TELECARD LIMITED

3rd Quarterly Accounts

For the period ended

31 March 2021

TELECARD LIMITED
Corporate Office: World Trade Center, 10, Kh. Roomi, Block-5, Clifton, Karachi-75600
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www.telecard.com.pk

Company Information

Board of Directors	Mr. Pervez Sadiq (Chairman) Mr. Syed Aamir Hussain (CEO) Mr. Tipu Saeed Khan Mr. Waseem Ahmad Mr. Syed Hashim Ali Mr. Muhammad Asim Mr. Asad Mujtaba Naqvi
Board Audit Committee	Mr. Tipu Saeed Khan (Chairman) Mr. S.M. Pervez Sadiq Mr. Asad Mujtaba Naqvi
Human Resource & Remuneration Committee	Mr. Muhammad Asim (Chairman) Mr. Syed Aamir Hussain Mr. Asad Mujtaba Naqvi
Chief Executive Officer	Mr. Syed Aamir Hussain
Legal Advisor	Mohsin Tayebaly & Co.
Chief Financial Officer	Mr. Syed Hashim Ali
Company Secretary	Mr. Waseem Ahmad
Banks	Habib Metropolitan Bank Ltd National Bank of Pakistan Silk Bank Limited Summit Bank Habib Bank Limited
Registrar and Share Transfer Office	Jwaffs Registrar Services (Pvt.) Ltd. 407-408, 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 March 31, 2021.

Market Overview

We are now firmly in the midst of third wave of COVID-19 in the country. While it is a challenging situation, it also brings its own opportunities in the shape of increased dependency on e-commerce, digital payments, cashless banking transactions, and work-from-home regimes etc. With the crossing of 100 million Broadband subscribers in Pakistan, the country is seeing unprecedented growth in electronic transactions and the need for broadband services, secure digital transactions, cyber-security, and data-centers to house customer data and disaster recovery sites and services.

Government of Pakistan has promulgated a number of wide ranging steps for secure e-transactions, implement and enhance cyber-security and many other mandated measures through Digital Pakistan Policy, and soon to be promulgate Cyber-Security Policy. Seriousness of the situation can be judged by the fact that regulatory bodies such as State Bank of Pakistan, Securities and Exchange Commission of Pakistan, Pakistan Telecommunication Authority and many other regulators are mandating compliance to stricter Cyber-Security, Customer Data Security, and overall a secure digital Eco System in their respective regulatory domains.

Your Company and its subsidiaries are well placed to leverage these and other business enabling solutions opportunities whether they relate to helping support enhancement in broadband coverage, cyber and software security, digital infrastructure roll out and management, or connectivity solutions.

Exchange rate fluctuations remain an area of concern but the diversified business portfolio of your Company and its subsidiaries provides a robust hedge against this. Furthermore, positive developments in the Tax regime by lowering the minimum rate of tax on services has helped the industry as a whole and Supernet in particular.

Financial Performance

	Standalone (Rs. In '000)		Consolidated (Rs. In '000)	
	9MFY21	9MFY20	9MFY21	9MFY20
Revenue	927,813	892,612	2,887,785	3,103,319
Gross Profit	443,108	384,058	959,282	922,291
EBITDA	222,997	210,635	576,366	500,828
Net Profit	183,818	(53,274)	334,727	(40,681)
EBITDA Per Share	0.74	0.70	1.92	1.66
EPS	0.61	(0.18)	1.11	(0.14)

On a **consolidated basis**, the Company has reported a profit after taxation of Rs. 335 million as against a loss of Rs. (41) million during the corresponding financial period. The earning per share stood at Rs. 1.11 compared to a loss per share of Rs. (0.14) in preceding nine months. The change is attributable to a number of reasons including reductions in direct costs and distribution and administrative expenses of the Company. Direct costs reduced due to cost optimizations undertaken by the Company in the first half of the financial year. Additionally, Other Income has also contributed towards this improvement, mainly reflecting the write back of liabilities which were no longer payable.

The above, along with reduction in financial costs owing to a lower discount rate, and reduction in the minimum tax rate incurred on telecom services have contributed in reducing a substantial improvement of the bottom line of the Company- from a net loss of 41m in 9 months of 2020 to a Net Profit of Rs. 335m for the current FY year.

On a **standalone basis,** the revenue for the period ended March 31, 2021 was Rs. 928 million as against the revenue of Rs. 893 million for the corresponding financial period of last year. The increase in revenue is due to an increase in international traffic volumes. Your Company's direct cost was lower when compared with similar period of the preceding financial period due to decrease in connectivity charges. The Company has posted Gross Profit of Rs. 443 million compared to a Gross Profit of Rs. 384 million in the corresponding time frame due to the foregoing reasons.

The Company reported a profit after taxation of Rs. 184 million as against a loss after taxation of Rs. (53) million during the corresponding financial period. The earning per share stood at Rs. 0.61 compared to a loss per share of Rs. (0.18) in the last time frame.

During the current period, the Company saw good traction from the new products and services introduced by its subsidiaries. SuperSecure, one of the Company's subsidiaries, won a number of large customer contracts in the banking and telecom sectors, and established itself as one of the leading providers of Digital Security Services in the country. In addition, a number of new technology partnerships were signed up to support the new initiatives. Telecard entered into an agreement with Vanrise Solutions to market their Banking CRM, Business Automation Solutions for investment/brokerage houses and Financial Suit for large businesses, besides other solutions.

Future Outlook - Challenges and Way Forward

Your company is fully leveraging 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.

Cognizant of the emerging opportunities due to COVID-19, on a global basis, your Company is expanding its footprint into Enterprise Security Solutions and Business Process Software platforms by forming global alliances and leveraging in house expertise to deliver best in class solutions to its customers through its subsidiaries. The company is actively looking towards enhancing its presence in technology sector and feels confident that it will do so in coming months while growing its existing business lines.

Your company has decided to explore avenues to unlock shareholder value and support new business lines and initiatives in subsidiaries by opting for a potential listing of Supernet Limited, a wholly owned subsidiary of your Company. Additionally, the Board of Directors has authorized the Company to change the name of Telecard Limited to an appropriate name reflecting the changing nature of business of the Company.

Acknowledgement

We feel that we are at an exciting juncture of our growth and are confident that concerted efforts by all stakeholders will yield positive results in months to come. We would, at this point-in-time, like to thank our shareholders for their support, our customers for their trust, and our executives and employees for their steadfast loyalty, professionalism and service.

On behalf of the Board

Syed Aamir Hussain
Chief Executive Officer

29 April, 2021

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

	Note	Mar 31, 2021	June 30, 2020
		---- (Rupees in '000') ----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**723,239**	808,537
Intangible assets		**79,836**	81,304
Right-of-use assets	5	**45,513**	65,154
		848,588	954,995
Long-term deposits		**107,414**	106,429
Deferred taxation		**336,583**	336,583
		1,292,585	1,398,007
CURRENT ASSETS			
Communication stores		**224,880**	129,063
Trade debts		**1,471,312**	1,385,086
Loans and advances		**394,717**	141,645
Deposits and prepayment		**66,211**	60,793
Accrued mark-up		**30,849**	27,348
Other receivables	6	**2,583,962**	2,540,393
Taxation – net		**262,671**	327,419
Bank balances		**144,008**	87,418
		5,178,610	4,699,165
TOTAL ASSETS		**6,471,195**	**6,097,172**

The annexed notes from 1 to 11 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

TELECARD LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MAR 31, 2021

		Mar 31, 2021	June 30, 2020
		---- (Rupees in '000) ----	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital authorized			
400,000,000 (2020: 400,000,000) ordinary shares of Rs. 10/- each		4,000,000	4,000,000
Issued, subscribed and paid-up capital		3,000,000	3,000,000
Foreign currency translation reserve		(298)	132
Accumulated loss attributable to owners of the company		4,711	(329,485)
Non-Controlling Interest		(1,535)	(2,065)
Total equity		3,002,878	2,668,582
NON-CURRENT LIABILITIES			
Long-term loans		97,744	139,182
Advance from contractor		252,652	336,870
Lease liabilities		28,844	45,226
Deferred liabilities		8,538	8,446
		387,778	529,724
CURRENT LIABILITIES			
Trade and other payables	7	1,824,330	1,707,012
Unclaimed dividend		4,394	4,394
Accrued interest/mark-up		290,824	245,154
Current portion of lease liabilities		21,641	24,047
Short-term financing		939,350	918,259
		3,080,539	2,898,866
Contingencies & commitments	8	-	-
TOTAL EQUITY AND LIABILITIES		6,471,195	6,097,172

The annexed notes from 1 to 11 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICE** **DIRECTOR**

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

	Nine months ended		Quarter ended	
	Mar 31, 2021	Mar 31, 2020	**Mar 31, 2021**	Mar 31, 2020
Note	---------- (Rupees in '000') ----------			
Revenue – net	**2,887,785**	3,103,319	**1,096,094**	975,236
Direct costs	**(1,928,503)**	(2,181,028)	**(763,792)**	(702,050)
Gross profit	**959,282**	922,291	**332,302**	273,186
Distribution costs and administrative expenses	**(555,331)**	(609,219)	**(191,986)**	(200,950)
Other operating income / (expenses)	**23,627**	(47,170)	**1,130**	(1,837)
	(531,704)	(656,389)	**(190,856)**	(202,787)
Other income	**140,573**	12,032	**87,655**	3,759
	(391,131)	(644,357)	**(103,201)**	(199,028)
Operating profit	**568,151**	277,934	**229,101**	74,158
Finance costs	**(73,530)**	(120,499)	**(24,194)**	(41,218)
Profit before taxation	**494,621**	157,435	**204,907**	32,940
Taxation	**(159,894)**	(198,116)	**(63,748)**	(65,015)
Net profit / (loss) for the period	**334,727**	(40,681)	**141,159**	(32,075)
Attributable to :				
Group	334,197	(39,306)	141,160	(29,151)
NCI	530	(1,375)	-	(2,924)
	334,727	(40,681)	**141,160**	(32,075)
Earnings / (loss) earning per share - basic and diluted (rupees)	**1.11**	(0.14)	**0.47**	(0.11)

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

TELECARD LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2021
(UN-AUDITED)

	Nine months ended		Quarter ended	
	Mar 31, 2021	Mar 31, 2020	**Mar 31, 2021**	Mar 31, 2020
	--- (Rupees in '000') ---		**--- (Rupees in '000') ---**	
Net profit / (loss) for the period	**334,727**	(40,681)	**141,160**	(32,075)
Other comprehensive (loss) / income-net	**(430)**	1,161	**(1,256)**	-
Total comprehensive income / (loss) for the period	**334,297**	**(39,520)**	**139,904**	**(32,075)**

The annexed notes from 1 to 11 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

TELECARD LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2021
(UN-AUDITED)

	Issued subscribed paid-up capital	Un-appropriated profit/ (loss)	Foreign currency translation reserve	Non - controlling interest	Total
	---------- (Rupees in '000') ----------				
Balance as at June 30, 2019	**3,000,000**	**(277,270)**	**(375)**	**(846)**	**2,721,509**
Net loss for the period	-	(39,306)	-	(1,375)	(40,681)
Other comprehensive income	-	-	1,161	-	1,161
Total comprehensive income / (loss)	**-**	**(39,306)**	**1,161**	**(1,375)**	**(39,520)**
Balance as at March 31, 2020	**3,000,000**	**(316,576)**	**786**	**(2,221)**	**2,681,989**
Balance as at June 30, 2020	**3,000,000**	**(329,485)**	**132**	**(2,065)**	**2,668,582**
Net profit for the period	-	334,197	-	530	334,727
Other comprehensive loss	-	-	(430)	-	(430)
Total comprehensive income / (loss)	-	**334,197**	**(430)**	**530**	**334,297**
Balance as at March 31, 2021	**3,000,000**	**4,711**	**(298)**	**(1,535)**	**3,002,878**

The annexed notes from 1 to 11 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

TELECARD LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED MARCH 31, 2021
(UN-AUDITED)

	Mar 31, 2021	Mar 31, 2020
	---- (Rupees in '000') ----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	272,830	355,440
Income tax paid	(95,146)	(193,704)
Finance costs paid	(5,738)	(27,488)
Long-term deposits	(985)	(3,664)
Net cash generated from operating activities	**170,961**	130,584
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(54,805)	(43,391)
Intangible	-	(927)
Net cash used in investing activities	**(54,805)**	(44,318)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of obligation under finance lease	(27,094)	(5,505)
Repayment of long-term finances	(41,438)	(46,625)
Proceeds / (Repayment) of short-term finances	8,966	(10,658)
Net cash used in financing activities	**(59,566)**	(62,788)
Net increase / (decrease) in cash and cash equivalents	**56,590**	23,478
Cash and cash equivalents at the beginning of the period	87,418	194,305
Cash and cash equivalents at the end of the period	**144,008**	217,783

The annexed notes from 1 to 11 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

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

1. THE GROUP AND ITS OPERATIONS

The Group comprises of:

- Telecard Limited - Holding Company
- Supernet Limited - Subsidiary Company
- Supernet E-Solution (Pvt) Limited - Subsidiary Company (Formerly Telecard E-Solution (Pvt)
- Telegateway Limited - Subsidiary Company
- Nexus Communications (Private) Limited - Subsidiary Company
- Glitz Communications (Private) Limited - Subsidiary Company
- Globetech Communications (Private) Limited - Subsidiary Company
- Supernet Secure Solution (Pvt) Limited - Subsidiary of Supernet Limited
- Phoenix Global FZE - Subsidiary of Supernet Limited

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

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

Supernet E-Solutions (Private) Limited (Formerly Telecard E-Solutions (Pvt) Ltd is engaged in providing telecommunication solutions and other IT related Services. Telecard 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 (Private) Limited has been incorporated to provide telecommunication and other related services. Telecard Limited holds 100% equity of Nexus Communications (Private) Limited.

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

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

Phoenix Global FZE has been acquired during the last financial year, the purpose of company is to engage in import, export, Trading of IT related products, electronics and Telecommunication products. Supernet Limited holds 100% equity of Phoenix Global FZE.

2. BASIS OF CONSOLIDATION

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

3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of these consolidated financial statements are same as those applied in preparing the consolidated financial statements for the year ended June, 30 2020.

	Mar 31, 2021 (Un-audited)	June 30, 2020 (Audited)
	--- (Rupees in '000) ---	
4. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	**723,239**	808,537
4.1. Operating fixed assets		
Opening net book value	**808,537**	817,797
Additions during the period / year	**54,805**	161,220
	863,342	979,017
Depreciation charged during the period / year	**(140,103)**	(170,480)
	723,239	808,537
5. RIGHT-OF-USE ASSETS		
Opening net book value	**65,154**	92,361
Depreciation	**(19,641)**	(27,207)
Closing net book value	**45,513**	**65,154**
6. OTHER RECEIVABLES		
Considered good		
Karachi Relief Rebate	**325,771**	325,771
Amount withheld by PTCL against PTA-Escrow	**96,041**	96,041
In Escrow account with PTA	**345,594**	345,594
Pakistan Telecommunication Authority - APC for USF	**1,547,559**	1,547,559
Pakistan Telecommunication Authority - ARFSF	**48,135**	48,135
Pakistan Telecommunication Authority - others	**117,197**	117,197
Claim against a bank	**998**	998
Insurance claims	**3,635**	3,214
Due from a contractor	**2,745**	2,798
Punjab Revenue Authority (PRA)	**34,956**	34,956
Deposit with FBR under tax amnesty scheme	**2,991**	2,991
Others	**12,818**	15,139
	2,538,440	**2,540,393**

	Mar 31, 2021 (Un-audited)	June 30, 2020 (Audited)
	--- (Rupees in '000) ---	
Considered doubtful		
Due from PTCL against WPS	243,890	243,890
Pakistan Telecommunication Authority	76,428	76,428
Karachi relief rebate	325,770	325,770
	646,088	646,088
Provision for other receivables considered doubtful	(646,088)	(646,088)
	2,538,440	2,540,393

7. TRADE AND OTHER PAYABLES

Trade payables		
Pakistan Telecommunication Company Limited		
LL & LDI charges	-	56,677
Others	-	542
	-	57,219
Interconnect operators	4,081	12,314
Others	1,246,357	986,051
	1,250,438	1,055,584
Other payables		
Spectrum fee payable	192,100	317,100
Contractual liability to customers	23,755	18,896
Advances from franchisees	200	200
Accrued liabilities	234,014	226,051
Payable to employees provident fund	10,878	2,254
Workers' welfare fund	7,746	7,746
Others	105,199	79,181
	573,892	651,428
	1,824,330	1,707,012

8. CONTINGENCIES AND COMMITMENTS

(a) Contingencies

8.1 There has been no change in the status of other contingencies reported in the consolidated financial statements for the year ended June 30, 2020 except for change disclosed in note 8.2.

8.2 During the period under review, the Company has filed a Writ Petition in the Islamabad High Court in respect of the Spectrum Frequency surrendered with PTA/FAB, seeking that the same should be considered withdrawn /surrendered from the effective date of 2016, having a corresponding effect on the balance ISF liability demanded by the PTA. The case is in the preliminary stages.

	Mar 31, 2021 (Un-audited)	June 30, 2020 (Audited)
	--- (Rupees in '000) ---	
(b) Commitments		
8.3 Counter guarantees given to banks	43,625	91,905
8.4 Post dated cheques	45,606	-

9. 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:

	Mar 31, 2021	Mar 31, 2020
	-- (Rupees in '000) --	
	---Un-audited---	
Key Management Personnel		
Remuneration and benefits	**378,818**	**336,684**
Staff retirement benefits - Provident fund	**12,644**	**10,924**

10. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 29-04-2021 by the board of directors of the Group.

11. 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**

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

	Note	Mar 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		---(Rupees in '000') ---	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property and equipment	4	**422,670**	453,583
Intangible assets	5	**6,481**	7,949
Right-of-use assets	6	**40,754**	58,727
		469,905	520,259
Long-term investments		**340,537**	340,537
Long-term deposits		**57,613**	57,613
Deferred taxation		**302,759**	302,762
		1,170,814	1,221,171
CURRENT ASSETS			
Trade debts		**320,018**	351,054
Loans and advances		**63,697**	58,098
Deposits and prepayments		**32,153**	37,652
Accrued mark-up / profit	7	**28,578**	27,029
Other receivables	8	**2,526,659**	2,525,648
Taxation – net		**86,422**	137,346
Bank balances	9	**61,299**	23,018
		3,118,826	3,159,845
TOTAL ASSETS		**4,289,640**	4,381,016

The annexed notes from 1 to 19 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

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

	Note	Mar 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		------- (Rupees in '000') -------	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital authorised			
400,000,000 (2020: 400,000,000) ordinary shares of Rs. 10/- each		**4,000,000**	4,000,000
Capital reserves			
Issued, subscribed and paid-up capital		**3,000,000**	3,000,000
Accumulated loss		**(747,113)**	(930,931)
		2,252,887	2,069,069
NON-CURRENT LIABILITIES			
Long-term financing	10	**66,494**	84,494
Contractual liability to a contractor		**252,652**	336,870
Lease liabilities	11	**24,478**	40,144
Deferred liabilities		**5,677**	5,585
		349,301	467,093
CURRENT LIABILITIES			
Trade and other payables	12	**615,670**	819,027
Unclaimed dividend		**4,394**	4,394
Current portion of lease liabilities	11	**20,191**	22,001
Accrued interest / mark-up		**286,887**	239,122
Short-term financing	13	**760,310**	760,310
		1,687,452	1,844,854
Contingencies & commitments	14		
TOTAL EQUITY AND LIABILITIES		**4,289,640**	4,381,016

The annexed notes from 1 to 19 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

TELECARD LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Note	Nine months ended		Quarter ended	
		Mar 31, 2021	Mar 31, 2020	**Mar 31, 2021**	Mar 31, 2020
		---------- (Rupees in '000') ----------			
Revenue – net		**927,813**	892,612	**306,834**	285,813
Direct costs		**(484,705)**	(508,554)	**(158,736)**	(156,029)
Gross profit		**443,108**	384,058	**148,098**	129,784
Distribution costs and administrative expenses		**(267,866)**	(314,100)	**(91,520)**	(105,120)
Other operating expenses		**(978)**	(3,459)	**(625)**	201
		(268,844)	(317,559)	**(92,145)**	(104,919)
Other income		**139,436**	7,009	**87,382**	2,614
		(129,408)	(310,550)	**(4,763)**	(102,305)
Operating profit		**313,700**	73,508	**143,335**	27,479
Finance costs		**(54,801)**	(92,964)	**(17,951)**	(32,773)
Profit / (loss) before taxation		**258,899**	(19,456)	**125,384**	(5,294)
Taxation		**(75,081)**	(33,818)	**(27,842)**	(11,060)
Net Profit / (loss) for the period		**183,818**	(53,274)	**97,542**	(16,354)
Earning/ (loss) per share - basic and diluted (rupees)		**0.61**	(0.18)	**0.33**	(0.05)

The annexed notes from 1 to 19 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

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

	Nine months ended		Quarter ended	
	Mar 31, 2021	Mar 31, 2020	**Mar 31, 2021**	Mar 31, 2020
	------- (Rupees in '000') -----			
Net Profit / (loss) for the period	**183,818**	(53,274)	**97,542**	(16,354)
Other comprehensive income	-	-	-	-
Total comprehensive Income / (loss) for the period	**183,818**	(53,274)	**97,542**	(16,354)

The annexed notes from 1 to 19 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

TELECARD LIMITED

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Issued, subscribed and paid-up capital	Accumulated loss	Total
	---------- (Rupees in '000') ----------		
Balance as at June 30, 2019 - (Audited)	**3,000,000**	**(843,340)**	**2,156,660**
Net loss for the period	-	(53,274)	(53,274)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(53,274)	(53,274)
Balance as at Mar 31, 2020 - (Un-audited)	**3,000,000**	**(896,614)**	**2,103,386**
Balance as at June 30, 2020 - (Audited)	**3,000,000**	**(930,931)**	**2,069,069**
Net profit for the period	-	183,818	183,818
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	183,818	183,818
Balance as at Mar 31, 2021 - (Un-audited)	**3,000,000**	**(747,113)**	**2,252,887**

The annexed notes from 1 to 19 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

TELECARD LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Nine months ended	
	Mar 31, 2021	Mar 31, 2020
	------ (Rupees in '000') ------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	**258,899**	(19,456)
Adjustments for non cash and other items:		
Depreciation	**61,037**	61,763
Provision for gratuity	**92**	330
Finance costs	**54,801**	92,292
Amortisation of intangible assets	**1,468**	1,446
Provision for doubtful debt	**-**	73,899
Liability no longer payable written back	**(133,257)**	-
Gain on sale of fixed asset	**(1,880)**	-
Advance from a contractor	**-**	(1,030)
	(17,739)	202,746
Profit before working capital changes	**241,160**	187,133
Increase in current assets		
Trade debts	**31,036**	(17,727)
Loans and advances	**(5,599)**	(4,055)
Other receivables	**(1,011)**	-
Deposits and prepayments	**5,499**	(16,401)
	29,925	(38,183)
Decrease in current liabilities		
Trade and other payables	**(152,338)**	(24,210)
Cash generated from operations	**118,747**	126,541
Income tax paid	**(24,157)**	(31,264)
Finance cost paid	**(639)**	(7,365)
Finance cost against lease liabilities paid	**(7,552)**	-
Long-term deposit paid	**-**	(3,700)
	(32,348)	(42,329)
Net cash generated from / (used in) from operating activities	**86,399**	91,358
CASH FLOWS FROM INVESTING ACTIVITY		
Fixed capital expenditure	**(12,151)**	(22,983)
Net cash used in investing activities	**(12,642)**	(22,983)
CASH FLOWS FROM FINANCING ACTIVITY		
Payment made against diminishing musharakah	**(18,000)**	(31,000)
Lease rentals paid against lease liability	**(17,476)**	-
Net cash used in investing activities	**(35,476)**	(31,000)
Net increase / (decrease) in cash and cash equivalents	**38,281**	56,202
Cash and cash equivalents at the beginning of the period	**23,018**	22,503
Cash and cash equivalents at the end of the period	**61,299**	**78,705**

The annexed notes from 1 to 19 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

TELECARD LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

1. THE COMPANY AND ITS OPERATIONS

Telecard Limited (the Company) was incorporated in Pakistan on October 29, 1992 as a public limited company under the repealed Companies Ordinance, 1984 (the Ordinance), [Repealed with the enactment of Companies Act, 2017]. The shares of the Company are listed on the Pakistan Stock Exchange. The Company itself and through its subsidiary is licensed to provide fully integrated telecommunication services, these include basic wireless telephony, long distance and international services.

The registered office of the Company is located at World Trade Centre 75-East Blue Area, Fazal-ul-Haq road, Islamabad. The principal place of business of the Company is located at World Trade Centre, 10-Khayaban-e-Roomi, Clifton, Karachi while the site office is situated at B-1, SITE area, Manghopir road, Karachi.

The regional offices of the Company are situated at the following:

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

2. BASIS OF PREPARATION

The condensed interim unconsolidated financial statements has been prepared for the six months period ended December 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, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

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

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, 2020

	Note	Mar 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		---- (Rupees in '000') ----	
4. PROPERTY, PLANT AND EQUIPMENT			
4.1 Operating fixed assets			
Opening net book value		**453,583**	505,300
Additions during the period / year	4.1.1	**12,151**	5,480
		465,734	510,780
Net book value of disposals during the period / year		**-**	-
Depreciation charged during the period / year		**(43,064)**	(57,197)
		(43,064)	(57,197)
		422,670	453,583
4.1.1 Details of additions during the current period / year are as follows:			
Owned			
Apparatus, plant and equipment		**9,704**	4,592
Computers & accessories		**1,785**	724
Furniture, fixtures and office equipment		**662**	164
		12,151	5,480
5. INTANGIBLE ASSETS			
At cost			
Local loop (LL) license		**8,120**	8,120
Long distance international (LDI) license		**29,029**	29,029
		37,149	37,149
Accumulated amortisation to date		**(30,668)**	(29,200)
		6,481	7,949
6. RIGHT-OF-USE ASSETS			
Opening net book value		**58,727**	83,538
Depreciation for the period		**(17,973)**	(24,811)
Closing net book value		**40,754**	58,727
7. ACCRUED MARK-UP			
Due from a bank		**7,000**	7,000
Others		**21,578**	20,029
		28,578	27,029

	Note	Mar 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		---- (Rupees in '000') ----	

8. OTHER RECEIVABLES

Considered good

Karachi Relief Rebate Package	**325,771**	325,771
Due from PTCL against PTA-Escrow	**96,041**	96,041
In Escrow account with PTA	**345,594**	345,594
Pakistan Telecommunication Authority - APC for USF	**1,547,559**	1,547,559
Pakistan Telecommunication Authority - ARFSF	**48,135**	48,135
Pakistan Telecommunication Authority - others	**117,197**	117,197
Claim against a bank	**998**	998
Due from a contractor	**2,745**	2,798
Punjab Revenue Authority (PRA)	**34,956**	34,956
Others	**7,663**	6,599
	2,526,659	2,525,648

Considered doubtful

Karachi Relief Rebate Package	**325,770**	325,770
Pakistan Telecommunication Authority	**76,428**	76,428
Due from PTCL against WPS	**243,890**	243,890
	646,088	646,088
Loss allowance for receivables considered doubtful	**(646,088)**	(646,088)
	-	-
	2,526,659	2,525,648

8.1 There has been no significant change in status of legal cases / financial claims as reported in the audited financial statements of the Company for the year ended June 30, 2020.

	Mar 31, 2021 (Un-audited)	June 30, 2020 (Audited)
	---- (Rupees in '000') ----	

9. BANK BALANCES

In current accounts		
Local currency	**1,684**	1,537
Foreign currency	**10**	34
	1,694	1,571
In saving accounts		
Local currency	**59,605**	21,447
	61,299	23,018

9.1 These carry mark-up at rates, ranging between 3.1% to 4.62% (2020: 3.1% to 11.09%) per annum.

	Note	Mar 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		---- (Rupees in '000') ----	
10. LONG TERM FINANCING			
Secured			
Diminishing musharakah	10.1	**90,614**	108,614
Current maturity shown under current liabilities		**(24,120)**	(24,120)
		66,494	84,494
Term finance certificates	10.2	**736,190**	736,190
Overdue instalments		**(736,190)**	(570,541)
Current maturity shown under current liabilities		**-**	(165,649)
		-	-
		66,494	84,494

10.1 The facility is repayable in 20 equal quarterly instalments of Rs. 6.03 million each, with first instalment commencing from February, 2020. This facility carries mark-up at the rate of 3 month KIBOR with a floor of 7.5% payable quarterly, with first quarterly instalment of mark-up commencing from November, 2022 (after grace period of 2 years from date of rescheduling). This facility is secured against pari passu charge over the current assets and ranking charge over the fixed assets of the Company.

10.2 This represents listed Term Finance Certificates (TFC's) issued by the Company. Effective from December 31, 2015 these TFC's have been restructured for the period of five years carrying mark-up payable on quarterly basis and principal amount redeemable in 12 unequal quarterly instalments starting from March 31, 2018. These TFC's carry mark-up at the rate of three months KIBOR (2020: 3 months KIBOR).

	Mar 31, 2021 (Un-audited)	June 30, 2020 (Audited)
	---- (Rupees in '000') ----	
11. LEASE LIABILITIES		
Lease liabilities	**44,669**	62,145
Current portion of lease liabilities	**(20,191)**	(22,001)
	24,478	40,144

	Note	Mar 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		---- (Rupees in '000') ----	
12. TRADE AND OTHER PAYABLES			
Pakistan Telecommunication Company Limited (PTCL)			
LL & LDI charges		-	56,677
Others		-	542
		-	57,219
Interconnect operators		**4,081**	12,314
Others		**98,048**	109,766
		102,129	179,299
Other payables			
Current accounts with related parties		**118,423**	85,988
Current maturity of spectrum fee payable	14.2	**192,100**	317,100
Accrued liabilities		**111,026**	156,791
Contract liability to customers		**14,883**	10,024
Workers' welfare fund		**4,964**	4,964
Others		**72,145**	64,861
		513,541	639,728
		615,670	819,027
13. SHORT-TERM FINANCING			
Current maturity of diminishing musharakah		**24,120**	24,120
Current maturity & overdue instalments of term finance certificates		**736,190**	736,190
		760,310	760,310

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There has been no significant change in the status of contingencies as reported in the annual unconsolidated financial statements for the year ended June 30, 2020 except for change disclosed in note 14.2.

14.2 During the period under review, the Company has filed a Writ Petition in the Islamabad High Court in respect of the Spectrum Frequency surrendered with PTA/FAB, seeking that the same should be considered withdrawn /surrendered from the effective date of 2016, having a corresponding effect on the balance ISF liability demanded by the PTA. The case is in the preliminary stages.

14.2 Commitments

Counter guarantees given to banks	**43,625**	47,225
Post dated cheques	**45,606**	-

15. 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, 2021	Mar 31, 2020
	----- (Rupees in '000') -----	
	---Un-audited---	
Subsidiary of wholly owned subsidiary company		
Supernet E-Solutions (Private) Limited		
Services received	**4,131**	3,375
Key Management Personnel		
Remuneration and benefits	**66,076**	59,528
Staff retirement benefits - provident fund	**2,686**	2,442

16. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual unconsolidated financial statements for the year ended June 30, 2020.

17. CORRESPONDING FIGURES

Certain corresponding figures have been reclassified and rearranged for the purpose of better presentation, however, there were no material reclassifications.

18. AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue on 29-04-2021 by the Board of Directors of the Company.

19. GENERAL

Figures have been rounded off to the nearest thousand rupees except as stated otherwise.

CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR