Quarterly Report

September 30, 2022

WorldCall Telecom Limited

CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

QUARERLY REPORT 2022

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.

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COMPANY INFORMATION

Chairman	Mr. Muhammad Shoaib
Chief Executive Officer	Mr. Babar Ali Syed
Board of Directors	Mr. Muhammad Shoaib (Chairman) Mr. Muhammad Azhar Saeed Mr. Faisal Ahmed Mr. Mubasher Lucman Mrs. Hina Babar Mr. Mansoor Ali Mr. Tariq Hasan
Chief Financial Officer	Mr. Muhammad Azhar Saeed, FCA
Executive Committee	Mr. Muhammad Shoaib (Chairman) Mr. Babar Ali Syed (Member) Mr. Muhammad Azhar Saeed (Member) Mr. Faisal Ahmed (Member) Mr. Muhammad Zaki Munawar (Secretary)
Audit Committee	Mr. Mubasher Lucman (Chairman) Mr. Faisal Ahmed (Member) Mrs. Hina Babar (Member) Mr. Mansoor Ali (Member) Mr. Ansar Iqbal Chauhan (Secretary)
Human Resource & Remuneration Committee	Mr. Muhammad Shoaib (Chairman) Mr. Babar Ali Syed (Member) Mr. Muhammad Azhar Saeed (Member) Mrs. Hina Babar (Member) Mr. Mansoor Ali (Member) Mr. Muhammad Zaki Munawar (Secretary)
Chief Internal Auditor	Mr. Ansar Iqbal Chauhan
Company Secretary	Mr. Muhammad Zaki Munawar, FCCA
Auditors	Tariq Abdul Ghani Maqbool & Co. Chartered Accountants
Legal Advisers	M/s Miankot & Co. Barristers, Advocates & Corporate Legal Consultant

Bankers	Allied Bank Limited Askari Bank Limited Bank Al Habib Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited JS Bank Limited BankIslami (Pakistan) Limited MCB Bank Limited National Bank of Pakistan Pak Oman Investment Co. Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited Summit Bank Limited Telenor Microfinance Bank Limited The Bank of Punjab United Bank Limited Silkbank Limited Meezan Bank Limited Mobilink Microfinance Bank Limited
Registrar and Shares Transfer Office	THK Associates (Pvt.) Limited Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500 Pakistan. Tel: (+92 21) 35310191-6
Registered Office/Head Office	Plot No. 112/113, Block S, Quaid-e-Azam Industrial Estate, Kot Lakhpat Lahore - Pakistan Tel: (+92 42) 3540 0544 Fax: (+92 42) 3540 0609
Webpage	www.worldcall.com.pk www.worldcall.net.pk

DIRECTORS' REVIEW REPORT

The Board of Directors of WorldCall Telecom Limited ("WorldCall" or the "Company") is pleased to present its review report along with condensed interim standalone and consolidated financial information for the nine months and quarter ended Sep 30, 2022.

Economic Overview

With every passing day, policy change is anticipated as is evident from the new energy conservation regime wherein our fragile economy continues to struggle with multiple challenges. The government has ordered all markets to close by 8.30 pm and restaurants by 10 pm. These measures are supposed to help the country save 62 billion Pakistani rupees ($274 million), as per reliable sources. Ministerial directive to federal departments for reduction in their energy consumption by 30% seems a step in the right direction but a bit unrealistic to be achieved instantaneously. Radical changes in macroeconomic policies are touted to contributing primarily to the purported economic crisis we find ourselves in or at least made to believe and the insatiable statements from those on the helm of affairs have only made matters worse in blowing this equation out of proportion. Investors seem shaky and the ever spreading rumors wrt potential threat of default and not meeting the IMF bailout tranche release covenants have transpired in affecting the stocks market substantially to the point of no return, God forbid. The country is in the midst of energy crisis or at least advocated to be substantially dependent on imported fuel. The announcement comes at a time when Pakistan's foreign exchange reserves have dwindled to alarmingly low levels. In December, Pakistan's total liquid foreign exchange reserves stood at $11.7 billion, which is half the amount it held at the start of last year, according to the central bank.

Financial Overview

Standalone Financial Statements

Summary of financial results for the nine months ended September 30, 2022 are as follows:

Particulars	September 30, 2022	September 30, 2021
	Rs. in million	
Revenue-net	1,672	1,719
Direct Cost (excluding depreciation and Amortization)	(1,285)	(1,353)
Other Income	(171)	175
EBITDA	(108)	223
Depreciation and Amortization	(820)	(822)
Finance Cost	(291)	(234)
Profit/(Loss) after tax	(1,234)	(857)

During the period under review, the Company closed its financial results reporting Rs 1,234 million as loss after tax. The Company continues to sustain revenues and curtail costs simultaneously despite the superficial tide of hyper-inflation. This in itself is an achievement enough to boast of and speaks volumes of the guided leadership and focused management. Other line items appearing in the table above are also controlled to be static per se and remain relevant with the industry norms. Furthermore, bare appraisal of the figurative narration may be misleading as working capital is not accounted for so there is a pressing need to look beyond the figures and come up with a qualitative analysis accounting for the investments in conglomerate ventures and startups which may denominate in painting an altogether different picture.

Consolidated Financial Statements

Condensed interim consolidated financial statements comprise the financial results of WorldCall Telecom Limited (Parent Company) consolidated with Route 1 Digital (Private) Limited (Subsidiary Company). Route 1 Digital is a private limited Company incorporated in Pakistan on December 21, 2016 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The primary business is to carry out the business of all transport services, sharing motor vehicle transportation with another or others, and consultancy in the field of information technology, software development and all activities ancillary thereto. The subsidiary is domiciled in Pakistan and its registered office & principal place of business is situated at the Plot # 112-113, Block – S, Kot Lakhpat, Lahore.

Earnings per Share

Loss per share of the Company to the tune of Rs. 0.28 has been reported on consolidated as well as on standalone basis.

Future Outlook

Company has been on a radical course of technological transformation. After successful commencement and subsequent completion of Fiber To The Home (FTTH) Pilot Project – Phase I, we are well underway through to the second phase of conversion wherein multiple monetization/ capital raising alternatives are being screened by our parent company in earnest commitment towards timely execution of business plan.

Company's staff and customers

We admire from the depths of our hearts, the audacity and ferociousness of like-minded individuals working as one unit; setting aside their differences and pushing themselves to limit forever, making aggressive targets seem prudent and achievable all the way. This has transpired by evolving into "our way of flourishing" as every individual/ team walks the talk.

For and on behalf of the Board of Directors

Babar Ali Syed
Chief Executive Officer

Lahore, Pakistan
January 09, 2023

فی شیئر آمدنی

کمپنی کا فی حصص روپے کا نقصان۔ 0.28 کی رپورٹ مجموعی اور علحیدہ بنیادوں پر کی گئی ہے۔

مستقبل کا آؤٹ لک

کمپنی تکنیکی تبدیلی کے ایک بنیادی کورس پر رہی ہے۔ فائبر ٹو دی ہوم (FTTH) پائلٹ پروجیکٹ کے کامیاب آغاز اور بعدازاں تکمیل کے بعد۔ فیز I، ہم تبادلوں کے دوسرے مرحلے میں اچھی طرح سے آگے بڑھ رہے ہیں۔ کاروباری منصوبہ پر عملدرآمد جس میں متعدد منیٹائزیشن/کیپیٹل اکٹھا کرنے کے متبادلات کو ہماری پیرنٹ کمپنی کی جانب سے بروقت عزم کے ساتھ دکھایا جارہا ہے۔

کمپنی کا عملہ اور صارفین

ہم اپنے دل کی گہرائیوں سے، ایک یونٹ کے طور پر کام کرنے والے ہم خیال افراد کی بہادری کی تعریف کرتے ہیں۔ باوجود اختلافات کو ایک طرف رکھتے ہوئے اور خود کو ہمیشہ بہتر سے بہتر صلاحیتوں کو بروئے کار لاتے ہوئے اپنے جارحانہ اہداف کی طرف گامزن ہیں۔

بحکم بورڈ آف ڈائریکٹرز

Babar Ali

بابر علی سید

چیف ایگزیکٹو آفیسر

لاہور :

09 جنوری 2023

(نوٹ: اُردو متن میں کسی ابہام کی صورت میں انگریزی متن کو ترجیح دی جائے۔)

ڈائریکٹرز کی جائزہ رپورٹ

ورلڈکال ٹیلی کام لمیٹڈ کے بورڈ آف ڈائریکٹرز ("ورلڈکال"یا" کمپنی") کو30 ستمبر2022 کوختم ہونے والی نومہینوں اورسہ ماہی کے لیےکنڈینسڈعبوری اسٹینڈ اوریکجا مالیاتی معلومات کےساتھ اپنی جائزہ رپورٹ پیش کرنے پرخوشی ہے۔

معاشی جائزہ

ہرگزرتے دن کے ساتھ، پالیسی میں تبدیلی متوقع ہے جیسا کہ توانائی کےتحفظ کے نئے نظام سے ظاہر ہوتا ہے جس میں ہماری کمزورمعیشت متعدد چیلنجوں سے نبرد آزما ہے۔ حکومت نے تمام بازاروں کورات8.30 بجے اورریستورانٹ رات 10 بجے تک بند کرنے کا حکم دیا ہے۔قابل اعتماد ذرائع کے مطابق ان اقدامات سے ملک کو62 ارب پاکستانی روپے(274 ملین ڈالر) بچانے میں مدد ملے گی۔وفاقی محکموں کوان کی توانائی کی کھپت میں 30 فیصد کمی کی وزارتی ہدایت درست سمت میں ایک قدم لگتا ہےلیکن فوری طور پر حاصل کرنا قدرے غیرحقیقی ہے۔میکرواکنامک پالیسیوں میں بنیادی تبدیلیوں کوبنیادی طور پراس مطلوبہ معاشی بحران میں حصہ ڈالنے کے لئے کہا جاتا ہےجس میں ہم خودکو پاتے ہیں یاکم ازکم اس پریقین کرتے ہیں اورمعاملات کے سربراہ کے غیرتسلی بخش بیانات نے اس مساوات کوتناسب سے باہراڑادینے میں معاملات کومزید خراب کیا ہے۔سرمایہ کارمتزلزل نظرآتے ہیں اورہمیشہ پھیلتی افواہیں ڈیفالٹ کے ممکنہ خطرےاورIMF کےبیل آؤٹ کی قسط کےاجراء کےمعاہدوں کوپورانہ کرنے کی وجہ سےاسٹاک مارکیٹ کوکافی حد تک متاثر کررہی ہے،خدانہ کرے ملک توانائی کے بحران کا شکارہے یاکم ازکم درآمدی ایندھن پرکافی حدتک انحصار کرنے کی وکالت کرتا ہے۔یہ اعلان ایک ایسے وقت میں سامنے آیا ہے جب پاکستان کے زرمبادلہ کے ذخائرخطرناک حدتک کم ہوچکے ہیں۔سنٹرل بینک کے مطابق دسمبر میں پاکستان کےکل زرمبادلہ کے ذخائر11.7 بلین ڈالر تھے جوکہ گزشتہ سال کےآغاز میں اس کے پاس موجودرقم کا نصف ہے۔

مالیاتی جائزہ ۔اسٹینڈا کیلے مالی بیانات

30 ستمبر2022 کوختم ہونے والےنومہینوں کے مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

Particulars	September 30, 2022	September 30, 2021
	Rs. in million	
Revenue-net	1,672	1,719
Direct Cost (excluding depreciation and Amortization)	(1,285)	(1,353)
Other Income	(171)	175
EBITDA	(108)	223
Depreciation and Amortization	(820)	(822)
Finance Cost	(291)	(234)
Profit/(Loss) after tax	(1,234)	(857)

