TELECARD LIMITED

Annual Audited Report

June 30, 2025

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) Mr. Syed Aamir Hussain (CEO) Mr. Waseem Ahmad Mr. Asad Mujtaba Naqvi Mr. 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	Mr. Syed Aamir Hussain
Legal Advisor	Mohsin Tayebaly & Co.
Chief Financial Officer	Mr. Syed Hashim Ali
Company Secretary	Mr. Waseem Ahmad
Banks	Habib Metropolitan Bank Ltd Meezan Bank Limited Bank Al – Habib Limited United Bank Limited Habib Bank Limited
Registrar and Share Transfer Office	Jwaffs Registrar Services (Pvt.) Ltd. Off. No. 20, 5th floor, Arkay Square Extension, New Chali, Sahrah-e-Liaquat, 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 32nd ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd **Annual General Meeting** (AGM) of the shareholders of **Telecard Limited** (the Company) will be held on October 28, 2025 at 12:00 noon at Islamabad Hotel, G-6, Civic Centre, Islamabad to transact the following business:

ORDINARY BUSINESS:

1. To read and confirm the minutes of the AGM held on November 27, 2024.

2. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended June 30, 2025, together with the Reports of the Directors and Auditors thereon.

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/

3. To appoint external auditors of the Company for the year ending June 30, 2026 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.

SPECIAL BUSINESS:

4. To consider and if deemed fit, ratify and approve (as the case may be), the following resolutions, as special resolutions, with respect to related party transactions / arrangements conducted / to be conducted, in terms of Sections 207 and / or 208 of the Companies Act, 2017 (to the extent applicable), with or without modification:

"RESOLVED THAT the transactions, arrangements, agreements, and balances carried out by the Company with its Related Parties during the year ended June 30, 2025, as disclosed in the annual audited financial statements of the Company for the said period be and are hereby ratified, approved, and confirmed."

"FURTHER RESOLVED THAT the Board of Directors and the Company be and is hereby fully authorized to enter into arrangements or carry out transactions from time to time with different related parties to the extent deemed fit and / or approved by the Board of Directors, during the financial year ending June 30, 2026 or up to next annual general meeting. The members have noted that for the aforesaid arrangements and transactions some or a majority of the Directors may be interested. Notwithstanding the same, the members hereby grant an advance authorization and approval to the Board Audit Committee and the Board of Directors of the Company, including under Sections 207 and / or 208 of the Companies Act, 2017 (to the extent applicable) to review and approve all related party transactions as per the quantum approved by the Board of Directors from time to time."

"FURTHER RESOLVED THAT the transactions approved by the Board of Directors shall be deemed to have been approved by the shareholders under Section 207 and / or 208 of the Companies Act, 2017 (if triggered) and shall be placed before the shareholders in the next Annual General Meeting for their ratification and confirmation (if required)."

ANY OTHER BUSINESS

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

(Attached to this Notice is a Statement of Material Facts covering the above-mentioned special business, as required under Section 134(3) of the Companies Act, 2017)

By the Order of the Board

October 08, 2025

Waseem Ahmad
Company Secretary

Notes:

1. CLOSURE OF SHARE TRANSFER BOOKS

The Share Transfer Book of the Company will remain closed from October 22, 2025 to October 28, 2025 (both days inclusive). Transfers received in order at the office of **Jwaffs Registrar Services Pvt. Ltd. office No. 20, 5th floor Arkay Square Extension, New Chali, Shahrah-e-Liaquat Karachi** by the close of business on October 21, 2025 will be treated as being in time for the determination of entitlement of members to attend and vote at the AGM.

2. ATTENDING AGM AND APPOINTMENT OF PROXY

A member of the Company entitled to attend, speak and vote at the AGM may appoint another member as his / her proxy to attend, speak and vote in place of the member. Proxies, in order to be effective, must be received at the Company's corporate office, situated at 7th Floor, World Trade Center, Khyaban-e-Roomi, Block-5, Clifton, Karachi, at least 48 hours before the time of holding the AGM and no account shall be taken of any part of the day that is not a working day. A member shall not be entitled to appoint more than one proxy. Form of Proxy can be downloaded from Company's website: https://telecard.com.pk/investor-relations

Any Individual Beneficial Owner of CDC, entitled to attend and vote at the AGM, must bring his / her original Computerized National Identity Card (CNIC) to prove identity, and in case of proxy, a copy of the member's attested CNIC must be attached with the proxy form. Representatives of corporate members should bring the usual documents required for such purpose (and as detailed below).

CDC Account Holders will also be required 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 (SECP):

i) For Attending AGM

a) In case of individuals, the account holder or sub-account holder and / or the person, whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall authenticate identity by showing his / her original CNIC or original passport at the time of attending the AGM.

b) Members registered on CDC are also requested to bring their particulars, I. D. Numbers and account numbers in CDS.

c) In case of a corporate entity, the 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 AGM.

ii) For Appointing Proxy

a) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.

b) The proxy form shall be witnessed by the person whose name, address and CNIC number shall be mentioned on the form.

c) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

d) The proxy shall produce his / her original CNIC or original passport at the time of the AGM.

e) In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

iii) Video Conference Facility

If the Company receives a demand (at least 10 days before the date of the AGM) from members holding an aggregate of at least 10% shareholding residing in any other city, to participate in the AGM through video link, the Company will arrange video conference facility in that city (subject to availability thereof in such city).

In this regard please send a duly signed request as per the following format at the registered address of the Company, at least 10 days before holding of the AGM.

I/We, ______________________________ of ____________________, being a member of Telecard Limited, holder of _______________ ordinary share(s) as per registered Folio / CDC Account No _______________, hereby opt for video conference facility at __________________.

____

Signature of member

IV) Virtual Participation in the AGM Proceedings

a. In order to maximize the member's participation, the Company is convening this AGM via video link in addition to holding physical meeting with the members.

b. In order to attend the AGM through electronic facility, members are requested to register themselves with the Company Secretariat by providing the requisite details at least 48 hours before the time of the AGM (i.e. by 12:00 noon on October 26, 2025) through e-mail to be sent at tcl_legal@telecard.com.pk

c. Members are advised to provide the following particulars, along with the scanned copy of their CNIC and that of their proxies, if so appointed. Moreover, in the case of a corporate member, the scanned copy of the resolution of the Board of Directors / Power of Attorney with a specimen signature of the nominee must also be provided.

Name of Member*	CNIC / NTN No.	Folio No. / CDC Account No.	Cell No.	Email address

*** Where applicable, please also give the above particulars of the proxy-holder or nominee of the member.**

The details of the electronic facility (video link and the login credentials) will only be sent to the interested members (whose email containing all the required and correct particulars are timely received) at their provided e-mail addresses. Accordingly, the members will be able to participate in AGM proceedings through their smartphones or computer devices. In addition to the above, the members can also provide their comments and / or suggestions in connection with the agenda items of the AGM by using the aforesaid means.

The login facility will be opened at 11:30 a.m. on October 28, 2025, enabling the participants to join the proceedings after identification and verification process before joining the meeting

V) E- Postal Ballot / E-Voting

Members are hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018, read with Sections 143-144 of the Companies Act, 2017, and SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for the special business in accordance with the conditions mentioned therein. Digital Custodian Company Limited has been appointed as the service provider for the E-Voting Facility. The following options are being provided to members for voting:

a) E-Voting Procedure

i) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on October 21, 2025.

ii) The web address, login details and password will be communicated to members via email. The security codes will be communicated to members through SMS and email from web portal of the e-voting service provider.

iii) Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.

iv) E-voting lines will start from October 25, 2025, 9:00 a.m. and shall close on October 27, 2025 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a member, he / she shall not be allowed to change it subsequently.

b) **Postal Ballot**

(i) Members may alternatively opt for voting through postal ballot. Ballot paper shall also be available for download from the website of the Company at https://telecard.com.pk/investor-relations or members may use the same as annexed to this Notice and published in newspapers.

(ii) Members shall ensure that duly filled and signed ballot paper, along with copy of CNIC/Passport should reach the Chairman of the meeting through post at 7th Floor, World Trade Center, 10 Khyaban-e-Roomi, Block-5, Clifton Karachi (*Attention of the Company Secretary*) OR through the registered email address of the member at tcl_legal@telecard.com.pk with subject of 'TCL – Postal Ballot for AGM 2025 by October 27, 2025' before 5:00 p.m. The signature on the ballot

paper shall match with the signature on CNIC/Passport. A postal ballot received after this time / date shall not be considered for voting.

(iii) Please note that in case of any dispute in voting including the casting of more than one vote, the Chairman of the meeting shall be the deciding authority.

VI) Statutory Code of Conduct at AGM:

Members are requested to observe the conduct referred to in sub-regulation 2 of Regulation 55 of the Companies Regulations, 2024 while attending the AGM.

VII) Provision of Information by Members

To comply with various statutory requirements, and to avoid any non-compliance of law or any inconvenience in future, all members are hereby advised to coordinate / update their records with their respective Participant / CDC Investor Account Services / the Company's Share Registrar in connection with the following:

- Submission of copies of their valid / updated CNIC / NTN Certificate / Zakat Declaration (Exemption) Form / Tax Exemption Certificate.
- Provision of relevant details including valid bank account details / IBAN in order to enable the Company to pay any unclaimed / future cash dividends, if any.
- In case of a joint account, provision of shareholding proportions between principal shareholder and joint holder(s).
- Convert their physical shares into scrip less form, which will also facilitate the members having physical shares in many ways, including safe custody, efficient trading and convenience in other corporate actions.
- Provision of mandatory registration details in terms of Section 119 of the Companies Act, 2017 and other applicable laws, including mobile number / landline number and email address (if available).
- Promptly notify any change in mailing address, email address and mobile number by writing to the office of the Company's Share Registrar.

VIII) No gifts will be distributed at the AGM.

Statement under Section 134(3) of the Companies Act, 2017 concerning the Special Business to be transacted at the 32nd Annual General Meeting of Telecard Limited

Agenda Item No. 04

This Statement sets out the material facts pertaining to Special Business Agenda Item Number 4 as described in the Notice of the 32nd AGM of the Company,

The Company routinely enters into arrangements and carries out transactions with its related parties in accordance with its policies and the applicable laws and regulations. Certain related party transactions, in which a majority of the Directors are interested, would require Members' approval under Sections 207 and / or 208 (to the extent applicable) of the Companies Act, 2017, read with Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

As some/majority of the Directors of the Company may be deemed to be interested in certain arrangements / transactions with related parties, including due to their shareholding or common directorships in related entities/parties, and to promote transparency, all the related party transactions including the nature of relationship and quantum, have been disclosed in annual audited financial statements for the year ended June 30, 2025 and the ratification/approval/confirmation of the same is sought through special resolution in this regards.

Related party transactions are in accordance with the applicable laws, these are primarily transactions conducted in the ordinary course of business and on an arm's length basis, Pursuant to the provisions of the Companies Act, 2017 and Listed Companies Code of Corporate Governance Regulations, 2019 for Related Party Transactions, the said arrangements / transactions are placed before the Board of Directors for approval.

Accordingly, the Members are requested to ratify and confirm the transactions with related parties as disclosed in the financial statements of the Company for the year ended June 30, 2025,

Furthermore, the Company will be entering into arrangements and conducting transactions with Its related parties including, but not limited to, those stipulated in the resolution, during the financial year ending June 30, 2026 or till next annual general meeting. As some or a majority of the Directors of the Company may be deemed to be interested in certain arrangements or transactions, inter alia, due to their shareholding or common directorships in related entities, an approval from the Members is being sought to authorise the Company to conduct such related party transactions and enter into arrangements with related parties, and further to authorise and grant power to the Board of Directors to approve related party transactions to be conducted by the Company during the financial year ending June 30, 2026 or up to next annual general meeting (irrespective of composition of the Board and interest of the Directors), The related party transactions as aforesaid for the year ending June 30, 2026 or up to next annual general meeting shall be deemed to have been approved by the Members.

The Members should note that it is not possible for the Company or the Directors to accurately predict the nature of related party arrangements / transactions, or the specific related parties with whom the transactions will be carried out.

The Members should also note that, for the Special Resolutions described in the Notice of AGM, it is not possible for the Company to predict the quantum of related party transactions / arrangements to be undertaken in the period ending June 30, 2026 or up to next annual general meeting; accordingly, the Members are also requested to authorise the Board of Directors to determine the quantum of the related party transactions / arrangements that may be undertaken from time to time, The Company will present the actual figures for subsequent ratification and confirmation by the Members, at the next AGM.

Based on the aforesaid the Members are requested to pass the Special Resolution (with or without modification) as stated in the Notice.

The Directors are interested in the resolutions only to the extent of their common directorships, (to the extent applicable) in such related party transactions.

TELECARD LIMITED

Corporate Office: 7th Floor, World Trade Center, Khyaban-e-Roomi, Block-5, Clifton, Karachi

www.telecard.com.pk

Ballot paper for voting through post for poll to be held at the 32nd Annual General Meeting of Telecard Limited scheduled for on October 28, 2025 at 12:00 noon at **Islamabad Hotel, G-6, Civic Centre, Islamabad.**

Designated email address of the Chairman at which the duly filled in ballot paper may be sent: tcl_legal@telecard.com.pk

Name of shareholder/joint shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick **(✓)** mark in the appropriate box below (delete as appropriate);

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
	To consider and if deemed fit, ratify and approve (as the case may be), the following resolutions, as special resolutions, with respect to related party transactions / arrangements conducted / to be conducted, in terms of Sections 207 and / or 208 of the Companies Act, 2017 (to the extent applicable), with or without modification: **“RESOLVED THAT** the transactions, arrangements, agreements, and balances carried out by the Company with its Related Parties during the year ended June 30, 2025, as disclosed in the annual audited financial statements of the Company for the said period be and are hereby ratified, approved, and confirmed.” **“FURTHER RESOLVED THAT** the Board of Directors and the Company be and is hereby fully authorized to enter into arrangements or carry out transactions from time to time with different related parties to the extent deemed fit and / or approved by the Board of Directors, during the financial year ending June 30, 2026 or up to next annual general meeting. The members have noted that for the aforesaid arrangements and transactions some or a majority of the Directors may be interested. Notwithstanding the same, the members hereby grant an advance authorization and approval to the Board Audit Committee and the Board of Directors of the Company, including under Sections 207 and / or 208 of the Companies Act, 2017 (to the extent applicable) to review and approve all related party transactions as per the quantum approved by the Board of Directors from time to time.” **“FURTHER RESOLVED THAT** the transactions approved by the Board of Directors shall be deemed to have been approved by the shareholders under Section 207 and / or 208 of the Companies Act, 2017 (if triggered) and shall be placed before the shareholders in the next Annual General Meeting for their ratification and confirmation (if required).”			

____
Signature of shareholder(s)

Place: Date:

NOTES:

1. Duly filled postal ballot should be sent to Chairman of the meeting through post at 7th Floor, Tower A, World Trade Center, Khayaban-e-Roomi, Block-5, Clifton, Karachi (Attention of the Company Secretary) OR through the registered email address of the member at tcl_legal@telecard.com.pk with subject of ‘**TCL – Postal Ballot for AGM 2025.**

2. Copy of CNIC should be enclosed with the postal ballot form.
3. Postal ballot forms should reach chairman of the meeting on or before **October 27, 2025 before 5:00 p.m**. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

Chairman's Review Report

Introduction

As Chairman, I hold primary responsibility for providing leadership to the Board and ensuring its overall effectiveness. At Telecard Limited (the Company), we remain steadfast in our commitment to upholding the highest standards of corporate governance, ensuring alignment with the Company's strategic objectives and the interests of all stakeholders. The Board collectively recognizes that sound governance is fundamental to sustaining operational efficiency, enhancing Board performance, and strengthening the Group's risk management framework.

Financial Performance

It is my privilege to present the financial performance of the Company and its subsidiaries (collectively, the "Group") for the financial year ended 30 June 2025. Despite operating in an increasingly competitive telecommunications sector, the Company continued to demonstrate operational resilience and stability. For the year under review, standalone revenue amounted to Rs. 2.003 billion, as compared to Rs. 2.295 billion in the preceding financial year.

On a consolidated basis, the Group recorded revenue of Rs. 11.189 billion, reflecting an improvement over Rs. 10.797 billion in the preceding financial year. Operating profit also increased significantly, reaching Rs. 932 million as compared to Rs. 636 million in the prior year. These results demonstrate the Group's continued ability to navigate a challenging business environment while effectively capitalizing on emerging opportunities to drive sustainable growth.

Composition of the Board

The Board of Directors comprises a diverse and experienced group of professionals with expertise spanning business, finance, marketing, and compliance. This collective breadth of experience enables the Board to provide robust strategic oversight and effective governance. The management team remains committed to the diligent execution of the strategies and policies approved by the Board, ensuring alignment with the Company's objectives and long-term vision.

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.

TELECARD LIMITED 10 Khayaban-e-Roomi W.T.C Clifton Karachi

TELECARD LIMITED
Corporate Office: World Trade Center, 10, Kh. Roomi, Block-5, Clifton, Karachi-75600
PABX: (92-21) 38330000 UAN: 111-222-123 Fax: (92-21) 35867850
www.telecard.com.pk

TELECARD
LIMITED

Financial Reporting

The Board remains committed to ensuring a clear, balanced, and comprehensive presentation of the Company's financial position and future prospects. The Group follows a structured consolidation framework supported by well-defined financial and operational procedures, thereby ensuring consistency, accuracy, and reliability in financial reporting. Management remains vigilant in monitoring developments in applicable financial reporting standards and works in close coordination with the statutory auditors to assess, interpret, and implement new requirements in a timely and effective manner.

Internal Control

The Board has instituted a comprehensive system of internal controls designed to provide reasonable assurance over the reliability of financial reporting and the accuracy of underlying information. The internal control framework covers key areas including financial reporting, operational controls, treasury management, internal audit, and employee integrity. This framework underpins the Group's commitment to maintaining a strong culture of accountability, transparency, and sound governance across all levels of the organization.

Going Concern

After due consideration and detailed evaluation, the Directors have formed a reasonable expectation that the Company and the Group possess adequate resources to continue their operations for the foreseeable future, being at least twelve months from the date of approval of this report. Accordingly, the financial statements have been prepared on a going concern basis, reflecting the Directors' confidence in the Company's resilience, stability, and long-term sustainability.

Syed Muhammad Pervez Sadiq
Chairman

TELECARD LIMITED
10
Khayaban-e-Roomi
W.T.C. Clifton Karachi

07 October 2025

چیئرمین کی جائزہ رپورٹ

تعارف

بطور چیئرمین میری بنیادی ذمہ داری بورڈ کی قیادت کرنا اور اس کو مجموعی طور پر موثر بنانا ہے- ٹیلی کارڈ لمیٹڈ (کمپنی) میں ہم کمپنی کے کلیدی مقاصد اور مستفیدان کے مفادات کو یقینی بنانے کے لئے ادارتی نظم وضبط کے اعلیٰ معیارات کو برقرار رکھنے کے لئے پرعزم ہیں- بورڈ اجتماعی طور پر مستحکم نظم وضبط کی اہمیت کو تسلیم کرتا ہے جو کہ کاروباری ترقی کو پائیدار بنانے، بورڈ کی کارکردگی کو بڑھانے اور گروپ کے خطرات کے انتظام کے نظام کو مضبوط بنانے میں بنیادی حیثیت رکھتا ہے۔

مالیاتی کارکردگی

مالیاتی سال مختتمہ 30 جون 2025 میں کمپنی اور اس کی ذیلی کمپنیوں (اجتماعی طور پر گروپ) کی مالیاتی کارکردگی پیش کرتے ہوئے میں فخر محسوس کرتا ہوں- ٹیکنالوجی کے شعبے میں بڑھتی ہوئے مسابقت کے دوران کمپنی نے لچک پذیری اور استحکام کا مظاہرہ کیا۔ زیر جائزہ سال کے دوران انفرادی بنیاد پر فروخت 2.003 بلین روپے رہی جو کہ گزشتہ سال 2.295 بلین روپے تھی۔

مجموعی بنیاد پر گروپ کی فروخت 11.189 بلین روپے رہی جو کہ گزشتہ سال 10.797 بلین روپے تھی جس سے اضافے کی عکاسی ہوتی ہے- کاروباری منافع میں قابل ذکر اضافہ ہوا جو کہ 932 ملین روپے تک پہنچ گیا جبکہ گزشتہ سال 636 ملین روپے تھا۔ ان نتائج سے گروپ کی تسلسل کے ساتھ دشوار گزار کاروباری ماحول میں ابھرتے ہوئے مواقع سے موثر طور پر استفادہ کرتے ہوئے پائیدار نمو کی جانب سمت بندی کی صلاحیت کی عکاسی ہوتی ہے۔

بورڈ کی تشکیل بندی

بورڈ ایسے متنوع اور تجربہ کار پیشہ ور ماہر افراد کے گروپ پر مشتمل ہے جو کہ کاروبار، مالیات اور پاسداری میں مہارت تامہ رکھتے ہیں -یہ اجتماعی وسیع تجربہ بورڈ کو بہترین کلیدی نگرانی اور موثر نظم وضبط فراہم کرنے کے قابل بناتا ہے۔ بورڈ کی منظور شدہ حکمت عملیوں اور پالیسیوں کو انتظامی ٹیم لچکداری سے نافذ کرنے کے لئے کوشاں رہتی ہے تا کہ کمپنی کے مقاصد اور طویل مدتی نصب العین سے مطابقت کو یقینی بنایا جاسکے۔

بورڈ کی کمیٹیاں

بورڈ کو خصوصی کمیٹیوں کا تعاون حاصل ہے جو کہ نگرانی اور نظم وضبط کو نافذ کرتی ہیں:

☆ آڈٹ کمیٹی یقینی بناتی ہے کہ کمپنی کے مالیاتی گوشوارے درست، شفاف ہوں اور مالیاتی حیثیت کی درست تصویر پیش کریں۔

☆ انسانی وسائل کمیٹی HR پالیسیوں، ان کے نفاذ اور جانشینی منصوبہ بندی کی نگرانی کرتی ہے تاکہ پائیدار ترقی اور کاروباری تسلسل کو یقینی بنایا جاسکے۔

مالیاتی رپورٹنگ

بورڈ کمپنی کی مالیاتی پوزیشن اور مستقبل کے امکانات کا درست، متوازن اور شفاف تجزیہ فراہم کرنے کے لئے کوشاں ہے۔ بہترین وضع شدہ مالیاتی اور کاروباری طریقہ کار کی معاونت سے گروپ ایک ساخت شدہ مجموعی نظام پر عمل کرتا ہے جس سے مالیاتی رپورٹنگ میں تسلسل، درستگی اور معتبریت کو یقینی بنایا جاتا ہے۔ انتظامیہ رپورٹنگ کے لاگو معیارات میں نئی پیشقدمیوں سے باخبر ہے اور آئینی آڈیٹرز کے ساتھ باریک بینی سے مربوط رہتے ہوئے نئے تقاضوں کی تشخیص، تشریح اور نفاذ کو بروقت اور موثر انداز میں یقینی بناتی ہے۔

اندرونی گرفت

بورڈ آف ڈائریکٹرز نے اندرونی گرفت کا ایک جامع نظام قائم کیا ہے جو کہ مالیاتی رپورٹنگ کی معتبریت اور فراہم کردہ معلومات کی درستگی پر موزوں یقین دہانی فراہم کرتا ہے۔ اندرونی گرفت کا نظام مالیاتی رپورٹنگ، مالیاتی گرفت، سرمائے کے انتظام، اندرونی آڈٹ اور ملازمین کی شمولیت کا احاطہ کرتا ہے۔ یہ نظام ادارے میں ہر سطح پر جوابداری کی مضبوط ثقافت، شفافیت اور مستحکم نظم وضبط کو برقرار رکھنے کے گروپ کے عزم میں معاون ہے۔

چلتا ہوا ادارہ

باضابطہ غوروخوص اور تفصیلی تجزیہ کے بعد ڈائریکٹران موزوں طور پر توقع کرتے ہیں کہ کمپنی اور گروپ کے پاس مستقبل قریب یعنی مالیاتی گوشواروں منظوری کی تاریخ سے کم از کم 12 ماہ کیلئے کاروبار جاری رکھنے کے لئے موزوں وسائل موجود ہیں۔ لہذا مالیاتی اداروں کو چلتے ہوئے ادارے کی بنیاد پر تیار کیا گیا ہے جس سے کمپنی کی لچک پذیری، استحکام اور طویل مدتی پائیداری پر ڈائریکٹران کے اعتماد کی عکاسی ہوتی ہے۔

سید محمد پرویز صادق

چیئرمین

07 اکتوبر 2025

Directors' Report

The Board of Directors of Telecard Limited (the Company) are pleased to present the Financial Statements and review your Company's performance for the year ended 30 June 2025.

Industry Review and Outlook

Overall country's economic outlook remains a challenge for businesses in Pakistan including the Company and its subsidiaries. Rising cost of doing business is challenge for the management this year too.

Despite an overall national growth of only 3.04% (Revised), the technology sector saw a robust growth of 28% in the fiscal year 2024-25 on the back of robust IT and IT Services exports of US$3.8 Billion. 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 three years to 7+ billion USD.

Digital financial transactions continue to rise, SBP in its report indicated a 19% increase in value of digital transactions which grew to over PKR 26 trillion in FY 24-25. With the GoP's focus on reducing the number of cash transactions this number is expected to grow further in the coming years. Similarly, E-Commerce/Quick Commerce saw 6.4% growth outpacing the national growth rate and is expected to have a market volume of 7.7 billion USD by 2029. The current user penetration is only 10% of the total population! With the expected entry of 5G services in the later part of next year, these numbers and market usance and penetration is expected to see rapid expansion along with businesses 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, is 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 & energy storage solutions, digital infrastructure roll out and management of connectivity solutions.

Financial Performance

	Standalone (PKR In Million)		Consolidated (PKR In Million)	
	FY 24-25	FY 23-24	FY 24-25	FY 23-24
Revenue	2,004	2,295	11,189	10,797
Gross profit	653	780	2,517	2,143
EBITDA	262	311	1,140	1,016
Net Profit	66	248	349	35
EBITDA Per Share	0.77	0.92	3.37	3.00
EPS	0.19	0.73	0.43	0.03

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On a consolidated basis, the Company has reported a profit after taxation of PKR 349 million as against a profit of PKR 35 million during the corresponding financial year. The earnings per share stood at PKR 0.43 compared to PKR 0.03 in preceding twelve months. The Company was able to increase its top line revenue through rationalization of revenue mix with projects that carry a higher margin. Direct costs were also managed, which further assisted in the positive movement of GP and improved EPS compared to that of last year, on a consolidated basis.

On a standalone basis the revenue for the period ending 30 June 2025 was PKR 2,004 million as opposed to revenue of PKR 2,295 million for the corresponding financial year. The decrease in revenue is mainly attributed to the increase in competition in Long Distance International market where, with the award of more licenses, competition has heated up despite a slight increase in International Inbound traffic. A dip in Value Added Services revenue was experienced due to cost and corresponding price escalation that put pressure on volumes which are expected to stabilize in the next fiscal year.

The Company reported a profit after taxation of PKR 66 million as against a profit after taxation of PKR 248 million during the corresponding financial year. The earnings per share stood at PKR 0.19 compared to a profit per share of PKR 0.73 in the corresponding year.

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 enterprises 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 including generation and storage products with a focus on enhancing 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 significant changes to established business and ethical norms both locally and internationally, the Company is in the process to take concrete steps for compliance with the Code.

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LIMITED

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 engaged in the business of providing Information Technology and Telecommunication services and, as such, does not generate or dispose of any material toxic or hazardous waste. Nevertheless, the Company remains committed to environmental stewardship by promoting the efficient use of resources and encouraging all employees to achieve maximum output with minimal consumption.

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 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 present 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 about 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 2025 is PKR 133.8 million of Staff Provident Fund.

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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
Mr. S. M. Pervez Sadiq	4
Mr. Syed Aamir Hussain	4
Mr. Waseem Ahmad	4
Mr. Asad Mujtaba Naqvi	4
Mr. Syed Imran Haider Jaffery	4
Ms. Naueen Ahmed	4
Mrs. 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
Mr. Asad Mujtaba Naqvi	4
Mr. 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 2025 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 2025 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

Syed Imran Haider Jafery
Director

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TELECARD LIMITED SIX YEAR FINANCIAL SUMMARY (FINANCIAL ANALYSIS)

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Revenue - Net	2,003,923	2,294,683	1,767,860	1,496,743	1,213,600	1,183,279
Cost of revenue	(1,350,844)	(1,514,192)	(1,049,232)	(969,466)	(651,132)	(654,990)
Gross profit	**653,079**	**780,491**	**718,628**	**527,277**	**562,468**	**528,289**
Administrative & distribution costs	(564,371)	(671,646)	(493,727)	(428,821)	(385,727)	(331,664)
Other operating expenses	-	-	-	4,131	(1,742)	(179,111)
Other operating income	148,464	464,472	13,286	497,887	256,477	30,295
Liabilities no longer payable written back	-	-	-	-	-	-
	(415,907)	**(207,174)**	**(480,441)**	**73,198**	**(130,992)**	**(480,480)**
Operating (loss) / Profit	237,172	573,317	238,187	600,475	431,476	47,809
Finance Costs	(107,732)	(104,684)	(112,300)	(73,542)	(70,989)	(122,403)
(Loss) / Profit before taxation	129,440	468,633	125,887	526,933	360,487	(74,594)
Taxation	(63,794)	(220,231)	10,232	(229,236)	(87,359)	(34,694)
(Loss) / Profit after taxation	65,646	248,402	136,119	297,697	273,128	(109,288)
Other comprehensive income / (loss)	-	-	-	-	-	-
(Loss) Earning per share (Rupees)	0.19	0.73	0.40	0.88	0.91	(0.36)

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

TELECARD LIMITED
FOR THE YEAR ENDED JUNE 30, 2025

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

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 Act, and the Regulation;

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 Act, and the Regulations, with respect to frequency, recording, and circulating minutes of the meeting of the Board;

8. The Board have a formal policy and transparent procedures for the remuneration of Directors in accordance with the Act, and the Regulations;

9. During the year the Company has not arranged Director's Training Program;

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's efforts are underway to appoint Head of Internal Audit. However, the Company has nominated a 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
Mrs. 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;

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

Audit Committee	Quarterly
Human Resource & Remuneration Committee	Annually

15. The internal audit function has been setup by the Board at the group level who are considered suitably qualified and experienced for the purpose and are 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 Institute of Chartered Accountants of Pakistan 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 (spouse, 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, 6, 7, 27, 32, 33, and 36 of the Regulations have been complied with. However, as required, pursuant to Regulation 6, explanation is as follows;

Requirement	Explanation	Regulation
It is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as Independent Directors. Explanation. —For the purposes of this sub-regulation, a listed company shall explain the reasons, in the compliance report, if any fraction contained in such one-third number which is not rounded up as one.	In terms of Regulation 6(1) COCG, one third of the Company's Board of 7 members (including CEO) works out to 2.33. As a general principle, since the fraction is below 0.5 (half), the fraction contained in such one-third is not rounded up as one as the two elected Independent Directors possess the requisite skills, experience, and competence to effectively discharge their responsibilities in accordance with	6

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	applicable laws and regulations. Accordingly, the appointment of a third Independent Director is not considered necessary at this stage.	

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 risk management committee, and the functions are being performed by the Audit Committee. The Board may establish the aforesaid committees, if required in the future.	30
Environmental, Social and Governance (ESG) matters. The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The board may establish a dedicated sustainability committee having at least one female director.	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 by SECP will be complied with in due course.	10A(5)
The Company shall appoint and ensure that Head of Internal Audit is suitably qualified, experienced and conversant	The Company is in the process of appointing Head of Internal Audit. However, the Company has nominated	31(5)

with the Company's policies and procedures	suitable candidate as acting Head of Internal Audit.	
The significant policies may include but not limited to the anti-harassment policy to safeguard the rights and well-being of employees, incorporating the mechanism as prescribed under the Protection against Harassment of Women at the Workplace Act 2010 and the respective provincial laws on the protection against harassment of women at workplace for the time being in force.	The Company's Code of Conduct covers the element of workplace harassment. Nevertheless, the requirements introduced by SECP is being incorporated in an independent anti-harassment policy.	10A(4)

Mr. Syed Aamir Hussain
Chief Executive Officer & Director

Mr. S.M. Pervez Sadiq
Chairman & Director

At Karachi
Date: 07 October 2025

Parker Russell-A. J. S.
CHARTERED ACCOUNTANTS

901, Q. M. House,
Elander Road, Karachi - Pakistan.
Tel: + 92-21-32621701-03
E-mail: khi@parkerrussellajs.com.pk
Offices also at Faisalabad, Lahore & Islamabad

Independent 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, 2025, 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. 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.

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, 2025.

Further, we highlight below instances of non-compliance with the requirements of the Regulation as reflected in the note/paragraph reference where these are stated in the statement of Compliance:

Para reference	Description
18	The fraction contained in such one-third is not rounded up as one as it is below 0.5 (half). Furthermore, the two elected Independent Directors possess the requisite skills, experience, and competence to effectively discharge their responsibilities in accordance with applicable laws and regulations. Accordingly, the appointment of a third Independent Director is not considered necessary at this stage by the Company.
20	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.

Parker Russell AJS

(Chartered Accountants)
Place: Karachi
Date: October 7, 2025
UDIN: CR2025101921h2vTOFyn

Parker Russell-A. J. S.
CHARTERED ACCOUNTANTS

901, Q. M. House,
Elander Road, Karachi - Pakistan.
Tel: + 92-21-32621701-03
E-mail: khi@parkerrussellajs.com.pk
Offices also at Faisalabad, Lahore & Islamabad

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, 2025, 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, 2025 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 17.1 (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 17.1 (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 17.4 and 27.1 to the accompanying consolidated financial statements where an amount of Rs. 1,547.599 million has been paid by the Group to the Pakistan Telecommunication Authority ("PTA") in respect of claim against Access Promotion Contribution for Universal Service Fund. In addition to this, the Group also received enforcement order amounting to Rs. 4,075 million by PTA in respect of claim against Access Promotion Contribution for Universal Service Fund. The Group has challenged this enforcement order through a constitutional petition before the Honorable High Court of Sindh. Pending the final outcome of the said petition, no provision has been made in these consolidated financial statements in respect of the amount already paid or the additional demand raised by the Authority.

iv. notes 27.1 to 27.14 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; and

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 (Refer note 28 to the annexed consolidated financial statements) The Group has reported revenue amounting to Rs. 11,189.353 million during the year ended June 30, 2025. 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 to 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: • Obtained 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; • compared a sample of transactions recorded during the year with relevant underlying supporting documents and receipts; • inspected 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;

Key audit matters	How the matter was addressed in our audit
	• 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.
2. Contingencies (Refer note 27 to the annexed consolidated financial statements) As at June 30, 2025, the Group has contingencies in respect of various regulatory and legal suites against the Group which are pending in different courts. 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.

The 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.
- 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 AJS

(Chartered Accountants)
Date: October 07, 2025
Karachi.

UDIN: AR202510192lsKTzmBhZ

Telecard Limited
Consolidated Statement of Financial Position
As at June 30, 2025

	Note	June 30, 2025	June 30, 2024
		-------- (Rupees in '000') --------	
Assets			
Non - current assets			
Property and equipment	5	751,572	707,303
Intangible assets	6	127,832	73,441
Right-of-use assets	7	125,837	50,406
		1,005,241	831,150
Long term deposits	8	58,546	60,309
Long term investment	9	-	-
Deferred taxation	10	78,969	73,995
		1,142,756	965,454
Current assets			
Communication stores	11	376,813	262,037
Trade debts	12	3,160,667	2,219,488
Loans and advances	13	376,157	817,058
Deposits and prepayments	14	565,805	403,121
Accrued mark-up	15	9,003	9,035
Investment	16	35,341	-
Other receivables	17	2,952,198	2,789,156
Taxation – Net	18	53,088	184,861
Cash and bank balances	19	451,169	739,440
		7,980,241	7,424,196
Total assets		9,122,997	8,389,650

The annexed notes from 1 to 46 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, 2025

	Note	June 30, 2025	June 30, 2024
		-------- (Rupees in '000') --------	
Equity and liabilities			
Share capital and reserves			
Authorised share capital			
400,000,000 (2024: 400,000,000) ordinary shares of Rs. 10/- each		4,000,000	4,000,000
Share capital			
Issued, subscribed and paid-up share capital	20	3,386,250	3,386,250
Capital reserve			
Exchange translation reserve		102,322	96,852
Revenue reserve			
Un appropriated profit		429,969	285,560
Attributable to the owners of the Holding Company		**3,918,541**	**3,768,663**
Non - controlling interest		960,144	752,310
Total equity		4,878,685	4,520,973
Non - current liabilities			
Long term financing	21	307,902	455,140
Lease liabilities	22	93,026	37,251
Deferred liabilities	23	13,128	10,092
		414,056	502,483
Current liabilities			
Trade and other payables	24	3,138,513	2,914,770
Unclaimed dividend		4,417	4,417
Accrued mark-up	25	243,644	141,601
Short term finance and current portion of long term financing and lease liabilities	26	443,682	305,406
		3,830,256	3,366,194
Total equity and liabilities		9,122,997	8,389,650
Contingencies & commitments	27		

The annexed notes from 1 to 46 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, 2025

	Note	June 30, 2025	June 30, 2024
		---- (Rupees in '000') ----	
Revenue – net	28	11,189,353	10,796,970
Cost of revenue	29	(8,671,946)	(8,654,398)
Gross profit		2,517,407	2,142,572
Administrative & distribution costs	30	(1,470,720)	(1,393,169)
Allowance for expected credit losses	12.1	(147,608)	(93,699)
Other income and expenses	31	33,055	(19,459)
		(1,585,273)	(1,506,327)
Operating profit		932,134	636,245
Finance costs	32	(162,485)	(156,005)
Profit before taxation and levy		769,649	480,239
Levy	33	(112,008)	(79,712)
Profit before taxation		657,641	400,527
Taxation	33	(308,717)	(365,883)
Profit after taxation		348,924	34,644
Profit is attributable to:			
Owners of the Holding Company		144,409	11,627
Non - controlling interests		204,515	23,017
		348,924	34,644
Earning per share - basic & diluted - (Rupees)	34	0.43	0.03

The annexed notes from 1 to 46 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, 2025

	June 30, 2025	June 30, 2024
	----- (Rupees in '000') -----	
Net profit for the year	348,924	34,644
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operation	8,788	(9,761)
Total comprehensive income for the year	357,712	24,883
Total comprehensive income attributable to:		
Owners of the Holding Company	149,878	4,165
Non - controlling interests	207,834	20,718
	357,712	24,883

The annexed notes from 1 to 46 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, 2025

	Attributable to the owners of Holding Company			Non - controlling interest	Total
	Share capital	Revenue reserve	Capital reserve		
	Issued subscribed paid-up share capital	Unappropriated profit	Exchange translation reserve		
	(Rupees in '000')				
Balance as at June 30, 2023	3,386,250	720,927	104,314	283,838	4,495,329
NCI at acquisition	-	-	-	761	761
Dilution of group shareholding in Supernet Limited	-	(446,994)	-	446,994	-
Net profit for the year	-	11,627	-	23,017	34,644
Other comprehensive loss	-	-	(7,462)	(2,299)	(9,761)
Total comprehensive income / (loss)	-	11,627	(7,462)	20,718	24,883
Balance as at June 30, 2024	3,386,250	285,560	96,852	752,310	4,520,973
Net profit for the year	-	144,409	-	204,515	348,924
Other comprehensive income	-	-	5,469	3,319	8,788
Total comprehensive income	-	144,409	5,469	207,834	357,712
Balance as at June 30, 2025	3,386,250	429,969	102,322	960,144	4,878,685

The annexed notes from 1 to 46 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, 2025

	Note	June 30, 2025	June 30, 2024
		---- (Rupees in '000') ----	
Cash flows from operating activities			
Cash generated from operations	35	549,015	1,272,643
Income tax paid		(293,926)	(286,719)
Finance costs paid		(13,897)	(38,459)
Retirement benefits paid		-	(1,196)
Long-term deposits paid		1,763	(8,101)
Net cash generated from operating activities		242,955	938,169
Cash flows from investing activities			
Additions to property, plant and equipment		(252,199)	(285,133)
Additions to intangible		(57,134)	
Investments		(35,341)	-
Long term investment		-	(14,890)
Interest income received		8,766	24,720
Proceeds from disposal of property, plant and equipment		-	6,300
Exchange difference on translation of foreign subsidiary		8,788	(7,462)
Net cash (used in) investing activities		(327,120)	(276,465)
Cash flows from financing activities			
Repayment of long-term finances-net		(126,625)	(168,182)
Lease rentals against right-of-use assets		(59,392)	15,062
Short term running financing- net		(24,898)	5,605
Net cash (used in) financing activities		(210,915)	(147,515)
Net (decrease) / increase in cash and cash equivalents		(295,080)	514,189
Cash and cash equivalents at the beginning of the year		599,551	85,362
Cash and cash equivalents at the end of the year	42	304,471	599,551

The annexed notes from 1 to 46 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 - Ultimate Parent Company
> Supernet Technologies Limited - Subsidiary Company
> Supernet Limited - Subsidiary Company
> Supernet Infrastructure Solutions (Private) Limited - Subsidiary Company of Supernet 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
> Telegateway Limited - Subsidiary Company
> Lytel (Private) Limited - Subsidiary Company
> Xperio (Private) Limited - Subsidiary Company
> Nexus Communications (Private) Limited - Subsidiary Company
> Glitz Communications (Private) Limited - Subsidiary Company
> Globetech Communications (Private) Limited - Subsidiary Company

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 Supernet Technologies Limited (STL) 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. During the year through a special resolution passed on December 12, 2024, the name of the Company was changed from Hallmark Company Limited to Supernet Technologies Limited, effective from December 19, 2024, after fulfillment of all regulatory requirements.

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 Supernet Technologies Limited.

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.

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.

Lytel (Private) Limited is engaged in the business of providing/developing software, services and solutions in the field of information and communication technology including call centers and other related services. Telecard Limited holds 99.98% equity of Lytel (Private) Limited.

Xperio (Private) Limited is engaged in the business of providing / developing software, services and solutions in the field of information and communication technology including call centers and other related services.

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.

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

During the year, the Long Distance International (LDI) and Local Loop (LL) licenses were due for renewal . The Group had initiated the process of renewals of LDI and FLL licenses with the Pakistan Telecommunication Authority (PTA). However, due to the pending litigations (As per note: 17.2, 17.3, and 17.4 of the consolidated financial statements) with PTA and the MOITT 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 in various courts securing 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 hindrance.

The direct revenue from these licenses account for only 50% of its overall revenues which will nevertheless continue under various contracts and arrangements with other operators/entities. During the year , one of the subsidiary of the Telecard Group has also acquired a Local Loop license for twenty years that can be leveraged to continue the Company's services under this license if the need arises. Notwithstanding the above, 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 Subsidiary Companies and its sub 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 ultimate parent 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 ultimate parent 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 ultimate parent Company is eliminated against the subsidiary companies' shareholders' equity in these consolidated financial statements.

2.3 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 otherwise stated.

2.4 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. CHANGE IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS

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

The following amendments to International Financial Reporting Standards (IFRS) became effective for annual reporting periods beginning on or after January 01, 2024, and therefore were applicable to the Group's consolidated financial statements for the year ended June 30, 2025:

(i) IAS 1 – Presentation of Financial Statements (Amendments: Disclosure of Accounting Policies & Classification of Liabilities as Current or Non-current, with Non-current Liabilities with Covenants)

- The Group 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 consolidated financial statements. The effects of restatements are as follows:

- They also clarify the classification of liabilities as current or non-current based on rights existing at the reporting date and require specific disclosures for covenants related to non-current liabilities.

- The amendments did not result in any material change to the Group's financial position or performance, except for enhanced disclosure of accounting policies.

(ii) IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures (Amendments: Supplier Finance Arrangements)

- Introduces specific disclosure requirements regarding supplier finance (reverse factoring) arrangements to enable users of financial statements to understand the effects on liabilities, and cash flows.

- The Group does not have supplier finance arrangements; therefore, the amendments did not impact these financial statements.

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

The following new standards and amendments to existing standards have been published and are mandatory for accounting periods beginning on or after the dates mentioned below. These have not been early adopted by the Group:

(i) IFRS 18 Presentation and Disclosure in Financial Statements — **Effective date: January 1, 2027**

IFRS 18 replaces IAS 1 Presentation of Financial Statements and introduces significant changes to the structure and disclosure requirements of financial statements. The key objective is to improve comparability and clarity of performance reporting across entities. The standard introduces three defined categories in the statement of profit or loss: operating, investing, and financing. It also introduces requirements for companies to disclose management-defined performance measures (MPMs) used in public communications, along with reconciliations to IFRS-defined subtotals. In addition, IFRS 18 provides enhanced guidance on disaggregation and promotes a more objectives-based disclosure approach. The Group is assessing the potential impact of this standard on the classification, presentation, and disclosures in its financial statements.

(ii) IFRS 19 Subsidiaries without Public Accountability: Disclosures — **Effective date: January 1, 2027**

IFRS 19 permits eligible subsidiaries—those without public accountability and whose parent prepares consolidated financial statements in accordance with IFRS—to apply all recognition, measurement, and presentation requirements of IFRS while providing reduced disclosures. The objective is to reduce the cost of compliance for such subsidiaries while maintaining transparency for users of financial statements. The Group is currently evaluating whether any of its subsidiaries qualify for the application of IFRS 19 and the potential impact on future disclosure requirements.

(iii) IFRS 7 Financial Instruments: Disclosures (Amendments) — **Effective date: January 1, 2027**

The amendments require entities to disclose additional information about supplier finance arrangements, including the terms and conditions, the carrying amounts of financial liabilities subject to such arrangements, and the line items in which they are presented. The objective is to improve transparency and help users assess the effects of these arrangements on an entity's liabilities, liquidity, and cash flows. The amendments apply when an entity enters into arrangements where a finance provider pays amounts the entity owes to its suppliers. The Group is evaluating the impact of these disclosure requirements and will implement the changes in accordance with the effective date.

(iv) IFRS 9 Financial Instruments (Supplier Finance Arrangements) — **Effective date: January 1, 2027**

These amendments clarify the classification and presentation of liabilities that arise from supplier finance arrangements. They aim to ensure consistent application of derecognition, modification, and classification principles under IFRS 9. In particular, the amendments provide guidance on how an entity should assess whether a liability should be classified as a financial liability or trade payable, based on its substance rather than legal form. The amendments work alongside related changes to IFRS 7 and IAS 7 to improve transparency around the use of such arrangements. The Group is currently assessing the impact of these amendments on its accounting treatment and financial statement presentation.

(v) IFRS S1 General Requirements for Disclosure of Sustainability-Related Financial Information — **Effective date: January 1, 2025**

IFRS S2 Climate-Related Disclosures

These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate-related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas ('GHG') emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal carbon prices and remuneration.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Group and, therefore, have not been present here.

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

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 expected credit losses	4.9 & 4.10.8
Accounting for staff retirement benefits	4.11 & 23
Recognition of tax, levy and deferred taxation	4.6, 10, 18 & 33
Other provisions and contingent liabilities	4.18 & 27
Determining the lease term of contracts with renewal and termination options and estimating the incremental borrowing rate	4.14 & 22
Detemining the useful lives and carrying value of right of use assets	4.2 & 7

4. MATERIAL ACCOUNTING POLICIES

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 year 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 years 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 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 Inventory

These are valued at the lower of cost and net realisable value. Cost is determined using the first-in first-out method. Items-in-transit are stated at cost comprising invoice value plus other related charges measured thereon up to the reporting date.

Net realisable value signifies the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The Group reviews the carrying amounts of inventories on an on going basis and provision is made for obsolescence if there is any change in usage pattern and physical form. Impairment is also made for slow moving items.

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, the computation of minimum tax is based on revenue or other prescribed bases rather than taxable income. Therefore, in line with the Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by ICAP under IAS 12, such amounts fall within the scope of IFRIC 21 / IAS 37. According to the guidance, the portion of tax computed on taxable income using the applicable tax rate is recognized as current income tax in accordance with IAS 12 "Income Taxes." Any amount exceeding this, calculated on a basis other than taxable income, is treated as a levy and accounted for under IFRIC 21 / IAS 37. Taxes on dividends received from the Company's investments in subsidiaries and associates continue to fall within the scope of IAS 12 and are accordingly recognized as current income tax.

Current taxation

The current income taxation 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, 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 statement of financials position, 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

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 Staff 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 consolidated statement of 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 turnkey 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 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.20 Contract liability

Contract liability represents the Company's obligation to render services to a customer for which consideration has been received or is due before the related performance obligations are satisfied. Revenue is recognized as the services are rendered and the performance obligations are fulfilled.

4.21 Other income

Other income is recognised to the extent it is probable that the economic benefits will flow to the Company and amount can be measured reliably. Other income is measured at the fair value of the consideration received or receivable and is recognised on the following basis:

a) Dividend is recognized when the right to receive is established.
b) Profit on bank deposits is recognized on time proportion basis on the outstanding balance amount and at the applicable rate.
c) Interest on loan is recognised on accrual basis;
d) Gain on disposal of property and equipment is recognised at the difference between sales proceeds and carrying value when the relevant item of property and equipment is disposed off.
e) Gain on disposal of long-term investments is recognized when the risks and rewards of ownership are transferred.

4.22 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	-
Syed Muhammad Asim	Key management personnel	-
Group provident fund	Associated concern	-

4.23 Earnings per share - basic and diluted

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.

	Note	June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
5. PROPERTY AND EQUIPMENT			
Operating fixed assets	5.1.	751,572	707,303

5.1. Operating fixed assets

	Note	Cost				Accumulated depreciation				W.D.V.	
		As at July 01, 2024	**Additions**	**Disposals**	**As at June 30, 2025**	**As at July 01, 2024**	**Depreciation For the Year**	**Disposals**	**As at June 30, 2025**	**As at June 30, 2025**	**Depreciation rate per annum**
		(Rs. in '000')									**%**
Owned											
Freehold land	5.1.1	3,020	-	-	3,020	-	-	-	-	3,020	-
Leasehold improvements		27,997	278	-	28,275	22,328	440	-	22,768	5,507	20%
Building on freehold land		625	-	-	625	623	-	-	623	2	5%
Apparatus & equipment	5.1.2 & 5.1.3	8,391,817	202,458	-	8,594,275	7,741,029	186,286	-	7,927,315	666,960	5-33%
Signboards		30,875	-	-	30,875	30,875	-	-	30,875	-	25%
Furniture, fixtures & office equipment		109,149	5,976	-	115,125	93,487	3,729	-	97,217	17,908	10-15%
Computers & related accessories	5.1.2	155,110	14,735	-	169,845	140,348	11,058	-	151,406	18,439	33%
Vehicles	5.1.2	42,676	28,753		71,429	25,275	6,417		31,692	39,737	20%
		8,761,268	252,200	-	9,013,468	8,053,965	207,930	-	8,261,896	751,572	

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

	Note	Cost				Accumulated depreciation				W.D.V.	
		As at July 01, 2023	Additions	Disposals	As at June 30, 2024	As at July 01, 2023	Depreciation 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		-	3,020	-	-	-	-	3,020	-
Leasehold improvements		26,194	1,803	-	27,997	22,077	251	-	22,328	5,669	20%
Building on freehold land		625	-	-	625	623	-	-	623	2	5%
Apparatus & 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	5.1.2	140,224	14,886	-	155,110	132,332	8,016	-	140,348	14,762	33%
Vehicles	5.1.2	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**	

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 ultimate parent Company.

5.1.2 The cost of fully depreciated asset as at June 30, 2025 is Rs. 8,015 million (2024: Rs. 7,843 million).

5.1.3 Equipment, costing Rs. 1,631.590 million (2024: Rs. 1,564.640 million), having a net book value of Rs. 368.835 million (2024: Rs. 394.564 million) are in the possession of the customers of the Company in the ordinary course of business.

	Note	June 30, 2025	June 30, 2024
		--- (Rupees in '000') ---	
5.1.4 Depreciation for the year has been allocated as follows:	29	186,161	174,383
Direct costs	30	21,769	15,036
Administrative & distribution costs		207,930	189,419

6. INTANGIBLE ASSETS

	Note	Cost			Accumulated amortisation			W.D.V.	
		As at July 01, 2024	Addition during the year	As at June 30, 2025	As at July 01, 2024	Amortisation for the year	As at June 30, 2025	As at June 30, 2025	Amortisation rate per annum %
		Rupees in '000'							
WLL licenses	6.1.1	8,120	-	8,120	8,120	-	8,120	-	20
LDI license	6.1.2	29,029	-	29,029	28,896	133	29,029	-	20
Fixed local loop license	6.1.3	-	57,034	57,034	-	2,139	2,139	54,895	5
Computer software		42,289	100	42,389	41,116	471	41,587	802	5
Goodwill		118,751	-	118,751	46,616	-	46,616	72,135	-
		198,189	57,134	255,323	124,748	2,743	127,491	127,832	

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

	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	Amortisation for the year	As at June 30, 2024	As at June 30, 2024	Amortisation rate per annum %
	Rupees in '000'							
WLL licenses	8,120	-	8,120	7,714	406	8,120	-	20
LDI license	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	

6.1.1 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. The license were impaired during the year. The Group has applied for renewal of these licenses as more fully explained in note 1.1 to these consolidated financial statements.

6.1.2 This represents cost of non-exclusive license granted by the PTA to the Group for providing the LDI telecommunication services in the country for a effective period 20 years, commencing on July 27, 2004. The license expired during the year and Company has applied for the license renewal, as more fully explained in note 1.1 to these consolidated financial statements.

6.1.3 During the year the Company purchased non-exclusive licenses granted by the PTA for providing certain telecommunication services for all 14 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 October 22, 2024.

		Note	June 30, 2025	June 30, 2024
			--- (Rupees in '000') ---	
6.2	**Amortization for the year has been allocated as follows**			
	Direct costs	29	133	1,954
	Administrative & distribution costs	30	2,610	470
			2,743	2,424
7.	**RIGHT-OF-USE ASSETS**			
	Opening			
	Cost		155,936	103,187
	Accumulated depreciation		(105,530)	(85,308)
	Net book value		50,406	17,879
	Movement during the year			
	Opening net book value		50,406	17,879
	Addition / reassessment	7.2	146,815	52,749
	Termination of lease	7.3	(44,452)	-
	Depreciation for the year	7.1	(26,932)	(20,222)
	Closing net book value		125,837	50,406
	Closing			
	Cost		258,299	155,936
	Accumulated depreciation		(132,462)	(105,530)
	Net book value		125,837	50,406
7.1	**Depreciation charge for the year on right-of-use assets has been allocated as follows:**			
	Direct costs	29	-	17,909
	Administrative expenses & distribution costs	30	26,932	2,313
			26,932	20,222

7.2 During the year, the Group has extended its lease terms. Consequently, the Group has recognised further lease liabilities with a corresponding increase in right-of-use assets.

7.3 During the year, one of the subsidiary of the Group has changed the terms of the lease agreements which resulted in short term lease and therefore right of use of assets & liabilities have been derecognised and the differentials has been accounted for in the profit Rs. 0.246 million.

	Note	June 30, 2025	June 30, 2024
		--- (Rupees in '000') ---	
8. LONG TERM DEPOSITS			
Security deposits - considered good			
Line deposits – PTCL		44,315	44,315
Guarantee margin		6,463	8,225
Others		7,769	7,769
		58,546	60,309
9. LONG TERM INVESTMENT			
Others - at fair value through P&L	9.1	300,449	300,449
Less: unrealised loss on remeasurement of investment		(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

	June 30, 2025	June 30, 2024
	--- (Rupees in '000') ---	
10. DEFERRED TAXATION		
Deferred tax credits arising on		
Accelerated tax depreciation	-	(22,271)
Remeasurement of liability	-	(2,296)
Right of use assets	(1,133)	(1,284)
Amortisation of intangible assets	-	(25)
	(1,133)	(25,876)
Deferred tax debits arising from		
Retirement benefits	2,319	1,983
Provision against doubtful debts and other assets & investments	34,254	59,643
Accelerated tax depreciation	1,430	23,883
Lease liabilities	2,098	11,817
Short term provisions	37,035	-
Exchange differences	-	579
Others	2,966	1,966
	80,102	99,871
	78,969	73,995

		Note	June 30, 2025	June 30, 2024
			--- (Rupees in '000') ---	
11.	**COMMUNICATION STORES**			
	Inventory		385,400	206,758
	Provision against slow moving inventory	11.1	(19,376)	(19,376)
			366,024	187,382
	Consumables		10,789	74,655
			376,813	262,037
11.1	**Provision against slow moving stores**			
	Opening balance		19,376	19,376
	Provision for the year		-	-
	Balance at the end of the year		19,376	19,376
12.	**TRADE DEBTS**			
	Unsecured - considered good		3,160,667	2,219,488
	Considered doubtful		296,523	148,915
	Loss allowance for expected credit loss	12.1	(296,523)	(148,915)
			-	-
			3,160,667	2,219,488
12.1	**Provision for allowance for expected credit loss**			
	Opening balance		148,915	127,790
	Charge for the year	30	147,608	93,699
	Provisions written off		-	(72,575)
			296,523	148,915

12.2 As at June 30, 2025 the ageing analysis of unimpaired trade debts is as follows:

	Total	Not due	Past due but not impaired: > three months upto one year	Past due but not impaired: > 1 year
	---------------- (Rupees in '000') ----------------			
June 30, 2025	3,160,666	1,706,831	430,876	1,022,959
June 30, 2024	2,219,488	520,612	921,944	776,933

		Note	June 30, 2025	June 30, 2024
			--- (Rupees in '000') ---	
13.	**LOANS AND ADVANCES**			
	Considered good			
	Executives & directors	13.1	8,362	4,829
	Employees	13.1	39,200	41,718
	Suppliers	13.2	328,595	770,511
			376,157	817,058
			376,157	817,058

13.1 Advances to employees and executives are given to meet business expenses and are settled as and when the expenses are incurred.

13.2 This is the amount being paid to supplier in advances against the provision of services under the normal course of business and operation.

13.3 Reconciliation of carrying amounts of advances to Directors are as follows:

	(Rupees in '000)
As at June 30 2023	6,808
Disbursements	4,149
Repayments	(2,953)
As at June 30 2024	8,004
Disbursements	10,810
Repayments	(2,977)
As at June 30 2025	15,837

14. DEPOSITS AND PREPAYMENTS

	Note	June 30, 2025	June 30, 2024
		--- (Rupees in '000') ---	
Deposits			
Earnest money		75,910	68,378
Margin against guarantee		125,010	260,357
Others	14.1	336,030	30,278
		536,950	359,013
Considered doubtful			
Deposits - considered doubtful		2,441	2,441
Loss allowance against deposits considered doubtful		(2,441)	(2,441)
		-	-
Prepayments			
Rent		20,607	36,987
Interconnect operators		2,204	2,204
Others		6,044	4,917
		28,855	44,108
		565,805	403,121

14.1 This mainly includes deposits made against import of equipment which are short period amounting to Rs. 21.8 million.

15. ACCRUED MARK-UP

	June 30, 2025	June 30, 2024
	--- (Rupees in '000') ---	
Mark-up on current accounts with third parties	9,003	9,035

16. INVESTMENTS

	Note	June 30, 2025	June 30, 2024
At fair value through profit & loss			
Mutual fund	16.1	2,118	-
At amortised cost			
Deposits with bank	16.2	33,223	-
		35,341	-

16.1 These represent investment in units of Shariah Compliant mutual funds, the details of which are as follows:

Name of fund	2025	
	Number of units	Value of units
		(Rs in '000')
	220,538	2,118

16.2 This represents deposits made with bank by the Phoenix Global FZE, a subsidiary carrying a profit rate of 4% per annum.

	Note	June 30, 2025	June 30, 2024
		--- (Rupees in '000') ---	
17. OTHER RECEIVABLES			
Others - considered good			
Karachi Relief Rebate	17.1(a)	349,954	349,954
Amount withheld by PTCL against PTA-Escrow	17.2	96,041	96,041
In Escrow account with PTA	17.3	397,594	397,594
Pakistan Telecommunication Authority - APC for USF	17.4	1,547,559	1,547,559
Pakistan Telecommunication Authority - ARFSF	17.5	118,135	118,135
Pakistan Telecommunication Authority - others	17.6	117,197	117,197
Insurance claims		5,547	5,547
Due from a contractor		4,026	3,778
Punjab Revenue Authority (PRA)	17.7	34,956	34,956
Others	17.8	281,189	118,395
		2,952,198	2,789,156

17.1(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 Company in the year 2000 filed a law suit against the 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 favor of the ultimate parent Company and appointed a firm of Chartered Accountants for the determination of the actual amount receivable from the 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 favor of the ultimate parent Company, the management and legal advisor of the ultimate parent Company is confident that the recovery of the amount accrued would be as prayed by the ultimate parent Company.

17.1(b) During the year ended June 30, 2002, the PTCL filed a law suit against the ultimate parent Company for the recovery of Rs. 334.313 million, alleging and disputing the relief rebate claimed / adjusted by the ultimate parent Company. In the opinion of the legal advisor of the ultimate parent Company, if it is decided by the Court that the ultimate parent Company is not entitled to the Karachi Relief Rebate and the decision in this case is against the ultimate parent Company, then the ultimate parent 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 be payable by the Company to PTCL, but in fact the ultimate parent 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 ultimate parent 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 ultimate parent Company not to create third party interest on its fixed assets as well as undertaking except in the ordinary course of business till the disposal of the case.

17.2 This represents balance due from PTCL relating to the International Clearing House (ICH) arrangement period. During the ICH regime, PTCL was responsible for collecting revenues and remitting amounts to the Company net of applicable taxes. Upon cessation of the ICH arrangement in 2014, following regulatory directives and competition concerns raised by the authorities, certain amounts remained outstanding.

17.3 During the ICH period, PTA asked PTCL to deposit certain amount in Escrow for the charges (APC for USF) owed to PTA from LDI operators. This Escrow account was opened for every LDI operator back then and the amount was then deposited in favour of those Charges. Currently this case is in process and if it is settled in our favour then all funds will flow to us.

17.4 Over the years, the 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. The additional amount claimed by the PTA from the Company was Rs. 2,313 million (net of the Rs. 390.594 million held in Escrow by the PTA including payment of Rs. 45 million paid by the Company (under protest) during the year 2023-24).

These determinations have been challenged by most of the LDI licensees including the Company on multiple grounds, including but not limited to a) that the 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 injunction to the effect of no coercive action has been granted pursuant to an order passed by the Court. Appeals and Petitions of the Company and certain other LDI's are pending adjudication before the Honorable High Court of Sindh and in the Islamabad High Court on similar grounds. The details of the petition filed by the Company during the year is disclosed in note 27.1 to these unconsolidated financial statements. 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 relate to the period ending September 2012, thereafter the APC Regime was subsequently abolished by the MOIT and PTA. It may be pertinent to inform that subsequent to the year end a fresh determination was issued by PTA through which it has increased the fine by Rs. 178.366 million as further explained in note 27.1.

17.5 This represents the matter pending in the Writ Petition filed before the Hon'ble Islamabad High Court which includes core issue of settlement of the ultimate parent Company's surrender of its Radio Frequency Spectrum (Spectrum) and the corresponding liability of Initial Spectrum Fees (ISF) liability on it. PTA's contention is that the liability on account of ISF remains the same despite Company's early surrender of Spectrum in 2017 followed by PTA's acceptance of the same. However, ultimate parent Company's plea is that the liability should be adjusted in accordance with the usage period. In parallel to the aforesaid, it also includes Principal amount and late payment fee paid under protest to Pakistan Telecommunication Authority (PTA) on account of Annual Radio Frequency Spectrum Fee (ARFSF) for FY 2017 & 2018. The Court was pleased to grant an interim stay order that stands in field.

17.6 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 to 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 ultimate parent 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.

17.7 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 ultimate parent 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 ultimate parent Company, hence the amount shall be refunded by the tax authorities.

17.8 This includes Rs. 63.287 million (2024: Rs. nil) against the additional advance tax paid to service provider. The ultimate parent Company expect these to adjusted or recovered from vendor against the provision of future services.

	Note	June 30, 2025	June 30, 2024
		---- (Rupees in '000') ----	
18. TAXATION – NET			
Advance income tax		369,419	396,647
Provision for taxation	33.2	(316,331)	(211,786)
		53,088	184,861
19. CASH AND BANK BALANCES			
In current accounts			
Local currency		139,414	337,874
Foreign currency		71,180	333,634
		210,594	671,508
In savings accounts			
Local currency	19.1	240,491	67,734
Cash in hand		84	198
		451,169	739,440

19.1 These carry mark-up at rates, ranging between 6.89% to 16.89% (June 30, 2024: 7.61% to 18.46%) per annum.

20. SHARE CAPITAL

20.1 AUTHORISED SHARE CAPITAL

June 30, 2025	June 30, 2024		June 30, 2025	June 30, 2024
Number of Shares ---- ('000') ----			---- (Rupees in '000') ---	
400,000	400,000	Ordinary shares of Rs.10/- each	4,000,000	4,000,000

20.2 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

June 30, 2025	June 30, 2024		June 30, 2025	June 30, 2024
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

21. LONG TERM FINANCING

	Note	June 30, 2025	June 30, 2024
		----(Rupees in '000')----	
Secured			
Term finance certificates	21.1	580,739	602,378
Over due payments - Term finance certificates		(125,599)	-
Current maturity shown under current liabilities		(147,238)	(147,238)
		307,902	455,140
		307,902	455,140

21.1 The Term Finance Certificates (TFC's) issued by the Group were 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.

22. LEASE LIABILITIES

	June 30, 2025	June 30, 2024
	----(Rupees in '000')----	
Opening lease liabilities	117,174	55,530
Current portion of lease liabilities	(24,148)	(18,279)
	93,026	37,251

22.1 Reconciliation of the carrying amount is as follows:

Opening balance	55,530	21,763
Accretion of interest	23,420	12,230
Addition / reassessment	142,750	52,563
Termination of lease	(45,134)	-
Lease rental payments made during the year	(59,392)	(31,026)
Lease liability closing	117,174	55,530
Current portion of lease liabilities	(24,148)	(18,279)
Long-term lease liabilities closing	93,026	37,251

22.2 Maturity analysis

Gross lease liabilities - minimum lease payments:		
Not later than one year	41,694	27,420
Later than one year but not later than five years	126,346	52,532
Future finance charge	168,040	79,952
Present value of lease liabilities	(50,866)	(24,422)
	117,174	55,530

		Note	June 30, 2025	June 30, 2024
			----(Rupees in '000')----	
23.	**DEFERRED LIABILITIES**			
	Staff gratuity	23.1	13,128	10,092
23.1	**Reconciliation of the carrying amount of staff gratuity:**			
	Opening balance		10,092	8,896
	Charged for the year		3,190	1,196
	Payments during the year		(154)	-
			13,128	10,092
24.	**TRADE AND OTHER PAYABLES**			
	Interconnect operators		22,569	24,015
	Others		1,947,949	2,220,994
			1,970,518	2,245,009
	Other payables			
	Contractual liability to customers		9,644	9,644
	Advances from customer		12,065	2,582
	Accrued liabilities		223,761	222,620
	Payable to employees provident fund		9,923	3,293
	Workers' welfare fund		15,721	12,717
	Others	24.1	896,880	418,905
			1,167,995	669,761
			3,138,513	2,914,770

24.1 This includes Rs. 16.215 million (2024: 64.43 million) payable against sales tax, and Rs. 413.692 million (2024: 242.599 million) against withholding taxes.

		Note	June 30, 2025	June 30, 2024
			----(Rupees in '000')----	
25.	**ACCRUED MARK-UP**			
	On secured			
	Term finance certificate		192,203	87,218
	Short-term running finance		5,334	8,316
	Interest / mark-up against financing		197,537	95,534
	On unsecured current accounts			
	Others		46,107	46,067
			243,644	141,601
26.	**SHORT TERM FINANCE AND CURRENT PORTION OF LONG TERM FINANCING AND LEASE LIABILITIES**			
	Running finance from bank - secured	26.1	146,698	139,889
	Current maturity			
	Term term finance certificates	21	147,238	147,238
	Overdue payment of term finance certificates	21	125,599	-
			272,837	147,238
	Current portion of lease liabilities	22	24,148	18,279
			443,682	305,406

26.1 This represents finance facility of Rs. 150 million (2024: 150 million) obtained by the Group for working capital purpose. This carries mark-up at the rate of 3 months KIBOR plus 2.4% (2024: 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 Telecard Limited and third party equitable mortgage. The unutilized facility amounts to Rs. 3.30 million (2024: Rs 10.69 million).

27. CONTINGENCIES AND COMMITMENTS

27.1 In the FY ended 2017, the Company had 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 Honorable Court disposed of the suit and remanded back the matter to the concerned authority for adjudication vide its order dated November 27,2024, with a direction that no coercive action shall be taken till the matter is finally adjudicated. Subsequently, the Pakistan Telecommunication Authority ("PTA") has issued an enforcement order dated July 18, 2025 whereby it determined an alleged amount of Rs. 4,075.287 million comprising principal amount of Rs. 1,297.580 million and fine (as of the date of determination) of Rs. 2,777.706 million. The said order has been further challenged by the Company through a constitutional petition which is currently sub judice before the Honorable High Court of Sindh with an interim order of no coercive action to be taken against the Company. Management, in consultation with their legal advisor is of the view that the Company has a good and arguable case on merits and the petition 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 has now been adjudicated by the CAT through its order dated 11 August 2025, whereby penalty has been reduced to 2% from 7.5% on turnover generated from the ICH Agreement. The Company has instituted a civil appeal before the Honble Supreme Court of Pakistan which is pending adjudication. The Company under protest has paid subsequent to the year end a sum of Rs.19M in order to mitigate the imminent risk of coercive action against the Company.

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

27.4 During the year, the Company filed a petition against a demand note issued by PTA for USD 7.384 million against WLL License fee for the previous years, the demand is in contradiction to the WLL License Conditions. The position of the Company is that the retrospective application is against the terms of the WLL License. The Honorable High Court has granted an 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.

27.5 In respect of the assessment years 1999 - 2000 to 2002 - 2003, the Ultimate Parent 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 Ultimate Parent Company on purchase of fixed assets. Tax demand in respect of these cases amounts to Rs. 59.810 million. The Ultimate Parent Company has filed appeals against these cases with 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 Ultimate Parent Company had filed an appeal against the same before the Income Tax Appellate Tribunal (ITAT) which had decided the case against the Ultimate Parent 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 Ultimate Parent Company has filed an appeal in the Court, which has not been heard to-date.

27.6 This relates to a dispute with PTCL arising out of the WPS agreement executed between the parties dated May 13, 1999 whereby PTCL is claiming an amount of Rs. 1,020 million approximately as unpaid charges under different heads of the WPS agreement. In accordance with the provisions of the said agreement the dispute has been referred for arbitration before the sole arbitrator Justice (R) Nasir Aslam Zahid. The arbitration proceedings have commenced and the Ultimate Parent Company has filed its rebuttal through which it has denied the amounts claimed by PTCL and has instead submitted a counter claim of Rs. 243.890 million refundable to it by PTCL. Further, the Ultimate Parent Company has also filed a claim for damages in the sum of Rs. 2,353.980 million on account of losses suffered by it due to breach of the WPS agreement by PTCL in this arbitration.

An amount of Rs. 243.890 million appears as the residual receivable from PTCL on this account, consistent with its position in the Arbitration proceedings. However, this amount remains fully provided for in these unconsolidated financial statements.

27.7 PTCL's claim amounting to Rs.2,013.448. million in respect of monthly billing has not been acknowledged as debt by the Ultimate Parent Company. The Ultimate Parent Company maintains that the said amount is overbilled by the PTCL.

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

27.9 Contingencies in respect of the PTA various claims and ISF are disclosed in note 17.2 to 17.4 of these consolidated financial statements.

27.10 No provision on account of above contingencies including note 27.5 and 27.7 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 favor of the Company.

27.11 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's 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 subsidiary Company's discussions and negotiations with Intelsat came to a halt. Intelsat's bankruptcy also exposed the Company 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 Company for unjustified payments for unsold and unused capacity.

Considering this, the subsidiary Company 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$10mn, 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 unconsolidated financial statements.

The Company has also 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$18mn.

27.12 While finalizing the Company'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 Company, aggregating Rs. 17.078 million, on account of non-verifiability of payment challans. The Company through its tax consultants has applied for a rectification, and the management is confident that the eventual outcome of the matter will be decided in favor of the Company. Accordingly, no adjustment has been made to the above, shown under advance income tax.

27.13 During the year ended June 30, 2013, the 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 Company through its tax consultant is pursuing the matter. So far, no adverse action has been taken against the Company by Tax Department. The management is confident that the eventual outcome of the matter will be decided in favor of the Company. Accordingly, no adjustment has been made to the above pending a final decision in this matter.

27.14 In the year 2017, the Company filed an appeal against the notices received by the PTA to its customers for discontinuing the VSAT services. The Court passed an interim 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 unconsolidated financial statements.

27.15 The Company during the year filed a J.C.M. Petition before the Hon'ble High Court of Sindh, for sanction of Scheme of Arrangement dated 27 May 2025 between the Company and Supernet Technologies Limited and their respective members under section 279 to 283 and 285(8) of the Companies Act, 2017.

In terms of the Scheme and subject to the sanction thereof, the Company shall be merged by way of amalgamation, with and into Supernet Technologies Limited whereby the entire undertaking and business inclusive of all assets, rights, properties, benefits, powers, privileges, bank accounts, contracts, licenses, liabilities obligations, dues etc. of the Company will be transferred to, stands vested in and assumed by Supernet Technologies Limited against the issuance of shares of Supernet Technologies Limited to the existing shareholders of the Company other than Supernet Technologies Limited. As a consequence of the same the Company shall stand dissolved, without winding up as per the terms of the scheme of arrangement.

Legal formalities are in process of being carried out in respect of requisite approval from the secured creditors of the Company and Supernet Technologies Limited. Thereafter the matter will be fixed for hearing in the Honourable High Court of Sindh. In the view of the legal advisor, the Company has no liability in connection with the legal proceedings.

27.16 Letters of guarantee, amounting to Rs. 252.552 million (2024: Rs. 132.414 million), have been issued by commercial banks on behalf of the Company.

		Note	June 30, 2025	June 30, 2024
			-----(Rupees in '000')-----	
28.	**REVENUE – NET**			
	Turnover		6,148,048	5,877,652
	Sale of equipment, license & software		4,780,829	4,881,368
	Turnkey projects		260,476	37,950
			11,189,353	10,796,970
29.	**COST OF REVENUE**			
	Inventory consumed	29.2	4,190,547	4,434,954
	Satellite bandwidth & communication charges		1,644,484	1,764,167
	Network media charges		936,874	1,242,593
	Support service cost		745,978	243,261
	Salaries and other benefits	29.1	294,205	327,532
	Depreciation on operating fixed assets	5.1.4	186,161	174,383
	Cost of turn key projects		182,755	27,948
	Network sites utilities and maintenance		133,850	139,110
	Repairs and maintenance		97,948	1,536
	Short-term leases - network sites rental		77,420	65,121
	Interconnect charges – net		49,786	67,222
	Annual license fee		30,899	33,911
	Conveyance and travelling		17,536	9,213
	Insurance		14,653	13,398
	Subscription charges		8,497	-
	Communication		3,762	4,334
	Consultancy		1,909	5,075
	Amortisation on intangible asset	6.2	133	1,954
	Depreciation on right-of-use assets	7.1	-	17,909
	Others		54,549	80,777
			8,671,946	8,654,398

29.1 This includes a sum of Rs. 12.880 million (2024: Rs. 7.606 million) in respect of the Group's contribution towards provident fund.

		Note	June 30, 2025	June 30, 2024
			-----(Rupees in '000')-----	
29.2	**Inventory consumed**			
	Opening		262,037	496,357
	Purchases		4,305,323	4,200,634
			4,567,360	4,696,991
	Closing	11	(376,813)	(262,037)
			4,190,547	4,434,954

30. ADMINISTRATIVE & DISTRIBUTION COSTS

	Note	June 30, 2025	June 30, 2024
		-----(Rupees in '000')-----	
Salaries and other benefits	30.1	831,345	644,556
Rent and utilities		273,481	208,241
Legal and professional		55,185	43,066
Travelling and entertainment		48,836	29,382
Vehicle running and maintenance		36,032	39,393
Depreciation on right-of-use assets	7.1	26,932	2,313
Depreciation on operating fixed assets	5.1.4	21,769	15,036
Repair and maintenance		19,718	11,077
Insurance		16,023	17,270
Office security and maintenance		15,683	17,104
Auditors' remuneration	30.2	12,433	8,368
Stationery		8,694	8,092
Fee and subscription		5,587	7,518
Communication		5,281	5,011
Postage, telephone and telex		3,198	2,491
Amortisation on intangibles	6.2	2,610	470
Sales promotion and marketing		1,576	16,270
Other receivables write-off		-	56,449
Others		86,337	261,063
		1,470,720	1,393,169

30.1 This includes Rs. 3.19 million in respect of gratuity expense for the year (2024: Rs. 1.19 million) and Rs. 23.00 million (2024: Rs.12.02 million) in respect of the Group's contribution towards provident fund.

	June 30, 2025	June 30, 2024
	-----(Rupees in '000')-----	
30.2 Auditors' remuneration		
The Ultimate Parent Company		
Fee for the audit of annual financial statements	2,450	2,450
Fee for the review of half yearly financial statements and other certifications	1,645	1,545
Out-of-pocket expenses	406	370
	4,501	4,365
Subsidiaries		
Fee for the audit / review of annual / half year financial statements	5,591	2,785
Fees for special audit	1,245	-
Other certificates & COCG	570	898
Out of pocket expenses	525	320
	7,931	4,003
	12,433	8,368

		Note	June 30, 2025	June 30, 2024
			-----(Rupees in '000')-----	
31.	**OTHER INCOME / (EXPENSE)**			
	Income from financial assets & liabilities			
	Income on saving accounts		8,766	24,720
	Gain on lease termination		246	-
	Bad debt expense		(22,220)	-
	Realised & unrealised exchange gain / (loss) - net		25,538	(47,857)
	Gain arising on final settlement of diminishing musharika		-	16,453
	Expense on purchase of subsidiary		-	(14,247)
	Liabilities no longer payable written back		7,351	-
			19,680	(20,931)
	Income / (expense) from non-financial assets			
	Loss on disposal on property and equipment		-	(778)
	Others		13,375	2,250
			13,375	1,472
			33,055	(19,459)
32.	**FINANCE COSTS**			
	Mark-up on secured:			
	Term finance certificates		104,986	88,079
	Short-term financing		24,898	36,548
	Mark-up on current accounts with third parties		32	81
	Lease liabilities against right-of-use assets		18,673	12,230
	Mark-up on related party		40	1,508
	Bank charges		13,857	17,559
			162,485	156,005
33.	**LEVY AND TAXATION**			
	Levy	33.1	112,008	79,712
	Taxation	33.2	308,717	365,883
			420,725	445,595

33.1 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, 2025	June 30, 2024
			---- (Rupees in '000') ----	
33.2	**Taxation**			
	Current tax expense		322,652	243,614
	Prior year income		(6,321)	(31,828)
	Deferred tax (income) / expense		(7,614)	154,097
		33.3	308,717	365,883

		June 30, 2025	June 30, 2024
		--- (Rupees in '000') ---	
33.3	**Relationship between accounting profit and income tax expense**		
	Profit before taxation	769,649	480,239
	Tax @ 29%	223,198	139,269
	Effect of prior period tax	(6,321)	(31,828)
	Others	91,840	258,442
		308,717	365,883

33.4 The income tax assessments of the Group have been finalised up to tax year 2024, except for certain tax year in respect of which, appeals are currently in progress at different forums as disclosed in the note 27.

		June 30, 2025	June 30, 2024
34.	**EARNING PER SHARE – BASIC AND DILUTED**		
34.1	**Earnings per share - Basic**		
	Profit attributable to the owners of the Holding Company (Rs. In '000')	144,409	11,627
	Weighted average number of ordinary shares outstanding during the year (In'000)	338,625	338,625
	Earnings per share - basic (Rupees)	0.43	0.03

34.2 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.

		Note	June 30, 2025	June 30, 2024
			----(Rupees in '000')----	
35.	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation		769,649	480,239
	Adjustments for non-cash charges and other items			
	Depreciation on operating fixed assets	5.1.4	207,930	189,419
	Depreciation on right-of-use assets	7.1	26,932	20,222
	Amortisation on intangible assets	6.2	2,743	2,424
	Provision for gratuity		3,036	1,196
	Unrealised exchange gain / (loss)	31	(6,385)	11,964
	Income on saving accounts	31	(8,766)	(24,720)
	Finance costs	32	162,485	138,446
	Loss allowance for ECL	12.1	147,608	93,699
	Other receivables write-off		-	56,449
	Gain arising on final settlement of Diminishing Musharika		-	(16,453)
	Liabilities no longer payable written-back	31	(7,351)	-
	Loss on sale of fixed assets		-	778
			528,234	473,425
	Profit before working capital changes		1,297,882	953,664

	June 30, 2025	June 30, 2024
	--- (Rupees in '000') ---	
(Increase) / decrease in current assets		
Communication stores	(114,776)	234,320
Trade debts	(1,082,403)	(46,112)
Loans and advances	440,901	21,565
Deposits and prepayment	(162,684)	(141,793)
Other receivables	(163,042)	(108,925)
	(1,082,004)	(40,946)
Increase / (decrease) in current liabilities		
Accrued mark-up	102,043	-
Trade and other payables	231,094	359,925
	333,137	359,925
Cash generated from operations	549,015	1,272,643

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

	June 30, 2025			June 30, 2024		
	Chief Executive Officer Ultimate Parent Company	Director	Executives	Chief Executive Officer Ultimate Parent Company	Director	Executives
	------ (Rupees in '000') ------					
Managerial remuneration	10,452	8,667	145,025	10,452	13,982	187,299
Other perquisites and benefits:						
House rent	4,700	2,700	22,100	4,703	6,291	15,230
Medical	32	35	1,559	15	19	704
Retirement benefits	871	767	15,323	435	582	98,328
Perquisites and benefits	1,045	10,057	138,254	1,045	1,398	31,984
	6,648	13,559	177,236	6,198	8,290	146,246
	17,100	22,226	322,261	16,650	22,272	333,545
Number of persons	1	2	71	1	2	66

36.1 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. 13.90 (2024: 9.50) million.

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

		Note	June 30, 2025	June 30, 2024
			----(Rupees in '000')----	
37.	**FINANCIAL INSTRUMENTS BY CATEGORY**			
37.1	**Financial assets at amortised cost**			
	Long term deposits	8	58,546	60,309
	Trade debts	12	3,160,667	2,219,488
	Deposits	14	536,950	359,013
	Accrued mark up	15	9,003	9,035
	Other receivable	17	2,917,242	2,754,200
	Bank balances	19	451,169	739,440
	Investment	16	35,341	-
			7,133,577	6,141,485
37.2	**Financial liabilities measured at amortised cost**			
	Long term financing	21	307,902	455,140
	Lease liabilities	22	93,026	37,251
	Trade and other payables*	24	2,688,580	2,892,409
	Short term finance and current portion of long term financing and lease liabilities	26	443,682	305,406
	Accrued mark-up	25	243,644	141,601
			3,776,834	3,831,807

*Trade and other payable excludes amount of contractual liability to customers, advance from customer & worker's welfare funds.

38. 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.

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, 2025, 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 Group's profit by Rs. 5.03 million (2024: Rs. 6.20 million) and a 1% decrease would result in an increase in the Group's profit by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

38.1.2 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, 2025	June 30, 2024
	-------- US$ -------	
Trade debts	490,681	549,962
Bank balances	19	19
Trade and other payables	(99,322)	831,185
	391,377	1,381,166

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

Exchange rate (Rupees)	283.76	278.34

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 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 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, 2025	+10	11,106	11,106
	-10	(11,106)	(11,106)
June 30, 2024	+10	38,444	38,444
	-10	(38,444)	(38,444)

38.1.3 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, 2025 the Group is not exposed to equity price risk.

38.1.4 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:

	Note	June 30, 2025	June 30, 2024
		----(Rupees in '000')----	
Trade debts	12	3,160,667	2,219,488
Long term deposits	8	58,546	60,309
Loan and advances	13.2	328,595	770,511
Short term deposits	14	536,950	359,013
Accrued mark-up	15	9,003	9,035
Bank balances	19	451,169	739,440
		4,544,930	4,157,796

Trade debts

Customers with no defaults in the past one year	3,160,667	2,219,488

Bank balances

AAA	3,178	11,350
AA	-	44,529
AA+	323,590	563
A+	291	42
A	-	387,570
A-	21,787	134
AA-	28,350	253,384
Others	73,889	41,868
	451,085	739,440

38.1.5 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	-	-	-	307,902		307,902
Trade & other payables	-	26,057	3,112,456	-	-	3,138,513
Unclaimed dividend	4,417	-	-	-	-	4,417
Accrued mark-up	-	51,441	-	192,203	-	243,644
Current portion of long term finance	-	125,599	318,083	-	-	443,682
June 30, 2025	**4,417**	**203,096**	**3,430,540**	**500,105**	**-**	**4,138,158**

	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	-	54,383	-	87,218	-	141,601
Current portion of long term finance	-	34,281	271,125	-	-	305,406
June 30, 2024	4,417	101,382	3,173,178	542,358	-	3,821,334

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 22.2 to the consolidated financial statements.

38.1.6 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).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The table below analyzes assets measured at fair value at end of the reporting period by the level in the fair value hierarchy into which the fair value measured is categorised.

		2025		
		Level 1	Level 2	Level 3
	Note	-----------------(Rupees in '000')-----------------		
Financial assets at fair value through profit or loss				
Mutual funds	16.1	-	2,118	-
Total		-	2,118	-

Item	Valuation approach and input used
Mutual Funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.

38.1.7 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 stakeholders and to maintain an optimal capital structure.

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

	June 30, 2025	June 30, 2024
	----(Rupees in '000')----	
Total debts	895,449	753,442
Cash and bank balance	(451,169)	(739,440)
Debt	444,280	14,002
Issued, subscribed and paid-up share capital	4,878,685	4,520,973
Total capital	4,878,685	4,520,973
Capital and debt	5,322,966	4,534,975
Gearing ratio	8.3%	0.3%

39. 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, 2025	June 30, 2024
	----(Rupees in '000')----	
Key management personnel and executives		
Remuneration and benefits	153,809	341,181
Non-executive directors		
Meeting fee	1,390	950

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

40. PROVIDENT FUND RELATED DISCLOSURES

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

41. SHARIAH COMPLIANCE STATUS DISCLOSURE

	Note	Shariah-compliant		Conventional	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
		(Rupees in '000')			
Statement of financial position					
- Asset side					
Bank balances	19	95,665	14,094	355,504	725,346
- Liability side					
Long–term finance	21	-	-	307,902	455,140
Short term finance and current portion of long term financing and lease liabilities	26	-	-	443,682	305,406
Markup accrued	25	-	-	243,644	141,601
Statement of profit or loss					
Revenue	28	11,189,353	10,796,970	-	-
Profit on balances with banks	31	2,087	914	6,679	23,806

41.1 Group companies maintains its bank balances with Al Baraka Bank (Pakistan) Limited, Bank Islami Pakistan Limited, Faysal Bank, Meezan Bank Limited and MCB Bank Limited, which also acts as the custodian of the Group.

42. CASH AND CASH EQUIVALENT

	June 30, 2025	June 30, 2024
	(Rs. in '000')	
Cash and bank balance	451,169	739,440
Short term running finance	(146,698)	(139,889)
	304,471	599,551

43. NUMBER OF EMPLOYEES

The numbers of employees at the year ended were 585 (2024: 581) and average number of employees during the year were 589 (2024: 587).

44. 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.

45. AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on 07 OCT 2025 by the Board of Directors of the Ultimate Parent Company.

46. 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

901, Q. M. House,
Elander Road, Karachi - Pakistan.
Tel: + 92-21-32621701-03
E-mail: khi@parkerrussellajs.com.pk
Offices also at Faisalabad, Lahore & Islamabad

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, 2025, 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, 2025 and of the profit or loss 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 17.4 and 27.1 to the accompanying unconsolidated financial statements where an amount of Rs. 1,547.599 million has been paid by the Company to the Pakistan Telecommunication Authority ("PTA") in respect of claim against Access Promotion Contribution for Universal Service Fund. In addition to this, the Company also received enforcement order amounting to Rs. 4,075 million by PTA in respect of claim against Access Promotion Contribution for Universal Service Fund. The Company has challenged this enforcement order through a constitutional petition before the Honorable High Court of Sindh. Pending the final outcome of the said petition, no provision has been made in these unconsolidated financial statements in respect of the amount already paid or the additional demand raised by the Authority.

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; and

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 (Refer note 28 to the annexed unconsolidated financial statements) The Company has reported revenue amounting to Rs. 2,003.923 million during the year ended June 30, 2025. 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.	Our key audit procedures in this area amongst others included the following: • Obtained 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; • compared 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
We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. In addition, revenue is also considered as an area of significant risk as part of the audit process.	• recalculated the revenue based on the prevailing exchange rates and other input parameters i.e., minutes as per CDR to ensure accuracy; • inspected 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 (Refer note 27 to the annexed unconsolidated financial statements) As at June 30, 2025, the Company has contingencies in respect of various regulatory and legal suites against the Company, which are pending in different courts. 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.

The 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 07, 2025
Karachi.
UDIN: AR2025101920rxeX9Ma8

Telecard Limited
Unconsolidated Statement of Financial Position
As at June 30, 2025

	Note	June 30, 2025	June 30, 2024
		--- (Rupees in '000') ---	
Assets			
Non - current assets			
Property and equipment	5	299,794	295,140
Intangible assets	6	-	133
Right-of-use assets	7	-	44,452
Long term investments	8	130,555	130,355
Long term deposits	9	50,878	52,640
Due from related parties	10	-	632,118
Deferred taxation - net	11	20,704	20,335
		501,931	1,175,173
Current assets			
Trade debts	12	860,112	931,956
Due from related parties	10	787,936	-
Stock-in-trade	13	-	24,823
Loans and advances	14	62,397	83,235
Deposits and prepayments	15	46,643	62,112
Accrued mark-up	16	9,003	9,035
Other receivables	17	2,734,659	2,671,435
Taxation – net	18	121,985	108,814
Bank balances	19	227,845	54,292
		4,850,580	3,945,702
Total assets		5,352,511	5,120,875

The annexed notes from 1 to 45 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, 2025

	Note	June 30, 2025	June 30, 2024
		--- (Rupees in '000') ---	
Equity and liabilities			
Share capital and reserves			
Authorized share capital			
400,000,000 (2024: 400,000,000) ordinary shares of Rs. 10/- each		4,000,000	4,000,000
Issued, subscribed and paid - up share capital	20.2	3,386,250	3,386,250
Revenue reserve			
Accumulated losses		(296,129)	(361,775)
		3,090,121	3,024,475
Non - current liabilities			
Long term financing	21	307,902	455,140
Lease liabilities	22	-	31,096
Deferred liabilities	23	7,855	7,319
		315,757	493,555
Current liabilities			
Trade and other payables	24	1,431,092	1,303,890
Unclaimed dividend		4,394	4,394
Accrued mark-up	25	238,310	133,285
Current portion of long term finance and lease liabilities	26	272,837	161,276
		1,946,633	1,602,845
Total equity and liabilities		5,352,511	5,120,875
Contingencies & commitments	27		

The annexed notes from 1 to 45 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, 2025

	Note	June 30, 2025	June 30, 2024
		---- (Rupees in '000') ----	
Revenue - net	28	2,003,923	2,294,683
Cost of revenue	29	(1,350,844)	(1,514,192)
Gross profit		653,079	780,491
Administrative & distribution costs	30	(560,492)	(658,427)
Allowance for expected credit losses	12.2	(3,879)	(13,219)
Other income	31	148,464	464,472
		(415,907)	(207,174)
Operating profit		237,172	573,317
Finance costs	32	(107,732)	(104,684)
Profit before leveies and taxation		129,440	468,633
Levies - minimum tax and final tax	33	(64,163)	(91,845)
Profit before taxation		65,277	376,788
Taxation	33	369	(128,386)
Profit after taxation		65,646	248,402
Earnings per share - basic and diluted (Rs.)	34	0.19	0.73

The annexed notes from 1 to 45 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, 2025

	June 30, 2025	June 30, 2024
	---- (Rupees in '000') ----	
Profit for the year	65,646	248,402
Other comprehensive income	-	-
Total comprehensive income for the year	65,646	248,402

The annexed notes from 1 to 45 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, 2025

	Issued, subscribed and paid - up share capital	Revenue Reserve Accumulated losses	Total
	-------------- (Rupees in '000') --------------		
Balance as at July 01, 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
Profit for the year	-	65,646	65,646
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	65,646	65,646
Balance as at June 30, 2025	3,386,250	(296,129)	3,090,121

The annexed notes from 1 to 45 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, 2025

	Note	June 30, 2025	June 30, 2024
		---- (Rupees in '000') ----	
Cash flows from operating activities			
Cash generated from operations	35	305,013	385,421
Levy and income tax paid		(77,335)	(105,971)
Finance costs paid		(3,110)	(42,200)
Net cash generated from operating activities		224,568	237,250
Cash flows from investing activities			
Payment against acquisition of property and equipment		(29,291)	(34,045)
Interest income received		115	753
Payment made for long term investment		(200)	(15,000)
Proceeds from disposal of property and equipment		-	6,300
Net cash used in investing activities		(29,376)	(41,992)
Cash flows from financing activities			
Repayment of diminishing musharakah facility		-	(54,255)
Repayment of term finance certificates		(21,639)	(147,238)
Reassessment of lease liability and right of use of asset		-	25,923
Net cash used in financing activities		(21,639)	(175,570)
Net increase in cash and cash equivalents		173,553	19,688
Cash and cash equivalents at the beginning of the year		54,292	34,604
Cash and cash equivalents at the end of the year	19	227,845	54,292

The annexed notes from 1 to 45 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 INTERNATIONAL AND LOCAL LOOP LICENSE ("LICENSES")

During the year, the Long Distance International (LDI) and Local Loop (LL) licenses were due for renewal . The Company had initiated the process of renewals of LDI and FLL licenses with the Pakistan Telecommunication Authority (PTA). However, due to the pending litigations (As per note: 17.2, 17.3, and 17.4 of the unconsolidated financial statements) with PTA and the MOITT 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 in various courts securing 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. During the year , one of the subsidiary of the Telecard Group has also acquired a Local Loop license for twenty years that can be leveraged to continue the Company's services under this license if the need arises. Notwithstanding the above, 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 these separate financial statements, the Company also prepares consolidated financial statements.

- 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 unconsolidated 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 published accounting and reporting standards which became effective during the year:

The following amendments to International Financial Reporting Standards (IFRS) became effective for annual reporting periods beginning on or after January 01, 2024, and therefore were applicable to the Company's unconsolidated financial statement for the year ended June 30, 2025:

(i) IAS 1 – Presentation of Financial Statements (Amendments: Disclosure of Accounting Policies & Classification of Liabilities as Current or Non-current, with Non-current Liabilities with Covenants)

- These amendments require entities to disclose material accounting policies instead of merely significant ones.
- They also clarify the classification of liabilities as current or non-current based on rights existing at the reporting date and require specific disclosures for covenants related to non-current liabilities.
- The amendments did not result in any material change to the Company's financial position or performance, except for enhanced disclosure of accounting policies.

(ii) IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures (Amendments: Supplier Finance Arrangements)

- Introduces specific disclosure requirements regarding supplier finance (reverse factoring) arrangements to enable users of unconsolidated financial statement to understand the effects on liabilities and cash flows.
- The Company does not have supplier finance arrangements; therefore, the amendments did not impact these unconsolidated financial statement.

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

The following new standards and amendments to existing standards have been published and are mandatory for accounting periods beginning on or after the dates mentioned below. These have not been early adopted by the Company:

(i) IFRS 18 Presentation and Disclosure in Unconsolidated Financial Statement — **Effective date:** January 1, 2027

IFRS 18 replaces IAS 1 Presentation of unconsolidated financial statement and introduces significant changes to the structure and disclosure requirements of unconsolidated financial statement. The key objective is to improve comparability and clarity of performance reporting across entities. The standard introduces three defined categories in the statement of profit or loss: operating, investing, and financing. It also introduces requirements for companies to disclose management-defined performance measures (MPMs) used in public communications, along with reconciliations to IFRS-defined subtotals. In addition, IFRS 18 provides enhanced guidance on disaggregation and promotes a more objectives-based disclosure approach. The Company is assessing the potential impact of this standard on the classification, presentation, and disclosures in its unconsolidated financial statement.

(ii) IFRS 19 Subsidiaries without Public Accountability: Disclosures — **Effective date:** January 1, 2027

IFRS 19 permits eligible subsidiaries—those without public accountability and whose parent prepares consolidated financial statements in accordance with IFRS—to apply all recognition, measurement, and presentation requirements of IFRS while providing reduced disclosures. The objective is to reduce the cost of compliance for such subsidiaries while maintaining transparency for users of financial statements. The Company is currently evaluating whether any of its subsidiaries qualify for the application of IFRS 19 and the potential impact on future disclosure requirements.

(iii) IFRS 7 Financial Instruments: Disclosures (Amendments) — **Effective date:** January 1, 2026

The amendments require entities to disclose additional information about supplier finance arrangements, including the terms and conditions, the carrying amounts of financial liabilities subject to such arrangements, and the line items in which they are presented. The objective is to improve transparency and help users assess the effects of these arrangements on an entity's liabilities, liquidity, and cash flows. The amendments apply when an entity enters into arrangements where a finance provider pays amounts the entity owes to its suppliers. The Company is evaluating the impact of these disclosure requirements and will implement the changes in accordance with the effective date.

(iv) IFRS 9 Financial Instruments (Supplier Finance Arrangements) — **Effective date:** January 1, 2026

These amendments clarify the classification and presentation of liabilities that arise from supplier finance arrangements. They aim to ensure consistent application of derecognition, modification, and classification principles under IFRS 9. In particular, the amendments provide guidance on how an entity should assess whether a liability should be classified as a financial liability or trade payable, based on its substance rather than legal form. The amendments work alongside related changes to IFRS 7 and IAS 7 to improve transparency around the use of such arrangements. The Company is currently assessing the impact of these amendments on its accounting treatment and unconsolidated financial statement presentation.

(v) IFRS S1 General Requirements for Disclosure of Sustainability-Related Financial Information — **Effective date:** January 1, 2025

IFRS S2 Climate-Related Disclosures

These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate-related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas ('GHG') emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal carbon prices and remuneration.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been present here.

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

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 expected credit losses	4.4, 12.2 & 17.8
Accounting for staff retirement benefits	4.12 & 23
Recognition of levy, current taxation and deferred taxation	4.6, 11 & 33
Other provisions and contingent liabilities	4.9 , 4.20 & 27
Determining the lease term of contracts with renewal and termination options	4.15 & 22

4. SUMMARY OF 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.

4.1 Fixed assets

4.1.1 Property 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 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 Company. The carrying amount of any replaced parts as well as other repair and maintenance costs, are charged to unconsolidated statements of profit or loss during the period in which they are incurred.

Depreciation is charged to unconsolidated statements 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. 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 unconsolidated 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 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 unconsolidated statements 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.

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

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 unconsolidated financial statements.

Current taxation

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 taxation

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.

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4.7 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the unconsolidated 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 unconsolidated 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 unconsolidated statement of other comprehensive income which are never reclassified to the unconsolidated 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 unconsolidated 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 unconsolidated 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.

4.17 Other income

Other income is recognised to the extent it is probable that the economic benefits will flow to the Company and amount can be measured reliably. Other income is measured at the fair value of the consideration received or receivable and is recognised on the following basis:

a) Dividend is recognized when the right to receive is established.

b) Profit on bank deposits is recognized on time proportion basis on the outstanding balance amount and at the applicable rate.

c) Interest on loan is recognised on accrual basis;

d) Gain on disposal of property, plant and equipment is recognised at the difference between sales proceeds and carrying value when the relevant item of property, plant and equipment is disposed off.

e) Gain on disposal of long-term investments is recognized when the risks and rewards of ownership are transferred.

4.18 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.

4.19 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.

4.20 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.

4.21 Earning per share - basic and diluted

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.

4.22 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.23 Contract liability

Contract liability represents the Company's obligation to render services to a customer for which consideration has been received or is due before the related performance obligations are satisfied. Revenue is recognized as the services are rendered and the performance obligations are fulfilled.

4.24 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 (provided 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**
Supernet Technologies Limited	Subsidiary company *(direct)*	-
Supernet Limited	Subsidiary company *(direct)*	-
Supernet E-Solutions (Pvt.) Limited	Subsidiary company *(indirect)*	-
Supernet Secure Solutions	Subsidiary company *(indirect)*	-
Supernet Infrastructure Solutions (Pvt.) Limited	Subsidiary company *(Indirect)*	-
Phoenix Global FZE	Subsidiary company *(indirect)*	-
Lytel (Pvt.) Limited	Wholly owned subsidiary	-
Xperio (Pvt.) Limited	Wholly owned subsidiary	-
Telegateway Limited	Wholly owned subsidiary	-
Nexus Communication (Pvt.) Limited	Wholly owned subsidiary	-
Glitz Communication (Pvt.) Limited	Wholly owned subsidiary	-
Globetech Communication (Pvt.) 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, 2025	June 30, 2024
		---- (Rupees in '000') ----	
5. PROPERTY AND EQUIPMENT			
	5.1	299,794	295,140

5.1 Operating fixed assets - Owned

	Note	Cost				Accumulated depreciation				W.D.V.	
		As at July 01, 2024	Additions	Disposals	As at June 30, 2025	As at July 01, 2024	Charge for the year	Disposals during the year	As at June 30, 2025	As at June 30, 2025	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	6,193,733	27,098	-	6,220,831	5,924,260	19,851	-	5,944,111	276,720	5-33%
Sign boards		30,875	-	-	30,875	30,875	-	-	30,875	-	-
Furniture, fixtures & equipment		51,983	576	-	52,559	48,749	547	-	49,296	3,263	10%
Computers & accessories		79,038	1,617	-	80,655	76,665	1,662	-	78,327	2,328	33%
Vehicles		33,743	-	-	33,743	16,705	2,577	-	19,282	14,461	20%
		6,393,017	29,291	-	6,422,308	6,097,877	24,637	-	6,122,514	299,794	

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

	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 30, 2024	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	6,181,270	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	

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, 2025 is Rs. 6,059 million (2024: Rs. 6,054 million).

5.1.3 Depreciation for the year has been allocated as follows:

	Note	June 30, 2025	June 30, 2024
		---- (Rupees in '000') ----	
Direct costs	29	19,851	26,947
Administrative & distribution costs	30	4,786	5,384
		24,637	32,331

6. INTANGIBLE ASSETS

	Note	Cost			Amortisation			W.D.V.	
		As at July 01, 2024	Addition/ (Disposal)	As at June 30, 2025	As at July 01, 2024	Charge for the year	As at June 30, 2025	as at June 30, 2025	Period (years)
		(Rs. in '000')							
WLL licenses	6.1	8,120	-	8,120	8,120	-	8,120	-	20
LDI license	6.2	29,029	-	29,029	28,896	133	29,029	-	20
		37,149	-	37,149	37,016	133	37,149	-	

	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	8,120	-	8,120	7,714	406	8,120	-	20
LDI license	29,029	-	29,029	27,348	1,548	28,896	133	20
	37,149	-	37,149	35,062	1,954	37,016	133	

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 were effective for a period of 20 years, commencing on August 04, 2004. These licenses expired during the year. However the Company has applied for renewal of these licenses as more fully explained in note 1.1 to these unconsolidated financial statements.

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. The license expired during the year and Company has applied for the license renewal, as more fully explained in note 1.1 to these unconsolidated financial statements.

		Note	June 30, 2025	June 30, 2024
			---- (Rupees in '000') ----	
7.	**RIGHT-OF-USE ASSETS**			
	As at July 01,			
	Cost		136,287	83,538
	Accumulated depreciation		(91,835)	(73,926)
	Net book value		44,452	9,612
	Year ended June 30,			
	Opening net book		44,452	9,612
	Remeasurement of lease		-	52,749
	Termination of lease	7.1	(44,452)	
	Depreciation for the year		-	(17,909)
	Closing net book		-	44,452
	As at June 30,			
	Cost		136,287	83,538
	Remeasurement of lease		-	52,749
	Accumulated depreciation		(91,835)	(91,835)
	Termination of lease		(44,452)	-
	Net book value		-	44,452

7.1 During the year, the Company has changed the terms of rental agreements with the vendors and has entered into short term rentals agreements. Accordingly these lease have been terminated and does not meet the criteria of right of use of assets.

		Note	June 30, 2025	June 30, 2024
			---- (Rupees in '000') ----	
8.	**LONG TERM INVESTMENTS**			
	In subsidiary companies - at cost	8.1	131,355	131,155
	Less: provision for impairment		(800)	(800)
			130,555	130,355
	Others - at fair value through P&L	8.2	300,449	300,449
	Unrealised loss on remeasurement of investment through P&L		(300,449)	(300,449)
			-	-
			130,555	130,355

		Note	June 30, 2025	June 30, 2024
			---- (Rupees in '000') ----	
8.1	**Subsidiary companies**			
	Quoted			
	Supernet Limited 37,260,050 (2024: 37,260,050) ordinary shares of Rs. 10/- each 30.19% holding	8.1.1	115,355	115,355
	Supernet Technologies Limited 314,220 (2024: 314,220) ordinary shares of Rs. 47.74/- each 62.84% holding	8.1.2	15,000	15,000
	Unquoted			
	Telegateway Limited 50,000 (2024: 50,000) ordinary shares of Rs. 10/- each		500	500
	Nexus Communication (Private) Limited 10,000 (2024: 10,000) ordinary shares of Rs. 10/- each		100	100
	Glitz Communication (Private) Limited 10,000 (2024: 10,000) ordinary shares of Rs. 10/- each		100	100
	Globetech Communication (Private) Limited 10,000 (2024: 10,000) ordinary shares of Rs. 10/- each		100	100
	Lytle (Private) Limited 10,000 (2024: Nill) ordinary shares of Rs. 10/- each	8.1.3	100	-
	Xperio (Private) Limited 10,000 (2024: Nill) ordinary shares of Rs. 10/- each	8.1.4	100	-
			1,000	800
			131,355	131,155

8.1.1 This represent the investment in Supernet Limited which was incorporated as wholly owned subsidiary in March 14,1995 to carryout the business of satellite and microwave communication services. The subsidiary Company become Listed in 2022, and as part of business reorganisation in 2024 the company has transferred its 51% shareholding to another subsidiary Company, however, the Company retained effective shareholding of 62% and thereby continues to recognise investment in Supernet as subsidiary.

8.1.2 This represents the investment made by the Company in Supernet Technologies Limited in the year 2024. The company is involved in the business of computer and allied I.T equipment and I.T. enabled services export.

8.1.3 During the year Company made an investment in wholly owned subsidiary Lytle (Private) Limited which is involved in the business of providing/developing software, services and solutions in the field of information and communication technology including call centres and other related services.

8.1.4 During the year, the Company has made an investment in wholly owned subsidiary Xperio (Private) Limited which is involved in the business of providing / developing software, services and solutions in the field of information and communication technology including call centres and other related services.

		June 30, 2025	June 30, 2024
		---- (Rupees in '000') ----	
8.2	**Others - At fair value through P&L**		
	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 and unquoted subsidiaries.

		Note	June 30, 2025	June 30, 2024
			---- (Rupees in '000') ----	
9.	**LONG TERM DEPOSITS**			
	Security deposits - considered good			
	Line deposits – PTCL		44,315	44,315
	Guarantee margin		6,463	8,225
	Others		100	100
			50,878	52,640
10.	**DUE FROM RELATED PARTIES**			
	Supernet Technologies Limited	10.1	787,936	632,118
	Current maturity shown under current assets			
	Current maturity		(787,936)	-
			-	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 Company is in the process of business reorganisation whereby the Supernet Limited & Supernet Technologies Limited will be a merged entity and accordingly the outstanding liability will be settled through operations of the merged entity.

		Note	June 30, 2025	June 30, 2024
			---- (Rupees in '000') ----	
11.	**DEFERRED TAXATION - NET**			
	Deferred tax liability arising on			
	Accelerated tax depreciation		(17,870)	(22,271)
	Remeasurement of liability		-	(2,296)
	Amortisation of intangible assets		-	(25)
			(17,870)	(24,592)
	Deferred tax assets arising from			
	Provision of investment and other assets		37,035	35,001
	Retirement benefits		1,539	1,385
	Leases liabilities		-	8,541
			38,574	44,927
			20,704	20,335
12.	**TRADE DEBTS**			
	Unsecured - considered good			
	Trade receivable - others		724,740	796,584
	Related parties	12.1	135,372	135,372
			860,112	931,956
	Domestic			
	Considered good		655,619	717,503
	Considered doubtful		65,255	61,376
			720,874	778,879
	International			
	Considered good		136,007	149,846
	Considered doubtful		3,231	3,231
			139,238	153,077
			860,112	931,956
	Considered doubtful trade debts		68,486	64,607
	Loss allowance for ECLs	12.2	(68,486)	(64,607)
			-	-
			860,112	931,956

12.1 This amount is receivable from Supernet Limited, a subsidiary. Maximum aggregate amount due from Supernet Limited at the end of any month calculated with reference to month end balances is Rs. 135.372 million (2024: Rs. 135.372 million).

		June 30, 2025	June 30, 2024
		---- (Rupees in '000') ----	
12.2	**Loss allowance for ECL**		
	Balance as at July 01	64,607	51,388
	Loss allowance charged for the year	3,879	13,219
	Balance as at June 30	68,486	64,607

12.3 As at June 30, 2025, the ageing analysis of un-impaired trade debts is as follows:

	Total	Not due	Past due but not impaired: > three months up to one year	Past due but not impaired: Above one year
	(Rupees in '000')			
Related parties	135,372	-	-	135,372
Others	724,740	133,963	145,315	445,462
June 30, 2025	**860,112**	**133,963**	**145,315**	**580,834**

	Total	Not due	Past due but not impaired: > three months up to one year	Past due but not impaired: 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**

	Note	June 30, 2025	June 30, 2024
		(Rupees in '000')	
13. STOCK IN TRADE			
Stock in trade		-	24,823
14. LOANS AND ADVANCES			
Loans – unsecured considered good			
Executives	14.1	8,362	4,829
Employees		7,809	8,035
		16,171	12,864
Advances – unsecured considered good			
Suppliers	14.3	46,226	70,371
		62,397	83,235

14.1 Advances to employees and directors are given to meet business expenses and are settled as and when the expenses are incurred.

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

	(Rupees in '000)
As at June 30 2023	9,163
Disbursements	18,667
Repayments	(14,966)
As at June 30 2024	12,864
Disbursements	22,154
Repayments	(18,847)
As at June 30 2025	16,171

14.3 This includes an advance given to Lytel (Private) Limited, a wholly owned subsidiary of Rs. 37.851 million against services. The advance is unsecured, interest-free, and is expected to be adjusted against services in the normal course of business.

		Note	June 30, 2025	June 30, 2024
			---- (Rupees in '000') ----	
15.	**DEPOSITS AND PREPAYMENTS**			
	Deposits			
	Others		18,700	18,720
	Prepayments			
	Interconnect operators		2,204	2,204
	Rent		20,607	36,987
	Others		5,132	4,201
			27,943	43,392
			46,643	62,112
16.	**ACCRUED MARK - UP**			
	Mark-up on loan to third parties		9,003	9,035
17.	**OTHER RECEIVABLES**			
	Consider good			
	Karachi Relief Rebate Package	17.1 (a)	349,954	349,954
	Due from PTCL against ICH	17.2	96,041	96,041
	In Escrow account with PTA	17.3	397,594	397,594
	Pakistan Telecommunication Authority- APC for USF	17.4	1,547,559	1,547,559
	Pakistan Telecommunication Authority- ARFSF	17.5	118,135	118,135
	Pakistan Telecommunication Authority- Others	17.6	117,197	117,197
	Punjab Revenue Authority (PRA)	17.7	34,956	34,956
	Due from a contractor		4,026	3,778
	Others	17.8	69,197	6,221
			2,734,659	2,671,435

17.1 (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 Company in the year 2000 filed a law suit against the 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 the 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 favourable 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, the 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 be 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 undertaking except in the ordinary course of business till the disposal of the case.

17.2 This represents balance due from PTCL relating to the International Clearing House (ICH) arrangement period. During the ICH regime, PTCL was responsible for collecting revenues and remitting amounts to the Company net of applicable taxes. Upon cessation of the ICH arrangement in 2014, following regulatory directives and competition concerns raised by the authorities, certain amounts remained outstanding. The matter has been challenged by the Company in court against PTCL, and the case is presently pending adjudication.

17.3 During the ICH period, PTA asked PTCL to deposit certain amount in Escrow for the charges (APC for USF) owed to PTA from LDI operators. This Escrow account was opened for every LDI operator back then and the amount was then deposited in favour of those Charges. Currently this case is in process and if it is settled in our favour then all funds will flow to us.

17.4 Over the years, the 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. The additional amount claimed by the PTA from the Company was Rs. 2,313 million (net of the Rs. 390.594 million held in Escrow by the PTA including payment of Rs. 45 million paid by the Company (under protest) during the year 2023-24).

These determinations have been challenged by most of the LDI licensees including the Company on multiple grounds, including but not limited to a) that the 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 injunction to the effect of no coercive action has been granted pursuant to an order passed by the Court. Appeals and Petitions of the Company and certain other LDI's are pending adjudication before the Honorable High Court of Sindh and in the Islamabad High Court on similar grounds. The details of the petition filed by the Company during the year is disclosed in note 27.1 to these unconsolidated financial statements. 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 relate to the period ending September 2012, thereafter the APC Regime was subsequently abolished by the MOIT and PTA. It may be pertinent to inform that subsequent to the year end a fresh determination was issued by PTA through which it has increased the fine by Rs. 178.366 million as further explained in note 27.1.

17.5 This represents the matter pending in the Writ Petition filed before the Hon'ble Islamabad High Court which includes core issue of settlement of the Company's surrender of its Radio Frequency Spectrum (Spectrum) and the corresponding liability of Initial Spectrum Fees (ISF) liability on it. PTA's contention is that the liability on account of ISF remains the same despite Company's early surrender of Spectrum in 2017 followed by PTA's acceptance of the same. However, Company's plea is that the liability should be adjusted in accordance with the usage period. In parallel to the aforesaid, it also includes Principal amount and late payment fee paid under protest to Pakistan Telecommunication Authority (PTA) on account of Annual Radio Frequency Spectrum Fee (ARFSF) for FY 2017 & 2018. The Court was pleased to grant an interim stay order that stands in field.

17.6 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 to 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.

17.7 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 favour of Company, hence the amount shall be refunded by the tax authorities.

17.8 This includes Rs. 63.287 million (2024: Rs. nil) against the additional advance tax paid to service provider. The Company expect these to adjusted or recovered from vendor against the provision of future services.

		Note	June 30, 2025	June 30, 2024
			---- (Rupees in '000') ----	
18.	**TAXATION – NET**			
	Advance income tax		186,148	191,851
	Provision for taxation – current	33	(64,163)	(83,037)
			121,985	108,814
19.	**BANK BALANCES**			
	In current accounts			
	Local currency		18,440	9,305
	Foreign currency		5	5
			18,445	9,310
	In saving accounts			
	Local currency	19.1	209,400	44,982
			227,845	54,292

19.1 These carry mark-up at rates, ranging between 6.89% to 13.93% (2024: 7.59% to 18.63%%) per annum.

20. SHARE CAPITAL AND RESERVES

20.1 AUTHORISED SHARE CAPITAL

June 30, 2025	June 30, 2024		June 30, 2025	June 30, 2024
Number of shares ---- ('000') ----			---- (Rupees in '000') ----	
400,000	400,000	Ordinary shares of Rs.10/- each	4,000,000	4,000,000

20.2 ISSUED, SUBSCRIBED AND PAID - UP SHARE CAPITAL

June 30, 2025	June 30, 2024		June 30, 2025	June 30, 2024
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% (2024: 0.01%), associated undertaking held nil (2024: nil) and the balance of 99.99% (2024: 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, 2025	June 30, 2024
		---- (Rupees in '000') ----	
Secured			
Term finance certificates	21.1	580,739	602,378
		580,739	602,378
Current maturity shown under current liabilities			
Over due instalment - Term finance certificate		(125,599)	-
Current maturity	26	(147,238)	(147,238)
		307,902	455,140

21.1 The term finance certificates (TFC's) issued by the Company were restructured effective from October 2021. Under the restructured terms, the outstanding principal amount is repayable over 20 equal quarterly instalments beginning from March 31, 2022. Further, markup accrued till December 31, 2020 and the markup accrued post restructuring shall be paid in eight quarterly instalments starting from March 31, 2027. These TFC's carry markup at the rate of three month KIBOR.

22. LEASE LIABILITIES

	Note	June 30, 2025	June 30, 2024
		---- (Rupees in '000') ----	
Lease liabilities		-	45,134
Current portion of lease liabilities	26	-	(14,038)
		-	31,096

	Note	June 30, 2025	June 30, 2024
		---- (Rupees in '000') ----	

22.1. Reconciliation of the carrying amount is as follows:

	Note	June 30, 2025	June 30, 2024
As at July 01		45,134	9,352
Remeasurement of lease		-	52,563
Termination of lease	7.1	(45,134)	-
Accretion of interest		-	9,859
Lease rental payments made during the year		-	(26,640)
Lease liability as at June 30		-	45,134
Current portion of lease liabilities	26	-	(14,038)
Long-term lease liabilities as at June 30		-	31,096

22.2. Maturity analysis

		June 30, 2025	June 30, 2024
Gross lease liabilities - minimum lease payments:			
Not later than one year		-	23,179
Later than one year but not later than five years		-	41,582
			64,761
Future finance charge		-	(19,627)
Present value of finance lease liabilities		-	45,134

23. DEFERRED LIABILITIES

		June 30, 2025	June 30, 2024
Staff gratuity		7,855	7,319

24. TRADE AND OTHER PAYABLES

	Note	June 30, 2025	June 30, 2024
Interconnect operators		22,569	24,015
Others		249,120	234,373
		271,689	258,388
Other payables			
Current accounts with related parties	24.1	559,219	476,788
Advance from customer		12,065	2,583
Accrued liabilities		73,519	125,438
Payable to employees' provident fund		2,588	511
Contract liability to customers		772	772
Workers' welfare fund		9,927	9,927
Others	24.2	501,313	429,483
		1,159,403	1,045,502
		1,431,092	1,303,890

24.1 Current account with related parties

		June 30, 2025	June 30, 2024
Supernet Limited		558,988	476,557
Glitz Communication (Private) Limited		80	80
Globetech Communication ((Private) Limited		80	80
Nexus Communication (Private) Limited		71	71
		559,219	476,788

24.1.1 The above amounts current account with related parties and are payable on demand and are interest free.

24.2 This includes Rs. nil (2024: 64.43 million) payable against sales tax, and Rs. 412.502 million (2024: 242.599 million) against withholding taxes.

	Note	June 30, 2025	June 30, 2024
		---- (Rupees in '000') ----	
25. ACCRUED MARK - UP			
On secured			
Interest / mark-up against financing		192,203	87,218
On unsecured			
Current accounts with related parties		1,697	1,697
Current accounts with third parties		44,410	44,370
		238,310	133,285
26. CURRENT PORTION OF LONG TERM FINANCE AND LEASE LIABILITIES			
Current maturity of term finance certificates	21	147,238	147,238
Overdue installment's of term finance certificates		125,599	-
Current maturity of lease liability	22	-	14,038
		272,837	161,276

27. CONTINGENCIES AND COMMITMENTS

27.1 In the FY ended 2017, the Company had 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 Honorable Court disposed of the suit and remanded back the matter to the concerned authority for adjudication vide its order dated November 27,2024, with a direction that no coercive action shall be taken till the matter is finally adjudicated. Subsequently, the Pakistan Telecommunication Authority ("PTA") has issued an enforcement order dated July 18, 2025 whereby it determined an alleged amount of Rs. 4,075.287 million comprising principal amount of Rs. 1,297.580 million and fine (as of the date of determination) of Rs. 2,777.706 million. The said order has been further challenged by the Company through a constitutional petition which is currently sub judice before the Honorable High Court of Sindh with an interim order of no coercive action to be taken against the Company. Management, in consultation with their legal advisor is of the view that the Company has a good and arguable case on merits and the petition 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 and Telecommunication (MoITT) 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 has now been adjudicated by the CAT through its order dated 11 August 2025, whereby penalty has been reduced to 2% from 7.5% on turnover generated from the ICH Agreement. The Company has instituted a civil appeal before the Honble Supreme Court of Pakistan which is pending adjudication. The Company under protest has paid subsequent to the year end a sum of Rs.19M in order to mitigate the imminent risk of coercive action against the Company.

27.3 During the year, the Company filed a petition against a demand note issued by PTA for USD 7.384 million against WLL License fee for the previous years, the demand is in contradiction to the WLL License Conditions. The position of the Company is that the retrospective application is against the terms of the WLL License. The Honorable High Court has granted an 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 High Court of Sindh, which are currently pending. The legal advisor is of the view that Company has a good arguable case as is expected to be decided in Company favour. 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 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 This relates to a dispute with PTCL arising out of the WPS agreement executed between the parties dated May 13, 1999 whereby PTCL is claiming an amount of Rs. 1,020.324 million approximately as unpaid charges under different heads of the WPS agreement. In accordance with the provisions of the said agreement the dispute has been referred for arbitration before the sole arbitrator Justice (R) Nasir Aslam Zahid. The arbitration proceedings have commenced and the Company has filed its rebuttal through which it has denied the amounts claimed by PTCL and has instead submitted a counter claim of Rs. 243.890 million refundable to it by PTCL. Further, the Company has also filed a claim for damages in the sum of Rs. 2,353.980 million on account of losses suffered by it due to breach of the WPS agreement by PTCL in this arbitration.

An amount of Rs. 243.890 million appears as the residual receivable from PTCL on this account, consistent with its position in the Arbitration proceedings. However, this amount remains fully provided for in these unconsolidated financial statements.

27.7 PTCL's claim amounting to Rs.2,013.448 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 the PTCL.

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

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

27.10 No provision on account of above contingencies including note 27.6 and 27.7 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.

27.11 Counter guarantees given to banks amount to Rs. 33.725 million (2024 Rs.1.762 million) .

	Note	June 30, 2025	June 30, 2024
		-- (Rupees in '000') --	
28. REVENUE – NET			
Wireless data & International		713,037	856,116
Sale of equipment		84,047	-
Voice services and others		1,206,839	1,438,567
	28.1	2,003,923	2,294,683

28.1 Revenue is stated net of federal excise duty and sales tax amounting to Rs 266.618 million (2024: Rs 295.51 million). International revenue represents revenue from foreign network operators, for calls / data that originate outside Pakistan amounting to Rs. 649.783 million (2024: Rs. 792.45) has been recognized during the year.

	Note	June 30, 2025	June 30, 2024
		-- (Rupees in '000') --	
29. COST OF REVENUE			
Network media charges		936,874	1,178,571
Network sites utilities and maintenance		133,850	135,816
Short-term leases - network sites rent		103,448	60,841
Equipment costs		79,039	388
Interconnect charges – net		49,786	51,927
Annual regulatory charges		25,553	28,725
Depreciation on operating fixed assets	5.1.3	19,851	26,947
Insurance		2,310	2,310
Amortisation	6	133	1,954
Depreciation on right-of-use assets	7	-	17,909
Loss on remeasurement of lease		-	8,804
		1,350,844	1,514,192
30. ADMINISTRATIVE & DISTRIBUTION COSTS			
Salaries and other benefits	30.1	290,643	257,299
Short-term leases - rent		75,288	59,402
Utilities		73,949	50,155
Vehicles running and maintenance		36,032	39,393
Legal and professional charges		21,528	21,789
Office security and maintenance		15,430	15,612
Insurance		7,990	11,107
Printing and stationery		6,816	5,304
Depreciation	5.1.3	4,786	5,384
Software support services		4,781	1,100
Auditors' remuneration	30.2	4,501	4,365
Fee and subscription		3,766	4,941
Travelling and entertainment		3,724	4,714
Postage, telephone and telex		3,198	2,491
Sales promotion and marketing		1,576	1,656
Other receivables write-off		-	56,449
Others		6,484	117,266
		560,492	658,427

30.1 This includes Rs. 0.536 million in respect of gratuity expense for the year (2024: Rs. 0.596 million) and Rs. 2.085 million (2024: Rs. 8.23 million) in respect of the Company's contribution towards provident fund.

		Note	June 30, 2025	June 30, 2024
			--- (Rupees in '000') ---	
30.2	**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		745	645
	Out-of-pocket expenses		406	370
			4,501	4,365
31.	**OTHER INCOME**			
	Income from financial assets & liabilities			
	Unwinding income	8.1.1	141,318	35,330
	Gain on lease termination	7.1	246	-
	Income from saving accounts		115	753
	Gain on sale of long term investment		-	415,326
	Gain arising on final setllement of diminishing musharika		-	16,453
	Realised & unrealised exchange loss - net		(566)	(2,612)
			141,113	465,250
	Income from non-financial assets & liabilities			
	Liabilities no longer payable written-back		7,351	-
	Loss on disposal of property and equipment		-	(778)
			7,351	(778)
			148,464	464,472
32.	**FINANCE COSTS**			
	Interest / mark-up on			
	Term finance certificates		104,986	88,079
	Lease liabilities against ROU assets		-	9,859
	Short-term financing		-	2,450
			104,986	100,388
	Bank charges		2,674	2,707
	Mark-up on related party		40	1,508
	Mark-up on other's		32	81
			107,732	104,684
33.	**LEVY & TAXATION**			
	Levy	33.1	64,163	91,845
	Taxation	33.2	(369)	128,386
			63,794	220,231

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, 2025	June 30, 2024
	--- (Rupees in '000') ---	

33.2 Taxation

Prior year reversal	-	(8,808)
Deferred tax (income) / expense	(369)	137,194
	(369)	128,386

33.3 Relationship between accounting profit and income tax expense

Profit before taxation	129,440	468,633
Tax @ 29%	37,538	135,904
Portion of current tax representing levy	(64,163)	(91,845)
Effect of prior period tax	-	(8,808)
Others	90,419	184,980
	63,794	220,231

33.4 The income tax assessments of the Company have been finalised up to and including the tax year 2024, except for certain tax year in respect of which, appeals are currently in progress at different forums (note 27.5).

33.5 Deferred tax is computed at the rate of 29% applicable to the period when temporary differences are expected to be reversed/ utilised and has been restricted to the extent that is realisable and are applicable tax regime.

	June 30, 2025	June 30, 2024
	--- (Rupees in '000') ---	

34. EARNINGS PER SHARE - BASIC AND DILUTED

34.1 Earnings per share - Basic

Profit for the year	65,646	248,402
Weighted average number of ordinary shares outstanding during the year (in'000)	338,625	338,625
Earnings per share - basic (Rs)	0.19	0.73

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.

	Note	June 30, 2025	June 30, 2024
		--- (Rupees in '000') ---	

35. CASH GENERATED FROM OPERATIONS

	Note	June 30, 2025	June 30, 2024
Profit before taxation		129,440	468,633
Adjustments for non-cash charges and other items:			
Depreciation	5.1.3	24,637	32,331
Termination of lease ROU assets	7	-	17,909
Amortisation	6	133	1,954
Provision for gratuity		536	-
Unrealised exchange loss	31	566	2,612
Finance costs	32	107,732	89,668
Expected credit losses	12.2	3,879	13,219
Finance cost on lease liabilities against ROU assets		-	9,859
Gain on sale of long term investments	31	-	(450,656)
Gain on lease on termination		(246)	-
Unwinding income	31	(141,318)	-
Gain on final settlement of diminishing musharika	31	-	(16,453)
Income on saving accounts	31	(115)	(753)
Loss on disposal of property and equipment	31	-	778
		(4,196)	(299,532)
		125,244	169,101
Profit before working capital changes			
(Increase) / decrease in current assets			
Trade debts		67,965	(254,048)
Due from related parties		(14,500)	-
Stock-in-trade		24,823	(24,823)
Loans and advances		20,838	(68,170)
Deposits and prepayment		17,231	(9,836)
Accrued mark-up		-	81
Other receivables		(63,224)	(16,739)
		53,133	(373,535)
Increase in current liabilities			
Trade and other payables		126,636	589,855
Cash generated from operations		305,013	385,421

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

	2025			2024		
	Chief executive officer	Director	Executives	Chief executive officer	Directors	Executives
	---- (Rupees in '000') ----					
Managerial remuneration	10,452	6,000	49,112	10,452	13,982	33,845
Other perquisites and benefits						
House rent	4,703	2,700	22,100	4,703	6,291	15,230
Medical	32	35	341	15	19	99
Retirement benefits	871	500	3,705	435	582	1,432
Utilities	1,045	600	4,911	1,045	1,398	3,384
	6,651	3,835	31,057	6,198	8,290	20,145
	17,103	9,835	80,169	16,650	22,272	53,990
Number of persons	1	1	22	1	2	15

		Note	June 30, 2025	June 30, 2024
			--- (Rupees in '000') ---	
37.	**FINANCIAL INSTRUMENTS BY CATEGORY**			
37.1	**Financial assets at amortised cost**			
	Long term investments	8	130,555	130,355
	Long term deposits	9	50,878	52,640
	Trade debts	12	860,112	931,956
	Short term deposits	15	18,700	18,720
	Accrued mark up	16	9,003	9,035
	Other receivable	17	2,699,703	2,636,479
	Bank balances	19	227,845	54,292
			3,866,241	3,703,122
37.2	**Financial liabilities measured at amortised cost**			
	Long term financing	21	307,902	455,140
	Lease liabilities	22	-	31,096
	Trade and other payables	24	1,431,092	1,303,890
	Current portion of long term financing and lease liabilities	26	272,837	161,276
	Accrued mark-up	25	238,310	133,285
			2,250,141	2,084,687

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, 2025, 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 and therefore does not expose to risk.

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. 2.7 million (2024: Rs. 6.20 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, 2025	June 30, 2024
	------- US $ -------	
Trade debts	490,681	549,962
Bank balances	19	19
Trade and other payables	(98,626)	(150,815)
Net exposure	392,073	399,166

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

Exchange rate (Rupees)	283.76	278.34

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, 2025	+10	(11,126)	(11,126)
	-10	11,126	11,126
June 30, 2024	+10	(11,110)	(11,110)
	-10	11,110	11,110

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, 2025 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, 2025	June 30, 2024
		-- (Rupees in '000') --	
Long term deposits	9	50,878	52,640
Trade debts	12	860,112	931,956
Loan and advances	14	62,397	83,235
Accrued mark-up	16	9,003	9,035
Other receivables	17	2,730,633	2,667,657
Bank balances	19	227,845	54,292
		3,940,868	3,798,815

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:

	Note	June 30, 2025	June 30, 2024
		-- (Rupees in '000') --	
Trade debts			
Customers with no defaults in the past one year	12	860,112	931,956

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:

	Note	June 30, 2025	June 30, 2024
		---- (Rupees in '000') ----	
Expected credit losses on trade debts arising from contracts with customers	12.2	68,486	64,607
Bank balances			
AAA		517	1,674
AA+		208,938	44,529
AA-		18,084	563
A-		306	42
A		-	7,484
		227,845	54,292

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	307,902	-	-	307,902	-
Trade & other payables	1,431,092	12,928	1,418,164	-	-
Accrued mark - up	238,310	238,310	-	-	-
Current portion of long term finance	272,837	125,599	147,238	-	-
June 30, 2025	2,250,141	376,837	1,565,402	307,902	-

	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	-

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, 2025 and June 30, 2024 were as follows:

	June 30, 2025	June 30, 2024
	-- (Rupees in '000') --	
Total debt	580,739	602,378
Less: Cash & cash equivalent	(227,845)	(54,292)
Net debt	352,894	548,086
Total equity	3,090,121	3,024,475
Total debt and equity	3,443,015	3,572,561
Gearing ratio	10.25%	15.34%

39. SHARIAH COMPLIANCE STATUS DISCLOSURE

	Note	Shariah-compliant		Conventional	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
		(Rupees in '000')			
Statement of financial position					
- Asset side					
Long-term investments	8	130,555	130,355	-	-
Due from related parties	10	787,936	632,118	-	-
Bank balances	19	18,473	8,222	209,372	46,070
- Liability side					
Long–term Finance	21	-	-	307,902	455,140
Accrued mark-up	25	-	-	238,310	133,285
Current Maturity of Long Term Finance	26	-	-	272,837	147,238
Statement of profit or loss					
Revenue	28	2,003,923	2,294,683	-	-
Unrealised income	31	141,318	35,330	-	-
Gain on sale of long term investment	31	-	415,326	-	-
Gain arising on final settlement of diminishing musharika	31	-	16,453	-	-
Profit on balances with banks	31	-	-	115	753

Relationship with shariah compliant Banks

The Company maintains its bank balances with Al Baraka Bank (Pakistan) Limited and Meezan Bank Limited which also acts as the custodian of the Company.

40. 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 4.24.

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

		June 30, 2025	June 30, 2024
		-- (Rupees in '000') --	
Relationship: Wholly owned subsidiary companies			
Name	**Nature of transaction**		
Supernet Technologies Limited	Disposal of shareholding in SNL	-	822,214
Supernet Limited	Payment against current account	15,380	-
	Receipt against current account	79,385	-
Lytel (Private) Limited	Investment made	100	-
	Short term lease rental expense	31,443	-
	Advance given	37,852	-
Xperio (Private) Limited	Investment made	100	-
Supernet E-Solutions (Private) Limited	Services received	3,679	14,490
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	8,112	8,233
Remuneration and benefits	Key management personel	55,229	53,990
Meeting fee	Non-executive directors	990	750

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

41. PROVIDENT FUND RELATED DISCLOSURES

41.2 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.

42. CORRESPONDING FIGURES

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

43. NUMBER OF EMPLOYEES

The numbers of employees at the year ended were 120 (2024: 121) and average number of employees during the year were 123 (2024: 130).

44. GENERAL

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

45. AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on 07 OCT 2025 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 JUNE 30, 2025

NUMBER OF SHARE HOLDERS	SHARE HOLDINGS			TOTAL SHARES HELD
1091	1	-	100	40,577
1,062	101	-	500	327,447
1,295	501	-	1,000	972,141
3,338	1,001	-	5,000	8,478,041
1,292	5,001	-	10,000	9,731,657
605	10,001	-	15,000	7,503,503
390	15,001	-	20,000	7,040,379
278	20,001	-	25,000	6,443,655
193	25,001	-	30,000	5,427,561

112	30,001	-	35,000	3,691,695
110	35,001	-	40,000	4,201,556
70	40,001	-	45,000	3,017,097
136	45,001	-	50,000	6,666,995
66	50,001	-	55,000	3,481,623
51	55,001	-	60,000	2,977,942
32	60,001	-	65,000	2,026,454
44	65,001	-	70,000	3,008,916
30	70,001	-	75,000	2,208,133
21	75,001	-	80,000	1,639,147
19	80,001	-	85,000	1,585,766

19	85,001	-	90,000	1,693,679
14	90,001	-	95,000	1,302,205
74	95,001	-	100,000	7,379,626
17	100,001	-	105,000	1,733,851
12	105,001	-	110,000	1,309,177
22	110,001	-	115,000	2,485,871
11	115,001	-	120,000	1,309,183
14	120,001	-	125,000	1,743,806
9	125,001	-	130,000	1,150,983
9	130,001	-	135,000	1,197,358
9	135,001	-	140,000	1,253,652

6	140,001	-	145,000	860,069
16	145,001	-	150,000	2,394,500
6	150,001	-	155,000	906,314
5	155,001	-	160,000	797,470
3	160,001	-	165,000	487,127
6	165,001	-	170,000	1,011,181
7	170,001	-	175,000	1,217,950
5	175,001	-	180,000	889,075
2	180,001	-	185,000	366,000
2	185,001	-	190,000	377,000
6	190,001	-	195,000	1,154,771

25	195,001	-	200,000	4,993,040
4	200,001	-	205,000	803,771
6	205,001	-	210,000	1,248,500
6	210,001	-	215,000	1,278,292
7	215,001	-	220,000	1,535,052
3	220,001	-	225,000	670,375
2	225,001	-	230,000	455,814
2	230,001	-	235,000	465,500
3	235,001	-	240,000	710,572
2	240,001	-	245,000	486,875
5	245,001	-	250,000	1,249,790

2	250,001	-	255,000	500,867
4	255,001	-	260,000	1,026,895
1	260,001	-	265,000	262,300
2	265,001	-	270,000	535,750
2	270,001	-	275,000	546,075
2	275,001	-	280,000	556,543
1	280,001	-	285,000	282,187
1	285,001	-	290,000	290,000
1	290,001	-	295,000	290,258
9	295,001	-	300,000	2,698,593
5	300,001	-	305,000	1,510,320

1	305,001	-	310,000	307,617
6	310,001	-	315,000	1,877,135
3	325,001	-	330,000	972,147
2	330,001	-	335,000	656,128
2	335,001	-	340,000	676,625
4	340,001	-	345,000	1,370,350
3	350,001	-	355,000	1,059,697
1	355,001	-	360,000	358,378
1	360,001	-	365,000	364,533
3	365,001	-	370,000	1,106,442
2	375,001	-	380,000	754,381

1	380,001	-	385,000	382,500
1	385,001	-	390,000	387,000
2	390,001	-	395,000	786,954
3	395,001	-	400,000	1,191,252
1	400,001	-	405,000	401,000
1	405,001	-	410,000	409,339
1	415,001	-	420,000	417,400
2	420,001	-	425,000	845,606
1	440,001	-	445,000	444,794
1	450,001	-	455,000	453,306
3	455,001	-	460,000	1,373,506

1	470,001	-	475,000	473,000
1	480,001	-	485,000	480,500
6	495,001	-	500,000	2,996,001
1	500,001	-	505,000	500,444
1	510,001	-	515,000	515,000
1	530,001	-	535,000	532,913
1	535,001	-	540,000	537,500
1	565,001	-	570,000	569,333
1	585,001	-	590,000	586,401
1	590,001	-	595,000	592,000
1	605,001	-	610,000	605,396

1	610,001	-	615,000	614,586
2	620,001	-	625,000	1,249,600
1	650,001	-	655,000	651,453
1	695,001	-	700,000	700,000
2	700,001	-	705,000	1,403,113
1	705,001	-	710,000	707,500
1	725,001	-	730,000	730,000
1	750,001	-	755,000	752,500
2	785,001	-	790,000	1,577,668
1	790,001	-	795,000	791,766
1	795,001	-	800,000	800,000

1	805,001	-	810,000	806,250
2	820,001	-	825,000	1,644,888
1	925,001	-	930,000	926,000
1	950,001	-	955,000	950,600
1	980,001	-	9,850,000	981,500
1	985,001	-	9,900,000	987,823
5	995,001	-	1,000,000	5,000,000
1	1,100,001	-	1,105,000	1,100,673
2	1,130,001	-	1,135,000	2,266,390
1	1,190,001	-	1,195,000	1,195,000
1	1,195,001	-	1,200,000	1,200,000

1	1,295,001	-	1,300,000	1,300,000
1	1,320,001	-	1,325,000	1,321,434
1	1,495,001	-	1,500,000	1,500,000
1	1,665,001	-	1,670,000	1,668,653
1	1,750,001	-	1,755,000	1,750,259
1	1,960,001	-	1,965,000	1,963,838
1	2,020,001	-	2,025,000	2,025,000
1	2,190,001	-	2,195,000	2,191,752
1	2,260,001	-	2,265,000	2,263,800
1	2,495,001	-	2,500,000	2,500,000
1	2,820,001	-	2,825,000	2,821,875

1	2,850,001	-	2,855,000	2,854,862
1	2,995,001	-	3,000,000	3,000,000
1	4,395,001	-	4,400,000	4,396,320
1	5,970,001	-	5,975,000	5,973,695
1	5,995,001	-	6,000,000	6,000,000
1	7,865,001	-	7,870,000	7,869,000
1	45,250,001	-	45,255,000	45,254,166
1	54,055,001	-	54,060,000	54,059,956
10,715				**338,625,000**

Telecard Limited Categories of Shareholders			
As at June 30, 2025			
NAME	**NO OF SHARES**	**NOS**	**%**
INDIVIDUALS	200,917,417	10,619	59
JOINT STOCK COMPANIES	133,354,532	73	39.38
BANKS, DFI'S, INSURANCE COMPANIES	118,237	3	0.03
MODARBAS AND MUTUAL FUND & OTHERS	4,190,641	10	1.24
	137,663,410	**86**	**40.65**
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**	**10,715**	**100**

TELECARD LIMITED

Gender Pay Gap Statement Under Circular 10 of 2024

Telecard Limited

Following is the gender pay gap calculated for the year ended June 30, 2025

I. Mean Gender Pay Gap: 12.86

II. Median Gender Pay Gap: 0.49

Regards,

Syed Aamir Hussain
Chief Executive Officer

TELECARD LIMITED
Corporate Office: World Trade Center, 10, Kh. Roomi, Block-5, Clifton, Karachi-75600
PABX: (92-21) 38330000 UAN: 111-222-123 Fax: (92-21) 35867850
www.telecard.com.pk

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 Tuesday 28 October, 2025 at 1200 at Islamabad, and at any adjournment thereof.

Signed this __________ day of ______________, 2025.

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.

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