

TELECARD LIMITED
3rd Quarterly Accounts
For the period ended
31 March 2019

Company Information

Board of Directors	Mr. Sultan ul Arfeen (Chairman) Syed Aamir Hussain (CEO) Mr. Shams ul Arfeen Mr. Tipu Saeed Khan Mr. Hissan ul Arfeen Mr. Waseem Ahmad Syed Hashim Ali
Board Audit Committee	Mr. Hissan ul Arfeen (Chairman) Mr. Sultan ul Arfeen Mr. Shams ul Arfeen
Human Resource & Remuneration Committee	Mr. Hissan ul Arfeen (Chairman) Syed Aamir Hussain Mr. Shams ul Arfeen
Chief Executive Officer	Syed Aamir Hussain (CEO)
Legal Advisor	Mohsin Tayebaly & Co.
Chief Financial Officer	Syed Hashim Ali
Company Secretary	Mr. Waseem Ahmad
Banks	Habib Metropolitan Bank Ltd National Bank of Pakistan Silk Bank Limited Summit Bank Habib Bank Limited
Registrar and Share Transfer Office	Jwaffs Registrar Services (Pvt.) Ltd. 407-408, 4 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



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 March 31, 2019.

Review of Current Operations

The revenue for the period ended March 31, 2019 was Rs. 819 million as against revenue of Rs. 675 million for the corresponding financial period. Increase in revenue is attributable to the increase in other segments/streams, and due to improvement in international termination rates, coupled with appreciation of exchange rate. Your company direct cost was slightly higher when compared with similar period of preceding financial year. Direct cost in general was higher due to increase in revenue from other streams but its impact was diluted on account of lower annual regulatory charges and amortization thereby only depicting slight increase. Company has posted a Gross Profit of Rs. 278 million compared to a Gross Profit of Rs. 147 million in the corresponding financial period due to the foregoing reasons.

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

The Company incurred a loss after taxation of Rs. (18) million as against a loss after taxation of Rs. (78) million during the corresponding financial period. The loss per share stood at Rs. (0.06) compared to a loss of Rs. (0.26) in the corresponding period.

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

30 April, 2019

TELECARD LIMITED

Corporate Office: World Trade Center, 10, Kh. Roomi, Block-5, Clifton, Karachi-75600

PABX: (92-21) 38330000 UAN: 111-222-123 Fax: (92-21) 35867850

www.telecard.com.pk

TELECARD LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

		Mar 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	517,073	556,648
Intangible assets	5	<u>10,391</u>	<u>11,857</u>
		527,464	568,505
Long-term investment		340,537	340,537
Deferred taxation		302,762	302,762
Long-term deposits		<u>54,412</u>	<u>54,296</u>
		1,225,175	1,266,100
Current assets			
Trade debts		628,956	650,373
Loans and advances		45,979	42,873
Deposits and prepayment		18,903	21,248
Accrued mark-up		29,144	28,070
Other receivables	6	2,646,326	2,581,906
Taxation - net		137,565	132,960
Bank balances		8,821	16,228
		3,515,694	3,473,658
Total assets		<u><u>4,740,869</u></u>	<u><u>4,739,758</u></u>

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

		Mar 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
400,000,000 (2018: 400,000,000) ordinary shares of Rs.10 each		<u>4,000,000</u>	<u>4,000,000</u>
Issued, subscribed and paid-up		3,000,000	3,000,000
Un-appropriated loss		<u>(779,563)</u>	<u>(761,293)</u>
		<u>2,220,437</u>	<u>2,238,707</u>
Non-current liabilities			
Term finance certificate	7	248,471	441,719
Advance from a contractor		339,445	344,080
Long-term deposits		34,875	34,874
Deferred liabilities		5,033	5,121
		627,824	825,794
Current liabilities			
Trade and other payables	8	1,120,860	1,133,208
Unclaimed dividends		4,394	4,394
Accrued interest / mark-up	9	134,021	97,570
Short-term financing	10	633,333	440,085
		1,892,608	1,675,257
Contingencies and commitments	11	-	-
Total liabilities and equity		<u><u>4,740,869</u></u>	<u><u>4,739,758</u></u>

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED MARCH 31, 2019
(UN-AUDITED)

Note	Nine months ended		Quarter ended	
	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
----- (Rupees in '000) -----				
Revenue – net	819,177	675,177	267,335	232,651
Direct costs	(540,886)	(528,460)	(175,304)	(198,413)
Gross profit	278,291	146,717	92,031	34,238
Distribution costs and administrative expenses	(217,840)	(188,122)	(68,973)	(63,845)
Other operating expenses	-	(143)	-	(116)
	(217,840)	(188,265)	(68,973)	(63,961)
Other income	7,880	4,701	3,571	2,494
	(209,960)	(183,564)	(65,402)	(61,467)
Operating profit/(loss)	68,331	(36,847)	26,629	(27,229)
Finance costs	(56,582)	(41,956)	(21,927)	(13,812)
Profit/(loss) before taxation	11,749	(78,803)	4,702	(41,041)
Taxation	(30,019)	1,054	(14,320)	2,533
Net (loss) after taxation	(18,270)	(77,749)	(9,618)	(38,508)
(Loss) per share - basic and diluted (rupees)	(0.06)	(0.26)	(0.03)	(0.13)

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOW
FOR THE NINE MONTHS ENDED MARCH 31, 2019
(UN-AUDITED)

Mar 31, Mar 31,
2019 2018
--- (Rupees in '000) ---

CASH FLOW FROM OPERATING ACTIVITIES

Profit/(loss) before taxation 11,749 (78,803)

Adjustments for non cash charges and other items:

Depreciation	44,079	48,595
Amortization of intangible assets	1,466	136,138
Provision for gratuity	327	232
Financial charges	55,618	41,763
Gain on sale of fixed assets	(1,542)	-
Accrued markup	(1,310)	-
Gain on impairment reversal	(100)	-
Liability written back	-	(576)
Advance from contractor-net	(4,635)	(21,036)
	93,903	205,116

Profit before working capital changes 105,652 126,313

(Increase) / decrease in current assets

Trade debts	21,417	(24,674)
Loans and advances	(3,106)	98
Deposits, prepayments and other receivables	(63,148)	18,100
	(44,838)	(6,476)

(Decrease)/increase in current liabilities

Trade and other payables	(12,348)	(64,797)
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Cash generated from operations 48,467 55,040

Income tax paid	(34,624)	(29,275)
Financial charges paid	(17,857)	(19,080)
Gratuity paid	(415)	(100)
Long term loans and deposits	(116)	-
	(53,012)	(48,455)

Net cash generated from operating activities (4,545) 6,585

Mar 31, Mar 31,
2019 2018
--- (Rupees in '000) ---

Cash flow from investing activities

Fixed capital expenditure
Sale of long term investment
Proceeds from disposal of fixed assets

(4,504)	(3,611)
100	-
1,542	-

Net cash used in investing activities

(2,862) (3,611)

Net increase/(decrease) in cash and cash equivalents

(7,407) 2,974

Cash and cash equivalents at the beginning of the period

16,228 5,889

Cash and cash equivalents at the end of the period

8,821 8,863

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED MARCH 31, 2019
(UN-AUDITED)

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>Mar 31,</u>	<u>Mar 31,</u>	<u>Mar 31,</u>	<u>Mar 31,</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	----- (Rupees in '000) -----			
Net (loss) for the period	(18,270)	(77,749)	(9,618)	(38,508)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) for the period	<u><u>(18,270)</u></u>	<u><u>(77,749)</u></u>	<u><u>(9,618)</u></u>	<u><u>(38,508)</u></u>

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2019
(UN-AUDITED)

	Issued, subscribed and paid-up	Un- appropriated (loss)	Total
	----- (Rupees in '000) -----		
Balance as at June 30, 2017	3,000,000	(630,641)	2,369,359
Net (loss) for the period	-	(77,749)	(77,749)
Other comprehensive income	-	-	-
Total comprehensive (loss)	-	(77,749)	(77,749)
Balance as at March 31, 2018	<u>3,000,000</u>	<u>(708,390)</u>	<u>2,291,610</u>
Balance as at June 30, 2018	3,000,000	(761,293)	2,238,707
Net (loss) for the period	-	(18,270)	(18,270)
Other comprehensive income	-	-	-
Total comprehensive (loss)	-	(18,270)	(18,270)
Balance as at March 31, 2019	<u>3,000,000</u>	<u>(779,563)</u>	<u>2,220,437</u>

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2019

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.

2. BASIS OF PREPARATION OF CONDENSED FINANCIAL STATEMENTS

The condensed interim unconsolidated financial statements has been prepared for the nine months period ended March 31, 2019 in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act 2017. In case where the requirements differ, the provisions of or directives issued under the Companies Act 2017 shall prevail.

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

The condensed interim unconsolidated financial statements does not include all the information and disclosures required in an annual financial statements and should be read in conjunction with the annual audited financial statements as at and for the year ended June 30, 2018.

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 financial statements of the Company as at and for the year ended June 30, 2018 except for that the Company has adopted IFRS 15 'Revenue from Contracts with Customers' with effect from July 01, 2018, however, the Company is currently evaluating the impact of the said standards which will be reflected in annual financial statements. Further, the SECP has deferred the applicability of IFRS 9 'Financial Instrument: Recognition and Measurement' for reporting period/year ending on or after June 30, 2019.

		Mar 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	Note	--- (Rupees in '000) ---	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	<u>517,073</u>	<u>556,648</u>
4.1 Operating fixed assets			
Opening net book value		556,648	600,230
Additions during the period / year	4.1.1	<u>4,559</u>	<u>20,397</u>
		561,207	620,627
Disposals during the period / year	4.1.2	<u>3,273</u>	<u>-</u>
Accumulated depreciation on disposals		(3,218)	-
Depreciation charged during the period / year		<u>44,079</u>	<u>63,979</u>
		44,134	63,979
		<u>517,073</u>	<u>556,648</u>
4.1.1. Details of additions during the current period / year are as follows:			
Owned			
Apparatus, plant and equipment		<u>3,426</u>	<u>19,641</u>
Computers and related accessories		<u>706</u>	<u>676</u>
Furniture, fixtures and office equipment		<u>427</u>	<u>80</u>
		<u>4,559</u>	<u>20,397</u>
4.1.2. Details of disposals made during the current period are as follows:			
Owned			
Vehicles		<u>3,205</u>	<u>-</u>
Computers and related accessories		<u>68</u>	<u>-</u>
		<u>3,273</u>	<u>-</u>
5. INTANGIBLE ASSETS			
Wireless local loop (WLL) license		8,120	8,120
Long distance International (LDI) license		<u>29,029</u>	<u>29,029</u>
		37,149	37,149
Amortisation to-date		<u>(26,758)</u>	<u>(25,292)</u>
		<u>10,391</u>	<u>11,857</u>

		Mar 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	Note	--- (Rupees in '000) ---	
6. OTHER RECEIVABLES			
Considered good			
Related parties		864	850
Others			
Karachi Relief Rebate	6.1	325,771	325,771
Due from PTCL against PTA-Escrow account		96,041	96,041
In Escrow account with PTA		345,594	345,594
Pakistan Telecommunication Authority	6.1	1,778,964	1,778,964
Late payment additional fees & others - PTA		86,486	22,642
Insurance claims		64	56
Claim against a bank		998	998
Due from a contractor		4,944	5,030
Others		6,600	5,960
		<u>2,646,326</u>	<u>2,581,906</u>
Considered doubtful			
Due from PTCL		243,890	243,890
Karachi Relief Rebate Package		325,770	325,770
		569,660	569,660
Provision for other receivables considered doubtful		(569,660)	(569,660)
		<u>2,646,326</u>	<u>2,581,906</u>

6.1 There has been no change in status of legal cases/ financial claims as reported in the audited financial statements of the Company for the year ended June 30, 2018.

7. TERM FINANCE CERTIFICATES

Secured

Term Finance Certificates	10.1	736,190	736,190
Overdue instalments	14	(239,259)	(92,023)
Current maturity shown under current liabilities		(248,460)	(202,448)
		<u>248,471</u>	<u>441,719</u>

7.1 This represents listed Term Finance Certificates (TFC's) issued by the Company. Effective December 31, 2015 these TFC's have been restructured for the period of five years with markup payable on quarterly basis and principal amount redeemable in 12 unequal quarterly installments starting from March 31, 2018. These TFC's carry markup at the rate of three months KIBOR (2018: 3 months KIBOR).

These are secured against a first specific charge over the fixed assets of the Company, aggregating to Rs.800.000 (2018: Rs.800.000) million and specific charge over the specific intangible assets (frequency spectrum) procured from the PTA.

Mar 31, June 30,
2019 2018
(Un-audited) (Audited)

Note --- (Rupees in '000) ---

8. TRADE AND OTHER PAYABLES

Pakistan Telecommunication Company Limited (PTCL)

Wireless Payphone Service (WPS)	126,295	126,295
LL & LDI charges	78,104	69,969
Others	782	793
	205,181	197,057
Interconnect operators	15,812	22,582
Others	84,285	69,924
	305,278	289,563

Other payables

Current account with related parties	354,374	380,682
Current maturity of spectrum fee payable	317,100	317,100
Accrued liabilities	120,096	121,003
Advances from customers	8,406	4,152
Payable to employees' provident fund	-	6,085
Unearned income	1,066	721
Workers' Welfare Fund	4,964	4,964
Others	9,576	8,938
	815,582	843,645
	1,120,860	1,133,208

8.1 There has been no change in the status of legal cases / financial claims as reported in the audited financial statements of the Company for the year ended June 30, 2018.

9. ACCRUED INTEREST / MARK-UP

On Secured:

Diminishing musharakah	19,182	16,582
Term finance certificate	82,523	52,075
	101,705	68,657

On Unsecured:

Short term borrowing

World Trade Centre (Pvt) Limited - related party	4,836	4,836
Current accounts with related parties	27,480	24,077
	134,021	97,570

10. SHORT-TERM FINANCING

Diminishing musharakah	145,614	145,614
Current maturity Term finance certificate	487,719	294,471
	633,333	440,085

11. CONTINGENCIES AND COMMITMENTS

(a) Contingencies

11.1 There has been no change in the status of other contingencies reported in the financial statements for the year ended June 30, 2018.

(b) Commitments

11.2 Counter guarantees given to banks	43,625	43,125
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**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2019**

12. 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:

	Nine months ended	
	Mar 31, 2019	Mar 31, 2018
	--- (Rupees in '000) ---	
	--- (Un-audited) ---	
Wholly owned subsidiary companies		
Supernet Limited		
Services rendered by the Company	-	34,967
Subsidiary of wholly owned subsidiary companies		
Supernet E-Solutions (Private) Limited (Formerly Telecard E-Solutions Private Limited)		
Services received by the Company	4,311	5,796
Entities having directors in common with the Company		
Arfeen International (Private) Limited		
Rent charged to the Company	4,140	4,140
Mark-up charged to the Company	1,440	1,168
Services rendered by the Company	254	222
World Trade Center (Private) Limited		
Service received by the Company	27,512	20,845
Services rendered by the Company	54	54
Mark-up charged to the Company	3,402	2,368
Mark-up charged by the Company	2,514	1,926
Envicrete Limited		
Services rendered by the Company	190	172
Instaphone Infrastructure (Private) Limited		
Services rendered by the Company	220	198
Services received by the Company	1,244	1,117
Port Grand Limited		
Services rendered by the Company	145	26
Services received by the Company	-	4
Key Management Personnel		
Remuneration and benefits	45,882	38,801
Staff retirement benefits - Provident fund	4,217	3,905

13. DATE OF AUTHORIZATION FOR ISSUE

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

14. GENERAL

Figures have been rounded off to the nearest thousand rupees.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

		March 31, 2019 (Un-audited) (Rs. in '000)	June 30, 2018 (Audited)
ASSETS	Note		
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	4	811,637	883,664
Intangible assets		<u>80,944</u>	<u>82,605</u>
		892,581	966,269
Long term deposits		91,759	91,607
Deffered taxation		<u>332,965</u>	<u>332,965</u>
		1,317,305	1,390,841
CURRENT ASSETS			
Communication stores		159,341	121,711
Trade debts		1,426,432	1,371,272
Loans and advances		120,980	111,775
Deposits and prepayments		68,901	76,384
Accrued mark-up		31,360	28,070
Other receivables	5	2,661,233	2,594,036
Taxation - net		315,949	311,199
Bank balances		117,617	46,644
		4,901,813	4,661,091
TOTAL ASSETS		<u><u>6,219,118</u></u>	<u><u>6,051,932</u></u>

The annexed notes from 1 to 10 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

		March 31, 2019 (Un-audited) (Rs. in '000)	June 30, 2018 (Audited)
	Note		
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
400,000,000 (2018: 400,000,000) Ordinary shares of Rs. 10 each		4,000,000	4,000,000
Issued, subscribed and paid-up		3,000,000	3,000,000
Unappropriated loss		(194,956)	(210,026)
		2,805,044	2,789,974
Non controlling interest-NCI		(222)	-
		2,804,822	2,789,974
NON-CURRENT LIABILITIES			
Long-term loans		67,500	88,625
Term finance certificate		248,471	441,719
Advance from a contractor		339,445	344,080
Long-term deposits		34,874	34,874
Deferred liabilities		7,894	7,982
		698,184	917,280
CURRENT LIABILITIES			
Trade and other payables	6	1,756,911	1,603,501
Accrued interest/mark-up		140,364	101,775
Short term financing		814,443	635,008
Unclaimed dividend		4,394	4,394
		2,716,112	2,344,678
CONTINGENCIES AND COMMITMENTS	7	-	-
TOTAL EQUITY AND LIABILITIES		6,219,118	6,051,932

The annexed notes from 1 to 10 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED MARCH 31, 2019
(UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31,	March 31,	March 31,	March 31,
	2019	2018	2019	2018
 (Rs. in '000) (Rs. in '000)	
Note				
REVENUE - net	3,108,483	2,529,949	1,147,517	857,627
Direct costs	(2,238,744)	(1,877,571)	(904,880)	(637,615)
GROSS PROFIT	869,739	652,378	242,637	220,012
Distribution cost and administrative expenses	(517,337)	(435,282)	(173,066)	(128,649)
Other operating expense	(56,068)	(16,402)	(4,301)	(11,300)
Other income	7,852	5,836	4,112	3,098
	(565,553)	(445,848)	(173,255)	(136,851)
OPERATING PROFIT	304,186	206,530	69,382	83,161
Finance costs	(80,912)	(61,695)	(31,269)	(20,559)
PROFIT BEFORE TAXATION	223,274	144,835	38,113	62,602
Taxation	(208,204)	(125,426)	(74,356)	(36,433)
PROFIT/(LOSS) AFTER TAXATION	15,070	19,409	(36,243)	26,169
EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED	0.05	0.06	(0.12)	0.09

The annexed notes from 1 to 10 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED MARCH 31, 2019
(UN-AUDITED)

	March 31, 2019	March 31, 2018
 (Rs. in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	223,274	144,835
Adjustments for non cash charges and other items:		
Depreciation	127,333	107,089
Provision for gratuity	327	232
Gain on sale of fixed asset	(2,262)	-
Financial charges	77,515	59,594
Amortization of intangible assets	1,661	136,333
Accrued Markup	(1,310)	-
Liability written-back	-	(576)
Advance from contractor-net	(4,635)	(21,036)
	198,629	281,636
Profit before working capital changes	421,903	426,471
(Increase) / Decrease in current assets		
Communication stores	(37,630)	8,335
Trade debts	(55,160)	(458,474)
Loans and advances	(9,205)	(24,253)
Deposits, prepayments and accrued markup	4,193	(14,930)
Other receivables	(67,197)	(2,188)
	(164,999)	(491,510)
Increase from creditors, accrued and other liabilities	153,410	438,348
Cash generated from operations	410,314	373,309
Income tax paid	(212,954)	(169,786)
Financial charges paid	(37,616)	(37,109)
Retirement benefits paid	(415)	(100)
Long term loans, deposits and advances	(152)	-
	(251,137)	(206,995)
Net cash flow from operating activities	159,177	166,314
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(55,306)	(143,823)
Non-Controlling interest	(222)	-
Proceed from disposal of vehicle	2,262	-
Net cash used in investing activities	(53,266)	(143,823)
CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment) of/proceeds from long term loans	(31,250)	17,001
Repayment of obligation under finance lease	(6,003)	(1,356)
Proceeds from short term running finance	2,315	40
Repayment of short term borrowing	-	(7,500)
Net cash flow from/(used in) financing activities	(34,938)	8,185
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	70,973	30,676
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	46,644	42,625
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	117,617	73,301

The annexed notes from 1 to 10 form an integral part of these condensed interim consolidated financial statements

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2019
(UN-AUDITED)

	Nine months ended		Three months ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
 (Rs. in '000) (Rs. in '000)	
Net income/(loss) for the period	15,070	19,409	(36,243)	26,169
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(loss) for the period	15,070	19,409	(36,243)	26,169

The annexed notes from 1 to 10 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2019
(UN-AUDITED)

	<u>Share Capital</u>	<u>Revenue Reserve</u>	
	<u>Issued, subscribed and paid-up</u>	<u>Unappropriated profit/(loss)</u>	<u>Total</u>
 (Rs. in '000)		
Balance as at June 30, 2017	3,000,000	(166,034)	2,833,966
Net profit for the period	-	19,409	19,409
Other comprehensive income	-	-	-
Total comprehensive income	-	19,409	19,409
Balance as at March 31, 2018	3,000,000	(146,625)	2,853,375
Balance as at June 30, 2018	3,000,000	(210,026)	2,789,974
Net profit for the period	-	15,070	15,070
Other comprehensive income	-	-	-
Total comprehensive income	-	15,070	15,070
Balance as at March 31, 2019	3,000,000	(194,956)	2,805,044

The annexed notes from 1 to 10 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

TELECARD LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2019

1. THE GROUP AND ITS OPERATIONS

The Group comprises of :

Telecard Limited - Holding Company

Supernet Limited - Subsidiary Company

Supernet E-Solutions (Pvt) Limited (Formerly Telecard E-Solutions (Pvt) Limited) - Subsidiary of Supernet Limited

Supernet Secure Solutions (Pvt) Limited - Subsidiary of Supernet Limited

Telegateway Limited - Subsidiary Company

Nexus Communication (Pvt) Limited - Subsidiary Company

Glitz Communication (Pvt) Limited - Subsidiary Company

Globetech Communication (Pvt) Limited - Subsidiary Company

Telecard Limited (the Company) was incorporated in Pakistan on October 29, 1992 as a public limited company under the repealed Companies Ordinance, 1984. The shares of the Company are listed on the Pakistan Stock Exchange. The company is licensed to provide fully integrated telecommunication services, including basic wireless telephony, long distance and international services and payphones.

The registered office of the 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.

Supernet Limited is engaged in providing satellite and Microwave communication service e.g. internet, radio Links, single Channel Per carrier (SCPC), Time Division Multiple Access (TDMA), etc. and sale and installation of related equipment and accessories. Telecard Limited holds 100% equity of Supernet Limited.

Supernet Secure Solutions (Pvt) Limited has been incorporated as a subsidiary of Supernet Limited, operating in the IT security domain with the focus of providing security solutions having the objective of becoming a leading service provider of IT security products. Supernet Limited holds 80% equity of Supernet Secure Solutions (Private) Limited

Supernet E-Solutions (Pvt) Limited (Formerly Telecard E-Solutions (Pvt) Limited) has been incorporated to provide telecommunication solutions and other IT related Services. Supernet Limited holds 100% equity of Supernet E-Solutions (Private) Limited.

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

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

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

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

2. BASIS OF CONSOLIDATION

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

3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of these consolidated financial statements are same as those applied in preparing the consolidated financial statements for the year ended June 30, 2018.

	Note	March 31, 2019 (Rs. in '000)	June 30, 2018
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	<u>811,637</u>	<u>883,664</u>
4.1. Operating fixed assets			
Opening net book value		883,664	782,626
Additions during the period	4.1.1	<u>55,361</u>	<u>255,402</u>
		939,025	1,038,028
Disposals during the period	4.1.2	<u>4,572</u>	<u>-</u>
Accumulated depreciation on disposal		(4,517)	-
Depreciation charged during the period / year		<u>127,333</u>	<u>154,364</u>
		127,388	154,364
		<u>811,637</u>	<u>883,664</u>
4.1.1. Details of additions during the current period are as follows:			
Apparatus, plant and equipment		48,495	201,582
Computers and related accessories		3,467	6,445
Lease hold improvements		-	12,230
Furniture, fixtures and office equipment		1,119	5,863
Vehicles		2,280	-
Office equipment - Leased		-	29,282
		<u>55,361</u>	<u>255,402</u>
4.1.2. Details of disposals during the current period are as follows:			
Owned			
Computer		68	-
Vehicles		4,504	-
		<u>4,572</u>	<u>-</u>

	Note	March 31, 2019 (Rs. in '000)	June 30, 2018
5. OTHER RECEIVABLES			
Considered good			
Related parties		5,500	1,959
Due from Pakistan Telecommunication Company Limited (PTCL):		325,771	325,771
Amount withheld by PTCL against PTA-Escrow		96,041	96,041
Pakistan Telecommunication Authority		1,778,964	1,778,964
Late payment additional fees & others - PTA		86,486	22,642
In Escrow account with PTA		345,594	345,594
Claim against a bank		998	998
Insurance claims		2,946	3,194
Due from Contractor		4,944	5,030
Income tax refundable		2,991	2,991
Others		10,998	10,852
		<u>2,661,233</u>	<u>2,594,036</u>
Considered doubtful			
Due from PTCL		243,890	243,890
Karachi Relief Rebate Package		325,770	325,770
		<u>569,660</u>	<u>569,660</u>
Provision for other receivables considered doubtful		<u>(569,660)</u>	<u>(569,660)</u>
		<u>2,661,233</u>	<u>2,594,036</u>
6. TRADE AND OTHER PAYABLES			
Trade			
Wireless payphone service (WPS)		126,295	126,295
LL & LDI charges		78,104	69,969
Others		782	793
		<u>205,181</u>	<u>197,057</u>
Interconnect operators		15,812	22,582
Others		423,383	533,492
		<u>644,376</u>	<u>753,131</u>
Other payables			
Current account with related parties		230,262	169,330
Current maturity of spectrum fee payable		317,100	317,100
Pakistan Telecommunication Authority		-	11,081
Advances from customers		53,253	48,569
Advances from franchisees		200	200
Accrued liabilities		442,488	225,190
Unearned income		43,189	31,120
Payable to employees provident fund		8,721	7,670
Workers' Welfare Fund		7,746	7,746
Others		9,576	32,364
		<u>1,112,535</u>	<u>850,370</u>
		<u>1,756,911</u>	<u>1,603,501</u>
7. CONTINGENCIES AND COMMITMENTS			
(a) Contingencies			
7.1	There has been no change in the status of other contingencies reported in the consolidated financial statements for the year ended June 30, 2018.		
(b) Commitments			
7.2	Counter guarantees given to banks	<u>84,820</u>	<u>101,362</u>

March 31, March 31,
2019 2018
..... (Rs. in '000)

8. TRANSACTIONS WITH RELATED PARTIES

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

Entities having directors in common with the Group

Arfeen International (Private) Limited

Rent expenses charged to the group	4,140	4,140
Mark-up charged to the group	1,440	1,168
Service rendered	983	1,502

Envicrete Limited

Service rendered	397	781
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World Trade Centre (Private) Limited

Service received	56,473	55,633
Mark-up charged to the group	3,402	2,368
Mark-up charged by the group	2,514	1,926
Service rendered	370	460

Instaphone Infrastructure (Private) Limited

Service received by the group	1,244	1,117
Services rendered	220	198

Key Management Personnel

Remuneration and benefits	222,905	204,706
Staff retirement benefits - Provident fund	10,971	9,817

Port Grand

Services rendered	325	206
Services received	-	4

9. DATE OF AUTHORISATION FOR ISSUE

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

10. GENERAL

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR