

TELECARD LIMITED
Half Yearly Accounts
For the period ended
31 December, 2020

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 Ameera 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 December 31, 2020.

Financial Performance

On a consolidated basis, the Company has reported a profit after taxation of Rs. 194 million as against a loss of Rs. (8.6) million during the corresponding financial period. The profit per share stood at Rs. 0.64 compared to a loss of Rs. (0.03) last year. The change is attributable to a number of reasons including the reduction in direct cost, distribution and administrative expenses and financial cost of the Company.

The reduction in direct cost is attributable to the lower connectivity cost coupled with reduced financial costs owing to the decrease in discount rates and debt servicing. The tax rate reduction on the data services has contributed positively in reducing the tax liability by Rs. 37 million despite increase in revenue before tax.

On a standalone basis the revenue for the period ended December 31, 2020 was Rs. 621 million as against the revenue of Rs. 607 million for the corresponding financial period, the increase in revenue is attributable to the appreciation of the exchange rate and increase in international traffic volume. Your Company's direct cost was lower when compared with similar period of the preceding financial year due to decrease in connectivity charges. The Company has posted Gross Profit of Rs. 295 million compared to a Gross Profit of Rs. 254 million last time due to the foregoing reasons.

The Company reported a profit after taxation of Rs. 86 million as against a loss after taxation of Rs. (37) million during the corresponding financial period. The profit per share stood at Rs. 0.29 compared to a loss of Rs. (0.12) last time frame.

Future Outlook - Challenges and Way Forward

Your company is poised to leverage its inherent advantage in experienced and trained human resources, established inroads into Enterprise Segment and already functional business lines to explore opportunities in technology sector with a focus to enhance revenues, profitability and diversification of its revenue streams.

Cognizant of the emerging opportunities due to COVID, on a global basis, your Company is expanding its footprint into Enterprise Security Solutions and Business Process Software platforms by forming global alliances and leveraging in house expertise to deliver best in class solutions to its customers through its subsidiaries. The company is actively looking towards enhancing its footprint in technology sector and feels confident that it will do so in coming months while growing its existing business lines.

On behalf of the Board


Syed Aamir Hussain
Chief Executive Officer

25 February, 2021

TELECARD LIMITED

Corporate Office: World Trade Center, 10, Kh. Roomi, Block-5, Clifton, Karachi-75600

PABX: (92-21) 38330000 UAN: 111-222-123 Fax: (92-21) 35867850

www.telecard.com.pk

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Telecard Limited Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **TELECARD LIMITED** (the "Company") as at December 31, 2020, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, 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 this 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 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 quarters ended December 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

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 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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Emphasis of matter

We draw attention to the contents of notes 9.1 & 16.1 to the condensed interim unconsolidated financial statements, matters of which is fully described in notes 15.2(a), 15.2(b), 15.3 and 26.1 to 26.10 to the annual audited financial statements for the year ended June 30, 2020. The ultimate outcome of the legal cases and financial claims, as fully explained in the aforementioned notes to the annual audited financial statements, cannot presently be determined and accordingly, no provision for any liability and reversal of any financial claim has been made in these condensed interim unconsolidated financial statements in this respect. Our conclusion is not qualified in respect of these matters.

The engagement partner on the audit resulting in this independent auditor's report is Hina Kazi.

Parker Russell AJS

(Chartered Accountants)

PKMS

Place: Karachi


Date: February 26, 2021

TELECARD LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

		Dec 31, 2020 (Un-audited)	June 30, 2020 (Audited)
	Note	---- (Rupees in '000') ----	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property and equipment	4	433,066	453,583
Intangible assets	5	6,972	7,949
Right-of-use assets	6	<u>46,478</u>	<u>58,727</u>
		486,516	520,259
Long-term investments		340,537	340,537
Long-term deposits		75,698	75,698
Deferred taxation	7	<u>302,762</u>	<u>302,762</u>
		1,205,513	1,239,256
CURRENT ASSETS			
Trade debts		<u>294,690</u>	351,054
Loans and advances		<u>59,296</u>	58,098
Deposits and prepayments		<u>21,576</u>	19,567
Accrued mark-up / profit	8	<u>27,888</u>	27,029
Other receivables	9	<u>2,523,494</u>	2,525,648
Taxation – net		<u>107,057</u>	137,346
Bank balances	10	<u>27,658</u>	23,018
		<u>3,061,659</u>	<u>3,141,760</u>
TOTAL ASSETS		<u>4,267,172</u>	<u>4,381,016</u>

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

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CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

	Dec 31, 2020 (Un-audited)	June 30, 2020 (Audited)
Note	---- (Rupees in '000') ----	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital authorised		
400,000,000 (2020: 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	3,000,000	3,000,000
300,000,000 (2020: 300,000,000) ordinary shares of Rs. 10/- each		
Revenue reserve - accumulated loss	<u>(844,655)</u>	<u>(930,931)</u>
	2,155,345	2,069,069
NON-CURRENT LIABILITIES		
Long-term financing	11 72,494	84,494
Contractual liability to a contractor	11 334,247	336,870
Lease liabilities	12 28,428	40,144
Deferred liabilities - staff gratuity	12 5,804	5,585
	440,973	467,093
CURRENT LIABILITIES		
Trade and other payables	13 614,536	819,027
Unclaimed dividend	13 4,394	4,394
Current portion of lease liabilities	12 20,191	22,001
Accrued interest / mark-up	14 271,423	239,122
Short-term financing	15 760,310	760,310
	1,670,854	1,844,854
Contingencies & commitments	17	
TOTAL EQUITY AND LIABILITIES	<u>4,267,172</u>	<u>4,381,016</u>

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

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CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
 CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
 FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Note	Half-year ended		Quarter ended	
		Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
		----- (Rupees in '000') -----			
Revenue – net		620,979	606,799	311,456	307,454
Direct costs		<u>(325,969)</u>	<u>(352,525)</u>	<u>(161,788)</u>	<u>(182,451)</u>
Gross profit		295,010	254,274	149,668	125,003
Distribution costs and administrative expenses		<u>(176,346)</u>	<u>(208,980)</u>	<u>(85,993)</u>	<u>(102,707)</u>
Other operating expenses		<u>(353)</u>	<u>(3,660)</u>	<u>(1,633)</u>	<u>(1,587)</u>
		(176,699)	(212,640)	(87,626)	(104,294)
Other income	16.1	52,054	4,395	50,367	3,565
		<u>(124,645)</u>	<u>(208,245)</u>	<u>(37,259)</u>	<u>(100,729)</u>
Operating profit		170,365	46,029	112,409	24,274
Finance costs		<u>(36,850)</u>	<u>(60,191)</u>	<u>(16,672)</u>	<u>(34,319)</u>
Profit / (loss) before taxation		133,515	(14,162)	95,737	(10,045)
Taxation		<u>(47,239)</u>	<u>(22,758)</u>	<u>(33,484)</u>	<u>(9,498)</u>
Net profit / (loss) for the period		<u>86,276</u>	<u>(36,920)</u>	<u>62,253</u>	<u>(19,543)</u>
Earning / (loss) per share - basic and diluted (rupees)		<u>0.29</u>	<u>(0.12)</u>	<u>0.21</u>	<u>(0.07)</u>

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

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~~CHIEF EXECUTIVE OFFICER~~

[Signature]
 CHIEF FINANCIAL OFFICER

[Signature]
 DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

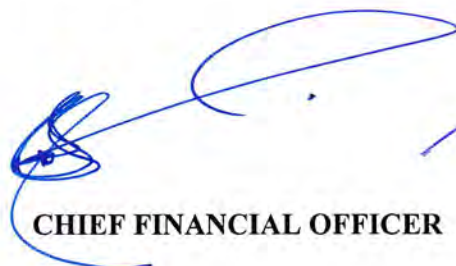
	<u>Half-year ended</u>		<u>Quarter ended</u>	
	<u>Dec 31,</u> <u>2020</u>	<u>Dec 31,</u> <u>2019</u>	<u>Dec 31,</u> <u>2020</u>	<u>Dec 31,</u> <u>2019</u>
	----- (Rupees in '000') -----			
Net profit / (loss) for the period	86,276	(36,920)	62,253	(19,543)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u><u>86,276</u></u>	<u><u>(36,920)</u></u>	<u><u>62,253</u></u>	<u><u>(19,543)</u></u>

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

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CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

TELECARD LIMITED

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Issued, subscribed and paid-up capital	Accumulated loss	Total
	----- (Rupees in '000') -----		
Balance as at June 30, 2019 - (Audited)	3,000,000	(843,340)	2,156,660
Net loss for the period	-	(36,920)	(36,920)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(36,920)	(36,920)
Balance as at Dec 31, 2019 - (Un-audited)	<u>3,000,000</u>	<u>(880,260)</u>	<u>2,119,740</u>
Net loss for the period	-	(50,671)	(50,671)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(50,671)	(50,671)
Balance as at June 30, 2020 - (Audited)	<u>3,000,000</u>	<u>(930,931)</u>	<u>2,069,069</u>
Net profit for the period	-	86,276	86,276
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	86,276	86,276
Balance as at Dec 31, 2020 - (Un-audited)	<u>3,000,000</u>	<u>(844,655)</u>	<u>2,155,345</u>

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

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CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

TELECARD LIMITED
 CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
 FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Half-year ended	
	Dec 31, 2020	Dec 31, 2019
	Note ---- (Rupees in '000') ----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	133,515	(14,162)
Adjustments for non cash and other items:		
Depreciation	40,845	41,121
Provision for gratuity	219	219
Finance costs	36,850	60,009
Amortisation of intangible assets	977	977
Provision for doubtful debt	-	57,586
Liability no longer payable written back	16.1 (49,039)	-
Advance from a contractor	(2,623)	(1,030)
	<u>27,229</u>	<u>158,882</u>
Profit before working capital changes	<u>160,744</u>	<u>144,720</u>
(Increase) / decrease in current assets		
Trade debts	56,691	(12,961)
Loans and advances	(1,198)	(539)
Other receivables	2,154	-
Deposits and prepayments	(2,009)	(16,143)
	<u>55,638</u>	<u>(29,643)</u>
Decrease in current liabilities		
Trade and other payables	(80,454)	(5,909)
Payment made to PTA against ISF	13.1 (75,000)	-
Cash generated from operations	<u>60,928</u>	<u>109,168</u>
Income tax paid	(16,950)	(21,475)
Finance cost paid	(167)	-
Finance cost against lease liabilities paid	(5,566)	(4,462)
Long-term deposit paid	-	(3,700)
	<u>(22,683)</u>	<u>(29,637)</u>
Net cash generated from operating activities	<u>38,245</u>	<u>79,531</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(8,079)	(2,833)
Net cash used in investing activities	<u>(8,079)</u>	<u>(2,833)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment made against diminishing musharakah	(12,000)	(25,000)
Lease rentals paid against lease liability	(13,526)	(14,493)
Net cash used in financing activities	<u>(25,526)</u>	<u>(39,493)</u>
Net increase in cash and cash equivalents	4,640	37,205
Cash and cash equivalents at the beginning of the period	23,018	22,503
Cash and cash equivalents at the end of the period	<u>27,658</u>	<u>59,708</u>

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


 CHIEF EXECUTIVE OFFICER


 CHIEF FINANCIAL OFFICER


 DIRECTOR

TELECARD LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

1. THE COMPANY AND ITS OPERATIONS

Telecard Limited (the Company) was incorporated in Pakistan on October 29, 1992 as a public limited company under the repealed 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. The Company itself and through its subsidiary is licensed to provide fully integrated telecommunication services, these include basic wireless telephony, long distance and international services.

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.

These are separate financial statements of the Company in which investments in subsidiaries are stated at cost less impairment losses, if any.

2. BASIS OF PREPARATION

2.1 These condensed interim unconsolidated financial statements of the Company for the six-months period ended December 31, 2020 have been prepared in accordance with the accounting and reporting standards 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 34, 'Interim Financial Reporting' (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

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

2.2 The condensed interim unconsolidated financial statements does not include all the information and disclosures required in an annual unconsolidated financial statements and should be read in conjunction with the annual audited financial statements as at and for the year ended June 30, 2020.

2.3 The condensed interim unconsolidated financial statements is being submitted to the shareholders as required by the listing regulation of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

2.4 The figures included in condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 and the notes forming part thereof, have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended December 31, 2020 and December 31, 2019.

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3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The preparation of condensed interim unconsolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income or expenses. Actual results may differ from these estimates.

The accounting policies, estimates, judgments and methods of computation adopted for the preparation of the condensed interim unconsolidated financial statements are same as those applied in the preparation of the annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2020.

3.1 Changes in accounting standards, interpretations and amendments to the accounting and reporting standards

a) Standards and amendments to accounting and reporting standards which became effective during the half year ended December 31, 2020

There were certain amendments to accounting and reporting standards which became mandatory for the Company's annual accounting period which began on July 1, 2020. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim unconsolidated financial statements.

b) Standards and amendments to accounting and reporting standards that are not yet effective

Standards and amendments to accounting and reporting standards beginning on or after July 1, 2021 do not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

	Note	Dec 31, 2020 (Un-audited) ---- (Rupees in '000') ----	June 30, 2020 (Audited)
4. PROPERTY AND EQUIPMENT			
4.1 Operating fixed assets			
Opening net book value		453,583	505,300
Additions during the period / year	4.1.1	<u>8,079</u>	<u>5,480</u>
		461,662	510,780
Depreciation charged during the period / year		<u>(28,596)</u>	<u>(57,197)</u>
Closing net book value		<u><u>433,066</u></u>	<u><u>453,583</u></u>
4.1.1 Details of additions during the period / year are as follows:			
Owned			
Apparatus, plant and equipment		7,418	4,592
Computers & accessories		514	724
Furniture, fixtures and office equipment		<u>147</u>	<u>164</u>
		<u><u>8,079</u></u>	<u><u>5,480</u></u>

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	Dec 31, 2020 (Un-audited) ---- (Rupees in '000') ----	June 30, 2020 (Audited)
5. INTANGIBLE ASSETS		
At cost		
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>
Accumulated amortisation to date	(30,175)	(29,200)
	<u>6,972</u>	<u>7,949</u>
6. RIGHT-OF-USE ASSETS		
Opening net book value	58,727	83,538
Depreciation for the period / year	(12,249)	(24,811)
Closing net book value	<u>46,478</u>	<u>58,727</u>
7. DEFERRED TAXATION		
Being prudent and based on future projections, the Company has not recognised deferred tax asset amounting to Rs. 36.354 million (June 30, 2020: 48.712 million) during the reporting period.		
	Dec 31, 2020 (Un-audited) ---- (Rupees in '000') ----	June 30, 2020 (Audited)
8. ACCRUED MARK-UP / PROFIT		
Due from a bank	7,000	7,000
Others	20,888	20,029
	<u>27,888</u>	<u>27,029</u>
9. OTHER RECEIVABLES		
Considered good		
Karachi Relief Rebate Package	325,771	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)	1,547,559	1,547,559
Late payment additional fees and others to PTA	165,332	165,332
Claim against a bank	998	998
Due from a contractor	-	2,798
Punjab Revenue Authority (PRA)	34,956	34,956
Others	7,243	6,599
	<u>2,523,494</u>	<u>2,525,648</u>
Considered doubtful		
Karachi Relief Rebate Package	325,771	325,771
Pakistan Telecommunication Authority	76,428	76,428
Due from PTCL against WPS	243,890	243,890
	<u>646,089</u>	<u>646,089</u>
Loss allowance for other receivables considered doubtful	(646,089)	(646,089)
	<u>2,523,494</u>	<u>2,525,648</u>
9.1	There has been no significant change in status of legal cases / financial claims as reported in the annual unconsolidated financial statements of the Company for the year ended June 30, 2020.	

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		Dec 31, 2020 (Un-audited)	June 30, 2020 (Audited)
	Note	---- (Rupees in '000') ----	
10. BANK BALANCES			
Cash at banks:			
In current accounts			
Local currency		1,481	1,537
Foreign currency		15	34
		<u>1,496</u>	<u>1,571</u>
In saving accounts			
Local currency	10.1	26,162	21,447
		<u>27,658</u>	<u>23,018</u>

10.1 These carry mark-up at rates, ranging between 3.86% to 4.50% (June 30, 2020: 2.02% to 10.30%) per annum.

		Dec 31, 2020 (Un-audited)	June 30, 2020 (Audited)
	Note	---- (Rupees in '000') ----	
11. LONG TERM FINANCING			
Secured			
Diminishing musharakah		96,614	108,614
Current maturity shown under current liabilities		(24,120)	(24,120)
		72,494	84,494
Term finance certificates		736,190	736,190
Overdue instalments		(736,190)	(570,541)
Current maturity shown under current liabilities		-	(165,649)
		-	-
		<u>72,494</u>	<u>84,494</u>

11.1 There has been no significant change in the terms and conditions of the above facilities as disclosed in the Company's annual unconsolidated financial statements for the year ended June 30, 2020.

		Dec 31, 2020 (Un-audited)	June 30, 2020 (Audited)
		---- (Rupees in '000') ----	
12. LEASE LIABILITIES			
Present value of lease liabilities against ROU assets		48,619	62,145
Current portion shown under current liabilities		(20,191)	(22,001)
Non-current portion of lease liabilities		<u>28,428</u>	<u>40,144</u>

Praxis

		Dec 31, 2020 (Un-audited)	June 30, 2020 (Audited)
	Note	---- (Rupees in '000') ----	
13. TRADE AND OTHER PAYABLES			
Pakistan Telecommunication Company Limited (PTCL)			
LL & LDI charges		-	56,677
Others		-	542
		-	57,219
Interconnect operators		13,951	12,314
Others		90,192	109,766
		<u>104,143</u>	<u>179,299</u>
Other payables			
Current accounts with related parties		66,799	85,988
Current maturity of spectrum fee payable	13.1	242,100	317,100
Accrued liabilities		133,967	156,791
Advances from customers		1,443	10,024
Workers' welfare fund		4,964	4,964
Others		61,120	64,861
		<u>510,393</u>	<u>639,728</u>
		<u>614,536</u>	<u>819,027</u>

- 13.1 As disclosed in note 22.2.1 to the annual audited financial statements for the year ended June 30, 2020, the Company, during the reporting period, has made payments upto the tune of Rs. 75 million on account of initial spectrum fee (ISF) to Pakistan Telecommunication Authority (PTA) as a part of its settlement process which is yet pending confirmation from PTA. In this respect, the Company has also issued Post Dated Cheques (PDCs) as disclosed in note 16.3 to the condensed interim financial statements. Other than those disclosed, there has been no significant change in the status of the matter as described in note 22.2.1 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2020.

		Dec 31, 2020 (Un-audited)	June 30, 2020 (Audited)
		---- (Rupees in '000') ----	
14. ACCRUED INTEREST/MARK-UP			
On secured			
Interest / mark-up against financing		239,993	208,222
On unsecured			
Current accounts			
Related parties		1,697	1,697
Others		29,733	29,203
		<u>31,430</u>	<u>30,900</u>
		<u>271,423</u>	<u>239,122</u>

PKMS

	Dec 31, 2020 (Un-audited) ---- (Rupees in '000') ----	June 30, 2020 (Audited)
15. SHORT-TERM FINANCING		
Current maturity of diminishing musharakah	24,120	24,120
Overdue instalments of term finance certificates	<u>736,190</u>	<u>736,190</u>
	<u><u>760,310</u></u>	<u><u>760,310</u></u>
16. OTHER INCOME		
16.1 This includes liabilities no longer payable written-back during the reporting period amounting to Rs. 49.039 million (Dec 31, 2019: nil).		
17. CONTINGENCIES AND COMMITMENTS		
17.1 Contingencies		
There has been no significant change in the status of contingencies as reported in the annual unconsolidated financial statements for the year ended June 30, 2020.		
17.2 Commitments		
Counter guarantees given to banks	<u><u>43,625</u></u>	<u><u>43,625</u></u>
17.3 The Company has issued Post Dated Cheques (PDCs) amounting to Rs. 30 million (June 30, 2020: nil) to Pakistan Telecommunication Authority (PTA) on account of Initial Spectrum Fee (ISF) as disclosed in note 12.1 to the condensed interim unconsolidated financial statements.		
18. DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES		
18.1 The Company recognised rent expense from short-term leases during the period amounting to Rs. 26.73 million (Dec 31, 2019: 26.25 million).		
19. TRANSACTIONS WITH RELATED PARTIES		
The related parties include a subsidiary company, entities having directors in common with the Company, major shareholders of the Company, 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:		
	Half-year ended	
	Dec 31, 2020	Dec 31, 2019
	---- (Rupees in '000') ----	
Wholly owned subsidiary companies		
Supernet E-Solutions (Private) Limited		
Services received	2,754	3,246

PKAS

	Half-year ended	
	Dec 31, 2020	Dec 31, 2019
	---- (Rupees in '000') ----	
Entities having directors in common with the Company		
Arfeen International (Private) Limited*		
Rent charged to the Company	-	2,760
Mark-up charged to the Company	-	1,152
Services rendered	-	230
World Trade Center (Private) Limited*		
Service received	-	31,117
Service rendered	-	56
Mark-up charged to the Company	-	1,208
Mark-up charged by the Company	-	2,376
Envicrete Limited*		
Services rendered	-	128
Instaphone Infrastructure (Private) Limited*		
Services rendered	-	-
Services received	-	949
Port Grand Limited*		
Services rendered	-	84
Key Management Personnel		
Remuneration and benefits	40,163	39,685
Staff retirement benefits - provident fund	3,224	3,597

* These parties are no longer related to the Company by virtue of common directorship during the current reporting period.

20. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2020.

Pras

21. CORRESPONDING FIGURES

Certain corresponding figures have been reclassified and rearranged for the purpose of better presentation, however, there were no material reclassifications during the reporting period other than the following:

		Amount in 000'
Reclassification from:	Reclassification to:	
-Deposits and prepayment	-Long-term deposits	
-Prepayment - others	-Security deposits - others	18,085

22. AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue on 25 FEB 2021 by the Board of Directors of the Company.

23. GENERAL

Figures have been rounded off to the nearest thousand rupees except as stated otherwise.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DEC 31, 2020

	Dec 31, 2020	June 30, 2020
	---- (Rupees in '000') ----	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4. 790,393	808,537
Intangible assets	80,325	81,304
Right-of-use assets	5. 51,728	65,154
	<u>922,446</u>	<u>954,995</u>
Long-term deposits	129,111	106,429
Deferred taxation	336,583	336,583
	<u>1,388,140</u>	<u>1,398,007</u>
CURRENT ASSETS		
Communication stores	188,221	129,063
Trade debts	1,239,324	1,385,086
Loans and advances	260,579	141,645
Deposits and prepayment	58,159	60,793
Accrued mark-up	27,943	27,348
Other receivables	6. 2,534,966	2,540,393
Taxation – net	296,484	327,419
Bank balances	107,845	87,418
	<u>4,713,521</u>	<u>4,699,165</u>
TOTAL ASSETS	<u><u>6,101,661</u></u>	<u><u>6,097,172</u></u>

The annexed notes from 1 to 11 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DEC 31, 2020

Dec 31, June 30,
2020 2020
---- (Rupees in '000) ----

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Share capital authorized
400,000,000 (2020: 400,000,000) ordinary shares of Rs. 10/-
each

4,000,000 4,000,000

Issued, subscribed and paid-up capital

3,000,000 3,000,000

Foreign currency translation reserve

958 132

Accumulated loss attributable to owners of the company

(136,448) (329,485)

Non-Controlling Interest

(1,535) (2,065)

Total equity

2,862,975 2,668,582

NON-CURRENT LIABILITIES

Long-term loans

127,182 139,182

Advance from contractor

336,870 336,870

Lease liabilities

33,098 45,226

Deferred liabilities

8,665 8,446

505,815 529,724

CURRENT LIABILITIES

Trade and other payables

7. 1,506,515 1,707,012

Unclaimed dividend

4,394 4,394

Accrued interest/mark-up

277,188 245,154

Current portion of lease liabilities

21,886 24,047

Short-term financing

922,888 918,259

2,732,871 2,898,866

Contingencies & commitments

- -

TOTAL EQUITY AND LIABILITIES

6,101,661 6,097,172

The annexed notes from 1 to 11 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED DECEMBER 31, 2020
(UN-AUDITED)

	Half-year ended		Quarter ended	
	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
	----- (Rupees in '000') -----			
Revenue – net	1,791,691	2,128,083	887,669	1,029,767
Direct costs	(1,164,711)	(1,478,978)	(492,492)	(793,193)
Gross profit	626,979	649,105	395,176	236,574
Distribution costs and administrative expenses	(363,345)	(408,269)	(172,044)	(203,598)
Exchange gain / (loss)	22,497	(45,333)	22,497	(13,515)
	(340,848)	(453,602)	(149,547)	(217,113)
Other income	52,918	8,273	40,651	4,801
	(287,930)	(445,329)	(108,896)	(212,312)
Operating profit	339,049	203,776	286,280	24,262
Finance costs	(49,336)	(79,281)	(22,760)	(43,646)
Profit / (loss) before taxation	289,713	124,495	263,520	(19,384)
Taxation	(96,146)	(133,101)	(62,044)	(60,507)
Net profit / (loss) for the period	193,567	(8,606)	201,476	(79,891)
Attributable to :				
Group	193,037	(10,155)	199,364	(82,516)
NCI	530	1,549	2,112	2,625
	193,567	(8,606)	201,476	(79,891)
earning / (loss) per share - basic and diluted (rupees)	0.64	(0.03)	0.67	(0.27)


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2020
(UN-AUDITED)

	<u>Half Year Ended</u>		<u>Quarter Ended</u>	
	<u>Dec 31,</u> <u>2020</u>	<u>Dec 31,</u> <u>2019</u>	<u>Dec 31,</u> <u>2020</u>	<u>Dec 31,</u> <u>2019</u>
	--- (Rupees in '000') ---		--- (Rupees in '000') ---	
Net profit / (loss) for the period	193,567	(8,606)	201,476	(79,891)
Other comprehensive income-net	826	-	1,074	-
Total comprehensive income / (loss) for the period	<u>194,393</u>	<u>(8,606)</u>	<u>202,550</u>	<u>(79,891)</u>

The annexed notes from 1 to 11 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2020

	Issued subscribed paid-up capital	Un- appropriated profit/ (loss)	Foreign currency translation reserve	Non - controlling interest	Total
	----- (Rupees in '000') -----				
Balance as at June 30, 2019	3,000,000	(277,270)	(375)	(846)	2,721,509
Net loss for the period		(8,606)	-	-	(8,606)
Other comprehensive income	-	-	826	-	826
Total comprehensive income	-	(8,606)	826	-	(7,780)
Balance as at December 31, 2019	<u>3,000,000</u>	<u>(285,876)</u>	<u>451</u>	<u>(846)</u>	<u>2,713,729</u>
Balance as at June 30, 2020	3,000,000	(329,485)	132	(2,065)	2,668,582
Net profit for the period	-	193,037	-	530	193,567
Other comprehensive income	-	-	826	-	826
Total comprehensive income	-	193,037	826	530	194,393
Balance as at Dec 31, 2020	<u>3,000,000</u>	<u>(136,448)</u>	<u>958</u>	<u>(1,535)</u>	<u>2,862,975</u>

The annexed notes from 1 to 11 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED DEC 31, 2020

Dec 31, Dec 31,
2020 2019
---- (Rupees in '000') ----

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations	223,016	287,945
Income tax paid	(65,211)	(190,294)
Finance costs paid	(17,300)	(17,067)
Long-term deposits	(22,682)	(3,665)
Net cash generated from operating activities	117,823	76,919

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure	(75,737)	(30,449)
Intangible	-	(927)
Net cash used in investing activities	(75,737)	(31,376)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of obligation under finance lease	(14,289)	(18,217)
Repayment of long-term finances	(12,000)	(44,349)
Proceeds from /(Repayment) of short-term running finances	4,629	(722)
Net cash used in financing activities	(21,660)	(63,288)

Net increase / (decrease) in cash and cash equivalents	20,427	(17,745)
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Cash and cash equivalents at the beginning of the period	87,418	194,305
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Cash and cash equivalents at the end of the period	107,845	176,560
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The annexed notes from 1 to 11 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2020

1. THE GROUP AND ITS OPERATIONS

The Group comprises of:

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

Telecard Limited was incorporated in Pakistan on October 29, 1992 as a public limited company. The shares of the Holding Company are listed on the Pakistan Stock Exchange. The Holding Company 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 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.

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.

Supernet E-Solutions (Private) Limited (Formerly Telecard E-Solutions (Pvt) Ltd is engaged in providing telecommunication solutions and other IT related Services. Telecard Limited holds 100% equity of Supernet E-Solutions (Private) 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.

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

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

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

Supernet Secure Solutions (Pvt) Limited has been incorporated as a subsidiary of Supernet Limited, operating in the IT security domain with the focus of providing security solutions having the objective of becoming a leading service provider of IT security products. Supernet Limited

Phoenix Global FZE has been acquired during the last financial year, the purpose of company is to engage in import, export, Trading of IT related products, electronics and Telecommunication products. Supernet Limited holds 100% equity of Phoenix Global FZE.

2. BASIS OF CONSOLIDATION

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 2020.

	Dec 31, 2020	June 30, 2020
	--- (Rupees in '000) ---	
4. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	4.1 <u>790,393</u>	<u>808,537</u>
4.1. Operating fixed assets		
Opening net book value	808,537	817,797
Additions during the period / year	<u>75,737</u>	<u>161,220</u>
	<u>884,274</u>	<u>979,017</u>
Depreciation charged during the period / year	<u>93,881</u>	<u>170,480</u>
	<u>790,393</u>	<u>808,537</u>
5. RIGHT-OF-USE ASSETS		
Opening net book value	65,154	92,361
Depreciation	<u>(13,426)</u>	<u>(27,207)</u>
Closing net book value	<u>51,728</u>	<u>65,154</u>

	Dec 31, 2020	June 30, 2020
	--- (Rupees in '000) ---	
6. OTHER RECEIVABLES		
Karachi Relief Rebate	325,771	325,771
Amount withheld by PTCL against PTA-Escrow	96,041	96,041
In Escrow account with PTA	345,594	345,594
Pakistan Telecommunication Authority - APC for USF	1,547,559	1,547,559
Pakistan Telecommunication Authority - ARFSF	48,135	48,135
Pakistan Telecommunication Authority - others	117,197	117,197
Claim against a bank	998	998
Insurance claims	3,214	3,214
Due from a contractor	-	2,798
Punjab Revenue Authority (PRA)	34,956	34,956
Deposit with FBR under tax amnesty scheme	-	2,991
Others	15,501	15,139
	2,534,966	2,540,393
Considered doubtful		
Due from PTCL against WPS	243,890	243,890
Pakistan Telecommunication Authority	76,428	76,428
Karachi relief rebate	325,770	325,770
	646,088	646,088
Provision for other receivables considered doubtful	(646,088)	(646,088)
	2,534,966	2,540,393
7. TRADE AND OTHER PAYABLES		
Trade		
Pakistan Telecommunication Company Limited		
LL & LDI charges	-	56,677
Others	-	542
	-	57,219
Interconnect operators	13,951	12,314
Others	882,252	986,051
	896,203	1,055,584
Other payables		
Spectrum fee payable	239,477	317,100
Contractual liability to customers	10,315	18,896
Advances from franchisees	200	200
Accrued liabilities	245,519	226,051
Payable to employees provident fund	5,479	2,254
Workers' welfare fund	7,746	7,746
Others	101,576	79,181
	610,312	651,428
	1,506,515	1,707,012

8. CONTINGENCIES AND COMMITMENTS

(a) Contingencies

8.1 There has been no change in the status of other contingencies reported in the consolidated financial statements for the year ended June 30, 2020.

(b) Commitments

8.2 Counter guarantees given to banks	47,225	81,525
8.3 Post dated cheques	30,000	-

9. 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:

	Dec 31, 2020	Dec 31, 2019
	-- (Rupees in '000) --	
Entities having directors in common with the Group		
Arfeen International (Private) Limited *		
Services rendered	-	546
Markup charged to the Group	-	1,152
Rent charged during the year	-	2,760
World Trade Center (Private) Limited *		
Service received	-	34,907
Services rendered	-	173
Markup charged to the group	-	1,208
Markup charged by the group	-	2,376
Envicrete Limited *		
Services rendered	-	277
Port Grand *		
Services rendered	-	84
Instaphone Infrastructure (Private) Limited *		
Services rendered	-	-
Services received	-	949
Key Management Personnel		
Remuneration and benefits	252,545	168,342
Staff retirement benefits - Provident fund	8,429	8,172

* These parties are no longer related to the Company by virtue of common directorship during the current reporting period

10. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 25-7-2021 by the board of directors of the Group.

11. GENERAL

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR