

TELECARD LIMITED  
1<sup>ST</sup> Quarterly Accounts  
For the period ended  
30 September 2020

## Company Information

### Board of Directors

Mr. Pervez Sadiq (Chairman)  
Syed Aamir Hussain (CEO)  
Mr. Tipu Saeed Khan  
Mr. Waseem Ahmad  
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)  
Syed Aamir Hussain  
Mr. Asad Mujtaba Naqvi

### Chief Executive Officer

Syed Aamir Hussain

### 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, 2020.

### Review of Current Operations

The revenue for the period ended September 30, 2020 was Rs. 310 million as against the revenue of Rs. 299 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 lower when compared with similar period of the preceding financial year due to reduction in inter-connect charges. Company has posted Gross Profit of Rs. 145 million compared to a Gross Profit of Rs. 129 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 lower when compared with similar period of the preceding financial year due to lower interest rates.

The Company incurred a profit after taxation of Rs. 24 million as against a loss after taxation Rs. (17) million during the corresponding financial period. The profit per share stood at Rs. 0.08 compared to a loss of Rs. (0.06) last time.

On a consolidated basis the Company posted revenue of Rs. 904 million as against revenue of Rs. 1.098 billion 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. 232 million compared to a Gross Profit of Rs. 413 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 loss after taxation of Rs. (7.9) million as against a profit of Rs. 71.3 million for the corresponding period. The loss per share stood at Rs. (0.02) as against a profit of Rs. 0.24 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, 2020

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

**TELECARD LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEP 30, 2020**

	Note	Sep 30, 2020	June 30, 2020
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed assets</b>			
Property, plant and equipment	4	441,688	453,583
Right-of-use assets		52,505	58,727
Intangible assets		7,460	7,949
		<u>501,653</u>	<u>520,259</u>
Long-term investment		340,537	340,537
Deferred taxation		302,762	302,762
Long-term deposits		57,613	57,613
		<u>1,202,565</u>	<u>1,221,171</u>
<b>CURRENT ASSETS</b>			
Trade debts	5	339,164	351,054
Loans and advances		61,884	58,098
Deposits and prepayment		37,899	37,652
Accrued Mark-up / profit		27,187	27,029
Other receivables	6	2,525,658	2,525,648
Taxation – net		130,884	137,346
Bank balances		6,402	23,018
		<u>3,129,078</u>	<u>3,159,845</u>
<b>TOTAL ASSETS</b>		<u><b>4,331,643</b></u>	<u><b>4,381,016</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Share capital - Authorised</b>			
400,000,000 (2020: 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>		<u>3,000,000</u>	<u>3,000,000</u>
<b>Unappropriated loss</b>		<u>(906,908)</u>	<u>(930,931)</u>
		<u>2,093,092</u>	<u>2,069,069</u>
<b>NON-CURRENT LIABILITIES</b>			
Term finance certificates		84,494	84,494
Contractual liability to a Contractor		336,870	336,870
Lease liability		32,764	40,144
Deferred liabilities		5,695	5,585
		<u>459,823</u>	<u>467,093</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	735,964	819,027
Unclaimed dividends		4,394	4,394
Accrued interest / Mark-up		256,124	239,122
Current portion of lease liabilities		21,936	22,001
Short-term financing	8	760,310	760,310
		<u>1,778,728</u>	<u>1,844,854</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>4,331,643</b></u>	<u><b>4,381,016</b></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**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

		Sep 30, 2020	Sep 30, 2019
		----- (Rupees in '000) -----	-----
<b>REVENUE – net</b>		<b>309,523</b>	299,345
Direct costs	10	(164,181)	(170,074)
<b>GROSS PROFIT</b>		<b>145,342</b>	129,271
Distribution costs and administrative expenses		(90,353)	(106,272)
Exchange gain/(loss)		1,280	(3,246)
Other income		1,687	2,003
		(87,386)	(107,515)
<b>OPERATING PROFIT</b>		<b>57,956</b>	21,756
Finance costs		(20,178)	(25,872)
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>37,778</b>	(4,116)
Taxation	11	(13,755)	(13,260)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>24,023</b>	(17,376)
<b>PROFIT/(LOSS) PER SHARE - Basic and diluted (Rupees)</b>		<b>0.08</b>	(0.06)

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

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

**TELECARD LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

	Three months ended	
	Sep 30, 2020	Sep 30, 2019
	----- (Rupees in '000) -----	
Income / (Loss) for the period	24,023	(17,376)
Other comprehensive income	-	-
<b>Total comprehensive Income / (Loss)</b>	<b>24,023</b>	<b>(17,376)</b>

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

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director



**TELECARD LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

Note	September 30, 2020	September 30, 2019
	..... (Rs. in '000) .....	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	37,778	(4,117)
<b>Adjustments for non cash charges and other items:</b>		
Depreciation	14,300	14,274
Depreciation on right-of-use assets	6,222	-
Accrued Markup	-	2,151
Provision for gratuity	110	110
Financial charges	20,074	25,768
Advance from a contractor	0	(1,030)
Amortization of intangible assets	489	489
	<u>41,197</u>	<u>41,762</u>
<b>Profit before working capital changes</b>	78,975	37,645
<b>(Increase) / decrease in current assets</b>		
Trade debts	11,890	26,800
Loans and advances	(3,786)	(318)
Deposits, prepayments and accrued markup	(968)	(2,914)
Other receivables	(10)	(2,175)
	<u>7,125</u>	<u>21,393</u>
<b>Increase from creditors, accrued and other liabilities</b>	<u>(83,063)</u>	<u>(26,231)</u>
<b>Cash generated from operations</b>	3,037	32,807
Income tax paid	(7,293)	(10,231)
Retirement benefits paid	-	-
Long term loans and deposits	-	(3,700)
	<u>(7,293)</u>	<u>(13,931)</u>
<b>Net cash (used in)/generated from operating activities</b>	<u>(4,256)</u>	<u>18,876</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(2,405)	(2,009)
<b>Net cash used in investing activities</b>	(2,405)	(2,009)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Lease rentals against right-of-use assets	(9,955)	-
<b>Net cash flow from financing activities</b>	(9,955)	-
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(16,616)</u>	<u>16,867</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	23,018	22,503
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>6,402</u>	<u>39,370</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**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

	Issued, subscribed and paid-up	Unappropriated (loss)	Total
	(Rupees in '000)		
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
Balance as at June 30, 2020	3,000,000	(930,931)	2,069,069
Net profit for the period	-	24,023	24,023
Other comprehensive income	-	-	-
Total comprehensive income	-	24,023	24,023
Balance as at Sep 30, 2020	3,000,000	(906,908)	2,093,092

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

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

**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, 2020.

**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, 2020.

	Note	September 30, 2020 ..... (Rs. in '000) .....	June 30, 2020
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>	<b>4.1</b>	<b>441,688</b>	<b>453,583</b>
Operating fixed assets		441,688	453,583
Capital work in progress		-	-
<b>Operating fixed assets</b>			
Opening net book value		453,583	505,300
Additions during the period / year	4.1.1	2,405	5,480
		<b>455,988</b>	<b>510,780</b>
Disposal during the period / year	4.1.2	-	-
Accumulated depreciation on disposals		-	-
Depreciation charged during the period / year		14,300	57,197
		<b>14,300</b>	<b>57,197</b>
		<b>441,688</b>	<b>453,583</b>

	September 30, 2020 ..... (Rs. in '000) .....	June 30, 2020 .....
<b>5. TRADE DEBTS</b>	<b>339,164</b>	<b>351,054</b>
<b>6. OTHER RECEIVABLES</b>		
<b>Considered good</b>		
Due from Pakistan Telecommunication Company - Limited (PTCL)	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) - 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	2,402	2,798
Punjab Revenue Authority (PRA)	34,956	34,956
Others	7,005	6,599
	<b>2,525,658</b>	<b>2,525,648</b>
<b>Considered doubtful</b>		
Pakistan Telecommunication Company limited	243,890	243,890
Pakistan Telecommunication Authority	76,428	76,428
Karachi Relief Rabate	325,770	325,770
	646,088	646,088
Provision for other receivables considered doubtful	(646,088)	(646,088)
	<b>2,525,658</b>	<b>2,525,648</b>
<b>7. TRADE AND OTHER PAYABLES</b>		
Pakistan Telecommunication Company Limited	50,165	57,219
Interconnect operators	11,380	12,314
Others	89,427	109,766
	<b>150,972</b>	<b>179,299</b>
<b>Other payables</b>		
Spectrum fee payable	317,100	317,100
Current accounts with related parties	53,385	85,988
Advances from customers	1,219	10,024
Accrued liabilities	156,799	156,791
Others	52,318	64,861
Workers' Welfare Fund	4,964	4,964
	<b>584,992</b>	<b>639,728</b>
	<b>735,964</b>	<b>819,027</b>
<b>8. SHORT-TERM FINANCING</b>		
Current maturity of diminishing musharakah	24,120	24,120
Current maturity of term finance certificates	736,190	736,190
	<b>760,310</b>	<b>760,310</b>
<b>9. CONTINGENCIES AND COMMITMENTS</b>		
<b>(a) Contingencies</b>		
There has been no change in the status of contingencies reported in the financial statements for the year ended June 30, 2020.		
<b>(b) Commitments</b>		
Counter guarantees given to banks	<b>47,225</b>	<b>47,225</b>

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

Note	Three months ended	
	September 30, 2020	September 30, 2019
	..... (Rs. in '000) .....	
<b>10. DIRECT COSTS</b>		
Interconnect charges	36,144	40,939
Network Media charges	71,739	77,124
Network site Rent	9,133	12,970
Network site utilities and maintenance	20,468	18,779
Insurance	561	552
Annual regulatory charges	5,464	5,283
Depreciation	13,961	13,938
Depreciation on right of use assets	6,222	-
Amortization of intangible assets	489	489
	<u>164,181</u>	<u>170,074</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>1,557</u>	<u>1,557</u>
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**12. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on 29 October, 2020 by the Board of Directors of the Company.

**13. GENERAL**

Figures have been rounded off to the nearest thousand rupees.

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Director



**TELECARD LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2020**

	Note	September 30, 2020	June 30, 2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	782,373	808,537
Intangible assets	5	80,815	81,304
Right-of-use assets		58,333	65,154
		<u>921,520</u>	<u>954,995</u>
Long-term deposits		110,329	88,344
Deferred taxation		336,583	336,583
		<u>1,368,433</u>	<u>1,379,922</u>
<b>CURRENT ASSETS</b>			
Communication stores		143,580	129,063
Trade debts	6	1,318,429	1,385,086
Loans and advances		175,412	141,645
Deposits and prepayments		69,669	78,878
Accrued mark-up		27,187	27,348
Other receivables	7	2,544,681	2,540,393
Taxation – net		326,791	327,419
Cash and bank balances		96,968	87,418
		<u>4,702,716</u>	<u>4,717,250</u>
<b>TOTAL ASSETS</b>		<u><u>6,071,149</u></u>	<u><u>6,097,172</u></u>

The annexed notes from 1 to 15 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, 2020**

	Note	September 30, 2020	June 30, 2020
----- (Rupees in '000')			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital authorized			
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
Foreign currency translation reserve		(116)	132
Accumulated loss		<u>(335,812)</u>	<u>(329,485)</u>
Capital and reserves attributable to the owners of the Holding Group		2,664,072	2,670,647
Non-controlling interest		<u>(3,647)</u>	<u>(2,065)</u>
<b>TOTAL EQUITY</b>		<u>2,660,425</u>	<u>2,668,582</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing		139,182	139,182
Contractual liability to a contractor		336,870	336,870
Lease liabilities		38,467	45,226
Long-term deposits		-	-
Deferred liabilities		8,556	8,446
		<u>523,074</u>	<u>529,724</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	1,677,710	1,707,012
Unclaimed dividend		4,394	4,394
Current portion of lease liabilities		23,631	24,047
Accrued interest/mark-up		265,398	245,154
Short-term financing		916,516	918,259
		<u>2,887,649</u>	<u>2,898,866</u>
Contingencies & commitments	9		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>6,071,149</u>	<u>6,097,172</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

  
 CHIEF EXECUTIVE OFFICER

  
 CHIEF FINANCIAL OFFICER

  
 DIRECTOR

**TELECARD LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

		Sep 30, 2020	Sep 30, 2019
	Note	— (Rupees in '000') —	
Revenue – net		904,022	1,098,316
Direct costs	10	(672,219)	(685,785)
<b>Gross profit</b>		<b>231,803</b>	<b>412,531</b>
Administrative expenses & distribution costs	11	(191,301)	(204,671)
Other operating expenses		-	(31,818)
Other income		12,267	3,472
		(179,034)	(233,017)
<b>Operating profit</b>		<b>52,769</b>	<b>179,514</b>
Finance costs		(26,576)	(35,635)
<b>Profit before taxation</b>		<b>26,193</b>	<b>143,879</b>
Taxation		(34,102)	(72,594)
<b>Loss for the year</b>		<b>(7,909)</b>	<b>71,285</b>
Loss is attributable to:			
Owners of the Holding Group		(6,327)	57,028
Non-controlling interests		(1,582)	14,257
		(7,909)	71,285
<b>Loss per share - basic &amp; diluted - (Rupees)</b>	35	<b>(0.02)</b>	<b>0.24</b>

The annexed notes from 1 to 15 form an integral part of these financial statements.

  
 CHIEF EXECUTIVE OFFICER

  
 CHIEF FINANCIAL OFFICER

  
 DIRECTOR

**TELECARD LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

	<b>Three months ended</b>	
	<b>September 30,</b>	<b>September 30,</b>
	<b>2020</b>	<b>2019</b>
	<b>..... (Rs. in '000) .....</b>	
Net (loss) / income for the period	<b>(7,909)</b>	<b>71,285</b>
Other comprehensive income	-	-
<b>Total comprehensive (loss) /income</b>	<b><u>(7,909)</u></b>	<b><u>71,285</u></b>
<b>Profit/(loss) attributable to:</b>		
Owners of the Holding Company	<b>(6,327)</b>	<b>57,028</b>
Non-Controlling Interest	<b><u>(1,582)</u></b>	<b><u>14,257</u></b>
	<b><u>(7,909)</u></b>	<b><u>71,285</u></b>

The annexed notes from 1 to 15 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 SEPTEMBER 30, 2020**

	Attributable to the owner of Holding Company				
	Share Capital	Revenue Reserve	Foreign Currency	on Controlling Interest	
	Issued, subscribed and paid-up	Unappropriated (loss)	Translation reserve	Unappropriated (loss)	Total
Balance as at June 30, 2019	3,000,000	(277,270)	(375)	(846)	2,721,509
Net profit for the period	-	57,028	-	14,257	71,285
Adjustment on initial application of IFRS 9	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	57,028	-	14,257	71,285
Balance as at September 30, 2019	3,000,000	(220,242)	(375)	13,411	2,792,794
Balance as at June 30, 2020	3,000,000	(329,485)	132	(2,065)	2,668,582
Net profit for the period	-	(6,327)	(248)	(1,582)	(8,157)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	(6,327)	(248)	(1,582)	(8,157)
Balance as at September 30, 2020	3,000,000	(335,812)	(116)	(3,647)	2,660,425

The annexed notes from 1 to 15 form an integral part of these financial statements.

  
 CHIEF EXECUTIVE OFFICER

  
 CHIEF FINANCIAL OFFICER

  
 DIRECTOR





**TELECARD LIMITED**  
**STATEMENT OF CHANGES IN FINANCIAL POSITION**  
**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

	September 30, 2020	September 30, 2019
Note	..... (Rs. in '000) .....	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	26,193	143,879
<b>Adjustments for non cash charges and other items:</b>		
Depreciation	46,234	42,482
Depreciation on right of use assets	6,821	-
Accrued Markup	721	2,151
Provision for gratuity	110	110
Advance from a contractor-net	-	(1,030)
Amortization of intangible assets	489	554
Financial charges	22,756	34,836
	<u>77,131</u>	<u>79,102</u>
<b>Profit before working capital changes</b>	<b>103,324</b>	<b>222,982</b>
Working Capital Changes	(6,815)	
<b>Cash generated from operations</b>	<b>96,509</b>	<b>6,009</b>
Income tax paid	(33,474)	(56,751)
Financial charges paid	(2,512)	(9,795)
Long term loans, deposits and advances	(21,985)	(3,700)
	<u>(57,971)</u>	<u>(70,246)</u>
<b>Net cash (used in) operating activities</b>	<b>38,538</b>	<b>(64,237)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(20,070)	(7,881)
<b>Net cash used in investing activities</b>	<b>(20,070)</b>	<b>(7,881)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term loans	-	(9,313)
Repayment of short term running finance	(1,743)	(2,542)
Repayment of obligation under finance lease	(7,175)	(454)
<b>Net cash used in financing activities</b>	<b>(8,918)</b>	<b>(12,309)</b>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>9,550</b>	<b>(84,427)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>87,418</b>	<b>194,305</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b><u>96,968</u></b>	<b><u>109,878</u></b>

The annexed notes from 1 to 15 form an integral part of these financial statements.

  
 CHIEF EXECUTIVE OFFICER

  
 CHIEF FINANCIAL OFFICER

  
 DIRECTOR

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

**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, 2020.

	Note	September 30, 2020 ..... (Rs. in '000) .....	June 30, 2020 ..... (Rs. in '000) .....
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	782,373	808,537
Capital work-in-progress		-	-
		<u>782,373</u>	<u>808,537</u>
<b>4.1. Operating fixed assets</b>			
Opening net book value	4.1.1	808,537	817,797
Additions/disposal during the period / year (net)		<u>20,070</u>	<u>161,220</u>
		828,607	979,017
Disposals during the period / year	4.1.2	-	-
Accumulated depreciation on disposals		-	-
Depreciation charged during the period / year		46,234	170,480
Disposals during the period / year		-	-
Accumulated depreciation on disposals		-	-
		<u>46,234</u>	<u>170,480</u>
		<u>782,373</u>	<u>808,537</u>
	Note	September 30, 2019 ..... (Rs. in '000) .....	June 30, 2020 ..... (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		1,448	1,448
Goodwill		118,523	118,523
Capital work in progress software development		-	-
		<u>196,896</u>	<u>196,896</u>
Amortisation to-date		<u>(116,081)</u>	<u>(115,592)</u>
		<u>80,815</u>	<u>81,304</u>
<b>6. TRADE DEBTS</b>			
<b>Unsecured</b>			
Related Parties		-	-
Others		1,318,429	1,385,086
Considered doubtful		164,296	129,965
Loss: allowance for debts considered doubtful		<u>(164,296)</u>	<u>(129,965)</u>
		<u>1,318,429</u>	<u>1,385,086</u>



## 7. OTHER RECEIVABLES

### Considered good

#### Related parties

Karachi Relief Rebate-PTCL	325,771	325,771
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
Amount withheld by PTCL against PTA-Escrow	96,041	96,041
In Escrow account with PTA	345,594	345,594
Receivable from PTA	-	-
Claim against a bank	998	998
Insurance claims	3,214	3,214
Due from a contractor	2,402	2,798
Punjab Revenue Authority (PAR)	34,956	34,956
Deposit with FBR under tax Amnesty scheme	2,991	2,991
Others	19,823	15,139
	<u>2,544,681</u>	<u>2,540,393</u>

### Considered doubtful

Due from PTCL against WPS	243,890	243,890
Pakistan Telecommunication Company Limited	76,428	76,428
Karachi Relief Rebate Package	325,770	325,770
Loss allowance for other receivables considered doubtful	(646,088)	(646,088)
	<u>2,544,681</u>	<u>2,540,393</u>

Note September 30, June 30,  
2020 2020  
..... (Rs. in '000) .....

## 8. TRADE AND OTHER PAYABLES

### Trade

Wireless payphone service (WPS)	196,356	126,295
LL & LDI charges	-	69,969
Others	-	793
Pakistan Telecommunication Company Limited	50,165	57,219
Interconnect operators	11,380	12,314
Others	949,918	986,051
	<u>1,011,463</u>	<u>1,055,584</u>

### Other payables

Current account with related parties	-	-
Current maturity of spectrum fee payable	317,100	317,100
Pakistan Telecommunication Authority	-	-
Advances from customers	10,091	18,896
Advances from franchisees	-	200
Accrued liabilities	263,627	226,051
Unearned income	-	-
Payable to employees' provident fund	-	2,254
Workers' Welfare Fund	7,746	7,746
Others	67,684	79,181
	<u>666,247</u>	<u>651,428</u>
	<u>1,677,710</u>	<u>1,707,012</u>

## 9. CONTINGENCIES AND COMMITMENTS

### (a) Contingencies

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

### (b) Commitments

- 9.2 Counter guarantees given to banks 97,480 81,525



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

	Note	Three months ended	
		September 30, 2020	September 30, 2019
		..... (Rs. in '000) .....	
<b>10. DIRECT COSTS</b>			
Salaries & other benefit		48,343	45,708
Interconnect charges		36,144	40,939
Network Media charges		70,182	77,124
Network sites rent		9,133	12,970
Network sites utilities and maintenance		29,111	29,989
Support services		9,403	7,503
Satellite Communication charges		349,208	406,292
Communication stores consumed		17,394	8,616
Repair and Maintenance		236	112
Consultancy charges		561	2,413
Royalty		1,125	1,206
Conveyance and travelling		1,276	1,221
Insurance		1,018	1,372
Annual regulatory charges		5,464	5,283
Depreciation		41,979	37,265
Depreciation on right of use assets		6,222	
Amortization of intangible assets		489	489
Cost of turnkey projects		41,258	
Others		3,673	7,283
		<u>672,219</u>	<u>685,785</u>
<b>11. DISTRIBUTION COST AND ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits		133,555	110,795
Postage, telephone and telex		670	1,312
Vehicles running and maintenance		3,753	4,237
Travelling & entertainment		2,143	2,270
Office Security and maintenance		1,973	1,638
Stationery and photocopies		469	401
Rent and utilities		30,417	29,716
Insurance		1,170	1,208
Legal and professional charges		3,035	2,247
Commission expense		85	3,132
Auditors' remuneration		897	917
Sales promotion and marketing		206	515
Fees and subscription		809	533
Depreciation		4,870	5,217
Repair and Maintenance		2,245	1,373
Amortization		-	65
Others		5,004	39,095
		<u>191,301</u>	<u>204,671</u>
<b>12. TRANSACTIONS WITH RELATED PARTIES</b>			
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:			
Remuneration to key management personnel		<u>107,731</u>	<u>84,171</u>
Provident Fund - Contribution during the year		<u>5,360</u>	<u>4,086</u>
<b>13. CORRESPONDING FIGURES</b>			
Certain corresponding figures have been reclassified for the purpose of better presentation, however, there were no material reclassification.			
<b>14. DATE OF AUTHORISATION FOR ISSUE</b>			
These condensed interim consolidated financial statements were authorised for issue on <u>29th October, 2020</u> by the Board of Directors of the Group.			
<b>15. GENERAL</b>			
Figures have been rounded off to the nearest thousand rupees.			

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR