CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

31 MARCH 2013

WorldCall

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 over-whelming 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

COMPANY INFORMATION

Chairman	Mehdi Mohammed Al Abduwani
Chief Executive Officer	Babar Ali Syed
Board of Directors *(In Alphabetic order)*	Aimen bin Ahmed Al Hosni Asadullah Khawaja Mehdi Mohammed Al Abduwani Samy Ahmed Abdulqadir Al Ghassany Sohail Qadir Shehryar Ali Taseer Talal Said Marhoon Al-Mamari (Vice Chairman)
Chief Financial Officer	Mohammad Noaman Adil
Executive Committee	Mehdi Mohammed Al Abduwani (Chairman) Aimen bin Ahmed Al Hosni (Member) Babar Ali Syed (Member) Sohail Qadir (Member) Rizwan Abdul Hayi (Secretary)
Audit Committee	Talal Said Marhoon Al-Mamari (Chairman) Asadullah Khawaja (Member) Aimen bin Ahmed Al Hosni (Member) Rizwan Abdul Hayi (Secretary)
HR Committee	Aimen bin Ahmed Al Hosni (Chairman) Sohail Qadir (Member) Talal Said Marhoon Al-Mamari (Member) Saud Al-Mazroui (Secretary)
Chief Internal Auditor	Mirghani Hamza Al-Madani
Company Secretary	Rizwan Abdul Hayi
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants
Legal Advisers	M/s Miankot & Co. Barristers, Advocates & Corporate Legal Consultant

Bankers *(In Alphabetic Order)*	Allied Bank Limited Albaraka Bank (Pakistan) Limited (formerly Emirates Global Islamic Bank Limited) Askari Bank Limited Barclays Bank Plc Pakistan Burj Bank Limited (formerly Dawood Islamic Bank Limited) Deutsche Bank AG Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited HSBC Bank Middle East Limited HSBC Bank Oman S.A.O.G. (formerly Oman International Bank S.A.O.G.) IGI Investment Bank Limited JS Bank Limited KASB Bank Limited MCB Bank Limited National Bank of Pakistan NIB Bank Limited Pak Oman Investment Co. Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited Summit Bank Limited (formerly Arif Habib Bank Limited) Tameer Microfinance Bank Limited The Bank of Punjab United Bank Limited
Registrar and Shares Transfer Office	THK Associates (Pvt.) Limited Ground Floor, State Life Building No.3, Dr. Zia-ud-Din Ahmed Road, Karachi. Tel: (021) 111-000-322
Registered Office/Head Office	67-A, C/III, Gulberg-III, Lahore, Pakistan Tel: (042) 3587 2633-38 Fax: (042) 3575 5231
Webpage	www.worldcall.com.pk

DIRECTORS' REVIEW

The Directors of Worldcall Telecom Limited ("WTL" or the "Company") are pleased to present the brief overview of the financial information for the quarter ended 31 March 2013.

Financial Overview

Revenue for the quarter under review amounted to Rs. 970 million showing a decline of 53% against the comparative period. Despite reduction in business volume, significant improvement in margins contributed to a gross profit of Rs. 56 million as against the gross loss of last year. Operating costs remained in proportion with the business activity undertaken and saving of 21% against last year has arisen due to various cost cutting initiatives. Finance cost has also witnessed slight favorable movement of 4%. After taking effects of other income and tax, the Company has closed the quarter at a net loss of Rs. 257 million.

Future Outlook

The funding transaction of USD 35 million is going to be put up for shareholders approval in Annual General Meeting on 04 May 2013. Keeping in view the procedural requirements, the Company foresees that funds shall be available for utilization before the end of second quarter. The management considers this as an important milestone on the way to a strategic turnaround.

Company's staff and customers

We express our appreciation and sincere thanks to all staff members for the hard work and dedication that they have put in. We further express our gratitude for our customers for their support and trust.

For and on behalf of the Board of Directors

Lahore
30 April 2013

Babar Ali Syed
Chief Executive Officer

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT 31 MARCH 2013

	Note	31 March 2013	Restated 31 December 2012	Restated 31 December 2011
		--------(Rupees in '000)--------		
NON CURRENT ASSETS				
Tangible fixed assets				
Property, plant and equipment	5	**12,939,732**	13,002,060	13,527,048
Capital work-in-progress		**695,276**	782,635	650,986
		13,635,008	13,784,695	14,178,034
Intangible assets	6	**4,934,338**	4,987,160	5,183,628
Investment properties		**160,474**	160,474	146,074
Long term investment - classified as held for sale	7	**-**	-	-
Long term trade receivable	8	**232,567**	242,883	18,092
Deferred taxation		**1,502,247**	1,295,068	288,499
Long term loans and deposits		**103,989**	122,074	132,323
		20,568,623	20,592,354	19,946,650
CURRENT ASSETS				
Stores and spares		**208,581**	225,091	235,415
Stock in trade		**220,031**	208,140	201,901
Trade debts		**2,456,958**	2,624,883	3,252,683
Loans and advances - considered good		**1,549,149**	1,441,416	1,058,229
Deposits and prepayments		**172,538**	190,848	142,945
Other receivables		**125,394**	64,513	86,212
Short term investments		**100,385**	104,982	114,489
Income tax recoverable - net		**154,182**	154,656	163,943
Cash and bank balances		**74,456**	100,742	327,028
		5,061,674	5,115,271	5,582,845
CURRENT LIABILITIES				
Current maturities of non-current liabilities		**1,751,834**	1,447,025	2,095,116
Running finance under mark-up arrangements - secured		**791,725**	789,331	979,373
Short term borrowings	9	**1,036,758**	1,014,767	118,503
License fee payable		**1,021,500**	1,021,500	1,021,500
Trade and other payables		**6,026,273**	5,947,891	4,589,727
Interest and mark-up accrued		**260,484**	245,190	140,183
		10,888,574	10,465,704	8,944,402
NET CURRENT LIABILITIES		**(5,826,900)**	(5,350,433)	(3,361,557)
NON CURRENT LIABILITIES				
Term Finance Certificates - secured	10	**1,642,822**	1,640,083	1,081,213
Long term loan	11	**2,682,603**	2,815,456	3,060,004
Deferred income	12	**44,376**	65,916	166,300
Retirement benefits		**350,573**	362,907	310,007
Liabilities against assets subject to finance lease		**27,578**	44,904	89,471
Long term payables	13	**1,230,727**	1,288,444	1,494,620
Long term deposits		**42,433**	42,458	42,661
		6,021,112	6,260,168	6,244,276
Contingencies and commitments	14			
		8,720,611	8,981,753	10,340,817
REPRESENTED BY				
Share capital and reserves				
Authorized capital				
900,000,000 (31 December 2012: 900,000,000) ordinary shares of Rs. 10 each		**9,000,000**	9,000,000	9,000,000
Issued, subscribed and paid up capital		**8,605,716**	8,605,716	8,605,716
Share premium		**837,335**	837,335	837,335
Fair value reserve - available for sale financial assets		**9,238**	13,835	(242,023)
Accumulated (loss)/profit		**(1,081,029)**	(823,263)	796,544
		8,371,260	8,633,623	9,997,572
Surplus on revaluation		**349,351**	348,130	343,245
		8,720,611	8,981,753	10,340,817

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Lahore **Chief Executive Officer** **Director**

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

		Quarter ended 31 March 2013	Quarter ended 31 March 2012
		-------------(Rupees in '000)------------	
Revenue - net		**970,044**	2,060,072
Direct cost		**(913,821)**	(2,085,867)
Gross profit/(loss)		**56,223**	(25,795)
Operating cost		**(280,619)**	(354,881)
Operating loss		**(224,396)**	(380,676)
Finance cost		**(164,132)**	(171,083)
		(388,528)	(551,759)
Other operating income		**8,146**	6,477
Other operating expenses		**(78,492)**	(32,151)
Loss before taxation		**(458,874)**	(577,433)
Taxation		**202,329**	177,743
Loss after taxation		**(256,545)**	(399,690)
Loss per share - basic and diluted	**(Rupees)**	**(0.30)**	(0.46)

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Lahore **Chief Executive Officer** **Director**

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
	------------(Rupees in '000)-----------	
Loss for the period	**(256,545)**	(399,690)
Other comprehensive (loss)/income - net of tax:		
Items that are or may be reclassified subsequently to profit or loss:		
Net change in fair value of available for sale financial assets	**(4,597)**	12,711
	(4,597)	12,711
Total comprehensive loss for the period	**(261,142)**	(386,979)

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Lahore

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

	Note	Quarter ended 31 March 2013	Quarter ended 31 March 2012
		-------------(Rupees in '000)------------	
Cash flows from operating activities			
Cash generated from operations	*15*	**212,630**	217,993
Decrease in long term deposits receivable		**18,085**	9,384
Decrease in long term trade receivable		**-**	1,308
(Decrease)/increase in long term deposits payable		**(25)**	337
Decrease in deferred income		**(21,540)**	(24,145)
Increase/(decrease) in long term payables		**59,523**	(20,595)
Retirement benefits paid		**(33,330)**	(1,766)
Finance cost paid		**(136,540)**	(75,850)
Taxes paid		**(4,378)**	(3,776)
Net cash generated from operating activities		**94,425**	102,890
Cash flows from investing activities			
Fixed capital expenditure		**(137,197)**	(170,286)
Proceeds from sale of property, plant and equipment		**5,869**	-
Net cash used in investing activities		**(131,328)**	(170,286)
Cash flows from financing activities			
Running finance - net		**2,394**	(187,151)
Receipt of short term borrowings		**21,991**	79,887
Repayment of liabilities against assets subject to finance lease		**(13,768)**	(13,191)
Net cash generated from/(used in) financing activities		**10,617**	(120,455)
Net decrease in cash and cash equivalents		**(26,286)**	(187,851)
Cash and bank balances at the beginning of the period		**100,742**	327,028
Cash and bank balances at the end of the period		**74,456**	139,177

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Lahore

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2013

	Share capital	Share premium	Fair value reserve-available for sale financial assets	Accumulated profit/(loss)	Revaluation reserve	Total
	------------------------	------------------------	----------(Rupees in '000)----------	------------------------	------------------------	------------------------
Balance as at 31 December 2011	**8,605,716**	**837,335**	**(242,023)**	**806,476**	**343,245**	**10,350,749**
Effect of change in accounting policy	-	-	-	(9,932)	-	(9,932)
Balance as at 31 December 2011 - restated	**8,605,716**	**837,335**	**(242,023)**	**796,544**	**343,245**	**10,340,817**
Total comprehensive income/(loss) for the period	-	-	12,711	(399,690)	-	(386,979)
Transfer to surplus on revaluation	-	-	-	(1,697)	1,697	-
Balance as at 31 March 2012 - restated	**8,605,716**	**837,335**	**(229,312)**	**395,157**	**344,942**	**9,953,838**
Total comprehensive income/(loss) for the period - restated	-	-	243,147	(1,215,232)	-	(972,085)
Transfer to surplus on revaluation	-	-		(3,188)	3,188	-
Balance as at 31 December 2012 - restated	**8,605,716**	**837,335**	**13,835**	**(823,263)**	**348,130**	**8,981,753**
Total comprehensive loss for the period	-	-	(4,597)	(256,545)	-	(261,142)
Transfer to surplus on revaluation	-	-	-	(1,221)	1,221	-
Balance as at 31 March 2013	**8,605,716**	**837,335**	**9,238**	**(1,081,029)**	**349,351**	**8,720,611**

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Lahore

Chief Executive Officer

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

1 Legal status and nature of business

Worldcall Telecom Limited ("the Company") is a public limited company incorporated in Pakistan on 15 March 2001 under the Companies Ordinance, 1984 and its shares are quoted on the Karachi and Lahore Stock Exchanges. The Company commenced its operations on 01 December 2004 and is engaged in providing Wireless Local Loop ("WLL") and Long Distance & International ("LDI") services in Pakistan, operation and maintenance of public payphones network and re-broadcasting international/national satellite/terrestrial wireless and cable television and radio signals as well as interactive communication and to establish, maintain and operate the licensed telephony services. The Company has been licensed by Pakistan Telecommunication Authority ("PTA") and Pakistan Electronic Media Regulatory Authority ("PEMRA") for these purposes. The registered office of the Company is situated at 67A, C-III, Gulberg III, Lahore. In the year ended 30 June 2008, 56.80% shares (488,839,429 ordinary shares) had been acquired by Oman Telecommunications Company SAOG ("the Parent company").

2 Basis of preparation

2.1 Statement of Compliance

This condensed interim financial information for the period ended 31 March 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and the directives issued under the Companies Ordinance, 1984. In case where requirements of the Companies Ordinance, 1984 differ, the provisions of or directives issued under the Companies Ordinance, 1984 or directive issued by Securities and Exchange Commission of Pakistan ("SECP") have been followed. This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2012.

2.2 Accounting convention and basis of preparation

These financial statements have been prepared under the historical cost convention, except for revaluation of investment properties, plant and equipment, intangible assets and certain financial assets at fair value, and recognition of certain employee benefits and financial liabilities at present value.

3 Accounting policies

Accounting policies adopted for preparation of this condensed interim financial information are same as those applied in the preparation of the audited financial statements of the Company for the year ended 31 December 2012 and stated therein, except for the change in accounting policy under IAS 19 "Employee Benefits" with effect from 01 January 2013.

3.1 Retirement benefits

During the year, the Company adopted IAS 19 Employee Benefits and changed its basis for recognition of actuarial gains and losses on its defined benefit plan.

As a result of the change, all the changes in present value of defined benefit obligation are now recognised in the Condensed Interim Statement of Comprehensive Income and the past service costs are recognised in Condensed Interim Profit and Loss Account, immediately in the period they occur.

Previously, the Company recognised actuarial gains / losses over the expected average remaining working lives of the current employees, to the extent that unrecognised actuarial gains / losses exceeds 10 percent of present value of defined benefit obligation.

The change in accounting policy has been applied retrospectively and resulted in following changes in the financial statements:

	31 December 2012	31 December 2011
Condensed Interim Balance Sheet	----------(Rupees in '000)----------	
(Decrease)/increase in retirement benefits obligation	**(24,788)**	9,932
Decrease in accumulated loss	**24,788**	-
Decrease in accumulated profit	**-**	(9,932)

	Year ended	
	31 December 2012	31 December 2011
Condensed Interim Statement of Comprehensive Income	----------(Rupees in '000)----------	
Actuarial gain/(loss) on employee retirement benefits	**34,720**	(9,932)

4. Significant accounting judgments and estimates

The preparation of condensed interim financial information in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates associated assumptions and judgements 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 judgements 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 judgements made by 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 31 December 2012.

	Note	31 March 2013	31 December 2012
5 Property, plant and equipment		--------(Rupees in '000)--------	
Owned and leased assets			
Opening net book value		**13,002,060**	13,527,048
Additions during the period/year	*5.1*	**235,386**	678,907
		13,237,446	14,205,955
Disposals for the period/year - NBV	*5.2*	**(2,376)**	(16,771)
Adjustment during the period/year - NBV		**(304)**	-
Depreciation for the period/year		**(295,034)**	(1,187,124)
Closing net book value	*5.3*	**12,939,732**	13,002,060

	31 March 2013	31 December 2012
	--------(Rupees in '000)--------	
5.1 Break-up of additions		
Leasehold improvements	**127**	3,463
Plant and equipment	**234,185**	634,202
Office equipment	**71**	962
Computers	**805**	36,229
Furniture and fixtures	**-**	300
Vehicles	**198**	3,751
	235,386	678,907
5.2 Break-up of disposals (at NBV)		
Leasehold improvement	**-**	(24)
Office equipment	**(632)**	(40)
Computers	**(45)**	(16,001)
Furniture and fixtures	**(256)**	-
Vehicles	**(1,443)**	(706)
	(2,376)	(16,771)

5.3 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.

	Note	31 March 2013	31 December 2012
		--------(Rupees in '000)--------	
6 Intangible assets (at NBV)			
Licenses		**1,695,925**	1,735,324
Indefeasible right of use - Media cost	*6.1*	**671,501**	684,568
Software		**13,418**	13,774
Goodwill	*6.2*	**2,553,494**	2,553,494
		4,934,338	4,987,160

6.1 During the year 2011, the Company acquired an indefeasible right of use in respect of capacity procured from Multinet Pakistan (Private) Limited for the period of 15 years.

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

The Company assessed the recoverable amount of Goodwill at 31 March 2013 and determined that, as of this date, there is no indication of impairment of Goodwill. The recoverable amount was calculated on the basis of five year financial business plan approved by the Board which assumes cash inflows of USD 35 million during the financial year ending 31 December 2013 as foreign currency denominated convertible preference shares with mandatory conversion into equity.

The business plan also includes a comprehensive analysis of the existing operational deployments of the Company along with strategic direction of future investments and business growth. Discount rate of 16% was used for the calculation of net present value of future cash flows. The cash flows beyond the five years period have been extrapolated using a steady 5% growth rate which is consistent with the long-term average growth rate for the industry, whereas for impairment calculation no growth is considered in cash flows beyond five years as per International Accounting Standard 36 - Impairment of Assets.

	31 March 2013	31 December 2012
	--------(Rupees in '000)--------	
7 Long term investment - classified as held for sale		
Foreign subsidiary - Unquoted		
Worldcall Telecommunications Lanka (Private) Limited (Incorporated in Sri Lanka)		
7,221,740 (31 December 2012: 7,221,740) ordinary shares of Sri Lankan Rupees 10 each. Equity held 70.65% (31 December 2012: 70.65%)	**44,406**	44,406
Share deposit money	**13,671**	13,671
	58,077	58,077
Less: Provision for impairment	**(58,077)**	(58,077)
	-	-

The Company's foreign subsidiary namely Worldcall Telecommunications Lanka (Private) Limited was suffering losses as the demand for payphones in Sri Lanka has greatly diminished. Keeping in view the Sri Lankan market conditions and negative equity of the subsidiary, the management decided and approved the winding up of the subsidiary. Long term investment in subsidiary was classified as discontinued operations.

8 Long term trade receivable

This represents receivable from the sale of Optical Fiber Cable stated at amortized cost by using the discount rate of 16%. This amount is receivable from Pakistan Mobile Communications (Private) Limited over a period of five years and from Getronics Pakistan (Private) Limited over a period of 20 years.

	Note	31 March 2013	31 December 2012
		---------(Rupees in '000)---------	
9 Short term borrowings			
Habib Bank Limited - I	*9.1*	**734,000**	708,000
Habib Bank Limited - II	*9.2*	**220,000**	194,459
KASB Bank Limited	*9.3*	**-**	49,500
Soneri Bank Limited - I	*9.4*	**36,896**	42,196
Soneri Bank Limited - II	*9.5*	**36,531**	4,879
Standard Chartered Bank (Pakistan) Limited	*9.6*	**9,331**	15,733
		1,036,758	1,014,767

9.1 This represents a bridge loan facility of Rs. 734 million from Habib Bank Limited ("HBL") to bridge Convertible Preference Shares to be issued by the Company. The said facility is repayable on receipts against preference shares having mark up of 3 month KIBOR plus 3.50% per annum. Facility is completely secured under joint pari passu hypothecation agreement for present and future fixed and current assets of the Company amounting to Rs. 1,015.67 million.

9.2 This represents a working capital finance facility of Rs. 220 million from Habib Bank Limited ("HBL"). The said facility is repayable over a period of 180 days having mark up of one month KIBOR plus 0.75% per annum. To secure the facility, an unconditional, irrevocable, first demand stand-by letter of credit has been issued by National Bank of Oman favouring Habib Bank Limited. This arrangement shall remain effective until all obligations under the facility are settled.

9.3 The facility has been settled during the period.

9.4 This facility carries mark up of 6 month KIBOR + 4.00% per annum. It is secured through joint pari passu hypothecation agreement with 25% margin.

9.5 It carries mark-up ranging from 19.00% - 21.00% per annum and is secured by hypothecation charge on assets.

9.6 It carries markup of 19.00% - 21.00% per annum and is secured by hypothecation charge on assets and lien over import documents.

	31 March 2013	31 December 2012
	--------(Rupees in '000)--------	
10 Term Finance Certificates - secured		
Term finance certificates	**1,643,735**	1,643,735
Less: Initial transaction cost	**(53,994)**	(53,994)
	1,589,741	1,589,741
Amortization of transaction cost	**53,081**	50,342
	1,642,822	1,640,083
Less: Current maturity	**-**	-
	1,642,822	1,640,083

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

Term finance certificates

These represent listed Term Finance Certificates ("TFC") amounting to Rs. 4,000 million. Out of this, Rs. 3,000 million was received on account of Pre-IPO and Rs. 1,000 million was offered to public for subscription. These TFCs were redeemable in seven equal semi annual instalments commencing from October 2010. Profit rate is charged at six months average KIBOR plus 1.60% per annum. These are secured by way of first pari passu charge on the present and future fixed assets of the Company amounting to Rs. 5,333.33 million and assignment of licenses.

These TFC's have been rescheduled by majority of TFC holders. The principal will be repayable in three semi annual instalments commencing from October 2014.

	31 March 2013	31 December 2012
	---------(Rupees in '000)---------	
11 Long term loan		
Receipt	**2,943,855**	2,943,855
Less: Initial transaction cost	**(42,668)**	(42,668)
	2,901,187	2,901,187
Add: Amortization of transaction cost	**12,191**	10,667
	2,913,378	2,911,854
Add: Exchange loss	**447,495**	406,095
	3,360,873	3,317,949
Less: Current maturity	**(678,270)**	(502,493)
	2,682,603	2,815,456

This represents foreign currency syndicated loan facility amounting to USD 35 million from Askari Bank Limited Offshore Banking Unit, Bahrain, with the lead arranger being Askari Bank Limited. This loan is re-payable in twenty equal quarterly instalments with 2 years grace period commencing 06 June 2013. Profit is charged at three months average LIBOR plus 1.75% per annum and monitoring fee at 1.20% per annum. To secure the facility an unconditional, irrevocable, first demand stand-by letter of credit has been issued by National Bank of Oman favoring Askari Bank Limited against the corporate guarantee of Oman Telecommunication Company SAOG. This arrangement shall remain effective until all obligations under the facility are settled.

12 Deferred income

It represents the amount received in advance against contracts valuing Rs. 786 million and Rs. 487 million for the deployment of network in Multan Telecommunication Region and Gujranwala Telecommunication Region, respectively, awarded by Universal Service Fund Company ("USFC"), a company established for the purpose of increasing teledensity in Pakistan. The amount is adjustable against delivery of milestones.

	31 March 2013	31 December 2012
	---------(Rupees in '000)---------	
13 Long term payables		
Payable to Pakistan Telecommunication Authority	**723,693**	768,589
Payable to Multinet Pakistan (Private) Limited	**54,290**	115,835
Suppliers	**452,744**	404,020
	1,230,727	1,288,444

14 Contingencies and commitments

Contingencies

14.1 Billing disputes with PTCL

14.1.1 There is a dispute of Rs. 72.64 million (31 December 2012: Rs 72.64 million) with PTCL of non revenue time of prepaid calling cards and Rs. 41.85 million (31 December 2012: Rs 41.40 million) for excess minutes billed on account of interconnect and settlement charges. The Company is hopeful that matter will be decided in favour of the Company.

14.1.2 PTCL has charged the Company excess Domestic Private Lease Circuits (DPLC) and other media charges amounting to Rs. 188.39 million (31 December 2012: Rs.183.99 million) on account of difference in rates, distances and date of activations. The Company has deposited Rs. 40 million (31 December 2012: Rs. 40 million) in Escrow Account on account of dispute of charging of bandwidth charges from the date of activation of Digital Interface Units (DIUs) for commercial operation and in proportion to activation of DIUs related to each DPLC link and excess charging in respect of Karachi-Rawalpindi link which was never activated. The Company is hopeful that matter will be decided in favour of the Company.

14.2 Disputes with Pakistan Telecommunication Authority (PTA)

14.2.1 There is a dispute with PTA on roll out of Company's 479 MHz and 3.5 GHz frequency bands licenses for allegedly not completing roll out within prescribed time. The dispute is pending adjudication at PTA. The Company is hopeful that the issue will be favorably resolved at the level of PTA.

14.2.2 There is a dispute with PTA on payment of research and development fund contribution amounting to Rs. 5.65 million (31 December 2012: Rs. 5.65 million). The legal validity of this fund is under challenge before the Honourable Supreme Court of Pakistan. The Company is hopeful of a favourable decision.

14.2.3 There is a dispute with PTA on payment of contribution of APC for USF amounting to Rs. 491 million (31 December 2012: Rs. 491 million) in relation to the period prior to the valid formation of USF fund by the Federal Government. Out of this amount, Rs. 394 million has been deposited with PTA. The matter is pending adjudication before the Honourable Supreme Court of Pakistan. The Company is hopeful of a favourable decision.

14.3 Taxation issues

14.3.1 Income Tax Return for the tax year ended 30 June 2006 was filed under the self assessment scheme. Subsequently, the case was reopened by invoking the provisions of section 122 (5A). Additions were made on account of brought forward losses, gratuity and goodwill of Rs. 773 million. The appeal of the Company is pending in Income Tax Appellate Tribunal Lahore. The Company is hopeful that the matter will be decided in favour of the Company.

14.3.2 Income Tax Returns for the tax year ended 30 June 2003 were filed under the self assessment scheme of Worldcall Communications Limited, Worldcall Multimedia Limited, Worldcall Broadband Limited and Worldcall Phone cards Limited, now merged into the Company. The Company has received orders under section 122(5A) against the said returns filed under self assessment on 02 January 2009. As per Orders, the Income Tax Department intends to amend the returns on certain issues such as depreciation, turnover tax adjustment, gratuity provision, share premium, allocation of expenses to capital gain, mark up from associates and share deposit money amounting to Rs. 29.9 million. An appeal has been filed by the Company against the orders before the Commissioner of Income Tax (Appeals). Commissioner of Income Tax (Appeals) has restored the original assessment order U/S 177 dated 17 May 2005 for Worldcall Broadband Limited. Remaining appeals were also decided and a partial relief was given by CIT (Appeals), while being aggrieved, the Company has filed appeals in Income Tax Appellate Tribunal Lahore. Based on legal advice, the Company is hopeful that matter will be decided in favour of the Company.

14.3.3 There is a dispute with Sales Tax Authorities for payment of Rs.167 million claimed and obtained as sales tax refund in the year 2006 by the Company. The matter is presently being adjudicated by the Honourable Lahore High Court Lahore. An injunction currently holds field which precludes recovery from the Company. The Company has paid 20% of principal amount to date to the department against the said dispute. Moreover, this is an industrial issue and in case companies of other jurisdiction, the Inland Revenue Tribunal has dismissed the case of sales tax authorities. It is therefore that, the Company is hopeful of a favourable decision.

14.4 Others

14.4.1 Samsung claimed an amount of Rs.132.6 million (USD 1.4 million) against its receivables under a certain settlement and services agreement. However, the Company denies the claim on the basis that Samsung failed to fulfil its obligations and did not provide services for which Company reserves the right to initiate appropriate proceedings against Samsung. Based on the legal advice, the Company is hopeful that matter will be resolved in its favour.

	31 March 2013	31 December 2012
	---------(Rupees in '000)---------	
Commitments		
14.5 Outstanding guarantees	1,170,611	1,213,373
14.6 Commitments in respect of capital expenditure	2,037,351	2,070,847
14.7 Outstanding letters of credit	-	38,840

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
	---------(Rupees in '000)---------	
15 Cash generated from operations		
Loss before taxation	(458,874)	(577,433)
Adjustment for non-cash charges and other items:		
Depreciation	295,034	278,562
Amortization of intangible assets	48,344	48,333
Amortization of transaction cost	4,263	4,262
Discounting charges	8,034	10,294
Amortization of receivables	(1,940)	-
Provision for doubtful receivables	38,056	32,763
Provision for stores and spares	9,000	-
Exchange loss on foreign currency loan	41,400	31,050
Gain on sale of property, plant and equipment	(3,493)	-
Retirement benefits	15,148	25,963
Finance cost	151,835	156,527
Profit before working capital changes	146,807	10,321

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
	---------(Rupees in '000)---------	
Effect on cash flow due to working capital changes:		
(Increase)/decrease in the current assets		
Stores and spares	7,510	(2,888)
Stock in trade	(11,891)	33,470
Trade debts	142,126	(533,384)
Loans and advances	(107,733)	18,469
Deposits and prepayments	18,310	(9,187)
Other receivables	(60,881)	26,431
Increase in current liabilities		
Trade and other payables	78,382	674,761
	65,823	207,672
	212,630	217,993

16 Related party transactions

The related parties comprise of shareholders, 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	Quarter ended 31 March 2013	Quarter ended 31 March 2012
		---------(Rupees in '000)---------	
Parent Company	Purchase of goods and services	15	358,596
	Sale of goods and services	6	10,843
Other related parties	Purchase of goods and services	2,522	2,292
	Sale of goods and services	259	-
Key management personnel	Salaries and other employee benefits	79,139	86,417

All transactions with related parties have been carried out on commercial terms and conditions.

	31 March 2013	31 December 2012
	---------(Rupees in '000)---------	
Period / year end balances		
Receivable from related parties	228,813	228,813
Payable to related parties	2,159,323	2,104,212

These are in normal course of business and are interest free.

17 Financial instruments

Offsetting of financial assets and financial liabilities

The Company adopted Disclosures-Offsetting Financial Assets and Financial Liabilities (amendments to IFRS 7). The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Company's balance sheet; or

- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the balance sheet.

At the date of balance sheet, the Company has no enforceable master netting arrangements or other similar arrangements.

17.1 Financial assets subject to offsetting

	Note	As at 31 March 2013					
		Gross amounts of recognised financial assets	Gross amount of recognised financial liabilities off set in the statement of financial position	Net amount of financial assets presented in the statement of financial position	Related amounts not off set in the statement of financial statements	Net amount	Financial assets not in scope of off setting disclosures
		A	B	C=A-B	D	E=C-D	
Financial assets		---(Rupees in '000)---					
Long term trade receivables	8	-	-	-	-	-	232,567
Long term loans and deposits		-	-	-	-	-	103,989
Trade debts		3,890,459	(1,433,501)	2,456,958	-	2,456,958	-
Loans and advances - considered good		-	-	-	-	-	1,549,149
Other receivables - current		-	-	-	-	-	117,133
Short term investments		-	-	-	-	-	100,385
Income tax recoverable - net		451,915	(297,733)	154,182	-	154,182	-
Cash and bank balances		-	-	-	-	-	74,456
		4,342,374	**(1,731,234)**	**2,611,140**	**-**	**2,611,140**	

17.2 Financial liabilities subject to offsetting

	Note	As at 31 March 2013					
		Gross amounts of recognised financial liabilities	Gross amount of recognised financial assets off set in the statement of financial position	Net amount of financial liabilities presented in the statement of financial position	Related amounts not off set in the statement of financial statements	Net amount	Financial liabilities not in scope of off setting disclosures
		A	B	C=A-B	D	E=C-D	
Financial liabilities		---(Rupees in '000)---					
Short term borrowings	9	-	-	-	-	-	1,036,758
Running finances under mark-up arrangements - secured		-	-	-	-	-	791,725
Licence fee payable		-	-	-	-	-	1,021,500
Trade and other payables		7,035,812	(1,009,539)	6,026,273	-	-	-
Interest and mark-up accrued		-	-	-	-	-	260,484
Term finance certificates - secured	10	-	-	-	-	-	1,642,822
Long term loan	11	-	-	-	-	-	2,682,603
Retirement benefits		-	-	-	-	-	350,573
Liabilities against assets subject to finance lease		-	-	-	-	-	27,578
Long term payables	13	-	-	-	-	-	1,230,727
Long term deposits		-	-	-	-	-	42,433
		7,035,812	**(1,009,539)**	**6,026,273**	**-**	**-**	

	Note	As at 31 December 2012					
		Gross amounts of recognised financial assets	Gross amount of recognised financial liabilities off set in the statement of financial position	Net amount of financial assets presented in the statement of financial position	Related amounts not off set in the statement of financial statements	Net amount	Financial assets not in scope of off setting disclosures
		A	B	C=A-B	D	E=C-D	
Financial assets		---(Rupees in '000)---					
Long term trade receivables	8	-	-	-	-	-	242,833
Long term loans and deposits		-	-	-	-	-	122,074
Trade debts		4,504,836	(1,879,953)	2,624,883	-	-	-
Loans and advances - considered good		-	-	-	-	-	1,441,416
Other receivables - current		-	-	-	-	-	56,742
Short term investments		-	-	-	-	-	104,982
Income tax recoverable - net		447,539	(292,883)	154,656	-	-	-
Cash and bank balances		-	-	-	-	-	100,742
		4,952,375	**(2,172,836)**	**2,779,539**	**-**	**-**	

Financial liabilities subject to offsetting

	Note	As at 31 December 2012					
		Gross amounts of recognised financial liabilities	Gross amount of recognised financial assets off set in the statement of financial position	Net amount of financial liabilities presented in the statement of financial position	Related amounts not off set in the statement of financial statements	Net amount	Financial liabilities not in scope of off setting disclosures
		A	B	C=A-B	D	E=C-D	
Financial liabilities		---(Rupees in '000)---					
Short term borrowings	9	-	-	-	-	-	1,014,767
Running finances under mark-up arrangements - secured		-	-	-	-	-	789,331
Licence fee payable		-	-	-	-	-	1,021,500
Trade and other payables		6,647,804	(699,913)	5,947,891	-	-	-
Interest and mark-up accrued		-	-	-	-	-	245,190
Term finance certificates - secured	10	-	-	-	-	-	1,640,083
Long term loan	11	-	-	-	-	-	2,815,456
Retirement benefits		-	-	-	-	-	362,907
Liabilities against assets subject to finance lease		-	-	-	-	-	44,904
Long term payables	13	-	-	-	-	-	1,288,444
Long term deposits		-	-	-	-	-	42,458
		6,647,804	**(699,913)**	**5,947,891**	**-**	**-**	

18 Date of authorization for issue

This condensed interim financial information was authorized for issue on 30 April 2013 by the Board of Directors of the Company.

19 General

Figures have been rounded off to the nearest thousand of rupee.

Lahore **Chief Executive Officer** **Director**

WORLDCALL TELECOM LIMITED AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

31 MARCH 2013

DIRECTORS' REVIEW

The Directors of Worldcall Telecom Limited ("WTL" or the "Parent Company") are pleased to present condensed consolidated financial information of the Group for the quarter ended 31 March 2013.

Group Foreign Subsidiary

WorldCall Telecommunications Lanka (Pvt.) Limited

Winding up of the subsidiary is in process as approved in the earlier AGM of the Parent Company. In annexed consolidated financial statements, the subsidiary has been accounted for under IFRS 5 as discontinued operations.

For and on behalf of the Board of Directors

Lahore
30 April 2013

Babar Ali Syed
Chief Executive Officer

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (Un-Audited) AS AT 31 MARCH 2013

	Note	31 March 2013	Restated 31 December 2012	Restated 31 December 2011
		--------(Rupees in '000)--------		
NON CURRENT ASSETS				
Tangible fixed assets				
Property, plant and equipment	6	**12,939,732**	13,002,060	13,527,048
Capital work-in-progress		**695,276**	782,635	650,986
		13,635,008	13,784,695	14,178,034
Intangible assets	7	**4,934,338**	4,987,160	5,183,628
Investment properties		**160,474**	160,474	146,074
Long term trade receivable	8	**232,567**	242,883	18,092
Deferred taxation		**1,502,247**	1,295,068	288,499
Long term loans and deposits		**103,989**	122,074	132,323
		20,568,623	20,592,354	19,946,650
CURRENT ASSETS				
Stores and spares		**208,581**	225,091	235,415
Stock in trade		**220,031**	208,140	201,901
Trade debts		**2,456,958**	2,624,883	3,252,683
Loans and advances - considered good		**1,549,149**	1,441,416	1,058,229
Deposits and prepayments		**172,538**	190,848	142,945
Other receivables		**117,133**	56,742	81,995
Short term investments		**100,385**	104,982	114,489
Income tax recoverable - net		**154,182**	154,656	163,943
Cash and bank balances		**74,456**	100,742	327,028
		5,053,413	5,107,500	5,578,628
Non - current assets classified as held for sale	9	**2**	144	23
		5,053,415	5,107,644	5,578,651
CURRENT LIABILITIES				
Current maturities of non-current liabilities		**1,751,834**	1,447,025	2,095,116
Running finance under mark-up arrangements - secured		**791,725**	789,331	979,373
Short term borrowings	10	**1,036,758**	1,014,767	118,503
License fee payable		**1,021,500**	1,021,500	1,021,500
Trade and other payables		**6,026,273**	5,947,891	4,589,727
Interest and mark-up accrued		**260,484**	245,190	140,183
		10,888,574	10,465,704	8,944,402
Non - current liabilities classified as held for sale	9	**4,756**	3,563	7,278
		10,893,330	10,469,267	8,951,680
NET CURRENT LIABILITIES		**(5,839,915)**	(5,361,623)	(3,373,029)
NON CURRENT LIABILITIES				
Term Finance Certificates - secured	11	**1,642,822**	1,640,083	1,081,213
Long term loan	12	**2,682,603**	2,815,456	3,060,004
Deferred income	13	**44,376**	65,916	166,300
Retirement benefits		**350,573**	362,907	310,007
Liabilities against assets subject to finance lease		**27,578**	44,904	89,471
Long term payables	14	**1,230,727**	1,288,444	1,494,620
Long term deposits		**42,433**	42,458	42,661
		6,021,112	6,260,168	6,244,276
Contingencies and commitments	15			
		8,707,596	8,970,563	10,329,345
REPRESENTED BY				
Share capital and reserves				
Authorized capital				
900,000,000 (31 December 2012: 900,000,000) ordinary shares of Rs. 10 each		**9,000,000**	9,000,000	9,000,000
Issued, subscribed and paid up capital		**8,605,716**	8,605,716	8,605,716
Share premium		**837,335**	837,335	837,335
Fair value reserve - available for sale financial assets		**9,238**	13,835	(242,023)
Exchange translation reserve		**(5,067)**	(4,447)	(5,868)
Accumulated (loss)/profit		**(1,085,155)**	(826,720)	794,309
Capital and reserves attributable to equity holders of the Company		**8,362,067**	8,625,719	9,989,469
Non controlling interest		**(3,822)**	(3,286)	(3,369)
		8,358,245	8,622,433	9,986,100
Surplus on revaluation		**349,351**	348,130	343,245
		8,707,596	8,970,563	10,329,345

The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information.

Lahore **Chief Executive Officer** **Director**

CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

	Note	Quarter ended 31 March 2013	Quarter ended 31 March 2012
		------(Rupees in '000)------	
Continuing operations			
Revenue - net		**970,044**	2,060,072
Direct cost		**(913,821)**	(2,085,867)
Gross profit/(loss)		**56,223**	(25,795)
Operating cost		**(280,619)**	(354,881)
Operating loss		**(224,396)**	(380,676)
Finance cost		**(164,132)**	(171,083)
		(388,528)	(551,759)
Other operating income		**8,146**	6,477
Other operating expenses		**(78,492)**	(32,151)
Loss before taxation		**(458,874)**	(577,433)
Taxation		**202,329**	177,743
Loss after taxation from continuing operations		**(256,545)**	(399,690)
Discontinued operations			
Loss for the period from discontinued operations	9	**(946)**	(779)
		(257,491)	(400,469)
Attributable to:			
Equity holders of parent		**(257,214)**	(400,240)
Non controlling interest		**(277)**	(229)
		(257,491)	(400,469)
Loss per share - basic and diluted			
From continuing and discontinued operations	*Rupees*	**(0.30)**	(0.47)
From continuing operations	*Rupees*	**(0.30)**	(0.46)

The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information.

Lahore **Chief Executive Officer** **Director**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2013

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
	-----------(Rupees in '000)-----------	
Loss for the period	**(257,491)**	(400,469)
Other comprehensive (loss)/income- net of tax:		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	**(879)**	6,594
Net change in fair value of available for sale financial assets	**(4,597)**	12,711
Impairment loss transferred to profit and loss account	**-**	-
	(5,476)	19,305
Total comprehensive loss for the period	**(262,967)**	(381,164)
Attributable to:		
Equity holders of the Parent	**(262,431)**	(382,871)
Non controlling interest	**(536)**	1,707
	(262,967)	(381,164)

The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information.

Lahore **Chief Executive Officer** **Director**

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2013

	Note	Quarter ended 31 March 2013	Quarter ended 31 March 2012
		----------(Rupees in '000)----------	
Cash flows from operating activities			
Cash generated from operations	*16*	**212,489**	217,972
Decrease in long term deposits receivable		**18,085**	9,384
Decrease in long term trade receivable		**-**	1,308
(Decrease)/increase in long term deposits payable		**(25)**	337
Decrease in deferred income		**(21,540)**	(24,145)
Increase/(decrease) in long term payables		**59,523**	(20,595)
Retirement benefits paid		**(33,330)**	(1,766)
Finance cost paid		**(136,541)**	(75,849)
Taxes paid		**(4,378)**	(3,776)
Net cash generated from operating activities		**94,283**	102,870
Cash flows from investing activities			
Fixed capital expenditure		**(137,197)**	(170,286)
Proceeds from sale of property, plant and equipment		**5,869**	-
Net cash used in investing activities		**(131,328)**	(170,286)
Cash flows from financing activities			
Running finance - net		**2,394**	(187,151)
Receipt of short term borrowings		**21,991**	79,887
Repayment of liabilities against assets subject to finance lease		**(13,768)**	(13,191)
Net cash generated from/(used in) financing activities		**10,617**	(120,455)
Net decrease in cash and cash equivalents		**(26,428)**	(187,871)
Cash and bank balance at the beginning of the period		**100,886**	327,051
Cash and bank balance at the end of the period		**74,458**	139,180

The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information.

Lahore **Chief Executive Officer** **Director**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

	Attributable to equity holders of the Company								
	Share capital	Share premium	Fair value reserve-available for sale financial assets	Currency translation reserve	Accumulated profit/(loss)	Revaluation reserve	Sub Total	Non controlling interest	Total
	(Rupees in '000)								
Balance as at 31 December 2011	8,605,716	837,335	(242,023)	(5,868)	804,241	343,245	10,342,646	(3,369)	10,339,277
Effect of change in accounting policy	-	-	-	-	(9,932)	-	(9,932)	-	(9,932)
Balance as at 31 December 2011 - restated	8,605,716	837,335	(242,023)	(5,868)	794,309	343,245	10,332,714	(3,369)	10,329,345
Total comprehensive income/(loss) for the period	-	-	12,711	4,658	(400,240)	-	(382,871)	1,707	(381,164)
Transfer to surplus on revaluation	-	-	-	-	(1,697)	1,697	-	-	-
Balance as at 31 March 2012 - restated	8,605,716	837,335	(229,312)	(1,210)	392,372	344,942	9,949,843	(1,662)	9,948,181
Total comprehensive income/(loss) for the period - restated	-	-	243,147	(3,237)	(1,215,904)	-	(975,994)	(1,624)	(977,618)
Transfer to surplus on revaluation	-	-		-	(3,188)	3,188	-	-	-
Balance as at 31 December 2012 - restated	8,605,716	837,335	13,835	(4,447)	(826,720)	348,130	8,973,849	(3,286)	8,970,563
Total comprehensive loss for the period	-	-	(4,597)	(620)	(257,214)	-	(262,431)	(536)	(262,967)
Transfer to surplus on revaluation	-	-	-	-	(1,221)	1,221	-	-	-
Balance as at 31 March 2013	8,605,716	837,335	9,238	(5,067)	(1,085,155)	349,351	8,711,418	(3,822)	8,707,596

The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information.

Lahore **Chief Executive Officer** **Director**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH 2013

1 Legal status and nature of business

1.1 The Group consists of:

Worldcall Telecom Limited; and

Worldcall Telecommunications Lanka (Private) Limited

1.2 Worldcall Telecom Limited ("the Company") is a public limited company incorporated in Pakistan on 15 March 2001 under the Companies Ordinance, 1984 and its shares are quoted on the Karachi and Lahore Stock Exchanges. The Company commenced its operations on 01 December 2004 and is engaged in providing Wireless Local Loop ("WLL") and Long Distance & International ("LDI") services in Pakistan, operation and maintenance of public payphones network and re-broadcasting international/national satellite/terrestrial wireless and cable television and radio signals as well as interactive communication and to establish, maintain and operate the licensed telephony services. The Company has been licensed by Pakistan Telecommunication Authority ("PTA") and Pakistan Electronic Media Regulatory Authority ("PEMRA") for these purposes. The registered office of the Company is situated at 67A, C III, Gulberg III, Lahore. In the year ended 30 June, 2008, 56.80% shares (488,839,429 ordinary shares) had been acquired by Oman Telecommunications Company SAOG ("the Parent Company").

Worldcall Telecommunications Lanka (Private) Limited ("the Subsidiary") was incorporated in Sri Lanka and is a joint venture with Hayleys Group to operate payphones. The principal activity of the Subsidiary is the operation and maintenance of a public payphones network. Payphones are installed at various shops/commercial outlets. The Company holds 70.65% of voting securities in the Subsidiary.

2 Basis of preparation

Consolidation

The consolidated interim financial information includes the financial information of the Company and its Subsidiary. The financial information of the Subsidiary has been consolidated on a line by line basis.

Subsidiary

Subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of the entity so as to benefit from its activities. The financial information of the Subsidiary is included in the consolidated financial information from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intragroup balances and any other unrealized gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the condensed consolidated financial information. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Non controlling interest is that part of net results of operations and of net assets of the subsidiary attributable to interest which are not owned by the Group. Non controlling interest is presented separately in the consolidated financial statements. In view of negative equity of the Subsidiary, the complete amount of losses are being borne by the Company.

3 Statement of compliance

This condensed consolidated interim financial information for the period ended 31 March 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and the directives issued under the Companies Ordinance, 1984. In case where requirements of Companies Ordinance, 1984 differ, the provisions of or directives issued under the Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan ("SECP") have been followed. This condensed consolidated interim financial information does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the financial statements of the Group for the year ended 31 December 2012.

4. Accounting policies

Accounting policies adopted for preparation of this condensed interim financial information are same as those applied in the preparation of the audited financial statements of the Group for the year ended 31 December 2012 and stated therein, except for the following:

4.1 Retirement benefits

During the year, the Group adopted IAS 19 Employee Benefits and changed its basis for recognition of actuarial gains and losses on its defined benefit plan.

As a result of the change, all the changes in present value of defined benefit obligation are now recognised in the Condensed Consolidated Interim Statement of Comprehensive Income and the past service costs are recognised in Condensed Consolidated Interim Profit and Loss Account, immediately in the period they occur.

Previously, the Group recognised actuarial gains / losses over the expected average remaining working lives of the current employees, to the extent that unrecognised actuarial gains / losses exceeds 10 percent of present value of defined benefit obligation.

The change in accounting policy has been applied retrospectively and resulted in following changes in the financial statements:

	31 December 2012	31 December 2011
	----------(Rupees in '000)----------	
Condensed Consolidated Interim Balance Sheet		
(Decrease)/increase in retirement benefits obligation	**(24,788)**	9,932
Decrease in accumulated loss	**24,788**	-
Decrease in accumulated profit	**-**	(9,932)

	Year ended 31 December 2012	Year ended 31 December 2011
	----------(Rupees in '000)----------	
Condensed Consolidated Interim Statement of Comprehensive Income		
Actuarial gain/(loss) on employee retirement benefits	**34,720**	(9,932)

5 Significant accounting judgments and estimates

The preparation of condensed consolidated 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 and 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 consolidated interim financial information, the significant judgments made by 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 31 December 2012.

6 Property, plant and equipment

	Note	31 March 2013	31 December 2012
		---------(Rupees in '000)---------	
Owned and leased assets			
Opening net book value		**13,002,060**	13,527,048
Additions during the period/year	6.1	**235,386**	678,907
		13,237,446	14,205,955
Disposals for the period/year - NBV	6.2	**(2,376)**	(16,771)
Adjustment during the period/year - NBV		**(304)**	-
Depreciation for the period/year		**(295,034)**	(1,187,124)
Closing net book value	6.3	**12,939,732**	13,002,060

6.1 Break-up of additions

	31 March 2013	31 December 2012
Leasehold improvements	**127**	3,463
Plant and equipment	**234,185**	634,202
Office equipment	**71**	962
Computers	**805**	36,229
Furniture and fixtures	**-**	300
Vehicles	**198**	3,751
Lab and other equipment	**-**	-
	235,386	678,907

6.2 Break-up of disposals (at NBV)

	31 March 2013	31 December 2012
Leasehold improvement	**-**	(24)
Office equipment	**(632)**	(40)
Computers	**(45)**	(16,001)
Furniture and fixtures	**(256)**	-
Vehicles	**(1,443)**	(706)
	(2,376)	(16,771)

6.3 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.

	Note	31 March 2013	31 December 2012
		---------(Rupees in '000)---------	
7 Intangible assets (at NBV)			
Licenses		**1,695,925**	1,735,324
Indefeasible right of use - Media cost	*7.1*	**671,501**	684,568
Software		**13,418**	13,774
Goodwill	*7.2*	**2,553,494**	2,553,494
		4,934,338	4,987,160

7.1 During the year 2011, the Company acquired an indefeasible right of use in respect of capacity procured from Multinet Pakistan (Private) Limited for the period of 15 years.

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

The Company assessed the recoverable amount of Goodwill at 31 March 2013 and determined that, as of this date, there is no indication of impairment of Goodwill. The recoverable amount was calculated on the basis of five year financial business plan approved by the Board which assumes cash inflows of USD 35 million during the financial year ending 31 December 2013 as foreign currency denominated convertible preference shares with mandatory conversion into equity.

The business plan also includes a comprehensive analysis of the existing operational deployments of the Company along with strategic direction of future investments and business growth. Discount rate of 16% was used for the calculation of net present value of future cash flows. The cash flows beyond the five years period have been extrapolated using a steady 5% growth rate which is consistent with the long-term average growth rate for the industry, whereas for impairment calculation no growth is considered in cash flows beyond five years as per International Accounting Standard 36 - Impairment of Assets.

8 Long term trade receivable

This represents receivable from the sale of Optical Fiber Cable stated at amortized cost by using the discount rate of 16%. This amount is receivable from Pakistan Mobile Communications (Private) Limited over a period of five years and from Getronics Pakistan (Private) Limited over a period of 20 years.

9 Non current assets and liabilities classified as held for sale

The Company's foreign subsidiary namely Worldcall Telecommunications Lanka (Private) Limited was suffering losses as the demand for payphones in Sri Lanka has greatly diminished. Keeping in view the Sri Lankan market conditions and negative equity of the subsidiary, the management decided and approved the winding up of the subsidiary. Long term investment in subsidiary has been classified as discontinued operations.

Following are the results for the period ending 31 March 2013 and the comparative period of discontinued operations:

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
	---------(Rupees in '000)---------	
Results of discontinued operations		
Revenue	**-**	-
Expenses	**(991)**	(779)
Results from operating activities	**(991)**	(779)
Finance cost	**(1)**	-
Other income	**46**	-
Loss for the period	**(946)**	(779)
Cash flow generated from/(used in) discontinued operations		
Net cash used in operating activities	**(630)**	(474)
Net cash used in investing activities	**-**	-
Net cash generated from financing activities	**488**	454
Net cash generated from discontinued operation	**(142)**	(20)

	31 March 2013	31 December 2012
Assets and liabilities classified as held for sale	---------(Rupees in '000)---------	
Assets		
Cash and bank	**2**	144
	2	144
Liabilities		
Trade and other payables	**4,749**	3,556
Income tax payable	**7**	7
	4,756	3,563

10 Short term borrowings

	Note	31 March 2013	31 December 2012
Habib Bank Limited - I	*10.1*	**734,000**	708,000
Habib Bank Limited - II	*10.2*	**220,000**	194,459
KASB Bank Limited	*10.3*	**-**	49,500
Soneri Bank Limited - I	*10.4*	**36,896**	42,196
Soneri Bank Limited - II	*10.5*	**36,531**	4,879
Standard Chartered Bank (Pakistan) Limited	*10.6*	**9,331**	15,733
		1,036,758	1,014,767

10.1 This represents a bridge loan facility of Rs. 734 million from Habib Bank Limited ("HBL") to bridge Convertible Preference Shares to be issued by the Company. The said facility is repayable on receipts against preference shares having mark up of 3 month KIBOR plus 3.50% per annum. Facility is completely secured under joint pari passu hypothecation agreement for present and future fixed and current assets of the Company amounting to Rs. 1,015.67 million.

10.2 This represents a working capital finance facility of Rs. 220 million from Habib Bank Limited ("HBL"). The said facility is repayable over a period of 180 days having mark up of one month KIBOR plus 0.75% per annum. To secure the facility, an unconditional, irrevocable, first demand stand-by letter of credit has been issued by National Bank of Oman favouring Habib Bank Limited. This arrangement shall remain effective until all obligations under the facility are settled.

10.3 The facility has been settled during the period.

10.4 This facility carries mark up of 6 month KIBOR + 4.00% per annum. It is secured through joint pari passu hypothecation agreement with 25% margin.

10.5 It carries mark-up ranging from 19.00% - 21.00% per annum and is secured by hypothecation charge on assets.

10.6 It carries markup of 19.00% - 21.00% per annum and is secured by hypothecation charge on assets and lien over import documents.

	31 March 2013	31 December 2012
	---------(Rupees in '000)---------	
11 Term Finance Certificates - secured		
Term finance certificates	**1,643,735**	1,643,735
Less: Initial transaction cost	**(53,994)**	(53,994)
	1,589,741	1,589,741
Amortization of transaction cost	**53,081**	50,342
	1,642,822	1,640,083
Less: Current maturity	**-**	-
	1,642,822	1,640,083

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

Term finance certificates

These represent listed Term Finance Certificates ("TFC") amounting to Rs. 4,000 million. Out of this, Rs. 3,000 million was received on account of Pre-IPO and Rs. 1,000 million was offered to public for subscription. These TFCs were redeemable in seven equal semi annual instalments commencing from October 2010. Profit rate is charged at six months average KIBOR plus 1.60% per annum. These are secured by way of first pari passu charge on the present and future fixed assets of the Company amounting to Rs. 5,333.33 million and assignment of licenses.

These TFC's have been rescheduled by majority of TFC holders. The principal will be repayable in three semi annual instalments commencing from October 2014.

	31 March 2013	31 December 2012
	---------(Rupees in '000)---------	
12 Long term loan		
Receipt	**2,943,855**	2,943,855
Less: Initial transaction cost	**(42,668)**	(42,668)
	2,901,187	2,901,187

	31 March 2013	31 December 2012
	---------(Rupees in '000)---------	
Add: Amortization of transaction cost	**12,191**	10,667
	2,913,378	2,911,854
Add: Exchange loss	**447,495**	406,095
	3,360,873	3,317,949
Less: Current maturity	**(678,270)**	(502,493)
	2,682,603	2,815,456

This represents foreign currency syndicated loan facility amounting to USD 35 million from Askari Bank Limited Offshore Banking Unit, Bahrain, lead arranger for the transaction is Askari Bank Limited. This loan is repayable in twenty equal quarterly instalments, with 2 years grace period, commencing 06 June 2013. Profit is charged at three months average LIBOR plus 1.75% per annum and monitoring fee at 1.2% per annum. To secure the facility, an unconditional, irrevocable, first demand stand-by letter of credit has been issued by National Bank of Oman favouring Askari Bank Limited against the corporate guarantee of Oman Telecommunication Company SAOG. This arrangement shall remain effective until all obligations under the facility are settled.

13 Deferred income

It represents the amount received in advance against contracts valuing Rs. 786 million and Rs. 487 million for the deployment of network in Multan Telecommunication Region and Gujranwala Telecommunication Region, respectively, awarded by Universal Service Fund Company ("USFC"), a company established for the purpose of increasing teledensity in Pakistan. The amount is adjustable against delivery of milestones.

	31 March 2013	31 December 2012
	---------(Rupees in '000)---------	
14 Long term payables		
Payable to Pakistan Telecommunication Authority	**723,693**	768,589
Payable to Multinet Pakistan (Private) Limited	**54,290**	115,835
Suppliers	**452,744**	404,020
	1,230,727	1,288,444

15 Contingencies and commitments

Contingencies

15.1 Billing disputes with PTCL

15.1.1 There is a dispute of Rs. 72.64 million (31 December 2012: Rs 72.64 million) with PTCL of non revenue time of prepaid calling cards and Rs. 41.85 million (31 December 2012: Rs 41.40 million) for excess minutes billed on account of interconnect and settlement charges. The Company is hopeful that matter will be decided in favour of the Company.

15.1.2 PTCL has charged the Company excess Domestic Private Lease Circuits (DPLC) and other media charges amounting to Rs. 188.39 million (31 December 2012: Rs.183.99 million) on account of difference in rates, distances and date of activations. The Company has deposited Rs. 40 million (31 December 2012: Rs. 40 million) in Escrow Account on account of dispute of charging of bandwidth charges from the date of activation of Digital Interface Units (DIUs) for commercial operation and in proportion to activation of DIUs related to each DPLC link and excess charging in respect of Karachi-Rawalpindi link which was never activated. The Company is hopeful that matter will be decided in favour of the Company.

15.2 Disputes with Pakistan Telecommunication Authority (PTA)

15.2.1 There is a dispute with PTA on roll out of Company's 479 MHz and 3.5 GHz frequency bands licenses for allegedly not completing roll out within prescribed time. The dispute is pending adjudication at PTA. The Company is hopeful that the issue will be favorably resolved at the level of PTA.

15.2.2 There is a dispute with PTA on payment of research and development fund contribution amounting to Rs. 5.65 million (31 December 2012: Rs. 5.65 million). The legal validity of this fund is under challenge before the Honourable Supreme Court of Pakistan. The Company is hopeful of a favourable decision.

15.2.3 There is a dispute with PTA on payment of contribution of APC for USF amounting to Rs. 491 million (31 December 2012: Rs. 491 million) in relation to the period prior to the valid formation of USF fund by the Federal Government. Out of this amount, Rs. 394 million has been deposited with PTA. The matter is pending adjudication before the Honourable Supreme Court of Pakistan. The Company is hopeful of a favourable decision.

15.3 Taxation issues

15.3.1 Income Tax Return for the tax year ended 30 June 2006 was filed under the self assessment scheme. Subsequently, the case was reopened by invoking the provisions of section 122 (5A). Additions were made on account of brought forward losses, gratuity and goodwill of Rs. 773 million. The appeal of the Company is pending in Income Tax Appellate Tribunal Lahore. The Company is hopeful that the matter will be decided in favour of the Company.

15.3.2 Income Tax Returns for the tax year ended 30 June 2003 were filed under the self assessment scheme of Worldcall Communications Limited, Worldcall Multimedia Limited, Worldcall Broadband Limited and Worldcall Phone cards Limited, now merged into the Company. The Company has received orders under section 122(5A) against the said returns filed under self assessment on 02 January 2009. As per Orders, the Income Tax Department intends to amend the returns on certain issues such as depreciation, turnover tax adjustment, gratuity provision, share premium, allocation of expenses to capital gain, mark up from associates and share deposit money amounting to Rs. 29.9 million. An appeal has been filed by the Company against the orders before the Commissioner of Income Tax (Appeals). Commissioner of Income Tax (Appeals) has restored the original assessment order U/S 177 dated 17 May 2005 for Worldcall Broadband Limited. Remaining appeals were also decided and a partial relief was given by CIT (Appeals), while being aggrieved, the Company has filed appeals in Income Tax Appellate Tribunal Lahore. Based on legal advice, the Company is hopeful that matter will be decided in favour of the Company.

15.3.3 There is a dispute with Sales Tax Authorities for payment of Rs.167 million claimed and obtained as sales tax refund in the year 2006 by the Company. The matter is presently being adjudicated by the Honourable Lahore High Court Lahore. An injunction currently holds field which precludes recovery from the Company. The Company has paid 20% of principal amount to date to the department against the said dispute. Moreover, this is an industrial issue and in case companies of other jurisdiction, the Inland Revenue Tribunal has dismissed the case of sales tax authorities. It is therefore that, the Company is hopeful of a favourable decision.

15.4 Others

15.4.1 Samsung claimed an amount of Rs.132.6 million (USD 1.4 million) against its receivables under a certain settlement and services agreement. However, the Company denies the claim on the basis that Samsung failed to fulfil its obligations and did not provide services for which Company reserves the right to initiate appropriate proceedings against Samsung. Based on the legal advice, the Company is hopeful that matter will be resolved in its favour.

	31 March 2013	31 December 2012
	---------(Rupees in '000)---------	
Commitments		
15.5 Outstanding guarantees	**1,170,611**	1,213,373
15.6 Commitments in respect of capital expenditure	**2,037,351**	2,070,847
15.7 Outstanding letters of credit	**-**	38,840

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
	---------(Rupees in '000)---------	
16 Cash generated from operations		
Loss before taxation	**(459,820)**	(578,212)
Adjustment for non-cash charges and other items:		
Depreciation	**295,034**	278,562
Amortization of intangible assets	**48,344**	48,333
Amortization of transaction cost	**4,263**	4,262
Discounting charges	**8,034**	10,294
Amortization of receivables	**(1,940)**	-
Provision for doubtful receivables	**38,056**	32,763
Provision for stores and spares	**9,000**	-
Exchange loss on foreign currency loan	**41,400**	31,050
Gain on sale of property, plant and equipment	**(3,493)**	-
Exchange translation difference	**(749)**	4,657
Retirement benefits	**15,148**	25,963
Finance cost	**151,836**	156,527
Profit before working capital changes	**145,113**	14,199

	Quarter ended 31 March 2013	Quarter ended 31 March 2012
	---------(Rupees in '000)---------	
Effect on cash flow due to working capital changes:		
(Increase)/decrease in the current assets		
Stores and spares	**7,506**	(2,856)
Stock in trade	**(11,894)**	33,496
Trade debts	**142,079**	(533,027)
Loans and advances	**(107,733)**	18,469
Deposits and prepayments	**18,307**	(9,161)
Other receivables	**(60,960)**	26,573
Increase in current liabilities		
Trade and other payables	**80,071**	670,279
	67,376	203,773
	212,489	217,972

17 Related party transactions

The related parties comprise of shareholders, 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	Quarter ended 31 March 2013	Quarter ended 31 March 2012
		---------(Rupees in '000)---------	
Parent Company	Purchase of goods and services	**15**	358,596
	Sale of goods and services	**6**	10,843
Other related parties	Purchase of goods and services	**2,522**	2,292
	Sale of goods and services	**259**	-
Key management personnel	Salaries and other employee benefits	**79,139**	86,417

All transactions with related parties have been carried out on commercial terms and conditions.

	31 March 2013	31 December 2012
	---------(Rupees in '000)---------	
Period / year end balances		
Receivable from related parties	**228,813**	228,813
Payable to related parties	**2,159,323**	2,104,212

These are in normal course of business and are interest free.

18 Financial instruments

Offsetting of financial assets and financial liabilities

The Group adopted Disclosures - Offsetting Financial Assets and Financial Liabilities (amendments to IFRS 7). The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group's balance sheet; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the balance sheet.

At the date of balance sheet, the Group has no enforceable master netting arrangements or other similar arrangements.

18.1 Financial assets subject to offsetting

	Note	Gross amounts of recognised financial assets	Gross amount of recognised financial liabilities off set in the statement of financial position	Net amount of financial assets presented in the statement of financial position	Related amounts not off set in the statement of financial statements	Net amount	Financial assets not in scope of off setting disclosures
		As at 31 March 2013					
		A	B	C=A-B	D	E=C-D	
		---(Rupees in '000)---					
Financial assets							
Long term trade receivables	8	-	-	-	-	-	232,567
Long term loans and deposits		-	-	-	-	-	103,989
Trade debts		3,890,459	(1,433,501)	2,456,958	-	2,456,958	-
Loans and advances - considered good		-	-	-	-	-	1,549,149
Other receivables - current		-	-	-	-	-	117,133
Short term investments		-	-	-	-	-	100,385
Income tax recoverable - net		451,915	(297,733)	154,182	-	154,182	-
Cash and bank balances		-	-	-	-	-	74,456
		4,342,374	**(1,731,234)**	**2,611,140**	**-**	**2,611,140**	

18.2 Financial liabilities subject to offsetting

	Note	Gross amounts of recognised financial liabilities	Gross amount of recognised financial assets off set in the statement of financial position	Net amount of financial liabilities presented in the statement of financial position	Related amounts not off set in the statement of financial statements	Net amount	Financial liabilities not in scope of off setting disclosures
		As at 31 March 2013					
		A	B	C=A-B	D	E=C-D	
		---(Rupees in '000)---					
Financial liabilities							
Short term borrowings	10	-	-	-	-	-	1,036,758
Running finances under mark-up arrangements - secured		-	-	-	-	-	791,725
Licence fee payable		-	-	-	-	-	1,021,500
Trade and other payables		7,035,812	(1,009,539)	6,026,273	-	-	
Interest and mark-up accrued		-	-	-	-	-	260,484
Term finance certificates - secured	11	-	-	-	-	-	1,642,822
Long term loan	12	-	-	-	-	-	2,682,603
Retirement benefits		-	-	-	-	-	350,573
Liabilities against assets subject to finance lease		-	-	-	-	-	27,578
Long term payables	14	-	-	-	-	-	1,230,727
Long term deposits		-	-	-	-	-	42,433
		7,035,812	**(1,009,539)**	**6,026,273**	**-**	**-**	

	Note	As at 31 December 2012					
		Gross amounts of recognised financial assets	Gross amount of recognised financial liabilities off set in the statement of financial position	Net amount of financial assets presented in the statement of financial position	Related amounts not off set in the statement of financial statements	Net amount	Financial assets not in scope of off setting disclosures
		A	B	C=A-B	D	E=C-D	
Financial assets		---------------------	----------(Rupees in '000)	----------	---------------------	---------------------	---------------------
Long term trade receivables	8	-	-	-	-	-	242,833
Long term loans and deposits		-	-	-	-	-	122,074
Trade debts		4,504,836	(1,879,953)	2,624,883	-	-	-
Loans and advances - considered good		-	-	-	-	-	1,441,416
Other receivables - current		-	-	-	-	-	56,742
Short term investments		-	-	-	-	-	104,982
Income tax recoverable - net		447,539	(292,883)	154,656	-	-	-
Cash and bank balances		-	-	-	-	-	100,742
		4,952,375	**(2,172,836)**	**2,779,539**	**-**	**-**	

Financial liabilities subject to offsetting

	Note	As at 31 December 2012					
		Gross amounts of recognised financial liabilities	Gross amount of recognised financial assets off set in the statement of financial position	Net amount of financial liabilities presented in the statement of financial position	Related amounts not off set in the statement of financial statements	Net amount	Financial liabilities not in scope of off setting disclosures
		A	B	C=A-B	D	E=C-D	
Financial liabilities		---------------------	----------(Rupees in '000)	----------	---------------------	---------------------	---------------------
Short term borrowings	10	-	-	-	-	-	1,014,767
arrangements - secured		-	-	-	-	-	789,331
Licence fee payable		-	-	-	-	-	1,021,500
Trade and other payables		6,647,804	(699,913)	5,947,891	-	-	-
Interest and mark-up accrued		-	-	-	-	-	245,190
Term finance certificates - secured	11	-	-	-	-	-	1,640,083
Long term loan	12	-	-	-	-	-	2,815,456
Retirement benefits		-	-	-	-	-	362,907
Liabilities against assets subject to finance lease		-	-	-	-	-	44,904
Long term payables	14	-	-	-	-	-	1,288,444
Long term deposits		-	-	-	-	-	42,458
		6,647,804	**(699,913)**	**5,947,891**	**-**	**-**	

19 Date of authorization for issue

This condensed consolidated interim financial information was authorized for issue on 30 April 2013 by the Board of Directors.

20 General

Figures have been rounded off to the nearest thousand of rupee.

Lahore **Chief Executive Officer** **Director**