زیرجائزہ مدت کے دوران، کمپنی نے 1,234 ملین روپے کے بعدٹیکس کےنقصان کی اطلاع دیتے ہوئے اپنے مالیاتی نتائج کو بند کیا۔انتہائی مہنگائی کی سطحی لہر کے باوجود کمپنی بیک وقت محصولات کو برقراررکھتی ہےاوراخراجات کوکم کرتی ہے۔یہ بذات خودایک کامیابی ہےجس پرفخرکرنے کے لیےکافی ہےاوررہنمائی کی گئی قیادت اورفوکسڈ مینجمنٹ کے حجم کو بیان کرتا ہے۔مندرجہ بالا جدول میں ظاہرہونے والی دیگرلائن آئٹمز کوبھی کنٹرول کیا جاتا ہے کہ وہ مستحکم رہیں اوراانڈسٹری کے اصولوں کےساتھ متعلقہ رہیں۔مزید برآں، علامتی بیانیہ کا اندازہ گمراہ کن ہوسکتا ہے کیونکہ ورکنگ کیپیٹل کا حساب نہیں لیا جاتا اس لیے اعدادوشمار سے آگے دیکھنے کی ضرورت ہے اوراجتماعی منصوبوں اورسٹارٹ اپس میں سرمایہ کاری کےحساب سے تجزیہ کرنے کی ضرورت ہے۔

مجموعی مالیاتی بیانات

کنڈینسڈعبوری کنسولیڈیٹڈ مالیاتی بیانات روٹ 1 ڈیجیٹل (پرائیویٹ) لمیٹڈ (سبسیڈری کمپنی) کےساتھ مل کرورلڈکال ٹیلی کام لمیٹڈ (پیرنٹ کمپنی) کے مالی نتائج پر مشتمل ہیں۔ روٹ 1 ڈیجیٹل ایک پرائیویٹ لمیٹڈ کمپنی ہے جسے پاکستان میں 21 دسمبر 2016 کومنسوخ شدہ کمپنیز آرڈیننس،1984 (اب کمپنیز ایکٹ،2017) کےتحت شامل کیا گیا تھا۔ بنیادی کاروبارتمام ٹرانسپورٹ خدمات کا کاروبارکرنا،موٹرگاڑیوں کی نقل وحمل کوکسی دوسرے یادوسرے کےساتھ بانٹنا،اورانفارمیشن ٹیکنالوجی،سافٹ ویئر کی ترقی اوراس سے متعلق تمام سرگرمیوں کے شعبے میں مشاورت کرنا ہے۔ذیلی ادارہ پاکستان میں مقیم ہے اوراس کا رجسٹرڈ دفتر اور کاروبار کی اصل جگہ پلاٹ #112-113، بلاک–ایس، قائدِاعظم انڈسٹریل اسٹیٹ،کوٹ لکھپت،لاہور میں واقع ہے۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	Note	September 30 2022 Un-audited	December 31 2021 Audited
		-----------(Rupees in '000)-----------	
SHARE CAPITAL AND RESERVES			
Authorized share capital		29,000,000	29,000,000
Ordinary share capital	5	13,136,257	12,495,571
Preference share capital	6	1,185,479	1,576,870
Dividend on preference shares	7	425,652	571,600
Capital reserves		241,445	353,853
Accumulated loss		(15,050,217)	(14,023,097)
Surplus on revaluation of fixed assets		1,821,001	2,027,672
		1,759,617	3,002,469
NON-CURRENT LIABILITIES			
Term finance certificates	8	988,523	1,204,445
Long term financing	9	178,347	182,264
Sponsor's loan	10	2,105,447	1,676,880
License fee payable		45,513	45,513
Post employment benefits		213,295	193,756
Long term deposit		98,932	93,215
Lease liabilities	11	195,105	195,016
		3,825,162	3,591,089
CURRENT LIABILITIES			
Trade and other payables		6,257,710	6,006,492
Unearned revenue		-	-
Accrued mark up		612,579	415,372
Current and overdue portion of non-current liabilities		1,011,114	842,866
Short term borrowings	12	418,066	411,912
Unclaimed dividend		1,807	1,807
Provision for taxation - net		359,632	344,437
		8,660,908	8,022,886
Contingencies and Commitments	13	-	-
TOTAL EQUITY AND LIABILITIES		14,245,687	14,616,444
NON-CURRENT ASSETS			
Property, plant and equipment	14	5,403,999	5,794,029
Right of use assets	15	3,487,038	3,694,104
Intangible assets		693,792	997,491
Investment properties		51,218	51,218
Long term investment	16	-	-
Long term trade receivable		-	-
Deferred taxation	17	2,375,035	2,369,644
Long term loans		-	-
Long term deposits		10,953	10,735
		12,022,035	12,917,221
CURRENT ASSETS			
Stores and spares		32,941	30,355
Stock-in-trade		210,858	209,401
Trade debts		974,708	456,651
Loans and advances		267,795	251,570
Deposits and prepayments		541,284	554,696
Short term investments		41,812	54,340
Other receivables		128,332	109,002
Cash and bank balances		25,922	33,208
		2,223,652	1,699,223
TOTAL ASSETS		14,245,687	14,616,444

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

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

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2022

	Note	Nine months ended Sep 30		Quarter ended Sep 30	
		2022	2021	**2022**	2021
		--------------(Rupees in '000)--------------			
Revenue	18	1,671,974	1,719,255	633,028	387,115
Direct costs excluding depreciation and amortization		(1,284,923)	(1,353,439)	(592,422)	(381,192)
Operating costs		(324,152)	(317,852)	(96,414)	(107,064)
Other (expenses)/income		(170,905)	175,440	(87,867)	14,008
(Loss)/Profit before Interest, Taxation, Depreciation and Amortization		(108,006)	223,404	(143,675)	(87,133)
Depreciation and amortization		(819,901)	(822,311)	(273,300)	(294,764)
Finance cost		(291,197)	(234,078)	(105,539)	(88,789)
Loss before Taxation		(1,219,104)	(832,985)	(522,514)	(470,686)
Taxation		(14,687)	(23,825)	(1,700)	-
Net Loss for the Period		(1,233,791)	(856,810)	(524,214)	(470,686)
Loss per Share - basic (Rupees)		(0.28)	(0.31)	(0.12)	(0.04)
Loss per Share - diluted (Rupees)		(0.28)	(0.31)	(0.12)	(0.04)

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

Chief Executive Officer | Director | Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2022

	Nine months ended Sep 30,		Quarter ended Sep 30,	
	2022	2021	**2022**	2021
	--------------(Rupees in '000)-------------			
Net loss for the Period	(1,233,791)	(856,810)	(524,214)	(470,686)
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
- Changes in fair value of financial assets through other comprehensive income - net of tax	(9,061)	13,144	13,144	5,402
Item that may be subsequently reclassified to profit or loss:	-	-	-	-
Other Comprehensive (loss)/Income - net of tax	(9,061)	13,144	13,144	5,402
Total Comprehensive loss for the Period - net of tax	(1,242,852)	(843,666)	(511,070)	(465,284)

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

Chief Executive Officer | Director | Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Note	**September 30 2022**	September 30 2021
		--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	19	(141,446)	(101,220)
Increase / (Decrease) in non-current liabilities:			
- Long term deposit		1,944	1,795
Decrease / (Increase) in non-current assets:			
- Long term trade receivables		-	-
- Long term deposits		(218)	(15)
		(218)	(15)
		(139,720)	(99,440)
Post employment benefits paid		(10,945)	(19,559)
Finance cost paid		(41,013)	(13,541)
Income tax paid		(5,706)	(14,455)
Net Cash used in Operating Activities		(197,384)	(146,995)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(15,685)	(69,775)
Short term investments		3,467	
Income on deposit and savings accounts		1,117	19,923
Proceeds from disposal of inventory		-	
Proceeds from disposal of property, plant and equipment		-	57,603
Net Cash (Used in)/ Generated from Investing Activities		(11,101)	7,751
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of term finance certificates		(72,968)	-
Repayment of long term financing		(23,865)	(11,338)
Sponsor's loan		318,544	158,825
Short term borrowings - net		(4,358)	29,449
Repayment of lease liability		(16,154)	(36,351)
Net Cash Generated from Financing Activities		201,199	140,585
Net (Decrease)/Increase in Cash and Cash Equivalents		(7,286)	1,341
Cash and cash equivalents at the beginning of the year		33,208	56,440
Cash and Cash Equivalents at the End of the Year		25,922	57,781

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

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

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

Particulars	Ordinary Share Capital	Preference Share Capital	Dividend on Preference Shares	Capital Reserves			Revenue Reserve (Accumulated Loss)	Surplus on Revaluation of Fixed Assets	Total
				Fair Value Reserve	Exchange Translation Reserve	Total Capital Reserves			
	(Rupees in '000)								
Balance as at December 31, 2020	11,863,206	1,963,178	715,652	(13,215)	462,766	449,551	(12,801,935)	2,318,768	4,508,420
Net loss for the year	-	-	-	-	-	-	(856,810)	-	(856,810)
Other comprehensive income for the period - net of tax	-	-	-	13,144	-	13,144	-	-	13,144
Total comprehensive income for the period - net of tax	-	-	-	13,144	-	13,144	(856,810)	-	(843,666)
Adjustment of Suplus on retirement of intangible assets	-	-	-	-	-	-		-	-
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	137,780	(137,780)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(15,430)	(15,430)
Conversion of preference shares and dividend thereon	5,297,338	(386,308)	(144,052)	-	(102,005)	(102,005)	-	-	4,664,973
Discount on issuance of ordinary shares	(4,664,973)	-	-	-	-	-	-	-	(4,664,973)
Total transactions with owners, recognized directly in equity	632,365	(386,308)	(144,052)	-	(102,005)	(102,005)	-	-	-
Balance as at September 30, 2021	12,495,571	1,576,870	571,600	(71)	360,761	360,690	(13,520,965)	2,165,558	3,649,324
Net loss for the year	-	-	-	-	-	-	(649,440)	-	(649,440)
Other comprehensive income for the period - net of tax	-	-	-	(6,837)	-	(6,837)	9,526	-	2,689
Total comprehensive income for the period - net of tax	-	-	-	(6,837)	-	(6,837)	(639,914)	-	(646,751)
Adjustment of Suplus on retirement of intangible assets	-	-	-	-	-	-		-	-
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	137,782	(137,782)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(104)	(104)
Conversion of preference shares and dividend thereon	-	-	-	-	-	-	-	-	-
Discount on issuance of ordinary shares	-	-	-	-	-	-	-	-	-
Total transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2021	12,495,571	1,576,870	571,600	(6,908)	360,761	353,853	(14,023,097)	2,027,672	3,002,469
Net profit for the period	-	-	-	-	-	-	(1,233,791)	-	(1,233,791)
Other comprehensive income for the period - net of tax	-	-	-	(9,061)	-	(9,061)	-	-	(9,061)
Total comprehensive income for the period - net of tax	-	-	-	(9,061)	-	(9,061)	(1,233,791)	-	(1,242,852)
Adjustment of Suplus on retirement of intangible assets	-	-	-	-	-	-	-	-	-
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	206,671	(206,671)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	-	-
Conversion of preference shares and dividend thereon	5,367,041	(391,391)	(145,948)	-	(103,347)	(103,347)	-	-	4,726,355
Discount on issuance of ordinary shares	(4,726,355)	-	-	-	-	-	-	-	(4,726,355)
Total transactions with owners, recognized directly in equity	640,686	(391,391)	(145,948)	-	(103,347)	(103,347)	-	-	-
Balance as at September 30, 2022	13,136,257	1,185,479	425,652	(15,969)	257,414	241,445	(15,050,217)	1,821,001	1,759,617

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

Note 1

The Company and its Operations

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

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

Note 2

Basis of Preparation

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

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

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

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

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

2.3 These condensed interim financial statements are unaudited.

2.4 These condensed interim financial statements (un-audited) do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2021. Selected explanatory notes are included to explain events and transactions that are significant to understanding of the changes in the Company's financial statements since the last financial statements.

2.5 These condensed interim financial statements (un-audited) should be read in conjunction with annual audited financial statements for the year ended December 31, 2021. Comparative statement of financial position is extracted from annual audited financial statements for the year ended December 31, 2021 whereas comparative statement of profit or loss, comparative statement of comprehensive income, comparative statement of changes in equity and comparative statement of cash flows are extracted from unaudited condensed interim financial statements for the half year ended September 30, 2021.

2.6 These condensed interim (un-audited) financial statements are presented in Pak Rupees, which is the Company's functional and presentational currency. All the figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

2.7 Going concern assumption

2.7.1 The Company has incurred a loss after taxation of Rs. 1,233.791 million during the period ended September 30, 2022 (September 2021: Rs. 856.810 million) which includes the impact of write back of liabilities for nil (September 30, 2021: Rs. 94.817 million). As at September 30, 2022, the accumulated loss of the Company stands at Rs. 15,050.217 million (December 31, 2021: Rs. 14,023.097 million) and its current liabilities exceed its current assets by Rs. 6,437.256 million (December 31, 2021: Rs. 6,323.663 million). These conditions, along with the other factors like declining revenue and contingencies and commitments as mentioned in note 13, indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

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

2.7.2 Net Liabilities Position - Risk Mitigation

As mentioned above, there is a net current liability position of approximately Rs. 6.437 billion as on the reporting date, which has the following major components:

Description	Note	Rs in million
Short term Borrowings	2.7.2.1	418
Pakistan Telecommunication Authority (PTA)	2.7.2.2	2,346
Claims of Parties Challenged	2.7.2.3	957
Continuing business partners	2.7.2.4	19
Provision for taxation	2.7.2.5	360
		4,100

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

2.7.2.1 The management of the Company is in negotiation with banks for restructuring of its running finance facilities amounting Rs. 332.834 million and is confident that these will be rolled over on favorable terms with no immediate cash outflow. Moreover, it also include funds obtained from sponsor / related parties to the tune of Rs. 85.232 Million.

2.7.2.2 Liabilities towards PTA as incorporated in these financial statements stand at approximately Rs. 2.346 billion which are not immediately payable owing to non-fulfillment of certain conditions relating to the demand of such amounts. These conditions relate to the industry circumstances and Court Orders.

2.7.2.3 This amount represents the amounts owed to certain parties whose claims have been challenged by the Company in various judicial forums for the breach and non-performance of their contractual obligations. Based on the merits of Company's position, the management believes that such amounts may not be immediately payable under the circumstances.

2.7.2.4 The amount payable to creditors amounting Rs. 19.046 million represents routine trade credits extended by regular parties and these balances are of revolving nature. Thus, no immediate net cash outlay would be required.

2.7.2.5 The Company does not anticipate cash outlays on account of Provision for Taxation, since it has sufficient brought forward losses.

2.7.3 Continued Support from a Majority Shareholder

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

Note 3

Significant Accounting Policies

3.1 The Company's accounting and financial risk management policies and methods of computation adopted in the preparation of these condensed interim (un-audited) financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended December 31, 2021

3.2 Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 1, 2022, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

Note 4

Significant Accounting Judgements and Estimates

The preparation of condensed interim (un-audited) financial statements in conformity with approved accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expense. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making the judgement about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing these condensed interim (un-audited) financial statements, the significant judgements made by the management in applying accounting policies and the key source of estimation were the same as those that were applied to the financial statements for the year ended December 31, 2021.

Note 5

Ordinary Share Capital

September 30 2022 (Un-audited)	December 31, 2021 (Audited)		Note	September 30 2022 (Un-audited)	December 31, 2021 (Audited)
No. of Shares				--------------(Rupees in '000)--------------	
344,000,000	344,000,000	Ordinary shares of Rs. 10 each fully paid in cash		3,440,000	3,440,000
309,965,789	309,965,789	Ordinary shares of Rs. 10 each issued in accordance with the scheme of merger		3,099,658	3,099,658
98,094,868	98,094,868	Ordinary shares of Rs. 10 each issued as fully paid bonus shares		980,949	980,949
108,510,856	108,510,856	Ordinary shares of Rs. 10 each issued against convertible loan		1,085,109	1,085,109
2,872,331,856	2,335,627,756	Ordinary shares of Rs. 10 each issued against convertible preference shares	5.1	28,723,319	23,356,278
				37,329,035	31,961,994
		Less: Discount on issue of shares	5.5	(24,192,778)	(19,466,423)
3,732,903,369	3,196,199,269			13,136,257	12,495,571

5.1 During the period, 38,500 (2021: 38,000) convertible preference shares and accumulated preference dividend thereon amounting to Rs. 145.948 million (2021: Rs. 144.052 million) have been converted into ordinary shares in accordance with the agreed terms and conditions detailed in Note 6.2.

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

5.3 Worldcall Services (Private) Limited, parent of the Company, holds 854,914,152 shares (2021: 854,914,152 shares) in the Company. Out of these shares, 46.7 million shares are pledged to secure TFC liability which will be released with quarterly scheduled principal repayments proportionately (refer to note 8).

5.4 Ferret Consulting F.Z.C., an associate of the Company, holds 313,128,042 shares (2021: 468,284,463 shares) in the Company.

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

	September 30 2022 (Un-audited)	December 31, 2021 (Audited)
	--------------(Rupees in '000)--------------	
Opening balance	19,466,423	14,801,449
Add: Discount on issuance of ordinary shares during the period/year	4,726,355	4,664,974
Closing balance	24,192,778	19,466,423

5.6 Reconciliation of ordinary share capital is as follows:

Opening balance	31,961,994	26,664,655
Add: Shares issued during the period/year	5,367,041	5,297,339
Closing balance	37,329,035	31,961,994

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

Note 6
Preference Share Capital

	Note	September 30 2022 (Un-audited)	December 31, 2021 (Audited)	September 30 2022 (Un-audited)	December 31, 2021 (Audited)
		--------No. of Shares--------		------------(Rupees in '000)------------	
Opening balance		155,700	193,700	1,576,870	1,963,178
Less: Preference shares converted into ordinary shares during the year	6.3	(38,500)	(38,000)	(391,391)	(386,308)
		117,200	155,700	1,185,479	1,576,870

6.1 These preference shares are US Dollars denominated, non-voting, cumulative and convertible preference shares ("CPS", or "preference shares") having a face value of USD 100 each.

6.2 The conversion option is exercisable by the holder at any time after the 1st anniversary of the issue date but not later than the 5th anniversary. On 5th anniversary, CPS will be mandatorily converted into ordinary shares. CPS shall be converted at the conversion ratio defined in the agreement at 10% discount on share price after first anniversary and thereby increased by 10% additional discount for each completed year of anniversary.

6.3 In accordance with the terms detailed in Note 6.2 above, certain preference shareholders have exercised conversion option. Thus, their CPS and accrued preference dividend thereon have been converted into ordinary shares as reflected in Note 5.1 and Note 6.2.

6.4 CPS holders are entitled to non-cash dividend which shall be calculated @ 5.9% per annum on each of the preference shares or the dividend declared by the Company for ordinary shareholders, whichever is higher till date of maturity.

6.5 Ferret Consulting F.Z.C., an associate of the Company, holds 64,700 preference shares (2021: 103,200 preference shares) in the Company.

6.6 Mandatory date of conversion of CPS has expired during 2018 however, in AGM held on September 30,2022 shareholders have passed special resolution whereby mandatory conversion date of convertible preference shares (CPS) is December 31, 2024.

6.7 The preference shareholders in an Extraordinary General Meeting held on January 4, 2019 and ordinary shareholders in annual general meeting held on April 30, 2019 have given their assent for the conversion of preference shares at nominal value of Rs. 10 each and for amendments in the Memorandum and Articles of Association of the Company. Resultantly, preference shares along with dividend accrued thereon shall be converted on any date from the mandatory conversion date, at par value of Rs. 10 each. However, the shares for which notices have been received before mandatory conversion date would be converted on the terms prevalent on the date of notice.

Note 7
Dividend on Preference Shares

	Note	September 30 2022 (Un-audited)	December 31, 2021 (Audited)
		--------------(Rupees in '000)--------------	
Dividends on preference shares	7.1	425,652	571,600

7.1 This represents accumulated dividend on preference shares which is not payable in cash rather it will be converted into ordinary shares as and when the preference shares are converted into ordinary shares.

7.2 During the period, cumulative preference dividend amounting to Rs. 145.948 million (2021: Rs. 144.052 million) was converted into ordinary shares as a result of conversion option exercised by certain preference shareholders in accordance with the terms and conditions given in Note 6.2 above.

Note 8
Term Finance Certificates

	Note	September 30 2022 (Un-audited)	December 31 2021 (Audited)
		--------------(Rupees in '000)--------------	
Opening balance		1,259,152	1,287,110
Less: Payments made during the period / year		(72,968)	(27,958)
		1,186,184	1,259,152
Less: Current and overdue portion		(509,028)	(432,016)
		677,156	827,136
Add: Deferred markup	8.1	311,367	377,309
Less: Payment during the period/year		-	-
		988,523	1,204,445

Term finance certificates (TFCs) have a face value of Rs. 5,000 per certificate. These TFCs carry mark up at the rate of six months average KIBOR plus 1.0% per annum (2021: six month average KIBOR plus 1.0% per annum), payable quarterly. The mark up rate charged during the period on the outstanding balance ranged from 8.76% to 17.10% (2021: 8.30% to 8.84%) per annum.

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

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

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

The other main terms included appointment of one representative as a nominee director nominated by the Trustee which has been complied with. Further, 175 million sponsor's shares are pledged for investors which will be released with quarterly scheduled principal repayments proportionately starting from June 2019. The pledged shares have not been released in proportion to the payments made during the year.

The Company has not paid due quarterly installments of June 2019 to September 2022 amounting Rs. 425.00 million. In case of failure to make due payments by the Company, Trustee can instruct the security agent to enforce the letter of pledge and sell the quantum of the pledged shares to generate the amount required for the settlement of the outstanding redemption amount.

Last year due to non-payment of due instalments, Trustee enforced the letter of pledge and called 128.2 million shares from sponsors account out of which 13.6 million shares were sold for the amount of Rs. 45.9 million (Rs. 27.9 million settled against principal and Rs. 17.9 million against accrued mark-up) during the year. After sale remaining number of shares held by trustees and pledged are 161.3 million shares. This Year in January 2022 Trustee has sold 24.63 million shares for the amount of Rs. 56.26 million (Rs. 36.47 million settled against principal and Rs. 19.79 million against accrued mark-up) and in February 2022 Trustee has sold further 25.75 million shares for the amount of Rs. 57.36 million (Rs. 34.82 million settled against principal and Rs. 22.54 million against accrued mark-up) to recover o/s installments of June 2019, September 2019 and Dec 2019.

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

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

			September 30 2022	December 31 2021
8.1	**Deferred markup**		**(Un-audited)**	**(Audited)**
			--------------(Rupees in '000)--------------	
	Deferred markup	8.1.1	746,494	746,494
	Adjustment due to impact of IFRS 9	8.1.2	(84,658)	(116,084)
			661,836	630,410
	Less: Current portion		(350,469)	(253,101)
			311,367	377,309
8.1.1	Reconciliation of deferred markup is as follows:			
	Opening balance		746,494	746,494
	Add: Markup deferred during the period/year		-	-
			746,494	746,494

	September 30 2022 (Un-audited)	December 31 2021 (Audited)
	--------(Rupees in '000)--------	
8.1.2 Reconciliation is as follows:		
Opening balance	116,084	156,621
Add: Discounting impact of deferred markup	-	-
	116,084	156,621
Less: Unwinding impact of discounted deferred markup	(31,426)	(40,537)
	84,658	116,084

Note 9

Long Term Financing

	Note	September 30 2022 (Un-audited)	December 31 2020 (Audited)
		--------(Rupees in '000)--------	
From Banking Companies (secured)			
Allied Bank Limited	9.1	73,367	83,228
Bank Islami Limited	9.2	104,980	99,036
		178,347	182,264

9.1 Allied Bank Limited		
Opening balance	75,476	91,509
Transfer from running finance	-	-
Repayments	(9,364)	(16,033)
	66,112	75,476
Less: Current and overdue portion	(27,414)	(20,032)
	38,698	55,444
Add: Deferred markup	39,470	32,630
Less: Discounting of deferred markup	(4,801)	(4,846)
	34,669	27,784
	73,367	83,228
9.1.1 Reconciliation of deferred markup is as follows:		
Opening balance	32,630	25,647
Add: Markup deferred during the period/year	6,840	6,983
	39,470	32,630
9.1.2 Reconciliation is as follows:		
Opening balance	4,846	4,612
Add: Discounting impact of deferred markup	1,257	1,636
	6,103	6,248
Less: Unwinding impact of discounted deferred markup	(1,302)	(1,402)
	4,801	4,846

This represents balance transferred as a result of restructuring of short term running finance (RF) facility to Term Loan Facility and subsequently amended on 8th October 2020 and 30th September 2021. Principal will be repaid in 37 stepped up monthly installments starting from August 2021 till August 2024. Markup will be accrued and will be serviced in 12 equal monthly installments, starting from September 2024. Effective markup rate applicable will be 3 Month KIBOR + 85 bps. The mark up charged during the period on the outstanding balance ranged from 11.39% to 16.01% (2021: 8.14% to 8.63%) per annum. The facility is secured against 1st joint pari passu charge on present and future current and fixed assets excluding building of the Company for Rs. 534 million and right to set off on collection account.

	Note	September 30 2022 (Un-audited)	December 31 2021 (Audited)
		--------------(Rupees in '000)--------------	
9.2 Bank Islami Pakistan Limited			
Opening balance		81,308	-
Transfer from running finance		-	81,308
Repayments		(14,501)	-
		66,807	81,308
Less: Current and overdue portion		(4,393)	(18,068)
		62,414	63,240
Add: Deferred markup	9.2.1	52,496	46,015
Less: Discounting of deferred markup	9.2.2	(9,930)	(10,219)
		42,566	35,796
		104,980	99,036
9.2.1 Reconciliation of deferred markup is as follows:			
Opening balance		46,015	-
Add: Deferred markup during the period/year		6,481	46,015
		52,496	46,015
9.2.2 Reconciliation is as follows:			
Opening balance		10,219	-
Add: Discounting impact of deferred markup		907	12,456
		11,126	12,456
Less: Unwinding impact of discounted deferred markup		(1,196)	(2,237)
		9,930	10,219

This represents balance transferred as a result of restructuring of short term running finance (RF) facility to Term Loan Facility. Principal will be repaid in 29 installments starting from Feb 2022 till May 2026. Markup will be accrued and will be serviced in 24 monthly installments, starting from June 01, 2024. Effective markup rate applicable will be 6 Month KIBOR (Floor 7.5% and capping 17%). The mark up charged during the period on the outstanding balance ranged from 7.65% to 15.87% (2021: 7.50% to 7.65%). The facility is secured against 1st joint pari passu charge on present and future current and fixed assets excluding building of the Company for Rs. 880 million and Pledge of shares of listed companies in CDC account of the company along with Mortgage over the Company's Offices at Ali Tower MM Alam Road Lahore and at The Plaza Shoping Mall Kehkashan Karachi.

Note 10
Sponsor's Loan

	Note	September 30 2022 (Un-audited)	December 31 2021 (Audited)
		--------------(Rupees in '000)--------------	
Sponsor's Loan - unsecured			
- Interest bearing	10.1	689,850	533,850
- Non-interest bearing	10.2	1,415,597	1,143,030
		2,105,447	1,676,880
10.1 Opening balance		533,850	482,400
Exchange loss		156,000	51,450
		689,850	533,850

This represents USD denominated loan obtained from Worldcall Services (Private) Limited, the Parent Company. It carries mark up at 12 months KIBOR plus 1%. The mark up rate charged during the period on the outstanding balance is 12.79% (2021: 8.67%) per annum. The amount is not payable before December 31, 2022.

10.2 This represents interest free loan obtained from Worldcall Services (Private) Limited, the Parent Company. The amount is not payable before December 31, 2022.

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

	September 30 2022	December 31 2021
Opening balance	1,289,338	978,084
Less: Net receipts /(Payments) during the period/year	318,545	311,254
Amount of loan	1,607,883	1,289,338
Adjustment due to impact of IFRS 9:		
Discounting	(192,286)	(146,308)
	(192,286)	(146,308)
	1,415,597	1,143,030

Note 11
Lease Liabilities

	September 30 2022	December 31 2021
	Un-audited	Audited
	--------------(Rupees in '000)--------------	
Opening balance	314,666	275,931
Add: Additions during the period/year	-	164,509
Add: Interest expense	16,404	42,310
Less: Termination of lease agreement	-	(121,467)
Less: Lease payments	(16,154)	(46,617)
Gross liability	314,916	314,666
Less: Current and overdue portion	(119,811)	(119,650)
Closing balance	195,105	195,016

10.1 Nature of leasing activities

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

Lease terms, and the remaining lease terms at the date of initial application, vary. Remaining lease term of existing lease contracts for which lease liability is booked ranges from 2 to 15 years.

Note 12
Short Term Borrowings

	Note	September 30 2022	December 31 2021
		Un-audited	Audited
	Note	--------------(Rupees in '000)--------------	
Banking companies (secured - interest bearing):			
- Running finances	12.1	332,834	345,756
Related parties (unsecured - interest free):			
- Ferret Consulting F.Z.C.	12.2	85,232	66,156
		418,066	411,912

12.1 Short term running finance facilities available from commercial banks under mark up arrangements amount to Rs. 345.756 million (2021: Rs. 345.756 million). Running finance facilities are available at mark up rate of KIBOR plus 1.5% to 2.0% per annum (2021: KIBOR plus 1.5% to 2.0% per annum), payable quarterly, on the balance outstanding. The mark up charged during the period on outstanding balances ranged from 11.94% to 17.60% (2021: 8.79% to 11.51%) per annum, effectively. As of reporting date Company is in negotiations with Lenders for restructuring of its short term liabilities into long terms. One of the Lender i.e. Askari Bank Limited has filled a legal suit for recovery of its outstanding loan.

12.2 This represents interest free USD denominated loan received from M/s Ferret Consulting - F.Z.C to meet working capital requirements. The accumulated balance as at reporting date is USD 370,656 (2021: USD 371,770). In the absence of written agreement, the amount is repayable on demand.

12.3 Guarantees
Of the aggregate facilities of Rs. 408.111 million (2021: Rs. 418.162 million) for guarantees, the amount utilized as at Sep 30, 2022 was Rs. 334.461 million (2021: Rs. 353.761 million).

12.4 The facilities in note 12.1 are secured against first pari passu hypothecation charge on all present and future current and fixed assets excluding building, WLL / LDI receivables, first joint pari passu hypothecation charge over all present and future current and fixed assets of the Company with security margin over the facility amount, pledge of shares of listed companies in CDC account of the Company, Margin over cash deposit of Rs. 34.563 million, RF under Lien of Rs. 3.5 million, first exclusive assignment of all present and future receivables of LDI business arm of the Company, collection accounts with Bank for routing of LDI receivables, counter guarantee of the Company, equitable mortgage over the property of office # 302, 303, 304, 3rd Floor, the Plaza on Plot # G-7, Block-9, KDA Scheme # 5, Kehkashan Clifton, Karachi and equitable mortgage over the property of office # 07, 08, 09 situated on 1st Floor, Ali Tower, MM Alam Road, Gulberg III.

Note 13

Contingencies and Commitments

Contingencies

'There is no significant change in the status of contingencies from the preceding annual financial statements of the Company for the year ended December 31, 2021 except following:

13.1 The Company acquired Indefeasible Right to Use ("IRU") of media and related Operations and Maintenance Services ("O&M") from one of the Company's suppliers through an agreement entered in August 2011. An agreement between the parties was reached in April 2015 for the payment against O&M services whereby it was decided that monthly payments in respect of O&M will be made by the Company and other deliverables under IRU agreement shall be mutually agreed by June 30, 2016. However, the supplier illegally and violating the terms for the Agreement, disconnected its services to the Company and filed a Civil Suit before the Sindh High Court in October 2016 for recovery of dues amounting to USD 7.03 million equivalent to Rs. 1.09 billion along with mark up @ 15% amounting to USD 1.58 million equivalent to Rs. 245.453 million, allegedly due under the stated agreement. The subject suit is pending adjudication.
The management believes that supplier's claim is invalid since it relates to the un-utilized future period and for the media which has never been provisioned as required under the Agreement and the supplier is/was under contractual obligation to provide (media) to the Company. That, a net sum of USD 2.977 million is due and payable by Supplier to the Company, in respect of reimbursement and refund obligation under and pursuant to the IRU Contract. The net sum is calculated on the basis of actual utilization of the capacity calculated on pro rata basis hence the Company was/is entitled to and Supplier was/is liable to refund USD 2.977 million within 90 days of the termination of the IRU instead of claiming USD 7.03 million. The subject media / services have never been provisioned therefore the Supplier is not entitled to claim any amount for media or services. As the Company holds an indefeasible right to use the supplier's media for the contract duration of 15 years, early and unilateral termination of services by supplier, amounts to a breach.

Under these circumstances, the Company under the express contractual rights have claimed the amounts pertaining to (i) media which has yet not been delivered, and (ii) un-utilized future period on a prorata basis, as required under the terms and conditions of the Agreement. Moreover, the Supplier is also liable to make payments to the Company on account of different services received from the Company. The Company has filed an application before SHC in January 2017 under section 34 of the Arbitration Act, 1940 to refer the matter to Arbitrator as per the dispute resolution mechanism provided in the agreement dated 2011.

During 2019, the supplier has signed an MoU with the Company undertaking to withdraw all legal cases which has completed in August 2022 and both parties have withdrawn their respective cases.

		September 30 2022	December 31 2021
		(Un-audited)	(Audited)
		--------------(Rupees in '000)--------------	
13.2	Outstanding guarantees and letters of credit	344,461	353,761
13.3	Commitments in respect of capital expenditure	8,315	9,696

Note 14
Property, Plant and Equipment

	Note	September 30 2022 (Un-audited)	December 31 2021 (Audited)
		--------------(Rupees in '000)--------------	
Operating fixed assets	14.1	5,387,602	5,781,122
Capital work-in-progress		16,397	12,907
		5,403,999	5,794,029

14.1 Operating fixed assets

	Note	September 30 2022	December 31 2021
Opening book value		5,781,122	6,193,323
Additions during the period/year	14.1.1	15,685	40,312
		5,796,807	6,233,635
Disposals (at book value) for the period/year	14.1.2	(100,068)	(40,328)
Depreciation charged during the period/year		(309,137)	(412,185)
Closing book value		5,387,602	5,781,122

14.1.1 Detail of additions

	September 30 2022	December 31 2021
Leasehold improvements	5,991	11,858
Plant and equipment	5,837	23,035
Office equipment	1,296	3,207
Furniture and fixtures	663	612
Computers	1,898	1,600
	15,685	40,312

14.1.2 Book values of assets disposed off

	September 30 2022	December 31 2021
Plant and equipment	100,000	40,328
Computers	68	-
	100,068	40,328

Note 15
Right of use assets

	September 30 2022 (Un-audited)	December 31 2021 (Audited)
	--------------(Rupees in '000)--------------	
Opening balance	3,694,104	3,680,465
Add: Additions during the period/year	-	364,337
Add: Revaluation Surplus during the period/year	-	-
Add: Lease termination	-	(92,056)
Less: Depreciation charge for the period/year	(207,066)	(258,642)
Adjustment/reclassification		
Closing balance	3,487,038	3,694,104
Lease Term (Years)	**2 to 13**	**2 to 14**

15.1 Depreciation on right-of-use assets has been allocated to depreciation and amortization on face of the statement of profit or loss.

15.2 There are no variable lease payments in the lease contracts. There were no leases with residual value guarantees or leases not yet commenced to which the Company is committed.

Note 16
Long Term Investment

	September 30 2022	December 31 2021
	(Un-audited)	**(Audited)**
	--------------(Rupees in '000)--------------	
Wholly owned subsidiary Company - at cost [unquoted]		
Route 1 Digital (Private) Limited		
30,000 (December 31, 2021: 30,000) ordinary shares of Rs. 100 each, equity held 100% (December 31, 2020: 100%)	-	-

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

Due to continuous losses the net assets of the subsidiary became negative. Based on negative net assets and subsidiaries inability to implement the business plan the management of the Company charged impairment of Rs. 50 Million in 2021.

Note 17
Deferred Taxation

	September 30 2022	December 31 2021
	(Un-audited)	**(Audited)**
	--------------(Rupees in '000)--------------	
Asset for deferred taxation comprising temporary differences related to:		
-Unused tax losses	3,394,609	3,425,035
-Provision for doubtful debts	863,367	871,647
-Post employment benefits	61,193	56,190
-Provision for stores and spares & stock-in-trade	1,161	1,173
-Provision for doubtful advances and other receivables	82,129	82,979
Liability for deferred taxation comprising temporary differences related to:		
-Surplus on revaluation of assets	(2,027,424)	(2,067,380)
	2,375,035	2,369,644

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

Note 18
Revenue

		Nine months ended September	
		2022	**2021**
		(Un-audited)	**(Un-audited)**
		---------------(Rupees in 000-------------	
Telecom		**1,100,520**	1,289,075
Broadband	18.1	**592,357**	497,363
Other		**1,693**	4,246
Gross revenue		**1,694,570**	1,790,684
Less: Sales tax		**(21,855)**	(69,263)
Less: Discount		**(741)**	(2,166)
		1,671,974	1,719,255

18.1 This includes revenue amounting to Rs. 400 million (2021: Rs. 199 million) in respect of agreements for Indefeasible Right of Use of metro duct/fiber. The agreements grant both parties to the agreements IRU for 25 years (2021: 20 years).

Note 19

Cash Used in Operations

	September 30 2022 (Un-audited)	September 30 2021 (Un-audited)
	-------------(Rupees in '000)-------------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,219,104)	(832,985)
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	309,137	334,504
- Amortization on intangible assets	303,699	292,092
- Amortization of right of use assets	207,066	195,715
- (Gain) / Loss on disposal of property, plant and equipment	-	(46,995)
- Gian on lease termination	-	(29,410)
- Revenue from IRU agreement	-	(199,828)
- Disposal of fiber under IRU arrangement	100,000	-
- Liabilities written back on settlement with parties	(1,600)	(94,817)
- Post employment benefits	30,484	31,456
- Adjustment due to impact of IFRS 9	-	(12,853)
- Income on deposits, advances and savings accounts	(1,117)	(19,923)
- Exchange gain/(loss) on foreign currency loan	156,000	(7,500)
- Exchange (gain)/loss on foreign currency accrued markup	14,445	-
- Exchange (gain)/loss on foreign currency balances - net	61,428	40,970
- Imputed interest on lease liability	16,404	31,326
- Unwinding impact of liabilities under IFRS 9	39,642	43,628
- Finance cost	235,151	159,124
	1,470,739	717,489
Operating loss before working capital changes	251,635	(115,496)
(Increase) / decrease in current assets		
- Stores and spares	(2,586)	(135)
- Stock-in-trade	(1,457)	-
- Trade debts	(234,023)	72,127
- Loans and advances	(16,225)	26,060
- Deposits and prepayments	13,412	(4,572)
- Short term investment	-	-
- Other receivables	(19,330)	(16,512)
Increase / (decrease) in current liabilities		
- Unearned revenue	-	80,474
- Trade and other payables	(132,872)	(143,166)
	(393,081)	14,276
Cash used in operations	(141,446)	(101,220)

Note 20

Transaction with Related Parties

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

Transactions during the period with local companies

Related party	Relationship	Nature of transaction	Nine months ended September 30, 2022 (Un-audited)	2021 (Un-audited)
			--------------(Rupees in '000)	--------------
Worldcall Services (Private) Limited	Parent Company	Funds received by the Company during the period	250,471	225,325
		Funds repaid by the Company during the period	(80,000)	(43,089)
		Expenses paid during the year	(2,405)	(2)
		Settlement with multimedia	36,008	37,363
		Markup on long term borrowings	65,485	32,287
		Adjustments	114,469	-
		Exchange (gain)/loss on markup	28,647	(72)
		Exchange (gain)/loss on loan	156,000	30,450
Route 1 Digital (Private) Limited	Wholly Owned Subsidiary	Interest charged during the period	1,626	588
		Expenses borne on behalf of subsidiary	822	1,162

Related party	Relationship	Nature of transaction	Nine months ended September 30, 2022 (Un-audited)	2021 (Un-audited)
			--------------(Rupees in '000)	--------------
Worldcall Cable (Private) Limited	Associate	Interest charged during the period	197	76
Worldcall Ride Hail (Private) Limited	Associate	Expenses borne on behalf of associate	(1)	-
		Interest charged during the period	2	1
Key management personnel	Associated persons	Salaries and employees benefits	67,944	61,686
		Advances against expenses disbursed / (adjusted) - net	44	886

Transactions during the period/year with foreign companies

Related party	Relationship	Nature of transaction	2022	2021
Ferret Consulting - F.Z.C	Associate	Exchange (Gain)/loss	19,424	3,195
		Adjustment with third party	934	4,675
		Direct Cost - IT Service	2,160	-
		Expenses Charged during the period	1,574	1,709

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

Outstanding Balance as at the period/year end

		September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
		--------------(Rupees in '000)	--------------
Worldcall Services (Private) Limited	Sponsor's loan	2,105,447	1,676,880
	Accrued markup	76,571	67,618
Ferret Consulting - F.Z.C	Dividend on CPS	229,383	375,421
	Short term borrowings	85,232	66,156
Route 1 Digital (Private) Limited	Other receivables	21,529	19,081
Worldcall Ride Hail (Private) Limited	Other receivables	20	19
Worldcall Cable (Private) Limited	Other receivables	2,613	2,416
Key management	Payable against expenses, salaries and other employee benefits	183,979	179,773
	Advance against expenses	12,889	12,845

Note 21

Financial Risk Management

21.1 Financial risk factors

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

The condensed interim financial statements (un-audited) do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2021.

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

21.2 Fair value estimation

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

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

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

The following table presents the Company's assets and liabilities that are measured at fair value at September 30, 2022:

	Level 1	Level 2	Level 3	Total
		Rupees in '000		
Assets				
Short-term investments	**41,812**	**-**	**-**	**41,812**

The following table presents the Company's assets and liabilities that are measured at fair value at December 31, 2021:

	Level 1	Level 2	Level 3	Total
		Rupees in '000		
Assets				
Short-term investments	**54,340**	**-**	**-**	**54,340**

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

Note 22

Segment Information

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

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

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

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

Note 23

Date of Authorization for Issue

These condensed interim financial statements (un-audited) were approved and authorized for issue on 09 January, 2023 by the Board of Directors of the Company.

Note 24

Corresponding Figures

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

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

QUARTERLY REPORT 2022

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2022

	Note	September 30 2022 Un-audited	December 31 2021 Audited
		-----------(Rupees in '000)-----------	
SHARE CAPITAL AND RESERVES			
Authorized share capital		29,000,000	29,000,000
Ordinary share capital	5	13,136,257	12,495,571
Preference share capital	6	1,185,479	1,576,870
Dividend on preference shares	7	425,652	571,600
Capital reserves		241,445	353,853
Accumulated loss		(15,072,942)	(14,041,887)
Surplus on revaluation of fixed assets		1,821,001	2,027,672
		1,736,892	2,983,679
NON-CURRENT LIABILITIES			
Term finance certificates	8	988,522	1,204,445
Long term financing	9	178,347	182,264
Sponsor's loan	10	2,105,447	1,676,880
License fee payable		45,513	45,513
Post employment benefits		213,295	193,756
Long term deposit		98,932	93,215
Lease liabilities	11	195,105	195,016
		3,825,161	3,591,089
CURRENT LIABILITIES			
Trade and other payables		6,260,715	6,008,434
Unearned revenue		-	-
Accrued mark up		612,579	415,372
Current and overdue portion of non-current liabilities		1,011,114	842,866
Short term borrowings	12	418,066	411,912
Unclaimed dividend		1,807	1,807
Provision for taxation - net		359,599	344,404
		8,663,880	8,024,795
Contingencies and Commitments	13	-	-
TOTAL EQUITY AND LIABILITIES		14,225,933	14,599,563
NON-CURRENT ASSETS			
Property, plant and equipment	14	5,405,521	5,795,977
Right of use assets	15	3,487,038	3,694,104
Intangible assets		693,792	997,491
Investment properties		51,218	51,218
Long term investment		-	-
Long term trade receivable		-	-
Deferred taxation	16	2,375,035	2,369,644
Long term loans		-	-
Long term deposits		10,953	10,735
		12,023,557	12,919,169
CURRENT ASSETS			
Stores and spares		32,941	30,355
Stock-in-trade		210,858	209,401
Trade debts		974,907	456,849
Loans and advances		267,832	251,608
Deposits and prepayments		541,284	554,696
Short term investments		41,812	54,340
Other receivables		106,803	89,921
Cash and bank balances		25,939	33,224
		2,202,376	1,680,394
TOTAL ASSETS		14,225,933	14,599,563

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

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2022

		Nine months ended Sep 30,		Quarter ended Sep 30,	
		2022	2021	**2022**	2021
	Note	--------------(Rupees in '000)--------------			
Revenue	17	1,671,974	1,719,255	633,028	399,604
Direct costs excluding depreciation and amortization		(1,284,923)	(1,353,439)	(592,422)	(377,340)
Operating costs		(325,513)	(317,852)	(97,065)	(111,701)
Other (expense)/income		(173,053)	174,550	(88,931)	(2,071)
(Loss)/Profit before Interest, Taxation, Depreciation and Amortization		(111,515)	222,514	(145,390)	(91,508)
Depreciation and amortization		(820,327)	(822,737)	(273,442)	(255,802)
Finance cost		(291,197)	(234,078)	(105,539)	(81,666)
Loss before Taxation		(1,223,039)	(834,301)	(524,371)	(428,976)
Taxation		(14,687)	(23,825)	(7,091)	(999)
Net Loss for the Period		(1,237,726)	(858,126)	(531,462)	(429,975)
Loss per Share - basic (Rupees)		(0.28)	(0.31)	(0.12)	(0.04)
Loss per Share - diluted (Rupees)		(0.28)	(0.31)	(0.12)	(0.04)

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

Chief Executive Officer | Director | Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2022

	Nine months ended Sep 30,		Quarter ended Sep 30,	
	2022	2021	**2022**	2021
	--------------(Rupees in '000)-------------			
Net loss for the Period	(1,237,726)	(858,126)	(531,462)	(429,975)
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
- Changes in fair value of financial assets through other comprehensive income - net of tax	(9,061)	13,144	13,144	(27,145)
Item that may be subsequently reclassified to profit or loss:	-	-	-	-
Other Comprehensive (loss)/Income - net of tax	(9,061)	13,144	13,144	(27,145)
Total Comprehensive loss for the Period - net of tax	(1,246,787)	(844,982)	(518,318)	(457,120)

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

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

Particulars	Ordinary Share Capital	Preference Share Capital	Dividend on Preference Shares	Capital Reserves			Revenue Reserve (Accumulated Loss)	Surplus on Revaluation of Fixed Assets	Total
				Fair Value Reserve	Exchange Translation Reserve	Total Capital Reserves			
				(Rupees in '000)					
Balance as at December 31, 2020	11,863,206	1,963,178	715,652	(13,215)	462,766	449,551	(12,820,619)	2,318,768	4,489,736
Net loss for the year	-	-	-	-	-	-	(858,126)	-	(858,126)
Other comprehensive income for the period - net of tax	-	-	-	13,144	-	13,144	-	-	13,144
Total comprehensive income for the period - net of tax	-	-	-	13,144	-	13,144	(858,126)	-	(844,982)
Adjustment of Suplus on retirement of intangible assets	-	-	-	-	-	-		-	-
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	137,780	(137,780)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(15,430)	(15,430)
Conversion of preference shares and dividend thereon	5,297,338	(386,308)	(144,052)	-	(102,005)	(102,005)	-	-	4,664,973
Discount on issuance of ordinary shares	(4,664,973)	-	-	-	-	-	-	-	(4,664,973)
Total transactions with owners, recognized directly in equity	632,365	(386,308)	(144,052)	-	(102,005)	(102,005)	-	-	-
Balance as at September 30, 2021	12,495,571	1,576,870	571,600	(71)	360,761	360,690	(13,540,965)	2,165,558	3,629,323
Net loss for the year	-	-	-	-	-	-	(648,230)	-	(648,230)
Other comprehensive income for the period - net of tax	-	-	-	(6,837)	-	(6,837)	9,526	-	2,689
Total comprehensive income for the period - net of tax	-	-	-	(6,837)	-	(6,837)	(638,704)	-	(645,540)
Adjustment of Suplus on retirement of intangible assets	-	-	-	-	-	-		-	-
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	137,782	(137,782)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(104)	(104)
Conversion of preference shares and dividend thereon	-	-	-	-	-	-	-	-	-
Discount on issuance of ordinary shares	-	-	-	-	-	-	-	-	-
Total transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2021	12,495,571	1,576,870	571,600	(6,908)	360,761	353,853	(14,041,887)	2,027,672	2,983,679
Net profit for the period	-	-	-	-	-	-	(1,237,726)	-	(1,237,726)
Other comprehensive income for the period - net of tax	-	-	-	(9,061)	-	(9,061)	-	-	(9,061)
Total comprehensive income for the period - net of tax	-	-	-	(9,061)	-	(9,061)	(1,237,726)	-	(1,246,787)
Adjustment of Suplus on retirement of intangible assets	-	-	-	-	-	-	-	-	-
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	206,671	(206,671)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	-	-
Conversion of preference shares and dividend thereon	5,367,041	(391,391)	(145,948)	-	(103,347)	(103,347)	-	-	4,726,355
Discount on issuance of ordinary shares	(4,726,355)	-	-	-	-	-	-	-	(4,726,355)
Total transactions with owners, recognized directly in equity	640,686	(391,391)	(145,948)	-	(103,347)	(103,347)	-	-	-
Balance as at September 30, 2022	13,136,257	1,185,479	425,652	(15,969)	257,414	241,445	(15,072,942)	1,821,001	1,736,892

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

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Note	September 30 2022	September 30 2021
		--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	18	(141,445)	(101,219)
Increase / (Decrease) in non-current liabilities:			
- Long term deposit		1,944	1,795
Decrease / (Increase) in non-current assets:			
- Long term deposits		(218)	(15)
		(218)	(15)
		(139,719)	(99,439)
Post employment benefits paid		(10,945)	(19,559)
Finance cost paid		(41,013)	(13,541)
Income tax paid		(5,706)	(14,456)
Net Cash used in Operating Activities		(197,383)	(146,995)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(15,685)	(69,775)
Short term investments		3,467	-
Income on deposit and savings accounts		1,117	19,923
Proceeds from disposal of property, plant and equipment		-	57,603
Net Cash (Used in)/ Generated from Investing Activities		(11,101)	7,751
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of term finance certificates		(72,968)	-
Repayment of long term financing		(23,865)	(11,338)
Sponsor's loan		318,544	158,825
Short term borrowings - net		(4,358)	29,449
Repayment of lease liability		(16,154)	(36,351)
Net Cash Generated from Financing Activities		201,199	140,585
Net (Decrease)/Increase in Cash and Cash Equivalents		(7,285)	1,341
Cash and cash equivalents at the beginning of the year		33,224	56,457
Cash and Cash Equivalents at the End of the Year		25,939	57,798

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

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

Note 1
The Group and its Operations

The Group is structured as follows:
- Worldcall Telecom Limited is the Parent Company of Route 1 Digital (Private) Limited (refer to note 1.1)
- Route 1 Digital (Private) Limited is the subsidiary. The subsidiary is wholly owned by the Parent with 100% shareholding of the Parent Company in the subsidiary.

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

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

Note 2
Basis of Preparation

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

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

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

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

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

2.3 These condensed interim financial statements are unaudited.

2.4 These condensed interim financial statements (un-audited) do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2021. Selected explanatory notes are included to explain events and transactions that are significant to understanding of the changes in the Group's financial statements since the last financial statements.

2.5 These condensed interim financial statements (un-audited) should be read in conjunction with annual audited financial statements for the year ended December 31, 2021. Comparative statement of financial position is extracted from annual audited financial statements for the year ended December 31, 2021 whereas comparative statement of profit or loss, comparative statement of comprehensive income, comparative statement of changes in equity and comparative statement of cash flows are extracted from unaudited condensed interim financial statements for the half year ended September 30, 2021.

2.6 These condensed interim (un-audited) financial statements are presented in Pak Rupees, which is the Group's functional and presentational currency. All the figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

2.7 Going concern assumption

2.7.1 The Group has incurred a loss after taxation of Rs. 1,237.726 million during the period ended September 30, 2022 (September 2021: Rs. 858.126 million) which includes the impact of write back of liabilities for nil (September 30, 2021: Rs. 94.817 million). As at September 30, 2022, the accumulated loss of the Group stands at Rs. 15,072.942 million (December 31, 2021: Rs. 14,041.887 million) and its current liabilities exceed its current assets by Rs. 6,461.504 million (December 31, 2021: Rs. 6,344.401 million). These conditions, along with the other factors like declining revenue and contingencies and commitments as mentioned in note 13, indicate the existence of material uncertainties that cast significant doubt about the Group's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

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

2.7.2 Net Liabilities Position - Risk Mitigation

As mentioned above, there is a net current liability position of approximately Rs. 6.462 billion as on the reporting date, which has the following major components:

Description	Note	Rs in million
Short term Borrowings	2.7.2.1	418
Pakistan Telecommunication Authority (PTA)	2.7.2.2	2,346
Claims of Parties Challenged	2.7.2.3	957
Continuing business partners	2.7.2.4	19
Provision for taxation	2.7.2.5	360
		4,100

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

2.7.2.1 The management of the Group is in negotiation with banks for restructuring of its running finance facilities amounting Rs. 332.834 million and is confident that these will be rolled over on favorable terms with no immediate cash outflow. Moreover, it also include funds obtained from sponsor / related parties to the tune of Rs. 85.232 Million.

2.7.2.2 Liabilities towards PTA as incorporated in these financial statements stand at approximately Rs. 2.346 billion which are not immediately payable owing to non-fulfillment of certain conditions relating to the demand of such amounts. These conditions relate to the industry circumstances and Court Orders.

2.7.2.3 This amount represents the amounts owed to certain parties whose claims have been challenged by the Group in various judicial forums for the breach and non-performance of their contractual obligations. Based on the merits of Group's position, the management believes that such amounts may not be immediately payable under the circumstances.

2.7.2.4 The amount payable to creditors amounting Rs. 19.046 million represents routine trade credits extended by regular parties and these balances are of revolving nature. Thus, no immediate net cash outlay would be required.

2.7.2.5 The Group does not anticipate cash outlays on account of Provision for Taxation, since it has sufficient brought forward losses.

2.7.3 Continued Support from a Majority Shareholder

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

Note 3

Significant Accounting Policies

3.1 The Group's accounting and financial risk management policies and methods of computation adopted in the preparation of these condensed interim (un-audited) financial statements are the same as those applied in the preparation of preceding annual financial statements of the Group for the year ended December 31, 2021

3.2 Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 1, 2022, but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

Note 4

Significant Accounting Judgements and Estimates

The preparation of condensed interim (un-audited) financial statements in conformity with approved accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expense. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making the judgement about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing these condensed interim (un-audited) financial statements, the significant judgements made by the management in applying accounting policies and the key source of estimation were the same as those that were applied to the financial statements for the year ended December 31, 2021.

Note 5

Ordinary Share Capital

September 30 2022 (Un-audited)	December 31, 2021 (Audited)		Note	September 30 2022 (Un-audited)	December 31, 2021 (Audited)
No. of Shares				-------------(Rupees in '000)-------------	
344,000,000	344,000,000	Ordinary shares of Rs. 10 each fully paid in cash		3,440,000	3,440,000
309,965,789	309,965,789	Ordinary shares of Rs. 10 each issued in accordance with the scheme of merger		3,099,658	3,099,658
98,094,868	98,094,868	Ordinary shares of Rs. 10 each issued as fully paid bonus shares		980,949	980,949
108,510,856	108,510,856	Ordinary shares of Rs. 10 each issued against convertible loan		1,085,109	1,085,109
2,872,331,856	2,335,627,756	Ordinary shares of Rs. 10 each issued against convertible preference shares	5.1	28,723,319	23,356,278
				37,329,035	31,961,994
		Less: Discount on issue of shares	5.5	(24,192,778)	(19,466,423)
3,732,903,369	3,196,199,269			13,136,257	12,495,571

5.1 During the period, 38,500 (2021: 38,000) convertible preference shares and accumulated preference dividend thereon amounting to Rs. 145.948 million (2021: Rs. 144.052 million) have been converted into ordinary shares in accordance with the agreed terms and conditions detailed in Note 6.2.

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

5.3 Worldcall Services (Private) Limited, parent of the Company, holds 854,914,152 shares (2021: 854,914,152 shares) in the Company. Out of these shares, 46.7 million shares are pledged to secure TFC liability which will be released with quarterly scheduled principal repayments proportionately (refer to note 8).

5.4 Ferret Consulting F.Z.C., an associate of the Group, holds 313,128,042 shares (2021: 468,284,463 shares) in the Group.

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

	September 30 2022 (Un-audited)	December 31, 2021 (Audited)
	-------------(Rupees in '000)-------------	
Opening balance	19,466,423	14,801,449
Add: Discount on issuance of ordinary shares during the period/year	4,726,355	4,664,974
Closing balance	24,192,778	19,466,423

5.6 Reconciliation of ordinary share capital is as follows:

Opening balance	31,961,994	26,664,655
Add: Shares issued during the period/year	5,367,041	5,297,339
Closing balance	37,329,035	31,961,994

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

Note 6

Preference Share Capital

	Note	September 30 2022 (Un-audited)	December 31, 2021 (Audited)	September 30 2022 (Un-audited)	December 31, 2021 (Audited)
		--------No. of Shares--------		------------(Rupees in '000)------------	
Opening balance		155,700	193,700	1,576,870	1,963,178
Less: Preference shares converted into ordinary shares during the year	6.3	(38,500)	(38,000)	(391,391)	(386,308)
		117,200	155,700	1,185,479	1,576,870

6.1 These preference shares are US Dollars denominated, non-voting, cumulative and convertible preference shares ("CPS", or "preference shares") having a face value of USD 100 each.

6.2 The conversion option is exercisable by the holder at any time after the 1st anniversary of the issue date but not later than the 5th anniversary. On 5th anniversary, CPS will be mandatorily converted into ordinary shares. CPS shall be converted at the conversion ratio defined in the agreement at 10% discount on share price after first anniversary and thereby increased by 10% additional discount for each completed year of anniversary.

6.3 In accordance with the terms detailed in Note 6.2 above, certain preference shareholders have exercised conversion option. Thus, their CPS and accrued preference dividend thereon have been converted into ordinary shares as reflected in Note 5.1 and Note 6.2.

6.4 CPS holders are entitled to non-cash dividend which shall be calculated @ 5.9% per annum on each of the preference shares or the dividend declared by the Group for ordinary shareholders, whichever is higher till date of maturity.

6.5 Ferret Consulting F.Z.C., an associate of the Group, holds 64,700 preference shares (2021: 103,200 preference shares) in the Group.

6.6 Mandatory date of conversion of CPS has expired during 2018 however, in AGM held on September 30,2022 shareholders have passed special resolution whereby mandatory conversion date of convertible preference shares (CPS) is December 31, 2024.

6.7 The preference shareholders in an Extraordinary General Meeting held on January 4, 2019 and ordinary shareholders in annual general meeting held on April 30, 2019 have given their assent for the conversion of preference shares at nominal value of Rs. 10 each and for amendments in the Memorandum and Articles of Association of the Group. Resultantly, preference shares along with dividend accrued thereon shall be converted on any date from the mandatory conversion date, at par value of Rs. 10 each. However, the shares for which notices have been received before mandatory conversion date would be converted on the terms prevalent on the date of notice.

Note 7

Dividend on Preference Shares

	Note	September 30 2022	December 31, 2021
		--------------(Rupees in '000)--------------	
Dividends on preference shares	7.1	425,652	571,600

7.1 This represents accumulated dividend on preference shares which is not payable in cash rather it will be converted into ordinary shares as and when the preference shares are converted into ordinary shares.

7.2 During the period, cumulative preference dividend amounting to Rs. 145.948 million (2021: Rs. 144.052 million) was converted into ordinary shares as a result of conversion option exercised by certain preference shareholders in accordance with the terms and conditions given in Note 6.2 above.

Note 8

Term Finance Certificates

	Note	September 30 2022 (Un-audited)	December 31 2021 (Audited)
		--------------(Rupees in '000)--------------	
Opening balance		1,259,152	1,287,110
Less: Payments made during the period / year		(72,968)	(27,958)
		1,186,184	1,259,152
Less: Current and overdue portion		(509,028)	(432,016)
		677,156	827,136
Add: Deferred markup	8.1	311,366	377,309
Less: Payment during the period/year		-	-
		988,522	1,204,445

Term finance certificates (TFCs) have a face value of Rs. 5,000 per certificate. These TFCs carry mark up at the rate of six months average KIBOR plus 1.0% per annum (2021: six month average KIBOR plus 1.0% per annum), payable quarterly. The mark up rate charged during the period on the outstanding balance ranged from 8.76% to 17.10% (2021: 8.30% to 8.84%) per annum.

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

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

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

The other main terms included appointment of one representative as a nominee director nominated by the Trustee which has been complied with. Further, 175 million sponsor's shares are pledged for investors which will be released with quarterly scheduled principal repayments proportionately starting from June 2019. The pledged shares have not been released in proportion to the payments made during the year.

The Group has not paid due quarterly installments of June 2019 to September 2022 amounting Rs. 425.00 million. In case of failure to make due payments by the Group, Trustee can instruct the security agent to enforce the letter of pledge and sell the quantum of the pledged shares to generate the amount required for the settlement of the outstanding redemption amount.

Last year due to non-payment of due instalments, Trustee enforced the letter of pledge and called 128.2 million shares from sponsors account out of which 13.6 million shares were sold for the amount of Rs. 45.9 million (Rs. 27.9 million settled against principal and Rs. 17.9 million against accrued mark-up) during the year. After sale remaining number of shares held by trustees and pledged are 161.3 million shares.
This Year in January 2022 Trustee has sold 24.63 million shares for the amount of Rs. 56.26 million (Rs. 36.47 million settled against principal and Rs. 19.79 million against accrued mark-up) and in February 2022 Trustee has sold further 25.75 million shares for the amount of Rs. 57.36 million (Rs. 34.82 million settled against principal and Rs. 22.54 million against accrued mark-up) to recover o/s installments of June 2019, September 2019 and Dec 2019.

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

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

		Note	September 30 2022 (Un-audited)	December 31 2021 (Audited)
8.1	**Deferred markup**		--------------(Rupees in '000)--------------	
	Deferred markup	8.1.1	746,494	746,494
	Adjustment due to impact of IFRS 9	8.1.2	(84,659)	(116,085)
			661,835	630,409
	Less: Current portion		(350,469)	(253,100)
			311,366	377,309
8.1.1	Reconciliation of deferred markup is as follows:			
	Opening balance		746,494	746,494
	Add: Markup deferred during the period/year		-	-
			746,494	746,494

		September 30 2022 (Un-audited)	December 31 2021 (Audited)
		--------------(Rupees in '000)--------------	
8.1.2	Reconciliation is as follows:		
	Opening balance	116,085	156,621
	Add: Discounting impact of deferred markup	-	-
		116,085	156,621
	Less: Unwinding impact of discounted deferred markup	(31,426)	(40,536)
		84,659	116,085

Note 9

Long Term Financing

	Note	September 30 2022 (Un-audited)	December 31 2020 (Audited)
		--------------(Rupees in '000)--------------	
From Banking Companies (secured)			
Allied Bank Limited	9.1	73,367	83,228
Bank Islami Limited	9.2	104,980	99,036
		178,347	182,264

9.1	**Allied Bank Limited**		
	Opening balance	75,476	91,509
	Transfer from running finance	-	-
	Repayments	(9,364)	(16,033)
		66,112	75,476
	Less: Current and overdue portion	(27,414)	(20,032)
		38,698	55,444
	Add: Deferred markup	39,470	32,630
	Less: Discounting of deferred markup	(4,801)	(4,846)
		34,669	27,784
		73,367	83,228
9.1.1	Reconciliation of deferred markup is as follows:		
	Opening balance	32,630	25,647
	Add: Markup deferred during the period/year	6,840	6,983
		39,470	32,630
9.1.2	Reconciliation is as follows:		
	Opening balance	4,846	4,612
	Add: Discounting impact of deferred markup	1,257	1,636
		6,103	6,248
	Less: Unwinding impact of discounted deferred markup	(1,302)	(1,402)
		4,801	4,846

This represents balance transferred as a result of restructuring of short term running finance (RF) facility to Term Loan Facility and subsequently amended on 8th October 2020 and 30th September 2021. Principal will be repaid in 37 stepped up monthly installments starting from August 2021 till August 2024. Markup will be accrued and will be serviced in 12 equal monthly installments, starting from September 2024. Effective markup rate applicable will be 3 Month KIBOR + 85 bps. The mark up charged during the period on the outstanding balance ranged from 11.39% to 16.01% (2021: 8.14% to 8.63%) per annum. The facility is secured against 1st joint pari passu charge on present and future current and fixed assets excluding building of the Group for Rs. 534 million and right to set off on collection account.

		Note	September 30 2022 (Un-audited)	December 31 2021 (Audited)
			--------------(Rupees in '000)--------------	
9.2	**Bank Islami Pakistan Limited**			
	Opening balance		81,308	-
	Transfer from running finance		-	81,308
	Repayments		(14,501)	-
			66,807	81,308
	Less: Current and overdue portion		(4,393)	(18,068)
			62,414	63,240
	Add: Deferred markup	9.2.1	52,496	46,015
	Less: Discounting of deferred markup	9.2.2	(9,930)	(10,219)
			42,566	35,796
			104,980	99,036
9.2.1	Reconciliation of deferred markup is as follows:			
	Opening balance		46,015	-
	Add: Deferred markup during the period/year		6,481	46,015
			52,496	46,015
9.2.2	Reconciliation is as follows:			
	Opening balance		10,219	-
	Add: Discounting impact of deferred markup		907	12,456
			11,126	12,456
	Less: Unwinding impact of discounted deferred markup		(1,196)	(2,237)
			9,930	10,219

This represents balance transferred as a result of restructuring of short term running finance (RF) facility to Term Loan Facility. Principal will be repaid in 29 installments starting from Feb 2022 till May 2026. Markup will be accrued and will be serviced in 24 monthly installments, starting from June 01, 2024. Effective markup rate applicable will be 6 Month KIBOR (Floor 7.5% and capping 17%). The mark up charged during the period on the outstanding balance ranged from 7.65% to 15.87% (2021: 7.50% to 7.65%). The facility is secured against 1st joint pari passu charge on present and future current and fixed assets excluding building of the Group for Rs. 880 million and Pledge of shares of listed companies in CDC account of the Group along with Mortgage over the Group's Offices at Ali Tower MM Alam Road Lahore and at The Plaza Shoping Mall Kehkashan Karachi.

Note 10

Sponsor's Loan

		Note	September 30 2022 (Un-audited)	December 31 2021 (Audited)
			--------------(Rupees in '000)--------------	
Sponsor's Loan - unsecured				
- Interest bearing		10.1	689,850	533,850
- Non-interest bearing		10.2	1,415,597	1,143,030
			2,105,447	1,676,880
10.1	Opening balance		533,850	482,400
	Exchange loss		156,000	51,450
			689,850	533,850

This represents USD denominated loan obtained from Worldcall Services (Private) Limited, the Parent Company. It carries mark up at 12 months KIBOR plus 1%. The mark up rate charged during the period on the outstanding balance is 12.79% (2021: 8.67%) per annum. The amount is not payable before December 31, 2022.

10.2 This represents interest free loan obtained from Worldcall Services (Private) Limited, the Parent Company. The amount is not payable before December 31, 2022.

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

	September 30 2022	December 31 2021
Opening balance	1,289,338	978,084
Less: Net receipts /(Payments) during the period/year	318,545	311,254
Amount of loan	1,607,883	1,289,338
Adjustment due to impact of IFRS 9:		
Discounting	(192,286)	(146,308)
	(192,286)	(146,308)
	1,415,597	1,143,030

Note 11
Lease Liabilities

	September 30 2022	December 31 2021
	Un-audited	Audited
	--------------(Rupees in '000)--------------	
Opening balance	314,666	275,931
Add: Additions during the period/year	-	164,509
Add: Interest expense	16,404	42,310
Less: Termination of lease agreement	-	(121,467)
Less: Lease payments	(16,154)	(46,617)
Gross liability	314,916	314,666
Less: Current and overdue portion	(119,811)	(119,650)
Closing balance	195,105	195,016

10.1 Nature of leasing activities

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

Lease terms, and the remaining lease terms at the date of initial application, vary. Remaining lease term of existing lease contracts for which lease liability is booked ranges from 2 to 15 years.

Note 12
Short Term Borrowings

	Note	September 30 2022	December 31 2021
		Un-audited	Audited
	Note	--------------(Rupees in '000)--------------	
Banking companies (secured - interest bearing):			
- Running finances	12.1	332,834	345,756
Related parties (unsecured - interest free):			
- Ferret Consulting F.Z.C.	12.2	85,232	66,156
		418,066	411,912

12.1 Short term running finance facilities available from commercial banks under mark up arrangements amount to Rs. 345.756 million (2021: Rs. 345.756 million). Running finance facilities are available at mark up rate of KIBOR plus 1.5% to 2.0% per annum (2021: KIBOR plus 1.5% to 2.0% per annum), payable quarterly, on the balance outstanding. The mark up charged during the period on outstanding balances ranged from 11.94% to 17.60% (2021: 8.79% to 11.51%) per annum, effectively. As of reporting date Group is in negotiations with Lenders for restructuring of its short term liabilities into long terms. One of the Lender i.e. Askari Bank Limited has filled a legal suit for recovery of its outstanding loan.

12.2 This represents interest free USD denominated loan received from M/s Ferret Consulting - F.Z.C to meet working capital requirements. The accumulated balance as at reporting date is USD 370,656 (2021: USD 371,770). In the absence of written agreement, the amount is repayable on demand.

12.3 Guarantees

Of the aggregate facilities of Rs. 408.111 million (2021: Rs. 418.162 million) for guarantees, the amount utilized as at Sep 30, 2022 was Rs. 334.461 million (2021: Rs. 353.761 million).

12.4 The facilities in note 12.1 are secured against first pari passu hypothecation charge on all present and future current and fixed assets excluding building, WLL / LDI receivables, first joint pari passu hypothecation charge over all present and future current and fixed assets of the Group with security margin over the facility amount, pledge of shares of listed companies in CDC account of the Group, Margin over cash deposit of Rs. 34.563 million, RF under Lien of Rs. 3.5 million, first exclusive assignment of all present and future receivables of LDI business arm of the Group, collection accounts with Bank for routing of LDI receivables, counter guarantee of the Group, equitable mortgage over the property of office # 302, 303, 304, 3rd Floor, the Plaza on Plot # G-7, Block-9, KDA Scheme # 5, Kehkashan Clifton, Karachi and equitable mortgage over the property of office # 07, 08, 09 situated on 1st Floor, Ali Tower, MM Alam Road, Gulberg III, Lahore.

Note 13

Contingencies and Commitments

Contingencies

There is no significant change in the status of contingencies from the preceding annual financial statements of the Group for the year ended December 31, 2021 except following:

13.1 The Group acquired Indefeasible Right to Use ("IRU") of media and related Operations and Maintenance Services ("O&M") from one of the Group's suppliers through an agreement entered in August 2011. An agreement between the parties was reached in April 2015 for the payment against O&M services whereby it was decided that monthly payments in respect of O&M will be made by the Group and other deliverables under IRU agreement shall be mutually agreed by June 30, 2016. However, the supplier illegally and violating the terms for the Agreement, disconnected its services to the Group and filed a Civil Suit before the Sindh High Court in October 2016 for recovery of dues amounting to USD 7.03 million equivalent to Rs. 1.09 billion along with mark up @ 15% amounting to USD 1.58 million equivalent to Rs. 245.453 million, allegedly due under the stated agreement. The subject suit is pending adjudication.

The management believes that supplier's claim is invalid since it relates to the un-utilized future period and for the media which has never been provisioned as required under the Agreement and the supplier is/was under contractual obligation to provide (media) to the Group. That, a net sum of USD 2.977 million is due and payable by Supplier to the Group, in respect of reimbursement and refund obligation under and pursuant to the IRU Contract. The net sum is calculated on the basis of actual utilization of the capacity calculated on pro rata basis hence the Group was/is entitled to and Supplier was/is liable to refund USD 2.977 million within 90 days of the termination of the IRU instead of claiming USD 7.03 million. The subject media / services have never been provisioned therefore the Supplier is not entitled to claim any amount for media or services. As the Group holds an indefeasible right to use the supplier's media for the contract duration of 15 years, early and unilateral termination of services by supplier, amounts to a breach.

Under these circumstances, the Group under the express contractual rights have claimed the amounts pertaining to (i) media which has yet not been delivered, and (ii) un-utilized future period on a prorata basis, as required under the terms and conditions of the Agreement. Moreover, the Supplier is also liable to make payments to the Group on account of different services received from the Group. The Group has filed an application before SHC in January 2017 under section 34 of the Arbitration Act, 1940 to refer the matter to Arbitrator as per the dispute resolution mechanism provided in the agreement dated 2011.

During 2019, the supplier has signed an MoU with the Group undertaking to withdraw all legal cases which has completed in August 2022 and both parties have withdrawn their respective cases.

		September 30 2022	December 31 2021
		(Un-audited)	(Audited)
		--------------(Rupees in '000)--------------	
13.2	Outstanding guarantees and letters of credit	344,461	353,761
13.3	Commitments in respect of capital expenditure	8,315	9,696

Note 14
Property, Plant and Equipment

	Note	September 30 2022 (Un-audited)	December 31 2021 (Audited)
		--------------(Rupees in '000)--------------	
Operating fixed assets	14.1	5,389,124	5,783,070
Capital work-in-progress		16,397	12,907
		5,405,521	5,795,977

14.1 Operating fixed assets

	Note	September 30 2022	December 31 2021
Opening book value		5,783,070	6,195,839
Additions during the period/year	14.1.1	15,685	40,312
		5,798,755	6,236,151
Disposals (at book value) for the period/year	14.1.2	(100,068)	(40,328)
Depreciation charged during the period/year		(309,563)	(412,753)
Closing book value		5,389,124	5,783,070

14.1.1 Detail of additions

	September 30 2022	December 31 2021
Leasehold improvements	5,991	11,858
Plant and equipment	5,837	23,035
Office equipment	1,296	3,207
Furniture and fixtures	663	612
Computers	1,898	1,600
	15,685	40,312

14.1.2 Book values of assets disposed off

	September 30 2022	December 31 2021
Plant and equipment	100,000	40,328
Computers	68	-
	100,068	40,328

Note 15
Right of use assets

	September 30 2022 (Un-audited)	December 31 2021 (Audited)
	--------------(Rupees in '000)--------------	
Opening balance	3,694,104	3,680,465
Add: Additions during the period/year	-	364,337
Add: Revaluation Surplus during the period/year	-	-
Add: Lease termination	-	(92,056)
Less: Depreciation charge for the period/year	(207,066)	(258,642)
Adjustment/reclassification		
Closing balance	3,487,038	3,694,104
Lease Term (Years)	**2 to 13**	**2 to 14**

15.1 Depreciation on right-of-use assets has been allocated to depreciation and amortization on face of the statement of profit or loss.

15.2 There are no variable lease payments in the lease contracts. There were no leases with residual value guarantees or leases not yet commenced to which the Group is committed.

Note 16

Deferred Taxation

	September 30 2022 (Un-audited)	December 31 2021 (Audited)
	--------------(Rupees in '000)--------------	
Asset for deferred taxation comprising temporary differences related to:		
-Unused tax losses	3,394,609	3,425,035
-Provision for doubtful debts	863,367	871,647
-Post employment benefits	61,193	56,190
-Provision for stores and spares & stock-in-trade	1,161	1,173
-Provision for doubtful advances and other receivables	82,129	82,979
Liability for deferred taxation comprising temporary differences related to:		
-Surplus on revaluation of assets	(2,027,424)	(2,067,380)
	2,375,035	2,369,644

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

Note 17

Revenue

		Nine months ended September 2022 (Un-audited)	Nine months ended September 2021 (Un-audited)
		---------------(Rupees in 000-------------	
Telecom		**1,100,520**	1,289,075
Broadband	17.1	**592,357**	497,363
Other		**1,693**	4,246
Gross revenue		**1,694,570**	1,790,684
Less: Sales tax		**(21,855)**	(69,263)
Less: Discount		**(741)**	(2,166)
		1,671,974	1,719,255

17.1 This includes revenue amounting to Rs. 400 million (2021: Rs. 199 million) in respect of agreements for Indefeasible Right of Use of metro duct/fiber. The agreements grant both parties to the agreements IRU for 25 years (2021: 20 years).

Note 18

Cash Used in Operations

	September 30 2022 (Un-audited)	September 30 2021 **(Un-audited)**
	--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,223,039)	(834,301)
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	309,563	334,930
- Amortization on intangible assets	303,699	292,092
- Amortization of right of use assets	207,066	195,715
- (Gain) / Loss on disposal of property, plant and equipment	-	(46,995)
- Gian on lease termination	-	(29,410)
- Revenue from IRU agreement	-	(199,828)
- Disposal of fiber under IRU arrangement	100,000	-
- Liabilities written back on settlement with parties	(1,600)	(94,817)
- Post employment benefits	30,484	31,456
- Adjustment due to impact of IFRS 9	-	(12,853)
- Income on deposits, advances and savings accounts	(1,117)	(19,923)
- Exchange gain/(loss) on foreign currency loan	156,000	(7,500)
- Exchange (gain)/loss on foreign currency accrued markup	14,445	-
- Exchange (gain)/loss on foreign currency balances - net	61,428	40,970
- Imputed interest on lease liability	16,404	31,326
- Unwinding impact of liabilities under IFRS 9	39,642	43,628
- Finance cost	235,151	159,124
	1,471,165	717,915
Operating loss before working capital changes	248,126	(116,386)
(Increase) / decrease in current assets		
- Stores and spares	(2,586)	(135)
- Stock-in-trade	(1,457)	-
- Trade debts	(234,024)	72,127
- Loans and advances	(16,224)	26,059
- Deposits and prepayments	13,412	(4,572)
- Other receivables	(16,882)	(14,159)
Increase / (decrease) in current liabilities		
- Unearned revenue	-	80,474
- Trade and other payables	(131,810)	(144,627)
	(389,571)	15,167
Cash used in operations	(141,445)	(101,219)

Note 19

Transaction with Related Parties

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

Transactions during the period with local companies			Nine months ended September 30, 2022 (Un-audited)	Nine months ended September 30, 2021 (Un-audited)
			-------------(Rupees in '000)-------------	
Related party	**Relationship**	**Nature of transaction**		
Worldcall Services (Private) Limited	Parent Company	Funds received by the Group during the period	250,471	225,325
		Funds repaid by the Group during the period	(80,000)	(43,089)
		Expenses paid during the year	(2,405)	(2)
		Settlement with multimedia	36,008	37,363
		Markup on long term borrowings	65,485	32,287
		Adjustments	114,469	-
		Exchange (gain)/loss on markup	28,647	(72)
		Exchange (gain)/loss on loan	156,000	30,450
Worldcall Cable (Private) Limited	Associate	Interest charged during the period	197	76
Worldcall Ride Hail (Private) Limited	Associate	Expenses borne on behalf of associate	(1)	-
		Interest charged during the period	2	1
Key management personnel	Associated persons	Salaries and employees benefits	67,944	61,686
		Advances against expenses disbursed / (adjusted) - net	44	886
Transactions during the period/year with foreign companies				
Related party	**Relationship**	**Nature of transaction**		
Ferret Consulting - F.Z.C	Associate	Exchange (Gain)/loss	19,424	3,195
		Adjustment with third party	934	4,675
		Direct Cost - IT Service	2,160	-
		Expenses Charged during the period	1,574	1,709

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

		September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
		-------------(Rupees in '000)-------------	
Outstanding Balance as at the period/year end			
Worldcall Services (Private) Limited	Sponsor's loan	2,105,447	1,676,880
	Accrued markup	76,571	67,618
Ferret Consulting - F.Z.C	Dividend on CPS	229,383	375,421
	Short term borrowings	85,232	66,156
Worldcall Ride Hail (Private) Limited	Other receivables	20	19
Worldcall Cable (Private) Limited	Other receivables	2,613	2,416
Key management	Payable against expenses, salaries and other employee benefits	183,979	179,773
	Advance against expenses	12,889	12,845

Note 20

Financial Risk Management

20.1 Financial risk factors

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

The condensed interim financial statements (un-audited) do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2021.

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

20.2 Fair value estimation

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

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

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

The following table presents the Group's assets and liabilities that are measured at fair value at September 30, 2022:

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Assets				
Short-term investments	**41,812**	**-**	**-**	**41,812**

The following table presents the Group's assets and liabilities that are measured at fair value at December 31, 2021:

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Assets				
Short-term investments	**54,340**	**-**	**-**	**54,340**

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

Note 21

Segment Information

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

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

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

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

Note 22

Date of Authorization for Issue

These condensed interim financial statements (un-audited) were approved and authorized for issue on 09 January 2023 by the Board of Directors of the Group.

Note 23

Corresponding Figures

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

Chief Executive Officer	Director	Chief Financial Officer

Data

Entertainment

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