



TELECARD LIMITED
1ST Quarterly Accounts
For the period ended
30 September 2021



Company Information

Board of Directors	Mr. Pervez Sadiq (Chairman) Mr. Syed Aamir Hussain (CEO) Mr. Tipu Saeed Khan Mr. Waseem Ahmad Mr. Syed Hashim Ali Mr. Muhammad Asim Mr. Asad Mujtaba Naqvi
Board Audit Committee	Mr. Tipu Saeed Khan (Chairman) Mr. S.M. Pervez Sadiq Mr. Asad Mujtaba Naqvi
Human Resource & Remuneration Committee	Mr. Muhammad Asim (Chairman) Mr. Syed Aamir Hussain Mr. Asad Mujtaba Naqvi
Chief Executive Officer	Mr. Syed Aamir Hussain
Legal Advisor	Mohsin Tayebaly & Co.
Chief Financial Officer	Mr. Syed Hashim Ali
Company Secretary	Mr. Waseem Ahmad
Banks	Habib Metropolitan Bank Ltd National Bank of Pakistan Silk Bank Limited Summit Bank Habib Bank Limited
Registrar and Share Transfer Office	Jwaffs Registrar Services (Pvt.) Ltd. 407-408, 4 th Floor, Al Aameera Centre Sharah-e-Iraq Karachi
Registered Office	3 rd Floor, 75 East, Blue Area, Fazal-ul-Haq Road, Islamabad Pakistan
Corporate Office	7 th Floor, World Trade Center, 10- Khayaban-e-Roomi, Clifton, Karachi Pakistan



Directors' Report

The Board of Directors of Telecard Limited are pleased to present the Financial Statements and review of your Company's performance for the period ended September 30, 2021.

Review of Current Operations

The revenue for the period ended September 30, 2021 was Rs. 330 million as against the revenue of Rs. 310 million for the corresponding financial period, the increase in revenue is due to increase in other revenue streams. Your company direct cost was higher when compared with similar period of the preceding financial year due to network media charges. Company has posted Gross Profit of Rs. 153 million compared to a Gross Profit of Rs. 145 million last time due to the foregoing reasons.

The administrative and distribution cost was higher when compared with the corresponding financial period. Finance cost for the period under review was lower when compared with similar period of the preceding financial year due restructuring of the Term Finance Certificates.

The Company incurred a profit after taxation of Rs. 65 million as against a profit after taxation Rs. 24 million during the corresponding financial period. The profit per share stood at Rs. 0.21 compared to a loss of Rs. (0.08) last time.

On a consolidated basis the Company posted revenue of Rs. 898 million as against revenue of Rs. 904 million for the corresponding financial period. Your company direct cost for the period was lower in comparison with the preceding financial period. Company has posted Gross Profit of Rs. 337 million compared to a Gross Profit of Rs. 232 million for the preceding financial period.

The administrative and distribution cost was higher in comparison with the corresponding period. Finance cost for the period under review was lower when compared with the preceding financial period.

On a consolidated basis the Company posted a profit after taxation of Rs. 98 million as against a loss of Rs. (8) million for the corresponding period. The profit per share stood at Rs. 0.31 as against a loss of Rs. (0.03) last time.

Future Prospects

Your Company stands committed to enhance revenue streams, with a sense of purpose and commitment.

On behalf of the Board


Syed Aamir Hussain
Chief Executive Officer

29 October, 2021

TELECARD LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEP 30, 2021

	Note	September 30, 2021	June 30, 2021
----- (Rupees in '000) -----			
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	4	398,634	410,011
Right-of-use assets		29,732	35,243
Intangible assets		<u>5,506</u>	<u>5,995</u>
		433,871	451,249
Long-term investment		340,537	340,537
Deferred taxation		256,762	256,762
Long-term deposits		<u>57,613</u>	<u>57,613</u>
		1,088,783	1,106,161
CURRENT ASSETS			
Trade debts	6	<u>312,500</u>	<u>326,398</u>
Loans and advances		78,491	52,153
Deposits and prepayment		45,317	45,476
Accrued Mark-up / profit		29,946	29,267
Other receivables	7	2,551,038	2,550,607
Taxation – net		109,600	128,207
Bank balances		<u>2,471</u>	<u>6,568</u>
		3,129,364	3,138,676
TOTAL ASSETS		<u><u>4,218,146</u></u>	<u><u>4,244,837</u></u>
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
400,000,000 (2021: 400,000,000) Ordinary shares of Rs.10 each			
		<u>4,000,000</u>	<u>4,000,000</u>
Issued, subscribed and paid-up			
	8	3,000,000	3,000,000
Unappropriated loss			
		<u>(592,997)</u>	<u>(657,743)</u>
		2,407,003	2,342,257
NON-CURRENT LIABILITIES			
Long-term financing		<u>680,055</u>	<u>60,294</u>
Accrued interest / Mark-up	9	233,081	-
Contractual liability to a Contractor		122,152	162,652
Lease liabilities		19,648	21,482
Deferred liabilities		<u>5,883</u>	<u>5,777</u>
		1,060,817	250,205
CURRENT LIABILITIES			
Trade and other payables	10	<u>562,098</u>	<u>565,998</u>
Unclaimed dividends		4,394	4,394
Accrued interest / Mark-up	11	33,675	303,192
Current portion of long term financing and lease liabilities	12	<u>150,159</u>	<u>778,791</u>
		750,326	1,652,375
CONTINGENCIES AND COMMITMENTS			
	13	-	-
TOTAL EQUITY AND LIABILITIES		<u><u>4,218,146</u></u>	<u><u>4,244,837</u></u>

The annexed notes from 1 to 17 form an integral part of these financial statements.


 Chief Executive


 Chief Financial Officer


 Director

TELECARD LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

		September 30, 2021	September 30, 2020
		----- (Rupees in '000) -----	
REVENUE – net		329,739	309,523
Direct costs	14	(176,843)	(164,181)
GROSS PROFIT		152,896	145,342
Distribution costs and administrative expenses		(99,678)	(90,352)
Exchange gain		231	1,280
Other income		40,173	1,687
		(59,274)	(87,385)
OPERATING PROFIT		93,622	57,956
Finance costs		(2,430)	(20,178)
PROFIT BEFORE TAXATION		91,192	37,778
Taxation	15	(26,446)	(13,755)
PROFIT FOR THE PERIOD		64,746	24,023
PROFIT PER SHARE - Basic and diluted (Rupees)		0.21	0.08

The annexed notes from 1 to 17 form an integral part of these financial statements.



 Chief Executive



 Chief Financial Officer

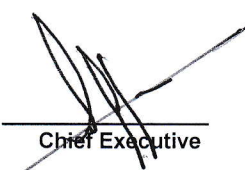


 Director


TELECARD LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	Note	September 30, 2021	September 30, 2020
	 (Rs. in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		91,192	37,778
Adjustments for non cash charges and other items:			
Depreciation		14,537	20,523
Depreciation on right-of-use assets		5,511	6,222
Provision for gratuity		106	110
Financial charges		2,326	20,074
Liabilities no longer payable written back		(38,925)	-
Advance from a contractor		-	-
Amortization of intangible assets		489	489
		(15,956)	47,418
Profit before working capital changes		75,236	85,196
(Increase) / decrease in current assets			
Trade debts		13,898	11,890
Loans and advances		(26,338)	(3,786)
Deposits, prepayments and accrued markup		(520)	(969)
Other receivables		(431)	(10)
		(13,391)	7,125
Increase / (decrease) in			
Creditors, accrued and other liabilities		(3,819)	(83,062)
Contractual liability to a Contractor		(40,500)	-
Cash generated from operations		17,526	9,259
Income tax paid		(7,839)	(7,293)
Finance cost paid		(62)	-
Long term loans		(6,080)	-
		(13,982)	(7,293)
Net cash generated from operating activities		3,544	1,966
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(3,160)	(8,627)
Net cash used in investing activities		(3,160)	(8,627)
CASH FLOW FROM FINANCING ACTIVITIES			
Lease rentals against right-of-use assets		(4,480)	(9,954)
Net cash flow from financing activities		(4,480)	(9,954)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		(4,097)	(16,615)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		6,568	23,018
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		2,471	6,403

The annexed notes from 1 to 17 form an integral part of these financial statements.



 Chief Executive



 Chief Financial Officer

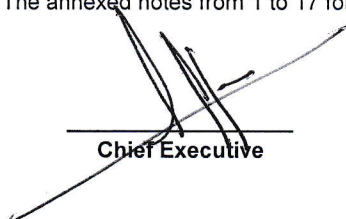


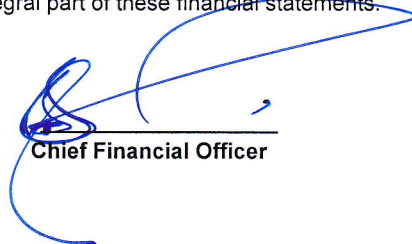
 Director

TELECARD LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	Issued, subscribed and paid-up	Unappropriated (loss)	Total
	----- (Rupees in '000) -----		
Balance as at June 30, 2020 (Audited)	3,000,000	(930,931)	2,069,069
Net profit for the period	-	24,023	24,023
Other comprehensive income	-	-	-
Total comprehensive profit	-	24,023	24,023
Balance as at Sep 30, 2020 (Unaudited)	<u>3,000,000</u>	<u>(906,908)</u>	<u>2,093,092</u>
Balance as at June 30, 2021 (Audited)	3,000,000	(657,743)	2,342,257
Net profit for the period	-	64,746	64,746
Other comprehensive income	-	-	-
Total comprehensive loss	-	64,746	64,746
Balance as at Sep 30, 2021 (Unaudited)	<u>3,000,000</u>	<u>(592,997)</u>	<u>2,407,003</u>

The annexed notes from 1 to 17 form an integral part of these financial statements.


 Chief Executive


 Chief Financial Officer


 Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

1. THE COMPANY AND ITS OPERATIONS

Telecard Limited (the Company) was incorporated in Pakistan on October 29, 1992 as a public limited company and registered under the Companies Ordinance, 1984 (the Ordinance), [Repealed with the enactment of Companies Act, 2017]. The shares of the Company are listed on the Pakistan Stock Exchange Limited. The Company itself and through its subsidiaries is licensed to provide fully integrated telecommunication services, including basic wireless telephony, long distance and international services and payphones.

The registered office of the Company is located at World Trade Centre 75-East Blue Area, Fazal-ul-Haq road, Islamabad. The principal place of business of the Company is located at World Trade Centre, 10- Khayaban-e-Roomi, Clifton, Karachi while the site office is situated at B-1, SITE area, Manghopir road, Karachi.

The regional offices of the Company are situated at the following:

House no. 1 White House Lane near Aitchison College, Sundreas Road, Zaman Park, Lahore.

Near Guttwala Bridge Sheikhpura Road, Faisalabad

4th Floor, Evacuee Trust Property Board Building Opposite PTCL Dera Adda Exchange Multan.

2. BASIS OF PREPARATION OF CONDENSED FINANCIAL STATEMENTS

These condensed financial statements have been prepared in accordance with the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and as per the requirements of International Accounting Standard (IAS) - 34 "Interim Financial Reporting", as applicable in Pakistan. The condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2021.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of these financial statements are same as those applied in preparing the financial statements for the year ended June 30, 2021.

	Note	September 30, 2021 (Rs. in '000)	June 30, 2021
4. PROPERTY, PLANT AND	4.1	398,634	410,011
Operating fixed assets		398,634	410,011
4.1. Operating fixed assets			
Opening net book value		410,011	453,583
Additions during the period / year	4.1.1	3,160	13,986
		413,171	467,569
Depreciation charged during the period / year		14,537	57,558
		14,537	57,558
		398,634	410,011

September 30, June 30,
2021 2021
..... (Rs. in '000)

4.1.1. Details of additions / deletions during the current period are as follows:

Owned

Apparatus, plant and equipment	2,020	11,193
Computers and related accessories	884	2,130
Furniture, fixtures and office equipment	256	663
	<u>3,160</u>	<u>13,986</u>

Details of disposals during the current period are as follows:

Owned

Vehicles	-	2,530
	<u>-</u>	<u>2,530</u>

5. INTANGIBLE ASSETS

Wireless local loop (WLL) license	8,120	8,120
Long distance International (LDI) license	29,029	29,029
	<u>37,149</u>	<u>37,149</u>
Disposal Cost	-	-
Amortisation / (disposal) to-date	(31,643)	(29,689)
	<u>5,506</u>	<u>7,460</u>

6. TRADE DEBTS

	<u>312,500</u>	<u>326,398</u>
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7. OTHER RECEIVABLES

Considered good

Due from Pakistan Telecommunication Company - Limited (PTCL)	349,953.47	325,771
Due from PTCL against PTA-Escrow	96,041	96,041
In Escrow account with PTA	345,594	345,594
Pakistan Telecommunication Authority (PTA) - APC for ASF	1,547,559	1,547,559
Pakistan Telecommunication Authority (PTA) - ARFSF	48,135	48,135
Pakistan Telecommunication Authority (PTA) - Others	117,197	117,197
Claim against a bank	998	998
Due from a contractor	3,004	2,402
Punjab Revenue Authority (PRA)	34,956	34,956
Others	7,600	7,005
	<u>2,551,038</u>	<u>2,525,659</u>

Considered doubtful

Pakistan Telecommunication Company limited	243,890	243,890
Pakistan Telecommunication Authority	76,428	76,428
Karachi Relief Rabate	-	325,770
	<u>320,318</u>	<u>646,088</u>
Provision for other receivables considered doubtful	(320,318)	(646,088)
	<u>2,551,038</u>	<u>2,525,659</u>

September 30,
2021 June 30,
2021
..... (Rs. in '000)

8. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

September 30, 2021	June 30, 2021	September 30, 2021	June 30, 2021
Number of shares			
<u>300,000,000</u>	<u>300,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>

Subsequent to the period end, the board of directors of the Holding Company, in the meeting held on October 07, 2021, approved the issuance of 5% Bonus shares, increasing Companies Paid up Capital from Rs. 300,000,000/- to Rs. 315,000,000/- divided into ordinary shares of Rs. 10/- each.

September 30,
2021 June 30,
2021
..... (Rs. in '000)

9. Accrued interest / Mark-up

	Note	September 30, 2021	June 30, 2021
Mark up on Term Finance Certificates	9.1	214,710	-
Mark up on Diminishing musharakah		<u>18,371</u>	<u>-</u>
		<u>233,081</u>	<u>-</u>

9.1 This represents listed Term Finance Certificates (TFC's) issued by the Company which have been restructured effective from October 2021. Under the restructuring terms, the principal amount is redeemable over 20 equal quarterly instalments beginning from March 31, 2022. However, in the event that the Company is successfully able to execute Offer for Sale ("OFS") of its wholly owned subsidiary, Supernet Limited, and the proceeds from such OFS are equal to or exceed Rs. 250 million, then the three quarterly installment of principal that fall due after the said listing would be immediately paid in a bullet payment. Further, the mark up accrued till December 31, 2020 is frozen and the profit accruing post restructuring shall be paid in eight quarterly instalments starting from March 31, 2027. These TFC's carry mark-up at the rate of three months KIBOR (June 30, 2021: 3 months KIBOR).

These are secured against a specific charge over the fixed assets (excluding land and buildings) of the Company, aggregating to Rs. 800 million (June 30, 2021: Rs.800) million and specific charge over the intangible assets (frequency spectrum) procured from the PTA.

September 30,
2021 June 30,
2021
..... (Rs. in '000)

10. TRADE AND OTHER PAYABLES

Pakistan Telecommunication Company Limited	1,308	542
Interconnect operators	5,926	11,989
Others	87,191	89,515
	<u>94,424</u>	<u>102,046</u>
Other payables		
Spectrum fee payable	96,493	146,493
Current accounts with related parties	135,808	126,261
Advances from customers	15,897	6,631
Accrued liabilities	128,864	103,568
Others	88,782	76,035
Workers' Welfare Fund	4,964	4,964
	<u>470,808</u>	<u>463,952</u>
	<u>565,232</u>	<u>565,998</u>

11. ACCRUED MARK-UP

On Secured:	
Interest / mark-up against financing	208,222
	<u>-</u>
	<u>208,222</u>
On Unsecured:	
Others	1,697
Current accounts with related parties	29,203
	<u>31,978</u>
	<u>33,675</u>
	<u>239,122</u>

	September 30, 2021	June 30, 2021
 (Rs. in '000)	
12. Current portion of long term financing and lease liabilities		
Current maturity of diminishing musharakah	24,120	24,120
Current maturity of term finance certificates	110,429	736,190
Current maturity of lease liabilities	<u>15,610</u>	<u>18,481</u>
	<u><u>150,159</u></u>	<u><u>778,791</u></u>

13. CONTINGENCIES AND COMMITMENTS

(a) Contingencies

There has been no change in the status of contingencies reported in the financial statements for the year ended June 30, 2021.

	September 30, 2021	June 30, 2021
 (Rs. in '000)	
(b) Commitments		
Counter guarantees given to banks	<u>47,225</u>	<u>47,225</u>

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

	Note	Three months ended	
		September 30, 2021	September 30, 2020
..... (Rs. in '000)			
14. DIRECT COSTS			
Interconnect charges		35,596	36,144
Network Media charges		82,786	71,739
Network site Rent		9,153	9,133
Network site utilities and maintenance		22,163	20,468
Insurance		577	561
Annual regulatory charges		6,541	5,464
Depreciation		14,027	13,961
Depreciation on right of use assets		5,511	6,222
Amortization of intangible assets		489	489
		176,843	164,181

15. TRANSACTIONS WITH RELATED PARTIES

The related parties include entities having directors in common with the Company, directors and other key management personnel. Transactions with related parties are as under:

Services provided by related parties	1,557	1,557
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16. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on Oct-29-2021 by the Board of Directors of the Company.

17. GENERAL

Figures have been rounded off to the nearest thousand rupees.



Chief Executive



Chief Financial Officer



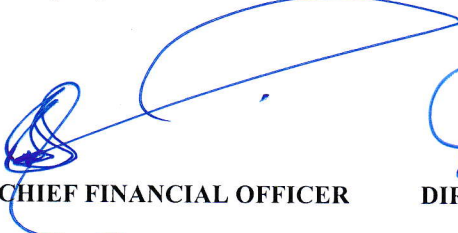
Director

TELECARD LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

	Note	September 30, 2021	June 30, 2021
----- (Rupees in '000') -----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	710,099	723,785
Intangible assets		78,891	79,288
Right-of-use assets	5	<u>33,303</u>	<u>39,316</u>
		822,293	842,389
Long-term deposits		57,708	57,708
Long-term Investment		-	-
Deferred taxation		<u>298,682</u>	<u>298,665</u>
		1,178,683	1,198,762
CURRENT ASSETS			
Communication stores		143,243	125,529
Trade debts		1,462,450	1,340,380
Loans and advances		324,937	146,172
Deposits and prepayments		97,392	75,831
Accrued mark-up		29,946	29,267
Other receivables	6	2,565,615	2,564,724
Taxation – net		264,666	291,432
Cash and bank balances		<u>111,604</u>	<u>165,764</u>
		4,999,852	4,739,099
TOTAL ASSETS		<u><u>6,178,535</u></u>	<u><u>5,937,861</u></u>

The annexed notes from 1 to 13 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER

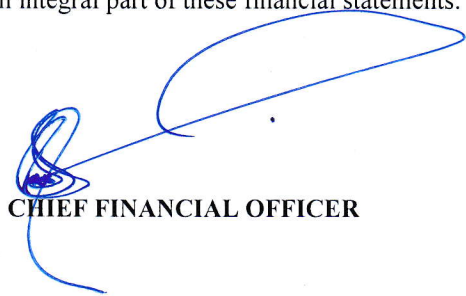

DIRECTOR

TELECARD LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

	Note	September 30, 2021	June 30, 2021
----- (Rupees in '000') -----			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
400,000,000 (June 30, 2021: 400,000,000) ordinary shares of Rs. 10/- each		<u>4,000,000</u>	<u>4,000,000</u>
Issued, subscribed and paid-up capital	7	3,000,000	3,000,000
Foreign currency translation reserve		914	(984)
Accumulated profit / (loss)		<u>273,019</u>	<u>174,625</u>
Capital and reserves attributable to the owners of the Holding Group		3,273,933	3,173,641
Non-controlling interest		<u>(2,681)</u>	<u>(2,080)</u>
TOTAL EQUITY		<u>3,271,252</u>	<u>3,171,561</u>
NON-CURRENT LIABILITIES			
Long-term financing	8	695,680	83,732
Accrued interest/mark-up		233,081	-
Contractual liability to a contractor		122,152	162,652
Lease liabilities		22,303	24,627
Deferred liabilities		8,513	8,510
		<u>1,081,729</u>	<u>279,521</u>
CURRENT LIABILITIES			
Trade and other payables	9	1,458,728	1,213,958
Unclaimed dividend		4,394	4,394
Accrued interest/mark-up		38,549	309,075
Current portion of long term financing and lease liabilities		<u>323,884</u>	<u>959,352</u>
		1,825,555	2,486,779
Contingencies & commitments	10		
TOTAL EQUITY AND LIABILITIES		<u>6,178,535</u>	<u>5,937,861</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Three months Ended</u>	
	<u>September 30,</u>	<u>September 30,</u>
	<u>2021</u>	<u>2020</u>
	---- (Rupees in '000') ----	
Revenue – net	897,510	904,022
Direct costs	<u>(560,831)</u>	<u>(672,219)</u>
Gross profit	336,679	231,803
Administrative & distribution costs	<u>(216,307)</u>	<u>(191,301)</u>
Other operating expenses	-	-
Other income	<u>39,091</u>	<u>12,267</u>
Operating profit	159,463	52,769
Finance costs	<u>(8,340)</u>	<u>(26,576)</u>
Profit before taxation	151,123	26,193
Taxation	<u>(53,331)</u>	<u>(34,102)</u>
Profit / (loss) for the year	97,793	(7,909)
Profit / (loss) is attributable to:		
Owners of the Holding Group	98,394	(6,327)
Non-controlling interests	<u>(601)</u>	<u>(1,582)</u>
	97,793	(7,909)
Earning / (loss) per share - basic & diluted - (Rupees)	0.31	(0.03)

The annexed notes from 1 to 13 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Three months Ended</u>	
	September 30, 2021	September 30, 2020
	--- (Rupees in '000') ---	
Net profit / (loss) for the year	97,793	(7,909)
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operation	1,898	-
Total comprehensive income / (loss) for the year	<u>99,691</u>	<u>(7,909)</u>
Total comprehensive income / (loss) attributable to:		
Owners of the Holding Group	100,292	(6,327)
Non-controlling interests	<u>(601)</u>	<u>(1,582)</u>
	<u>99,691</u>	<u>(7,909)</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Attributable to the owner of Holding Co.					Non - controlling interest	Total
	Issued subscribed paid-up capital	Accumulated profit / (loss)	Foreign currency translation reserve	(Rupees in '000')			
Balance as at June 30, 2020 (Audited)	3,000,000	(329,485)	132	(2,065)	2,668,582		
Net loss for the period	-	(6,327)	-	(1,582)	(7,909)		
Other comprehensive income	-	-	(248)	-	(248)		
Total comprehensive income / (loss) for the year	-	(6,327)	(248)	(1,582)	(8,157)		
Balance as at September 30, 2020 (Un-audited)	3,000,000	(335,812)	(116)	(3,647)	2,660,425		
Balance as at June 30, 2021 (Audited)	3,000,000	174,625	(984)	(2,080)	3,171,561		
Net Profit/(loss) for the period	-	98,394	1,898	(601)	99,691		
Other comprehensive income	-	-	-	-	-		
Total comprehensive income	-	98,394	1,898	(601)	99,691		
Total comprehensive loss for the year	-	98,394	1,898	(601)	99,691		
Balance as at September 30, 2021 (Un-audited)	3,000,000	273,019	914	(2,681)	3,271,252		

The annexed notes from 1 to 13 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Three months Ended
September 30, September 30,
2021 2020
---- (Rupees in '000') ----

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations	37,504	96,757
Income tax paid	(26,565)	(33,474)
Finance costs paid	(5,831)	(2,512)
Retirement benefits paid	(152)	-
Long-term deposits paid	-	(21,985)
Net cash generated from operating activities	<u>4,957</u>	<u>38,786</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Additions to property, plant and equipment	(35,202)	(20,070)
Net cash used in investing activities	<u>(35,202)</u>	<u>(20,070)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long-term finances-net	(13,893)	-
Lease rentals against right-of-use assets	(5,163)	(7,175)
Short-term running financing- net	(6,756)	(1,743)
Net cash used in financing activities	<u>(25,812)</u>	<u>(8,918)</u>
Exchange difference on translation of foreign subsidiary	1,898	-
Net increase/ (decrease) in cash and cash equivalents	<u>(54,160)</u>	<u>9,798</u>
Cash and cash equivalents at the beginning of the year	<u>165,764</u>	<u>87,418</u>
Cash and cash equivalents at the end of the period	<u><u>111,604</u></u>	<u><u>97,216</u></u>

The annexed notes from 1 to 13 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

1. THE GROUP AND ITS OPERATIONS

The Group comprises of:

- > Telecard Limited - Holding Company
- > Supernet Limited - Subsidiary Company
- > Telegateway Limited - Subsidiary Company
- > Nexus Communications (Private) Limited - Subsidiary Company
- > Glitz Communications (Private) Limited - Subsidiary Company
- > Globetech Communications (Private) Limited - Subsidiary Company
- > Supernet Infrastructure Solutions (Private) Limited
- > Supernet E-Solution (Pvt) Limited - Subsidiary Company of Supernet Limited
- > Supernet Secure Solution (Private) Limited - Subsidiary Company of Supernet Limited
- > Phoenix Global ZSE - Subsidiary Company of Supernet Limited

Telecard Limited was incorporated in Pakistan on October 29, 1992 as a public limited Group. The shares of the Holding Group are listed on the Pakistan Stock Exchange. The Holding Group is licensed to provide fully integrated telecommunication services, including basic wireless telephony, long distance and international services and payphones. The registered office of the Holding Group is located at World Trade Centre 75-East Blue Area, Fazal-ul-Haq road, Islamabad. The principal place of business of the Group is located at World Trade Centre, 10- Khayaban-e-Roomi, Clifton, Karachi.

Supernet Limited is engaged in providing satellite and microwave communication services e.g. internet, radio links, Single Channel Per Carrier (SCPC), Time Division Multiple Access (TDMA), etc. and sale and installation of related equipment and accessories. Telecard Limited holds 100% equity of Supernet Limited.

Telegateway Limited is engaged in the business of providing means of communicating audio, video or audio/video messages transmitted by radio cable, impulses and beams or by any combination thereof or by any other means through space, air, land, water, underground or underwater as permissible under the law. Telecard Limited holds 100% equity of Telegateway Limited. The Company is currently inactive.

Nexus Communications (Private) Limited has been incorporated to provide telecommunication and other related services. Telecard Limited holds 100% equity of Nexus Communications (Private) Limited. The Company is currently inactive.

Glitz Communications (Private) Limited has been incorporated to provide telecommunication and other related services. Telecard Limited holds 100% equity of Glitz Communications (Private) Limited. The Company is currently inactive.

Globetech Communications (Private) Limited has been incorporated to provide telecommunication and other related services. Telecard Limited holds 100% equity of Globetech Communications (Private) Limited. The Company is currently inactive.

Supernet Infrastructure Solutions (Private) Limited is engaged in the business of consultancy supplies and deals in all type of computer accessories, software, hardware, system integration and multimedia services. Supernet Limited holds 100% equity of Supernet Infrastructure Solutions (Private) Limited.

Supernet E-Solutions (Private) Limited is engaged in providing telecommunication solutions and other IT related services. Supernet Limited holds 100% equity of Supernet-E-Solution (Private) Limited.

Supernet Secure Solutions (Private) Limited is engaged in providing networking support services. Supernet Limited holds 80% equity of Supernet Secure Solutions (Private) Limited.

Phoenix Global FZE, a Group based in United Arab Emirates (UAE). Its principle business is provision of telecommunication services and sales of telecom equipment within UAE. Supernet Limited holds 100% equity of Phoenix Global FZE. The registered office of the Group is located at World Trade Centre, 75, East Blue Area, Fazal-ul-Haq Road, Islamabad.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements comprise the financial statements of the Holding Company and its Subsidiary Companies and prepared using uniform accounting policies. The assets, liabilities, income and expenses of the Subsidiary Companies have been consolidated on a line by line basis. Inter-group transactions and balances have been eliminated for the purpose of consolidation.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of these consolidated financial statements are same as those applied in preparing the consolidated financial statements for the year ended June 30, 2021.

Note	Sep 30, 2021 -- (Rupees in '000) --	June 30, 2021 -- (Rupees in '000) --
4. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	710,099	723,785
4.1 Operating fixed assets		
Opening net book value	723,785	808,537
Additions during the period / year	35,202	112,853
	<u>758,987</u>	<u>921,390</u>
Net book value of disposal during the period / year	-	(933)
Depreciation charged during the period / year	(48,888)	(196,672)
	<u>(48,888)</u>	<u>(197,605)</u>
	<u>710,099</u>	<u>723,785</u>
5. RIGHT-OF-USE ASSETS		
Opening net book value	39,316	65,154
Depreciation for the year	(6,013)	(25,838)
Closing net book value	<u>33,303</u>	<u>39,316</u>

	September 30, 2021	June 30, 2021
Note	-- (Rupees in '000) --	
8. LONG-TERM FINANCING		
Secured		
From banks and financial institutions		
Term Finance	46,875	54,688
Diminishing Musharaka	78,414	84,494
	<u>125,289</u>	<u>139,182</u>
Current maturity:		
Term Finance	(31,250)	(31,250)
Diminishing Musharaka	(24,120)	(24,200)
Current maturity shown under current liabilities	<u>(55,370)</u>	<u>(55,450)</u>
	69,919	83,732
Term finance certificates	8.1 736,190	736,190
Overdue instalments	-	(736,190)
Current maturity shown under current liabilities	<u>(110,429)</u>	<u>-</u>
	625,761	-
	<u>695,680</u>	<u>83,732</u>

- 8.1** This represents listed Term Finance Certificates (TFC's) issued by the Holding Company which have been restructured effective from October 2021. Under the restructuring terms, the principal amount is redeemable over 20 equal quarterly instalments beginning from March 31, 2022. However, in the event that the Holding Company is successfully able to execute Offer for Sale ("OFS") of its wholly owned subsidiary, Supernet Limited, and the proceeds from such OFS are equal to or exceed Rs. 250 million, then the three quarterly installment of principal that fall due after the said listing would be immediately paid in a bullet payment. Further, the mark up accrued till December 31, 2020 is frozen and the profit accruing post restructuring shall be paid in eight quarterly instalments starting from March 31, 2027. These TFC's carry mark-up at the rate of three months KIBOR (June 30, 2021: 3 months KIBOR).

These are secured against a specific charge over the fixed assets (excluding land and buildings) of the Group, aggregating to Rs. 800 million (June 30, 2021: Rs.800) million and specific charge over the intangible assets (frequency spectrum) procured from the PTA.

September 30, June 30,
2021 2021
-- (Rupees in '000) --

9. TRADE AND OTHER PAYABLES

Pakistan Telecommunication Group Limited (PTCL)

LL & LDI charges	1,308	-
Others	-	542
	<u>1,308</u>	<u>542</u>
Interconnect operators	5,926	11,989
Others	798,592	730,811
	<u>805,825</u>	<u>743,342</u>

Other payables

Current accounts with related parties	120,299	-
Spectrum fee payable	96,493	146,493
Contractual liability to customers	24,769	15,503
Advances from franchisees	200	200
Accrued liabilities	233,676	175,798
Payable to employees provident fund	6,177	107
Workers' welfare fund	7,746	7,746
Others	163,542	124,769
	<u>652,902</u>	<u>470,616</u>
	<u>1,458,728</u>	<u>1,213,958</u>

10. CONTINGENCIES AND COMMITMENTS

(a) Contingencies

- 10.1** There has been no change in the status of other contingencies reported in the consolidated financial statements for the year ended June 30, 2021.

September 30, June 30,
2021 2021
-- (Rupees in '000) --

(b) Commitments

- 10.2** Counter guarantees given to banks
- | | | |
|--|---------------|---------------|
| | <u>88,816</u> | <u>97,480</u> |
|--|---------------|---------------|

11. TRANSACTIONS WITH RELATED PARTIES

The related parties include entities having directors in common with the Group, major shareholders of the Group, directors and other key management personnel and retirement benefit plans. Transactions with related parties, other than those disclosed elsewhere in the financial statements are as under:

	<u>Three months Ended</u>	
	<u>September 30,</u> <u>2021</u>	<u>September 30,</u> <u>2020</u>
	-- (Rupees in '000) --	
Remuneration to key management personnel	78,952	107,731
Provident fund contribution during the period	<u>4,361</u>	<u>5,360</u>
	<u><u>83,313</u></u>	<u><u>113,091</u></u>

12. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on Oct-29-2021 by the board of directors of the Group.

13. GENERAL

Figures in these financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR