TELECARD LIMITED

Annual Audited Accounts June 30,

2024

www.telecard.com.pk

Our Vision

‘To be the quality telecommunication and ICT solutions provider of choice using sound business practices while enhancing the quality of life of the community and providing a strong return for our stakeholders.’

Our Mission

Our goal is to be the leading telecom and ICT solutions provider in the market and to make Telecard a name that inspires pride and confidence. We will achieve our goal by:

- **Making this Company a customer-driven organization providing quality telecom and ICT solutions and services that meet or exceed customer expectations.**
- **Valuing our employees and providing a satisfying, challenging and rewarding work environment.**
- **Maintaining mutually beneficial relations with our business partners.**
- **Instilling pride in ownership and a financially rewarding investment for stakeholders.**
- **We are a responsible corporate citizen which desires to add value to the community.**

Our Strategy

To provide the best in class service and support to our customers by leveraging our network, technical expertise, and passion for providing service and support to become the operator of choice for our customers.

Company Information

Board of Directors	Mr. Pervez Sadiq (Chairman) Syed Aamir Hussain (CEO) Mr. Waseem Ahmad Mr. Asad Mujtaba Naqvi Syed Imran Haider Jaffery Ms. Naueen Ahmed Mrs. Fabzia Ahsen
Board Audit Committee	Mr. Asad Mujtaba Naqvi(Chairman) Mr. S.M. Pervez Sadiq Mr. Naueen Ahmed
Human Resource & Remuneration Committee	Mr. Asad Mujtaba Naqvi(Chairman) Mrs. Fabzia Ahsen Ms. Naueen Ahmed
Chief Executive Officer	Syed Aamir Hussain
Legal Advisor	Mohsin Tayebaly & Co.
Chief Financial Officer	Syed Hashim Ali
Company Secretary	Mr. Waseem Ahmad
Banks	Habib Metropolitan Bank Ltd Meezan Bank Limited Bank Al – Habib Limited Silk Bank Limited Habib Bank Limited
Registrar and Share Transfer Office	Jwaffs Registrar Services (Pvt.) Ltd. 407-408, 4th Floor, Al Ameera Centre Sharah-e-Iraq Karachi
Registered Office	3rd Floor, 75 East, Blue Area, Fazal-ul-Haq Road, Islamabad Pakistan
Corporate Office	7th Floor, World Trade Center, 10-Khayaban-e-Roomi, Clifton, Karachi Pakistan

TELECARD LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an Annual General Meeting (**AGM**) of the Shareholders of Telecard Limited (the **Company**) will be held at Islamabad Hotel G-6 Markaz, Islamabad on Wednesday 27 November 2024 at 12:00 noon to transact the following business:

ORDINARY BUSINESS:

MINUTES OF EXTRA ORDINARY GENERAL MEETING

1. To confirm the minutes of the Extra Ordinary General Meeting held on 26 June 2024.

FINANCIAL STATEMENTS

2. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended 30 June 2024, together with the Reports of the Directors and Auditors thereon.

3. As required under Section 223 of the Companies Act 2017 and in terms of S.R.O No. 389(I)/2023 dated 21 March 2023, the Annual Report including Financial Statements of the Company has been transmitted to the Shareholders and uploaded on the website of the Company which can be viewed using the following link and QR enable code:

   https://www.telecard.com.pk/financials/

APPOINTMENT OF AUDITORS

4. To appoint external auditors of the Company for the year ending 30 June 2025 and fix their remuneration present Auditor M/s Parker Russell – A.J.S. Chartered Accountants are retiring and being eligible offer themselves for re appointment.

5. To transact any other business with the permission of the Chair.

By the order of the Board

Dated: 06 November 2024
At Islamabad

Waseem Ahmad
Director & Company Secretary

Notes:

- **CLOSURE OF SHARE TRANSFER BOOKS**

  The Share Transfer Book of the Company will remain closed from 21 November 2024 to 27 November 2024 (both days inclusive). Transfers received in order at the office of Jwaffs Registrar Services Pvt. Ltd. 407 – 408, 4th floor Al Ameera Centre, Shahrah-e-Iraq, Saddar Karachi by the close of business on 20 November 2024 will be treated as being in time for purpose to attend the vote at meeting.

- **ATTENDING AGM AND APPOINTMENT OF PROXY**

A. A Member entitled to attend, speak and vote at the General Meeting is entitled to appoint another member as his/her proxy to attend, speak and vote on his/her behalf.

B. An instrument appointing proxy and the power of attorney or other authority under which it is signed or a notarized certified copy of the power or authority must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. Form of Proxy can be downloaded from Company's website: https://www.telecard.com.pk/investor-relations/

C. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

i) For Attending AGM

a) In case of individuals, the account holder or sub-account holder whose securities and their registration details are uploaded as per the Regulations, shall produce proof of his / her identity by showing their Computerized National Identity Card (CNIC) at the time of attending the meeting.

b) In case of a corporate entity, a Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

ii) For Appointing Proxy

a) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per CDC regulations shall submit the Proxy Form as per the above requirement.

b) Attested copies of CNIC of the beneficial owners and the proxy shall be furnished with the Proxy Form. The proxy shall produce his original CNIC at the time of the meeting

- **VIDEO CONFERENCE FACILITY**

In pursuance to Section 134 of Companies Act, 2017 and Circular no. 10 of 2014 dated 21 May 2014 issued by SECP, if the Company receives consent from members holding in aggregate ten percent (10%) or more shareholding residing at geographical location, to participate in the Meeting through video conference at least seven (7) days prior to the date of Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. The Company will intimate members regarding venue of video conference facility at least five (5) days before the Meeting along with complete information necessary to enable them to access such facility. In order to avail this facility, please submit the following information at the corporate office of the Company at least seven (7) days before the date of meeting.

"I/We, _________of _____________ being a member of Telecard Limited holder of ________Ordinary Share(s) as per Register Folio No./ CDC Account No. ___________ hereby opt for video conference facility at (Please insert name of the City).

____
Signature of member"

Chairman's Review Report

Introduction

As Chairman, I bear the primary responsibility for the leadership and effectiveness of the Board. At Telecard Limited, we are unwavering in our commitment to high standards of corporate governance, ensuring alignment with the Company's strategic objectives and the interests of all stakeholders. My fellow Directors and I fully recognize the pivotal role of sound governance in driving operational efficiency, enhancing Board functionality, and mitigating risks faced by the Group.

Financial Performance

It is my privilege to present the financial performance of Telecard Limited and its subsidiaries (the Group) for the year ending June 30, 2024. Despite operating in a highly competitive telecom sector, the Company has delivered strong results. For the year, standalone revenue rose to Rs. 2.295 billion, compared to Rs. 1.768 billion in the prior year—a growth largely driven by increased sales in Value-Added Services.

On a consolidated basis, the Group achieved revenue of Rs. 10.797 billion, a significant improvement from Rs. 5.688 billion in the preceding financial year. Operating profit also increased, reaching Rs. 636 million compared to Rs. 563 million in the prior year. These results underscore the Group's ability to navigate challenges and capitalize on opportunities effectively.

Composition of the Board

The Board of Directors represents a diverse and dynamic team with extensive expertise in business, finance, marketing, and compliance. This wealth of experience ensures robust strategic oversight, while the management team demonstrates diligence and dedication in executing the Board's strategic directives to achieve the Company's goals.

Board Committees

The Board is supported by specialized committees that reinforce governance and oversight:

- The **Audit Committee** ensures that the Company's financial statements are accurate, transparent, and provide a fair representation of its financial standing.
- The **Human Resource Committee** oversees HR policies, their implementation, and succession planning to ensure sustainable growth and operational continuity.

Financial Reporting

The Board remains committed to presenting a clear, balanced, and comprehensive account of the Company's financial position and prospects. A structured consolidation process, supported by formal financial and operational procedures, ensures consistency and reliability in reporting. The management actively monitors changes in reporting standards and collaborates closely with statutory auditors to assess and adapt to new requirements effectively.

Internal Control

The Board has established a robust system of internal controls to provide reasonable assurance regarding the reliability of financial records and the accuracy of information. The internal control framework encompasses key areas, including Financial Reporting, Operational Controls, Treasury Management, Internal Audit, and Employee Integrity, ensuring a culture of accountability and transparency.

Going Concern

After thorough evaluation, the Directors are confident that the Company and the Group have sufficient resources to sustain operations for at least the next 12 months from the approval of this report. Consequently, the financial statements have been prepared on a going concern basis, reflecting our confidence in the Company's resilience and sustainability.

Syed Muhammad Pervez Sadiq
Chairman

14 October 2024

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 year ended 30 June 2024.

Industry Review and Outlook

Overall country's economic outlook remains a challenge for businesses in Pakistan including Telecard and its subsidiaries. Rising cost of doing business has been a challenge for the management.

Despite an overall national growth of 2.5%, the technology sector saw a robust growth of 24% in the fiscal year 2023-24 on the back of robust IT and IT Services exports. IT/ITeS Sector is one of the fastest growing sectors of Pakistan contributing about 1% of GDP of Pakistan, valued at about 3.5 billion USD. It doubled in the past four years and is expected to grow a further 100% in the next two to four years to 7 billion USD.

Digital financial transactions are on the rise, SBP in its report indicated a 35% increase in transaction volume which grew to over PKR 6 billion in FY 23-24. With the GoP's focus on reducing the number of cash transaction this number is expected to grow further in the coming years. Similarly, E-Commerce saw 5.9% growth out pacing the national growth rate and is expected to have a market volume of 6.6 Billion USD by 2029. The current user penetration is only 10% of the population! With the expected entry of 5G services in the later part of next year, these numbers and market usance and penetration will see a rapid growth along with entities offering their products and services through this online value chain.

Your Company and its subsidiaries offering, high speed data, voice, cyber security services, alternate energy and IT infrastructure products/solutions and other enterprise value added services, are well placed to leverage this unprecedented growth in the technology sector by offering connectivity and beyond connectivity enterprise and business enabling solutions whether they relate to helping support enhancement in broadband coverage, cyber and software security, enterprise energy solutions, digital infrastructure roll out and management of connectivity solutions.

Financial Performance

	Standalone (PKR In Million)		Consolidated (PKR In Million)	
	FY 23-24	FY 22-23	FY 23-24	FY 22-23
Revenue	2,295	1,768	10,797	5,688
Gross profit	780	719	2,143	1,847
EBITDA	311	342	1016	841
Net Profit	248	136	35	324
EBITDA Per Share	0.92	1.01	3.00	2.48
EPS	0.73	0.40	0.03	0.85

Taking advantage of continued growth seen in digital eco system, the Company and its subsidies posted healthy gains in revenues.

On a consolidated basis, the Company has reported a profit after taxation of PKR 35 million as against a profit of PKR 324 million during the corresponding financial period. The earning per share stood at PKR 0.03 compared to a profit per share of PKR 0.85 in preceding twelve months. While the Company was able to rationalize the revenue mix with projects that carry a higher margin and rationalize direct costs, increase in the electricity charges, depreciating rupee, overall slow economic growth and general increase in the cost of doing business were the reasons behind the decrease in the EPS figure compared to that of last year on a consolidated basis.

On a standalone basis the revenue for the period ended 30 June 2024 was PKR 2,295 million as against the revenue of PKR 1,768 million for the corresponding financial year. The 29% increase in revenue is mainly attributed to increase in revenues from Value Added Services (VAS) to the banking industry. Your Company's direct cost was higher when compared with similar period of the preceding financial year due to increase in VAS charges/costs. While the revenues increased by 29%, the gross profit saw an 8.5% growth posting a Gross Profit of PKR 780 million compared to a Gross Profit of PKR 719 million in the corresponding time frame due to the foregoing reasons.

The Company reported a profit after taxation of PKR 248 million as against a profit after taxation of PKR 136 million during the corresponding financial year. The earning per share stood at PKR 0.73 compared to a profit per share of PKR 0.40 in the corresponding period.

Business Development Opportunities

The Company is constantly investing in seeking new opportunities and markets in non-connectivity businesses by participating in international IT/ITeS events and focusing upon enterprise enabling solutions including business collaboration and communication, customer experience systems, alternate energy solutions, security systems for enterprise, particularly, cyber security. The Company believes alternate energy and cyber security are growth areas for enterprise which are increasing looking out to cut down their operating costs and enhance their IT security in an increasingly digital eco system.

Your Company is fully leveraging its inherent advantage in business acumen, experienced and trained human resources, long standing relations with large enterprise players and growing business lines to explore opportunities in technology and alternate energy sector with a focus to enhance revenues, profitability and diversification of its revenue streams.

Non-Executive Director Remuneration Policy

The Company has a remuneration policy for its Non-Executive Directors, and the same is being implemented during the financial year.

Listed Companies (Code of Corporate Governance) Regulations, 2019

The Code of Corporate Governance has envisaged a number of significant changes to establish business and ethical norms both locally and internationally, the Company is in the process to take concrete steps for compliance with the Code.

Risk Management

The Company believes that risk management is an essential part of any organization to foresee, comprehend analyze and take appropriate measures to mitigate any potential risk. The Company has established a policy to foresee any such happening, with sound practice in place.

Impact of Business on Environment

The Company is in the business of providing IT and Telecommunication services, and does not have any toxic or hazardous waste at its disposal. However, environmentally, we as a Company lay emphasis on reduced consumption of resources, with maximum output to all our employees.

Corporate and Social Responsibility

During the year under review the Company did not undertake any social responsibility activity.

Transfer Pricing

The Company has fully complied with the best practices on transfer pricing as contained in the listing regulations of the Stock Exchange.

Directors Declaration on Corporate and Financial Reporting Framework

The Directors confirm compliance with the corporate and financial framework of the Code of Corporate Governance for the following:

i. The financial statements prepared by the management of Telecard Limited presents fairly its state of affairs, the result of its operations, cash flows and changes in equity.

ii. Proper books of accounts of Telecard Limited have been maintained.

iii. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

iv. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

v. The system of internal control is sound in design and has been effectively implemented and monitored.

vi. There is no doubt at all upon Telecard's ability to continue as a going concern.

vii. The values of investments in employee retirement funds based on the unaudited accounts as of 30 June 2024 is PKR 131.7 million of Staff Provident Fund.

viii. There has been no material departure from the best practices of Corporate Governance as detailed in the Listing Regulations.

Other Information

i. Key operating and financial data for the last six years in summarized form is given.

ii. There are no statutory payments on account of taxes, duties, levies and charges, which are outstanding and have not been disclosed in the Financial Statements.

During the year under review, four (4) Board of Directors meetings were held and attended as follows:

Name of Directors	No. of meetings attended
S. M. Pervez Sadiq	4
Syed Aamir Hussain	4
Syed Hashim Ali	4
Ms. Naueen Ahmed	4
Waseem Ahmad	4
Asad Mujtaba Naqvi	4
Fabzea Ahsen	4

During the year, four (4) Boards Audit Committee meetings were held and attended as follows:

Name of Directors	No. of meetings attended
Asad Mujtaba Naqvi	4
S.M. Pervez Sadiq	4
Ms. Naueen Ahmed	4

Leave of absence was granted to the members not attending the Board Meeting.

Consolidated Financial Statements

Consolidated Financial Statements of the Company as on 30 June 2024 are annexed.

Auditors

The present auditors, Parker Russell - A.J.S. Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

Dividends

The Company has not declared any dividend.

Pattern of Shareholding

The pattern of shareholding as on 30 June 2024 is annexed to this report.

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 management team and employees at all levels for their steadfast loyalty, professionalism and service.

On behalf of the Board

Syed Aamir Hussain
Chief Executive Officer

Waseem Ahmad
Director & Company Secretary

Parker Russell-A. J. S.
CHARTERED ACCOUNTANTS

901, Q. M. House,
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Offices also at Faisalabad, Lahore & Islamabad

Auditor's Review Report to the Members of Telecard Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019.

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Telecard Limited** (the Company) for the year ended June 30, 2024, in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Parker Russell AJS

(Chartered Accountants)
Date: October 15, 2024
Place: Karachi

UDIN: CR202410192GmoacZMn9

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

TELECARD LIMITED
FOR THE YEAR ENDED JUNE 30, 2024

The company has complied with the requirements of the Regulations in the following manner:

1. The total numbers of Directors are Seven (7) as per the following combination:

a) Male: 05
b) Female: 02

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Asad Mujtaba Naqvi Ms. Fabzia Ahsen
Non – Executive Directors	Mr. S.M. Pervez Sadiq Mr. Syed Imran Haider Jaffery Mr. Asad Mujtaba Naqvi Ms. Naueen Ahmed Ms. Fabzia Ahsen
Executive Director	Mr. Syed Aamir Hussain Mr. Waseem Ahmad
Female Directors	Ms. Naueen Ahmed Ms. Fabzia Ahsen

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this company;

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The board has developed vision and mission statements, overall corporate strategy, and significant policies of the company. The Board has ensured that a complete record of particulars of significant policies along with the date of approval or updating is maintained by the company;
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director, elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017, and Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to frequency, recording, and circulating minutes of the meeting of the Board.

8. The Board of Directors has a formal policy and transparent procedures for the remuneration of Directors in accordance with the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

9. During the year the company has arranged Director's Training Program for the following:

Name of Directors	Designation
Mr. Syed Aamir Hussain	Chief Executive Officer
Ms. Fabzia Ahsen	Independent Director

10. During the year there has been no change in the position and terms and conditions of employment of the Company Secretary and Chief Financial Officer. The Company is in the process of appointing Head of Internal Audit. However, the Company has nominated suitable candidate as acting Head of Internal Audit

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

	Board Audit Committee	
Name of Members	**Category**	**Designation**
Mr. Asad Mujtaba Naqvi	Independent Director	Chairman / Member
Mr. S.M. Pervez Sadiq	Non-Executive Director	Member
Ms. Naueen Ahmed	Non-Executive Director	Member

Human Resource & Remuneration Committee		
Name of Members	**Category**	**Designation**
Mr. Asad Mujtaba Naqvi	Independent Director	Chairman / Member
Ms. Naueen Ahmed	Non-Executive Director	Member
Ms. Fabzia Ahsen	Independent Director	Member

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.

14. The frequency of quarterly meetings of the committee was as per following:

Audit Committee	Quarterly
Human Resource & Remuneration Committee	Annually

15. The internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with the Audit Oversight Board of Pakistan, that they and their partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan, and that they and the partners of the firm involved in the audit are not a close relative (spouses, parent dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary and Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations, or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3, 7, 27, 32, 33, and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):

Requirement	Explanation	Regulation
The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee. The Board may establish the aforesaid committees, if required in the future.	29
The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the board has not constituted a separate Nomination Committee and the functions are being performed by the Audit Committee. The Board may establish the aforesaid committees, if required in the future.	30
It is encouraged that all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Currently, 06 (six) Board Members are Directors' Training Certified. However, the training of the 01 (one) remaining Director shall be planned in the ensuing year.	19
In order to effectively discharge its sustainability related duties, the board may establish a dedicated sustainability committee having at least one female director, or assign additional responsibilities to an existing board committee. The committee shall monitor	At present the Board provides governance and oversight in relation to the Company's initiative on Environmental, Social and Governance (ESG) matters and DE&I practice. Nevertheless, the requirements introduced recently by SECP through	10A

and review sustainability related risks and opportunities of the company, ensure DE&I practices are in effect at various board committees, oversee compliance of relevant laws pertaining to relevant sustainability related considerations and its appropriate disclosures. The committee shall submit to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.

notification dated 12 June 2024 will be complied with in due course.

Syed Aamir Hussain
Chief Executive Officer & Director

Mr. S.M. Pervez Sadiq
Chairman & Director

At Karachi
Date: 14 October 2024

TELECARD LIMITED SIX YEAR FINANCIAL SUMMARY (FINANCIAL ANALYSIS)

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Revenue - Net	2,294,683	1,767,860	1,496,743	1,213,600	1,183,279	1,091,181
Direct costs	(1,514,192)	(1,049,232)	(969,466)	(651,132)	(654,990)	(651,523)
Gross profit	**780,491**	**718,628**	**527,277**	**562,468**	**528,289**	**439,658**
Distribution costs & administrative expenses	(671,646)	(493,727)	(428,821)	(385,727)	(331,664)	(273,440)
Other operating expenses	-	-	4,131	(1,742)	(179,111)	(265,235)
Other operating income	464,472	13,286	497,887	256,477	30,295	163,911
Liabilities no longer payable written back	-	-	-	-	-	-
	(207,174)	**(480,441)**	**73,198**	**(130,992)**	**(480,480)**	**(374,764)**
Operating (loss) / Profit	573,317	238,187	600,475	431,476	47,809	64,894
Finance Costs	(104,684)	(112,300)	(73,542)	(70,989)	(122,403)	(79,039)
(Loss) / Profit before taxation	468,633	125,887	526,933	360,487	(74,594)	(14,145)
Taxation	(220,231)	10,232	(229,236)	(87,359)	(34,694)	(46,224)
(Loss) / Profit after taxation	248,402	136,119	297,697	273,128	(109,288)	(60,369)
Other comprehensive income / (loss)	-	-	-	-	-	-
(Loss) Earning per share (Rupees)	0.73	0.40	0.88	0.91	(0.36)	(0.20)

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Independent Auditor's Report to the Members of Telecard Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Telecard Limited** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We further draw attention to the contents of;

i. note 16.1 (a) to the accompanying consolidated financial statements in respect of the lawsuit filed by the Group during the year ended June 30, 2000 in the High Court of Sindh with regard to the recovery of Karachi Relief Rebate amounts from Pakistan Telecommunication Company Limited, pending a final decision no provision has been made for the remaining sum of Rs. 349.954 million in the accompanying consolidated financial statements which reflects amount determined under the most favorable alternative by a firm of Chartered Accountants appointed in accordance with the direction of the Court. As the Court already passed an interim order in August 2001 in favour of the Group, the management and legal advisor of the Group is confident that the recovery of the amount accrued would be as prayed by the Group;

ii. note 16.1 (b) to the accompanying consolidated financial statements with regard to a lawsuit filed by the PTCL against the Group during the year ended June 30, 2002. Pending a final decision, the Group has not made any provision in the accompanying consolidated financial statements for the amount claimed by the PTCL. As per legal advisor there is likelihood that the plaintiff will not succeed in its claim in this suit;

iii. note 16.2 to the accompanying consolidated financial statements in respect of the Pakistan Telecommunication Authority's claim for Access Promotion Contribution for Universal Service Fund. Pending a final decision by the Supreme Court of Pakistan, no provision has been made for the sum of Rs. 2,313 million in the accompanying consolidated financial statements in consultation with the legal advisor and the amount refundable to the Group in case of a successful outcome of its appeal is Rs. 1,547. 559 million; and

iv. notes 26.1 to 26.14 to the accompanying consolidated financial statements in respect of contingencies, the ultimate outcome of which cannot presently be determined and, hence, pending the resolution thereof, no provision has been made in the accompanying consolidated financial statements for any liability that may arise there from.

v. note 1.1 to the accompanying consolidated financial statements in respect of the Long Distance International (LDI) and Local Loop (LL) Licenses. The licenses have been expired and the Holding Company had initiated the process of renewals of LL license and in conjunction with the LDI industry, the LDI license with the Pakistan Telecommunication Authority (PTA). Due to fact that, in both renewal cases, pending litigations with PTA and the MoIT had precluded the finalization of the renewals by the Regulator. However, the Holding Company, along with other LDI and LL operators, had filed suits with various courts and secured injunctions till final adjudication of the matters before the Courts. The stay precluded the regulator and the MoIT from any interference in the operations of the Holding Company till such a time the applications are finalised. Notwithstanding the above, the management of the Holding Company is actively engaging the PTA at the highest levels and is confident that the renewal will be forthcoming soon.

Our opinion is not qualified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters

Key audit matters	How the matter was addressed in our audit
1. Revenue recognition The Group has reported revenue amounting to Rs. 10,796.970 million during the year ended June 30, 2024. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Group and gives rise to an inherent risk that revenue could be subject misstatement to meet expectations or targets. In addition, revenue is also considered as an area of significant risk as part of the audit process.	Our key audit procedures in this area amongst others included the following: • obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • comparing a sample of transactions recorded during the year with relevant underlying supporting documents and receipts; • inspecting manual journal entries relating to revenue recognized during the year and the corresponding underlying documentation for those journal entries which were considered to be material or met certain specified risk-based criteria; • tested on a sample basis, specific revenue transactions recorded before and after the

	reporting date with underlying documentation to assess whether revenue was recognized in the correct period; and • assessed the adequacy of disclosures made in the consolidated financial statements related to revenue.
Key audit matters	**How the matter was addressed in our audit**
2. Contingencies As at June 30, 2024, the Group has contingencies in respect of various regulatory and legal suites against the Group which are pending in different courts as disclosed in note 26 of the consolidated financial statements. Contingencies require management to make judgments and estimates in relation to the interpretation of laws and regulations and the recognition and measurement of any provisions that may be required against such contingencies. Involvement of subjectivity, inherent uncertainty and the time period such matters may take to resolve, the management judgements and estimate in relation to such contingencies may be complex and can significantly impact the consolidated financial statements. For such reasons, we have considered contingencies and provision as a key audit matter.	Our key audit procedures in this area amongst others included the following: • assessed management's processes to identify new possible litigations, obligations and changes in existing obligations through inquiries from management and review of the minutes of meetings of the Board of Directors and Audit Committee; • reviewed the relevant information including case proceedings, legal opinions related industry information and correspondences in respect of the ongoing litigations; • obtained confirmation from the legal counsel to evaluate the status of the pending litigations and view point of the legal counsel thereon; • examined legal and professional expenses to confirm that all pending legal matters are identified and disclosed; and • assessed the appropriateness of the related disclosures made in the accompanying consolidated financial statements in light of IAS-37 "Provisions and Contingencies"

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Parker Russell ASS

(Chartered Accountants)
Date: October 15, 2024
Karachi.

UDIN: AR202410192yHuiC8NWd

Telecard Limited
Consolidated Statement of Financial Position
As at June 30, 2024

	Note	June 30, 2024	June 30, 2023
		--------- (Rupees in '000') ---------	
Assets			
Non-current assets			
Property, plant and equipment	5	707,303	618,667
Intangible assets	6	73,441	74,800
Right-of-use assets	7	50,406	17,879
		831,150	711,346
Long term deposits	8	60,309	52,208
Long term investment	9	-	-
Deferred taxation	10	73,995	225,637
		965,454	989,191
Current assets			
Communication stores	11	262,037	496,357
Trade debts	12	2,219,488	2,395,192
Loans and advances	13	817,058	838,623
Deposits and prepayments	14	403,121	261,328
Accrued mark-up	15	9,035	11,332
Other receivables	16	2,789,156	2,680,231
Taxation – net	17	184,861	197,877
Cash and bank balances	18	739,440	219,646
		7,424,196	7,100,586
Total assets		8,389,650	8,089,777

The annexed notes from 1 to 43 form an integral part of these consolidated financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

Telecard Limited
Consolidated Statement of Financial Position
As at June 30, 2024

	Note	June 30, 2024	June 30, 2023
		--------- (Rupees in '000') ---------	
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	19	3,386,250	3,386,250
Exchange translation reserve		96,852	104,314
Un appropriated profit		285,560	720,927
Capital and reserves attributable to the owners of the Holding Company		3,768,663	4,211,491
Non-controlling interest		752,310	283,838
Total equity		4,520,973	4,495,329
Non-current liabilities			
Long term financing	20	455,140	617,717
Lease liabilities	21	37,251	9,959
Deferred liabilities	22	10,092	8,896
		502,483	636,572
Current liabilities			
Trade and other payables	23	2,914,770	2,554,845
Unclaimed dividend		4,417	4,394
Accrued mark-up	24	141,601	81,311
Short term finance and current portion of long term financing and lease liabilities	25	305,406	317,326
		3,366,194	2,957,876
Contingencies & commitments	26		
Total equity and liabilities		8,389,650	8,089,777

The annexed notes from 1 to 43 form an integral part of these consolidated financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

Telecard Limited
Consolidated Statement of Profit or Loss
For the year ended June 30, 2024

	Note	June 30, 2024	June 30, 2023
		---- (Rupees in '000') ----	
Revenue – net	27	10,796,970	5,687,851
Direct costs	28	(8,654,398)	(3,841,093)
Gross profit		2,142,572	1,846,758
Administrative & distribution costs	29	(1,486,868)	(1,210,535)
Other income and expenses	30	(19,459)	(73,078)
		(1,506,327)	(1,283,613)
Operating profit		636,245	563,145
Finance costs	31	(156,005)	(155,873)
Profit before taxation and levy		480,239	407,272
Levy	32	(79,712)	(66,419)
Profit before taxation		400,527	340,853
Taxation	32	(365,883)	(16,414)
Profit after taxation		34,644	324,440
Profit is attributable to:			
Owners of the Holding Company		11,627	286,728
Non-controlling interests		23,017	37,712
		34,644	324,440
Earning per share - basic & diluted - (Rupees)	33	0.03	0.85

The annexed notes from 1 to 43 form an integral part of these consolidated financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

Telecard Limited
Consolidated Statement of Comprehensive Income
For the year ended June 30, 2024

	June 30, 2024	June 30, 2023
	----- (Rupees in '000') -----	
Net profit for the year	34,644	324,440
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operation	(9,761)	78,185
Total comprehensive income for the period	24,883	402,625
Total comprehensive income / (loss) attributable to:		
Owners of the Holding Company	4,165	364,912
Non-controlling interests	20,718	37,712
	24,883	402,625

The annexed notes from 1 to 43 form an integral part of these consolidated financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

Telecard Limited
Consolidated Statement of Changes in Equity
For the year ended June 30, 2024

	Attributable to the owners of Holding Company				
	Issued subscribed paid-up capital	Unappropriated profit	Exchange translation reserve	Non - controlling interest	Total
	(Rupees in '000')				
Balance as at June 30, 2022	3,150,000	670,449	26,129	246,126	4,092,704
Net profit for the period	-	286,728	-	37,712	324,440
Other comprehensive income	-	-	78,185	-	78,185
Total comprehensive income	-	286,728	78,185	37,712	402,625
Issuance of bonus shares	236,250	(236,250)	-	-	-
Balance as at June 30, 2023	3,386,250	720,927	104,314	283,838	4,495,329
Transaction with owners					
NCI at acquisiton - note 2.3.1				761	761
Dilution of group shareholding in Supernet Limited		(446,994)		446,994	-
Net Profit/(loss) for the period	-	11,627	-	23,017	34,644
Other comprehensive income	-	-	(7,462)	(2,299)	(9,761)
Total comprehensive income	-	11,627	(7,462)	20,718	24,883
Issuance of bonus shares			-	-	-
Balance as at June 30, 2024	3,386,250	285,560	96,852	752,310	4,520,973

The annexed notes from 1 to 43 form an integral part of these consolidated financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

Telecard Limited
Consolidated Statement of Cash Flows
For the year ended June 30, 2024

	Note	June 30, 2024	June 30, 2023
		---- (Rupees in '000') ----	
Cash flows from operating activities			
Cash generated from operations	34	1,272,643	352,577
Income tax paid		(286,719)	(165,345)
Finance costs paid		(38,459)	(9,218)
Retirement benefits paid		(1,196)	(749)
Long-term deposits paid		(8,101)	-
Net cash generated from operating activities		938,169	177,265
Cash flows from investing activities			
Additions to property, plant and equipment		(285,133)	(143,424)
Short term investments		-	125,000
Long term investment		(14,890)	
Interest income received		24,720	23,877
Proceeds from disposal of property, plant and equipment		6,300	2,800
Exchange difference on translation of foreign subsidiary		(7,462)	78,185
Net cash (used in) / generated from investing activities		(276,465)	86,438
Cash flows from financing activities			
Repayment of long-term finances-net		(162,577)	(120,741)
Lease rentals against right-of-use assets		15,062	(24,180)
Short term running financing- net		5,605	(4,264)
Net cash used in financing activities		(141,910)	(149,185)
Net (decrease) / increase in cash and cash equivalents		519,794	114,518
Cash and cash equivalents at the beginning of the year		219,646	105,129
Cash and cash equivalents at the end of the period	18	739,440	219,647

The annexed notes from 1 to 43 form an integral part of these consolidated financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

1. THE GROUP AND ITS OPERATIONS

The Group comprises of:

> Telecard Limited - Holding Company
> Hallmark Company Limited- Subsidiary Company
> Supernet Limited - Subsidiary Company
> Telegateway Limited - Subsidiary Company
> Nexus Communications (Private) Limited - Subsidiary Company
> Glitz Communications (Private) Limited - Subsidiary Company
> Globetech Communications (Private) Limited - Subsidiary Company
> Supernet Infrastructure Solutions (Private) Limited
> Supernet E-Solution (Private) 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 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. 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 Group is located at World Trade Centre, 10- Khayaban-e-Roomi, Clifton, Karachi.

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, (now the Insurance Ordinance, 2000) as an insurer. Subsequently, on application from HCL, the insurance license of HCL was revoked from the SECP Insurance Division, vide the S.R.O.1079(I)/2016 dated 22 November, 2016. Consequently, the principal activity was changed, and HCL engaged in trading of computer and allied I.T. equipment. Currently HCL is mainly engaged in I.T. Enabled services.

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 62.61% equity of Supernet Limited, including indirect holding through 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, is 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.

1.1 LONG DISTANCE INTERNATION AND LOCAL LOOP LICENSE ("LICENSES")

Subsequent to the year end, the Long Distance and International (LDI) license and Wireless Local Loop License (WLL) license (the Licenses) of the Holding Company have expired. The Holding Company has initiated the process of renewal of these Licenses with Pakistan Telecommunication Authority (PTA). However, due to pending legal cases with PTA as disclosed in notes 16.2, 16.3 & 16.4 of these consolidated financials statements, the Licenses have not been renewed by PTA. In July 2024, the Holding Company has filed a suit against PTA regarding the renewal of the Licenses before the High Court of Sindh. The Court has granted adinterim injunction, restraining any interference in the Holding Company's operations under the licenses till the application is decided. Accordingly, the Holding Company has continued its provision for services against the License.

The direct revenue from these licenses is not significant in the overall Group's revenues, which will nevertheless continue under various contracts and arrangements with other operators/entities. Subsequent to the year end, one of the subsidiary of the Group has also acquired a Local Loop license for the next twenty years that can be leveraged to continue the Company's services under this license if the need arises. Notwithstanding the above efforts, the management is actively engaging PTA at the highest levels and is confident that the renewals will be forthcoming soon.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of consolidation

These consolidated financial statements include the financial statements of the Holding Company and its subsidiaries.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

i) it has power to direct the relevant activities of the subsidiaries;
ii) it is exposed to variable returns from the subsidiaries; and
iii) decision making power allows the Group to affect its variable returns from the subsidiaries

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-recognized from the date the control ceases. These consolidated financial statements include Telecard Limited (the Holding Company) and all companies in which it directly or indirectly controls, beneficially owns or holds more than fifty percent of the voting securities or otherwise has power to elect and appoint more than fifty percent of its directors (the Subsidiaries).

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses (unrealized) are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies.

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid / received and the relevant share acquired / disposed off of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in consolidated statement of profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset depending on the level of influence retained. In addition, any amounts previously recognized in the consolidated statement of comprehensive income in respect of that entity are accounted for as if the Group had directly disposed off the related assets or liabilities. This may mean that amounts previously recognized in consolidated statement of comprehensive income are reclassified to consolidated statement of profit or loss.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary companies' shareholders' equity in these consolidated financial statements.

2.3 Business Combinations

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities (including contingent liabilities) assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those

2.3.1 Acquisition of Hallmark Company Limited

On August 13, 2024, the Group acquired 62.84% of the voting shares of Hallmark Company Limited, a listed company at a cost of Rs. 15 million. The Group acquired Hallmark Company Limited for the purpose of streamlining the corporate structure of the Group. The acquired subsidiary was into the business of insurance which was not continued, and the management of the Holding Company had subsequently changed the principal line of business.

The Group elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Hallmark Company Limited as at the date of acquisition were:

	Rupees ('000')
Asset	
Property, plant and equipment	553
Intangible assets	1,110
Cash and bank balances	110
	1,773
Liability	
Deferred liability	3
Accrued and other liabilities	155
Unclaimed dividend	23
Provision for taxation	78
	259
Total identifiable net assets at fair value	1,514
Non-controlling interest (49% of net assets)	(761)
Loss on acquisition of subsidiary	14,247
Purchase consideration paid	**15,000**

Cash flow on acquisition

Net cash acquired with subsidiary	110
Cash paid	(15,000)
	(14,890)

Since the acquired company business did not result in the increasing value to the business therefore, the amount paid over the fair value of assets results in the loss of Rs 14.247 million which has been recognized in the profit and loss statement.

2.3.2 Dilution of shareholding in Supernet Limited

During the year, the Holding Company has disposed off 51% shareholding in Supernet Limited to another subsidiary i.e. Hallmark Company Limited in which the Holding Company holds 62.84% of shareholding. This internal movement of share holding in Supernet Limited has resulted in reduction of effective shareholding of the Holding Company by 18.96%. This reduction in effective shareholding of the Holding Company has been accounted as equity transaction with the owner and accordingly the changes in carrying value has been recorded in the statement of changes in equity.

2.4 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention. These consolidated financial statements are prepared following accrual basis of accounting except for cash flow information.

2.5 Functional and presentation currency

Items included in the consolidated financial statement of the Group are measured using the currency of the primary economic environment in which the Group operates (the functional currency). These financial statements are presented in Pakistan Rupee (Rs), which is the Group's functional and presentation currency.

3. Changes in accounting standards, interpretations and amendments to accounting and reporting standards

a) Amendments to accounting and reporting standards and interpretation / guidance which became effective during the year ended June 30, 2024

There were certain amendments that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Company which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income Tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) and the corresponding figures have been restated in these unconsolidated financial statements. The effects of restatements are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	Rs in '000'		
Effect on the statement of profit or loss			
For the year ended June 30, 2024			
Levy & minimun taxes	-	(79,712)	(79,712)
Profit before tax	480,239	(79,712)	400,527
Taxation	(445,595)	79,712	(365,883)
Profit after tax	34,644	-	34,644
For the year ended June 30, 2023			
Levy & minimun taxes	-	(66,419)	(66,419)
Profit before tax	407,272	(66,419)	340,853
Taxation	(82,832)	66,419	(16,414)
Profit after tax	324,440	-	324,440

The related changes to the statement of cash flows with respect to the amount of profit before taxation have been made as well. There is no impact on profit after tax and earnings per share, basic and diluted.

c) **New standards and amendments to published accounting and reporting standards that are not yet effective and not early adopted by the Company**

There are certain new standards and amendments that will be applicable to the Company for its annual periods beginning on or after July 1, 2024. The new standards include IFRS 18 'Presentation and Disclosure in Financial Statements' and IFRS 19 'Subsidiaries without Public Accountability Disclosures' both with applicability date of January 1, 2027 as per IASB. These standards will become part of the Company's financial reporting framework upon adoption by the SECP. The overall amendments include those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability which are applicable effective January 1, 2026. The Company's management at present is in the process of assessing the full impacts of these new standards and the amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course.

3.1 Significant accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions in accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Group's accounting policies, the management has made the following estimates and judgments which are significant to the consolidated financial statements:

	Note
Determining the residual values and useful lives of property, plant and equipment and intangible assets	4.1, 5 & 6
Provision for doubtful debts and other receivables	4.9
Accounting for staff retirement benefits	4.11 & 22
Recognition of tax and deferred tax	4.6, 10, 17 & 32
Other provisions and contingent liabilities	4.18 & 26
Determining the lease term of contracts with renewal and termination options and estimating the incremental borrowing rate	4.14 & 21
Detemining the useful lives and carrying value of ROU assets	4.2 & 7

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years for which financial information is presented in these consolidated financial statements, unless otherwise stated.

4.1 Property and equipment

4.1.1 Operating fixed assets - owned

These are stated at cost less accumulated depreciation and impairment losses, if any, except for freehold land, which is stated at cost less impairment loss, if any.

Subsequent costs, if reliably measurable, are included in the asset's carrying amount, or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the cost will flow to the Group. The carrying amount of any replaced parts as well as other repair and maintenance costs, are charged to consolidated statement of profit or loss during the period in which they are incurred.

Depreciation is charged to consolidated statement of profit or loss by applying the straight-line method after taking into account the residual value, if any, whereby the depreciable amount of an asset is written off over its estimated useful life at the rates specified in note 5 to these consolidated financial statements. The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment loss, if any, or its reversal, is also charged to consolidated statement of profit or loss for the year. Where an impairment loss is recognised, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its estimated useful life.

In respect of additions and deletions of assets during the year, depreciation is charged from the month of acquisition and up to the month preceding the deletion, respectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on derecognition of an asset (calculated as the difference between the sale proceeds and the carrying amount of the asset) is recognised in consolidated statement of profit or loss for the year.

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any. It consists of expenditure incurred and advances made in respect of fixed assets in the course of their erection, installation and acquisition. These are transferred to specific assets as and when these assets are available for intended use.

4.1.2 Intangible assets and amortisation

Licenses

The costs of licenses and spectrums to provide telecommunication services are classified as intangible assets. These are stated at cost less accumulated amortisation and impairment, if any. These are amortised over the period of license commencing from the date when the license / spectrum is available for intended use i.e. the date when it is in the condition necessary for it to be capable of operating in the manner intended by management.

Computer software

These are carried at cost less accumulated amortisation, and any identified impairment losses. Amortisation is calculated, using the straight line method, to allocate the cost of software over their estimated useful lives specified in note 6, and is charged to consolidated statement of profit or loss for the year. Costs associated with maintaining computer software, are recognised as an expense as and when incurred.

The amortization on computer software acquired during the year is charged from the month in which the software is acquired or capitalised, while no amortization is charged for the month in which the software is disposed off.

Goodwill

Goodwill is initially measured as at the acquisition date, being the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree; and (b) the net of the acquisition date amount of the identifiable assets acquired and the liabilities assumed.

In case the fair value attributable to the Group's interest in the identifiable net assets exceeds the fair value of consideration, the Group recognises the resulting gain in the profit or loss on the acquisition date.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at cost less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating unit (CGU) (or the groups of CGUs) that are expected to benefit from the synergies of the operations irrespective of whether other assets or liabilities of the acquiree are assigned to these units or group of units.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss for goodwill is recognised directly in the consolidated profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4.2 Right of use asset

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Right-of-use assets are depreciated over the shorter period of lease term or useful life of the underlying asset. If a lease transfer's ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. Right-of-use assets are subject to annual impairment review in accordance with IAS 36 "Impairment of Assets".

4.3 Communication stores

These are valued at the lower of cost and net realisable value. Items-in-transit are stated at cost comprising invoice value plus other related charges measured thereon up to the date of consolidated statement of financial position.

Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred to make the sale.

4.4 Trade debts and other receivables

These are recognised and carried at original invoice amount less a loss allowance for any uncollectible amounts, if any. An estimate for doubtful debts is made when collection of the amount is no longer probable. Bad debts are written-off when identified.

4.5 Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets.

4.6 Taxation - levy and income tax

Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 'Application Guidance on Accounting for Minimum Taxes and Final Taxes' issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements.

Current

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted as at reporting date. Management periodically evaluates positions taken in tax returns, with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions, where appropriate, on the basis of amounts expected to be paid to tax authorities.

Deferred

Deferred tax is recognised, using the balance sheet liability method, on all temporary differences arising between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and tax credits to the extent that it is probable that future taxable profit will be available against which the assets can be utilised. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

4.7 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash in hand and balance with banks, short term borrowing and short term investment's having a maturity of upto three months.

4.8 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Group.

4.9 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed as at each reporting date and are adjusted to reflect the current best estimate.

4.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.10.1 Initial measurement of financial assets

The Group classified its financial assets into the following categories:

a) at fair value through other comprehensive income (FVTOCI).
b) at fair value through profit or loss (FVTPL); and
c) at amortised cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Except for trade receivables which are measured at the transaction price determined under IFRS 15 "Revenue from contracts with customers".

Financial assets are classified and measured at fair value through other comprehensive income (FVTOCI) or amortised cost, if both of the following conditions are met:

a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset and; (Business Model test).
b) The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principle and Interest thereon, (SPPI test).

For purchase of sales of financial assets, the Group uses trade date basis of accounting i.e. the date that the Group commits to purchase or sell the asset.

4.10.2 Subsequent measurement

Financial assets are subsequently classified into the following categories:

a) Financial assets at amortised cost

The Group measures its financial assets at amortised cost if Business Model test & SPPI test is passed. These assets are subsequently measured at amortised cost using Effective Interest Rate (EIR) method and are subject to impairment as at each reporting date. Gains / losses are recognised in the consolidated statement of profit or loss when the asset is derecognised / retired / modified.

b) Financial assets at fair value through other comprehensive income (FVTOCI) (Equity Instruments).

Upon initial recognition, an entity may make an irrevocable election to classify its equity investments at FVTOCI that are not held for trading purpose. Subsequent changes in the fair value of an equity investment are presented in other comprehensive income which are never reclassified to the consolidated statement of profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

Equity instruments designated at fair value through OCI are not subject to impairment assessment.

c) Financial asset at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

4.10.3 Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

4.10.4 Financial liabilities

Financial liabilities are initially recognised as financial liability at fair value through profit or loss or at amortised cost using Effective Interest Rate (EIR) method as appropriate. Financial liabilities are initially recognised at fair value net of directly attributable transaction cost in case of loans, borrowings and payables. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the consolidated statement of profit or loss. Financial liabilities, other than those carried at fair value through profit or loss (FVTPL), are subsequently measured at amortised cost using the EIR method.

4.10.5 Loans and borrowings

Loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in consolidated statement of profit or loss over the period of the borrowings using the EIR methodology. The EIR amortisation is included in finance cost in these consolidated financial statements.

4.10.6 Derecognition of financial liabilities

Derecognition of financial liabilities occurs from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in consolidated statement of profit or loss as other income or finance costs.

4.10.7 Offsetting financial assets and financial liabilities

Financial asset and financial liability are offset and the net amount is reported in the consolidated balance sheet, if the Group has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.10.8 Loss allowance for ECL / impairment

Financial assets

The Group assesses on a forward-looking basis the Expected Credit Losses (ECLs) associated with its financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk from the date of initial recognition of a financial asset.

For trade receivables, the Group applies 'simplified approach' as permitted by IFRS 9, which requires expected lifetime credit losses to be recognised at initial recognition and throughout the life of the receivables at an amount equal to lifetime ECLs. Loss allowances are recognised in the consolidated statement of profit or loss as at reporting date.

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. An asset's recoverable amount is the higher of its fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment, are reviewed for possible reversal of the impairment as at each reporting date. Reversal of impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. An impairment loss, or the reversal of an impairment loss, are both recognised in the consolidated statement of profit or loss.

4.11 Employees' retirement benefits

Defined benefit plan

The Group operated an unfunded gratuity scheme for its employees upto March 31, 2008. Provision has been made to cover the obligation in accordance with the actuarial valuation using "Projected Unit Credit Method". The scheme was replaced by recognised provident fund scheme effective from April 01, 2008.

Defined contribution plan

The Group operates a recognised provident fund scheme for all its eligible employees. Equal monthly contributions are made, both by the Group and the employees, to the fund at 8.33% of basic salary.

4.12 Foreign currency translation

Transactions denominated in foreign currencies are translated to Pak Rupees, at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are re-translated into Pak Rupees at the foreign exchange rates at the reporting date. Exchange differences are taken to the consolidated statement of profit or loss.

Exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. Upon disposal, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on disposal.

4.13 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred using EIR methodology except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

4.14 Lease liability against ROU assets

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a non-cancellable period of 12 months or less) and leases of low value assets. For short-term leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

4.15 Revenue

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. On evaluation of the performance obligations associated with the stream of revenues of the Group, adoption of IFRS 15 does not trigger a change in the Group's accounting policies with respect to its revenue recognition which are enumerated below:

- Revenue from enterprise sale services and long distance international services is recognised on an accrual basis and at the time the call is terminated over the Group's network in case of local and international incoming calls.
- Revenue from connection fee is recognised on sale of connections.
- Revenue from data networking services is recognised upon the rendering of such services.
- Revenue from sale of equipment is recognised when equipment is dispatched to customers.
- In case of sharing arrangements with local operators, proportionate share is recognised at the time of termination of calls on designated operator's network.

- Revenue from turkey projects is recognised on the basis of stage of completion method.
- Return on bank balances is accrued using an effective interest rate method.

4.16 Interconnect charges and liability

Interconnect charges are booked as liability on the basis of corresponding bills from interconnect partners except for the cases where management believes, based on its information system and records, that interconnect charges are over billed by the interconnect partners, in which case the liability is recorded on the basis of the Group's information system and records.

4.17 Dividend and other appropriation of reserves

Dividend distribution to the Group's shareholders is recognised as a liability in the period in which the dividends are approved by the Group's shareholders.

4.18 Other provisions and contingent liabilities

The management applies judgment in measuring and recognising provisions and the Group's exposures to contingent liabilities related to pending litigation and claims. Judgment is necessary in assessing the probability that a pending claim will succeed, or a liability will arise, and to quantify the possible range of financial settlement. Because of inherent uncertainty in this evaluation process, actual outcome may be different from the estimated provisions.

4.19 Related party transactions

Related parties comprises of subsidiary companies, major shareholders, associated companies with or without common directorship, other companies with common directorship, retirement benefit fund, directors, key management personnel and their close family members. Contribution to defined contribution plan (provident fund) are made as per the terms of employment. Remuneration of key management personnel are in accordance with their term of engagements. Transactions with other related parties are entered into at rates negotiated with them (agreed terms).

Following are the related parties of the Group:

Name of related party	Basis of relationship	(%) of shareholding
Syed Aamir Hussain	Key management personnel	-
Syed Hashim Ali	Key management personnel	-
Mr. Waseem Ahmad	Key management personnel	-
Mr. Mudabbir Hussain	Key management personnel	-
Syed Muhammad Asim	Key management personnel	-

4.20 Earnings per share

The Group presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to owners of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to owners of the group and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
Operating fixed assets	5.1.	707,303	618,667

5.1. Operating fixed assets

	Note	Cost				Accumulated depreciation				W.D.V.	
		As at July 01, 2023	Additions	Disposals	As at June 30, 2024	As at July 01, 2023	For the Year	Disposals	As at June 30, 2024	As at June 30, 2024	Depreciation rate per annum
		(Rs. in '000')									
Owned											
Freehold land	5.1.1	3,020	1,803	-	4,823	-	-	-	-	4,823	-
Leasehold improvements		26,194	-	-	26,194	22,077	251	-	22,328	3,866	20%
Building on freehold land		625	-	-	625	623	-	-	623	2	5%
Apparatus, plant & equipment	5.1.2 & 5.1.3	8,145,240	246,577	-	8,391,817	7,566,770	174,259	-	7,741,029	650,788	5-33%
Signboards		30,875	-	-	30,875	30,875	-	-	30,875	-	25%
Furniture, fixtures & office equipment		106,611	2,538	-	109,149	89,761	3,726	-	93,487	15,661	10-15%
Computers & related accessories	-	140,224	14,886	-	155,110	132,332	8,016	-	140,348	14,762	33%
Vehicles	-	30,797	19,329	(7,451)	42,676	22,480	3,167	(373)	25,275	17,401	20%
		8,483,586	285,133	(7,451)	8,761,268	7,864,918	189,419	(373)	8,053,965	707,303	

The statement of operating fixed assets for the last year is as follows:

	Note	Cost: As at July 01, 2022	Cost: Additions	Cost: Disposals	Cost: As at June 30, 2023	Accumulated depreciation: As at July 01, 2022	Accumulated depreciation: For the Year	Accumulated depreciation: Disposals	Accumulated depreciation: As at June 30, 2023	W.D.V.: As at June 30, 2023	Depreciation rate per annum
		(Rs. in '000')									
Owned											
Freehold land	5.1.1	3,020	-	-	3,020	-	-	-	-	3,020	-
Leasehold improvements		26,194	-	-	26,194	20,950	1,127	-	22,077	4,117	20%
Building on freehold land		625	-	-	625	623	-	-	623	2	5%
Apparatus, plant & equipment	5.1.2 & 5.1.3	8,009,289	135,951	-	8,145,240	7,368,712	198,058	-	7,566,770	578,470	5-33%
Signboards		30,875	-	-	30,875	30,875	-	-	30,875	-	25%
Furniture, fixtures & office equipment		101,118	5,493	-	106,611	86,391	3,370	-	89,761	16,849	10-15%
Computers & related accessories	5.1.2	138,294	1,980	(50)	140,224	126,335	6,047	(50)	132,332	7,892	33%
Vehicles	5.1.2	32,661	-	(1,864)	30,797	23,774	570	(1,864)	22,480	8,317	20%
		8,342,076	143,424	(1,914)	8,483,586	7,657,660	209,172	(1,914)	7,864,918	618,667	

5.1.1 Freehold land and building on freehold land is situated at regional engineering office, near Gatwala Bridge, Sheikhupura Road, Faisalabad, measuring 5 canal, 18 marlas, which are duly registered in the name of the Holding Company.

5.1.2 The cost of fully depreciated asset as at June 30, 2024 is Rs. 7,843 million (June 30, 2023: Rs. 7,262.60 million).

5.1.3 Equipment, costing Rs. 1,564.640 million (June 30, 2023: Rs. 1,362.843 million), having a net book value of Rs. 394.564 million (2023: Rs. 413.703 million) are in the possession of the customers of the Company in the ordinary course of business.

	Note	June 30, 2024	June 30, 2023
		--- (Rupees in '000') ---	
5.1.4 Depreciation for the year has been allocated as follows:			
Direct costs	28	174,383	197,918
Administrative & distribution costs	29	15,036	11,254
		189,419	209,172

5.2. Particulars of tangible operating assets having aggregate net book value exceeding Rs 5,000,000 and individually a net book value Rs 500,000 or more disposed off during the year are as follows:

Particulars	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyer
	(Rs. in '000')						
Vehicles	7,451	373	7,078	6,300	(778)	Negotiation	Mr. Hafiz Abubakar Rizwan
Total	7,451	373	7 078	6,300	(778)		

	Note	June 30, 2024	June 30, 2023
		--- (Rupees in '000') ---	
6. INTANGIBLE ASSETS			
Intangible assets	6.1	73,441	74,800

6.1 The statement of intangible assets is as follows:

	Note	Cost			Accumulated amortisation			W.D.V.	
		As at July 01, 2023	Addition during the year	As at June 30, 2024	As at July 01, 2023	Charge for the year	As at June 30, 2024	As at June 30, 2024	Period years
		Rupees in '000'							
WLL licenses	6.1.1	8,120	-	8,120	7,714	406	8,120	-	20
LDI license	6.1.2	29,029	-	29,029	27,348	1,548	28,896	133	20
Computer software		41,224	1,065	42,289	40,646	470	41,116	1,173	5
Goodwill		118,751	-	118,751	46,616	-	46,616	72,135	
		197,124	1,065	198,189	122,324	2,424	124,748	73,441	

The statement of intangible assets for the last year is as follows:

	Cost			Accumulated amortisation			W.D.V.	
	As at July 01, 2022	Addition during the year	As at June 30, 2023	As at July 01, 2022	Charge for the year	As at June 30, 2023	As at June 30, 2023	Period years
	Rupees in '000'							
WLL licenses	8,120	-	8,120	7,308	406	7,714	406	20
LDI license	29,029	-	29,029	25,800	1,548	27,348	1,681	20
Computer software	41,224	-	41,224	40,356	290	40,646	578	5
Goodwill	118,751	-	118,751	46,616	-	46,616	72,135	
	197,124	-	197,124	120,080	2,244	122,324	74,800	

6.1.1 These represent cost of non-exclusive licenses granted by PTA to the Holding Company for providing certain telecommunication services in the specified regions of the country and for establishing, maintaining and operating a telecommunication system, in accordance with the terms and conditions of the licenses. The licenses are effective for an period of 20 years, commencing August 04, 2004.

6.1.2 This represent cost of non-exclusive license granted by PTA to the Holding Company for providing the LDI telecommunication services in the country for an effective period of 20 years, commencing July 27, 2004.

6.1.3 Subsequent to year end these Licenses had expired and the Company has filed the application for renewal of the License which is yet to approved by PTA.

		Note	June 30, 2024	June 30, 2023
			--- (Rupees in '000') ---	
6.2	**Amortization for the year has been allocated as follows**			
	Direct costs	28	1,954	1,954
	Administrative & distribution costs	29	470	290
			2,424	2,244
7.	**RIGHT-OF-USE ASSETS**			
	As at July 01, 2023			
	Cost		103,187	92,361
	Accumulated depreciation		(85,308)	(68,531)
	Net book value		17,879	23,830
	Year ended June 30, 2024			
	Opening net book value		17,879	23,830
	Remeasurment of lease		52,749	10,826
	Depreciation for the year		(20,222)	(16,777)
	Closing net book value		50,406	17,879
	As at June 30, 2024			
	Cost		155,936	103,187
	Accumulated depreciation		(105,530)	(85,308)
	Net book value		50,406	17,879
7.1	**Depreciation charge for the year on right-of-use assets has been allocated as follows:**			
	Direct costs	28	17,909	12,151
	Administrative expenses & distribution costs	29	2,313	4,626
			20,222	16,777
8.	**LONG TERM DEPOSITS**			
	Security deposits - considered good			
	Line deposits – PTCL		44,315	44,315
	Rented premises		-	3,018
	Guarantee margin		8,225	3,600
	Others		7,769	1,275
			60,309	52,208

	Note	June 30, 2023	June 30, 2023
		--- (Rupees in '000') ---	
9. LONG TERM INVESTMENT			
Others - at cost	9.1	300,449	300,449
Less: provision for impairment	9.3	(300,449)	(300,449)
		-	-

9.1 Disclosures in respect of foreign investment as required by Companies Act, 2017 are as follows:

Name	Augere Holdings
Jurisdiction	Prins Bernhardplein 200 Amsterdam, 1097 JB
Date of investment	February 24, 2012
Beneficial owner	Not available
Investment in foreign currency	USD 5.305 million against issuance of credit note

	Note	June 30, 2024	June 30, 2023
		--- (Rupees in '000') ---	
10. DEFERRED TAXATION			
Deferred tax credits arising on			
Accelerated tax depreciation		(22,271)	(10,104)
Remeasurement of liability		(2,296)	(1,340)
Right of use assets		(1,284)	-
Amortisation of intangible assets		(25)	(297)
		(25,876)	(11,741)
Deferred tax debits arising from			
Retirement benefits		1,983	1,587
Doubtful debts and other provision		59,643	170,279
Accelerated accounting depreciation		23,883	-
Lease liabilities		11,817	4,862
Tax paid on ACT		-	29,382
Exchange differences		579	-
Others		1,966	31,268
		99,871	237,378
		73,995	225,637
11. COMMUNICATION STORES			
Inventory		206,758	204,481
Provision against slow moving stores	11.1	(19,376)	(19,376)
		187,382	185,105
Stock in transit		-	291,299
Consumables		74,655	19,953
		262,037	496,357
11.1 Provision against slow moving stores			
Opening balance		19,376	16,875
Provision for the year		-	2,501
Balance at the end of the year		19,376	19,376

		Note	June 30, 2024	June 30, 2023
			--- (Rupees in '000') ---	
12.	**TRADE DEBTS**			
	Unsecured - considered good		2,219,488	2,395,192
	Considered doubtful		148,915	127,791
	Loss allowance for debts considered doubtful	12.1	(148,915)	(127,791)
			-	-
			2,219,488	2,395,192
12.1	**Loss allowance for debts considered doubtful**			
	Opening balance		127,790	92,778
	Charge for the year	29	93,699	105,039
	Provisions written off		(72,575)	(70,027)
			148,915	127,790

12.2 As at June 30, 2024 the ageing analysis of unimpaired trade debts is as follows:

	Past due but not impaired			
	Total	Not due	> three months upto one year	> 1 year
	---------------- (Rupees in '000') ----------------			
Others	2,219,488	520,612	921,944	776,933
June 30, 2024	2,219,488	520,612	921,944	776,933
June 30, 2023	2,395,192	968,585	365,831	1,060,776

		June 30, 2024	June 30, 2023
		--- (Rupees in '000') ---	
13.	**LOANS AND ADVANCES**		
	Considered good		
	Executives	4,829	4,266
	Employees	41,718	39,114
	Advances for acquisition	-	19,749
	Suppliers	770,511	775,493
		817,058	838,623
		817,058	838,623

	Note	June 30, 2024	June 30, 2023
		--- (Rupees in '000') ---	
14. DEPOSITS AND PREPAYMENTS			
Deposits			
Earnest money		68,378	41,003
Margin against guarantee		260,357	109,577
Others		30,278	74,561
		359,013	225,141
Considered doubtful			
Earnest money		2,441	2,441
Loss allowance against deposits considered doubtful		(2,441)	(2,441)
		-	-
Prepayments			
Rent		36,987	19,943
Interconnect operators		2,204	14,771
Others		4,917	1,473
		44,108	36,187
		403,121	261,328
15. ACCRUED MARK-UP			
Mark-up on current accounts with third parties		9,035	11,332
16. OTHER RECEIVABLES			
Others - considered good			
Karachi Relief Rebate	16.1(a)	349,954	349,954
Amount withheld by PTCL against PTA-Escrow		96,041	96,041
In Escrow account with PTA		397,594	352,594
Pakistan Telecommunication Authority - APC for USF	16.2	1,547,559	1,547,559
Pakistan Telecommunication Authority - ARFSF	16.3	118,135	118,135
Pakistan Telecommunication Authority - others	16.4	117,197	117,197
Claim against a bank		-	998
Insurance claims		5,547	5,280
Due from a contractor		3,778	3,493
Punjab Revenue Authority (PRA)	16.5	34,956	34,956
Deposit with FBR under tax amnesty scheme		-	2,991
Others		118,395	51,033
		2,789,156	2,680,231
Considered doubtful			
Due from PTCL against WPS		-	243,890
Receivable from PTA		-	76,428
		-	320,318
Loss allowance for receivables considered doubtful	16.6	-	(320,318)
		-	-
		2,789,156	2,680,231

16.1(a) The Government of Pakistan offered the Karachi Relief Rebate Package and Pakistan Telecommunication Company Limited (PTCL) started paying the same upto June 30, 1998 and thereafter, unilaterally, PTCL decided to discontinue payment against the said package. The Holding Company in the year 2000 filed a law suit against PTCL in the High Court of Sindh (the Court) for the recovery of Rs. 71.280 million accrued up to October 1999 and consequential losses thereon, aggregating to Rs. 2,261.930 million. The Court, during the year ended June 30, 2002, passed an interim order in favour of the Holding Company and appointed a firm of Chartered Accountants for the determination of the actual amount receivable from PTCL. The said firm calculated the relief rebate and interconnect discount in accordance with the direction of the Court, containing various amounts determined under various alternatives, determination under the most favorable alternative amounted to Rs. 349.954 million, for the period commencing January 1997 to August 2001.

As the Court already passed an interim order in August 2001 in favour of the Holding Company, the management and legal advisor of the Company is confident that the recovery of the amount accrued would be as prayed by the Holding Company.

16.1(b) During the year ended June 30, 2002, PTCL filed a law suit against the Holding Company for the recovery of Rs. 334.313 million, alleging and disputing the relief rebate claimed / adjusted by the Holding Company. In the opinion of the legal advisor of the Holding Company, if it is decided by the Court that the Company is not entitled to the Karachi Relief Rebate and the decision in this case is against the Holding Company, then the Holding Company would have to pay only the above amount on account of Karachi Relief Rebate. However, if it is concluded by the Court that the relief rebate shall be allowed, then no amount would payable by the Holding Company to PTCL, but in fact the Holding Company would be entitled to recover certain amounts as claimed in the law suit, referred in (a) above. As per the above referred legal advisor there is likelihood that PTCL will not succeed in its claim in this suit.

Accordingly, pending the decision of the Court in this respect, the Holding Company has not made any provisions for the aforesaid claim in these consolidated financial statements. The Court, in its order dated June 25, 2003 ordered the Holding Company not to create third party interest on its fixed assets as well as any undertaking except in the ordinary course of business till the disposal of the case.

16.2 Over the years, PTA has demanded additional Access Promotion Contribution (APC) for Universal Service Fund (USF) payments through its determinations from most of the LDI operators including the Holding Company which are challenged and stand sub-judice under different suits. The additional amount claimed by PTA from the Holding Company is Rs. 2,313 million (net of the Rs. 345.59 million held in Escrow by PTA). During the year the Holding Company made an addition payment amounting to Rs. 45 million, under protest.

These determinations have been challenged by most of LDI licensees including the Holding Company on multiple grounds, including but not limited to a) that PTA has not properly implemented the policy, term of the license, AP Rules and Regulations in calculating these amounts b) that in any case the amounts demanded by PTA are based on rates which were different from the actual announced rates for APC for USF. Interim injunctions to the effect of no coercive action has been granted by the court pursuant to a consent order by the Court. Appeals of the Holding Company and certain other LDI's are pending adjudication before the High Court of Sindh, while appeals of a few LDI licensees have been pending in the Islamabad High Court on similar grounds. The amount refundable to the Holding Company in case of a successful outcome of its appeal is Rs. 1,547.559 million.

It is also pertinent to mention that these claims related to the period ending September 2012, thereafter the APC Regime was subsequently terminated by the MOIT and PTA.

16.3 This represents principal amount and late payment fee paid under protest to PTA on account of Annual Radio Frequency Spectrum Fee (ARFSF) for FY 2017 & 2018. This matter is challenged by the Holding Company in a Writ Petition, filed before the Islamabad High Court which is pending adjudication. The subject matter of the pending Writ Petition also includes core issue of settlement of the Company's surrender of its Radio Frequency Spectrum (Spectrum) and the corresponding liability of Initial Spectrum Fees liability on it. The PTA's contention is that the liability on account of Initial Spectrum Fee remains the same despite Company's early surrender of Spectrum in 2017 followed by the PTA's acceptance of the same. However, Company's plea is that the liability should be adjusted in accordance with the usage period. The matter is pending adjudication.

16.4 This amount represents payments made to PTA on account of Late Payment Additional Fee (LPAF) relating to Annual Regulatory Dues (ARD), Universal Service Fund (USF) and Research and Development Fund (R&D) Contributions amounting in aggregate in sum of Rs. 117.197 million out of which Rs. 62.209 million paid pursuant to Court Orders during the year 2018 and Rs. 54.988 million adjusted by PTA during the year 2010.

The Holding Company has challenged the Court order by filing an appeal in Supreme Court of Pakistan in August 2018. The matter is pending adjudication and the management and legal advisor is confident that the same is on plausible grounds.

This also includes refund received from PTA on account of over payment against USF and R&D amounting to Rs. 3.980 million which shall be adjusted against future payments.

16.5 The PRA Lahore issued a demand of Rs. 1,333.312 million for the years 2014 and 2015 vide Order No. 74 dated August 13, 2018. The order was challenged before the Commissioner Appeal (PRA) Lahore who set aside the original demand vide order No. 299/2018 dated February 06, 2019 released on April 05, 2019. The tax authorities had attached the Holding Company account on March 30, 2019 and withheld an amount of Rs. 34.956 million. Since the order has been decided in favor of the Holding Company, hence the amount shall be refunded by the tax authorities.

		Note	June 30, 2023	June 30, 2023
			---- (Rupees in '000') ----	
16.6	**Loss allowance for other receivables considered doubtful**			
	Opening balance		320,318	320,318
	Written off during the year		(320,318)	-
			-	320,318
17.	**TAXATION – NET**			
	Advance income tax		396,647	270,367
	Provision for taxation	32	(211,786)	(72,491)
			184,861	197,877
18.	**CASH AND BANK BALANCES**			
	Cash at banks			
	In current accounts			
	Local currency		337,874	36,579
	Foreign currency		333,634	136,615
			671,508	173,194
	In savings accounts			
	Local currency		67,734	46,333
	Cash in hand		198	119
			739,440	219,646

18.1 These carry mark-up at rates, ranging between 7.61% to 18.46% (June 30, 2023: 5.98% to 11.97%) per annum.

19. SHARE CAPITAL AND RESERVES

19.1 AUTHORISED SHARE CAPITAL

June 30, 2024	June 30, 2023		June 30, 2024	June 30, 2023
Number of Shares ---- ('000') ----			---- (Rupees in '000') ---	
400,000	400,000	Ordinary shares of Rs.10/- each	4,000,000	4,000,000

19.2 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

June 30, 2024	June 30, 2023		June 30, 2024	June 30, 2023
Number of Shares ---- ('000') ----			---- (Rupees in '000') ----	
315,000	315,000	Fully paid ordinary shares of Rs.10/- each issued for cash	3,150,000	3,150,000
23,625	23,625	Fully paid ordinary shares of Rs.10/- each issued as bonus shares	236,250	236,250
338,625	338,625		3,386,250	3,386,250

20. LONG TERM FINANCING

Secured			
From banks and financial institutions			
Diminishing musharaka		-	36,614
Current maturity shown under current liabilities		-	(24,000)
		-	12,614
Others			
Term finance certificates	20.1	602,378	752,342
Current maturity shown under current liabilities		(147,238)	(147,238)
		455,140	617,717

20.1 There has been a significant change in the terms and condition of term finance facilities disclosed in the Holding Company's annual unconsolidated financial statements for the year ended June 30, 2021. The listed Term Finance Certificates (TFC's) issued by the Holding Company have been restructured effective from October 2021. Under the restructured terms, the outstanding principal amount is repayable over 20 equal quarterly installments beginning from March 31, 2022. However, in the event that the Holding Company is successfully able to execute Offer for Sale (OFS) of its wholly owned subsidiary Supernet Limited subject to the condition that the proceeds from such OFS not less than Rs. 250 million, then the three quarterly installment of principal that fall due after the said listing would be immediately paid in a single bullet payment. Further, markup accrued till December 31, 2020 and the markup accrued post restructuring shall be paid in eight quarterly installments starting from March 31, 2027. These TFC's carry markup at the rate of three month KIBOR. Furthermore, as per the restructured agreement, profit shall not accrue from January 01, 2021 till September 30, 2021.

	June 30, 2024	June 30, 2023
	----(Rupees in '000')----	

21. LEASE LIABILITIES

Lease liabilities before reassessment	19,748	9,968
Reassessment of lease	35,782	11,795
Lease liabilities after reassessment	55,530	21,763
Current portion of lease liabilities	(18,279)	(11,804)
	37,251	9,959

21.1 Reconciliation of the carrying amount is as follows:

Opening balance	21,763	29,431
Accretion of interest	12,230	4,717
Reassessment of lease	52,563	11,795
Lease rental payments made during the year	(31,026)	(24,180)
Lease liability as at June 30	55,530	21,763
Current portion of lease liabilities	(18,279)	(11,804)
Long-term lease liabilities as at June 30	37,251	9,959

21.2 Maturity analysis

Gross lease liabilities - minimum lease payments:		
Not later than one year	27,420	12,766
Later than one year but not later than five years	52,532	14,407
	79,952	27,173
Future finance charge	(24,422)	(9,740)
Present value of lease liabilities	55,530	17,433

22. DEFERRED LIABILITIES

Staff gratuity	10,092	8,896
	10,092	8,896

23. TRADE AND OTHER PAYABLES

Interconnect operators	24,015	9,581
Others	2,220,994	2,139,981
	2,245,009	2,149,562
Other payables		
Contractual liability to customers	9,644	9,644
Advances from franchisees	-	200
Advances from customer	2,582	-
Accrued liabilities	529,649	232,739
Payable to employees provident fund	3,293	4,339
Workers' welfare fund	12,717	5,091
Others	111,876	153,271
	669,761	405,283
	2,914,770	2,554,845

		June 30, 2024	June 30, 2023
		----(Rupees in '000')----	
24. ACCRUED MARK-UP			
On secured			
Long-term loans		87,218	30,783
Short-term running finance		8,316	5,753
Interest / mark-up against financing		95,534	36,536
On unsecured current accounts			
Others		46,067	44,775
		141,601	81,311
25. LONG TERM FINANCING AND LEASE LIABILITIES			
Running finance from bank - secured	25.1	139,889	134,284
Current maturity			
Term term finance certificates	20	147,238	147,238
Diminishing musharaka	20	-	24,000
		147,238	171,238
Current portion of lease liabilities	21	18,279	11,804
		305,406	317,326

25.1 This represents finance facility of Rs. 150 million (2023: 200 million) obtained by the Holding Company for working capital purpose. This carries mark-up at the rate of 3 months KIBOR plus 2.4% (June 30, 2023: 3-months KIBOR plus 2.4%) p.a., is payable quarterly. The facility is secured by way of hypothecation charge over fixed asset with 25% margin, first pari passu charge on current assets, pledge on shares of Ultimate Parent Company and third party equitable mortgage. The unutilized facility amounts to Rs. 10.69 million (2023: Rs 65.72 million).

26. CONTINGENCIES AND COMMITMENTS

26.1 During the year ended June 30, 2017, the Holding Company filed a suit before the High Court of Sindh challenging notice of demand dated August 24, 2016 on account of APC for USF and show cause notice dated November 17, 2016 issued by PTA for dues as of July 31, 2016 amounting to Rs. 3,904.241 million including principal amounting to Rs. 1,304.900 million and fine amounting to Rs. 2,599.340 million. The Court passed ad interim orders restraining the defendants from cancelling the license of and taking any coercive action against the Holding Company. The matter is at the stage of hearing of applications. Management, in consultation with their legal advisor is of the view that the Holding Company has a good and arguable case on merits and the suit is likely to be decreed in favor of the Holding Company.

26.2 During the year June 30, 2012, in compliance with the directive of Ministry of Information Technology (MoIT) dated August 13, 2012 and the instructions issued there under by PTA vide letter No. 0401/12/(AP/CA) PTA, dated August 23, 2012, for the establishment of International Clearing House Exchange (ICH) between the LDI Operators and PTCL, which came into effect from October 01, 2012, all LDI Operators had authorized PTCL to terminate all Pakistan incoming traffic.

The Competition Commission of Pakistan (CCP), during the year ended June 30, 2013, declared the ICH agreement as illegal and imposed penalty @ 7.5% of annual turnover of each LDI for FY 2012 and also a fine of Rs. 1.000 million each.

The Holding Company instituted a Constitutional Petition (CP) before the High Court of Sindh for setting aside order dated April 30, 2013 passed by CCP. The High Court of Sindh has suspended the impugned order on September 05, 2013 and the CP is disposed of with instructions to plead the matter before the Competition Appellate Tribunal. Accordingly, the matter is pending before the Competition Appellate Tribunal. The Tribunal has admitted the appeal for hearing and also suspended operation of the order impugned in this appeal.

26.3 The Holding Company has received notices in respect of payment of WWF for the tax year from 2008 to 2011 amounting to Rs 28.32 million, The Holding Company has filed appeals against these order in the High Court of Sindh, which are currently pending. The legal advisor is of the view that the Holding Company has a good arguable case as is expected to be decided in Company favor. Accordingly no provision has been made in these consolidated financial statements.

26.4 During the year, the Holding Company filed a suit against a demand note issued by PTA for USD 7.384 million against the WLL license fee for the previous years. The position of the Company is that the restrospective application is against the terms of the WLL license. The High Court has granted a ad interim stay order. Management, in consultation with their legal advisor is of the view that the Company has a good and arguable case on merits and the suit is likely to be decreed in favor of the Company.

26.5 In respect of the assessment years 1999 - 2000 to 2002 - 2003, the Holding Company was assessed partly under the presumptive tax regime (now final tax regime) and partly under the normal tax regime. Further, for assessment years 2001 - 2002 and 2002 - 2003, apart from taxation on historic basis, the tax authorities disallowed tax credit as well as the reinvestment allowance claimed by the Holding Company on purchase of fixed assets. Tax demand in respect of these cases amounts to Rs. 59.810 million. The Holding Company has filed appeals against these cases with the High Court of Sindh (the Court), which are currently pending.

An order has been passed by the Taxation Officer under section 122(1) of the Income Tax Ordinance, 2001, for the year 2003 whereby income has been assessed at Rs. 56.92 million against the reported tax loss of Rs. 5.940 million. The Holding Company had filed an appeal against the same before the Income Tax Appellate Tribunal (ITAT) which had decided the case against the Holding Company, after admitting an adjustment of tax refundable, amounting to Rs. 4.530 million, against tax demand of Rs. 19.360 million, thus creating a final tax demand of Rs. 14.790 million. The Holding Company has filed an appeal in the Court, which has not been heard to-date.

26.6 PTCL's claim amounting to Rs.2.013 million in respect of monthly billing has not been acknowledged as debt by the Holding Company. The Holding Company maintains that the said amount is overbilled by the PTCL.

26.7 Contingencies in respect of matters relating to the PTCL have been disclosed in notes 16.1 (a & b) to these consolidated financial statements.

26.8 Contingencies in respect of the PTA various claims and ISF are disclosed in note 16.2 to 16.4 of these consolidated financial statements.

26.9 No provision on account of above contingencies including note 26.5 and 26.7 has been made in these unconsolidated financial statements as the management and legal advisors of the Company are of the view, that these matters will eventually be settled in favour of the Company.

26.10 Counter guarantees given to banks amount to Rs. 1.762 million (2023 Rs.39.00 million) .

26.11 The Subsidiary Company entered into a Master Services Agreement (MSA) with Intelsat Corporation in 2011, and various Service Orders with Intelsat Corporation and its affiliates (Intelsat), the last of which was amended in 2018. In 2020, the Subsidiary Company was already in discussion with Intelsat regarding a number of issues, including that it was unable to sell a certain portion of satellite capacity onwards to its customers and utilize the certain capacity purchased for the dedicated purpose due to the fact that, amongst other things, the licenses required by the Subsidiary Company customers had been delayed by the Government of Pakistan. The said unsold and unusable capacity that the Subsidiary Company was forced to pay for, along with the artificially high rates charged by Intelsat were not in line with the market and was causing loss of business and profitability for the Subsidiary Company.

In May 2020, Intelsat declared bankruptcy due to its inability to meet its debt and other liabilities and as a result of the same, the Group discussions and negotiations with Intelsat came to a halt. Intelsat's bankruptcy also exposed the Group and its customers to risks about dependability and continuity of services, and increased the risk of termination of service by the Company's customers. Additionally, Intelsat due to its financial crises began unreasonably pressurizing the Subsidiary Company for unjustified payments for unsold and unused capacity.

Considering this, the Group migrated its networks to other service providers and terminated the agreement with Intelsat Corporation. In response, Intelsat has filed a suit in the US to recover an amount of approximately US$10 million, mostly on account of services which were to be rendered in future by Intelsat to the Subsidiary Company. The management of the Subsidiary Company in consultation with their legal advisor is confident that no negative outcome is expected and accordingly no provision in this regard has been made by the management in these consolidated financial statements.

The Group has challenged the claim of Intelsat, and has filed a Suit for damages before the High Court of Sindh against Intelsat for recovery of the overcharged amounts and damages for loss of business and profits estimated in excess of US$18 million.

26.12 While finalizing the Group's income tax assessments for the assessment years 1997-98 to 2002-03, the Taxation Officer had not allowed credit of taxes paid by the Group, aggregating Rs. 17.078 million, on account of non-verifiability of payment challans. The Group through its tax consultants has applied for a rectification, the management is confident that the eventual outcome of the matter will be decided in favor of the Group. Accordingly, no adjustment has been made to the above, shown under advance income tax in relevant note, pending a final decision in this matter.

26.13 During the year ended June 30, 2013, the Subsidiary Company received notice under section 177 of the Income Tax Ordinance, 2001 for the tax year 2008 and subsequently tax demand of Rs. 15.398 million was raised. the Subsidiary Company through its tax consultant is pursuing the matter. So far, no adverse action has been taken against the Subsidiary Company by Tax Department. The management is confident that the eventual outcome of the matter will be decided in favor of the Subsidiary Company. Accordingly, no adjustment has been made to the above pending a final decision in this matter.

26.14 In the year 2017, the Group filed an appeal against the notices received from the PTA to its customers for discontinuing the VSAT services. The Court passed an order whereby the notices were suspended. The matter is at the stage of hearing of application. Accordingly, based on the lawyer's opinion no provision has been made in these consolidated financial statements.

26.15 The Subsidiary Company has committed to deposit an amount of Rs. nil million (June 30, 2023: 37.876) in terms of security deposit to its satellite bandwidth vendor.

26.16 Letters of guarantee, amounting to Rs.130.652 million (2023: Rs. 116.073 million), have been issued by commercial banks on behalf of the Subsidiary Company.

		Note	June 30, 2024	June 30, 2023
			-----(Rupees in '000')-----	
27.	**REVENUE – NET**			
	Turnover		5,877,652	4,387,668
	Turnkey projects		37,950	53,919
	Sale of equipment		4,881,368	1,246,264
			10,796,970	5,687,851
28.	**DIRECT COSTS**			
	Salaries and other benefits	28.1	327,532	227,960
	Interconnect charges – net		67,222	85,308
	Network media charges		1,242,593	681,793
	Short-term leases - network sites rental		65,121	68,831
	Network sites utilities and maintenance		139,110	145,435
	Satellite bandwidth & communication charges		1,764,167	1,219,172
	Cost of turn key projects		27,948	39,689
	Communication stores consumed	28.2	4,420,254	944,929
	Support service cost		243,261	52,079
	Repairs and maintenance		1,536	1,948
	Sale of equipment		388	-
	Consultancy		5,075	7,819
	Conveyance and travelling		9,213	52,327
	Communication		4,334	3,976
	Insurance		13,398	11,313
	Annual license fee		33,911	33,342
	Depreciation on operating fixed assets	5.1.4	174,383	197,918
	Depreciation on right-of-use assets	7.1	17,909	12,151
	Amortisation	6.2	1,954	1,954
	Others		95,089	53,149
			8,654,398	3,841,093

28.1 This includes a sum of Rs. 7.606 (June 30, 2023: Rs. 5.102) million in respect of the Group's contribution towards provident fund.

		June 30, 2024	June 30, 2023
		-----(Rupees in '000')-----	
28.2	**Communication stores consumed**		
	Opening stock	496,357	170,160
	Purchases	4,185,934	1,271,126
		4,682,291	1,441,286
	Closing stock	(262,037)	(496,357)
		4,420,254	944,929

	Note	June 30, 2024	June 30, 2023
		-----(Rupees in '000')-----	
29. ADMINISTRATIVE & DISTRIBUTION COSTS			
Salaries and other benefits	29.1	644,556	688,867
Postage, telephone and telex		2,491	2,737
Vehicle running and maintenance		39,393	35,933
Travelling and entertainment		29,382	34,179
Office security and maintenance		17,104	12,949
Stationery		8,092	4,722
Rent and utilities		208,241	166,981
Insurance		17,270	14,331
Legal and professional		43,066	15,934
Auditors' remuneration	29.3	8,368	6,930
Sales promotion and marketing		16,270	5,901
Fee and subscription		7,518	8,765
Depreciation on operating fixed assets	5.1.4	15,036	11,254
Depreciation on right-of-use assets	7.1	2,313	4,626
Amortisation	6.2	470	290
Repair and maintenance		11,077	19,579
Communication		5,011	4,597
Loss allowance for debts considered doubtful		93,699	105,039
Provision against slow moving stores		56,449	2,501
Forfieted deposits		-	
Others	29.2	261,063	64,420
		1,486,868	1,210,535

29.1 This includes Rs. 1.196 million in respect of gratuity expense for the year (June 30, 2022: Rs. 1.70 million) and Rs. 12.027 (June 30, 2023: Rs.12.100) million in respect of the Group's contribution towards provident fund.

29.2 This includes Rs 76.528 million paid to service provider against the additional service charges and Rs. Rs. 4.098 million against forfeited deposited paid to various parties paid during the normal course of business.

	June 30, 2024	June 30, 2023
	-----(Rupees in '000')-----	
29.3 Auditors' remuneration		
The Holding Company		
Fee for the audit of annual financial statements	2,000	2,000
Fee for the audit of consolidated financial statements	450	450
Fee for the review of half yearly financial statements and other certifications	1,545	1,225
Out-of-pocket expenses	370	312
	4,365	3,987
Subsidiaries		
Fee for the audit of annual financial statements	2,400	1,682
Fee for the audit of consolidated financial statements	385	350
Other services	898	621
Out of pocket expenses	320	290
	4,003	2,943
	8,368	6,930

	Note	June 30, 2024	June 30, 2023
		-----(Rupees in '000')-----	
30. OTHER INCOME / (EXPENSE)			
Income from financial assets & liabilities			
Income on saving accounts		24,720	23,877
Mark-up on short term loan		-	2,669
Realised & unrealised exchange (loss) - net		(47,857)	(112,218)
Gain arising on final settlement of diminishing musharika		16,453	-
Expense on purchase of subsidiary	2.3.1	(14,247)	-
Liabilities no longer payable written back		-	6,354
		(20,931)	(79,318)
Income / (expense) from non-financial assets			
(Loss) / gain on disposal on property and equipment		(778)	2,290
Others		2,250	3,950
		1,472	6,240
		(19,459)	(73,078)
31. FINANCE COSTS			
Mark-up on secured:			
Long-term financing		-	1,420
Term finance certificates		88,079	91,643
Short-term financing		36,548	35,657
Mark-up on current accounts with others		81	3,502
Lease liabilities against ROU assets		12,230	4,717
Mark-up on related party		1,508	-
Bank charges		17,559	18,935
		156,005	155,873
32. LEVY AND TAXATION			
Levy		79,712	66,419
Taxation		365,883	16,414
		445,595	82,832

32.1 This represents final taxes paid under section 150 and section 154 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 / IAS 37.

	Note	June 30, 2024	June 30, 2023
		---- (Rupees in '000') ----	
32.2 Taxation			
Current		243,614	100,308
Prior		(31,828)	(27,817)
Deferred		154,097	(56,077)
	32.1	365,883	16,414

	June 30, 2024	June 30, 2023
	--- (Rupees in '000') ---	

32.1 Relationship between accounting profit and income tax expense

Profit before taxation	480,239	407,272
Tax @ 29%	139,269	118,109
Effect of prior period tax	(31,828)	(27,817)
Others	258,442	(73,878)
	365,883	16,414

The income tax assessments of the Group have been finalised up to and including the tax year 2022, except for certain tax year in respect of which, appeals are currently in progress at different forums as disclosed in the note 26.

	June 30, 2024	June 30, 2023
	--- (Rupees in '000') ---	

33. EARNING PER SHARE – BASIC AND DILUTED

33.1 Earnings per share - Basic

Profit attributable to the owners of the Holding Company	11,627	286,728
Weighted average number of ordinary shares outstanding during the year (Numbers in'000)	338,625	338,625
Earnings per share - basic (Rupees)	0.03	0.85

33.2 Earnings per share - Diluted

No figures for diluted earnings per share have been presented as the Group has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

34. CASH GENERATED FROM OPERATIONS

	Note	June 30, 2024	June 30, 2023
		----(Rupees in '000')----	
Profit before taxation		480,239	407,272
Adjustments for non-cash charges and other items			
Depreciation on operating fixed assets	5.1.4	189,419	209,172
Depreciation on right-of-use assets	7.1	20,222	16,777
Amortisation	6.2	2,424	2,244
Provision for gratuity		1,196	1,709
Unrealised exchange gain		47,857	(6,537)
Income on saving accounts	30	(24,720)	(23,877)
Finance costs	31	138,446	136,938
Loss allowance for debts considered doubtful	29	93,699	105,039
Mark-up on short term loan	30	-	(2,669)
Provision against slow moving stores		56,449	2,501
Gain arising on final settlement of Diminishing Musharika		(16,453)	
Liabilities no longer payable written-back	30		-
Loss on sale of fixed assets	30	778	(2,290)
		509,317	439,007
Profit before working capital changes		989,557	846,279

	June 30, 2024	June 30, 2023
	--- (Rupees in '000') ---	
(Increase) / decrease in current assets		
Communication stores	234,320	(328,698)
Trade debts	(82,005)	(409,426)
Loans and advances	21,565	(570,443)
Deposits and prepayment	(141,793)	(106,383)
Other receivables	(108,925)	(7,492)
	(76,838)	(1,422,442)
Increase / (decrease) in trade and other payables	359,925	928,739
Cash generated from operations	1,272,643	352,577

35. **REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES**

	June 30, 2024			June 30, 2023		
	Chief Executive Officer Holding Company	Director	Executives	Chief Executive Officer Holding Company	Director	Executives
	------ (Rupees in '000') ------					
Managerial remuneration	10,452	13,982	187,299	10,452	12,581	167,114
Other perquisites and benefits:						
House rent	4,703	6,291	15,230	4,703	5,661	14,687
Medical	15	19	704	15	17	791
Retirement benefits	435	582	98,328	435	524	1,381
Prequisites and benefits	1,045	1,398	31,984	1,045	1,258	153,060
	6,198	8,290	146,246	6,198	7,460	169,919
	16,650	22,272	333,545	16,650	20,041	337,033
Number of persons	1	2	15	1	2	15

35.1 No remuneration has been paid to any of the non-executive directors during the year except fee for attending board meetings which were paid to non-executive directors amounting to Rs. 9.50 (June 30, 2023: 0.800) million.

35.2 Executives as mentioned above include chief executive officers of subsidiaries.

	Note	June 30, 2024	June 30, 2023
		----(Rupees in '000')----	
36. FINANCIAL INSTRUMENTS BY CATEGORY			
36.1 Financial assets at amortised cost			
Long term deposits	8	60,309	52,208
Trade debts	12	2,219,488	2,395,192
Loans and advances	13	-	-
Deposits and prepayments	14	359,013	225,141
Accrued mark up	15	9,035	11,332
Other receivable	16	2,789,156	2,680,231
Cash and bank balances	18	739,440	219,646
		6,176,441	5,583,750
36.2 Financial liabilities measured at amortised cost			
Long term financing	20	455,140	617,717
Lease liabilities	21	37,251	9,959
Trade and other payables	23	2,892,409	2,540,111
Short term finance and current portion of long term financing and lease liabilities	25	305,406	317,326
Accrued interest / mark-up	24	141,601	81,311
		3,831,807	3,566,424

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk. The risk is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the management. The Board of Directors supervises the overall risk management approach within the Group.

37.1 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market variables such as interest rates, foreign exchange rates and equity prices.

37.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in the market interest rates. As of June 30, 2023, the Group is exposed to such risks mainly in respect of long and short-term financing and term finance certificates.

Management of the Group estimates that 1% increase in the market interest rate, with all other factors remaining constant, would decrease the Company's profit by Rs. 6.20 million (June 30, 2023: Rs. 6.2 million) and a 1% decrease would result in an increase in the Company's profit by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

37.1.2 Foreign currency risk

Foreign currency risk is the risk that the value of a financial asset or a financial liability will fluctuate due to a change in a foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. The Group's exposure to foreign currency risk is as follows:

	June 30, 2024	June 30, 2023
	-------- US$ -------	
Trade debts	549,962	193,470
Bank balances	19	573
Trade and other payables	831,185	(2,344,553)
	1,381,166	(2,150,510)

The following significant exchange rates have been applied at the reporting dates:		
Exchange rate (Rupees)	278.34	285.90

The foreign currency exposure is partly covered as majority of the Group's billing is determined in dollars which is converted into rupees at the exchange rate prevailing at the transaction date. The Group has assessed that hedging its foreign currency borrowings will be more expensive than assuming the risk

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Group's profit before tax and the Group's equity.

	Change in US dollar rate (%)	Effect on profit/(loss)	Effect on Equity
		----(Rupees in '000')----	
June 30, 2024	+10	38,444	38,444
	-10	(38,444)	(38,444)
June 30, 2023	+10	61,483	61,483
	-10	61,483	61,483

37.1.3 Equity risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. As of June 30, 2023 the Group is not exposed to equity price risk.

37.1.4 Credit risk

Credit risk is the risk that counterparty will cause a financial loss for the Group by failing to discharge its obligations. The table below analyses the Group's maximum exposure to credit risk.

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

The credit quality of financial assets that are neither past nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates as follows:

	June 30, 2024	June 30, 2023
	----(Rupees in '000')----	
Trade debts	2,219,488	2,395,192
Long term deposits	60,309	52,208
Loan and advances	770,511	775,493
Short term deposits	359,013	225,141
Accrued mark-up	9,035	11,332
Bank balances	739,440	219,646
	4,157,796	3,679,012
Trade debts		
Customers with no defaults in the past one year	2,219,488	2,395,192
Bank balances		
AAA	11,350	5,096
AA	44,529	199
AA+	563	122,432
A+	42	341
A	387,570	56,725
A-	134	-
AA-	253,384	-
Others	41,868	34,853
	739,440	219,646

37.1.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group follows effective cash management and planning policy to ensure the availability of funds through committed credit facilities. The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Management monitors the forecasts of the Group's cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with the practice and limits set by the Group. The Group regularly monitors the credit exposure towards the customers and make allowance for ECLs against doubtful balances. In addition, the Group's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities, monitoring balance sheet liquidity ratios against internal and external liquidity requirements and maintaining debt financing plans. However, the Group plans to improve its liquidity position through enhancement and re-profiling of banking facilities, improved revenue generation and cost cutting measures.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments;

	On demand	Less than 3 months	3 to 12 months	1 to 5 Years	Greater than 5 years	Total
	---------- (Rupees in '000') ----------					
Long term financing	-	-	-	455,140		455,140
Trade & other payables	-	12,717	2,902,053	-	-	2,914,770
Unclaimed dividend	4,417	-	-	-	-	4,417
Accrued mark-up	-	141,601	-	-	-	141,601
Current portion of long term finance	-	34,281	271,125	-	-	305,406
June 30, 2024	4,417	188,599	3,173,178	455,140	-	3,821,334

	On demand	Less than 3 months	3 to 12 months	1 to 5 Years	Greater than 5 years	Total
		---------- (Rupees in '000') ----------				
Long term financing	-	-	-	599,311	18,407	617,718
Trade & other payables	-	5,091	2,930,330	-	-	2,935,421
Unclaimed dividend	4,394	-	-	-	-	4,394
Accrued mark-up	-	81,311	-	-	-	81,311
Current portion of long term finance	-	140,284	177,042	-	-	317,326
June 30, 2023	4,394	226,686	3,107,372	599,311	18,407	3,956,170

Effective interest / mark-up rates for the financial liabilities are mentioned in the respective notes to the consolidated financial statements. Maturity analysis of lease liabilities are disclosed in note 21.2 to the consolidated financial statements.

37.1.6 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short-term in nature or repriced periodically.

International Financial Reporting Standard 13, 'Fair Value Measurements' requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

If inputs used to measure the fair values of an asset or a liability fall into different levels then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Transfers, if any, between levels of the fair value hierarchy is recognized at the end of the reporting period during which the transfer has occurred. The Group's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of changes in market and trading activity and changes in inputs used in valuation techniques.

As at year end the fair value of all the financial assets and liabilities approximates to their carrying values. The property plant and equipment is carried at cost less accumulated depreciation and impairment if any, except free-hold land which are stated at cost less impairment if any. Long term investments in subsidiaries represent the investment in unquoted shares of companies carried at cost. The Group does not expect that unobservable inputs may have significant effect on fair values.

37.1.7 Capital management

The primary objectives of the Group when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. The gearing ratios as at June 30, 2023 and June 30, 2022 are as follows:

	June 30, 2023	June 30, 2022
	----(Rupees in '000')----	
Total debts	753,442	981,538
Cash and cash equivalent	(739,440)	(219,646)
Debt	14,002	761,892
Issued, subscribed and paid-up capital	4,520,973	4,495,329
Total capital	4,520,973	4,495,329
Capital and debt	4,534,975	5,257,221
Gearing ratio	0.3%	14.5%

38. TRANSACTIONS WITH RELATED PARTIES

The related parties include entities 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 consolidated financial statements are as under:

	June 30, 2024	June 30, 2023
	----(Rupees in '000')----	
Key management personnel and executives		
Remuneration and benefits	341,181	337,033
Non-executive directors		
Meeting fee	950	800

38.1 Balances outstanding with related parties have been disclosed in the respective notes to the consolidated financial statements.

39. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on latest un-audited financial statements of the fund:

	Note	June 30, 2024	June 30, 2023
		(Rs. in '000')	
Size of the fund - total assets		167,670	145,440
Cost of the investment made		125,920	107,113
Fair value of investments	39.1	131,661	113,122
Percentage of investments made		78.52%	77.78%

39.1 The break-up of fair value of investments is:

Bank balances/deposits	104,674	66,704
Mutual funds	8,448	6,622
	113,122	73,326

The investment out of provident fund have been made in accordance with provision of Section 218 of the Companies Act, 2017.

40. NUMBER OF EMPLOYEES

The numbers of employees at the year ended were 581 (June 30, 2023: 578) and average number of employees during the year were 587 (June 30, 2023: 582).

41. CORRESPONDING FIGURES

Certain corresponding figures have been reclassified / rearranged where necessary for the purpose of better presentation, however, there was no material reclassification of corresponding figures during the year.

42. AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on 14 OCT 2024 by the board of directors of the Holding company.

43. GENERAL

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

Chief Executive Officer	Chief Financial Officer	Director

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Independent Auditor's Report to the Members of Telecard Limited
Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Telecard Limited** (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2024, and the unconsolidated statement of profit or loss, and the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We further draw attention to the contents of:

i. note 17.1 (a) to the accompanying unconsolidated financial statements in respect of the lawsuit filed by the Company during the year ended June 30, 2000 in the High Court of Sindh with regard to the recovery of Karachi Relief Rebate amounts from Pakistan Telecommunication Company Limited, pending a final decision no provision has been made for the remaining sum of Rs. 349.954 million in the accompanying unconsolidated financial statements which reflects amount determined under the most favorable alternative by a firm of Chartered Accountants appointed in accordance with the direction of the Court. As the Court already passed an interim order in August 2001 in favour of the Company, the management and legal advisor of the Company is confident that the recovery of the amount accrued would be as prayed by the Company;

ii. note 17.1 (b) to the accompanying unconsolidated financial statements with regard to a lawsuit filed by the PTCL against the Company during the year ended June 30, 2002. Pending a final decision, the Company has not made any provision in the accompanying unconsolidated financial statements for the amount claimed by the PTCL. As per legal advisor there is likelihood that the plaintiff will not succeed in its claim in this suit;

iii. note 17.2 to the accompanying unconsolidated financial statements in respect of the Pakistan Telecommunication Authority's claim for Access Promotion Contribution for Universal Service Fund. Pending a final decision by the Supreme Court of Pakistan, no provision has been made for the sum of Rs. 2,313 million in the accompanying unconsolidated financial statements in consultation with the legal advisor and the amount refundable to the Company in case of a successful outcome of its appeal is Rs. 1,547.559 million; and

iv. notes 27.1 to 27.9 to the accompanying unconsolidated financial statements in respect of contingencies the ultimate outcome of which cannot presently be determined and, hence, pending the resolution thereof, no provision has been made in the accompanying unconsolidated financial statements for any liability that may arise there from.

v. note 1.1 to the accompanying unconsolidated financial statements in respect of the Long Distance International (LDI) and Local Loop (LL) Licenses. The licenses have been expired and the Company had initiated the process of renewals of LL license and in conjunction with the LDI industry, the LDI license with the Pakistan Telecommunication Authority (PTA). Due to fact that, in both renewal cases, pending litigations with PTA and the MoIT had precluded the finalization of the renewals by the Regulator. However, the Company, along with other LDI and LL operators, had filed suits with various courts and secured injunctions till final adjudication of the matters before the Courts. The stay precluded the regulator and the MoIT from any interference in the operations of the Company till such a time the applications are finalised. Notwithstanding the above, the management is actively engaging the PTA at the highest levels and is confident that the renewal will be forthcoming soon.

Our opinion is not qualified in respect of above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters

Key audit matters	How the matter was addressed in our audit
1. Revenue recognition The Company has reported revenue amounting to Rs. 2,294.683 million during the year ended June 30, 2024. The Company provide telecommunication and allied services in which there is an inherent risk around the accuracy of revenue recorded given the complexity involved and managing and processing large volume of data. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators and gives rise to an inherent risk that revenue could be subject misstatement to meet expectations or targets.	Our key audit procedures in this area amongst others included the following: • obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • comparing a sample of transactions recorded during the year with relevant underlying supporting documents (sales orders, slab rates, call detail record report, invoices, bills etc.,) for both international and local customers;

Key audit matters	How the matter was addressed in our audit
	• recalculated the revenue based on the prevailing exchange rates and other input parameters i.e., minutes as per CDR to ensure accuracy; • inspecting manual journal entries relating to revenue recognized during the year and the corresponding underlying documentation for those journal entries which were considered to be material or met certain specified risk-based criteria; • tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognized in the correct period; and • assessed the appropriateness of disclosures made in the unconsolidated financial statements related to revenue.
2. Contingencies As at June 30, 2024, the Company has contingencies in respect of various regulatory and legal suites against the Company, which are pending in different courts as disclosed in note 27 of the unconsolidated financial statements. Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provision that may be required against such contingencies. Involvement of subjectivity, inherent uncertainty and the time period such matters may take to resolve, the management judgements and estimate in relation to such contingencies may be complex and can significantly impact the unconsolidated financial statements. For such reasons, we have considered contingencies and provision as a key audit matter.	Our key audit procedures in this area amongst others included the following: • assessed management's processes to identify new possible litigations, obligations and changes in existing obligations through inquiries from management and review of the minutes of meetings of the Board of Directors and Audit Committee; • reviewed the relevant information including case proceedings, legal opinions related industry information and correspondences in respect of the ongoing litigations; • obtained confirmation from the legal counsel and tax advisor of the Company to evaluate the status of the pending litigations and view point of the Company's legal counsel thereon; • examined legal and professional expenses to confirm that all pending legal matters are identified and disclosed; and • assessed the appropriateness of the related disclosures made in the accompanying unconsolidated financial statements in light of IAS-37 "Provisions and Contingencies".

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Parker Russell AJS

(Chartered Accountants)
Date: October 15, 2024
Karachi.

UDIN: AR202410192e0jndDxMT

Telecard Limited
Unconsolidated Statement of Financial Position
As at June 30, 2024

	Note	June 30, 2024	June 30, 2023
		--- (Rupees in '000') ---	
Assets			
Non-current assets			
Property and equipment	5	295,140	300,503
Intangible assets	6	133	2,087
Right-of-use assets	7	44,452	9,612
Long term investments	8	130,355	310,266
Long term deposits	9	52,640	52,113
Due from related parties	10	632,118	-
Deferred taxation	11	20,335	157,529
		1,175,173	832,110
Current assets			
Trade debts	12	931,956	691,127
Stock-in-trade	13	24,823	-
Loans and advances	14	83,235	15,065
Deposits and prepayments	15	62,112	52,276
Accrued mark-up	16	9,035	9,116
Other receivables	17	2,671,435	2,654,696
Taxation – net	18	108,814	85,880
Bank balances	19	54,292	34,605
		3,945,702	3,542,765
Total assets		5,120,875	4,374,875

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Telecard Limited
Unconsolidated Statement of Financial Position
As at June 30, 2024

	Note	June 30, 2024	June 30, 2023
		--- (Rupees in '000') ---	
Equity and liabilities			
Share capital and reserves			
Authorized share capital 400,000,000 (2023: 400,000,000) ordinary shares of Rs. 10/- each		4,000,000	4,000,000
Issued, subscribed and paid-up share capital	20	3,386,250	3,386,250
Accumulated loss		(361,775)	(610,177)
		3,024,475	2,776,073
Non-current liabilities			
Long term financing	21	455,140	617,718
Lease liabilities	22	31,096	1,878
Deferred liabilities	23	7,319	6,723
		493,555	626,319
Current liabilities			
Trade and other payables	24	1,303,890	714,035
Unclaimed dividend		4,394	4,394
Accrued mark-up	25	133,285	75,342
Current portion of long term finance and lease liabilities	26	161,276	178,712
		1,602,845	972,483
Contingencies & commitments	27		
Total equity and liabilities		5,120,875	4,374,875

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

Telecard Limited
Unconsolidated Statement of Profit or Loss
For the year ended June 30, 2024

	Note	June 30, 2024	June 30, 2023
		---- (Rupees in '000') ----	
			Restated
Revenue - net	28	2,294,683	1,767,860
Direct costs	29	(1,514,192)	(1,049,232)
Gross profit		780,491	718,628
Administrative expenses & distribution costs	30	(671,646)	(493,727)
Other income	31	464,472	13,286
		(207,174)	(480,441)
Operating profit		573,317	238,187
Finance costs	32	(104,684)	(112,300)
Profit before taxation and levy		468,633	125,887
Levy	33.1	(91,845)	(41,336)
Profit before taxation		376,788	84,551
Taxation	33	(128,386)	51,568
Profit after taxation		248,402	136,119
Earnings per share - basic and diluted (Rs)	34	0.73	0.40

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

Telecard Limited
Unconsolidated Statement of Comprehensive Income
For the year ended June 30, 2024

	June 30, 2024	June 30, 2023
	---- (Rupees in '000') ----	
Net profit for the year	248,402	136,119
Other comprehensive income	-	-
Total comprehensive income for the year	248,402	136,119

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

Telecard Limited
Unconsolidated Statement of Changes in Equity
For the year ended June 30, 2024

	Issued, subscribed and paid-up share capital	Accumulated loss	Total
	---- (Rupees in '000') ----		
Balance as at July 01, 2022	3,150,000	(510,046)	2,639,954
Issuance of bonus shares	236,250	(236,250)	-
Net profit for the year	-	136,119	136,119
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	136,119	136,119
Balance as at June 30, 2023	3,386,250	(610,177)	2,776,073
Net profit for the year	-	248,402	248,402
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	248,402	248,402
Balance as at June 30, 2024	3,386,250	(361,775)	3,024,475

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Telecard Limited
Unconsolidated Statement of Cash Flows
For the year ended June 30, 2024

	Note	June 30, 2024	June 30, 2023
		---- (Rupees in '000') ----	
Cash flows from operating activities			
Cash generated from operations	35	386,174	205,245
Income tax paid		(105,971)	(44,240)
Finance costs paid		(42,953)	(6,814)
Net cash generated from / (used in) operating activities		237,250	154,191
Cash flows from investing activities			
Additions to fixed assest		(34,045)	(12,941)
Interest income received		753	3,147
Long term investment		(15,000)	-
Proceeds from disposal of fixed assest		6,300	2,800
Net cash used in investing activities		(41,992)	(6,994)
Cash flows from financing activities			
Repayment of diminishing musharakah facility		(54,255)	(24,000)
Repayment of term finance certificates		(147,238)	(73,619)
Lease rentals against right-of-use assets		25,923	(19,205)
Net cash used in financing activities		(175,570)	(116,824)
Net increase in cash and cash equivalents		19,688	30,373
Cash and cash equivalents at the beginning of the year		34,604	4,231
Cash and cash equivalents at the end of the year	19	54,292	34,604

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

1. THE COMPANY AND ITS OPERATIONS

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

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 DeraAdda Exchange, Multan.

1.1 LONG DISTANCE INTERNATION AND LOCAL LOOP LICENSE ("LICENSES")

Subsequent to the year end, the Long Distance International (LDI) and Local Loop (LL) licenses were up for renewals. The Company had initiated the process of renewals of LL license and in conjunction with the LDI industry, the LDI license with the Pakistan Telecommunication Authority (PTA). Due to the fact that in both renewal cases, pending litigations (As per note: 17.2, 17.3, and 17.4 of the financial statements) with PTA and the MoIT had precluded the finalization of the renewals by the Regulator. Furthermore, in July of this year, the Company, along with other LDI and LL operators had filed suits with various courts and secured injunctions till final adjudication of the matters before the courts. The stay thus granted precluded the regulator and the Ministry from any interference in the operations of the company till such time the applications are decided. Therefore, the Company is robustly doing the business under these licenses without any let and hinderance.

The direct revenue from these licenses account for only 32% of its overall revenues which will nevertheless continue under various contracts and arrangements with other operators/entities. Subsequent to the year end, one of the subsidiary of the Telecard Group has also acquired a Local Loop license for the next twenty years that can be leveraged to continue the Company's services under this license if the need arises. Notwithstanding the above efforts, the management is actively engaging PTA at the highest levels and is confident that the renewals will be forthcoming soon.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiaries are reported on the basis of cost less impairment losses (if any). In addition to

- International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiaries are reported on the basis of cost less impairment losses (if any).

2.2 Accounting convention

These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed in the accounting policies below.

2.3 Functional and presentation currency

Items included in the unconsolidated financial statement of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). These financial statements are presented in Pakistan Rupee (Rs), which is the Company's functional and presentation currency.

3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO ACCOUNTING AND REPORTING STANDARDS

a) Amendments to accounting and reporting standards and interpretation / guidance which became effective during the year ended June 30, 2024

There were certain amendments that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Company which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) which were previously being recognised as 'Income tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) and the corresponding figures have been restated in these unconsolidated financial statements. The effects of restatements are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of changein accounting policy
	-------- (Rupees in '000') --------		
Effect on unconsolidated statement of profit or loss			
For the year ended June 30, 2024			
Levy & minimum tax	-	(91,845)	(91,845)
Profit before tax	468,633	(91,845)	376,788
Taxation	(220,231)	91,845	(128,386)
Profit after tax	248,402	-	248,402
For the year ended June 30, 2023			
Levy & minimum tax	-	(41,336)	(41,336)
Profit before tax	125,887	(41,336)	84,551
Taxation	10,232	41,336	51,568
Profit after tax	136,119	-	136,119

The related changes to the statement of cash flows with respect to the amount of profit before taxation have been made as well. There is no impact on profit after tax and earnings per share, basic and diluted.

b) New standards and amendments to published accounting and reporting standards that are not yet effective and not early adopted by the Company

There are certain new standards and amendments that will be applicable to the Company for its annual periods beginning on or after July 1, 2024. The new standards include IFRS 18 (Presentation and Disclosure in Financial Statements) and IFRS 19 (Subsidiaries without Public Accountability Disclosures) both with applicability date of January 1, 2027 as per IASB. These standards will become part of the Company's financial reporting framework upon adoption by the SECP. The overall amendments include those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability which are applicable effective January 1, 2026. The Company's management at present is in the process of assessing the full impacts of these new standards and the amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course.

3.1 Significant accounting judgments, estimates and assumptions

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the unconsolidated financial statements, are as follows:

	Note
Determining the residual values and useful lives of property and equipment and intangible assets	4.1.1, 4.1.2, 5 & 6
Provision for doubtful debts and other receivables	4.4, 11 & 17
Accounting for staff retirement benefits	4.12 & 23
Recognition of tax and deferred tax	4.6, 10 & 33
Other provisions and contingent liabilities	4.9 , 4.19 & 27
Determining the lease term of contracts with renewal and termination options	4.15 & 22

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented in the unconsolidated financial statements unless otherwise stated.

PRAAS

4.1 Fixed assets

4.1.1 Property, plant and equipment

Operating fixed assets - owned

These are stated at cost less accumulated depreciation and impairment losses, if any, except for freehold land, which is stated at cost less impairment loss.

Subsequent costs, if reliably measureable, are included in the asset's carrying amount, or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the cost will flow to the Company. The carrying amount of any replaced parts as well as other repair and maintenance costs, are charged to profit or loss account during the period in which they are incurred.

Depreciation is charged to profit or loss account by applying the straight-line method after taking into account the residual value, if any, whereby the depreciable amount of an asset is written-off over its estimated useful life. The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment loss, if any, or its reversal, is also charged to profit or loss account for the year. Where an impairment loss is recognised, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its estimated useful life.

In respect of additions and deletions of assets during the year, depreciation is charged from the month of acquisition and up to the month preceding the disposal, respectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on derecognition of an asset (calculated as the difference between the sale proceeds and the carrying amount of the asset) is recognised in profit or loss for the year.

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any. It consists of expenditure incurred and advances made in respect of fixed assets in the course of their erection, installation and acquisition. These are transferred to specific assets as and when these assets are available for intended use.

Leased

Assets held under finance leases are initially recorded at the lower of the present value of minimum lease payments under the lease agreements and the fair value of the leased assets. The related obligations under the leases less financial charges allocated to future periods are shown as a liability.

The financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of interest on the outstanding liability.

Depreciation is charged at the same rates as charged on the Company's owned assets.

4.1.2 Intangible assets and amortisation

The costs of licenses to provide telecommunication services are classified as intangible assets. These are stated at cost less accumulated amortisation and impairment, if any. These are amortised over the period of license commencing from the date when the license is available for intended use i.e. the date when it is in the condition necessary for it to be capable of operating in the manner intended by management.

4.2 Right of use asset

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Right-of-use assets are depreciated over the shorter period of lease term or useful life of the underlying asset. If a lease transfer's ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. Right-of-use assets are subject to annual impairment review in accordance with IAS 36.

4.3 Investments

Subsidiary companies

Investment in subsidiaries, where the Company has control, are measured at cost less impairment, if any, in the Company's financial statements. The profits or losses of subsidiaries are carried in the financial statements of the respective subsidiaries, and are not dealt with the financial statements of the Company, except to the extent of dividends, if any, declared by these subsidiaries.

4.4 Trade debts and other receivables

These are recognised and carried at original invoice amount less any loss allowance for any uncollectible amounts, if any. An estimate for doubtful debts is made when collection of the amount is no longer probable. Bad debts are written-off when identified.

4.5 Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets.

4.6 Taxation - levy and income tax

Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 (Application Guidance on Accounting for Minimum Taxes) and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements.

Current

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted as at reporting date. Management periodically evaluates positions taken in tax returns, with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions, where appropriate, on the basis of amounts expected to be paid to tax authorities.

Deferred

Deferred tax is recognised, using the balance sheet method, on all temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and tax credits to the extent that it is probable that future taxable profit will be available against which the assets can be utilised. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted as at reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

4.7 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise balance with banks, cash in hand and short term borrowing.

4.8 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

4.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed as at each reporting date and are adjusted to reflect the current best estimate.

4.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.10.1 Initial measurement of financial assets

The Company classified its financial assets into the following categories:

a) at fair value through other comprehensive income (FVTOCI).
b) at fair value through other profit or loss (FVTPL); and
c) at amortised cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Except for trade receivables which are measured at the transaction price determined under IFRS 15.

Financial assets are classified and measured at fair value through other comprehensive income (FVTOCI) or amortised cost, if both of the following conditions are met:

a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset and; (Business Model test)

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principle and Interest thereon. (SPPI test)

All purchases and sales of financial assets are recognised on the trade date which is the date on which the Company commits to purchase or sell the financial asset.

4.10.2 Subsequent measurement

Financial assets are subsequently classified into the following categories:

a) **Financial assets at amortised cost**

The Company measures its financial assets at amortised cost if Business Model test & SPPI test is passed. These assets are subsequently measured at amortised cost using Effective Interest Rate (EIR) method and are subject to impairment as at each reporting date. Gains / losses are recognised in the statement of profit or loss when the asset is derecognised / retired / modified.

b) **Financial assets at fair value through other comprehensive income (FVTOCI) (Equity Instruments).**

Upon initial recognition, an entity may make an irrevocable election to classify its equity investments at FVTOCI that are not held for trading purpose. Subsequent changes in the fair value of an equity investment are presented in other comprehensive income which are never reclassified to the statement of profit or loss. Dividends are recognised as other income in the unconsolidated statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

Equity instruments designated at fair value through OCI are not subject to impairment assessment.

c) **Financial asset at fair value through profit or loss (FVTPL)**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the unconsolidated statement of financial position at fair value with net changes in fair value recognised in the unconsolidated statement of profit or loss.

4.10.3 Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

4.10.4 Financial liabilities

Financial liabilities are initially recognised as financial liability at fair value through profit or loss or at amortised cost using Effective Interest Rate (EIR) method as appropriate. Financial liabilities are initially recognised at fair value net of directly attributable transaction cost in case of loans, borrowings and payables. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the unconsolidated statement of profit or loss. Financial liabilities, other than those carried at fair value through profit or loss (FVTPL), are subsequently measured at amortised cost using the EIR method.

4.10.5 Loans and borrowings

Loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit or loss over the period of the borrowings using the EIR methodology. The EIR amortisation is included in finance cost in these unconsolidated financial statements.

4.10.6 Derecognition of financial liabilities

Derecognition of financial liabilities occurs from the unconsolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in unconsolidated statement of profit or loss as other income or finance costs.

4.10.7 Offsetting financial assets and financial liabilities

Financial asset and financial liability are offset and the net amount is reported in the balance sheet, if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.11 Loss allowance for ECL / impairment

Financial assets

The Company assesses on a forward-looking basis the expected credit losses (ECLs) associated with its financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk from the date of initial recognition of a financial asset.

For trade receivables, the Company applies 'simplified approach' as permitted by IFRS 9, which requires expected lifetime credit losses to be recognised at initial recognition and throughout the life of the receivables at an amount equal to lifetime ECLs. Loss allowances are recognised in the statement of profit or loss as at reporting date.

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. An asset's recoverable amount is the higher of its fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment, are reviewed for possible reversal of the impairment as at each reporting date. Reversal of impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. An impairment loss, or the reversal of an impairment loss, are both recognised in the unconsolidated statement of profit or loss.

4.12 Employees' retirement benefits

Defined benefit plan

The Company operated an unfunded gratuity scheme for its employees upto March 31, 2008. The scheme was replaced by recognised provident fund scheme effective from April 01, 2008.

Defined contribution plan

The Company operates a recognised provident fund scheme for all its eligible employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at 8.33% of basic salary.

4.13 Foreign currency translation

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in foreign currencies, are translated into the functional currency using the exchange rate prevailing as at each reporting date. Exchange differences arising from the settlement of such transactions, and from the translation of monetary items at the end of the year exchange rates, are charged to the unconsolidated statement of profit or loss.

4.14 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

4.15 Lease liability against ROU assets

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For short-term leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

4.16 Revenue

The Company recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.Company's accounting policies with respect to its revenue recognition which are as follows:

- Revenue from enterprise sale services is recognised on an accrual basis.
- Revenue from termination of minutes is recognised at the time the call is terminated over the Company's network in case of international incoming calls.
- In case of sharing arrangements with local operators, proportionate share is recognised at the time of termination of calls on designated operator's network.
- Return on bank balances is recognosed on accrual basis.

4.17 **Interconnect charges and liability**

Interconnect charges are booked as liability on the basis of corresponding bills from interconnect partners except for the cases where management believes, based on its information system and records, that interconnect charges are over billed by the interconnect partners, in which case the liability is recorded on the basis of the Company's information system and records.

4.18 **Dividend distribution and transfer between reserves**

Dividend declared and appropriations to reserves made subsequent to the reporting date are considered non-adjusting events and are recognised in the financial statements in the year in which they are approved.

4.19 **Other provisions and contingent liabilities**

The management applies judgment in measuring and recognising provisions and the Company's exposures to contingent liabilities related to pending litigation and claims. Judgment is necessary in assessing the probability that a pending claim will succeed, or a liability will arise, and to quantify the possible range of financial settlement. Because of inherent uncertainty in this evaluation process, actual outcome may be different from the estimated provisions.

4.20 **Earning per share**

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

4.21 **Related party transactions**

Related parties comprises of subsidiary companies, major shareholders, associated companies with or without common directorship, other companies with common directorship, retirement benefit fund, directors, key management personnel and their close family members. Contribution to defined contribution plan (providend fund) are made as per the terms of employment. Remuneration of key management personnel are in accordance with their term of engagements. Transactions with other related parties are entered into at rates negotiated with them (agreed terms).

Following are the related parties of the Company:

Names of related party	**Basis of relationship**	**(%) of shareholding**
Hallmark Company Limited	Subsidiary company *(direct)*	-
Supernet Limited	Subsidiary company *(direct)*	-
Supernet E-Solutions (Private) Limited	Subsidiary company *(indirect)*	-
Supernet Secure Solutions	Subsidiary company *(indirect)*	-
Supernet Infrastructure Solutions (Private) Limited	Subsidiary company *(Indirect)*	-
Phoenix Global FZE	Subsidiary company *(indirect)*	-
Telegateway Limited	Wholly owned subsidiary	-
Nexus Communication (Private) Limited	Wholly owned subsidiary	-
Glitz Communication (Private) Limited	Wholly owned subsidiary	-
Globetech Communication (Private) Limited	Wholly owned subsidiary	-
Syed Aamir Hussain	Key management personnel	-
Syed Hashim Ali	Key management personnel	-
Mr. Waseem Ahmad	Key management personnel	-
Syed Muhammad Asim	Key management personnel	-

	Note	June 30, 2024	June 30, 2023
		---- (Rupees in '000') ----	

5. PROPERTY AND EQUIPMENT

	Note	June 30, 2024	June 30, 2023
Operating fixed assets - owned	5.1	295,140	300,503

5.1 Operating fixed assets

	Note	Cost				Accumulated depreciation				W.D.V.	
		As at July 01, 2023	Additions	Disposals	As at June 30, 2024	As at July 01, 2023	Charge for the year	Disposals during the year	As at June 30, 2024	As at June 01, 2024	Depreciation rate per annum
		(Rs. in '000')									
Owned											
Freehold land	5.1.1	3,020	-	-	3,020	-	-	-	-	3,020	-
Building on freehold land		625	-	-	625	623	-	-	623	2	-
Apparatus, plant & equipment	5.1.2	6,181,270	12,463	-	6,193,733	5,897,313	26,947	-	5,924,260	269,473	5-33%
Sign boards		30,875	-	-	30,875	30,875	-	-	30,875	-	-
Furniture, fixtures & equipment		51,601	382	-	51,983	48,132	617	-	48,749	3,234	10%
Computers & accessories		77,167	1,871	-	79,038	74,664	2,001	-	76,665	2,373	33%
Vehicles		21,865	19,329	(7,451)	33,743	14,313	2,765	(373)	16,705	17,038	20%
		6,366,423	34,045	(7,451)	6,393,017	6,065,920	32,331	(373)	6,097,877	295,140	

The statement of operating fixed assets for the last year is as follows:

	Cost				Accumulated depreciation				W.D.V.	
	As at July 01, 2022	Additions	Disposals	As at June 30, 2023	As at July 01, 2022	Charge for the year	Disposals during the year	As at June 30, 2023	As at June 30, 2023	Depreciation rate per annum
	(Rs. in '000')									
Owned										
Freehold land	3,020	-	-	3,020	-	-	-	-	3,020	-
Building on freehold land	625	-	-	625	623	-	-	623	2	-
Apparatus, plant & equipment	6,170,142	11,128		6,181,270	5,831,289	66,024	-	5,897,313	283,957	5-33%
Sign boards	30,875	-	-	30,875	30,875	-	-	30,875	-	-
Furniture, fixtures & equipment	50,985	616	-	51,601	47,554	578	-	48,132	3,469	10%
Computers & accessories	76,020	1,197	(50)	77,167	72,890	1,824	(50)	74,664	2,503	33%
Vehicles	23,729	-	(1,864)	21,865	16,160	17	(1,864)	14,313	7,552	20%
	6,355,396	12,941	(1,914)	6,366,423	5,999,391	68,443	(1,914)	6,065,920	300,503	

5.1.1 Freehold land and building on freehold land is situated at Regional Engineering Office, near Gatwala Bridge, Sheikhupura Road, Faisalabad measuring 5 canal 18 marla which are duly registered in the name of the Company. All other assets are in the name and possession of the Company.

5.1.2 The cost of fully depreciated assets as at June 30, 2024 is Rs. 6,054 million (2023: Rs. 5,564 million)

5.1.3 Depreciation for the year has been allocated as follows:

	Note	June 30, 2024	June 30, 2023
		---- (Rupees in '000') ----	
Direct costs	29	26,947	66,024
Administrative & distribution costs	30	5,384	2,419
		32,331	68,443

5.1.4 Particulars of tangible operating assets having aggregate net book value exceeding Rs 5,000,000 and individually a net book value Rs 500,000 or more disposed off during the year are as follows:

Particulars	Cost	Accumulated depreciation	Net book value	Sale proceeds	Loss	Mode of disposal	Particulars of buyer
	(Rs. in '000')						
Vehicles	7,451	373	7,078	6,300	(778)	Negotiation	Mr. Hafiz Abubakar Rizwan
Total	7,451	373	7,078	6,300	(778)		

6. INTANGIBLE ASSETS

	Note	Cost			Amortisation			W.D.V.	
		As at July 01, 2023	Addition/ (Disposal)	As at June 30, 2024	As at July 01, 2023	Charge for the year	As at June 30, 2024	as at June 30, 2024	Period (years)
		(Rs. in '000')							
WLL licenses	6.1	8,120	-	8,120	7,714	406	8,120	-	20
LDI license	6.2	29,029	-	29,029	27,348	1,548	28,896	133	20
		37,149	-	37,149	35,062	1,954	37,016	133	

	Cost			Amortisation			W.D.V.	
	As at July 01, 2022	Addition/ (Disposal)	As at June 30, 2023	As at July 01, 2022	Charge for year	As at June 30, 2023	as at June 30, 2023	Period (years)
	(Rs. in '000')							
WLL licenses	8,120	-	8,120	7,308	406	7,714	406	20
LDI license	29,029	-	29,029	25,800	1,548	27,348	1,681	20
	37,149	-	37,149	33,108	1,954	35,062	2,087	

6.1 These represent cost of non-exclusive licenses granted by the PTA to the Company for providing certain telecommunication services in the specified regions of the country and for establishing, maintaining and operating a telecommunication system, in accordance with the terms and conditions of the licenses. The licenses are effective for a period of 20 years, commencing on August 04, 2004.

6.2 This represents cost of non-exclusive license granted by the PTA to the Company for providing the LDI telecommunication services in the country for a effective period 20 years, commencing on July 27, 2004.

6.3 Subsequent to year end these Licenses had expired and the Company has filed the application for renewal of the License which is yet to approved by the PTA.

		Note	June 30, 2024	June 30, 2023
			---- (Rupees in '000') ----	
7.	**RIGHT-OF-USE ASSETS**			
	As at July 01,			
	Cost		83,538	83,538
	Accumulated		(73,926)	(61,775)
	Net book value		9,612	21,763
	Year ended June 30,			
	Opening net book		9,612	21,763
	Remeasurement of lease		52,749	-
	Depreciation for the year	29	(17,909)	(12,151)
	Closing net book		44,452	9,612
	As at June 30,			
	Cost		83,538	83,538
	Remeasurement of lease		52,749	-
	Accumulated		(91,835)	(73,926)
	Net book value		44,452	9,612
8.	**LONG-TERM INVESTMENTS**			
	In subsidiary companies - at cost	8.1	131,155	311,066
	Others - at cost	8.2	300,449	300,449
			431,604	611,515
	Less: provision for impairment	8.3	(301,249)	(301,249)
			130,355	310,266
8.1	**Subsidiary companies**			
	Quoted			
	Supernet Limited (SNL) 27,474,526 (2023: 91,107,611) ordinary shares of Rs. 10/- each 30% holding	8.1.1	115,355	310,266
	Hallmark Company Limited (HCL) 314,220 (2023: nil) ordinary shares of Rs. 47.74//- each	8.1.2	15,000	-
	Unquoted			
	Telegateway Limited 50,000 (2023: 50,000) ordinary shares of Rs. 10/- each		500	500
	Nexus Communication (Private) Limited 10,000 (2023: Rs. 10,000) ordinary shares of Rs. 10/- each		100	100
	Glitz Communication (Private) Limited 10,000 (2023: Rs. 10,000) ordinary shares of Rs. 10/- each		100	100
	Globetech Communication (Private) Limited 10,000 (2023: Rs. 10,000) ordinary shares of Rs. 10/- each		100	100
			800	800
			131,155	311,066

8.1.1 On March 27, 2024, the Company disposed off 51% shareholding in Supernet Limited to Hallmark Company Limited (HCL), another subsidiary of the Company, at a total price of Rs. 822.214 (Rs. 13.06 per share, while 30.19% was retained by the Company. As at June 30, 2024, the Company effectively holds 62.23% (30.19% directly, 32.04% indirectly by virtue of holding in HCL) in Supernet Limited and accordingly, continues to recognise the investment in Supernet Limited as subsidiary.

The amount against the disposal of the investment is expected to be received by September 2025. Accordingly, the receivable has been discounted and will unwind over the term of payment.

8.1.2 During the year, the Company acquired 62.84% shareholding in HCL from Supernet Infrastructure Systems Limited (SIS) at cost of Rs. 15 million. As this transaction occurred between entities under common control, no gain or loss was recognized. TCL's shareholding in HCL remained at 62.84% post-acquisition.

			June 30, 2024	June 30, 2023
			---- (Rupees in '000') ----	
8.2	**Others - at cost**			
	Augere Holdings			
	Class A preference ordinary shares each		300,449	300,449

8.2.1 Disclosures in respect of foreign investment as required by Companies Act, 2017 are as follows:

Name	Augere Holdings
Jurisdiction	Prins Bernhardplein 200 Amsterdam, 1097 JB Netherlands
Date of investment	February 24, 2012
Beneficial owner	Not available
Investment in foreign currency	USD 5.305 million against issuance of credit note

8.3 This represent the provision against investment in Augere Holdings.

9. LONG TERM DEPOSITS

		June 30, 2024	June 30, 2023
Security deposits - considered good			
Line deposits – PTCL		44,315	44,315
Rented premises		-	3,018
Guarantee margin		8,225	3,600
Others		100	1,180
		52,640	52,113

10. DUE FROM RELATED PARTIES

Hallmark Company Limited	10.1	632,118	-

10.1 This represents receivable from related parties against disposal of share in Supernet Limited which is receivable over a period of 1.5 years. i.e by September 2025. The amount has been recorded at present value discounted over the term of the payment.

11. DEFERRED TAXATION

	June 30, 2024	June 30, 2023
Deferred tax credits arising on		
Accelerated tax depreciation	(22,271)	(10,104)
Remeasurement of liability	(2,296)	(1,340)
Amortisation of intangible assets	(25)	(297)
	(24,592)	(11,741)

	Note	June 30, 2024	June 30, 2023
		---- (Rupees in '000') ----	
Deferred tax debits arising from			
Short term provisions		35,001	142,150
Retirement benefits		1,385	957
Leases liabilities		8,541	267
Tax paid on ACT		-	24,899
		44,927	168,273
		20,335	157,529

12. TRADE DEBTS

	Note	June 30, 2024	June 30, 2023
Unsecured - considered good			
Trade receivable - others		796,584	691,127
Related parties		135,372	-
		931,956	691,127
Domestic			
Considered good		717,503	528,789
Considered doubtful		61,376	48,818
		778,879	577,607
International			
Considered good		149,846	110,949
Considered doubtful		3,231	2,570
		153,077	113,519
		931,956	691,126
Considered doubtful trade debts		64,607	51,388
Loss allowance for ECLs	12.1	(64,607)	(51,388)
		-	-
		931,956	691,127

12.1 Loss allowance for ECL

	June 30, 2024	June 30, 2023
Balance as at July 01	51,388	24,542
Loss allowance charged for the year	13,219	26,846
Balance as at June 30	64,607	51,388

12.2 As at June 30, 2024, the ageing analysis of un-impaired trade debts is as follows:

	Total	Not due	Past due but not impaired: > three months upto one year	Above one year
	---- (Rupees in '000') ----			
Related Parties	135,372	-	-	135,372
Others	796,584	320,202	111,605	364,777
June 30, 2024	**931,956**	**320,202**	**111,605**	**500,149**

	Total	Not due	Past due but not impaired: > three months upto one year	Above one year
	---- (Rupees in '000') ----			
Others	691,127	223,662	26,240	441,225
June 30, 2023	**691,127**	**223,662**	**26,240**	**441,225**

		June 30, 2024	June 30, 2023
		---- (Rupees in '000') ----	
13. STOCK IN TRADE			
Stock in trade		24,823	-

13.1 This represent the stock purchase for onward selling during the normal course of business.

14. LOANS AND ADVANCES

Advances – unsecured considered good

Executives	14.1	4,829	4,266
Employees	14.2	8,035	4,897
Suppliers		70,371	5,902
		83,235	15,065

14.1 The maximum aggregate amount due from the executives at the end of any month calculated with reference to month end balances is Rs. 4.8 million (2023: Rs. 4.2 million).

14.2 Reconciliation of carrying amounts of loans to executives and other employees:

	As at June 30 2023	Disbursements	Repayments	As at June 30 2024
	(Rupees in '000')			
Executive	4,283	3,499	2,953	4,829
Other employees	4,880	15,168	12,013	8,035
	9,163	**18,667**	**14,966**	**12,864**

	As at June 30 2022	Disbursements	Repayments	As at June 30 2023
	(Rupees in '000')			
Executive	6,773	1,244	3,734	4,283
Other employees	4,664	14,048	13,832	4,880
	11,437	**15,292**	**17,566**	**9,163**

		Note	June 30, 2024	June 30, 2023
			---- (Rupees in '000') ----	
15.	**DEPOSITS AND PREPAYMENTS**			
	Deposits			
	Others		18,720	18,695
	Prepayments			
	Interconnect operators		2,204	14,771
	Rent		36,987	18,108
	Others		4,201	702
			43,392	33,581
			62,112	52,276
16.	**ACCRUED MARK-UP**			
	Mark-up on loan to third parties		9,035	9,116
17.	**OTHER RECEIVABLES**			
	Consider good			
	Karachi Relief Rebate Package	17.1 (a)	349,954	349,954
	Due from PTCL against ICH		96,041	96,041
	In Escrow account with PTA		397,594	352,594
	Pakistan Telecommunication Authority- APC for USF	17.2	1,547,559	1,547,559
	Pakistan Telecommunication Authority- ARFSF	17.3	118,135	118,135
	Pakistan Telecommunication Authority- others	17.4	117,197	117,197
	Claim against a bank		-	998
	Due from a contractor		3,778	3,493
	Punjab Revenue Authority (PRA)	17.5	34,956	34,956
	Others		6,221	33,769
			2,671,435	2,654,695
	Considered doubtful			
	Receivable from PTA		-	76,428
	Due from PTCL against WPS		-	243,890
			-	320,318
	Loss allowance for receivables considered doubtful	17.6	-	(320,318)
			-	-
			2,671,435	2,654,695

17.1 (a) The Government of Pakistan offered the Karachi Relief Rebate Package and PTCL started paying the same upto June 30, 1998 and thereafter, unilaterally, the Pakistan Telecommunication Company Limited (PTCL) decided to discontinue payment against the said package. The Company in the year 2000 filed a law suit against PTCL in the High Court of Sindh (the Court) for the recovery of Rs. 71.280 million accrued up to October 1999 and consequential losses thereon, aggregating to Rs. 2,261.930 million. The Court, during the year ended June 30, 2002, passed an interim order in favour of the Company and appointed a firm of Chartered Accountants for the determination of the actual amount receivable from PTCL. The said firm calculated the relief rebate and interconnect discount in accordance with the direction of the Court, containing various amounts determined under various alternatives, determination under the most favorable alternative amounted to Rs. 349.954 million, for the period commencing January 1997 to August 2001.

As the Court already passed an interim order in August 2001 in favour of the Company, the management and legal advisor of the Company is confident that the recovery of the amount accrued would be as prayed by the Company.

17.1 (b) During the year ended June 30, 2002, PTCL filed a law suit against the Company for the recovery of Rs. 334.313 million, alleging and disputing the relief rebate claimed / adjusted by the Company. In the opinion of the legal advisor of the Company, if it is decided by the Court that the Company is not entitled to the Karachi Relief Rebate and the decision in this case is against the Company, then the Company would have to pay only the above amount on account of Karachi Relief Rebate. However, if it is concluded by the Court that the relief rebate shall be allowed, then no amount would payable by the Company to PTCL, but in fact the Company would be entitled to recover certain amounts as claimed in the law suit, referred in (a) above. As per the above referred legal advisor there is likelihood that PTCL will not succeed in its claim in this suit.

Accordingly, pending the decision of the Court in this respect, the Company has not made any provisions for the aforesaid claim in these unconsolidated financial statements. The Court, in its order dated June 25, 2003 ordered the Company not to create third party interest on its fixed assets as well as any undertaking except in the ordinary course of business till the disposal of the case.

17.2 Over the years, Pakistan Telecommunication Authority (PTA) has demanded additional Access Promotion Contribution (APC) for Universal Service Fund (USF) payments through its determinations from most of the LDI operators including the Company which are challenged and stand sub-judice under different suits. The additional amount claimed by PTA from the Company is Rs. 2,313 million (net of the Rs. 345.59 million held in Escrow by PTA). During the year company made an addition payment amounting to Rs. 45 million, under protest.

These determinations have been challenged by most of LDI licensees including the Company on multiple grounds, including but not limited to a) that PTA has not properly implemented the policy, term of the license, AP Rules and Regulations in calculating these amounts b) that in any case the amounts demanded by PTA are based on rates which were different from the actual announced rates for APC for USF. Interim injunctions to the effect of no coercive action has been granted by the court pursuant to a consent order by the Court. Appeals of the Company and certain other LDI's are pending adjudication before the High Court of Sindh, while appeals of a few LDI licensees have been pending in the Islamabad High Court on similar grounds. The amount refundable to the Company in case of a successful outcome of its appeal is Rs. 1,547.559 million.

It is also pertinent to mention that these claims related to the period ending September 2012, thereafter the APC Regime was subsequently terminated by the MOIT and PTA.

17.3 This represents principal amount and late payment fee paid under protest to (PTA) on account of Annual Radio Frequency Spectrum Fee (ARFSF) for FY 2017 & 2018. This matter is challenged by the Company in a Writ Petition, filed before the Islamabad High Court which is pending adjudication. The subject matter of the pending Writ Petition also includes core issue of settlement of the Company's surrender of its Radio Frequency Spectrum (Spectrum) and the corresponding liability of Initial Spectrum Fees liability on it. The PTA's contention isthat the liability on account of Initial Spectrum Fee remains the same despite Company's early surrender of Spectrum in 2017 followed by the PTA's acceptance of the same. However, Company's plea is that the liability should be adjusted in accordance with the usage period. The matter is pending adjudication.

17.4 This amount represents payments made to PTA on account of Late Payment Additional Fee (LPAF) relating to Annual Regulatory Dues (ARD), Universal Service Fund (USF) and Research and Development Fund (R&D) Contributions amounting in aggregate in sum of Rs. 117.197 million out of which Rs. 62.209 million paid pursuant to Court Orders during the year 2018 and Rs. 54.988 million adjusted by PTA during the year 2010.

The Company has challenged the Court order by filing an appeal in Supreme Court of Pakistan in August 2018. The matter is pending adjudication and the management and legal advisor is confident that the same is on plausible grounds.

This also includes refund received from PTA on account of over payment against USF and R&D amounting to Rs. 3.980 million which shall be adjusted against future payments.

17.5 The PRA Lahore issued a demand of Rs. 1,333.312 million for the years 2014 and 2015 vide Order No. 74 dated August 13, 2018. The order was challenged before the Commissioner Appeal (PRA) Lahore who set aside the original demand vide order No. 299/2018 dated February 06, 2019 released on April 05, 2019. The tax authorities had attached the Company's account on March 30, 2019 and withheld an amount of Rs. 34.956 million. Since the order has been decided in favor of Company, hence the amount shall be refunded by the tax authorities.

		Note	June 30, 2024	June 30, 2023
			---- (Rupees in '000') ----	
17.6	**Loss allowance for ECLs against other receivables**			
	Opening balance		320,318	320,318
	Written off during the year		(320,318)	-
			-	320,318
18.	**TAXATION – NET**			
	Advance income tax		191,851	127,216
	Provision for taxation – current	33	(83,037)	(41,336)
			108,814	85,880
19.	**BANK BALANCES**			
	In current accounts			
	Local currency		9,305	2,408
	Foreign currency		5	9
			9,310	2,417
	In saving accounts			
	Local currency	19.1	44,982	32,188
			54,292	34,605

19.1 These carry mark-up at rates, ranging between 7.59% to 18.63% (2023: 5.98% to 11.97%) per annum.

20. SHARE CAPITAL AND RESERVES

20.1 AUTHORISED SHARE CAPITAL

June 30, 2024	June 30, 2023		June 30, 2024	June 30, 2023
Number of Shares ---- ('000') ----			---- (Rupees in '000') ----	
400,000	400,000	Ordinary shares of Rs.10/- each	4,000,000	4,000,000

			June 30, 2024	June 30, 2023
			---- (Rupees in '000') ----	

20.2 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

June 30, 2024	June 30, 2023		June 30, 2024	June 30, 2023
Number of Shares ---- ('000') ----			---- (Rupees in '000') ----	
315,000	315,000	Fully paid ordinary shares of Rs.10/- each issued for cash	3,150,000	3,150,000
23,625	23,625	Fully paid ordinary shares of Rs.10/- each issued as bonus shares	236,250	236,250
338,625	338,625		3,386,250	3,386,250

20.3 As at reporting date, chief executive officer, directors and their spouses held 0.01% (2023: 0.01%), associated undertaking held nil (2023: nil) and the balance of 99.99% (2023: 99.99%) are held by individual and others.

20.4 All ordinary shares rank equally with regard to residual assets of the Company. The ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. Voting rights, board selection, right of first refusal and block voting are in proportion to shareholding.

21. LONG TERM FINANCING

	Note	June 30, 2024	June 30, 2023
		---- (Rupees in '000') ----	
Secured			
Diminishing musharakah	21.1	-	36,614
Term finance certificates	21.2	602,378	752,342
		602,378	788,956
Current maturity shown under current liabilities			
Diminishing musharakah	26	-	(24,000)
Term finance certificate	26	(147,238)	(147,238)
		455,140	617,718

21.1 During the year, the Company has settled the outstanding amount of Diminishing Musharakah from a commercial bank , where by the outstanding of Rs. 62.047 million (including markup) has been settled against the payment of 48.255 million. This settlement of liability has resulted in gain of Rs. 16.453 million on the derecognition of loan which has been recorded in profit or loss account.

21.2 The Term Finance Certificates (TFC's) issued by the Company have been restructured effective from October 2021. Under the restructured terms, the outstanding principal amount is repayable over 20 equal quarterly installments beginning from March 31, 2022. Further, markup accrued till December 31, 2020 and the markup accrued post restructuring shall be paid in eight quarterly installments starting from March 31, 2027. These TFC's carry markup at the rate of three month KIBOR. As per the restructured agreement, profit shall not accrue from January 01, 2021 till September 30, 2021.

		Note	June 30, 2024	June 30, 2023
			---- (Rupees in '000') ----	
22.	**LEASE LIABILITIES**			
	Lease liabilities		45,134	9,352
	Current portion of lease liabilities	26	(14,038)	(7,474)
			31,096	1,878
22.1.	**Reconciliation of the carrying amount is as follows:**			
	As at July 01		9,352	26,286
	Remeasurement of lease		52,563	-
	Accretion of interest		9,859	2,271
	Lease rental payments made during the year		(26,640)	(19,205)
	Lease liability as at June 30		45,134	9,352
	Current portion of lease liabilities	26	(14,038)	(7,474)
	Long-term lease liabilities as at June 30		31,096	1,878
22.2.	**Maturity analysis**			
	Gross lease liabilities - minimum lease payments:			
	Not later than one year		23,179	8,436
	Later than one year but not later than five years		41,582	2,210
			64,761	10,646
	Future finance charge		(19,627)	(1,294)
	Present value of finance lease liabilities		45,134	9,352
23.	**DEFERRED LIABILITIES**			
	Staff gratuity		7,319	6,723
24.	**TRADE AND OTHER PAYABLES**			
	Interconnect operators		24,015	9,581
	Others		234,373	159,452
			258,388	169,033
	Other payables			
	Current accounts with related parties	24.1	506,844	304,797
	Advance from customer		2,583	-
	Accrued liabilities		432,467	194,339
	Payable to employees' provident fund		511	1,556
	Contract liability to customers		772	772
	Workers' welfare fund		9,927	4,964
	Others		92,398	38,574
			1,045,502	545,002
			1,303,890	714,035
24.1	**Current account with related parties**			
	Supernet Limited		476,557	285,420
	Telegateway Limited		30,056	15,028
	Glitz Communication (Private) Limited		80	80
	Globetech Communication ((Private) Limited		80	80
	Nexus Communication (Private) Limited		71	71
	Supernet E-Solutions (Private) Limited		-	4,118
			506,844	304,797

24.2 The above amounts due to related parties and are payable on demand and are interest free.

	Note	June 30, 2024	June 30, 2023
		---- (Rupees in '000') ----	
25. ACCRUED MARK-UP			
On secured			
Interest / mark-up against financing		87,218	30,783
On unsecured			
Current accounts with related parties		1,697	1,697
Current accounts with third parties		44,370	42,862
		133,285	75,342
26. CURRENT PORTION OF LONG TERM FINANCE AND LEASE LIABILITIES			
Current maturity of diminishing musharika	21	-	24,000
Current maturity of term finance certificates	21	147,238	147,238
Current maturity of lease liability	22	14,038	7,474
		161,276	178,712

27. CONTINGENCIES AND COMMITMENTS

27.1 During the year ended June 30, 2017, the Company filed a suit before the High Court of Sindh (SHC) challenging notice of demand dated August 24, 2016 on account of APC for USF and show cause notice dated November 17, 2016 issued by PTA for dues as of July 31, 2016 amounting to Rs. 3,904.241 million including principal amounting to Rs. 1,304.900 million and fine amounting to Rs. 2,599.340 million. The Court passed ad interim orders restraining the defendants from cancelling the license of and taking any coercive action against the Company. The matter is at the stage of hearing of applications. Management, in consultation with their legal advisor is of the view that the Company has a good and arguable case on merits and the suit is likely to be decreed in favor of the Company.

27.2 During the year June 30, 2012, in compliance with the directive of Ministry of Information Technology (MoIT) dated August 13, 2012 and the instructions issued there under by PTA vide letter No. 0401/12/(AP/CA) PTA, dated August 23, 2012, for the establishment of International Clearing House Exchange (ICH) between the LDI Operators and PTCL, which came into effect from October 01, 2012, all LDI Operators had authorized PTCL to terminate all Pakistan incoming traffic.

The Competition Commission of Pakistan (CCP), during the year ended June 30, 2013, declared the ICH agreement as illegal and imposed penalty @ 7.5% of annual turnover of each LDI for FY 2012 and also a fine of Rs. 1.000 million each.

The Company instituted a Constitutional Petition (CP) before the High Court of Sindh for setting aside order dated April 30, 2013 passed by CCP. The High Court of Sindh has suspended the impugned order on September 05, 2013 and the CP is disposed of with instructions to plead the matter before the Competition Appellate Tribunal. Accordingly, the matter is pending before the Competition Appellate Tribunal. The Tribunal has admitted the appeal for hearing and also suspended operation of the order impugned in this appeal.

27.3 During the year, the Company filed a suit against a demand note issued by PTA for USD 7.384 million against the WLL license fee for the previous years. The position of the Company is that the restrospective application is against the terms of the WLL license. The High Court has granted a ad interim stay order. Management, in consultation with their legal advisor is of the view that the Company has a good and arguable case on merits and the suit is likely to be decreed in favor of the Company.

27.4 The Company has received notices in respect of payment of WWF for the tax year from 2008 to 2011 amounting to Rs 28.32 million, The Company has filed appeals against these order in the High Court of Sindh, which are currently pending. The legal advisor is of the view that Company has a good arguable case and is expected to be decided in the favour of the Company. Accordingly no provision has been made in these unconsolidated financial statements

27.5 In respect of the assessment years 1999 - 2000 to 2002 - 2003, the Company was assessed partly under the presumptive tax regime (now final tax regime) and partly under the normal tax regime. Further, for assessment years 2001 - 2002 and 2002 - 2003, apart from taxation on historic basis, the tax authorities disallowed tax credit as well as the reinvestment allowance claimed by the Company on purchase of fixed assets. Tax demand in respect of these cases amounts to Rs. 59.810 million. The Company has filed appeals against these cases with the High Court of Sindh (the Court), which are currently pending.

An order has been passed by the Taxation Officer under section 122(1) of the Income Tax Ordinance. 2001, for the year 2003 whereby income has been assessed at Rs. 56.92 million against the reported tax loss of Rs. 5.940 million. The Company had filed an appeal against the same before the Income Tax Appellate Tribunal (ITAT) which had decided the case against the Company, after admitting an adjustment of tax refundable, amounting to Rs. 4.530 million, against tax demand of Rs. 19.360 million, thus creating a final tax demand of Rs. 14.790 million. The Company has filed an appeal in the Court, which has not been heard to-date.

27.6 PTCL's claim amounting to Rs. 2.013 million in respect of monthly billing has not been acknowledged as debt by the Company. The Company maintains that the said amount is overbilled by PTCL.

27.7 Contingencies in respect of matters relating to PTCL have been disclosed in notes 17.1 (a & b) to these unconsolidated financial statements.

27.8 Contingencies in respect of PTA various claims and ISF are disclosed in note 17 to these unconsolidated financial statements.

27.9 No provision on account of above contingencies including note 27.7 and 27.8 has been made in these unconsolidated financial statements as the management and legal advisors of the Company are of the view, that these matters will eventually be settled in favour of the Company.

27.10 Counter guarantees given to banks amount to Rs. 1.762 million (2023 Rs.39.00 million) .

	Note	June 30, 2024	June 30, 2023
		-- (Rupees in '000') --	
28. REVENUE – NET			
Voice services		41,367	37,978
Wireless data		1,850,622	1,339,043
International revenue		402,694	390,839
	28.1	2,294,683	1,767,860

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28.1 Revenue is stated net of federal excise duty and sales tax amounting to Rs 295.51 million (June 30, 2023: Rs 193.58 million). International revenue represents revenue from foreign network operators, for calls / data that originate outside Pakistan amounting to Rs. 792.45 million (2023: Rs. 899.85) has been recognized during the year.

	Note	June 30, 2024	June 30, 2023
		-- (Rupees in '000') --	
29. DIRECT COSTS			
Interconnect charges – net		51,927	85,308
Sale of equipment		388	-
Network media charges		1,178,571	681,793
Short-term leases - network sites rent		60,841	68,831
Network sites utilities and maintenance		135,816	107,176
Loss on remeasurement of lease		8,804	-
Insurance		2,310	2,310
Annual regulatory charges		28,725	23,685
Depreciation on operating fixed assets	5.1.3	26,947	66,024
Depreciation on right-of-use assets	7	17,909	12,151
Amortisation	6	1,954	1,954
		1,514,192	1,049,232
30. ADMINISTRATIVE & DISTRIBUTION COSTS			
Salaries and other benefits	30.1	257,299	266,096
Postage, telephone and telex		2,491	2,737
Vehicles running and maintenance		39,393	35,933
Travelling and entertainment		4,714	2,663
Office security and maintenance		15,612	12,949
Printing and stationery		5,304	3,256
Short-term leases - rent		59,402	58,841
Utilities		50,155	31,264
Insurance		11,107	9,328
Legal and professional charges		21,789	5,859
Auditors' remuneration	30.3	4,365	3,987
Sales promotion and marketing		1,656	1,578
Fee and subscription		4,941	6,747
Depreciation	5.1.3	5,384	2,419
Software support services		1,100	8,608
Other receivables write-off		56,449	-
Loss allowance against other receivable		13,219	26,846
Others	30.2	117,266	14,616
		671,646	493,727

30.1 This includes Rs. 0.596 million in respect of gratuity expense for the year (2023: Rs. 1.206 million) and Rs. 8.23 million (2023: Rs. 8.00 million) in respect of the Company's contribution towards provident fund.

30.2 This includes Rs 76.528 million paid to service provider against the additional service charges and Rs. Rs. 4.098 million against forfeited deposited paid to various parties paid during the normal course of business.

		Note	June 30, 2024	June 30, 2023
			--- (Rupees in '000') ---	
30.3	**Auditors' remuneration**			
	Audit fee for unconsolidated financial statements		2,000	2,000
	Audit fee for consolidated financial statements		450	450
	Fee for review of half yearly financial statements		900	900
	Other certifications		645	325
	Out-of-pocket expenses		370	312
			4,365	3,987
31.	OTHER INCOME			
	Income from financial assets & liabilities			
	Income from saving accounts		753	3,147
	Mark-up on short term loan to related party		-	2,669
	Gain on sale of long term investment	8.1.1	415,326	-
	Unwinding income	8.1.1	35,330	-
	Gain arising on final settlement of diminishing musharika	21.1	16,453	-
	Realised & unrealised exchange (loss) - net		(2,612)	(1,174)
			465,250	4,642
	Income from non-financial assets & liabilities			
	(Loss) / gain on disposal on property and equipment		(778)	2,290
	Liabilities no longer payable written-back		-	6,354
			(778)	8,644
			464,472	13,286
32.	FINANCE COSTS			
	Interest / mark-up on			
	Short-term financing		2,450	8,070
	Term finance certificates		88,079	91,643
	Lease liabilities against ROU assets		9,859	2,271
			100,388	101,984
	Mark-up on related party		1,508	2,973
	Mark-up on other's		81	529
	Bank charges		2,707	6,814
			104,684	112,300
33.	LEVY & TAXATION			
	Levy	33.1	91,845	41,336
	Taxation	33.2	128,386	(51,568)
			220,231	(10,232)

33.1 This represents final taxes paid under section 153 and section 154 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 / IAS 37.

		June 30, 2024	June 30, 2023
		---- (Rupees in '000') ----	
33.2	**Taxation**		
	Current year tax expense	-	-
	Prior year reversal	(8,808)	-
	Deferred tax expense	137,194	(51,568)
		128,386	(51,568)

	June 30, 2024	June 30, 2023
	--- (Rupees in '000') ---	

33.1 Relationship between accounting profit and income tax expense

Profit before taxation	468,633	125,887
Tax @ 29%	135,904	36,507
Portion of current tax representing levy	(91,845)	(41,336)
Effect of prior period tax	(8,808)	-
Others	184,980	(5,403)
	220,231	(10,232)

33.2 The income tax assessments of the Company have been finalised up to and including the tax year 2022, except for certain tax year in respect of which, appeals are currently in progress at different forums (note 27.5).

33.3 Deferred tax is computed at the rate of 29% applicable to the period when temporary differences are expected to be reversed/ utilised.

	June 30, 2024	June 30, 2023
	--- (Rupees in '000') ---	

34. EARNINGS PER SHARE - BASIC AND DILUTED

34.1 Earnings per share - Basic

Profit for the year	248,402	136,119
Weighted average number of ordinary shares outstanding during the year (in'000)	338,625	338,625
Earnings per share - basic (Rs)	0.73	0.40

34.2 Earnings per share - Diluted

No figures for diluted earnings per share have been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

35. CASH GENERATED FROM OPERATIONS

	Note	June 30, 2024	June 30, 2023
		--- (Rupees in '000') ---	
Profit before taxation		468,633	125,887
Adjustments for non-cash charges and other items:			
Depreciation	5.1.3	32,331	68,443
Depreciation on right-of-use assets	7	17,909	12,151
Amortisation	6	1,954	1,954
Provision for gratuity		-	250
Unrealised exchange gain		2,612	1,174
Finance costs	32	89,668	107,757
Finance cost on lease liabilities against ROU assets		9,859	2,271
Liabilities no longer payable written-back	31	-	6,354
Interest income	31	-	(2,669)
Gain on sale of long term investments	31	(450,656)	-
Gain on final settlement of diminishing musharika	31	(16,453)	-
Loss on disposal on property and equipment	31	778	(2,290)
		(311,998)	195,396
		156,635	321,283

	June 30, 2024	June 30, 2023
	--- (Rupees in '000') ---	
Profit before working capital changes		
(Increase) / decrease in current assets		
Trade debts	(240,829)	(218,422)
Stock-in-trade	(24,823)	
Loans and advances	(68,170)	54,007
Deposits and prepayment	(9,836)	(4,841)
Accrued mark-up	81	21,212
Other receivables	(16,739)	(26,880)
	(360,316)	(174,924)
Increase in current liabilities		
Trade and other payables	589,855	58,886
Cash generated from operations	386,174	205,245

36. REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2024			2023		
	Chief executive officer	Director	Executives	Chief executive officer	Directors	Executives
	(Rupees in '000')					
Managerial remuneration	10,452	13,982	33,845	10,452	12,581	32,637
Other perquisites and benefits						
House rent	4,703	6,291	15,230	4,703	5,661	14,687
Medical	15	19	99	15	17	96
Retirement benefits	435	582	1,432	435	524	1,381
Utilities	1,045	1,398	3,384	1,045	1,258	3,264
	6,198	8,290	20,145	6,198	7,460	19,428
	16,650	22,272	53,990	16,650	20,041	52,065
Number of persons	1	2	15	1	2	15

37. FINANCIAL INSTRUMENTS BY CATEGORY

37.1 Financial assets at amortised cost

	Note	June 30, 2024	June 30, 2023
		--- (Rupees in '000') ---	
Long term deposits	9	52,640	52,113
Trade debts	12	931,956	691,127
Short term deposits	15	18,720	18,695
Accrued mark up / profit	16	9,035	9,116
Other receivable	17	2,636,479	2,619,740
Bank balances	19	54,292	34,605
		3,703,122	3,425,395

		Note	June 30, 2024	June 30, 2023
			--- (Rupees in '000') ---	
37.2	**Financial liabilities measured at amortised cost**			
	Long term financing	21	455,140	617,718
	Lease liabilities	22	31,096	1,878
	Trade and other payables	24	1,303,890	708,299
	Current portion of long term financing and lease liabilities	26	161,276	178,712
	Accrued mark-up	25	133,285	75,342
			2,084,687	1,581,949

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk. The risk is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the management. The Board of Directors supervises the overall risk management approach within the Company.

38.1 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market variables such as interest rates, foreign exchange rates and equity prices.

38.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in the market interest rates. As of June 30, 2024, the Company is exposed to such risk mainly in respect its holding of variable rate financial instruments which comprises of balances held with Banks, and long-term financing. When the Company has surplus cash available for investment, it minimizes the interest rate risk by investing in fixed rate investments. The Company does not holds any fixed rate financial instruments as at reporting date.

Management of the Company estimates that 1% increase in the market interest rate, with all other factors remaining constant, would decrease the Company's profit by Rs. 6.20 million (June 30, 2023: Rs. 6.2 million) and a 1% decrease would result in an increase in the Company's profit by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

38.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to a change in a foreign exchange rates. It arises mainly where foreign currency dominated financial instruments exists as at reporting date due to transactions undertaken in foreign currency. The Company's exposure to foreign currency risk is as follows:

	June 30, 2024	June 30, 2023
	------- US $ -------	
Trade debts	549,962	111,193
Bank balances	19	35
Trade and other payables	(150,815)	(86,073)
Net exposure	399,166	25,155

The following significant exchange rates have been applied at the reporting dates:

Exchange rate (Rupees)	278.34	285.90

The foreign currency exposure is partly covered as majority of the Company's billing is determined in US Dollars which is converted into rupees at the exchange rate prevailing at the transaction date. The Company has assessed that hedging its foreign currency transactions will be more expensive than assuming the risk itself.

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Company's profit before tax and the Company's equity:

	Change in US $ rate	Effect on profit / (loss)	Effect on equity
	%	--- (Rupees in '000') ---	
June 30, 2024	+10	(11,110)	(11,110)
	-10	11,110	11,110
June 30, 2023	+10	(719)	(719)
	-10	719	719

38.1.3 Equity price risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. As of June 30, 2024 the Company is not exposed to equity price risk.

38.2 Credit risk

Credit risk is the risk that counterparty will cause a financial loss to the Company by failing to discharge its obligations. The table below analysis the Company's maximum exposure to credit risk.

	Note	June 30, 2024	June 30, 2023
		-- (Rupees in '000') --	
Long term deposits	9	52,640	52,113
Trade debts	12	931,956	691,127
Loan and advances	14.1	83,235	5,902
Accrued mark-up	16	9,035	9,116
Other receivables	17	2,667,657	2,651,202
Bank balances	19	54,292	34,605
		3,798,815	3,444,065

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

The credit quality of financial assets that are neither past nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates as follows:

	June 30, 2024	June 30, 2023
	-- (Rupees in '000') --	
Trade debts		
Customers with no defaults in the past one year	931,956	691,127

The Company's exposure to credit risk is mainly influenced by individual characteristics of each customer. The management of the Company has established a credit policy whereby individual customers are assessed for credit worthiness by reviewing relevant internal and external available information. The Company limits its exposure to credit risk from trade debts by establishing a maximum payment period ranging between one to three months for corporate customers. The Company has been transacting with telecommunication companies and defense and government institutions for many years and none of these entities balances have been written-off or credit impaired as at reporting date.

Corporate customers consists of legal entities only and the Company does not deal with individual customers. Most of the corporate customers have been transacting with the Company for many years and are not credit impaired as at reporting date. Ageing analysis of trade debts is disclosed in the relevant note to these unconsolidated financial statements.

Expected credit losses

The Company uses allowance matrix for measurement of expected credit losses on trade debts. Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the management's view of economic conditions over the expected lives of the trade debts. The Company carries the following balance on account of expected credit losses as at reporting date:

	June 30, 2024	June 30, 2023
	---- (Rupees in '000') ----	
Expected credit losses on trade debts arising from contracts with customers	64,607	51,388

For movement in expected credit losses during the year, refer relevant note to the financial statement.

Bank balances		
AAA	1,674	-
AA+	44,529	34,600
AA-	563	5
A-	42	-
A	7,484	-
	54,292	34,605

38.3 Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

38.4 Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash due to availability of funding through an adequate amount of committed credit facilities.

Management monitors the forecasts of the Company's cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with the practice and limits set by the Company. The Company regularly monitors the credit exposure towards the customers and make allowance for ECLs against doubtful balances. In addition, the Company's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities, monitoring balance sheet liquidity ratios against internal and external liquidity requirements and maintaining debt financing plans. However, the Company plans to improve its liquidity position through enhancement and re-profiling of banking facilities, improved revenue generation and cost cutting measures.

38.5 The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Carrying amount	Less than 3 months	3 to 12 months	1 to 5 Years	Greater than 5 years
	(Rupees in '000)				
Long term financing	455,140	-	-	455,140	-
Trade & other payables	1,303,890	9,927	1,293,963	-	-
Accrued mark-up	133,285	133,285	-	-	-
Current portion of long term finance	161,276	14,038	147,238	-	-
June 30, 2024	2,053,591	157,250	1,441,201	455,140	-

	Carrying amount	Less than 3 months	3 to 12 months	1 to 5 Years	Greater than 5 years
	(Rupees in '000)				
Long term financing	617,718	-	-	617,718	-
Trade & other payables	713,263	4,964	708,299	-	-
Accrued mark-up	75,342	75,342	-	-	-
Current portion of long term finance	178,713	42,810	135,903	-	-
June 30, 2023	1,585,036	123,116	844,202	617,718	-

Effective interest/mark-up rates for the financial liabilities are mentioned in the respective notes to the financial statements. The maturity analysis of lease liabilities is disclosed in note 22.2 to the unconsolidated financial statements.

38.6 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short-term in nature or repriced periodically.

International Financial Reporting Standard 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and

- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

If inputs used to measure the fair values of an asset or a liability fall into different levels then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Transfers, if any, between levels of the fair value hierarchy is recognized at the end of the reporting period during which the transfer has occurred. The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of changes in market and trading activity and changes in inputs used in valuation techniques.

As at year end the fair value of all the financial assets and liabilities approximates to their carrying values. The property plant and equipment is carried at cost less accumulated depreciation and impairment if any, except free-hold land which are stated at cost less impairment, if any. Long term investments in subsidiaries represent the investment in unquoted shares of companies carried at cost. The Company does not expect that unobservable inputs may have significant effect on fair values.

38.7 Capital risk management

The primary objectives of the Company when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. The gearing ratios as at June 30, 2024 and June 30, 2023 were as follows;

	June 30, 2024	June 30, 2023
	-- (Rupees in '000') --	
Total debt	703,634	827,213
Less: Cash & cash equivalent	(54,292)	(34,605)
Net debt	649,342	792,608
Total equity	3,024,475	2,776,073
Total debt and equity	3,673,817	3,568,681
Gearing ratio	17.67%	22.21%

39. TRANSACTIONS WITH RELATED PARTIES

The related parties include subsidiary companies, entities having directors in common with the Company, major shareholders of the Company, directors and other key management personnel and retirement benefit plans. Relationship and percentage of holding are disclosed in note 4.21.

Transactions with related parties, other than those disclosed elsewhere in the financial statements are as under:

		June 30, 2024	June 30, 2023
		-- (Rupees in '000') --	
Relationship: Wholly owned subsidiary companies			
Name	**Nature of transaction**		
Hallmark Company Limited	Disposal of shareholding in SNL	822,214	-
Supernet Limited	Services received	-	-
Supernet E-Solutions	Services received	14,490	6,492
Supernet Infrastructure Solutions (Private) Limited	Purchase of HCL shares	15,000	-
Relationship: Entities having directors in common with the Company			
Name	**Nature of transaction**		
Provident fund	Contributions during the year	8,233	8,112
Remuneration and benefits	Key management personel	53,990	52,065
Meeting fee	Non-executive directors	750	-

39.1 Balances outstanding with related parties have been disclosed in the respective notes to these unconsolidated financial statements.

40. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on latest un-audited financial statements of the fund:

	Note	June 30, 2024	June 30, 2023
		-- (Rupees in '000') --	
		(Un-audited)	(Audited)
Size of the fund - Total assets		167,670	145,440
Investment made at cost		125,920	107,113
Fair value of investments	40.1	131,661	113,122
Percentage of investments made		78.52%	77.78%

40.1 The break-up of fair value of investments is:

Bank balances / deposits	104,674	66,704
Mutual funds	8,448	6,622
	113,122	73,326

40.2 The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

40.3 The share of employees of the Company is 35.4% (2023: 39.5%) in the total assets of the fund.

41. CORRESPONDING FIGURES

Corresponding figures have been reclassified / rearranged wherever necessary for better presentation, however, there were no material reclassifications of corresponding figures.

42. NUMBER OF EMPLOYEES

The numbers of employees at the year ended were 121 (2023: 126) and average number of employees during the year were 130 (2023: 131).

43. GENERAL

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

44. AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on 14 OCT 2024 by the board of directors of the Company.

Chief Executive Officer | **Chief Financial Officer** | **Director**

TELECARD LIMITED

COMBINED PATTERN OF CDC & PHYSICAL SHARE HOLDINGS AS AT 30/06/2024

NUMBER OF SHARE HOLDERS	SHARE HOLDINGS			TOTAL SHARES HELD
942	1	-	100	37,080
1,062	101	-	500	326,937
1,304	501	-	1000	941,470
3,667	1001	-	5000	8,961,355
1,382	5001	-	10000	10,287,180
685	10001	-	15000	8,424,594
420	15001	-	20000	7,531,378
284	20001	-	25000	6,505,320
202	25001	-	30000	5,654,498
125	30001	-	35000	4,110,594
97	35001	-	40000	3,707,864
64	40001	-	45000	2,749,950
126	45001	-	50000	6,145,534
77	50001	-	55000	4,056,864
50	55001	-	60000	2,920,391

33	60001	-	65000	2,057,638
32	65001	-	70000	2,186,624
27	70001	-	75000	1,973,618
27	75001	-	80000	2,107,146
19	80001	-	85000	1,574,174
23	85001	-	90000	2,038,385
18	90001	-	95000	1,665,425
61	95001	-	100000	6,071,155
17	100001	-	105000	1,740,634
16	105001	-	110000	1,727,067
21	110001	-	115000	2,367,040
17	115001	-	120000	2,017,684
9	120001	-	125000	1,109,300
4	125001	-	130000	513,401
7	130001	-	135000	934,889
4	135001	-	140000	552,527
3	140001	-	145000	434,445
13	145001	-	150000	1,939,391

5	150001	-	155000	765,639
1	155001	-	160000	160,000
5	160001	-	165000	810,416
9	165001	-	170000	1,515,284
5	170001	-	175000	866,956
2	175001	-	180000	359,350
1	180001	-	185000	184,500
3	185001	-	190000	563,614
4	190001	-	195000	774,568
22	195001	-	200000	4,399,716
3	200001	-	205000	603,127
5	205001	-	210000	1,044,071
6	210001	-	215000	1,281,807
3	220001	-	225000	661,500
4	225001	-	230000	911,096
3	230001	-	235000	703,404
1	235001	-	240000	240,000

3	240001	-	245000	727,112
7	245001	-	250000	1,749,994
2	250001	-	255000	501,518
3	255001	-	260000	776,075
3	260001	-	265000	785,800
6	265001	-	270000	1,614,063
2	270001	-	275000	545,093
4	275001	-	280000	1,107,736
2	280001	-	285000	566,102
3	285001	-	290000	865,856
2	290001	-	295000	580,987
10	295001	-	300000	2,996,328
3	300001	-	305000	910,660
2	305001	-	310000	613,492
3	310001	-	315000	935,172
2	315001	-	320000	640,000
3	325001	-	330000	986,043
1	330001	-	335000	333,250

2	335001	-	340000	675,625
1	340001	-	345000	344,000
3	345001	-	350000	1,050,000
4	355001	-	360000	1,433,679
1	365001	-	370000	369,442
2	375001	-	380000	754,381
1	380001	-	385000	380,500
2	390001	-	395000	784,394
6	395001	-	400000	2,392,879
2	400001	-	405000	804,000
1	405001	-	410000	410,000
2	420001	-	425000	845,423
3	425001	-	430000	1,286,316
1	430001	-	435000	430,500
2	445001	-	450000	895,159
2	450001	-	455000	908,306
1	460001	-	465000	463,500

1	465001	-	470000	466,000
1	470001	-	475000	473,000
4	495001	-	500000	2,000,000
1	500001	-	505000	502,562
1	535001	-	540000	537,500
2	540001	-	545000	1,085,412
1	565001	-	570000	569,000
2	570001	-	575000	1,146,515
1	575001	-	580000	578,212
1	595001	-	600000	600,000
1	600001	-	605000	603,973
1	640001	-	645000	642,047
1	645001	-	650000	648,500
1	660001	-	665000	662,000
1	665001	-	670000	668,477
1	675001	-	680000	678,360
1	685001	-	690000	689,000
1	700001	-	705000	700,500

1	715001	-	720000	716,049
1	730001	-	735000	733,500
1	750001	-	755000	752,500
1	770001	-	775000	774,595
1	805001	-	810000	806,250
1	815001	-	820000	818,240
2	820001	-	825000	1,645,888
1	830001	-	835000	833,674
1	840001	-	845000	841,387
1	875001	-	880000	875,309
2	915001	-	920000	1,839,033
1	925001	-	930000	926,000
1	945001	-	950000	949,367
1	975001	-	980000	979,350
2	995001	-	1000000	2,000,000
1	1045001	-	1050000	1,050,000
1	1050001	-	1055000	1,055,000

1	1065001	-	1070000	1,067,000
1	1070001	-	1075000	1,075,000
1	1105001	-	1110000	1,107,250
1	1130001	-	1135000	1,133,265
1	1190001	-	1195000	1,195,000
1	1210001	-	1215000	1,211,873
1	1240001	-	1245000	1,244,185
1	1295001	-	1300000	1,300,000
1	1895001	-	1900000	1,895,250
1	2010001	-	2015000	2,015,000
1	2205001	-	2210000	2,205,314
1	2295001	-	2300000	2,299,000
1	2820001	-	2825000	2,821,875
1	3120001	-	3125000	3,124,324
1	4395001	-	4400000	4,396,320
1	4940001	-	4945000	4,945,000
1	5050001	-	5055000	5,054,037
1	7865001	-	7870000	7,869,000

1	45250001	-	45255000	45,254,166
1	63880001	-	63885000	63,884,956
11,080				**338,625,000**

Telecard Limited Catagories of Shareholders			
As at June 30, 2024			
NAME	**NO OF SHARES**	**NOS**	**%**
INDIVIDUALS	**195,779,154**	**10,969**	**58**
JOINT STOCK COMPANIES	140,668,473	84	41.54
BANKS, DFI'S, INSURANCE COMPANIES	189,737	4	0.06
MODARBAS AND MUTUAL FUND & OTHERS	1,943,463	13	0.57
	142,801,673	**101**	**42.17**
FOREIGN INVESTORS			
BARING SECURITIES NOMINEES LTD	451	1	0.00
BOSTON SAFE DEPOSIT & TRUST	1,693	1	0.00
LEHMAN BROTHERS SECURITIES	3,837	1	0.00
STATE STREET BANK & TRUST CO U.S.A	8,578	1	0.00
	14,559	**4**	**0.00**
DIRECTORS, CHIEF EXECUTIVE AND THEIR SPOUSES			
SYED AAMIR HUSSAIN	27439	2	0.01
WASEEM AHMAD	564	1	0.00
SYED MUHAMMAD PERVEZ SADIQ	537	1	0.00
ASAD MUJTABA NAQVI	537	1	0.00
FABZEA AHSEN	537	1	0.00
	29,614	**6**	**0.01**
Total	**338,625,000**	**11,080**	**100**

Form of Proxy for the Annual General Meeting

I/We ____________________ s/o __________________________ of ________ being a member of **Telecard Limited** and holding ___________________ ordinary shares as per Folio No. __________________ and/or CDC participant I.D. No. _____________ and Sub-Account No. _________ hereby appoint ____ of _______________ or failing him ____ of _______________ as my/our proxy to vote for me/us and on my behalf at the Annual General Meeting of the Company to be held on Wednesday 27 November, 2024 at 1200 at Islamabad Hotel G-6 Markaz, Islamabad, and at any adjournment thereof.

Signed this __________ day of ______________, 2024.

Rupees Five Revenue Stamp

WITNESS:

1. Signature: _____________________
   Name: _____________________
   Address: _____________________
   ____

CNIC No.

					-								-	

Or Passport No. ____________________

2. Signature: _____________________
   Name: _____________________
   Address: _____________________
   ____

CNIC No.

					-								-	

Or Passport No. ____________________

____

Signature of the shareholder

1. For physical shareholders: The signature should agree with the specimen registered with the company.
2. For CDC shareholders: The signature should agree with the specimen on CNIC attached).

CNIC No.

					-								-	

NOTES:

1. A member of the Company entitled to attend and vote may appoint a proxy to attend and vote instead of him / her. Proxies in-order must be received, during business hours, at the Registered Office of the Company situated at Islamabad not less than 48 hours before the time of holding Annual General Meeting.

2. Shareholders whose shares are deposited with Central Depository Company (CDC) are requested to bring their Computerized National Identity Card (CNIC) along with their CDC Account Number for verification. In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

3. For attending the meeting and appointing proxies, CDC account holders will further have to follow the guidelines as laid down in Circular 01 dated 26 January, 2000 issued by the SECP.