



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

**30 JUNE 2016**





## VISION

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

## MISSION STATEMENT

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

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

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

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

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



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## COMPANY INFORMATION

<b>Chairman</b>	Mr. Mehdi Mohammed Al Abduwani
<b>Chief Executive Officer</b>	Mr. Babar Ali Syed
<b>Board of Directors</b>	Mr. Mehdi Mohammed Al Abduwani (Chairman) Mr. Talal Said Marhoon Al Mamari (Vice Chairman) Mr. Aimen bin Ahmed Al Hosni Mr. Samy Ahmed Abdulqadir Al Ghassany Mr. Sohail Qadir Dr. Syed Salman Ali Shah
<b>Chief Financial Officer</b>	Mr. Muhammad Murtaza Raza
<b>Executive Committee</b>	Mr. Mehdi Mohammed Al Abduwani (Chairman) Mr. Talal Said Marhoon Al Mamari (Vice Chairman) Mr. Aimen Bin Ahmed Al Hosni (Member) Mr. Sohail Qadir (Member) Mr. Babar Ali Syed (CEO) (Member) Mr. Saud Mansoor Mohammed Al Mazrooei (Secretary)
<b>Audit Committee</b>	Mr. Talal Said Marhoon Al Mamari (Chairman) Mr. Aimen Bin Ahmed Al Hosni (Member) Dr. Syed Salman Ali Shah (Member) Mr. Shahid Aziz Siddiqui (Member) Mr. Mirghani Hamza Al Madani (Secretary)
<b>Human Resource &amp; Remuneration Committee</b>	Mr. Talal Said Marhoon Al Mamari - (Chairman) Mr. Samy Ahmed Abdul Qadir Al Ghassany Mr. Aimen Bin Ahmed Al Hosni Mr. Sohail Qadir
<b>Chief Internal Auditor</b>	Mr. Mirghani Hamza Al Madani
<b>Company Secretary</b>	Mr. Saud Mansoor Mohammed Al Mazrooei
<b>Auditors</b>	Horwath Hussain Chaudhury & Co. Chartered Accountants
<b>Legal Advisers</b>	M/s Miankot & Co. Barristers, Advocates & Corporate Legal Consultant



<b>Bankers</b>	Allied Bank Limited Askari Bank Limited Bank Al Habib Limited Bank Islami (Pakistan) Ltd Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited IGI Investment Bank Limited JS Bank Limited MCB Bank Limited Mobilink Microfinance Bank Limited National Bank of Pakistan NIB Bank Limited Pak Oman Investment Co. Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited Summit Bank Limited Tameer Microfinance Bank Limited The Bank of Punjab United Bank Limited
<b>Registrar and Shares Transfer Office</b>	THK Associates (Pvt.) Limited 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400. Tel: (021) 111-000-322
<b>Registered Office/Head Office</b>	67-A, C/III, Gulberg-III, Lahore, Pakistan Tel: (042) 3587 2633-38 Fax: (042) 3575 5231
<b>Webpage</b>	<a href="http://www.worldcall.com.pk">www.worldcall.com.pk</a>



## DIRECTORS' REVIEW

The Directors of Worldcall Telecom Limited ("Wordcall" or the "Company") are pleased to present the brief overview of the financial information for the half year ended 30 June 2016.

### Financial Overview

During the period under review, the Company closed its financial results on net loss after tax of Rs1,118 million. The revenue has decreased from Rs 974 million to Rs 812 million showing a decline of 17% against the comparative period. Higher charge of network depreciation and hefty fixed cost has also contributed to gross loss of Rs 356 million. Operating cost has reflected a saving of 16%. After taking effects of finance cost and tax, the Company has closed the period at a net loss.

### Future Outlook

Despite the challenges being faced, the Company is hopeful to overturn the descending trend. Successful launch of 3G/4G services have presented the Company with tremendous opportunities for which majority of resources have been channeled towards broadband segment. Digital offering has been actualized with state of the art CAS enabled for bouquet and subscription management along with revenue assurance. Management plans to restructure the wireless brandband business with major focus on reduction in fixed operational cost. Furthermore, after annulment of ICH in 2015, the Company has successfully re build LDI business structure to materialize its share from market with focus on continuous improvement. Cost reduction initiatives have been undertaken to rationalize the expenses. Conversely, the Company is also in process of rescheduling existing finance liabilities which would considerably ease the burden in meeting financial obligations. Financial indicators are thus expected to improve in near future.

In pursuance of a strategy of achieving desired results through revamping of the Company's organizational structure, a Share Purchase Agreement ("SPA") dated 11 October 2016 has been entered between the Parent company, Worldcall Services (Private) Limited ("WSL") and Ferret Consulting F.Z.C (a company based in the United Arab Emirates). (hereinafter collectively also referred to as the "Acquirers"). As per the SPA, WSL shall acquire the 56.8% ordinary shares (488,839,429 ordinary shares) of the Company that are held by the Parent company and Ferret Consulting F.Z.C shall acquire the 85% CPS aggregating 297,500 CPS that are held by the Parent company on fulfilment of certain terms and conditions.

### Company's staff and customers

We whole heartedly put in record here our appreciation and gratitude to our all staff members for their efforts and hard work especially in recent times of stress and pressure. We further express our customer for their continued support and trust on our services. For and on behalf of the Board of Directors

*Babar Ali Syed*

**Babar Ali Syed**  
Chief Executive Officer

Muscat  
09 May 2017



## ڈائریکٹرز کا جائزہ

ورلڈ کال ٹیلی کام لمیٹڈ ("ورلڈ کال" یا "کمپنی") کے بورڈ آف ڈائریکٹرز 30 جون 2016ء کو اختتام پذیر غیر آڈٹ شدہ ماہی میں معلومات کا مختصر جائزہ پیش کرنے میں فخر محسوس کرتے ہیں۔

### مالیاتی جائزہ

زیر جائزہ مدت کے دوران، کمپنی نے اپنے مالیاتی نتائج کو ٹیکس کے بعد خالص نقصان 1118 ملین روپے پر بند کیا ہے۔ کمپنی کی آمدنی تقابلی مدت میں 974 ملین روپے سے اس سال 812 ملین روپے کم ہو چکی ہے (17 فیصد کمی کے ساتھ)۔ بھاری فرسودگی اور فیکس کاسٹ نے 356 ملین روپے کے مجموعی نقصان میں اہم کردار ادا کیا ہے۔ آپریٹنگ لاگت میں 16 فیصد کمی چھت ہوئی ہے۔ فنانس لاگت اور ٹیکس کے بعد کمپنی نے موجودہ پریڈ کو مجموعی نقصان پر بند کیا ہے۔

### مستقبل کا نقطہ نظر

باوجود پیش چلینجز کے کمپنی گرتے ہوئے رجحان کو پرامید ہے۔ 3G/4G خدمات کے کامیاب آغاز میں کمپنی کے لئے زبردست مواقع فراہم کئے ہیں۔ جس کے لئے وسائل کی اکثریت کو براڈ بینڈ سیکٹ کے لئے مختص کئے ہیں۔ مینجمنٹ مقررہ پرفیکٹس لاگت میں کمی پر توجہ کے ساتھ وائرلس براڈ بینڈ کاروبار کی تنظیم نو کرنے کے لئے منصوبہ بنا رہی ہے۔ مزید برآں 2015 میں ICH کے فسخ کے بعد مسلسل بہتری پر توجہ کے ساتھ LDI کاروبار کی تنظیم نو سے کمپنی اپنا مارکیٹ شیئر کامیابی کے ساتھ حاصل کر رہی ہے۔ لاگت میں کمی کے لئے اخراجات کو معقول بنانے کے لئے اقدامات کیے جا رہے ہیں۔ اس کے برعکس کمپنی اپنے فنانس واجبات کو آسانی سے ادا کرنے کے لئے فنانس واجبات کی ری شیڈولنگ کر رہی ہے۔ اس طرح مستقبل قریب میں مالیاتی پوزیشن کے بہتر ہونے کی امید ہے۔

حسب منشاء نتائج حاصل کرنے کے لئے حکمت عملی پر کام کو آگے بڑھانے کے لئے کمپنی کے تنظیمی ڈھانچے کی تجدید کی گئی اور باہمی کمپنی ورلڈ کال سروسز (پرائیویٹ) لمیٹڈ ("WSL") اور فیئرٹ کنسلٹنگ - FZC (جس کی بنیاد متحدہ عرب امارات میں ہے)..... (بعد میں مجموعی طور پر اسے "ایکویٹیٹرز" کہا گیا) کے مابین 11 اکتوبر 2016ء کو حصص کی خرید کا معاہدہ ("SPA") طے پایا۔ SPA کے مطابق WSL کمپنی کے 56.8% فی صد عمومی حصص (488,839,429 عمومی حصص) کا مالک ہو گا جو باہمی کمپنی کے پاس موجود ہیں۔ اور چند قواعد و ضوابط پر عمل کرتے ہوئے فیئرٹ کنسلٹنگ - FZC باہمی کمپنی کے پاس موجود CPS میں سے 85% فی صد CPS مجموعی طور پر 297,500 CPS کی مالک ہوگی۔

### کمپنی کے ملازمین اور صارفین

ہم تہہ دل سے کمپنی کے تمام ملازمین اور صارفین کے شکر گزار ہیں۔ جنہوں نے اس کشیدگی اور دباؤ کے حالیہ دنوں میں کمپنی کی خدمات پر اعتماد کیا اور اپنی کوششیں جاری رکھیں۔

بحکم بورڈ آف ڈائریکٹرز

بابر علی سید

مسقط

09 مئی 2017

چیف ایگزیکٹو آفیسر



## AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

### *Introduction*

We have reviewed the accompanying condensed interim balance sheet of **WorldCall Telecom Limited** as at June 30, 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and the notes to the financial information for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures included in the condensed interim profit and loss account for the quarters ended June 30, 2015 and June 30, 2016 have not been reviewed, as we are required to review only the cumulative figures for half year ended June 30, 2016.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended June 30, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

### *Emphasis of Matter*

We draw attention to note 2.6 to the condensed interim financial information (un-audited), which states that the Company has incurred net loss of Rs. 1.118 billion for the six months period ending June 30, 2016. As of that date, the Company has accumulated losses of Rs. 18.529 billion and its current liabilities exceeded its current assets by Rs. 16.672 billion. These conditions alongwith others set forth in note 2.6 to the condensed interim financial information (un-audited) indicate the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified with regard to this matter.

### *Other Matter*

The condensed interim financial information for the half year ended June 30, 2015 and financial statements for the year ended December 31, 2015 were reviewed and audited by another firm of Chartered Accountants who expressed an unmodified conclusion and opinion thereon vide their reports dated August 28, 2015 and March 7, 2017, respectively. However, their reports contained an emphasis of matter paragraph with regard to going concern assumption.

Lahore  
09 May 2017

**Horwath Hussain Chaudhury & Co.**  
Chartered Accountants

(Engagement Partner: Amin Ali)





## CONDENSED INTERIM BALANCE SHEET AS AT 30 JUNE 2016

Note	June 30 2016 (Un-audited)	December 31 2015 (Audited)
	(Rupees in '000)----- (Restated)	
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	8,516,543	8,084,786
Intangible assets	2,221,883	2,352,039
Investment properties	38,520	38,520
Long term trade receivable	84,249	91,953
Deferred taxation	1,500,000	1,500,000
Long term loans	4,171	2,878
Long term deposits	34,413	36,046
	<u>12,399,779</u>	<u>12,106,222</u>
<b>CURRENT ASSETS</b>		
Stores and spares	93,045	115,535
Stock-in-trade	67,244	67,175
Trade debts	554,115	481,246
Loans and advances	159,243	80,590
Deposits and prepayments	415,652	420,179
Short term investments	76,397	87,860
Other receivables	209,490	300,149
Income tax recoverable - net	35,564	43,730
Cash and bank balances	7,339	29,900
	<u>1,618,089</u>	<u>1,626,364</u>
<b>Non-current assets classified as held for sale</b>	-	<u>892,883</u>
	<u>1,618,089</u>	<u>2,519,247</u>
<b>CURRENT LIABILITIES</b>		
Current portion of non-current liabilities	5,235,613	5,231,057
Short term borrowings	567,177	563,902
License fee payable	1,021,500	1,021,500
Trade and other payables	11,147,079	10,703,621
Interest and mark up accrued	318,677	253,644
	<u>18,290,046</u>	<u>17,773,724</u>
<b>NET CURRENT LIABILITIES</b>	<u>(16,671,957)</u>	<u>(15,254,477)</u>
<b>NON-CURRENT LIABILITIES</b>		
Term finance certificates	-	-
Long term financing	69,249	87,750
Retirement benefits	400,118	373,998
Liabilities against assets subject to finance lease	-	1,609
Long term payables	633,554	526,250
Long term deposits	35,086	35,136
	<u>(1,138,007)</u>	<u>(1,024,743)</u>
<b>Contingencies and commitments</b>	-	-
	<u>(5,410,185)</u>	<u>(4,172,998)</u>
<b>REPRESENTED BY</b>		
<b>Share Capital and Reserves</b>		
Authorized share capital: 1,500,000,000 (December 31, 2015: 1,500,000,000) ordinary shares of Rs 10 each 500,000 (December 31, 2015: 500,000) preference shares of USD 100 each (USD 50,000,000 equivalent to Rs 6,000,000,000)	<u>15,000,000</u>	<u>15,000,000</u>
	<u>6,000,000</u>	<u>6,000,000</u>
Ordinary share capital	8,605,716	8,605,716
Preference share capital	3,537,700	3,537,700
Capital reserves:		
- Share premium	837,335	837,335
- Fair value reserve	11,508	22,971
- Exchange translation reserve	126,800	130,300
Revenue reserve: Accumulated loss	<u>(18,529,244)</u>	<u>(17,307,020)</u>
	<u>(5,410,185)</u>	<u>(4,172,998)</u>
<b>Surplus on revaluation of fixed assets</b>	-	-
	<u>(5,410,185)</u>	<u>(4,172,998)</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

*Balavandity*  
Chief Executive Officer

*G.IND*  
Director



## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2016

	Half Year Ended June 30,		Quarter Ended June 30,	
	2016	2015	2016	2015
	------(Rupees in '000)-----			
Revenue - net	811,819	973,566	305,094	479,465
Direct cost	<u>(1,168,148)</u>	<u>(1,518,012)</u>	<u>(597,673)</u>	<u>(834,988)</u>
<b>Gross Loss</b>	<u>(356,329)</u>	<u>(544,446)</u>	<u>(292,579)</u>	<u>(355,523)</u>
Operating cost	<u>(526,350)</u>	<u>(623,451)</u>	<u>(248,369)</u>	<u>(345,720)</u>
<b>Operating Loss</b>	<u>(882,679)</u>	<u>(1,167,897)</u>	<u>(540,948)</u>	<u>(701,243)</u>
Finance cost	<u>(260,915)</u>	<u>(322,146)</u>	<u>(137,357)</u>	<u>(158,510)</u>
Other income	114,382	29,583	7,471	2,685
Other operating expenses	<u>(66,709)</u>	<u>(92,926)</u>	<u>(66,709)</u>	<u>(69)</u>
<b>Loss before Taxation</b>	<u>(1,095,921)</u>	<u>(1,553,386)</u>	<u>(737,543)</u>	<u>(857,137)</u>
Taxation	<u>(22,499)</u>	<u>(818,595)</u>	<u>(9,872)</u>	<u>(1,051,301)</u>
<b>Net Loss for the Period</b>	<u>(1,118,420)</u>	<u>(2,371,981)</u>	<u>(747,415)</u>	<u>(1,908,438)</u>
<b>Basic and Diluted Loss per Share</b>	<u>(1.42)</u>	<u>(2.88)</u>	<u>(0.93)</u>	<u>(2.28)</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

*Balavandity*  
Chief Executive Officer

*G.IND*  
Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
(UN-AUDITED)  
FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2016**

	Half Year Ended June 30,		Quarter Ended June 30,	
	2016	2015	2016	2015
	Rupees	Rupees	Rupees	Rupees
Net Loss for the Period	(1,118,420)	(2,371,981)	(747,415)	(1,908,438)
Other comprehensive income				
Items that will not be re-classified subsequently to the profit or loss	-	-	-	-
Items that will be reclassified subsequently to the profit or loss				
- Change in fair value of available-for-sale financial assets	(11,463)	34,784	323	44,174
<b>Total Comprehensive Loss for the Period</b>	<b>(1,129,883)</b>	<b>(2,337,197)</b>	<b>(747,092)</b>	<b>(1,864,264)</b>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

*Balaram*  
Chief Executive Officer

*G. M. T.*  
Director



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR ENDED 30 JUNE 2016**

	Note	Half Year Ended June 30,	
		2016	2015
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	11	75,948	234,213
(Increase)/decrease in non-current assets:			
- Long term deposits		1,633	(31,102)
- Long term loans		(1,293)	318
- Long term trade receivables		14,949	10,722
(Decrease)/increase in non-current liabilities:			
- Long term deposits		(50)	(319)
- Long term payables		-	3,614
Retirement benefits paid		(19,523)	(24,017)
Finance cost paid		(60,173)	(140,778)
Taxes paid		(14,333)	(22,603)
<b>Net cash (used in) / generated from operating activities</b>		<b>(2,842)</b>	<b>30,048</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Property, plant and equipment purchased		(12,100)	(271,684)
Proceeds from disposal of property, plant and equipment		1,160	19,456
<b>Net cash used in investing activities</b>		<b>(10,940)</b>	<b>(252,228)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term loan acquired		-	3,555,300
Initial loan transaction cost paid		-	(39,616)
Repayment of term finance certificates		-	(108,455)
Repayment of long term financing		(11,501)	(3,422,748)
Short term borrowings - net		3,275	(80,031)
Repayment of liabilities against assets subject to finance lease		(553)	(485)
<b>Net Cash used in financing activities</b>		<b>(8,779)</b>	<b>(96,035)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>		<b>(22,561)</b>	<b>(318,215)</b>
Cash and cash equivalents at the beginning of the period		29,900	749,999
<b>Cash and Cash Equivalents at the End of the Period</b>		<b>7,339</b>	<b>431,784</b>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

*Balaram*  
Chief Executive Officer

*G. M. T.*  
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED 30 JUNE 2016**



WorldCall

Particulars	Share Capital		Capital Reserves			Revenue Reserve		Total
	Ordinary Share Capital	Preference Share Capital	Share Premium	Fair Value Reserve	Exchange Translation Reserve	Accumulated loss		
<b>Balance as at December 31, 2014 (Audited)</b>	8,605,716	3,537,700	837,335	3,276	(16,700)	(6,373,241)	6,594,086	
Loss for the period	-	-	-	-	-	(2,371,981)	(2,371,981)	
Other comprehensive income for the period - net of tax	-	-	-	-	-	-	-	
Total comprehensive loss for the period - net of tax	-	-	-	34,784	-	-	34,784	
Transfer to surplus on revaluation of fixed assets	-	-	-	34,784	-	(2,371,981)	(2,337,197)	
Exchange translation reserve	-	-	-	-	38,500	(47,468)	-	
Dividend on preference shares	-	-	-	-	-	(98,500)	-	
Total transactions with owners, recognized directly in equity	-	-	-	-	38,500	(107,394)	(68,894)	
<b>Balance as at June 30, 2015 (Un-Audited)</b>	8,605,716	3,537,700	837,335	38,060	21,800	(8,843,649)	4,196,963	
Loss for the period	-	-	-	-	-	(8,260,906)	(8,260,906)	
Other comprehensive (loss) / income for the period - net of tax	-	-	-	(15,089)	-	11,819	(3,270)	
Total comprehensive loss for the period - net of tax	-	-	-	(15,089)	-	(8,249,087)	(8,264,176)	
Transfer from surplus on revaluation of fixed assets	-	-	-	-	-	15,651	15,651	
Exchange translation reserve	-	-	-	-	108,500	(108,500)	-	
Dividend on preference shares	-	-	-	-	-	(21,436)	-	
Total transactions with owners, recognized directly in equity	-	-	-	-	108,500	(229,936)	(121,436)	
<b>Balance as at December 31, 2015 (Audited)</b>	8,605,716	3,537,700	837,335	22,971	130,300	(17,307,020)	(4,172,998)	
Loss for the period	-	-	-	-	-	(1,118,420)	(1,118,420)	
Other comprehensive loss for the period - net of tax	-	-	-	(11,463)	-	-	(11,463)	
Total comprehensive loss for the period - net of tax	-	-	-	(11,463)	-	(1,118,420)	(1,129,883)	
Transfer to surplus on revaluation of fixed assets	-	-	-	-	-	-	-	
Exchange translation reserve	-	-	-	-	(3,500)	3,500	-	
Dividend on preference shares	-	-	-	-	-	(107,304)	-	
Total transactions with owners, recognized directly in equity	-	-	-	-	(3,500)	(103,804)	(107,304)	
<b>Balance as at June 30, 2016 (Un-Audited)</b>	8,605,716	3,537,700	837,335	11,508	126,800	(18,529,244)	(5,410,185)	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

*Balawadhi*  
Chief Executive Officer

*Griff*  
Director



WorldCall

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
(UN-AUDITED)  
FOR THE HALF YEAR ENDED 30 JUNE 2016**

**1. Legal status and nature of business**

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

Oman Telecommunications Company SAOG (the "Parent company") owns 488,839,429 ordinary shares i.e. 56.80% (2015: 488,839,429 ordinary shares - 56.80%) and 350,000 preference shares - 100% (2015: 200,000 preference shares - 57.14%) of the Company.

As stated in Note 2.6, a share purchase agreement (SPA) has been signed subsequent to the half year ended June 30, 2016, between the Parent company and the acquirers, through which 488,839,429 ordinary shares (56.80% ordinary shares) and 297,500 preference shares (85% preference shares) of the Company shall be acquired by the acquirers from the Parent company. The execution of the said SPA is in process.

**2. Basis of preparation**

- This condensed interim financial information of the Company for the half year ended June 30, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended December 31, 2015. Comparative balance sheet is extracted from annual audited financial statements for the year ended December 31, 2015 whereas comparative profit and loss account, comparative statement of comprehensive income, comparative cash flows statement and comparative statement of changes in equity are extracted from unaudited interim financial information for the half year ended June 30, 2015.
- This condensed interim financial information is unaudited; however, a limited scope review has been performed by the external auditors as required by the Code of Corporate Governance.
- The preparation of these condensed interim financial information requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements for the year ended December 31, 2015.





2.5 This condensed interim financial information is 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.

## 2.6 Going concern assumption

The Company has incurred a loss after taxation of Rs. 1.118 billion during the half year ended June 30, 2016. As of that date, the accumulated loss stands at Rs. 18.529 billion and current liabilities exceed current assets by Rs. 16.672 billion and the Company has a negative equity of Rs. 5.410 billion as of that date. These conditions, along with the factors discussed in the foregoing paragraphs and note 10, 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 a going concern assessment of the Company and believes that the going concern assumption used for the preparation of this condensed interim financial information is appropriate based on the following grounds:

2.6.1 Subsequent to the half year ended June 30, 2016, a Share Purchase Agreement ("SPA") dated October 11, 2016 has been entered between the Parent company, Worldcall Services (Private) Limited ("WSL") and Ferret Consulting – F.Z.C (a company based in the United Arab Emirates), as stated in the extracts of minutes of the Company's Board of Directors' meeting held on October 16, 2016. The Company's Chief Executive, Chief Financial Officer and Officiating Company Secretary are majority shareholders of WSL and Ferret Consulting – F.Z.C. (hereinafter collectively also referred to as the "Acquirers").

As per the terms of the SPA, the Parent company will provide a funding of USD 11.5 million (approximately Rs. 1,202.9 million) to the Company in tranches which will be waived off later on the successful execution of the SPA. Moreover, liability of the Company towards the Parent company amounting to Rs. 2,834.22 million will be written off by the Parent company and NBO's loan of USD 35 million (Rs. 3,668 million) along with its accrued markup will be novated to the Parent company on successful execution of the SPA. As part of the SPA, WSL will also provide USD 4 million (approximately Rs. 418.40 million) to the Company in tranches as a loan that will not be repaid before the completion of SPA.

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

Subsequent to the half year ended June 30, 2016, the Company has received USD 8 million (USD 4 million each from the Parent company and WSL) in November 2016. The funds received and to be received from the Parent company and WSL under the terms of the SPA have been and will be mainly applied in partially settling overdue and outstanding operational, financial and statutory liabilities. Apart from the SPA, WSL will further arrange to provide USD 5 million (approximately Rs 523 million). The management intends to apply these funds for replenishment of the Company's inventory, mainly for the purchase of Customer Premises Equipment (CPEs) in order to increase customer base and revenue.

2.6.3 Furthermore, WSL, based on certain commitments of an investor, has assured support to the Company for continuing as a going concern through its letter to the Company's Board of Directors. In



view of above factors, the management believes that the risks posed by material uncertainties leading to a significant doubt about going concern have been properly mitigated. Consequently, this financial information has been prepared on the assumption that the Company will continue as a going concern.

## 3 Significant Accounting Policies

Accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended December 31, 2015.

## 4 Significant Accounting Judgments and Estimates

The preparation of condensed interim financial information in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. 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 form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by the management in applying accounting policies and the key sources of estimation were the same as those that were applied to the financial statements for the year ended December 31, 2015.

		June 30, 2016 Un-Audited	December 31, 2015 Audited
Note		-----	(Rupees in '000)-----
<b>5 Property, plant and equipment</b>			
Operating fixed assets	5.1	<b>8,414,428</b>	7,981,158
Capital work-in-progress		<b>100,486</b>	99,838
Major spare parts and stand-by equipment		<b>1,629</b>	3,790
		<b><u>8,516,543</u></b>	<u>8,084,786</u>
<b>5.1 Operating fixed assets</b>			
Opening book value		<b>7,981,158</b>	11,641,345
Additions during the period/year	5.2	<b>13,613</b>	361,710
Revaluation surplus		-	1,050,223
Transfer from non-current assets classified as held for sale	7.2	<b>892,883</b>	-
		<b><u>8,887,654</u></b>	<u>13,053,278</u>
Disposals (at book value) for the period/year	5.3	<b>(2,442)</b>	(44,460)
Assets written off during the period/year		-	(30,405)
Impairment of assets		-	(3,823,790)
Depreciation charged during the period/year		<b>(470,784)</b>	(1,173,465)
Closing book value	5.4	<b><u>8,414,428</u></b>	<u>7,981,158</u>



	June 30, 2016 Un-Audited	December 31, 2015 Audited
Note	----- (Rupees in '000) -----	
<b>5.2 Detail of additions</b>		
Leasehold improvements	-	6,926
Plant and equipment	13,157	351,138
Office equipment	-	367
Furniture and fixtures	-	34
Computers	456	3,245
	<u>13,613</u>	<u>361,710</u>
<b>5.3 Book values of assets disposed off</b>		
Plant and equipment	-	3,227
Computers	-	495
Vehicles	2,442	40,738
	<u>2,442</u>	<u>44,460</u>
<b>5.4 Property, plant and equipment includes equipment deployed in implementing the Universal Service Fund network which is subject to lien exercisable by Universal Service Fund Company ("USFC") in the event of failure by the Company to maintain service availability and quality specification.</b>		
	June 30, 2016 Un-Audited	December 31, 2015 Audited
Note	----- (Rupees in '000) -----	
<b>6 Intangible Assets</b>		
Licenses	1,715,029	1,817,626
Patents and copyrights	501,630	527,764
Indefeasible right of use - media cost	5,224	6,649
	<u>2,221,883</u>	<u>2,352,039</u>
<b>7 Non-Current Assets Classified as Held for Sale</b>		
Long term investment classified as held for sale	7.1 -	-
Plant and equipment classified as held for sale	7.2 -	892,883
	<u>-</u>	<u>892,883</u>
<b>7.1 Long term investment classified as held for sale</b>		
This represented the the investment of the the Company in foreign subsidiary namely Worldcall Telecommunications Lanka (Private) Limited ("the Subsidiary"). Owing to decline of demand of payphones and continuing losses, the shareholder of that company applied for its winding up and the company was voluntarily wound up by the Commercial High Court of the Western Province, Colombo, Sri Lanka, ("Commercial High Court") vide order dated June 16, 2015. Thus, investment in subsidiary was written off accordingly.		
	June 30, 2016 Un-Audited	December 31, 2015 Audited
Note	----- (Rupees in '000) -----	
<b>7.2 Plant and equipment classified as held for sale</b>		
Opening balance	892,883	1,120,502
Impairment loss	-	(204,925)



	June 30, 2016 Un-Audited	December 31, 2015 Audited
Note	----- (Rupees in '000) -----	
Disposal during the year	-	(22,694)
Transferred to operating fixed assets	7.2.1 & 5.1 (892,883)	-
Closing balance	<u>-</u>	<u>892,883</u>
<b>7.2.1 This represented Passive infrastructure (towers, civil works and gensets etc.) relating to WLL operations of the Company. An active plan to sell these assets was commenced in 2014 and a sale agreement was signed with Towershare (Private) Limited ("Towershare") on October 01, 2014. Accordingly, these assets were classified as held for sale under IFRS 5 - "Non-current Assets Held for Sale and Discontinued Operations". However, Towershare did not take transfer of all sites as per the aforementioned sale agreement. In view of the non-conclusion of the sale agreement with Towershare, these have now been re-classified to property, plant and equipment (Note 5.1).</b>		
	June 30, 2016 Un-Audited	December 31, 2015 Audited
Note	----- (Rupees in '000) -----	
<b>8 Term Finance Certificates - Secured</b>		
Term finance certificates - III	1,517,110	1,643,735
Restructuring fee	-	(13,480)
	<u>1,517,110</u>	<u>1,630,255</u>
Amortization of restructuring fee	-	13,480
	<u>1,517,110</u>	<u>1,643,735</u>
Redeemed	-	(126,625)
	<u>1,517,110</u>	<u>1,517,110</u>
Less: Current and overdue portion	<u>(1,517,110)</u>	<u>(1,517,110)</u>
	<u>-</u>	<u>-</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 month average KIBOR plus 1.60% per annum, payable semi-annually. The mark up rate charged during the half year on the outstanding balance ranges from 7.96% to 8.19% (2015: 8.67% to 11.79%) per annum.		
IGI Investment Bank Limited is the Trustee (herein referred to as the Trustee) under the Trust Deed. These TFCs are secured against pari passu charge over the Company's present and future fixed assets excluding land and building with 25% margin in addition to all rights, benefits, claims and interests procured by the Company under:		
a) LDI and WLL license issued by PTA to the Company; and		
b) Assigned frequency spectrum as per deed of assignment.		
These TFCs were earlier rescheduled in December 2012, under which the principal was repayable in three semi-annual installments ending on October 07, 2015. In July 2014, the Company initiated the process of second rescheduling with the TFC holders. As per terms of second rescheduling, payments in respect of principal and markup aggregating to Rs. 318.395 million were required to be made up to the half year ended June 30, 2016. However, payments of only Rs. 146.617 were made, hence, constituting a default as per the terms of second rescheduling. Consequently, the total amount has become immediately payable.		
Moreover, in April 2016, the Trustee's legal counsel issued a legal notice to the Company demanding immediate payment of all principal amount and interest accrued thereon and liquidated damages		



within thirty days of the notice, failing which the Trustee would initiate legal proceedings against the Company. The Trustee also withdrew its Non Objection Certificate (NOC) given to the Company in respect of sale of Wireless Local Loop (WLL) passive infrastructure. No payments have been further made by the Company in respect of principal amount or interest accrued thereon.

		June 30, 2016 Un-Audited	December 31, 2015 Audited
<b>9 Long Term Financing</b>	<b>Note</b>	----- (Rupees in '000) -----	
<b>From Banking Companies (Interest-bearing - Secured)</b>			
Askari Bank Limited	9.1	-	-
National Bank of Oman	9.2	-	-
Soneri Bank Limited	9.3	-	-
Allied Bank Limited	9.4	69,249	87,750
		<u>69,249</u>	<u>87,750</u>
<b>9.1 Askari Bank Limited</b>			
Receipt		-	2,943,855
Initial transaction cost		-	(129,365)
		-	2,814,490
Amortization of transaction cost		-	129,365
		-	2,943,855
Exchange loss		-	557,729
		-	3,501,584
Repaid		-	(3,501,584)
		-	-
Current maturity		-	-
		-	-

This represented foreign currency syndicated loan facility amounting to USD 35 million from Askari Bank Limited Off-Shore Banking Unit, Bahrain, with the lead arranger being Askari Bank Limited. In September 2014, the Company in agreement with Askari Bank Limited, arranged a financing from consortium of banks comprising National Bank of Oman ("NBO") and Ahli Bank SAOG ("the consortium") with NBO as the lead arranger, whereby loan from Askari Bank Limited was fully repaid from the proceeds of the loan from the consortium.

		June 30, 2016 Un-Audited	December 31, 2015 Audited
<b>9.2 National Bank of Oman</b>		----- (Rupees in '000) -----	
Receipt		3,555,300	3,555,300
Initial transaction cost		(39,616)	(39,616)
		3,515,684	3,515,684
Amortization of transaction cost		39,616	39,616
		3,555,300	3,555,300
Exchange loss		109,200	112,700
		3,664,500	3,668,000
Repaid		-	-
		3,664,500	3,668,000
Less: Current portion		(3,664,500)	(3,668,000)
		-	-



This represents foreign currency syndicated loan facility ("facility") amounting to USD 35 million from National Bank of Oman (NBO) and Ahli Bank SAOG ("the consortium") with NBO as the lead arranger. The loan was disbursed on June 30, 2015 and the loan proceeds were used to clear liabilities of Askari Bank Limited as stated in note 9.1. The NBO loan is repayable in 16 quarterly installments commencing from September 30, 2017. Profit is payable quarterly and is charged at three months average LIBOR plus 1.75% per annum and monitoring fee at 1.5% per annum. The mark up rate charged during the period on the outstanding balance ranged from 3.86% to 3.88% (2015: 3.53% to 3.58%) per annum. To secure the facility, corporate guarantee of the Parent company was furnished along with a provision for cash cover / direct debit of the Parent company's bank account in the event of the Company's failure to fund obligations under the facility agreement.

The Company failed to pay interest against this facility, which led to the consortium adjusting the interest payable with the Debt Service Reserve Account Balance ("security") held with them. These factors constitute events of default under the facility and empower the consortium to demand the outstanding amount at their will. Therefore, the total amount has become immediately payable. However, subsequent to the reporting date, the Parent company has been servicing the markup on behalf of the Company. As stated in note 2.6, this liability shall be taken up by the Parent company subject to successful execution of SPA.

	June 30, 2016 Un-Audited	December 31, 2015 Audited
<b>9.3 Soneri Bank Limited</b>	----- (Rupees in '000) -----	
Opening balance	18,565	66,756
Repaid	-	(48,191)
Less: Current and overdue portion	(18,565)	(18,565)
	-	-

This facility was initially repayable in 23 monthly installments ending on February 28, 2016. This facility was rescheduled later in August 2016 the effect of which shall be disclosed in the annual financial statements. The facility carries mark up at one month KIBOR plus 3% per annum and is payable monthly. The mark up rate charged during the year on the outstanding balance ranged from 9.22% to 9.52% (2015: 9% to 12.90%) per annum. It is secured through joint pari passu hypothecation agreement over current and movable fixed assets.

	June 30, 2016 Un-Audited	December 31, 2015 Audited
<b>9.4 Allied Bank Limited</b>	----- (Rupees in '000) -----	
Opening balance	113,750	125,000
Repaid	(11,501)	(11,250)
	102,249	113,750
Less: Current portion	(33,000)	(26,000)
	69,249	87,750

This represents a term loan facility of Rs. 125 million obtained through restructuring of running finance facility. This facility was rescheduled in January 2015 and is now repayable in 43 monthly installments ending on July 31, 2018. It carries mark up at one month KIBOR plus 3% per annum till March 31, 2015, and was payable monthly. The mark up rate with effect from April 01, 2015, is 3 months KIBOR plus 0.5% per annum to be reset and recoverable quarterly. The mark up rate charged during the period on the outstanding balance ranged from 6.85% to 6.99% (2015: 7.10% to 12.13%)



per annum. It is secured through joint pari passu charge on present and future current and fixed assets excluding land and building of the Company with 25% margin.

## 10 Contingencies and Commitments

There is no significant change in contingencies from the preceding annual published financial statements of the Company for the year ended December 31, 2015 exception for the following:

### 10.1 Disputes with PTA

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

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

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

### 10.2 Others

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

The management believes that MPL's claim is invalid since its major portion relates to the un-utilized future period, for which MPL is/was under contractual obligation to provide media to the Company. However, the subject media/services have never been provisioned therefore MPL is not entitled to claim any amount for media or services which has never been provisioned. As the Company holds an indefeasible right to use MPL's media for the contract duration of 15 years, early and unilateral termination of services by MPL, amounts to a breach. Under these circumstances, the Company can use its express contractual rights to reclaim amounts relating to un-utilized future period on a prorata basis. Moreover, MPL is also liable to make payments to the Company on account of different services received from the Company. While the Company is in the process of preparing its defense in respect of challenging the amount of and MPL's right to receive these dues, it has also filed an application before SHC to refer the matter to Arbitration as



per the dispute resolution mechanism contained in the agreement signed in August 2011. Based on the advice of the Company's legal counsel, the management is of the view that it is unlikely that any adverse order will be passed against the Company.

	June 30, 2016 Un-Audited	December 31, 2015 Audited
Note	----- (Rupees in '000) -----	
<b>Guarantees</b>		
Outstanding guarantees	<u>856,942</u>	<u>869,779</u>
<b>Commitments</b>		
Commitments in respect of capital expenditure	<u>286,812</u>	<u>504,164</u>
<b>11 Cash Generated From Operations</b>		
	Half year ended June 30, 2016 Un-Audited	Half year ended June 30, 2015 Un-Audited
	----- (Rupees in '000) -----	
<b>Cash flows from operating activities</b>		
Loss before taxation	<b>(1,095,921)</b>	<b>(1,553,386)</b>
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	<b>470,784</b>	583,416
- Amortization on intangible assets	<b>130,156</b>	130,121
- Amortization of transaction cost	-	87,425
- Amortization of long term trade receivables	<b>(7,245)</b>	(7,494)
- Provision for doubtful debts and other receivables	<b>3,187</b>	65,618
- Provision for stock-in-trade and stores and spares	<b>10,842</b>	2,602
- Liabilities no longer payable written back	<b>(99,506)</b>	-
- Exchange loss/(gain) on foreign currency loan	<b>(3,500)</b>	36,934
- Gain on sale of property, plant and equipment	<b>(2,134)</b>	(936)
- Retirement benefits	<b>45,642</b>	43,365
- Finance cost	<b>260,915</b>	234,721
	<u><b>809,141</b></u>	<u>1,175,772</u>
<b>Operating loss before working capital changes</b>	<b>(286,780)</b>	<b>(377,614)</b>
Effect on cash flow due to working capital changes:		
(Increase) / decrease in current assets		
- Stores and spares	<b>11,648</b>	31,971
- Stock-in-trade	<b>(69)</b>	-
- Trade debts	<b>(76,056)</b>	(87,503)
- Loans and advances	<b>(78,653)</b>	(81,562)
- Deposits and prepayments	<b>379</b>	617
- Other receivables	<b>94,074</b>	33,167
Increase / (decrease) in current liabilities		
- Trade and other payables	<b>411,405</b>	715,137
	<u><b>362,728</b></u>	<u>611,827</u>
<b>Cash generated from operations</b>	<u><b>75,948</b></u>	<u>234,213</u>

**12. Related party transactions**

The related parties comprise of members, foreign subsidiary, local associated companies, related group companies, directors of the Company, companies where directors also hold directorship and key management personnel. Significant transactions with related parties are as follows:

Relationship with the Company	Nature of transactions	Half year ended	Half year ended
		June 30, 2016 (Un-audited)	June 30, 2015 (Un-audited)
------(Rupees in '000)-----			
Parent company	Dividend on preference shares	107,304	61,380
	Management fee on preference shares	90,769	75,401
	Rendering of LDI services to Omantel	13,192	-
Other related parties	Purchase of goods and services	-	40,943
Key management personnel	Salaries and other employee benefits	148,377	153,857
	Sale of vehicle	648	-
		<b>June 30, 2016</b>	<b>December 31, 2015</b>
		(Un-audited)	(Audited)
------(Rupees in '000)-----			
<b>Period/year end balances</b>			
Omantel	Trade creditors	2,834,221	2,684,723
WSL	Advance to Trade creditors	2,109	2,109
		23,121	23,121
Key management personnel	Payable against expenses, salaries and other employee benefits	88,364	77,405
	Long term loans	8,513	5,564

**13. Financial risk management****13.1 Financial risk factors**

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

The condensed interim financial information does 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 31 December 2015.

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

**13.2 Liquidity risk**

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

**13.3 Fair value estimation**

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)



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

The following table presents the Company's assets and liabilities that are measured at fair value at 30 June 2016.

	Level 1	Level 2	Level 3	Total
-----Rupees in '000-----				
<b>Assets</b>				
Available-for-sale investments	76,397	-	-	76,397
<b>Liabilities</b>				
	-	-	-	-

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

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

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.

**14. Date of authorization for issue**

This condensed interim financial information was authorized for issue on May 9, 2017 by the Board of Directors of the Company.

**15. Corresponding figures**

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

Nature	From	To	Amount (Rupees in '000)
Payable to PTA against APC charges	Current portion of non-current liabilities	Trade and other payables	1,766,190
Deposit in escrow account	Cash and bank balances	Deposits and prepayments	368,767
Payable to Multinet Pakistan (Private) Limited ("MPL")	Current portion of non-current liabilities	Trade and other payables	616,660
Auditor's remuneration	Operating cost	Other operating expenses	3,574

*Balauddin*  
Chief Executive Officer

*G. H. M. T.*  
Director

