



Empowering Networks




1st Quarterly Report September 30, **2023**

www.super.net.pk



ABOUT SUPERNET



Supernet Limited, one of Pakistan's leading telecommunications service providers and systems integrators, has been operating since 1995. Supernet offers a complete range of enabling ICT solutions with the expertise to, deliver, deploy, and maintain them anywhere in the country through a dedicated team of technology professionals.

With the presence of its engineering resources all over Pakistan, Supernet has a long-standing experience in providing ICT services to corporate customers. Supernet has expanded its portfolio of services to include cyber security solutions, power solutions, IT Infrastructure solutions, and software & applications solutions.

Company Information

Board of Directors

Syed Aamir Hussain (Chairman)
Mr. Jamal Nasir Khan (CEO)
Mr. Waseem Ahmad
Syed Hashim Ali
Mr. Asad Mujtaba Naqvi
Mr. Ahmer Qamar
Ms. Naueen Ahmed

Board Audit Committee

Mr. Asad Mujtaba Naqvi (Chairman)
Syed Aamir Hussain
Mr. Ahmer Qamar

Board Human Resource & Remuneration Committee

Mr. Asad Mujtaba Naqvi (Chairman)
Mr. Jamal Nasir Khan
Mr. Ahmer Qamar

Chief Executive Officer

Mr. Jamal Nasir Khan

Legal Advisor

Mohsin Tayebaly & Co.

Chief Financial Officer

Syed Hashim Ali

Company Secretary

Mr. Waseem Ahmad

Banks

Habib Metropolitan Bank Ltd
Standard Chartered Pakistan
Habib Bank Limited

Registrar and Share Transfer Office

Jwaffs Registrar Services (Pvt.) Ltd.
407-408, 4th Floor, Al Ameera Centre
Sharah-e-Iraq Karachi

Registered Office

3rd Floor, 75 East, Blue Area,
Fazal-ul-Haq Road, Islamabad
Pakistan

Corporate Office

9th Floor, World Trade Centre, 10
Khayaban-e-Roomi, Clifton, Karachi
Pakistan

Directors' Review

The Board of Directors of **Supernet Limited** are pleased to present the Financial Statements and review of your Company's performance for the period ended September 30, 2023.

Financial Performance

On a consolidated basis, the Company has reported a Gross Profit (G.P) of Rs. 422 million as against a G.P of Rs. 216 million during the corresponding financial period due to enhanced top line revenue. The profit after tax stood at Rs. 158 million against Rs. 49 million for the corresponding period imposing an increased Earning Per Share (EPS) of Rs. 1.27 in comparison to Rs. 0.40 in the same period last year.

On a standalone basis, the top line revenue for the period was higher by 106% translating into Rs. 1.360 billion against Rs. 660 million for the corresponding financial period resulting in an enhanced G.P of Rs. 349 million compared to Rs. 176 million in the corresponding period.

Further, there was an increase in administrative and distribution cost with marginal increase in finance cost. Profit after tax for this period is Rs. 121 million against Rs. 38 million reported previously. The Company is confident that it will overcome these cost related challenges in the upcoming quarters. The EPS stood at Rs. 0.98 compared to Rs. 0.31 in the corresponding period.

Outlook and Way Forward

Your Company's outlook appears to be positive as it will continue to explore opportunities in cyber security and infrastructure solutions carrying healthy margins with a greater focus on customer satisfaction, eventually leading to improved revenue streams.

Acknowledgement

The Board would like to acknowledge the dedication and hard work by entire Supernet Limited team to achieve positive business results in the 1st quarter and wish them all the best for the year.

Your directors close this report by thanking you of your continued confidence and for the opportunity to serve you as your fiduciaries in the management of your Company.

On behalf of the Board


Jamal Wasir Khan
Chief Executive Officer

October 30, 2023



CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

www.super.net.pk

SUPERNET LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

		September 30, 2023	June 30, 2023
		(Un-audited)	(Audited)
	Note	---- (Rupees in '000) ----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	402,080	363,097
Intangible assets	5	2,393	2,465
Right of use asset	6	7,688	8,267
Long-term deposits		95	95
Deferred taxation		62,453	68,108
		474,709	442,032
CURRENT ASSETS			
Communication stores	7	567,294	496,357
Trade debts	8	1,796,218	1,778,654
Advances, deposits and prepayments		1,028,564	1,032,609
Other receivables		292,183	242,700
Due to related party		-	-
Taxation - net		126,728	111,997
Cash and bank balances		279,323	185,041
		4,090,310	3,847,358
TOTAL ASSETS		4,565,019	4,289,390

The annexed notes from 1 to 16 form an integral part of these consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SUPERNET LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

		September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	---- (Rupees in '000') ----	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 150,000,000 (2023: 150,000,000) ordinary shares of Rs.10 each	9.1	1,500,000	1,500,000
Issued, subscribed and paid-up capital	9.2	1,234,444	1,234,444
Foreign currency translation reserve		110,429	104,314
Unappropriated profit		782,914	626,028
Share premium		33,436	33,436
Capital and reserves attributable to the owners of the Holding Company		2,161,223	1,998,222
Non-controlling interest		6,224	5,519
TOTAL SHAREHOLDERS' EQUITY		2,167,447	2,003,741
NON-CURRENT LIABILITIES			
Lease liabilities		7,654	8,081
Deferred liability		2,173	2,173
		9,827	10,254
CURRENT LIABILITIES			
Trade and other payables	10	2,175,599	2,121,941
Accrued mark-up		8,865	5,968
Contractual liability to customer		8,872	8,872
Current portion of lease liabilities and short-term financing		194,409	138,614
		2,387,745	2,275,395
Contingencies & commitments	11		
TOTAL EQUITY AND LIABILITIES		4,565,019	4,289,390

The annexed notes from 1 to 16 form an integral part of these consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SUPERNET LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	September 30, 2023 (Un-audited)	September 30, 2022 (Un-audited)
Note	---- (Rupees in '000') ----	
Revenue - net	1,463,452	742,920
Cost of services	(1,041,333)	(527,152)
Gross profit	422,119	215,768
Administrative & other expenses	(120,384)	(89,260)
Distribution costs	(46,361)	(46,628)
Exchange loss	(31,618)	(3,704)
Other income	4,775	5,891
	(193,588)	(133,701)
Operating profit	228,531	82,067
Finance costs	(13,071)	(9,374)
Profit before taxation	215,460	72,693
Taxation	(57,869)	(23,787)
Profit after taxation	157,591	48,906
Profit attributable to:		
Owners of the Holding Company	156,886	48,849
Non-controlling interests	705	57
	157,591	48,906
	-----Amount in Rupees-----	
Earnings per share - basic and diluted	12	Restated
	1.27	0.40

The annexed notes from 1 to 16 form an integral part of these consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SUPERNET LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	September 30, 2023 (Un-audited)	September 30, 2022 (Un-audited)
	---- (Rupees in '000') ----	
Profit after taxation	157,591	48,906
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operation	6,115	1,203
Total comprehensive income for the period	163,706	50,109
Total comprehensive income attributable to:		
Owners of the Holding Company	163,001	50,052
Non-controlling interests	705	57
	163,706	50,109

The annexed notes from 1 to 16 form an integral part of these consolidated financial statements.


CHIEF EXECUTIVE OFFICER

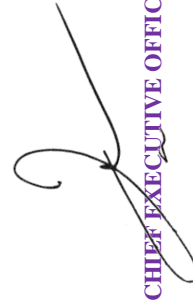

CHIEF FINANCIAL OFFICER

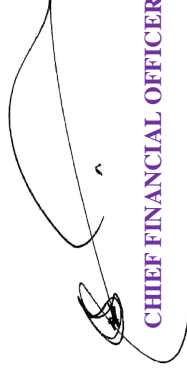

DIRECTOR

SUPERNET LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	Atributable to the owner of the Holding Co.					Total
	Issued, subscribed and paid-up	Share premium	Un appropriated profit	Foreign currency translation	Non - controlling interest	
	----- (Rupees in '000') -----					
Balance as at June 30, 2022 (Audited)	1,122,222	145,658	440,514	26,129	2,711	1,737,234
Profit for the period	-	-	48,849	-	57	48,906
Other comprehensive income / (loss)	-	-	-	1,203	-	1,203
Total comprehensive income for the period	-	-	48,849	1,203	57	50,109
Balance as at September 30, 2022 (Un-audited)	1,122,222	145,658	489,363	27,332	2,768	1,787,343
Balance as at June 30, 2023 - (Audited)	1,234,444	33,436	626,028	104,314	5,519	2,003,741
Profit / (loss) for the period	-	-	156,886	-	705	157,591
Other comprehensive income	-	-	-	6,115	-	6,115
Balance as at September 30, 2023 (Un-audited)	1,234,444	33,436	782,914	110,429	6,224	2,167,447

The annexed notes from 1 to 16 form an integral part of these consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SUPERNET LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

September 30, September 30,
2023 2022
(Un-audited) (Un-audited)
Note ----- (Rupees in '000') -----

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations	13	185,412	41,248
Income tax paid		(64,048)	(26,677)
Finance cost paid		(8,692)	(1,697)
Net cash generated from operating activities		112,672	12,874

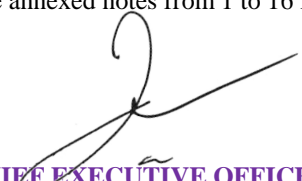
CASH FLOWS FROM INVESTING ACTIVITIES

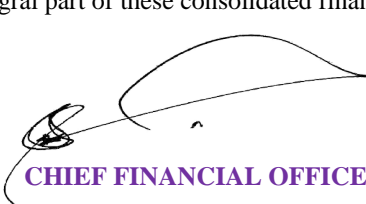
Purchase of property, plant and equipment	(83,993)	(44,511)
Income received from saving account	4,750	-
Net cash used in investing activities	(79,243)	(44,511)

CASH FLOWS FROM FINANCING ACTIVITIES

Lease rentals paid	(1,058)	(670)
Short-term running finance	55,796	3,601
Net cash used in financial activities	54,738	2,931
Exchange difference on translation of foreign subsidiary	6,115	1,203
Net increase in cash and cash equivalents	94,282	(27,503)
Cash and cash equivalents at the beginning of the period	185,041	100,892
Cash and cash equivalents at the end of the period	279,323	73,389

The annexed notes from 1 to 16 form an integral part of these consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SUPERNET LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

1. THE GROUP AND ITS OPERATIONS

The Group comprises of:

- > Supernet Limited - Subsidiary group
- > Supernet E-Solution (Pvt) Limited - Subsidiary group of Supernet Limited
- > Supernet Secure Solution (Private) Limited - Subsidiary group of Supernet Limited
- > Phoenix Global ZSE - Subsidiary group of Supernet Limited
- > Supernet Infrastructure Solutions (Private) Limited

Supernet Limited (the company) was incorporated in Pakistan on March 14, 1995 as an unquoted public group under the groupies Ordinance, 1984 (Repealed with the enactment of groupies Act, 2017). The group is a wholly owned subsidiary of Telecard Limited (the Holding group).

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 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.

The company is in the process of listing its securities on Pakistan Stock Exchange Limited (PSX), thus, these interim consolidated financial statements have been by the group in accordance with the listing requirements of the Pakistan Stock Exchange.

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

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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

3. ACCOUNTNG POLICIES

The accounting policies and methods of computation followed in the preparation of these consolidated interim financial statements are same as those applied in preparing the consolidated interim fianancial statements for the year ended June 30, 2023.

	September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
	----- (Rupees in '000') -----	
4. PROPERTY AND EQUIPMENT		
Opening net book value	363,097	373,343
Additions during the period / year	83,993	130,483
Depreciation charged during the period / year	(45,010)	(140,729)
	<u>402,080</u>	<u>363,097</u>
4.1 Details of additions during the period		
Communication equipments	80,725	124,823
Furniture, fixtures and office equipments	275	150
Leasehold improvements	202	-
Computers and accessories	2,791	5,510
	<u>83,993</u>	<u>130,483</u>
5. INTANGIBLE ASSETS		
Computer software	506	578
Goodwill	1,887	1,887
Capital work in progress	-	-
	<u>2,393</u>	<u>2,465</u>
5.1 Computer software		
Opening net book value	578	868
Additions / transfer during the period / year	-	-
Amortisation charge for the period /year	(72)	(290)
Closing net book value	<u>506</u>	<u>578</u>
6. RIGHT-OF-USE ASSETS		
Opening Cost	19,649	19,649
Accumulated depreciation	(11,961)	(11,382)
Closing net book value	<u>7,688</u>	<u>8,267</u>
Movement during the year		
Opening net book value	8,267	12,893
Depreciation for the period / year	(579)	(4,626)
Closing net book value	<u>7,688</u>	<u>8,267</u>
7. COMMUNICATION STORES		
Stores	266,692	204,481
Provision against slow moving stores	(19,376)	(19,376)
	247,316	185,105
Stock in transit	291,299	291,299
Consumables	28,679	19,953
	<u>567,294</u>	<u>496,357</u>

	September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
	----- (Rupees in '000') -----	
8. TRADE DEBTS		
Unsecured-considered good		
Related parties	74,589	74,589
Others	1,721,629	1,704,065
	<u>1,796,218</u>	<u>1,778,654</u>
Considered doubtful trade debts	95,903	76,403
Loss allowance for ECLs	(95,903)	(76,403)
	<u>-</u>	<u>-</u>
	<u>1,796,218</u>	<u>1,778,654</u>
9. SHARE CAPITAL AND RESERVES		
9.1 AUTHORISED SHARE CAPITAL		
150,000,000 ordinary shares of Rs.10 each	<u>1,500,000</u>	<u>1,500,000</u>
9.2 ISSUED, PAID-UP AND SUBSCRIBED CAPITAL		
123,444,420 (June 30, 2023: 123,444,240 of Rs 10 each) ordinary shares of Rs.10 each		
45,772,610 (June 30, 2023: 45,772,610) allotted as fully paid up	457,726	457,726
77,671,810 (June 30, 2023: 77,671,810) allotted as bonus	776,718	776,718
	<u>1,234,444</u>	<u>1,234,444</u>
9.2.1 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.		
	September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
	----- (Rupees in '000') -----	
10. TRADE AND OTHER PAYABLES		
Trade creditors, unsecured		
Creditors	2,005,285	1,965,735
Telecard Limited - the Parent Company	-	-
	<u>2,005,285</u>	<u>1,965,735</u>
Other payables		
Contractual liability to franchisees	200	200
Accrued liabilities	40,657	38,400
Provision against compensated absences	2,056	2,056
CVAS fee to Pakistan Telecommunication Authority	7,258	10,011
Workers' welfare fund payable	2,548	127
Payable to employees' provident fund	2,782	2,782
Others	114,813	102,630
	<u>170,314</u>	<u>156,206</u>
	<u>2,175,599</u>	<u>2,121,941</u>

September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
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----- (Rupees in '000') -----

11. CONTINGENCIES & COMMITMENTS

- 11.1** There has been no change in the status of other contingencies reported in the consolidated financial statements for the year ended June 30, 2023.
- 11.2** The Group Company has committed to deposit an amount of Rs. 37.876 million (June 30, 2022: 22.307) in terms of security deposit to its satellite bandwidth vendor.
- 11.3** Letters of guarantee, amounting to Rs. 116.073 million (June 30, 2022: Rs. 107.551 million), have been issued by commercial banks on behalf of the Group.

12. EARNINGS PER SHARE - BASIC AND DILUTED

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

	September 2023 (Un-audited)	September 2022 (Un-audited)
Profit for the year - (Rupees in '000')	156,886	48,849
		Restated
Weighted average number of shares - (In '000')	123,444	123,444
Earnings per share - (Rupees)	1.27	0.40

- 12.1** 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.
- 12.2** Earning per share for the current and prior year has been adjusted retrospectively to include the impact of bonus shares issued subsequent to the reporting period of year 2022.

September 2023 (Un-audited)	September 2022 (Un-audited)
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----- (Rupees in '000') -----

13. CASH GENERATED FROM OPERATIONS

Profit before taxation	215,460	72,693
Adjustments for non - cash charges and other items:		
Depreciation	45,010	37,663
Depreciation on ROU assets	578	490
Amortisation	72	75
Finance cost	9,323	7,746
Provision for ECL against trade debts	19,500	-
Profit from saving account	(4,750)	-
Working capital changes	(99,781)	(77,419)
	185,412	41,248

September 30, September 30,
2023 2022
(Un-audited) (Un-audited)
----- (Rupees in '000') -----

**13.1 Working capital changes
(Increase) / decrease in current assets**

Communication stores	(70,937)	(78,576)
Trade debts	(37,064)	(31,278)
Advances, deposits and prepayments	4,045	(53,259)
Other receivables	(49,483)	(16,946)
	(153,439)	(180,059)
Increase / (decrease) in current liabilities		
Trade and other payables	53,658	102,640
	(99,781)	(77,419)

14. TRANSACTIONS WITH RELATED PARTIES

The related parties include a Parent Company and its subsidiaries, directors and other key management personnel. There is no other transactions with related parties, other than those disclosed elsewhere in these interim consolidated financial statements.


15. AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on 30 October 2023 by the board of directors of the Holding Company.

16. GENERAL

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

www.super.net.pk

SUPERNET LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

		September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note	---- (Rupees in '000) ----	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	395,745	356,632
Intangible assets	5	507	579
Right-of-use assets		7,688	8,267
Long-term investments		59,709	59,709
		463,649	425,187
Long-term deposits		95	95
Deferred taxation		57,077	62,717
		520,821	487,999
CURRENT ASSETS			
Communication stores	6	271,587	200,650
Trade debts	7	1,430,729	1,408,959
Advances, deposits and prepayments		802,656	789,155
Other receivables		252,528	237,314
Taxation - net		140,031	120,230
Cash and bank balances		25,257	18,118
		2,922,788	2,774,426
TOTAL ASSETS		3,443,609	3,262,425

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE OFFICER

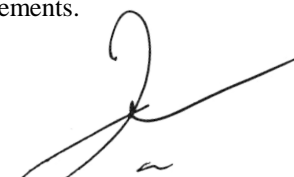

CHIEF FINANCIAL OFFICER


DIRECTOR

SUPERNET LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

		September 30, 2024 (Un-audited)	June 30, 2023 (Audited)
	Note	---- (Rupees in '000) ----	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 150,000,000 (June 30, 2023: 150,000,000) ordinary shares of Rs. 10/- each	8.1	1,500,000	1,500,000
Issued, subscribed and paid-up share capital	8.2	1,234,444	1,234,444
Share premium	8.3	33,436	33,436
Revenue reserve - Unappropriated profit		465,407	344,788
		1,733,287	1,612,668
NON-CURRENT LIABILITIES			
Lease liabilities		7,654	8,081
Deferred liability		2,173	2,173
		9,827	10,254
CURRENT LIABILITIES			
Trade and other payables	9	1,484,155	1,479,783
Due to related party		4,194	6,266
Accrued markup		8,865	5,968
Contractual liability to customer		8,872	8,872
Current portion of lease liabilities and short term financing		194,409	138,614
		1,700,495	1,639,503
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		3,443,609	3,262,425

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER



DIRECTOR

SUPERNET LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	September 30, 2023 (Un-audited)	September 30, 2022 (Un-audited)
	----- (Rupees in '000) -----	
Revenue - net	1,359,787	659,803
Cost of services	(1,010,658)	(484,084)
Gross profit	<u>349,129</u>	<u>175,719</u>
Administrative & other expenses	(92,146)	(62,496)
Distribution costs	(46,361)	(46,628)
Exchange loss	(31,590)	(3,704)
	(170,097)	(112,828)
Other income	760	6,040
	(169,337)	(106,788)
Operating profit	<u>179,792</u>	<u>68,931</u>
Finance costs	(9,906)	(7,942)
Profit before taxation	<u>169,886</u>	<u>60,989</u>
Taxation	(49,267)	(23,068)
Profit after taxation	<u>120,619</u>	<u>37,921</u>
	-----Rupees-----	
Earnings per share - basic and diluted	11	Restated <u>0.31</u>
	<u>0.98</u>	

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR


SUPERNET LIMITED

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023**

	September 30, 2023 (Un-audited)	September 30, 2022 (Un-audited)
	----- (Rupees in '000) -----	
Profit after taxation	120,619	37,921
Other comprehensive income	-	-
Total comprehensive income for the period	120,619	37,921

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SUPERNET LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	Issued, subscribed and paid-up capital	Capital reserve Share premium	Revenue reserve Un appropriated profit	Total
----- (Rupees in '000') -----				
Balance as at June 30, 2022 (Audited)	1,122,222	145,658	293,985	1,561,865
Profit after taxation	-	-	37,921	37,921
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	37,921	37,921
Balance as at September 30, 2022 (Un-audited)	1,122,222	145,658	331,906	1,599,786
Balance as at June 30, 2023 (Audited)	1,234,444	33,436	344,788	1,612,668
Profit after taxation	-	-	120,619	120,619
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	120,619	120,619
Balance as at September 30, 2023 (Un-audited)	1,234,444	33,436	465,407	1,733,287

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SUPERNET LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

September 30, September 30,
2023 2022
(Un-audited) (Un-audited)
Note ----- (Rupees in '000') -----

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations	12	105,102	93,629
Income tax paid		(63,428)	(32,453)
Finance cost paid		(5,795)	(20,747)
Gratuity paid		-	(391)
Net cash (used in) / generated from operating activities		35,879	40,038

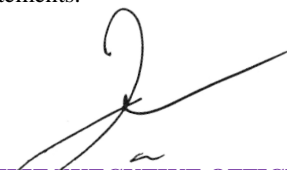
CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment		(83,788)	(156,304)
Proceeds from issuance of shares		-	275,000
Short term investment made		-	(125,000)
Long-term investment made		-	(17,200)
Income received from saving account		310	3,674
Net cash generated from / (used in) investing activities		(83,478)	(19,830)

CASH FLOWS FROM FINANCING ACTIVITIES

Long-term financing		-	(23,438)
Lease rentals paid		(1,058)	(2,109)
Short-term running finance		55,796	(6,394)
Net cash generated from / (used in) financing activities		54,738	(31,941)
Net increase / (decrease) in cash and cash equivalents		7,139	(11,733)
Cash and cash equivalents at the beginning of the period		18,118	53,232
Cash and cash equivalents at the end of the period		25,257	41,499

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SUPERNET LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

1. THE COMPANY AND ITS OPERATIONS

- 1.1** 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 is a wholly owned subsidiary of Telecard Limited (the Holding Company).

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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

2.2 Accounting convention

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

2.3 Functional and presentation currency

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 unconsolidated financial statements are presented in Pakistani Rupees (Rs.), which is the Company's functional and presentation currency.

3. Significant accounting estimates and judgments

The accounting policies adopted for the preparation of these unconsolidated interim financial statements are the same as applied in the preparation of the preceding annual financial statements of the Company for the year ended June 30, 2023.

	September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
Note	----- (Rupees in '000') -----	
4. PROPERTY AND EQUIPMENT		
Opening net book value	356,632	366,577
Additions during the period / year	83,788	129,479
Depreciation charged during the period / year	(44,675)	(139,424)
Closing net book value	<u>395,745</u>	<u>356,632</u>
4.1 Details of additions during the period		
Communication equipments	80,725	124,752
Furniture, fixtures and office equipments	221	-
Computers and accessories	2,640	4,727
Leasehold improvements	202	-
	<u>83,788</u>	<u>129,479</u>
5. INTANGIBLE ASSETS		
Computer software	41,225	41,225
Accumulated amortisation	(40,718)	(40,646)
	<u>507</u>	<u>579</u>
5.1 Cost	<u>41,225</u>	<u>41,225</u>
Accumulated amortisation		
As at July 01	(40,646)	(40,356)
Amortization charged for the period / year	(72)	(290)
As at September 30	<u>(40,718)</u>	<u>(40,646)</u>
Net book value	<u>507</u>	<u>579</u>
Annual rates of amortization	<u>20%</u>	<u>20%</u>
6. COMMUNICATION STORES		
Stores	262,284	200,073
Provision against obsolete store items	(19,376)	(19,376)
	242,908	180,697
Consumables	28,679	19,953
	<u>271,587</u>	<u>200,650</u>
6.1 Provision against obsolete store items		
Opening balance	19,376	16,875
Provision for the period / year	-	2,501
Balance at the end of the period / year	<u>19,376</u>	<u>19,376</u>

September 30, June 30,
2023 2023
(Un-audited) (Audited)
----- (Rupees in '000') -----

7. TRADE DEBTS

Unsecured-considered good

Related parties	289,078	251,674
Others	1,141,651	1,157,285
	<u>1,430,729</u>	<u>1,408,959</u>
Considered doubtful trade debts	91,534	72,034
Loss allowance for ECLs	(91,534)	(72,034)
	<u>-</u>	<u>-</u>
	<u>1,430,729</u>	<u>1,408,959</u>

8. SHARE CAPITAL AND RESERVES

8.1 AUTHORISED SHARE CAPITAL

150,000,000 ordinary shares of Rs. 10/- each	<u>1,500,000</u>	<u>1,500,000</u>
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8.2 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

123,444,420 (June 30, 2023: 123,444,420 of Rs. 10/- each) ordinary shares of Rs.10/- each		
45,772,610 (June 30, 2023: 45,772,610) allotted as fully paid in cash	457,726	457,726
77,671,810 (June 30, 2023: 77,671,810) allotted as bonus shares	776,718	776,718
	<u>1,234,444</u>	<u>1,234,444</u>

8.3 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, 81.185% shares of the Company are held by the Holding Company.

September 30, June 30,
2023 2023
(Un-audited) (Audited)
----- (Rupees in '000') -----

8.4 Share premium

Opening balance	33,436	145,658
Bonus shares issued	-	(112,222)
	<u>33,436</u>	<u>33,436</u>
	<u>33,436</u>	<u>33,436</u>

September 30, June 30,
2023 2023
(Un-audited) (Audited)
Note ----- (Rupees in '000') -----

9. TRADE AND OTHER PAYABLES

Unsecured

Creditors	1,144,455	1,411,741
Phoenix Global	273,017	-
Supernet Secure Solutions (Private) Limited	16,611	14,539
	1,434,083	1,426,280

Other payables

Contractual liability to franchisee	200	200
Accrued liabilities	34,158	37,477
Provision against compensated absences	2,056	2,056
CVAS license fee to Pakistan Telecommunication Authority	7,258	10,011
Payable to employees' provident fund	2,548	127
Workers' welfare fund payable	2,782	2,782
Others	1,070	850
	50,072	53,503
	1,484,155	1,479,783

10. CONTINGENCIES & COMMITMENTS

There has been no change in the status of other contingencies reported in the unconsolidated financial statements for the year ended June 30, 2023.

- 10.1** The Company has committed to deposit an amount of Rs. 38.247 (June 30, 2023: 37.876 million) in terms of security deposit to its satellite bandwidth vendor.
- 10.2** Letters of guarantee, amounting to Rs. 122.749 million (June 30, 2023: Rs. 116.073 million), have been issued by commercial banks on behalf of the Company.

11. BASIC AND DILUTED EARNINGS PER SHARE

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

September 30, September 30,
2023 2022
----- (Rupees in '000') -----

Profit for the period	120,619	37,921
		Restated
Weighted average number of shares (In thousands)	123,444	123,444
Earnings per share - (Rupees)	0.98	0.31

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

- 11.2** Earning per share for the current and prior year has been adjusted retrospectively to include the impact of bonus shares issued subsequent to the reporting period of year 2022.

	September 30, 2023 (Un-audited)	September 30, 2022 (Un-audited)
Note	----- (Rupees in '000') -----	

12. CASH GENERATED FROM OPERATIONS

Profit before taxation	169,886	60,989
Adjustments for non - cash charges and other items		
Depreciation	44,675	37,650
Depreciation on ROU assets	578	490
Amortisation	72	75
Finance cost	9,323	7,746
Provision for ECL against trade debts	19,500	-
Profit from saving account	(310)	(1,531)
Working capital changes	(138,622)	(63,538)
12.1	<u>105,102</u>	<u>41,881</u>

12.1 Working capital changes (Increase) / decrease in current assets

Communication stores	(70,937)	(73,423)
Trade debts	(41,270)	635
Advances, deposits and prepayments	(13,501)	2,529
Other receivables	(15,214)	(15,554)
	<u>(140,922)</u>	<u>(85,813)</u>

Increase / (decrease) in current liabilities

Trade and other payables	4,372	22,275
Due to related party	(2,072)	-
	<u>2,300</u>	<u>22,275</u>
	<u>(138,622)</u>	<u>(63,538)</u>

13. 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 condensed interim unconsolidated financial statements, are as follows:

September 30, September 30,
2023 2022
----- (Rupees in '000') -----

Name	Nature of transactions		
Relationship: Entities having directors in common with the Company			
Supernet E-Solutions (Private) Limited	Advance given	-	500
Phoenix Global FZE	Services rendered	19,166	14,757
	Purchase of equipment	418,424	-
Supernet Infrastructure Solutions (Private) Ltd.	Sale of equipment	538,781	-
	Advances granted	-	8,200
	Services rendered	450	-
Supernet Secure Solutions (Private) Ltd.	Services received	1,214	-

14. 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.

15. GENERAL

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

16. AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements has been approved and authorized for issue by the Board of Directors of the company in its meeting held on 30 October 2023 .


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR