The General Manager

June 4, 2025

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Subject: Notice of Extraordinary General Meeting

Dear Sir,

This is to announce that the Company intends to hold its Extraordinary General Meeting to be held on Friday, June 27, 2025 at Khorshed Mahal Avari Towers, Fatima Jinnah Road, Karachi, at 2:30 p.m. Following documents has been attached for information:

a) Notice of Extraordinary General Meeting dated June 4, 2025.
b) Statement of Material Facts under Section 134(3) of the Companies Act, 2017
c) Statement under Section 281 of the Companies Act, 2017
d) Scheme of Arrangement dated May 27, 2025
e) Swap Letter dated May 16, 2025 issued by H.A.M.D & Co. Chartered Accountants
f) Special Purpose Financial Statements audited for six month period form July 1, 2024 to December 31, 2024.

Share Transfer Books of the Company will remain closed from June 21, 2025 to June 27, 2025 (both days inclusive).

Please note that transfer received at the Jwaffs Registrar Services (Private) Limited located at Office No. 20, 5th floor, Arkay Square Extension, New Chali, Shahrah-e-Liaquat, Karachi at the close of business on June 20, 2025 will be treated in time for the purpose of above entitlement to the transferees.

Regards,

Waseem Ahmad
Company Secretary

Enclosure: As above.

SUPERNET LIMITED
Karachi: 10th Floor, World Trade Center, 10 Khayaban-e-Roomi, Block 5, Clifton. Tel. (+92-21) 3587 1664-7, Fax: (+92-21) 35871669
Lahore: 3rd Floor, Block 2, Awami Complex, New Garden Town. Tel: (+92-42) 3583 1254, (+92-42) 3586 5637, Fax: (+92-42) 3586 6184
Islamabad: 75 East, Blue Area, Fazal-e-Haq Road. Tel: (+92-51) 2344131-2, Fax: (+92-51) 2344134
www.super.net.pk

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that pursuant to the Order of the Honourable High Court of Sindh at Karachi dated June 3, 2025, passed in Civil Miscellaneous Application No. 3248 of 2025, in Petition bearing J. C. M. No. 24 of 2025, an Extraordinary General Meeting ("**EOGM**") of Supernet Limited (the "**Company**") will be held at, and conducted from, Khorshed Mahal Avari Towers, Fatima Jinnah Road, Karachi, on Friday, June 27, 2025 at 2:30 p.m., including through video link facility, to transact the following business:

A. Special Business

Pursuant to the Order of the High Court of Sindh dated June 3, 2025, passed in Civil Miscellaneous Application No. 3248 of 2025, in Petition bearing J.C.M. No. 24 of 2025, to consider and, if thought fit, to pass, with or without modification, the following resolution for, *inter alia*, the corporate / capital re-organization of the Company and its group company i.e. Supernet Technologies Limited ("**STL**"), along with their respective members, involving, *inter alia*, the merger, by way of amalgamation, of the Company with and into STL, along with all ancillary matters thereto, in accordance with the Scheme of Arrangement dated May 27, 2025, as approved by the Board of Directors of the Company on May 27, 2025.

The proposed resolution to be passed by the requisite majority of members of the Company under Sections 279 and 282 of the Companies Act, 2017 is as under:

> *"**RESOLVED THAT** the Scheme of Arrangement dated May 27, 2025, prepared under the provisions of Sections 279 to 283 and 285(8) of the Companies Act, 2017, for the corporate / capital re-organization of Supernet Limited and its group company i.e. Supernet Technologies Limited, along with their respective members, involving, inter alia, the merger, by way of amalgamation, of Supernet Limited with and into Supernet Technologies Limited, along with all ancillary and incidental matters thereto, placed before the meeting for consideration and approval, be and is hereby approved and adopted, along with any modifications / amendments required, or conditions imposed by the High Court of Sindh at Karachi, subject to sanction by the High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017."*

B. Other Business

To transact any other business that may be placed before the meeting with the permission of the Chair.

Copies of the (a) Statement of Material Facts under Section 134(3) of the Companies Act, 2017 concerning the Special Business; (b) Statement under Section 281 of the Companies Act, 2017; (c) Scheme of Arrangement; (d) Swap Letter dated May 16, 2025, issued by H.A.M.D. & Co., Chartered Accountants; and (e) Special purpose financial statements of the Company audited for the period ended December 31, 2024, are being circulated to the members along with this notice of the EOGM.

By the Order of the Board

Waseem Ahmad
Company Secretary

Karachi: June 4, 2025

Notes:

1. The share transfer books of the Company will remain closed from June 21, 2025 to June 27, 2025 (both days inclusive). Transfers received in order at the office of the Company's share registrar, namely JWAFFS Registrar Services (Private) Limited, located at Office No. 20, 5th Floor Arkay Square Extension, New Chali, Shahrah-e-Liaquat, Karachi, by the close of business on June 20, 2025 will be treated in time for the determination of entitlement of members to attend and vote at the EOGM.

2. A member of the Company entitled to speak, attend and vote at the EOGM may appoint a person / representative as proxy to attend and vote in place of the member. A proxy need not be a member. Proxies, in order to be effective, must be received at the Company's registered office, situated at 9th Floor, Tower - B, World Trade Center, Block 05, Clifton, Karachi, at least 48 hours before the time of holding the EOGM 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 the Company's website: www.super.net.pk

3. Any Individual Beneficial Owner of CDC, entitled to attend and vote at the EOGM, 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):

   For Attending the Meeting

   3.1 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 EOGM.

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

   3.3 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 EOGM.

   For Appointing Proxies

   3.4 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.

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

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

   3.7 The proxy shall produce his / her original CNIC or original passport at the time of the EOGM.

   3.8 In case of 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.

4. **Participation through Video Conference Facility**

If the Company receives a demand (at least 10 days before the date of the EOGM) from members holding an aggregate of at least 10% shareholding residing in any other city, to participate in the EOGM 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 EOGM.

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

____
Signature of member

5. **Virtual Participation in the EOGM Proceedings**

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

5.2 In order to attend the EOGM 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 EOGM (i.e. by 2:30 p.m. on June 25, 2025) through e-mail to be sent at legal@corporate.super.net.pk.

5.3 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.

5.4 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 EOGM 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 EOGM by using the aforesaid means.

5.5 The login facility will be opened at 2:00 p.m. on June 27, 2025, enabling the participants to join the proceedings after identification and verification process before joining the meeting, which will start at 2:30 p.m. sharp.

6. **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 and M/s S. M. Suhail & Co., Chartered Accountants have been appointed as the Scrutinizer. The following options are being provided to members for voting:

6.1 **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 June 20, 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 June 24, 2025, 9:00 a.m. and shall close on June 26, 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.

6.2 **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 www.super.net.pk 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 9th Floor, Tower - B, World Trade Center, Block 05, Clifton, Karachi (Attention of the Company Secretary) OR through the registered email address of the member at legal@corporate.super.net.pk with subject of 'SNL-Postal Ballot for EOGM dated June 27, 2025' by June 26, 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.

7. **Statutory Code of Conduct at EOGM:** Members are requested to observe the conduct referred to in sub-regulation 2 of Regulation 55 of the Companies Regulations, 2024 while attending the EOGM.

8. **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.

9. No gifts will be distributed at the EOGM.

10. Copies of the Memorandum and Articles of Association of the Company; Statement under Section 134(3) of the Companies Act, 2017 in respect of the material facts of the special business; Statement under Section 281 of the Companies Act, 2017; Scheme of Arrangement dated May 27, 2025; Swap Letter dated May 16, 2025, issued by H.A.M.D. & Co., Chartered Accountants; Annual audited financial statements of the Company for the year ended June 30, 2024; Special purpose financial statements of the Company audited for the period ended December 31, 2024, and any other information relevant to the special business in respect of the Company shall be available upon request, and for inspection, by any person entitled to attend the EOGM from the registered office of the Company, located at 9th Floor, Tower - B, World Trade Center, Block 05, Clifton, Karachi, free of cost during normal office hours, from the date of this notice till the conclusion of the EOGM. The said information shall also be placed for inspection of members of the Company during the EOGM.

11. The notice of the EOGM along with the statements, the Scheme of Arrangement, the latest annual audited financial statements, and the special purpose audited financial statements of the Company have also been placed on the website of the Company.

FORM OF PROXY

EXTRAORDINARY GENERAL MEETING

I/We, ________________________________of ________________, holding CNIC/Passport No.______________ and being a member of **Supernet Limited**, hereby appoint ____ of _____________, holding CNIC/Passport No. _______________________, or failing him/her hereby appoint ______________________ of _________________, holding CNIC/Passport No. _________________, as my/our proxy to vote for me/us and my/our behalf at the Extraordinary General Meeting of the Company, to be held on the ________ day of _____________ and at any adjournment thereof.

As witness my/our hand/seal this ____________day of _____________________, 20___.

WITNESSES:

1. Signature ________________________________
   Name ________________________________
   Address CNIC ________________________________
   No. ________________________________

2. Signature ________________________________
   Name ________________________________
   Address ________________________________
   CNIC No. ________________________________

CDC Account No.

Revenue Stamp of Rs. 5/-

To be signed by the above-named shareholder

Notes:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting.
2. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
3. Attested copies of CNIC of the appointer and the proxy-holder shall be furnished with the Proxy Form.
4. The proxy-holder shall produce his/her original CNIC at the time of the meeting.
5. In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form.

POSTAL BALLOT PAPER

for voting through post for the Special Business at the Extraordinary General Meeting to be held on June 27, 2025 at 2:30 p.m., at Khorshed Mahal Avari Towers, Fatima Jinnah Road, Karachi

Phone: +92-21-38550000 **Email Address:** legal@corporate.super.net.pk **Website:** http://super.net.pk

Folio/CDS Account Number	
Name of Shareholder/Proxy Holder	
Registered Address	
Number of Shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of a corporate body, corporation and federal government)	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

"**RESOLVED THAT** the Scheme of Arrangement dated May 27, 2025, prepared under the provisions of Sections 279 to 283 and 285(8) of the Companies Act, 2017, for, the corporate / capital re-organization of Supernet Limited and its group company i.e. Supernet Technologies Limited, along with their respective members, involving, inter alia, the merger, by way of amalgamation, of Supernet Limited with and into Supernet Technologies Limited, along with all ancillary and incidental matters thereto, placed before the meeting for consideration and approval, be and is hereby approved and adopted, along with any modifications / amendments required, or conditions imposed by the High Court of Sindh at Karachi, subject to sanction by the High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017."

Instructions for Poll

1. Please indicate your vote by ticking (√) the relevant box.
2. In case both the boxes are marked with a tick (√), your poll shall be treated as **"Rejected"**.

I/We hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing a tick (√) in the appropriate box below.

Resolution	**I/We assent to the Resolution (FOR).**	**I/We dissent from the Resolution (AGAINST).**
Resolution for Agenda Item 'A'		

1. Duly filled ballot paper should be sent to the attention of the Company Secretary of Supernet Limited at 9th Floor, Tower B, World Trade Center, Khayaban-e-Roomi, Block-5, Clifton, Karachi or email at **legal@corporate.super.net.pk**.
2. Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Ballot paper should reach the Chairman within business hours by or before June 26, 2025. Any postal ballot received after this date will not be considered for voting.
4. Signature on ballot paper should match with signature on CNIC/Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated and overwritten poll papers will be rejected.
6. In case of a representative of a corporate body, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, /Power of Attorney, /Authorization Letter, etc. in accordance with Section 138 or 139 of the Companies Act, 2017 as applicable. In the case of a foreign corporate body, etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the Member.
7. Ballot paper form has also been placed on the website of the Company at: http://super.net.pk. Members may download the ballot paper from the website or use an original/photocopied ballot paper published in newspapers.

Date:

Signature of the Shareholder/Proxy Holder/Authorized Signatory

(In case of a corporate entity, please affix company stamp.)

Statement under Section 134(3) of the Companies Act, 2017 concerning the Special Business to be transacted at the Extraordinary General Meeting of Supernet Limited

The Board of Directors of Supernet Limited (the "**Company**"), in its meeting held on May 27, 2025, has decided to enter into an arrangement with its group company, Supernet Technologies Limited ("**STL**"), which shall be carried out, and effectuated, in terms of the Scheme of Arrangement between the companies and their respective members, dated May 27, 2025 (the "**Scheme of Arrangement**") under Sections 279 to 283 and 285(8) of the Companies Act, 2017 (the "**Act**").

Capitalized terms, unless defined herein, shall have the meanings ascribed thereto in the Scheme of Arrangement.

Subject to the sanction of the Honourable High Court of Sindh at Karachi, under the Scheme of Arrangement, *inter alia,* the entire undertaking and business of the Company shall be merged, by way of amalgamation, with and into STL, by transferring to and vesting in STL all the assets, properties, rights, benefits, powers, bank accounts, privileges, contracts, licences, registrations, liabilities, obligations, dues etc. comprised in the Company, with effect from the start of business at 00:00 hours on January 1, 2025, or such other date as may be stated by the Court, against the issuance of ordinary shares by STL to the SNL Shareholders (being the members of the Company other than STL and its nominees, if any) (the "**Amalgamation**"). Additionally, there shall be a capital re-organization of STL, in terms of which ordinary shares of STL shall be issued to the STL Shareholders, by capitalizing a portion of the accumulated profits of STL (collectively, the "**Arrangement**").

The proposed Arrangement (including the Amalgamation), along with all ancillary and related matters thereto, shall be effective by way of the Scheme of Arrangement, which has been filed with the High Court of Sindh at Karachi vide Petition bearing J. C. M. No. 24 of 2025. Furthermore, in accordance with the directions of the Court, notice of the said petition has been provided to the registrar, Securities and Exchange Commission of Pakistan.

A copy of the Scheme of Arrangement is available for inspection to any person entitled to attend the Extraordinary General Meeting, at the registered office of the Company, situated at 9th Floor, Tower - B, World Trade Center, Block 05, Clifton, Karachi, free of cost during normal office hours. Copies of the same may also be obtained upon request by such persons from the registered office of the Company free of cost during normal office hours. Furthermore, in accordance with the provisions of Section 282(2) of the Companies Act, 2017, a copy of the Scheme of Arrangement has been enclosed with the notice of the meeting circulated to the members of the Company.

The objects and benefits of the Arrangement are also provided in detail in the Scheme of Arrangement. It may be noted that the Company and STL are group companies since STL holds 51% (fifty one percent) of the shareholding of the Company; furthermore, STL and the Company are subsidiaries of Telecard Limited. Consequently, the Arrangement effectively constitutes a corporate reorganization / merger of group companies, along with a capital re-organization of STL.

The details pertaining to the commercial arrangements forming part of the Arrangement, including the consideration for the Amalgamation (including as a consequence of the cancellation of all the shares of the Company held by its members), are detailed in the Scheme of Arrangement, which are summarized below:

(i) As part of the capital re-organization of STL, STL shall allot and issue an aggregate of 5,500,000 (Five Million Five Hundred Thousand) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, to the STL Shareholders (being the members of STL existing on the STL Record Date), credited as fully paid up, at par, by capitalizing a portion of the accumulated profits of STL, available as at December 31, 2024, to the extent of PKR 55,000,000/- (Pak Rupees Fifty Five Million), in the ratio of 11 (eleven) ordinary shares of STL for every 1 (one) ordinary share held by each STL Shareholder (subject to the adjustment of fractional shares / entitlements, if any); and

(ii) In consideration for the Amalgamation, taking into account the shares of the Company held by STL and factoring in the ordinary shares of STL to be allotted and issued to the STL Shareholders (as detailed above), STL shall allot and issue an aggregate of 101,619,475 (One Hundred One Million Six Hundred Nineteen Thousand Four Hundred Seventy Five) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, to the SNL Shareholders existing on the SNL Record Date, credited as fully paid up, at par, on the basis of a swap ratio of approximately 1.68 ordinary shares of STL for every 1 (one) ordinary share of the Company, of the face value of PKR 10/- (Pak Rupees Ten) each, held by each SNL Shareholder (subject to the adjustment of fractional shares / entitlements). The said consideration, including the swap ratio, has been determined and approved by the Board of Directors of the respective companies based on the calculations and valuations stated in the Swap Letter dated May 16, 2025, issued by H.A.M.D. & Co., Chartered Accountants, based, *inter alia*, on the special purpose financial statements of the respective companies for the period ended December 31, 2024, under the adjusted net asset value based approach. The said Swap Letter has also been adopted by the Board of Directors of each company.

The above shall be carried out and effectuated in accordance with the provisions of the Scheme of Arrangement.

As a consequence of the Amalgamation, the Company shall stand dissolved without winding up, and its shares shall stand delisted from the Pakistan Stock Exchange Limited, in each case in accordance with the provisions of the Scheme of Arrangement.

The directors of the Company are interested in the Scheme of Arrangement to the extent of their directorships (including common directorships) and (direct and / or indirect) shareholdings in the Company and / or STL and / or Telecard Limited (to the extent applicable). The effect of the Scheme of Arrangement on the interests of these directors does not differ from its effect on the like interests of other members, except as stated herein or under the Scheme of Arrangement or as further detailed in the Statement under Section 281 of the Act.

The directors of the Company shall cease to hold office as directors without any right to any compensation for loss of office upon the dissolution of the Company in accordance with the provisions of the Scheme of Arrangement.

In view of the above, the Board of Directors of the Company has approved and recommended the Scheme of Arrangement, along with the arrangements stipulated thereunder which have been described above.

Statement under Section 281 of the Companies Act, 2017 concerning the Special Business

The statement setting forth the terms of the Scheme of Arrangement and explanation of its effects, including the interests of the directors of the Company and the effect of those interests and other ancillary information may be obtained upon request by any person entitled to attend the Extraordinary General Meeting from the registered office of the Company situated at 9th Floor, Tower - B, World Trade Center, Block 05, Clifton, Karachi, free of cost during normal office hours.

The aforesaid statement is also enclosed along with this notice of the Extraordinary General Meeting.

SUPERNET
Empowering Networks

STATEMENT UNDER SECTION 281(1)(A) OF THE COMPANIES ACT, 2017, ACCOMPANYING THE NOTICES TO THE MEMBERS AND SECURED CREDITORS OF SUPERNET LIMITED

Pursuant to the Order dated June 3, 2025, passed by the Honourable High Court of Sindh at Karachi in Civil Miscellaneous Application No. 3248 of 2025, in Petition bearing J. C. M. No. 24 of 2025, under Sections 279 to 283 and 285(8) of the Companies Act, 2017, the Court has directed, *inter alia*, that separate meetings of the members and secured creditors of Supernet Limited (the "**Company**") be convened for seeking approval with respect to the Scheme of Arrangement dated May 27, 2025 (the "**Scheme of Arrangement**"), pertaining to the corporate / capital re-organization of the Company and its group company i.e. Supernet Technologies Limited ("**STL**"), involving, *inter alia*: (i) the merger, by way of amalgamation, of the entire undertaking of the Company with and into STL, by transfer to and vesting in STL all the assets, properties, rights, benefits, powers, bank accounts, privileges, contracts, licences, registrations, liabilities, obligations, dues etc. comprised in the Company (the "**Amalgamation**"); and (ii) the capital re-organization of the shareholding of STL (collectively, the "**Arrangement**"), along with all ancillary matters thereto, as approved by the Board of Directors of the Company on May 27, 2025.

Capitalized terms, unless defined herein, shall have the meanings ascribed thereto in the Scheme of Arrangement.

A copy of the Scheme of Arrangement (along with its annexures) may be obtained from the registered office of the Company, situated at 9th Floor, Tower - B, World Trade Center, Block 05, Clifton, Karachi, free of cost during normal business hours. Furthermore, a copy of the Scheme of Arrangement has been / shall be enclosed with the notices of the respective meetings circulated / to be circulated to the members and secured creditors of the Company.

The notices issued and published to the members of the Company are for the purpose of convening a meeting of the members of the Company, as directed by the Court, for the purpose of passing, *inter alia*, the following resolution for obtaining approval in respect of the Scheme of Arrangement and the Arrangement contemplated thereunder, along with ancillary matters:

> *"**RESOLVED THAT** the Scheme of Arrangement dated May 27, 2025, prepared under the provisions of Sections 279 to 283 and 285(8) of the Companies Act, 2017, for the corporate / capital re-organization of Supernet Limited and its group company i.e. Supernet Technologies Limited, along with their respective members, involving, inter alia, the merger, by way of amalgamation, of Supernet Limited with and into Supernet Technologies Limited, along with all ancillary and incidental matters thereto, placed before the meeting for consideration and approval, be and is hereby approved and adopted, along with any modifications / amendments required, or conditions imposed by the High Court of Sindh at Karachi, subject to sanction by the High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017."*

As required under section 279(2) of the Companies Act, 2017, the above resolution is required to be passed at the meeting of the members convened pursuant to the Order of the Court, by a majority representing three-fourths in value of the issued shares held by the members of the Company, present in person or by proxy, and voting at the Extraordinary General Meeting. The sanctioning of the Scheme of Arrangement and the making of other appropriate orders in connection therewith will be considered by the Court after the Scheme of Arrangement is approved as aforesaid.

In the manner prayed in terms of the application filed with the Court, Mr. Syed Hashim Ali or, in his absence, any other director of the Company shall chair the meeting of the members. Furthermore, the Court has directed the Chairman to submit the report with respect to the meeting with the Court.

The notices issued / to be issued to the secured creditors of the Company are for the purpose of convening a meeting of the secured creditors of the Company, as directed by the Court, for the purpose of obtaining their approval in respect of the Scheme of Arrangement and the Arrangement contemplated thereunder. With respect to the secured creditors of the Company, under section 279(2) of the Companies Act, 2017, the Scheme of Arrangement is required to be approved by three-fourths of the creditors (in value) present and voting at the meeting of the secured creditors (through their authorized representatives).

In the manner prayed in terms of the application filed with the Court, Mr. Subhan Ali Bhatti or, in his absence, Mr. Abdul Malik, shall chair the meeting of the secured creditors. Furthermore, the Court has directed the Chairman to submit the report with respect to the meeting with the Court.
The Scheme of Arrangement is subject to the sanction of the Court and may be sanctioned in its present form or with any modification thereof or addition thereto as the Court may approve and the Scheme of Arrangement, with such modification or addition if any, is also subject to any conditions which the Court may impose. The respective Board of Directors of the Company and STL have the power (in the manner specified under the Scheme of Arrangement) to consent on behalf of all concerned to any modifications of, or additions to, the Scheme of Arrangement, or to any conditions which the Court may think fit to impose.

The Scheme of Arrangement has been filed with the High Court of Sindh at Karachi vide Petition bearing J. C. M. No. 24 of 2025. Furthermore, in accordance with the directions of the Court, notice of the said petition has been provided to the registrar, Securities and Exchange Commission of Pakistan.

Companies involved in the Scheme of Arrangement

Supernet Limited

The Company is a public company, incorporated as PDS Limited on March 14, 1995, the name of which was changed to Supernet Limited on April 2, 2001. The shares of the Company are listed on the growth enterprise market of the Pakistan Stock Exchange Limited ("**PSX**").

The Company has an authorized share capital of PKR 1,500,000,000/- (Pak Rupees One Billion Five Hundred Million), divided into 150,000,000 (One Hundred Fifty Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, out of which 123,444,455 (One Hundred Twenty Three Million Four Hundred Forty Four Thousand Four Hundred Fifty Five) ordinary shares have been issued, fully subscribed to and paid up.

The Company is primarily engaged in providing satellite and microwave communication services e.g. internet, radio links, single channel per carrier, time division multiple success etc., along with the sale and installation of related equipment and accessories.

Supernet Technologies Limited

STL is a public company, the shares of which are listed on the PSX. STL was incorporated as Raja Insurance Company Limited, a public company limited by shares, on October 31, 1981. Subsequently, its name was changed to Hallmark Insurance Company Limited on September 8, 2006, and, thereafter, to Hallmark Company Limited on April 4, 2017. Finally, on December 19, 2024, its name was changed to Supernet Technologies Limited.

STL has an authorized share capital of PKR 1,500,000,000/- (Pak Rupees One Billion Five Hundred Million), divided into 150,000,000 (One Hundred Fifty Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, out of which 500,000 (Five Hundred Thousand) ordinary shares have been issued, fully subscribed to and paid up.

STL is mainly engaged in I.T. enabled services export (through its investee company).

Brief of the Scheme of Arrangement

Summary and Objective

The principal object of the Scheme of Arrangement is, *inter alia*, to effect the Arrangement (including the Amalgamation), as further detailed in the Scheme of Arrangement, with effect from the start of business at 00:00 hours on January 1, 2025 or at such other date stated by the Court (the "**Effective Date**"), by transferring to, merging with and vesting in STL the entire business and undertaking of the Company, as a going concern, including all the assets, properties, rights, benefits, powers, bank accounts, privileges, contracts, licences, registrations, liabilities, obligations, dues etc. of every description of the Company, subsisting immediately preceding the Effective Date, without any further act or deed or documents being required to be carried out, executed, registered or filed in respect of such transfer, vesting, and / or assumption, in the manner stipulated under the Scheme of Arrangement. Thereafter, the Company shall be dissolved without winding up, and shall stand delisted from the PSX, in the manner prescribed under the Scheme of Arrangement, while STL shall continue as a going concern. As part of the same, there shall be a capital re-organization in the shares of STL.

Accordingly, subjection to the sanction of the Scheme of Arrangement by the Court, as of the Effective Date and thereafter, until the undertaking of the Company is actually transferred to and vested in STL in terms of the Scheme of Arrangement, the business of the Company will be deemed to have been carried for and on account and for the benefit of STL.

It may be noted that the Company and STL are group companies since STL holds 51% (fifty one percent) of the shareholding of the Company; furthermore, STL and the Company are subsidiaries of Telecard Limited. Consequently, the Arrangement effectively constitutes a corporate reorganization / merger of group companies, along with a capital re-organization of STL.

Subsequent to the sanction of the Scheme of Arrangement, and as consequence of the Amalgamation, the financial statements of STL will be prepared in accordance with the applicable laws, including the Companies Act, 2017 (and other regulations and notifications), and the relevant accounting and reporting standards applicable in Pakistan.

Benefits

The respective directors of the Company and STL have considered it prudent and beneficial to carry out the Arrangement / Amalgamation for the reasons and benefits stipulated in the Scheme of Arrangement. Among other benefits as are also elaborated in detail in the Scheme of Arrangement, the Amalgamation is expected to increase the asset base and the size of the surviving entity i.e. STL, which would in turn allow the surviving / merged entity access to a combined pool of assets which are likely to provide better investment opportunities; increase the risk absorption capacity of STL which would increase stability and sustainability; provide a more optimized, streamlined and efficient legal structure resulting in improved governance, better management, as well as tax efficiencies (by reducing the number of legal entities); allow a reduction in administrative costs resulting in considerable cost savings and economies of scales, as well as better and more efficient coordination and use of resources; permit single corporate and tax reporting; cost savings and rationalization, and overall potential enhancing of shareholder value as well as future returns for all members of STL (including the shareholders of the Company upon their becoming shareholders of STL upon the effectuation of the Arrangement / Amalgamation).

Commercial Arrangement and Consideration

The details pertaining to the commercial arrangements forming part of the Arrangement, including the consideration for the Amalgamation (including as a consequence of the cancellation of all the shares of the Company held by its members), are detailed in the Scheme of Arrangement, which are summarized below:

(i) As part of the capital re-organization of STL, STL shall allot and issue an aggregate of 5,500,000 (Five Million Five Hundred Thousand) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, to the STL Shareholders (being the members of STL existing on the STL Record Date), credited as fully paid up, at par, by capitalizing a portion of the accumulated profits of STL, available as at December 31, 2024, to the extent of PKR 55,000,000/- (Pak Rupees Fifty Five Million), in the ratio of 11 (eleven) ordinary shares of STL for every 1 (one) ordinary share held by each STL Shareholder (subject to the adjustment of fractional shares / entitlements, if any); and

(ii) In consideration for the Amalgamation, taking into account the shares of the Company held by STL and factoring in the ordinary shares of STL to be allotted and issued to the STL Shareholders (as detailed above), STL shall allot and issue an aggregate of 101,619,475 (One Hundred One Million Six Hundred Nineteen Thousand Four Hundred Seventy Five) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, to the SNL Shareholders existing on the SNL Record

Date, credited as fully paid up, at par, on the basis of a swap ratio of approximately 1.68 ordinary shares of STL for every 1 (one) ordinary share of the Company, of the face value of PKR 10/- (Pak Rupees Ten) each, held by each SNL Shareholder (subject to the adjustment of fractional shares / entitlements).

The said consideration, including the swap ratio, has been determined and approved by the Board of Directors of the respective companies based on the calculations and valuations stated in the Swap Letter dated May 16, 2025, issued by H.A.M.D. & Co., Chartered Accountants, based, *inter alia*, on the special purpose financial statements of the respective companies for the period ended December 31, 2024, under the adjusted net asset value based approach (the rationale for which has been provided in the Swap Letter). The said Swap Letter has also been adopted by the Board of Directors of each company.

The above shall be carried out and effectuated in accordance with the provisions of the Scheme of Arrangement.

Effect on Shareholding Structure

As a consequence of the above, upon the sanction of the Scheme of Arrangement, the issued and paid up share capital of STL (being the surviving / merged entity) will increase to PKR 1,076,194,750/- (Pak Rupees One Billion Seventy Six Million One Hundred Ninety Four Thousand Seven Hundred Fifty), comprising 107,619,475 (One Hundred Seven Million Six Hundred Nineteen Thousand Four Hundred Seventy Five) ordinary shares. The same is expected to allow for more liquidity in the shares of STL, which are traded on the PSX.

Based on shareholding patterns of the companies as of December 31, 2024, as a consequence of the Arrangement, Telecard Limited will hold approximately 61.67% of the issued and paid up share capital of STL. It may be noted that Telecard Limited currently directly holds approximately 30.18% of the issued and paid up share capital of the Company, and directly holds approximately 62.84% of the issued and paid up share capital of STL.

General

All information / particulars with respect to the Arrangement / Amalgamation and matters in respect thereof, including all ancillary matters thereto, are provided in detail in the Scheme of Arrangement, including, details of the companies, and the objects and benefits of the entire Arrangement, consideration related matters, treatment of employees and arrangements with respect to the secured creditors of the Company.

Approval of the Scheme of Arrangement by the members of the Company shall also constitute an approval by way of special resolution from the members of the Company with respect to all matters prescribed under the Scheme of Arrangement.

Summary of Operating and Financial Performance (previous 5 years and current year up to the last half year)

The Company

SUPERNET LIMITED - OPERATING AND FINANCIAL PERFORMANCE (PREVIOUS 5 YEARS AND CURRENT YEAR UP TO THE LAST HALF YEAR) (Rs. 'Millions')					
	December 31, 2024	**June 30, 2024**	**June 30, 2023**	**June 30, 2022**	**June 30, 2021**
Revenue	3,547	7,369	3,428	2,837	2,469
Direct costs	(2,874)	(6,296)	(2,580)	(1,998)	(1,807)
Gross profit	**673**	**1,073**	**848**	**839**	**662**
Gross Profit %	*19%*	*15%*	*25%*	*30%*	*27%*
G&A	(254)	(638)	(577)	(457)	(407)
Other income / (expenses)	(119)	(36)	(103)	(74)	75

SUPERNET
Empowering Networks

	(372)	(674)	(680)	(531)	(332)
Operating profit	**301**	**399**	**168**	**309**	**330**
Operating Profit %	*8%*	*5%*	*5%*	*11%*	*13%*
Finance costs	(19)	(46)	(35)	(26)	(25)
Profit / (loss) before taxation	**281**	**353**	**133**	**283**	**305**
Taxation	(102)	(197)	(82)	(95)	(102)
Net Profit / (loss) for the period	**180**	**156**	**51**	**188**	**203**

STL

SUPERNET TECHNOLOGIES LIMITED - OPERATING AND FINANCIAL PERFORMANCE
(PREVIOUS 5 YEARS AND CURRENT YEAR UP TO THE LAST HALF YEAR)
(Rs. '000')

	Dec 31, 2025	**June 30, 2024**	**June 30, 2023**	**June 30, 2022**	**June 30, 2021**
Revenue	-	55,570	1,806	5,930	8,689
Direct costs	-	(20,108)	(537)	(1,606)	(3,283)
Gross profit	**-**	**35,462**	**1,269**	**4,324**	**5,406**
Gross Profit %	*0%*	*0%*	*70%*	*73%*	*62%*
G&A	(12,504)	(24,382)	(4,939)	(7,583)	(4,994)
Other income / (expenses)	41,799	24,367	814	(77)	-
	29,295	(15)	(4,125)	(7,660)	(4,994)
Operating profit	**29,295**	**35,447**	**(2,856)**	**(3,336)**	**412**
Operating Profit %	*0%*	*0%*	*-158%*	*-56%*	*5%*
Finance costs	-5	-3	0	(32)	(75)
Profit / (loss) before taxation	**29,290**	**35,444**	**(2,856)**	**(3,368)**	**337**
Taxation	0	-596	16	(124)	(98)
Net Profit / (loss) for the period	**29,290**	**34,848**	**(2,840)**	**(3,492)**	**239**

The latest annual audited financial statements of both companies for the year ended June 30, 2024 are available on respective websites of the companies, which duly contain the summarized operating and financial performance as well as details about company specific risk factors.

Furthermore, in compliance with the provisions of Section 282(2)(e) of the Companies Act, 2017, the special purpose financial statements of the Company audited for the period ended December 31, 2024 have also been enclosed with the notices of the meeting circulated to the members of the Company. The same are available for inspection to any person entitled to attend the Extraordinary General Meeting, at the registered office of the Company, free of cost during normal office hours. Copies of the same may also be obtained upon request by such persons from the registered office of the Company, free of cost during normal office hours. The said audited accounts are also available on the Company's website.

Potential Risk Factors with respect to the Amalgamation

The respective Board of Directors of the Company and STL do not foresee potential risks arising as a result of the Arrangement / Amalgamation itself, and are of the view that the same is likely to enhance shareholder value as well as future returns for all members of STL (being the surviving / merged company) (including the SNL Shareholders upon their becoming members of STL upon the effectuation of the Amalgamation). The merged entity will have larger market capitalization and improved market position with the potential for better performance, both in terms of the ability to deploy capital more effectively and manage its resources and operations more efficiently. The merged / surviving entity will allow for more liquidity of shares, allowing shareholders (especially minority shareholders) to trade in their shares with more ease. Additionally, a robust company may attract more investors, further improving shareholder returns and shareholder value.

Information pertaining to the Creditors of the Company

In accordance with the provisions of the Scheme of Arrangement, as of the Effective Date, all the liabilities and obligations of the Company, including towards the creditors of the Company, shall be assumed by and become the liabilities and obligations of STL without any further act or deed. STL shall be obligated to pay, undertake, satisfy, discharge and perform all such liabilities and obligations. The Scheme of Arrangement also details the proposed arrangement (as a consequence of the Amalgamation) with respect to the charges / encumbrances existing in favour of the secured creditors of the Company.

Tax Consequences of the Scheme of Arrangement

The Amalgamation would lead to a more streamlined and tax-efficient organizational structure, by reducing the number of legal entities in the structure. Furthermore, the same would lead to a significant reduction in the multiplicity of legal and regulatory compliances required to be carried out which is likely to allow for further cost-savings.

Material Interests of Directors (if any)

All the respective directors of the Company and STL have interest in the Arrangement / Amalgamation, and the arrangements under the Scheme of Arrangement, to the extent of their respective directorships (including common directorships) and (direct and / or indirect) shareholdings in the said companies and / or Telecard Limited (being the holding company / ultimate holding company) (to the extent applicable). The effect of the Scheme of Arrangement on the interest of these directors does not differ from the respective interests of the members of each of the Company and STL, except to the extent stipulated in the Scheme of Arrangement or otherwise disclosed. The common directorships of the directors is as follows:

Name of Director	Common / Nature of Directorship
Mr. Syed Aamir Hussain	Telecard Limited: CEO / Executive Director STL: Chairman / Non – Executive Director Company: Chairman / Non – Executive Director
Mr. Waseem Ahmad	Telecard Limited: Executive Director STL: CEO / Executive Director Company: Executive Director
Mr. Jamal Nasir Khan	STL: Non – Executive Director Company: CEO / Executive Director
Mr. Syed Imran Haider Jaffery	Telecard Limited: Non – Executive Director STL: Non – Executive Director
Mr. Asad Mujtaba Naqvi	Telecard Limited: Independent Director STL: Independent Director Company: Independent Director
Ms. Naueen Ahmed	Telecard Limited: Non – Executive Director (Female) STL: Non – Executive Director (Female) Company: Non – Executive Director (Female)
Mrs. Fabzia Ahsen	Telecard Limited: Independent Director STL: Independent Director Company: Independent Director

Furthermore, subject to the sanction of the Scheme of Arrangement, the directors of the Company shall cease to hold office as directors without any rights to any compensation for loss of office upon the dissolution of the Company in accordance with the provisions of the Scheme of Arrangement.

Waseem Ahmad
Company Secretary
SUPERNET LIMITED

Karachi
Dated: June 4, 2025

SCHEME OF ARRANGEMENT

UNDER SECTIONS 279 TO 283 AND 285(8) OF
THE COMPANIES ACT, 2017

INVOLVING

SUPERNET TECHNOLOGIES LIMITED

AND ITS MEMBERS

AND

SUPERNET LIMITED

AND ITS MEMBERS

FOR

The corporate / capital re-organization of group companies involving, *inter alia*, the merger / amalgamation of the entire undertaking of Supernet Limited with and into Supernet Technologies Limited, along with all ancillary matters.

SCHEME OF ARRANGEMENT

UNDER SECTIONS 279 TO 283 AND 285(8) OF THE COMPANIES ACT, 2017

BETWEEN

SUPERNET TECHNOLOGIES LIMITED, a public company limited by shares and listed on the Pakistan Stock Exchange Limited, incorporated and existing under the laws of Pakistan and having its registered office at 4th Floor, Tower B, World Trade Center, Khayaban-e-Roomi, Block-5, Clifton, Karachi (hereinafter referred to as "**STL**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

SUPERNET LIMITED, a public company limited by shares and listed on the growth enterprise market board of the Pakistan Stock Exchange Limited, incorporated and existing under the laws of Pakistan and having its registered office at 9th Floor, Tower - B, World Trade Center, Block 05, Clifton, Karachi (hereinafter referred to as "**SNL**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

THEIR RESPECTIVE MEMBERS.

RECITALS

WHEREAS by this Scheme of Arrangement ("**Scheme**"), it is, *inter alia*, proposed that:

1. The entire undertaking, comprising all the Assets, Liabilities and Obligations of SNL shall, as at the Effective Date, stand merged with, transferred to, vested in, and be assumed by STL.

2. There shall be a capital re-oragnization of STL, such that STL Shares shall be issued to the STL Shareholders.

3. As consideration for the Amalgamation, it is proposed that STL Shares shall be issued to the SNL Shareholders in accordance with this Scheme.

4. Upon the merger and transfer of SNL in the manner prescribed under this Scheme, SNL shall be dissolved without winding up, and shall stand de-listed from the PSX.

5. This Scheme, if approved through a resolution by the requisite majority of the respective members of STL and SNL, along with the requisite majority of creditors (as may be applicable), and sanctioned by the Court by an order passed in this respect, is to be binding on STL and SNL along with all the members, creditors, employees, Customers, contracting parties, government, tax and regulatory / statutory authorities, bodies and departments of or with respect to STL and SNL (as applicable) respectively.

BENEFITS OF THIS SCHEME

A. Arrangements Between STL, SNL and their Respective Members

The Amalgamation shall allow STL and SNL to effectuate the arrangement envisaged by the parties, including the companies and their respective members, through the provisions of sections 279 to 283 and 285(8) of the Act, in a seamless and tax efficient manner.

B. Larger Asset Base

The Amalgamation would lead to an increase in the asset base and the size of the surviving entity i.e. STL. This would in turn allow the surviving / merged entity access to a combined pool of assets which are likely to provide better investment opportunities. The larger size of the equity and asset base would provide greater comfort to existing and potential creditors of the surviving / merged entity.

C. Optimized Legal Structure and Tax Efficiencies

The Amalgamation would lead to a more streamlined and efficient organizational structure by, *inter alia*, reducing the number of legal entities in the structure having similar business lines, improving governance and decision-making processes, which would result in better management of the operations and business. In addition to reducing the multiplicity of legal and regulatory compliances required to be carried out, such a structure is expected to result in business growth and long-term business continuation.

For STL, and the members of the merged / surviving entity (including the STL Shareholders and SNL Shareholders), the vesting of SNL's undertaking and business therein will result in enhanced tax efficiency, preventing double taxation on the same profits which are received by SNL and thereafter distributed to STL under the existing structure of the companies.

D. Increase in Risk Absorption Capacity

The larger size of STL (as the merged / amalgamated entity) would increase its risk absorption capacity, thus enhancing the capacity to manage any potential risks arising out of adverse and / or uncertain operating environments. In the long run, this factor would provide greater stability as well as sustainability in the business and operations for STL.

E. Reduction in Administrative Costs

The Amalgamation would enable the merged entity i.e. STL to carry out the business / operations of SNL and STL through single / consolidated operations, accounts / finance, treasury, administration, human resources and management information system departments, under one management, as well as sharing of office space, thus resulting in considerable cost savings and economies of scales, as well as better and more efficient coordination and use of resources.

F. Single Corporate and Tax Reporting

The Amalgamation will make single corporate and tax reporting possible for the merged entity. The same will entail elimination of maintenance of separate records for business operations, selling, purchasing, marketing, legal, administrative, and secretarial and other records under the various laws resulting in duplication of work and higher costs.

G. Leveraging Against the Assets of SNL

The Amalgamation will allow STL to acquire the benefit of the Assets of SNL without having to pay cash consideration in respect of such Assets, and leverage the same for raising further capital (potentially at lower cost) for growing the business and enhancing shareholder value.

H. Cost Savings and Rationalization

The Amalgamation would enable the companies and their respective members to rationalize and save costs under the applicable laws while effectuating the envisaged arrangement.

I. Benefits to Shareholders

The Amalgamation, along with the capital re-organization of STL and SNL (being group companies, is likely to (in the context of the benefits set out above) enhance shareholder value as well as future returns for all shareholders of STL (including the shareholders of SNL upon their becoming shareholders of STL upon the effectuation of the Amalgamation). The merged entity will have larger market capitalization, including pursuant to the capital reorganization arrangement, and improved market position with the potential for better performance. Furthermore, and taking into account that STL is listed on the main board of the PSX, the merged / surviving entity will allow for more liquidity of shares, allowing shareholders (especially minority shareholders) to trade in their shares with more ease. Additionally, a robust company may attract more investors, further improving shareholder returns and shareholder value.

NOW THEREFORE, this Scheme is presented as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1. In this Scheme, including in the recitals and benefits above, unless the subject or context otherwise requires, the following expression shall bear the meanings specified against them below:

"Act" means the Companies Act, 2017;

"Amalgamation" shall have the same meaning as prescribed thereto in Article 2.1;

"Annexure A" is the annexure attached hereto which lists the current members of the Board of Directors of STL;

"Annexure B" is the annexure attached hereto which lists the current members of the Board of Directors of SNL;

"Annexure C" is the annexure attached hereto containing the Swap Letter;

"Assets" mean assets, properties and rights of every description and kind (whether present or future, actual or contingent, tangible or intangible) and includes properties held on trust and benefit of securities obtained from Customers, benefits, interests, powers, rights, authorities, privileges, Contracts, Government consents, Government subsidies, tax refunds / credits, tax protections, remissions and exemptions (including holding period of such assets and liabilities along with all the rights attached and accrued thereto including, but not limited to, equity-based tax credits for unexpired period), sanctions and authorizations, including all registrations, licences, certifications, approvals, Claims, no objection certificates / letters, permits, categories, exemptions, quotas, entitlements, sanctions, empowerments, dispensations, charters, immunities, grants, prerogatives, permissions and benefits relating to the business / company, all trademarks, patents, copyrights, intellectual property rights (whether registered or not), licences, liberties, secret processes, know-how, good-will, data and confidential information belonging / pertaining to a company. Without in any way limiting or prejudicing the generality of the foregoing, it is hereby clarified that the term '**Assets**' shall include: (i) all properties, immovable and movable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated belonging to a company, as well as equity, stocks, debentures, bonds, rights under futures, options, derivative contracts, commodities etc. (and all rights, titles, interests and easements associated therewith); (ii) all inventory, stock-in trade, raw materials, ingredients, packaging, consignments from shipments, consumable stores, plant, machinery, equipment, furniture and fixtures, work-in-progress, computer hardware and software, software applications and licences, motor vehicles, office and laboratory equipment and supplies, appliances and accessories, spare parts and tools; (iii) all Claims, choses-in-action, instruments, decretal amounts, bank and other accounts, cash balances, goodwill, revaluation surplus, reserve funds, revenue balances, investments (together with control in subsidiary and associated companies), other investments, interest / profit / dividends accrued on investments, loans, advances, guarantees, deposits, prepayments, receivables, book debts, trade debts and all other rights and interest in and arising out of such property in the ownership, possession, power or control of a company, whether legal or beneficial, whether within or out of Pakistan; (iv) all books of accounts, registers, records, information, data, documents of title, reports, policies, surveys, research, advertising or other promotional material, and all other documents of whatever nature relating thereto, in every form; (v) all benefits and rights under Contracts, including rights under or relating to Contracts; (vi) all the utilities connections, equipment, installations and facilities for telecommunications, electricity, gas, water, sewerage and other installations, owned by, leased or licensed to a company (including related deposits); (vii) the Contingent Claims, tax credits / carry forward losses and proceeds realized from the Liquidation of the Contingent Claims; (viii) unadjusted tax receivables / losses and tax refunds; (ix) sales tax carry forward balance and sales tax refunds; (x) any subsidy receivable claims; and (xi) registrations, approvals, certifications and licenses with / from any and all regulatory authorities and bodies, Federal Board of Revenue, Provincial Boards of Revenue, including in respect of income tax, sales tax, excise duty and otherwise;

"CDC" means the Central Depository Company of Pakistan Limited;

"CDS" means the Central Depository System (an electronic book entry system for the recording and transfer of securities, established under the Central Depositories Act, 1997 and maintained by the CDC);

"Claim" means claim, counter-claim, demand or cause of action and includes a Contingent Claim;

"Completion Date" has the same meaning as prescribed thereto in Article 3.1;

"Contingent Claim(s)" means any potential Claim that a company may have against any person prior to the Effective Date which may not be disclosed or reflected as part of its Assets on its books or records;

"Contracts" means any contracts, agreements, deeds, instruments, insurance policies, letters or undertakings of every description, creating any obligations enforceable against the parties thereto, including any finance agreements;

"Court" means the High Court of Sindh at Karachi, or any other Court / authority for the time being having jurisdiction under the Act in connection with the arrangements under this Scheme (including the Amalgamation);

"Customer" means any person having entered into a transaction, arrangement or other dealing with a company;

"Effective Date" shall have the same meaning as prescribed thereto in Article 3.1;

"existing" means existing, outstanding or in force immediately prior to the Effective Date (unless stated otherwise);

"Liabilities and Obligations" includes all borrowings, liabilities, duties, commitments and obligations of every description (whether present or future, actual or contingent) arising out of any Contract, law or otherwise whatsoever, and all Securities, and the terms "**Liabilities**" and "**Obligations**" are used interchangeably and / or in conjunction with each other;

"Liquidation" means the release, compromise, satisfaction, settlement or reduction to judgment of any Claim by a competent court of law;

"PSX" means the Pakistan Stock Exchange Limited;

"Scheme" means this Scheme of Arrangement, in its present form with any modifications thereof or additions thereto, approved or with any conditions imposed by the Court;

"Security" or **"Securities"** means interest, right or title in and to any and all mortgages, encumbrances or charges (whether legal or equitable), debenture, bill of exchange, promissory note, guarantee, lien, pledge (whether actual or constructive), hypothecation, assignment by way of security, right of set-off, undertaking or other means of securing payment or discharge of any Liabilities and Obligations;

"SNL" shall have the meaning as prescribed in the Preamble above;

"SNL Record Date" means the (book closure) date to be fixed by the directors of SNL, after the Completion Date, in accordance with the provisions of this Scheme, to determine the identities and entitlements of the SNL Shareholders;

"SNL Shareholders" means the members of SNL, other than STL (including its nominees, if any), as determined on the SNL Record Date, to whom STL Shares shall be issued in accordance with the provisions of this Scheme;

"STL" shall have the meaning as prescribed in the Preamble above;

"STL Record Date" means the (book closure) date to be fixed by the directors of STL, after the Completion Date, in accordance with the provisions of this Scheme, to determine the identities and entitlements of the STL Shareholders;

"STL Shareholders" means the members of STL, as determined on the STL Record Date, to whom STL Shares shall be issued in accordance with Article 9.1;

"STL Shares" means the ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, in the share capital of STL;

"Swap Letter" means the letter dated May 16, 2025, issued by H.A.M.D. & Co., Chartered Accountants, to the respective Board of Directors of STL and SNL, attached hereto as Annexure C, pertaining to the Amalgamation, and detailing, *inter alia*, the valuations of STL and SNL, along with the basis and calculation of the Swap Ratio; and

"Swap Ratio" shall have the same meaning as prescribed thereto in Article 9.5.

1.2. In this Scheme, unless specified otherwise:

(i) the headings in this Scheme are for convenience only and shall not affect the construction or interpretation thereof;

(ii) a reference to any legislation or legislative provision includes any statutory modification of, or re-enactment of, or legislative provision substituted for, and any subordinate legislation under that legislation or legislative provision;

(iii) a reference to any agreement or document is to that agreement or document and, where applicable, any of its provisions, as amended, novated, restated or replaced from time to time;

(iv) a reference to an Article or Annexure is to an article or annexure of or to this Scheme;

(v) words denoting the singular shall include the plural and vice versa;

(vi) a reference to a person includes a company, firm, trust, authority or government and vice versa;

(vii) a reference to any person includes that person's executors, administrators, successors, legal heirs, and permitted assigns;

(viii) "including" and "include" shall be deemed to mean "including, without limitation" and "include, without limitation"; and

(ix) the word "hereof", "herein", "hereto" and "hereunder" and words of similar import when used, with the required linguistic and / or grammatical derivation, in this Scheme refer to this Scheme as a whole and not to any particular provision thereof.

ARTICLE 2

OBJECTS OF THE SCHEME

2.1. The principal object of this Scheme is to amalgamate the entire undertaking of SNL with and into STL, by transferring to, merging with and vesting in STL the whole of SNL, as a going concern, including all the Assets, Liabilities and Obligations of SNL, as of the Effective Date (the "**Amalgamation**"), against the allotment and issue of STL Shares to the SNL Shareholders based on the Swap Ratio, and dissolving of SNL without winding up, along with carrying out a capital re-organization of STL involving the allotment and issue of STL Shares to the STL Shareholders, in each case in accordance with the provisions of this Scheme.

2.2. It is hereby clarified that although all of the above steps will take place on the same date, and unless otherwise stipulated in this Scheme, the same shall be deemed to be effective as of the Effective Date.

ARTICLE 3

EFFECTIVE DATE

3.1. This Scheme shall become operative and bind STL and SNL as soon as an order is passed by the Court under Sections 279 / 282 of the Act, sanctioning this Scheme and making the necessary provisions under Section 282 of the Act (hereinafter referred to as the "**Completion Date**"). When this Scheme becomes operative on the Completion Date, the Amalgamation (along with other matters), in accordance with this Scheme, will be treated as having effect from the start of business at 00:00 hours on January 1, 2025, or such other date as may be stated by the Court (hereinafter referred to as the "**Effective Date**"). Each company shall file a certified copy of the order passed by the Court with the Registrar of Companies in accordance with Section 279 of the Act.

3.2. Accordingly, as of the Effective Date and thereafter, until the undertaking of SNL (including the Assets, Liabilities and Obligations thereof) is actually transferred to and vested in STL in terms of this Scheme, the business of SNL, as well as any transactions, operations or activities in relation thereto, will be deemed to have been carried for and on account and for the benefit of STL.

3.3. All income, profits, gains and losses accruing or arising to, or incurred by, SNL (including any taxes paid or deducted or collected or withheld, all credits and refunds on account of sales tax, customs duty and other taxes, including the right to adjust the amount of sales tax paid in connection with the undertaking of SNL) from the Effective Date shall be treated as the income, profits, gains or losses (including any taxes paid or deducted or collected or withheld, all credits and refunds on account of sales tax, customs duty and other taxes including the right to adjust the amount of sales tax paid in connection with the undertaking of SNL), as the case may be, of STL. The reserves including unappropriated profits / losses of SNL, up to and immediately preceding the Effective Date, if any, shall constitute and be treated as reserves / losses of a corresponding nature in STL and shall be accounted for on that basis in the books of account of STL. Subsequent to the Completion Date, and as consequence of the Amalgamation, the financial statements of STL will be prepared in accordance with the applicable laws, including the Act (and other regulations and notifications), and the relevant accounting and reporting standards applicable in Pakistan.

3.4. Notwithstanding the provisions of Articles 3.2 and 3.3, during the period from the Effective Date up to the Completion Date, each of STL and SNL shall continue to operate independently in the ordinary course and as per past practice, and further be entitled (without being obliged) to declare and distribute dividends from the profits earned during this period to its respective shareholders as determined by its respective Board of Directors in the ordinary course.

ARTICLE 4

CAPITAL

4.1. The authorized share capital of STL is PKR 1,500,000,000/- (Pak Rupees One Billion Five Hundred Million), divided into 150,000,000 (One Hundred Fifty Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, out of which 500,000 (Five Hundred Thousand) ordinary shares have been issued, fully subscribed to and paid up.

4.2. The authorized share capital of SNL is PKR 1,500,000,000/- (Pak Rupees One Billion Five Hundred Million), divided into 150,000,000 (One Hundred Fifty Million) ordinary shares of PKR 10/- (Pak Rupees 10) each, out of which 123,444,455 (One Hundred Twenty Three Million Four Hundred Forty Four Thousand Four Hundred Fifty Five) ordinary shares have been issued, fully subscribed to and paid up.

4.3. Upon the sanction of this Scheme, the authorized share capital of SNL shall be merged and combined with the authorized share capital of STL. Resultantly, as a consequence of the above, the authorized share capital of STL shall thus stand enhanced to PKR 3,000,000,000/- (Pak Rupees Three Billion), divided into 300,000,000 (Three Hundred Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, and accordingly the Memorandum and Articles of

Association of STL shall stand amended (to the extent required). Approval of the members of STL to this Scheme shall also include and constitute an approval, by way of special resolution, from the members of STL to the alteration of the Memorandum and Articles of Association of STL for the increase of the authorized share capital of STL to PKR 3,000,000,000/- (Pak Rupees Three Billion), as required in terms of the Act.

ARTICLE 5

BOARD OF DIRECTORS

5.1. The present directors of STL are listed in Annexure A.

5.2. The present directors of SNL are listed in Annexure B.

5.3. The directors of STL are expected to continue as the directors after the Amalgamation / Completion Date, subject to compliance with the applicable laws and / or their ceasing to be directors in the meantime due to any reason(s) and appointments being made to the vacancies thus created and / or fresh elections being held prior to the Completion Date in compliance with applicable laws.

5.4. The directors of SNL (comprising the Board of Directors of SNL at the relevant time) shall cease to hold office as directors without any rights to any compensation for loss of office upon the dissolution of SNL in accordance with the provisions of this Scheme.

5.5. All the respective directors of STL and SNL have interest in the Amalgamation, and the arrangements under this Scheme, to the extent of their respective directorships and (direct and / or indirect) shareholdings in the said companies (to the extent applicable). The effect of this Scheme on the interest of these directors does not differ from the respective interests of the members of each of STL and SNL, except to the extent stipulated in this Scheme or otherwise disclosed. Certain of these directors are also directors and / or shareholders of the holding company / ultimate holding company of STL and SNL i.e. Telecard Limited.

ARTICLE 6

AMALGAMATION

6.1. **General Description**

(i) As of the Effective Date, SNL, as a going concern (without discontinuation) for the purpose of all laws, shall be amalgamated with and vest in STL upon the terms and conditions set forth in this Scheme without any further act, deed, matter or thing, process or procedure.

(ii) STL shall be able to carry out all the business of SNL and shall be entitled to all the rights and the benefits thereof.

(iii) As consideration of the Amalgamation, STL shall allot and issue STL Shares to the SNL Shareholders, while all the shares of SNL (including those held by STL) shall stand cancelled, in each case in accordance with Article 9.

(iv) SNL shall be dissolved, without winding up, from the date on which all the STL Shares to be allotted by STL to the SNL Shareholders, as prescribed in Article 9, have been so allotted, or on such later date as the Court may prescribe. Consequently, SNL shall stand de-listed from the PSX.

6.2. **Transfer of the Assets**

(i) As of the Effective Date, all the Assets of SNL shall immediately, without any conveyance or transfer, and without any further act or deed, or payment of any duties or other amounts, be vested in and become the undertaking and Assets of STL, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by SNL prior to the Amalgamation.

(ii) The vesting / transfer of the Assets shall be subject to all Securities subsisting thereon (if any), including in the manner stipulated in this Scheme.

(iii) All licences, permits, quotas, rights, permissions, concessions, privileges, sanctions, approvals, certifications, registrations, empowerments, dispensations, charters, immunities, grants, exceptions, entitlements etc. in relation to the business or undertaking of SNL (including rights and control over subsidiaries and associated companies with respect to investments of SNL), the benefit of which SNL may be eligible and which are subsisting or having effect immediately prior to the Effective Date, shall, from the Effective Date, stand vested in and transferred to STL without any further act or deed, and shall be appropriately mutated by the relevant authorities in favour of STL.

6.3. **Transfer of Liabilities and Obligations**

As of the Effective Date, all the Liabilities and Obligations of SNL, including towards the creditors of SNL (if any), shall immediately, and without any further act or deed, be assumed by and become the Liabilities and Obligations of STL, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.

6.4. **STL's Right to Execute Deeds**

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Liabilities and Obligations of SNL may, if required at any time, be executed by officers of STL authorized to do so in this regard.

6.5. **References to Assets and Liabilities and Obligations**

Any reference in this Scheme to Assets or Liabilities and Obligations of SNL is a reference to Assets or Liabilities and Obligations to which SNL is, for the time being, entitled or subject to (whether beneficially or in any fiduciary capacity) immediately preceding the Effective Date, wherever such Assets or Obligations and Liabilities are situated or arise and whether or not the same are capable of being transferred or assigned to or by SNL under any applicable law or instrument.

6.6. **Assets held in Trust, etc.**

Any Asset comprised or vested in SNL, which immediately before the Effective Date was held by SNL as trustee or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, as of the Effective Date, be held by STL in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

6.7. **Contracts**

Every Contract to which SNL is a party shall have effect as of the Effective Date as if:

(i) STL had been a party thereto instead of SNL; and

(ii) Any reference (however worded and whether express or implied) to SNL therein shall stand substituted, as respects anything to be done as of the Effective Date, to a reference to STL.

6.8. **Bank Accounts**

Any and all account(s) maintained by SNL with any bank and / or financial institution shall, as of the Effective Date, become account(s) between STL and such bank and / or financial institution, subject to the same conditions and incidents as therefore; provided that nothing herein shall affect any right of STL to vary the conditions or incidents subject to which any account is kept.

6.9. **Instructions**

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to SNL in writing shall have effect, as of the Effective Date, as if given to STL.

6.10. **Negotiable Instruments**

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by SNL, or payable at any place of business of SNL, whether so drawn, given, accepted or endorsed before, as of the Effective Date, shall have the same effect as of the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by STL, or were payable at the same place of business of STL.

6.11. **Custody of Documents**

The custody of any document, record or goods held by SNL as bailee and duly recorded in their books that pass to SNL under any Contract of bailment relating to any such document, record or goods shall on that day become rights and obligations of STL.

6.12. **Securities:**

(i) Any Security held immediately before the Effective Date by SNL or by a nominee or agent of or trustee for SNL, as security for the payment or discharge of any liability and obligation of a Customer shall, as of the Effective Date, be held by, or, as the case may require, by that nominee, agent or trustee for STL and be available to STL (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that liability and obligation.

(ii) In relation to any Security vested in STL, pursuant to and / or in accordance with the provisions of this Scheme, and any liabilities and obligations thereby secured, STL shall be entitled to the rights and priorities to which SNL would have been entitled if they had continued to hold the Security.

(iii) Any Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities shall, as of the Effective Date, be available to STL (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as future advances or liabilities to SNL or, as the case may be, STL, were secured thereby immediately before that time.

(iv) All Securities of any nature (whether legal or equitable) granted / created by SNL in favour of its secured creditors, if any, and unless the same have been vacated prior to the Completion Date, will continue to remain operative and effective as Securities in the manner detailed below. In this respect, upon the Amalgamation:

(a) the *pari passu* Security holders of SNL, having Securities over the present and future Assets (excluding land and building), or any part or class thereof, of SNL, shall rank *pari passu* with the *pari passu* Security holders of STL, if any, having Securities over the same (class of) combined present and future Assets (excluding land and building) of STL;

(b) the ranking Security holders of SNL, having ranking charges / Securities over the present and future Assets (excluding land and building), or any part or class thereof, of SNL, shall continue to be treated as ranking charges / Securities over the combined Assets (or same class thereof) of STL. The ranking of such charges / Securities, along with the ranking of Securities created by STL in favour of its creditors, if any, shall be organized and determined based on the date on which the same were registered with the Securities and Exchange Commission of Pakistan, irrespective of which company had created the same;

(c) any mortgage over an immovable property of SNL, granted in favour of a creditor of SNL, if any, shall continue to remain as is (i.e. over such immovable property which stands transferred to and vested in STL upon the Amalgamation);

(d) any mortgage over an immovable property of STL, granted in favour of a creditor of STL, if any, shall continue to remain as is; and

(e) any first exclusive charge or Security interest granted to a creditor of SNL, by SNL, over specific assets of SNL, if any, will continue to remain and retain its priority over such specific Assets (which stand merged with and into STL upon the Amalgamation), notwithstanding the time of creation and registration of any other charge / Security.

6.13. **Legal Proceedings**

Where by virtue of this Scheme any right, Claim or Liability of SNL becomes a right, Claim or Liability of STL as of the Effective Date, STL shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of STL, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against SNL may be continued by or against STL.

6.14. **Judgments**

Any judgment or award obtained by or against SNL, and not fully satisfied before the Effective Date shall at that time, to the extent to which it is enforceable by or against SNL, become enforceable by or against STL.

6.15. **Evidence**

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against SNL, shall be admissible in evidence in respect of the same matter for or against STL.

6.16. **Authorizations**

Any authorizations / powers of attorney granted by SNL to any persons with respect to the undertaking / business / operations / Assets etc. of SNL shall continue to subsist subsequent to the Amalgamation and shall be deemed to be authorizations / powers of attorney granted by STL to such persons, until or unless otherwise revoked or modified by STL.

6.17. **Clarification**

The provisions contained in Articles 6.2 to 6.16 are without prejudice to the generality of any other provisions in this Scheme, but subject to any provisions in this Scheme to the contrary effect.

ARTICLE 7

CERTAIN OBLIGATIONS AND REPRESENTATIONS

7.1. Upon the Amalgamation, STL shall take all necessary and expedient steps to properly and efficiently manage its entire business and affairs and shall operate and promote its entire business and affairs in the normal course (to the extent applicable).

7.2. As of the Completion Date, but with effect from the Effective Date, STL shall undertake, pay, satisfy, discharge, perform and fulfil the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of SNL.

ARTICLE 8

THE SCHEME'S EFFECT

8.1. The provisions of this Scheme shall be effective and binding by operation of law and shall become effective in terms of Article 3.

8.2. The execution and / or sanction of this Scheme, and the implementation of the Amalgamation, shall not: (i) constitute any assignment, transfer, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force; (ii) give rise to any forfeiture; (iii) invalidate or discharge any Contract or Security (except to the extent stipulated in this Scheme); (iv) give rise to any right of first refusal or pre-emptive right that any person may have in respect of any investment made by such person in STL and / or SNL; and / or (v) constitute a contractual transfer, but a vesting by operation of law.

8.3. Upon the sanction of this Scheme, as of the Effective Date, the terms of this Scheme shall be binding on STL and SNL, and also on all the respective shareholders / members of STL and SNL, the Customers of each of STL and SNL, the creditors of each of the companies (to the extent applicable), and on any other person having any right or liability in relation to either of them.

8.4. On the Completion Date, and with effect from the Effective Date, this Scheme will override the constitution / constitutive documents of each of STL and SNL, to the extent of any inconsistency.

ARTICLE 9

CAPITAL RE-ORGANIZATION, CONSIDERATION FOR THE AMALGAMATION AND RELATED MATTERS

9.1. As part of the arrangements envisaged under this Scheme, including the capital re-organization of STL to achieve the commercial objectives hereunder, STL shall allot and issue an aggregate of 5,500,000 (Five Million Five Hundred Thousand) STL Shares to the STL Shareholders, credited as fully paid up, at par, by capitalizing a portion of the accumulated profits of STL, available as at December 31, 2024, to the extent of PKR 55,000,000/- (Pak Rupees Fifty Five Million), in the ratio of 11 (eleven) STL Shares for every 1 (one) STL Share held by each STL Shareholder. All entitlements resulting in fractions less than a STL Share, if any, shall be consolidated into whole STL Shares which shall be disposed of / dealt with by STL in a manner determined by the Board of Directors of STL. All entitlements of the STL Shareholders shall be determined in the proportion aforesaid. Approval of the members of STL to this Scheme shall also include and constitute an approval for the issuance of the STL Shares to the STL Shareholders against the aforementioned capitalization.

9.2. Subsequent to the Completion Date, at least 7 (seven) days' notice shall be given to the members of STL, by STL, specifying the STL Record Date in order to determine the identities of the STL Shareholders and their entitlements (with respect to the STL Shares to be issued in terms of Article 9.1).

9.3. The allotment of the STL Shares to the STL Shareholders shall be made by STL within 30 (thirty) days from the STL Record Date. The share certificates for such STL Shares shall be made ready for delivery as soon as practicable thereafter and notices of their readiness for their delivery shall be given to the STL Shareholders in the manner provided in the Articles of Association of

STL. Share certificates not collected within the time specified in any such notice shall be sent by post in prepaid envelopes addressed to the persons entitled thereto at their respective registered addresses. In the case of joint shareholders, share certificates may be delivered to or may be sent to the address of that one of the joint holders whose name appears first in respect of such joint holding. STL shall not be responsible for loss of the share certificates in such transmission.

9.4. With respect to the STL Shareholders holding shares of STL in book entry form through the CDS, STL shall (cause CDC to) credit the respective CDC accounts / sub-accounts of the relevant STL Shareholders with book entries relating to the corresponding number of STL Shares which the relevant STL Shareholder is entitled to in accordance with this Article 9. Such allotment shall be carried out in accordance with the rules and regulations of the CDC.

9.5. As consideration for the Amalgamation, and taking into account / factoring in the STL Shares to be allotted and issued to the STL Shareholders in terms of Article 9.1, STL shall allot and issue an aggregate of 101,619,475 (One Hundred One Million Six Hundred Nineteen Thousand Four Hundred Seventy Five) STL Shares to the SNL Shareholders, credited as fully paid up, at par, on the basis of a swap ratio of approximately 1.68 STL Share for every 1 (one) ordinary share of SNL, of the face value of PKR 10/- (Pak Rupees Ten) each, held by each SNL Shareholder (the "**Swap Ratio**"). All entitlements resulting in fractions less than a STL Share shall be consolidated into whole STL Shares which shall be disposed of / dealt with by STL in a manner determined by the Board of Directors of STL. All entitlements of the SNL Shareholders shall be determined in the proportion aforesaid.

9.6. The Swap Ratio has been determined and approved by the respective Board of Directors of STL and SNL, based on the calculations and valuations stated in the Swap Letter, based, *inter alia*, on the respective special purpose audited financial statements of STL and SNL for the period ended December 31, 2024, under the adjusted net asset value based approach (including taking into account the STL Shares to be issued to the STL Shareholders in terms of this Scheme). The Swap Letter has been adopted by the respective Board of Directors of each of STL and SNL.

9.7. Subsequent to the Completion Date, at least 7 (seven) days' notice shall be given to the members of SNL, by SNL, specifying the SNL Record Date (being the final book closure date) in order to determine the identities of the SNL Shareholders and their entitlements. Such notice shall also specify the date by which the SNL Shareholders shall deliver to SNL (or its share registrar, as directed by SNL), for cancellation, all the share certificates representing ordinary shares (in physical form) in SNL held by them and such share certificates shall be delivered to SNL on or before that date. No trading in the shares of SNL shall be permitted after the SNL Record Date, including through the PSX.

9.8. SNL shall, within 10 (ten) days of the SNL Record Date, provide STL with the list of the SNL Shareholders along with details of their respective entitlements (based on the Swap Ratio).

9.9. The share certificates delivered / to be delivered by the SNL Shareholders in accordance with Article 9.7 shall stand cancelled (whether or not the same have been surrendered to SNL by the prescribed date) and the SNL Shareholders shall be entitled to share certificates / CDC book-entries representing the number of fully paid up STL Shares to which the respective SNL Shareholder is entitled to in accordance with the provisions of this Scheme. In relation to those SNL Shareholders who hold shares of SNL in book entry form through the CDS, on the date specified in the notice, the book entries relating to the shares of SNL in the CDC accounts of such SNL Shareholders shall stand cancelled in accordance with the rules and regulations of the CDC. Additionally, as a consequence of the Amalgamation, all the shares of SNL held by STL (and its nominees, if any) shall stand cancelled in the same manner detailed above.

9.10. The allotment of the STL Shares to the SNL Shareholders (in accordance with the provisions of this Article 9) shall be made by STL within 30 (thirty) days from the date notified above. The share certificates for such STL Shares shall be made ready for delivery as soon as practicable thereafter and notices of their readiness for their delivery shall be given to the SNL Shareholders in the manner provided in the Articles of Association of STL. Share certificates not collected within the time specified in any such notice shall be sent by post in prepaid envelopes addressed to the persons entitled thereto at their respective registered addresses. In the case of joint shareholders, share certificates may be delivered to or may be sent to the address of that one of the joint holders whose name appears first in respect of such joint holding. STL shall not be responsible for loss of the share certificates in such transmission. The SNL Shareholders, holding physical share certificates of SNL, shall have the option of receiving their entitlement of STL Shares in book entry form through the CDS, which they shall intimate in writing to SNL in advance (which in turn will intimate STL of the same at the time of sharing details pertaining to the SNL Shareholders in accordance with Article 9.8).

9.11. With respect to the SNL Shareholders holding shares of SNL in book entry form through the CDS, such persons (along with other SNL Shareholders who have requested to receive STL Shares in book entry form), STL shall (cause CDC to) credit the respective CDC accounts / sub-accounts of the relevant SNL Shareholders with book entries relating to the corresponding number of STL Shares which the relevant SNL Shareholder is entitled to in accordance with this Article 9. Such allotment shall be carried out in accordance with the rules and regulations of the CDC.

9.12. The STL Shares allotted and issued to the STL Shareholders and SNL Shareholders, in accordance with the provisions of this Scheme, shall, in all respect, rank *pari passu* with the ordinary shares of STL and shall be entitled to all dividends declared by STL after the Completion Date.

9.13. Any STL Shares to be allotted and issued in accordance with the provisions of this Article 9 in favour of foreign / non-resident STL Shareholders and / or SNL Shareholders, against the shares of STL / SNL (as applicable) held by each of them (that have been registered and / or are held and / or are in the process of being registered with the State Bank of Pakistan, on repatriable basis), shall be deemed to be issued and held on repatriable basis (or deemed to be in the same process of registration), and shall be registered by STL (to the extent applicable) with the State Bank of Pakistan upon issuance thereof.

9.14. The Assets of SNL, including its communication equipment and trade receivables, shall be recorded in the books of STL (as the merged / surviving entity) at the amounts used in calculation of the Swap Ratio in the Swap Letter, and the difference arising on amalgamation (vis-à-vis the par value of the STL Shares issued in favour of the SNL Shareholders) shall be recorded as a 'merger reserve' in the books of STL in accordance with the pooling of interests method under the applicable financial reporting standards.

9.15. Upon the allotment of the STL Shares in favour of the STL Shareholders and SNL Shareholders in accordance with the provisions of this Scheme, the entitlements of the STL Shareholders and SNL Shareholders (to the extent applicable) under this Scheme shall stand satisfied.

9.16. Subject to the sanction of this Scheme by the Court, SNL shall, without winding up, stand dissolved from the date on which all the STL Shares, to be allotted by STL to the SNL Shareholders as prescribed above, have been so allotted. Consequently, SNL shall automatically stand de-listed from the PSX.

ARTICLE 10

EMPLOYEES

10.1. On and from the Completion Date, but with effect from the Effective Date, all full time officers and employees (including workmen) of SNL shall become the employees of STL (in lieu of their employment with SNL) at the same level of remuneration and under similar terms and conditions of service, for the time being, which they were receiving or, as the case may be, by which they were governed immediately before the Completion Date, including those relating to entitlements and benefits arising upon termination of services, on the basis of continuation of service (which shall be taken into account for the purposes of all benefits to which such Employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits), except where the employment of any such person(s) is terminated (including pursuant to resignation or otherwise) between the Effective Date and the Completion Date.

10.2. On and from Completion Date, all deeds, rules and other instruments relating to the provident fund (or any other funds / schemes pertaining to the relevant employees) established by SNL and / or its associated company(ies) (including all amounts / funds in the nature of monies, investments and otherwise, and including amounts standing to the credit of such provident fund (or other schemes) on the Completion Date, held by the trustees for the benefit of SNL's eligible employees who are members and / or beneficiaries thereof), including with respect to the Telecard Limited Employees' Provident Fund (which the eligible employees of SNL are members of), shall remain in full force and effect, for the benefit of the eligible employees of SNL who shall be employees of STL (in accordance with Article 10.1), with STL being replaced therein instead of SNL (as the associated company of Telecard), and STL may enforce all rights and shall perform all obligations and discharge all liabilities arising thereunder accordingly. The trustees of such fund(s) shall take necessary steps, including making the necessary / appropriate revisions, amendments and arrangements for the purposes of the above.

10.3. On and from the Completion Date, and as a consequence of the Amalgamation, all amounts / entries pertaining to the gratuity scheme maintained by SNL for its relevant employees shall stand transferred to STL, and shall be accounted for in its books and accounts accordingly for the benefit of such employees.

ARTICLE 11

GENERAL

11.1. **Modifications by the Court**

This Scheme shall be subject to such modification of conditions, as the Court may deem expedient to impose. The Board of Directors of STL and SNL respectively may consent to any modifications or additions to this Scheme or to any conditions which the Court may think fit.

In case of any difficulty in implementation of any aspect of this Scheme, clarifications, directions and / or approval may be obtained from the Court. Notwithstanding the above, in the event that the terms of this Scheme are not approved by the members and / or creditors of STL and / or SNL (as applicable) in its entirety and / or the Scheme, as approved by the respective companies, is modified by the Court, or otherwise, the Board of Directors of STL and / or SNL shall be entitled to withdraw this Scheme (whether or not approval from the members and creditors of the respective companies has been obtained).

11.2. **Severability**

If any provision of this Scheme is found to be unlawful and unenforceable by a competent court of law, then to the fullest extent possible, all of the remaining provisions of the Scheme shall remain in full force and effect.

11.3. **Costs and expenses**

All costs, charges and expenses in respect of the preparation of this Scheme and carrying the same into effect shall be borne by SNL. Subsequent to the sanction of this Scheme, costs, charges and expenses, including for the implementation of the Amalgamation and the arrangements hereunder, shall be borne by STL (being the surviving company).

11.4. **Implementation of this Scheme**

The respective Board of Directors of STL and SNL, to the extent applicable, are hereby authorized and empowered to take all necessary steps and execute all documents, as they may consider necessary, expedient or appropriate, to give effect to the provisions of this Scheme and for the implementation hereof, including to delegate any powers from time to time.

Karachi.
Dated: May 27th, 2025.

For and on behalf of
SUPERNET TECHNOLOGIES LIMITED

Name: WASEEM AHMAD

Designation: CHIEF EXECUTIVE OFFICER.

For and on behalf of
SUPERNET LIMITED

Name: JAMAL NASIR KHAN

Designation: CHIEF EXECUTIVE OFFICER.

LIST OF ANNEXURES

"Annexure A" – List of current members of Board of Directors of STL.

"Annexure B" – List of current members of Board of Directors of SNL.

"Annexure C" – Swap Letter dated May 16, 2025, issued by H.A.M.D. & Co., Chartered Accountants.

ANNEXURE A

LIST OF CURRENT MEMBERS OF THE BOARD OF DIRECTORS OF SUPERNET TECHNOLOGIES LIMITED

Mr. Asad Mujtaba Naqvi

Mr. Syed Imran Haider Jaffery

Mr. Syed Aamir Hussain

Mr. Jamal Nasir Khan

Mrs. Fabzia Ahsen Pakistan

Ms. Naueen Ahmed

Mr. Waseem Ahmad

ANNEXURE B

LIST OF CURRENT MEMBERS OF THE BOARD OF DIRECTORS OF SUPERNET LIMITED

Mrs. Fabzia Ahsen

Ms. Naueen Ahmed

Mr. Syed Hashim Ali

Mr. Asad Mujtaba Naqvi

Mr. Ahmer Qamar

Mr. Waseem Ahmed

Mr. Syed Aamir Hussain

Mr. Jamal Nasir Khan

May 16, 2025

The Board of Directors
Supernet Limited
9th Floor, Tower B, World Trade Centre
Khayaban-e-Roomi, Block 5, Clifton
Karachi

The Board of Directors
Supernet Technologies Limited
4th Floor, Tower B, World Trade Centre
Khayaban-e-Roomi, Block 5, Clifton
Karachi

Dear Sirs,

Re: PROPOSED MERGER / AMALGAMATION OF SUPERNET LIMITED WITH AND INTO SUPERNET TECHNOLOGIES LIMITED – CALCULATION OF SWAP RATIO

We have been requested to provide the respective Board of Directors of Supernet Limited [SNL] and Supernet Technologies Limited [STL] [collectively referred to as the Companies] with a letter / certificate regarding a proposed swap ratio in relation to the proposed merger / amalgamation of Supernet Limited with and into Supernet Technologies Limited.

We understand that the Scheme of Arrangement under Sections 279 to 283 and 285(8) of the Companies Act, 2017 pertaining to the proposed merger [the Scheme], the draft which has been shared with us, envisages the following:

(i) The merger, by way of amalgamation, of SNL with and into STL, by transferring to, merging with and vesting in STL, the entire undertaking of SNL, including all assets, liabilities and obligations of SNL.
(ii) Cancellation of all shares of SNL, including SNL's shares held by STL on its balance sheet as a long-term investment.
(iii) Issuance of ordinary shares of STL to the existing shareholders of STL (as per the process stipulated in the Scheme).
(iv) Issuance of ordinary shares of STL to the shareholders of SNL (other than STL itself) pursuant to the Swap Ratio.
(v) Dissolution of SNL without winding up

The Scheme is envisaged to be effective from the start of business at 00:00 hours on January 1, 2025, or such other date as may be stated by the Honorable High Court of Sindh at Karachi. The Scheme is intended to be filed before the Sindh High Court at Karachi [Court], under the provisions of Sections 279 to 283 and 285(8) of the Companies Act, 2017, which shall require the approval of the requisite majority of the shareholders and creditors of the Companies (to the extent applicable) and the sanction of the Court.

H.A.M.D. & Co. Chartered Accountants KARACHI

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1. **About the Companies**

a) **Supernet Technologies Limited**

Supernet Technologies Limited, was incorporated as a Public Limited Company on 31 October, 1981 under the repealed Companies Act, 1913 (now the Companies Act, 2017). The company operates as a subsidiary of Telecard Limited and is primarily engaged in providing Information technology-enabled services.

b) **Supernet Limited**

Supernet Limited was incorporated in Pakistan on March 14, 1995, under Companies Ordinance, 1984 (repealed with the enactment of Companies Act, 2017). The company is an indirect subsidiary of Telecard Limited. The company is a Fixed Local Loop Operator licensed by Pakistan Telecommunication Authority and engaged in providing satellite and microwave communication services.

c) **Corporate reorganization transaction**

Based on the records and representations from the managements of the respective Companies, as of the date of this certificate, we understand that STL and SNL both are subsidiaries of Telecard Limited. Resultantly, the arrangements envisaged under the Scheme effectively constitute a corporate reorganization of group companies, without the involvement of unrelated third parties.

d) **Shareholding information as at December 31, 2024**

The authorized share capital of STL is Rs 1,500,000,000/-, divided into 150,000,000 ordinary shares of Rs 10/- each. The issued, subscribed and paid-up share capital is Rs. 5,000,000/-, consisting of 500,000 shares.

The authorized share capital of SNL is 1,500,000,000/-, divided into 150,000,000 ordinary shares of Rs 10/- each. The issued, subscribed and paid-up share capital is Rs. 1,234,444,550/- consisting of 123,444,455 shares.

e) **Cross shareholding**

STL holds 62,956,672 ordinary shares in SNL, representing 51.00% of its total shareholding.

2. **Fair value methodologies**

As detailed above, the Scheme envisages a corporate reorganization of group companies, i.e. STL and SNL. Therefore, the methodologies to be used for calculating the swap ratio have to be applicable to the aforementioned Companies.

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There are three generally accepted valuation methodologies which are utilized for determining the fair value of shares of a company. These are as follows:

- Discounted Cashflows [DCF]
- Capitalized earnings / market price methodology [Comparable Companies / Comparable Transactions]
- Adjusted net asset value

Weightage assigned to the methodologies

a) Discounted cash flow methodology

As part of the generally accepted principles of conducting valuations, the methodology which is adopted has to be applicable to all the companies that are part of the scheme. STL operates as an IT Enabled Services company and has no significant business operations for preceding quarters. It has no operating cash flows, and its noncash income arises only from its investment in the shares of SNL. The DCF methodology has therefore not been used due to STL's business model stated above, as the same would not be applicable.

b) Capitalized earnings methodology

STL is listed on the main board of the Pakistan Stock Exchange, while SNL is listed on the growth enterprise market board of the Pakistan Stock Exchange. The shares of both Companies are thinly traded, with no sizable volumes in place. As stated above, STL's income is driven by its only asset i.e. investment in SNL.

On the other hand, while SNL's business operations consist of ICT, infrastructure and security solutions, Pakistan Telecommunication Limited [PTCL] is the only listed entity which has a similar business model. Having said that, due to the difference in their relative sizes and additional revenue streams of PTCL, both companies are not directly comparable.

There have also not been any transactions, whose data is publicly available, within the telecommunication industry sector, which pertains to the market sector in which both the Companies operate. Previous transactions, whose data is publicly available, were related to acquisition of spectrum and acquisition of telecommunication operators.

The capitalized earnings methodology has therefore not been used for the purposes of calculating the swap ratio, as the same would not be applicable.

c) Adjusted net asset value

The adjusted net asset value is determined by marking every asset and liability on (including off balance sheet) a company's balance sheet to current market values. Net asset values, as per

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the audited financial statements as at December 31, 2024 of the respective Companies, have been used to determine the adjusted net asset values of each company.

Based on a review of the financial statements for Supernet Limited, it was noted that property, plant and equipment of Supernet Limited includes fully depreciated assets, which are still in use as on December 31, 2024. Further, the trade receivable balances were reviewed to assess the impact on the net assets of the company.

Based on the work performed, the net asset value of Supernet Limited was adjusted for fixed assets and receivables, while the remaining assets and liabilities were carried out at the same values.

M/s Sadruddin Associates (Pvt.) Ltd, a valuation firm who is on the approved panel of the Pakistan Banks' Association, was engaged for purposes of revaluing the fixed assets of SNL as at December 31, 2024.

No adjustments were required in the net asset value of Supernet Technologies Limited.

3. Swap ratio based on adjusted net asset value

Based on the procedures mentioned above, the swap ratio based on the respective adjusted net asset values of the Companies, is as follows:

S. No.	Head	STL	SNL
1	Net asset value – as reported	64,760,000	1,949,198,000
2	Adjusted net asset value	64,760,000	2,236,580,550
3	Number of shares	500,000	123,444,455
4	Breakup value per share	129.52	18.12
5	Swap ratio working	18.12 / 129.52	
6	Swap ratio [rounded off to three decimal places]	0.140	

4. Swap ratio based on enhanced issued and paid-up share capital of STL

As communicated to us, the management of STL is of the viewpoint that calculating a swap ratio based on the existing issued and paid-up share capital of STL results in a substantially lower number of shares in the merged / surviving entity. This treatment does not align with a capitalization strategy that reflects a balanced and substantial equity base and would be prejudicial to the interests of the shareholders both Companies.

In order to avoid a situation where the post-merger capital structure of STL (being the surviving company) would result in a situation where the shares of STL would be illiquid owing to a low

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volume of shares being issued to the shareholders of SNL (other than STL) pursuant to the Scheme, the management has decided —as part of the Scheme and the arrangement thereunder — to enhance the issued and paid up share capital of STL to Rs. 60.0 million, from the existing capital of Rs. 5.0 million, by utilizing a portion of the existing accumulated profits of STL (as existing on December 31, 2024. The management of STL is of the viewpoint that this approach will ensure an equitable treatment for the shareholders of SNL (to whom shares of STL will be issued in terms of the Scheme) without any loss of value to the current shareholders of STL.

In light of the above, and based on the provisions of the Scheme shared with us, in terms of which ordinary shares of STL shall be issued to the shareholders of STL (prior to the issuance of ordinary shares of STL to the shareholders of SNL (other than STL)), as suggested by the management, the swap ratio based on the enhanced issued and paid up issued capital of STL is worked out as follows:

S. No.	Head	STL	SNL
1	Net asset value – as reported	64,760,000	1,949,198,000
2	Adjusted net asset value	64,760,000	2,236,580,550
3	Number of shares existing	500,000	123,444,455
4	New shares to be issued, as part of the Scheme, to the shareholders of STL	5,500,000	N/A
5	Adjusted number of shares	6,000,000	N/A
6	Breakup value	10.79	18.12
7	Swap ratio working	18.12 / 10.79	
8	Swap ratio [rounded off to two decimal places]	1.68	
9	Number of shares of SNL held by the shareholders of SNL (other than STL)	N/A	60,487,783
10	New shares of STL to be issued, as part of the Scheme, to the shareholders of SNL (other than STL i.e. after cancellation of cross shareholding).	101,619,475	N/A

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Post Merger Share Capital of STL

S. No.	Particulars	Number of Shares	Share Capital Amount (Rs.)
1	Number of shares existing	500,000	5,000,000
2	New shares to be issued, as part of the Scheme, to the shareholders of STL	5,500,00	55,000,000
3	New shares to be issued, as part of the Scheme, to the shareholders of SNL (other than STL i.e. after cancellation of cross shareholding).	101,619,475	1,016,194,750
4	**Post merger Share Capital of STL**	**107,619,475**	**1,076,194,750**

Caveats

The Scheme shall be subject to fulfilment of regulatory steps, including obtaining the requisite approvals of the members and secured creditors (to the extent applicable) of the respective Companies, and the sanction thereof by the Honorable High Court of Sindh at Karachi in accordance with the provisions of Sections 279 to 283 and 285(8) of the Companies Act, 2017.

This certificate is intended to assist the respective Board of Directors of STL and SNL in determining the fair values of the shares of their respective Companies and forming a view on the swap ratio. The ultimate decision with respect to the appropriate share swap ratio rests with the Board of Directors and the shareholders of each company.

We have not conducted any independent verification of the audited financial statements of the respective Companies.

Regards
Yours sincerely

H. A.M.D. & Co. Chartered Accountants KARACHI

(Chartered Accountants)
Idrees Dawson (FCA)
Encls: Annexure 'A'

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Annexure A
Adjustments made to net asset value of Supernet Limited

S. No.	Detail	Book Value	Adjustments	Adjusted Value
1	Property, plant and equipment	470,030,000	536,382,000	1,006,412,000
2	Trade debt	2,092,094,000	(249,000,000)	1,843,094,000
	Total	**2,562,124,000**	**287,382,000**	**2,849,506,000**

The increase to Rs. 2,849,506,000 is based on the adjustments made to property, plant and equipment [due to revaluation] and trade debts [due to provision made].

All other assets and liabilities of Supernet Limited are stated at fair value and no adjustments are required to the values stated in the audited financial statements.

There are no contingencies or commitments or any off-balance sheet item which require any adjustments to the net asset value of Supernet Limited.

No adjustments were required in the net asset value of Supernet Technologies Limited.

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SUPERNET LIMITED

Consolidated Special Purpose Financial Statements

For the period ended
December 31, 2024

Parker Russell-A. J. S.
CHARTERED ACCOUNTANTS

Parker Russell-A. J. S.
CHARTERED ACCOUNTANTS

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Offices also at Faisalabad, Lahore & Islamabad

Independent Auditor's Report to the Board of Directors of Supernet Limited
Report on the Audit of the Special Purpose Consolidated Financial Statements

Opinion

We have audited the annexed special purpose consolidated financial statements of **Supernet Limited and its subsidiaries** (the Group), which comprise the special purpose consolidated statement of financial position as at December 31, 2024, the special purpose consolidated statement of profit or loss, the special purpose consolidated statement of comprehensive income, the special purpose consolidated statement of changes in equity, the special purpose consolidated statement of cash flows for the period then ended, and notes to the special purpose consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying the special purpose consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the period then ended in accordance with the basis of preparation as stated in note 2 to the special purpose consolidated financial statements.

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 Special purpose 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 — Basis of Preparation and Restriction on Distribution and Use

We draw attention to note 2 to the special purpose consolidated financial statements, which describes the basis of preparation. The special purpose consolidated financial statements have been prepared by the management of the Company for submission to the Honourable High Court of Sindh in accordance with the requirements of the Companies Act, 2017 and the Guidelines for Mergers and Amalgamations issued by Securities Exchange Commission of Pakistan. As a result, the special purpose consolidated financial statements may not be suitable for another purpose. Our report is intended solely for the use of the management of the Company and the Honourable High Court of Sindh and should not be distributed to or used by parties other than the Company and Honourable High Court of Sindh. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Following are the key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Revenue recognition The Group has reported revenue amounting to Rs. 4,378.099 million during the six month period ended December 31, 2024. The Group provides data networking and support services, sale of equipment's and licenses and undertakes turnkey projects. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Group and gives rise to an inherent risk that revenue could be subject misstatement to meet expectations or targets. In addition, revenue is also considered as an area of significant risk as part of the audit process.	Our key audit procedures in this area amongst others included the following: • obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • comparing a sample of transactions comprising of various revenue streams recorded during the period with relevant underlying supporting documents and receipts; • inspecting manual journal entries relating to revenue recognized during the period 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; • reviewed and assess the appropriateness of revenue recognition process on the subsidiary companies to ensure compliance with the requirements of applicable framework; and • assessed the adequacy of disclosures made in the special purpose consolidated financial statements related to revenue.

Key audit matters	How the matter was addressed in our audit
2. Contingencies 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 special purpose 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 of the Holding Company to evaluate the status of the pending litigations; • 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 special purpose consolidated financial statements in light of IAS-37 "Provisions and Contingencies".

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

Management is responsible for the preparation and fair presentation of the special purpose consolidated financial statements in accordance with the basis of preparation as disclosed in note 2 to the special purpose consolidated financial statements and for such internal control as management determines is necessary to enable the preparation of special purpose consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose 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 special purpose 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 special purpose 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 special purpose consolidated financial statements, including the disclosures, and whether the special purpose 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 special purpose 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 special purpose 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 auditor's report is Mr. Muhammad Shabbir Kasbati.

Parker Russell AJS

(Chartered Accountants)
Date: February 28, 2025
Karachi.

Supernet Limited
Special Purpose Consolidated Statement of Financial Position
As at December 31, 2024

	Note	December 31, 2024	June 30, 2024
		---- (Rupees in '000') ----	
Assets			
Non-current assets			
Property and equipment	4	477,782	452,816
Intangible assets	5	58,350	2,175
Right of use assets	6	4,969	5,954
Long-term deposits	7	7,669	7,669
Deferred taxation	8	51,965	53,661
		600,735	522,275
Current assets			
Inventory	9	473,413	237,215
Trade debts	10	1,996,481	1,497,493
Advances, deposits and prepayments	11	1,120,716	1,134,611
Other receivables	12	312,037	661,939
Investment		98,161	-
Taxation - net		38,867	76,047
Cash and bank balances	13	518,635	684,003
		4,558,310	4,291,308
Total assets		5,159,045	4,813,583

The annexed notes from 1 to 39 form an integral part of these special purpose consolidated financial statements.

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

Supernet Limited
Special Purpose Consolidated Statement of Financial Position
As at December 31, 2024

	Note	December 31, 2024	June 30, 2024
		---- (Rupees in '000') ----	
Equity and liabilities			
Share capital and reserves			
Authorized share capital 150,000,000 (June 30, 2024: 150,000,000) ordinary shares of Rs.10/- each	14.1	1,500,000	1,500,000
Issued, subscribed and paid-up share capital	14.2	1,234,444	1,234,444
Foreign currency translation reserve		93,420	94,553
Unappropriated profit		1,123,756	864,837
Share premium		33,436	33,436
Capital and reserves attributable to the owners of the Holding Company		2,485,056	2,227,270
Non-controlling interest		9,806	7,999
Total shareholders equity		2,494,862	2,235,269
Non-current liabilities			
Lease liabilities	15	5,367	6,155
Deferred liability	16	5,273	2,773
		10,640	8,928
Current liabilities			
Trade and other payables	17	2,494,164	2,408,068
Accrued mark-up	18	6,459	8,316
Contractual liability to customer		8,872	8,872
Current portion of lease liabilities and short-term financing	19	144,048	144,130
		2,653,543	2,569,386
Contingencies & commitments	20		
Total equity and liabilities		5,159,045	4,813,583

The annexed notes from 1 to 39 form an integral part of these special purpose consolidated financial statements.

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

Supernet Limited
Special Purpose Consolidated Statement of Profit or Loss
For the six month ended December 31, 2024

	Note	Six month ended December 31, 2024	Year ended June 30, 2024
		----- (Rupees in '000') ----	
Revenue - net	21	4,378,099	8,502,287
Cost of services	22	(3,512,210)	(7,100,668)
Gross profit		865,889	1,401,619
Administrative & other expenses	23	(336,444)	(640,634)
Distribution costs	24	(118,161)	(225,208)
Exchange loss		(511)	(44,948)
Other income	25	5,607	26,546
		(449,509)	(884,244)
Operating profit		416,380	517,375
Finance costs	26	(20,869)	(51,318)
Profit before taxation and levy		395,511	466,057
Levy	27.1	(28,409)	(79,156)
Profit before taxation		367,102	386,901
Taxation	27.2	(106,376)	(145,612)
Profit after taxation for the period / year		260,726	241,289
Profit attributable to:			
Owners of the Holding Company		258,919	238,809
Non-controlling interest		1,807	2,480
		260,726	241,289
		-------**Amount in Rupees**-----	
Earnings per share			
Basic and diluted	28	2.10	1.93

The annexed notes from 1 to 39 form an integral part of these special purpose consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Superset Limited
Special Purpose Consolidated Statement of Comprehensive Income
For the six month ended December 31, 2024

	Six month ended December 31, 2024	Year ended June 30, 2024
	--- (Rupees in '000') ---	
Profit after taxation for the period / year	260,726	241,289
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign subsidiary	(1,133)	(9,761)
Total comprehensive income for the period / year	259,593	231,528
Total comprehensive income attributable to:		
Owners of the Holding Company	257,786	229,048
Non-controlling interest	1,807	2,480
	259,593	231,528

The annexed notes from 1 to 39 form an integral part of these special purpose consolidated financial statements.

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

Supernet Limited
Special Purpose Consolidated Statement of Changes in Equity
For the six month ended December 31, 2024

	Attributable to the owner of the Holding Company					
	Issued, subscribed and paid-up capital	Share premium	Un - appropriated profit	Foreign currency translation reserve	Non - controlling interest	Total
	(Rupees in '000')					
Balance as at June 30, 2023	1,234,444	33,436	626,028	104,314	5,519	2,003,741
Issuance of bonus shares			-	-	-	-
Profit for the year	-	-	238,809	-	2,480	241,289
Other comprehensive income	-	-	-	(9,761)	-	(9,761)
	-	-	238,809	(9,761)	2,480	231,528
Balance as at June 30, 2024	1,234,444	33,436	864,837	94,553	7,999	2,235,269
Profit for the period	-	-	258,919	-	1,807	260,726
Other comprehensive income	-	-	-	(1,133)	-	(1,133)
	-		258,919	(1,133)	1,807	259,593
Balance as at December 31, 2024	1,234,444	33,436	1,123,756	93,420	9,806	2,494,862

The annexed notes from 1 to 39 form an integral part of these special purpose consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Supernet Limited
Special Purpose Consolidated Statement of Cashflows
For the six month ended December 31, 2024

	Note	Six month ended December 31, 2024	Year ended June 30, 2024
		--- (Rupees in '000') ---	
Cash flows from operating activities			
Cash generated from operations	29	212,218	937,351
Income tax paid		(92,062)	(174,371)
Finance cost paid		(17,524)	(33,097)
Gratuity paid		(2,500)	-
Net cash generated from operating activities		100,132	729,883
Cash flows from investing activities			
Purchase of property and equipment		(111,826)	(246,264)
License acquired		(57,034)	-
Investments made		(98,161)	-
Income received on saving account		4,532	23,885
Net cash used in from investing activities		(262,489)	(222,379)
Cash flows from financing activities			
Lease rentals paid		(2,096)	(4,386)
Effect of transalation of investment in foreign subsidiary		(1,133)	(9,761)
Net cash used in from financial activities		(3,229)	(14,147)
Net (decrease) / increase in cash and cash equivalents		(165,586)	493,357
Cash and cash equivalents at the beginning of the period / year		544,114	50,757
Cash and cash equivalents at the end of the period / year	35	378,528	544,114

The annexed notes from 1 to 39 form an integral part of these special purpose consolidated financial statements.

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

1. THE GROUP AND ITS OPERATIONS

The Group comprises of:

- Supernet Limited - Holding Company
- Supernet E-Solution (Private) Limited
- Supernet Secure Solution (Private) Limited
- Phoenix Global FZE
- Supernet Infrastraucture Solutions (Private) Limited

Supernet Limited (the Company) was incorporated in Pakistan on March 14, 1995 as an unquoted public company under the Companies Ordinance, 1984 (Repealed with the enactment of Companies Act, 2017). The Company got listed on the Pakistan Stock Exchange on the GEM Board on May 10, 2022, As at December 31, 2024, 30.1837% shares of the Company are held directly and 32.0484% shares of the Company are held indirectly by the Parent Company (Telecard Limited).

The Company has been granted a license by the Ministry of Communications, Government of Pakistan to establish and operate a data network system in Pakistan. The Group 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. The Company has also been licensed to sell photovaltic equipments and is also registered with the Ministry of Enery (Power Division) Alternate Energy Development Board (AEDB).

The principal place of business of the Company is located at World Trade Centre, 10, Khayaban-e-Roomi, Clifton, Karachi while its regional office is located at 2nd Floor, Block 2, Awami Complex, New Garden Town, Lahore.

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 a subsidiary based in United Arab Emirates (UAE). Its principal business is provision of telecommunication services and sale of telecom equipment within UAE. Supernet Limited holds 100% equity of Phoenix Global FZE.

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.

The registered office of the Group is located at World Trade Centre, 75-East Blue Area, Fazal-ul-Haq Road, Islamabad.

The Board of Directors of the Company has authorized the Holding Company ("Supernet Limited") to formulate and propose the terms for potentially entering into a scheme of arrangement between the Holding Company and Supernet Technologies Limited ("Ultimate Holding Company"). The management has prepared the special purpose consolidated financial statements for the six months ending December 31, 2024, for inter alia, their internal use and for submission before the Honorable High Court of Sindh / other competent authority (if required) under the applicable provisions of the Companies Act, 2017.

2. BASIS OF PREPARATION

2.1 These special purpose consolidated financial statements have been prepared under the historical cost convention except where stated

2.2 Items included in these special purpose 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 consolidated financial statements are presented in Pakistani Rupees (Rs.), which is the group's functional and presentation currency.

2.3 These special purpose consolidated financial statements have been compared with the unconsolidated financial statements of the Company of the preceding financial year i.e. June 30, 2024, therefore, the corresponding figures of the special purpose consolidated statement of profit or loss, special purpose consolidated statement of comprehensive income, special purpose consolidated statement of changes in equity and special purpose statement of cash flows are not comparable.

2.4 These special purpose financial statements have been prepared in accordance with the accounting policies set out in notes 2.5 & 3 of these financial statements.

2.5 Significant accounting estimates and judgments

The preparation of these special purpose consolidated financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgments 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 these special purpose consolidated financial statements:

	Note
Determining the residual values and useful lives of fixed and intangible assets	3.1, 3.2, 4 & 5
Impairment of fixed assets & intangible assets	3.1, 3.2, 4 & 5
Provision against slow moving stock	3.11 & 9.1
Provisions for doubtful debts and other receivables	3.12.7, 10 & 12
Recognition of tax and deferred tax	3.15, 8 & 27
Other provisions and contingent liabilities	3.11 & 20
Determining the lease term of contracts with renewal and termination options and estimating the incremental borrowing rate	3.14 & 15
Determining the useful lives and carrying value of ROU assets	3.4 & 6

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these special purpose 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.

3.1 Fixed assets

3.1.1 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, 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 the profit or loss during the period in which they are incurred.

Depreciation is charged to the 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 4 to these consolidated financial statements. The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each reporting date.

Impairment loss, if any, or its reversal, is also charged to the statement of profit or loss for the period. 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 upto 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 the statement of profit or loss for the period.

3.1.2 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.

3.2 Intangible assets and amortisation

These are carried at cost less accumulated amortisation, and accumulated impairment losses, if any. Amortisation is calculated, using the straight line method, to allocate the cost of software over their estimated useful lives at the rates specified in note 5 to these special purpose consolidated financial statements, and is charged to the statements of profit or loss. Costs associated with maintaining computer software, are recognised as an expense as and when incurred.

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

3.3 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.

3.4 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".

3.5 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 communication stores 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.

3.6 Trade debts and other receivables

These are recognised and carried at original invoice amount less an 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.

Trade debts and other receivables are recognized initially at invoice value, which approximates fair value, and subsequently measured at amortized cost using the effective interest method, less provision for doubtful debts. A provision for doubtful debts is established when there is objective evidence that the group will not be able to collect all the amount due according to the original terms of the receivable. The provision is recognized in the profit or loss account. When a trade debt is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the profit or loss account.

3.7 Loans and advances

These are stated at cost less estimates made for any doubtful receivables based on the review of all outstanding amounts at the reporting date. Balances considered doubtful and irrecoverable are written off when identified.

3.8 Cash and cash equivalents

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

3.9 Trade and other payables

Liabilities for creditors 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.

3.10 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently at amortised cost. 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.

3.11 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.

3.12 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.

3.12.1 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 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 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 in accordance with 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 principal 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.

3.12.2 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 statement of profit or loss when the asset is derecognised / retired / modified.

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

Upon initial recognition, an entity may make an irrevocable election to classify its equity investments at FVTOCI that are not held for trading purpose. Subsequent changes in the fair value of an equity investment are presented in other comprehensive income which are never reclassified to the statement of profit or loss. Dividends are recognised as other income in the 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 statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

3.12.3 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.

3.12.4 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 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.

3.12.5 Derecognition of financial liabilities

Derecognition of financial liabilities occurs from the 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 statement of profit or loss as other income or finance costs.

3.12.6 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial 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 simultaneously.

3.12.7 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 statement of profit or loss as at reporting date.

The group consider a default when the trade receivable are past due by over two years.

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 statement of profit or loss.

3.13 Employees' benefits

Gratuity fund

The Company operated an unfunded gratuity scheme for limited number of employees who are elligible under old scheme. The scheme was replaced by recognised provident fund scheme effective from April 01, 2008.

Provident fund

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

PHSO

3.14 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.

3.15 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 special purpose consolidated financial statements.

Current

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the date of the statement of financial position. 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 income tax is recognised, using the balance sheet liability method, on all temporary differences arising at the date of statement of financial position between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the assets can be utilized. Deferred tax liabilities are 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 at the date of statement of financial position.

3.16 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 in foreign currencies are translated into the functional currency using the exchange rate prevailing on the date of statement of financial position. 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 statement of profit or loss.

3.17 Revenue recognition

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.

- Revenue from data networking services is recognised upon the rendering of such services.
- Revenue from turnkey projects is recognised as and when the projects are completed.
- Revenue from sales of equipment is recognised when equipment is dispatched to customers.
- Revenue from sales of third party software is recognised when the 'right to use' is granted to the customers.
- Return on bank balances is accrued using an effective interest method.

3.18 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.

3.19 Earnings per share

The group presents basic and diluted earnings per share for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the group by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share 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.

3.20 Related party transactions

Related parties comprise of parent Company, 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 share holding
Telecard Limited	Parent Company	30.1837%
Supernet Technologies Limited (Formerly Hallmark Company Ltd.)	Substantial shareholder	51.0000%
Supernet E-Solutions (Private) Limited	Wholly Owned Subsidiary	100.0000%
Supernet Secure Solutions (Private) Limited	Subsidiary company	80.0000%
Phoenix Global FZE	Wholly Owned Subsidiary	100.0000%
Supernet Infrastructure Solutions (Private) Limited	Wholly Owned Subsidiary	100.0000%
Mr. Shams ul Arfeen	Key management personnel	-
Mr. Syed Hashim Ali	Key management personnel & director	0.0004%
Mr. Waseem Ahmad	Key management personnel & director	0.0004%
Ms. Naueen Ahmed	Key management personnel & director	0.0009%
Mr. Jamal Nasir Khan	Key management personnel & CEO	0.0009%
Syed Imran Hyder Jafri	Key management personnel & director	-
Mr. Syed Aamir Hussain	Key management personnel & director	0.0004%
Mr. Asad Mujtaba Naqvi	Key management personnel & director	0.0004%
Mr. Ahmer Qamar	Key management personnel	0.0009%

	Note	December 31, 2024	June 30, 2024
		------- (Rupees in '000') -------	

4. PROPERTY AND EQUIPMENT

	Note	December 31, 2024	June 30, 2024
Operating fixed assets	4.1	477,782	452,816
Capital work-in-progress			

4.1 Operating fixed assets

	Cost			Accumulated depreciation				
	As at July 01, 2024	Additions	As at December 31, 2024	As at July 01, 2024	Charge for the period	As at December 31, 2024	WDV as at December 31, 2024	Depreciation rate per annum %
	(Rupees in '000')							
Owned assets								
Leasehold improvements	37,983	278	38,261	36,342	213	36,555	1,706	20
Communication equipments	2,412,813	100,290	2,513,103	1,981,830	81,053	2,062,883	450,220	20
Furniture, fixtures and office equipments	58,461	920	59,381	52,423	1,447	53,870	5,511	10
Computers and accessories	89,457	6,972	96,429	75,665	3,899	79,564	16,865	33
Motor vehicles	14,604	3,366	17,970	14,242	248	14,490	3,480	20
	2,613,318	111,826	2,725,144	2,160,502	86,860	2,247,362	477,782	

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

	Cost			Accumulated depreciation				
	As at July 01, 2023	Additions	As at June 30, 2024	As at July 01, 2023	Charge for the year	As at June 30, 2024	WDV as at June 30, 2024	Depreciation rate per annum %
	(Rupees in '000')							
Owned assets								
Leasehold improvements	36,180	1,803	37,983	36,091	251	36,342	1,641	20
Communication equipments	2,178,699	234,114	2,412,813	1,834,608	147,222	1,981,830	430,983	20
Furniture, fixtures and office equipments	57,895	566	58,461	49,512	2,911	52,423	6,038	10
Computers and accessories	79,676	9,781	89,457	69,906	5,759	75,665	13,792	33
Motor vehicles	14,604	-	14,604	13,840	402	14,242	362	20
	2,367,054	246,264	2,613,318	2,003,957	156,545	2,160,502	452,816	

4.2 Equipment, costing Rs. 1,599,920 million (June 2024: Rs. 1,564.640 million), having a net book value of Rs. 348,870 million (June 2024: Rs. 394.564 million) are in the possession of the customers of the Company in the ordinary course of business.

4.3 Depreciation for the period / year has been allocated as follows:

	Note	December 31, 2024	June 30, 2024
		(Rupees in '000')	
Cost of services	22	81,053	147,091
Administrative & other expenses	23	5,807	9,454
		86,860	156,545

4.4 The cost of fully depreciated assets as at December 31, 2024 is Rs. 1,806.479 million (June 2024: Rs.1,788.55 million).

4.5 Lease hold improvement has been made on Flat-A and B situated on 2nd and 3rd floor, Block No. 2, Awami Complex, 1-4, Usman Block, New Garden Town, Lahore. The area of the flats is 2,424 and 1,600 square feet on each floor respectively, and another lease hold improvement is of 5,115 square feet situated on the 9th floor of Tower-B, 10 Khayaban-E-Roomi, Block-5, KDA Scheme No. 5, Clifton, Karachi.

5. INTANGIBLE ASSETS

	Note	December 31, 2024	June 30, 2024
		(Rupees in '000')	
Computer software		143	288
Fixed local loop licenses		56,320	-
Goodwill		1,887	1,887
	5.1	58,350	2,175

5.1 Intangibles

	Cost			Accumulated amortisation				
	As at July 01, 2024	Additions	As at December 31, 2024	As at July 01, 2024	Charge for the year	As at December 31, 2024	WDV as at December 31, 2024	Amortisation rate per annum %
	(Rupees in '000')							
Computer software	41,224	-	41,224	40,936	145	41,081	143	20
Fixed local loop licenses	-	57,034	57,034	-	714	714	56,320	5
Goodwill	1,887	-	1,887	-	-	-	1,887	
	43,111	57,034	100,145	40,936	859	41,795	58,350	

	Cost			Accumulated amortisation				
	As at July 01, 2023	Additions	As at June 30, 2024	As at July 01, 2023	Charge for the year	As at June 30, 2024	WDV as at June 30, 2024	Amortisation rate per annum %
	(Rupees in '000')							
Computer software	41,224	-	41,224	40,646	290	40,936	288	20
Goodwill	1,887	-	1,887	-	-	-	1,887	
	43,111	-	43,111	40,646	290	40,936	2,175	

5.2 During the period the Company was awarded with Fixed Local Loop license for 14 Telecom Regions for providing local loop services from Pakistan Telecommunication Authority (PTA) for a period of 20 years.

		Note	December 31, 2024	June 30, 2024
			----- (Rupees in '000') ----	
6.	**RIGHT-OF-USE ASSETS**			
	Opening cost		19,649	19,649
	Increase in cost on modification of lease term		-	-
			19,649	19,649
	Accumulated depreciation		(14,680)	(13,695)
	Closing net book value	6.1	4,969	5,954
6.1	**Movement during the period / year**			
	Opening net book value		5,954	8,267
	Increase in cost on modification of lease term		-	-
	Depreciation for the period / year		(985)	(2,313)
	Closing net book value		4,969	5,954
7.	**LONG-TERM DEPOSITS**			
	Security deposits - considered good	7.1	7,669	7,669

		Note	December 31, 2024	June 30, 2024
			------- (Rupees in '000') ------	
8.	**DEFERRED TAXATION**			
	Deductible temporary differences			
	Accelerated accounting depreciation		25,744	23,883
	Deferred liability - staff gratuity		1,137	598
	Doubtful debts and other provision		21,517	24,642
	Lease liabilities		2,672	3,276
	On brought forward tax losses		1,966	-
	Others		-	1,966
			53,036	54,365
	Taxable temporary differences			
	Right of use assets		(1,071)	(1,284)
	Exchange differences		-	580
			(1,071)	(704)
			51,965	53,661
9.	**INVENTORY**			
	Equipment & consumables		492,789	256,591
	Provision against slow moving stock	9.1	(19,376)	(19,376)
			473,413	237,215
9.1	**Provision against slow moving stores**			
	Opening balance		19,376	19,376
	Charge for the period / year		-	-
	Closing balance		19,376	19,376

	Note	December 31, 2024	June 30, 2024
		---- (Rupees in '000') -----	

10. TRADE DEBTS

	Note	December 31, 2024	June 30, 2024
Unsecured-considered good			
Related party - Holding Company		73,614	74,589
Others		1,922,867	1,422,904
		1,996,481	1,497,493
Considered doubtful trade debts		79,256	84,308
Loss allowance for ECLs	10.2	(79,256)	(84,308)
		-	-
		1,996,481	1,497,493

10.1 The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows:

	December 31, 2024	June 30, 2024
	---- (Rupees in '000') ----	
Holding Company	73,614	74,589

10.2 Loss allowance for ECLs

	December 31, 2024	June 30, 2024
Opening balance	84,308	76,403
Loss allowance made during the year	72,538	80,480
Provisions written off	(77,590)	(72,575)
	79,256	84,308

10.3 The ageing analysis of unimpaired trade debts is as follows:

	Total	Neither past due nor impaired	Past dues but not impaired: > 1 month up to 3 months	> three months up to one year	Above one year
		------------------------Rupees '000'------------------------			
Holding Company	73,614	-	-	-	73,614
Others	1,922,867	369,880	967,733	551,690	33,564
December 31, 2024	1,996,481	369,880	967,733	551,690	107,178
Holding Company	74,589	-	-	-	74,589
Others	1,422,904	200,410	406,334	404,004	412,156
June 30, 2024	1,497,493	200,410	406,334	404,004	486,745

		Note	December 31, 2024	June 30, 2024
			---- (Rupees in '000') -----	
11.	**ADVANCES, DEPOSITS AND PREPAYMENTS**			
	Advances - considered good, unsecured			
	Employees - against expenses and projects		40,870	33,683
	Suppliers	11.1	868,176	759,919
			909,046	793,602
	Deposits - considered good			
	Earnest money		60,933	68,378
	Margin against guarantee		134,554	260,357
	Others		15,061	11,558
			210,548	340,293
	Deposits - considered doubtful		2,441	2,441
	Loss allowance against deposits considered doubtful		(2,441)	(2,441)
			-	-
			210,548	340,293
	Prepayments			
	Others		1,122	716
			1,120,716	1,134,611

11.1 This is the amount being paid to suppliers in advances against the provision of services to be provided under the normal course of group business and operation.

		Note	December 31, 2024	June 30, 2024
			---- (Rupees in '000') -----	
12.	**OTHER RECEIVABLES**			
	Considered good			
	Current account with related parties	12.1	261,815	544,218
	Insurance claim		5,547	5,547
	Others		44,675	112,174
			312,037	661,939
12.1	**Current account with related parties**			
	Telecard Limited - Holding Company		259,389	243,026
	Hallmark Limited		2,426	301,192
		12.1.1	261,815	544,218

12.1.1 This represents amount due by related parties against current account balance which is recoverable on demand and is non-interest bearing.

		Note	December 31, 2024	June 30, 2024
			---- (Rupees in '000') -----	
13.	**CASH AND BANK BALANCES**			
	Cash in hand		74	55
	In current accounts			
	Local currency		238,564	327,410
	Foreign currency		57,417	333,786
			295,981	661,196
	In saving account			
	Local currency	13.1	222,580	22,752
			518,635	684,003

13.1 This carries mark-up at the rate, ranging between 12.5% to 16.89% (June 30, 2024: 7.62% to 18.28%) per annum.

		December 31, 2024	June 30, 2024
		---- (Rupees in '000') -----	
14.	**SHARE CAPITAL AND RESERVES**		
14.1	**AUTHORIZED SHARE CAPITAL**		
	150,000,000 ordinary shares of Rs.10 each	1,500,000	1,500,000
14.2	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**		
	123,444,444 (June 30, 2024: 112,222,222 of Rs 10 each) ordinary shares of Rs.10/- each as follows:		
	45,772,610 (June 30, 2024: 45,772,610) allotted as fully paid in cash	457,726	457,726
	77,671,810 (June 30, 2024: 77,671,810) allotted as bonus shares	776,718	776,718
		1,234,444	1,234,444

14.2.1 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.

		Note	December 31, 2024	June 30, 2024
			---- (Rupees in '000') -----	
15.	**LEASE LIABILITIES**			
	Lease liabilities		9,308	10,396
	Increase in lease liabilities on modification of lease term		-	-
	Lease liabilities against ROU assets		9,308	10,396
	Current portion of lease liabilities	19	(3,941)	(4,241)
			5,367	6,155

		Note	December 31, 2024	June 30, 2024
			---- (Rupees in '000') -----	
15.1	**Reconciliation of the carrying amount is as follows:**			
	As at July 01		10,396	12,411
	Increase in lease liabilities on modification of lease term		-	-
	Accretion of interest		1,008	2,371
	Lease rental payments made during the year		(2,096)	(4,386)
	Lease liability as at June 30		9,308	10,396
	Current portion of lease liabilities		(3,941)	(4,241)
	Long-term lease liabilities as at June 30		5,367	6,155
15.2	**Maturity analysis**			
	Gross lease liabilities - minimum lease payments:			
	Not later than one year		3,941	4,241
	Later than one year but not later than five years		8,452	6,155
			12,393	10,396
	Future finance charge		(3,085)	(4,241)
	Present value of finance lease liabilities		9,308	6,155
16.	**DEFERRED LIABILITY**			
	Staff gratuity	16.1	5,273	2,773
16.1	**Reconciliation of the carrying amount of staff gratuity:**			
	Opening balance		2,773	2,173
	Charged for the year		2,500	600
	Payments during the year		-	-
			5,273	2,773
17.	**TRADE AND OTHER PAYABLES**			
	Trade creditors, unsecured			
	Creditors		2,054,681	1,974,327
	Other payables			
	Accrued liabilities		113,552	93,154
	Provision against compensated absences		3,580	3,580
	CVAS fee to Pakistan Telecommunication Authority		5,016	5,186
	Workers' welfare fund payable		2,782	2,790
	Payable to employees' provident fund		2,970	2,782
	Others		311,583	326,249
			439,483	433,741
			2,494,164	2,408,068
18.	**ACCRUED MARK-UP**			
	On secured			
	On short-term financing		6,459	8,316
19.	**CURRENT**			
	Running finance from bank – secured	19.1	140,107	139,889
	Current maturity of finance lease obligation	15	3,941	4,241
			144,048	144,130

19.1 This represents finance facility of Rs. 150 million (June 2024: 150 million) obtained by the Company for working capital purpose. This carries mark-up at the rate of 3 months KIBOR plus 2.4% (June 30, 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 Parent Company and third party equitable mortgage. The unutilized facility amounts to Rs. 9.893 million (June 2024: Rs 10.111 million).

20. CONTINGENCIES & COMMITMENTS

20.1 The Holding 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 Holding 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 Holding Company's customers had been delayed by the Government of Pakistan. The said unsold and unusable capacity that the Holding 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 Holding Company.

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

Considering this, the Group migrated its networks to other service providers and terminated the agreement with Intelsat Corporation. In response, Intelsat has filed a suit in the US to recover an amount of approximately US$10mn, mostly on account of services which were to be rendered in future by Intelsat to the Company. The management of the 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 Group has challenged the claim of Intelsat, and has filed a Suit for damages before the High Court of Sindh against Intelsat for recovery of the overcharged amounts and damages for loss of business and profits estimated in excess of US$18mn.

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

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

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

20.5 Letters of guarantee, amounting to Rs.159.064 million (June 2024: Rs. 130.652 million), have been issued by commercial banks on behalf of the Company.

		Note	December 31, 2024	June 30, 2024
			------- (Rupees in '000') ------	
21.	**REVENUE - NET**			
	Revenue from contracts with customers			
	Data networking		1,986,383	3,582,969
	Sale of equipment, stores, licenses		2,221,973	4,881,368
	Revenue from turnkey projects		169,743	37,950
			4,378,099	8,502,287
22.	**COST OF SERVICES**			
	Salaries and other benefits	22.1	138,316	252,532
	Interoperator services cost	22.2	818,484	1,764,167
	Cost of turnkey projects and licenses		119,793	27,948
	Cost of equipment, stores and licenses	22.3	1,885,232	4,475,824
	Consultancy charges		30	5,075
	Support services		277,507	243,261
	Depreciation	4.3	81,053	147,091
	Insurance		6,580	11,088
	Installation and maintenance		41,796	64,022
	CVAS license fee	22.4	5,346	5,186
	Conveyance and travelling		5,829	8,386
	Rent and utilities		2,426	4,280
	Communication		1,805	4,334
	Repairs and maintenance		1,089	1,088
	Office supplies		379	1,232
	Fuel and power		114	448
	Subscription charges		99,947	
	Others		26,484	84,706
			3,512,210	7,100,668

22.1 This includes a sum of Rs 4.984 million (June 30, 2024: Rs. 2.855 million) in respect of Group's contribution toward provident fund.

		December 31, 2024	June 30, 2024
		------- (Rupees in '000') ------	
22.2	**Interoperator services cost**		
	Other than satellite bandwidth charges	205,842	167,304
	Satellite bandwidth charges	612,642	1,596,863
		818,484	1,764,167

		December 31, 2024	June 30, 2024
		------- (Rupees in '000') ------	
22.3	**Cost of equipment, stores and licenses**		
	Opening balance as at July 01,	237,215	496,357
	Purchases for the year	2,121,430	4,216,682
	Closing balance	(473,413)	(237,215)
		1,885,232	4,475,824

22.4 This represents CVAS annual license fee after incorporating inter-operator payments, paid to PTA for the establishing, maintaining and operating of Data Class Value Added Services (CVAS) in Pakistan.

		Note	December 31, 2024	June 30, 2024
			------- (Rupees in '000') ------	
23.	**ADMINISTRATIVE & OTHER EXPENSES**			
	Salaries and other benefits	23.1	150,493	255,172
	Rent and utilities		50,867	96,430
	Insurance		4,792	6,163
	Depreciation	4.3	5,807	9,454
	Depreciation on right-of-use assets	6	985	2,313
	Amortisation	5.1	859	290
	Legal and professional charges		9,763	10,707
	Repairs and maintenance		10,254	10,859
	Conveyance and travelling		6,744	10,488
	Office supplies		446	1,352
	Subscription		220	2,577
	Commission		270	674
	Auditors' remuneration	23.2	2,237	3,238
	Communication		2,001	4,736
	Loss allowance for ECLs		72,538	80,480
	Entertainment		1,603	2,304
	Others		16,565	143,397
			336,444	640,634

23.1 This includes a sum of Rs. 4.877 million (June 30, 2023: Rs. 7.606 million) in respect of Group's contribution toward provident fund.

		December 31, 2024	June 30, 2024
		------- (Rupees in '000') ------	
23.2	**Auditors' remuneration**		
	The Parent Company		
	Audit fee for special purpose unconsolidated financial statements	700	1,210
	Audit fee for special purpose consolidated financial statements	270	385
	Review of Code of Corporate Governance	-	110
	Review of half yearly financial statements	500	440
	Other services and certifications	74	133
	Out of pocket expenses	218	237
		1,762	2,515

	Note	December 31, 2024	June 30, 2024
		------- (Rupees in '000') ------	
Subsidiaries			
Audit fee for unconsolidated financial statements		429	640
Out of pocket expenses		46	83
		475	723
		2,237	3,238

24. DISTRIBUTION COSTS

	Note	December 31, 2024	June 30, 2024
Salaries and other benefits	24.1	106,158	198,582
Conveyance and travelling		7,145	10,336
Office supplies		391	1,232
Repairs and maintenance		25	25
Advertisement and promotion		4,000	13,496
Communication		118	275
Entertainment		203	336
Utilities		-	540
Others		121	386
		118,161	225,208

24.1 This includes a sum of Rs. 4.330 million (June 30, 2024: Rs. 3.797 million) in respect of Group's contribution toward provident fund.

	Note	December 31, 2024	June 30, 2024
		------- (Rupees in '000') ------	
25. OTHER INCOME			
Income from financial assets			
Income on saving accounts		4,532	23,885
Others			
Reversal of provisions against staff incentives		1,075	2,661
		5,607	26,546

26. FINANCE COSTS

	Note	December 31, 2024	June 30, 2024
Short-term financing		14,320	34,098
Bank charges and commission		5,541	14,849
Finance cost on lease liability against ROU assets		1,008	2,371
		20,869	51,318

27. LEVY AND TAXATION

	Note	December 31, 2024	June 30, 2024
Levy	27.1	28,409	79,156
Taxation	27.2	106,376	145,612
		134,785	224,768

27.1 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.

		December 31, 2024	June 30, 2024
27.2	**Taxation**	------- (Rupees in '000') ------	
	Current period / year charge	113,401	151,753
	Prior year reversal	(6,289)	(23,020)
	Deferred tax charge / (income)	(736)	16,879
		106,376	145,612
27.3	**Relationship between accounting profit and income tax expense**		
	Profit before taxation	395,511	466,057
	Tax @ 29%	114,698	135,157
	Portion of current tax representing levy	(28,409)	(79,156)
	Effect of prior year tax	6,289	23,020
	Others	13,798	66,591
		106,376	145,612

27.4 The income tax assessments of the Group have been finalised up to and including the tax year 2024, except for tax years in respect of which, appeals are currently in progress at different forums (note 20.2 & 20.3).

28. EARNINGS PER SHARE - BASIC AND DILUTED

Earnings per share has been computed by dividing the consolidated profit after taxation for the period / year attributable to owners of the Holding Company by the weighted average number of shares outstanding during the period / year.

	December 31, 2024	June 30, 2024
	------- (Rupees in '000') ------	
Profit for the period / year - (Rupees in '000')	258,919	238,809
Weighted average number of shares - (In '000')	123,444	123,444
Earnings per share - (Rs)	2.10	1.93

28.1 There is no dilutive effect on the basic earnings per share as the Group has no potential convertible ordinary shares in issue as at the end of the reporting period / year.

		Note	December 31, 2024	June 30, 2024
			------- (Rupees in '000') ------	
29.	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation		395511	466,057
	Adjustments for non cash items:			
	Depreciation		86,860	156,545
	Depreciation on ROU assets		985	2,313
	Amortisation		859	290
	Finance cost		15,328	36,469
	Staff gratuity		2,500	600
	Provision for ECL against trade debts		72,538	80,480
	Unrealised exchange (gain)		-	(6,227)
	Profit from saving account		(4,532)	(23,885)
	Working capital changes	29.1	(357,831)	224,709
			212,218	937,351

29.1	**Working capital changes**		
	(Increase) / decrease in current assets		
	Inventory	(236,198)	259,142
	Trade debts	(571,526)	200,681
	Advances, deposits and prepayments	13,895	(102,002)
	Other receivables	349,902	(419,239)
		(443,927)	(61,418)
	Increase / (decrease) in current liabilities		
	Trade and other payables	86,096	286,127
		(357,831)	224,709

30.	**FINANCIAL INSTRUMENTS BY CATEGORY**		
30.1	**Financial assets measured at amortised cost**		
	Long-term deposits	7,669	7,669
	Trade debts	1,996,481	1,497,493
	Advances, deposits and prepayments	210,548	340,293
	Other receivables	312,037	661,939
	Cash and bank balances	518,635	684,003
		3,045,370	3,191,397
30.2	**Financial liabilities measured at amortised cost**		
	Lease liabilities	5,367	6,155
	Trade and other payables	2,488,412	2,118,832
	Accrued mark-up	6,459	8,316
	Current portion of lease liabilities and short-term financing	144,048	144,130
		2,644,286	2,277,433

31. 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.

31.1 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. The Group is only exposed to foreign currency and interest rates risk as at reporting date.

31.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in the market interest rates. As of June 30, 2024, the group is exposed to such risk mainly in respect of return on saving accounts, long-term and short-term financing as these are benchmarked to variable rates which exposes the Group to cash flow interest rate risk only.

	December 31, 2024	June 30, 2024
	------- (Rupees in '000') ------	
Variable rate instruments:		
Financial asset		
Saving account	222,580	22,752
Financial liabilities		
Short-term financing	(140,107)	(139,889)
Net financial liabilities at variable interest rates	82,473	(117,137)

Cash flow sensitivity analysis for variable rate instruments

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. 1.000 million (June 30, 2024: Rs. 1.000 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.

31.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of the changes in foreign exchange rates. The Company in this respect is exposed to creditors on account of foreign satellite bandwidth providers as at reporting date. These creditors are dominated in US Dollars (US$). As at reporting date, the total exposure against foreign creditors amounts to US$ 0.625 million (June 2024: US$ 0.982 million). Spot rate as at December 31, 2024 is Rs. 278.55 to US$ (June 2024: 278.34 to US$).

The management of the Company closely monitors the currency markets. Management of the Company estimates that if Pakistani rupee had weakened / strengthened against the USD by 1% with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 1.678 million (2.734 million). However, in practice, the actual results may differ from the sensitively analysis.

31.1.3 Equity risk

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

31.2 Credit risk

Credit risk is the risk that counter party will cause a financial loss to the Group by failing to discharge its obligations. 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 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 table below analyses the group's maximum expose to credit risk.

	Note	December 31, 2024	June 30, 2024
		------- (Rupees in '000') ------	
Long-term deposits	7	7,669	7,669
Trade debts	10	1,996,481	1,497,493
Deposits	11	210,548	340,293
Other receivables	12	312,037	661,939
Bank balances	13	518,561	683,948
		3,045,296	3,191,342

31.2.1 Short-term deposits and other receivables

The Group carries short-term deposits and other receivables amounting to Rs. 517.038 million (June 30, 2024: 1002.232 million). This includes receivable from related party, short-term deposits and others.

To reflect short-term maturities of the above balances, the Group has measured impairment on a 12 month expected credit loss basis. The management believes that these have low credit risk based on the facts that majority of outstanding balance is receivable from related party and other credit worthy counter parties.

31.2.2 Trade debts

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

Corporate customers consists of legal entities only and the Group does not deal with individual customers. Most of the corporate customers have been transacting with the Group for many years and are not credit impaired as at reporting date. Ageing analysis of trade debts is disclosed in note 10.3 to these special purpose consolidated financial statements.

Expected credit losses

The Group 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 year 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 Group carries the following balance on account of expected credit losses as at reporting date:

	December 31, 2024	June 30, 2024
	------- (Rupees in '000') ------	
Expected credit losses on trade debts arising from contracts with customers	79,256	84,308

For movement in expected credit losses during the reporting period / year, refer note 10.2.

31.2.3 Bank balances

The credit quality of Group's bank balances can be assessed with reference to external credit rating agencies as follows:

	December 31, 2024	June 30, 2024
	------- (Rupees in '000') ------	
Rating (long term)		
AAA	29,935	9,676
AA	649	-
AA+	195,705	253,384
A+	450	134
A	57,860	380,086
Others	233,962	40,723
	518,561	684,003

31.3 Liquidity risk

Liquidity risk represents the risk that the Group 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 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. 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.

		Contractual cash flows			
Financial liabilities	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	-----------------------Rupes in '000-----------------------				
Short-term financing	141,927	707	1,414	-	144,048
Trade and other payables	-	60,601	2,427,811	-	2,488,412
Lease liability	-	-	-	5,367	5,367
Accrued mark-up	-	6,459	-	-	6,459
December 31, 2024	141,927	67,767	2,429,225	5,367	2,644,286

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Financial liabilities	On demand	Contractual cash flows: Less than 3 months	3 to 12 months	1 to 5 years	Total
	Rupees in '000				
Short-term financing	145,533	1,414	2,827	-	144,130
Trade and other payables	-	69,197	2,049,635	-	2,118,832
Lease liability	-	-	-	6,155	6,155
Accrued mark-up	-	8,316	-	-	8,316
June 30, 2024	145,533	78,927	2,052,462	6,155	2,277,433

Effective interest/mark-up rates for the financial liabilities are mentioned in the respective notes to these special purpose consolidated financial statements. Maturity analysis of lease liabilities are disclosed in note 15.2 to the consolidated financial statements.

31.4 Fair value of financial instruments

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

The estimated fair value of all the financial assets and liabilities is considered not significantly different from book values as the items are either short-term in nature or repriced yearly. All the financial assets and financial liabilities carrying amounts are reasonable approximation of their fair values.

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.

31.5 Capital risk management

The Group's objective when managing capital is 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 to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares and take other measures which commensurate to the circumstances. The Group finances its expansion projects through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The Group monitors capital using a gearing ratio, which is debt divided by total capital plus debt. The group gearing ratio is as follows:

	December 31, 2024	June 30, 2024
	------- (Rupees in '000') ------	
Total debt	149,415	150,285
Cash & cash equivalent	-	-
	149,415	150,285
Total shareholders' equity	2,494,862	2,235,269
Total debt and equity	2,644,277	2,385,554
Gearing ratio	5.65%	6.30%

32. **REMUNERATION OF THE CHIEF EXECUTIVE OFFICER AND EXECUTIVES**

The aggregate amounts charged in these special purpose consolidated financial statements for remuneration, including all benefits to the executives of the Group are as follows:

	For the year ended			
	Chief executive officer		Executives	
	December 31,2024	June 30, 2024	December 31,2024	June 30, 2024
	(Rupees in '000')			
Managerial remuneration	7,323	17,145	75,372	136,309
Medical	58	35	520	570
Perquisites and benefits	1,253	4,998	4,380	91,898
Others	2,525	3,006	50,170	25,594
	11,159	25,184	130,442	254,371
Number of person	3	1	51	50

32.1 No remuneration has been paid to any of the directors during the reporting period / year (June 30, 2024: nil).

32.2 Executives as mentioned above include the salaries of executives of subsidiaries only.

33. **OPERATING SEGMENTS**

The special purpose consolidated financial statements are prepared on the basis of single reporting segment consistent with the information review by the chief operating decision maker.

34. **PROVIDENT FUND RELATED DISCLOSURE**

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

	Note	December 31, 2024	June 30, 2024
		------- (Rupees in '000') ------	
Size of the fund - Total assets	34.1	178,478	167,670
Cost of the investment made		120,030	125,920
Fair value of investments	34.2	132,809	131,661
Funds available in savings account			
Percentage of investments made		74.41%	78.52%

34.1 The share of employees of the Company is 82.19% (June 30, 2024: 57.07%) in the total assets of the fund.

		December 31, 2024	June 30, 2024
		------ (Rupees in '000') -----	
34.2	The break-up of fair value of investments is:		
	Bank balances/deposits	69,313	122,141
	Mutual funds	63,496	9,520
		132,809	131,661

34.3 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.

		December 31, 2024	June 30, 2024
		------- (Rupees in '000') ------	
35	CASH AND CASH EQUIVALENT		
	Cash and bank	518,635	684,003
	Short term running finance	(140,107)	(139,889)
		378,528	544,114

36. NUMBER OF EMPLOYEES

Total employees of the Group at the period / year end	455	460
Average employees of the Group during the period / year	458	457

37. CORRESPONDING FIGURES

Corresponding figures have been reclassified / rearranged wherever necessary for better presentation, however, there was no material reclassification of corresponding figures other than the followings:

38. AUTHORISATION FOR ISSUE

These special purpose consolidated financial statements were authorised for issue on 28 FEB 2025 by the Board of Directors of the Parent Company.

39. GENERAL

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

Chief Executive Officer | Chief Financial Officer | Director

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SUPERNET LIMITED

Unconsolidated Special Purpose Financial Statements

For the period ended
December 31, 2024

Parker Russell-A. J. S.
CHARTERED ACCOUNTANTS

Parker Russell-A. J. S.
CHARTERED ACCOUNTANTS

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Offices also at Faisalabad, Lahore & Islamabad

Independent Auditor's Report to the Board of Directors of Supernet Limited
Report on the Audit of the Special Purpose Unconsolidated Financial Statements

Opinion

We have audited the annexed special purpose unconsolidated financial statements of **Supernet Limited** (the Company), which comprise the special purpose unconsolidated statement of financial position as at December 31, 2024, the special purpose unconsolidated statement of profit or loss, the special purpose unconsolidated statement of comprehensive income, the special purpose unconsolidated statement of changes in equity and the special purpose unconsolidated statement of cash flows for the period then ended, and notes to the special purpose unconsolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying the special purpose unconsolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the period then ended in accordance with the basis of preparation as stated in note 3 to the special purpose unconsolidated financial statements.

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 Special purpose 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 — Basis of Preparation and Restriction on Distribution and Use

We draw attention to note 3 to the special purpose unconsolidated financial statements, which describes the basis of preparation. The special purpose unconsolidated financial statements have been prepared by the management of the Company for submission to the Honourable High Court of Sindh in accordance with the requirements of the Companies Act, 2017 and the Guidelines for Mergers and Amalgamations issued by Securities Exchange Commission of Pakistan. As a result, the special purpose unconsolidated financial statements may not be suitable for another purpose. Our report is intended solely for the use of the management of the Company and the Honourable High Court of Sindh and should not be distributed to or used by parties other than the Company and Honourable High Court of Sindh. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Parker Russell-A. J. S.
CHARTERED ACCOUNTANTS

Following are the key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Revenue recognition The Company has reported revenue amounting to Rs.3547.289 million during the six month period ended December 31, 2024. The Company provides data networking and support services, sale of equipment's and licenses and undertakes turnkey projects. 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.	Our key audit procedures in this area amongst others included the following: • Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • comparing a sample of transactions comprising of various revenue streams recorded during the period with relevant underlying supporting documents and receipts; • inspecting manual journal entries relating to revenue recognized during the period 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 special purpose unconsolidated financial statements related to revenue.
2. Recoverability of trade debts As at December 31, 2024, the Company's gross trade debtors were Rs. 2,158.964 million against which allowances for expected credit losses of Rs. 66.870 million have been recognized. We identified the recoverability of trade debtors as a key audit matter because it involves significant management judgment and estimates in determining the allowance of expected credit loss.	Our audit procedures to assess the valuation of trade debts included the following: • Obtaining an understanding of and testing the design and implementation of management's key internal controls relating to credit control, debt collection and making allowances for doubtful debts; • agreeing, on a sample basis, ageing the balances used in management's estimate of expected credit loss with the books of account of the Company; • testing the assumptions and estimates made by management for the allowances for doubtful debts; and

Key audit matters	How the matter was addressed in our audit
	• evaluating that the allowance for doubtful debt is in accordance with the requirements of applicable financial reporting framework.
3. Contingencies 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 special purpose 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 special purpose unconsolidated financial statements in light of IAS-37 "Provisions and Contingencies".

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

Management is responsible for the preparation and fair presentation of the special purpose unconsolidated financial statements in accordance with the basis of preparation as disclosed in note 3 to the special purpose unconsolidated financial statements and for such internal control as management determines is

Parker Russell-A. J. S.
CHARTERED ACCOUNTANTS

necessary to enable the preparation of special purpose unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose 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 special purpose 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 special purpose 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.

Parker Russell-A. J. S.
CHARTERED ACCOUNTANTS

- Evaluate the overall presentation, structure and content of the special purpose unconsolidated financial statements, including the disclosures, and whether the special purpose 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 special purpose 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.

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

Parker Russell AJS

(Chartered Accountants)
Date: February 28, 2025
Karachi.

Supernet Limited
Special Purpose Unconsolidated Statement of Financial Position
As at December 31, 2024

	Note	December 31, 2024	June 30, 2024
		---- (Rupees in '000) ----	
Assets			
Non-current assets			
Property and equipment	6	470,030	445,888
Intangible assets	7	56,464	288
Right-of-use assets	8	4,969	5,954
Long-term investments	9	59,709	59,709
Long-term deposits	10	7,669	7,669
Deferred taxation	11	47,894	48,405
		646,735	567,913
Current assets			
Inventory	12	472,480	232,534
Trade debts	13	2,092,094	1,381,389
Advances, deposits and prepayments	14	723,573	910,482
Other receivables	15	561,439	708,194
Taxation - net		52,918	82,040
Cash and bank balances	16	12,069	28,696
		3,914,573	3,343,335
Total assets		4,561,308	3,911,248

The annexed notes from 1 to 46 form an integral part of these special purpose unconsolidated financial statements.

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

Supernet Limited
Special Purpose Unconsolidated Statement of Financial Position
As at December 31, 2024

	Note	December 31, 2024	June 30, 2024
		---- (Rupees in '000) ----	
Equity and liabilities			
Share capital and reserves			
Authorised share capital	17.1	1,500,000	1,500,000
Issued, subscribed and paid-up share capital	17.2	1,234,444	1,234,444
Share premium		33,436	33,436
Revenue reserve - Unappropriated profit		681,318	500,660
		1,949,198	1,768,540
Non-current liabilities			
Lease liabilities	18	5,367	6,155
Deferred liability	19	5,273	2,773
		10,640	8,928
Current liabilities			
Trade and other payables	20	2,390,277	1,956,814
Due to related parties	21	51,814	15,648
Accrued markup	22	6,459	8,316
Contractual liability to customer	23	8,872	8,872
Current portion of lease liabilities and short term financing	24	144,048	144,130
		2,601,470	2,133,780
Contingencies & commitments	25		
Total equity and liabilities		4,561,308	3,911,248

The annexed notes from 1 to 46 form an integral part of these special purpose unconsolidated financial statements.

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

Supernet Limited
Special Purpose Unconsolidated Statement of Profit or Loss
For the six month ended December 31, 2024

	Note	Six month ended December 31, 2024	Year ended June 30, 2024
		(Rupees in '000)	
Revenue - Net	26	3,547,289	7,369,375
Cost of services	27	(2,874,306)	(6,295,973)
Gross profit		672,983	1,073,402
Administrative & other expenses	28	(253,526)	(413,021)
Distribution costs	29	(118,161)	(225,208)
Exchange loss		(782)	(39,302)
		(372,469)	(677,531)
Other income	30	1,096	3,109
		(371,373)	(674,422)
Operating profit		301,610	398,980
Finance costs	31	(19,436)	(45,662)
Profit before taxation and levy		282,174	353,318
Levy	32	(18,700)	(73,604)
Profit before taxation		263,474	279,714
Taxation	32	(82,816)	(123,842)
Profit after taxation for the period / year		180,658	155,872
Earning per share - basic and diluted (Rs.)	33	1.46	1.26

The annexed notes from 1 to 46 form an integral part of these special purpose unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Superset Limited
Special Purpose Unconsolidated Statement of Other Comprehensive Income
For the six month ended December 31, 2024

	Six month ended December 31, 2024	Year ended June 30, 2024
	------- (Rupees in '000) -------	
Profit after taxation for the period / year	180,658	155,872
Other comprehensive income	-	-
Total comprehensive income for the period / year	180,658	155,872

The annexed notes from 1 to 46 form an integral part of these special purpose unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Supernet Limited
Special Purpose Unconsolidated Statement of Changes in Equity
For the six month ended December 31, 2024

	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserve	Total
		Share premium	Un appropriated profit	
	(Rupees in '000')			
Balance as at June 30, 2023	1,234,444	33,436	344,788	1,612,668
Profit after taxation	-	-	155,872	155,872
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	155,872	155,872
Balance as at June 30, 2024	1,234,444	33,436	500,660	1,768,540
Profit after taxation	-	-	180,658	180,658
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	180,658	180,658
Balance as at December 31, 2024	1,234,444	33,436	681,318	1,949,198

The annexed notes from 1 to 46 form an integral part of these special purpose unconsolidated financial statements.

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

Supernet Limited
Special Purpose Unconsolidated Condensed Interim Statement of Cash Flows
For the six month ended December 31, 2024

	Note	Six month ended December 31, 2024	Year ended June 30, 2024
		------- (Rupees in '000') -------	
Cash flow from operating activities			
Profit before taxation		282,174	353,318
Adjustment for non cash items:			
Depreciation		86,127	155,133
Depreciation on ROU assets		985	2,313
Amortisation		859	290
Finance cost		14,320	34,098
Provision for ECL against trade debts		66,388	78,448
Staff gratuity		2,500	600
Profit from saving account		(196)	(1,309)
		170,983	269,573
Operating profit before working capital changes		453,157	622,891
Working capital changes			
(Increase) / decrease in current assets			
Inventory		(239,946)	(31,884)
Trade debts		(777,093)	(50,878)
Advances, deposits and prepayments		186,909	(130,703)
Other receivables		146,755	(470,880)
		(683,375)	(684,345)
Increase / (decrease) in current liabilities			
Trade and other payables		433,463	477,031
Due to related party		36,166	9,382
		469,629	486,413
Cash generated from operations		239,411	424,959
Income tax paid		(66,550)	(144,945)
Finance cost paid		(20,285)	(27,575)
Net cash generated from operations		152,576	252,439
Cash flows from investing activities			
Purchase of property and equipment		(110,269)	(244,389)
Purchase of Fixed local loop licenses		(57,034)	-
Income received from saving account		196	1,309
Net cash used in investing activities		(167,107)	(243,080)
Cash flows from financing activities			
Lease rentals paid		(2,096)	(4,386)
Short-term running finance		(218)	-
Net cash used in financing activities		(2,314)	(4,386)
Net (decrease) / increase in cash and cash equivalents		(16,845)	4,973
Cash and cash equivalents at the beginning of the period / year		(111,193)	(116,166)
Cash and cash equivalents at the end of the period / year	11	(128,038)	(111,193)

The annexed notes from 1 to 46 form an integral part of these special purpose unconsolidated financial statements.

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

1. COMPANY AND ITS OPERATIONS

Supernet Limited (the Company) was incorporated in Pakistan on March 14, 1995 as an unquoted public company under the Companies Ordinance, 1984 (Repealed with the enactment of Companies Act, 2017). The Company was listed on Pakistan Stock Exchange at GEM Board on May 10, 2022.

The Company 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.

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 its regional office is located at 2nd Floor, Block 2, Awami complex, New Garden town, Lahore.

During the period under review, Supernet Limited has been awarded Fixed Local Loop (FLL) Licenses from Pakistan Telecommunication Authority (PTA) for a period of 20 years. The FLL licenses covers all 14 Telecom Regions across Pakistan and are superior to its previously held Class Value Added Services (CVAS) license. The CVAS license has been replaced by the FLL licenses. The Company under the terms of its FLL Licenses will have additional rights in terms of ability to deploy its own infrastructure and provide additional services to its customers.

The principal accounting policies applied in the preparation of these special purpose unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

2. The Board of Directors of Supernet Limited (the Company) has authorized the Company to formulate and propose the terms for potentially entering into a scheme of arrangement between the Company and Supernet Technologies Limited. The management has prepared the special special purpose unconsolidated financial statements for the six months ending December 31, 2024, for inter alia, their internal use and for submission before the Honorable High Court of Sindh under the applicable provisions of the Companies Act, 2017.

3. BASIS OF PREPARATION

Basis of preparation

3.1 These special purpose unconsolidated financial statements have been prepared under the historical cost convention except where stated.

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

3.3 These special purpose unconsolidated financial statements have been compared with the unconsolidated financial statements of the Company of the preceding financial year i.e. June 30, 2024, therefore, the corresponding figures of the special purpose unconsolidated statement of profit or loss, special purpose unconsolidated statement of comprehensive income, special purpose unconsolidated statement of changes in equity and special purpose statement of cash flows are not comparable.

3.4 These special purpose financial statements have been prepared in accordance with the accounting policies set out in notes 4 & 5 of these financial statements

4. Significant accounting estimates and judgments

The preparation of these special purpose unconsolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain significant accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised in the period in which estimate is revised and in any future periods affected.

In the process of applying the Company's accounting policies, the management has made the following estimates and judgements which are significant to these special purpose unconsolidated financial statements:

	Note
Determining the residual values and useful lives of fixed and intangible assets	5.1, 5.2, 6 & 7
Impairment of fixed assets & intangible assets	5.1, 5.2, 6 & 7
Provisions for doubtful debts and other receivables	5.11, 13, 15
Recognition of tax and deferred tax	5.15, 11 & 32
Other provisions and contingent liabilities	5.11 & 25
Determining the lease term of contracts with renewal and termination options and estimating the incremental borrowing rate	5.14
Determining the useful lives and carrying value of ROU assets	5.3 & 8
Provision against obsolete items	5.5 & 12.1

5. MATERIAL ACCOUNTING POLICY INFORMATION

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

5.1 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, 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 item will flow to the Company. The carrying amount of any replaced parts as well as other repair and maintenance costs, are charged to the profit or loss during the period in which they are incurred.

Disposal of assets is recognized when significant risk and rewards incidental to the ownership have been transferred to the buyer, gains and losses on disposal are determined by comparing the proceeds with the carrying amount and recognized in the statement of profit or loss for the period.

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

Impairment loss, if any, or its reversal, is also charged to the statement of profit or loss for the period. 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.

The assets residual value, useful lives and depreciation methods are reviewed and adjusted, if appropriate at each reporting date.

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.

5.2 Intangible assets and amortisation

These are carried at cost less accumulated amortisation, and accumulated impairment losses, if any. Amortisation is calculated, using the straight line method, to allocate the cost of software over their estimated useful lives which is charged to the statements of profit or loss. Costs associated with maintaining computer software, are recognised as an expense as and when incurred.

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

5.3 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 "Impairment of Assets".

5.4 Investments

Subsidiary companies

Investment in subsidiaries, where the Company has control, are measured at cost less impairment, if any, in the Company's special purpose unconsolidated 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.

5.5 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 Company reviews the carrying amounts of inventory on an on going basis and provision is made for obsolescence if there is any change in usage pattern and physical form.

5.6 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest method.

5.7 Loans and advances

These are stated at cost less estimates made for any doubtful receivables based on the review of all outstanding amounts at the reporting date. Balances considered doubtful and irrecoverable are written off when identified.

5.8 Cash and cash equivalents

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

5.9 Trade and other payables

Liabilities for creditors 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.

5.10 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently at amortised cost. 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.

5.11 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.

5.12 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.

5.12.1 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 measured at fair value through profit or loss then transaction costs is also capitalized as part of the financial asset. Except for trade receivables which are measured at the transaction price determined in accordance with IFRS 15.

Financial assets can be 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 principal and interest thereon (Cash Flow Characteristic Test).

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

5.12.2 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 & Cash Flows Characteristics Test is passed. These assets are subsequently measured at amortised cost using Effective Interest Rate (EIR) method and are subject to impairment as at each reporting date. Gains / losses are recognised in the statement of profit or loss when the asset is derecognised / retired / modified.

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

Upon initial recognition, an entity may make an irrevocable election to classify its equity investments at FVTOCI that are not held for trading purpose. Subsequent changes in the fair value of an equity investment are presented in other comprehensive income which are never reclassified to the statement of profit or loss. Dividends are recognised as other income in the 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 Other Comprehensive Income (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 statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

5.12.3 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.

5.12.4 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 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.

5.12.5 Derecognition of financial liabilities

Derecognition of financial liabilities occurs from the 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 statement of profit or loss as other income or finance costs.

5.12.6 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, 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.

5.12.7 Loss allowance for ECL / impairment

Financial assets

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

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

Non-financial assets

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

5.13 Employees' benefits

Gratuity fund

The Company operated an unfunded gratuity scheme for limited number of employees who were eligible under the old scheme. The scheme was replaced by a recognised provident fund scheme effective from April 01, 2008.

Provident fund

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

5.14 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 non-cancellable period 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 rate method) and by reducing the carrying amount to reflect the lease payments made.

5.15 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 to classify as levy in these special purpose unconsolidated financial statements.

Current

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the date of the statement of financial position. 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 income tax is recognised, using the balance sheet liability method, on all temporary differences arising at the date of statement of financial position between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the assets can be utilized. Deferred tax liabilities are 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 at the date of statement of financial position.

5.16 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 in foreign currencies are translated into the functional currency using the exchange rate prevailing on the date of statement of financial position. 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 statement of profit or loss.

5.17 Revenue recognition

The Company recognises 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.

- Revenue from data networking services is recognised upon the rendering of such services.
- Revenue from turnkey projects is recognised on percentage of completion basis.
- Revenue from sales of equipment is recognised when equipment is dispatched to customers.
- Revenue from sales of third party software is recognised when the 'right to use' is granted to the customers.
- Return on bank balances is accrued using an effective interest method.
- Dividend income is recognised when the right to receive payment is established.

5.18 Dividend and other appropriation of reserves

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

5.19 Earnings per share

The Company presents basic and diluted earnings per share for its ordinary shares. Basic earnings per share 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 earnings per share 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.

5.20 Related party transactions

Related parties comprise of parent company, 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 terms 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:

Name of related party	Basis of relationship	% of share
Telecard Limited	Holding Company	30.1837%
Supernet Technologies Ltd. (Formerly Hallmark Company Ltd.)	Substantial shareholder	51.0000%
Supernet E-Solutions (Private) Ltd.	Wholly owned subsidiary	100.0000%
Supernet Secure Solutions (Private) Limited	Subsidiary	80.0000%
Phoenix Global FZE	Wholly owned subsidiary	100.0000%
Supernet Infrastructure Solutions (Private) Limited	Wholly owned subsidiary	100.0000%
Globetech Communication (Private) Limited	Wholly owned subsidiary of Holding Company	-
Mr. Shams ul Arfeen	Key management personnel	-
Mr. Syed Hashim Ali	Key management personnel	0.00045%
Mr. Waseem Ahmad	Key management personnel	0.00045%
Ms. Naueen Ahmed	Key management personnel	0.00089%
Mr. Jamal Nasir Khan	Key management personnel	0.00089%
Mr. Syed Imran Hyder Jafri	Key management personnel	-
Mr. Syed Aamir Hussain	Key management personnel	0.00045%
Mr. Asad Mujtaba Naqvi	Key management personnel	0.00045%
Mr. Ahmer Qamar	Key management personnel	0.00089%

	Note	December 31, 2024	June 30, 2024
		--- (Rupees in '000') ---	
6 PROPERTY AND EQUIPMENT			
Operating fixed assets	6.1	470,030	445,888

6.1 Operating fixed assets

	Note	Cost			Accumulated depreciation			WDV as at December 31, 2024	Depreciation rate per annum %
		As at July 01, 2024	Additions	As at December 31, 2024	As at July 01, 2024	Charge for the period	As at December 31, 2024		
		(Rupees in '000')							
Owned assets									
Leasehold improvements		37,983	278	38,261	36,342	213	36,555	1,706	20
Communication equipments	6.2	2,412,597	100,290	2,512,887	1,981,559	81,053	2,062,612	450,275	20
Furniture, fixtures and office equipments		48,671	350	49,021	45,927	1,181	47,108	1,913	10
Computers and accessories		73,976	5,986	79,962	63,873	3,433	67,306	12,656	33
Motor vehicles		14,604	3,365	17,969	14,242	247	14,489	3,480	20
		2,587,831	110,269	2,698,100	2,141,943	86,127	2,228,070	470,030	

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

	Note	Cost			Accumulated depreciation			WDV	
		As at July 01, 2023	Additions	As at June 30, 2024	As at July 01, 2023	Charge for the year	As at June 30, 2024	as at June 30, 2024	Depreciation rate per annum %
		(Rupees in '000')							
Owned assets									
Leasehold improvements		36,180	1,803	37,983	36,091	251	36,342	1,641	20
Communication equipments	4.2	2,178,628	233,969	2,412,597	1,834,468	147,091	1,981,559	431,038	20
Furniture, fixtures and office equipments		48,450	221	48,671	43,585	2,342	45,927	2,744	10
Computers and accessories		65,580	8,396	73,976	58,826	5,047	63,873	10,103	33
Motor vehicles		14,604	-	14,604	13,840	402	14,242	362	20
		2,343,442	244,389	2,587,831	1,986,810	155,133	2,141,943	445,888	

6.2 Equipment, costing Rs. 1,599,920 million (June 30, 2024: Rs. 1,564.640 million), having a net book value of Rs. 348,870 million (June 30, 2024: Rs. 394.564 million) are in the possession of the customers of the Company in the ordinary course of business.

	Note	December 31, 2024	June 30, 2024
		(Rupees in '000')	
6.3 Depreciation for the period / year has been allocated as follows:			
Cost of services	27	81,053	147,091
Administrative expenses	28	5,074	8,042
		86,127	155,133

6.4 The cost of fully depreciated assets as at December 31, 2024 is Rs. 1,806.479 million (June 30, 2024: Rs.1,788.55 million).

6.5 Lease hold improvement has been made on flat A and B situated on 2nd and 3rd floor, block No. 2, Awami Complex, 1-4, Usman Block, New Garden Town, Lahore. The area of the flats is 2,424 and 1,600 square feet on each floor respectively, and another lease hold improvement is of 5,115 square feet siutated on the 9th floor of the Tower-B, 10 Khayaban-e-Roomi, Block-5, KDA Scheme No. 5, Clifton, Karachi.

	December 31, 2024	June 30, 2024
	---- (Rupees in '000') ----	
7. INTANGIBLE ASSETS	56,464	288

	Cost			Accumulated amortization				
	As at July 01, 2024	Additions	As at December 31, 2024	As at July 01, 2024	Charge for the period	As at December 31, 2024	WDV as at December 31, 2024	Amortization rate per annum %
	(Rupees in '000')							
Fixed local loop licenses	-	57,034	57,034	-	714	714	56,320	5
Computer software	41,224	-	41,224	40,936	145	41,081	144	20
	41,224	57,034	98,258	40,936	859	41,795	56,464	

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

	Cost			Accumulated amortization				
	As at July 01, 2023	Additions	As at June 30, 2024	As at July 01, 2023	Charge for the year	As at June 30, 2024	WDV as at June 30, 2024	Amortization rate per annum %
	(Rupees in '000')							
Computer software	41,224	-	41,224	40,646	290	40,936	288	20
	41,224	-	41,224	40,646	290	40,936	288	

7.1 During the period the Company was awarded with Fixed Local Loop license for 14 Telecom Regions for providing local loop services by Pakistan Telecommunication Authority (PTA) for a period of 20 years.

		Note	December 31, 2024	June 30, 2024
			---- (Rupees in '000') ----	
8.	**RIGHT-OF-USE ASSETS**			
	As at July 01,			
	Cost		19,649	19,649
	Accumulated depreciation		(13,695)	(11,382)
	Net book value		5,954	8,267
	Movement during the period / year			
	Opening net book value		5,954	8,267
	Depreciation for the period / year		(985)	(2,313)
	Closing net book value		4,969	5,954
	As at December 31,			
	Cost		19,649	19,649
	Accumulated depreciation		(14,680)	(13,695)
	Net book value		4,969	5,954
9.	**LONG-TERM INVESTMENTS**			
	Subsidiary companies - at cost - unquoted			
	Supernet-E-Solutions (Private) Limited	9.1	100	100
	Supernet Secure Solutions (Private) Limited	9.2	18,000	18,000
	Phoenix Global FZE	9.3	609	609
	Supernet Infrastructure Solutions (Private) Limited	9.4	41,000	41,000
			59,709	59,709

9.1 This represents Company's investment in 100% equity shares of Supernet-E-Solutions (Private) Limited. The Company holds 10,000 (June 30, 2024: 10,000) ordinary shares of Rs. 10/- each.

9.2 This represents Company's investment in 80% equity shares of Supernet Secure Solutions (Private) Limited. The Company holds 1,800,000 (June 30, 2024: 1,800,000) ordinary shares of Rs. 10/- each.

9.3 This represents Company's investment in 100% equity shares of Phoenix Global FZE. The Company holds 08 (June 30, 2024: 08) ordinary shares of AED 1,000/- each.

Disclosure required under Companies Act, 2017

Name:	Phoenix Global FZE
Registered address:	Office No. E-100F-04 Hamriyah Free Zone - Sharjah, United Arab Emirates
Country:	United Arab Emirates
% of holding:	100%
Chief executive officer:	Shams-ul-Afreen
Operational status:	Active
Auditor's opinion:	Unmodified

9.4 This represents Company's investment in 100% equity shares of Supernet Infrastructure Solutions (Private) Limited .The Company holds 4,100,000 (June 30, 2024: 4,100,000) ordinary shares of Rs 10/- (June 30, 2024: 10) each.

	Note	December 31, 2024	June 30, 2024
		---- (Rupees in '000') ----	
10. LONG-TERM DEPOSITS			
Security deposits - considered good	10.1	7,669	7,669
11. DEFERRED TAXATION			
Deductible temporary differences			
Accelerated accounting depreciation		26,034	24,189
Deferred liability - staff gratuity		1,137	598
Doubtful debts and other provision		19,122	21,046
Lease liabilities		2,672	3,276
		48,965	49,109
Taxable temporary differences			
Right-of-use assets		(1,071)	(1,284)
Exchange differences		-	580
		(1,071)	(704)
		47,894	48,405
12. INVENTORY			
Equipment & consumables		491,856	251,910
Provision against obsolete store items	12.1	(19,376)	(19,376)
		472,480	232,534
12.1 Provision against obsolete store items			
Opening balance		19,376	19,376
Charge for the year		-	-
Closing balance		19,376	19,376
13. TRADE DEBTS			
Unsecured-considered good			
Related parties	13.1	746,510	485,399
Others		1,345,584	895,990
		2,092,094	1,381,389
Considered doubtful trade debts		66,870	78,482
Loss allowance for ECLs	13.2	(66,870)	(78,482)
		-	-
		2,092,094	1,381,389
13.1 Related parties			
Telecard Limited		70,471	70,471
Phoenix Global FZE		288,930	261,665
Supernet E-Solutions (Private) Limited		678	678
Supernet Infrastructure Solutions (Private) Limited		386,431	152,585
		746,510	485,399

13.1.1 The maximum amount outstanding at any time during the period calculated by reference to month end balances are as follows:

	December 31, 2024	June 30, 2024
	---- (Rupees in '000') ----	
Telecard Limited	70,471	84,628
Phoenix Global FZE	288,930	261,665
Supernet E-Solutions (Private) Limited	678	678
Supernet Infrastructure Solutions (Private) Limited	386,431	152,585
	746,510	499,556

13.2 **Loss allowance for ECL**

Opening balance	78,482	72,034
Loss allowance made during the period	66,388	78,448
Provisions written off	(78,000)	(72,000)
	66,870	78,482

13.3 The ageing analysis of unimpaired trade debts is as follows:

	Total	Neither past due nor impaired	> 1 month up to 3 months	> three months up to one year	Above one year
	--------------------Rupees '000'------------------------				
Related party	746,509	386,431	14,310	47,712	298,056
Others	1,345,585	270,651	492,056	551,355	31,523
December 31, 2024	2,092,094	657,082	506,366	599,067	329,579
Related party	485,399	152,585	16,695	64,653	251,463
Others	895,990	160,249	169,163	176,592	389,987
June 30, 2024	1,381,389	312,834	185,858	241,245	641,450

	December 31, 2024	June 30, 2024
	---- (Rupees in '000') ----	
14. ADVANCES, DEPOSITS AND PREPAYMENTS		
Advances - considered good, unsecured		
Employees - against expenses and projects	22,613	18,775
Suppliers	489,934	590,200
	512,547	608,975
Deposits - considered good		
Earnest money	60,933	68,378
Margin against guarantee	134,554	221,100
Others	15,061	11,558
	210,548	301,036
Considered doubtful deposits	(2,441)	2,441
Loss allowance against deposits considered doubtful	2,441	(2,441)
	-	-
	210,548	301,036
Prepayments		
Others	478	471
	723,573	910,482

		Note	December 31, 2024	June 30, 2024
			---- (Rupees in '000') ----	
15.	**OTHER RECEIVABLES**			
	Considered good			
	Current accounts with related parties	15.1	551,495	695,349
	Insurance claim		5,547	5,547
	Others		4,397	7,298
			561,439	708,194
15.1	**Current accounts with related parties**			
	Telecard Limited - Holding Company		259,389	243,026
	Supernet E-Solutions (Private) Limited		12,305	1,325
	Phoenix Global FZE		277,375	149,806
	Supernet Technologies Ltd. (Formerly Hallmark Company Ltd.)		2,426	301,192
			551,495	695,349

15.1.1 The above amounts due from related parties represent current account balances which are recoverable on demand and are non-interest bearing.

		Note	December 31, 2024	June 30, 2024
			---- (Rupees in '000') ----	
16.	**CASH AND BANK BALANCES**			
	Cash in hand		59	50
	Local currency - with banks			
	Current account		5,023	7,163
	Saving account	16.1	6,987	21,483
			12,010	28,646
			12,069	28,696

16.1 This carries mark-up at the rate, ranging between 8.37% to 16.89% (June 30, 2024: 7.62% to 18.28%) per annum.

		December 31, 2024	June 30, 2024
		---- (Rupees in '000') ----	
17.	**SHARE CAPITAL AND RESERVES**		
17.1	**Authorised share capital**		
	150,000,000 ordinary shares of Rs.10 each	1,500,000	1,500,000
17.2	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**		
	123,444,420 (June 30, 2024: 123,444,420 of Rs. 10/- each) ordinary shares of Rs.10/- each		
	45,772,610 (June 30, 2024: 45,772,610) allotted as fully paid in cash	457,726	457,726
	77,671,810 (June 30, 2024: 77,671,810) allotted as bonus shares	776,718	776,718
		1,234,444	1,234,444

17.2.1 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. As at reporting date, 30.1837% shares of the Company are held directly and 32.0484% shared of the Company are held indirectly by the Parent Company (Telecard Limited).

17.2.2 As at reporting date, chief executive officer, directors and their spouses held 0.0045% (June 30, 2024: 0.0045%), Holding Company effectively held 62.2320% (June 30, 2024: 81.1881%), substantial shareholder held 51.0000% (June 30, 2024:Nil) and the balance of 18.8119% (June 30, 2024: 18.8119%) are held by individual and others.

		Note	December 31, 2024	June 30, 2024
			---- (Rupees in '000') ----	
18.	**LEASE LIABILITIES**			
	Lease liabilities	18.1	9,308	10,396
	Current portion of lease liabilities		(3,941)	(4,241)
			5,367	6,155
18.1	**Reconciliation of the carrying amount is as follows:**			
	Opening		10,396	12,411
	Accretion of interest		1,008	2,371
	Lease rental payments made during the year		(2,096)	(4,386)
	Closing		9,308	10,396
	Current portion of lease liabilities		(3,941)	(4,241)
	Long-term lease liabilities as at December 31/ June 30		5,367	6,155
18.2	**Maturity analysis**			
	Gross lease liabilities - minimum lease payments:			
	Not later than one year		3,941	4,241
	Later than one year but not later than five years		8,452	10,950
			12,393	15,191
	Future finance charge		(3,085)	(4,241)
	Present value of finance lease liabilities		9,308	10,396
19.	**DEFERRED LIABILITY**			
	Staff gratuity		5,273	2,773
20.	**TRADE AND OTHER PAYABLES**			
	Unsecured			
	Creditors		2,162,748	1,847,175
	Other payables			
	Accrued liabilities		105,844	90,547
	Provision against compensated absences		3,580	3,580
	CVAS license fee to Pakistan Telecommunication Authority		5,016	5,186
	Payable to employees' provident fund		2,970	2,790
	Workers' welfare fund payable		2,782	2,782
	Others		107,337	4,754
			227,529	109,639
			2,390,277	1,956,814

		December 31, 2024	June 30, 2024
		---- (Rupees in '000') ----	
21. DUE TO RELATED PARTIES			
Supernet Secure Solutions (Private) Limited		51,814	15,648
22. ACCRUED MARK-UP			
Secured			
On short-term financing		6,459	8,316
23. CONTRACTUAL LIABILITY TO CUSTOMER			
Pakistan Mobile Communication Limited		8,872	8,872
24. CURRENT PORTION OF LEASE LIABILITES AND SHORT TERM FINANCING			
Running finance from bank – secured	24.1	140,107	139,889
Current portion of lease liabilities		3,941	4,241
		144,048	144,130

24.1 This represents finance facility of Rs. 150 million (June 30, 2024: 150 million) obtained by the Company for working capital purpose. This carries mark-up at the rate of 3 months KIBOR plus 2.4% (June 30, 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 Parent Company and third party equitable mortgage. The unutilized facility amounts to Rs. Nil million (June 30, 2024: Rs 10.69 million).

25. CONTINGENCIES & COMMITMENTS

25.1 The 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 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 Company's customers had been delayed by the Government of Pakistan. The said unsold and unusable capacity that the 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 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 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 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 Company. The management of the 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 special purpose unconsolidated financial statements.

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

25.2 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, 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 in relevant note, pending a final decision in this matter.

25.3 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.

25.4 In the year 2017, the Company filed an appeal against the notices received from 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 special purpose unconsolidated financial statements.

25.5 The Company has received a demand of Rs 12.6 million from the Chief Inspector of Stamps, Board of Revenue in year 2022 in respect of payment of deficit stamp duty on the transfer of shares done in the year 1996 to 2000 and in the years from 2011 to 2014, under Section 40(1)(b) of the Stamp Act, 1899. The Company filed an appeal before the Chief Revenue Authority of Sindh, the appeal is on initial stage and no hearing has been set, the lawyer on the grounds that the Chief Inspector of Stamps has failed to properly appreciate the evidence and the Company had paid the stamp duty amounting to Rs. 5.03 million on transfer of shares on August 8, 2003. therefore, the appellant was never liable to pay the Stamp duty on Transfer of Shares as it is the responsibility of the transferee as per Section 29(31) of The Stamp Act, 1899. Accordingly, base on the lawyer's opinion no provision has been made in these special purpose unconsolidated financial statements.

25.6 Letters of guarantee, amounting to Rs.159.064 million (June 30, 2024: Rs. 130.652 million), have been issued by commercial banks on behalf of the Company.

	December 31, 2024	June 30, 2024
	---- (Rupees in '000') ----	
26. REVENUE - NET		
Data networking	1,421,478	2,606,074
Sale of equipment and licenses	1,956,068	4,725,351
Revenue from turnkey projects	169,743	37,950
	3,547,289	7,369,375

	Note	December 31, 2024	June 30, 2024
		---- (Rupees in '000') ----	
27. COST OF SERVICES			
Salaries and other benefits	27.1	122,243	223,918
Interoperator services cost	27.2	713,354	1,286,760
Cost of turnkey projects		119,793	27,948
Communication stores consumed	27.3	1,696,927	4,389,441
Consultancy charges		30	5,075
Support services		49,172	31,418
Depreciation	6.3	81,053	147,091
Insurance		6,580	11,088
Installation and maintenance		41,796	64,022
CVAS license fee	27.4	5,346	5,186
Conveyance and travelling		5,829	8,386
Rent and utilities		2,426	4,280
Communication		1,805	4,334
Repairs and maintenance		1,089	1,088
Office supplies		379	1,232
Others		26,484	84,706
		2,874,306	6,295,973

27.1 This includes a sum of Rs. 4.984 million (June 30, 2024: Rs. 9.967 million) in respect of Company's contribution towards provident fund.

	December 31, 2024	June 30, 2024
	---- (Rupees in '000') ----	
27.2 Interoperator services cost		
Other than satellite bandwidth charges	205,842	361,230
Satellite bandwidth charges	507,512	925,530
	713,354	1,286,760
27.3 Communication stores consumed		
Opening balance	232,534	200,650
Purchases	1,936,873	4,421,325
Closing balance	(472,480)	(232,534)
Communication stores consumed	1,696,927	4,389,441

27.4 This represents CVAS annual license fee after incorporating adjustment of inter-operator payments, paid to PTA for the establishing, maintaining and operating of Data Class Value Added Services (CVAS) in Pakistan.

28. ADMINISTRATIVE & OTHER EXPENSES

	Note	December 31, 2024	June 30, 2024
		---- (Rupees in '000') ----	
Salaries and other benefits	28.1	93,291	175,181
Rent and utilities		46,094	78,415
Insurance		3,702	6,163
Depreciation	6.3	5,074	8,042
Depreciation on asset under IFRS - 16	8	985	2,313
Amortisation		859	290
Legal and professional charges		5,940	6,936
Repairs and maintenance		9,843	9,835
Conveyance and travelling		5,829	8,281
Office supplies		379	1,232
Subscription		10	264
Auditors' remuneration	28.2	1,762	2,528
Communication		2,001	4,736
Loss allowance for ECLs		66,388	78,448
Entertainment		1,247	2,021
Others		10,122	28,336
		253,526	413,021

28.1 This includes a sum of Rs. 3.803 million (June 30, 2024: Rs. 7.606 million) in respect of Company's contribution towards provident fund.

28.2 Auditors' remuneration

	Note	December 31, 2024	June 30, 2024
		---- (Rupees in '000') ----	
Audit fee for special purpose unconsolidated financial statements		700	1,210
Audit fee for special purpose consolidated financial statements		270	385
Review of Code of Corporate Governance		-	110
Review of half yearly financials		500	440
Other services and certifications		74	133
Out of pocket expenses		218	250
		1,762	2,528

29. DISTRIBUTION COSTS

	Note	December 31, 2024	June 30, 2024
Salaries and other benefits	29.1	106,158	198,582
Conveyance and traveling		7,145	10,336
Office supplies		391	1,232
Repairs and maintenance		25	25
Advertisement and promotion		4,000	13,496
Communication		118	275
Entertainment		203	336
Utilities		-	540
Others		121	386
		118,161	225,208

29.1 This includes a sum of Rs. 4.330 million (June 30, 2024: Rs. 8.656 million) in respect of Company's contribution towards provident fund.

	Note	December 31, 2024	June 30, 2024
30. OTHER INCOME		---- (Rupees in '000') ----	
Income from financial assets			
Income on saving accounts		196	1,309
Others			
Rental income		900	1,800
		1,096	3,109

31. FINANCE COSTS			
Mark-up on:			
Short-term financing		14,320	34,098
Bank charges and commission		4,108	9,193
Finance cost on lease liability against ROU assets		1,008	2,371
		19,436	45,662

32. TAXATION			
Levy	32.1	18,700	73,604
Taxation	32.2	82,816	123,842
		101,516	197,446

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

	December 31, 2024	June 30, 2024
	---- (Rupees in '000') ----	
Current period tax expense	89,370	131,615
Prior year reversal	(7,065)	(22,086)
Deferred tax expense	511	14,313
	82,816	123,842

32.2 Relationship between accounting profit and income tax expense

Profit before taxation and levy	282,174	353,318
Tax @ 29%	81,830	102,462
Portion of current tax representing levy	(18,700)	(73,604)
Effect of prior period tax	(7,065)	(22,086)
Others	26,751	117,070
	82,816	123,842

32.3 The relationship between income tax expense and accounting profit has not been presented in these special purpose unconsolidated financial statements for prior period as the provision for taxation for the period year is based on minimum tax on payment of goods and services under section 153 of the Income Tax Ordinance, 2001.

32.4 The income tax assessments of the Company have been finalized up to and including the tax year 2024, except for tax years in respect of which, appeals are currently in progress at different forums (note 24.4 & 24.5).

33. BASIC AND DILUTED EARNINGS PER SHARE

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

	December 31, 2024	June 30, 2024
	---- (Rupees in '000') ----	
Profit for the period / year	180,658	155,872
Weighted average number of shares (In thousands)	123,444	123,444
Earnings per share - (Rupees)	1.46	1.26

33.1 There is no dilutive effect on the basic earnings per share as the Company has been no potential convertible ordinary shares in issue as at the end of the reporting period.

34. FINANCIAL INSTRUMENTS BY CATEGORY

34.1 Financial assets measured at amortised cost

	Note	December 31, 2024	June 30, 2024
		---- (Rupees in '000') ----	
Long-term investments	9	59,709	59,709
Long-term deposits	10	7,669	7,669
Trade debts	13	2,092,094	1,381,389
Advances, deposits and prepayments *	14	210,548	301,036
Other receivable	15	561,439	708,194
Bank balances	16	12,010	28,646
		2,943,469	2,486,643

34.2 Financial liabilities measured at amortised cost

	December 31, 2024	June 30, 2024
Lease liabilities	5,367	6,155
Trade and other payables **	2,380,945	1,947,662
Accrued mark-up	6,459	8,316
Current portion of lease liabilities and short-term financing	144,048	144,130
	2,536,819	2,106,263

*Advances amounting to Rs. 512 million (June 30, 2024: Rs 608 million) and prepayments amounting to Rs. 0.478 million (June 30, 2024: Rs 0.471 million) are not financial assets and are not included.

**Contractual liability to franchisees, workers welfare fund, provision for employees' compensated absences and payable to employees' provident fund amounting in aggregated to Rs. 9.332 million (June 30, 2024: 10.326 million) are not financial liabilities and are not included.

35. 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.

35.1 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. The Company is only exposed to foreign currency and interest rates risk as at reporting date.

35.1.1 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 December 31, 2024 the Company is exposed to such risk mainly in respect of return on saving accounts, long-term and short-term financing as these are benchmarked to variable rates which exposes the Company to cash flow interest rate risk only.

	December 31, 2024	June 30, 2024
	---- (Rupees in '000') ----	
Variable rate instruments:		
Financial asset		
- Saving account	6,987	21,483
Financial liabilities		
Short-term financing	(140,107)	(139,889)
Net financial liabilities at variable interest rates	(133,120)	(118,406)

Cash flow sensitivity analysis for variable rate instruments:

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. 0.289 million (June 30, 2024: Rs.0.457 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 sensitive analysis.

35.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of the changes in foreign exchange rates. The Company in this respect is exposed to creditors on account of foreign satellite bandwidth providers as at reporting date. These creditors are dominated in US Dollars (US$). As at reporting date, the total exposure against foreign creditors amounts to US$ 0.625 million (June 30, 2024: US$ 0.982 million). Spot rate as at December 31, 2024 is Rs. 278.55 to US$ (June 30, 2024: 278.34 to US$).

The management of the Company closely monitors the currency markets. Management of the Company estimates that if Pakistani rupee had weakened / strengthened against the USD by 1% with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 1.678 million (2.734 million). However, in practice, the actual results may differ from the sensitively analysis.

35.1.3 Equity risk

Equity 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 December 31, 2024, the Company is not exposed to equity price risk.

35.2 Credit risk

Credit risk is the risk that counter party will cause a financial loss to the Company by failing to discharge its obligations. Concentration of credit risk exists when changes in economic or industry factors affect the Company of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company 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.

	Note	December 31, 2024	June 30, 2024
		---- (Rupees in '000') ----	
Long-term deposits	10	7,669	7,669
Trade debts	13	2,092,094	1,381,389
Deposits	14	210,548	301,036
Other receivables	15	561,439	708,194
Bank balances	16	12,010	28,646
		2,883,760	2,426,934

35.2.1 Short-term deposits and other receivables

The Company carries short-term deposits and other receivables amounting to Rs. 771.987 million (June 30, 2024: Rs 1,003.683 million). This includes receivable from related party, short-term deposits and others.

To reflect short-term maturities of the above balances, the Company has measured impairment on a 12 months expected credit loss basis. The management believes that these have low credit risk based on the facts that majority of outstanding balance is receivable from related party and other credit worthy counter parties.

35.2.2 Trade debts

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 more than since 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 deals 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 note 13.3 to these special purpose 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:

	December 31, 2024	June 30, 2024
	---- (Rupees in '000') ----	
Expected credit losses on trade debts arising from contracts with customers	66,870	78,482

For movement in expected credit losses during the year, refer note 13.2.

35.2.3 Bank balances

The credit quality of Company's bank balances can be assessed with reference to external credit rating agencies as follows:

	December 31, 2024	June 30, 2024
	---- (Rupees in '000') ----	
Rating (long term)		
AAA	6,054	4,054
AA+	5,506	18,906
A+	450	5,686
	12,010	28,646

35.3 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. 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.

35.4 Fair value of financial instruments

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

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

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:

i) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

ii) 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

iii) 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.

35.5 Capital risk management

The Company's objective when managing capital is 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 to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures which commensurate to the circumstances. The Company finances its expansion projects through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The Company monitors capital using a gearing ratio, which is debt divided by total capital plus debt as follows:

	December 31, 2024	June 30, 2024
	------ (Rupees in '000') -----	
Total debt	149,415	150,285
Cash & cash equivalent	-	-
Net debt	149,415	150,285
Total equity	1,949,198	1,768,540
Total debt and equity	2,098,613	1,918,825
Gearing ratio	7.12%	7.83%

36. OPERATING SEGMENTS

These special purpose unconsolidated financial statements are prepared on the basis of single reporting segment consistent with the information reviewed by the chief operating decision maker.

The Company is domiciled in Pakistan. All of the Company's assets are located in Pakistan as at the reporting date.

37. REMUNERATION OF THE CHIEF EXECUTIVE OFFICER AND EXECUTIVES

The aggregate amounts charged in the financial statements for the period for remuneration, including all benefits to the executives of the Company are as follows:

	For the year ended			
	Chief executive officer		Executives	
	2024	2024	2024	2024
	---------- (Rupees in '000') ----------			
Managerial remuneration	2,500	5,000	69,220	121,296
Medical	40	35	502	534
Perquisites and benefits	208	4,998	3,515	91,898
Others	1,692	416	41,399	10,818
	4,440	10,449	115,636	224,546
Number of person	1	1	45	44

37.1 No remuneration has been paid to any of the directors during the reporting period (June 30, 2024: nil).

38. TRANSACTIONS WITH RELATED PARTIES

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

Name	Nature of transactions	December 31, 2024	June 30, 2024
		------ (Rupees in '000') -----	
Relationship: Entities having directors in common with the Company			
Supernet E-Solutions (Private) Limited	Advance received	-	234
Phoenix Global FZE	Services rendered	27,265	81,140
	Purchase of equipment	-	410,626
Supernet Infrastructure Solutions (Private) Ltd.	Sale of equipment	1,758,614	538,781
	Advance received	-	385,890
	Services rendered	-	3,888
	Rental income	900	-
Provident fund	Contribution during the year	-	26,220

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

39. PROVIDENT FUND RELATED DISCLOSURES

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

	Note	December 31, 2024	June 30, 2024
		------ (Rupees in '000') -----	
Size of the fund - Total assets	39.1	178,478	167,670
Cost of the investment made		120,030	125,920
Fair value of investments	39.2	132,809	131,661
Percentage of investments made		74.41%	78.52%

39.1 The share of employees of the Company is 43.49% (June 30, 2024: 57.07%) in the total assets of the fund.

	December 31, 2024	June 30, 2024
	------ (Rupees in '000') -----	
39.2 The break-up of fair value of investments is:		
Bank balances/deposits	69,313	122,141
Mutual funds	63,496	9,520
	132,809	131,661

39.3 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.

		December 31, 2024	June 30, 2024
		------ (Rupees in '000') -----	
40	**CASH AND CASH EQUIVALENT**		
	Cash and bank	12,069	28,696
	Short term running finance	(140,107)	(139,889)
		(128,038)	(111,193)

41.	**NUMBER OF EMPLOYEES**		
	Total employees of the Company at the period / year end	380	314
	Average employees of the Company during the period / year	375	360

42. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENT

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

43. SEGMENT REPORTING

These special purpose unconsolidated financial statements on the basis of single reporting segment consistent with the information reviewed by the chief operating decision maker.

The Company is domiciled in Pakistan. All of the Company's assets are located in Pakistan as at the reporting date.

44. CORRESPONDING FIGURES

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

45. GENERAL

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

46. AUTHORISATION FOR ISSUE

These special purpose unconsolidated financial statements has been approved and authorized for issue by the Board of Directors of the company in its meeting held on 2 8 FEB 2025.

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