



Empowering Networks



# Half Yearly Report December, 31

# 2023

[www.supernet.pk](http://www.supernet.pk)



Empowering Networks

# 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, 4<sup>th</sup> Floor, Al Ameera Centre  
Sharah-e-Iraq Karachi

## **Registered Office**

3<sup>rd</sup> Floor, 75 East, Blue Area,  
Fazal-ul-Haq Road, Islamabad  
Pakistan

## **Corporate Office**

9<sup>th</sup> Floor, World Trade Center, 10-  
Khayaban-e-Roomi, Clifton, Karachi  
Pakistan

# 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, 2023.

## Financial Performance

On a consolidated basis, the Company has reported a topline revenue of Rs. 3.98 billion as opposed to revenue of Rs. 1.46 billion resulting in Gross Profit (G.P) of Rs. 944 million as against a G.P of Rs. 466 million during the corresponding financial period. The gross profit has increased 102% on a consolidated basis. The profit before tax stood at Rs. 417 million against a profit of Rs. 153 million for the corresponding period. The Earning per Share (EPS) is at Rs. 2.37 in comparison to Rs. 1.01 in the related period.

On a standalone basis, the top line revenue for the period was 147% higher translating into Rs. 3.13 billion against Rs. 1.27 billion for the corresponding financial period resulting in an enhanced G.P of Rs. 726 million compared to Rs. 362 million in the corresponding period. G.P was 100% higher in the period under review.

Further, an increase in administrative and distribution cost coupled with taxation, the Company posted Rs. 185 million profit after taxation against Rs. 84 million previously. The EPS stood at Rs. 1.50 compared to Rs. 0.68 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.

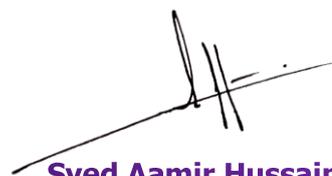
## Acknowledgement

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



**Waseem Ahmad**  
Director



**Syed Aamir Hussain**  
Chairman / Director

February 27, 2024

**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, 2023 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 six months period 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 three months period ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

**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: February 28, 2024

Karachi.

UDIN: RR202310192B2KN4HJzW

**Supernet Limited**  
**Unconsolidated Condensed Interim Statement of Financial Position**  
**As at December 31, 2023**

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Note	---- ( Rupees in '000) ----	
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	5	463,866	356,632
Intangible assets	6	434	578
Right-of-use assets	7	7,110	8,267
Long-term investments	8	59,709	59,709
		<b>531,119</b>	<b>425,186</b>
Long-term deposits		7,669	95
Deferred taxation		58,684	62,718
		<b>597,472</b>	<b>487,999</b>
<b>Current assets</b>			
Communication stores	9	249,080	200,650
Trade debts		2,067,510	1,408,959
Advances, deposits and prepayments		731,249	789,155
Other receivables	10	238,603	237,314
Taxation - net		79,079	120,230
Cash and bank balances	11	10,225	18,118
		<b>3,375,746</b>	<b>2,774,426</b>
<b>Total assets</b>		<b>3,973,218</b>	<b>3,262,425</b>

The annexed notes from 1 to 24 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, 2023**

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Note	---- ( Rupees in '000) ----	
<b>Equity and liabilities</b>			
Authorised share capital	12.1	1,500,000	1,500,000
<b>Share capital and reserves</b>			
Issued, subscribed and paid-up share capital	12.2	1,234,444	1,234,444
Share premium	12.3	33,436	33,436
Unappropriated profit		530,135	344,788
<b>Shareholders' equity</b>		1,798,015	1,612,668
<b>Non-current liabilities</b>			
Lease liabilities	13	7,268	8,081
Deferred liability		2,173	2,173
		9,441	10,254
<b>Current liabilities</b>			
Trade and other payables		2,003,423	1,479,783
Due to related parties		-	6,266
Accrued markup	14	8,920	5,968
Contractual liability to customer		8,872	8,872
Current portion of lease liabilities and short term financing	15	144,547	138,614
		2,165,762	1,639,503
Contingencies & commitments	16		
<b>Total equity and liabilities</b>		3,973,218	3,262,425

The annexed notes from 1 to 24 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, 2023 (Unaudited)**

	Note	Half-year ended		Quarter ended	
		December 31,		December 31,	
		2023	2022	2023	2022
----- ( Rupees in '000) -----					
<b>Revenue - Net</b>	17	3,136,894	1,269,062	1,777,107	609,259
Direct cost		(2,410,783)	(906,770)	(1,400,125)	(422,686)
<b>Gross profit</b>		726,111	362,292	376,982	186,573
Administrative & other expenses		(222,337)	(127,418)	(130,191)	(66,101)
Distribution costs		(104,047)	(95,747)	(57,686)	(49,119)
Exchange loss		(80,565)	(16,908)	(48,975)	(13,204)
		(406,949)	(240,073)	(236,852)	(128,424)
Other income		1,386	5,515	626	1,475
		(405,563)	(234,558)	(236,226)	(126,949)
<b>Operating profit</b>		320,548	127,734	140,756	59,624
Finance costs		(22,098)	(19,213)	(12,192)	(8,724)
<b>Profit before taxation</b>		298,450	108,521	128,564	50,900
Taxation		(113,103)	(24,471)	(63,836)	(4,118)
<b>Profit after taxation</b>		185,347	84,050	64,728	46,782
<b>Earning per share - basic and diluted (Rs.)</b>	18	1.50	0.68	0.52	0.38

The annexed notes from 1 to 24 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, 2023 (Unaudited)**

	Half-year ended		Quarter ended	
	December 31,		December 31,	
	2023	2022	2023	2022
	----- ( Rupees in '000) -----			
Profit after taxation	185,347	84,050	64,728	46,782
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>185,347</b>	<b>84,050</b>	<b>64,728</b>	<b>46,782</b>

The annexed notes from 1 to 24 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 half year ended December 31, 2023 (Unaudited)**

Issued, subscribed and paid-up capital	Capital reserve	Revenue reserve	Total
	Share premium	Un appropriated profit	
----- ( Rupees in '000') -----			

<b>Balance as at June 30, 2022 (Audited)</b>	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)	-	-
<b>Balance as at December 31, 2022 (Un-audited)</b>	<b>1,234,444</b>	<b>33,436</b>	<b>378,035</b>	<b>1,645,915</b>
<b>Balance as at June 30, 2023 (Audited)</b>	<b>1,234,444</b>	<b>33,436</b>	<b>344,788</b>	<b>1,612,668</b>
Profit after taxation	-	-	185,347	185,347
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	185,347	185,347
<b>Balance as at December 31, 2023 (Un-audited)</b>	<b>1,234,444</b>	<b>33,436</b>	<b>530,135</b>	<b>1,798,015</b>

The annexed notes from 1 to 24 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, 2023 (Unaudited)**

	Half-year ended	
	December 31,	
	2023	2022
Note	----- ( Rupees in '000') -----	
<b>Cash flow from operating activities</b>		
Profit before taxation	298,450	108,521
<b>Adjustment for non cash items:</b>		
Depreciation on fixed assets	82,180	75,312
Depreciation on ROU	1,157	2,046
Amortisation	145	145
Finance cost	18,677	18,491
Provision for ECL against trade debts	68,454	-
Provision for staff gratuity	-	73
Profit from saving account	486	(2,872)
	171,099	93,195
<b>Operating profit before working capital changes</b>	469,549	201,716
<b>Working capital changes</b>		
(Increase) / decrease in current assets		
Communication stores	(48,430)	(305,549)
Trade debts	(727,005)	54,361
Advances, deposits and prepayments	57,906	(243,862)
Other receivables	(1,289)	(27,515)
	(718,818)	(522,565)
Increase / (decrease) in current liabilities		
Trade and other payables	523,640	369,164
Due to related party	(6,266)	-
	517,374	369,164
<b>Cash generated from operations</b>	268,105	48,315
Income tax paid	(63,664)	(46,783)
Finance cost paid	(14,271)	(15,028)
<b>Net cash generated from / (used in) operations</b>	190,170	(13,496)
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(189,414)	(87,882)
Proceeds from maturity of short-term investments	-	125,000
Income received from saving account	(486)	2,872
<b>Net cash (used in) / generated from investing activities</b>	(189,900)	39,990
<b>Cash flows from financing activities</b>		
Lease rentals paid	(2,141)	(8,689)
Short-term running finance	(6,022)	12,058
<b>Net cash (used in) / generated from financing activities</b>	(8,163)	3,369
<b>Net (decrease) / increase in cash and cash equivalents</b>	(7,893)	29,863
Cash and cash equivalents at the beginning of the period	18,118	30,853
<b>Cash and cash equivalents at the end of the period</b>	11 10,225	60,716

The annexed notes from 1 to 24 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, 2023 (Unaudited)**

#### **1. COMPANY AND ITS OPERATIONS**

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

The Company has been granted a license by the Ministry of Communications, Government of Pakistan to establish and operate a data network system in Pakistan. The Company is engaged in providing satellite and microwave communication services e.g. internet, radio links, single channel per carrier (SCPC), time division multiple access (TDMA), etc., and installation and sale of beyond connectivity products.

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, 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.

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, 2023.

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, 2023.

#### **3.1 Change in accounting standards, interpretations and amendments to published accounting and reporting standards**

##### **a) Amendments to published accounting and reporting standards which became effective during the 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.

The 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, 2023.

These unconsolidated condensed interim financial statement are un-audited but subject to limited review by the Company's statutory auditors.

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Note	---- ( Rupees in '000) ----	
<b>5. PROPERTY AND EQUIPMENT</b>			
Operating fixed assets	5.1	463,866	356,632
<b>5.1 Operating fixed assets</b>			
Opening net book value		356,632	366,577
Additions during the period / year	5.2	189,414	129,479
Depreciation charged during the period / year		(82,180)	(139,424)
Closing net book value		463,866	356,632
<b>5.2 Details of additions during the period / year</b>			
Communication equipments		183,887	124,752
Furniture, fixtures and office equipments		221	-
Computers and accessories		3,772	4,727
Leasehold improvements		1,534	-
		189,414	129,479
<b>6. INTANGIBLE ASSETS</b>			
Computer software		41,225	41,224
Accumulated amortisation		(40,791)	(40,646)
		434	578
<b>7. RIGHT-OF-USE ASSETS</b>			
Opening net book value		8,267	2,067
Reassessment of lease		-	10,826
Depreciation for the period / year		(1,157)	(4,626)
Closing net book value		7,110	8,267
<b>8. LONG-TERM INVESTMENTS</b>			
<i>Subsidiary companies - at cost - unquoted</i>			
Supernet-E-Solutions (Private) Limited	8.1	100	100
Supernet Secure Solutions (Private) Limited	8.2	18,000	18,000
Phoenix Global FZE	8.3	609	609
Supernet Infrastructure Solutions (Private) Limited	8.4	41,000	41,000
		59,709	59,709
<b>8.1</b>	This represents Company's investment in 100% equity shares of Supernet-E-Solutions (Private) Limited. The Company holds 10,000 (June 30, 2023: 10,000) ordinary shares of Rs. 10/- each.		
<b>8.2</b>	This represents Company's investment in 80% equity shares of Supernet Secure Solutions (Private) Limited. The Company holds 1,800,000 (June 30, 2023: 1,800,000) ordinary shares of Rs. 10/- each.		

- 8.3** This represents Company's investment in 100% equity shares of Phoenix Global FZE. The Company holds 08 (June 30, 2023: 08) ordinary shares of AED 1,000/- each.

**Disclosure required under Companies Act, 2017**

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

- 8.4** This represents Company's investment in 100% equity shares of Supernet Infrastructure Solutions (Private) Limited. The Company holds 4,100,000 (June 30, 2023: 4,100,000) ordinary shares of Rs. 10 (June 30, 2023: 10) each.

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
Note	---- ( Rupees in '000) ----	
<b>9. COMMUNICATION STORES</b>		
Stores	201,125	200,073
Provision against obsolete store items	(19,376)	(19,376)
	181,749	180,697
Consumables	67,331	19,953
	<u>249,080</u>	<u>200,650</u>

**10. OTHER RECEIVABLES**

**Considered good**

Current accounts with related parties	10.1	217,258	216,508
Insurance claim		5,280	5,280
Advance income tax	10.2	2,991	2,991
Accrued mark-up from related parties		2,216	2,216
Others		10,858	10,319
		<u>238,603</u>	<u>237,314</u>

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

- 10.2** 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, 2023.

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Note	---- ( Rupees in '000) ----	
<b>11. CASH AND BANK BALANCES</b>			
Cash in hand		33	101
<b>Local currency</b>			
Current account		9,393	5,218
Saving account	11.1	799	12,799
		10,192	18,017
		10,225	18,118
<b>11.1</b>	This carries mark-up at the rate, ranging between 14.58% to 18.15% (June 30, 2023: 5.63% to 11.64% ) per annum.		
		(Unaudited) December 31, 2023	(Audited) June 30, 2023
		---- ( Rupees in '000) ----	
<b>12. SHARE CAPITAL AND RESERVES</b>			
<b>12.1 Authorised share capital</b>			
150,000,000 (June 30, 2023: 150,000,000) ordinary shares of Rs.10/- each		1,500,000	1,500,000
<b>12.2 Issued, subscribed and paid-up share capital</b>			
123,444,420 (June 30, 2023: 123,444,420) ordinary shares of Rs.10/- each issued as follows;			
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
		1,234,444	1,234,444
<b>12.2.1</b>	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.		
		(Unaudited) December 31, 2023	(Audited) June 30, 2023
		---- ( Rupees in '000) ----	
<b>12.3 Share premium</b>			
Opening balance		33,436	145,658
Bonus shares issued		-	(112,222)
		33,436	33,436
<b>13. LEASE LIABILITIES</b>			
Lease liabilities		11,509	12,411
Current portion of lease liabilities		(4,241)	(4,330)
		7,268	8,081

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Note	---- ( Rupees in '000) ----	
<b>14. ACCRUED MARK-UP</b>			
<b>Secured</b>			
On short-term financing		8,705	5,753
Employees' provident fund		215	215
		<u>8,920</u>	<u>5,968</u>

**15. CURRENT PORTION OF LEASE LIABILITIES AND SHORT TERM FINANCING**

Running finance from bank – secured	15.1	140,306	134,284
Current portion of lease liabilities		4,241	4,330
		<u>144,547</u>	<u>138,614</u>

**15.1** This represents finance facility of Rs. 200 million (June 30, 2023: 200 million) obtained by the Company for working capital purpose. This carries mark-up at the rate of 3 months KIBOR plus 2.4% (June 30, 2022: 3 months KIBOR plus 2.4%) p.a., is payable quarterly. The facility is secured by way of hypothecation charge over fixed asset with 25% margin, first pari passu charge on current assets, pledge on shares of Holding Company and third party equitable mortgage. The unutilised facility amounts to Rs. 59.694 million (June 30, 2023: 65.72 million).

**16. CONTINGENCIES & COMMITMENTS**

**16.1 Contingencies**

There are no significant changes in the status of contingencies & commitments as reported in note 24 to the unconsolidated annual audited financial statements of the Company for the year ended June 30, 2023.

**16.2 Commitments**

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.

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.

Half-year ended		Quarter ended	
December 31, (Unaudited)		December 31, (Unaudited)	
2023	2022	2023	2022
------(Rupees '000)-----			

**17. REVENUE - NET**

Data networking	1,300,022	1,083,637	627,579	552,790
Sale of equipment and licenses	1,836,872	97,879	1,149,528	44,823
Revenue from turnkey projects	-	87,546	-	11,646
	<u>3,136,894</u>	<u>1,269,062</u>	<u>1,777,107</u>	<u>609,259</u>

**18. 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.

	Half-year ended		Quarter ended	
	December 31, (Unaudited)		December 31, (Unaudited)	
	2023	2022	2023	2022
Profit for the period (Rs. '000)	185,347	84,050	64,728	46,782
Weighted average number of ordinary shares	123,444	123,444	123,444	123,444
Earning per share - (Rs.)	1.50	0.68	0.52	0.38

**18.1** 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.

**19. 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	Basis of relationship	(Unaudited)	(Unaudited)
			December 31, 2023	December 31, 2022
---- ( Rupees in '000) ----				
Supernet E-Solutions (Private) Limited	Advance given	Common	-	3,897
	Advance received	directorship	-	2,865
Phoenix Global FZE	Services rendered	Common	47,557	32,479
	Sale of equipment	directorship	-	729
Supernet Infrastructure Solutions (Private) Limited	Sale of equipment		538,781	-
	Advances granted	Common	-	202,700
	Advances received	directorship	-	204,500
	Services rendered		3,888	-

**20. 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.

**21. 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.

**22. 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.

**23. GENERAL**

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

**24. 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 27 February 2024.



Chief Executive Officer



Chief Financial Officer



Director

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

		December 31, 2023	June 30, 2023
	Note	---- ( Rupees in '000') ----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	470,031	363,097
Intangible assets	5	3,295	2,465
Right of use asset	6	7,110	8,267
Long-term deposits		7,669	95
Deferred taxation		77,840	68,108
		<b>565,945</b>	<b>442,032</b>
<b>CURRENT ASSETS</b>			
Communication stores	7	268,371	496,357
Short term investment		-	-
Trade debts	8	2,233,764	1,778,654
Advances, deposits and prepayments		1,081,691	1,032,609
Other receivables		245,931	242,700
Taxation - net		68,138	111,997
Cash and bank balances		243,159	185,041
		<b>4,141,054</b>	<b>3,847,358</b>
<b>TOTAL ASSETS</b>		<b>4,706,999</b>	<b>4,289,390</b>

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, 2023**

		December 31, 2023	June 30, 2023
	Note	--- ( Rupees in '000') ---	
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 150,000,000 (2021: 150,000,000) ordinary shares of Rs.10 each	9.1	<b>1,500,000</b>	1,500,000
Issued, subscribed and paid-up capital	9.2	<b>1,234,444</b>	1,234,444
Foreign currency translation reserve		<b>98,014</b>	104,314
Unappropriated profit		<b>918,350</b>	626,028
Share premium		<b>33,436</b>	33,436
Capital and reserves attributable to the owners of the Holding Company		<b>2,284,244</b>	1,998,222
Non-controlling interest		<b>9,510</b>	5,519
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>2,293,754</b>	2,003,741
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<b>7,268</b>	8,081
Deferred liability		<b>2,173</b>	2,173
		<b>9,441</b>	10,254
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	<b>2,241,465</b>	2,121,941
Accrued mark-up		<b>8,920</b>	5,968
Contractual liability to customer		<b>8,872</b>	8,872
Current portion of lease liabilities and short-term financing		<b>144,547</b>	138,614
		<b>2,403,804</b>	2,275,395
Contingencies & commitments	11		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,706,999</b>	4,289,390

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 PROFIT OR LOSS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Half Year Ended		Quarter Ended	
	December 31,		December 31,	
	2023	2022	2023	2022
	----- ( Rupees in '000') -----			
Revenue - net	3,983,306	1,465,146	2,519,854	722,226
Cost of services	(3,039,734)	(999,284)	(1,998,401)	(472,132)
<b>Gross profit</b>	<b>943,572</b>	<b>465,862</b>	<b>521,453</b>	<b>250,094</b>
Administrative & other expenses	(311,113)	(183,669)	(190,729)	(94,409)
Distribution costs	(108,115)	(95,747)	(61,754)	(49,119)
Exchange (loss) / gain	(86,396)	(16,900)	(54,778)	(13,196)
Other income	7,849	6,484	3,074	593
	(497,775)	(289,832)	(304,187)	(156,131)
<b>Operating profit</b>	<b>445,797</b>	<b>176,030</b>	<b>217,266</b>	<b>93,963</b>
Finance costs	(28,590)	(23,336)	(15,519)	(13,962)
<b>Profit before taxation</b>	<b>417,207</b>	<b>152,694</b>	<b>201,747</b>	<b>80,001</b>
Taxation	(120,894)	(28,312)	(63,025)	(4,525)
<b>Profit after taxation</b>	<b>296,313</b>	<b>124,382</b>	<b>138,722</b>	<b>75,476</b>
<b>Profit / (loss) attributable to:</b>				
Owners of the Holding Company	292,322	122,955	135,436	107,400
Non-controlling interests	3,991	1,427	3,286	(108)
	<b>296,313</b>	<b>124,382</b>	<b>138,722</b>	<b>75,476</b>
	-----Amount in Rupees-----			
Earnings per share - basic and diluted	2.37	1.01	1.10	0.61

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 COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	<b>Half year ended</b>		<b>Quarter ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>---- ( Rupees in '000') ----</b>			
Profit after taxation	296,313	124,382	138,722	75,476
<i>Items that may be reclassified to profit or loss</i>				
Exchange differences on translation of foreign operation	(6,300)	16,861	(12,415)	15,658
<b>Total comprehensive income for the period</b>	<b>290,013</b>	<b>141,243</b>	<b>126,307</b>	<b>91,134</b>
<b>Total comprehensive income / (loss) attributable to:</b>				
Owners of the Holding Company	286,022	139,816	123,021	89,764
Non-controlling interests	3,991	1,427	3,286	1,370
	<b>290,013</b>	<b>141,243</b>	<b>126,307</b>	<b>91,134</b>

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

  
**CHIEF EXECUTIVE OFFICER**

  
**CHIEF FINANCIAL OFFICER**

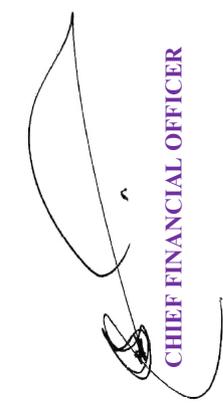
  
**DIRECTOR**

**SUPERNET LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED DECEMBER 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			
<b>Balance as at June 30, 2022 (Audited)</b>	1,122,222	145,658	440,514	26,129	2,711	1,737,234	
Profit for the period	-	-	122,955	-	1,427	124,382	
Other comprehensive income / (loss)	-	-	-	16,861	-	16,861	
<b>Total comprehensive (loss) / income for the period</b>	-	-	122,955	16,861	1,427	141,243	
Issuance of bonus shares	112,222	(112,222)	-	-	-	-	
<b>Balance as at December 31, 2022 (Un-audited)</b>	<b>1,234,444</b>	<b>33,436</b>	<b>563,469</b>	<b>42,990</b>	<b>4,138</b>	<b>1,878,477</b>	
<b>Balance as at June 30, 2023 (Audited)</b>	<b>1,234,444</b>	<b>33,436</b>	<b>626,028</b>	<b>104,314</b>	<b>5,519</b>	<b>2,003,741</b>	
Profit / (loss) for the period	-	-	292,322	-	3,991	296,313	
Other comprehensive income	-	-	-	(6,300)	-	(6,300)	
Issuance of bonus shares	-	-	292,322	(6,300)	3,991	290,013	
<b>Balance as at December 31, 2023 (Un-audited)</b>	<b>1,234,444</b>	<b>33,436</b>	<b>918,350</b>	<b>98,014</b>	<b>9,510</b>	<b>2,293,754</b>	

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 CASH FLOWS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

		December 31, 2023	December 31, 2022
Note		----- ( Rupees in '000') -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	12	353,071	168,194
		(86,712)	(45,930)
		(14,535)	(15,028)
		<b>244,250</b>	<b>107,236</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
		(189,941)	(88,391)
		-	-
		-	125,000
		7,299	3,541
		<b>(182,642)</b>	<b>40,150</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
		(3,768)	(1,939)
		(6,022)	(12,058)
		<b>(9,790)</b>	<b>(13,997)</b>
		6,300	16,861
		<b>58,118</b>	<b>150,250</b>
		<b>185,041</b>	<b>100,892</b>
	11	<b>243,159</b>	<b>251,142</b>

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**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 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. 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 fianancial statements for the year ended June 30, 2023.

		<b>December 31, 2023</b>	<b>June 30, 2023</b>
	<b>Note</b>	----- ( Rupees in '000') -----	
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Opening net book value		363,097	373,343
Additions during the year	<b>4.1</b>	189,941	130,483
Depreciation charged during the year		(83,007)	(140,729)
		<u>470,031</u>	<u>363,097</u>
<b>4.1 Details of additions during the period</b>			
Leasehold improvements		1,534	-
Communication equipments		183,887	124,823
Furniture, fixtures and office equipments		221	150
Computers and accessories		4,299	5,510
		<u>189,941</u>	<u>130,483</u>
<b>5. INTANGIBLE ASSETS</b>			
Computer software	<b>5.1</b>	1,408	578
Goodwill		1,887	1,887
		<u>3,295</u>	<u>2,465</u>
<b>5.1 Computer software</b>			
Opening net book value		578	868
Additions / transfer during the period / year		1,065	-
Amortisation charge for the period /year		(235)	(290)
Closing net book value		<u>1,408</u>	<u>578</u>
<b>6. RIGHT-OF-USE ASSETS</b>			
Opening Cost before reassessment of lease		19,649	8,823
Reassessment of lease		-	10,826
		19,649	19,649
Accumulated depreciation		(12,539)	11,382
Closing net book value		<u>7,110</u>	<u>8,267</u>
<b>6.1 Movement during the year</b>			
Opening net book value before reassessment of lease		8,267	2,067
Reassessment of lease		-	10,826
Depreciation for the period / year		(1,157)	(4,626)
Closing net book value		<u>7,110</u>	<u>8,267</u>

		<b>December 31, 2023</b>	<b>June 30, 2023</b>
	<b>Note</b>	----- ( Rupees in '000') -----	
<b>7. COMMUNICATION STORES</b>			
Stores		207,622	204,481
Provision against slow moving stores	7.1	(19,376)	(19,376)
		188,246	185,105
Stock in transit		12,794	291,299
Consumables		67,331	19,953
		<u>268,371</u>	<u>496,357</u>
<b>8. TRADE DEBTS</b>			
<b>Unsecured-considered good</b>			
Related parties		70,471	74,589
Others		2,163,293	1,704,065
		2,233,764	1,778,654
Considered doubtful trade debts		122,857	76,403
Loss allowance for ECLs		(122,857)	(76,403)
		-	-
		<u>2,233,764</u>	<u>1,778,654</u>
<b>9. SHARE CAPITAL AND RESERVES</b>			
<b>9.1 AUTHORISED SHARE CAPITAL</b>			
150,000,000 ordinary shares of Rs.10 each		<u>1,500,000</u>	<u>1,500,000</u>
<b>9.2 ISSUED, PAID-UP AND SUBSCRIBED CAPITAL</b>			
123,444,444 (June 30, 2022: 112,222,222 of Rs 10 each) ordinary shares of Rs.10 each			
45,772,610 (June 30, 2022: 33550,410) allotted as fully paid in cash		457,726	457,726
77,671,810 (June 30, 2022: 66,449,590) allotted as bonus shares		776,718	776,718
		<u>1,234,444</u>	<u>1,234,444</u>
<b>10. TRADE AND OTHER PAYABLES</b>			
<b>Trade creditors, unsecured</b>			
Creditors		2,128,834	1,965,735
Telecard Limited - the Parent Company		-	-
		<u>2,128,834</u>	<u>1,965,735</u>
<b>Other payables</b>			
Contractual liability to franchisees		200	200
Accrued liabilities		57,366	38,400
Provision against compensated absences		2,056	2,056
CVAS fee to Pakistan Telecommunication Authority		10,878	10,011
Workers' welfare fund payable		2,782	127
Payable to employees' provident fund		143	2,782
Others		39,206	102,630
		112,631	156,206
		<u>2,241,465</u>	<u>2,121,941</u>

## 11. CONTINGENCIES & COMMITMENTS

- 11.1** There has been no change in the status of other contingencies as reported in the consolidated financial statements for the year ended June 30, 2023.
- 11.2** The Holding Company has committed to deposit an amount of Rs. 38.247 million (June 30, 2023: 37.876) in terms of security deposit to its satellite bandwidth vendor.
- 11.3** 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 Holding Company.

	December31, 2023	December31, 2022
<b>Note</b>	----- ( Rupees in '000') -----	
<b>12. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	417,207	152,694
<b>Adjustments for non - cash charges and other items:</b>		
Depreciation	83,007	76,084
Depreciation on ROU assets	1,157	2,046
Amortisation	235	145
Finance cost	18,677	18,491
Provision for ECL against trade debts	68,864	-
Profit from saving account	(7,299)	(3,541)
Working capital changes	(228,777)	(77,725)
	<b>353,071</b>	<b>168,194</b>
<b>12.1 Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Communication stores	227,986	(311,031)
Trade debts	(523,974)	100,324
Advances, deposits and prepayments	(49,082)	(306,074)
Other receivables	(3,231)	(34,019)
	<b>(348,301)</b>	<b>(550,800)</b>
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	119,524	392,241
Contractual liability to customers	-	-
Due to related parties	-	80,834
	<b>(228,777)</b>	<b>(569,989)</b>

**13. TRANSACTIONS WITH RELATED PARTIES**

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

**14. AUTHORISATION FOR ISSUE**

These consolidated condensed interim financial statements were authorised for issue on 27 February 2024 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**