



**CONDENSED INTERIM  
FINANCIAL INFORMATION  
(UN-AUDITED)  
FOR THE PERIOD ENDED  
30 SEPTEMBER 2015**





## 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 Mr. Shahid Aziz Siddiqi 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 Siddiqi (Member) Mr. Mirghani Hamza Al-Madani (Secretary)
<b>Human Resource &amp; Remuneration Committee</b>	Mr. Talal Said Marhoon Al Mamari (Chairman) Mr. Samy Ahmed Abdul Qadir Al Ghassany (Member) Mr. Aimen Bin Ahmed Al Hosni (Member) Mr. Sohail Qadir (Member)
<b>Chief Internal Auditor</b>	Mr. Mirghani Hamza Al-Madani
<b>Company Secretary</b>	Mr. Saud Mansoor Mohammed Al Mazrooei
<b>Auditors</b>	A.F. Ferguson & Co. Chartered Accountants
<b>Legal Advisers</b>	M/s Miankot & Co. Barristers, Advocates & Corporate Legal Consultant



### Bankers

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

### Registrar and Shares Transfer Office

THK Associates (Pvt.) Limited  
Second 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](http://www.worldcall.com.pk)

**DIRECTORS' REVIEW**

The Directors of Worldcall Telecom Limited ("Wordcall" or the "Company") are pleased to present the brief overview of unaudited financial information for the nine months period ended 30 September 2015.

**Financial Overview**

During the period under review, the Company closed its financial results on net loss after tax of Rs 2,915 million. The revenue for the period is Rs. 1,529 million as against the revenue of Rs, 1,825 million for the corresponding financial period thereby showing a decline of 16%. Revenue from broadband segment has improved but LDI segment has adversely affected the underlying results after ICH deregulation. Financial performance was also suppressed by higher charge of network depreciation and hefty fixed costs resulting in gross loss of Rs 699 million. Adverse forex movement corroded other income whereas incorporation of operating overheads, finance cost and tax led the Company to close the period at a net loss.

**Future Outlook**

Despite the challenges being faced, the Company remains focused on enhancing the profitable revenue streams and reducing overall cost base with a view to improve the bottom line. Major focus is towards broadband segment to seize the tremendous available opportunities. Wireless broadband services have commenced commercially. Digital offering has been actualized with state of the art CAS enabled for bouquet and subscription management along with revenue assurance. The Company is also in a process of rejuvenating its LDI business to streamline its performance. Financial indicators are thus expected to improve in near future.

**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  
Chief Executive Officer

30 November 2015

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)  
AS AT 30 SEPTEMBER 2015**

		30 September 2015 Un-Audited	31 December 2014 Audited
	Note	(Rupees in '000)	
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	11,894,996	12,503,346
Intangible assets	7	4,970,594	5,165,776
Investment properties		23,200	23,200
Long term trade receivables		95,805	110,380
Deferred taxation		2,312,408	2,917,389
Long term loans - considered good		2,978	3,802
Long term deposits		89,643	58,566
		<b>19,389,624</b>	<b>20,782,459</b>
<b>CURRENT ASSETS</b>			
Stores and spares		187,258	223,264
Stock-in-trade		273,810	273,614
Trade debts		1,016,031	911,906
Loans and advances		699,316	612,608
Deposits and prepayments		108,482	121,710
Short term investments		96,929	74,767
Other receivables		8,113	38,894
Income tax recoverable - net		162,155	144,547
Cash and bank balances		388,161	749,999
		<b>2,940,255</b>	<b>3,151,309</b>
Non-current assets classified as held for sale		1,120,502	1,120,502
		<b>4,060,757</b>	<b>4,271,811</b>
<b>CURRENT LIABILITIES</b>			
Current maturities of non-current liabilities		3,876,526	5,001,151
Short term borrowings - secured		566,381	768,890
License fee payable		1,021,500	1,021,500
Trade and other payables		8,316,069	7,197,619
Interest and mark up accrued		233,717	202,051
		<b>14,014,193</b>	<b>14,191,211</b>
		<b>(9,953,436)</b>	<b>(9,919,400)</b>
<b>NET CURRENT LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Term finance certificates - secured	8	-	-
Long term loans - secured	9	3,710,219	2,385,683
Retirement benefits		380,165	334,582
Liabilities against assets subject to finance lease		1,972	2,991
Long term payables		812,679	627,715
Long term deposits		35,036	35,421
		<b>4,940,071</b>	<b>3,386,392</b>
Contingencies and commitments	10	-	-
		<b>4,496,117</b>	<b>7,476,667</b>
<b>REPRESENTED BY EQUITY</b>			
<b>Share capital and reserves:</b>			
Authorized share capital			
1,500,000,000 (31 December 2014: 1,500,000,000)			
ordinary shares of Rs 10 each		<b>15,000,000</b>	<b>15,000,000</b>
500,000 (31 December 2014: 500,000) preference shares of USD			
100 each (USD 50,000,000 equivalent to Rs 6,000,000,000)		<b>6,000,000</b>	<b>6,000,000</b>
Ordinary share capital		<b>8,605,716</b>	<b>8,605,716</b>
Preference share capital		<b>3,537,700</b>	<b>3,537,700</b>
Capital reserves:			
- Share premium		837,335	837,335
- Fair value reserve		25,438	3,276
- Exchange translation reserve		116,300	(16,700)
Revenue reserve: Accumulated loss		<b>(9,522,364)</b>	<b>(6,373,241)</b>
		<b>3,600,125</b>	<b>6,594,086</b>
Surplus on revaluation of fixed assets		<b>895,992</b>	<b>882,581</b>
		<b>4,496,117</b>	<b>7,476,667</b>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

  
Chief Executive Officer

  
Director



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE QUARTER AND NINE MONTHS ENDED  
30 SEPTEMBER 2015**

	Nine months ended 30 September 2015 Un-Audited	Nine months ended 30 September 2014 Un-Audited	Quarter ended 30 September 2015 Un-Audited	Quarter ended 30 September 2014 Un-Audited
	(Rupees in '000)			
Revenue - net	1,528,688	1,824,574	555,122	535,813
Direct cost	(2,227,318)	(2,526,012)	(709,306)	(908,440)
<b>Gross loss</b>	<b>(698,630)</b>	<b>(701,438)</b>	<b>(154,184)</b>	<b>(372,627)</b>
Operating cost	(866,505)	(805,728)	(243,054)	(268,426)
<b>Operating loss</b>	<b>(1,565,135)</b>	<b>(1,507,166)</b>	<b>(397,238)</b>	<b>(641,053)</b>
Finance cost	(454,430)	(562,083)	(132,284)	(214,900)
	<b>(2,019,565)</b>	<b>(2,069,249)</b>	<b>(529,522)</b>	<b>(855,953)</b>
Other income	121,666	299,362	92,083	-
Other expenses	(310,959)	(24,724)	(218,033)	(247,958)
<b>Loss before taxation</b>	<b>(2,208,858)</b>	<b>(1,794,611)</b>	<b>(655,472)</b>	<b>(1,103,911)</b>
Taxation	(705,986)	(29,363)	112,609	97,855
<b>Loss after taxation</b>	<b>(2,914,844)</b>	<b>(1,823,974)</b>	<b>(542,863)</b>	<b>(1,006,056)</b>
<b>Basic loss per share (Rupees)</b>	<b>(3.59)</b>	<b>(2.30)</b>	<b>(0.69)</b>	<b>(1.24)</b>
<b>Diluted loss per share (Rupees)</b>	<b>(0.99)</b>	<b>(0.58)</b>	<b>(0.18)</b>	<b>(0.32)</b>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

*Balaram*  
Chief Executive Officer

*G. Prasad*  
Director



**CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER AND NINE MONTHS ENDED  
30 SEPTEMBER 2015**

	Nine months ended 30 September 2015 Un-Audited	Nine months ended 30 September 2014 Un-Audited	Quarter ended 30 September 2015 Un-Audited	Quarter ended 30 September 2014 Un-Audited
	(Rupees in '000)			
Loss for the period	(2,914,844)	(1,823,974)	(542,863)	(1,006,056)
<b>Other comprehensive income/(loss):</b>				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
- Change in fair value of available-for-sale financial assets	22,162	(5,367)	(12,622)	(3,419)
<i>Items that will not be reclassified to profit or loss</i>				
- Impairment loss of property, plant and equipment set off against surplus on revaluation - net of tax	-	(225,731)	-	(225,731)
<b>Other comprehensive income/(loss) - net of tax</b>	<b>22,162</b>	<b>(231,098)</b>	<b>(12,622)</b>	<b>(229,150)</b>
<b>Total comprehensive loss for the period - net of tax</b>	<b>(2,892,682)</b>	<b>(2,055,072)</b>	<b>(555,485)</b>	<b>(1,235,206)</b>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

*Balaram*  
Chief Executive Officer

*G. Prasad*  
Director



## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

Note	Nine months ended 30 September 2015 (Un-Audited)	Nine months ended 30 September 2014 (Un-Audited)
	(Rupees in '000)	
<b>Cash flows from operating activities</b>		
Cash generated from/(used in) operations	276,982	(248,387)
<i>(Increase)/decrease in non-current assets:</i>		
- Long term deposits	(31,077)	12,348
- Long term loans	824	-
- Long term trade receivable	14,575	57,052
<i>(Decrease)/increase in non-current liabilities:</i>		
- Long term deposits	(385)	-
- Long term payables	12,482	(92,079)
Retirement benefits paid	(35,845)	(61,961)
Finance cost paid	(178,035)	(423,078)
Taxes paid	(33,999)	(22,391)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>25,522</b>	<b>(778,496)</b>
<b>Cash flows from investing activities</b>		
Fixed capital expenditure	(304,472)	(920,036)
Proceeds from disposal of property, plant and equipment	38,797	9,664
<b>Net cash outflow from investing activities</b>	<b>(265,675)</b>	<b>(910,372)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long term loan acquired	3,555,300	250,000
Initial loan transaction cost paid	(39,616)	(1,769)
Redemption of term finance certificates	(126,625)	-
Repayment of long term loan	(3,432,447)	(109,956)
Running finance - net	(77,509)	(11,519)
Repayment of short term borrowings - net	-	(3,000)
Repayment of liabilities against assets subject to finance lease	(788)	(30,491)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(121,685)</b>	<b>93,265</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(361,838)</b>	<b>(1,595,603)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>749,999</b>	<b>2,501,852</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>388,161</b>	<b>906,249</b>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

*Balawandity*  
Chief Executive Officer

*Gillim*  
Director



## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

	Share Capital		Capital Reserves		Revenue Reserve		Total
	Ordinary share capital	Preference share capital	Share premium	Fair value reserve	Exchange translation reserve	Accumulated loss	
	(Rupees in '000)						
<b>Balance as at 31 December 2013 (Audited)</b>	8,605,716	3,537,700	837,335	11,702	144,300	(3,527,284)	9,609,469
Loss for the period	-	-	-	(5,367)	-	(1,823,974)	(1,823,974)
Other comprehensive loss for the period - net of tax	-	-	-	(5,367)	-	-	(5,367)
Total comprehensive loss for the period - net of tax	-	-	-	(5,367)	-	(1,823,974)	(1,823,974)
Transfer to surplus on revaluation of fixed assets	-	-	-	-	-	(131)	(131)
Exchange translation reserve	-	-	-	-	(87,500)	87,500	-
Dividend on preference shares	-	-	-	-	(87,500)	(156,392)	(156,392)
Total transactions with owners, recognized directly in equity	-	-	-	-	(87,500)	(66,892)	(156,392)
<b>Balance as at 30 September 2014 (Un-Audited)</b>	8,605,716	3,537,700	837,335	6,335	56,800	(5,420,282)	7,623,605
Loss for the period	-	-	-	(3,059)	-	(973,240)	(973,240)
Other comprehensive loss for the period - net of tax	-	-	-	(3,059)	-	(15,041)	(18,100)
Total comprehensive loss for the period - net of tax	-	-	-	(3,059)	-	(988,281)	(991,340)
Transfer from surplus on revaluation of fixed assets	-	-	-	-	-	9,067	9,067
Exchange translation reserve	-	-	-	-	(73,500)	73,500	-
Dividend on preference shares	-	-	-	-	(73,500)	(47,245)	(47,245)
Total transactions with owners, recognized directly in equity	-	-	-	-	(73,500)	26,255	(47,245)
<b>Balance as at 31 December 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	-	-	-	22,162	-	(2,914,844)	(2,914,844)
Other comprehensive income for the period - net of tax	-	-	-	22,162	-	-	22,162
Total comprehensive income/(loss) for the period - net of tax	-	-	-	22,162	-	(2,914,844)	(2,892,682)
Transfer to surplus on revaluation of fixed assets	-	-	-	-	-	71,202	71,202
Exchange translation reserve	-	-	-	-	133,000	(133,000)	-
Dividend on preference shares	-	-	-	-	133,000	(172,481)	(172,481)
Total transactions with owners, recognized directly in equity	-	-	-	-	133,000	(305,481)	(172,481)
<b>Balance as at 30 September 2015 (Un-Audited)</b>	<b>8,605,716</b>	<b>3,537,700</b>	<b>837,335</b>	<b>25,438</b>	<b>116,300</b>	<b>(9,522,364)</b>	<b>3,600,125</b>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

*Balawandity*  
Chief Executive Officer

*Gillim*  
Director



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

### 1. Legal status and nature of business

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

During the year ended 30 June 2008, 56.80% shares (488,839,429 ordinary shares) had been acquired by Oman Telecommunications Company SAOG ("the Parent company"). In addition to this, the Parent company also acquired 57.14% preference shares (200,000 preference shares) during the year ended 31 December 2013.

This financial information is the separate financial information of the Company. Consolidated financial information is prepared separately.

### 2. Basis of preparation

2.1 This condensed interim unconsolidated financial information is unaudited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 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 does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2014.

2.2 The Company has incurred a loss after taxation of Rs 2,914.844 million during the nine months ended 30 September 2015 while the accumulated loss stands at Rs 9,522.364 million as at 30 September 2015. Current liabilities exceed current assets by Rs 9,953.436 million. The Company has fully availed the credit facilities available to it. Current liabilities include overdues aggregating Rs 91.375 million in respect of Term Finance Certificates and long term loans. 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 interim financial information is appropriate based on the following grounds:

(i) Successful execution of the business plan approved by the Board of Directors (BOD) that includes increase in sales volumes through re-launch of EVDOs as a result of strategic repositioning, increase in international termination revenue, investment in infrastructure of Broadband business to enhance its capacities and resultant sales volumes, sale of passive infrastructure (towers, civil works and gensets etc.) and properties; and using the proceeds therefrom for other profitable operations or settling overdue liabilities; and



(ii) In addition to improvements as referred to in (i) above, the aforesaid assertion of going concern is based on the Parent company's continuous and proposed support. In the past, M/s Oman Telecommunications Company SAOG, an entity having majority ownership by Government of Oman, being the Parent company has provided support to the Company through providing guarantee for loan of USD 35 million from Askari Bank Limited which loan has now been taken over by National Bank of Oman. Further, the Parent company also took up preference shares of USD 20 million issued by the Company in 2013. Accordingly, no material uncertainties leading to a significant doubt about going concern have been identified.

### 3. Significant accounting policies

3.1 The accounting policies and the 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 31 December 2014

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

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

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

Certain standards, amendments and interpretations to approved accounting standards are effective in the current year but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

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

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2016 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in this condensed interim financial information.

### 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 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 interim unconsolidated 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 2014

5. Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.





		30 September 2015 Un-Audited	31 December 2014 Audited
Note		------(Rupees in '000)-----	
<b>6. Property, Plant and Equipment</b>			
Operating fixed assets	6.1	11,036,643	11,641,345
Capital work-in-progress		850,044	836,413
Major spare parts and stand-by equipment		8,309	25,588
		<u>11,894,996</u>	<u>12,503,346</u>
<b>6.1 Operating fixed assets</b>			
Opening book value		11,641,345	12,520,955
Additions during the period/year	6.2	308,102	1,212,066
Revaluation surplus		-	455,772
Transferred in from investment properties		-	97,500
		<u>11,949,447</u>	<u>14,286,293</u>
Disposals (at book value) for the period/year	6.3	(38,009)	(19,112)
Transferred out to non-current assets classified as held for sale		-	(1,356,011)
Depreciation charged during the period/year		(874,795)	(1,269,825)
Closing book value	6.4	<u>11,036,643</u>	<u>11,641,345</u>
<b>6.2 Following is the detail of additions</b>			
Leasehold improvements		6,444	2,741
Plant and equipment		298,198	1,199,213
Office equipment		367	2,623
Furniture and fixtures		34	-
Computers		3,059	2,114
Vehicles		-	5,375
		<u>308,102</u>	<u>1,212,066</u>
<b>6.3 Following are the book values of disposals</b>			
Plant and equipment		3,170	4,320
Office equipment		-	441
Computers		429	268
Furniture and fixtures		-	6
Vehicles		34,410	14,077
		<u>38,009</u>	<u>19,112</u>
<b>6.4</b>			
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.			



		30 September 2015 Un-Audited	31 December 2014 Audited
Note		------(Rupees in '000)-----	
<b>7. Intangible assets</b>			
Licenses		1,868,907	2,022,751
Indefeasible right of use - media cost		540,831	580,032
Softwares		7,362	9,499
Goodwill	7.1	2,553,494	2,553,494
		<u>4,970,594</u>	<u>5,165,776</u>

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

Management has assessed the recoverable amount as at 30 September 2015 based on a value in use calculation and determined that, as of this date, there is no indication of impairment of Goodwill. This calculation uses cash flow projections based on a five years' financial business plan approved by the Board. 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. 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 the purpose of impairment testing, no growth is considered in cash flows beyond the period of five years as per International Accounting Standard 36 'Impairment of Assets'.

Based on the above approved business plan and continued support from the Parent company, the Company will be able to meet its obligations and will be able to achieve satisfactory level of profitability in future.

		30 September 2015 Un-Audited	31 December 2014 Audited
		------(Rupees in '000)-----	
<b>8. Term finance certificates - secured</b>			
Term finance certificates		1,643,735	1,643,735
Restructuring cost		(12,638)	-
		<u>1,631,097</u>	<u>1,643,735</u>
Amortization of restructuring cost		1,768	-
		<u>1,632,865</u>	<u>1,643,735</u>
Redeemed		(126,625)	-
		<u>1,506,240</u>	<u>1,643,735</u>
Current maturity		(1,506,240)	(1,643,735)
		<u>-</u>	<u>-</u>

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

#### Term Finance Certificates (TFCs)

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

In July 2014, the Company initiated the process of second restructuring with the TFC holders. On 03 April 2015, the TFCs were rescheduled and the terms of the revised rescheduling agreement are



effective from 07 October 2014. As per revised terms, the tenure of the TFCs were extended by seven years with principal installments ending in October 2021. Profit rate and security remained the same.

As per terms of second rescheduling, payments in respect of principal and markup aggregating to Rs 230.000 million (includes PKR 60 M profit) were required to be made during the period ended September 30, 2015. However, payments of Rs 146.625 million (includes PKR 20 M profit) were made, hence, constituting a default as per the terms. Consequently, the total amount has been classified in current liabilities.

		30 September 2015 Un-Audited	31 December 2014 Audited
	Note	------(Rupees in '000)-----	
<b>9. Long term loans - secured</b>			
Askari Bank Limited	9.1	-	2,378,458
National Bank of Oman (NBO)	9.2	3,615,969	-
Soneri Bank Limited	9.3	-	7,225
Allied Bank Limited	9.4	94,250	-
		<u>3,710,219</u>	<u>2,385,683</u>
<b>9.1 Askari Bank Limited</b>			
Receipt		2,943,855	2,943,855
Initial transaction cost		(129,365)	(129,365)
		<u>2,814,490</u>	<u>2,814,490</u>
Amortization of transaction cost		129,365	43,257
		<u>2,943,855</u>	<u>2,857,747</u>
Exchange loss		557,729	524,995
		<u>3,501,584</u>	<u>3,382,742</u>
Repaid		(3,501,584)	(98,884)
		-	3,283,858
Current maturity		-	(905,400)
		<u>-</u>	<u>2,378,458</u>

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

		30 September 2015 Un-Audited	31 December 2014 Audited
		------(Rupees in '000)-----	
<b>9.2 National Bank of Oman</b>			
Receipt		3,555,300	-
Initial transaction cost		(39,616)	-
		<u>3,515,684</u>	-
Amortization of transaction cost		1,585	-
		<u>3,517,269</u>	-
Exchange loss		98,700	-
		<u>3,615,969</u>	-



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

		30 September 2015 Un-Audited	31 December 2014 Audited
		------(Rupees in '000)-----	
<b>9.3 Soneri Bank Limited</b>			
Receipt		66,756	66,756
Repaid		(39,159)	(16,662)
		<u>27,597</u>	<u>50,094</u>
Current maturity		(27,597)	(42,869)
		<u>-</u>	<u>7,225</u>
Current maturity of this loan includes overdue installments aggregating Rs 8.00 million (2014: Nil).			
<b>9.4 Allied Bank Limited</b>			
Transferred from running finance		125,000	-
Repaid		(7,250)	-
		<u>117,750</u>	-
Current maturity		(23,500)	-
		<u>94,250</u>	-

This represents a term loan facility of Rs 125 million obtained through restructuring of Running Finance facility. This facility was rescheduled in January 2015 and is now repayable in 43 monthly installments ending on 31 July 2018. It carried mark up at one month KIBOR plus 2.5% per annum till 31 March 2015 and was payable monthly. The mark up rate with effect from 01 April 2015 is 3 months KIBOR plus 0.5% per annum to be reset and recoverable quarterly. 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

### Contingencies

There is no significant change in contingencies from the preceding annual published financial statements of the Company for the year ended 31 December 2014 except for the following:

- (i) A demand of Rs 1,059.595 million (including default surcharge of Rs 325.849 million) was raised against the Company under section 161/205 of the Income Tax Ordinance, 2001 for the period relevant to Tax Year 2012 alleging non-compliance with various applicable withholding



provisions contained in the Ordinance. The management assailed the subject order in usual appellate course and while first appellate authority decided certain issues in Company's favor, major issues were remanded back to department for adjudication afresh. Such appellate order was further assailed by the Company before Appellate Tribunal Inland Revenue ('ATIR'), at which forum, adjudication is pending. Meanwhile, department concluded the reassessment proceedings, primarily repeating the treatment earlier accorded, however, based on relief allowed by first appellate authority, demand now stands reduced to Rs 1,003.426 million (including default surcharge of Rs 384.329 million). Such reassessment order was assailed by the Company in second round of litigation and the first appellate authority, through its order dated 29 June 2015, has upheld the departmental action. Management has contested this order before ATIR for favorable outcome. In this financial information, only an amount of Rs 103.673 million has been recognized as liability on this account as Company's management considers that Company's position is well founded on meritorious grounds and thus eventually demand would not sustain appellate review.

- (ii) One of the Company's suppliers has filed a petition before the Lahore High Court through which it has claimed Rs 216.482 million receivable from the Company. Further details of the litigation have not been disclosed as it may prejudice the Company's position. The Company has denied such claim and has also challenged the maintainability of the proceedings. Also, the Company has filed a counter petition claiming Rs 315.178 million receivable from the same supplier. Based on the advice of the Company's legal counsel, management is of the view that it is unlikely that any adverse order will be passed against the Company. In view of the above, no provision has been made in this interim financial information on this account.

	30 September 2015 Un-Audited ----- <i>(Rupees in '000)</i> -----	31 December 2014 Audited
Outstanding guarantees	<u>1,080,577</u>	<u>1,140,217</u>
<b>Commitments</b>		
Commitments in respect of capital expenditure	<u>1,770,406</u>	<u>1,851,011</u>
Outstanding letters of credit	<u>7,851</u>	<u>4,596</u>



	Nine months ended 30 September 2015 Un-Audited ----- <i>(Rupees in '000)</i> -----	Nine months ended 30 September 2014 Un-Audited	
<b>11. Cash generated from/(used in) operations</b>			
Loss before taxation	(2,208,858)	(1,794,611)	
<b>Adjustment for non-cash charges and other items:</b>			
- Depreciation on property, plant and equipment	874,795	964,092	
- Amortization on intangible assets	195,182	147,705	
- Amortization of transaction cost	89,461	20,314	
- Discounting charges	-	74,377	
- Amortization of long term trade receivables	(12,098)	(6,805)	
- Provision for doubtful debts	70,983	42,301	
- Reversal of provision for doubtful debts	(43,627)	-	
- Provision for stock-in-trade and stores and spares	1,713	-	
- Reversal of provision for stores and spares	-	(9,368)	
- Exchange loss/(gain) on foreign currency loan	131,434	(90,200)	
- Gain on sale of property, plant and equipment	(791)	(4,068)	
- Retirement benefits	65,047	50,252	
- Advances written-off	-	10,383	
- Finance cost	<u>364,969</u>	<u>467,392</u>	
<b>Loss before working capital changes</b>	(471,790)	(128,236)	
<b>Effect on cash flow due to working capital changes:</b>			
<i>Decrease/(increase) in the current assets:</i>			
- Stores and spares	34,316	(69,176)	
- Stock-in-trade	(196)	(28,405)	
- Trade debts	(119,381)	(5,240)	
- Loans and advances	(86,708)	266,294	
- Deposits and prepayments	214	(250,134)	
- Other receivables	30,781	(22,879)	
<i>Increase/(decrease) in current liabilities:</i>			
- Trade and other payables	889,746	(10,611)	
	<u>748,772</u>	<u>(120,151)</u>	
	<u>276,982</u>	<u>(248,387)</u>	
<b>12. Related party transactions</b>			
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	Nine months ended 30 September 2015 Un-Audited ----- <i>(Rupees in '000)</i> -----	Nine months ended 30 September 2014 Un-Audited
Parent company	Dividend on preference shares	96,732	89,339
	Management fee on preference shares	113,825	92,152
	Sale of goods and services	19,748	-
Other related parties	Purchase of goods and services	61,415	63,874
Key management personnel	Salaries and other employee benefits	233,686	245,697



<b>30 September</b>	<b>31 December</b>
<b>2015</b>	<b>2014</b>
<b>Un-Audited</b>	<b>Audited</b>
----- <b>(Rupees in '000)</b> -----	

**Period/year end balances**

Receivable from related parties	<b>53,121</b>	30,432
Payable to related parties	<b>3,015,804</b>	2,587,629

**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 2014.

There have been no changes in any 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 except for restructuring/refinancing of TFCs and loans as referred to in notes 8 and 9.

**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 September 2015.



	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Rupees in "000"</b>				
<b>Assets</b>				
Available-for-sale investments	<u>96,929</u>	<u>-</u>	<u>-</u>	<u>96,929</u>
<b>Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Rupees in "000"</b>				
<b>Assets</b>				
Available-for-sale investments	<u>74,767</u>	<u>-</u>	<u>-</u>	<u>74,767</u>
<b>Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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. Subsequent event after the reporting period**

On November 17, 2015, fire erupted at the Company's warehouse in Kot Lakhpat, Lahore resulting in loss to equipment, stock and store and spares lying therein. The management is in process of assessing the extent of loss, following which the Company will file a claim for reimbursement with the insurance company.

**15. Date of authorization for issue**

This condensed interim financial information was authorized for issue on 30 November, 2015 by the Board of Directors of the Company.

**16. Corresponding figures**

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

*Balanchi*  
Chief Executive Officer

*Gill*  
Director



# WORLDCALL TELECOM LIMITED AND ITS SUBSIDIARY

## CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED

30 SEPTEMBER 2015



### DIRECTORS' REVIEW

The Directors of Worldcall Telecom Limited (“WTL” or the “Parent Company”) are pleased to present condensed consolidated interim financial information of the Group for the nine months ended 30 September 2015.

#### Group Foreign Subsidiary

##### Worldcall Telecommunications Lanka (Private) Limited

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

For and on behalf of the Board of Directors

**Babar Ali Syed**  
Chief Executive Officer

30 November 2015



## CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (Un-Audited) AS AT 30 SEPTEMBER 2015

Note	30 September	31 December
	2015 Un-Audited ----- (Rupees in '000) -----	2014 Audited
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	7 11,894,996	12,503,346
Intangible assets	8 4,970,594	5,165,776
Investment properties	23,200	23,200
Long term trade receivables	95,805	110,380
Deferred taxation	2,312,408	2,917,389
Long term loans - considered good	2,978	3,802
Long term deposits	89,643	58,566
	<b>19,389,624</b>	<b>20,782,459</b>
<b>CURRENT ASSETS</b>		
Stores and spares	187,258	223,264
Stock-in-trade	273,810	273,614
Trade debts	1,016,031	911,906
Loans and advances	699,316	612,608
Deposits and prepayments	108,482	121,710
Short term investments	96,929	74,767
Other receivables	8,113	38,894
Income tax recoverable - net	162,155	144,547
Cash and bank balances	388,161	749,999
	<b>2,940,255</b>	<b>3,151,309</b>
Non-current assets classified as held for sale	1,120,504	1,120,504
	<b>4,060,759</b>	<b>4,271,813</b>
<b>CURRENT LIABILITIES</b>		
Current maturities of non-current liabilities	3,876,526	5,001,151
Short term borrowings - secured	566,381	768,890
License fee payable	1,021,500	1,021,500
Trade and other payables	8,316,069	7,197,619
Interest and mark up accrued	233,717	202,051
	<b>14,014,193</b>	<b>14,191,211</b>
Liabilities in respect of non-current assets classified as held for sale	4,213	5,404
	<b>14,018,406</b>	<b>14,196,615</b>
	<b>(9,957,647)</b>	<b>(9,924,802)</b>
<b>NET CURRENT LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Term finance certificates - secured	9 -	-
Long term loans - secured	10 3,710,219	2,385,683
Retirement benefits	380,165	334,582
Liabilities against assets subject to finance lease	1,972	2,991
Long term payables	812,679	627,715
Long term deposits	35,036	35,421
	<b>4,940,071</b>	<b>3,386,392</b>
Contingencies and commitments	11 -	-
	<b>4,491,906</b>	<b>7,471,265</b>
<b>REPRESENTED BY</b>		
<b>EQUITY</b>		
<b>Share capital and reserves:</b>		
Authorized share capital		
1,500,000,000 (31 December 2014: 1,500,000,000) ordinary shares of Rs 10 each	<b>15,000,000</b>	<b>15,000,000</b>
500,000 (31 December 2014: 500,000) preference shares of USD 100 each (USD 50,000,000 equivalent to Rs 6,000,000,000)	<b>6,000,000</b>	<b>6,000,000</b>
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	25,438	3,276
- Exchange translation reserve	112,004	(21,837)
Revenue reserve: Accumulated loss	(9,518,195)	(6,369,072)
	<b>3,599,998</b>	<b>6,593,118</b>
Non-controlling interest	(4,084)	(4,434)
	<b>3,595,914</b>	<b>6,588,684</b>
Surplus on revaluation of fixed assets	895,992	882,581
	<b>4,491,906</b>	<b>7,471,265</b>

The annexed notes 1 to 17 form an integral part of this condensed consolidated interim financial information.

*Balaram*  
Chief Executive Officer

*Chint*  
Director



## CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2015

	Nine months ended 30 September 2015 Un-Audited	Nine months ended 30 September 2014 Un-Audited	Quarter ended 30 September 2015 Un-Audited	Quarter ended 30 September 2014 Un-Audited
	----- (Rupees in '000) -----			
<b>Continuing operations</b>				
Revenue - net	1,528,688	1,824,574	555,122	535,813
Direct cost	(2,227,318)	(2,526,012)	(709,306)	(908,440)
<b>Gross loss</b>	<b>(698,630)</b>	<b>(701,438)</b>	<b>(154,184)</b>	<b>(372,627)</b>
Operating cost	(866,505)	(805,727)	(243,054)	(268,426)
<b>Operating loss</b>	<b>(1,565,135)</b>	<b>(1,507,165)</b>	<b>(397,238)</b>	<b>(641,053)</b>
Finance cost	(454,430)	(562,083)	(132,284)	(214,900)
	<b>(2,019,565)</b>	<b>(2,069,248)</b>	<b>(529,522)</b>	<b>(855,953)</b>
Other income	121,666	299,362	92,083	-
Other expenses	(310,959)	(15,024)	(218,033)	(247,958)
<b>Loss before taxation</b>	<b>(2,208,858)</b>	<b>(1,784,910)</b>	<b>(655,472)</b>	<b>(1,103,911)</b>
Taxation	(705,986)	(29,363)	112,609	97,855
<b>Loss after taxation from continuing operations</b>	<b>(2,914,844)</b>	<b>(1,814,273)</b>	<b>(542,863)</b>	<b>(1,006,056)</b>
<b>Discontinued operations</b>				
Loss for the period from discontinued operations	-	(711)	-	(284)
	<b>(2,914,844)</b>	<b>(1,814,984)</b>	<b>(542,863)</b>	<b>(1,006,340)</b>
Attributable to:				
Equity holders of the Parent Company	(2,914,844)	(1,814,775)	(542,988)	(1,006,256)
Non-controlling interest	-	(209)	125	(84)
	<b>(2,914,844)</b>	<b>(1,814,984)</b>	<b>(542,863)</b>	<b>(1,006,340)</b>
<b>Loss per share - basic</b>				
From continuing operations	Rupees (3.59)	(2.29)	(0.69)	(1.24)
From discontinued operations	Rupees (0.00)	(0.00)	(0.00)	(0.00)
From loss for the period	Rupees (3.59)	(2.29)	(0.69)	(1.24)
<b>Loss per share - diluted</b>				
From continuing operations	Rupees (0.99)	(0.58)	(0.18)	(0.32)
From discontinued operations	Rupees (0.00)	(0.00)	(0.00)	(0.00)
From loss for the period	Rupees (0.99)	(0.58)	(0.18)	(0.32)

The annexed notes 1 to 17 form an integral part of this condensed consolidated interim financial information.

*Balaram*  
Chief Executive Officer

*Chint*  
Director



**CONDENSED CONSOLIDATED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER AND NINE MONTHS ENDED  
30 SEPTEMBER 2015**

	Nine months ended 30 September 2015 Un-Audited	Nine months ended 30 September 2014 Un-Audited	Quarter ended 30 September 2015 Un-Audited	Quarter ended 30 September 2014 Un-Audited
	(Rupees in '000)			
Loss for the period	(2,914,844)	(1,814,984)	(542,863)	(1,006,340)
<b>Other comprehensive (loss)/income:</b>				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
-Exchange differences on translating foreign operations	1,191	1,357	2,001	(3,630)
-Change in fair value of available-for-sale financial assets	22,162	(5,367)	(12,622)	(3,419)
	<b>23,353</b>	<b>(4,010)</b>	<b>(10,621)</b>	<b>(7,049)</b>
<i>Items that will not be reclassified to profit or loss:</i>				
- Impairment loss of property, plant and equipment set off against surplus on revaluation - net of tax	-	(225,731)	-	(225,731)
<b>Other comprehensive income/(loss) - net of tax</b>	<b>23,353</b>	<b>(229,741)</b>	<b>(10,621)</b>	<b>(232,780)</b>
<b>Total comprehensive loss for the period - net of tax</b>	<b>(2,891,491)</b>	<b>(2,044,725)</b>	<b>(553,484)</b>	<b>(1,239,120)</b>
Attributable to:				
Equity holders of the Parent Company	(2,891,841)	(2,044,914)	(553,597)	(1,237,971)
Non-controlling interest	350	189	113	(1,149)
	<b>(2,891,491)</b>	<b>(2,044,725)</b>	<b>(553,484)</b>	<b>(1,239,120)</b>

The annexed notes 1 to 17 form an integral part of this condensed consolidated interim financial information.

*Balaram*  
Chief Executive Officer

*G. N. M. Z.*  
Director



**CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT  
(UN-AUDITED)  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

	Nine months ended 30 September 2015 Un-Audited Note	Nine months ended 30 September 2014 Un-Audited
	(Rupees in '000)	
<b>Cash flows from operating activities</b>		
Cash generated from/(used in) operations	12 276,982	(250,179)
<i>(Increase)/decrease in non-current assets:</i>		
- Long term deposits	(31,077)	12,348
- Long term loans	824	-
- Long term trade receivable	14,575	57,053
<i>(Decrease)/increase in non-current liabilities:</i>		
- Long term deposits	(385)	231
- Long term payables	12,482	(92,077)
Retirement benefits paid	(35,845)	(61,961)
Finance cost paid	(178,035)	(423,307)
Taxes paid	(33,999)	(22,391)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>25,522</b>	<b>(780,283)</b>
<b>Cash flows from investing activities</b>		
Fixed capital expenditure	(304,472)	(918,375)
Proceeds from disposal of property, plant and equipment	38,797	9,664
<b>Net cash outflow from investing activities</b>	<b>(265,675)</b>	<b>(908,711)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long term loan acquired	3,555,300	250,000
Initial loan transaction cost paid	(39,616)	(1,769)
Redemption of term finance certificates	(126,625)	-
Repayment of long term loan	(3,432,447)	(109,956)
Running finance - net	(77,509)	(11,519)
Repayment of short term borrowings - net	-	(3,000)
Repayment of liabilities against assets subject to finance lease	(788)	(30,491)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(121,685)</b>	<b>93,265</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(361,838)</b>	<b>(1,595,729)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>750,001</b>	<b>2,501,980</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>388,163</b>	<b>906,251</b>

The annexed notes 1 to 17 form an integral part of this condensed consolidated interim financial information.

*Balaram*  
Chief Executive Officer

*G. N. M. Z.*  
Director

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**



An Omantel Company

WorldCall

	Attributable to equity holders of the Parent Company				Revenue Reserve		Sub total	Non-controlling Interest	Total
	Share Capital	Capital Reserve	Exchange translation	Revenue Reserve	Sub total	Non-controlling Interest			
	Preference share capital	Share premium	Fair value reserve	Accumulated loss	Revenue Reserve	Sub total	Non-controlling Interest	Total	
<b>Balance as at 31 December 2013 (Audited)</b>	8,606,716	3,537,700	837,335	11,702	136,733	(3,532,185)	9,597,001	(5,181)	9,591,820
Loss for the period	-	-	-	-	(1,814,775)	(1,814,775)	(1,814,775)	-	(1,814,775)
Other comprehensive (loss)/income for the period - net of tax	-	-	(5,367)	869	-	(4,498)	183	-	(4,315)
Total comprehensive (loss)/income for the period - net of tax	-	-	(5,367)	869	(1,814,775)	(1,819,163)	183	-	(1,818,980)
Transfer to surplus on revaluation of fixed assets	-	-	-	(131)	-	(131)	-	-	(131)
Exchange translation reserve	-	-	-	(67,500)	87,500	20,000	-	-	20,000
Dividend on preference shares	-	-	-	(156,392)	(156,392)	(156,392)	-	-	(156,392)
Total transactions with owners, recognized directly in equity	-	-	-	(67,500)	(67,500)	(67,500)	-	-	(156,392)
<b>Balance as at 30 September 2014 (Un-Audited)</b>	8,606,716	3,537,700	837,335	6,335	50,192	(5,415,983)	7,621,294	(4,992)	7,616,303
Loss for the period	-	-	-	-	(973,389)	(973,389)	(973,389)	(262)	(973,651)
Other comprehensive (loss)/income for the period - net of tax	-	-	(3,059)	1,471	(15,041)	(16,629)	820	-	(15,809)
Total comprehensive (loss)/income for the period - net of tax	-	-	(3,059)	1,471	(988,410)	(989,989)	558	-	(989,431)
Transfer from surplus on revaluation of fixed assets	-	-	-	-	9,067	9,067	-	-	9,067
Exchange translation reserve	-	-	-	(73,500)	73,500	-	(47,246)	-	(47,246)
Dividend on preference shares	-	-	-	(73,500)	(73,500)	(73,500)	-	-	(73,500)
Total transactions with owners, recognized directly in equity	-	-	-	(73,500)	(73,500)	(73,500)	-	-	(73,500)
<b>Balance as at 31 December 2014 (Audited)</b>	8,606,716	3,537,700	837,335	3,276	(21,837)	(6,369,072)	6,593,118	(4,434)	6,588,684
Loss for the period	-	-	-	-	(2,914,844)	(2,914,844)	(2,914,844)	-	(2,914,844)
Other comprehensive (loss)/income for the period - net of tax	-	-	22,162	841	841	23,003	350	-	23,353
Total comprehensive (loss)/income for the period - net of tax	-	-	22,162	841	841	(2,891,841)	350	-	(2,889,491)
Transfer to surplus on revaluation of fixed assets	-	-	-	-	71,202	71,202	-	-	71,202
Exchange translation reserve	-	-	-	-	133,000	(133,000)	-	-	-
Dividend on preference shares	-	-	-	-	(172,481)	(172,481)	-	-	(172,481)
Total transactions with owners, recognized directly in equity	-	-	-	-	133,000	(305,481)	-	-	(172,481)
<b>Balance as at 30 September 2015 (Un-Audited)</b>	8,606,716	3,537,700	837,335	25,438	112,004	(9,518,195)	3,599,998	(4,094)	3,595,914

The annexed notes 1 to 17 form an integral part of this condensed consolidated interim financial information.

*Balawandith*  
Chief Executive Officer

*Director*



An Omantel Company

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

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

- 1.1 The Group consists of Worldcall Telecom Limited and Worldcall Telecommunications Lanka (Private) Limited, together "the Group".
- 1.2 Worldcall Telecom Limited ("the Parent 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 Parent 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 and re-broadcasting international/national satellite/terrestrial wireless and cable television and radio signals as well as interactive communication and to establish, maintain and operate the licensed telephony services. The Company has been licensed by Pakistan Telecommunication Authority ("PTA") and Pakistan Electronic Media Regulatory Authority ("PEMRA") for these purposes. The registered office of the Company is situated at 67A, C III, Gulberg III, Lahore.

During the year ended 30 June 2008, 56.80% ordinary shares (488,839,429 ordinary shares) of the Parent Company were acquired by Oman Telecommunications Company SAOG ("the Holding Company"). In addition to this, the Holding Company also acquired 57.14% preference shares (200,000 preference shares) during the year ended 31 December 2013.

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 Parent Company holds 70.65% of voting securities in the Subsidiary.

**2. Basis of preparation**

**Consolidation**

The condensed consolidated interim financial information includes the financial information of the Group. The financial information of the Subsidiary has been consolidated on a line by line basis.

**Subsidiary**

Subsidiary is an entity controlled by the Parent Company. Control exists when a 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 condensed consolidated interim 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 interim 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.

#### Going concern assumption

The Group has incurred a loss after taxation of Rs 2,914.844 million during the nine months ended 30 September 2015 while the accumulated loss stands at Rs 9,518.195 million as at 30 September 2015. Current liabilities exceed current assets by Rs 9,957.647 million. The Group has fully availed the credit facilities available to it. Current liabilities include overdues aggregating Rs 91.375 million in respect of Term Finance Certificates and long term loans. The Group's management has carried out a going concern assessment of the Group and believes that the going concern assumption used for the preparation of this condensed consolidated interim financial information is appropriate based on the following grounds:

- (i) Successful execution of the business plan approved by the Board of Directors ("BOD") that includes increase in sales volumes through re-launch of EVDOs as a result of strategic repositioning, increase in international termination revenue, investment in infrastructure of Broadband business to enhance its capacities and resultant sales volumes, sale of passive infrastructure (towers, civil works and gensets etc.) and properties; and using the proceeds therefrom for other profitable operations or settling overdue liabilities; and
- (ii) In addition to improvements as referred to in (i) above, the aforesaid assertion of going concern is based on the Holding Company's continuous and proposed support. In the past, M/s Oman Telecommunications Company SAOG, an entity having majority ownership by Government of Oman, being the Holding Company has provided support to the Group through providing guarantee for loan of USD 35 million from Askari Bank Limited which loan has now been taken over by National Bank of Oman. Further, the Holding Company also took up preference shares of USD 20 million issued by the Group in 2013. Accordingly, no material uncertainties leading to a significant doubt about going concern have been identified.

### 3. Statement of compliance

This condensed consolidated interim financial information is unaudited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 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 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 2014.

### 4. Significant accounting policies

- 4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed consolidated interim financial information are the same as those applied in the preparation of the preceding annual published financial statements for the year ended 31 December 2014.



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

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

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

Certain standards, amendments and interpretations to approved accounting standards are effective in the current year but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in this condensed consolidated interim financial information.

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

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after January 1, 2016 but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in this condensed consolidated interim financial information.

### 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 2014.

- 6. Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

Note	30 September 2015	31 December 2014
	Un-Audited	Audited
	----- (Rupees in '000) -----	
<b>7. Property, Plant and Equipment</b>		
Operating fixed assets	7.1 11,036,643	11,641,345
Capital work-in-progress	850,044	836,413
Major spare parts and stand-by equipment	8,309	25,588
	<u>11,894,996</u>	<u>12,503,346</u>



		30 September 2015 Un-Audited	31 December 2014 Audited
	Note	----- (Rupees in '000) -----	
<b>7.1 Operating fixed assets</b>			
Opening net book value		11,641,345	12,520,955
Additions during the period/year	7.2	308,102	1,212,066
Revaluation surplus		-	455,772
Transferred in from investment properties		-	97,500
		<u>11,949,447</u>	<u>14,286,293</u>
Disposals (at book value) for the period/year	7.3	(38,009)	(19,112)
Transferred out to non-current assets classified as held for sale		-	(1,356,011)
Depreciation charged during the period/year		(874,795)	(1,269,825)
Closing book value	7.4	<u>11,036,643</u>	<u>11,641,345</u>
<b>7.2 Following is the detail of additions</b>			
Leasehold improvements		6,444	2,741
Plant and equipment		298,198	1,199,213
Office equipment		367	2,623
Furniture and fixtures		34	-
Computers		3,059	2,114
Vehicles		-	5,375
		<u>308,102</u>	<u>1,212,066</u>
<b>7.3 Following are the book values of disposals</b>			
Leasehold improvement		-	-
Plant and equipment		3,170	4,320
Office equipment		-	441
Computers		429	268
Furniture and fixtures		-	6
Vehicles		34,410	14,077
		<u>38,009</u>	<u>19,112</u>
<b>7.4 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 Group to maintain service availability and quality specification.</b>			
		30 September 2015 Un-Audited	31 December 2014 Audited
	Note	----- (Rupees in '000) -----	
<b>8. Intangible assets</b>			
Licenses		1,868,907	2,022,751
Indefeasible right of use - media cost		540,831	580,032
Software		7,362	9,499
Goodwill	8.1	2,553,494	2,553,494
		<u>4,970,594</u>	<u>5,165,776</u>



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

Management has assessed the recoverable amount as at 30 September 2015 based on a value in use calculation and determined that, as of this date, there is no indication of impairment of Goodwill. This calculation uses cash flow projections based on a five years' financial business plan approved by the Board. The business plan also includes a comprehensive analysis of the existing operational deployments of the Group along with strategic direction of future investments and business growth. 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 the purpose of impairment testing, no growth is considered in cash flows beyond the period of five years as per International Accounting Standard 36 'Impairment of Assets'.

Based on the above approved business plan and continued support from the Parent company, the Company will be able to meet its obligations and will be able to achieve satisfactory level of profitability in future.

	30 September 2015 Un-Audited	31 December 2014 Audited
	----- (Rupees in '000) -----	
<b>9. Term finance certificates - secured</b>		
Term finance certificates	1,643,735	1,643,735
Restructuring cost	(12,638)	-
	<u>1,631,097</u>	<u>1,643,735</u>
Amortization of restructuring cost	1,768	-
	<u>1,632,865</u>	<u>1,643,735</u>
Redeemed	(126,625)	-
	<u>1,506,240</u>	<u>1,643,735</u>
Current maturity	(1,506,240)	(1,643,735)
	<u>-</u>	<u>-</u>

#### Term Finance Certificates (TFCs)

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

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

As per terms of second rescheduling, payments in respect of principal and markup aggregating to Rs 230.000 million (includes PKR 60 M profit) were required to be made during the period ended September 30, 2015. However, payments of Rs 146.625 million (includes PKR 20 M profit) were made, hence, constituting a default as per the terms. Consequently, the total amount has been classified in current liabilities.



		30 September 2015 Un-Audited	31 December 2014 Audited
----- (Rupees in '000) -----			
<b>10. Long term loans - secured</b>	<b>Note</b>		
Askari Bank Limited	10.1	-	2,378,458
National Bank of Oman (NBO)	10.2	3,615,969	-
Soneri Bank Limited	10.3	-	7,225
Allied Bank Limited	10.4	94,250	-
		<u>3,710,219</u>	<u>2,385,683</u>
<b>10.1 Askari Bank Limited</b>			
Receipt		2,943,855	2,943,855
Initial transaction cost		(129,365)	(129,365)
		<u>2,814,490</u>	<u>2,814,490</u>
Amortization of transaction cost		129,365	43,257
		<u>2,943,855</u>	<u>2,857,747</u>
Exchange loss		557,729	524,995
		<u>3,501,584</u>	<u>3,382,742</u>
Repaid		(3,501,584)	(98,884)
		-	3,283,858
Current maturity		-	(905,400)
		-	<u>2,378,458</u>

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

		30 September 2015 Un-Audited	31 December 2014 Audited
----- (Rupees in '000) -----			
<b>10.2 National Bank of Oman</b>			
Receipt		3,555,300	-
Initial transaction cost		(39,616)	-
		<u>3,515,684</u>	-
Amortization of transaction cost		1,585	-
		<u>3,517,269</u>	-
Exchange loss		98,700	-
		<u>3,615,969</u>	-

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



	30 September 2015 Un-Audited	31 December 2014 Audited
----- (Rupees in '000) -----		
<b>10.3 Soneri Bank Limited</b>		
Receipt	66,756	66,756
Repaid	(39,159)	(16,662)
	<u>27,597</u>	<u>50,094</u>
Current maturity	(27,597)	(42,869)
	-	<u>7,225</u>
Current maturity of this loan includes overdue installments aggregating Rs 8.00 million (2014: Nil).		
	30 September 2015 Un-Audited	31 December 2014 Audited
----- (Rupees in '000) -----		
<b>10.4 Allied Bank Limited</b>		
Transferred from running finance	125,000	-
Repaid	(7,250)	-
	<u>117,750</u>	-
Current maturity	(23,500)	-
	<u>94,250</u>	-

This represents a term loan facility of Rs 125 million obtained through restructuring of Running Finance facility. This facility was rescheduled in January 2015 and is now repayable in 43 monthly installments ending on 31 July 2018. It carried mark up at one month KIBOR plus 2.5% per annum till 31 March 2015 and was payable monthly. The mark up rate with effect from 01 April 2015 is 3 months KIBOR plus 0.5% per annum to be reset and recoverable quarterly. It is secured through joint pari passu charge on present and future current and fixed assets excluding land and building of the Group with 25% margin.

## 11. Contingencies and commitments

### Contingencies

There is no significant change in contingencies from the preceding annual published financial statements of the Group for the year ended 31 December 2014 except for the following:

- A demand of Rs 1,059.595 million (including default surcharge of Rs 325.849 million) was raised against the Group under section 161/205 of the Income Tax Ordinance, 2001 for the period relevant to Tax Year 2012 alleging non-compliance with various applicable withholding provisions contained in the Ordinance. The management assailed the subject order in usual appellate course and while first appellate authority decided certain issues in Group's favor, major issues were remanded back to department for adjudication afresh. Such appellate order was further assailed by the Group before Appellate Tribunal Inland Revenue ('ATIR'), at which forum, adjudication is pending. Meanwhile, department concluded the reassessment proceedings, primarily repeating the treatment earlier accorded, however, based on relief allowed by first appellate authority, demand now stands reduced to Rs 1,003.426 million (including default surcharge of Rs 384.329 million). Such reassessment order was assailed by the Group in second round of litigation and the first appellate authority, through its order dated 29 June 2015, has upheld the departmental action. Management has contested this order before ATIR for favorable outcome. In this financial information, only an amount of Rs 103.673



million has been recognized as liability on this account as Group's management considers that Group's position is well founded on meritorious grounds and thus eventually demand would not sustain appellate review.

- (ii) One of the Group's suppliers has filed a petition before the Lahore High Court through which it has claimed Rs 216.482 million receivable from the Group. Further details of the litigation have not been disclosed as it may prejudice the Group's position. The Group has denied such claim and has also challenged the maintainability of the proceedings. Also, the Group has filed a counter petition claiming Rs 315.178 million receivable from the same supplier. Based on the advice of the Group's legal counsel, management is of the view that it is unlikely that any adverse order will be passed against the Group. In view of the above, no provision has been made in this interim financial information on this account.

	30 September 2015 Un-Audited	31 December 2014 Audited
	------(Rupees in '000)-----	

Outstanding guarantees	<u>1,080,577</u>	<u>1,140,217</u>
<b>Commitments</b>		
Commitments in respect of capital expenditure	<u>1,770,406</u>	<u>1,851,011</u>
Outstanding letters of credit	<u>7,851</u>	<u>4,596</u>

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

Loss before taxation	(2,208,858)	(1,785,621)
<b>Adjustment for non-cash charges and other items:</b>		
-Depreciation on property, plant and equipment	874,795	964,091
-Amortization of intangible assets	195,182	147,705
-Amortization of transaction cost	89,461	20,313
-Discounting charges	-	74,376
-Amortization of long term trade receivables	(12,098)	(6,805)
-Provision for doubtful debts	70,983	42,301
- Reversal of provision for doubtful debts	(43,627)	-
-Provision for stores and spares	1,713	-
-Reversal of provision for stores and spares	-	(9,368)
-Exchange loss/(gain) on foreign currency loan	131,434	(90,200)
-Gain on sale of property, plant and equipment	(791)	(4,068)
-Exchange translation (gain)/loss	1,013	1,827
-Retirement benefits	65,047	48,195
-Advances written-off	-	683
-Finance cost	364,969	467,393
<b>Loss before working capital changes</b>	<u>(470,777)</u>	<u>(129,178)</u>



30 September 2015 Un-Audited	31 December 2014 Audited
------(Rupees in '000)-----	

## Effect on cash flow due to working capital changes:

### Decrease/(increase) in the current assets:

-Stores and spares	34,321	(69,175)
-Stock-in-trade	(191)	(28,405)
-Trade debts	(119,321)	(5,239)
-Loans and advances	(86,708)	266,292
-Deposits and prepayments	218	(250,134)
-Other receivables	30,885	(22,888)

### Increase/(decrease) in current liabilities:

-Trade and other payables	888,555	(11,452)
	<u>747,759</u>	<u>(121,001)</u>
	<u>276,982</u>	<u>(250,179)</u>

## 13. Related party transactions

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

	Nine months ended 30 September 2015 Un-Audited	Nine months ended 30 September 2014 Un-Audited
	------(Rupees in '000)-----	

Relationship with the Group	Nature of transactions		
Holding Company	Dividend on preference shares	96,732	89,339
	Management fee on preference shares	113,825	92,152
Other related parties Key management personnel	Purchase of goods and services	61,415	63,874
	Salaries and other employee benefits	233,686	245,697

30 September 2015 Un-Audited	31 December 2014 Audited
------(Rupees in '000)-----	

## Period/year end balances

Receivable from related parties	53,121	30,432
Payable to related parties	3,015,804	2,587,629



14. Financial risk management

14.1 Financial risk factors

The Group'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 consolidated 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 Group's annual financial statements as at 31 December 2014.

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

14.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities except for restructuring/refinancing of TFCs and loans as referred to in notes 9 and 10.

14.3 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 Group's assets and liabilities that are measured at fair value at 30 September 2015.

	Level 1	Level 2	Level 3	Total
Rupees in "000"				
<b>Assets</b>				
Available-for-sale investments	96,929	-	-	96,929
	<u>96,929</u>	<u>-</u>	<u>-</u>	<u>96,929</u>
<b>Liabilities</b>	-	-	-	-

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

	Level 1	Level 2	Level 3	Total
Rupees in "000"				
<b>Assets</b>				
Available-for-sale investments	74,767	-	-	74,767
	<u>74,767</u>	<u>-</u>	<u>-</u>	<u>74,767</u>
<b>Liabilities</b>	-	-	-	-



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

15. Subsequent event after the reporting period

On November 17, 2015, fire erupted at the Group's warehouse in Kot Lakhpat, Lahore resulting in loss to equipment, stock and store and spares lying therein. The management is in process of assessing the extent of loss, following which the Group will file a claim for reimbursement with the insurance company.

16. Date of authorization for issue

This condensed consolidated interim financial information was authorized for issue on 30 November, 2015 by the Board of Directors.

17. Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed consolidated interim balance sheet and condensed consolidated interim statement of changes in equity have been compared with the balances of consolidated annual financial statements of preceding financial year, whereas, the condensed consolidated interim profit and loss account, condensed consolidated interim statement of comprehensive income and condensed consolidated interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

*Kabandhly*  
Chief Executive Officer

*Wahid*  
Director