



Half Yearly Report December 31, --- **2023**

Company Information

Board of Directors

Mr. Pervez Sadiq (Chairman)
Syed Aamir Hussain (CEO)
Mr. Waseem Ahmad
Mr. Asad Mujtaba Naqvi
Ms. Naeen Ahmed
Mrs. Fabzia Ahsen

Board Audit Committee

Mr. Asad Mujtaba Naqvi (Chairman)
Mr. S.M. Pervez Sadiq
Mr. Naeen Ahmed

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 Ameer 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 (the 'Company') are pleased to present the Financial Statements and review of your Company's performance for the period ended December 31, 2023.

Financial Performance

On a consolidated basis, the Company has reported a topline revenue of Rs. 5.26 billion as opposed to a revenue of Rs. 2.25 billion. The Gross Profit (G.P) stood at Rs. 1.36 billion as against a G.P of Rs. 808 million during the corresponding financial period attributable to enhanced top line revenue. The gross profit has increased 69% on a consolidated basis. The profit before tax stood at Rs. 521 million against Rs. 235 million for the corresponding period. The Earning per Share (EPS) is Rs. 0.97 in comparison to Rs. 0.53 in the related period.

On a standalone basis, the top line revenue for the period was higher by 62% translating into revenues of Rs. 1.28 billion against Rs. 791 million resulting in an enhanced G.P of Rs. 419 million compared to Rs. 342 million in the corresponding period. G.P was 23% higher in the period under review.

A nominal increase in administrative and distribution cost coupled with taxation, the Company posted Rs. 69.5 million profit after taxation against Rs. 64 million previously. The EPS stood at Rs. 0.21 compared to Rs. 0.19 in the corresponding period.

Future Prospects

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.

Acknowledgement

The Board would like to acknowledge the dedication and hard work by the entire Telecard Limited team to achieve positive business results in this half yearly financials and wish them all the best for the year ahead.

On behalf of the Board


Syed Aamir Hussain
Chief Executive Officer / Director

February 27, 2024

Independent Auditors' Review Report to the Members of Telecard Limited

Report on Review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Telecard Limited** (the "Company") as at December 31, 2023 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of other comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows and notes to the unconsolidated condensed interim financial statements for the six months period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed 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 unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and the unconsolidated condensed interim statement of other comprehensive income for the three months period ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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 unconsolidated condensed 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 unconsolidated condensed interim financial statements are 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 note 11.1 & 19.1 to the unconsolidated condensed interim financial statements, matters of which is fully described in notes 15.1(a) to 15.7 and 25.1 to 25.11 to the unconsolidated annual audited financial statements for the year ended June 30, 2023. The ultimate outcome of the legal cases and financial claims, as fully explained in the aforementioned notes to the unconsolidated 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 unconsolidated condensed interim financial statements in this respect. Our conclusion is not qualified in respect of these matters.

The engagement partner on the review resulting in this independent auditors' report is Mr. Muhammad Shabbir Kasbati.



(Chartered Accountants)

Date: February 28, 2024

Karachi

UDIN: RR202310192OK2XV5hJM

Telecard Limited
Unconsolidated Condensed Interim Statement of Financial Position
As at December 31, 2023

		December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
	Note	---(Rupees in '000') ---	
Assets			
Non-current assets			
Fixed assets			
Property and equipment	5	296,615	300,503
Intangible assets	6	1,110	2,087
Right-of-use assets	7	2,836	9,612
		300,561	312,202
Long-term investments	8	15,000	310,266
Long-term deposits		52,113	52,113
Deferred taxation		143,342	157,529
		511,016	832,110
Current assets			
Trade debts		1,075,162	691,127
Short-term investment	9	310,266	-
Loans and advances		85,789	15,065
Deposits and prepayments		60,026	52,276
Accrued mark-up / profit	10	9,031	9,116
Other receivables	11	2,679,056	2,654,696
Taxation – net		93,028	85,880
Bank balances	12	2,077	34,605
		4,314,435	3,542,765
Total assets		4,825,451	4,374,875

The annexed notes from 1 to 27 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Telecard Limited
Unconsolidated Condensed Interim Statement of Financial Position
As at December 31, 2023

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	---(Rupees in '000')---	
Equity and liabilities			
Share capital and reserves			
Authorised share capital	13.1	4,000,000	4,000,000
Issued, subscribed and paid-up share capital	13.2	3,386,250	3,386,250
Accumulated loss		(540,677)	(610,177)
		2,845,573	2,776,073
Non-current liabilities			
Long-term financing	14	576,473	617,718
Lease liabilities	15	1,218	1,878
Deferred liabilities		7,019	6,723
		584,710	626,319
Current liabilities			
Trade and other payables	16	1,167,742	714,035
Unclaimed dividend		4,394	4,394
Accrued interest / mark-up	17	74,357	75,342
Current portion of long term finance and lease liabilities	18	148,675	178,712
		1,395,168	972,483
Contingencies and commitments	19		
Total equity and liabilities		4,825,451	4,374,875

The annexed notes from 1 to 27 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Telecard Limited
Unconsolidated Condensed Interim Statement of Profit or Loss
For the half year ended December 31, 2023 (Un-audited)

	Note	Half-year ended		Quarter ended	
		December 31,		December 31,	
		2023	2022	2023	2022
		----- (Rupees in '000') -----			
Revenue – net	20	1,282,922	791,179	637,524	381,088
Direct costs		(863,380)	(449,181)	(399,752)	(224,839)
Gross profit		419,542	341,998	237,772	156,249
Distribution costs and administrative expenses		(262,956)	(236,746)	(142,949)	(121,513)
Exchange (loss) / gain		(2,805)	1,817	(3)	2,618
		(265,761)	(234,929)	(142,952)	(118,895)
Other income		319	14,124	241	11,390
		(265,442)	(220,805)	(142,711)	(107,505)
Operating profit		154,100	121,193	95,062	48,744
Finance costs		(50,536)	(55,876)	(8,058)	(28,667)
Profit before taxation		103,564	65,317	87,004	20,077
Taxation		(34,064)	(1,323)	(26,706)	4,957
Profit after taxation		69,500	63,994	60,298	25,034
Earning per share - basic and diluted (Rs.)	21	0.21	0.19	0.18	0.07

The annexed notes from 1 to 27 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Telecard Limited

**Unconsolidated Condensed Interim Statement of Other Comprehensive Income
For the half year ended December 31, 2023 (Un-audited)**

	Half-year ended		Quarter ended	
	December 31,		December 31,	
	2023	2022	2023	2022
	------(Rupees in '000')-----			
Profit after taxation	69,500	63,994	60,298	25,034
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	69,500	63,994	60,298	25,034

The annexed notes from 1 to 27 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Telecard Limited
Unconsolidated Condensed Interim Statement of Changes in Equity
For the half year ended December 31, 2023 (Un-audited)

	Issued, subscribed and paid-up share capital	Accumulated loss	Total
----- (Rupees in '000') -----			
Balance as at June 30, 2022 - (Audited)	3,150,000	(510,046)	2,639,954
Profit after taxation	-	63,994	63,994
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	63,994	63,994
Issuance of bonus shares	236,250	(236,250)	-
Balance as at December 31, 2022 (Un-audited)	<u>3,386,250</u>	<u>(682,302)</u>	<u>2,703,948</u>
Balance as at June 30, 2023 - (Audited)	3,386,250	(610,177)	2,776,073
Profit after taxation	-	69,500	69,500
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	69,500	69,500
Balance as at December 31, 2023 (Un-audited)	<u>3,386,250</u>	<u>(540,677)</u>	<u>2,845,573</u>

The annexed notes from 1 to 27 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Telecard Limited
Unconsolidated Condensed Interim Statement of Cash Flows
For the half year ended December 31, 2023 (Un-audited)

	Half-year ended	
	December 31,	
	2023	2022
Note	----- (Rupees in '000') -----	
Cash flows from operating activities		
Profit before taxation	103,564	65,317
Adjustments for non cash and other items:		
Depreciation	17,378	32,868
Provision for gratuity	296	220
Finance costs	50,536	55,876
Gain on sale of fixed assets	-	(2,240)
Amortisation of intangible assets	977	977
Interest income	-	(2,669)
Liability no longer payable written back	-	(6,354)
	69,187	78,678
Operating profit before working capital changes (Increase) / decrease in current assets	172,751	143,995
Trade debts	(443,051)	(68,577)
Loans and advances	(70,724)	(24,233)
Other receivables	(24,360)	19,790
Deposits, prepayments and other receivables	(7,147)	27,518
	(545,282)	(45,502)
Increase / (decrease) in current liabilities		
Trade and other payables	453,707	6,497
Cash generated from operations	81,176	104,990
Income tax paid	(28,667)	(30,297)
Interest paid	(9,116)	(22,562)
Finance cost against lease liabilities paid	(2,010)	(1,350)
	(39,793)	(54,209)
Net cash generated from operating activities	41,383	50,782
Cash flows from investing activities		
Fixed capital expenditure	(6,714)	(5,096)
Long-term investment made	(15,000)	-
Proceeds from disposal of fixed assets	-	2,800
Net cash used in investing activities	(21,714)	(2,296)
Cash flows from financing activities		
Long term financing paid	(41,245)	(39,184)
Lease rentals paid	(10,952)	(10,931)
Net cash used in financing activities	(52,197)	(50,115)
Net decrease in cash and cash equivalents	(32,528)	(1,629)
Cash and cash equivalents at the beginning of the period	34,605	4,231
Cash and cash equivalents at the end of the period	2,077	2,602

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The annexed notes from 1 to 27 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Telecard Limited
Notes to the Unconsolidated Condensed Interim Financial Statements
For the half year ended December 31, 2023 (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

- 1.1** Telecard Limited (the Company) was incorporated in Pakistan on October 29, 1992 as a public limited company under the repealed Companies Ordinance, 1984, [Repealed with the enactment of Companies Act, 2017] (the Act). 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 addresses:

- 1) House no. 1, White House Lane near Aitchison College, Sundreas Road, Zaman Park, Lahore.
- 2) Near Guttwala Bridge, Sheikhpura Road, Faisalabad.
- 3) 4th Floor, Evacuee Trust Property Board Building, Opposite PTCL Dera Adda Exchange, Multan.

These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investment in subsidiaries have been accounted for at cost less accumulated impairment losses, if any.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated condensed interim financial statements of the Company for the half year ended December 31, 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting purposes. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

- International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

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

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the unconsolidated annual audited financial statements, and should be read in conjunction with the Company's unconsolidated annual audited financial statements for the year ended June 30, 2023.

These unconsolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required under section 237 of the Act and the Listing Regulation of Pakistan Stock Exchange Limited.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated annual audited financial statements for the year ended June 30, 2023.

3.1 Change in accounting standards, interpretations and amendments to published accounting and reporting standards

a) Amendments to published accounting and reporting standards which became effective during the period:

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

b) Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the unconsolidated annual audited financial statements of the Company for the year ended June 30, 2023.

These unconsolidated condensed interim financial statement are un-audited but subject to limited review by the Company's statutory auditors.

		December 31, 2023 (Un-audited) ---- (Rupees in '000) ----	June 30, 2023 (Audited)
5. PROPERTY AND EQUIPMENT			
5.1 Operating fixed assets			
Opening net book value		300,503	356,005
Additions during the period / year	5.1.1	6,714	12,941
		307,217	368,946
Depreciation charged during the period / year		(10,602)	(68,443)
		<u>296,615</u>	<u>300,503</u>
5.1.1 Details of additions during the period are as follows:			
Apparatus, plant and equipment		6,007	11,128
Computers & accessories		325	1,197
Furniture, fixtures and office equipment		382	616
		<u>6,714</u>	<u>12,941</u>
6. INTANGIBLE ASSETS			
Wireless local loop (WLL) license		8,120	8,120
Long distance international (LDI) license		29,029	29,029
		37,149	37,149
Accumulated amortisation to date		(36,039)	(35,062)
		<u>1,110</u>	<u>2,087</u>
7. RIGHT-OF-USE ASSETS			
Opening net book value		9,612	21,763
Depreciation for the period / year		(6,776)	(12,151)
Closing net book value		<u>2,836</u>	<u>9,612</u>
8. LONG-TERM INVESTMENTS			
8.1	During the period, pursuant to the share purchase agreement dated November 23, 2023, the Company has acquired 314,220 (62.84%) shares of Hallmark Company Limited @ Rs. 47.74/- per share on December 01, 2023.		
9. SHORT-TERM INVESTMENTS			
9.1	During the period, the Company through resolution by circulation dated December 19, 2023 have approved entering into a share purchase agreement with Hallmark Company Limited (a direct subsidiary of the Company) for the sale and transfer of the entire shareholding of Supernet Limited (i.e. 100,216,722 shares constituting approximately 81.18% of the issued & paid-up capital of Supernet Limited) to Hallmark Company Limited. Accordingly, this is being classified as short-term investment.		
	Subsequent to the period under review, the transaction has been approved by the shareholders and the Company has enter into share purchase agreement with the Hallmark Company Limited. The proposed transaction is subject to applicable regulatory and corporate approvals.		

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	---- (Rupees in '000') ----	
10. ACCRUED MARK-UP			
Markup on loan		9,031	9,116
11. OTHER RECEIVABLES			
Considered good			
Karachi Relief Rebate Package	11.1	349,954	349,954
Due from PTCL against ICH		96,041	96,041
In Escrow account with NBP		352,594	352,594
Pakistan Telecommunication Authority - APC for USF	11.1	1,547,559	1,547,559
Pakistan Telecommunication Authority - ARFSF	11.1	118,135	118,135
Pakistan Telecommunication Authority - Others	11.1	117,197	117,197
Claim against a bank	11.1	998	998
Due from a contractor		3,654	3,493
Punjab Revenue Authority (PRA)	11.1	34,956	34,956
Others		57,968	33,769
		<u>2,679,056</u>	<u>2,654,696</u>
Considered doubtful			
Receivable from PTA		76,428	76,428
Due from PTCL against WPS	11.1	243,890	243,890
		320,318	320,318
Loss allowance for receivables considered doubtful		(320,318)	(320,318)
		<u>2,679,056</u>	<u>2,654,696</u>
11.1	There has been no significant change in status of legal cases / financial claims as reported in the annual unconsolidated audited financial statements of the Company for the year ended June 30, 2023.		
		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	---- (Rupees in '000') ----	
12. BANK BALANCES			
In current accounts			
- Local currency		1,588	2,408
- Foreign currency		9	9
		1,597	2,417
In saving accounts			
- Local currency	12.1	480	32,188
		<u>2,077</u>	<u>34,605</u>
12.1	These carry mark-up at rates, ranging between 14.08% to 19.32% (June 30, 2023: 5.98% to 11.97%) per annum.		

	December 31, 2023 (Un-audited) ---- (Rupees in '000') ----	June 30, 2023 (Audited)
13. SHARE CAPITAL AND RESERVES		
13.1 Authorised share capital		
400,000,000 ordinary shares of Rs. 10/- each	4,000,000	4,000,000
13.2 Issued, subscribed and paid-up share capital		
315,000,000 (June 30, 2023: 315,000,000) ordinary shares of Rs. 10/- each issued for cash	3,150,000	3,150,000
23,625,000 (June 30, 2023: 23,625,000 allotted as bonus shares)	236,250	236,250
	<u>3,386,250</u>	<u>3,386,250</u>
14. LONG TERM FINANCING		
Secured		
Diminishing musharakah Term finance certificates	-	36,614
	723,711	752,342
	<u>723,711</u>	<u>788,956</u>
Current maturity shown under current liabilities		
Diminishing musharakah	-	(24,000)
Term finance certificate	(147,238)	(147,238)
	<u>576,473</u>	<u>617,718</u>
15. LEASE LIABILITIES		
Present value of lease liabilities against ROU assets	2,655	9,352
Current portion shown under current liabilities	(1,437)	(7,474)
	<u>1,218</u>	<u>1,878</u>
16. TRADE AND OTHER PAYABLES		
Pakistan Telecommunication Company Limited (PTCL)		
Interconnect operators	109,552	9,581
Others	145,992	159,452
	<u>255,544</u>	<u>169,033</u>
Other payables		
Current accounts with related parties	681,172	304,797
Accrued liabilities	214,928	194,339
Contract liability to customers	767	772
Workers' welfare fund	4,964	4,964
Others	10,367	40,130
	<u>912,198</u>	<u>545,002</u>
	<u>1,167,742</u>	<u>714,035</u>

December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
---- (Rupees in '000) ----	

17. ACCRUED INTEREST / MARK-UP**On secured**

Interest / mark-up against financing

29,247	30,783
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On unsecured

Current accounts with related parties

1,697	1,697
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Current accounts with third parties

43,413	42,862
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45,110	44,559
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74,357	75,342
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18. CURRENT PORTION OF LONG TERM FINANCE AND LEASE LIABILITIES

Current maturity of diminishing musharakah

-	24,000
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Current maturity of term finance certificates

147,238	147,238
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Current maturity of lease liability

1,437	7,474
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148,675	178,712
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19. CONTINGENCIES AND COMMITMENTS**19.1 Contingencies**

There are no significant changes in the status of contingencies as reported in note 25 to the annual unconsolidated audited financial statements of the Company for the year ended June 30, 2023.

19.2 Commitments

Counter guarantees given to banks amounting to Rs.39.00 million (June 30, 2023: Rs. 39.00 million).

Half-year ended		Quarter ended	
December 31,		December 31,	
2023	2022	2023	2022
(Un-audited)		(Un-audited)	
----- (Rupees in '000) -----			

20. REVENUE

Turnover

1,282,922	791,179	636,924	381,088
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21. BASIC AND DILUTED EARNINGS PER SHARE

Earnings per share has been computed by dividing profit after taxation by the weighted average number of ordinary shares outstanding during the period.

	Half-year ended		Quarter ended	
	December 31,		December 31,	
	2023	2022	2023	2022
	(Un-audited)		(Un-audited)	
Profit after taxation (Rs. '000)	69,500	63,994	60,298	25,034
Weighted average number of ordinary shares (in thousands) (note 21.1)	338,625	338,625	338,625	338,625
Basic earning per share - (Rs.)	0.21	0.19	0.18	0.07

21.1 Weighted average number of ordinary shares

Outstanding number of shares	338,625	338,625	338,625	338,625
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- 21.2 There is no dilutive effect on the basic earnings per share as the Company has no potential convertible ordinary shares in issue as at the end of the reporting period.

22. TRANSACTIONS WITH RELATED PARTIES

Related parties include subsidiaries, associated entities, directors, other key management personnel and close family members of directors and other key management personnel. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

Name	Nature of transaction	December 31,	December 31,
		2023	2022
		(Un-audited)	(Un-audited)
		----- (Rupees in '000') -----	
Supernet Infrastructure (Private) Limited	Advances given	64,271	228,747
	Advances received	-	166,000
	Payment against share purchase	15,000	-
Supernet E-Solutions (Private) Limited	Services received	3,264	3,264
Key management personnel			
Remuneration and benefits		51,952	46,669
Staff retirement benefits - Provident fund		2,381	2,021

23. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENT

There have been no changes in the risk management policies during the period, consequently these unconsolidated condensed interim financial statements do not include all the financial risk management information and disclosures required in the unconsolidated annual financial statements.

24. SEGMENT REPORTING

These unconsolidated condensed interim 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.

25. CORRESPONDING FIGURES

Corresponding figures and balances have been rearranged and / or reclassified, where considered necessary, for the purpose of comparison and better presentation, however no material reclassifications were made during the period.

26. GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

27. AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements has been approved and authorized for issue by the Board of Directors of the Company in its meeting held on 27 February 2024 .


Chief Executive Officer


Chief Financial Officer


Director

TELECARD LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Note	(Un-audited) Dec 31, 2023	(Audited) June 30, 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	721,713	618,667
Intangible assets		73,588	74,800
Right-of-use assets	5	9,946	17,879
		805,247	711,346
Long-term deposits		59,782	52,208
Deferred taxation		221,182	225,637
		1,086,211	989,191
CURRENT ASSETS			
Communication stores		268,371	496,357
Short term investment		-	-
Trade debts		3,308,926	2,395,192
Loans and advances		1,167,480	838,623
Deposits and prepayments		60,026	261,328
Accrued mark-up		9,031	11,332
Other receivables	6	2,924,987	2,680,231
Taxation – net		161,166	197,877
Cash and bank balances		245,236	219,646
		8,145,223	7,100,586
TOTAL ASSETS		9,231,434	8,089,777

The annexed notes from 1 to 14 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		(Un-audited) Dec 31, 2023	(Audited) June 30, 2023
	Note		
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
400,000,000 (June 30, 2023: 400,000,000) ordinary shares of Rs. 10/- each			
		4,000,000	4,000,000
Issued, subscribed and paid-up capital	7	3,386,250	3,386,250
Foreign currency translation reserve		101,014	104,314
Accumulated profit / (loss)		1,048,289	720,927
Capital and reserves attributable to the owners of the Holding Group		4,535,553	4,211,491
Non-controlling interest		322,290	283,838
TOTAL EQUITY		4,857,843	4,495,329
NON-CURRENT LIABILITIES			
Long-term financing	8	576,473	617,717
Lease liabilities		11,177	9,959
Deferred liabilities		9,192	8,896
		596,842	636,572
CURRENT LIABILITIES			
Trade and other payables	9	3,335,373	2,554,845
Unclaimed dividend		4,394	4,394
Accrued interest/mark-up		78,493	81,311
Short term finance and current portion of long term financing and lease liabilities		358,489	317,326
		3,776,749	2,957,876
Contingencies & commitments	10		
TOTAL EQUITY AND LIABILITIES		9,231,434	8,089,777

The annexed notes from 1 to 14 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Note	Half-year ended		Quarter ended	
		Dec 31,		Dec 31,	
		2023	2022	2023	2022
Revenue – net	13	5,266,228	2,256,325	3,157,378	1,104,871
Direct costs	14	(3,903,114)	(1,448,468)	(2,398,153)	(697,106)
Gross profit		1,363,114	807,857	759,225	407,765
Administrative & distribution costs		(682,184)	(516,163)	(395,432)	(266,467)
Exchange (loss) / gain		(89,201)	-	(89,201)	
Other income		8,168	22,425	37,735	18,305
		(763,217)	(493,737)	(446,898)	(248,161)
Operating profit		599,897	314,120	312,327	159,604
Finance costs		(79,126)	(79,210)	(23,577)	(42,627)
Profit before taxation		520,771	234,910	288,750	116,977
Taxation		(154,957)	(29,634)	(89,729)	433
Profit for the period		365,814	205,276	199,021	117,410
Profit / (loss) is attributable to:					
Owners of the Holding Group		327,362	180,724	190,791	100,277
Non-controlling interests		38,452	24,551	38,452	17,132
		365,814	205,276	199,021	117,409
			Restated		Restated
Earning per share - basic & diluted		0.97	0.53	0.56	0.30

The annexed notes from 1 to 14 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half-year ended		Quarter ended	
	Dec 31,		Dec 31,	
	2023	2022	2023	2022
	----- (Rupees in '000') -----			
Net profit for the period	365,814	205,276	199,021	117,410
<i>Items that may be reclassified to profit or loss</i>				
Exchange differences on translation of foreign operation	(6,300)	16,861	(12,415)	15,658
Total comprehensive income for the period	359,514	222,137	186,606	133,068
Total comprehensive income / (loss) attributable to:				
Owners of the Holding Group	321,062	197,585	148,154	115,936
Non-controlling interests	38,452	24,551	38,452	17,132
	359,514	222,137	186,606	133,068

The annexed notes from 1 to 14 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

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') -----					
3,150,000	670,449	26,129	246,126	4,092,704	
-	180,724	-	24,551	205,275	
-	-	16,861	-	16,861	
-	180,724	16,861	24,551	222,136	
236,250	(236,250)	-	-	-	
3,386,250	614,923	42,990	270,677	4,314,840	
3,386,250	720,927	107,314	283,838	4,498,329	
-	327,362	-	38,452	365,814	
-	-	(6,300)	-	(6,300)	
-	327,362	(6,300)	38,452	359,514	
-	-	-	-	-	
3,386,250	1,048,289	101,014	322,290	4,857,843	

Balance as at June 30, 2022 (Audited)

Net profit for the period

Other comprehensive income

Total comprehensive income / (loss) for the period

Issuance of bonus shares

Balance as at December 31, 2022 (Un-audited)

Balance as at June 30, 2023 (Audited)

Net Profit/(loss) for the period

Other comprehensive income

Total comprehensive income

Total comprehensive loss for the period

Issuance of bonus shares

Balance as at December 31, 2023 (Un-audited)

The annexed notes from 1 to 14 form an integral part of these condensed interim consolidated financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

TELECARD LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half-year ended	
	Dec 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	450,540	265,520
Income tax paid	(100,025)	(64,652)
Finance costs paid	(81,944)	(72,331)
Net cash generated from operating activities	268,571	128,537
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(196,655)	(93,489)
Short term investments	-	125,000
Proceeds from disposal of property, plant and equipment	-	2,800
Net cash used in investing activities	(196,655)	34,311
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term finances-net	(41,244)	(39,184)
Lease rentals against right-of-use assets	1,218	8,091
Short-term running financing- net	-	-
Net cash used in financing activities	(40,026)	(31,093)
Exchange difference on translation of foreign subsidiary	(6,300)	16,861
Net increase/ (decrease) in cash and cash equivalents	25,590	148,615
Cash and cash equivalents at the beginning of the period	219,646	105,129
Cash and cash equivalents at the end of the period	245,236	253,744

The annexed notes from 1 to 14 form an integral part of these condensed interim consolidated financial statements


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, 2023

1. THE GROUP AND ITS OPERATIONS

The Group comprises of:

- > Telecard Limited - Holding Company
- > Supernet Limited - Subsidiary Company
- > Hallmark Company 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 has been granted a license by the Ministry of Communications, Government of Pakistan to establish and operate a data network system in Pakistan. The Company 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 81.19% equity of Supernet Limited.

The Hallmark Company Limited (HCL) was incorporated as a Public Limited Company on 31 October, 1981 under the repealed Companies Act, 1913, now the Companies Act, 2017, and subsequently obtained registration under the repealed Insurance Act, 1938, as an insurer. In November 2016 get revoked the Insurance License, consequently, the principal activity was changed to trading of computer and allied I.T. equipment. Currently, the Company mainly engaged in I.T. Enabled export services. Telecard Limited holds 62.84% equity of Hallmark Company 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, 2023.

Note	(Un-audited) Dec 31, 2023	(Audited) June 30, 2023
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4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	721,713	618,667
4.1 Operating fixed assets		
Opening net book value	618,667	684,415
Additions during the period / year	196,655	143,424
	815,322	827,839
Net book value of disposal during the period / year	-	-
Depreciation charged during the period / year	(93,609)	(209,172)
	(93,609)	(209,172)
	721,713	618,667

5. RIGHT-OF-USE ASSETS

Opening net book value	17,879	23,830
Reassessment of lease	-	10,826
Depreciation for the period / year	(7,933)	(16,777)
Closing net book value	9,946	17,879

6. 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	352,594	352,594
Pakistan Telecommunication Authority - APC for USF	1,547,559	1,547,559
Pakistan Telecommunication Authority - ARFSF	118,135	118,135
Pakistan Telecommunication Authority - others	117,197	117,197
Claim against a bank	998	998
Insurance claims	5,280	5,280
Due from a contractor	3,654	3,493
Punjab Revenue Authority (PRA)	34,956	34,956
Deposit with FBR under tax amnesty scheme	2,991	2,991
Others	295,628	51,033
	2,924,987	2,680,231

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)
	-	-
	2,924,987	2,680,231

7. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

300,000,000 ordinary shares of Rs. 10/each	3,386,250	3,000,000
Bonus shares allotted during the period / year	-	386,250
	3,386,250	3,386,250

	(Un-audited) Dec 31, 2023	(Audited) June 30, 2023
8. LONG-TERM FINANCING		
Secured		
Diminishing musharakah	-	36,614
Term finance certificates	723,711	752,342
	<u>723,711</u>	<u>788,956</u>
Current maturity shown under current liabilities		
Diminishing musharakah	-	(24,000)
Term finance certificate	(147,238)	(147,238)
	<u>576,473</u>	<u>617,717</u>
9. TRADE AND OTHER PAYABLES		
Pakistan Telecommunication Group Limited (PTCL)		
Interconnect operators	109,552	7,264
Others	2,274,826	1,260,676
	<u>2,384,378</u>	<u>1,267,940</u>
Other payables		
Contractual liability to customers	767	9,644
Advances from franchisees	57,366	200
Accrued liabilities	214,928	232,313
Payable to employees provident fund	143	2,782
Workers' welfare fund	7,746	7,218
Others	670,095	112,546
	<u>950,995</u>	<u>364,703</u>
	<u>3,335,373</u>	<u>1,632,643</u>
10. CONTINGENCIES AND COMMITMENTS		
(a) Contingencies		
10.1 There has been no change in the status of other contingencies reported in the consolidated financial statements for the year ended June 30, 2023.		
(b) Commitments		
10.2 Counter guarantees given to banks	154,709	116,073

11. 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, 2023	Dec 31, 2022
	-- (Rupees in '000) --	
Remuneration to key management personnel	153,476	152,576
Provident fund contribution during the period	9,942	9,873
	163,418	162,449

12. 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, 2023.

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on 27 February 2024 by the board of directors of the Holding Company.

14. GENERAL

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR