

TELECARD LIMITED  
1<sup>ST</sup> Quarterly Accounts  
For the period ended  
30 September 2019

## Company Information

### Board of Directors

Mr. Shams ul Arfeen (Chairman)  
Syed Aamir Hussain (CEO)  
Mr. Tipu Saeed Khan  
Mr. Hissan ul Arfeen  
Mr. Waseem Ahmad  
Syed Hashim Ali  
Syed Mohammad Pervez Sadiq

### Board Audit Committee

Mr. Tipu Saeed Khan (Chairman)  
Mr. Shams ul Arfeen  
Syed Muhammad Pervez Sadiq

### Human Resource & Remuneration Committee

Mr. Shams ul Arfeen (Chairman)  
Syed Aamir Hussain  
Mr. Hissan ul Arfeen

### Chief Executive Officer

Syed Aamir Hussain (CEO)

### Legal Advisor

Mohsin Tayebaly & Co.

### Chief Financial Officer

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<sup>th</sup> Floor, Al Ameera Centre  
Sharah-e-Iraq Karachi

### Registered Office

3<sup>rd</sup> Floor, 75 East, Blue Area,  
Fazal-ul-Haq Road, Islamabad  
Pakistan

### Corporate Office

7<sup>th</sup> 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, 2019.

### Review of Current Operations

The revenue for the period ended September 30, 2019 was Rs. 299 million as against the revenue of Rs. 265 million for the corresponding financial period, the increase in revenue is attributable to the volume escalation of termination of international traffic, coupled with the appreciation of the exchange rate. Your company direct cost was higher when compared with similar period of the preceding financial year due to increase in various charges. Company has posted Gross Profit of Rs. 129 million compared to a Gross Profit of Rs. 108 million last time due to the foregoing reasons.

The administrative and distribution cost was lower when compared with the corresponding financial period. Finance cost for the period under review was higher when compared with similar period of the preceding financial year due to increase in discount rates.

The Company incurred a loss after taxation of Rs. (17) million as against a loss after taxation Rs. (25) million during the corresponding financial period. The loss per share stood at Rs. (0.06) compared to a loss of Rs. (0.08) last time.

On a consolidated basis the Company posted revenue of Rs. 1.098 billion as against revenue of Rs. 934 million for the corresponding financial period. Your company direct cost for the period was higher in comparison with the preceding financial period. Company has posted Gross Profit of Rs. 412 million compared to a Gross Profit of Rs. 320 million for the preceding financial period.

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

On a consolidated basis the Company posted a profit after taxation of Rs. 71 million as against a loss of Rs. (13.9) million for the corresponding period. The profit per share stood at Rs. 0.24 as against a loss of Rs. (0.05) 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 Amir Hussain  
Chief Executive Officer

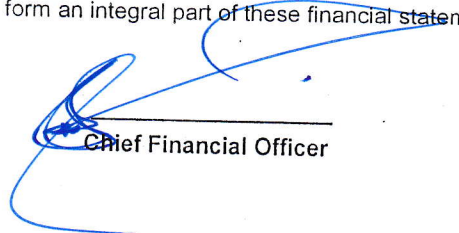
30 October, 2019

**TELECARD LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEP 30, 2019**

	Note	Sep 30, 2019	June 30, 2019
----- (Rupees in '000) -----			
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Property, plant and equipment	4	493,035	505,300
Intangible assets		9,414	9,903
		<u>502,449</u>	<u>515,203</u>
Long-term investment		340,537	340,537
Deferred taxation		302,762	302,762
Long-term deposits		57,612	53,912
		<u>1,203,360</u>	<u>1,212,414</u>
<b>CURRENT ASSETS</b>			
Trade debts	5	289,277	316,077
Loans and advances		45,401	45,083
Deposits and prepayment		29,947	28,209
Accrued Mark-up / profit		25,433	24,793
Other receivables	6	2,689,011	2,686,836
Taxation – net		129,038	132,067
Bank balances		39,370	22,503
		<u>3,247,477</u>	<u>3,255,568</u>
<b>TOTAL ASSETS</b>		<u><u>4,450,837</u></u>	<u><u>4,467,982</u></u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital			
Authorised			
400,000,000 (2019: 400,000,000) Ordinary shares of Rs.10 each		4,000,000	4,000,000
Issued, subscribed and paid-up		3,000,000	3,000,000
Unappropriated loss		(860,717)	(843,340)
		<u>2,139,283</u>	<u>2,156,660</u>
<b>NON-CURRENT LIABILITIES</b>			
Term finance certificates		82,825	165,649
Contractual liability to a Contractor		336,870	337,900
Deferred liabilities		5,256	5,147
		<u>424,951</u>	<u>508,696</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	905,100	931,331
Unclaimed dividends		4,394	4,394
Accrued interest / Mark-up		178,130	150,746
Short-term financing	8	798,979	716,155
		<u>1,886,603</u>	<u>1,802,626</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>4,450,837</u></u>	<u><u>4,467,982</u></u>

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

  
Chief Executive

  
Chief Financial Officer

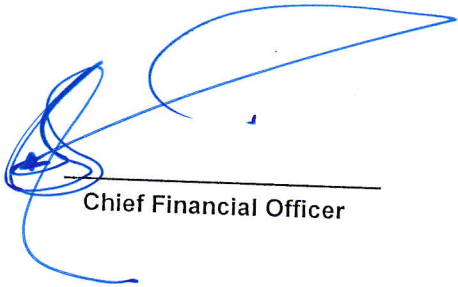
  
Director

**TELECARD LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	Sep 30, 2019	Sep 30, 2018
	----- (Rupees in '000) -----	
REVENUE – net	299,345	265,129
Direct costs	10 (170,074)	(157,359)
GROSS PROFIT	<u>129,271</u>	<u>107,770</u>
Distribution costs and administrative expenses	<u>(106,273)</u>	<u>(113,003)</u>
Exchange loss	<u>(3,246)</u>	<u>2,363</u>
Other income	<u>2,003</u>	<u>(110,640)</u>
OPERATING PROFIT / (LOSS)	<u>(107,516)</u>	<u>(110,640)</u>
Finance costs	<u>21,755</u>	<u>(2,870)</u>
(LOSS) BEFORE TAXATION	<u>(25,872)</u>	<u>(13,885)</u>
Taxation	<u>(4,117)</u>	<u>(16,755)</u>
(LOSS) FOR THE PERIOD	<u>(13,260)</u>	<u>(8,626)</u>
	<u>(17,377)</u>	<u>(25,381)</u>
(LOSS) PER SHARE - Basic and diluted (Rupees)	<u>(0.06)</u>	<u>(0.08)</u>

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Chief Executive

  
Chief Financial Officer

  
Director

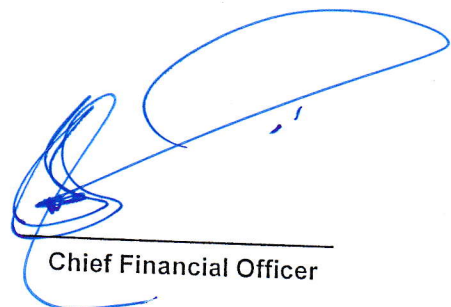



**TELECARD LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	Three months ended	
	Sep 30, 2019	Sep 30, 2018
	----- (Rupees in '000) -----	
(Loss) for the period	(17,377)	(25,381)
Other comprehensive income	-	-
<b>Total comprehensive (Loss)</b>	<u><u>(17,377)</u></u>	<u><u>(25,381)</u></u>

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

  
 Chief Executive


  
 Chief Financial Officer

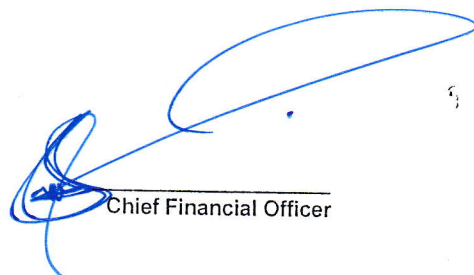
  
 Director

**TELECARD LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

Note	September 30, 2019	September 30, 2018
	..... (Rs. in '000) .....	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(4,117)	(16,755)
Adjustments for non cash charges and other items:		
Depreciation	14,274	14,763
Accrued Markup	2,151	-
Provision for gratuity	110	110
Financial charges	25,768	13,823
Advance from a contractor	(1,030)	(1,545)
Amortization of intangible assets	489	489
	<u>41,762</u>	<u>27,640</u>
Profit before working capital changes	37,645	10,885
(Increase) / decrease in current assets		
Trade debts	26,800	23,484
Loans and advances	(318)	(172)
Deposits, prepayments and accrued markup	(2,914)	(4,039)
Other receivables	(2,175)	(14,338)
	<u>21,393</u>	<u>4,935</u>
Increase from creditors, accrued and other liabilities	(26,231)	(11,191)
Cash generated from operations	32,807	4,629
Income tax paid	(10,231)	(7,578)
Retirement benefits paid	-	(69)
Long term loans and deposits	(3,700)	(500)
	<u>(13,931)</u>	<u>(8,147)</u>
Net cash (used in)/generated from operating activities	18,876	(3,518)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(2,009)	(2,061)
Net cash used in investing activities	(2,009)	(2,061)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net cash flow from financing activities	-	-
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	16,867	(5,579)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	22,503	16,228
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>39,370</u>	<u>10,649</u>

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 Chief Executive

  
 Chief Financial Officer

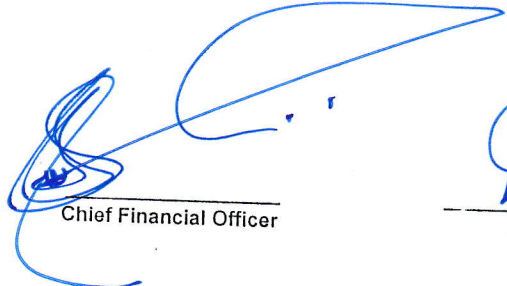
  
 Director

**TELECARD LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	Issued, subscribed and paid-up	Unappropriated (loss)	Total
	(Rupees in '000)		
Balance as at June 30, 2018	3,000,000	(761,293)	2,238,707
Net loss for the period	-	(25,381)	(25,381)
Adjustment for initial application of IFRS 9	-	(21,578)	(21,578)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(46,959)	(46,959)
Balance as at Sep 30, 2018	3,000,000	(808,252)	2,191,748
Balance as at June 30, 2019	3,000,000	(843,340)	2,156,660
Net loss for the period	-	(17,377)	(17,377)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(17,377)	(17,377)
Balance as at Sep 30, 2019	3,000,000	(860,717)	2,139,283

The annexed notes from 1 to 13 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, 2019**

**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, 2019.

**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, 2019.

	Note	September 30, 2019	June 30, 2019
		..... (Rs. in '000) .....	
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>	<b>4.1</b>	<b>493,035</b>	<b>505,300</b>
<b>4.1. Operating fixed assets</b>			
Opening net book value		505,300	556,648
Additions during the period / year	4.1.1	2,009	7,195
		507,309	563,843
Disposal during the period / year	4.1.2	-	3,273
Accumulated depreciation on disposals		-	(3,218)
Depreciation charged during the period / year		14,274	58,488
		14,274	58,543
		493,035	505,300

September 30, 2019  
June 30, 2019  
..... (Rs. in '000) .....

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

Owned

Apparatus, plant and equipment  
Computers and related accessories  
Furniture, fixtures and office equipment

1,703	4,200
276	706
30	2,289
<u>2,009</u>	<u>7,195</u>

4.1.2. Details of disposals during the current period are as follows:

Owned

Vehicles  
Computers and related accessories

-	3,205
-	68
<u>-</u>	<u>3,273</u>

5. TRADE DEBTS

<u>289,277</u>	<u>316,077</u>
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6. OTHER RECEIVABLES

Considered good

Related parties  
Due from Pakistan Telecommunication Company - Limited (PTCL)  
Due from PTCL against PTA-Escrow  
In Escrow account with PTA  
Pakistan Telecommunication Authority (PTA)  
Receivable from PTA against LPAF and others  
Insurance claims  
Claim against a bank  
Due from a contractor  
Punjab Revenue Authority (PRA)  
Others

861	867
325,771	325,771
96,041	96,041
345,594	345,594
1,778,963	1,778,964
96,794	94,552
56	56
998	998
4,231	4,613
34,956	34,956
4,746	4,424
<u>2,689,011</u>	<u>2,686,836</u>

Considered doubtful

Pakistan Telecommunication Company limited  
Karachi Relief Rabate

243,890	243,890
325,770	325,770

Provision for other receivables considered doubtful

569,660	569,660
(569,660)	(569,660)
<u>-</u>	<u>-</u>
<u>2,689,011</u>	<u>2,686,836</u>

September 30,  
2019

June 30,  
2019

7. TRADE AND OTHER PAYABLES

Pakistan Telecommunication Company Limited  
Interconnect operators  
Others

69,069	75,289
13,511	12,520
75,864	85,247
158,444	173,056

Other payables

Spectrum fee payable  
Current accounts with related parties  
Advances from customers  
Accrued liabilities  
Unearned income  
Workers' Welfare Fund

317,100	317,100
298,522	313,097
6,090	8,949
118,784	113,372
1,196	793
4,964	4,964
746,656	758,275
905,100	931,331

8. SHORT-TERM FINANCING

Diminishing musharakah  
Current maturity of term finance certificates

145,614	145,614
653,365	570,541
798,979	716,155

9. CONTINGENCIES AND COMMITMENTS

(a) Contingencies

9.1. There has been no change in the status of contingencies reported in the financial statements for the year ended June 30, 2019.

(b) Commitments

9.2. Counter guarantees given to banks

47,225	43,625
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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	Note	Three months ended	
		September 30, 2019	September 30, 2018
		..... (Rs. in '000) .....	
<b>10. DIRECT COSTS</b>			
Interconnect charges		40,939	46,426
Network Media charges		77,124	58,661
Network site Rent		12,970	14,675
Network site utilities and maintenance		18,779	18,732
Insurance		552	576
Annual regulatory charges		5,283	3,478
Depreciation		13,938	14,322
Amortization of intangible assets		489	489
		<u>170,074</u>	<u>157,359</u>

**11. 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	<u>19,008</u>	<u>11,507</u>
Service provided to related parties	<u>304</u>	<u>263</u>

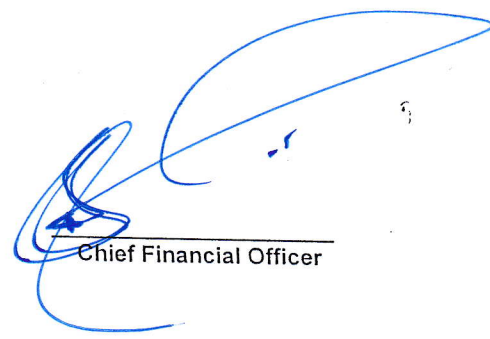
**12. DATE OF AUTHORISATION FOR ISSUE**

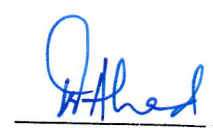
These financial statements were authorised for issue on October 30, 2019 by the Board of Directors of the Company.

**13. GENERAL**

Figures have been rounded off to the nearest thousand rupees.

  
Chief Executive

  
Chief Financial Officer

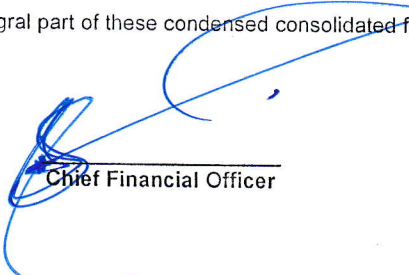
  
Director

**TELECARD LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2019**

		September 30, 2019	June 30, 2019
	Note	..... (Rs. in '000) .....	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed assets</b>			
Property and equipment	4	782,269	817,797
Intangible assets	5	<u>82,423</u>	<u>82,050</u>
		864,692	899,847
Long term deposits		88,057	84,357
Long term Investments	6	-	-
Deferred taxation		<u>336,582</u>	<u>336,583</u>
		1,289,331	1,320,787
<b>CURRENT ASSETS</b>			
Communication stores		161,170	128,151
Trade debts	7	1,434,451	1,420,933
Loans and advances		36,834	93,102
Deposits and prepayments		199,930	61,519
Accrued mark-up		27,649	24,793
Other receivables	8	2,703,302	2,700,392
Taxation - net		297,616	313,459
Cash and bank balances		<u>109,878</u>	<u>194,305</u>
		4,970,830	4,936,654
<b>TOTAL ASSETS</b>		<u><u>6,260,161</u></u>	<u><u>6,257,441</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Share capital</b>			
<b>Authorised</b>			
400,000,000 (2019: 400,000,000) Ordinary shares of Rs. 10 each		<u>4,000,000</u>	<u>4,000,000</u>
<b>Issued, subscribed and paid-up</b>		3,000,000	3,000,000
<b>Revenue Reserve</b>			
Foreign currency translation reserve		(375)	(375)
Accumulated loss		<u>(204,909)</u>	<u>(277,270)</u>
Capital and reserves attributable to the owners of the holding Company		2,794,716	2,722,355
Non-controlling interests		<u>(1,922)</u>	<u>(846)</u>
		2,792,794	2,721,509
<b>NON-CURRENT LIABILITIES</b>			
Long-term finances		48,421	58,188
Term finance certificates		82,825	165,649
Advance from a contractor		336,870	337,900
Deferred liabilities		<u>8,117</u>	<u>8,008</u>
		476,233	569,745
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	1,827,044	1,909,036
Accrued mark-up	10	185,496	158,839
Unclaimed dividend		4,394	4,394
Short term financing		<u>974,200</u>	<u>893,918</u>
		2,991,134	2,966,187
<b>CONTINGENCIES AND COMMITMENTS</b>	11	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>6,260,161</u></u>	<u><u>6,257,441</u></u>

The annexed notes from 1 to 16 form an integral part of these condensed consolidated financial statements.

  
Chief Executive

  
Chief Financial Officer

  
Director

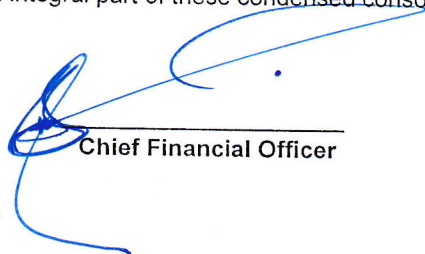


**TELECARD LIMITED**  
**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

		September 30, 2019	September 30, 2018
		..... (Rs. in '000) .....	
	Note		
REVENUE - net		1,098,316	934,674
Direct costs	12	(685,785)	(613,996)
<b>GROSS PROFIT</b>		<b>412,531</b>	<b>320,678</b>
Distribution cost and administrative expenses		(204,671)	(227,067)
Other operating expense		(31,818)	(24,245)
Other income		3,472	948
		(233,017)	(250,364)
<b>OPERATING PROFIT</b>		<b>179,514</b>	<b>70,314</b>
Finance costs		(35,635)	(21,153)
<b>PROFIT BEFORE TAXATION</b>		<b>143,879</b>	<b>49,161</b>
Taxation		(72,594)	(62,999)
<b>PROFIT / (LOSS) AFTER TAXATION</b>		<b>71,285</b>	<b>(13,838)</b>
<b>EARNING / (LOSS) PER SHARE - BASIC AND DILUTED</b>		<b>0.24</b>	<b>(0.05)</b>
Profit/(loss) attributable to:			
Owners of the Holding Company		72,361	(13,838)
Non-Controlling Interest		(1,076)	-
		<b>71,285</b>	<b>(13,838)</b>

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Chief Executive

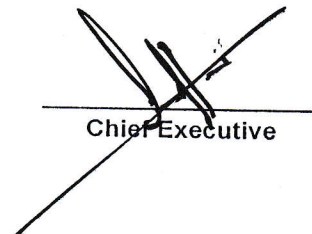
  
Chief Financial Officer

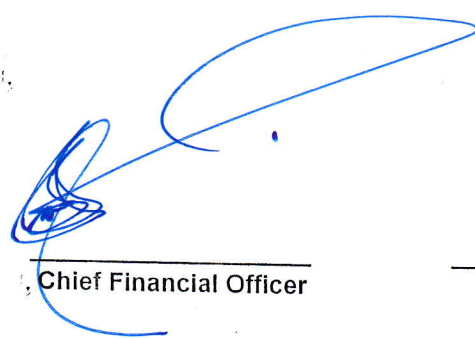
  
Director


**TELECARD LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	Three months ended	
	September 30, 2019	September 30, 2018
	..... (Rs. in '000) .....	
Net Income/(loss) for the period	71,285	(13,838)
Other comprehensive income	-	-
<b>Total comprehensive Income / (Loss)</b>	<b>71,285</b>	<b>(13,838)</b>
<b>Profit/(loss) attributable to:</b>		
Owners of the Holding Company	72,361	(13,838)
Non-Controlling Interest	(1,076)	-
	<b>71,285</b>	<b>(13,838)</b>

The annexed notes from 1 to 16 form an integral part of these condensed consolidated financial statements.

  
Chief Executive

  
Chief Financial Officer

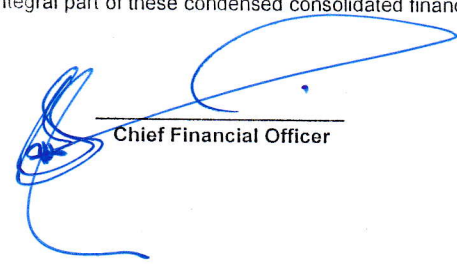
  
Director

**TELECARD LIMITED**  
**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	September 30, 2019	September 30, 2018
	Note	..... (Rs. in '000) .....
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	143,879	49,161
Adjustments for non cash charges and other items:		
Depreciation	42,482	42,531
Accrued Markup	2,151	-
Provision for gratuity	110	110
Advance from a contractor-net	(1,030)	(1,545)
Amortization of intangible assets	554	554
Financial charges	34,836	20,286
	<u>79,102</u>	<u>61,936</u>
Profit before working capital changes	222,982	111,097
(Increase) / decrease in current assets		
Communication stores	(33,019)	(1,294)
Trade debts	(13,518)	17,141
Loans and advances	56,268	(15,355)
Deposits, prepayments and accrued markup	(141,802)	(10,021)
Other receivables	(2,910)	(19,260)
	<u>(134,981)</u>	<u>(28,789)</u>
(Decrease) in creditors, accrued and other liabilities	<u>(81,992)</u>	<u>(21,545)</u>
Cash generated from operations	6,009	60,763
Income tax paid	(56,751)	(62,802)
Financial charges paid	(9,795)	(6,294)
Retirement benefits paid	-	(69)
Long term loans, deposits and advances	(3,700)	(500)
	<u>(70,246)</u>	<u>(69,665)</u>
Net cash (used in) operating activities	<u>(64,237)</u>	<u>(8,902)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(7,881)	(8,443)
Net cash used in investing activities	(7,881)	(8,443)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term loans	(9,313)	(9,312)
Repayment of short term running finance	(2,542)	-
Repayment of obligation under finance lease	(454)	(490)
Net cash used in financing activities	(12,309)	(9,802)
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(84,427)</u>	<u>(27,147)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	194,305	46,644
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>109,878</u>	<u>19,497</u>

The annexed notes from 1 to 16 form an integral part of these condensed consolidated financial statements.

  
Chief Executive

  
Chief Financial Officer

  
Director

**TELECARD LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	Attributable to the owner of Holding Company				
	Share Capital	Revenue Reserve	Foreign Currency	Non Controlling Interest	
	Issued, subscribed and paid-up	Unappropriated (loss)	Translation reserve	Unappropriated (loss)	Total
	(Rs. in '000)				
Balance as at June 30, 2018	3,000,000	(210,026)	-	-	2,789,974
Net loss for the period	-	(13,838)	-	-	(13,838)
Adjustment on initial application of IFRS 9	-	(45,125)	-	-	(45,125)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	(58,963)	-	-	(58,963)
Balance as at September 30, 2018	3,000,000	(268,989)	-	-	2,731,011
Balance as at June 30, 2019	3,000,000	(277,270)	(375)	(846)	2,721,509
Net profit for the period	-	72,361	-	(1,076)	71,285
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	72,361	-	(1,076)	71,285
Balance as at September 30, 2019	3,000,000	(204,909)	(375)	(1,922)	2,792,794

The annexed notes from 1 to 16 form an integral part of these condensed consolidated financial statements.

  
 Chief Executive

  
 Chief Financial Officer

  
 Director



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

**1. THE GROUP AND ITS OPERATIONS**

The Group comprises of:

Telecard Limited - Holding Company  
Supernet Limited - Subsidiary Company  
Supernet E-Solutions (Pvt) Limited - Subsidiary of Supernet Limited  
Telegateway Limited - Subsidiary Company  
Nexus Communication (Pvt) Limited - Subsidiary Company  
Glitz Communication (Pvt) Limited - Subsidiary Company  
Globetech Communication (Pvt) 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 Group is located at World Trade Centre, 10- Khayaban-e-Roomi, Clifton, Karachi.

Supernet Limited is engaged in providing satellite and Microwave communication service 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 (Pvt) Limited (Formerly Telecard E-Solutions (Pvt) Limited) has been incorporated to provide telecommunication solutions and other IT related Services. Supernet 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 (Pvt) Limited has been incorporated to provide telecommunication and other related services. Telecard Limited holds 100% equity of Nexus Communications (Pvt) Limited.

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

Globetech Communications (Pvt) Limited has been incorporated to provide telecommunication and other related services. Telecard Limited holds 100% equity of Globetech Communications (Pvt) 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 holds 80% equity of Supernet Secure Solutions (Private) 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 are 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, 2019.



	Note	September 30, 2019	June 30, 2019
		..... (Rs. in '000) .....	
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	<u>782,269</u>	<u>817,797</u>
<b>4.1. Operating fixed assets</b>			
Opening net book value		817,797	883,664
Additions/disposal during the period / year (net)	4.1.1	<u>6,954</u>	<u>96,854</u>
		824,751	980,518
Depreciation charged during the period / year		42,482	169,283
Accumulated depreciation on disposals		-	(6,562)
		<u>42,482</u>	<u>162,721</u>
		<u>782,269</u>	<u>817,797</u>
<b>4.1.1. Details of additions/(disposals) during the current period / year are as follows:</b>			
Apparatus, plant and equipment		5,995	94,507
Computers and related accessories		929	3,325
Furniture, fixtures and office equipment		30	3,359
Vehicle - disposals		-	(6,617)
Vehicle - Additions		-	2,280
		<u>6,954</u>	<u>96,854</u>

	Note	September 30, 2019	June 30, 2019
		..... (Rs. in '000) .....	
<b>5. INTANGIBLE ASSETS</b>			
Wireless local loop (WLL) license		8,120	8,120
Long distance International (LDI) license		29,029	29,029
Computer software		39,776	39,776
CWIP		927	-
Goodwill		<u>118,523</u>	<u>118,523</u>
Amortisation to-date		<u>196,375</u>	<u>195,448</u>
		<u>(113,952)</u>	<u>(113,398)</u>
		<u>82,423</u>	<u>82,050</u>
<b>6. LONG TERM INVESTMENT</b>			
Unquoted - at cost			
Augere Holdings (Netherlands) B.V.		480,630	480,630
Less: Provision for impairment		<u>(480,630)</u>	<u>(480,630)</u>
		<u>-</u>	<u>-</u>
<b>7. TRADE DEBTS</b>			
Unsecured			
Related Parties		13,067	4,566
Others		<u>1,421,384</u>	<u>1,416,367</u>
		<u>1,434,451</u>	<u>1,420,933</u>
<b>8. OTHER RECEIVABLES</b>			
Considered good			
Related parties		5,947	1,586
Karachi Relief Rebate-PTCL		325,771	325,771
Pakistan Telecommunication Authority (PTA)		1,778,964	1,778,964
Amount withheld by PTCL against PTA-Escrow		96,041	96,041
In Escrow account with PTA		345,594	345,594
Receivable from PTA		96,794	94,552
Claim against a bank		998	998
Insurance claims		2,938	2,938
Due from a contractor		4,231	4,613
Punjab Revenue Authority (PAR)		34,956	34,956
Deposit with FBR under tax Amnesty scheme		2,991	2,991
Others		<u>8,077</u>	<u>11,388</u>
		<u>2,697,355</u>	<u>2,698,806</u>
Considered doubtful			
Pakistan Telecommunication Company Limited		243,890	243,890
Karachi Relief Rebate Package		<u>325,770</u>	<u>325,770</u>
		<u>569,660</u>	<u>569,660</u>
Loss allowance for other receivables considered doubtful		<u>(569,660)</u>	<u>(569,660)</u>
		<u>2,703,302</u>	<u>2,700,392</u>

	Note	September 30, 2019	June 30, 2019
		..... (Rs. in '000) .....	
<b>9. TRADE AND OTHER PAYABLES</b>			
Trade			
Pakistan Telecommunication Company Limited		69,069	75,289
Interconnect operators		13,511	12,520
Others		919,507	971,149
		<u>1,002,087</u>	<u>1,058,958</u>
Other payables			
Current account with related parties		232,802	149,501
Current maturity of spectrum fee payable		317,100	317,100
Advances from customers		14,962	53,366
Advances from franchisees		200	200
Accrued liabilities		206,354	290,844
Unearned income		4,430	793
Payable to employees' provident fund		1,780	1,755
Workers' Welfare Fund		7,746	7,746
Others		39,583	28,773
		<u>824,957</u>	<u>850,078</u>
		<u>1,827,044</u>	<u>1,909,036</u>
<b>10. ACCRUED MARK-UP</b>			
On secured:			
Interest / mark-up against financing		158,206	132,256
		<u>158,206</u>	<u>132,256</u>
On unsecured:			
Current account with related parties		27,290	26,583
		<u>185,496</u>	<u>158,839</u>
<b>11. CONTINGENCIES AND COMMITMENTS</b>			
(a) Contingencies			
11.1. There has been no change in the status of contingencies reported in the consolidated financial statements for the year ended June 30, 2019.			
(b) Commitments			
11.2. Counter guarantees given to banks		<u>101,449</u>	<u>89,819</u>

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	Three months ended	
	September 30, 2019	September 30, 2018
Note	..... (Rs. in '000) .....	

**12. DIRECT COSTS**

Salaries & other benefit	45,708	24,268
Interconnect charges	40,939	46,426
Network Media charges	77,124	58,661
Network sites rent	12,970	14,675
Network sites utilities and maintenance	29,989	31,695
Support services	7,503	6,820
Satellite Communication charges	406,292	378,970
Communication stores consumed	8,616	1,451
Repair and Maintenance	112	391
Consultancy charges	2,413	1,926
Royalty	1,206	1,013
Conveyance and travelling	1,221	1,593
Insurance	1,372	1,392
Annual regulatory charges	5,283	3,478
Depreciation	37,265	36,869
Amortization of intangible assets	489	489
Others	7,283	3,879
	<u>685,785</u>	<u>613,996</u>

**13. TRANSACTIONS WITH RELATED PARTIES**

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

Services provided by related parties	<u>21,006</u>	<u>20,364</u>
Services provided to related parties	<u>623</u>	<u>745</u>

**14. CORRESPONDING FIGURES**

Certain corresponding figures have been reclassified for the purpose of better presentation, however, there were no material reclassification.

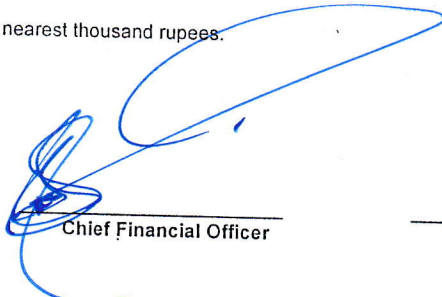
**15. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim consolidated financial statements were authorised for issue on October 30, 2019 by the Board of Directors of the Group.

**16. GENERAL**

Figures have been rounded off to the nearest thousand rupees.

  
Chief Executive

  
Chief Financial Officer

  
Director