

# Quarterly Report

September 30, 2023

WorldCall Telecom Limited





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

**QUARTERLY REPORT 2023**





## VISION

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

## MISSION STATEMENT

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

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

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

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

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



# Contents

**Page Four**

Company Information

**Page Six**

Directors' Review Report

**Page Nine**

ڈائریکٹرز کا تجزیہ

**Page Ten**

Condensed interim Standalone Financial Statements

**Page Thirty**

Condensed interim Consolidated Financial Statements



## COMPANY INFORMATION

<b>Chairman</b>	Mr. Mehdi Mohamed Jawad Abdullah Al Abduwani
<b>Chief Executive Officer</b>	Mr. Abbas Raza
<b>Board of Directors</b>	Mr. Mehdi Mohamed Jawad Abdullah Al Abduwani (Chairman) Mr. Syed Salman Ali Shah (Director) Mr. Muhammad Shoab (Director) Mr. Babar Ali Syed (Director) Mr. Muhammad Azhar Saeed (Director) Mr. Mubasher Lucman (Director) Mrs. Hina Babar (Director) Mr. Tariq Hasan (Director)
<b>Chief Financial Officer</b>	Mr. Shahzad Saleem
<b>Executive Committee</b>	Mr. Mehdi Mohamed Jawad Abdullah Al Abduwani (Chairman) Mr. Muhammad Shoab (Member) Mr. Babar Ali Syed (Member) Mr. Muhammad Azhar Saeed (Member) Mr. Muhammad Sarfraz Javed (Secretary)
<b>Audit Committee</b>	Mr. Muhammad Shoab (Chairman) Mr. Syed Salman Ali Shah (Member) Mr. Mehdi Mohamed Jawad Abdullah Al Abduwani (Member) Mrs. Hina Babar (Member) Mr. Ansar Iqbal Chauhan (Secretary)
<b>Human Resource &amp; Remuneration Committee</b>	Mr. Mubasher Lucman (Chairman) Mr. Muhammad Azhar Saeed (Member) Mr. Muhammad Shoab (Member) Mr. Muhammad Sarfraz Javed (Secretary)
<b>Chief Internal Auditor</b>	Mr. Ansar Iqbal Chauhan
<b>Company Secretary</b>	Mr. Muhammad Sarfraz Javed, ACA
<b>Auditors</b>	Tariq Abdul Ghani Maqbool & Co. Chartered Accountants
<b>Legal Advisers</b>	M/s Miankot Law Chambers Barristers, Advocates & Corporate Legal Consultant




## Bankers

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

## Registrar and Shares Transfer Office

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

 (+92 21) 35310191-6


 (+92 21) 35310190

 [sfc@thk.com.pk](mailto:sfc@thk.com.pk)

## Registered Office/Head Office

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

 (+92 42) 35400544, 35400609,

 (+92 42) 35110965

## Webpage

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



## DIRECTORS' REVIEW REPORT

The Board of Directors of Worldcall Telecom Limited ("Worldcall" or the "Company") is pleased to present its review report along with the condensed interim standalone and consolidated financial information for the nine-months ended September 30, 2023.

### Economic Overview

In 2023, Pakistan faces a complex economic landscape characterized by a 3.4% estimated GDP growth, but marred by rampant inflation at 31.4% as of September 2023. Political instability further complicates the economic scene, deterring necessary reforms and foreign investments. On a positive note, the government is committed to economic reform. The success of these reforms remains pivotal in determining the nation's economic trajectory, with prospects ranging from robust growth to ongoing challenges. Addressing high inflation, narrowing the current account deficit, and implementing reforms are immediate policy priorities, while investments in human capital and a conducive business environment are essential for fostering a more prosperous and equitable future for Pakistan's citizens.

### Financial Overview

#### Standalone Financial Statements

Summary of financial results for the nine-months ended September 30, 2023 are as follows:

Particulars	September 30, 2023	September 30, 2022
	Rs. in million	
Revenue-net	2,077	1,672
Direct Cost (excluding depreciation and Amortization)	(1,955)	(1,285)
Other expenses Income	(159)	(171)
EBITDA	(389)	(108)
Depreciation and Amortization	(712)	(820)
Finance Cost	(452)	(291)
Loss after tax	(1,575)	(1,234)

During the period under review, the Company closed its financial results reporting Rs. 1,575 million as loss after tax. Positive movement in revenue was witnessed and corresponding hike in direct costs aligned with the earlier. Finance cost witnessing adverse movement on account of increase in KIBOR. The significant devaluation of PKR (Rupee-Dollar-Parity) has severely affected the profitability of the Company.

#### Consolidated Financial Statements

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

#### Earnings per Share

The loss per share of the Company on a consolidated as well as on standalone basis is Rupees 0.50 per share.

**Future Outlook**

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

**Company's staff and customers**

we deeply appreciate the pioneering ideas and unwavering commitment of our dedicated team. Their tireless efforts consistently drive us towards a relentless pursuit of improvement. Whether it's through embracing technological advancements or reshaping the very essence of how business interactions take place, we prioritize collective collaboration. Our journey is characterized by active participation from our peers, management, stakeholders, and owners, all sharing their valuable perspectives on our path and ultimate destination.

Together, we are forging a future that redefines industry norms and shapes the way we connect and engage with one another. We are committed to empowering our workforce and delighting our customers as we march forward toward our collective vision. Thank you for being a part of this transformative journey.

**For and on behalf of the Board of Directors**

**Abbas Raza**  
Chief Executive Officer

**Lahore, Pakistan**  
October 31, 2023





## مستقبل کا نظریہ

ڈبلیو ٹی ایل کے لیے مستقبل کا نقطہ نظر تکنیکی تبدیلی پر مرکوز ہے، ایک روڈ میپ کے ساتھ جسے دو وسیع حصوں میں تقسیم کیا جاسکتا ہے: (1) شہری علاقوں میں گھریک فائبر کی تعمیراتی اور توسیع (2) ورلڈ مو بائل گروپ (WMG) کے ساتھ ترویجی اتحاد دنیا بھر میں پیمانہ قوموں کو جوڑنے اور سب کے لیے براڈ بینڈ تک رسائی فراہم کرنے کے لیے ان کی کوششوں میں تکنیکی اور لاجسٹک مدد فراہم کرنے کے لیے۔ یہ نوٹ کرنا ضروری ہے کہ ہمارا موجودہ بنیادی ڈھانچہ وسیع، بھرپور، اور حکمت عملی کے لحاظ سے اوبر بیان کردہ کاروباری حصوں کے ساتھ ساتھ ہماری مستقبل کی تکنیکی وسعتوں کی مکمل حمایت اور آگے بڑھانے کے لیے پوزیشن میں ہے۔

## کمپنی کا عملہ اور صارفین

ورلڈ کال میں، ہم اپنی سرشاریہم کے ہم خیالات اور غیر متنزل عزم کی دل کی گہرائیوں سے تعریف کرتے ہیں۔ ان کی انتھک کاوشیں ہمیں مسلسل بہتری کی ایک انتھک جستجو کی طرف لے جاتی ہیں۔ چاہے یہ تکنیکی ترقی کو اپنانے کے ذریعے ہو یا کاروباری معاملات کے ہونے کے جوہر کو نئی شکل دینے کے ذریعے ہو، ہم اجتماعی تعاون کو ترجیح دیتے ہیں۔ ہمارا سفر ہمارے ساتھیوں، انتظامیہ، اسٹیک ہولڈرز، اور مالکان کی فعال شرکت سے خصوصیت رکھتا ہے، سبھی ہمارے راستے اور حتمی منزل پر اپنے قیمتی نقطہ نظر کا اشتراک کرتے ہیں۔

ہم مل کر ایک ایسے مستقبل کی تشکیل کر رہے ہیں جو صنعت کے اصولوں کو نئے سرے سے متعین کرتا ہے اور ایک دوسرے کے ساتھ جڑنے اور منسلک ہونے کے طریقے کو تشکیل دیتا ہے۔ ہم اپنی افرادی قوت کو بااختیار بنانے اور اپنے صارفین کو خوش کرنے کے لیے پرعزم ہیں۔ ہم اپنے اجتماعی وژن کی طرف آگے بڑھ رہے ہیں۔ اس تبدیلی کے سفر کا حصہ بننے کے لیے آپ کا شکر ہے۔

محکم بورڈ آف ڈائریکٹرز

عباس رضا

چیف ایگزیکٹو آفیسر

لاہور

131 اکتوبر، 2023ء

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



## ڈائریکٹرز کی جائزہ رپورٹ

ہمیں خوشی ہے کہ ورلڈ کال ٹیلی کام لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 ستمبر 2023 کو ختم ہونے والے عرصہ کے لئے غیر آڈٹ شدہ مالیاتی گوشوارے بشمول مجموعی مالیاتی گوشوارے پیش کر رہے ہیں۔

### معاشی جائزہ

2023 میں، پاکستان کو ایک پیچیدہ اقتصادی منظر نامے کا سامنا ہے جس کی خصوصیت 3.4 فیصد متوقع GDP نمو تھی، لیکن ستمبر 2023 تک 31.4 فیصد تک مہنگائی کی شرح میں اضافہ ہوا۔ سیاسی عدم استحکام معاشی منظر کو مزید پیچیدہ بناتا ہے، ضروری اصلاحات اور غیر ملکی سرمایہ کاری کو روکتا ہے۔ ایک مثبت نوٹ پر، حکومت اقتصادی اصلاحات کے لیے پرعزم ہے۔ ان اصلاحات کی کامیابی ملک کی اقتصادی رفتار کا تعین کرنے میں اہم ہے، جس میں مضبوط ترقی سے لے کر جاری چیلنجز تک کے امکانات ہیں۔ بلند افراط زر پر قابو پانا، کرنٹ اکاؤنٹ خسارے کو کم کرنا، اور اصلاحات کا نفاذ فوری پالیسی ترجیحات میں شامل ہیں، جبکہ پاکستانی شہریوں کے زیادہ خوشحال اور مساوی مستقبل کے لیے انسانی سرمائے میں سرمایہ کاری اور سازگار کاروباری ماحول ضروری ہے۔

### مالیاتی جائزہ - علیحدہ معاشی بیانات

30 ستمبر 2023 کو ختم ہونے والے نو ماہ کے مالیاتی نتائج کا خلاصہ حسب ذیل ہے۔

Particulars	September 30, 2023	September 30, 2022
	Rs. in million	
Revenue-net	2,077	1,672
Direct Cost (excluding depreciation and Amortization)	(1,955)	(1,285)
Other expenses Income	(159)	(171)
EBITDA	(389)	(108)
Depreciation and Amortization	(712)	(820)
Finance Cost	(452)	(291)
Loss after tax	(1,575)	(1,234)

زیر جائزہ مدت کے دوران، کمپنی کو ٹیکس کے بعد 1,575 ملین روپے کا مالیاتی خصارہ ہوا ہے۔ ریونیو میں مثبت تبدیلی دیکھی گئی اور اس سے منسلک ڈائریکٹ خرچوں میں بھی اضافہ ہوا۔ KIBOR سے منسلک اضافے کی وجہ سے مالیاتی اخراجات میں براہ راست اضافہ ہوا۔ فرسودگی اور معافی کے اخراجات تقابلی اعداد و شمار کے ساتھ کم و بیش مطابقت رکھتے ہیں۔ ڈالر کے مقابلے میں روپے کی قدر میں نمایاں کمی نے کمپنی کے منافع کو بری طرح متاثر کیا ہے۔

### مجموعی مالیاتی بیانات

عبوری مستحکم مالی بیانات روٹ 1 ڈیجیٹل (پرائیویٹ) لمیٹڈ (ذیلی کمپنی) کے ساتھ مل کر ورلڈ کال ٹیلی کام لمیٹڈ (پبلک کمپنی) کے مالی نتائج پر مشتمل ہیں۔ روٹ 1 ڈیجیٹل پاکستان میں شامل ایک پرائیویٹ لمیٹڈ کمپنی ہے۔

### فی شیئر آمدنی

کمپنی کافی حصص خسارہ مجموعی اور علیحدہ طور پر 0.50 روپے فی حصص ہے۔

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2023**

	September 30 2023 (Un-Audited)	December 31 2022 (Audited)
	----- (Rupees in '000) -----	
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized share capital	29,000,000	29,000,000
Ordinary share capital	13,853,800	13,136,257
Preference share capital	890,665	1,185,479
Dividend on preference shares	315,717	425,652
Capital reserves	328,068	236,897
Accumulated loss	(17,017,357)	(15,167,270)
Surplus on revaluation of fixed assets	1,666,966	1,804,747
	37,859	1,621,762
<b>NON-CURRENT LIABILITIES</b>		
Term finance certificates	678,702	917,312
Long term financing	421,942	450,462
Sponsor's loan	2,454,558	2,171,307
License fee payable	45,513	45,513
Post employment benefits	220,800	200,030
Long term deposit	-	100,915
Lease liabilities	193,260	194,460
	4,014,775	4,079,999
<b>CURRENT LIABILITIES</b>		
Trade and other payables	6,977,950	6,456,393
Accrued mark up	970,325	598,184
Current and overdue portion of non-current liabilities	1,353,962	1,023,425
Short term borrowings	111,074	116,419
Unclaimed dividend	1,807	1,807
Provision for taxation - net	364,484	353,012
	9,779,602	8,549,241
<b>Contingencies and Commitments</b>	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13,832,236</b>	<b>14,251,002</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	5,059,094	5,320,386
Right of use assets	3,198,797	3,407,381
Intangible assets	369,245	592,619
Investment properties	51,470	51,470
Long term investment	-	-
Deferred taxation	2,377,486	2,371,463
Long term deposits	9,514	9,494
	11,065,606	11,752,813
<b>CURRENT ASSETS</b>		
Stores and spares	26,021	31,182
Stock-in-trade	210,858	210,858
Trade debts	1,111,936	1,195,345
Loans and advances	421,946	316,011
Deposits and prepayments	641,849	580,646
Short term investments	28,649	37,296
Other receivables	157,256	117,412
Cash and bank balances	168,115	9,439
	2,766,630	2,498,189
<b>TOTAL ASSETS</b>	<b>13,832,236</b>	<b>14,251,002</b>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS  
(UN-AUDITED)  
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2023**

	Nine months ended Sep 30		Quarter ended Sep 30	
	2023	2022	2023	2022
----- (Rupees in '000) -----				
Revenue	2,076,522	1,671,974	751,374	633,028
Direct costs excluding depreciation and amortization	(1,954,552)	(1,284,923)	(726,886)	(592,422)
Operating costs	(352,656)	(324,152)	(105,598)	(96,414)
Other (expense) / Income - net	(158,783)	(170,905)	13,986	(87,867)
<b>Loss before Interest, Taxation, Depreciation and Amortization</b>	<b>(389,469)</b>	<b>(108,006)</b>	<b>(67,124)</b>	<b>(143,675)</b>
Depreciation and amortization	(712,244)	(819,901)	(183,709)	(273,300)
Finance cost	(451,876)	(291,197)	(153,755)	(105,539)
<b>Loss before Taxation</b>	<b>(1,553,589)</b>	<b>(1,219,104)</b>	<b>(404,588)</b>	<b>(522,514)</b>
Taxation	(21,685)	(14,687)	(9,831)	(1,700)
<b>Net Loss for the period</b>	<b>(1,575,274)</b>	<b>(1,233,791)</b>	<b>(414,419)</b>	<b>(524,214)</b>
<b>Loss per Share - basic (Rupees)</b>	<b>(0.50)</b>	<b>(0.28)</b>	<b>(0.13)</b>	<b>(0.12)</b>
<b>Loss per Share - diluted (Rupees)</b>	<b>(0.50)</b>	<b>(0.28)</b>	<b>(0.13)</b>	<b>(0.12)</b>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
(UN-AUDITED)  
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2023**

	Nine months ended Sep 30		Quarter ended Sep 30	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Net loss for the period	(1,575,274)	(1,233,791)	(414,419)	(524,214)
<b>Other comprehensive income:</b>				
<i>Items that will not be reclassified to profit or loss:</i>				
- Changes in fair value of financial assets through other comprehensive income - net of tax	(8,628)	(9,061)	(6,209)	13,144
<i>Item that may be subsequently reclassified to profit or loss:</i>	-	-	-	-
<b>Other Comprehensive (loss)/Income - net of tax</b>	<b>(8,628)</b>	<b>(9,061)</b>	<b>(6,209)</b>	<b>13,144</b>
<b>Total Comprehensive loss for the Period - net of tax</b>	<b>(1,583,902)</b>	<b>(1,242,852)</b>	<b>(420,628)</b>	<b>(511,070)</b>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

	Note	Nine Months Ended September 30,	
		2023	2022
		Un-Audited	Un-Audited
		------(Rupees in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from/ (used in) operations	18	191,359	(141,446)
<i>Increase / (Decrease) in non-current liabilities:</i>			
- Long term deposit		(100,915)	1,944
<i>Decrease / (Increase) in non-current assets:</i>			
- Long term deposits		(20)	(218)
		90,424	(139,720)
Post employment benefits paid		(2,798)	(10,945)
Finance cost paid		(10,887)	(41,013)
Income tax paid		(16,236)	(5,706)
<b>Net cash generated from/(used in) Operating Activities</b>		<b>60,503</b>	<b>(197,384)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(18,986)	(15,685)
Short term investments		19	3,467
Income on deposit and savings accounts		80,709	1,117
<b>Net cash generated from/(used in) Investing Activities</b>		<b>61,742</b>	<b>(11,101)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of term finance certificates		-	(72,968)
Repayment of long term financing		(48,684)	(23,865)
Sponsor's loan		109,462	318,544
Short term borrowings - net		1,862	(4,358)
Repayment of lease liability		(26,209)	(16,154)
<b>Net Cash Generated from Financing Activities</b>		<b>36,431</b>	<b>201,199</b>
<b>Net Increase/(decrease) in Cash and Cash Equivalents</b>		<b>158,676</b>	<b>(7,286)</b>
Cash and cash equivalents at the beginning of the period		9,439	33,208
<b>Cash and Cash Equivalents at the End of the Period</b>		<b>168,115</b>	<b>25,922</b>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

Particulars	Ordinary Share Capital	Preference Share Capital	Dividend on Preference Shares	Capital Reserves			Revenue Reserve (Accumulated Loss)	Surplus on Revaluation of Fixed Assets	Total
				Fair Value Reserve	Exchange Translation Reserve	Total Capital Reserves			
<b>Balance as at December 31, 2021</b>	12,495,571	1,576,270	571,600	(6,308)	360,761	353,953	(14,023,097)	2,027,672	3,002,469
Net profit for the period	-	-	-	(9,061)	-	(9,061)	(1,233,791)	-	(1,233,791)
Other comprehensive income for the period - net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period - net of tax	-	-	-	(9,061)	-	(9,061)	(1,233,791)	-	(1,233,791)
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	206,671	(206,671)	-
Conversion of preference shares and proportion of normal sales	5,367,041	(301,391)	(145,948)	-	(103,347)	(103,347)	-	-	4,726,355
Discount on issuance of ordinary shares	(4,726,355)	-	-	-	-	-	-	-	(4,726,355)
Total transactions with owners, recognized directly in equity	640,686	(301,391)	(145,948)	-	(103,347)	(103,347)	-	-	-
<b>Balance as at September 30, 2022</b>	<b>13,136,257</b>	<b>1,185,479</b>	<b>425,652</b>	<b>(15,969)</b>	<b>257,414</b>	<b>241,445</b>	<b>(15,050,217)</b>	<b>1,821,001</b>	<b>1,759,617</b>
Net loss for the period	-	-	-	(4,548)	-	(4,548)	(147,513)	-	(147,513)
Other comprehensive income for the period - net of tax	-	-	-	-	-	-	14,206	-	9,658
Total comprehensive income for the period - net of tax	-	-	-	(4,548)	-	(4,548)	(133,307)	-	(137,855)
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	-	-	-
Adjustment of Surplus on retirement of tangible assets	-	-	-	-	-	-	16,254	(16,254)	-
Total transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
<b>Balance as at December 31, 2022</b>	<b>13,136,257</b>	<b>1,185,479</b>	<b>425,652</b>	<b>(20,517)</b>	<b>257,414</b>	<b>236,897</b>	<b>(15,167,270)</b>	<b>1,804,747</b>	<b>1,821,762</b>
Net loss for the period	-	-	-	(8,628)	-	(8,628)	(1,575,274)	-	(1,575,274)
Other comprehensive income for the period - net of tax	-	-	-	-	-	-	-	-	(8,628)
Total comprehensive income for the period - net of tax	-	-	-	(8,628)	-	(8,628)	(1,575,274)	-	(1,583,902)
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	-	-	-
Exchange translation	-	-	110,922	-	-	-	(412,594)	-	-
Conversion of preference shares and dividend thereon	12,483,853	(204,814)	(220,857)	-	(201,873)	(201,873)	-	-	11,776,315
Discount on issuance of ordinary shares	(11,776,315)	-	-	-	-	-	-	-	(11,776,315)
Total transactions with owners, recognized directly in equity	717,544	(204,814)	(220,857)	-	(201,873)	(201,873)	-	-	-
<b>Balance as at September 30, 2023</b>	<b>13,853,900</b>	<b>890,665</b>	<b>315,717</b>	<b>(29,145)</b>	<b>357,213</b>	<b>328,068</b>	<b>(17,017,357)</b>	<b>1,666,966</b>	<b>37,859</b>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

*Abhishek Singh*  
Chief Executive Officer

*Sangeeta*  
Director

*Sangeeta*  
Chief Financial Officer



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

### Note 1

#### THE COMPANY AND ITS OPERATIONS

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

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

### Note 2

#### BASIS OF PREPARATION

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

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

- 2.3 These condensed interim financial statements are unaudited.
- 2.4 These condensed interim financial statements (un-audited) do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2022. Selected explanatory notes are included to explain events and transactions that are significant to understanding of the changes in the Company's financial statements since the last financial statements.
- 2.5 These condensed interim financial statements (un-audited) should be read in conjunction with annual audited financial statements for the year ended December 31, 2022. Comparative statement of financial position is extracted from annual audited financial statements for the year ended December 31, 2022 whereas comparative statement of profit or loss, comparative statement of comprehensive income, comparative statement of changes in equity and comparative statement of cash flows are extracted from unaudited condensed interim financial statements for the quarter ended September 30, 2023.
- 2.6 These condensed interim (un-audited) financial statements are presented in Pak Rupees, which is the Company's functional and presentational currency. All the figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.
- 2.7 **Going concern assumption**
- 2.7.1 The Company has incurred a loss after taxation of Rs. 1,575.274 million during the period ended September 30, 2023 (September 30, 2022: Rs. 1,233.791 million). As at September 30, 2023, the accumulated loss of the Company stands at Rs. 17,017.357 million (December 31, 2022: Rs. 15,167.270 million) and its current liabilities exceed its current assets by Rs. 7,012.972 million (December 31, 2022: Rs. 6,051.052 million). These conditions, along with the other factors like stagnant revenue growth and contingencies and commitments as mentioned in note 13, indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.





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

#### 2.7.2 Net Liabilities Position - Risk Mitigation

As mentioned above, there is a net current liability position of approximately Rs. 7.016 billion as on the reporting date, which has the following major components:

Description	Note	Rs in million
Short term Borrowings	2.7.2.1	111
Pakistan Telecommunication Authority (PTA)	2.7.2.2	2,347
Claims of parties challenged	2.7.2.3	578
Continuing business partners	2.7.2.4	71
Contract liabilities	2.7.2.5	745
Provision for taxation	2.7.2.6	364
		<b>4,216</b>

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

- 2.7.2.1 The management of the Company is in negotiation with bank for roll over of this facility (note no 12). Moreover, short term borrowing include funds obtained from related parties to the tune of Rs. 111 Million.
- 2.7.2.2 Liabilities towards PTA as incorporated in these financial statements stand at approximately Rs. 2.347 billion which are not immediately payable owing to non-fulfillment of certain conditions relating to the demand of such amounts. These conditions relate to the industry circumstances and Court Orders.
- 2.7.2.3 This amount represents the amounts owed to certain parties whose claims have been challenged by the Company in various judicial forums for the breach and non-performance of their contractual obligations. Based on the merits of Company's position, the management believes that such amounts may not be immediately payable under the circumstances.
- 2.7.2.4 The amount payable to creditors amounting Rs. 71 million represents routine trade credits extended by regular parties and these balances are of revolving nature. Thus, no immediate net cash outlay would be required.
- 2.7.2.5 Contract liabilities represents advances received from customers and this will be adjusted against future services. Based on which no cash outflow will occur.
- 2.7.2.6 The Company does not anticipate cash outlays on account of Provision for Taxation, since it has sufficient brought forward losses.

#### 2.7.3 Continued Support from a Majority Shareholder

The Company's majority shareholder, Worldcall Services (Private) Limited (WSL) has given assurance to provide continued cash flow support to the Company through its letter to the Company's Board of Directors.

#### Note 3

##### SIGNIFICANT ACCOUNTING POLICIES

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

#### Note 4

##### SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of condensed interim (un-audited) financial statements in conformity with approved accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expense. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making the judgement about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing these condensed interim (un-audited) financial statements, the significant judgements made by the management in applying accounting policies and the key source of estimation were the same as those that were applied to the financial statements for the year ended December 31, 2022.



## Note 5

## Ordinary Share Capital

September 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
(Un-audited)	(Audited)		(Un-audited)	(Audited)
No. of Shares		Note	(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
4,121,717,670	2,872,331,856	Ordinary shares of Rs. 10 each issued against convertible preference shares	41,217,177	28,723,319
			<u>49,822,893</u>	<u>37,329,035</u>
		Less: Discount on issue of shares	<u>(35,969,093)</u>	<u>(24,192,778)</u>
<u>4,982,289,183</u>	<u>3,732,903,369</u>		<u>13,853,800</u>	<u>13,136,257</u>

5.1 During the period, 29,000 (2022: 38,500) convertible preference shares and accumulated preference dividend thereon amounting to Rs. 220.857 million (2022: Rs. 145.948 million) have been converted into ordinary shares in accordance with the agreed terms.

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

5.3 Worldcall Services (Private) Limited, parent of the Company, holds 854,914,152 shares (2022: 854,914,152 shares) in the Company.

5.4 Ferret Consulting F.Z.C., is an associated company.

5.5 Globaltech World (Private) Limited, parent of the company, holds 377,923,889 shares (2022: nil) in the Company.

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

	September 30 2023	December 31 2022
	(Un-audited)	(Audited)
	(Rupees in '000)	
Opening balance	24,192,778	19,466,423
Add: Discount on issuance of ordinary shares during the period	11,776,315	4,726,355
Closing balance	<u>35,969,093</u>	<u>24,192,778</u>

5.7 Reconciliation of ordinary share capital is as follows:

	September 30 2023	December 31 2022
Opening balance	37,329,035	31,961,994
Add: Shares issued during the period/year	12,493,858	5,367,041
Closing balance	<u>49,822,893</u>	<u>37,329,035</u>

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

**Note 6**

Preference Share Capital	Note	September 30,	December 31,	September 30,	December 31,
		2023	2022	2023	2022
		(Un-audited)	(Audited)	(Un-audited)	(Audited)
		-----No. of Shares-----		------(Rupees in '000)-----	
Opening balance		117,200	155,700	1,185,479	1,576,870
Less: Preference shares converted into ordinary shares during the period/year	6.2	<u>(29,000)</u>	<u>(38,500)</u>	<u>(294,814)</u>	<u>(391,391)</u>
		<u>88,200</u>	<u>117,200</u>	<u>890,665</u>	<u>1,185,479</u>

- 6.1 These preference shares are US Dollars denominated, non-voting, cumulative and convertible preference shares ("CPS"; or "preference shares") having a face value of USD 100 each.
- 6.2 In accordance with the terms of CPS, certain preference shareholders have exercised conversion option. Thus, their CPS and accrued preference dividend thereon have been converted into ordinary shares as reflected in Note 5.1.
- 6.3 CPS holders are entitled to non-cash dividend which shall be calculated @ 5.9% per annum on each of the preference shares or the dividend declared by WTL for ordinary shareholders, whichever is higher.
- 6.4 Ferret Consulting F.Z.C. an associate of the company holds preference shares in the company.
- 6.5 Mandatory date of conversion of CPS has expired during 2018, however, in AGM held on September 30, 2022 shareholders have passed special resolution whereby mandatory conversion date of convertible preference shares (CPS) was deferred till December 31, 2024.

**Note 7****Dividend on Preference Shares**

	Note	September 30,	December 31,
		2023	2022
		(Un-audited)	(Audited)
		------(Rupees in '000)-----	
Dividends on preference shares	7.1	<u>315,717</u>	<u>425,652</u>

- 7.1 This represents accumulated dividend on preference shares which is not payable in cash rather it will be converted into ordinary shares as and when the preference shares are converted into ordinary shares.
- 7.2 During the period, cumulative preference dividend amounting to Rs. 220.857 million (2022: Rs. 145.948 million) was converted into ordinary shares as a result of conversion option exercised by certain preference shareholders in accordance with the terms and conditions.

**Note 8****Term Finance Certificates**

	Note	September 30,	December 31,
		2023	2022
		(Un-audited)	(Audited)
		------(Rupees in '000)-----	
Opening balance		1,187,853	1,259,152
Less: Payments made during the period / year		-	(71,299)
		<u>1,187,853</u>	<u>1,187,853</u>
Less: Current and overdue portion		<u>(725,684)</u>	<u>(559,022)</u>
		<u>462,169</u>	<u>628,831</u>
Add: Deferred markup	8.1	<u>216,533</u>	<u>288,481</u>
		<u>678,702</u>	<u>917,312</u>



Term finance certificates (TFCs) have a face value of Rs. 5,000 per certificate. These TFCs carry mark up at the rate of six months average KIBOR plus 1.0% per annum (2022: six month average KIBOR plus 1.0% per annum), payable quarterly. The mark up rate charged during the period on the outstanding balance ranged from 17.10% to 24.08% (2022: 8.76% to 17.10%) per annum.

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

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

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

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

The Company has not paid due quarterly installments of June 2019 to September 2023 amounting Rs. 610.00 million against principal and Rs. 805 million against accrued mark up. In case of failure to make due payments by the Company, Trustee can instruct the security agent to enforce the letter of pledge and sell the quantum of the pledged shares to generate the amount required for the settlement of the outstanding redemption amount.

In 2021 13.6 million shares were sold by the trustee for the amount of Rs. 45.9 million (Rs. 27.9 million settled against principal and Rs. 17.9 million against accrued mark-up). Last year in January 2022 Trustee has sold 24.63 million shares for the amount of Rs. 56.26 million (Rs. 36.47 million settled against principal and Rs. 19.79 million against accrued mark-up) and in February 2022 Trustee has sold further 25.75 million shares for the amount of Rs. 57.36 million (Rs. 34.82 million settled against principal and Rs. 22.54 million against accrued mark-up) to recover o/s installments of June 2019, September 2019 and Dec 2019.

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

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

8.1	Deferred markup	September 30, December 31,	
		2023	2022
		(Un-audited)	(Audited)
------(Rupees in '000)-----			
	Deferred markup	686,239	686,239
	Adjustment due to impact of IFRS 9	(49,667)	(75,088)
		<u>636,572</u>	<u>611,151</u>
	Payment/Adjustment	-	-
	Less: Current portion	<u>(420,039)</u>	<u>(322,670)</u>
		<u>216,533</u>	<u>288,481</u>
8.1.1	Reconciliation of deferred markup is as follows:		
	Opening balance	686,239	746,494
	Add: Markup deferred during the period/year	-	-
	Payment/Adjustment	-	(60,255)
		<u>686,239</u>	<u>686,239</u>



		September 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
Note		------(Rupees in '000)-----	
<b>8.1.2</b>	Reconciliation is as follows:		
	Opening balance	75,088	116,084
	Add: Discounting impact of deferred markup	-	-
		<u>75,088</u>	<u>116,084</u>
	Less: Unwinding impact of discounted deferred markup	<u>(25,421)</u>	<u>(40,996)</u>
		<u>49,667</u>	<u>75,088</u>
<b>Note 9</b>			
<b>Long Term Financing</b>			
<b>From Banking Companies (secured)</b>			
Allied Bank Limited	9.1	47,198	65,365
Bank Islami Pakistan Limited	9.2	78,195	90,952
Askari Bank Limited	9.3	276,588	294,145
Satandard Chartered Bank Limited	9.4	19,961	-
		<u>421,942</u>	<u>450,462</u>
<b>9.1 Allied Bank Limited</b>			
	Opening balance	58,314	75,476
	Repayments	(17,844)	(17,162)
		<u>40,470</u>	<u>58,314</u>
	Less: Current and overdue portion	(40,470)	(30,781)
		-	27,533
	Add: Deferred markup	49,923	42,001
	Less: Discounting of deferred markup	(2,725)	(4,170)
		<u>47,198</u>	<u>37,831</u>
		<u>47,198</u>	<u>65,364</u>
<b>9.1.1</b>	Reconciliation of deferred markup is as follows:		
	Opening balance	42,001	32,630
	Add: Markup deferred during the year	7,922	9,371
		<u>49,923</u>	<u>42,001</u>
<b>9.1.2</b>	Reconciliation is as follows:		
	Opening balance	4,170	4,846
	Add: Discounting impact of deferred markup	877	1,556
		<u>5,047</u>	<u>6,402</u>
	Less: Unwinding impact of discounted deferred markup	(2,322)	(2,232)
		<u>2,725</u>	<u>4,170</u>

This represents balance transferred as a result of restructuring of short term running finance (RF) facility to Term Loan Facility and subsequently amended on 8th October 2020 and 30th September 2021. Principal will be repaid in 37 stepped up monthly installments starting from August 2021 till August 2024. Markup will be accrued and will be serviced in 12 equal monthly installments, starting from September 2024. Effective markup rate applicable will be 3 Month KIBOR + 85 bps. The mark up charged during the period on the outstanding balance at 17.85% to 23.76% (2022: 11.39% to 16.62%) per annum. The facility is secured against 1st joint pari passu charge on present and future current and fixed assets excluding building of the Company for Rs. 534 million and right to set off on collection account.



		September 30, 2023	December 31, 2022
	Note	(Un-audited)	(Audited)
------(Rupees in '000)-----			
<b>9.2</b>	<b>Bank Islami Pakistan Limited</b>		
	Opening balance	53,808	-
	Transfer from running finance	-	81,308
	Repayments	<u>(6,040)</u>	<u>(27,500)</u>
		47,768	53,808
	Less: Current and overdue portion	<u>(22,360)</u>	<u>(8,637)</u>
		25,408	45,171
	Add: Deferred markup	60,837	54,659
	Less: Discounting of deferred markup	9.2.1 <u>(8,050)</u>	9.2.2 <u>(8,878)</u>
		52,787	45,781
		<u>78,195</u>	<u>90,952</u>
<b>9.2.1</b>	Reconciliation of deferred markup is as follows:		
	Opening balance	54,659	46,015
	Add: Deferred markup during the period/year	6,178	8,644
		<u>60,837</u>	<u>54,659</u>
<b>9.2.2</b>	Reconciliation is as follows:		
	Opening balance	8,878	10,219
	Add: Discounting impact of deferred markup	869	1,474
		9,747	11,693
	Less: Unwinding impact of discounted deferred markup	<u>(1,697)</u>	<u>(2,815)</u>
		<u>8,050</u>	<u>8,878</u>

This represents balance transferred as a result of restructuring of short term running finance (RF) facility to Term Loan Facility as on 12th Feb 2021. Principal will be repaid in 29 installments starting from Feb 2022 till May 2026. Markup will be accrued and will be serviced in 24 monthly installments, starting from June 01, 2024. Effective markup rate applicable will be 6 Month KIBOR (Floor 7.5% and capping 17%). The mark up charged during the period on the outstanding balance ranged from 15.87% to 17% (2022: 7.65% to 15.87%). The facility is secured against 1st joint pair passu charge on present and future current and fixed assets excluding land & building & licences/receivable of LDI & WLL) of the Company for Rs. 880 million with 25% margin, pledge of various listed securities of the Company having carrying value Rs. 26.249 Million and along with Mortgage over the Company's Offices at Ali Tower MM Alam Road Lahore and at The Plaza Shopping Mall Kehkashan Karachi.

'Subsequently in June 2023 Bank approved Company's restructuring request as a result of which overall repayment tenor was extended by 01 year and 06 months i.e. principal repayment will end in November 2025 instead of May 2024 and then Markup repayment will end in November 2027 instead of May 2026. As of reporting date all overdue has been settled.

		September 30, 2023	December 31, 2022
	Note	(Un-audited)	(Audited)
------(Rupees in '000)-----			
<b>9.3</b>	<b>Askari Bank Limited</b>		
	Opening balance	288,547	-
	Transfer from running finance	-	310,547
	Repayments	<u>(24,000)</u>	<u>(22,000)</u>
		264,547	288,547
	Less: Current and overdue portion	<u>(74,000)</u>	<u>(44,000)</u>
		190,547	244,547
	Add: Deferred markup	103,197	64,596
	Less: Discounting of deferred markup	9.3.1 <u>(17,156)</u>	9.3.2 <u>(14,998)</u>
		86,041	49,598
		<u>276,588</u>	<u>294,145</u>
<b>9.3.1</b>	Reconciliation of deferred markup is as follows:		
	Opening balance	64,596	-
	Add: Deferred markup during the period/year	38,601	64,596
		<u>103,197</u>	<u>64,596</u>
<b>9.3.2</b>	Reconciliation is as follows:		
	Opening balance	14,998	-
	Add: Discounting impact of deferred markup	6,418	14,998
		21,416	14,998
	Less: Unwinding impact of discounted deferred markup	<u>(4,260)</u>	<u>-</u>
		<u>17,156</u>	<u>14,998</u>



This represents balance transferred as a result of settlement agreement from short term running finance (RF) facility to Term Loan Facility as on November 02, 2022. Principal will be repaid in 48 installments starting from Nov 2022 till Oct 2026. Markup outstanding after effective discounts / waivers as per settlement agreement and markup to be accrued will be serviced in 36 monthly installments, starting from November 2024. Effective markup rate applicable will be 1MK - 2% (Floor 10%). The mark up charged during the period on the outstanding balance ranged from 14.4% to 21.14% (2022: 13.46% to 14.61%). The facility is secured against 1st joint pari passu charge on present and future current and fixed assets (excluding land & building & licences) of the Company with Margin 25%, collection account with AKBL for routing of LDI receivables alongwith additional mortgage on Properties situated in Sindh.

		September 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		------(Rupees in '000)-----	
<b>9.4</b>	<b>Standard Chartered Bank Limited</b>		
	Note		
	Opening balance	-	-
	Transfer from running finance	32,065	-
	Repayments	(800)	-
		31,265	-
	Less: Current and overdue portion	(15,200)	-
		16,065	-
	Add: Deferred markup	5,352	-
	Less: Discounting of deferred markup	(1,456)	-
		3,896	-
		19,961	-
<b>9.4.1</b>	Reconciliation of deferred markup is as follows:		
	Opening balance	-	-
	Add: Deferred markup during the period/year	5,352	-
		5,352	-
<b>9.4.2</b>	Reconciliation is as follows:		
	Opening balance	-	-
	Add: Discounting impact of deferred markup	1,456	-
		1,456	-
	Less: Unwinding impact of discounted deferred markup	-	-
		1,456	-

This represents balance transferred from short term borrowings (Note no 12) as a result of settlement agreement from short term running finance (RF) facility to Term Loan Facility as on August 09, 2023. Principal will be repaid in stepped up 23 installments starting from Aug 2023 till June 2025. Markup outstanding after effective discounts / waivers as per settlement agreement and markup to be accrued will be serviced in 6 monthly installments, starting from Jan 2025. Effective markup rate applicable will be at Cost of Funds (subject to change on yearly basis as advised by state bank of pakistan). The mark up charged during the period on the outstanding balance @ 4.25%. The facility is secured against 1st joint pari passu charge on present and future current and fixed assets (excluding land & building & licences) of the Company for Rs. 320 million.

		September 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		------(Rupees in '000)-----	
<b>Note10</b>	<b>Sponsor's Loan</b>		
	<b>Sponsor's Loan - unsecured</b>		
	- Interest bearing	867,300	680,700
	- Non-interest bearing	1,587,258	1,490,607
		2,454,558	2,171,307
<b>10.1</b>	Opening balance	680,700	533,850
	Exchange loss	186,600	146,850
		867,300	680,700

This represents USD denominated loan obtained from Worldcall Services (Private) Limited, the Parent Company. It carries mark up at 12 months KIBOR plus 1%. The mark up rate charged during the period on the outstanding balance is 18.36% (2022: 12.79%) per annum. The amount is not payable before June 30, 2024.

**10.2** This represents interest free loan obtained from Worldcall Services (Private) Limited, the Parent Company. The amount is not payable before June 30, 2024.

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

		September 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		------(Rupees in '000)-----	
	Opening balance	1,692,907	1,289,338
	Less: Net receipts /(Payments) during the period/year	109,460	403,569
	Amount of loan	1,802,367	1,692,907
	Adjustment due to impact of IFRS 9:		
	Discounting	(215,109)	(202,300)
		(215,109)	(202,300)
		1,587,258	1,490,607

**Note 11**

<b>Lease Liabilities</b>	<b>September 30,</b>	<b>December 31,</b>
	<b>2023</b>	<b>2022</b>
	<b>(Un-audited)</b>	<b>(Audited)</b>
	------(Rupees in '000)-----	
Opening balance	252,776	314,666
Add: Additions during the period	-	7,998
Add: Interest expense	22,903	30,955
Less: Termination of lease agreement	-	(67,595)
Less: Lease payments	(26,209)	(33,248)
Gross liability	249,470	252,776
Less: Current and overdue portion	(56,210)	(58,316)
Closing balance	193,260	194,460

**11.1 Nature of leasing activities**

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

Lease terms, and the remaining lease terms at the date of initial application, vary. Remaining lease term of existing lease contracts for which lease liability is booked ranges from 2 to 8 years.

**Note 12**

<b>Short Term Borrowings</b>		<b>September 30,</b>	<b>December 31,</b>
		<b>2023</b>	<b>2022</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>
		------(Rupees in '000)-----	
<b>Banking companies (secured - interest bearing):</b>	Note		
- Running finances	12.1	-	32,064
<b>Related parties (unsecured - interest free):</b>			
- Ferret Consulting F.Z.C.	12.2	111,074	84,355
		111,074	116,419

**12.1** This represents balance transferred as a result of settlement agreement from short term running finance (RF) facility to Term Loan Facility as on August 09, 2023. Principal will be repaid in stepped up 23 installments starting from Aug 2023 till June 2025. Markup outstanding after effective discounts / waivers as per settlement agreement and markup to be accrued will be serviced in 6 monthly installments, starting from Jan 2025. Effective markup rate applicable will be at Cost of Funds (subject to change on yearly basis as advised by state bank of pakistan). The mark up charged during the period on the outstanding balance @ 4.25%. The facility is secured against 1st joint pari passu charge on present and future current and fixed assets (excluding land & building & licences) of the Company for Rs. 320 million.

**12.2** This represents interest free USD denominated loan received from M/s Ferret Consulting - F.Z.C to meet working capital requirements. The accumulated balance as at reporting date is USD 384,207 (2022: USD 377,598). In the absence of written agreement, the amount is repayable on demand.

**12.3 Guarantees**

Of the aggregate facilities of Rs. 398.862 million (2022: Rs. 398.862 million) for guarantees, the amount utilized as at September 30, 2023 was Rs. 302.961 million (2022: Rs. 334.461 million).

**Note 13****Contingencies and Commitments****Contingencies and commitments****Contingencies**

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





		September 30 2023	December 31 2022
	Note	(Un-audited)	(Audited)
------(Rupees in '000)-----			
Outstanding guarantees and letter of credit		302,961	344,461
Commitments		16,444	9,313

**Note 14****Property, Plant and Equipment**

Operating fixed assets	14.1	5,042,779	5,307,479
Capital work-in-progress		16,315	12,907
		5,059,094	5,320,386

**14.1 Operating fixed assets**

Opening book value		5,307,479	5,781,122
Additions during the period	14.1.1	15,578	23,631
		5,323,057	5,804,753
Disposals (at book value) for the period	14.1.2	-	(107,828)
Depreciation charged during the period		(280,278)	(389,446)
Closing book value		5,042,779	5,307,479

**14.1.1 Detail of additions**

Leasehold improvements		2,098	6,639
Plant and equipment		9,535	13,063
Office equipment		252	1,466
Furniture and fixtures		564	698
Computers		3,129	1,765
		15,578	23,631

**14.1.2 Book values of assets disposed off**

Plant and equipment		-	107,828
		-	107,828

**Note 15****Right of use assets**

Opening balance		3,407,381	3,694,104
Add: Additions during the year		-	7,998
Add: Lease termination		-	(16,608)
Less: Depreciation charge for the period / year		(208,584)	(278,113)
<b>Closing balance</b>		<b>3,198,797</b>	<b>3,407,381</b>
Lease Term (Years)		2 to 8	2 to 14



- 15.1 Depreciation on right-of-use assets has been allocated to depreciation and amortization on face of the statement of profit or loss.
- 15.2 There are no variable lease payments in the lease contracts. There were no leases with residual value guarantees or leases not yet commenced to which the Company is committed.

**Note 16****Long Term Investment**

	September 30 2023 (Un-audited)	December 31 2022 (Audited)
	------(Rupees in '000)-----	
<b>Wholly owned subsidiary Company - at cost [unquoted]</b>		
Route 1 Digital (Private) Limited		
30,000 (December 31, 2022: 30,000) ordinary shares of Rs. 100 each, equity held 100% (December 31, 2020: 100%)	50,000	50,000
Less: Impairment loss	(50,000)	(50,000)
	<u>-</u>	<u>-</u>

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

Due to continuous losses the net assets of the subsidiary became negative. Based on negative net assets and subsidiaries inability to implement the business plan the management of the Company fully impaired the investment.

**Note 17****Deferred Taxation**

	September 30 2023 (Un-audited)	December 31 2022 (Audited)
	------(Rupees in '000)-----	
<i>Asset for deferred taxation comprising temporary differences related to:</i>		
-Unused tax losses	2,528,402	3,013,949
-Provision for doubtful debts	900,194	900,194
-Post employment benefits	64,032	58,009
-Provision for stores and spares & stock-in-trade	1,173	1,173
-Provision for doubtful advances and other receivables	83,018	82,981
<i>Liability for deferred taxation comprising temporary differences related to:</i>		
-Surplus on revaluation of assets	(1,199,333)	(1,684,843)
	<u>2,377,486</u>	<u>2,371,463</u>

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



## Note 18

## Cash Used in Operations

Nine Months Ended September 30,  
2023 2022

Un-Audited Un-Audited

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

**CASH FLOWS FROM OPERATING ACTIVITIES**

Loss before taxation (1,553,589) (1,219,104)

Adjustment for non-cash charges and other items:

- Depreciation on property, plant and equipment	280,278	309,137
- Amortization on intangible assets	223,382	303,699
- Amortization of right of use assets	208,584	207,066
- Disposal of fiber under IRU arrangement	-	100,000
- Liabilities written back on settlement with parties	(9,398)	(1,600)
- Post employment benefits	23,568	30,484
- Adjustment due to impact of IFRS 9	(20,124)	
- Income on deposits, advances and savings accounts	(80,709)	(1,117)
- Exchange gain/(loss) on foreign currency loan	186,600	156,000
- Exchange (gain)/loss on foreign currency accrued markup	53,293	14,445
- Exchange (gain)/loss on foreign currency balances - net	53,229	61,428
- Imputed interest on lease liability	22,903	16,404
- Unwinding impact of liabilities under IFRS 9	37,777	39,642
- Finance cost	391,196	235,151

**1,370,579** **1,470,739****Operating loss before working capital changes****(183,010)** **251,635**

(Increase) / decrease in current assets

- Stores and spares	5,161	(2,586)
- Stock-in-trade	-	(1,457)
- Trade debts	502,298	(234,023)
- Loans and advances	(105,935)	(16,225)
- Deposits and prepayments	(61,203)	13,412
- Other receivables	(39,844)	(19,330)

Increase / (decrease) in current liabilities

- Trade and other payables	73,892	(132,872)
----------------------------	--------	-----------

**374,369** **(393,081)****Cash used in operations****191,359** **(141,446)**



**Note 19**

**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.

			<b>Nine Months ended September 30,</b>	
			<b>2023</b>	<b>2022</b>
			<b>(Un-audited)</b>	<b>(Un-audited)</b>
			------(Rupees in '000)-----	
<b>Related party</b>	<b>Relationship</b>	<b>Nature of transaction</b>		
Worldcall Services (Private) Limited	Parent Company	Funds received by the Company during the period	92,410	250,471
		Funds repaid by the Company during the period	(26,196)	(80,000)
		Expenses paid during the period	-	(2,405)
		Settlement with multimedia	43,246	36,008
		Markup on long term borrowings	148,611	65,485
		Adjustments	-	114,469
		Exchange (gain)/loss on markup	53,293	28,647
		Exchange (gain)/loss on loan	186,600	156,000
Route 1 Digital (Private) Limited	Wholly Owned Subsidiary	Interest charged during the period	4,242	1,626
		Expenses borne on behalf of subsidiary	2,739	822
Worldcall Cable (Private) Limited	Associate	Expenses borne on behalf of associate	-	-
		Interest charged during the period	190	197
Worldcall Ride Hail (Private) Limited	Associate	Expenses borne on behalf of associate	1	(1)
		Interest charged during the period	3	2
Key management personnel	Associated persons	Salaries and employees benefits	75,499	67,944
		Advances against expenses disbursed / (adjusted) - net	1,117	44

**Transactions during the period/year with foreign companies**

<b>Related party</b>	<b>Relationship</b>	<b>Nature of transaction</b>		
Ferret Consulting - F.Z.C	Associate	Exchange (Gain)/loss	23,172	19,424
		Payment/adjustment with third party	(2,228)	934
		Direct Cost - IT Service	5,775	2,160
		Expenses Charged during the period	-	1,574

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

			<b>September 30,</b>	<b>December 31,</b>
			<b>2023</b>	<b>2022</b>
			<b>(Un-audited)</b>	<b>(Audited)</b>
			------(Rupees in '000)-----	
<b>Outstanding Balance as at the period/year end</b>				
Worldcall Services (Private) Limited	Sponsor's loan		2,454,558	2,171,307
	Accrued markup		386,284	184,380
Ferret Consulting - F.Z.C	Dividend on CPS		292,450	229,383
	Short term borrowings		111,074	84,355
Route 1 Digital (Private) Limited	Other receivables		28,835	21,854
Worldcall Ride Hail (Private) Limited	Other receivables		24	20
Worldcall Cable (Private) Limited	Other receivables		2,790	2,613
Key management	Payable against expenses, salaries and other employee benefits		186,204	184,718
	Advance against expenses		13,807	12,690

**Note 20****Financial Risk Management****20.1 Financial risk factors**

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

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

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

**20.2 Fair value estimation**

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

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

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

The following table presents the Company's assets and liabilities that are measured at fair value at September 30, 2023:

	Level 1	Level 2	Level 3	Total
<b>Assets</b>	<b>Rupees in '000</b>			
Short-term investments	28,649	-	-	28,649

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

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

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

**Note 21****Segment Information**

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

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

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

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

**Note 22****Date of Authorization for Issue**

These condensed interim financial statements (un-audited) were approved and authorized for issue on 31 October 2023 the Board of Directors of the Company.

**Note 23****Corresponding Figures**

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

Chief Executive Officer

Director

Chief Financial Officer



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

**QUARTERLY REPORT 2023**



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2023**

		September 30 2023	December 31 2022
		(Un-Audited)	(Audited)
<b>SHARE CAPITAL AND RESERVES</b>			
	Note	------(Rupees in '000)-----	
Authorized share capital		29,000,000	29,000,000
Ordinary share capital	5	13,853,800	13,136,257
Preference share capital	6	890,665	1,185,479
Dividend on preference shares	7	315,717	425,652
Capital reserves		328,068	236,897
Accumulated loss		(17,047,233)	(15,189,738)
Surplus on revaluation of fixed assets		1,666,966	1,804,747
		7,983	1,599,294
<b>NON-CURRENT LIABILITIES</b>			
Term finance certificates	8	678,702	917,312
Long term financing	9	421,942	450,462
Sponsor's loan	10	2,454,558	2,171,307
License fee payable		45,513	45,513
Post employment benefits		220,800	200,030
Long term deposit		-	100,915
Lease liabilities	11	193,260	194,460
		4,014,775	4,079,999
<b>CURRENT LIABILITIES</b>			
Trade and other payables		6,980,375	6,458,580
Accrued mark up		970,325	598,184
Current and overdue portion of non-current liabilities		1,353,962	1,023,425
Short term borrowings	12	111,074	116,419
Unclaimed dividend		1,807	1,807
Provision for taxation - net		364,451	352,979
		9,781,994	8,551,395
<b>Contingencies and Commitments</b>			
	13	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>			
		13,804,752	14,230,688
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	5,060,190	5,321,908
Right of use assets	15	3,198,797	3,407,381
Intangible assets		369,245	592,619
Investment properties		51,470	51,470
Deferred taxation	16	2,377,486	2,371,463
Long term deposits		9,514	9,494
		11,066,702	11,754,335
<b>CURRENT ASSETS</b>			
Stores and spares		26,021	31,182
Stock-in-trade		210,858	210,858
Trade debts		1,112,135	1,195,346
Loans and advances		421,987	316,011
Deposits and prepayments		641,849	580,646
Short term investments		28,649	37,296
Other receivables		128,421	95,558
Cash and bank balances		168,130	9,456
		2,738,050	2,476,353
<b>TOTAL ASSETS</b>			
		13,804,752	14,230,688

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

Chief Executive Officer

Director

Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2023**

	Nine months ended Sep 30		Quarter ended Sep 30	
	2023	2022	2023	2022
	Note			
	------(Rupees in '000)-----			
Revenue	2,076,522	1,671,974	751,374	633,028
Direct costs excluding depreciation and amortization	(1,954,865)	(1,284,923)	(727,199)	(592,422)
Operating costs	(356,502)	(325,513)	(109,444)	(97,065)
Other (expense) / Income - net	(161,606)	(173,053)	11,163	(88,931)
<b>Loss before Interest, Taxation, Depreciation and Amortization</b>	<b>(396,451)</b>	<b>(111,515)</b>	<b>(74,106)</b>	<b>(145,390)</b>
Depreciation and amortization	(712,670)	(820,327)	(184,135)	(273,442)
Finance cost	(451,876)	(291,197)	(153,755)	(105,539)
<b>Loss before Taxation</b>	<b>(1,560,997)</b>	<b>(1,223,039)</b>	<b>(411,996)</b>	<b>(524,371)</b>
Taxation	(21,685)	(14,687)	(9,831)	(7,091)
<b>Net Loss for the period</b>	<b>(1,582,682)</b>	<b>(1,237,726)</b>	<b>(421,827)</b>	<b>(531,462)</b>
<b>Loss per Share - basic (Rupees)</b>	<b>(0.50)</b>	<b>(0.28)</b>	<b>(0.13)</b>	<b>(0.12)</b>
<b>Loss per Share - diluted (Rupees)</b>	<b>(0.50)</b>	<b>(0.28)</b>	<b>(0.13)</b>	<b>(0.12)</b>

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

Chief Executive Officer

Director

Chief Financial Officer





**CONDENSED INTERIM CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2023**

	Nine months ended Sep 30		Quarter ended Sep 30	
	2023	2022	2023	2022
------(Rupees in '000)-----				
Net loss for the period	(1,582,682)	(1,237,726)	(421,827)	(531,462)
<b>Other comprehensive income:</b>				
<i>Items that will not be reclassified to profit or loss:</i>				
- Changes in fair value of financial assets through other comprehensive income - net of tax	(8,628)	(9,061)	(6,209)	13,144
<i>Item that may be subsequently reclassified to profit or loss:</i>				
-	-	-	-	-
Other Comprehensive (loss)/Income - net of tax	(8,628)	(9,061)	(6,209)	13,144
<b>Total Comprehensive loss for the Period - net of tax</b>	<b>(1,591,310)</b>	<b>(1,246,787)</b>	<b>(428,036)</b>	<b>(518,318)</b>

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

Particulars	Ordinary Share Capital	Preference Share Capital	Dividend on Preference Shares	Capital Reserves			Revenue Reserve (Accumulated Loss)	Surplus on Revaluation of Fixed Assets	Total
				Fair Value Reserve	Exchange Translation Reserve	Total Capital Reserves			
<b>Balance as at December 31, 2021</b>	12,495,571	1,576,870	571,600	(6,908)	360,761	353,853	(14,041,887)	2,027,672	2,983,679
Net profit for the period	-	-	-	(9,061)	-	(9,061)	(1,237,726)	-	(1,237,726)
Other comprehensive income for the period - net of tax	-	-	-	(9,061)	-	(9,061)	(1,237,726)	-	(1,237,726)
Total comprehensive income for the period - net of tax	-	-	-	(9,061)	-	(9,061)	(1,237,726)	-	(1,237,726)
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	5,367,041	(391,391)	(145,948)	-	(103,347)	(103,347)	-	-	4,726,355
Effect of change in tax rates and proportion of normal sales	(4,726,355)	-	-	-	-	-	-	-	-
Conversion of preference shares and dividend thereon	640,686	(391,391)	(145,948)	-	(103,347)	(103,347)	-	-	(1,246,787)
Discount on issuance of ordinary shares	-	-	-	-	-	-	206,671	(206,671)	-
Total transactions with owners, recognized directly in equity	13,136,257	1,185,479	425,652	(15,969)	257,414	241,445	(15,072,942)	1,821,001	1,736,892
<b>Balance as at September 30, 2022</b>	-	-	-	(4,548)	-	(4,548)	(147,256)	-	(147,256)
Net loss for the period	-	-	-	(4,548)	-	(4,548)	14,206	-	9,658
Other comprehensive income for the period - net of tax	-	-	-	(4,548)	-	(4,548)	(133,050)	-	(137,598)
Total comprehensive income for the period - net of tax	-	-	-	(4,548)	-	(4,548)	16,254	(16,254)	-
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	-	-	-
Adjustment of Surplus on retirement of tangible assets	-	-	-	-	-	-	-	-	-
Total transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
<b>Balance as at December 31, 2022</b>	13,136,257	1,185,479	425,652	(20,517)	257,414	236,897	(15,181,738)	1,804,747	1,999,294
Net loss for the period	-	-	-	(8,628)	-	(8,628)	(1,562,682)	-	(1,562,682)
Other comprehensive income for the period - net of tax	-	-	-	(8,628)	-	(8,628)	(1,562,682)	-	(1,562,682)
Total comprehensive income for the period - net of tax	-	-	-	(8,628)	-	(8,628)	(1,562,682)	-	(1,562,682)
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	-	-	-
Exchange translation	-	-	-	-	-	-	137,781	(137,781)	-
Conversion of preference shares and dividend thereon	-	-	110,922	-	301,671	301,671	(412,584)	-	(1)
Discount on issuance of ordinary shares	12,430,858	(294,814)	(220,857)	-	(201,873)	(201,873)	-	-	11,776,314
Total transactions with owners, recognized directly in equity	13,853,800	890,665	315,717	(29,146)	357,213	328,068	(17,047,233)	1,666,866	7,983
<b>Balance as at September 30, 2023</b>	-	-	-	-	-	-	-	-	-

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

*Abdur Rauf*  
Chief Executive Officer

*Sahana*  
Director

*Sahana*  
Chief Financial Officer



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS  
(UN-AUDITED)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

	Note	Nine Months Ended September 30,	
		2023	2022
		Un-Audited	Un-Audited
		------(Rupees in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from/ (used in) operations	17	191,357	(141,445)
<i>Increase / (Decrease) in non-current liabilities:</i>			
- Long term deposit		(100,915)	1,944
<i>Decrease / (Increase) in non-current assets:</i>			
- Long term deposits		(20)	(218)
		<u>90,422</u>	<u>(139,719)</u>
Post employment benefits paid		(2,798)	(10,945)
Finance cost paid		(10,887)	(41,013)
Income tax paid		(16,236)	(5,706)
		<u>60,501</u>	<u>(197,383)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(18,986)	(15,685)
Short term investments		19	3,467
Income on deposit and savings accounts		80,709	1,117
		<u>61,742</u>	<u>(11,101)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of term finance certificates		-	(72,968)
Repayment of long term financing		(48,684)	(23,865)
Sponsor's loan		109,462	318,544
Short term borrowings - net		1,862	(4,358)
Repayment of lease liability		(26,209)	(16,154)
		<u>36,431</u>	<u>201,199</u>
<b>Net Increase/(decrease) in Cash and Cash Equivalents</b>		<b>158,674</b>	<b>(7,285)</b>
Cash and cash equivalents at the beginning of the period		9,456	33,208
<b>Cash and Cash Equivalents at the End of the Period</b>		<b>168,130</b>	<b>25,923</b>

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer



## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

### Note 1

#### THE GROUP AND ITS OPERATIONS

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

Worldcall Services (Pvt.) Limited incorporated in Pakistan is the Parent company.

### Note 2

#### BASIS OF PREPARATION

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

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

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

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

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

- 2.3 These condensed interim consolidated financial statements are unaudited.
- 2.4 These condensed interim consolidated financial statements (un-audited) do not include all of the information required for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2022. Selected explanatory notes are included to explain events and transactions that are significant to understanding of the changes in the group's financial statements since the last financial statements.
- 2.5 These condensed interim consolidated financial statements (un-audited) should be read in conjunction with annual audited consolidated financial statements for the year ended December 31, 2022. Comparative consolidated statement of financial position is extracted from annual audited financial statements for the year ended December 31, 2022 whereas comparative consolidated statement of profit or loss, comparative consolidated statement of comprehensive income, comparative consolidated statement of changes in equity and comparative consolidated statement of cash flows are extracted from unaudited condensed interim consolidated financial statements for the quarter ended September 30, 2023.
- 2.6 These condensed interim (un-audited) consolidated financial statements are presented in Pak Rupees, which is the group's functional and presentational currency. All the figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.
- 2.7 **Going concern assumption**
- 2.7.1 The group has incurred a loss after taxation of Rs. 1,582.682 million during the period ended September 30, 2023 (September 30, 2022: Rs. 1,237.276 million). As at September 30, 2023, the accumulated loss of the group stands at Rs. 17,047.233 million (December 31, 2022: Rs. 15,072.942 million) and its current liabilities exceed its current assets by Rs. 7,043.948 million (December 31, 2022: Rs. 6,461.504 million). These conditions, along with the other factors like stagnant revenue growth and contingencies and commitments as mentioned in note 13, indicate the existence of material uncertainties that cast significant doubt about the group's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.



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

#### 2.7.2 Net Liabilities Position - Risk Mitigation

As mentioned above, there is a net current liability position of approximately Rs. 7.044 billion as on the reporting date, which has the following major components:

Description	Note	Rs in million
Short term Borrowings	2.7.2.1	111
Pakistan Telecommunication Authority (PTA)	2.7.2.2	2,347
Claims of parties challenged	2.7.2.3	578
Continuing business partners	2.7.2.4	71
Contract liabilities	2.7.2.5	745
Provision for taxation	2.7.2.6	364
		<u>4,217</u>

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

- 2.7.2.1 The management of the group is in negotiation with bank for roll over of this facility (note no 12). Moreover, short term borrowing include funds obtained from related parties to the tune of Rs. 111 Million.
- 2.7.2.2 Liabilities towards PTA as incorporated in these financial statements stand at approximately Rs. 2.347 billion which are not immediately payable owing to non-fulfillment of certain conditions relating to the demand of such amounts. These conditions relate to the industry circumstances and Court Orders.
- 2.7.2.3 This amount represents the amounts owed to certain parties whose claims have been challenged by the group in various judicial forums for the breach and non-performance of their contractual obligations. Based on the merits of group's position, the management believes that such amounts may not be immediately payable under the circumstances.
- 2.7.2.4 The amount payable to creditors amounting Rs. 71 million represents routine trade credits extended by regular parties and these balances are of revolving nature. Thus, no immediate net cash outlay would be required.
- 2.7.2.5 Contract liabilities represents advances received from customers and this will be adjusted against future services. Based on which no cash outflow will occur.
- 2.7.2.6 The group does not anticipate cash outlays on account of Provision for Taxation, since it has sufficient brought forward losses.
- 2.7.3 **Continued Support from a Majority Shareholder**  
The group's majority shareholder, Worldcall Services (Private) Limited (WSL) has given assurance to provide continued cash flow support to the group through its letter to the group's Board of Directors.

#### Note 3

##### SIGNIFICANT ACCOUNTING POLICIES

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

#### Note 4

##### SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of condensed interim (un-audited) consolidated financial statements in conformity with approved accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expense. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making the judgement about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing these condensed interim (un-audited) financial statements, the significant judgements made by the management in applying accounting policies and the key source of estimation were the same as those that were applied to the financial statements for the year ended December 31, 2022.



## Note 5

## Ordinary Share Capital

September 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
(Un-audited)	(Audited)		(Un-audited)	(Audited)
No. of Shares		Note	----- (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
4,121,717,670	2,872,331,856	Ordinary shares of Rs. 10 each issued against convertible preference shares	41,217,177	28,723,319
			<u>49,822,893</u>	<u>37,329,035</u>
		Less: Discount on issue of shares	<u>(35,969,093)</u>	<u>(24,192,778)</u>
<u>4,982,289,183</u>	<u>3,732,903,369</u>		<u>13,853,800</u>	<u>13,136,257</u>

- 5.1 During the period, 29,000 (2022: 38,500) convertible preference shares and accumulated preference dividend thereon amounting to Rs. 220.857 million (2022: Rs. 145.948 million) have been converted into ordinary shares in accordance with the agreed terms.
- 5.2 The terms of agreement between the group and certain lenders impose certain restrictions on distribution of dividends by the group.
- 5.3 Worldcall Services (Private) Limited, parent of the group, holds 854,914,152 shares (2022: 854,914,152 shares) in the group.
- 5.4 Ferret Consulting F.Z.C., is an associated company.
- 5.5 Globaltech World (Private) Limited, parent of the group, holds 377,923,889 shares (2022: nil) in the group.
- 5.6 Reconciliation of discount on issue of shares is as follows:

	September 30 2023	December 31 2022
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
Opening balance	24,192,778	19,466,423
Add: Discount on issuance of ordinary shares during the period	11,776,315	4,726,355
Closing balance	<u>35,969,093</u>	<u>24,192,778</u>

- 5.7 Reconciliation of ordinary share capital is as follows:

	September 30 2023	December 31 2022
Opening balance	37,329,035	31,961,994
Add: Shares issued during the period/year	12,493,858	5,367,041
Closing balance	<u>49,822,893</u>	<u>37,329,035</u>

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

**Note 6**

Preference Share Capital	Note	September 30,	December 31,	September 30,	December 31,
		2023	2022	2023	2022
		(Un-audited)	(Audited)	(Un-audited)	(Audited)
		-----No. of Shares-----		------(Rupees in '000)-----	
Opening balance		117,200	155,700	1,185,479	1,576,870
Less: Preference shares converted into ordinary shares during the period/year	6.2	<u>(29,000)</u>	<u>(38,500)</u>	<u>(294,814)</u>	<u>(391,391)</u>
		<u>88,200</u>	<u>117,200</u>	<u>890,665</u>	<u>1,185,479</u>

- 6.1 These preference shares are US Dollars denominated, non-voting, cumulative and convertible preference shares ("CPS", or "preference shares") having a face value of USD 100 each.
- 6.2 In accordance with the terms of CPS, certain preference shareholders have exercised conversion option. Thus, their CPS and accrued preference dividend thereon have been converted into ordinary shares as reflected in Note 5.1.
- 6.3 CPS holders are entitled to non-cash dividend which shall be calculated @ 5.9% per annum on each of the preference shares or the dividend declared by WTL for ordinary shareholders, whichever is higher.
- 6.4 Ferret Consulting F.Z.C., an associate of the group, holds preference shares in the group.
- 6.5 Mandatory date of conversion of CPS has expired during 2018, however, in AGM held on September 30, 2022 shareholders have passed special resolution whereby mandatory conversion date of convertible preference shares (CPS) was deferred till December 31, 2024.

**Note 7**

Dividend on Preference Shares	Note	September 30,	December 31,
		2023	2022
		(Un-audited)	(Audited)
		------(Rupees in '000)-----	
Dividends on preference shares	7.1	<u>315,717</u>	<u>425,652</u>

- 7.1 This represents accumulated dividend on preference shares which is not payable in cash rather it will be converted into ordinary shares as and when the preference shares are converted into ordinary shares.
- 7.2 During the period, cumulative preference dividend amounting to Rs. 220.857 million (2022: Rs. 145.948 million) was converted into ordinary shares as a result of conversion option exercised by certain preference shareholders in accordance with the terms and conditions.

**Note 8**

Term Finance Certificates	Note	September 30,	December 31,
		2023	2022
		(Un-audited)	(Audited)
		------(Rupees in '000)-----	
Opening balance		1,187,853	1,259,152
Less: Payments made during the period / year		-	(71,299)
		<u>1,187,853</u>	<u>1,187,853</u>
Less: Current and overdue portion		<u>(725,684)</u>	<u>(559,022)</u>
		<u>462,169</u>	<u>628,831</u>
Add: Deferred markup	8.1	216,533	288,481
Less: Payment during the period/year		-	-
		<u>678,702</u>	<u>917,312</u>



Term finance certificates (TFCs) have a face value of Rs. 5,000 per certificate. These TFCs carry mark up at the rate of six months average KIBOR plus 1.0% per annum (2022: six month average KIBOR plus 1.0% per annum), payable quarterly. The mark up rate charged during the period on the outstanding balance ranged from 17.10% to 24.08% (2022: 8.76% to 17.10%) per annum.

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

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

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

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

The group has not paid due quarterly installments of June 2019 to September 2023 amounting Rs. 610.00 million against principal and Rs. 805 million against accrued mark up. In case of failure to make due payments by the group, Trustee can instruct the security agent to enforce the letter of pledge and sell the quantum of the pledged shares to generate the amount required for the settlement of the outstanding redemption amount.

In 2021 13.6 million shares were sold by the trustee for the amount of Rs. 45.9 million (Rs. 27.9 million settled against principal and Rs. 17.9 million against accrued mark-up). Last year in January 2022 Trustee has sold 24.63 million shares for the amount of Rs. 56.26 million (Rs. 36.47 million settled against principal and Rs. 19.79 million against accrued mark-up) and in February 2022 Trustee has sold further 25.75 million shares for the amount of Rs. 57.36 million (Rs. 34.82 million settled against principal and Rs. 22.54 million against accrued mark-up) to recover o/s installments of June 2019, September 2019 and Dec 2019.

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

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

8.1	Deferred markup	September 30, December 31,		
		2023	2022	
		(Un-audited)	(Audited)	
------(Rupees in '000)-----				
	Deferred markup	8.1.1	686,239	686,239
	Adjustment due to impact of IFRS 9	8.1.2	(49,667)	(75,088)
			636,572	611,151
	Payment/Adjustment		-	-
	Less: Current portion		(420,039)	(322,670)
			216,533	288,481
8.1.1	Reconciliation of deferred markup is as follows:			
	Opening balance		686,239	746,494
	Add: Markup deferred during the period/year		-	-
	Payment/Adjustment		-	(60,255)
			686,239	686,239





	September 30, 2023	December 31, 2022
	(Un-audited)	(Audited)
------(Rupees in '000)-----		
8.1.2 Reconciliation is as follows:		
Opening balance	75,088	116,084
Add: Discounting impact of deferred markup	-	-
	<u>75,088</u>	<u>116,084</u>
Less: Unwinding impact of discounted deferred markup	<u>(25,421)</u>	<u>(40,996)</u>
	<u>49,667</u>	<u>75,088</u>

**Note 9****Long Term Financing****From Banking Companies (secured)**

Allied Bank Limited	9.1	47,198	65,365
Bank Islami Pakistan Limited	9.2	78,195	90,952
Askari Bank Limited	9.3	276,588	294,145
Satandard Chartered Bank Limited	9.4	19,961	-
		<u>421,942</u>	<u>450,462</u>

**9.1 Allied Bank Limited**

Opening balance		58,314	75,476
Repayments		<u>(17,844)</u>	<u>(17,162)</u>
		40,470	58,314
Less: Current and overdue portion		<u>(40,470)</u>	<u>(30,781)</u>
		-	27,533
Add: Deferred markup	9.1.1	49,923	42,001
Less: Discounting of deferred markup	9.1.2	<u>(2,725)</u>	<u>(4,170)</u>
		47,198	37,831
		<u>47,198</u>	<u>65,364</u>

**9.1.1 Reconciliation of deferred markup is as follows:**

Opening balance		42,001	32,630
Add: Markup deferred during the year		<u>7,922</u>	<u>9,371</u>
		<u>49,923</u>	<u>42,001</u>

**9.1.2 Reconciliation is as follows:**

Opening balance		4,170	4,846
Add: Discounting impact of deferred markup		<u>877</u>	<u>1,556</u>
		5,047	6,402
Less: Unwinding impact of discounted deferred markup		<u>(2,322)</u>	<u>(2,232)</u>
		<u>2,725</u>	<u>4,170</u>

This represents balance transferred as a result of restructuring of short term running finance (RF) facility to Term Loan Facility and subsequently amended on 8th October 2020 and 30th September 2021. Principal will be repaid in 37 stepped up monthly installments starting from August 2021 till August 2024. Markup will be accrued and will be serviced in 12 equal monthly installments, starting from September 2024. Effective markup rate applicable will be 3 Month KIBOR + 85 bps. The mark up charged during the period on the outstanding balance at 17.85% to 23.76% (2022: 11.39% to 16.62%) per annum. The facility is secured against 1st joint pari passu charge on present and future current and fixed assets excluding building of the group for Rs. 534 million and right to set off on collection account.



		September 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
<b>9.2 Bank Islami Pakistan Limited</b>	<b>Note</b>	------(Rupees in '000)-----	
Opening balance		53,808	81,308
Transfer from running finance		-	-
Repayments		<u>(6,040)</u>	<u>(27,500)</u>
		47,768	53,808
Less: Current and overdue portion		<u>(22,360)</u>	<u>(8,637)</u>
		25,408	45,171
Add: Deferred markup	9.2.1	<u>60,837</u>	<u>54,659</u>
Less: Discounting of deferred markup	9.2.2	<u>(8,050)</u>	<u>(8,878)</u>
		<u>52,787</u>	<u>45,781</u>
		<u>78,195</u>	<u>90,952</u>
<b>9.2.1 Reconciliation of deferred markup is as follows:</b>			
Opening balance		54,659	46,015
Add: Deferred markup during the period/year		<u>6,178</u>	<u>8,644</u>
		<u>60,837</u>	<u>54,659</u>
<b>9.2.2 Reconciliation is as follows:</b>			
Opening balance		8,878	10,219
Add: Discounting impact of deferred markup		<u>869</u>	<u>1,474</u>
		<u>9,747</u>	<u>11,693</u>
Less: Unwinding impact of discounted deferred markup		<u>(1,697)</u>	<u>(2,815)</u>
		<u>8,050</u>	<u>8,878</u>

This represents balance transferred as a result of restructuring of short term running finance (RF) facility to Term Loan Facility as on 12th Feb 2021. Principal will be repaid in 29 installments starting from Feb 2022 till May 2026. Markup will be accrued and will be serviced in 24 monthly installments, starting from June 01, 2024. Effective markup rate applicable will be 6 Month KIBOR (Floor 7.5% and capping 17%). The mark up charged during the period on the outstanding balance ranged from 15.87% to 17% (2022: 7.65% to 15.87%). The facility is secured against 1st joint pair passu charge on present and future current and fixed assets excluding land & building & licences/receivable of LDI & WLL) of the group for Rs. 880 million with 25% margin, pledge of various listed securities of the group having carrying value Rs. 26.249 Million and along with Mortgage over the group's Offices at Ali Tower MM Alam Road Lahore and at The Plaza Shopping Mall Kehkashan Karachi.

'Subsequently in June 2023 Bank approved group's restructuring request as a result of which overall repayment tenor was extended by 01 year and 06 months i.e. principal repayment will end in November 2025 instead of May 2024 and then Markup repayment will end in November 2027 instead of May 2026. As of reporting date all overdue has been settled.

		September 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
<b>9.3 Askari Bank Limited</b>	<b>Note</b>	------(Rupees in '000)-----	
Opening balance		288,547	-
Transfer from running finance		-	310,547
Repayments		<u>(24,000)</u>	<u>(22,000)</u>
		264,547	288,547
Less: Current and overdue portion		<u>(74,000)</u>	<u>(44,000)</u>
		190,547	244,547
Add: Deferred markup	9.3.1	<u>103,197</u>	<u>64,596</u>
Less: Discounting of deferred markup	9.3.2	<u>(17,156)</u>	<u>(14,998)</u>
		<u>86,041</u>	<u>49,598</u>
		<u>276,588</u>	<u>294,145</u>
<b>9.3.1 Reconciliation of deferred markup is as follows:</b>			
Opening balance		64,596	-
Add: Deferred markup during the period/year		<u>38,601</u>	<u>64,596</u>
		<u>103,197</u>	<u>64,596</u>
<b>9.3.2 Reconciliation is as follows:</b>			
Opening balance		14,998	-
Add: Discounting impact of deferred markup		<u>6,418</u>	<u>14,998</u>
		<u>21,416</u>	<u>14,998</u>
Less: Unwinding impact of discounted deferred markup		<u>(4,260)</u>	<u>-</u>
		<u>17,156</u>	<u>14,998</u>



This represents balance transferred as a result of settlement agreement from short term running finance (RF) facility to Term Loan Facility as on November 02, 2022. Principal will be repaid in 48 installments starting from Nov 2022 till Oct 2026. Markup outstanding after effective discounts / waivers as per settlement agreement and markup to be accrued will be serviced in 36 monthly installments, starting from November 2024. Effective markup rate applicable will be 1MK - 2% (Floor 10%). The mark up charged during the period on the outstanding balance ranged from 14.4% to 21.14% (2022: 13.46% to 14.61%). The facility is secured against 1st joint pari passu charge on present and future current and fixed assets (excluding land & building & licences) of the group with Margin 25%, collection account with AKBL for routing of LDI receivables alongwith additional mortgage on Properties situated in Sindh.

		September 30,	December 31,
		2023	2022
		(Un-audited)	(Audited)
<b>9.4 Standard Chartered Bank Limited</b>	Note	------(Rupees in '000)-----	
Opening balance		-	-
Transfer from running finance		32,065	-
Repayments		(800)	-
		<u>31,265</u>	-
Less: Current and overdue portion		(15,200)	-
		<u>16,065</u>	-
Add: Deferred markup	9.4.1	5,352	-
Less: Discounting of deferred markup	9.4.2	(1,456)	-
		<u>3,896</u>	-
		<u>19,961</u>	-
<b>9.4.1 Reconciliation of deferred markup is as follows:</b>			
Opening balance		-	-
Add: Deferred markup during the period/year		5,352	-
		<u>5,352</u>	-
<b>9.4.2 Reconciliation is as follows:</b>			
Opening balance		-	-
Add: Discounting impact of deferred markup		1,456	-
		<u>1,456</u>	-
Less: Unwinding impact of discounted deferred markup		-	-
		<u>1,456</u>	-

This represents balance transferred from short term borrowings (Note no 12) as a result of settlement agreement from short term running finance (RF) facility to Term Loan Facility as on August 09, 2023. Principal will be repaid in stepped up 23 installments starting from Aug 2023 till June 2025. Markup outstanding after effective discounts / waivers as per settlement agreement and markup to be accrued will be serviced in 6 monthly installments, starting from Jan 2025. Effective markup rate applicable will be at Cost of Funds (subject to change on yearly basis as advised by state bank of pakistan). The mark up charged during the period on the outstanding balance @ 4.25%. The facility is secured against 1st joint pari passu charge on present and future current and fixed assets (excluding land & building & licences) of the group for Rs. 320 million.

Note 10 Sponsor's Loan		September 30,	December 31,
		2023	2022
		(Un-audited)	(Audited)
		------(Rupees in '000)-----	
<b>Sponsor's Loan - unsecured</b>	Note		
- Interest bearing	10.1	867,300	680,700
- Non-interest bearing	10.2	1,587,258	1,490,607
		<u>2,454,558</u>	<u>2,171,307</u>
<b>10.1</b>	Opening balance	680,700	533,850
	Exchange loss	186,600	146,850
		<u>867,300</u>	<u>680,700</u>

This represents USD denominated loan obtained from Worldcall Services (Private) Limited, the Parent company. It carries mark up at 12 months KIBOR plus 1%. The mark up rate charged during the period on the outstanding balance is 18.36% (2022: 12.79%) per annum. The amount is not payable before June 30, 2024.

This represents interest free loan obtained from Worldcall Services (Private) Limited, the Parent company. The amount is not payable before June 30, 2024.

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

	September 30,	December 31,
	2023	2022
	(Un-audited)	(Audited)
	------(Rupees in '000)-----	
Opening balance	1,692,907	1,289,338
Less: Net receipts /(Payments) during the period/year	109,460	403,569
Amount of loan	1,802,367	1,692,907
Adjustment due to impact of IFRS 9:		
Discounting	(215,109)	(202,300)
	<u>(215,109)</u>	<u>(202,300)</u>
	<u>1,587,258</u>	<u>1,490,607</u>



## Note 11

## Lease Liabilities

	September 30, 2023	December 31, 2022
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
Opening balance	252,776	314,666
Add: Additions during the period	-	7,998
Add: Interest expense	22,903	30,955
Less: Termination of lease agreement	-	(67,595)
Less: Lease payments	(26,209)	(33,248)
Gross liability	249,470	252,776
Less: Current and overdue portion	(56,210)	(58,316)
Closing balance	193,260	194,460

## 11.1 Nature of leasing activities

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

Lease terms, and the remaining lease terms at the date of initial application, vary. Remaining lease term of existing lease contracts for which lease liability is booked ranges from 2 to 8 years.

## Note 12

## Short Term Borrowings

		September 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		----- (Rupees in '000) -----	
<b>Banking companies (secured - interest bearing):</b>	Note		
- Running finances	12.1	-	32,064
<b>Related parties (unsecured - interest free):</b>			
- Ferret Consulting F.Z.C.	12.2	111,074	84,355
		111,074	116,419

12.1 This represents balance transferred as a result of settlement agreement from short term running finance (RF) facility to Term Loan Facility as on August 09, 2023. Principal will be repaid in stepped up 23 installments starting from Aug 2023 till June 2025. Markup outstanding after effective discounts / waivers as per settlement agreement and markup to be accrued will be serviced in 6 monthly installments, starting from Jan 2025. Effective markup rate applicable will be at Cost of Funds (subject to change on yearly basis as advised by state bank of pakistan). The mark up charged during the period on the outstanding balance @ 4.25%. The facility is secured against 1st joint pari passu charge on present and future current and fixed assets (excluding land & building & licences) of the group for Rs. 320 million.

12.2 This represents interest free USD denominated loan received from M/s Ferret Consulting - F.Z.C to meet working capital requirements. The accumulated balance as at reporting date is USD 384,207 (2022: USD 377,598). In the absence of written agreement, the amount is repayable on demand.

## 12.3 Guarantees

Of the aggregate facilities of Rs. 398.862 million (2022: Rs. 398.862 million) for guarantees, the amount utilized as at September 30, 2023 was Rs. 302.961 million (2022: Rs. 334.461 million).

## Note 13

## Contingencies and Commitments

## Contingencies and commitments

## Contingencies

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



	September 30 2023 (Un-audited)	December 31 2022 (Audited)
	------(Rupees in '000)-----	
Outstanding guarantees and letter of credit	302,961	344,461
Commitments	16,444	9,313

**Note 14****Property, Plant and Equipment**

Operating fixed assets	14.1	5,043,875	5,309,001
Capital work-in-progress		16,315	12,907
		<u>5,060,190</u>	<u>5,321,908</u>

**14.1 Operating fixed assets**

Opening book value		5,309,001	5,783,070
Additions during the period	14.1.1	15,578	23,631
		<u>5,324,579</u>	<u>5,806,701</u>
Disposals (at book value) for the period	14.1.2	-	(107,828)
Depreciation charged during the period		(280,704)	(389,872)
Adjustment/reclassification		-	-
Closing book value		<u>5,043,875</u>	<u>5,309,001</u>

**14.1.1 Detail of additions**

Leasehold improvements		2,098	6,639
Plant and equipment		9,535	13,063
Office equipment		252	1,466
Furniture and fixtures		564	698
Computers		3,129	1,765
		<u>15,578</u>	<u>23,631</u>

**14.1.2 Book values of assets disposed off**

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

**Note 15****Right of use assets**

Opening balance	3,407,381	3,694,104
Add: Additions during the year	-	7,998
Add: Lease termination	-	(16,608)
Less: Depreciation charge for the period / year	(208,584)	(278,113)
<b>Closing balance</b>	<u>3,198,797</u>	<u>3,407,381</u>
Lease Term (Years)	<u>2 to 8</u>	<u>2 to 14</u>

- 15.1 Depreciation on right-of-use assets has been allocated to depreciation and amortization on face of the statement of profit or loss.
- 15.2 There are no variable lease payments in the lease contracts. There were no leases with residual value guarantees or leases not yet commenced to which the group is committed.



Note 16 Deferred Taxation	September 30	December 31
	2023	2022
	(Un-audited)	(Audited)
	------(Rupees in '000)-----	
<i>Asset for deferred taxation comprising temporary differences related to:</i>		
-Unused tax losses	2,530,368	3,013,949
-Provision for doubtful debts	900,194	900,194
-Post employment benefits	64,032	58,009
-Provision for stores and spares & stock-in-trade	1,173	1,173
-Provision for doubtful advances and other receivables	83,018	82,981
<i>Liability for deferred taxation comprising temporary differences related to:</i>		
-Surplus on revaluation of assets	(1,199,651)	(1,684,843)
	<u>2,379,134</u>	<u>2,371,463</u>

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

Note 17 Cash Used in Operations	Nine Months Ended September 30,	
	2023	2022
	Un-Audited	Un-Audited
	------(Rupees in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(1,560,997)	(1,223,039)
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	280,704	309,563
- Amortization on intangible assets	223,382	303,699
- Amortization of right of use assets	208,584	207,066
- Disposal of fiber under IRU arrangement	-	100,000
- Liabilities written back on settlement with parties	(9,398)	(1,600)
- Post employment benefits	23,568	30,484
- Adjustment due to impact of IFRS 9	(20,124)	
- Income on deposits, advances and savings accounts	(80,709)	(1,117)
- Exchange gain/(loss) on foreign currency loan	186,600	156,000
- Exchange (gain)/loss on foreign currency accrued markup	53,293	14,445
- Exchange (gain)/loss on foreign currency balances - net	53,229	61,428
- Imputed interest on lease liability	22,903	16,404
- Unwinding impact of liabilities under IFRS 9	37,777	39,642
- Finance cost	391,196	235,151
	<u>1,371,005</u>	<u>1,471,165</u>
<b>Operating loss before working capital changes</b>	<b>(189,992)</b>	<b>248,126</b>
(Increase) / decrease in current assets		
- Stores and spares	5,161	(2,586)
- Stock-in-trade	-	(1,457)
- Trade debts	502,100	(234,024)
- Loans and advances	(105,976)	(16,224)
- Deposits and prepayments	(61,203)	13,412
- Other receivables	(32,863)	(16,882)
- Trade and other payables	74,130	(131,810)
	<u>381,349</u>	<u>(389,571)</u>
<b>Cash used in operations</b>	<b>191,357</b>	<b>(141,445)</b>



## Note 18

## Transaction with Related Parties

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

			Nine Months ended September 30,	
			2023	2022
			(Un-audited)	(Un-audited)
			----- (Rupees in '000) -----	
<b>Transactions during the period with local companies</b>				
<b>Related party</b>	<b>Relationship</b>	<b>Nature of transaction</b>		
Worldcall Services (Private) Limited	Parent Company	Funds received by the Group during the period	92,410	250,471
		Funds repaid by the Group during the period	(26,196)	(80,000)
		Expenses paid during the period	-	(2,405)
		Settlement with multimedia	43,246	36,008
		Markup on long term borrowings	148,611	65,485
		Adjustments	-	114,469
		Exchange (gain)/loss on markup	53,293	28,647
		Exchange (gain)/loss on loan	186,600	156,000
Worldcall Cable (Private) Limited	Associate	Interest charged during the period	190	197
Worldcall Ride Hail (Private) Limited	Associate	Expenses borne on behalf of associate	1	(1)
		Interest charged during the period	3	2
Key management personnel	Associated persons	Salaries and employees benefits	75,499	67,944
		Advances against expenses disbursed / (adjusted) - net	1,117	44

## Transactions during the period/year with foreign companies

<b>Related party</b>	<b>Relationship</b>	<b>Nature of transaction</b>		
Ferret Consulting - F.Z.C	Associate	Exchange (Gain)/loss	23,172	19,424
		Payment/adjustment with third party	(2,228)	934
		Direct Cost - IT Service	5,775	2,160
		Expenses Charged during the period	-	1,574

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

			September 30, 2023	December 31, 2022
			(Un-audited)	(Audited)
			----- (Rupees in '000) -----	
<b>Outstanding Balance as at the period/year end</b>				
Worldcall Services (Private) Limited	Sponsor's loan		2,454,558	2,171,307
	Accrued markup		386,284	184,380
Ferret Consulting - F.Z.C	Dividend on CPS		292,450	229,383
	Short term borrowings		111,074	84,355
Worldcall Ride Hail (Private) Limited	Other receivables		24	20
Worldcall Cable (Private) Limited	Other receivables		2,790	2,613
Key management	Payable against expenses, salaries and other employee benefits		186,204	184,718
	Advance against expenses		13,807	12,690



## Note 19

## Financial Risk Management

**19.1 Financial risk factors**

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

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

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

**19.2 Fair value estimation**

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

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

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

The following table presents the group's assets and liabilities that are measured at fair value at September 30, 2023:

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
<b>Assets</b>				
Short-term investments	28,649	-	-	28,649

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

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

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



**Note 20**  
**Segment Information**

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

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

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

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

**Note 21**  
**Date of Authorization for Issue**

These condensed interim financial statements (un-audited) were approved and authorized for issue on 31 October 2023 by the Board of Directors of the group.

**Note 22**  
**Corresponding Figures**

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

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



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