



TELECARD LIMITED

Half Yearly Accounts

For the period ended

31 December 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



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

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



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, 2021.

Financial Performance

On a consolidated basis, the Company has reported a profit after taxation of Rs. 233 million as against a profit of Rs. 194 million during the corresponding financial period. The profit per share stood at Rs. 0.74 compared to a profit of Rs. 0.61 same period last year. The change is attributable to a number of reasons including the improvement in gross margin from 35% to 39% and reduction in the financial cost of the Company due to restructuring of Term Finance Certificate (TFC).

On a standalone basis the revenue for the period ended December 31, 2021 was Rs. 689 million as against the revenue of Rs. 621 million for the corresponding financial period, the increase in revenue is attributable to increase in enterprise sales. Your Company's direct cost was higher when compared with similar period of the preceding financial year due to increase in connectivity charges. The Company has posted Gross Profit of Rs. 338 million compared to a Gross Profit of Rs. 295 million in the corresponding period due to the foregoing reasons. Net Profit for the period stood at Rs. 108 million compared to Rs. 86 million last year. The increase is attributable to the Other Income and reduced Finance Cost due to restructuring of TFC. The tax expenditure for the period was significantly higher because of deferred tax expense of Rs. 140 million.

The profit per share stood at Rs. 0.34 compared to a profit of Rs. 0.27 in the corresponding half year.

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.

On behalf of the Board


Syed Aamir Hussain
Chief Executive Officer



28 February, 2022

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, 2021, and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of 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.

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 the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to the contents of notes 8.1 & 16.1 to the condensed interim unconsolidated financial statements, matters of which is fully described in notes 14.1(a), 14.1(b), 14.2 and 25.1 to 25.9 to the annual audited financial statements for the year ended June 30, 2021. 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.



Other Matter

The figures of the condensed interim unconsolidated financial statement of profit or loss and condensed interim unconsolidated financial statement of other comprehensive income for the quarter ended December 31, 2021 have not been reviewed and we do not express a conclusion on them.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Shabbir Kasbati.



(Chartered Accountants)

Place: Karachi

Date: March 1, 2022

UDIN: RR202110192ByIURYzL7

TELECARD LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	---(Rupees in '000') ---	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property and equipment	4	379,337	410,011
Intangible assets	5	5,016	5,995
Right-of-use assets	6	24,221	35,243
		408,574	451,249
Long-term investments		340,537	340,537
Long-term deposits		57,613	57,613
Deferred taxation		116,937	256,762
		923,661	1,106,161
CURRENT ASSETS			
Trade debts		323,665	326,398
Loans and advances		71,834	52,153
Deposits and prepayments		47,912	45,476
Accrued mark-up / profit	7	30,663	29,267
Other receivables	8	2,551,381	2,550,607
Taxation – net		120,286	128,207
Bank balances	9	2,299	6,568
		3,148,040	3,138,676
TOTAL ASSETS		4,071,701	4,244,837

The annexed notes from 1 to 24 form an integral part of these unconsolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER



DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
Note		----- (Rupees in '000') -----	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			

The annexed notes from 1 to 24 form an integral part of these unconsolidated financial statements.


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, 2021**

		Half-year ended		Quarter ended		
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	
Note		----- (Rupees in '000') -----				
Revenue – net		689,445	620,979	359,706	311,456	
Direct costs		(351,375)	(325,969)	(174,532)	(161,788)	
Gross profit		338,070	295,010	185,174	149,668	
Distribution costs and administrative expenses		(211,317)	(176,346)	(111,639)	(85,993)	
Other expenses		-	(353)	-	(1,633)	
		(211,317)	(176,699)	(111,639)	(87,626)	
Other income	17	168,088	52,054	127,684	50,367	
		(43,229)	(124,645)	16,045	(37,259)	
		294,841	170,365	201,219	112,409	
Finance costs		(23,996)	(36,850)	(21,566)	(16,672)	
Profit before taxation		270,845	133,515	179,653	95,737	
Taxation		(162,784)	(47,239)	(136,338)	(33,484)	
Net profit for the period		108,061	86,276	43,315	62,253	
			Restated		Restated	
			-----Rupees-----			
Earning per share - basic and diluted (rupees)	18	0.34	0.27	0.14	0.20	

The annexed notes from 1 to 24 form an integral part of these unconsolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER



DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Half-year ended		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
----- (Rupees in '000') -----				
Net profit for the period	108,061	86,276	43,315	62,253
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	108,061	86,276	43,315	62,253

The annexed notes from 1 to 24 form an integral part of these unconsolidated financial statements.


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, 2021

Issued, subscribed and paid-up capital	Accumulated loss	Total
----- (Rupees in '000') -----		

Balance as at June 30, 2020 - (Audited)	3,000,000	(930,931)	2,069,069
Net profit for the period	-	86,276	86,276
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	86,276	86,276
Balance as at December 31, 2020 - (Un-audited)	3,000,000	(844,655)	2,155,345
Net profit for the period	-	186,912	186,912
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	186,912	186,912
Balance as at June 30, 2021 - (Audited)	3,000,000	(657,743)	2,342,257
Net profit for the period	-	108,061	108,061
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	108,061	108,061
Issuance of bonus shares	150,000	(150,000)	-
Balance as at December 31, 2021 - (Un-audited)	3,150,000	(699,682)	2,450,318

The annexed notes from 1 to 24 form an integral part of these unconsolidated financial statements.




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, 2021

	Half-year ended	
	December 31, 2021	December 31, 2020
	----- (Rupees in '000') -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	270,845	133,515
Adjustments for non cash and other items:		
Depreciation	40,246	40,845
Provision for gratuity	215	219
Finance costs	23,996	36,850
Gain on sale of fixed assets	(201)	-
Amortisation of intangible assets	977	977
Interest income	(2,712)	-
Liability no longer payable written back	-	(49,039)
Gain on restructuring of term finance certificates	(163,902)	-
Advance from a contractor	-	(2,623)
	(101,381)	27,229
Profit before working capital changes	169,464	160,744
Decrease / (Increase) in current assets		
Trade debts	2,733	56,691
Loans and advances	(19,681)	(1,198)
Other receivables	(774)	2,154
Deposits, prepayments and other receivables	(2,436)	(2,009)
	(20,158)	55,638
(Decrease) / Increase in current liabilities		
Trade and other payables	58,867	(80,454)
Contractual liability to contractor	(81,000)	-
Payment made to PTA against ISF	(95,000)	(75,000)
Cash generated from operations	32,173	60,928
Income tax paid	(17,205)	(16,950)
Interest income received	1,177	-
Finance cost paid	(1,109)	(5,733)
	(17,137)	(22,683)
Net cash generated from operating activities	15,036	38,245
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(5,745)	(8,079)
Proceeds from disposal of fixed assets	7,401	-
Net cash generated from / (used in) investing activities	1,656	(8,079)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment made against diminishing musharakah	(12,000)	(12,000)
Lease rentals paid against lease liability	(8,961)	(13,526)
Net cash used in financing activities	(20,961)	(25,526)
Net (decrease) / increase in cash and cash equivalents	(4,269)	4,640
Cash and cash equivalents at the beginning of the period	6,568	23,018
Cash and cash equivalents at the end of the period	2,299	27,658

The annexed notes from 1 to 24 form an integral part of these 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, 2021

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 investment 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, 2021 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 Standard Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provision of and directives issued under the Act.

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

2.2 The condensed interim unconsolidated financial statements do 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, 2021.

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

2.4 The figures included in condensed interim unconsolidated statements of profit or loss, condensed interim unconsolidated statements of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 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 year ended December 31, 2021 and December 31, 2020.



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, 2021.

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, 2021

There were certain amendments to accounting and reporting standards which became mandatory for the Company's annual accounting period which began on July 1, 2021. 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, 2022 do not have any significant impact on the financial reporting of the Company and, the have not been disclosed in these condensed interim unconsolidated financial statements.



		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	---- (Rupees in '000') ----	
4. PROPERTY, PLANT AND EQUIPMENT			
4.1 Operating fixed assets			
Opening net book value		410,011	453,583
Additions during the period / year	4.1.1	5,745	13,986
		415,756	467,569
Net book value of disposals during the period / year		(7,195)	-
Depreciation charged during the period / year		(29,224)	(57,558)
Closing net book value		379,337	410,011
4.1.1 Details of additions during the period / year are as follows:			
Owned			
Apparatus and equipment		4,028	11,193
Computers & accessories		1,335	2,130
Furniture, fixtures and office equipment		382	663
		5,745	13,986
5. INTANGIBLE ASSETS			
At cost			
Wireless local loop license		8,120	8,120
Long distance international license		29,029	29,029
		37,149	37,149
Accumulated amortisation to date		(32,133)	(31,154)
		5,016	5,995
6. RIGHT-OF-USE ASSETS			
Opening net book value		35,243	83,538
Depreciation for the period / year		(11,022)	(48,295)
Closing net book value		24,221	35,243
7. ACCRUED MARK-UP			
Due from a bank		7,000	7,000
Others		23,663	22,267
		30,663	29,267

December 31, June 30,
2021 2021
(Un-audited) (Audited)
---- (Rupees in '000') ----

8. OTHER RECEIVABLES

Considered good

Karachi Relief Rebate Package	349,954	349,954
Due from 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
Due from a contractor	3,072	2,935
Punjab Revenue Authority	34,956	34,956
Others	7,875	7,238
	2,551,381	2,550,607

Considered doubtful

Pakistan Telecommunication Authority	76,428	76,428
Due from PTCL against WPS	243,890	243,890
	320,318	320,318
Loss allowance for receivables considered doubtful	(320,318)	(320,318)
	-	-
	2,551,381	2,550,607

- 8.1 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, 2021.

December 31, June 30,
2021 2021
(Un-audited) (Audited)
---- (Rupees in '000') ----

9. BANK BALANCES

In current accounts

Local currency	1,294	2,144
Foreign currency	9	15
	1,263	2,159

In saving accounts

Local currency	1,036	4,409
	2,299	6,568

- 9.1 These carry mark-up at rates, ranging between 3.2% to 4.52% (June 30, 2021: 4.06% to 5.7%) per annum.



December 31, June 30,
2021 2021
(Un-audited) (Audited)
---- (Rupees in '000') ----

10. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

300,000 ordinary shares of Rs. 10/each	3,000,000	3,000,000
Bonus shares allotted during the period / year	150,000	-
	<u>3,150,000</u>	<u>3,000,000</u>

- 10.1 The board of directors of the Company, in the meeting held on October 28, 2021 approved issuance of 5% (five percent) bonus shares, increasing Company's total paid up capital from Rs. 3,000,000/- to Rs. 3,150,000/- divided into ordinary shares of Rs. 10/-each. All shares were subscribed by the Holding Company.

December 31, June 30,
2021 2021
(Un-audited) (Audited)
Note ---- (Rupees in '000') ----

11. LONG TERM FINANCING

Secured

Diminishing musharakah	11.1 72,414	84,494
Current maturity shown under current liabilities	(24,120)	(24,200)
	48,294	60,294
Amortized cost of outstanding principal		
of Term Finance Certificates	605,095	-
Amortized cost of accrued mark-up		
of Term Finance Certificates	236,892	-
	11.2 841,987	736,190
Overdue installments	-	(736,190)
Current maturity shown under current liabilities	(147,238)	-
	694,749	-
	<u>743,043</u>	<u>60,294</u>

- 11.1 There has been no significant change in terms and conditions of the diminishing musharaka as disclosed in the unconsolidated financial statements as at June 30, 2021.
- 11.2 There has been a significant change in the terms and conditions of term finance facilities disclosed in the Company's annual unconsolidated financial statements for the year ended June 30, 2021. The listed Term Finance Certificates (TFC's) issued by the Company have been restructured effective from October 2021. Under the restructured terms, the outstanding principal amount is repayable over 20 equal quarterly installments beginning from March 31, 2022. However, in the event that the Company is successfully able to execute Offer for Sale ("OFS") of its whole owned subsidiary Supernet Limited subject to the condition that the proceeds from such OFS not less than Rs 250 million, then the three quarterly installment of principal that fall due after the said listing would be immediately paid in a single bullet payment. Further, markup accrued till December 31, 2020 and the markup accrued post restructuring shall be paid in eight quarterly installments starting from March 31, 2027. These TFC's carry markup at the rate of three months KIBOR. Further more, as per the restructured agreement, profit shall not accrue from 1 January 2021 till September 30, 2021.



		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	---- (Rupees in '000') ----	
12. LEASE LIABILITIES			
Present value of lease liabilities against ROU assets		30,552	39,963
Current portion shown under current liabilities		(15,610)	(18,481)
Non-current portion of lease liabilities		<u>14,942</u>	<u>21,482</u>

13. TRADE AND OTHER PAYABLES

**Pakistan Telecommunication Company
Limited (PTCL)**

Interconnect operators		19,190	11,989
Others		<u>97,428</u>	<u>90,057</u>
		116,618	102,046
Other payables			
Current accounts with related parties		127,793	126,261
Current maturity of spectrum fee payable	13.1	51,493	146,493
Accrued liabilities		130,677	103,488
Contract liability to customers		760	6,631
Workers' welfare fund		4,964	4,964
Others		97,480	76,035
		<u>413,167</u>	<u>463,872</u>
		529,785	565,918

- 13.1** The Company, during the reporting period, has made payments up to the tune of Rs. 95 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 unconsolidated financial statements. Other than those disclosed, there has been no significant change in the status of the matter as described in note 21.2.1 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2021.

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
		---- (Rupees in '000') ----	
14. ACCRUED INTEREST/MARK-UP			
On secured			
Interest / mark-up against financing		19,866	270,465
On unsecured			
Current accounts with third parties		<u>34,741</u>	<u>32,727</u>
		54,607	303,192



December 31,	June 30,
2021	2021
(Un-audited)	(Audited)
---- (Rupees in '000') ----	

15. CURRENT PORTION OF LONG TERM FINANCING AND LEASE LIABILITIES

Current maturity of diminishing musharakah	24,120	24,200
Overdue instalments of term finance certificates	-	736,190
Current maturity of term finance certificates	147,238	-
Current maturity of lease liability	15,610	18,481
	186,968	778,871

16. CONTINGENCIES AND COMMITMENTS

16.1 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, 2021..

16.2 Commitments

Counter guarantees given to banks amounts to Rs. 47.225 million (June 30 2021: Rs. 47.225 million)

16.3 The Company has issued Post Dated Cheques (PDCs) amounting to Rs. 30 million (June 30, 2021: nil) to Pakistan Telecommunication Authority (PTA) on account of Initial Spectrum Fee (ISF) as disclosed in note 13.1 to the condensed interim unconsolidated financial statements.

17. OTHER INCOME

This included gain on restructuring of term finance certificates amounting to Rs. 163.902 million.

18. Earning per share for the current and prior year has been adjusted retrospectively to include the impact of bonus shares allotted during the current year as fully mentioned in note 10.1 to the condensed interim unconsolidated financial statements.

19. DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES

The Company recognised rent expense from short-term leases during the period amounting to Rs. 28.190 million (December 31, 2020: Rs. 26.73 million)

20. 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	
December 31 2021 (Un-audited)	December 31 2020 (Un-audited)
----- (Rupees in '000') -----	

Subsidiary of wholly owned subsidiary company

Supernet E-Solutions (Private) Limited

Services received	3,054	2,754
-------------------	-------	-------

Key management personnel

Remuneration and benefits	42,294	40,163
Staff retirement benefits - provident fund	3,635	3,224

21. 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, 2021.

22. OPERATING SEGMENTS

The financial statements are prepared on the basis of single reporting segment consistent with the information reviewed by the chief operating decision maker.

The Company is domiciled in Pakistan. All of the Company's assets are located in Pakistan as at the reporting date.

23. AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue on 28-Feb-2022 by the Board of Directors of the Company.

24. GENERAL

a) The Company is at advance stage of listing its subsidiary Supernet Limited at Pakistan Stock Exchange.

b) 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 DECEMBER 31, 2021

		(Un-audited) Dec 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000') -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	702,244	723,785
Intangible assets		78,482	79,288
Right-of-use assets	5	27,291	39,316
		808,017	842,389
Long-term deposits		57,708	57,708
Long-term Investment	6	-	-
Deferred taxation		165,347	298,665
		1,031,072	1,198,762
CURRENT ASSETS			
Communication stores		130,449	125,529
Trade debts		1,574,980	1,340,380
Loans and advances		165,403	146,172
Deposits and prepayments		96,570	75,831
Accrued mark-up		30,663	29,267
Other receivables	7	2,589,304	2,564,724
Taxation – net		287,824	291,432
Cash and bank balances		134,464	165,764
		5,009,657	4,739,099
TOTAL ASSETS			
		6,040,729	5,937,861

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	Note	(Un-audited) Dec 31, 2021	(Audited) June 30, 2021
----- (Rupees in '000') -----			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
400,000,000 (June 30, 2021: 400,000,000) ordinary shares of Rs. 10/- each			
		<u>4,000,000</u>	<u>4,000,000</u>
Issued, subscribed and paid-up capital	8	3,150,000	3,000,000
Foreign currency translation reserve		7,016	(984)
Accumulated profit / (loss)		<u>257,683</u>	<u>174,625</u>
Capital and reserves attributable to the owners of the Holding Group		3,414,699	3,173,641
Non-controlling interest		<u>(2,188)</u>	<u>(2,080)</u>
TOTAL EQUITY		<u>3,412,511</u>	<u>3,171,561</u>
NON-CURRENT LIABILITIES			
Long-term financing	9	750,856	83,732
Contractual liability to a contractor		81,652	162,652
Lease liabilities		16,698	24,627
Deferred liabilities		8,746	8,510
		857,952	279,521
CURRENT LIABILITIES			
Trade and other payables	10	1,345,416	1,213,958
Unclaimed dividend		4,394	4,394
Accrued interest/mark-up		59,434	309,075
Short term finance and current portion of long term financing and lease liabilities		361,022	959,352
		1,770,266	2,486,779
Contingencies & commitments	11		
TOTAL EQUITY AND LIABILITIES		<u>6,040,729</u>	<u>5,937,861</u>

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Half-year ended		Quarter ended	
	Dec 31,		Dec 31,	
	2021	2020	2021	2020
	----- (Rupees in '000') -----			
Revenue – net	1,927,601	1,791,691	1,030,091	887,669
Direct costs	(1,171,389)	(1,164,711)	(610,558)	(492,492)
Gross profit	756,212	626,979	419,533	395,176
Administrative & distribution costs	(442,641)	(363,345)	(226,334)	(172,044)
Other income	146,514	75,415	107,423	63,148
	(296,127)	(287,930)	(118,911)	(108,896)
Operating profit	460,085	339,049	300,622	286,280
Finance costs	(35,534)	(49,336)	(27,195)	(22,760)
Profit before taxation	424,551	289,713	273,427	263,520
Taxation	(191,601)	(96,146)	(138,270)	(62,044)
Profit for the period	232,950	193,567	135,157	201,476
Profit / (loss) is attributable to:				
Owners of the Holding Group	233,058	193,037	134,664	199,364
Non-controlling interests	(108)	530	493	2,112
	232,950	193,567	135,157	201,476
		Restated	Restated	Restated
		-----Rupees-----		
Earning per share - basic & diluted	0.74	0.61	0.43	0.63

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021**

	<u>Half-year ended</u>		<u>Quarter ended</u>	
	<u>Dec 31,</u>		<u>Dec 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>----- (Rupees in '000') -----</u>			
Net profit for the period	232,950	193,567	135,157	201,476
<i>Items that may be reclassified to profit or loss</i>				
Exchange differences on translation of foreign operation	8,000	826	6,102	1,074
Total comprehensive income for the period	240,950	194,393	141,259	202,550
Total comprehensive income / (loss)				
attributable to:				
Owners of the Holding Group	241,058	193,863	140,766	200,438
Non-controlling interests	(108)	530	493	2,112
	<u>240,950</u>	<u>194,393</u>	<u>141,259</u>	<u>202,550</u>

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER

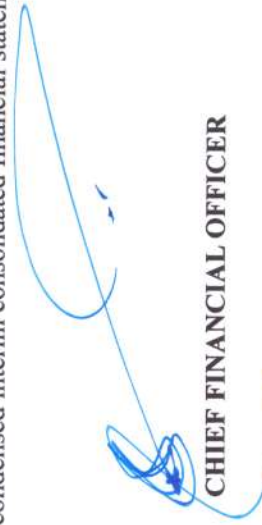

DIRECTOR

TELECARD LIMITED
CINDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Attributable to the owner of Holding Co.				
	Issued subscribed paid-up capital	Accumulated profit / (loss)	Foreign currency translation reserve	Non - controlling interest	Total
	----- (Rupees in '000') -----				
Balance as at June 30, 2020 (Audited)	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 / (loss) for the period	-	193,037	826	530	194,393
Balance as at December 31, 2020 (Un-audited)	3,000,000	(136,448)	958	(1,535)	2,862,975
Balance as at June 30, 2021 (Audited)	3,000,000	174,625	(984)	(2,080)	3,171,561
Net Profit/(loss) for the period	-	233,058	-	(108)	232,950
Other comprehensive income	-	-	8,000	-	8,000
Total comprehensive loss for the period	-	233,058	8,000	(108)	240,950
Issuance of bonus shares	150,000	(150,000)	-	-	-
Balance as at December 31, 2021 (Un-audited)	3,150,000	257,683	7,016	(2,188)	3,412,511

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Half-year ended	
	Dec 31,	
	2021	2020
	---- (Rupees in '000') ----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	148,686	223,016
Income tax paid	(54,659)	(65,211)
Finance costs paid	(11,657)	(17,300)
Retirement benefits paid	-	-
Long-term deposits paid	-	(22,682)
Net cash generated from operating activities	82,370	117,823
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(84,218)	(75,737)
Proceeds from disposal of property, plant and equipment	7,396	-
Net cash used in investing activities	(76,822)	(75,737)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term finances-net	(27,705)	(12,000)
Lease rentals against right-of-use assets	(10,356)	(14,289)
Short-term running financing- net	(6,788)	4,629
Net cash used in financing activities	(44,849)	(21,660)
Exchange difference on translation of foreign subsidiary	8,000	-
Net increase/ (decrease) in cash and cash equivalents	(31,300)	20,427
Cash and cash equivalents at the beginning of the year	165,764	87,418
Cash and cash equivalents at the end of the period	134,464	107,845

The annexed notes from 1 to 15 form an integral part of these condensed interim consolidated financial sta


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

1. THE GROUP AND ITS OPERATIONS

The Group comprises of:

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

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

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

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

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

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

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim 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 condensed interim consolidated financial statements are same as those applied in preparing the consolidated financial statements for the year ended June 30, 2021.

	(Un-audited)	(Audited)
	Dec 31,	June 30,
Note	2021	2021
	---- (Rupees in '000') ----	

4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	702,244	723,785
------------------------	---------	---------

4.1 Operating fixed assets

Opening net book value	723,785	808,537
Additions during the period / year	84,218	112,853
	<u>808,003</u>	<u>921,390</u>
Net book value of disposal during the period / year	(7,195)	(933)
Depreciation charged during the period / year	(98,564)	(196,672)
	<u>(105,759)</u>	<u>(197,605)</u>
	<u>702,244</u>	<u>723,785</u>

5. RIGHT-OF-USE ASSETS

Opening net book value	39,316	65,154
Depreciation for the period / year	(12,025)	(25,838)
Closing net book value	<u>27,291</u>	<u>39,316</u>

	(Un-audited) Dec 31, 2021 --- (Rupees in '000') ---	(Audited) June 30, 2021 ---
6. LONG-TERM INVESTMENT		
At fair value through other comprehensive income (FVOCI)		
Augere Holdings (Netherlands) B.V.	480,630	480,630
Loss allowance for ECL	(480,630)	(480,630)
	<u>-</u>	<u>-</u>
7. OTHER RECEIVABLES		
Considered good		
Karachi Relief Rebate	349,954	349,954
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	4,306	4,306
Due from a contractor	3,072	2,935
Punjab Revenue Authority (PRA)	34,956	34,956
Deposit with FBR under tax amnesty scheme	2,991	2,991
Others	38,501	14,058
	<u>2,589,304</u>	<u>2,564,724</u>
Considered doubtful		
Due from PTCL against WPS	243,890	243,890
Pakistan Telecommunication Authority	76,428	76,428
	<u>320,318</u>	<u>320,318</u>
Loss allowance for receivables considered doubtful	(320,318)	(320,318)
	<u>-</u>	<u>-</u>
	<u>2,589,304</u>	<u>2,564,724</u>
8. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
300,000 ordinary shares of Rs. 10/each	3,000,000	3,000,000
Bonus shares allotted during the period / year	150,000	-
	<u>3,150,000</u>	<u>3,000,000</u>
8.1	The board of directors of the Holding Company, in the meeting held on October 07, 2021, approved the issuance of 5% Bonus shares, increasing Companies Paid up Capital from Rs. 300,000,000/- to Rs. 315,000,000/- divided into ordinary shares of Rs. 10/- each.	

		(Un-audited) Dec 31, 2021	(Audited) June 30, 2021
	Note	-- (Rupees in '000) --	
9. LONG-TERM FINANCING			
Secured			
From banks and financial institutions			
Term Finance		39,063	54,688
Diminishing Musharaka		72,414	84,494
		<u>111,477</u>	<u>139,182</u>
Current maturity:			
Term Finance		(31,250)	(31,250)
Diminishing Musharaka		(24,120)	(24,200)
Current maturity shown under current liabilities		<u>(55,370)</u>	<u>(55,450)</u>
		<u>56,107</u>	<u>83,732</u>
Term Finance Certificates		-	736,190
Amortized cost of outstanding principal of Term Finance Certificates		605,095	-
Amortized cost of outstanding accrued mark-up of Term Finance Certificates		236,892	-
	9.1	<u>841,987</u>	<u>736,190</u>
Overdue instalments		-	(736,190)
Current maturity shown under current liabilities		<u>(147,238)</u>	<u>-</u>
		<u>694,749</u>	<u>-</u>
		<u>750,856</u>	<u>83,732</u>

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

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

10. TRADE AND OTHER PAYABLES

Pakistan Telecommunication Group Limited (PTCL)

LL & LDI charges

Others

(Un-audited) (Audited)
Dec 31, June 30,
2021 2021
-- (Rupees in '000) --

-	-
542	542
542	542
19,190	11,989
843,556	730,811
863,288	743,342

Other payables

Spectrum fee payable

Contractual liability to customers

Advances from franchisees

Accrued liabilities

Payable to employees provident fund

Workers' welfare fund

Others

51,493	146,493
9,632	15,503
200	200
224,957	175,798
12,299	107
7,746	7,746
175,800	124,769
482,127	470,616
1,345,416	1,213,958

11. CONTINGENCIES AND COMMITMENTS

(a) Contingencies

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

(Un-audited) (Audited)
Dec 31, June 30,
2021 2021
-- (Rupees in '000) --

(b) Commitments

- 11.2 Counter guarantees given to banks

100,055	80,265
---------	--------

12. 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:

	(Un-audited)	
	Dec 31, 2021	Dec 31, 2020
	-- (Rupees in '000) --	
Remuneration to key management personnel	142,688	252,545
Provident fund contribution during the period	9,006	8,429
	<u>151,694</u>	<u>260,974</u>

13. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements for the year ended June 30, 2021.

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on 28-Feb-2022 by the board of directors of the Holding Company.

15. GENERAL

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR