

1st QUARTERLY REPORT 30 SEPTEMBER --- 2022



Telecard Limited



Company Information

Board of Directors

Mr. Pervez Sadiq (Chairman)
Syed Aamir Hussain (CEO)
Syed Hashim Ali
Mr. Waseem Ahmad
Mr. Tipu Saeed Khan
Mr. Asad Mujtaba Naqvi
Mrs. Fabzia Ahsen

Board Audit Committee

Mr. Asad Mujtaba Naqvi (Chairman)
Mr. S.M. Pervez Sadiq
Mr. Tipu Saeed Khan

Human Resource & Remuneration Committee

Mr. Asad Mujtaba Naqvi (Chairman)
Syed Aamir Hussain
Mrs. Fabzia Ahsen

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
Meezan Bank Limited
Bank Al – Habib Limited
Silk Bank Limited
Habib Bank Limited

Registrar and Share Transfer Office

Jwaffs Registrar Services (Pvt.) Ltd.
407-408, 4th Floor, Al Ameera Centre
Sharah-e-Iraq Karachi

Registered Office

3rd Floor, 75 East, Blue Area,
Fazal-ul-Haq Road, Islamabad
Pakistan

Corporate Office

7th 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, 2022.

Review of Current Operations

The revenue for the period ended September 30, 2022 was Rs. 410 million as against the revenue of Rs. 330 million for the corresponding financial period, the increase in revenue is mainly due to increase in the Enterprise Sales segment of the Company. The direct cost was higher when compared with similar period of the preceding financial year due to a surge in interconnect cost owing to increase in minutes. However, this could not stop the Company from posting a Gross Profit of Rs. 186 million compared to a Gross Profit of Rs. 153 million in the corresponding period.

The administrative and distribution cost was higher in comparison with the corresponding financial period. Finance cost for the period under review was higher in the current quarter due to the restructuring of the Term Finance Certificates.

The Company incurred a profit after taxation of Rs. 39 million as against a profit after taxation of Rs. 65 million during the corresponding financial period. The earning per share stood at Rs. 0.12 compared to a profit of Rs. 0.21 in the corresponding timeframe.

On a consolidated basis the Company posted revenue of Rs. 1.151 billion as against revenue of Rs. 898 million for the previous 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. 400 million compared to a Gross Profit of Rs. 337 million for the preceding financial period.

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

The consolidated profit after taxation stood at Rs. 88 million as against a loss of Rs. 98 million for the corresponding period. The profit per share stood at Rs. 0.26 as against a profit of Rs. 0.33 comparatively.

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



28 October 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

TELECARD LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEP 30, 2022

	Note	Sep 30, 2022 (Un-audited)	June 30, 2022 (Audited)
----- (Rupees in '000) -----			
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	4	344,628	356,005
Right-of-use assets		19,442	21,763
Intangible assets	5	5,506	4,041
		<u>369,576</u>	<u>381,809</u>
Long-term investment		310,266	310,266
Deferred taxation		105,961	105,961
Long-term deposits		57,613	57,613
		<u>843,416</u>	<u>855,649</u>
CURRENT ASSETS			
Trade debts	6	352,593	472,705
Loans and advances		95,001	69,072
Deposits and prepayment		58,399	47,435
Accrued Mark-up / profit		38,517	30,328
Other receivables	7	2,670,427	2,627,816
Taxation – net		82,365	82,979
Bank balances		5,793	4,231
		<u>3,303,095</u>	<u>3,334,566</u>
TOTAL ASSETS		<u><u>4,146,511</u></u>	<u><u>4,190,215</u></u>
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
400,000,000 (2022: 400,000,000) Ordinary shares of Rs.10 each		<u>4,000,000</u>	<u>4,000,000</u>
Issued, subscribed and paid-up	8	3,150,000	3,150,000
Unappropriated loss		<u>(471,085)</u>	<u>(510,046)</u>
		<u>2,678,915</u>	<u>2,639,954</u>
NON-CURRENT LIABILITIES			
Long-term financing		654,386	696,797
Lease liabilities		6,901	9,546
Deferred liabilities		5,627	5,517
		<u>666,914</u>	<u>711,860</u>
CURRENT LIABILITIES			
Trade and other payables	9	608,134	655,149
Unclaimed dividends		4,394	4,394
Accrued interest / Mark-up	10	37,994	64,299
Current portion of long term financing and lease liabilities	11	150,159	114,559
		<u>800,682</u>	<u>838,401</u>
CONTINGENCIES AND COMMITMENTS			
	12	-	-
TOTAL EQUITY AND LIABILITIES		<u><u>4,146,511</u></u>	<u><u>4,190,215</u></u>

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

Chief Executive

Chief Financial Officer

Director

TELECARD LIMITED
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

		Sep 30, 2022 (Un-audited)	Sep 30, 2021 (Un-audited)
		----- (Rupees in '000) -----	
REVENUE – net		410,091	329,739
Direct costs	13	(224,342)	(176,843)
GROSS PROFIT		<u>185,749</u>	<u>152,896</u>
Distribution costs and administrative expenses		(115,233)	(99,678)
Exchange gain		(800)	231
Other income		2,734	40,173
		<u>(113,299)</u>	<u>(59,274)</u>
OPERATING PROFIT		<u>72,450</u>	<u>93,622</u>
Finance costs		(27,209)	(2,430)
PROFIT BEFORE TAXATION		<u>45,241</u>	<u>91,192</u>
Taxation	14	(6,280)	(26,446)
PROFIT FOR THE PERIOD		<u><u>38,961</u></u>	<u><u>64,746</u></u>
PROFIT PER SHARE - Basic and diluted (Rupees)		<u><u>0.12</u></u>	<u><u>0.21</u></u>

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


Chief Executive


Chief Financial Officer


Director

TELECARD LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Three months ended	
	Sep 30, 2022 (Un-audited) ----- (Rupees in '000) -----	Sep 30, 2021 (Un-audited) ----- (Rupees in '000) -----
Profit for the period	38,961	64,746
Other comprehensive income	-	-
Total comprehensive profit	38,961	64,746

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



Chief Executive



Chief Financial Officer



Director

TELECARD LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

Note	September 30, 2022 (Un-audited) (Rs. in '000)	September 30, 2021 (Un-audited) (Rs. in '000)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	45,241	91,192
Adjustments for non cash charges and other items:		
Depreciation	14,537	14,537
Depreciation on right-of-use assets	2,321	5,511
Provision for gratuity	110	106
Financial charges	26,277	2,326
Liabilities no longer payable written back	-	(38,925)
Amortization of intangible assets	489	489
	<u>43,734</u>	<u>(15,956)</u>
Profit before working capital changes	88,975	75,236
(Increase) / decrease in current assets		
Trade debts	120,112	13,898
Loans and advances	(25,929)	(26,338)
Deposits, prepayments and accrued markup	(10,964)	(520)
Accrued markup	(8,189)	-
Other receivables	(42,611)	(431)
	<u>32,420</u>	<u>(13,391)</u>
Trade and other payables	(101,715)	(3,819)
Contractual liability to a Contractor	-	(40,500)
Cash generated from operations	<u>19,680</u>	<u>17,526</u>
Income tax paid	(5,666)	(7,839)
Finance cost paid	(139)	(62)
Long term loans	(5,680)	(6,080)
	<u>(11,486)</u>	<u>(13,982)</u>
Net cash generated from operating activities	8,195	3,544
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(3,160)	(3,160)
Net cash used in investing activities	(3,160)	(3,160)
CASH FLOW FROM FINANCING ACTIVITIES		
Lease rentals against right-of-use assets	(3,473)	(4,480)
Net cash flow from financing activities	(3,473)	(4,480)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>1,562</u>	<u>(4,097)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE PERIOD	4,231	6,568
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>5,793</u>	<u>2,471</u>

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


Chief Executive


Chief Financial Officer


Director

TELECARD LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Issued, subscribed and paid-up	Unappropriated (loss)	Total
	(Rupees in '000)		
Balance as at June 30, 2021 (Audited)	3,000,000	(657,743)	2,342,257
Net profit for the period	-	64,746	64,746
Other comprehensive income	-	-	-
Total comprehensive profit	-	64,746	64,746
Balance as at Sep 30, 2021 (Unaudited)	3,000,000	(592,997)	2,407,003
Balance as at June 30, 2022 (Audited)	3,150,000	(510,046)	2,639,954
Net profit for the period	-	38,961	38,961
Other comprehensive income	-	-	-
Total comprehensive loss	-	38,961	38,961
Balance as at Sep 30, 2022 (Unaudited)	3,150,000	(471,085)	2,678,915

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


 Chief Executive


 Chief Financial Officer


 Director

**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

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, 2022 (Un-audited)	June 30, 2022 (Audited)
	 (Rs. in '000)	
4. PROPERTY, PLANT AND	4.1	344,628	356,005
Operating fixed assets		344,628	356,005
4.1. Operating fixed assets			
Opening net book value		356,005	410,011
Additions during the period	4.1.1	3,160	11,537
		359,165	421,548
Disposal during the period	4.1.2	-	39,278
Accumulated depreciation on disposals		-	(32,053)
Depreciation charged during the period		14,537	58,318
		14,537	65,543
		344,628	356,005

September 30, June 30,
2022 2022
(Un-audited) (Audited)
..... (Rs. in '000)

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

Owned

Apparatus, plant and equipment	2,020	8,535
Computers and related accessories	884	2,536
Furniture, fixtures and office equipment	256	382
Vehicles	-	84
	<u>3,160</u>	<u>11,537</u>

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

Owned

Apparatus, plant and equipment	-	39,248
Computers and related accessories	-	30
	<u>-</u>	<u>39,278</u>

5. INTANGIBLE ASSETS

Wireless local loop (WLL) license	8,120	8,120
Long distance International (LDI) license	29,029	29,029
	<u>37,149</u>	<u>37,149</u>
Disposal Cost	-	-
Amortisation / (disposal) to-date	(31,643)	(33,108)
	<u>5,506</u>	<u>4,041</u>

6. TRADE DEBTS

	<u>352,593</u>	<u>472,705</u>
Unsecured		
Considered good	<u>377,136</u>	<u>497,247</u>
	<u>377,136</u>	<u>497,247</u>
Less: Provision for debts considered doubtful	<u>(24,542)</u>	<u>(24,542)</u>

7. OTHER RECEIVABLES

Considered good

Due from Pakistan Telecommunication Company - Limited (PTCL)	374,137	349,954
Due from PTCL against PTA-Escrow	96,041	96,041
In Escrow account with PTA	345,594	352,594
Pakistan Telecommunication Authority (PTA) - APC for ASF	1,547,559	1,547,559
Pakistan Telecommunication Authority (PTA) - ARFSF	48,135	118,135
Pakistan Telecommunication Authority (PTA) - Others	117,197	117,197
Claim against a bank	998	998
Due from a contractor	3,281	3,212
Punjab Revenue Authority (PRA)	34,956	34,956
Others	102,529	7,170
	<u>2,670,427</u>	<u>2,627,816</u>

Considered doubtful

Pakistan Telecommunication Company limited	243,890	243,890
Pakistan Telecommunication Authority	76,428	76,428
Karachi Relief Rabate	-	-
	<u>320,318</u>	<u>320,318</u>
Provision for other receivables considered doubtful	<u>(320,318)</u>	<u>(320,318)</u>
	<u>2,670,427</u>	<u>2,627,816</u>

		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
	 (Rs. in '000)	
8.	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
	September 30, 2022	June 30, 2022	
	Number of shares		
	<u>315,000,000</u>	<u>315,000,000</u>	<u>3,150,000</u>

Subsequent to the period end, the Board of Directors in its meeting held on October 07, 2022, approved the issuance of 7.5% bonus shares, in respect of the year end June 30, 2022. The unconsolidated financial statements for the period ended September 30, 2022 do not include the effect of these appropriations.

		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
	 (Rs. in '000)	
9.	TRADE AND OTHER PAYABLES		
	Interconnect operators	7,198	7,264
	Others	116,038	132,465
		123,236	139,729
	Other payables		
	Current accounts with related parties	180,641	246,226
	Contract liability to customer	772	772
	Accrued liabilities	187,738	157,139
	Others	110,784	106,319
	Workers' Welfare Fund	4,964	4,964
		484,898	515,420
		<u>608,134</u>	<u>655,149</u>
10.	ACCRUED MARK-UP		
	On Secured:		
	Interest / mark-up against financing	-	22,713
		-	22,713
	On Unsecured:		
	Others	1,697	1,697
	Current accounts with related parties	36,297	39,889
		<u>37,994</u>	<u>64,299</u>

	September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
 (Rs. in '000)	
11. Current portion of long term financing and lease liabilities		
Current maturity of diminishing musharakah	24,120	24,200
Current maturity of term finance certificates	110,429	73,619
Current maturity of lease liabilities	<u>15,610</u>	<u>16,740</u>
	<u>150,159</u>	<u>114,559</u>
12. CONTINGENCIES AND COMMITMENTS		
(a) Contingencies		
There has been no change in the status of contingencies reported in the financial statements for the year ended June 30, 2022.		
(b) Commitments		
Counter guarantees given to banks	<u>47,225</u>	<u>47,225</u>

Note	Three months ended	
	September 30,	September 30,
	2022	2021
	(Un-audited)	(Un-audited)
 (Rs. in '000)	

13. DIRECT COSTS

Interconnect charges	22,259	35,596
Network Media charges	131,218	82,786
Network site Rent	12,818	9,153
Network site utilities and maintenance	30,909	22,163
Insurance	577	577
Annual regulatory charges	9,713	6,541
Depreciation	14,039	14,027
Depreciation on right of use assets	2,320	5,511
Amortization of intangible assets	489	489
	<u>224,342</u>	<u>176,843</u>

Current	6,280	13,755
Deferred	-	-
14. TAXATION	<u>6,280</u>	<u>13,755</u>

15. TRANSACTIONS WITH RELATED PARTIES

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

Services provided by related parties	<u>1,557</u>	<u>1,557</u>
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16. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 28-Oct-2022 by the Board of Directors of the Company.

17. GENERAL

Figures have been rounded off to the nearest thousand rupees.


Chief Executive


Chief Financial Officer


Director

TELECARD LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	Note	September 30, 2022 (Un-audited) ----- (Rupees in '000') -----	June 30, 2022 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	679,808	684,415
Intangible assets		75,016	77,044
Right-of-use assets	5	21,020	23,830
		<u>775,843</u>	<u>785,289</u>
Long-term deposits		57,708	57,708
Long-term Investment		-	-
Deferred taxation		169,576	169,576
		<u>1,003,127</u>	<u>1,012,573</u>
CURRENT ASSETS			
Communication stores		248,736	170,160
Short term investment		125,000	125,000
Trade debts		2,101,139	2,090,805
Loans and advances		346,875	268,180
Deposits and prepayments		166,401	154,945
Accrued mark-up		38,517	30,328
Other receivables	6	2,717,630	2,672,739
Taxation – net		167,740	165,465
Cash and bank balances		79,188	105,129
		<u>5,991,226</u>	<u>5,782,751</u>
TOTAL ASSETS		<u>6,994,353</u>	<u>6,795,324</u>

The annexed notes from 1 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	Note	September 30, 2022 (Un-audited) ----- (Rupees in '000') -----	June 30, 2022 (Audited)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
400,000,000 (June 30, 2022: 400,000,000) ordinary shares of Rs. 10/- each		<u>4,000,000</u>	<u>4,000,000</u>
Issued, subscribed and paid-up capital	7	3,150,000	3,150,000
Foreign currency translation reserve		27,332	26,129
Accumulated profit / (loss)		<u>750,896</u>	<u>670,449</u>
Capital and reserves attributable to the owners of the Holding Group		3,928,228	3,846,578
Non-controlling interest		<u>253,545</u>	<u>246,126</u>
TOTAL EQUITY		<u>4,181,773</u>	<u>4,092,704</u>
NON-CURRENT LIABILITIES			
Long-term financing		654,386	696,797
Contractual liability to a contractor		652	-
Lease liabilities		7,027	10,162
Deferred liabilities		8,063	7,936
		<u>670,129</u>	<u>714,895</u>
CURRENT LIABILITIES			
Trade and other payables	8	1,768,545	1,632,643
Unclaimed dividend		4,394	4,394
Accrued interest/mark-up		51,237	71,614
Current portion of long term financing and lease liabilities		<u>318,275</u>	<u>279,074</u>
		2,142,452	1,987,725
Contingencies & commitments	9		
TOTAL EQUITY AND LIABILITIES		<u>6,994,354</u>	<u>6,795,324</u>

The annexed notes from 1 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	September 30, 2022 (Un-audited) ---- (Rupees in '000') ----	September 30, 2021 (Un-audited)
Revenue – net	1,151,454	897,510
Direct costs	<u>(751,362)</u>	<u>(560,831)</u>
Gross profit	400,092	336,679
Administrative & distribution costs	<u>(249,696)</u>	<u>(216,307)</u>
Other operating expenses	<u>-</u>	<u>-</u>
Other income	<u>4,120</u>	<u>39,091</u>
Operating profit	154,516	159,463
Finance costs	<u>(36,583)</u>	<u>(8,340)</u>
Profit before taxation	117,933	151,123
Taxation	<u>(30,067)</u>	<u>(53,331)</u>
Profit / (loss) for the year	87,866	97,793
Profit / (loss) is attributable to:		
Owners of the Holding Group	80,447	98,394
Non-controlling interests	<u>7,419</u>	<u>(601)</u>
	87,866	97,793
Earning / (loss) per share - basic & diluted - (Rupees)	0.26	0.31

The annexed notes from 1 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	September 30, 2022 (Un-audited) --- (Rupees in '000') ---	September 30, 2021 (Un-audited)
Net profit / (loss) for the year	87,866	97,793
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operation	1,203	1,898
Total comprehensive income / (loss) for the year	89,069	99,691
Total comprehensive income / (loss) attributable to:		
Owners of the Holding Group	81,650	100,292
Non-controlling interests	7,419	(601)
	89,069	99,691

The annexed notes from 1 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	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 July 01, 2021 (Audited)	3,000,000	174,625	(984)	(2,080)	3,171,561
Net loss for the period	-	98,394	1,898	(601)	99,691
Other comprehensive income	-	98,394	1,898	(601)	99,691
Total comprehensive income / (loss) for the year	-	98,394	1,898	(601)	99,691
Balance as at September 30, 2021 (Un-audited)	3,000,000	273,019	914	(2,681)	3,271,252
Balance as at July 01, 2022 (Audited)	3,150,000	670,449	26,129	246,126	4,092,704
Net Profit/(loss) for the period	-	80,447	1,203	7,419	89,069
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	80,447	1,203	7,419	89,069
Total comprehensive loss for the year	-	80,447	1,203	7,419	89,069
Balance as at September 30, 2022 (Un-audited)	3,150,000	750,896	27,332	253,545	4,181,773

The annexed notes from 1 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	September 30, 2022 (Un-audited) ---- (Rupees in '000') ----	September 30, 2021 (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	118,476	37,504
Income tax paid	(32,342)	(26,565)
Finance costs paid	(57,081)	(5,831)
Retirement benefits paid	-	(152)
Net cash generated from operating activities	29,053	4,957
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(47,671)	(35,202)
Net cash used in investing activities	(47,671)	(35,202)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term finances-net	(42,411)	(13,893)
Lease rentals against right-of-use assets	(5,316)	(5,163)
Short-term running financing- net	39,201	(6,756)
Net cash used in financing activities	(8,526)	(25,812)
Exchange difference on translation of foreign subsidiary	1,203	1,898
Net increase/ (decrease) in cash and cash equivalents	(25,941)	(54,160)
Cash and cash equivalents at the beginning of the year	105,129	165,764
Cash and cash equivalents at the end of the period	79,188	111,604

The annexed notes from 1 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCE OFFICER


DIRECTOR

TELECARD LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2022

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 81.185% equity of Supernet Limited.

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

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

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

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of these consolidated interim financial statements are same as those applied in preparing the consolidated financial statements for the year ended June 30, 2022.

Note	September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
	-- (Rupees in '000) --	

4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	679,808	684,415
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4.1 Operating fixed assets

Opening net book value	684,415	723,785
Additions during the period / year	47,671	171,353
	<u>732,086</u>	<u>895,138</u>
Net book value of disposal during the period / year	-	(7,226)
Depreciation charged during the period / year	<u>(52,278)</u>	<u>(203,497)</u>
	<u>679,808</u>	<u>684,415</u>

5. RIGHT-OF-USE ASSETS

Opening net book value	23,830	39,316
Depreciation for the year	<u>(2,810)</u>	<u>(15,486)</u>
Closing net book value	<u>21,020</u>	<u>23,830</u>

September 30, June 30,
2022 2022
(Un-audited) (Audited)
--- (Rupees in '000') ---

6. OTHER RECEIVABLES

Considered good

Due from Pakistan Telecommunication Company Limited (PTCL)	374,137	349,954
Amount withheld by PTCL against PTA-Escrow	96,041	96,041
In Escrow account with PTA	345,594	352,594
Pakistan Telecommunication Authority - APC for USF	1,547,559	1,547,559
Pakistan Telecommunication Authority - ARFSF	48,135	118,135
Pakistan Telecommunication Authority - others	117,197	117,197
Claim against a bank	998	998
Insurance claims	5,000	4,756
Due from a contractor	3,281	3,212
Punjab Revenue Authority (PRA)	34,956	34,956
Deposit with FBR under tax amnesty scheme	2,991	2,991
Others	141,741	44,346
	2,717,630	2,672,739

Considered doubtful

Due from PTCL against WPS	243,890	243,890
Pakistan Telecommunication Authority	76,428	76,428
	320,318	320,318
Loss allowance for receivables considered doubtful	(320,318)	(320,318)
	-	-
	2,717,630	2,672,739

7. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

September 30, 2022 (Un-audited)	June 30, 2022 (Audited)	September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
Number of shares		-- (Rupees in '000) --	
315,000,000	315,000,000	3,150,000	3,150,000

- 7.1 Subsequent to the period end, the board of directors of the Holding Company, in the meeting held on October 07, 2022, approved the issuance of 7.5% Bonus shares, increasing Companies Paid up Capital from Rs. 315,000,000/- to Rs. 338,625,000/- divided into ordinary shares of Rs. 10/- each.

September 30, June 30,
2022 2022
(Un-audited) (Audited)
-- (Rupees in '000) --

8. TRADE AND OTHER PAYABLES

Pakistan Telecommunication Group Limited (PTCL)

Interconnect operators

Others

7,198	7,264
1,338,695	1,260,676
1,345,893	1,267,940

Other payables

Contractual liability to customers

Advances from franchisees

Accrued liabilities

Payable to employees provident fund

Workers' welfare fund

Others

9,644	9,644
200	200
273,060	232,313
2,304	2,782
7,746	7,218
129,699	112,546
422,652	364,703
1,768,545	1,632,643

9. CONTINGENCIES AND COMMITMENTS

(a) Contingencies

- 9.1 There has been no change in the status of other contingencies reported in the consolidated financial statements for the year ended June 30, 2022.

(b) Commitments

- 9.2 Letter of guarantee, amounting to Rs. 154.700 million (June 30, 2022: Rs. 154.776 million) have been issued by banks on behalf of the Company.

10. TRANSACTIONS WITH RELATED PARTIES

400,00 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:

September 30, September 30,
2022 2021
(Un-audited) (Un-audited)
-- (Rupees in '000) --

Provident fund contribution during the period

10,677	4,361
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11. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 28 OCT 2022 by the board of directors of the Holding company.

12. GENERAL

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR