



Empowering Networks



HALF YEAR REPORT 31ST DECEMBER

2022

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 Financial Statements and review of your Company's performance for the period ended December 31, 2022.

Financial Performance

On a consolidated basis, the Company has reported a Gross Profit (G.P) of Rs. 466 million as against a G.P of Rs. 335 million during the corresponding financial period due to enhanced top line revenue. The gross profit ratio has also improved on a consolidated basis from 29% to 32%. Though the group has been able to increase the gross profit and GP ratio however the costs of other inputs have gone up putting the operating profit under pressure. As a result of rising costs, the profit before tax stood at Rs. 153 million against Rs. 156 million for the corresponding period. The Earning Per Share (EPS) is Rs. 1.01 in comparison to Rs. 0.87 in the related period.

On a standalone basis, the top line revenue for the period was higher by 17% translating into Rs. 1.2 billion against Rs. 1 billion for the corresponding financial period resulting in an enhanced G.P of Rs. 362 million compared to Rs. 334 million in the corresponding period. However, the GP ratio came down from 31% in the corresponding period to 29% in the current period.

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. 84 million against Rs. 91 million previously. The EPS stood at Rs. 0.68 compared to Rs. 0.74 in the corresponding period.

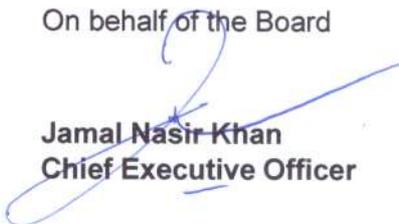
Outlook and Way Forward

Your Company's outlook appears to be positive, though the challenges at macro-economic are increasing, 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 the entire Supernet Limited team to achieve positive business results in this half yearly financials and wish them all the best for the year ahead.

On behalf of the Board


Jamal Nasir Khan
Chief Executive Officer



February 28, 2023

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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Independent Auditors' Review Report to the Members of Supernet Limited

Report on Review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Supernet Limited** (the "Company") as at December 31, 2022 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of other comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and the unconsolidated condensed interim statement of other comprehensive income for the quarter ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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


(Chartered Accountants)

Date: March 01, 2023

Place: Karachi

UDIN: RR202210192K3Qyk01xp

SUPERNET LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	---- (Rupees in '000) ----	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	379,147	366,577
Intangible assets	6	723	868
Right-of-use assets	7	11,406	2,067
Long-term investments		19,709	19,709
		<u>410,985</u>	<u>389,221</u>
Long-term deposits		95	95
Deferred taxation		57,239	63,616
		<u>468,319</u>	<u>452,932</u>
CURRENT ASSETS			
Communication stores	8	468,152	162,603
Short-term investment	9	-	125,000
Trade debts		1,509,328	1,563,689
Advances, deposits and prepayments		514,683	270,821
Other receivables	10	229,135	201,620
Taxation - net		108,000	80,068
Cash and bank balances	11	60,716	30,853
		<u>2,890,014</u>	<u>2,434,654</u>
TOTAL ASSETS		<u><u>3,358,333</u></u>	<u><u>2,887,586</u></u>

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER

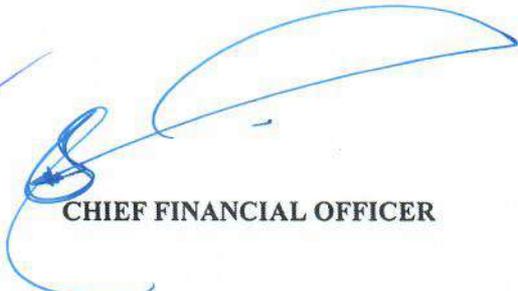

DIRECTOR

SUPERNET LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

		December 31, 2022 (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	12.1	<u>1,500,000</u>	<u>1,500,000</u>
Issued, subscribed and paid-up share capital	12.2	1,234,444	1,122,222
Share premium	13	33,436	145,658
Revenue reserve - Unappropriated profit		<u>378,035</u>	<u>293,985</u>
		1,645,915	1,561,865
NON-CURRENT LIABILITIES			
Lease liabilities	14	10,857	616
Deferred liability		2,419	2,419
		13,276	3,035
CURRENT LIABILITIES			
Trade and other payables		1,504,471	1,141,984
Accrued markup	15	7,586	7,315
Contractual liability to customer		8,872	8,872
Current portion of lease liabilities and short term financing	16	178,213	164,515
		1,699,142	1,322,686
TOTAL EQUITY AND LIABILITIES		<u><u>3,358,333</u></u>	<u><u>2,887,586</u></u>
CONTINGENCIES AND COMMITMENTS	17		

The annexed notes from 1 to 26 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 HALF YEAR ENDED DECEMBER 31, 2022 (UN-AUDITED)

	Note	Half-year ended		Quarter ended	
		December 31,		December 31,	
		2022	2021	2022	2021
		----- (Rupees in '000) -----			
Revenue - net	18	1,269,062	1,084,483	609,259	557,006
Cost of services		<u>(906,770)</u>	<u>(750,251)</u>	<u>(422,686)</u>	<u>(394,724)</u>
Gross profit		362,292	334,232	186,573	162,282
Administrative & other expenses		(127,418)	(109,721)	(66,101)	(52,878)
Distribution costs		(95,747)	(74,507)	(49,119)	(35,425)
Exchange loss		(16,908)	(25,434)	(13,204)	(23,406)
Other income	19	(240,073)	(209,662)	(128,424)	(111,709)
		5,515	3,932	1,475	3,348
		<u>(234,558)</u>	<u>(205,730)</u>	<u>(126,949)</u>	<u>(108,361)</u>
Operating profit		127,734	128,502	59,624	53,921
Finance costs		<u>(19,213)</u>	<u>(11,221)</u>	<u>(8,724)</u>	<u>(5,461)</u>
Profit before taxation		108,521	117,281	50,900	48,460
Taxation		<u>(24,471)</u>	<u>(25,711)</u>	<u>(4,118)</u>	<u>(545)</u>
Profit after taxation		84,050	91,570	46,782	47,915
-----Rupees-----					
		(Restated)		(Restated)	
Earnings per share - basic and diluted	20	<u>0.68</u>	<u>0.74</u>	<u>0.38</u>	<u>0.39</u>

The annexed notes from 1 to 26 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 HALF YEAR ENDED DECEMBER 31, 2022 (UN-AUDITED)

	Half-year ended		Quarter ended	
	December 31,		December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Profit after taxation	84,050	91,570	46,782	47,915
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	84,050	91,570	46,782	47,915

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER

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DIRECTOR

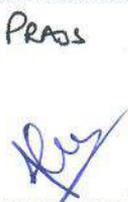
SUPERNET LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (UN-AUDITED)

	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	-	-	91,570	91,570
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	91,570	91,570
Balance as at December 31, 2021	1,000,000	-	197,458	1,197,458
Balance as at June 30, 2022 (Audited)	1,122,222	145,658	293,985	1,561,865
Profit after taxation	-	-	84,050	84,050
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	84,050	84,050
Issuance of bonus shares	112,222	(112,222)	-	-
Balance as at December 31, 2022	<u>1,234,444</u>	<u>33,436</u>	<u>378,035</u>	<u>1,645,915</u>

The annexed notes from 1 to 26 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 HALF YEAR ENDED DECEMBER 31, 2022 (UN-AUDITED)

	Half-year ended	
	December 31,	
	2022	2021
Note	----- (Rupees in '000') -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	108,521	117,281
Adjustments for non-cash and other items		
Depreciation	75,312	68,681
Depreciation on ROU assets	2,046	1,003
Amortisation	145	58
Finance cost	18,491	9,827
Provision for ECL against trade debts	-	4,347
Unrealised exchange (gain) / loss	-	12,348
Staff gratuity	73	-
Profit from saving account	(2,872)	(1,579)
	<u>93,195</u>	<u>94,685</u>
Profit before working capital changes	<u>201,716</u>	<u>211,966</u>
Working capital changes		
(Increase) / decrease in current assets		
Communication stores	(305,549)	(1,945)
Trade debts	54,361	(214,298)
Advances, deposits and prepayments	(243,862)	(22,462)
Other receivables	(27,515)	(16,793)
	<u>(522,565)</u>	<u>(255,498)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	369,164	157,056
Cash generated from operations	<u>48,315</u>	<u>113,524</u>
Income tax paid	(46,783)	(37,227)
Finance cost paid	(15,028)	(10,516)
Net cash (used in) / generated from operating activities	<u>(13,496)</u>	<u>65,781</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(87,882)	(77,943)
Proceeds from maturity of short-term investments	125,000	-
Income received from saving account	2,872	1,579
Net cash generated from / (used in) investing activities	<u>39,990</u>	<u>(76,364)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing	-	(15,625)
Lease rentals paid	(8,689)	(1,395)
Short-term running finance	12,058	(6,788)
Net cash generated from / (used in) financing activities	<u>3,369</u>	<u>(23,808)</u>
Net increase / (decrease) in cash and cash equivalents	<u>29,863</u>	<u>(34,391)</u>
Cash and cash equivalents at the beginning of the period	30,853	53,232
Cash and cash equivalents at the end of the period	<u>11</u> <u>60,716</u>	<u>18,841</u>

The annexed notes from 1 to 26 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 HALF YEAR ENDED DECEMBER 31, 2022 (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 half year ended December 31, 2022 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.

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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 annual unconsolidated 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.

Pras

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000') -----	
5. PROPERTY AND EQUIPMENT			
Operating fixed assets	5.1	<u>379,147</u>	<u>366,577</u>
5.1 Operating fixed assets			
Opening net book value		366,577	352,762
Additions during the period / year	5.2	87,882	156,304
Depreciation charged during the period / year		<u>(75,312)</u>	<u>(142,489)</u>
Closing net book value		<u>379,147</u>	<u>366,577</u>
5.2 Details of additions during the period as follows:			
Communication equipments		84,956	151,143
Furniture, fixtures and office equipments		-	137
Computers and accessories		<u>2,926</u>	<u>5,024</u>
		<u>87,882</u>	<u>156,304</u>
6. INTANGIBLE ASSETS			
Computer software		41,224	41,224
Accumulated amortisation to date		<u>(40,501)</u>	<u>(40,356)</u>
		<u>723</u>	<u>868</u>
7. RIGHT-OF-USE ASSETS			
Opening net book value		2,067	4,073
Reassessment of lease	14.1	11,385	-
Depreciation for the period / year		<u>(2,046)</u>	<u>(2,006)</u>
Closing net book value		<u>11,406</u>	<u>2,067</u>
8. COMMUNICATION STORES			
Stores		<u>382,630</u>	<u>149,743</u>
Provision against obsolete store items		<u>(16,875)</u>	<u>(16,875)</u>
		365,755	132,868
Consumables		<u>102,397</u>	<u>29,735</u>
		<u>468,152</u>	<u>162,603</u>
9. SHORT-TERM INVESTMENT			
Special sharikah certificates		-	<u>125,000</u>

PRAS

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000') -----	
10. OTHER RECEIVABLES			
Considered good			
Current accounts with related parties		208,424	183,619
Insurance claim		5,000	4,756
Advance income tax	10.1	2,991	2,991
Accrued mark-up from related parties		2,216	2,216
Others		10,504	8,038
		<u>229,135</u>	<u>201,620</u>

- 10.1 There has been no significant change in status of tax case / financial claim as reported in the unconsolidated annual financial statements of the Company for the year ended June 30, 2022.

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
		----- (Rupees in '000') -----	
11. CASH AND BANK BALANCES			
Cash in hand		219	220
In current accounts			
- Local currency		17,204	7,740
In saving account			
- Local currency		43,293	22,893
		<u>60,716</u>	<u>30,853</u>

- 11.1 This carries mark-up at the rate, ranging between 4.75% to 9.80% (June 30, 2022: 3.60% to 6.56%) per annum.

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
		----- (Rupees in '000') -----	
12. SHARE CAPITAL AND RESERVES			
12.1 AUTHORISED SHARE CAPITAL			
150,000,000 ordinary shares of Rs. 10/- each		<u>1,500,000</u>	<u>1,500,000</u>

PRASS

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

12.2 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	-
	<u>1,234,444</u>	<u>1,122,222</u>

- 12.3** 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 million to Rs. 1,234.444 million divided into ordinary shares of Rs. 10/- each.

December 31, June 30,
2022 2022
Note (Un-audited) (Audited)
----- (Rupees in '000') -----

13. 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>

14. LEASE LIABILITIES

Lease liabilities against ROU assets	14.1	15,026	3,145
Current portion of lease liabilities		(4,169)	(2,529)
Non-current portion of lease liabilities		<u>10,857</u>	<u>616</u>

- 14.1** During the period, the Company has reassessed its lease liabilities to reflect lease payments resulting from change in lease term 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.

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

15. ACCRUED MARK-UP

Secured		
On long-term financing		21
On short-term financing		7,350
Employees' provident fund		215
		<u>7,586</u>
		<u>7,315</u>

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	December 31, 2022 (Un-audited) ----- (Rupees in '000') -----	June 30, 2022 (Audited)
16. CURRENT PORTION OF LEASE LIABILITES AND SHORT TERM FINANCING		
Running finance from bank – secured	166,231	138,548
Current maturity of long-term finance	7,813	23,438
Current portion of lease liabilities	4,169	2,529
	<u>178,213</u>	<u>164,515</u>

17. CONTINGENCIES & COMMITMENTS**17.1 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.

17.2 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. 107.484 million (June 30, 2022: Rs. 107.551 million), have been issued by commercial banks on behalf of the Company.

	December 31, 2022 (Un-audited) ----- (Rupees in '000') -----	December 31, 2021 (Un-audited)
18. REVENUE - NET		
Revenue from contracts with customers		
Data networking	1,083,637	878,771
Sale of equipment and licenses	97,879	47,888
Revenue from turnkey projects	87,546	157,824
	<u>1,269,062</u>	<u>1,084,483</u>
19. OTHER INCOME		
Income from financial assets		
Income on saving accounts	2,872	1,579
Others		
Scrap sales	-	2,353
Term deposit	2,643	-
	<u>5,515</u>	<u>3,932</u>

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20. BASIC AND DILUTED EARNINGS PER SHARE

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

	For the half-year ended (Un-audited)		For the quarter ended (Un-audited)	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- (Rupees in '000') -----			
Profit after taxation	84,050	91,570	46,782	47,915
Weighted average number of ordinary shares (in thousands) (note 20.1)	123,444	123,444	123,444	123,444
Basic and diluted earnings per share - (Rupees)	0.68	0.74	0.38	0.39

20.1 Weighted average number of ordinary shares

Outstanding number of shares before bonus issue	123,444	112,222	123,444	112,222
Bonus shares issued during the period (note 12.2)	-	11,222	-	11,222
	123,444	123,444	123,444	123,444

- 20.2** During the period, the Company has issued bonus shares. In accordance with IAS 33 'Earnings per share' the number of ordinary shares outstanding last year has been adjusted as if the event had occurred at the beginning of the year. Therefore, earnings per share has been restated accordingly.

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

Name	Nature of transactions	December 31,	December 31,
		2022	2021
		----- (Rupees in '000') -----	
Relationship: Holding Company			
Telecard Limited	Advance repaid	-	254,500
	Advance given	-	256,211
Relationship: Entities having directors in common with the Company			
Supernet E-Solutions (Private) Limited	Advance given	3,897	-
	Advance received	2,865	-
Phoenix Global FZE	Services rendered	32,479	22,654
	Sale of equipment	729	143
Supernet Infrastructure Solutions (Private) Limited	Advances given	202,700	-
	Advances received	204,500	-

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22. 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.

23. 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.

24. 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.

25. GENERAL

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

26. 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 FEB 2023.


CHIEF EXECUTIVE OFFICER
CHIEF FINANCIAL OFFICER
DIRECTOR

PRAS

SUPERNET LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	---- (Rupees in '000') ----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	385,650	373,343
Intangible assets	5	2,610	2,755
Right of use asset	6	11,406	2,067
Long-term deposits		95	95
Deferred taxation		57,239	63,616
		<u>457,000</u>	<u>441,876</u>
CURRENT ASSETS			
Communication stores	7	481,191	170,160
Short term investment		-	125,000
Trade debts	8	1,600,318	1,700,642
Advances, deposits and prepayments		612,691	306,617
Other receivables		241,226	207,207
Taxation - net		105,723	82,485
Cash and bank balances		251,142	100,892
		<u>3,292,291</u>	<u>2,693,003</u>
TOTAL ASSETS		<u><u>3,749,291</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

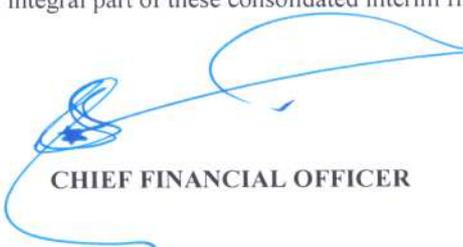

DIRECTOR

SUPERNET LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

		December 31, 2022 (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		42,990	26,129
Unappropriated profit		563,469	440,514
Share premium		<u>33,436</u>	<u>145,658</u>
Capital and reserves attributable to the owners of the Holding Company		1,874,339	1,734,523
Non-controlling interest		<u>4,138</u>	<u>2,711</u>
TOTAL SHAREHOLDERS' EQUITY		<u>1,878,477</u>	<u>1,737,234</u>
NON-CURRENT LIABILITIES			
Lease liabilities		10,857	616
Deferred liability		2,436	2,436
		13,293	3,052
CURRENT LIABILITIES			
Trade and other payables	10	1,594,074	1,213,891
Accrued mark-up		7,586	7,315
Contractual liability to customer		8,872	8,872
Due to related parties		68,776	-
Current portion of lease liabilities and short-term financing		<u>178,213</u>	<u>164,515</u>
		1,857,521	1,394,593
Contingencies & commitments	11		
TOTAL EQUITY AND LIABILITIES		<u>3,749,291</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 HALF YEAR ENDED DECEMBER 31, 2022 (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	December 31,		December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000') -----			
Revenue - net	1,465,146	1,173,466	722,226	604,138
Cost of services	(999,284)	(838,742)	(472,132)	(454,625)
Gross profit	465,862	334,724	250,094	149,513
Administrative & other expenses	(183,669)	(113,585)	(94,409)	(34,612)
Distribution costs	(95,747)	(75,815)	(49,119)	(36,733)
Exchange (loss) / gain	(16,900)	22,850	(13,196)	24,951
	(296,316)	(166,550)	(156,724)	(46,394)
Other income / (loss)	6,484	511	593	(277)
	(289,832)	(166,039)	(156,131)	(46,671)
Operating profit	176,030	168,685	93,963	102,842
Finance costs	(23,336)	(12,486)	(13,962)	(6,575)
Profit before taxation	152,694	156,199	80,001	96,267
Taxation	(28,312)	(48,907)	(4,525)	(22,021)
Profit after taxation	124,382	107,292	75,476	74,246
Profit / (loss) attributable to:				
Owners of the Holding Company	122,955	107,400	74,106	73,753
Non-controlling interests	1,427	(108)	1,370	493
	124,382	107,292	75,476	74,246
		Restated		Restated
		-----Amount in Rupees-----		
Earnings per share - Basic and Diluted	1.01	0.87	0.61	0.60

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


CHIEF EXECUTIVE OFFICER

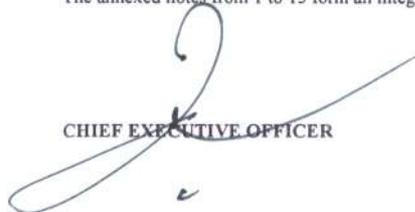

CHIEF FINANCIAL OFFICER


DIRECTOR

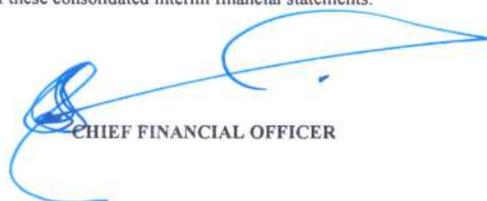
SUPERNET LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (UN-AUDITED)

	Half year ended		Quarter ended	
	December 31,		December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000') -----			
Profit after taxation	124,382	107,292	75,476	74,246
<i>Items that may be reclassified to profit or loss</i>				
Exchange differences on translation of foreign operation	16,861	8,000	15,658	6,120
Total comprehensive income for the period	141,243	115,292	91,134	80,366
Total comprehensive income / (loss) attributable to:				
Owners of the Holding Company	139,816	115,400	89,764	79,873
Non-controlling interests	1,427	(108)	1,370	493
	141,243	115,292	91,134	80,366

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 HALF YEAR ENDED DECEMBER 31, 2022

	Attributable 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 July 01, 2021	1,000,000	-	152,885	(984)	(1,764)	1,150,137
Profit for the period	-	-	107,400	-	(108)	107,292
Other comprehensive income	-	-	-	8,000	-	8,000
Total comprehensive income / (loss) for the period	-	-	107,400	8,000	(108)	115,292
Balance as at December 31, 2021 - (Un-audited)	1,000,000	-	260,285	7,016	(1,872)	1,265,429
Balance as at July 01, 2022	1,122,222	145,658	440,514	26,129	2,711	1,737,234
Profit for the year	-	-	122,955	-	1,427	124,382
Other comprehensive income	-	-	-	16,861	-	16,861
Total comprehensive income for the period	-	-	122,955	16,861	1,427	141,243
Issuance of bonus shares	112,222	(112,222)	-	-	-	-
Balance as at December 31, 2022 - (Un-audited)	1,234,444	33,436	563,469	42,990	4,138	1,878,477

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 HALF YEAR ENDED DECEMBER 31, 2022

Dec. 31, Dec. 31,
2022 2021
(Un-audited) (Un-audited)
Note ----- (Rupees in '000') -----

CASH FLOWS FROM OPERATING ACTIVITIES

Cash (used in) / generated from operations	12	168,194	167,110
Income tax paid		(45,930)	(38,227)
Finance cost paid		(15,028)	(11,452)
Net cash (used in) / generated from operating activities		<u>107,236</u>	<u>117,431</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(88,391)	(77,943)
Proceeds from maturity of short-term investments	125,000	-
Income received from saving account	3,541	1,837
Net cash used in investing activities	<u>40,150</u>	<u>(76,106)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Long-term financing	-	(15,625)
Lease rentals paid	(1,939)	(1,411)
Short-term running finance	(12,058)	(7,284)
Net cash used in financing activities	<u>(13,997)</u>	<u>(24,320)</u>
Exchange difference on translation of foreign subsidiary	16,861	8,000
Net (decrease) / increase in cash and cash equivalents	<u>150,250</u>	<u>25,005</u>
Cash and cash equivalents at the beginning of the year	<u>100,892</u>	<u>53,232</u>
Cash and cash equivalents at the end of the year	<u><u>251,142</u></u>	<u><u>78,237</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

		(Un-audited) December 31, 2022	(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	88,391	159,816
Depreciation charged during the year		(76,084)	(145,179)
		<u>385,650</u>	<u>373,343</u>
4.1 Details of additions during the period			
Communication equipments		84,956	93,760
Furniture, fixtures and office equipments		77	304
Motor vehicles		-	969
Computers and accessories		3,358	4,146
		<u>88,391</u>	<u>99,179</u>
5. INTANGIBLE ASSETS			
Computer software	5.1	723	868
Goodwill		1,887	1,887
		<u>2,610</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		(145)	(290)
Closing net book value		<u>723</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		(2,046)	(2,006)
Closing net book value		<u>11,406</u>	<u>2,067</u>
As at June 30			
Cost		8,823	8,823
Reassessment of lease		11,385	-
Accumulated depreciation		(8,802)	(6,756)
Closing net book value		<u>11,406</u>	<u>2,067</u>

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
Note	----- (Rupees in '000') -----	
7. COMMUNICATION STORES		
Stores	395,669	157,300
Provision against obsolete stock	(16,875)	(16,875)
	378,794	140,425
Consumables	102,397	29,735
	<u>481,191</u>	<u>170,160</u>
8. TRADE DEBTS		
Unsecured-considered good		
Related parties	84,628	84,628
Others	1,515,690	1,616,014
	1,600,318	1,700,642
Considered doubtful trade debts	68,237	68,237
Loss allowance for ECLs	(68,237)	(68,237)
	-	-
	<u>1,600,318</u>	<u>1,700,642</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) December 31, 2022	(Audited) June 30, 2022
	----- (Rupees in '000') -----	
10. TRADE AND OTHER PAYABLES		
Trade creditors, unsecured		
Creditors	1,489,040	1,123,496
Telecard Limited - the Parent Company	-	-
	<u>1,489,040</u>	<u>1,123,496</u>
Other payables		
Contractual liability to franchisees	200	200
Accrued liabilities	20,941	75,174
Provision against compensated absences	3,577	3,577
Royalty to Pakistan Telecommunication Authority (PTA)	8,499	5,737
Workers' welfare fund payable	2,377	2,254
Payable to employees' provident fund	2,782	2,782
Others	66,658	671
	<u>105,034</u>	<u>90,395</u>
	<u>1,594,074</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

	(Un-audited) December 31, 2022	(Audited) Jun 30, 2022
	----- (Rupees in '000') -----	
Counter guarantees given to banks	<u>107,484</u>	<u>107,551</u>

	Note	December 31, 2022 (Un-audited) ----- (Rupees in '000') -----	December 31, 2021 (Un-audited)
12. CASH GENERATED FROM OPERATIONS			
Profit before taxation		152,694	156,199
Adjustments for non - cash charges and other items:			
Depreciation		76,084	71,245
Depreciation on ROU assets		2,046	1,003
Amortisation		145	145
Finance cost		18,491	11,417
Staff gratuity		-	37
Profit from saving account		(3,541)	(1,837)
Working capital changes	12.1	(77,725)	(71,099)
		<u>168,194</u>	<u>167,110</u>
12.1 Working capital changes			
(Increase) / decrease in current assets			
Communication stores		(311,031)	(3,268)
Trade debts		100,324	(226,035)
Advances, deposits and prepayments		(306,074)	(25,257)
Other receivables		(34,019)	(23,288)
		(550,800)	(277,848)
Increase / (decrease) in current liabilities			
Trade and other payables		392,241	206,749
Contractual liability to customers		-	-
Due to related parties		80,834	-
		<u>(77,725)</u>	<u>(71,099)</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 FEB 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