



Empowering Networks



3RD QUARTERLY REPORT
31ST MARCH

2023

www.super.net.pk



Company Information

Board of Directors

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

Board Audit Committee

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

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
National Bank of Pakistan
Meezan Bank Limited
Silk 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 Center, 10-
Khayaban-e-Roomi, Clifton, Karachi
Pakistan



Empowering Networks

Directors' Review

The Board of Directors of Supernet Limited (the Company) are pleased to present the Financial Statements and review of your Company's performance for the period ended March 31, 2023.

Financial Performance

Despite the current challenges and rising cost of inputs in the country, the Company has a well-diversified portfolio to absorb the adverse effects of the current economic environment. On a consolidated basis, the Company reported a revenue of Rs. 2,630 million (against Rs. 2,085 million in the same period last year) and a Gross Profit (G.P) of Rs. 838 million as against a G.P of Rs. 653 million during the corresponding financial period in line with the enhanced revenue. The gross profit ratio also improved on a consolidated basis from 31% to 32%. This has resulted in a higher profit before tax (PBT) of Rs. 288 million against Rs. 251 million of the corresponding period. The Earning Per Share (EPS) is Rs. 1.80 in comparison to Rs. 1.79 in the related period.

On a standalone basis, the top line revenue for the period was higher by 27% translating into Rs. 2,340 million against Rs. 1,849 million for the corresponding financial period resulting in an enhanced G.P of Rs. 637 million compared to Rs. 532 million in the corresponding period. However, the GP ratio came down from 29% in the corresponding period to 27% in the current period due to the worsening forex rates and resulting general inflationary trend in the input costs.

Further, an increase in administrative and distribution cost with increase in finance cost coupled with exchange loss also impacted the bottom-line revenue bringing it down to Rs. 142 million against Rs. 151 million previously. The EPS stood at Rs. 1.15 compared to Rs. 1.37 in the corresponding period.

Outlook and Way Forward

Your Company's outlook appears to be positive, though the challenges at macro-economic are increasingly resulting in higher cost of doing business. We aspire to 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.

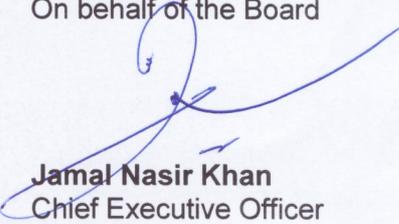
Acknowledgement

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

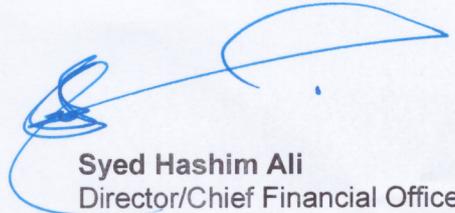
Your directors close this report by thanking you of your continued confidence and for the opportunity to serve you.

April 28, 2023

On behalf of the Board


Jamal Nasir Khan
Chief Executive Officer




Syed Hashim Ali
Director/Chief Financial Officer

SUPERNET LIMITED

Karachi: 9th Floor, World Trade Center, 10 Khayaban-e-Roomi, Block 5, Clifton. Tel: (+92-21) 3587 1864-7, (+92-21) 3855 0000, Fax: (+92-21) 3587 1869

Lahore: 2nd Floor, Block 2, Awami Complex, New Garden Town. Tel: (+92-42) 3583 1254, (+92-42) 3586 5637, Fax: (+92-42) 35866184

Islamabad: 75 East, Blue Area, Fazal-e-Haq Road. Tel: (+92-51) 2344 131-2, Fax: (+92-51) 2344 134

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SUPERNET LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

		March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	Note	---- (Rupees in '000) ----	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	506,472	366,577
Intangible assets	6	652	868
Right-of-use assets	7	10,724	2,067
Long-term investments		19,709	19,709
		<u>537,557</u>	<u>389,221</u>
Long-term deposits		95	95
Deferred taxation		48,650	63,616
		<u>586,302</u>	<u>452,932</u>
CURRENT ASSETS			
Communication stores		240,739	162,603
Short term investment		-	125,000
Trade debts	8	1,520,796	1,563,689
Advances, deposits and prepayments		308,065	270,821
Other receivables		350,406	201,620
Taxation - net		148,409	80,068
Cash and bank balances	9	44,158	30,853
		<u>2,612,573</u>	<u>2,434,654</u>
TOTAL ASSETS		<u><u>3,198,875</u></u>	<u><u>2,887,586</u></u>

The annexed notes from 1 to 19 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 MARCH 31, 2023

	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
Note	---- (Rupees in '000) ----	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised share capital 150,000,000 (June 30, 2022: 150,000,000) ordinary shares of Rs. 10/- each	10.1	1,500,000
Issued, subscribed and paid-up share capital	10.2	1,234,444
Share premium	11	33,436
Revenue reserve - Unappropriated profit		435,572
		<u>1,703,452</u>
		<u>1,561,865</u>
NON-CURRENT LIABILITIES		
Lease liabilities	11,196	616
Deferred liability	1,670	2,419
	12,866	3,035
CURRENT LIABILITIES		
Trade and other payables	1,343,489	1,141,984
Accrued markup	15,107	7,315
Contractual liability to customer	8,872	8,872
Current portion of lease liabilities and short term financing	115,089	164,515
	1,482,557	1,322,686
TOTAL EQUITY AND LIABILITIES	<u>3,198,875</u>	<u>2,887,586</u>
CONTINGENCIES AND COMMITMENTS	12	

The annexed notes from 1 to 19 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 NINE MONTHS ENDED MARCH 31, 2023 (UN-AUDITED)

	Note	Nine months ended		Quarter ended	
		March 31,		March 31,	
		2023	2022	2023	2022
----- (Rupees in '000) -----					
Revenue - net	13	2,339,550	1,848,758	1,070,488	764,275
Cost of services		(1,702,467)	(1,316,925)	(795,697)	(566,674)
Gross profit		<u>637,083</u>	<u>531,833</u>	<u>274,791</u>	<u>197,601</u>
Administrative & other expenses		(220,741)	(172,319)	(93,323)	(62,598)
Distribution costs		(154,730)	(117,758)	(58,983)	(43,251)
Exchange loss		(49,232)	(30,429)	(32,324)	(4,995)
Other income		(424,703)	(320,506)	(184,630)	(110,844)
		6,783	4,813	1,268	881
		<u>(417,920)</u>	<u>(315,693)</u>	<u>(183,362)</u>	<u>(109,963)</u>
Operating profit		<u>219,163</u>	<u>216,140</u>	<u>91,429</u>	<u>87,638</u>
Finance costs		(28,447)	(17,539)	(9,234)	(6,318)
Profit before taxation		<u>190,716</u>	<u>198,601</u>	<u>82,195</u>	<u>81,320</u>
Taxation		(49,129)	(47,906)	(24,658)	(22,195)
Profit after taxation		<u><u>141,587</u></u>	<u><u>150,695</u></u>	<u><u>57,537</u></u>	<u><u>59,125</u></u>
-----Rupees-----					
		(Restated)		(Restated)	
Earnings per share - basic and diluted		<u>1.15</u>	<u>1.37</u>	<u>0.47</u>	<u>0.54</u>

The annexed notes from 1 to 19 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 NINE MONTHS ENDED MARCH 31, 2023 (UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Profit after taxation	141,587	150,695	57,537	59,125
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	141,587	150,695	57,537	59,125

The annexed notes from 1 to 19 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 NINE MONTHS ENDED MARCH 31, 2023 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserve	Total
		Share premium	Un appropriated profit	
----- (Rupees in '000') -----				
Balance as at June 30, 2021 (Audited)	1,000,000	-	105,888	1,105,888
Profit after taxation	-	-	150,695	150,695
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	150,695	150,695
Balance as at March 31, 2022	1,000,000	-	256,583	1,256,583
Balance as at June 30, 2022 (Audited)	1,122,222	145,658	293,985	1,561,865
Profit after taxation	-	-	141,587	141,587
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	141,587	141,587
Issuance of bonus shares	112,222	(112,222)	-	-
Balance as at March 31, 2023	<u>1,234,444</u>	<u>33,436</u>	<u>435,572</u>	<u>1,703,452</u>

The annexed notes from 1 to 19 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 NINE MONTHS ENDED MARCH 31, 2023 (UN-AUDITED)

	Nine months ended	
	March 31,	
	2023	2022
Note	----- (Rupees in '000') -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	190,716	198,601
Adjustments for non-cash and other items		
Depreciation	113,979	105,207
Depreciation on ROU assets	2,728	1,505
Amortisation	217	125
Finance cost	26,626	15,476
Provision for ECL against trade debts	-	6,451
Unrealised exchange (gain) / loss	-	12,348
Staff gratuity	73	-
Profit from saving account	(4,140)	(2,460)
	139,483	138,652
Profit before working capital changes	330,199	337,253
Working capital changes		
(Increase) / decrease in current assets		
Communication stores	(78,136)	20,388
Trade debts	42,893	(379,623)
Advances, deposits and prepayments	(37,244)	(108,538)
Other receivables	(148,786)	(92,487)
	(221,273)	(560,260)
Increase / (decrease) in current liabilities		
Trade and other payables	208,182	398,687
Cash generated from operations	317,108	175,680
Income tax paid	(45,332)	(69,040)
Finance cost paid	(15,028)	(15,142)
Net cash (used in) / generated from operating activities	256,748	91,498
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(253,874)	(104,065)
Proceeds from maturity of short-term investments	125,000	-
Income received from saving account	4,140	2,460
Net cash generated from / (used in) investing activities	(124,734)	(101,605)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing	-	(23,438)
Lease rentals paid	(8,466)	(2,109)
Short-term running finance	(110,243)	(6,394)
Net cash generated from / (used in) financing activities	(118,709)	(31,941)
Net increase / (decrease) in cash and cash equivalents	13,305	(42,048)
Cash and cash equivalents at the beginning of the period	30,853	53,232
Cash and cash equivalents at the end of the period	44,158	11,184

The annexed notes from 1 to 19 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 INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2023 (UN-AUDITED)

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 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.

These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investment in subsidiaries have been accounted for at cost less accumulated impairment losses, if any.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated condensed interim financial statements of the Company for the nine months ended March 31, 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting purposes. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

- International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and/or directives issued under the Act differ with the requirements of IAS 34, the provisions of and/or directives issued under the Act have been followed.

- 2.2** These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the unconsolidated annual audited financial statements, and should be read in conjunction with the Company's unconsolidated annual audited financial statements for the year ended June 30, 2022.
- 2.3** These unconsolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the Listing Regulation of Pakistan Stock Exchange Limited.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated annual audited financial statements for the year ended June 30, 2022.

The accounting policies, estimates, judgements and methods of computation adopted for the preparation of the condensed interim unconsolidated financial statements are same as those applied in the preparation of the annual unconsolidated financial statements of the Company as at end for the year ended June 30, 2022.

3.1 Changes in accounting standards, interpretations and amendments to published accounting and reporting standards

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

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

b) Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the unconsolidated annual audited financial statements of the Company for the year ended June 30, 2022.

		March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000') -----	
5. PROPERTY AND EQUIPMENT			
Operating fixed assets	5.1	<u>506,472</u>	<u>366,577</u>
5.1 Operating fixed assets			
Opening net book value		366,577	352,762
Additions during the year		253,874	156,304
Depreciation charged during the period / year		<u>(113,979)</u>	<u>(142,489)</u>
Closing net book value		<u>506,472</u>	<u>366,577</u>
6. INTANGIBLE ASSETS			
Computer software		41,225	41,224
Accumulated amortisation to date		<u>(40,573)</u>	<u>(40,356)</u>
		<u>652</u>	<u>868</u>
6.1 Cost		<u>41,225</u>	<u>41,224</u>
Accumulated amortisation			
As at July 01		(40,356)	(40,066)
Charge for the period / year		(217)	(290)
As at June 30		(40,573)	(40,356)
Net book value		<u>652</u>	<u>868</u>
Annual rates of amortization		<u>20%</u>	<u>20%</u>
7. RIGHT-OF-USE ASSETS			
Opening net book value		2,067	4,073
Reassessment of lease		11,385	-
Depreciation for the year		<u>(2,728)</u>	<u>(2,006)</u>
Closing net book value		<u>10,724</u>	<u>2,067</u>
7.1	During the period, the Company has reassessed its lease liabilities to reflect lease payments resulting from change in cashflows due to which it has determined the revised lease payments for the remainder of the lease term based on revised contractual payments. Consequently, the Company has recognised further lease liabilities with a corresponding increase in right-of-use assets.		

	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	----- (Rupees in '000') -----	
8. TRADE DEBTS		
Unsecured-considered good		
Related parties	424,963	167,221
Others	1,095,833	1,396,468
	1,520,796	1,563,689
Considered doubtful trade debts	68,237	68,237
Loss allowance for ECLs	(68,237)	(68,237)
	-	-
	1,520,796	1,563,689
9. CASH AND BANK BALANCES		
Cash in hand	229	220
In current accounts		
- Local currency	3,576	7,740
-Foreign currency	1,134	-
In saving account		
- Local currency	39,219	22,893
	44,158	30,853
10. SHARE CAPITAL AND RESERVES		
10.1 AUTHORISED SHARE CAPITAL		
150,000,000 ordinary shares of Rs.10 each	1,500,000	1,500,000
10. SHARE CAPITAL AND RESERVES		
10.1 AUTHORISED SHARE CAPITAL		
150,000,000 ordinary shares of Rs. 10/- each	1,500,000	1,500,000
10.2 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
123,444,420 (June 30, 2022: 100,000,000 of Rs. 10/- each) ordinary shares of Rs.10/- each		
45,772,610 (June 30, 2022: 33,550,410) allotted as fully paid in cash	457,726	457,726
66,449,590 (June 30, 2022: 66,449,590) allotted as bonus shares	664,496	664,496
11,222,220 allotted as bonus shares during the period	112,222	-
	1,234,444	1,122,222
10.3 The Shareholders of the Company, in the annual general meeting held on October 27, 2022 approved issuance of 10% (ten percent) bonus shares, increasing Company's total paid up capital from Rs. 1,122,222 to Rs. 1,234,444 divided into ordinary shares of Rs. 10/- each.		

	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
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----- (Rupees in '000') -----

11. SHARE PREMIUM

Opening balance	145,658	-
Shares issued through book building	-	152,778
	145,658	152,778
Cost incurred on book building	-	(7,120)
Bonus shares issued during the period	(112,222)	-
	<u>33,436</u>	<u>145,658</u>

12.1 Contingencies

There are no significant changes in the status of contingencies as reported in note 24 to the unconsolidated annual audited financial statements of the Company for the year ended June 30, 2022.

12.2 Commitments

The Company has committed to deposit an amount of Rs. 22.307 million (June 30, 2022: 22.307 million) in terms of security deposit to its satellite bandwidth vendor.

Letters of guarantee, amounting to Rs. 107.384 million (June 30, 2022: Rs. 107.551 million), have been issued by commercial banks on behalf of the Company.

	March 31, 2023 (Un-audited)	March 31, 2022 (Un-audited)
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----- (Rupees in '000') -----

13. REVENUE - NET**Revenue from contracts with customers**

Data networking	1,658,589	1,347,639
Sale of equipment and licenses	589,906	343,295
Revenue from turnkey projects	91,055	157,824
	<u>2,339,550</u>	<u>1,848,758</u>

14. 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:

Name	Nature of transactions	March 31,	March 31,
		2023	2022
----- (Rupees in '000') -----			
Relationship: Holding Company			
Telecard Limited	Advance repaid	-	459,715
	Advance received	-	373,500
Relationship: Entities having directors in common with the Company			
Phoenix Global FZE	Services rendered	32,479	22,654
	Sale of equipment	729	143
Supernet Infrastructure	Advances granted	106,559	17,504
Solutions (Private) Limited	Advances received	-	2,000
	Sale of equipment	208,339	-

15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENT

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

16. SEGMENT REPORTING

The 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.

17. 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.

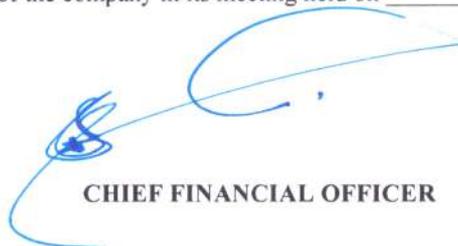
18. GENERAL

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

19. 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 28 April 2023.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SUPERNET LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

		March 31,	June 30,
		2023	2022
		(Un-audited)	(Audited)
	Note	---- (Rupees in '000') ----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	490,774	373,343
Intangible assets	5	2,538	2,755
Right of use asset	6	10,724	2,067
Long-term deposits		95	95
Deferred taxation		31,265	63,616
		<u>535,396</u>	<u>441,876</u>
CURRENT ASSETS			
Communication stores		255,962	170,160
Short term investment		-	125,000
Trade debts	7	1,531,730	1,700,642
Advances, deposits and prepayments		459,314	306,617
Other receivables		362,957	207,207
Taxation - net		142,663	82,485
Cash and bank balances	8	460,307	100,892
		<u>3,212,933</u>	<u>2,693,003</u>
TOTAL ASSETS		<u><u>3,748,329</u></u>	<u><u>3,134,879</u></u>

The annexed notes from 1 to 15 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 MARCH 31, 2023

		March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	Note	---- (Rupees in '000') ----	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 150,000,000 (2022: 150,000,000) ordinary shares of Rs.10 each	9.1	<u>1,500,000</u>	<u>1,500,000</u>
Issued, subscribed and paid-up capital	9.2	1,234,444	1,122,222
Foreign currency translation reserve		94,007	26,129
Unappropriated profit		663,224	440,514
Share premium		<u>33,436</u>	<u>145,658</u>
Capital and reserves attributable to the owners of the Holding Company		2,025,111	1,734,523
Non-controlling interest		6,938	2,711
TOTAL SHAREHOLDERS' EQUITY		<u>2,032,049</u>	<u>1,737,234</u>
NON-CURRENT LIABILITIES			
Lease liabilities		11,196	616
Deferred liability		1,670	2,436
		12,866	3,052
CURRENT LIABILITIES			
Trade and other payables	10	1,564,346	1,213,891
Accrued mark-up		15,107	7,315
Contractual liability to customer		8,872	8,872
Current portion of lease liabilities and short-term financing		115,089	164,515
		1,703,414	1,394,593
Contingencies & commitments	11		
TOTAL EQUITY AND LIABILITIES		<u>3,748,329</u>	<u>3,134,879</u>

The annexed notes from 1 to 15 form an integral part of these consolidated interim financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SUPERNET LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS ENDED MARCH 31, 2023 (UN-AUDITED)

	Nine Months Ended		Quarter Ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	----- (Rupees in '000') -----			
Revenue - net	2,630,454	2,085,245	1,165,308	844,035
Cost of services	(1,792,633)	(1,432,081)	(793,349)	(611,802)
Gross profit	837,821	653,164	371,959	232,233
Administrative & other expenses	(321,706)	(240,986)	(138,037)	(81,668)
Distribution costs	(155,459)	(118,117)	(59,712)	(43,322)
Exchange (loss) / gain	(49,326)	(30,429)	(32,426)	(4,995)
Other income / (loss)	(526,491)	(389,532)	(230,175)	(129,985)
	11,999	5,179	5,515	1,319
	(514,492)	(384,353)	(224,660)	(128,666)
Operating profit	323,329	268,811	147,299	103,567
Finance costs	(35,336)	(18,003)	(12,000)	(6,465)
Profit before taxation	287,993	250,808	135,299	97,102
Taxation	(61,056)	(53,789)	(32,744)	(24,973)
Profit after taxation	226,937	197,019	102,555	72,129
Profit / (loss) attributable to:				
Owners of the Holding Company	222,710	197,350	99,755	72,352
Non-controlling interests	4,227	(331)	2,800	(223)
	<u>226,937</u>	<u>197,019</u>	<u>102,555</u>	<u>72,129</u>
		Restated		Restated
		-----Amount in Rupees-----		
Earnings per share - Basic and Diluted	<u>1.80</u>	<u>1.79</u>	<u>0.81</u>	<u>0.66</u>

The annexed notes from 1 to 15 form an integral part of these consolidated interim financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

SUPERNET LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED MARCH 31, 2023 (UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	----- (Rupees in '000') -----			
Profit after taxation	226,937	197,019	102,555	72,129
<i>Items that may be reclassified to profit or loss</i>				
Exchange differences on translation of foreign operation	67,878	8,372	51,017	6,120
Total comprehensive income for the period	<u>294,815</u>	<u>205,391</u>	<u>153,572</u>	<u>78,249</u>
Total comprehensive income / (loss) attributable to:				
Owners of the Holding Company	290,588	205,722	150,772	78,472
Non-controlling interests	4,227	(331)	2,800	(223)
	<u>294,815</u>	<u>205,391</u>	<u>153,572</u>	<u>78,249</u>

The annexed notes from 1 to 15 form an integral part of these consolidated interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



SUPERNET LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Attributable to the owner of the Holding Co.					Non - controlling interest	Total
	Issued, subscribed and paid-up	Share premium	Un appropriated profit	Foreign currency translation			
Balance as at July 01, 2021	1,000,000	-	152,885	(984)		(1,764)	1,150,137
Profit for the period	-	-	197,350	-		(331)	197,019
Other comprehensive income	-	-	-	8,372		-	8,372
Total comprehensive income / (loss) for the period	-	-	197,350	8,372		(331)	205,391
Balance as at March 31, 2022 - (Un-audited)	1,000,000	-	350,235	7,388		(2,095)	1,355,528
Balance as at July 01, 2022	1,122,222	145,658	440,514	26,129		2,711	1,737,234
Profit for the year	-	-	222,710	-		4,227	226,937
Other comprehensive income	-	-	-	67,878		-	67,878
Total comprehensive income for the period	-	-	222,710	67,878		4,227	294,815
Issuance of bonus shares	112,222	(112,222)	-	-		-	-
Balance as at March 31, 2023 - (Un-audited)	1,234,444	33,436	663,224	94,007		6,938	2,032,049

The annexed notes from 1 to 15 form an integral part of these consolidated interim financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SUPERNET LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2023

March 31, March 31,
2023 2022
(Un-audited) (Un-audited)
Note ----- (Rupees in '000') -----

CASH FLOWS FROM OPERATING ACTIVITIES

Cash (used in) / generated from operations	12	571,873	195,020
Income tax paid		(136,200)	(77,705)
Finance cost paid		(15,028)	(17,668)
Net cash (used in) / generated from operating activities		<u>420,645</u>	<u>99,647</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(255,528)	(105,602)
Proceeds from maturity of short-term investments	125,000	-
Income received from saving account	8,906	2,951
Net cash used in investing activities	<u>(121,622)</u>	<u>(102,651)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Long-term financing	-	(23,438)
Lease rentals paid	(2,940)	(2,109)
Short-term running finance	(4,546)	(6,394)
Net cash used in financing activities	<u>(7,486)</u>	<u>(31,941)</u>
Exchange difference on translation of foreign subsidiary	67,878	8,372
Net (decrease) / increase in cash and cash equivalents	<u>359,415</u>	<u>(26,573)</u>
Cash and cash equivalents at the beginning of the year	<u>100,892</u>	<u>159,190</u>
Cash and cash equivalents at the end of the year	<u><u>460,307</u></u>	<u><u>132,617</u></u>

The annexed notes from 1 to 15 form an integral part of these consolidated interim financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



SUPERNET LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2023

1. THE GROUP AND ITS OPERATIONS

1.1 The Group comprises of:

- > Supernet Limited - Holding Company
- > Supernet-E-Solutions (Private) Limited - Wholly-owned subsidiary
- > Supernet Secure Solutions (Private) Limited - 80% owned subsidiary
- > Phoenix Global FZE - Wholly-owned subsidiary
- > Supernet Infrastructure Solutions (Private) Limited - Wholly-owned subsidiary

Supernet Limited (the 'Holding 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 Parent Company).

The Holding 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 Holding 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 Holding Company is located at World Trade Centre, 75-East Blue Area, Fazal-ul-Haq Road, Islamabad. The principal place of business of the Holding 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. The Holding Company holds 100% equity of Supernet-E-Solution (Private) Limited.

Supernet Secure Solutions (Private) Limited is engaged in providing networking support services. The Holding Company holds 80% equity of Supernet Secure Solutions (Private) Limited.

Phoenix Global FZE, a company based in United Arab Emirates (UAE). Its principal business is provision of telecommunication services and sale of telecom equipment within UAE. The Holding Company 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. The Holding Company holds 100% equity of Supernet Infrastructure Solutions (Private) Limited.

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

3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of these consolidated interim financial statements are same as those applied in preparing the consolidated interim financial statements for the year ended June 30, 2022.

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
	Note	----- (Rupees in '000') -----	
4. PROPERTY, PLANT AND EQUIPMENT			
Opening net book value		373,343	358,706
Additions during the year	4.1	255,528	159,816
Depreciation charged during the year		(138,097)	(145,179)
		<u>490,774</u>	<u>373,343</u>
5. INTANGIBLE ASSETS			
Computer software	5.1	651	868
Goodwill		1,887	1,887
		<u>2,538</u>	<u>2,755</u>
5.1 Computer software			
Opening net book value		868	1,158
Additions / transfer during the period / year		-	-
Amortisation charge for the period / year		(217)	(290)
Closing net book value		<u>651</u>	<u>868</u>
Annual rates of amortization		<u>20%</u>	<u>20%</u>
6. RIGHT-OF-USE ASSETS			
As at July 01			
Cost		8,823	8,823
Accumulated depreciation		(6,756)	(4,750)
Closing net book value		<u>2,067</u>	<u>4,073</u>
Movement during the period / year			
Opening net book value		2,067	4,073
Reassessment of lease		11,385	-
Depreciation for the period / year		(2,728)	(2,006)
Closing net book value		<u>10,724</u>	<u>2,067</u>
As at June 30			
Cost		8,823	8,823
Reassessment of lease		11,385	-
Accumulated depreciation		(9,484)	(6,756)
Closing net book value		<u>10,724</u>	<u>2,067</u>

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
	----- (Rupees in '000') -----	
7. TRADE DEBTS		
Unsecured-considered good		
Related parties	88,746	84,628
Others	1,442,984	1,616,014
	1,531,730	1,700,642
Considered doubtful trade debts	68,237	68,237
Loss allowance for ECLs	(68,237)	(68,237)
	-	-
	<u>1,531,730</u>	<u>1,700,642</u>
8. CASH AND BANK BALANCES		
Cash in hand	239	190
In current accounts		
Local currency	116,821	15,994
Foreign currency	34,851	95,544
	151,672	111,538
In saving account		
Local currency	308,396	47,462
	<u>460,307</u>	<u>159,190</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		
112,222,200 (June 30, 2022: 100,000,000 of Rs 10 each) ordinary shares of Rs.10 each		
- 45,772,610 (June 30, 2022: 45,772,610) allotted as fully paid in cash	457,726	335,504
- 66,449,590 (June 30, 2022: 66,449,590) allotted as bonus shares	664,496	664,496
- 11,222,220 allotted as bonus shares during the period	112,222	-
	<u>1,234,444</u>	<u>1,000,000</u>
9.2.1 The Shareholders of the Holding Company, in the annual general meeting held on October 27, 2022 approved issuance of 10% (ten percent) bonus shares, increasing Company's total paid up capital from Rs. 1,122,222 to Rs. 1,234,444 divided into ordinary shares of Rs. 10/- each.		

	(Un-audited) March 31, 2023	(Audited) June 30, 2022	
	----- (Rupees in '000') -----		
10. TRADE AND OTHER PAYABLES			
Trade creditors, unsecured			
Creditors	1,466,521	1,123,496	
Other payables			
Contractual liability to franchisees	200	200	
Accrued liabilities	51,498	75,174	
Provision against compensated absences	3,577	3,577	
Royalty to Pakistan Telecommunication Authority (PTA)	9,880	5,737	
Workers' welfare fund payable	2,782	2,782	
Payable to employees' provident fund	127	2,254	
Advance from customers	25,792	-	
Others	3,969	671	
	97,825	90,395	
	<u>1,564,346</u>	<u>1,213,891</u>	
11. CONTINGENCIES & COMMITMENTS			
(a) Contingencies			
There has been no change in the status of other contingencies reported in the consolidated financial statements for the year ended June 30, 2022.			
(b) Commitments			
	Note	(Un-audited) March 31, 2023	(Audited) Jun 30, 2022
		----- (Rupees in '000') -----	
Counter guarantees given to banks		<u>107,384</u>	<u>107,551</u>
12. CASH GENERATED FROM OPERATIONS			
Profit before taxation		287,993	250,808
Adjustments for non - cash charges and other items:			
Depreciation		138,097	105,884
Depreciation on ROU assets		2,728	1,505
Amortisation		217	125
Finance cost		26,626	36,802
Profit from saving account		(8,906)	(2,951)
Working capital changes	12.1	125,118	(197,153)
		<u>571,873</u>	<u>195,020</u>

March 31, March 31,
2023 2022
(Un-audited) (Un-audited)
----- (Rupees in '000') -----

12.1 Working capital changes

(Increase) / decrease in current assets

Communication stores

Trade debts

Advances, deposits and prepayments

Other receivables

(85,802)	21,759
168,912	(418,138)
(152,697)	(114,244)
(155,750)	(102,389)
(225,337)	(613,012)

Increase / (decrease) in current liabilities

Trade and other payables

350,455	415,859
<u>125,118</u>	<u>(197,153)</u>

13. TRANSACTIONS WITH RELATED PARTIES

The related parties include a Parent Company and its subsidiaries, directors and other key management personnel. Transactions with related parties, other than those disclosed elsewhere in these interim consolidated financial statements are as under:

14. AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on 28 April 2023 by the board of directors of the Holding Company.

15. 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