Half Yearly Accounts
June 30, 2021
WorldCall Telecom Limited

WORLD CALL

CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

HALF YEARLY REPORT 2021

VISION

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

MISSION STATEMENT

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

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

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

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

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

Contents

COMPANY INFORMATION

Chairman	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	NASIR JAVAID MAQSOOD IMRAN 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 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400. Tel: (021) 111-000-322
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 consolidatedfinancial information for the half year ended June 30, 2021.

Economic Overview

Our economy hangs on a balance with pendulum tilting towards point of no return if well thought out pragmatic yet aggressive measures are not implemented radically and across the board. The monetary policy will need to be geared towards ensuring that inflation is brought steadily down to the medium-term objective of 5 to 7%. Importantly, to enhance monetary policy transmission, the rates of the two major refinancing schemes Export Financing Scheme and Long Term Financing Facility will continue to be linked to the policy rate. Covenants attached with IMF-EFF tranche release seemingly translate to exorbitant hike in inflation rates but again catastrophe catalysts such as ancestral politics reigning supreme and eternal struggle to acquire control have only compounded the misery of masses and broke the backbone of economy. $ to PKR parity, deregulated varying increase in basic commodity prices geographically including but not limited to wheat, rice, pulses, sugar, milk, poultry and fuel not to mention lifesaving drugs/ medicines & basic hygiene needs has left us wondering with no viable solution at sight. Glimmer of hope may well lie in curtailing our expenditures, letting go off use of lavish imported items and opting for their locally manufactured alternatives instead and inculcating awareness among urban/ rural population of energy/ resources conservation at disposal.

Financial Overview

Standalone Financial Statements

Summary of financial results for the half yearended June 30, 2021 are as follows:

Particulars	Half Year June 30, 2021	Half Year June 30, 2020
	Rs. in million	
Revenue-net	1,320	2,133
Direct Cost (excluding depreciation and Amortization)	(976)	(997)
Other Income	178	84
EBITDA	318	984
Depreciation and Amortization	(566)	(615)
Finance Cost	(152)	(274)
Profit/(Loss) after tax	(424)	83

During the period under review, the Company closed its financial results reporting Rs424 million approx. loss after tax. Thecompany's revenue when appraised figuratively paints an alarming picture but we need to rationalize it through trends witnessed nationwide generally and technological sector specifically.Bare line item analysis of selective P&L suggests that other income has doubled when compared with the corresponding period last year along with substantial decrease in finance cost. Decrease in finance cost has been a consistent factor in our financials wherein short-term funded facilities are restructured to long term on mutually favorable basis. Overall changes in technological realm of the globe with radical transformations making it insurmountable for IT/ Communication enterprises to stay afloat and keep abreast may primarily be held accountable for varying revenue.

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 Group acquired this subsidiary during the year ended December 31, 2018 for which control was obtained on April 20, 2018.

Earnings per Share

The loss per share of the Company on a consolidated as well as on standalone basis is Rupees 0.16 per share.

Future Outlook

Apart from long-term goal of making internet accessible to every individual by the day, we at WorldCall have set our eyes on alternate revenue streams & conglomerate ventures thereby aligning with the long term strategy of non-reliance on primary line of business. We shall endeavor to remain at par with technological shift in IT sector realm by investing and concentrating dedicated resources in R & D.

Company's staff and customers

We at WorldCall acknowledge, recognize and attach highest value to our dedicated staff as they continue to surprise and inspire us with their eagerness to improvise, improve, upgrade, adjust and adapt to whatever comes in their way; be it technological transformation, global tide of pandemic adversity or paradigm shift in approach to how businesses are structured globally.

For and on behalf of the Board of Directors

Lahore, Pakistan
July 16, 2022

Babar Ali Syed
Chief Executive Officer

فی شیئر آمدنی

کمپنی کا فی حصص خسارہ علیحدہ اور مجموعی طور پر 0.16 روپے فی حصص ہے۔

مستقبل کا آؤٹ لک

روزِ بروز ہر فرد کے لیے انٹرنیٹ تک رسائی کے طویل المدتی ہدف کے علاوہ، ورلڈ کال پر ہم نے اپنی نظریں متبادل آمدنی کے سلسلے اور اجتماعی منصوبوں پر مرکوز کر رکھی ہیں اور اس طرح کاروبار کی بنیادی لائن پر عدم انحصار کی طویل مدتی حکمت عملی کے مطابق ہیں۔ ہم آر اینڈ ڈی میں وقف وسائل کی سرمایہ کاری اور توجہ مرکوز کر کے آئی ٹی سیکٹر کے دائرے میں تکنیکی تبدیلی کے برابر رہنے کی کوشش کریں گے۔

کمپنی کا عملہ اور صارفین

ہم دل کی انتہا گہرائیوں سے اپنے تمام ملازمین کی کوششوں اور سخت محنت کے معترف ہیں۔ جنہوں نے کشیدگی اور دباؤ کے حالیہ دنوں میں کمپنی کا ساتھ دیا ہے۔ ہم اپنے قابلِ قدر صارفین کو سروس کی فراہمی کیلئے پُرعزم ہیں اور ہماری سروسسز پران کے مسلسل اعتماد کیلئے شکر گزار ہیں۔

ہم ورلڈ کال اپنے تمام ملازمین کی کوششوں کو تسلیم کرتے ہوئے ہیں کیونکہ وہ ہمیں آنے والی چیزوں کو بہتر بنانے, اپ گریڈ کرنے، ایڈجسٹ کرنے اور اس کے مطابق ڈھالنے کے لیے اپنی صلاحیتوں سے حیران اور متاثر کرتے رہتے ہیں۔ چاہے وہ تکنیکی تبدیلی ہو، وبائی امراض کی عالمی لہر ہو یا عالمی سطح پر کاروبار کی تشکیل کے طریقہ کار کے نقطہ نظر میں پیراڈائم شفٹ۔

بحکم بورڈ آف ڈائریکٹرز

Babar Ali Syed

بابر علی سید

چیف ایگزیکٹو آفیسر

لاہور:

16 جولائی 2022

(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 جون2021 کوختم ہونے والےنصف سال کے لیےاپنی جائزہ رپورٹ کےساتھ عبوری اور مستحکم مالی بیانات کی معلومات پیش کرنے پرخوش ہیں۔

معاشی جائزہ

ہماری معیشت ایک توازن پر لٹکی ہوئی ہے جس میں پنڈولم پوائنٹ آف نوریٹرن کی طرف جھک جاتا ہے اگر اچھی طرح سے سوچ سمجھے عملی لیکن جارحانہ اقدامات کو یکسر اور پورے بورڈ پر لاگونہیں کیا جاتا ہے۔ مانیٹری پالیسی کو اس بات کو یقینی بنانے کے لیے تیار کرنے کی ضرورت ہوگی کہ افراط زر کو 5 سے 7 فیصد کے درمیانی مدت کے مقصد تک مسلسل نیچے لایا جائے۔ اہم بات یہ ہے کہ مانیٹری پالیسی کی ترسیل کو بڑھانے کے لیے، دو بڑی ری فنانسنگ اسکیموں ایکسپورٹ فنانسنگ اسکیم اور لانگ ٹرم فنانسنگ فیسیلیٹی کی شرحیں پالیسی ریٹ سے منسلک رہیں گی۔ IMF-EFF قسط کے اجراء کے ساتھ منسلک معاہدوں نے بظاہر مہنگائی کی شرح میں بے تحاشہ اضافہ کیا ہے لیکن ایک بار پھر تباہی کے اتپریرک جیسے آبائی سیاست کا راج کرنے والی اعلیٰ اور کنٹرول حاصل کرنے کی ابدی جدوجہد نے عوام کے مصائب کو مزید بڑھا دیا ہے اور معیشت کی ریڑھ کی ہڈی کو توڑ دیا ہے۔ جغرافیائی طور پر بنیادی اجناس کی قیمتوں میں بے ضابطہ مختلف اضافہ بشمول گندم، چاول، دالیں، چینی، دودھ، پولٹری اور ایندھن تک محدود نہیں، زندگی بچانے والی ادویات/ ادویات اور حفظان صحت کی بنیادی ضروریات کا تذکرہ نہ کرنا کوئی قابل عمل حل نہیں ہے۔ نظر میں . امید کی کرن ہمارے اخراجات کو کم کرنے، شاہانہ درآمدی اشیاء کے استعمال کو ترک کرنے اور اس کے بجائے ان کے مقامی طور پر تیار کردہ متبادل کو منتخب کرنے اور توانائی/ وسائل کے تحفظ کے بارے میں شہری/ دیہی آبادی میں بیداری پیدا کرنے میں مضمر ہے۔

مالیاتی جائزہ - اسٹینڈ اکیلے مالی بیانات

30 جون2021 کوختم ہونے والے ششماہی کے مالی نتائج کا خلاصہ حسب ذیل ہے:

Particulars	Half Year June 30, 2021	Half Year June 30, 2020
	Rs. in million	
Revenue-net	1,320	2,133
Direct Cost (excluding depreciation and Amortization)	(976)	(997)
Other Income	178	84
EBITDA	318	984
Depreciation and Amortization	(566)	(615)
Finance Cost	(152)	(274)
Profit/(Loss) after tax	(424)	83

زیر جائزہ مدت کے دوران، کمپنی نے تقریباً 424 ملین روپے کے مالیاتی نتائج کو بند کیا۔ ٹیکس کے بعد نقصان جب کمپنی کی آمدنی کا اندازہ لگایا جاتا ہے تو وہ ایک تشویشناک تصویر پیش کرتا ہے لیکن ہمیں ملک بھر میں عام طور پر اور خاص طور پر تکنیکی شعبے کے رجحانات کے ذریعے اسے معقول بنانے کی ضرورت ہے۔ سلیکٹیو پی اینڈ ایل کا بیئر لائن آئٹم تجزیہ بتاتا ہے کہ مالیاتی لاگت میں خاطر خواہ کمی کے ساتھ گزشتہ سال کی اسی مدت کے مقابلے دیگر آمدنی دوگنی ہوگئی ہے۔ مالیاتی لاگت میں کمی ہماری مالیات کا ایک مستقل عنصر رہا ہے جس میں قلیل مدتی فنڈ ڈ سہولیات کو باہمی طور پر سازگار بنیادوں پر طویل مدت کے لیے دوبارہ تشکیل دیا جاتا ہے۔ دنیا کے تکنیکی دائرے میں بنیادی تبدیلیوں کے ساتھ مجموعی طور پر تبدیلیاں آئی ٹی/ مواصلاتی اداروں کے لیے ناقابل تسخیر بناتی ہیں کہ وہ تیزی سے چلتے رہیں اور برابر رہیں۔

مجموعی مالیاتی بیانات

مجموعی مستحکم مالی بیانات روٹ 1 ڈیجیٹل (پرائیویٹ) لمیٹڈ (سبسڈری کمپنی) کے ساتھ مل کر ورلڈکال ٹیلی کام لمیٹڈ (پیرنٹ کمپنی) کے مالی نتائج پر مشتمل ہیں۔ روٹ 1 ڈیجیٹل ایک پرائیویٹ لمیٹڈ کمپنی ہے جسے پاکستان میں 21 دسمبر2016 کو منسوخ شدہ کمپنیز آرڈیننس، 1984 (اب کمپنیز ایکٹ، 2017) کے تحت شامل کیا گیا تھا۔ بنیادی کاروبار تمام ٹرانسپورٹ خدمات کا کاروبار کرنا، موٹر گاڑیوں کی نقل وحمل کو کسی دوسرے یا دوسرے کے ساتھ بانٹنا، اور انفارمیشن ٹیکنالوجی، سافٹ ویئر کی ترقی اور اس سے متعلق تمام سرگرمیوں کے شعبے میں مشاورت کرنا ہے۔ گروپ نے یہ ذیلی ادارہ 31 دسمبر2018 کوختم ہونے والے سال کے دوران حاصل کیا جس کے لیے 20 اپریل2018 کو کنٹرول حاصل کیا گیا۔

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF WORLDCALL TELECOM LIMITED ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of WorldCall Telecom Limited as at June 30, 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-months period then ended (here-in-after referred to as the “interim financial statements”).

Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended June 30, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months ended June 30, 2021.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to:

i) note 2.7 in the annexed condensed interim financial statements (un-audited), which states that the company has incurred loss after taxation of Rs. 423.8 million during the period ended June 30, 2021. As at June 30, 2021 the accumulated losses of the company stand at Rs. 13,087.9 million and its current liabilities exceeds its current assets by Rs. 6,058.4 million. These conditions, along with the factors discuses in note 13 to the condensed interim financial statements (un-audited) 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.

ii) note 17 to the accompanying financial statements, wherein the Company recognize deferred tax asset of Rs. 2,373.8 million, the realization of which would depend on generation of sufficient profits in the future as projected by the management.

The engagement partner on the review resulting in this independent auditor's review report is Imran-ul-Haq.

Date: July 16, 2022
Islamabad

Nasir Javaid Maqsood Imran
Chartered Accountants

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	June 30, 2021 Un-audited	December 31, 2020 Audited
		-----------(Rupees in '000)-----------	
SHARE CAPITAL AND RESERVES			
Authorized share capital		29,000,000	29,000,000
Ordinary share capital	5	11,863,206	11,863,206
Preference share capital	6	1,963,178	1,963,178
Dividend on preference shares	7	715,652	715,652
Capital reserves		489,840	449,551
Accumulated loss		(13,087,926)	(12,801,935)
Surplus on revaluation of fixed assets		2,165,765	2,318,768
		4,109,715	4,508,420
NON-CURRENT LIABILITIES			
Term finance certificates	8	1,354,948	1,433,280
Long term financing	9	175,912	68,635
Sponsor's loan	10	1,383,167	1,345,289
License fee payable		45,513	45,513
Post employment benefits		218,040	203,133
Long term deposit		89,589	86,103
Lease liabilities	11	196,696	172,671
		3,463,865	3,354,624
CURRENT LIABILITIES			
Trade and other payables		5,809,953	6,230,153
Unearned revenue		58,665	-
Accrued mark up		314,472	278,318
Current and overdue portion of non-current liabilities		829,576	590,872
Short term borrowings	12	400,605	487,360
Unclaimed dividend		1,807	1,807
Provision for taxation - net		345,105	331,715
		7,760,183	7,920,225
Contingencies and Commitments	13	-	-
TOTAL EQUITY AND LIABILITIES		15,333,763	15,783,269
NON-CURRENT ASSETS			
Property, plant and equipment	14	5,974,060	6,204,805
Right of use assets	15	3,906,839	3,680,465
Intangible assets		1,200,056	1,402,655
Investment properties		49,958	49,958
Long term investment	16	50,000	50,000
Deferred taxation	17	2,373,846	2,389,069
Long term deposits		17,236	17,221
		13,571,995	13,794,173
CURRENT ASSETS			
Stores and spares		29,991	32,595
Stock-in-trade		204,777	204,777
Trade debts		595,844	807,879
Loans and advances		134,785	209,200
Deposits and prepayments		537,519	533,457
Short term investments		91,963	51,674
Other receivables		102,521	93,074
Cash and bank balances		64,368	56,440
		1,761,768	1,989,096
TOTAL ASSETS		15,333,763	15,783,269

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2021

	Note	Half year ended June 30, 2021	Half year ended June 30, 2020	Quarter ended June 30, 2021	Quarter ended June 30, 2020
		--------------(Rupees in '000)--------------			
Revenue	18	1,319,651	2,133,225	629,062	883,985
Direct costs excluding depreciation and amortization		(975,904)	(997,381)	(375,669)	(456,334)
Operating costs		(204,286)	(235,358)	(102,913)	(101,387)
Other income		178,334	83,670	130,560	137,898
Profit before Interest, Taxation, Depreciation and Amortization		317,795	984,156	281,040	464,162
Depreciation and amortization		(566,328)	(614,781)	(302,295)	(302,560)
Finance cost		(152,412)	(273,661)	(82,174)	(123,692)
Profit/(Loss) before Taxation		(400,945)	95,714	(103,429)	37,910
Taxation		(22,826)	(12,707)	(12,430)	6,098
Net Profit/(Loss) for the Period		(423,771)	83,007	(115,859)	44,008
Earnings/(Loss) per Share - basic (Rupees)		(0.16)	0.03	(0.04)	0.02
Earnings/(Loss) per Share - diluted (Rupees)		(0.16)	0.02	(0.04)	0.01

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive Officer | Director | Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2021

	Half year ended June 30,		Quarter ended June 30,	
	2021	2020	2021	2020
	--------------(Rupees in '000)------------			
Net Profit/(Loss) for the Period	(423,771)	83,007	(115,859)	44,008
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	40,289	(4,303)	32,547	9,291
Item that may be subsequently reclassified to profit or loss:	-	-		
Other Comprehensive Gain / (Loss) - net of tax	40,289	(4,303)	32,547	9,291
Total Comprehensive Income / (Loss) for the Period - net of tax	(383,482)	78,704	(83,312)	53,299

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive Officer | Director | Chief Financial Officer

CONDENSED INTERIM STATEMENT CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2021

	Note	Half Year Ended June 30, 2021 (Un-audited)	2020 (Un-audited)
		--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (Used in) / generated from operations	19	(25,122)	50,400
Decrease / (Increase) in non-current assets:			
- Long term deposits		(15)	-
		(15)	-
		(25,137)	50,400
Post employment benefits paid		(6,064)	(10,418)
Finance cost paid		(3,671)	(5,276)
Income tax paid		(9,436)	(4,417)
Net Cash Generated from / (Used in) Operating Activities		(44,308)	30,289
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(5,628)	(2,895)
Dividend income		-	49
Income on deposit and savings accounts		17,574	17,387
Proceeds from disposal of property, plant and equipment		47,625	39
Net Cash Generated form Investing Activities		59,571	14,580
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(8,672)	(27,010)
Sponsor's loan		45,379	-
Short term borrowings - net		(17,691)	(19,075)
Repayment of lease liability		(26,351)	(18,442)
Net Cash Used in Financing Activities		(7,335)	(64,527)
Net Increase / (Decrease) in Cash and Cash Equivalents		7,928	(19,658)
Cash and cash equivalents at the beginning of the period		56,440	40,083
Cash and Cash Equivalents at the End of the Period		64,368	20,425

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

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, 2019	11,615,252	2,114,651	772,136	(26,310)	502,763	476,453	(13,186,813)	1,247,166	3,038,845
Net profit for the period	-	-	-	-	-	-	83,007	-	83,007
Other comprehensive loss for the period - net of tax	-	-	-	(4,303)	-	(4,303)	-	-	(4,303)
Total comprehensive income for the period - net of tax	-	-	-	(4,303)	-	(4,303)	83,007	-	78,704
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	111,994	(111,994)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(8,637)	(8,637)
Balance as at June 30, 2020	11,615,252	2,114,651	772,136	(30,613)	502,763	472,150	(12,991,812)	1,126,535	3,108,912
Net profit for the period	-	-	-	-	-	-	(229,344)	-	(229,344)
Other comprehensive loss for the period - net of tax	-	-	-	17,398	-	17,398	16,447	1,491,000	1,524,845
Total comprehensive income for the period - net of tax	-	-	-	17,398	-	17,398	(212,897)	1,491,000	1,295,501
Adjustment of Suplus on retirement of intangible assets	-	-	-	-	-	-	360,483	(255,943)	104,540
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets							42,291	(42,291)	-
Effect of change in tax rates and proportion of normal sales							-	(533)	(533)
Conversion of preference shares and dividend thereon	2,077,115	(151,473)	(56,484)	-	(39,997)	(39,997)	-	-	1,829,161
Discount on issuance of ordinary shares	(1,829,161)	-	-	-	-	-	-	-	(1,829,161)
Total transactions with owners, recognized directly in equity	247,954	(151,473)	(56,484)	-	(39,997)	(39,997)	-	-	-
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 profit for the period	-	-	-	-	-	-	(423,771)	-	(423,771)
Other comprehensive loss for the period - net of tax	-	-	-	40,289	-	40,289	-	-	40,289
Total comprehensive income for the period - net of tax	-	-	-	40,289	-	40,289	(423,771)	-	(383,482)
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	-	-	-	-	-	-	-	(15,223)	(15,223)
Balance as at June 30, 2021	11,863,206	1,963,178	715,652	27,074	462,766	489,840	(13,087,926)	2,165,765	4,109,715

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30 2021

Note 1
The Company and its Operations

1.1 Worldcall Telecom Limited ("the Company") is a public limited Company incorporated in Pakistan on March 15, 2001 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange. The Company commenced its operations on December 01, 2004 and is engaged in providing Wireless Local Loop ("WLL") and Long Distance & International ("LDI") services in Pakistan; re-broadcasting international/national satellite/terrestrial wireless and cable television and radio signals; interactive communication and to establish, maintain and operate the licensed telephony services. The Company is domiciled in Pakistan and its registered office cum principal place of business is situated at Plot # 1566/124, Main Walton Road, Lahore Cantt.

Worldcall Services (Pvt.) Limited (the "Parent Company"), incorporated in Pakistan, owns 32.06% (2020: 36.87%) ordinary shares of the Company. Aggregate holding of Worldcall Services (Private) Limited through other associates is 33.39% (2020: 42.14%)

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, 2020. 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, 2020. Comparative statement of financial position is extracted from annual audited financial statements for the year ended December 31, 2020 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 June 30, 2020.

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 profit after taxation of Rs. 423.771 million during the period ended June 30, 2021 (June 2020: Rs. 83.007 million) which includes the impact of write back of liabilities for Rs. 94.817 million (June 2020: Rs. 97.288 million). As at June 30, 2021, the accumulated loss of the Company stands at Rs. 13,087.926 million (December 31, 2020: Rs. 12,801.935 million) and its current liabilities exceed its current assets by Rs. 6,058.405 million (December 31, 2020: Rs. 5,931.129 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. 6.058 billion as on the reporting date, which has the following major components:

Description	Note	Rs in million
Short term Borrowings	2.7.2.1	401
Pakistan Telecommunication Authority (PTA)	2.7.2.2	2,320
Claims of Parties Challenged	2.7.2.3	913
Continuing business partners	2.7.2.4	439
Provision for taxation	2.7.2.5	345
		4,418

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. 346.352 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. 54.130 Million.

2.7.2.2 Liabilities towards PTA as incorporated in these financial statements stand at approximately Rs. 2.3 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. 439 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, 2020

3.2 Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 1, 2021, 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, 2020.

Note 5

Ordinary Share Capital

June 30, 2021 (Un-audited)	December 31, 2020 (Audited)		Note	June 30, 2021 (Un-audited)	December 31, 2020 (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
1,805,893,836	1,805,893,836	Ordinary shares of Rs. 10 each issued against convertible preference shares	5.1	18,058,939	18,058,939
				26,664,655	26,664,655
		Less: Discount on issue of shares	5.6	(14,801,449)	(14,801,449)
2,666,465,349	2,666,465,349			11,863,206	11,863,206

5.1 During the period, Nil (December 31, 2020: 14,900) convertible preference shares and accumulated preference dividend thereon amounting to Rs. Nil million (December 31, 2020: Rs. 56.484 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 (December 31, 2020: 983,117,312 shares) representing 32.06% (December 31, 2020: 36.87%) shareholding 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 starting from June 2019 (refer to note 8).

5.4 Ferret Consulting F.Z.C., an associate of the Company, holds 34,750,543 shares (December 31, 2020: 139,750,543 shares) representing 1.30% (December 31, 2020: 5.24%) shareholding in the Company.

5.5 AMB Management Consultants (Private) Limited, an associate of the Company, holds 914,053 shares (December 31, 2020: 914,053 shares) representing 0.03% (December 31, 2020: 0.03%) shareholding in the Company.

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

Opening balance	14,801,449	12,972,288
Add: Discount on issuance of ordinary shares during the period / year	-	1,829,161
Closing balance	14,801,449	14,801,449

5.7 Reconciliation of ordinary share capital is as follows:

Opening balance	26,664,655	24,587,540
Add: Shares issued during the period / year	-	2,077,115
Closing balance	26,664,655	26,664,655

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

5.9 Shareholders of the Company resolved in annual general meeting held on April 30, 2019 that the authorized capital of the Company be increased from Rs. 21 billion to Rs. 29 billion divided into 2.9 billion ordinary shares of Rs. 10 which may be utilized to issue ordinary shares of Rs. 10 each and / or preference shares of Rs. 10 each of the Company as the Board of Directors of the Company may decide from time to time in accordance with the Companies Act, 2017. Regulatory requirements as to the alteration of Memorandum and Articles of Association and legal formalities have yet to be fulfilled.

Note 6

Preference Share Capital

	Note	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		--------No. of Shares--------		------------(Rupees in '000)------------	
Opening balance		193,700	208,600	1,963,178	2,114,651
Less: Preference shares converted into ordinary shares during the period / year	6.3	-	(14,900)	-	(151,473)
		193,700	193,700	1,963,178	1,963,178

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 voting common 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.

6.5 Ferret Consulting F.Z.C., an associate of the Company, holds 141,200 preference shares (December 31, 2020: 141,200 preference shares) in the Company.

6.6 Mandatory date of conversion of CPS has expired during the year 2018 and the Company has failed to redeem the un-converted preference shares in a timely fashion as required by its Articles of Association.

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	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		--------------(Rupees in '000)--------------	
Dividends on preference shares	7.1	715,652	772,136

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. Nil million (December 31, 2020: Rs. 56.484 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	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		--------------(Rupees in '000)--------------	
Opening balance		1,287,110	1,287,110
Less: Payments made during the period/year		-	-
		1,287,110	1,287,110
Less: Current and overdue portion		(389,980)	(320,076)
		897,130	967,034
Add: Deferred markup	8.1	457,818	466,246
		1,354,948	1,433,280

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 (December 31, 2020: 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 8.30% to 8.84% (December 31, 2020: 8.30% to 14.91%) 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 were pledged for investors which was to 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.

During the period due to non-payment of due installments, Trustee enforced the letter of pledge and called 128.2 million shares from sponsors account.

The Company has not paid due quarterly installments of June, September & December in 2020 and March & June in 2021. 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.

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.

		Note	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
			--------------(Rupees in '000)--------------	
8.1	**Deferred markup**			
	Deferred markup	8.1.1	746,494	746,494
	Adjustment due to impact of IFRS 9	8.1.2	(132,590)	(156,621)
	Less: Current maturity of deferred markup		(156,086)	(123,627)
			457,818	466,246
8.1.1	Reconciliation of deferred markup is as follows:			
	Opening balance		746,494	667,277
	Add: Markup deferred during the period/year		-	79,217
			746,494	746,494

	Note	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		--------------(Rupees in '000)--------------	
8.1.2 Reconciliation is as follows:			
Opening balance		156,621	187,207
Add: Discounting impact of deferred markup		-	16,681
		156,621	203,888
Less: Unwinding impact of discounted deferred markup		(24,031)	(47,267)
		132,590	156,621

Note 9

Long Term Financing

	Note	June 30, 2021	December 31, 2020
From Banking Companies (secured)			
Allied Bank Limited	9.1	90,412	68,635
Bank Islami Limited	9.2	85,500	-
		175,912	68,635
		175,912	68,635

9.1 Allied Bank Limited

	June 30, 2021	December 31, 2020
Opening balance	91,509	106,550
Repayments	(8,672)	(15,041)
	82,837	91,509
Less: Current and overdue portion	(17,393)	(43,909)
	65,444	47,600
Add: Deferred markup	29,238	25,647
Less: Discounting of deferred markup	(4,270)	(4,612)
	24,968	21,035
	90,412	68,635

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 48 stepped up monthly installments starting from January 2019 till December 2022. Markup will be accrued and will be serviced in 12 equal monthly installments, starting from January 01, 2023. Effective markup rate applicable will be 3 Month KIBOR + 85 bps. The mark up charged during the period on the outstanding balance ranged from 8.14 to 8.14% (December 31, 2020: 8.10% to 14.40%) 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.

Subsequent to reporting date the Company has restructured the facility for repayment for the principle amount and accrued markup as well.

	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	--------------(Rupees in '000)--------------	
9.2 Bank Islami Limited		
Opening balance	-	-
Transfer from Running Finance	81,308	-
	81,308	-
Less: Current and overdue portion	(27,103)	-
	54,205	-
Add: Deferred markup	42,755	-
Less: Discounting of deferred markup	(11,460)	-
	31,295	
	85,500	-

This represents balance transferred as a result of restructuring of short term running finance (RF) facility to Long Term Loan Facility. Principal will be repaid in 40 monthly installments starting from Jan 2022 till April 2025. Markup will be accrued and will be serviced in 24 equal monthly installments, starting from July 01, 2024. Effective markup rate applicable will be 3 Month KIBOR (Floor 7.5% and capping 17%). The mark up charged during the period on the outstanding balance 7.5% 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 10
Sponsor's Loan

	Note	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		--------------(Rupees in '000)--------------	
Sponsor's Loan - unsecured			
- Interest bearing	10.1	474,900	482,400
- Non-interest bearing	10.2	908,267	862,889
		1,383,167	1,345,289

10.1	Opening balance	482,400	466,050
	Exchange loss	(7,500)	16,350
		474,900	482,400

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 year on the outstanding balance is 8.67% (December 31, 2020: 14.46%) per annum. The amount is not payable over the period of next 1 and half years.

10.2 This represents interest free loan obtained from Worldcall Services (Private) Limited, the Parent Company. The amount is not payable over the period of next 1 and half years.

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

Opening balance	978,084	1,221,337
Recepts / (Payments) during the period/Year	45,379	(243,253)
Amount of loan	1,023,463	978,084
Adjustment due to impact of IFRS 9:		
Discounting	(406,813)	(406,813)
Unwinding of discount	291,617	291,618
	(115,196)	(115,195)
	908,267	862,889

Note 11
Lease Liabilities

	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	------------(Rupees in '000)----------	
Opening balance	275,931	239,454
Add: Additions during the year	164,509	48,515
Add: Interest expense	21,622	30,916
Less: Lease payments	(26,351)	(42,954)
Gross liability	435,711	275,931
Less: Current and overdue portion	(239,015)	(103,260)
Closing balance	196,696	172,671

11.1 Nature of leasing activities

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

Lease terms, and the remaining lease terms at the date of initial application, vary. Remaining lease term of existing lease contracts for which lease liability is booked ranges from 2 to 13 years.

Note 12
Short Term Borrowings

	Note	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		--------------(Rupees in '000)--------------	
Banking companies (secured - interest bearing):			
- Running finances	12.1	346,475	427,419
Related parties (unsecured - interest free):			
- Ferret Consulting F.Z.C.	12.2	54,130	59,941
		400,605	487,360

12.1 Short term running finance facilities available from commercial banks under mark up arrangements amount to Rs. 442.239 million (2020: Rs. 442.239 million). Running finance facilities are available at mark up rate of KIBOR plus 1.5% to 2.5% per annum (2020: KIBOR plus 1.5% to 2.5% per annum), payable quarterly, on the balance outstanding. The mark up charged during the year on outstanding balances ranged from 8.79% to 9.53% (2020: 8.75% to 16.06%) per annum, effectively.

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 372,765 (2020: USD 372,765). In the absence of written agreement, the amount is repayable on demand.

12.3 ***Letters of credit and guarantees***

Of the aggregate facilities of Rs. 418.126 million (2020: Rs. 485.126 million) for guarantees, the amount utilized as at June 30, 2020 was Rs. 353.761 million (2020: Rs. 353.761 million) respectively.

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, lien over cash deposit of Rs. 3.9 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, 2020 except following:

'PTA has filed recovery proceedings against the Company before the District Collector / District Officer Revenue, Lahore for an amount of Rs. 2.648 billion including late payment charges on November 4, 2016 due to non-payment of initial spectrum fee (ISF). The Company has not received any notice from the Revenue department. During the period PTA again issued the notice against non-payment of ISF and increased the claim by Rs. 1.038 billion.

PTA has withdrawn the frequencies 3.5 Ghz, 479 Mhz, 450 Mhz and 1900 Mhz. As per management the ISF for 3.5 Ghz and 479 Mhz is already fully paid till 2024. The outstanding liability for 1900 Mhz is reduced to zero on the basis that 1900 Mhz frequency has been fully paid for until 2015 (actual withdrawal year), Similarly, liability for 450Mhz frequency spectrum be reduced on prorata after withdrawal. Corresponding assets has also been retired.

The Company has filed an appeal with Islamabad High Court on January 12, 2021 against said decision of PTA on similar lines as explained above and the Company's management and legal advisor feels that there are strong grounds to defend the Company's stance and that the principal amount and late payment charges determined unilaterally by PTA will not materialize, hence, no provision has been made in these financial statements.

	Note	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		--------------(Rupees in '000)--------------	
Guarantees and Letter of Credits			
Outstanding guarantees and letters of credit		353,761	353,761
Commitments			
Commitments in respect of capital expenditure		9,696	9,202

Note 14

Property, Plant and Equipment

	Note	June 30, 2021	December 31, 2020
Operating fixed assets	14.1	5,959,349	6,193,323
Capital work-in-progress		14,711	11,482
		5,974,060	6,204,805
14.1 Operating fixed assets			
Opening book value		6,193,323	6,516,313
Additions during the period / year	14.1.1	2,399	74,634
Revaluation surplus during the period / year		-	-
		6,195,722	6,590,947
Disposals / settlement (at book value) for the period / year	14.1.2	(10,608)	(12,993)
Depreciation charged during the period / year		(225,765)	(384,631)
Closing book value		5,959,349	6,193,323
14.1.1 Detail of additions			
Plant and equipment		1,947	74,034
Office equipment		-	94
Furniture and fixtures		-	92
Computers		452	414
		2,399	74,634
14.1.2 Book values of assets disposed off			
Plant and equipment		10,608	12,777
Computers		-	216
		10,608	12,993

Note 15

Right of use assets

	June 30, 2021	December 31, 2020
Opening balance	3,680,465	2,138,001
Add: Additions during the year/Period	364,337	281,156
Add: Revaluation Surplus during the year	-	1,440,000
Less: Depreciation charge for the year/Period	(137,963)	(178,692)
Closing balance	3,906,839	3,680,465
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

	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	--------------(Rupees in '000)--------------	
Wholly owned subsidiary Company - at cost [unquoted]		
Route 1 Digital (Private) Limited		
30,000 (December 31, 2020: 30,000) ordinary shares of		
Rs. 100 each, equity held 100% (December 31, 2020: 100%)	50,000	50,000

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.

Note 17

Deferred taxation

	Half Year Ended June 30, 2021 (Un-audited)	2020 (Un-audited)
	--------------(Rupees in '000)--------------	
Asset for deferred taxation comprising temporary differences related to:		
-Unused tax losses	3,564,998	3,626,374
-Provision for doubtful debts	792,996	793,637
-Post employment benefits	62,599	58,366
-Provision for stores and spares & stock-in-trade	15,771	15,783
-Provision for doubtful advances and other receivables	72,571	85,035
Liability for deferred taxation comprising temporary differences related to:		
-Surplus on revaluation of assets	(2,135,089)	(2,190,126)
	2,373,846	2,389,069

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. This business plan is however, subject to uncertainty.

Being prudent, the Company has not recognized deferred tax assets of Rs. 2,890.339 million (2020: Rs. 2,702.427 million) in respect of unused tax losses and unabsorbed depreciation and Rs. 68.07 million (2020: Rs. 139.487 million) in respect of minimum tax available for carry forward under the Income Tax Ordinance, 2001 ("ITO"), as sufficient taxable profits would not be available to utilize these in the foreseeable future.

Note 18

Revenue

	Note	Half Year Ended June 30, 2021 (Un-audited)	2020 (Un-audited)
		--------------(Rupees in '000)--------------	
Telecom		995,527	1,663,062
Broadband	18.1	387,332	495,737
Other		-	2,075
Gross revenue		1,382,859	2,160,874
Less: Sales tax		(61,763)	(21,096)
Less: Discount		(1,445)	(6,553)
		1,319,651	2,133,225

18.1 This includes revenue amounting to Rs. 199 million (2020: Rs. 249 million) in respect of agreement for Indefeasible Right of Use of metro fiber with a customer. The agreement grants both parties to the agreement IRU for 20 years.

Note 19
Cash Used in Operations

	Half Year Ended June 30, 2021 (Un-audited)	2020 (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES	--------------(Rupees in '000)--------------	
Profit/Loss) before taxation	(400,945)	95,714
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	225,765	333,885
- Amortization on intangible assets	202,600	195,017
- Amortization of right of use assets	137,963	85,879
- Loss / (Gain) on disposal of property, plant and equipment	(46,995)	(39)
- Revenue from IRU agreement	(199,828)	(249,785)
- Disposal of fiber under IRU arrangement	9,978	12,778
- Unclaimed liabilities written back during the year	-	(91,323)
- Liabilities written back on settlement with parties	(94,817)	-
- Reversal of provision for advance to suppliers	-	(3,692)
- Post employment benefits	20,971	24,425
- Dividend income on short term investments	-	(49)
- Adjustment due to impact of IFRS 9	(13,082)	(12,877)
- Income on deposits, advances and savings accounts	(17,574)	(17,387)
- Exchange loss on foreign currency loan	(7,500)	40,200
- Exchange loss on foreign currency accrued markup	(72)	2,011
- Exchange (gain)/loss on foreign currency balances - net	4,923	1,759
- Imputed interest on lease liability	21,622	-
- Unwinding impact of liabilities under IFRS 9	29,481	88,727
- Finance cost	101,309	184,934
	374,744	594,463
Operating profit before working capital changes	(26,201)	690,177
(Increase) / decrease in current assets		
- Stores and spares	2,604	3,645
- Trade debts	193,085	(307,251)
- Loans and advances	74,415	11,705
- Deposits and prepayments	(4,062)	(20,197)
- Other receivables	(9,447)	(8,997)
Increase / (decrease) in current liabilities		
- Unearned revenue	58,665	34,706
- Trade and other payables	(314,181)	(353,388)
	1,079	(639,777)
Cash (Used in) / generated from operations	(25,122)	50,400

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**	Half Year Ended June 30, 2021 (Un-audited)	2020 (Un-audited)
			-------------(Rupees in '000)-------------	
Worldcall Services (Private) Limited	Parent Company	Funds received by the Company during the period	62,999	40,379
		Funds repaid by the Company during the period	43,089	119,968
		Settlement with multimedia	25,468	24,448
		Markup on long term borrowings	17,283	35,360
		Exchange loss on markup	(72)	2,011
		Exchange (Gain)/loss on Loan	(7,500)	-
Route 1 Digital (Private) Limited	Wholly Owned Subsidiary	Interest charged during the year	588	-
		Expenses borne on behalf of subsidiary	1,162	1,066
Worldcall Business Solutions (Private) Limited	Associate	Expenses borne on behalf of associate	5,032	6,928
		Interest charged during the year	2,551	-

Related party	Relationship	Nature of transaction	Half Year Ended June 30, 2021 (Un-audited)	Half Year Ended June 30, 2020 (Un-audited)
			-------------(Rupees in '000)-------------	
Worldcall Cable (Private) Limited	Associate	Expenses borne on behalf of associate	77	-
		Interest charged during the year	76	
Worldcall Ride Hail (Private) Limited	Associate	Expenses borne on behalf of associate	1	-
		Interest charged during the year	1	-
ACME Telecom (Private) Limited	Associate	Expenses borne on behalf of associate		
		Interest charged during the year	1	-
Key management personnel	Associated persons	Salaries and employees benefits	38,886	50,375
		Advances against expenses disbursed / (adjusted) - net	1,155	-

Transactions during the period/year with foreign companies

Related party	Relationship	Nature of transaction	2021	2020
Ferret Consulting - F.Z.C	Associate	Net funds received by the Company during the year	-	4,500
		Direct Cost-IT Service	-	2,700
		Exchange loss	1,018	-
		Expenses Charged during the year	1,709	2,125
		Adjustment during the period	3,083	337,500

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

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		-------------(Rupees in '000)-------------	
Worldcall Services (Private) Limited	Sponsor's loan	1,383,167	1,345,289
	Accrued markup	38,675	17,781
	Short term borrowings	-	-
Ferret Consulting - F.Z.C	Dividend on CPS	519,473	519,473
	Short term borrowings	54,130	59,941
Route 1 Digital (Private) Limited	Investment in subsidiary	50,000	50,000
	Other receivables	18,173	16,423
Worldcall Business Solutions (Private) Limited	Other receivables	77,692	70,109
ACME Telecom (Private) Limited	Other receivables	33	32
Worldcall Ride Hail (Private) Limited	Other receivables	18	17
Worldcall Cable (Private) Limited	Other receivables	2,340	2,263
Key management	Payable against expenses, salaries and other employee benefits	157,341	152,681
	Advance against expenses	13,038	11,883

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, 2020.

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 liability 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 statements approximate to their fair values. During the period, there were no significant changes in the business or economic circumstances that affect the fair value of these assets and liabilities.

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 June 30, 2021:

	Level 1	Level 2	Level 3	Total
		Rupees in '000		
Assets				
Short-term investments	**91,963**	**-**	**-**	**91,963**

The following table presents the Company's assets and liabilities that are measured at fair value at December 31, 2020:

	Level 1	Level 2	Level 3	Total
		Rupees in '000		
Assets				
Short-term investments	**51,674**	**-**	**-**	**51,674**

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

Impact of Covid 19 on the financial statements

The Company has assessed, and continues to assess, the potential for disruption caused by the COVID-19 pandemic and has put in place plans and measures in order to enable the business to maintain normal operations, to the extent possible, against the backdrop of an evolving situation. The Company has implemented actions to mitigate the impact of COVID-19, including steps to protect the employees in line with guidance from government, and while there remains considerable uncertainty in relation to the COVID-19 pandemic (including its duration, extent and ultimate impact), management believes that the Company’s operations will not experience any material impact due to the COVID-19 pandemic. Based on management assessment there is no material financial impact of COVID-19 in these financial statements.

Note 24

Subsequent Event

On September 20, 2021 the Board of Directors of the Company converted 38,000 preference shares along with dividend accrued on them into ordinary shares of the Company. As a result of conversion 529,733,920 ordinary shares of the Company are issued to preference shareholders detail of which is as follows:

	No. of preference shares converted	No. of ordinary shares issued
Ferret Consulting - F.Z.C	38,000	529,733,920
	38,000	529,733,920

Note 25

Date of Authorization for Issue

These condensed interim financial statements (un-audited) were approved and authorized for issue on 16 July 2022 by the Board of Directors of the Company.

Note 26

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)

HALF YEARLY REPORT 2021

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	June 30, 2021 Un-audited	December 31, 2020 Audited
		-----------(Rupees in '000)----------	
SHARE CAPITAL AND RESERVES			
Authorized share capital		29,000,000	29,000,000
Ordinary share capital	5	11,863,206	11,863,206
Preference share capital	6	1,963,178	1,963,178
Dividend on preference shares	7	715,652	715,652
Capital reserves		489,840	449,551
Accumulated loss		(13,110,990)	(12,820,619)
Surplus on revaluation of fixed assets		2,165,765	2,318,768
		4,086,651	4,489,736
NON-CURRENT LIABILITIES			
Term finance certificates	8	1,354,948	1,433,280
Long term financing	9	175,912	68,635
Sponsor's loan	10	1,383,167	1,345,289
License fee payable		45,513	45,513
Post employment benefits		218,040	203,133
Long term deposit		89,589	86,103
Lease liabilities	11	196,696	172,671
		3,463,865	3,354,624
CURRENT LIABILITIES			
Trade and other payables		5,811,294	6,231,517
Unearned revenue		58,665	-
Accrued mark up		314,472	278,318
Current and overdue portion of non-current liabilities		829,576	590,872
Short term borrowings	12	400,605	487,360
Unclaimed dividend		1,807	1,807
Provision for taxation - net		345,072	331,683
		7,761,491	7,921,557
Contingencies and Commitments	13	-	-
TOTAL EQUITY AND LIABILITIES		15,312,007	15,765,917
NON-CURRENT ASSETS			
Property, plant and equipment	14	5,973,962	6,207,321
Right of use assets	15	3,906,839	3,680,465
Intangible assets		1,246,318	1,448,958
Investment properties		49,958	49,958
Deferred taxation	16	2,373,846	2,389,069
Long term deposits		17,236	17,221
		13,568,159	13,792,992
CURRENT ASSETS			
Stores and spares		29,991	32,595
Stock-in-trade		204,777	204,777
Trade debts		596,043	808,078
Loans and advances		134,822	209,236
Deposits and prepayments		537,519	533,457
Short term investments		91,963	51,674
Other receivables		84,348	76,651
Cash and bank balances		64,385	56,457
		1,743,848	1,972,925
TOTAL ASSETS		15,312,007	15,765,917

The annexed notes from 1 to 25 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 HALF YEAR ENDED JUNE 30, 2021

	Note	Half year ended June 30, 2021	Half year ended June 30, 2020	Quarter ended June 30, 2021	Quarter ended June 30, 2020
		--------------(Rupees in '000)--------------			
Revenue	17	1,319,651	2,133,225	629,062	883,985
Direct costs excluding depreciation and amortization		(976,099)	(997,542)	(375,864)	(456,334)
Operating costs		(206,151)	(236,387)	(104,778)	(101,866)
Other income		176,621	83,670	128,847	137,898
Profit before Interest, Taxation, Depreciation and Amortization		314,022	982,966	277,267	463,683
Depreciation and amortization		(566,935)	(615,136)	(302,902)	(302,736)
Finance cost		(152,412)	(273,661)	(82,174)	(123,692)
(Loss) / Profit before Taxation		(405,325)	94,169	(107,809)	37,255
Taxation		(22,826)	(12,707)	(12,430)	6,098
Net (Loss) / Profit for the Period		(428,151)	81,462	(120,239)	43,353
(Loss) / Earning per Share - basic (Rupees)		(0.16)	0.03	(0.05)	0.02
(Loss) / Earnings per Share - diluted (Rupees)		(0.16)	0.02	(0.05)	0.01

The annexed notes from 1 to 25 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 HALF YEAR ENDED JUNE 30, 2021

	Half year ended June 30,		Quarter ended June 30,	
	2021	2020	2021	2020
	--------------(Rupees in '000)------------			
Net Profit for the Period	(428,151)	81,462	(120,239)	43,353
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	40,289	(4,303)	32,547	9,291
Item that may be subsequently reclassified to profit or loss:	-	-	-	-
Other Comprehensive Income - net of tax	40,289	(4,303)	32,547	9,291
Total Comprehensive Income for the Period - net of tax	(387,862)	77,159	(87,692)	52,644

The annexed notes from 1 to 25 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 HALF YEAR ENDED JUNE 30, 2021

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, 2019	11,615,252	2,114,651	772,136	(26,310)	502,763	476,453	(13,201,560)	1,247,166	3,024,098
Net profit for the period	-	-	-	-	-	-	81,462	-	81,462
Other comprehensive loss for the period - net of tax	-	-	-	(4,303)	-	(4,303)	-	-	(4,303)
Total comprehensive income for the period - net of tax	-	-	-	(4,303)	-	(4,303)	81,462	-	77,159
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	111,994	(111,994)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(8,637)	(8,637)
Balance as at June 30, 2020	11,615,252	2,114,651	772,136	(30,613)	502,763	472,150	(13,008,104)	1,126,535	3,092,620
Net loss for the period	-	-	-	-	-	-	(231,736)	-	(231,736)
Other comprehensive income for the period - net of tax	-	-	-	17,398	-	17,398	16,447	1,491,000	1,524,845
Total comprehensive income for the period - net of tax	-	-	-	17,398	-	17,398	(215,289)	1,491,000	1,293,109
Adjustment of Suplus on retirement of intangible assets	-	-	-	-	-	-	360,483	(255,943)	104,540
Incremental depreciation / amortization for the period on surplus on revaluation of fixed assets	-	-	-	-	-	-	42,291	(42,291)	-
Effect of change in tax rates and proportion of normal sales	-	-	-	-	-	-	-	(533)	(533)
Conversion of preference shares and dividend thereon	2,077,115	(151,473)	(56,484)	-	(39,997)	(39,997)	-	-	1,829,161
Discount on issuance of ordinary shares	(1,829,161)	-	-	-	-	-	-	-	(1,829,161)
Total transactions with owners, recognized directly in equity	247,954	(151,473)	(56,484)	-	(39,997)	(39,997)	-	-	-
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 profit for the period	-	-	-	-	-	-	(428,151)	-	(428,151)
Other comprehensive income for the period - net of tax	-	-	-	40,289	-	40,289	-	-	40,289
Total comprehensive income for the period - net of tax	-	-	-	40,289	-	40,289	(428,151)	-	(387,862)
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	-	-	-	-	-	-	-	(15,223)	(15,223)
Conversion of preference shares and dividend thereon						-	-	-	-
Discount on issuance of ordinary shares						-	-	-	-
Total transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2021	11,863,206	1,963,178	715,652	27,074	462,766	489,840	(13,110,990)	2,165,765	4,086,651

The annexed notes from 1 to 25 form an integral part of these condensed interim consolidated financial statements.

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

CONDENSED INTERIM CONSOLIDATED STATEMENT CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

	Note	Half year ended June 30, 2021	2020
		--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (Used in) / generated from operations	18	(27,167)	50,400
Increase / (Decrease) in non-current liabilities:			
Decrease / (Increase) in non-current assets:			
- Long term deposits		(15)	-
		(15)	-
		(27,182)	50,400
Post employment benefits paid		(6,064)	(10,418)
Finance cost paid		(3,671)	(5,276)
Income tax paid		(9,437)	(4,417)
Net Cash (Used in) / generated from Operating Activities		(46,354)	30,289
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(5,629)	(2,895)
Dividend income		-	49
Income on deposit and savings accounts		17,574	17,387
Proceeds from disposal of property, plant and equipment		49,672	39
Net Cash generated from Investing Activities		61,617	14,580
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(8,672)	(27,010)
Sponsor's loan		45,379	-
Short term borrowings - net		(17,691)	(19,075)
Repayment of lease liability		(26,351)	(18,442)
Net Cash Used in Financing Activities		(7,335)	(64,527)
Net Increase / (Decrease) in Cash and Cash Equivalents		7,928	(19,658)
Cash and cash equivalents at the beginning of the year		56,457	40,100
Cash and Cash Equivalents at the End of the Year		64,385	20,442

The annexed notes from 1 to 25 form an integral part of these condensed interim consolidated financial statements.

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30 2021

Note 1

The Group and its Operations

1.1 Worldcall Telecom Limited ("the Group") is a public limited Group incorporated in Pakistan on March 15, 2001 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange. The Group commenced its operations on December 01, 2004 and is engaged in providing Wireless Local Loop ("WLL") and Long Distance & International ("LDI") services in Pakistan; re-broadcasting international/national satellite/terrestrial wireless and cable television and radio signals; interactive communication and to establish, maintain and operate the licensed telephony services. The Group is domiciled in Pakistan and its registered office cum principal place of business is situated at Plot # 1566/124, Main Walton Road, Lahore Cantt.

Worldcall Services (Pvt.) Limited (the "Parent Group"), incorporated in Pakistan, owns 40.83 % (2020: 36.87%) ordinary shares of the Group. Aggregate holding of Worldcall Services (Private) Limited through other associates is 38.20% (2020: 42.14%)

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, 2020. 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, 2020. Comparative statement of financial position is extracted from annual audited financial statements for the year ended December 31, 2020 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 June 30, 2020 and are adjusted in line with restatement done on year ended December 31, 2020.

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 earned a loss after taxation of Rs. 386.124 million during the period ended June 30, 2021 (June 2020: profit after taxation of Rs. 83.007 million) which includes the impact of write back of liabilities for Rs. 94.817 million (June 2020: Rs. 97.288 million). As at June 30, 2021, the accumulated loss of the Group stands at Rs. 13,050.279 million (December 31, 2020: Rs. 12,801.935 million) and its current liabilities exceed its current assets by Rs. 5,998.888 million (December 31, 2020: Rs. 5,931.129 million). These conditions, along with the other factors like declining revenue and contingencies and commitments as mentioned in note 14, 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. 5.999 billion as on the reporting date, which has the following major components:

Description	Note	Rs in million
Short term Borrowings	2.7.2.1	401
Pakistan Telecommunication Authority (PTA)	2.7.2.2	2,320
Claims of Parties Challenged	2.7.2.3	913
Continuing business partners	2.7.2.4	603
Provision for taxation	2.7.2.5	345
		4,582

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. 346.352 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. 60.632 Million.

2.7.2.2 Liabilities towards PTA as incorporated in these financial statements stand at approximately Rs. 2.3 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. 603 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, 2020

3.2 Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 1, 2021, 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, 2020.

Note 5

Ordinary Share Capital

June 30, 2021 (Un-audited)	December 31, 2020 (Audited)		Note	June 30, 2021 (Un-audited)	December 31, 2020 (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
1,805,893,836	1,805,893,836	Ordinary shares of Rs. 10 each issued against convertible preference shares	5.1	18,058,939	18,058,939
				26,664,655	26,664,655
		Less: Discount on issue of shares	5.6	(14,801,449)	(14,801,449)
2,666,465,349	2,666,465,349			11,863,206	11,863,206

5.1 During the period, Nil (2020: 14,900) convertible preference shares and accumulated preference dividend thereon amounting to Rs. Nil (2020: Rs. 56.484 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 Group, holds 983,117,312 shares (2020: 983,117,312 shares) representing 36.87% (2020: 36.87%) shareholding in the Group. Out of these shares, 175 million shares are pledged to secure TFC liability which will be released with quarterly scheduled principal repayments proportionately starting from June 2019.

5.4 Ferret Consulting F.Z.C., an associate of the Group, holds 104,750,543 shares (2020: 139,750,543 shares) representing 3.93% (2020: 5.24%) shareholding in the Group.

5.5 AMB Management Consultants (Private) Limited, an associate of the Group, holds 914,053 shares (2020: 914,053 shares) representing 0.03% (2020: 0.03%) shareholding in the Group.

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

Opening balance	14,801,449	12,972,288
Add: Discount on issuance of ordinary shares during the year	-	1,829,161
Closing balance	14,801,449	14,801,449

5.7 Reconciliation of ordinary share capital is as follows:

Opening balance	26,664,655	24,587,540
Add: Shares issued during the year	-	2,077,115
Closing balance	26,664,655	26,664,655

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

5.9 Shareholders of the Group resolved in annual general meeting held on April 30, 2019 that the authorized capital of the Group be increased from Rs. 21 billion to Rs. 29 billion divided into 2.9 billion ordinary shares of Rs.10 which may be utilized to issue ordinary shares of Rs. 10 each and / or preference shares of Rs. 10 each of the Group as the Board of Directors of the Group may decide from time to time in accordance with the Companies Act, 2017. Regulatory requirements as to the alteration of Memorandum and Articles of Association and legal formalities have yet to be fulfilled.

Note 6
Preference Share Capital

	Note	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		--------No. of Shares-------		------------(Rupees in '000)-----------	
Opening balance		193,700	208,600	1,963,178	2,114,651
Less: Preference shares converted into ordinary shares during the year	6.3	-	(14,900)	-	(151,473)
		193,700	193,700	1,963,178	1,963,178

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 voting common 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.

6.5 Ferret Consulting F.Z.C., an associate of the Group, holds 141,200 preference shares (2020: 141,200 preference shares) in the Group.

6.6 Mandatory date of conversion of CPS has expired during the year 2018 and the Group has failed to redeem the un-converted preference shares in a timely fashion as required by its Articles of Association.

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	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		-------------(Rupees in '000)-------------	
Dividends on preference shares	7.1	715,652	715,652

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. Nil million (December 31, 2020: Rs. 56.484 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	June 30 2021 Un-audited	December 31 2020 Audited
		-------------(Rupees in '000)-------------	
Opening balance		1,287,110	1,287,110
Less: Payments made during the period / year		-	-
		1,287,110	1,287,110
Less: Current and overdue portion		(389,980)	(320,076)
		897,130	967,034
Add: Deferred markup	8.1	457,818	466,246
		1,354,948	1,433,280

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 (2020: six month average KIBOR plus 1.0% per annum), payable quarterly. The mark up rate charged during the year on the outstanding balance ranged from 8.30% to 8.84% (2020: 8.30% to 14.91%) 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.

During the period due to non-payment of due installments, Trustee enforced the letter of pledge and called 128.2 million shares from sponsors account.

The Group has not paid due quarterly installments of June 2019 to june 2021 amounting Rs. 260 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.

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.

			June 30 2021	December 31 2020
			Un-audited	Audited
8.1	**Deferred markup**	Note	--------------(Rupees in '000)--------------	
	Deferred markup	8.1.1	746,494	746,494
	Adjustment due to impact of IFRS 9	8.1.2	(132,590)	(156,621)
			613,904	589,873
	Less: Current portion		(156,086)	(123,627)
			457,818	466,246
8.1.1	Reconciliation of deferred markup is as follows:			
	Opening balance		746,494	667,277
	Add: Markup deferred during the period/year		-	79,217
			746,494	746,494
8.1.2	Reconciliation is as follows:			
	Opening balance		156,621	187,207
	Add: Discounting impact of deferred markup		-	16,681
			156,621	203,888
	Less: Unwinding impact of discounted deferred markup		(24,031)	(47,267)
			132,590	156,621

Note 9

Long Term Financing

	Note	June 30 2021 Un-audited	December 31 2020 Audited
		--------------(Rupees in '000)--------------	
From Banking Companies (secured)			
Allied Bank Limited	9.1	90,412	68,635
Bank Islami Limited	9.2	85,500	-
		175,912	68,635

9.1 Allied Bank Limited

	June 30 2021	December 31 2020
Opening balance	91,509	106,550
Repayments	(8,672)	(15,041)
	82,837	91,509
Less: Current and overdue portion	(17,393)	(43,909)
	65,444	47,600
Add: Deferred markup	29,238	25,647
Less: Discounting of deferred markup	(4,270)	(4,612)
	24,968	21,035
	90,412	68,635

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 48 stepped up monthly installments starting from January 2019 till December 2022. Markup will be accrued and will be serviced in 12 equal monthly installments, starting from January 01, 2023. Effective markup rate applicable will be 3 Month KIBOR + 85 bps. The mark up charged during the period on the outstanding balance ranged from 8.14% to 8.14% (2020: 8.10% to 14.40%) 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.

Subsequent to reporting date the Group has restructured the facility for repayment for the principle amount and accrued markup as well.

	June 30 2021 Un-audited	December 31 2020 Audited
	--------------(Rupees in '000)--------------	
9.2 Bank Islami Pakistan Limited		
Opening balance	-	-
Transfer from running finance	81,308	-
	81,308	-
Less: Current and overdue portion	(27,103)	-
	54,205	-
Add: Deferred markup	42,755	-
Less: Discounting of deferred markup	(11,460)	-
	31,295	-
	85,500	-

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 40 monthly installments starting from Jan 2022 till April 2025. Markup will be accrued and will be serviced in 24 equal monthly installments, starting from July 01, 2024. Effective markup rate applicable will be 3 Month KIBOR (Floor 7.5% and capping 17%). The mark up charged during the period on the outstanding balance 7.5% 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 10
Sponsor's Loan

	Note	June 30 2021 Un-audited	December 31 2020 Audited
		--------------(Rupees in '000)--------------	
Sponsor's Loan - unsecured			
- Interest bearing	10.1	474,900	482,400
- Non-interest bearing	10.2	908,267	862,889
		1,383,167	1,345,289

		June 30 2021	December 31 2020
10.1	Opening balance	482,400	466,050
	Exchange loss	(7,500)	16,350
		474,900	482,400

This represents USD denominated loan obtained from Worldcall Services (Private) Limited, the Parent Group. It carries mark up at 12 months KIBOR plus 1%. The mark up rate charged during the year on the outstanding balance is 8.67% (2020: 14.46%) per annum. The amount is not payable over the period of next 1 and half years.

10.2 This represents interest free loan obtained from Worldcall Services (Private) Limited, the Parent Group. The amount is not payable over the period of next 1 and half years.

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

	June 30 2021 Un-audited	December 31 2020 Audited
	--------------(Rupees in '000)--------------	
Opening balance	978,084	1,221,337
Less: Payments during the period/year	45,379	(243,253)
Amount of loan	1,023,463	978,084
Adjustment due to impact of IFRS 9:		
Discounting	(406,813)	(406,813)
Unwinding of discount	291,617	291,618
	(115,196)	(115,195)
	908,267	862,889

Note 11
Lease Liabilities

	June 30 2021 Un-audited	December 31 2020 Audited
	--------------(Rupees in '000)--------------	
Opening balance	275,931	239,454
Add: Additions during the year	164,509	48,515
Add: Interest expense	21,622	30,916
Less: Lease payments	(26,351)	(42,954)
Gross liability	435,711	275,931
Less: Current and overdue portion	(239,015)	(103,260)
Closing balance	196,696	172,671

11.1 Nature of leasing activities

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

Lease terms, and the remaining lease terms at the date of initial application, vary. Remaining lease term of existing lease contracts for which lease liability is booked ranges from 2 to 13 years.

Note 12

Short Term Borrowings

	Note	June 30 2021 Un-audited	December 31 2020 Audited
		--------------(Rupees in '000)--------------	
Banking companies (secured - interest bearing):			
- Running finances	12.1	346,475	427,419
Related parties (unsecured - interest free):			
- Ferret Consulting F.Z.C.	12.2	54,130	59,941
		400,605	487,360

12.1 Short term running finance facilities available from commercial banks under mark up arrangements amount to Rs. 346.352 million (2020: Rs. 427.41 million). Running finance facilities are available at mark up rate of KIBOR plus 1.5% to 2.0% per annum (2020: KIBOR plus 1.5% to 2.5% per annum), payable quarterly, on the balance outstanding. The mark up charged during the period on outstanding balances ranged from 8.79% to 9.53% (2020: 8.75% to 16.06%) per annum, effectively.

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 372,765 (2020: USD 372,765). In the absence of written agreement, the amount is repayable on demand.

12.3 ***Letters of credit and guarantees***

Of the aggregate facilities of Rs. 418.126 million (2020: Rs. 485.126 million) for guarantees, the amount utilized as at June 30, 2020 was Rs. 353.761 million (2020: Rs. 353.761 million) respectively.

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, lien over cash deposit of Rs. 3.9 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.

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, 2020 except following:

'PTA has filed recovery proceedings against the Group before the District Collector / District Officer Revenue, Lahore for an amount of Rs. 2.648 billion including late payment charges on November 4, 2016 due to non-payment of initial spectrum fee (ISF). The Group has not received any notice from the Revenue department. During the period PTA again issued the notice against non-payment of ISF and increased the claim by Rs. 1.038 billion.

PTA has withdrawn the frequencies 3.5 Ghz, 479 Mhz, 450 Mhz and 1900 Mhz. As per management the ISF for 3.5 Ghz and 479 Mhz is already fully paid till 2024. The outstanding liability for 1900 Mhz is reduced to zero on the basis that 1900 Mhz frequency has been fully paid for until 2015 (actual withdrawal year), Similarly, liability for 450Mhz frequency spectrum be reduced on prorata after withdrawal. Corresponding assets has also been retired.

The Group has filed an appeal with Islamabad High Court on January 12, 2021 against said decision of PTA on similar lines as explained above and the Group's management and legal advisor feels that there are strong grounds to defend the Group's stance and that the principal amount and late payment charges determined unilaterally by PTA will not materialize, hence, no provision has been made in these financial statements.

	June 30 2021 Un-audited	December 31 2020 Audited
	--------------(Rupees in '000)--------------	
Guarantees and Letter of Credits		
Outstanding guarantees and letters of credit	353,761	353,761
Commitments		
Commitments in respect of capital expenditure	9,696	9,202

Note 14

Property, Plant and Equipment

	Note	June 30 2020 (Un-audited)	December 31 2020 (Audited)
		--------------(Rupees in '000)--------------	
Operating fixed assets	14.1	5,959,251	6,195,839
Capital work-in-progress		14,711	11,482
		5,973,962	6,207,321

14.1 Operating fixed assets

	Note	June 30 2020	December 31 2020
Opening book value		6,195,839	6,519,429
Additions during the period / year	14.1.1	2,400	74,634
		6,198,239	6,594,063
Disposals (at book value) for the period / year	14.1.2	(12,655)	(12,993)
Depreciation charged during the period / year		(226,333)	(385,231)
Closing book value		5,959,251	6,195,839

14.1.1 Detail of additions

	June 30 2020	December 31 2020
Plant and equipment	1,948	74,034
Office equipment	-	94
Furniture and fixtures	-	92
Computers	452	414
	2,400	74,634

14.1.2 Book values of assets disposed off

	June 30 2020	December 31 2020
Plant and equipment	12,655	12,777
Computers	-	216
	12,655	12,993

Note 15

Right of use assets

	June 30 2020	December 31 2020
Opening balance	3,680,465	2,138,001
Add: Additions during the year	364,337	281,156
Add: Revaluation Surplus during the year	-	1,440,000
Less: Depreciation charge for the period / year	(137,963)	(178,692)
Closing balance	3,906,839	3,680,465
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

	Half Year Ended June 30, 2021	2020
	(Un-audited)	(Un-audited)
	-------------(Rupees in '000)-------------	
Asset for deferred taxation comprising temporary differences related to:		
-Unused tax losses	3,564,998	3,626,374
-Provision for doubtful debts	792,996	793,637
-Post employment benefits	62,599	58,366
-Provision for stores and spares & stock-in-trade	15,771	15,783
-Provision for doubtful advances and other receivables	72,571	85,035
Liability for deferred taxation comprising temporary differences related to:		
-Surplus on revaluation of assets	(2,135,089)	(2,190,126)
	2,373,846	2,389,069

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. This business plan is however, subject to uncertainty.

Being prudent, the Group has not recognized deferred tax assets of Rs. 2,890.339 million (2020: Rs. 2,702.427 million) in respect of unused tax losses and unabsorbed depreciation and Rs. 68.07 million (2020: Rs. 139.487 million) in respect of minimum tax available for carry forward under the Income Tax Ordinance, 2001 ("ITO"), as sufficient taxable profits would not be available to utilize these in the foreseeable future.

Note 17

Revenue

	Note	Half Year Ended June 30, 2021	2020
		(Un-audited)	(Un-audited)
	Note	-------------(Rupees in '000)-------------	
Telecom		995,527	1,663,062
Broadband	17.1	387,332	495,737
Other		-	2,075
Gross revenue		1,382,859	2,160,874
Less: Sales tax		(61,763)	(21,096)
Less: Discount		(1,445)	(6,553)
		1,319,651	2,133,225

17.1 This includes revenue amounting to Rs. 199 million (2020: Rs. 249 million) in respect of agreement for Indefeasible Right of Use of metro fiber with a customer. The agreement grants both parties to the agreement IRU for 20 years.

Note 18

Cash Used in Operations

	Half year ended June 30, 2021 (Un-audited)	Half year ended June 30, 2020 (Un-audited)
	--------------(Rupees in '000)--------------	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(405,325)	94,169
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	226,333	334,200
- Amortization on intangible assets	202,640	195,057
- Amortization of right of use assets	137,963	85,879
- (Gain) / Loss on disposal of property, plant and equipment	(46,995)	(39)
- Revenue from IRU agreement	(199,828)	(249,785)
- Disposal of fiber under IRU arrangement	9,978	12,778
Excess provisions written back during the year		
- Unclaimed liabilities written back during the year	-	(91,323)
- Liabilities written back on settlement with parties	(94,817)	-
- Reversal of provision for advance to suppliers	-	(3,692)
- Post employment benefits	20,971	24,425
- Dividend income on short term investments	-	(49)
- Adjustment due to impact of IFRS 9	(13,082)	(12,877)
- Income on deposits, advances and savings accounts	(17,574)	(17,387)
- Exchange gain/(loss) on foreign currency loan	(7,500)	40,200
- Exchange (gain)/loss on foreign currency accrued markup	(72)	2,011
- Exchange (gain)/loss on foreign currency balances - net	4,923	1,759
- Imputed interest on lease liability	21,622	-
- Unwinding impact of liabilities under IFRS 9	29,481	88,727
- Finance cost	101,309	184,934
	375,352	594,818
Operating loss before working capital changes	(29,973)	688,987
(Increase) / decrease in current assets		
- Stores and spares	2,604	3,645
- Trade debts	193,085	(307,251)
- Loans and advances	74,414	11,802
- Deposits and prepayments	(4,062)	(20,197)
- Other receivables	(7,697)	(7,931)
Increase / (decrease) in current liabilities		
- Unearned revenue	58,665	34,706
Trade and other payables	(314,203)	(353,361)
	2,806	(638,587)
Cash (Used in) / generated from operations	(27,167)	50,400

Note 19

Transaction with Related Parties

Related parties comprise the parent Group, 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

Related party	Relationship	Nature of transaction	Half year ended June 30, 2021 (Un-audited)	Half year ended June 30, 2020 (Un-audited)
			--------(Rupees in '000)--------	
Worldcall Services (Private) Limited	Parent Group	Funds received by the Group during the period	62,999	40,379
		Funds repaid by the Group during the period	43,089	119,968
		Settlement with multimedia	25,468	24,448
		Markup on long term borrowings	17,283	35,360
		Exchange (gain)/loss on markup	(72)	2,011
		Exchange (gain)/loss on Loan	(7,500)	
Worldcall Business Solutions (Private) Limited	Associate	Expenses borne on behalf of associate	5,032	6,928
		Interest charged during the year	2,551	-
Worldcall Cable (Private) Limited	Associate	Expenses borne on behalf of associate	77	-
		Interest charged during the year	76	-
ACME Telecom (Private) Limited	Associate	Interest charged during the year	1	-
Worldcall Ride Hail (Private) Limited	Associate	Expenses borne on behalf of associate	1	-
		Interest charged during the period	1	-
Key management personnel	Associated persons	Salaries and employees benefits	38,886	50,375
		Advances against expenses disbursed / (adjusted) - net	1,155	-

Transactions during the period with foreign companies

Related party	Relationship	Nature of transaction	2021	2020
Ferret Consulting - F.Z.C	Associate	Direct Cost-IT Service		2,700
		Exchange loss	1,018	-
		Expenses Charged	1,709	2,125
		Adjustment with third party	3,083	337,500
		Net funds received by the Group during the period	-	4,500

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

Outstanding Balance as at the year end		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
Worldcall Services	Sponsor's loan	1,383,167	1,345,289
(Private) Limited	Dividend on CPS	-	-
	Accrued markup	38,675	17,781
	Short term borrowings	-	-
Ferret Consulting - F.Z.C	Dividend on CPS	519,473	519,473
	Short term borrowings	54,130	59,941
AMB Management Consultants			
(Pvt.) Limited	Dividend on CPS	-	-
Worldcall Business Solutions			
(Private) Limited	Other receivables	77,692	70,109
ACME Telecom (Private) Limited	Other receivables	33	32
Worldcall Ride Hail (Private) Limited	Other receivables	18	17
Worldcall Cable (Private) Limited	Other receivables	2,340	2,263
Key management	Payable against expenses, salaries and other employee benefits	157,341	152,681
personnel	Long term loans	-	-
	Advance against expenses and salaries	13,038	11,883

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, 2020.

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 June 30, 2021:

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Assets				
Short-term investments	**91,963**	**-**	**-**	**91,963**

The following table presents the Group's assets and liabilities that are measured at fair value at December 31, 2020:

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Assets				
Short-term investments	**51,674**	**-**	**-**	**51,674**

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

Impact of Covid 19 on the financial statements

The Group has assessed, and continues to assess, the potential for disruption caused by the COVID-19 pandemic and has put in place plans and measures in order to enable the business to maintain normal operations, to the extent possible, against the backdrop of an evolving situation. The Group has implemented actions to mitigate the impact of COVID-19, including steps to protect the employees in line with guidance from government, and while there remains considerable uncertainty in relation to the COVID-19 pandemic (including its duration, extent and ultimate impact), management believes that the Group's operations will not experience any material impact due to the COVID-19 pandemic. Based on management assessment there is no material financial impact of COVID-19 in these financial statements.

Note 23

Subsequent Event

On September 20, 2021 the Board of Directors of the Group converted 38,000 preference shares along with dividend accrued on them into ordinary shares of the Group. As a result of conversion 529,733,920 ordinary shares of the Group are issued to preference shareholders detail of which is as follows:

	No. of	**No. of ordinary**
Ferret Consulting - F.Z.C	38,000	529,733,920
	38,000	529,733,920

Note 24

Date of Authorization for Issue

These condensed interim financial statements (un-audited) were approved and authorized for issue on 16 July 2022 by the Board of Directors of the Group.

Note 25

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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