی	2
جناب سہیل قادر	1
آزاد ڈائریکٹرز	
ڈاکٹر سید سلمان علی شاہ	2
جناب شاہد عزیز صدیقی	2

- ☆ بورڈ کے اجلاس میں شریک نہ ہونے والے ارکان کو غیر حاضری کی رخصت دی گئی۔
- ☆ مالیاتی اسٹیٹمنٹس میں 7 غیر ایگزیکٹو ڈائریکٹروں کی ایڈوائزری فیس کی مجموعی رقم 4.2 ملین روپے (2015: 4.2 ملین روپے) تھی۔ مالیاتی اسٹیٹمنٹس میں ڈائریکٹرز کو جاری کی جانے والی رقم سال کے دوران اجلاس / ایڈوائزری فیس کی مد میں بورڈ یا دوسرے اجلاسوں میں شرکت کے لئے 0.17 ملین روپے (2015: 2.18 ملین روپے) کی رقم جاری کی گئی جو مالیاتی اسٹیٹمنٹس میں درج ہے۔

کمپنی سیکرٹری کی تبدیلی

- ☆ جناب سعود منصور المزروئی، کمپنی سیکرٹری کے عہدہ سے مستعفی ہوئے اور جناب رضوان عبداللہی کو خالی نشست پر کرنے کیلئے 16 اکتوبر 2016ء کو مقرر کیا گیا۔ بورڈ آف ڈائریکٹرز جناب سعود منصور المزروئی کی خدمات کو قدر کی نگاہ سے دیکھتے ہیں اور جناب رضوان عبداللہی کو خوش آمدید کہتے ہیں۔

بورڈ کی کمیٹیاں

بورڈ نے مندرجہ ذیل کمیٹیاں قائم کیں:

- ☆ آڈٹ کمیٹی
 - ☆ ہیومن ریسورس اور ریوینویشن 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 چیئرمین غیر ایگزیکٹو ڈائریکٹر اور وائس چیئرمین آزاد ڈائریکٹر ہے۔ سال کے دوران آڈٹ کمیٹی کا کوئی اجلاس نہیں بلایا گیا۔ مالیات کے جائزے کے لئے بورڈ آف ڈائریکٹرز کے اجلاس کے ہر انعقاد کے ساتھ آڈٹ کمیٹی کا اجلاس بلایا گیا۔ ان اجلاسوں میں 31 دسمبر 2016ء 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	
غیر ایگزیکٹو ڈائریکٹرز	
چیئرمین	جناب مہدی محمد العبدوانی
رکن	جناب ایمن بن احمد الحسینی
رکن	ڈاکٹر سید سلمان علی شاہ
آزاد ڈائریکٹرز	
وائس چیئرمین	جناب شاہد عزیز صدیقی
یکریٹری	
چیف انٹرنل آڈیٹر	جناب میرغنی حمزہ المدنی

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

ہیومن ریورس اور مشاہرہ (HR & R) کمیٹی

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

ہیومن ریورس اور مشاہرہ کمیٹی کے ارکان	
چیئرمین	جناب طلال سعید مہون الحمیری
رکن	جناب سامی احمد عبدالقادر الغسانی
رکن	جناب ایمن بن احمد الحسینی
رکن	جناب سہیل قادر

HR & R کمیٹی کمپنی کے ہیومن ریورس کی تشکیل کے جائزے کی ذمہ دار ہے اور کارپوریٹ گورننس کے ضابطہ کے مطابق ٹرمز آف ریفرنس میں درج ضروریات کے مطابق کام کرتی ہے۔ انسانی وسائل کی ترقی کے اہم شعبہ میں بہتری کے لئے یہ کمیٹی تشکیل دی گئی ہے۔ اس کا مقصد بورڈ کو مشورہ دینا اور انتظامیہ

کو انتظامی کارکردگی، HR-سٹاف کی بھرتی، جرمانہ اور فوائد سے متعلق ماریٹ میں موجود HR پالیسیوں کی بناوٹ کے بارے میں آگاہ کرنا ہے۔ انتخاب، اندازے اور CEO، COO، CFO، کمپنی سیکرٹری اور انٹرنل آڈٹ کے سربراہ کے مشاہرے کا بھی جائزہ لیا جائے گا اور کمیٹی کی جانب سے بورڈ کو سفارش کی جائے گی۔

ایگزیکٹو کمیٹی

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

عہدہ	ایگزیکٹو کمیٹی اراکین
چیئرمین	جناب مہدی محمد العبدوانی
وائس چیئرمین	جناب طلال سعید مرہون الحمیری
رکن	جناب ایمین بن احمد الحسنی
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 نگرانی 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

موجودہ آڈیٹرز میسرز ہارورٹھ حسین چودھری اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں۔ اور دوبارہ تعیناتی کے خواہش مند ہیں۔ بورڈ آف ڈائریکٹرز نے ان کو اختتام پر پیر سال 31 دسمبر 2017ء تک کمپنی کے آڈیٹ کے طور پر تعینات کرنے کی سفارش کی ہے۔ اور فیس پر دونوں کا باہمی اتفاق ہو گیا ہے۔ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول جائزہ کے پروگرام اور بین الاقوامی فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ضابطہ اخلاق جن کا اطلاق انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کرتی ہے کی ہدایات کی تعمیل کے تحت انہوں نے تسلی بخش درجہ حاصل کرنے کی توثیق کی ہے۔

ہولڈنگ کمپنی

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 موصلاتی 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 ڈائریکٹر جائزہ کے مندرجات کی توثیق کرتے ہیں۔

شیئر ہولڈنگ کا پیٹرن

31 دسمبر 2016ء کو کمپنی کا شیئر ہولڈنگ کے پیٹرن اور اس کا انکشاف کارپوریٹ گورننس کے ضابطہ اور آرڈیننس کے تحت رپورٹ کے ساتھ منسلک ہے۔ پیٹرن آف شیئر ہولڈنگ میں درج اجازت نامے کے علاوہ ڈائریکٹرز، چیف ایگزیکٹو آفیسر، کمپنی سیکرٹری، چیف فنانسینشل آفیسر، چیف انٹرنل آڈیٹر، چیف آپریٹنگ آفیسر اور انے اہلیان یا نابالغان نے زیر جائزہ سال کے دوران حصص کی خرید و فروخت کے متعلق کوئی لین دین نہیں کیا ہے۔

کارپوریٹ گورننس کے ضابطہ کی تعمیل

31 دسمبر 2016ء کو اختتام پذیر سال کے لئے پاکستان سٹاک ایکسچینج کے لسٹنگ قواعد کے مطابق کارپوریٹ گورننس کے ضابطہ کو کمپنی نے کلی طور پر اختیار کیا ہے اور اس پر من وعن عمل کیا ہے۔ اس کے حقائق کا بیان اس رپورٹ کے ساتھ منسلک ہے۔

تبدیلیاں

31 دسمبر 2016ء کو اختتام پذیر سال سے لے کر رپورٹ کی تاریخ تک کوئی تبدیلی نہیں دیکھی گئی۔ بجائے اس کے جو اس سالانہ رپورٹ میں منکشف ہیں اور کمپنی نے کسی قسم کا معاہدہ نہیں کیا ہے جو کمپنی کی مالی حالت کو متاثر کرے۔ بجائے اس کے کہ جو 31 دسمبر 2016ء کو اختتام پذیر سال کے لئے کمپنی کی مالی اسٹیٹمنٹس میں بتائے گئے ہیں۔

قانونی تعمیل

سال کے دوران کمپنی نے تمام قوانین پر عمل کیا ہے، تمام ریٹرنز/فارم جمع کروائے ہیں اور کمپنیز آرڈیننس 1984ء اور اس سے متعلق تمام ضوابط، 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 بمع کمپنی کا پروفائل موجود ہے۔ اپنے گاہکوں کو سہولت فراہم کرنے کی غرض سے کمپنی کی اپنی کمرشل ویب سائٹ www.worldcall.net.pk بھی موجود ہے جس میں پراڈکٹ اوکونی کی جانب سے پیش کردہ خدمات تفصیل دستیاب ہے۔

کارپوریٹ سماجی ذمہ داری

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

صحت اور تحفظ اور ماحول

کمپنی پوری ذمہ داری سے اپنا کاروبار 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 پر عزم 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 و اوجھ 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 پر عزم 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 بد حالی کے عرصہ میں پر عزم رہنے میں مدد دی۔ کمپنی اپنے ملازمین کی مسلسل کوششوں اور گراں قدر شراکت کے وجہ سے ہمیشہ شکر گزار 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 ابا کی کمپنی کی جانب سے مسلسل حمایت اور معاونت کے بھی شکر گزار 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

Balaram

بابر علی سید
چیف ایگزیکٹو آفیسر

مسقط:

09 مئی 2017ء

SIX YEAR FINANCIAL PERFORMANCE INCOME STATEMENTS

	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12	Dec 11	
	-----Rupees in thousands-----						
Revenue - net	1,819,706	2,191,552	2,314,753	3,187,636	7,118,825	8,001,013	
Direct cost	(2,757,248)	(4,394,968)	(3,374,721)	(4,042,699)	(6,606,299)	(6,012,774)	
Gross (loss)/profit	(937,542)	(2,203,416)	(1,059,968)	(855,063)	512,526	1,988,239	
Operating cost	(965,531)	(1,519,902)	(1,269,307)	(1,569,984)	(1,946,468)	(1,460,237)	
Operating (loss)/profit	(1,903,073)	(3,723,318)	(2,329,275)	(2,425,047)	(1,433,942)	528,002	
Finance cost	(566,329)	(677,792)	(1,408,248)	(636,182)	(1,245,090)	(714,654)	
	(2,469,402)	(4,401,110)	(3,737,523)	(3,061,229)	(2,679,032)	(186,652)	
Gain on re-measurement of investment property at fair value	-	15,320	(39,774)	-	-	-	
Impairment loss on available for sale financial assets	-	(4,240,451)	-	(19,656)	(265,365)	(26,508)	
Other income	192,335	243,999	490,489	85,145	694,172	504,213	
Other operating expenses	(286,743)	(314,443)	(27,171)	(520,199)	(370,392)	(190,216)	
(Loss)/profit before taxation	(2,563,810)	(8,696,685)	(3,313,979)	(3,515,939)	(2,620,617)	100,837	
Taxation	1,299,074	(1,936,202)	516,765	1,214,359	970,975	189,413	
(Loss)/profit after taxation	(1,264,736)	(10,632,887)	(2,797,214)	(2,301,580)	(1,649,642)	290,250	
(Loss)/earning per share - basic	(Rupees)	(1.72)	(12.79)	(3.30)	(2.78)	(1.92)	0.34
(Loss)/earning per share - diluted	(Rupees)	(0.40)	(3.19)	(0.85)	(1.44)	(1.92)	0.34

**STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES ON
TRANSFER PRICING FOR THE YEAR ENDED
31 DECEMBER 2016**

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:
09 May 2017

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2016

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

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

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

Category	Names
Independent Directors	Mr. Shahid Aziz Siddiqui Dr. Syed Salman Ali Shah
Non- Executive Directors	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 5.19.1 (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy was occurred in the Board during the year.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained. The board is in the process of formulating a mechanism for annual evaluation of its own performance. The same has been not been conducted during the year.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the 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 two meetings which were held on a shorter notice. The minutes of the meetings were appropriately recorded and circulated.
9. 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), Head of Internal Audit during the year, including their remuneration and terms and conditions of employment, Except Mr. Rizwan Abdul Hayi as Company Secretary appointed in replacement of Mr. Saud Mansoor Mohamed Al Mazrooei.
11. The directors' report for the year ended 31 December 2016 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.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. The company has complied with the requirement relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

Muscat:
09 May 2017

For and on behalf of the Board



BABAR ALI SYED
CHIEF EXECUTIVE OFFICER

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of Worldcall Telecom Limited ("the Company") for the year ended December 31, 2016 to comply with the Rule No. 5.19.24 of the Rule Book of Pakistan Stock Exchange where the Company is listed.

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

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

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

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

- a) No quarterly financial statements of the Company were published during the year.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended December 31, 2016.

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

Serial No.	Description
6	The Board of Directors is in the process of formulating a mechanism for annual evaluation of its own performance. The same has not been conducted during the year.
8	Only two meetings of the board were held during the year.
8	Two meetings of the Board of Directors were held on a shorter notice than required.
16	No meeting of the audit committee was held during the year.

LAHORE
9 May 2017



HORWATH HUSSAIN CHAUDHURY & CO.
Chartered Accountants

(Engagement Partner: Amin Ali)

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **WorldCall Telecom Limited** as at December 31, 2016 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.

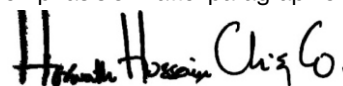
We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, 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 accounts 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 the 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 December 31, 2016 and of the loss, total comprehensive loss, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

We draw attention to Note 2.2 of accompanied financial statements which states that the Company incurred a net loss of Rs. 1.265 billion during the year ended December 31, 2016 and the accumulated loss stands at Rs. 18.755 billion as at December 31, 2016. As of that date, the Company's current liabilities exceeded its current assets by Rs. 17.616 billion. These factors indicate the existence of a material uncertainty, which may cast significant doubt on the Company's ability to continue as going concern. Our opinion is not qualified in respect of this matter.

The financial statements of the Company for the year ended December 31, 2015 were audited by another auditor who issued a modified report on those financial statements by including an emphasis of matter paragraph on March 7, 2017.

LAHORE
9 May 2017



HORWATH HUSSAIN CHAUDHURY & CO.
Chartered Accountants

(Engagement Partner: Amin Ali)

BALANCE SHEET AS AT DECEMBER 31, 2016

	Note	2016 ------(Rupees in '000)-----	2015 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	5	8,079,493	8,084,786
Intangible assets	6	3,088,720	2,352,039
Investment properties	7	38,520	38,520
Long term trade receivable	8	77,061	91,953
Deferred taxation	9	2,531,937	1,500,000
Long term loans	10	3,211	2,878
Long term deposits	11	32,641	36,046
		<u>13,851,583</u>	<u>12,106,222</u>
CURRENT ASSETS			
Stores and spares	12	88,179	115,535
Stock-in-trade	13	67,290	67,175
Trade debts	14	761,262	481,246
Loans and advances	15	141,389	80,590
Deposits and prepayments	16	431,819	420,179
Short term investments	17	150,799	87,860
Other receivables	18	119,486	300,149
Income tax recoverable - net		31,440	43,730
Cash and bank balances	19	119,970	29,900
		<u>1,911,634</u>	<u>1,626,364</u>
Non-Current Assets Classified as Held for Sale	20	-	892,883
		<u>1,911,634</u>	<u>2,519,247</u>
CURRENT LIABILITIES			
Current portion of non-current liabilities	21	5,247,019	5,231,057
Short term borrowings	22	960,677	563,902
License fee payable	23	1,021,500	1,021,500
Trade and other payables	24	11,914,311	10,703,621
Accrued mark up	25	384,092	253,644
		<u>19,527,599</u>	<u>17,773,724</u>
		(17,615,965)	(15,254,477)
NET CURRENT LIABILITIES			
NON-CURRENT LIABILITIES			
Term finance certificates	26	-	-
Long term financing	27	42,887	87,750
Retirement benefits	28	274,930	373,998
Liabilities against assets subject to finance lease	29	-	1,609
Long term payables	30	743,255	526,250
Long term deposits		35,136	35,136
		<u>(1,096,208)</u>	<u>(1,024,743)</u>
Contingencies and Commitments	31	-	-
		<u>(4,860,590)</u>	<u>(4,172,998)</u>
REPRESENTED BY			
Share Capital and Reserves			
Authorized share capital:			
1,500,000,000 (2015: 1,500,000,000) ordinary shares of Rs 10 each		<u>15,000,000</u>	<u>15,000,000</u>
500,000 (2015: 500,000) preference shares of USD 100 each (USD 50,000,000 equivalent to Rs 6,000,000,000)		<u>6,000,000</u>	<u>6,000,000</u>
Ordinary share capital	32	8,605,716	8,605,716
Preference share capital	33	3,537,700	3,537,700
Capital reserves:			
- Share premium reserve	34	837,335	837,335
- Fair value reserve		85,910	22,971
- Exchange translation reserve		130,300	130,300
Revenue reserve: Accumulated loss		<u>(18,755,400)</u>	<u>(17,307,020)</u>
		(5,558,439)	(4,172,998)
Surplus on Revaluation of Fixed Assets	35	697,849	-
		<u>(4,860,590)</u>	<u>(4,172,998)</u>

The annexed notes 1 to 51 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Note	2016 ------(Rupees in '000)-----	2015 (Restated)
Revenue - net	36	1,819,706	2,191,552
Direct cost	37	<u>(2,757,248)</u>	<u>(4,182,423)</u>
Gross Loss		(937,542)	(1,990,871)
Operating cost	38	<u>(965,531)</u>	<u>(1,174,913)</u>
Operating Loss		(1,903,073)	(3,165,784)
Finance cost	39	(566,329)	(677,792)
Impairment of assets	5.1.2	-	(4,240,451)
Change in fair value of investment properties	7	-	15,320
Other income	40	192,335	243,999
Other expenses	41	<u>(286,743)</u>	<u>(871,977)</u>
Loss before Taxation		(2,563,810)	(8,696,685)
Taxation	42	1,299,074	(1,936,202)
Net Loss for the Year		<u><u>(1,264,736)</u></u>	<u><u>(10,632,887)</u></u>
Loss per share - basic and diluted (Rupees)	43	<u><u>(1.72)</u></u>	<u><u>(12.79)</u></u>

The annexed notes 1 to 51 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016	2015
	------(Rupees in '000)-----	
Loss for the Year	(1,264,736)	(10,632,887)
Other comprehensive income:		
<i>Items that will not be reclassified to profit or loss:</i>		
- Remeasurement of post retirement benefit obligation - net of tax	10,212	11,819
<i>Item that may be subsequently reclassified to profit or loss:</i>		
- Changes in fair value of available-for-sale financial assets	62,939	27,058
- Accumulated fair value gain on investment disposed of transferred to profit or loss	-	(7,363)
Other Comprehensive Income - net of tax	73,151	31,514
Total Comprehensive Loss for the Year - Net of Tax	<u>(1,191,585)</u>	<u>(10,601,373)</u>

The annexed notes 1 to 51 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
Note	----- (Rupees in '000) -----	(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (used in) / generated from operations	44 (28,913)	413,056
<i>Decrease/(increase) in non-current assets:</i>		
- Long term loans	(333)	924
- Long term deposits	1,613	1,038
- Long term trade receivables	14,892	18,427
<i>Decrease in non-current liabilities:</i>		
- Long term deposits	-	(285)
Retirement benefits paid	(43,201)	(33,379)
Finance cost paid	(123,195)	(303,333)
Income tax paid	(33,949)	(43,519)
Net Cash (Used) Generated from Operating Activities	<u>(235,826)</u>	<u>52,929</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(41,529)	(340,855)
Proceeds from disposal of property, plant and equipment	1,160	45,445
Net Cash Used in Investing Activities	(40,369)	(295,410)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing acquired	-	3,555,300
Initial loan transaction cost paid	-	(39,616)
Redemption of term finance certificates	-	(126,625)
Repayment of long term financing	(29,128)	(3,445,479)
Short term borrowings - net	396,775	(79,988)
Repayment of liabilities against assets subject to finance lease	(1,382)	(1,210)
Net Cash Generated from/(Used in) in Financing Activities	<u>366,265</u>	<u>(137,618)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	90,070	(380,099)
Cash and cash equivalents at the beginning of the year	29,900	409,999
Cash and Cash Equivalents at the End of the Year	19 <u>119,970</u>	<u>29,900</u>

The annexed notes 1 to 51 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2016

Particulars	Share Capital		Capital Reserves			Revenue Reserve	Total
	Ordinary Share Capital	Preference Share Capital	Share Premium	Fair Value Reserve	Exchange Translation Reserve		
Balance as at December 31, 2014	8,605,716	3,537,700	837,335	3,276	(16,700)	(6,373,241)	6,594,086
Net 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 income / (loss) for the year - net of tax	-	-	-	19,695	-	(10,621,068)	(10,601,373)
Incremental depreciation for the year on 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)
Balance as at December 31, 2015	8,605,716	3,537,700	837,335	22,971	130,300	(17,307,020)	(4,172,998)
Net loss for the year	-	-	-	-	-	(1,264,736)	(1,264,736)
Other comprehensive income for the year - net of tax	-	-	-	62,939	-	10,212	73,151
Total comprehensive income / (loss) for the year - net of tax	-	-	-	62,939	-	(1,254,524)	(1,191,585)
Incremental depreciation for the year on surplus on revaluation of fixed assets	-	-	-	-	-	23,150	23,150
Dividend on preference shares	-	-	-	-	-	(217,006)	(217,006)
Total transactions with owners, recognized directly in equity	-	-	-	-	-	(217,006)	(217,006)
Balance as at December 31, 2016	8,605,716	3,537,700	837,335	85,910	130,300	(18,755,400)	(5,558,439)

(Rupees in '000)

The annexed notes 1 to 51 form an integral part of these financial statements.


DIRECTOR


CHIEF EXECUTIVE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

1. The Company and its Operations

- 1.1 Worldcall Telecom Limited ("the Company") is a public limited company incorporated in Pakistan on March 15, 2001 under the Companies Ordinance, 1984 (the "Ordinance"). Its shares are quoted on the Pakistan Stock Exchange Limited ("PSX"). The Company commenced its operations on December 01, 2004 and is engaged in providing Wireless Local Loop ("WLL") and Long Distance & International ("LDI") services in Pakistan; re-broadcasting international/national satellite/terrestrial wireless and cable television and radio signals 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.
- 1.2 Oman Telecommunications Company SAOG (the "Parent company") owns 488,839,429 ordinary shares i.e. 56.80% (2015: 488,839,429 ordinary shares - 56.80%) and 350,000 preference shares - 100% (2015 : 200,000 preference shares - 57.14%) of the Company.
- 1.3 As stated in Note 2.2, a share purchase agreement (SPA) has been signed during the year between the Parent company and the acquirers, through which 488,839,429 ordinary shares (56.80% ordinary shares) and 297,500 preference shares (85% preference shares) of the Company shall be acquired by the acquirers from the Parent company. The execution of the said SPA is in process.

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Going concern assumption

The Company has incurred a net loss of Rs. 1.265 billion (2015: Rs. 10.633 billion) during the year ended December 31, 2016 while the accumulated loss stands at Rs. 18.755 billion (2015: Rs. 17.307 billion) as at December 31, 2016. Current liabilities exceed current assets by Rs. 17.616 billion (2015: Rs. 15.254 billion) and the Company has a negative equity of Rs. 4.861 billion (2015: Rs. 4.173 billion) as of that date. These conditions, alongwith the factors discussed in the foregoing paragraphs and note 31, indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent on its ability to attain satisfactory levels of profitability and liquidity in 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 risk assessment and mitigation plan of following factors:

Risk exposure of Going Concern Assumption - major risks

As disclosed in financial statements	Nature of risk factor	Amounts	Amounts
		2016	2015
----- (Rupees in '000) -----			
Note 22	Short term borrowings that were not renewed	129,400	33,300
Note 23	Payable towards PTA for Annual License Fee	1,021,500	1,021,500
Note 24.1	Payable towards the Parent Company	2,998,998	2,684,723
Note 27.1	Payable towards Bank of Oman	3,668,000	3,668,000
Note 24.2	Payable towards PTA for annual radio spectrum fee (WLL)	340,330	305,780
Note 24.5	Payable towards PTA for APC charges	1,766,190	1,766,190
Note 26	Payable towards TFC holders for immediate redemption	1,517,110	1,517,110

Risk exposure of Going Concern Assumption - Risk mitigating factors

The management, however, believes that the going concern assumption used in preparation of these financial statements is valid on the basis of effective arrangements made by it. These arrangements have been mainly based on injection of funds into the Company, and adjustment of some of its major liabilities, pursuant to a Share Purchase Agreement ("SPA"). As stated in the extracts of minutes of the Company's Board of Directors' meeting held on October 16, 2016, a SPA was executed on October 11, 2016 by and 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 transpiring from the above-mentioned extract of minutes, the terms of SPA require that WSL will acquire 56.8% ordinary shares (488,839,429 ordinary shares) of the Company and Ferret Consulting – F.Z.C will acquire 85% CPS (297,500 CPS) from the Parent company. The acquisition/transfer of ordinary shares and preference shares shall be completed on fulfilment of certain terms and conditions, which include, inter alia, the injection of funds into the Company and adjustment of some of its major liabilities, as per following details:

- i) As per the terms of the SPA, the Parent company will provide a funding of USD 11.5 million (approximately Rs. 1.202 billion) to the Company in tranches which will be waived-off later on successful execution of the SPA. As on the reporting date, an amount of USD 5.3 million (approximately Rs. 579.69 million) has been provided by the Parent company as per conditions agreed in SPA (refer to Note 24). Subsequently, the Company has further received USD 4.2 million from the Parent company till April 2017. The management believes the balance amount will be received in due course, as the progress on execution of SPA continues.
- ii) As per the terms of the SPA, the liability of the Company towards the Parent company amounting to Rs. 2.999 billion (refer note 24.1) will be waived off by the Parent company. The management believes that the Parent Company will waive off this amount, as agreed, upon successful completion of other covenants of the SPA.
- iii) As per the terms of the SPA, the Parent company will assume National Bank of Oman's ("NBO") loan of USD 35 million (Rs. 3.668 billion) alongwith its accrued markup. The management believes that Parent company will take up / novate this loan, as agreed, upon successful completion of other covenants of SPA.

- iv)** As part of the SPA, WSL will provide USD 4 million (approximately Rs. 419.20 million) to the Company in tranches as a loan that will not be repaid before the conclusion of SPA. As on the reporting date, the said amount has been duly received from WSL (refer to Note 22).
- v)** Apart from the SPA, WSL will further arrange to provide USD 5 million (approximately Rs. 523 million) for operations and business enhancement. The management intends to apply these funds for replenishment of the Company's inventory, mainly for the purchase of Customer Premises Equipment (CPEs) in order to increase customer base and revenue. The management believes that the said amount will be received in due course, once the execution of SPA is successfully completed.
- vi)** Furthermore, WSL, based on certain commitments of an investor, has assured support to the Company for continuing as a going concern through its letter to the Company's Board of Directors.
- vii)** 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, generate profitable operations and settle liabilities. The Company started the right sizing of its human resources during 2016 which was completed subsequent to reporting date in January 2017. The Company is making progress on the business plan on a step-to-step basis.
- viii)** As on reporting date, there is a net current liability position of Rs. 17.616 billion (2015: Rs. 15.254 billion). The Company's management believes that this gap between current assets and current liabilities includes amounts aggregating to Rs. 12.094 billion that will either be reclassified to long term or will be waived off pursuant to successful completion of SPA. This may be indicated by following breakup:

As appearing in financial statements	Items that will either be reclassified to Long term or will be waived off pursuant to SPA	Amounts (Rupees in Thousands)
Note 23	PTA liability license fee payable to be scheduled to be paid in installments	1,021,500
Note 24.1	Waiver of amount payable to the Parent company	2,998,998
Note 24.6	Funds received from Parent Company under SPA	579,659
Note 27.1	Bank of Oman's loan that will be taken up by Parent company	3,668,000
Note 24.5	Payable to PTA against APC charges to be scheduled to be paid in installments	1,766,190
Note 24	Other liabilities that will be waived off / written back	542,134
Note 26	Rescheduling of liability towards TFC holders after continuing negotiations	1,517,110
		12,093,591

On the basis of above discussion, the Company's management believes that risk factors and significant uncertainties creating doubts about the Company's ability to continue as going concern, have been adequately mitigated. Consequently, these financial statements have been prepared on the basis of going concern assumption.

2.4 Functional and presentation currency

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

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

2.5.1 The following standards and amendments to published accounting standards were effective during the year and have been adopted by the Company:

		Effective date [annual periods beginning on or after]
IFRS 5	Non-current Assets Held for Sale and Discontinued Operation [Amendments]	January 01, 2016
IFRS 7	Financial Instruments: Disclosures [Amendments]	January 01, 2016
IFRS 10	Consolidated Financial Statements [Amendments]	January 01, 2016
IFRS 11	Joint Arrangements [Amendments]	January 01, 2016
IFRS 12	Disclosure of Interests in Other Entities [Amendments]	January 01, 2016
IAS 1	Presentation of Financial Statements [Amendments]	January 01, 2016
IAS 16	Property, Plant and Equipment [Amendments]	January 01, 2016
IAS 19	Employee Benefits [Amendments]	January 01, 2016
IAS 27	Separate Financial Statements [Amendments]	January 01, 2016
IAS 28	Investment in Associates and Joint Ventures [Amendments]	January 01, 2016
IAS 34	Interim Financial Reporting [Amendments]	January 01, 2016
IAS 38	Intangible Assets [Amendments]	January 01, 2016

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

		Effective date [annual periods beginning on or after]
IFRS 1	First-Time Adoption of International Financial Reporting Standards	January 01, 2009
IFRS 9	Financial Instruments	January 01, 2018
IFRS 14	Regulatory Deferral Accounts	January 01, 2016
IFRS 15	Revenue from Contracts with Customers	January 01, 2018
IFRS 16	Leases	January 01, 2019

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

		Effective date [annual periods beginning on or after]
IFRS 12	Disclosure of Interests in Other entities [Amendments]	January 01, 2017
IAS 7	Statement of Cash Flows [Amendments]	January 01, 2017
IAS 12	Income Taxes [Amendments]	January 01, 2017
IAS 28	Investment in Associates and Joint Ventures [Amendments]	January 01, 2018
IAS 40	Investment Property [Amendments]	January 01, 2018
IFRIC 20	Foreign Currency Transactions and Advances Consideration	January 01, 2018

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

3. Basis of measurement

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

3.1 Use of estimates and judgments

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

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

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.

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

Increases in the carrying amount arising on revaluation of assets are credited to surplus on revaluation of fixed assets. Decreases that offset available surplus are charged against this surplus and all other

decreases are charged to the profit and loss account. Each year the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the profit and loss account) and depreciation based on the asset's original cost - incremental depreciation on revalued assets is transferred from surplus on revaluation of fixed assets to retained earnings (accumulated loss). All transfers from surplus on revaluation of fixed assets are net of applicable deferred taxation.

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

Depreciation on additions is charged from the month in which the assets are available for use while no depreciation is charged in the month in which the assets are disposed off. Rates of depreciation are disclosed in Note 5.1.

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

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with items will flow to the Company and the cost of the item can be measured reliably. All other 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. Assets subject to finance lease are initially recognized at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. Subsequently these assets are stated at cost less accumulated depreciation and any identified impairment loss.

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

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

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

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

4.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss and represents

expenditure incurred on property, plant and equipment during construction and installation. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. Cost also includes applicable borrowing costs. Transfers are made to relevant property, plant and equipment category as and when the assets are available for use.

4.1.3 Major spare parts and stand-by equipment

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

4.2 Intangible assets

4.2.1 Goodwill

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.

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

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is charged to the profit and loss account as and when incurred. Amortization on other intangible assets is charged to the profit and loss account on straight-line method at the rates given in note 6. Amortization on additions to intangible assets is charged from the month in which an asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off.

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

4.3 Investment properties

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

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

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

4.4 Impairment of non-financial assets

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

4.5 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 account.

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.

4.6.1 Current

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

4.6.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary 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.

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.

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

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

4.7 Stores and spares

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

4.8 Stock-in-trade

All stocks except for stock in transit, are stated at lower of cost and net realizable value. Cost is

determined on weighted average basis. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

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

4.9 Investments

Investments intended to be held for less than twelve months from the balance sheet date or to be sold to raise operating capital, are included in current assets, all other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of 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) Held to maturity

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

d) *Available-for-sale financial assets*

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

4.10.2 Recognition and measurement

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

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is credited to 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.

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

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

4.11 Financial liabilities

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

4.12 Offsetting of financial assets and liabilities

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

4.13 Cash and cash equivalents

Cash and cash equivalents 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 Impairment of Assets

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

4.16 Borrowings

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

4.17 Borrowing 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.

4.18 Trade and other payables

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

4.19 Employee retirement and other benefits

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

4.19.1 Defined benefit plan

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

4.19.2 Accumulating compensated absences

Employees are entitled to 20 days earned leave annually. Un-utilized earned leave can be accumulated up to a maximum of 20 days and can be utilized at any time subject to the approval. Earned leaves in excess of 20 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 basis. 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.

4.20 Provisions

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

4.21 Contingent liabilities

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

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

4.22 Foreign currency transactions and translation

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

4.23 Share capital

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

4.24 Revenue recognition

Revenue 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.
- Dividend income is recognized when the right to receive payment is established.

4.25 Dividend and other appropriations

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

4.26 Fair value measurement

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

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

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

5. Property, Plant and Equipment

	Note	2016 (-----Rupees 000-----)	2015
Operating fixed assets	5.1	7,957,927	7,981,158
Capital work-in-progress	5.2	118,372	99,838
Major spare parts and stand-by equipment	5.3	3,194	3,790
		<u>8,079,493</u>	<u>8,084,786</u>

5.1 Operating fixed assets

	Owned assets										Leased assets			Total
	Freehold Land	Building	Leasehold Improvements	Plant and Equipment	Office Equipment	Computers and Fixtures	Furniture and Fixtures	Vehicles	Laboratory and Other Equipment	Sub-total	Plant and Equipment	Vehicles	Sub-total	
	19,800	97,500	127,220	11,262,959	98,779	177,977	23,595	174,096	21,180	12,004,106	518,514	9,182	527,696	12,531,802
	-	-	-	(658,747)	-	-	-	-	-	(658,747)	-	-	-	(658,747)
Elimination of accumulated depreciation against cost on revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions during the year	-	-	6,926	351,138	367	3,245	34	-	-	361,710	-	-	-	361,710
Disposals during the year	-	-	-	(4,608)	-	(1,605)	-	(124,193)	-	(130,406)	-	-	-	(130,406)
Revaluation surplus during the year	-	-	-	1,050,223	-	-	-	-	-	1,050,223	-	-	-	1,050,223
Assets written off due to fire	-	-	-	(34,822)	-	-	-	-	-	(34,822)	-	-	-	(34,822)
Balance as at December 31, 2015	19,800	97,500	134,146	11,966,143	100,146	179,617	23,629	49,903	21,180	12,592,064	518,514	9,182	527,696	13,119,760
Balance as at December 31, 2015	19,800	97,500	134,146	11,966,143	100,146	179,617	23,629	49,903	21,180	12,592,064	518,514	9,182	527,696	13,119,760
Additions during the year	-	-	545	21,398	-	1,205	104	-	-	23,252	-	-	-	23,252
Transfers from non-current assets classified as held for sale	-	-	-	892,883	-	-	-	-	-	892,883	-	-	-	892,883
Transfers from leased assets	-	-	-	-	-	-	-	4,305	-	4,305	-	-	-	4,305
Disposals during the year	-	-	-	-	-	-	-	(9,732)	-	(9,732)	-	-	-	(9,732)
Balance as at December 31, 2016	19,800	97,500	134,691	12,890,424	100,146	180,822	23,733	44,476	21,180	13,502,772	518,514	4,877	523,391	14,026,163
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and Impairment														
Balance as at December 31, 2014	-	406	102,695	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	-	4,875	7,082	1,110,947	7,762	7,155	1,812	694	350	1,140,677	31,104	1,684	32,788	1,173,465
Depreciation on disposals	-	-	-	(1,381)	-	(1,110)	-	(83,465)	-	(85,946)	-	-	-	(85,946)
Assets written off due to fire	-	-	-	(4,417)	-	-	-	-	-	(4,417)	-	-	-	(4,417)
Impairment	-	-	-	3,823,790	-	-	-	-	-	3,823,790	-	-	-	3,823,790
Balance as at December 31, 2015	-	5,281	109,777	4,556,407	74,276	178,278	20,922	48,511	18,751	5,012,203	122,453	3,946	126,399	5,138,602
Balance as at December 31, 2015	-	5,281	109,777	4,556,407	74,276	178,278	20,922	48,511	18,751	5,012,203	122,453	3,946	126,399	5,138,602
Depreciation for the year	-	4,875	6,088	683,451	7,113	2,159	1,689	1,392	88	706,635	31,104	2,880	33,984	740,819
Depreciation on transfers from non-current assets classified as held for sale	-	-	-	198,547	-	-	-	-	-	198,547	-	-	-	198,547
Transfers from leased assets	-	-	-	-	-	-	-	4,305	-	4,305	-	-	-	4,305
Depreciation on disposals	-	-	-	-	-	-	-	(9,732)	-	(9,732)	-	-	-	(9,732)
Balance as at December 31, 2016	-	10,156	115,865	5,438,405	81,389	180,437	22,611	44,476	18,819	5,912,158	153,557	2,521	156,078	6,068,236
Book value as at December 31, 2015	19,800	92,219	24,369	7,409,736	25,870	1,339	2,707	1,392	2,429	7,579,861	395,061	5,236	401,297	7,981,158
Book value as at December 31, 2016	19,800	87,344	18,826	7,442,019	18,757	385	1,122	-	2,361	7,590,614	364,957	2,356	367,313	7,957,927
Annual rate of depreciation (%)	-	5	20 to 33	4 to 33.33	10	33	10	20	10 to 20	-	4 to 33.33	-	20	-

5.1.1 During the year 2016, plant and equipment (owned) was revalued by an independent professional valuer M/s Arch-E'-Decon that resulted in revaluation gain on assets of Broadband operations and impairment loss on assets of WLL operations. 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 (i.e. as prices) or indirectly (i.e. derived from prices) [level 2].
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) [level 3]. The following table presents the Company's plant and equipment (owned) measured at fair value:

Fair value measurement of Plant and Equipment using significant unobservable inputs (Level 3)

2016	2015
----- (Rupees in '000) -----	

Recurring fair value measurements

Plant and equipment (owned)	7,442,019	7,409,736
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There are no level 1 or 2 assets and no transfers between levels 1, 2 and 3 (2015: fair value measurement of plant and equipment (owned) was transferred from level 2 to 3 due to significant adjustments to valuation inputs on account of the Company's specific circumstances, operational uses and future prospects of these assets to reflect a more realistic fair value estimate).

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 items for the year ended December 31, 2016 for recurring fair value measurements:

	LDI and Broadband Operations	WLL Operations	Total
----- (Rupees in '000) -----			
Balance as at December 31, 2015	7,254,354	155,382	7,409,736
Additions	21,398	-	21,398
Disposals	-	-	-
Transfers	-	892,883	892,883
Amounts recognized in profit or loss:			
Depreciation	(640,912)	(241,086)	(881,998)
Impairment loss	-	-	-
Balance as at December 31, 2016	6,634,840	807,179	7,442,019

Valuation techniques used to derive level 3 fair values

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

Valuation inputs and relationship to fair value

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

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

5.1.2 The management reviewed the business performance of the Company's WLL operations in 2015 and an assessment was made in respect of triggering events as specified by IAS 36 'Impairment of Assets' applicable to the assets relating to WLL operations at CGU level. Based on the following indicators applicable to WLL CGU, an impairment test was carried out by the management based on following factors:

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

WLL CGU was written down from its carrying value of Rs. 8.373 billion to its recoverable amount (fair value less costs of disposal) of Rs. 1.996 billion. Total impairment loss of Rs. 6.377 billion was allocated first to eliminate the carrying amount of goodwill and then to the plant and equipment (owned). Impairment loss of Rs. 1.495 billion (net of related deferred tax of Rs. 641.05 million) was offset against the available revaluation surplus and the remaining impairment loss of Rs. 4.240 billion was charged to the profit and loss account.

5.1.3 In 2015, 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 claimed such loss from its insurer and recorded the resultant gain thereon in 2015 as referred to in note 40.1.

5.1.4 Apportionment of depreciation charge for the year

	Note	2016	2015
------(Rupees in '000)-----			
Direct cost	37	913,102	1,142,051
Operating cost	38	26,264	31,414
		939,366	1,173,465

5.1.5 Disposal of operating fixed assets

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain on Disposal
----- (Rupees in '000) -----					
Assets with book value less than Rs. 50,000					
Total 2016	9,732	9,732	-	5,245	5,245

5.1.6 Had there been no revaluation, the net book value of plant and equipment (owned) would have amounted to Rs.5.672 billion (2015: Rs. 5.450 billion).

5.1.7 Carrying values of property, plant and equipment and current assets having charge against borrowings amount to Rs. 10.727 billion (2015: Rs. 10.800 billion).

5.1.8 Included in the above amount are assets of Rs. 96.90 million that were given in the possession and control of Towershare in 2015. (refer note 20.2)

5.1.9 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.

5.2 Capital work-in-progress ("CWIP")	Note	2016	2015
		----- (Rupees in '000) -----	
Advances to suppliers		64,823	66,649
Plant and equipment		53,549	33,189
		118,372	99,838

5.2.1 The reconciliation of the carrying amount is as follows:

Opening balance		99,838	836,413
Additions during the year		39,933	362,568
Transfers during the year	5.2.1.1	(21,399)	(543,374)
Charged to the profit and loss account	5.2.1.2	-	(553,775)
Damaged during the year		-	(1,994)
Closing balance		118,372	99,838

5.2.1.1 In the year 2015, the transferred out amounts included Rs. 136 million relating to a contract entered in 2011 with Pace Pakistan Limited ("Pace") for purchase of two floors in Pace Tower located at Block H, Gulberg III, Lahore. After the cancellation of the contract with mutual consent, the balance of advance given amounting to Rs. 136 million was classified as 'other receivable' as at December 31, 2015. During 2016, an amount of Rs. 36 million has been returned by Pace.

5.2.1.2 In the year 2015, the transferred out amounts included Rs. 527.44 million relating to a contract entered in 2012 with Huawei to install security cameras and ancillary equipment in Islamabad, Pakistan, under the Safe City Project. The contract was successfully closed and the amounts were charged off to cost of sales during 2015.

5.2.1.3 In the year 2015, fire at the Company's warehouse in Kot Lakhpat, Lahore, damaged certain items of plant and equipment. This represented carrying value of these items. The Company claimed such loss from its insurer and recorded the resultant gain thereon in 2015 as referred to in note 40.1.

5.3 Major spare parts and stand-by equipment	Note	2016	2015
		----- (Rupees in '000) -----	

Gross carrying value

Opening balance		6,513	37,748
Additions during the year		-	35,982
Transfers during the year		(596)	(54,788)
Damaged during the year	5.3.2	-	(12,429)
Closing balance		5,917	6,513
Provision for impairment	5.3.1	(2,723)	(2,723)
		3,194	3,790

		2016	2015
	Note	----- (Rupees in '000) -----	
5.3.1 Provision for impairment			
Opening balance		2,723	12,160
Transfer during the year	12	-	341
Reversal during the year	5.3.2	-	(9,778)
Closing balance		<u>2,723</u>	<u>2,723</u>

5.3.2 During 2015, 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 claimed such loss from its insurer and recorded the resultant gain thereon in 2015 as referred to in note 40.1.

6 Intangible Assets

	Licenses	Patents and copyrights	IRU - media cost	Softwares	Goodwill	Total
Note	----- (Rupees in '000) -----					
Cost / Revalued Amount						
Balance as at December 31, 2014	2,074,026	5,333	784,800	11,280	2,690,403	5,565,842
Additions / (deletions) during the year	-	-	-	-	-	-
Balance as at December 31, 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>
Balance as at December 31, 2015	2,074,026	5,333	784,800	11,280	2,690,403	5,565,842
Elimination of accumulated amortization against cost on revaluation	(23,019)	-	-	-	-	(23,019)
Revaluation surplus during the year	6.1 1,029,998	-	-	-	-	1,029,998
Additions / (deletions) during the year	-	-	-	-	-	-
Balance as at December 31, 2016	<u>3,081,005</u>	<u>5,333</u>	<u>784,800</u>	<u>11,280</u>	<u>2,690,403</u>	<u>6,572,821</u>
Amortization and Impairment						
Balance as at December 31, 2014	51,275	5,333	204,768	1,781	136,909	400,066
Amortization for the year	6.2 205,125	-	52,268	2,850	-	260,243
Impairment of goodwill	6.3 -	-	-	-	2,553,494	2,553,494
Balance as at December 31, 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>
Balance as at December 31, 2015	256,400	5,333	257,036	4,631	2,690,403	3,213,803
Elimination of accumulated amortization against cost on revaluation	(23,019)	-	-	-	-	(23,019)
Amortization for the year	6.2 238,199	-	52,268	2,850	-	293,317
Balance as at December 31, 2016	<u>471,580</u>	<u>5,333</u>	<u>309,304</u>	<u>7,481</u>	<u>2,690,403</u>	<u>3,484,101</u>
Book value as at December 31, 2015	<u>1,817,626</u>	<u>-</u>	<u>527,764</u>	<u>6,649</u>	<u>-</u>	<u>2,352,039</u>
Book value as at December 31, 2016	<u>2,609,425</u>	<u>-</u>	<u>475,496</u>	<u>3,799</u>	<u>-</u>	<u>3,088,720</u>
Annual amortization rate (%)	5.02 to 14.29	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 September 30, 2016. The table below analyses the non-financial assets carried at fair value, by valuation method. Different levels have been defined as follows:

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

The following table presents the Company's licenses and softwares that are measured at fair value at December 31, 2016.

	<u>2016</u>	<u>2015</u>
	----- (Rupees in '000) -----	
Recurring fair value measurements of following items of intangible assets		
Licenses	2,609,425	1,817,626
Softwares	<u>3,799</u>	<u>6,649</u>
	<u>2,613,224</u>	<u>1,824,275</u>

There are no level 1 assets and no transfers between levels 1 and 2 during 2016 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 to reflect a more realistic fair value estimate.

Fair value measurements using significant unobservable inputs (level 2)

The following table presents the changes in level 3 items for the year ended December 31, 2016, for recurring fair value measurements:

	<u>Licenses and Softwares</u>
	<u>2016</u>
	(Rupees in '000)
Opening balance as at December 31, 2015	-
Transfers from level 3	1,824,275
Revaluation surplus arising during the year	1,029,998
Amortization charged during the year	<u>(241,049)</u>
Closing balance as at December 31, 2016	<u>2,613,224</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 assets 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 are given below:

Valuation inputs and relationship to fair value

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

	Description	Significant Unobservable Inputs	Quantitative Data / Range and Relationship to the Fair Value
	Licenses and Softwares	Auction prices for recently issued comparable licenses. Fundamental technical characteristics of WLL licenses such as frequency and region.	The market value has been determined by applying recent auction prices to the fundamental technical characteristics of WLL licenses. Higher the auction price, higher the fair value.
6.2	The entire amortization expense for the year has been allocated to direct cost.		
6.3	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 was 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 was reduced to its recoverable amount through recognition of an impairment loss against goodwill and property, plant and equipment. Consequently, the goodwill was fully impaired as on December 31, 2015.		
6.4	Had there been no revaluation, the net book value of licenses and softwares would have amounted to Rs. 838 million (2015: Rs. 1,056 million).		
6.5	Licenses of the Company are encumbered with IGI Investment Bank Limited, trustee of TFC holders, as disclosed in note 26.		

	Note	2016	2015
		------(Rupees in '000)-----	
7. Investment properties			
Opening balance		38,520	23,200
Fair value adjustment	7.1	-	15,320
Closing balance		38,520	38,520

7.1 As of reporting date, investment properties comprise of land. Latest valuation of these properties was carried out on September 30, 2016 by an approved independent valuer, M/s Arch-E' Decon. 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 (i.e. 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).

Fair value of the investment property of the Company amount to Rs. 38.520 million (2015: Rs. 38.520 million) as at the balance sheet date using significant other observable inputs [level 2].

Recurring fair value measurements

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2016 or 2015.

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 Long Term Trade Receivable

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

	Note	2016	2015
		------(Rupees in '000)-----	
Opening balance		91,953	110,380
Amortization	40	15,722	35,071
		107,675	145,451
Less: current portion		(30,614)	(53,498)
		77,061	91,953

9 Deferred Taxation

	Note	2016 ------(Rupees in '000)-----	2015
<i>Liability for deferred taxation comprising temporary differences related to:</i>			
-Accelerated tax depreciation		1,372,874	1,555,843
-Surplus on revaluation of fixed assets		318,920	-
-Accelerated tax amortization		489,479	585,930
-Long term trade receivables		23,118	64,613
-Leasehold improvements		4,831	7,311
<i>Asset for deferred taxation comprising temporary differences related to:</i>			
-Unused tax losses		(3,906,595)	(2,784,089)
-Provision for doubtful debts		(623,069)	(663,092)
-Retirement benefits		(82,479)	(120,557)
-Provision for stores and spares & stock-in-trade		(73,015)	(70,394)
-Provision for doubtful advances and other receivables		(56,001)	-
-Exchange loss		-	(75,565)
		<u>(2,531,937)</u>	<u>(1,500,000)</u>

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

Opening balance		(1,500,000)	(2,917,389)
Deferred tax on surplus on revaluation of fixed assets		308,999	315,067
Deferred tax credited to surplus on revaluation on account of change in rate of tax	35	-	(84,614)
Deferred tax adjustment relating to surplus on revaluation offset against impairment		-	(702,530)
Charged to other comprehensive income		4,377	5,065
Charged to the profit and loss account	42	(1,345,313)	1,884,401
Closing balance		<u>(2,531,937)</u>	<u>(1,500,000)</u>

9.1 Being prudent, the management has not recognized deferred tax asset of Rs. 5.5 billion (2015: Rs.5.2 billion) on unused tax losses.

10 Long Term Loans - Secured (Considered Good)

	Note	2016 ------(Rupees in '000)-----	2015
Secured - considered good			
Loans to employees:			
- Executives	10.1	4,377	5,564
- Others		6,872	-
		<u>11,249</u>	<u>5,564</u>
Current portion:			
- Executives		(4,029)	(2,686)
- Others		(4,009)	-
		<u>(8,038)</u>	<u>(2,686)</u>
		<u>3,211</u>	<u>2,878</u>

10.1 Executives

Opening balance	5,564	9,385
Disbursements during the year	2,004	3,412
	<u>7,568</u>	<u>12,797</u>
Repayments/adjustments during the year	(3,191)	(7,233)
	<u>4,377</u>	<u>5,564</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. 9.05 million (2015: Rs. 11.98 million). These include interest free loans given to key management personnel of the Company aggregating Rs. 3.32 million (2015: Rs. 4.65 million).

	Note	2016	2015
		------(Rupees in '000)-----	
11 Long Term Deposits			
Security deposits with:			
- Financial institutions		975	975
- Others		34,433	35,071
		35,408	36,046
Current portion		(975)	-
Less: Security deposits written off		(1,792)	-
		32,641	36,046

12 Stores and Spares

Cost		125,362	141,260
Less: Provision for obsolete/slow-moving items	12.2	(37,183)	(25,725)
		88,179	115,535

12.1 During 2015, 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 claimed such loss from its insurer and recorded the resultant gain thereon as referred to in note 40.1.

	Note	2016	2015
		------(Rupees in '000)-----	
12.2 Provision for obsolete/slow-moving items			
Opening balance		25,725	36,208
Addition during the year	41	11,458	10,989
Reversal during the year	12.1	-	(21,131)
Transfer during the year	5.3.1	-	(341)
Closing balance		37,183	25,725

13 Stock-in-Trade

Cost	13.1	273,490	273,375
Less: Provision for obsolete/slow-moving stock-in-trade	13.2	(206,200)	(206,200)
		67,290	67,175

13.1 During 2015, 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 claimed such loss from its insurer and recorded the resultant gain thereon as referred to in note 40.1.

	Note	2016 ------(Rupees in '000)-----	2015
13.2 Provision for obsolete/slow-moving stock-in-trade			
Opening balance		206,200	8,003
Addition during the year		-	201,608
Reversal during the year		-	(52)
	41	-	201,556
Reversal against items damaged in fire loss	13.1	-	(3,359)
Closing balance		206,200	206,200
14 Trade Debts			
Considered good - unsecured		761,262	481,246
Considered doubtful - unsecured		2,076,898	2,028,401
		2,838,160	2,509,647
Less: Provision for doubtful debts	14.1	(2,076,898)	(2,028,401)
		761,262	481,246
14.1 Provision for doubtful debts			
Opening balance		2,028,401	1,809,352
Charged during the year	41	48,497	219,049
		2,076,898	2,028,401
Less: Bad debts written off		-	-
Closing balance		2,076,898	2,028,401
15 Loans and Advances			
Advances to employees - considered good	15.1	49,264	13,239
Current portion of long term loans to employees	10	8,038	2,686
Advances to PTA - considered good	15.2	40,000	40,000
		97,302	55,925
Advances to suppliers:			
- Considered good	15.3	44,087	24,665
- Considered doubtful		114,612	111,980
		158,699	136,645
Less: Provision for doubtful advances	15.4	(114,612)	(111,980)
		44,087	24,665
		141,389	80,590
15.1	This includes advances given to executives amounting to Rs. 7.57 million (2015: Rs. 4.75 million) out of which Rs. 3.34 million (2015: Rs. 0.86 million) represent advances given to key management personnel of the Company.		
15.2	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 February 22, 2010. Being aggrieved, the Company's management preferred an appeal before the Honorable Lahore High Court ("LHC") against the PTA's determination. LHC granted stay against the recovery subject to payment of Rs. 40 million which was complied by the Company. Based on the advice of the Company's legal counsel, the Company's management feels that there are strong grounds to defend the Company's position and the ultimate decision would be in the Company's favor, therefore, the receivable amount is considered unimpaired as at the reporting date.

- 15.3** This includes advances given to a related party amounting to Rs. 2.11 million (2015: Rs. 2.11 million)

	Note	2016	2015
		----- (Rupees in '000) -----	
15.4 Provision for doubtful advances			
Opening balance		111,980	48,296
Charged during the year		7,053	64,684
Reversal during the year		-	(1,000)
	41	7,053	63,684
Less: written off during the year		(4,421)	-
Closing balance		114,612	111,980

	Note	2016	2015
		----- (Rupees in '000) -----	
		(Restated)	
16 Deposits and Prepayments			
Deposit in Escrow Account	16.1	383,576	368,767
Margin and other deposits	16.2	32,680	34,308
Prepayments	16.3	14,588	17,104
Current portion of long term deposits	11	975	-
		431,819	420,179

- 16.1** As stated in Note 24.5, the telecom operators challenged the legality of Access Promotion Contribution (APC) for Universal Service Fund (USF), as levied by PTA in 2009, and the dispute was finally decided by Supreme Court in December 2015. During pendency of the court proceedings, International Clearing House (ICH) agreement was signed in 2012, whereby it was decided that regular contributions for APC, based on each operator's share under the ICH agreement, shall be made by LDI operators in an Escrow Account maintained with PTCL. The balance in savings accounts includes Rs. 383.57 million (2015: Rs. 368.76 million) accumulated in Escrow Account as per this understanding.

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

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

16.3 This includes annual cable license fee prepaid to PEMRA amounting to Rs. 5.09 million (2015: Rs. 1.52 million).

17 Short Term Investments

Available-for-sale:			2016	2015
	No. of Shares		Market Value	
Commercial Bank				
The Bank of Punjab	10,528	10,528	186	97
Leasing				
Standard Chartered Leasing Limited	-	70,000	-	658
Orix Leasing Pakistan Limited	10,903	-	515	-
Insurance				
Shaheen Insurance Company Limited	3,136,963	3,136,963	27,417	18,069
Financial Services				
First Capital Securities Corporation Limited	3,991,754	3,991,754	23,392	11,576
Real Estate				
Pace (Pakistan) Limited	6,959,290	6,959,290	78,501	49,481
Media Group				
Media Times Limited	4,199,500	4,199,500	20,788	7,979
			<u>150,799</u>	<u>87,860</u>

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

18. Other receivables

	Note	2016	2015
------(Rupees in '000)-----			
Other receivables - considered good	18.1	119,486	300,149
Other receivables - considered doubtful		72,055	69,930
		<u>191,541</u>	<u>370,079</u>
Less: Provision for doubtful receivables	18.2	(72,055)	(69,930)
		<u>119,486</u>	<u>300,149</u>

18.1 This includes receivable aggregating Rs. 8.4 million (2015: Rs. 150 million) in respect of insurance claim for assets destroyed in fire at the Company's warehouse in Kot Lakhpat, Lahore during 2015 as referred to in note 40.1.

This also includes Rs. 100 million (2015: Rs. 136 million) receivable from Pace Pakistan Limited (refer to Note 5.2.1.1).

	Note	2016 ------(Rupees in '000)-----	2015 ----- (Restated)
18.2 Provision for doubtful receivables			
Opening balance		69,930	15,139
Charged during the year	41	2,125	54,791
Closing balance		72,055	69,930

19. Cash and bank balances

Cash at bank:			
- Current accounts		3,845	2,656
- Savings accounts	19.1	7,006	2,220
		10,851	4,876
Cash in hand		5,219	1,524
Pay orders in hand		103,900	23,500
		119,970	29,900

19.1 The balances in savings accounts bear mark up at the rate ranging from 4.5% to 5% (2015: 3.85% to 7.10%) per annum.

	Note	2016 ------(Rupees in '000)-----	2015 -----
20 Non-Current Assets Classified as Held for Sale			
Long term investment classified as held for sale	20.1	-	-
Plant and equipment classified as held for sale	20.2	-	892,883
		-	892,883

20.1 Long term investment classified as held for sale

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 July 02, 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 previous year, the Commercial High Court of the Western Province, Colombo, Sri Lanka, ("Commercial High Court") has passed an order dated June 16, 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.

	Note	2016	2015
------(Rupees in '000)-----			
20.2 Plant and equipment classified as held for sale			
Opening balance		892,883	1,120,502
Impairment loss		-	(204,925)
Disposal during the year		-	(22,694)
Transferred to property, plant and equipment	5.1	(892,883)	-
Closing balance		<u>-</u>	<u>892,883</u>

This represented Passive infrastructure (towers, civil works and gensets etc.) relating to WLL operations of the Company. An active plan to sell these assets was commenced in 2014 as the management considered that disposal of such assets would result in major reduction in operational costs. On October 01, 2014, a sale agreement was signed with Towershare (Private) Limited ("Towershare") which was subject to due diligence, 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 2015, 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 recognized their disposal. For the remaining sites that were not taken over by Towershare, the Company wrote a letter in June 2016, to Towershare requiring that company 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). In view of the non-conclusion of the sale agreement with Towershare, these have now been re-classified to property, plant and equipment (Note 5.1).

	Note	2016	2015
------(Rupees in '000)-----			
21 Current Portion of Non-Current Liabilities			(Restated)
Term finance certificates	26	1,517,110	1,517,110
Long term financing	27	3,728,300	3,712,565
Liabilities against assets subject to finance lease	29	1,609	1,382
		<u>5,247,019</u>	<u>5,231,057</u>

	Note	2016	2015
------(Rupees in '000)-----			
22 Short Term Borrowings			
Banking companies (secured - interest bearing):			
- Running finances	22.1	541,477	563,902
Related party (unsecured - interest bearing)			
- Worldcall Services (Private) Limited (WSL)	22.2	419,200	-
		<u>960,677</u>	<u>563,902</u>

22.1 Short term running finance facilities available from commercial banks under mark up arrangements amount to Rs. 587 million (2015: Rs. 587 million). Running finance facilities are available at mark up rate of three month KIBOR plus 1.5% to 2.5% per annum, payable quarterly, on the balance outstanding. These are secured against first pari passu hypothecation charge on all present and future current and fixed assets excluding land and building, joint pari passu hypothecation charge on all present and future current and fixed assets with 25% security margin over the facility amount, pledge of shares of listed companies in CDC account of the Company and first exclusive assignment of all present and future receivables of LDI business arm of the Company. The mark up charged during the year on outstanding balances ranged from 7.54% to 8.99% (2015: 8.08% to 12.13%) per annum. A major portion of these facilities is being rolled over subsequent to reporting date, as mark up has been serviced timely, with the exception of two facilities of Rs. 129.40 million.

22.2 This represents an unsecured short term borrowing aggregating USD 4 million as part of the SPA as stated in note 2.2. The mark up rate charged during the year on the outstanding balance was 7.36% per annum. Under the terms of the agreement, no repayment of the loan or mark up thereon shall be made before nominees of WSL replace nominees of the Parent company on the Board of Directors of the Company as part of the director's nomination. The director's nomination shall be made after the public announcement of offer by WSL for acquiring shares of the Company pursuant to successful completion of the SPA. Thereafter, the Company shall repay the loan and the outstanding mark up as and when demanded by WSL.

22.3 Letters of credit and guarantees

Of the aggregate facilities of Rs. 20 million (2015: Rs. 70 million) for opening letters of credit and Rs. 863.42 million (2015: Rs. 1,147.26 million) for guarantees, the amount utilized as at December 31, 2016 was Rs. 8.7 million (2015: Nil) and Rs. 490.79 million (2015: Rs. 869.78 million) respectively. The facilities for opening letters of credit are secured against import documents and lien over bank accounts. These are secured against first pari passu hypothecation charge on all present and future current and fixed assets excluding land and building, joint pari passu hypothecation charge on all present and future current and fixed assets with 25% security margin over the facility amount, pledge of shares of listed companies in CDC account of the company and first exclusive assignment of all present and future receivables of LDI business arm of the Company.

23 License Fee Payable

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

	Note	2016 ------(Rupees in '000)-----	2015 (Restated)
24 Trade and Other Payables			
Trade creditors:			
- Related parties	24.1	3,022,119	2,707,844
- Others	24.2 & 24.3	4,280,700	4,206,979
		7,302,819	6,914,823
Accrued and other liabilities:			
- Related parties	24.4	115,049	77,405
- Others		1,848,880	1,570,755
		1,963,929	1,648,160
Payable to PTA against APC charges	24.5	1,766,190	1,766,190
Funds received from the Parent Company	24.6	579,659	-
Advances from customers		193,678	123,495
Retention money		19,385	19,385
Withholding tax		21,113	128,764
Un-claimed dividend		1,807	1,807
Sales tax	24.7	11,537	30,803
Advances against assets held for sale	20.2	38,194	38,194
Others		16,000	32,000
		11,914,311	10,703,621

24.1 This represents payable to the following related parties:

Parent company	2,998,998	2,684,723
Associated company - WSL	23,121	23,121
	3,022,119	2,707,844

24.2 This includes payable to PTA amounting to Rs. 340.33 million (2015: Rs. 305.78 million) regarding Annual Radio Spectrum Fee in respect of WLL licenses. PTA has issued multiple determinations that have been challenged and contested by the Company on legal grounds as well as on account of preoccupation of frequency/spectrums and losses suffered by the Company due to such 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 Lahore High Court and the honorable Islamabad High Court and stay orders were obtained against the recovery. Under these circumstances, the management does not expect the liability to materialize fully in the near future.

24.3 This includes a balance of Rs. 209.57 million (2015: 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. In March 2015, the Civil Court decreed in the favor 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 represented payables against expenses incurred on behalf of the Company and salaries payable to key management personnel.
- 24.5** This represents the demands raised by PTA in 2007 for Access Promotion Contribution (APC) for Universal Service Fund (USF) by using the powers assumed under Access Promotion Rules, 2004 and Access Promotion Regulations, 2005. Several telecom companies challenged the legality of levy of such amounts. After a lengthy course of proceedings through different courts, the case of legality of APC charges was finally decided in favor of PTA by Supreme Court of Pakistan, through its order dated December 22, 2015.
- 24.6** This represents USD 5.531 million funding received from Omantel as part of the SPA as stated in note 2.2. As per SPA, this liability will be waived off by Omantel on successful execution and completion of the agreement.
- 24.7** This is net of Rs. 30.8 million (2015: Rs. 30.8 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.

	Note	2016	2015
		------(Rupees in '000)-----	
25 Accrued Mark up			
Short term borrowings		25,913	14,247
Term finance certificates		356,563	235,748
Long term financing		1,616	3,649
		384,092	253,644
26 Term Finance Certificates			
Term finance certificates - III		1,517,110	1,643,735
Restructuring fee		-	(13,480)
		1,517,110	1,630,255
Amortization of restructuring fee		-	13,480
		1,517,110	1,643,735
Redeemed		-	(126,625)
		1,517,110	1,517,110
Less: Current and overdue portion	21	(1,517,110)	(1,517,110)
		-	-

Term finance certificates (TFCs) have a face value of Rs. 5,000 per certificate. These TFCs carry mark up at the rate of six month average KIBOR plus 1.60% per annum, payable semi-annually. The mark up rate charged during the year on the outstanding balance ranges from 7.66% to 8.19% (2015: 8.67% to 11.79%) per annum.

IGI Investment Bank Limited is the Trustee (herein referred to as the Trustee) under the Trust Deed. These TFCs are secured against pari passu charge over the Company's present and future fixed assets excluding land and building with 25% margin in addition to all rights, benefits, claims and interests procured by the Company under:

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

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

As per terms of second rescheduling, payments in respect of principal and markup aggregating to Rs. 478.982 million were required to be made up to year ended December 31, 2016. However, payments of only Rs. 146.617 million were made during 2015 and no payments have been made during 2016. Hence, this constitutes a default as per the terms of second rescheduling. Consequently, the total amount has become immediately payable.

Moreover, in April 2016, the Trustee's legal counsel issued a legal notice to the Company demanding immediate payment of all principal amount and interest accrued thereon and liquidated damages within thirty days of the notice, failing which the Trustee would initiate legal proceedings against the Company. The Trustee also withdrew its Non Objection Certificate (NOC) given to the Company in respect of sale of Wireless Local Loop (WLL) passive infrastructure. No payments have been made by the Company in respect of principal amount or interest accrued thereon, in 2016.

	Note	2016	2015
		------(Rupees in '000)-----	
27 Long Term Financing			
From Banking Companies (Interest-bearing - Secured)			
National Bank of Oman	27.1	-	-
Allied Bank Limited	27.2	42,250	87,750
Soneri Bank Limited	27.3	637	-
		<u>42,887</u>	<u>87,750</u>
27.1 National Bank of Oman			
Receipt		3,555,300	3,555,300
Initial transaction cost		-	(39,616)
		<u>3,555,300</u>	<u>3,515,684</u>
Amortization of transaction cost		-	39,616
		<u>3,555,300</u>	<u>3,555,300</u>
Exchange loss		112,700	112,700
		<u>3,668,000</u>	<u>3,668,000</u>
Repaid		-	-
		<u>3,668,000</u>	<u>3,668,000</u>
Less: Current portion	21	<u>(3,668,000)</u>	<u>(3,668,000)</u>
		<u>-</u>	<u>-</u>

This represents foreign currency syndicated loan facility ("facility") amounting to USD 35 million from National Bank of Oman (NBO) and Ahli Bank SAOG ("the consortium") with NBO as the lead arranger. The loan was disbursed on June 30, 2015. It is repayable in 16 quarterly installments

commencing from September 30, 2017. Mark up 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 outstanding balance ranged from 3.86% to 4.09% (2015: 3.53% to 3.58%) per annum. To secure the facility, corporate guarantee of the Parent company has been furnished along with 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 certain covenants of the facility. Moreover, the Company has failed to pay interest against this facility, which led to the consortium adjusting the payable against interest with the Debt Service Reserve Account Balance ("security") of Parent company held with them. These issues constitute events of default under the facility and empower 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.

	Note	2016	2015
		------(Rupees in '000)-----	
27.2 Allied Bank Limited			
Transfer from running finance		125,000	125,000
Repaid		(37,250)	(11,250)
		87,750	113,750
Less: Current portion	21	(45,500)	(26,000)
		42,250	87,750

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 July 31, 2018. It carries mark up at one month KIBOR plus 3% per annum till March 31, 2015, payable on monthly basis. The mark up rate with effect from April 01, 2015, is 3 months KIBOR plus 0.5% per annum to be reset and recoverable quarterly. The mark up rate charged during the year on the outstanding balance ranged from 6.54% to 6.99% (2015: 7.10% to 12.13%) 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.

	Note	2016	2015
		------(Rupees in '000)-----	
27.3 Soneri Bank Limited			
Transferred from short term borrowings		66,756	66,756
Repaid		(51,319)	(48,191)
		15,437	18,565
Less: Current and overdue portion	21	(14,800)	(18,565)
		637	-

This facility was initially repayable in 23 monthly installments ending on February 28, 2016. However, in August 2016, the facility was rescheduled by Soneri Bank Limited and now the principal is repayable in 18 monthly installments ending on January 30, 2018. The facility carries mark up at one month KIBOR plus 3% per annum and is payable monthly. The mark up rate charged during the year on the outstanding balance ranged from 9.22% to 9.52% (2015: 9%% to

12.90%) per annum. It is secured through joint pari passu hypothecation agreement over current and movable fixed assets.

	Note	2016	2015
------(Rupees in '000)-----			
28 Retirement Benefits			
Gratuity	28.1	257,296	337,723
Accumulating compensated absences	28.2	17,634	36,275
		<u>274,930</u>	<u>373,998</u>

28.1 Gratuity

Latest actuarial valuation of the gratuity scheme was conducted as on December 31, 2016. Results of actuarial valuation are as under:

	Note	2016	2015
------(Rupees in '000)-----			
28.1.1 Movement in net liability for staff gratuity			
Opening balance		337,723	298,790
Charge for the year - Profit and loss account	28.1.2	68,938	97,209
Net remeasurements for the year - Other comprehensive income		(14,589)	(16,884)
Transferred to trade and other payables		(94,995)	(10,489)
Payments made / approved during the year		(39,781)	(30,903)
Closing balance		<u>257,296</u>	<u>337,723</u>

28.1.2 Charge for the year

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

	2016	2015
------(Rupees in '000)-----		
Current service cost	27,033	43,003
Interest cost	41,905	31,295
Past service cost	-	22,911
	<u>68,938</u>	<u>97,209</u>

28.1.3 Significant Actuarial assumptions

	2016	2015
Discount rate - per annum	9.50%	10.00%
Expected rate of increase in salary level - per annum	8.50%	9.00%
Weighted average duration of defined benefit obligation	11 Years	11.7 Years
Expected mortality rate for active employees	SLIC (2001-2005) Mortality Table	
Actuarial cost method	Projected Unit Credit Method	

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

	2016	2015	2014	2013	2012
	----- (Rupees in '000) -----				
Present value of defined benefit obligation	257,296	337,723	298,790	262,848	250,207
Fair value of plan asset	-	-	-	-	-
Net deficit	<u>257,296</u>	<u>337,723</u>	<u>298,790</u>	<u>262,848</u>	<u>250,207</u>

Rupees in '000

28.1.5 Estimated Charge for the year 2016-2017

Current service cost	30,479
Interest cost	23,553
	<u>54,032</u>

28.1.6 Year end sensitivity analysis on defined benefit obligation

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

	Rupees in '000
Discount rate + 100 bps	(230,124)
Discount rate - 100 bps	289,196
Salary increase + 100 bps	289,641
Salary increase - 100 bps	(229,263)

28.2 Accumulating compensated absences

Latest actuarial valuation of the gratuity scheme was conducted as on December 31, 2016. Results of actuarial valuation are as under:

28.2.1 Movement in net liability for accumulating compensated absences

	Note	2016	2015
		----- (Rupees in '000) -----	
Opening balance		36,275	35,791
Charge for the year - Profit and loss account	28.2.2	13,442	15,296
Net remeasurements for the year		(22,740)	(11,347)
Transferred to trade and other payables		(5,923)	(989)
Paid during the year		(3,420)	(2,476)
Closing balance		<u>17,634</u>	<u>36,275</u>

28.2.2 Charge for the year

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

	2016	2015
	------(Rupees in '000)-----	
Current service cost	-	9,519
Interest cost for the year	10,282	3,832
Past service cost	3,160	1,945
	<u>13,442</u>	<u>15,296</u>

28.2.3 Actuarial assumptions

Discount rate - per annum	9.50%	10.00%
Expected rate of increase in salary level - per annum	8.50%	9.00%
Expected mortality rate for active employees	SLIC (2001-2005) Mortality Table	
Actuarial cost method	Projected Unit Credit Method	

28.2.4 Year end sensitivity analysis on defined benefit obligation

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

	Rupees in '000
Discount rate + 100 bps	(15,839)
Discount rate - 100 bps	19,755
Salary increase + 100 bps	19,721
Salary increase - 100 bps	(15,840)

29 Liabilities against Assets subject to Finance Lease

Note

2016 2015
------(Rupees in '000)-----

The amounts of future lease rentals are payable as under:

- Not later than one year	655	1,570
- Later than one year but not later than five years	-	655
	<u>655</u>	<u>2,225</u>
Security deposits	975	975
Gross minimum lease payments	1,630	3,200
Financial charges not currently due	(21)	(209)
Present value of minimum lease payments	<u>1,609</u>	<u>2,991</u>
Current portion shown under current liabilities	21 <u>(1,609)</u>	<u>(1,382)</u>
	<u>-</u>	<u>1,609</u>

Reconciliation between total of minimum lease payments and their present value is as under:

	2016	2015
	----- (Rupees in '000) -----	
Gross minimum lease payments:		
- Due not later than one year	1,630	1,570
- Due later than one year but not later than five year	-	1,630
	<u>1,630</u>	<u>3,200</u>
Present value of minimum lease payments:		
- Not later than one year	634	1,382
- Later than one year but not later than five years	-	634
	<u>634</u>	<u>2,016</u>

29.1 This represents finance lease agreements entered into with Summit Bank Limited for vehicles. Financing against leases is obtained from Summit Bank Limited with aggregate facility of Rs. 15 million (2015: Rs. 15 million). Interest rate used as discounting factor was 13.45% (2015: 13.45%) per annum. Taxes, repairs, replacements and insurance costs are borne by the Company. This lease is secured against lien over TDRs equivalent to lease liability repaid to be released on quarterly basis and first pari passu charge over present and future current and fixed assets of the Company with 25% margin. Under the terms of the agreements, the Company 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 this 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.

	Note	2016	2015
		----- (Rupees in '000) -----	
30 Long Term Payables			
Dividend payable on preference shares	30.1	<u>743,255</u>	<u>526,250</u>

30.1 This includes dividend payable to the Parent company amounting to Rs. 425.88 million (2015: Rs. 301.88 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. On June 30, 2016, the put option was 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 85% CPS aggregating 297,500 CPS that are held by the Parent company along with accumulated dividend thereon and rights attached therewith.

31 Contingencies and Commitments

Contingencies

31.1 Billing disputes with PTCL

31.1.1 There is a dispute of Rs. 72.64 million (2015: Rs. 72.64 million) with Pakistan Telecommunication Limited (PTCL) in respect of non-revenue time of prepaid calling cards and Rs. 46.92 million (2015: Rs. 46.92 million) in respect of excess minutes billed on account of interconnect and

settlement charges. Similarly, PTCL has charged the Company excess Domestic Private Lease Circuits ("DPLC") and other media charges amounting to Rs. 334.08 million (2015: Rs. 294.08 million) on account of difference in rates, distances and date of activations. the management has taken up both these issues with PTCL and considers that these would most likely be decided in Company's favor as there are reasonable grounds to defend the Company's stance. Hence, no provision has been made in these financial statements for the above amounts.

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 (2015: Rs. 5.65 million). The legal validity of this fund has been challenged before the Supreme Court of Pakistan. the management considers that there are strong grounds to support the Company's stance and is hopeful of a favorable decision. Consequently, no provision has been made in these financial statements for this amount.

31.2.2 As stated in Note 24.5, PTA raised demand in 2007 for Access Promotion Contribution (APC) for Universal Service Fund (USF) by using the powers assumed under Access Promotion Rules, 2004 and Access Promotion Regulations, 2005. Several telecom companies challenged the legality of levy of such amounts. After a lengthy course of proceedings through different courts, the case of legality of APC charges was finally decided in favor of PTA by Supreme Court of Pakistan, through its order dated December 22, 2015.

During the pendency of these proceedings, the Ministry of Information Technology ("Ministry") through its letter dated August 30, 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. In respect of an appeal filed by the Company, the Islamabad High Court ("IHC") took notice of the Ministry's letter and directed PTA through its order dated January 20, 2015, to expeditiously proceed with the preparation and submission of the said installment plan.

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

31.2.3 As stated in Note 15.2, the Company is contingently liable to PTA against demand of Rs. 242.66 million on account of annual spectrum fee and other regulatory charges. Being aggrieved, the Company's management preferred an appeal before the Honorable Lahore High Court ("LHC") against the PTA's determination. LHC has granted stay against the recovery subject to payment of Rs. 40 million which was complied by the Company. Based on the advice of the Company's legal counsel, the Company's management feels that there are strong grounds to defend the Company's position and the ultimate decision would be in the Company's favor. The management has therefore not provided for the excess liability in these financial statements.

31.2.4 PTA has raised demand amounting to Rs. 67.43 million on account of Annual Radio Regulatory Dues for the year ended 2013 and 2014. The Company has filed a writ petition before Lahore High Court challenging the constitutionality of this demand and is hopeful that its viewpoint shall be upheld; thus no provision has been incorporated in these financial statements against this demand.

31.2.5 PTA has raised demand amounting to Rs. 29.77 million on account of using extra Radio Spectrum not assigned to the Company. The Company has challenged this amount before Islamabad High Court which has suspended the demand of PTA. The management is hopeful that its viewpoint shall be upheld; thus no provision has been incorporated in these financial statements against this demand.

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

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

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

departmental action. The management has contested this order before ATIR for favorable outcome. 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 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. During the year in January 2016, LHC declared the functioning of PRA illegal and set aside all notices issued by PRA for recovery of sales tax, thereby granting the Company's prayer. PRA filed an intra-court appeal against the decision and in February 2016, the decision of single member bench was suspended. As of the latest, the Company's petition is pending adjudication in LHC. Stay orders restraining PRA from collection of sales tax on LDI services have been granted to several other LDI operators. Based on the advice of the Company's tax advisor, the management is of the view that the Company's case is based on meritorious grounds and hence, relief would be secured from the Court. In view of the above, provision for sales tax on LDI services aggregating Rs. 145.935 million (2015: 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 (2015: USD 1.4 million equivalent to Rs. 146.72 million) against its receivables under a certain settlement and service agreement. However, the Company denies the claim on the basis that Samsung failed to fulfill its obligations under the agreement and did not provide services for which the Company reserves the right to initiate appropriate proceedings against Samsung. Based on the advice of legal counsel, the management is of the view that there are meritorious grounds to defend the Company's position and it would be resolved in the Company's favor. Hence, no provision has been made in these financial statements.

31.4.2 Certain suppliers / vendors of the Company have filed petitions before LHC through which they have claimed Rs. 263.343 million receivable from the Company out of which Rs. 167.489 million (2015: 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, the 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. 95.854 million (2015: 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 (2015: 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 the Company's long business relationship with the supplier; the management is of the view that it is unlikely that any such claim will materialize. In view of the above, no provision has been made in these financial statements.

31.4.4 The Company acquired Indefeasible Right to Use ("IRU") of media and related Operations and Maintenance Services ("O&M") from Multinet Pakistan (Private) Limited ("MPL") through an agreement entered in August 2011. Later on, an agreement between the parties was reached in April 2015 for the payment against O&M services whereby it was decided that monthly payments in respect of O&M will be made by the Company and the schedule of due payments under IRU agreement shall be mutually agreed by June 30, 2016. Before such date, however, MPL illegally disconnected its services to the Company and filed a Civil Suit before the Sindh High Court for recovery of dues amounting to USD 7.03 million, allegedly due under the stated agreement. The subject suit is pending adjudication.

The management believes that MPL's claim is invalid since its major portion relates to the un-utilized future period, for which MPL is/was under contractual obligation to provide media to the Company. However, the subject media/services have never been provisioned therefore MPL is not entitled to claim any amount for media or services which has never been provisioned. As the Company holds an indefeasible right to use MPL's media for the contract duration of 15 years, early and unilateral termination of services by MPL, amounts to a breach. Under these circumstances, the Company can use its express contractual rights to reclaim amounts relating to un-utilized future period on a prorata basis. Moreover, MPL is also liable to make payments to the Company on account of different services received from the Company. While 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, it has also 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, the management is of the view that it is unlikely that any adverse order will be passed against the Company.

	2016	2015
	----- (Rupees in '000) -----	
31.5 Outstanding guarantees and letters of credit	<u><u>499,490</u></u>	<u><u>869,779</u></u>
Commitments		
31.6 Commitments in respect of capital expenditure	<u><u>286,812</u></u>	<u><u>504,164</u></u>

32 Ordinary Share Capital

2016	2015		2016	2015
No. of Shares			------(Rupees in '000)-----	
344,000,000	344,000,000	Ordinary shares of Rs. 10 each fully paid in cash	3,440,000	3,440,000
309,965,789	309,965,789	Ordinary shares of Rs. 10 each issued in accordance with the scheme of merger	3,099,658	3,099,658
98,094,868	98,094,868	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	980,949	980,949
108,510,856	108,510,856	Ordinary shares of Rs. 10 each issued against convertible loan	1,085,109	1,085,109
<u>860,571,513</u>	<u>860,571,513</u>		<u>8,605,716</u>	<u>8,605,716</u>

32.1 There has been no movement in ordinary share capital during the year ended December 31, 2016.

32.2 In accordance with the terms of agreement between the Company and certain lenders of long term financing, there are certain restrictions on distribution of dividends by the Company.

32.3 As at December 31, 2016, the Parent company holds 488,839,429 ordinary shares (2015: 488,839,429) of the Company. As referred to in note 2.2, the Parent company and WSL have entered into an SPA whereby WSL shall acquire 56.8% ordinary shares (488,839,429 ordinary shares) of the Company that are held by the Parent company on execution of the SPA.

33 Preference Share Capital

	2016	2015
	------(Rupees in '000)-----	
350,000 Preference shares of USD 100 each fully paid in cash	<u>3,537,700</u>	<u>3,537,700</u>

33.1 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 (2015: CPS held by Parent company amounting to USD 20 million and HBL amounting to USD 15 million).

33.2 The conversion option is exercisable by the holder at any time after the 1st anniversary of the issue date but no later than the 5th anniversary. On 5th anniversary, CPS will be mandatorily converted into ordinary voting common shares. 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.

33.3 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.

33.4 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 85% CPS aggregating 297,500 CPS that are held by the Parent company along with accumulated dividend thereon and rights attached therewith.

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

- The shares were issued under the provisions of section 84, 86 and 90 of the Companies Ordinance, 1984 and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.
- The financial capital of the Company and the issue of the shares were duly approved by the members of the Company at the Annual General Meeting held on April 30, 2012.
- The requirements of the Companies Ordinance, 1984 take precedence over the requirements of International Financial Reporting Standards.
- The preference shareholders have the right to convert these shares into ordinary shares.

34 Share Premium Reserve

34.1 This reserve can be utilized by the Company only for the purposes specified in Section 83(2) of the Companies Ordinance, 1984.

35 Surplus on Revaluation of Fixed Assets

	Note	2016	2015
------(Rupees in '000)-----			
Opening balance - net of tax		-	882,581
Surplus on revaluation arisen during the year	35.1	1,029,998	1,050,223
Related deferred taxation		(308,999)	(315,067)
		720,999	735,156
Adjustment of related deferred tax due to change in rate	9	-	84,614
Transfer to retained earnings in respect of net incremental depreciation/amortization net of deferred tax		(23,150)	(63,119)
Impairment on plant and equipment held for sale		-	(143,447)
Impairment of WLL CGU	5.1.2	-	(1,495,785)
Closing balance - net of tax	35.2	697,849	-

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

35.2 This represents surplus over book value resulting from the revaluation of plant and machinery and licenses and softwares, adjusted by incremental depreciation arising on revaluation of the above-mentioned assets.

	Note	2016 ------(Rupees in '000)-----	2015
36 Revenue - net			
Gross revenue	36.1	1,963,640	2,544,065
Less: Sales tax		(68,637)	(120,723)
Less: Discount and commission	36.2	(75,297)	(231,790)
		(143,934)	(352,513)
		1,819,706	2,191,552

36.1 This includes revenue in respect of LDI services rendered to the Parent company aggregating Rs. 20.55 million (2015: Rs. 56.53 million).

36.2 This includes commission of Rs. Nil (2015: Rs. 42.84 million) for billing and collection services provided by WSL, a related party (associated company) as per the Billing and Collection Services Agreement.

	Note	2016 ------(Rupees in '000)-----	2015 (Restated)
37 Direct Cost			
Interconnect, settlement and other charges		721,683	1,197,271
PTCL share cost	37.1	46,144	80,285
Bandwidth and other PTCL charges		147,805	162,718
Power consumption and rent	37.2	337,158	297,398
Metro cost	37.3	-	563,378
Security services		46,371	65,683
PTA charges	37.4	9,068	(5,621)
Cable license fee		25,891	23,862
Stock-in-trade consumed		-	52
Stores and spares consumed		17,728	28,453
Annual spectrum fee		34,558	34,558
Content cost		33,982	30,315
Network maintenance and insurance	37.5	86,866	218,924
Network partner share		23,346	25,709
Fees and subscriptions		18,692	3,562
Others		1,537	53,582
Depreciation	5.1.7	913,102	1,142,051
Amortization	6.3	293,317	260,243
		2,757,248	4,182,423

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. 263.81 million (2015: Rs. 213.16 million).

37.3 This includes charge off aggregating Rs. Nil (2015: Rs. 527.44 million) 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:

	Note	2016	2015
------(Rupees in '000)-----			
LDI license	37.4.1	3,934	(11,016)
WLL license - royalty fee		142	250
Broadband license		3,194	4,451
Telephony license	37.4.2	94	94
Annual numbering charges		1,704	600
		<u>9,068</u>	<u>(5,621)</u>

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

Universal Service Fund	2,360	(6,610)
Research and Development Fund	787	(2,203)
Annual Regulatory Fee	787	(2,203)
	<u>3,934</u>	<u>(11,016)</u>

During 2015, as detailed in note 15.2.1, APC for USF amounting to Rs. 479.99 million was expensed out that had been deducted for the purpose of determination of PTA charges for that year. This resulted in negative charges for LDI operations in 2015.

	2016	2015
------(Rupees in '000)-----		
37.4.2 This represents Telephony license charges in respect of the following:		
Universal service fund	56	56
Research and development fund	19	19
Annual regulatory fee	19	19
	<u>94</u>	<u>94</u>

37.5 For 2015, the amount include an expense of Rs. 10.25 million for maintenance services provided by WSL, a related party (associated company) as per the Genset Maintenance Services Agreement.

	Note	2016	2015
------(Rupees in '000)-----			
<i>(Restated)</i>			
38 Operating Cost			
Salaries, wages and benefits		621,659	710,596
Marketing, advertisement and selling expenses		852	8,534
Rent, rates and taxes	38.1	79,910	99,517
Communications		12,184	15,858
Transportation		20,429	27,415
Legal and professional		37,385	34,968
Insurance		10,230	16,092
Utilities		27,400	35,828
Printing and stationery		3,315	4,892
Entertainment		9,445	13,779

	Note	2016 ------(Rupees in '000)----- (Restated)	2015
Travelling and conveyance		71,159	90,752
Repairs and maintenance		14,559	19,372
Fees and subscriptions		1,461	3,562
Directors' meeting expenses		168	2,178
Postage and courier		386	1,184
Newspapers and periodicals		165	188
Security services		17,550	14,311
General support services	38.2	-	28,800
Miscellaneous		11,010	15,673
Depreciation	5.1.7	26,264	31,414
		965,531	1,174,913

38.1 This includes operating lease rentals amounting to Rs. 77.34 million (2015: Rs. 95.55 million).

38.2 For 2015, this represented general support services provided by WSL, a related party (associated company) as per the General Support Services Agreement.

	Note	2016 ------(Rupees in '000)-----	2015
39 Finance Cost			
Mark up on long term financing		155,479	103,022
Mark up on short term borrowings		50,355	58,918
Financial charge on leased liabilities		188	361
Mark up on Term Finance Certificates		165,292	170,149
Management and advisory fee	39.1	186,268	162,133
Amortization of transaction cost		-	139,204
Bank charges and commission	39.2	8,747	44,005
		566,329	677,792

39.1 This includes Rs. 181.58 million (2015: Rs. 152.83 million) for management fee in respect of CPS to the Parent company.

39.2 This included guarantee commission amounting to Rs. 21.53 million relating to the Parent company in respect of its corporate guarantee issued to Askari Bank Limited.

	Note	2016 ------(Rupees in '000)-----	2015
40 Other Income			
<i>Income from financial assets / liabilities</i>			
Income on deposit and savings accounts		18,664	28,022
Net gain on sale of available-for-sale financial assets		-	7,988
Amortization of receivables	8	15,722	18,668
		34,386	54,678

	Note	2016	2015
		------(Rupees in '000)-----	
<i>Income from non - financial assets / liabilities</i>			
Scrap sales		1,395	57
Profit on disposal of property, plant and equipment		5,245	985
Net gain on insurance claim of assets written off due to fire	40.1	-	57,907
Liabilities no longer payable written back		100,156	92,036
Liquidated damages		45,312	-
Miscellaneous		5,841	38,336
		157,949	189,321
		192,335	243,999

40.1 As referred to in notes 5.1.3, 5.2.1.3, 5.3.2, 12.1 and 13.2, during 2015, 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 and a claim receivable of Rs. 150 million was determined as due from the insurer as on previous year end. The Company is in the process of recovering the insurance proceeds from the insurer. The Company has recovered Rs. 145.35 million from the insurer.

	Note	2016	2015
		------(Rupees in '000)-----	
40.1.1 Carrying value of assets written off due to fire			
Property, plant and equipment			
Plant and equipment	5.1	-	30,405
Capital work-in-progress	5.2.1.3	-	1,994
Major spare parts and stand-by equipment	5.3.2	-	2,651
		-	35,050
Stores, spares and stock-in-trade	12.1	-	57,043
Carrying value of assets written off due to fire		-	92,093
Insurance claim determined	18.1	-	150,000
Net gain on insurance claim of assets written off due to fire		-	57,907

	Note	2016	2015
		------(Rupees in '000)-----	
		(Restated)	
41 Other Expenses			
Auditors' remuneration	41.1	4,900	7,465
Long term deposits written off	11.2	1,792	-
Provision for stock-in-trade	13.1	-	201,556
Provision for stores and spares	12	11,458	10,989
Provision for doubtful debts	14.1	48,497	219,049
Provision for doubtful receivables	18.2	2,125	54,791
Provision for doubtful advances	15.4	7,053	63,684
Metro cost		69,168	-
Forfeiture of performance guarantee		138,676	-
Fine and penalties	41.2	79	-
Exchange loss		2,995	314,443
		286,743	871,977

	Note	2016	2015
		----- (Rupees in '000) -----	
41.1 Auditors' remuneration			
Statutory audit		2,750	2,750
Half year review		1,100	1,100
International reporting		-	2,200
Other assurance services		300	632
Out of pocket expenses		750	783
		<u>4,900</u>	<u>7,465</u>

41.2 This represents penalty imposed by PEMRA.

42 Taxation

Current			
- For the year	42.1	46,239	45,687
- Prior years		-	6,114
		46,239	51,801
Deferred		(1,345,313)	1,884,401
		<u>(1,299,074)</u>	<u>1,936,202</u>

42.1 In view of taxable losses, the provision for current taxation represents tax under 'Final Tax Regime', tax on minimum turnover under section 113 of the Income Tax Ordinance, 2001 (ITO) and minimum tax under section 153(1)(b) of ITO on deductible services.

42.2 Owing to accounting and tax losses, tax reconciliation has not been provided.

	Note	2016	2015
		----- (Rupees in '000) -----	
43 Loss per Share - Basic and Diluted			
43.1 Basic loss per share:			
Loss after taxation		(1,264,736)	(10,632,887)
Adjustments for:			
Dividend on CPS		(217,006)	(228,830)
Exchange (loss)/gain on CPS		-	(147,000)
		(217,006)	(375,830)
Loss attributable to ordinary shareholders		<u>(1,481,742)</u>	<u>(11,008,717)</u>
Weighted average number of ordinary shares	Number in '000	860,572	860,572
Basic loss per share	Rupees	<u>(1.72)</u>	<u>(12.79)</u>

	Note	2016	2015
		------(Rupees in '000)-----	
43.2 Diluted loss per share:			
Loss attributable to ordinary shareholders		(1,481,742)	(11,008,717)
Adjustments for:			
Dividend on CPS		217,006	228,830
Exchange loss/(gain) on CPS		-	147,000
Equity advisory fee payable to investor (net of tax)		-	6,779
		217,006	382,608
Loss used to determine diluted loss per share		<u>(1,264,736)</u>	<u>(10,626,108)</u>
Weighted average number of ordinary shares	Number in '000	860,572	860,572
Assumed conversion of CPS and dividend thereon into ordinary shares	Number in '000	2,291,974	2,471,213
Weighted average number of ordinary shares for diluted loss per share	Number in '000	3,152,546	3,331,785
Diluted loss per share	Rupees	<u>(0.40)</u>	<u>(3.19)</u>

43.2.1 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.

43.2.2 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.

	Note	2016	2015
		------(Rupees in '000)-----	
44 Cash (Used in) / Generated from Operations			<i>(Restated)</i>

CASH FLOWS FROM OPERATING ACTIVITIES

Loss before taxation		(2,563,810)	(8,696,685)
Adjustment for non-cash charges and other items:			
- Depreciation on property, plant and equipment		939,366	1,173,465
- Amortization on intangible assets		293,317	260,243
- Amortization of transaction cost		-	139,204
- Amortization of long term trade receivables		(15,722)	(18,668)
- Provision for doubtful debts and other receivables		50,622	273,840
- Provision for stock-in-trade and stores and spares		11,458	212,545
- Reversal of provision for stock-in-trade		-	-
- Impairment of assets		-	4,240,451
- Provision for doubtful advances		7,053	63,684
- CWIP charged to profit or loss		-	553,775

	Note	2016	2015
		----- (Rupees in '000) ----- (Restated)	
- Profit on disposal of property, plant and equipment		(5,245)	(985)
- 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		(100,156)	(92,036)
- Exchange loss on foreign currency loan		2,995	145,434
- Gain on re-measurement of investment properties at fair value		-	(15,320)
- Gain on sale of available-for-sale financial assets		-	(7,988)
- Retirement benefits		59,640	101,158
- Long term deposits written off		1,792	-
- Finance cost		566,329	538,588
		1,834,189	7,513,995
Operating loss before working capital changes		(729,621)	(1,182,690)
(Increase) / decrease in current assets			
- Stores and spares		15,898	39,696
- Stock-in-trade		(115)	4,883
- Trade debts		(312,791)	230,279
- Loans and advances		(63,431)	511,432
- Deposits and prepayments		(19,571)	70,298
- Other receivables		178,538	(19,656)
Increase / (decrease) in current liabilities			
- Trade and other payables		902,180	787,581
		700,708	1,595,746
Cash (used in) / generated from operations		(28,913)	441,823

45. 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		Non-Executive Directors		Executives	
	2016	2015	2016	2015	2016	2015
	----- (Rupees in '000) -----		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Managerial remuneration	17,920	17,920	-	-	149,559	166,536
Retirement benefits	2,987	2,987	-	-	24,837	27,820
House rent allowance	7,168	7,168	-	-	59,824	66,614
Utilities	1,792	1,792	-	-	14,956	16,654
Meeting fee allowance	-	-	168	2,178	-	-
Advisory fee	-	-	4,200	4,200	-	-
	29,867	29,867	4,368	6,378	249,176	277,624
Number of persons	1	1	7	7	89	125

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

- 45.2** The Chief Executive Officer and certain executives of the Company are provided with Company maintained vehicles and residential telephones.
- 45.3** There is no executive director of the Company.

46 Transaction with Related Parties

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

Transactions during the year			2016	2015
			------(Rupees in '000)-----	
Related party	Relationship	Nature of transaction		
Omantel	Parent company	Dividend on CPS	217,006	130,806
		Rendering of LDI services to Omantel	20,550	56,530
		Management fee	181,580	152,830
		Receipts under SPA	579,659	-
WSL	Associated company	Receipts under SPA	419,200	-
		Advance written off	4,421	-
		Markup on short term borrowings	4,137	-
Key management personnel		Sale of vehicle	648	-

The amounts above do not include salaries and other employee benefits of the Chief Executive Officer, directors and executives of the Company which have been disclosed in note 45.

Outstanding Balance as at the year end			2016	2015
			------(Rupees in '000)-----	
Omantel		Receipts under SPA	579,659	-
		Trade creditors	2,998,997	2,684,723
WSL		Advance to supplier	2,109	2,109
		Short term borrowings	419,200	-
		Trade creditors	23,121	23,121
		Accrued markup	4,137	-
Key management personnel		Payable against expenses, salaries and other employee benefits	115,049	77,405
		Long term loans	11,249	5,564
		Advance	7,567	-

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

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

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

47.1 Market risk

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

47.1.1 Currency risk

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

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

	2016	2015
	----- (Rupees in '000) -----	
Trade receivables	4,114	990
Trade payables	(37,399)	(43,182)
Borrowings	(39,000)	(35,000)
Net exposure	<u>(72,285)</u>	<u>(77,192)</u>
The following significant exchange rates were applied during the year	2016	2015
Average rate - Rupees per US Dollar (USD)	104.80	102.70
Reporting date rate - Rupees per US Dollar (USD)	104.80	104.80

At December 31, 2016, if the Rupee had weakened / strengthened by 1% against the US dollar with all other variables held constant, pre-tax loss for the year would have been Rs. 75.76 million (2015: Rs. 80.90 million) higher / lower, mainly as a result of foreign exchange losses / gains on translation of US

dollar-denominated financial assets and liabilities. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

47.1.2 Interest rate risk

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

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

	2016	2015
	----- (Rupees in '000) -----	
		<i>(Restated)</i>
<u>Floating rate instruments</u>		
Financial assets		
Bank balances - saving accounts	7,006	2,220
Financial liabilities		
Term finance certificates	(1,517,110)	(1,517,110)
Long term financing	(3,771,187)	(3,800,315)
Liabilities against assets subject to finance lease	(1,609)	(2,991)
Short term borrowings	(960,677)	(563,902)
	<u>(6,243,577)</u>	<u>(5,882,098)</u>

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the balance sheet date fluctuate by 1% higher / lower with all other variables held constant, loss before taxation for the year would have been Rs. 62.44 million (2015: Rs. 37.49 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities outstanding at the balance sheet date are outstanding for the entire year.

47.1.3 Other market price risk

Equity price risk arises from investments held by the Company which are classified in the balance sheet as available-for-sale (note 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 too low (less than 1% of the Company's total assets), the performance of the investments will not have any material impact on the Company's performance.

47.2 Credit risk

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

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

47.2.1 Exposure to credit risk

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

	2016	2015
	----- (Rupees in '000) -----	
		<i>(Restated)</i>
Long term trade receivables	77,061	91,953
Long term loans	11,249	5,564
Long term deposits	32,641	36,046
Trade debts	761,262	481,246
Short term deposits	416,256	403,075
Other receivables	119,486	300,149
Short term investments	150,799	87,860
Bank balances	10,851	4,876
	<u>1,579,605</u>	<u>1,410,769</u>

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

	2016	2015
	----- (Rupees in '000) -----	
The aging of trade debts and long term trade receivables		
Not past due	98,081	203,440
Past due 1 - 180 days	624,992	300,937
Past due 181 - 365 days	64,741	39,971
1 - 2 years	50,509	28,851
More than 2 years	-	-
	<u>838,323</u>	<u>573,199</u>

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

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

47.2.3 Credit quality of bank balances

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

	Rating		Rating Agency	2016	2015
	Short term	Long term			
	----- (Rupees in '000) -----				
Allied Bank Limited	A1+	AA+	PACRA	191	191
Askari Bank Limited	A-1+	AA+	JCR-VIS	370	981
Bank AL Habib Limited	A1+	AA+	PACRA	804	804
HBL Pakistan	A-1+	AAA	JCR-VIS	195	349
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	182	182
JS Bank Limited	A1+	AA-	PACRA	15	15
Bank Islami Pakistan Limited (Formerly KASB Bank Limited)	A1	A+	PACRA	464	318
MCB Bank Limited	A1+	AAA	PACRA	124	120
NIB Bank Limited	A1+	AA-	PACRA	138	822
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	254	254
Soneri Bank Limited	A1+	AA-	PACRA	18	-
Summit Bank Limited	A-1	A-	JCR-VIS	5,994	184
Tameer Microfinance Bank Limited	A-1	A+	PACRA	1,052	86
United Bank Limited	A-1+	AAA	JCR-VIS	48	48
Mobilink Microfinance Bank Limited (Formerly Waseela Microfinance Bank Limited)	A1	A	PACRA	1,002	522
				10,851	4,876

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

47.3 Liquidity risk

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

Description	Carrying	Contractual	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
-------------	----------	-------------	---------------	-----------	-----------	---------------

Rupees in '000

Contractual maturities of financial liabilities as at December 31, 2016:

Term finance certificates - secured	1,517,110	1,517,110	1,517,110	-	-	-
Long term financing	3,771,187	3,771,187	3,728,300	42,887	-	-
Liabilities against assets subject to finance lease	1,609	1,609	1,609	-	-	-
Long term payables	743,255	743,255	-	-	-	743,255
Long term deposits	35,136	35,136	-	-	-	35,136
License fee payable	1,021,500	1,021,500	1,021,500	-	-	-
Short term borrowings	960,677	960,677	960,677	-	-	-
Trade and other payables	11,068,323	11,068,323	11,068,323	-	-	-
Interest and mark up accrued	384,092	384,092	384,092	-	-	-
	<u>19,502,889</u>	<u>19,502,889</u>	<u>18,681,611</u>	<u>42,887</u>	<u>-</u>	<u>778,391</u>

Contractual maturities of financial liabilities as at December 31, 2015:

Term finance certificates - secured	1,517,110	1,517,110	1,517,110	-	-	-
Long term financing	3,800,315	3,800,315	3,698,284	59,781	42,250	-
Liabilities against assets subject to finance lease	2,991	2,991	1,383	1,608	-	-
Long term payables	2,909,100	526,250	-	-	-	526,250
Long term deposits	35,136	35,136	-	-	-	35,136
License fee payable	1,021,500	1,021,500	1,021,500	-	-	-
Short term borrowings	563,902	563,902	563,902	-	-	-
Trade and other payables	8,005,708	10,380,558	10,380,558	-	-	-
Interest and mark up accrued	253,644	253,644	253,644	-	-	-
	<u>18,109,406</u>	<u>18,101,406</u>	<u>17,436,381</u>	<u>61,389</u>	<u>42,250</u>	<u>561,386</u>

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

47.4 Fair value of financial instruments

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

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

Fair value estimation

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

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

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



An Omantel Company

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

The following table presents the Company's financial assets that are measured at fair value at December 31, 2015:

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

47.5 Capital Risk Management

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

The Company's objectives when managing capital are:

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

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

The Company is subject to capital requirements imposed by its lenders. However, the Company has not been able to meet these requirements on account of its financial constraints and the equity of the Company has become negative as December 31, 2016 (2015: Negative). 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. Owing to negative equity, the leverage ratio has not been worked out.

47.6 Financial instruments by categories

Financial assets as at December 31, 2016

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

Financial assets as at December 31, 2015

	At fair value through profit/loss	Loans and Receivables	Available-for-sale	Held to maturity	Total
-----Rupees in '000-----					
Long term loans	-	5,564	-	-	5,564
Long term deposits	-	36,046	-	-	36,046
Long term trade receivables	-	91,953	-	-	91,953
Trade debts	-	481,246	-	-	481,246
Short term deposits	-	403,075	-	-	403,075
Other receivables	-	300,149	-	-	300,149
Short term investments	-	-	87,860	-	87,860
Cash and bank balances	-	29,900	-	-	29,900
	-	1,347,933	87,860	-	1,435,793

Financial liabilities at amortized cost

	2016	2015
-----Rupees in '000-----		
Term finance certificates - secured	1,517,110	1,517,110
Long term financing	3,771,187	3,800,315
Liabilities against assets subject to finance lease	1,609	2,991
Long term payables	743,255	526,250
Long term deposits	35,136	35,136
License fee payable	1,021,500	1,021,500
Short term borrowings	960,677	563,902
Trade and other payables	11,068,323	10,380,558
Interest and mark up accrued	384,092	253,644
	19,502,889	18,101,406

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) -----						
As at December 31, 2016	A	B	C = A + B	D	E = C + D	
Long term trade receivables	-	-	-	-	-	77,061
Long term loans	-	-	-	-	-	11,249
Long term deposits	-	-	-	-	-	32,641
Trade debts	2,113,737	(1,352,475)	761,262	-	761,262	-
Short term deposits	-	-	-	-	-	416,256
Other receivables	-	-	-	-	-	119,486
Short term investments	-	-	-	-	-	150,799
Cash and bank balances	-	-	-	-	-	119,970
	2,113,737	(1,352,475)	761,262	-	761,262	

	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
	A	B	C = A + B	D	E = C + D	
----- (Rupees in '000) -----						
As at December 31, 2015						
Long term trade receivables	-	-	-	-	-	91,953
Long term loans	-	-	-	-	-	5,564
Long term deposits	-	-	-	-	-	36,046
Trade debts	1,629,841	(1,148,595)	481,246	-	481,246	-
Short term deposits	-	-	-	-	-	403,075
Other receivables	-	-	-	-	-	300,149
Short term investments	-	-	-	-	-	87,860
Cash and bank balances	-	-	-	-	-	29,900
	1,629,841	(1,148,595)	481,246	-	481,246	

(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
	A	B	C = A + B	D	E = C + D	
----- (Rupees in '000) -----						
As at December 31, 2016						
Short term borrowings	-	-	-	-	-	960,677
License fee payable	-	-	-	-	-	1,021,500
Trade and other payables	12,420,798	(1,352,475)	11,068,323	-	11,068,323	-
Interest and mark-up accrued	-	-	-	-	-	384,092
Term finance certificates	-	-	-	-	-	1,517,110
Long term loans	-	-	-	-	-	3,771,187
Liabilities against assets subject to finance lease	-	-	-	-	-	1,609
Long term payables	-	-	-	-	-	743,255
Long term deposits	-	-	-	-	-	35,136
	12,420,798	(1,352,475)	11,068,323	-	11,068,323	

	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
	A	B	C = A + B	D	E = C + D	
----- (Rupees in '000) -----						
As at December 31, 2015						
Short term borrowings	-	-	-	-	-	563,902
License fee payable	-	-	-	-	-	1,021,500
Trade and other payables	11,529,153	(1,148,595)	10,380,558	-	10,380,558	-
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	-	-	-	-	-	526,250
Long term deposits	-	-	-	-	-	35,136
	11,529,153	(1,148,595)	10,380,558	-	10,380,558	

48 Provident Fund Related Disclosures

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

49 Number of Employees

	2016 Number	2015 Number
Employees as at December 31,	757	1031
Average number of employees during the year	894	1055

50 Authorization of Financial Statements

These financial statements were authorized for issue on May 9, 2017 by the Board of Directors of the Company.

51 Corresponding Figures

Corresponding figures have been re-arranged / reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison. Following re-arrangements / reclassifications have been made in these financial statements for better presentation:

Nature	From	To	Amount (Rupees'000)
Provision for stock in trade	Direct cost (Note 37)	Other expenses (Note 41)	201,556
Provision for stores and spares	Direct cost (Note 37)	Other expenses (Note 41)	10,989
Provision for doubtful debts	Operating cost (Note 38)	Other expenses (Note 41)	219,049
Provision for doubtful receivables	Operating cost (Note 38)	Other expenses (Note 41)	54,791
Provision for doubtful advances	Operating cost (Note 38)	Other expenses (Note 41)	63,684
Auditor's remuneration	Operating cost (Note 38)	Other expenses (Note 41)	7,465
Deposit in escrow account	Cash and bank balances (Note 19)	Deposits and prepayments (Note 16)	368,767
Payable to PTA against APC charges	Current Portion of Non-Current Liabilities (Note 21)	Trade and other payables (Note 24)	1,766,190
Payable to Multinet Pakistan (Private) Limited ("MPL")	Current Portion of Non-Current Liabilities (Note 21)	Trade and other payables (Note 24)	616,660


CHIEF EXECUTIVE OFFICER


DIRECTOR



An Omantel Company

PATTERN OF SHAREHOLDING

As at 31 DECEMBER 2016

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

Incorporation Number : 0042200 OF 15-03-2001

No. of Shareholders	Shareholding			Total Shares Held
	From		To	
573	1	-	100	23,022
1119	101	-	500	396,276
3229	501	-	1,000	2,283,365
2906	1,001	-	5,000	8,556,691
1207	5,001	-	10,000	10,410,160
1901	10,001	-	50,000	50,347,584
524	50,001	-	100,000	42,731,575
393	100,001	-	500,000	85,981,681
43	500,001	-	1,000,000	32,225,443
39	1,000,001	-	5,000,000	77,540,373
1	5,000,001	-	15,000,000	13,800,000
1	15,000,001	-	50,000,000	47,435,914
1	50,000,001	-	above	488,839,429
11937	Total			860,571,513

**PATTERN OF SHAREHOLDING
AS AT 31 DECEMBER 2016**

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	47,446,868	5.51%
Insurance Companies	36,194	0.00%
Modarabas and Mutual Funds	650,802	0.08%
* Shareholders holding 10% or more	488,839,429	56.80%
<u>General Public</u>		
a. Local	278,533,041	32.37%
b. Foreign	12,866,737	1.50%
<u>Others</u>		
- Joint Stock Companies	31,993,436	3.72%
- Foreign Companies	172,356	0.02%
Total *	860,571,513	100.00%

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

**PATTERN OF SHAREHOLDING UNDER CODE OF
CORPORATE GOVERNANCE
As at 31 DECEMBER 2016**

Shareholders' Categories	No. of Shares Held	Percentage %
<u>Associated Companies, Undertaking and Related Parties</u>		
Oman Telecommunications Company (S.A.O.G.)	488,839,429	56.80%
<u>Mutual Funds</u>		
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%
<u>Directors, Chief Executive Officer and their Spouse & Minor Children</u>		
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%
<u>Executives</u>	210,000	0.02%
<u>Public Sector Companies and Corporations</u>	32,165,792	3.74%
<u>Banks, Development Financial Institutions, Non-Banking, Finance Companies, Insurance Companies and Modarabas</u>	47,683,062	5.54%
<u>General Public</u>	291,189,778	33.84%
	860,571,513	100.00%
<u>Shareholders holding 5% or more voting rights in the Company</u>		
Oman Telecommunications Company (S.A.O.G.)	488,839,429	56.80%
National Bank of Pakistan	47,435,914	5.51%



An Omantel Company

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 May, 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.

پراسی فارم

فولیو نمبر/ICDC کا ڈیٹ 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 {جو فولیو نمبر _____ (کمپنی کے رکن ہونے کی حیثیت سے) کے تحت کمپنی کا رکن بھی ہے} میرے/ہمارے لیے ووٹ دینے کے لئے یا میری
/ہماری طرف سے 31 مئی 2017ء کو انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان، 155-156 ویسٹ ووڈ کالونی، ٹھوکر نیا بگ، 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 سٹامپ
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 فیئر 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۔

C D C کا ڈونٹ 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۔