



**QUARTERLY REPORT AS AT
SEPTEMBER 30, 2021**

COVER STORY

Air Link recognizes the importance of access to technology for a better, more digitally literate Pakistan. Therefore, the Company has worked towards the provision of affordable technology to every household of this country. The vertical and backward integration of the business supports Air Link's vision of putting Pakistan on the global technological map by synchronizing its business functions for bringing innovation for the betterment of its consumers.

The Company's structure is built around effective strategies and visionary leadership that provides a strong foundation for expanding its business functions and sustainable growth. Starting off with distribution of mobile phones to manufacturing, retail and e-commerce, Air Link has always aspired to be a fully integrated Omni channel with consumer centric approach. During the pandemic our aim and priority was to deliver excellence by providing seamless services and solutions to the end consumer.

COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Muzzaffar Hayat Piracha
Chief Executive Officer / Executive Director

Mr. Aslam Hayat Piracha
Chairman / Non-executive Director

Mrs. Rabiya Muzzaffar
Non-executive Director

Mr. Syed Nafees Haider
Executive Director

Mr. Sharique Azim Siddiqui
Independent Director

Mr. Hussain Kuli Khan
Independent Director

Mr. Aqdu Faraz Tahir
Independent Director

AUDIT COMMITTEE

Mr. Hussain Kuli Khan
(Independent Director)-Chairman

Mr. Sharique Azim Siddiqui
(Independent Director)-Member

Ms. Rabiya Muzzaffar
(Non-executive Director) -Member

Mr. Qaiser Ali
(Head of Internal Audit)-Secretary

HR COMMITTEE

Mr. Sharique Azim Siddiqui
(Independent Director)-Chairman

Mr. Aqdu Faraz Tahir
(Independent Director)-Member

Mr. Muzzaffar Hayat Piracha
(Chief Executive Officer)-Member

Mr. Amer Latif
(Company Secretary & Head of Legal)-Secretary

CHIEF FINANCIAL OFFICER

Mr. Nusrat Mahmood

COMPANY SECRETARY

Mr. Amer Latif

BANKS



Bank Al-Habib Limited



Standard Chartered Bank (Pakistan) Limited



The Bank of Punjab



Habib Metropolitan Bank Limited



Dubai Islamic Bank Pakistan



Bank Islami Pakistan Limited



Bank Alfalah Limited



United Bank Limited



Askari Bank Limited



JS Bank Limited



The Bank of Khyber Limited



Habib Bank Limited



Meezan Bank Limited



Soneri Bank Limited



Summit Bank Limited



Silk Bank Limited



Muslim Commercial Bank Limited



Faysal Bank Limited



Allied Bank Limited

LEGAL ADVISOR

Punjab Law Associates

FACTORY ADDRESS

152/1 - M, Quaid-e-Azam Industrial Estate, Kotlakhpat Lahore.

COMPANY'S REGISTERED ADDRESS (HEAD OFFICE)

LG-2, Al Qadir Heights, 1 Babar Block, New Garden Town, Lahore, Pakistan

EXTERNAL AUDITORS

EY Ford Rhodes (Chartered Accountants) 96/B-1, 4th Floor, Pace tower, M.M. Alam Road, Gulberg 3, Lahore, 54000, Pakistan





DIRECTORS' REPORT

The Directors of your Company are pleased to present the unaudited condensed interim financial statement of the Company for the first quarter ended September 30, 2021.



FINANCIAL STATEMENTS

During the period under review, earning per share was increased to Rs. 1.142 from Rs. 0.93 as compared with the same period of last year. Current ratio was increased to 2.47 times from 1.71 times and gearing ratio was decreased to 36.04% from 48.44% as compared with financial year ended June 30, 2021.



LISTING OF COMPANY ON PAKISTAN STOCK EXCHANGE

During the period under review the Company successfully listed on Pakistan Stock Exchange with effect from September 22, 2021. Total 90 million shares were offered in the IPO process, out of which 60 million new shares were issued by the Company whereas remaining 30 million shares were offered for sale at the price of Rs. 71.5 per share determined by book building process.

ACKNOWLEDGEMENTS

The board of directors wishes to express their gratitude to valued shareholders, banks/financial institutions, customers and suppliers for their continuous support, cooperation and patronage. We also wish to place on record the dedication, hard work and diligence of executives, staff and workers of the company. Needless to mention, all growth in the business of the company is not possible without will and blessings of ALMIGHTY ALLAH.

Chief Executive Officer

Director

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کو 30 ستمبر، 2021 کو ختم ہونے والی کمپنی کی پہلی سہ ماہی کے غیر آڈٹ شدہ اختصار شدہ عبوری مالیاتی حسابات پیش کرتے ہوئے مسرت ہو رہی ہے۔

مالیاتی کارکردگی

زیر جائزہ مدت کے دوران فی شیئر آمدن پچھلے سال کی اسی مدت میں 0.93 روپے کے مقابلے میں بڑھ کر 1.142 روپے ہو گئی۔

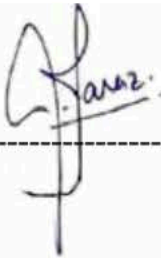
کرنٹ ریٹو 1.71 گنا سے بڑھ کر 2.47 گنا اور گیسٹنگ ریٹو، 30 جون، 2021 کو ختم ہونے والے مالی سال کے 48.44% سے کم ہو کر 36.04% ہو گیا۔

کمپنی کا پاکستان اسٹاک ایکسچینج میں لسٹگ

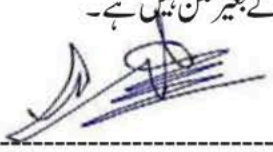
زیر جائزہ مدت کے دوران کمپنی کا کامیابی کے ساتھ پاکستان اسٹاک ایکسچینج میں لسٹگ ہوئی جو 22 ستمبر، 2021 سے موثر ہے۔ IPO پرائس میں کل 90 ملین شیئرز پیش کیے گئے، جن میں سے 60 ملین نئے شیئرز کمپنی کی طرف سے جاری کیے گئے جبکہ باقی 30 ملین شیئرز بک بلڈنگ پرائس کے ذریعے 71.5 روپے فی شیئر کی قیمت پر OFS کی مد میں فروخت کے لیے پیش کیے گئے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز، مسلسل حمایت، تعاون اور سرپرستی پر اپنے گرانقدر شیئر ہولڈرز، بینکوں / مالیاتی اداروں، کسٹمرز اور سپلائرز کا شکریہ ادا کرتا ہے۔ ہم، ایگزیکٹوز، اسٹاف اور کمپنی کے کارکنوں کے خلوص، انتھک محنت اور انہماک کو بھی سراہتے ہیں۔ یہ کہنے کی ضرورت نہیں کہ کمپنی کے کاروبار میں تمام تر نمود اللہ تعالیٰ کی رضا اور رحمتوں کے بغیر ممکن نہیں ہے۔



ڈائریکٹر



چیف ایگزیکٹو آفیسر





FINANCIAL STATEMENTS

AIR LINK COMMUNICATION LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT September 2021

	Notes	(Unaudited) 30 September 2021 (Rupees)	(Audited) 30 June 2021 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	1,398,057,375	1,253,900,236
Intangibles		18,880,855	18,016,354
Capital work in progress		442,752,128	-
		1,859,690,358	1,271,916,590
CURRENT ASSETS			
Stock in trade	6	2,508,647,289	3,533,673,866
Trade debts	7	7,290,493,074	5,391,262,155
Stores and Spares		-	7,560,647
Loans and advances		215,213,682	171,674,967
Trade deposits and short term prepayments		72,799,835	32,468,109
Tax refunds due from the Government		227,477,306	244,859,633
Other receivables		4,397,067,020	3,753,344,917
Markup receivable		2,679,819	-
Short term investments		583,100,786	509,500,786
Cash and bank balances	8	1,742,408,931	832,153,312
		17,039,887,742	14,476,498,392
TOTAL ASSETS		18,899,578,100	15,748,414,982
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Authorized share capital 400,000,000 ordinary shares of Rs.10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid up capital		3,676,923,080	3,000,000,000
Accumulated profit		3,411,733,331	2,991,850,517
General reserves		44,559,977	44,559,977
Share Premium		3,831,288,173	-
Long term loan - equity portion		-	42,744,954
Share deposit money		-	400,000,000
		10,964,504,561	6,479,155,448
NON CURRENT LIABILITIES			
Long term loan - debt portion		348,076,547	145,487,575
Lease liabilities		651,903,790	621,155,313
Net defined benefit liability		21,830,789	34,722,393
Deferred tax Liability		15,596,836	15,239,805
		1,037,407,962	816,605,086
CURRENT LIABILITIES			
Trade payables, accrued and other liabil	9	669,544,510	1,399,995,041
Contract liabilities		-	82,882,488
Refund liabilities		-	30,221,644
Accrued markup		52,101,616	110,730,936
Short term borrowings		5,385,756,487	6,085,626,053
Current portion of long term loans		445,315,784	438,747,989
Current maturity of lease liabilities		75,364,214	89,901,750
Provision for taxation		269,582,966	214,548,547
		6,897,665,577	8,452,654,448
TOTAL EQUITY AND LIABILITIES		18,899,578,100	15,748,414,982
CONTINGENCIES AND COMMITMENTS			
	10	-	-

The annexed notes 1 to 11 form an integral part of the condensed interim financial statements


Chief Executive


Chief Financial Officer


Director


AIR LINK COMMUNICATION LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR PERIOD ENDED 30 SEPTEMBER 2021 (unaudited)

	Quarter Ended 30 September	
	2021 (Rupees)	2020 (Rupees)
Sales - local	9,991,278,514	15,792,124,741
Sales - export	60,588,645	-
Service income	16,544,458	6,267,100
Gross sales	10,068,411,617	15,798,391,841
Less: Discounts & sales tax	(631,756,051)	(654,668,035)
Revenue from contracts with customers - net	9,436,655,566	15,143,723,806
Cost of sales	(8,400,124,365)	(14,109,192,605)
Gross profit	1,036,531,201	1,034,531,201
Administrative expenses	(152,851,699)	(147,282,336)
Selling and distribution cost	(128,569,036)	(131,471,940)
	(281,420,735)	(278,754,276)
Operating profit	755,110,466	755,776,925
Other income	10,360,992	22,524,198
Finance cost	(195,367,572)	(259,556,735)
Profit before taxation	570,103,886	518,744,388
Taxation	(150,221,072)	(239,133,021)
Net profit for the year	419,882,814	279,611,367
EPS	1.142	0.93

The annexed notes 1 to 11 form an integral part of the condensed interim financial statements


Chief Executive



Chief Financial Officer


Director

AIR LINK COMMUNICATION LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR PERIOD ENDED 30 SEPTEMBER 2021 (unaudited)

	Quarter Ended 30 September	
	2021 (Rupees)	2020 (Rupees)
Net profit for the period	419,882,814	279,611,367
Items not to be reclassified to profit or loss in subsequent periods		
Re-measurement losses on defined benefit plan	-	(654,668,035)
Tax effect	-	-
Re-measurement losses on defined benefit plan - net of tax	-	(654,668,035)
Other comprehensive income	-	(654,668,035)
Total comprehensive income for the period/year	<u>419,882,814</u>	<u>(375,056,668)</u>

The annexed notes 1 to 11 form an integral part of the condensed interim financial statements



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED

	--- Revenue Reserves ---			--- Capital Reserves ---				
	Issued, subscribed and paid up capital	General Reserve	Accumulated profit	Share Premium	Long term loan - equity portion	Loan from Director	Share deposit money (SDM)	Total
	(Rupees)							
Balance as at 30 June 2020	3,000,000,000	44,559,977	1,487,720,145		42,744,954	21,557,155		4,596,582,231
Profit for the year	-	-	1,505,004,481 (874,109)	-	-	-	-	1,505,004,481 (874,109)
Other comprehensive loss for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	1,504,130,372	-	-	-	-	1,504,130,372
Loan repaid						(21,557,155)		(21,557,155)
Conversion of long term loan				-			400,000,000	400,000,000
Balance as at June 2021	3,000,000,000	44,559,977	2,991,850,517	-	42,744,954	-	400,000,000	6,479,155,448
Profit for the period	-	-	419,882,814	-	-	-	-	419,882,814
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	419,882,814	-	-	-	-	419,882,814
IPO	600,000,000			3,831,288,173				4,431,288,173
Conversion of TFC	76,923,080			-			(400,000,000)	(323,076,920)
Long term loan-equity portion			-		(42,744,954)			(42,744,954)
Balance as at 30 September 2021	3,676,923,080	44,559,977	3,411,733,331	3,831,288,173	-	-	-	10,964,504,561


The annexed notes 1 to 11 form an integral part of the condensed interim financial statements


Chief Executive

Chief Executive

Amal Nath

Chief Financial Officer


Director

AIR LINK COMMUNICATION LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR PERIOD ENDED 30 SEPTEMBER 2021 (unaudited)

	Note	Quarter Ended 30 September	
		2021 (Rupees)	2020 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		570,103,886	518,744,388
Adjustments for :			
Depreciation		36,566,727	42,067,599
Amortization of intangible assets		2,255,821	646,948
Provision for net realizable value		-	(125,749,170)
Provision for gratuity		-	5,788,663
Financial charges		124,058,229	207,076,726
Finance income		(10,360,992)	(22,524,198)
		<u>152,519,785</u>	<u>107,306,568</u>
Operating profit before working capital changes		722,623,671	626,050,956
(Increase)/decrease in current assets			
Stock in trade		1,025,026,577	(3,011,670,935)
Stores and spares		7,560,647	-
Trade debts		(1,899,230,919)	1,183,977,433
Loans and advances		(43,538,715)	(196,663,862)
Trade deposits and short term prepayments		(40,331,726)	(28,150,147)
Tax refunds due from the Government		17,382,327	(91,848,059)
Other receivables		(643,722,103)	(1,716,156,485)
		<u>(1,576,853,912)</u>	<u>(3,860,512,055)</u>
Increase/(decrease) in current liabilities			
Trade payables, accrued and other liabilities		(730,450,531)	5,065,320,765
Contract liabilities		(82,882,488)	(18,250,607)
		<u>(1,667,563,260)</u>	<u>1,812,609,059</u>
Financial charges paid		(204,513,958)	(242,070,014)
Interest income received		-	(25,695,719)
Gratuity paid		(12,891,604)	(1,392,250)
Income tax paid		(95,543,684)	(261,633,021)
NET CASH USED IN OPERATING ACTIVITIES		(1,980,512,506)	1,281,818,055
CASH FLOW FROM INVESTING ACTIVITIES			
Additions in property and equipment		(180,723,866)	(17,656,918)
Capital work in progress		(442,752,128)	-
Sale proceeds from disposal of property and equipment		-	11,886,000
Short Term Investment		(73,600,000)	-
Additions in intangibles		(3,120,322)	(3,412,890)
NET CASH USED IN INVESTING ACTIVITIES		(700,196,316)	(9,183,808)
CASH FLOW FROM FINANCING ACTIVITIES			
Lease liability		16,210,941	(209,945,953)
Issuance of Share Capital		676,923,080	500,000,000
Loans repaid		(42,744,954)	-
Loans acquired		209,156,767	377,332,388
Share Premium		3,831,288,173	-
Share deposit money		(400,000,000)	-
Decrease in short term bank borrowings		(699,869,566)	(1,837,233,467)
NET CASH GENERATED FROM FINANCING ACTIVITIES		3,590,964,441	(1,169,847,032)
NET INCREASE IN CASH AND CASH EQUIVALENTS		910,255,619	102,787,215
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		832,153,312	2,772,168,318
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8	1,742,408,931	2,874,955,533

The annexed notes 1 to 11 form an integral part of the condensed interim financial statements



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

1 THE COMPANY AND ITS OPERATIONS

- 1.1** The Company was incorporated in Pakistan on 02 January 2014 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) having registered office at LG 2, Al - Qadeer Heights, 1 Babar Block, New Garden Town, Lahore, Punjab. The Company is engaged in the business of import, export distribution, indenting, wholesale, retail of communication and IT related products and services including cellular mobile/smart phones, tablets, laptops, accessories and allied products. The Company converted to a public limited company on 24 April 2019 and got itself registered on Pakistan Stock Exchange (PSX) with effect from September 22, 2021.

The Company set-up a facility for assembly of smart phones and feature phones located at 152-M, Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan. Initial assembling capacity has been planned for 400,000 mobile sets per month which is expandable according to market demand.

2 STATEMENT OF COMPLIANCE

This interim financial information of the Company for the quarter ended September 30, 2021 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act 2017 have been followed.

These condensed interim financial statements are unaudited and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

3 BASIS OF PREPARATION

These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2021 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended June 30, 2021

3.1 PRESENTATION CURRENCY

These condensed interim financial statements are presented in Pakistani Rupee which is the functional currency of the Company. The figures have been rounded off to the nearest of Rupees unless otherwise stated.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of this interim condensed financial information in conformity with the approved accounting standards require the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this interim condensed financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended June 30, 2021.

AIR LINK COMMUNICATION LIMITED
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	(unaudited) 30 September 2021 (Rupees)	Audited 30 June 2021 (Rupees)
5 PROPERTY AND EQUIPMENT		
Operating fixed assets	774,443,441	567,454,504
Right-of-use assets / leased assets	623,613,934	686,445,732
	<u>1,398,057,375</u>	<u>1,253,900,236</u>
6 STOCK IN TRADE		
Raw Material	905,475,411	393,763,974
Work in Process	150,489,956	19,576,154
Mobile phones at ware house & in transit	1,349,723,336	3,054,454,699
Spare parts	111,690,015	79,678,663
	2,517,378,718	3,547,473,490
Provision for net realizable value	(8,731,429)	(13,799,624)
	<u>2,508,647,289</u>	<u>3,533,673,866</u>
7 TRADE DEBTS		
Considered-good - unsecured		
Local: Considered good	6,096,951,655	4,034,353,128
Receivables against exports' settlement	1,262,521,155	1,425,887,763
	7,359,472,810	5,460,240,891
ECL impairment allowance	(68,979,736)	(68,979,736)
	<u>7,290,493,074</u>	<u>5,391,261,155</u>
8 CASH AND BANK BALANCES		
Cash in hand	77,063,204	14,936,115
Cash at bank - current accounts	1,665,345,727	817,217,197
	<u>1,742,408,931</u>	<u>832,153,312</u>
9 TRADE PAYABLES, ACCRUED AND OTHER LIABILITIES		
Trade payables	365,103,923	1,050,104,185
Incentives and promotions payable	58,573,351	143,969,719
Accrued expenses	47,755,555	57,306,627
Withholding tax payable	103,495,134	89,839,256
Other payables	94,616,547	58,775,254
	<u>669,544,510</u>	<u>1,399,995,041</u>

AIR LINK COMMUNICATION LIMITED
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies and Commitments

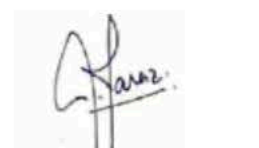
There is no significant change in contingencies and commitments from the preceding annual financial statements of the Company for the year ended June 30, 2021.

11 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized by Board of Directors on _____.



Chief Executive

Chief Financial Officer

Director

AIR LINK COMMUNICATION

YOUR SMART DEVICE PARTNER

HEAD OFFICE

LG-2, Al Qadir Heights, 1 Babar Block,
New Garden Town, Lahore, Pakistan

FACTORY ADDRESS

152-m, Quaid-e-azam industrial estate.
Kotlakhpat lahore. Airlink Factory.