

HALF YEARLY REPORT

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. Aqdus 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. Aqdus 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



JS Bank Limited



United Bank Limited



Askari Bank Limited



Standard Chartered Limited





The bank of Punjab The Bank of Khyber Limited Limited



Habib Metro Limited



Bank Alfalah Limited



Dubia Islamic Bank Limited



Habib Bank Limited



Meezan Bank Limited



Bank Islami Limited



Soneri Bank Limited

LEGAL ADVISOR

Punjab Law Associate

FACTORY ADDRESS

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

COMPANY'S REGISTERED ADDRESS (HEAD OFFICE)

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

SHARE REGISTRAR

CDC Share Registrar Services Limited CDC House, 99-B, Block 'B' S.M.C.H.S Main Shahra-e-Faisal, Karachi

EXTERNAL AUDITORS

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





The board of directors of Air Link Communication Ltd is pleased to present the Financial Statements for the half year ended December 31,2021 along with the review report of auditors thereon.

During the six months ended December 31, 2021, your Company managed to achieve the Gross profit margin of 11% during first half of fiscal year 2021-22, representing an increase of 2% as compared to the corresponding previous period. This led to net profit of PKR 1,026 million, representing an increase of 7% as compared to the corresponding last year.

During the period under review the company has established the wholly owned subsidiary under the name "Select Technologies (Pvt.) Limited" which is in a process of setting up state-of-the-art smartphone assembly plant in Lahore for mobile phones and allied products of Xiaomi. Xiaomi is one of the leading smartphone brand in the world. The organization is a strong proponent of investment in Pakistan and is invested heavily in the local industry. The idea is to promote 'Made in Pakistan' products and to create employment opportunities for skilled and unskilled labour.

The Company has taken all precautions by following proper SOPs for employees coming to work at the factory. Allah has been kind that we have not had any Corona case fatality.

We would like to record our appreciation and gratitude to our stakeholders, banks, financial institutions and business partners for the continuous support in the ongoing operations. We also acknowledge the support of relevant ministries and regulators for their continued support and guidance. We acknowledge the hard work put in by employees of the Company and look forward for their continued and active involvement.

CHIEF EXECUTIVE OFFICER

DIRECTOR

ائز لنک کمیونکیشن لمینٹر کے بورؤ آف ڈائز بکترزکو 31 دمبر، 2021 کوئتم ہونے والیاششما ہی کے مالی حسابات منع ان کے بارے میں آ ڈیٹرز کی جائز و رپورٹ پیش کرتے ہوئے سرت محسوس ہورہی ہے۔

31 وتمبر، 2021 کوشم ہونے والے چیسا دکے دوران آپ کی کمپنی نے مالی سال 22-2021 کی لیملی ششاہی بیں 11% جمہومی منافع حاصل کیا جو اس سے کچیلی مدت کے مقابلے بیں 29 اضافہ ظاہر کرتا ہے۔اس نے 1,026 ملین یا کتانی روپے کے خالص منافع کی را دیموار کی جوگز شتہ سال کے مقابلے بیں 7% اضافہ کی ٹمائند گی کرتا ہے۔

کینی نے زیرجائز دمت کے دوران" سلیکٹ ٹیکٹالوجیو (پرائیویٹ) کمینٹ " کیام ہے کمل ملکیتی سید ری قائم کی جو Xiaomi کے موبائل فوزا در ملحقہ مصنوعات کے لیے لا ہور شربائی مثال آپ سارت فون اسمبلی پلاٹ کے قیام کے مرحلے میں ہے۔Xiaomi دنیا کے مثاز سارٹ فون براغز زمیں ہے ایک ہے۔ بیادارہ پاکستان میں سرما بیکا ری کا زبر دست حامی ہے اوراس نے مقامی انڈ سڑی میں مجر پورسرما بیکارٹ کی ہے۔ اس کے چیجے" Made in Pakistan" بیا فرکش اور ہنر منداور غیر ہنر مند لیبر کے لیے دوزگار کے مواقع پیدا کرنے کا تصور کا رفر ماہے۔

کمپنی نے نیکٹری ٹی کام پرآنے والے ملاز ٹین کے لیے مناسب SOPs پھل کرتے ہوئے تمام احتیاطی اقد امات کے ہیں۔اللہ پاک کا کرم ہے جارے بال کورونا سے کسی کی جان ٹیس گئی۔

ہم جاری وساری آپریشنز کی مسلسل مدو پراپنے ستیک ہولڈرز ، بینکول ، مالیاتی ادا روں ادرکار دباری شراکت داروں کے ممنون و مقلور ہیں۔ ہم مسلسل مدداور رہنمائی پر متصفقہ وزارتوں اوراورریگولیٹرز کے بھی شکرگز ارجیں۔ ہم مینی کے ملاز مین کی انتقاب محت کا بھی شکر بیادا کرتے ہیں اوران کی مسلسل اورفعال شرکت کی اسید کے ستانہ

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AIR LINK COMMUNICATION LIMITED

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2021

EY Ford Rhodes Chartered Accountants 96-B-I, 4th Floor, Pace Mall Building M. M. Alam Road, Gulberg-II P.O. Box 104, Lahore-54660

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Air Link Communication Limited

Report on review of Unconsolidated Condensed Interim Financial Statements for the six-month period ended 31 December 2021

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Air Link Communication Limited as at 31 December 2021 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-month 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 financial statements based on our review.

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 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.

Other matter

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three-month periods ended 31 December 2021 and 31 December 2020 along with related notes have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended 31 December 2021.

The engagement partner on the review resulting in this independent auditor's report is Abdullah Fahad Masood.

EY Ford Rhodes

Chartered Accountants Lahore: 28 February 2022

UDIN: RR2021101774VSu2LA8I

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AIR LINK COMMUNICATION LIMITED UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

Note	31 December 2021 (Un-audited)	30 June 2021 (Audited)
	(Rupees)	(Rupees)
-	4 462 247 049	1,253,900,236
5		18,016,354
6		-
	2,239,498,383	1,271,916,590
-	4 070 720 024	2 522 672 966
,		3,533,673,866 7,560,647
8		5,391,262,155
		171,674,967
	9,793,467	32,468,109
	2,855,415,471	3,753,344,917
	255,101,533	244,859,633
	860,170,091	509,500,786
		832,153,312
	16,331,709,278	14,476,498,392
	18,571,207,661	15,748,414,982
hares		
	6,000,000,000	4,000,000,000
9	3,952,692,310	3,000,000,000
	3,556,176,808	-
		44,559,977
		2,991,850,517
	21,372,477	42,744,954 400,000,000
	11,146,871,997	6,479,155,448
10	1,042,550,172	145,487,575
11	539,275,930	621,155,313
		34,722,393
		15,239,805 816,605,086
	1,000,007,072	0.10,000,000
	918,610,319	1,399,995,041
	80,001,199	82,882,488
	11,794,755	30,221,644
	625,580,371	438,747,989
11		89,901,750
42		6,085,626,053
12		110,730,936
	The second secon	214.548.547
	5,793,478,592	8,452,654,448
	18,571,207,661	15,748,414,982
	10	(Rupees) 5

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

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Chief Executive

Chief Financial Officer

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AIR LINK COMMUNICATION LIMITED UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2021

		Six month p	eriod ended	Three month period ended		
Note		31 December 2021 (Un-audited)	31 December 2020 (Un-audited)	31 December 2021 (Un-audited)	31 December 2020 (Un-audited)	
		(Rupees)	(Rupees)	(Rupees)	(Rupees)	
Revenue from contracts with customers - net	14	24,002,302,672	28,123,770,180	14,565,647,106	12,980,046,374	
Cost of sales	15	(21,404,719,465)	(25,509,600,016)	(13,004,595,100)	(11,400,407,411)	
Gross profit		2,597,583,207	2,614,170,164	1,561,052,006	1,579,638,963	
Administrative expenses		(469,205,267)	(284,859,246)	(316,353,568)	(137,576,910)	
Selling and distribution cost		(266,680,274)	(311,764,371)	(138,111,238)	(180,292,431)	
		(735,885,541)	(596,623,617)	(454,464,806)	(317,869,341)	
Operating profit		1,861,697,666	2,017,546,547	1,106,587,200	1,261,769,622	
Other income		18,603,371	55,010,702	8,242,379	32,486,504	
Other expenses		(25,735,962)	(3,942,134)	(25,735,962)	(3,942,134)	
Finance cost		(512,699,549)	(570,052,762)	(317,331,977)	(310,496,027)	
Profit before taxation		1,341,865,526	1,498,562,353	771,761,640	979,817,965	
Taxation		(315,356,313)	(539,581,045)	(165,135,241)	(300,448,024)	
Profit for the period		1,026,509,213	958,981,308	606,626,399	679,369,941	
Earnings per share		2000			2.22	
- Basic		3.02	3.20	1.65	2.26	
- Diluted		2.99	3.08	1.63	2.24	

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

AIR LINK COMMUNICATION LIMITED UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2021

		Six month pe	eriod ended	Three month	period ended
	Note	31 December 2021 (Un-audited)	31 December 2020 (Un-audited)	31 December 2021 (Un-audited)	31 December 2020 (Un-audited)
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
Profit for the period	A	1,026,509,213	958,981,308	606,626,399	679,369,941
Items not to be reclassified to profit or loss in subsequent periods	1				
Re-measurement losses on defined benefit plar Tax effect	1	(11,332,954) 3,286,557	(1,067,582) 309,600	(11,332,954) 3,286,557	-
Re-measurement losses on defined benefi plan - net of tax	t	(8,046,397)	(757,982)	(8,046,397)	
Items to be reclassified to profit or loss in subsequent periods			-		
Other comprehensive loss	В	(8,046,397)	(757,982)	(8,046,397)	-
Total comprehensive income for the period		1,018,462,816	958,223,326	598,580,002	679,369,941

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

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AIR LINK COMMUNICATION LIMITED UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2021

11,146,871,997			21,372,477	3,572,070,425	44,559,977	3,556,176,808	3,952,692,310	Balance as at 31 December 2021 (Un-audited)
1,018,462,816				1,018,462,816				Total comprehensive income for the period (Un-audited)
1,026,509,213 (8,046,397)				1,026,509,213 (8,046,397)				Profit for the period (Un-audited) Other comprehensive income for the period (Un-audited)
						(275,769,230)	275,769,230	Issue of bonus shares for the year ended 30 June 2021 at rate of 7.5%
(459,615,385)				(459,615,385)		ı		Final dividend for the year ended 30 June 2021 at the rate of Rs. 1.25 per share
(181,130,882)						(181,130,882)	•	Transaction cost on issuance of ordinary shares (note 1.2)
4,290,000,000				•		3,690,000,000	600,000,000	Issuance of shares against initial public offering (note 1.2)
r	(400,000,000)		(21,372,477)	21,372,477		323,076,920	76,923,080	Conversion of long term loan amounting Rs. 400 million at the rate of Rs. 52 per share (note 10.1)
								Transactions with owners in their capacity as owners:
6,479,155,448	400,000,000		42,744,954	2,991,850,517	44,559,977		3,000,000,000	Balance as at 1 July 2021 (Audited)
5,533,248,402		1	42,744,954	2,445,943,471	44,559,977		3,000,000,000	Balance as at 31 December 2020 (Un-audited)
(21,557,155)	,	(21,557,155)					,	Loan repaid
958,981,308 (757,982) 958,223,326		1	1 1	958,981,308 (757,982) 958,223,326		,		Profit for the period (Un-audited) Other comprehensive income for the period (Un-audited) Total comprehensive income for the period (Un-audited)
4,596,582,231		21,557,155	42,744,954	1,487,720,145	44,559,977	•	3,000,000,000	Balance as at 1 July 2020 (Audited)
			(Rupees)	(Rupe				
Total	Share deposit money	Loan from Director	Long term loan - equity portion	Accumulated profit	General reserves	Share Premium	Issued, subscribed and paid up capital	
				Revenue reserve	Revenue	Capital reserve		







AIR LINK COMMUNICATION LIMITED UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2021

	Six month pe	eriod ended
	31 December 2021	31 December 2020
	(Un-audited)	(Un-audited)
CASH FLOW FROM OPERATING ACTIVITIES	(Rupees)	(Rupees)
Profit before taxation	1,341,865,526	1,498,562,353
Adjustments for:	440 000 005	00 757 100
Depreciation of property, plant and equipment	146,238,225	86,757,139
Amortization of intangible assets	4,197,555	2,843,070
Provision for net realizable value reversed	(11,216,176)	(3,757,979)
Allowance for expected credit loss - trade debts	13,191,235	4.007.004
Provision for gratuity	9,365,561	4,667,324
Provision for workers welfare fund	25,735,962	2 040 404
Gain on lease termination	(441,594)	3,942,134
Finance cost	512,699,549	570,052,762
Provision written off	(4 000 000)	(6,594,008)
Unrealized gain on financial assets	(1,923,869)	(44 545 050)
Finance income	(16,237,908)	(41,545,650)
On another a world by face and discount to be a seen	681,608,540	616,364,792 2,114,927,145
Operating profit before working capital changes	2,023,474,066	2,114,927,145
(Increase)/decrease in current assets		200 450 077
Stock in trade	(1,334,846,879)	869,152,377
Stores and spares	(5,458,916)	(400 000 404)
Trade debts	62,377,428	(126,226,181)
Loans and advances	(983,825,885)	83,149,533
Trade deposits and short term prepayments	22,674,642	24,217,763 2,984,440,857
Other receivables Tax refunds due from the Government	897,929,446	
ax retunds due from the Government	(10,241,900)	22,438,854 3,857,173,203
Increase/(decrease) in current liabilities	(1,351,392,004)	3,037,173,203
Trade payables, accrued and other liabilities	(525,547,573)	(2,714,926,770)
Contract liabilities	(2,881,289)	(50,168,455)
	143,653,140	3,207,005,123
Financial cost poid	(E01 466 4E2)	(538,758,415)
Financial cost paid Gratuity paid	(501,466,452) (18,343,183)	(3,427,200)
Income tax paid	(170,481,465)	(487,689,953)
•	(546,637,960)	2,177,129,555
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	(340,037,900)	2,177,129,555
CASH FLOW FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment - owned assets	(12,088,032)	(43,743,748)
Additions in capital work in progress		(424,343,236)
Investment in subsidiary	(1,058,511,220)	-
Additions in intangibles	(4,921,346)	(6,601,224)
Interest income received	16,237,908	41,545,650
Short term investments	(348,745,436)	(6,281,513)
NET CASH USED IN INVESTING ACTIVITIES	(1,408,028,126)	(439,424,071)
CASH FLOW FROM FINANCING ACTIVITIES		
Lease liability repaid	(92,642,158)	(77,984,086)
Long term loans repaid	(45,067,084)	(21,557,153)
Long term loans obtained	1,128,962,063	45,691,020
Proceeds from issuance of shares	4,290,000,000	-
Share issuance cost	(181,130,882)	-
Dividend paid	(364,306,593)	Walter Control Walter Control
Short term borrowings repaid - net	(2,626,024,684)	(1,719,479,195)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	2,109,790,662	(1,773,329,414)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	155,124,576	(35,623,930)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	832,153,312	814,288,761
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	987,277,888	778,664,831

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive

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AIR LINK COMMUNICATION LIMITED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2021

1 THE COMPANY AND ITS OPERATIONS

1.1 The Company was incorporated in Pakistan on 02 January 2014 as a private limited company, later on converted to a public limited company on 24 April 2019, 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 also has 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.

1.2 In prior financial year, the Company initiated the process to raise funds through Initial Public Offering (IPO) to meet working capital requirements in order to expand the existing business of the Company. During the period, the Securities and Exchange Commission of Pakistan (SECP) granted approval dated 19 July 2021 to the Company to issue, circulate and publish Prospectus for the Initial Public Offering (IPO) of 90 million ordinary shares. On 31 August 2021, book-building and institutional / large investors' bidding process was completed for new issue of 60 million shares at strike price of Rs. 71.5 per share, whereas public subscription of remaining 30 million shares was completed on 07 September 2021. Consequently, 25% of the total share capital of the Company stands offered to the public and institutional investors whilst the process of listing of shares on Pakistan Stock Exchange was completed on 22 September 2021.

2 STATEMENT OF COMPLIANCE

- 2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
 - International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2021.
- 2.3 These unconsolidated condensed interim financial statements are unaudited but subject to limited scope review by the auditors and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Companies (Code of Corporate Governance) Regulations, 2019.
- 2.4 The unconsolidated condensed interim financial statements have been prepared under the historical cost convention except for the defined benefit obligation which are measured at present value. These financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest Pak Rupees unless otherwise stated.
- 2.5 Provisions in respect of taxation, retirement benefit obligations and Workers' Welfare Fund (WWF) are provisional and subject to final adjustments in the annual audited financial statements.
- 2.6 These are unconsolidated condensed interim financial statements where the investment in subsidiary is shown at cost less any identified impairment losses; consolidated financial statements are separately presented.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except for the following new amended standards effective for annual period beginning on 01 July 2021, as listed below. The Company has not early-adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New Standards, Interpretations and Amendments

IFRS 9, IAS 39, IFRS 7, IFRS 4 and - Interest Rate Benchmark Reform - Phase 2 - Amendments IFRS 16

The adoption of above amendments applied for the first time in the period did not have any material impact on the unconsolidated condensed interim financial statements of the Company.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of unconsolidated condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Company for the year ended 30 June 2021.

			31 December 2021	30 June 2021
		Note	(Un-audited)	(Audited)
5	PROPERTY AND EQUIPMENT		(Rupees)	(Rupees)
	Operating fixed assets	5.1	506,018,542	567,454,504
	Right-of-use assets	5.2	656,228,476	686,445,732
			1,162,247,018	1,253,900,236
5.1	Movement in operating fixed assets is as follows:			
	Opening balance		567,454,504	71,165,594
	Additions during the period / year	5.1.1	12,088,032	582,661,563
	Depreciation for the period / year		(73,523,994)	(86,372,653)
	Closing balance		506,018,542	567,454,504
5.1.1	Additions in operating fixed assets during the period / year are as	follows:		
	Building on lease hold land		1,307,190	108,158,357
	Plant & machinery		4,766,218	224,328,857
	Furniture and fixtures		1,238,613	8,627,719
	Computers		1,689,795	27,669,629
	Office equipment		3,086,216	207,435,166
	Motor vehicles		-	6,441,835
			12,088,032	582,661,563
5.2	Movement in right-of-use assets is as follows:			
	Opening balance		686,445,732	405,806,551
	Additions during the period / year	5.2.1	49,335,269	510,674,516
	Termination during the period / year		(6,838,294)	(83,479,095)
	Depreciation for the period / year		(72,714,231)	(146,556,240)
	Closing balance		656,228,476	686,445,732
5.2.1	Additions in right-of-use assets during the period / year are as fol	lows:		
	Motor vehicles		17,471,000	19,315,600
	Lease hold land		-	344,940,738
	Rented premises-buildings		31,864,269	146,418,178
			49,335,269	510,674,516
6	INVESTMENT IN SUBSDIARY			
	Investment in Select Technologies (Private) Limited - at cost		1,058,511,220	-

During the period, the Company incorporated a wholly-owned subsidiary under the name of Select Technologies (Private) Limited. The principal line of business of the subsidiary shall be to set up, establish and operate plants for the assembly and production of mobile phones of all sorts and description, accessories, components, attachments and bodies used for or in connection with the aforementioned mobile phones.

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				31 December 2021	30 June 2021
	STOCK IN TRADE	-	Note	(Un-audited) (Rupees)	(Audited) (Rupees)
					, , ,
	Raw material			771,614,344	393,763,974
	Work in process			11,846,858 1,409,600,592	19,576,154 1,254,026,953
	Mobile phones			131,211,295	79,678,663
	Spare parts			2,324,273,089	1,747,045,744
	Provision for net realizable value		7.1	(2,583,448)	(13,799,624)
	Trovision for fict realizable value			2,321,689,641	1,733,246,120
	Goods in transit			2,558,047,280	1,800,427,746
				4,879,736,921	3,533,673,866
7.1	Movement in provision for net realizable va	alue is as follows:			
				13,799,624	32,675,515
	Opening balance Reversal during the period / year			(11,216,176)	(18,875,891)
	Closing balance			2,583,448	13,799,624
	Clothing Data is a				
8	TRADE DEBTS				
	Considered good - upsequired				
	Considered good - unsecured Local			5,397,864,463	4,034,354,128
	Exports			•	1,425,887,763
				5,397,864,463	5,460,241,891
	Allowance for expected credit loss			(82,170,971)	(68,979,736)
				5,315,693,492	5,391,262,155
		31 December 2021	30 June 2021	31 December 2021	30 June 2021
9	ISSUED, SUBSCRIBED AND PAID	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	UP CAPITAL	No. of sl		(Rupees)	(Rupees)
	Opening Balance				
-	Ordinary shares of Rs. 10 each fully		405 000 000		4 050 000 000
	paid in cash	125,000,000	125,000,000	1,250,000,000	1,250,000,000
•	Bonus shares of Rs. 10 each	175,000,000	175,000,000	1,750,000,000	1,750,000,000
	Movement during the period				
-	Conversion of long term loan				
	amounting Rs. 400 million at the rate				
	of Rs. 52 per share	7,692,308	-	76,923,080	-
	Issuance of shares (see note 1.2)	60,000,000	-	600,000,000	-
-	Bonus shares of Rs. 10 each	27,576,923		275,769,230	-
	Closing Balance				
-	Ordinary shares of Rs. 10 each fully		105 000 000	4 000 000 000	4 250 000 000
	paid in cash	192,692,308	125,000,000	1,926,923,080	1,250,000,000 1,750,000,000
-	Bonus shares of Rs. 10 each	202,576,923	175,000,000	2,025,769,230	1,750,000,000
		395,269,231	300,000,000	3,952,692,310	3,000,000,000
	LONG TERM LOANS				
10					
10	JS Bank Limited and PCF Communication	Investments (Private) Li	mited	400,000,000	393,435,951
10	JS Bank Limited and PCF Communication JS Bank Limited	Investments (Private) Li	mited	400,000,000 45,582,232	68,251,302
10		Investments (Private) Li	mited	45,582,232 122,548,311	
10	JS Bank Limited		mited	45,582,232 122,548,311 800,000,000	68,251,302
10	JS Bank Limited Orix Leasing Pakistan Limited Saudi Pak Industrial and Agricultural Inves Pak Oman Investment Company		mited	45,582,232 122,548,311 800,000,000 300,000,000	68,251,302 122,548,311 - -
10	JS Bank Limited Orix Leasing Pakistan Limited Saudi Pak Industrial and Agricultural Inves		mited	45,582,232 122,548,311 800,000,000 300,000,000 19,121,023	68,251,302 122,548,311 - - 28,318,519
10	JS Bank Limited Orix Leasing Pakistan Limited Saudi Pak Industrial and Agricultural Inves Pak Oman Investment Company Add: Accrued markup	stment Company Limited	mited	45,582,232 122,548,311 800,000,000 300,000,000 19,121,023 1,687,251,566	68,251,302 122,548,311 - - 28,318,519 612,554,083
10	JS Bank Limited Orix Leasing Pakistan Limited Saudi Pak Industrial and Agricultural Inves Pak Oman Investment Company Add: Accrued markup Less: Current portion shown under current	stment Company Limited	mited	45,582,232 122,548,311 800,000,000 300,000,000 19,121,023 1,687,251,566 (625,580,371)	68,251,302 122,548,311 - - 28,318,519 612,554,083 (438,747,989)
10	JS Bank Limited Orix Leasing Pakistan Limited Saudi Pak Industrial and Agricultural Inves Pak Oman Investment Company Add: Accrued markup	stment Company Limited	mited	45,582,232 122,548,311 800,000,000 300,000,000 19,121,023 1,687,251,566 (625,580,371) (19,121,023)	68,251,302 122,548,311 - - 28,318,519 612,554,083
	JS Bank Limited Orix Leasing Pakistan Limited Saudi Pak Industrial and Agricultural Inves Pak Oman Investment Company Add: Accrued markup Less: Current portion shown under current Less: Accrued markup presented in curren	stment Company Limited liabilities nt liabilities		45,582,232 122,548,311 800,000,000 300,000,000 19,121,023 1,687,251,566 (625,580,371) (19,121,023) 1,042,550,172	68,251,302 122,548,311 - - 28,318,519 612,554,083 (438,747,989) (28,318,519) 145,487,575
	JS Bank Limited Orix Leasing Pakistan Limited Saudi Pak Industrial and Agricultural Inves Pak Oman Investment Company Add: Accrued markup Less: Current portion shown under current Less: Accrued markup presented in curren	stment Company Limited Iliabilities It liabilities amounting Rs. 400 milli	on from JS Bank Lin	45,582,232 122,548,311 800,000,000 300,000,000 19,121,023 1,687,251,566 (625,580,371) (19,121,023) 1,042,550,172	68,251,302 122,548,311 - - 28,318,519 612,554,083 (438,747,989) (28,318,519) 145,487,575
	JS Bank Limited Orix Leasing Pakistan Limited Saudi Pak Industrial and Agricultural Inves Pak Oman Investment Company Add: Accrued markup Less: Current portion shown under current Less: Accrued markup presented in curren	stment Company Limited Iliabilities It liabilities amounting Rs. 400 milli	on from JS Bank Lin	45,582,232 122,548,311 800,000,000 300,000,000 19,121,023 1,687,251,566 (625,580,371) (19,121,023) 1,042,550,172	68,251,302 122,548,311 - - 28,318,519 612,554,083 (438,747,989) (28,318,519) 145,487,575
10.1	JS Bank Limited Orix Leasing Pakistan Limited Saudi Pak Industrial and Agricultural Investal Pak Oman Investment Company Add: Accrued markup Less: Current portion shown under current Less: Accrued markup presented in current Company On 13 September 2021, long term loan (Private) Limited has been converted in to	stment Company Limited Iliabilities It liabilities amounting Rs. 400 milli	on from JS Bank Lin	45,582,232 122,548,311 800,000,000 300,000,000 19,121,023 1,687,251,566 (625,580,371) (19,121,023) 1,042,550,172	68,251,302 122,548,311 - - 28,318,519 612,554,083 (438,747,989) (28,318,519) 145,487,575
10.1	JS Bank Limited Orix Leasing Pakistan Limited Saudi Pak Industrial and Agricultural Inves Pak Oman Investment Company Add: Accrued markup Less: Current portion shown under current Less: Accrued markup presented in curren	stment Company Limited Iliabilities It liabilities amounting Rs. 400 milli	on from JS Bank Lin	45,582,232 122,548,311 800,000,000 300,000,000 19,121,023 1,687,251,566 (625,580,371) (19,121,023) 1,042,550,172 nited and PCF Commur sion rate of Rs. 52 per sh	68,251,302 122,548,311 - - 28,318,519 612,554,083 (438,747,989) (28,318,519) 145,487,575
10.1	JS Bank Limited Orix Leasing Pakistan Limited Saudi Pak Industrial and Agricultural Investal Pak Oman Investment Company Add: Accrued markup Less: Current portion shown under current Less: Accrued markup presented in current Company On 13 September 2021, long term loan (Private) Limited has been converted in to	stment Company Limited Iliabilities It liabilities amounting Rs. 400 milli	on from JS Bank Lin	45,582,232 122,548,311 800,000,000 300,000,000 19,121,023 1,687,251,566 (625,580,371) (19,121,023) 1,042,550,172	68,251,302 122,548,311 - 28,318,519 612,554,083 (438,747,989) (28,318,519) 145,487,575 nication Investments are
10.1	JS Bank Limited Orix Leasing Pakistan Limited Saudi Pak Industrial and Agricultural Inves Pak Oman Investment Company Add: Accrued markup Less: Current portion shown under current Less: Accrued markup presented in current On 13 September 2021, long term loan (Private) Limited has been converted in to	stment Company Limited Iliabilities It liabilities amounting Rs. 400 milli	on from JS Bank Lin	45,582,232 122,548,311 800,000,000 300,000,000 19,121,023 1,687,251,566 (625,580,371) (19,121,023) 1,042,550,172 nited and PCF Commur sion rate of Rs. 52 per sh	68,251,302 122,548,311 - 28,318,519 612,554,083 (438,747,989) (28,318,519) 145,487,575 nication Investments are
10.1	JS Bank Limited Orix Leasing Pakistan Limited Saudi Pak Industrial and Agricultural Investigation Pak Oman Investment Company Add: Accrued markup Less: Current portion shown under current Less: Accrued markup presented in current On 13 September 2021, long term loan (Private) Limited has been converted in to LEASE LIABILITIES Opening balance Reassessment of lease Lease liabilities acquired during the period	stment Company Limited Iliabilities In liabilities	on from JS Bank Lin	45,582,232 122,548,311 800,000,000 300,000,000 19,121,023 1,687,251,566 (625,580,371) (19,121,023) 1,042,550,172 nited and PCF Commur sion rate of Rs. 52 per sh	68,251,302 122,548,311 - 28,318,519 612,554,083 (438,747,989) (28,318,519) 145,487,575 nication Investments are
10.1	JS Bank Limited Orix Leasing Pakistan Limited Saudi Pak Industrial and Agricultural Investigation Pak Oman Investment Company Add: Accrued markup Less: Current portion shown under current Less: Accrued markup presented in current On 13 September 2021, long term loan (Private) Limited has been converted in to LEASE LIABILITIES Opening balance Reassessment of lease Lease liabilities acquired during the period Mark-up on lease liabilities - rented premis	stment Company Limited Iliabilities In liabilities	on from JS Bank Lin	45,582,232 122,548,311 800,000,000 300,000,000 19,121,023 1,687,251,566 (625,580,371) (19,121,023) 1,042,550,172 nited and PCF Commur sion rate of Rs. 52 per sh	68,251,302 122,548,311 - 28,318,519 612,554,083 (438,747,989) (28,318,519) 145,487,575 nication Investments are
10.1	JS Bank Limited Orix Leasing Pakistan Limited Saudi Pak Industrial and Agricultural Investigation Pak Oman Investment Company Add: Accrued markup Less: Current portion shown under current Less: Accrued markup presented in current On 13 September 2021, long term loan (Private) Limited has been converted in to LEASE LIABILITIES Opening balance Reassessment of lease Lease liabilities acquired during the period	stment Company Limited Iliabilities In liabilities	on from JS Bank Lin	45,582,232 122,548,311 800,000,000 300,000,000 19,121,023 1,687,251,566 (625,580,371) (19,121,023) 1,042,550,172 mited and PCF Commur sion rate of Rs. 52 per sh 711,057,063 - 49,335,269 39,913,834 (7,279,886)	68,251,302 122,548,311 - 28,318,519 612,554,083 (438,747,989) (28,318,519) 145,487,575 nication Investments are 370,486,836 32,573,783 458,439,687 84,447,089 (72,715,662)
10.1	JS Bank Limited Orix Leasing Pakistan Limited Saudi Pak Industrial and Agricultural Investigation Pak Oman Investment Company Add: Accrued markup Less: Current portion shown under current Less: Accrued markup presented in current On 13 September 2021, long term loan (Private) Limited has been converted in to LEASE LIABILITIES Opening balance Reassessment of lease Lease liabilities acquired during the period Mark-up on lease liabilities - rented premis Termination of lease	stment Company Limited Iliabilities In liabilities	on from JS Bank Lin	45,582,232 122,548,311 800,000,000 300,000,000 19,121,023 1,687,251,566 (625,580,371) (19,121,023) 1,042,550,172 mited and PCF Commur sion rate of Rs. 52 per sh 711,057,063 - 49,335,269 39,913,834 (7,279,886) 793,026,280	68,251,302 122,548,311 - 28,318,519 612,554,083 (438,747,989) (28,318,519) 145,487,575 nication Investments are 370,486,836 32,573,783 458,439,687 84,447,089 (72,715,662) 873,231,733
	JS Bank Limited Orix Leasing Pakistan Limited Saudi Pak Industrial and Agricultural Investigation Pak Oman Investment Company Add: Accrued markup Less: Current portion shown under current Less: Accrued markup presented in current On 13 September 2021, long term loan (Private) Limited has been converted in to LEASE LIABILITIES Opening balance Reassessment of lease Lease liabilities acquired during the period Mark-up on lease liabilities - rented premis	stment Company Limited Iliabilities In liabilities	on from JS Bank Lin	45,582,232 122,548,311 800,000,000 300,000,000 19,121,023 1,687,251,566 (625,580,371) (19,121,023) 1,042,550,172 mited and PCF Commur sion rate of Rs. 52 per sh 711,057,063 49,335,269 39,913,834 (7,279,886) 793,026,280 (92,642,158)	68,251,302 122,548,311 - 28,318,519 612,554,083 (438,747,989) (28,318,519) 145,487,575 nication Investments are 370,486,836 32,573,783 458,439,687 84,447,089 (72,715,662) 873,231,733 (162,174,670)
10.1	JS Bank Limited Orix Leasing Pakistan Limited Saudi Pak Industrial and Agricultural Investigation Pak Oman Investment Company Add: Accrued markup Less: Current portion shown under current Less: Accrued markup presented in current On 13 September 2021, long term loan (Private) Limited has been converted in to LEASE LIABILITIES Opening balance Reassessment of lease Lease liabilities acquired during the period Mark-up on lease liabilities - rented premis Termination of lease	stment Company Limited Iliabilities In liabilities	on from JS Bank Lin	45,582,232 122,548,311 800,000,000 300,000,000 19,121,023 1,687,251,566 (625,580,371) (19,121,023) 1,042,550,172 mited and PCF Commur sion rate of Rs. 52 per sh 711,057,063 - 49,335,269 39,913,834 (7,279,886) 793,026,280	68,251,302 122,548,311 - 28,318,519 612,554,083 (438,747,989) (28,318,519) 145,487,575 nication Investments are

		31 December 2021 (Un-audited)	30 June 2021 (Audited)
12	SHORT TERM BORROWINGS	(Rupees)	(Rupees)
	JS Bank Limited	1,261,596,734	2,958,308,505
	Bank AL Habib Limited	1,465,605,151	1,937,956,517
	Dubai Islamic Bank	343,552,327	263,972,993
	Bank Alfalah Limited		439,388,038
	Habib Metropolitan Bank	241,647,157	-
	Askari Bank Limited	147,200,000	486,000,000
	Accrued markup	62,929,177	82,412,417
		3,522,530,546	6,168,038,470
	Less: Accrued markup presented in current liabilities	(62,929,177)	(82,412,417)
		3,459,601,369	6,085,626,053

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There is no material change in the contingencies since the last audited financial statements for the year ended 30 June 2021.

				31 December 2021	30 June 2021
				(Un-audited)	(Audited)
13.2	Commitments			(Rupees)	(Rupees)
	Letters of credit			1,297,400,865	2,283,571,862
	Bank guarantees			3,000,000	3,000,000
				1,300,400,865	2,286,571,862
		Six month p	eriod ended	Three month	period ended
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
14	REVENUE FROM CONTRACTS WITH CUSTOMERS - NET	(Rupees)	(Rupees)	(Rupees)	(Rupees)
	Sales - local	25,037,563,887	30,168,598,490	15,046,285,373	13,605,535,325
	Sales - export	60,588,645	-	•	-
	Service income	34,193,418	19,816,103	17,648,960	6,267,100
	Gross sales	25,132,345,950	30,188,414,593	15,063,934,333	13,611,802,425
	Less: Sales tax	(31,326,448)	(24,505,544)	(19,857,756)	(15,514,499)
		25,101,019,502	30,163,909,049	15,044,076,577	13,596,287,926
	Less: Discount	(1,098,716,830)	(2,040,138,869)	(478,429,471)	(616,241,552)
		24,002,302,672	28,123,770,180	14,565,647,106	12,980,046,374
	Geographical region:				
	Pakistan	25,071,757,305	30,188,414,593	15,063,934,333	13,611,802,425
	UAE	60,588,645	-		- 10 011 000 105
		25,132,345,950	30,188,414,593	15,063,934,333	13,611,802,425
	Timing of transfer of goods and				
	services:				
	At a point in time	25,132,345,950	30,188,414,593	15,063,934,333	13,611,802,425
15	At a point in time COST OF SALES	25,132,345,950	30,188,414,593	15,063,934,333	13,611,802,425
15	100 mm	25,132,345,950	<u>30,188,414,593</u> 22,316,830,023	9,229,310,686	13,611,802,425
15	COST OF SALES Cost of local sales				
15	COST OF SALES Cost of local sales Cost of goods assembled	11,461,440,360		9,229,310,686	
15	COST OF SALES Cost of local sales	11,461,440,360 8,136,552,108		9,229,310,686	10,052,578,129 - - 471,473,044
15	COST OF SALES Cost of local sales Cost of goods assembled Cost of export sales	11,461,440,360 8,136,552,108 36,107,226	22,316,830,023	9,229,310,686 2,792,733,014	10,052,578,129 - - 471,473,044 10,446,375
15	COST OF SALES Cost of local sales Cost of goods assembled Cost of export sales Sales tax - mobiles	11,461,440,360 8,136,552,108 36,107,226 305,165,150	22,316,830,023 - - 1,013,383,270	9,229,310,686 2,792,733,014 - 176,296,471	10,052,578,129 - 471,473,044 10,446,375 837,578,220
15	COST OF SALES Cost of local sales Cost of goods assembled Cost of export sales Sales tax - mobiles Sales tax- tablets	11,461,440,360 8,136,552,108 36,107,226 305,165,150 7,608,143	22,316,830,023 - - 1,013,383,270 13,571,782	9,229,310,686 2,792,733,014 - 176,296,471 6,101,775	10,052,578,129 - 471,473,044 10,446,375 837,578,220 3,453,498
15	COST OF SALES Cost of local sales Cost of goods assembled Cost of export sales Sales tax - mobiles Sales tax- tablets Regulatory duty	11,461,440,360 8,136,552,108 36,107,226 305,165,150 7,608,143 1,295,250,140	22,316,830,023 - - 1,013,383,270 13,571,782 2,106,723,180	9,229,310,686 2,792,733,014 	10,052,578,129 - 471,473,044 10,446,375 837,578,220 3,453,498
15	COST OF SALES Cost of local sales Cost of goods assembled Cost of export sales Sales tax - mobiles Sales tax- tablets Regulatory duty Insurance Clearing charges	11,461,440,360 8,136,552,108 36,107,226 305,165,150 7,608,143 1,295,250,140 2,143,118	22,316,830,023 - 1,013,383,270 13,571,782 2,106,723,180 8,481,368	9,229,310,686 2,792,733,014 - 176,296,471 6,101,775 733,071,400 1,452,876	10,052,578,129 - 471,473,044 10,446,375 837,578,220 3,453,498
15	COST OF SALES Cost of local sales Cost of goods assembled Cost of export sales Sales tax - mobiles Sales tax- tablets Regulatory duty Insurance	11,461,440,360 8,136,552,108 36,107,226 305,165,150 7,608,143 1,295,250,140 2,143,118 12,050,611	22,316,830,023 - 1,013,383,270 13,571,782 2,106,723,180 8,481,368	9,229,310,686 2,792,733,014 	10,052,578,129 - 471,473,044 10,446,375 837,578,220 3,453,498
15	COST OF SALES Cost of local sales Cost of goods assembled Cost of export sales Sales tax - mobiles Sales tax- tablets Regulatory duty Insurance Clearing charges Salaries, wages and benefits	11,461,440,360 8,136,552,108 36,107,226 305,165,150 7,608,143 1,295,250,140 2,143,118 12,050,611 131,934,964	22,316,830,023 - 1,013,383,270 13,571,782 2,106,723,180 8,481,368 34,460,379	9,229,310,686 2,792,733,014 - 176,296,471 6,101,775 733,071,400 1,452,876 6,146,196 50,479,393	10,052,578,129 - 471,473,044 10,446,375 837,578,220 3,453,498 14,917,257
15	COST OF SALES Cost of local sales Cost of goods assembled Cost of export sales Sales tax - mobiles Sales tax- tablets Regulatory duty Insurance Clearing charges Salaries, wages and benefits Custom duty- tablets	11,461,440,360 8,136,552,108 36,107,226 305,165,150 7,608,143 1,295,250,140 2,143,118 12,050,611 131,934,964 2,501,112	22,316,830,023 - 1,013,383,270 13,571,782 2,106,723,180 8,481,368 34,460,379 - 6,016,437	9,229,310,686 2,792,733,014 - 176,296,471 6,101,775 733,071,400 1,452,876 6,146,196 50,479,393 1,896,044	10,052,578,129 - 471,473,044 10,446,375 837,578,220 3,453,498 14,917,257
15	COST OF SALES Cost of local sales Cost of goods assembled Cost of export sales Sales tax - mobiles Sales tax - tablets Regulatory duty Insurance Clearing charges Salaries, wages and benefits Custom duty- tablets Depreciation	11,461,440,360 8,136,552,108 36,107,226 305,165,150 7,608,143 1,295,250,140 2,143,118 12,050,611 131,934,964 2,501,112	22,316,830,023 - 1,013,383,270 13,571,782 2,106,723,180 8,481,368 34,460,379 - 6,016,437	9,229,310,686 2,792,733,014 - 176,296,471 6,101,775 733,071,400 1,452,876 6,146,196 50,479,393 1,896,044	10,052,578,129 - 471,473,044 10,446,375 837,578,220 3,453,498 14,917,257 - 4,992,623
15	COST OF SALES Cost of local sales Cost of goods assembled Cost of export sales Sales tax - mobiles Sales tax - tablets Regulatory duty Insurance Clearing charges Salaries, wages and benefits Custom duty- tablets Depreciation Staff retirement benefits - Gratuity	11,461,440,360 8,136,552,108 36,107,226 305,165,150 7,608,143 1,295,250,140 2,143,118 12,050,611 131,934,964 2,501,112 13,161,440	22,316,830,023 - 1,013,383,270 13,571,782 2,106,723,180 8,481,368 34,460,379 - 6,016,437	9,229,310,686 2,792,733,014 - 176,296,471 6,101,775 733,071,400 1,452,876 6,146,196 50,479,393 1,896,044 6,678,085	10,052,578,129 - 471,473,044 10,446,375 837,578,220 3,453,498 14,917,257 - 4,992,623

16 RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

The related party transactions includes remuneration of key management personnel which is disclosed in note 18

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17 OPERATING SEGMENT INFORMATION

31 Dec	December 2020 31 December 2021 31 December 2020	_	31 December 2021 31	31 December 2020	31 December 2021	31 December 2021 31 December 2020 31 December 2021 31 December 2020
period e	Six-month period ended	period ended	Six-month period	Six-month period ended	Six-month p	Six-month period ended
			Amount in Rupees	Amount		
		t eliminations	Inter segment elimii	mbly	Assembl	Distribution and retail

7.1 Geographical information	Capital expenditure	Segment liabilities	Segment assets		Profit for the period	Taxation	Profit before taxation	Other income Other expenses Finance cost	Operating profit	Administrative expenses Selling and distribution cost	Cost of sales Gross profit	Revenue -External customer -Inter-segment
	5,985,692	(4,608,163,451)	24,325,052,606	31 December 2021 (Un-audited)	580,079,959	(315,356,313)	895,436,272	18,603,371 - (512,699,549)	1,389,532,450	(387,279,461) (265,834,348)	(21,959,656,413) 2,042,646,259	24,002,302,672 - 24,002,302,672
	94,685,023	(7,025,265,931)	14,836,247,990	30 June 2021 (Audited)	958,981,308	(539,581,045)	1,498,562,353	55,010,702 (3,942,134) (570,052,762)	2,017,546,547	(284,859,246) (311,764,371)	(25,509,600,016) 2,614,170,164	28,123,770,180
	6,102,340	(1,499,193,283)	1,573,051,449	31 December 2021 (Un-audited)	446,429,254		446,429,254	(25,735,962)	472,165,216	(81,925,806) (845,926)	(8,136,552,108) 554,936,948	8,691,489,056 8,691,489,056
	487,976,540	(2,896,150,643)	2,170,622,104	30 June 2021 (Audited)		ı						
		(1,316,978,930)	(7,326,896,394)	31 December 2021 (Un-audited)		ī			•		8,691,489,056	(8,691,489,056) (8,691,489,056)
1 -1		652,157,040	(1,258,455,112)	30 June 2021 (Audited)	,	ī		r 1 r				
Six month period ended 31 December 2021 31 Decemit (Un-audited) (Un-audited) (Rupees) (Rupe	12,088,032	(7,424,335,664)	18,571,207,661	31 December 2021 (Un-audited)	1,026,509,213	(315,356,313)	1,341,865,526	18,603,371 (25,735,962) (512,699,549)	1,861,697,666	(469,205,267) (266,680,274)	(21,404,719,465) 2,597,583,207	24,002,302,672 - 24,002,302,672
31 December 2020 (Un-audited) (Rupees)	582,661,563	(9,269,259,534)	15,748,414,982	30 June 2021 (Audited)	958,981,308	(539,581,045)	1,498,562,353	55,010,702 (3,942,134) (570,052,762)	2,017,546,547	(284,859,246) (311,764,371)	(25,509,600,016) 2,614,170,164	28,123,770,180 - 28,123,770,180

17.1

The Company's revenue from external customers by geographical location is detailed below:

Pakistan UAE

All non-current assets of the Company as at reporting dates are located and operating in Pakistan.

23,941,714,027 60,588,645 24,002,302,672

28,123,770,180 28,123,770,180

- 17.2 The Company's revenue is earned from a large mix of customers.
- 17.3 Inter segment sales, purchases and balances have been eliminated. $\langle \gamma \gamma \rangle$

18 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amounts charged in the interim financial statements in respect of remuneration, including all benefits to Chief Executives and Executives of the Company are as follows:

	Chief E	xecutive	Exec	utives
	Six month p	eriod ended	Six month p	eriod ended
	31 December 2021 (Un-audited)	31 December 2020 (Un-audited)	31 December 2021 (Un-audited)	31 December 2020 (Un-Audited)
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
agerial remuneration	24,000,000	24,000,000	86,560,676	74,217,600
ber of persons	1	1	41	49

19 FINANCIAL INSTRUMENTS - FAIR VALUES

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19.1 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Company's valuation processes, valuation techniques, and types of inputs used in the fair value. The carrying value of all financial assets and liabilities not carried at fair value in the financial statements approximate their fair values and accordingly, detailed disclosures of fair value are not being presented in these financial statements.

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

		Fai	r value	
	Level 1	Level 2	Level 3	Total
_		(Ru	ipees)	
31 December 2021 (Un-audited)				
Financial assets at fair value through profit or loss				
Investment in mutual funds	43,234,493	-		43,234,493
_	43,234,493			43,234,493
30 June 2021 (Audited)				
Financial assets at fair value through profit or loss				
Investment in mutual funds	13,103,651	-		13,103,651
	13,103,651	-		13,103,651
			31 December 2021	30 June 2021

19.2	Movement in financial assets at fair value through profit or loss is as follows:	(Un-audited)	(Audited)
		(Rupees)	(Rupees)
	Opening balance	13,103,651	35,683,564
	Additions / (deletions)	28,206,973	(26,000,000)
	Unrealized gain on investment	1,923,869	3,420,087
	Closing balance	43,234,493	13,103,651

20 GENERAL

These unconsolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Company on 25th February 2022 .

Chief Executive

Nual Mahab Chief Financial Officer

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CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS HALF YEAR ENDED DECEMBER 31, 2021

AIR LINK COMMUNICATION LIMITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

ASSETS	Note	31 December 2021 (Un-audited) (Rupees)	30 June 2021 (Audited) (Rupees)
NON CURRENT ACCETS			
NON CURRENT ASSETS Property, plant and equipment	5	1,929,887,687	1,253,900,236
Intangibles	Ū	18,740,145	18,016,354
Long term deposit		5,736,000	-
		1,954,363,832	1,271,916,590
CURRENT ACCETS			
CURRENT ASSETS Stock in trade	6	4,888,115,921	3,533,673,866
Stores and spares	o	13,019,563	7,560,647
Trade debts	7	5,381,247,094	5,391,262,155
Loans and advances		1,155,500,852	171,674,967
Trade deposits and short term prepayments		12,437,479	32,468,109
Other receivables		3,166,051,962	3,753,344,917
Tax refunds due from the Government		255,101,533	244,859,633
Short term investments		860,170,091	509,500,786
Cash and bank balances		1,001,806,777	832,153,312
		16,733,451,272	14,476,498,392
TOTAL ASSETS		18,687,815,104	15,748,414,982
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Authorized share capital			
600,000,000 (30 June 2021: 400,000,000) ordinary shares of Rs.10 each	i	6,000,000,000	4,000,000,000
Issued, subscribed and paid up capital	8	3,952,692,310	3,000,000,000
Share premium - capital reserve	Ū	3,556,176,808	-
General reserves - revenue reserve		44,559,977	44,559,977
Accumulated profit - revenue reserve		3,570,682,706	2,991,850,517
Long term loan - equity portion		21,372,477	42,744,954
Share deposit money			400,000,000
		11,145,484,278	6,479,155,448
NON CURRENT LIABILITIES			
Long term loan	9	1,042,550,172	145,487,575
Lease liabilities	10	539,275,930	621,155,313
Defined benefit liability		36,720,691	34,722,393
Deferred tax liability		12,310,279	15,239,805
CURRENT LIABILITIES		1,630,857,072	816,605,086
Trade payables, accrued and other liabilities		1,033,470,202	1,399,995,041
Contract liabilities		80,803,780	82,882,488
Refund liabilities		11,794,755	30,221,644
Current portion of long term loans	9	625,580,371	438,747,989
Current maturity of lease liabilities	10	161,108,192	89,901,750
Unclaimed dividend		95,308,792	-
Short term borrowings	11	3,459,601,369	6,085,626,053
Accrued markup Provision for taxation		82,050,200 361,756,093	110,730,936 214,548,547
I TOVISION TO LEAGUEN		5,911,473,754	8,452,654,448
TOTAL EQUITY AND LIABILITIES		18,687,815,104	15,748,414,982
		, , , , , , , ,	, , ,
CONTINGENCIES AND COMMITMENTS	12		

Chief Financial Officer

AIR LINK COMMUNICATION LIMITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2021

		Six month p	Six month period ended		period ended
	Note	31 December 2021 (Un-audited)	31 December 2020 (Un-audited)	31 December 2021 (Un-audited)	31 December 2020 (Un-audited)
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
Revenue from contracts with customers - net	13	24,129,543,514	28,123,770,180	14,692,887,948	12,980,046,374
Cost of sales	14	(21,530,484,515)	(25,509,600,016)	(13,130,360,150)	(11,400,407,411)
Gross profit		2,599,058,999	2,614,170,164	1,562,527,798	1,579,638,963
Administrative expenses		(469,736,080)	(284,859,246)	(316,884,381)	(137,576,910)
Selling and distribution cost		(266,680,274)	(311,764,371)	(138,111,238)	(180,292,431)
		(736,416,354)	(596,623,617)	(454,995,619)	(317,869,341)
Operating profit		1,862,642,645	2,017,546,547	1,107,532,179	1,261,769,622
Other income		18,603,371	55,010,702	8,242,379	32,486,504
Other expenses		(25,735,962)	(3,942,134)	(25,735,962)	(3,942,134)
Finance cost		(512,699,549)	(570,052,762)	(317,331,977)	(310,496,027)
Profit before taxation		1,342,810,505	1,498,562,353	772,706,619	979,817,965
Taxation		(317,689,011)	(539,581,045)	(167,467,939)	(300,448,024)
Profit for the period		1,025,121,494	958,981,308	605,238,680	679,369,941
Attributable to: Equity holders of the parent		1,025,121,494	958,981,308	605,238,680	679,369,941
Earnings per share - Basic		3.02	3.20	1.65	2.26
- Diluted		2.98	3.08	1.63	2.24

Chief Executive

Chief Financial Officer

Director

AIR LINK COMMUNICATION LIMITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2021

		Six month p	eriod ended	Three month period ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Note	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
Profit for the period	Α	1,025,121,494	958,981,308	605,238,680	679,369,941
Items not to be reclassified to profit or loss in subsequent periods					
Re-measurement losses on defined benefit plan		(11,332,954)	(1,067,582)	(11,332,954)	-
Tax effect		3,286,557	309,600	3,286,557	-
Re-measurement losses on defined benefit plan - net of tax		(8,046,397)	(757,982)	(8,046,397)	-
Items to be reclassified to profit or loss in subsequent periods		-	-	-	-
Other comprehensive loss	В	(8,046,397)	(757,982)	(8,046,397)	-
Total comprehensive income for the period		1,017,075,097	958,223,326	597,192,283	679,369,941
Attributable to: Equity holders of the parent		1,017,075,097	958,223,326	597,192,283	679,369,941

Chief Executive

Mual Mahab Chief Financial Officer

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AIR LINK COMMUNICATION LIMITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2021

		Capital reserve	Revenue	reserve				
	Issued, subscribed and paid up capital	Share Premium	General reserves	Accumulated profit	Long term loan - equity portion	Loan from Director	Share deposit money	Total
				(Rup	ees)			
Balance as at 1 July 2020 (Audited)	3,000,000,000	-	44,559,977	1,487,720,145	42,744,954	21,557,155	-	4,596,582,231
Profit for the period (Un-audited)	-	-	-	958,981,308	-	-	-	958,981,308
Other comprehensive income for the period (Un-audited) Total comprehensive income for the period (Un-audited)	-		-	(757,982) 958,223,326	-	-		(757,982) 958,223,326
rotal comprehensive income for the period (on-audited)	-	-	-	950,223,320	-	-	-	956,225,326
Loan repaid	-	-	-	-	-	(21,557,155)	-	(21,557,155)
Balance as at 31 December 2020 (Un-audited)	3,000,000,000		44,559,977	2,445,943,471	42,744,954			5,533,248,402
balance as at 51 December 2020 (On-addited)	3,000,000,000		44,559,977	2,445,945,471	42,744,954			5,555,246,402
Balance as at 1 July 2021 (Audited)	3,000,000,000	-	44,559,977	2,991,850,517	42,744,954	-	400,000,000	6,479,155,448
Transactions with owners in their capacity as owners:								
Conversion of long term loan amounting Rs. 400 million at the rate of Rs. 52 per share (note 10.1)	76,923,080	323,076,920	-	21,372,477	(21,372,477)		(400,000,000)	-
Issuance of shares against initial public offering (note 1.2)	600,000,000	3,690,000,000	-	-	-	-	-	4,290,000,000
Transaction cost on issuance of ordinary shares (note 1.2)	-	(181,130,882)	-	-	-	-	-	(181,130,882)
Final dividend for the year ended 30 June 2021 at the rate of Rs. 1.25 per share		-		(459,615,385)	-			(459,615,385)
Issue of bonus shares for the year ended 30 June 2021 at rate of 7.5% $$	275,769,230	(275,769,230)			-			-
Profit for the period (Un-audited)	-	-	-	1,025,121,494	-	-	-	1,025,121,494
Other comprehensive income for the period (Un-audited) Total comprehensive income for the period (Un-audited)	-	-		(8,046,397) 1,017,075,097	-	-		(8,046,397) 1,017,075,097
Balance as at 31 December 2021 (Un-audited)	3,952,692,310	3,556,176,808	44,559,977	3,570,682,706	21,372,477	-		############

Chief Financial Officer

Director VL-VL

AIR LINK COMMUNICATION LIMITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2021

Profit before taxation		Six month per	riod ended
Profit before taxelton		31 December 2021	31 December 2020
Profit before taxation			
Adjustments for : Depreciation of property, plant and equipment 146,238,225 86,757,139 2,843,070 1,197,955 2,843,070 1,197,955 2,843,070 1,197,955 1,197,979,956 1,197,979,956 1,197,979,956 1,197,979,956 1,197,979,956 1,197,979,956 1,197,979,956 1,197,979,956 1,197,979,956 1,197,979,956 1,197,979,956 1,197,979,956 1,197,979,956 1,197,979,956 1,197,979,956 1,197,979,979,979,979,979,979,979,979,97	CASH FLOW FROM OPERATING ACTIVITIES	(Rupees)	(Rupees)
Depreciation of property, plant and equipment 146,238,225 86,767,139 24,340,707 24,343	Profit before taxation	1,342,810,505	1,498,562,353
Amortization of intangible assets 4,197,555 2,843,070 Provision for net realizable value reversed (11,216,176) (3,757,979) Allowance for expected credit loss - trade debts 13,191,235 Provision for gratity 25,735,962 3,935,5861 Gain on lease termination 25,735,962 3,942,134 Finance cost 1,223,869 (4,184,94) 3,942,134 Finance cost 1,223,869 (4,1923,869) Unrealized gain on financial assets (1,233,869) Unrealized gain on financial assets (1,333,225,879) Stock in trade (1,333,225,879) Stock in trade (1,333,225,879) Stores and spares (3,4176,174) Unrealized debts (3,176,174) Unrealized debts (3,176,174) Unrealized debts (3,176,174) Unrealized debts (1,338,605,169) Unrealized debts (1,338,605,169) Unrealized debts (1,386,605,169) Unrea			,
Provision for net realizable value reversed 11,1216,176 13,757,972 13,191,235 13,191,235 13,191,235 13,191,235 14,667,324 14,667,324 14,667,324 14,667,324 14,1594) 3,342,136 14,667,324 14,1594) 3,342,136 14,667,324 14,1594) 3,342,136 14,673,246 14,1594) 1,673,2676 1,673,3962 1,673,			
Allowance for expected credit loss - trade debts 13,191,235 3,865,561 2,673,5962 7,079,070 7,079,079 7,079,070	•		
Provision for gratuity			(3,757,979)
Provision for workers welfare fund Gain on lease termination (441,594) 570,052,762 770 770,000	·		-
Gain on lease termination (444,1594) 570,052,782 Provision written off (6,594,008) (6,594,008) (6,594,008) (1,523,7908) (1,			4,667,324
Finance cost			
Provision written off Unrealized gain on financial assets (1,923,869) (16,237,908) (41,545,650) (16,237,908) (41,545,650) (61,603,407,602) (61,603,40			
Unrealized gain on financial assets (1,923,898) (41,545,650)		512,699,549	, ,
Finance income (f.6.237,008) (41.545,650) (516.364,792)		(4.000.000)	(6,594,008)
Comparing profit before working capital changes Comparing profit changes Compa	<u> </u>		(44 545 650)
Coparating profit before working capital changes 2,024,419,045 2,114,927,145	Finance income		
Stock in trade (1,343,225,879) Stores and spares (5,458,916) (5,458,916) (1,262,261,911) (126,226,185) (126,249,185) (126,249,185) (126,249,185) (126,249,185) (126,926,252) (126,92	Operating profit before working capital changes		
Stores and spares (3,458,916) (126,226,181) (126,226,225) (126,225,252) (126,226,225) (126,226,227) (126,226,227) (126,226,277) (126,226,277) (126,226,277) (126,226,277) (126,226,277) (126,226,272) (126,226,227) (126,226,2	(Increase)/decrease in current assets		
Trade debts	Stock in trade	(1,343,225,879)	869,152,377
Cash and advances	Stores and spares	(5,458,916)	-
Trade deposits and short term prepayments 20,030,630 24,217,763 Other receivables 587,292,955 2,984,440,857 Tax refunds due from the Government (1,738,605,169) 3,857,173,203 Increase/(decrease) in current liabilities (1,738,605,169) 3,857,173,203 Trade payables, accrued and other liabilities (410,687,690) (2,714,926,770) Contract liabilities (12,978,708) (50,168,455) Financial cost paid (501,466,452) 3,207,005,123 Financial cost paid (501,466,452) (538,758,415) Gratuity paid (15,343,183) (3,427,200) Income tax paid (170,481,465) (487,689,953) NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES (817,243,622) 2,177,129,555 CASH FLOW FROM INVESTING ACTIVITIES (767,640,669) (42,343,236) Additions in rappital work in progress (767,640,669) (42,343,236) Additions in intangibles (3,921,346) (6,601,224) Long term deposits (5,736,000) (5,736,000) Interest income received 16,237,908 41,545,650 <td< td=""><td>Trade debts</td><td>(3,176,174)</td><td>(126,226,181)</td></td<>	Trade debts	(3,176,174)	(126,226,181)
Chem	Loans and advances	(983,825,885)	83,149,533
Tax refunds due from the Government (10,241,900) (22,438,854 (1,738,605,169) 3,857,173,203 Increase/(decrease) in current liabilities	Trade deposits and short term prepayments	20,030,630	24,217,763
Increase/(decrease) in current liabilities	Other receivables	587,292,955	2,984,440,857
Trade payables, accrued and other liabilities (410,687,690) (2,714,926,770) (2,714,926,770) (2,714,926,770) (2,714,926,770) (2,714,926,770) (2,718,708) (50,168,455) (126,952,522) (3,207,005,123) (126,952,522) (3,207,005,123) (126,952,522) (3,207,005,123) (13,343,183) (3,427,200) (13,343,183) (3,427,200) (170,481,465) (487,689,953) (170,481,465) (487,689,953) (170,481,465) (487,689,953) (170,481,465) (487,689,953) (170,481,465) (487,689,953) (170,481,465) (170,	Tax refunds due from the Government	(10,241,900)	22,438,854
Trade payables, accrued and other liabilities (410,687,690) (2,714,926,770) (50,168,455) (2,078,708) (50,168,455) Contract liabilities (2,078,708) (50,168,455) (50,168,455) Financial cost paid (501,466,452) (538,758,415) (538,758,415) Gratuity paid (18,343,183) (3,427,200) Income tax paid (170,481,465) (487,689,953) NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES (817,243,622) 2,177,129,555 CASH FLOW FROM INVESTING ACTIVITIES (12,088,032) (43,743,748) Additions in property, plant and equipment - owned assets (12,088,032) (43,743,748) Additions in capital work in progress (767,640,669) (424,343,236) Additions in intangibles (4,921,346) (6,601,224) Long term deposits (5,736,000) (5,736,000) (5,736,000) Interest income received 16,237,908 (43,745,436) (6,281,513) NET CASH USED IN INVESTING ACTIVITIES (1,122,893,575) (439,424,071) CASH FLOW FROM FINANCING ACTIVITIES (1,122,893,575) (439,424,071) CASH FLOW FROM FINANCING ACTIVITIES (2,642,158) (77,984,086) Long term loans obtained 1,128,962,063 (45,094) (21,557,153) Long term loans obtained 1,128,962,063 (45,094) (21,557,153) <	Ingrange//degrages) in current liabilities	(1,738,605,169)	3,857,173,203
Contract liabilities (2,078,708) (50,168,455) (126,952,522) 3,207,005,123	,	(410,687,690)	(2,714,926,770)
Financial cost paid (501,466,452) (538,758,415) Gratuity paid (18,343,183) (3,427,200) Income tax paid (170,481,465) (487,689,953) (170,481,465) (487,689,953) NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES (817,243,622) (2,177,129,555)			
Gratuity paid (18,343,183) (3,427,200) Income tax paid (170,481,465) (487,689,953) NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES (817,243,622) 2,177,129,555 CASH FLOW FROM INVESTING ACTIVITIES (12,088,032) (43,743,748) Additions in property, plant and equipment - owned assets (12,088,032) (424,343,236) Additions in intangibles (4,921,346) (6,601,224) Long term deposits (5,736,000) - Interest income received (16,237,908 41,545,650 Short term investments (348,745,436) (6,281,513) NET CASH USED IN INVESTING ACTIVITIES (1,122,893,575) (439,424,071) CASH FLOW FROM FINANCING ACTIVITIES (45,067,084) (21,557,153) Long term loans repaid (45,067,084) (21,557,153) Long term loans obtained (1,128,962,063 45,691,020 Proceeds from issuance of shares (4,290,000,000 - Share issuance cost (181,130,882) - Dividend paid (364,306,593) - Short term borrowings repaid - net (2,626,024,684) (1,779,479,195) NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (1,773,329,414) NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS 169,653,465 (35,623,930)		(126,952,522)	3,207,005,123
Gratuity paid (18,343,183) (3,427,200) Income tax paid (170,481,465) (487,689,953) NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES (817,243,622) 2,177,129,555 CASH FLOW FROM INVESTING ACTIVITIES (12,088,032) (43,743,748) Additions in property, plant and equipment - owned assets (12,088,032) (424,343,236) Additions in intangibles (4,921,346) (6,601,224) Long term deposits (5,736,000) - Interest income received (16,237,908 41,545,650 Short term investments (348,745,436) (6,281,513) NET CASH USED IN INVESTING ACTIVITIES (1,122,893,575) (439,424,071) CASH FLOW FROM FINANCING ACTIVITIES (45,067,084) (21,557,153) Long term loans repaid (45,067,084) (21,557,153) Long term loans obtained (1,128,962,063 45,691,020 Proceeds from issuance of shares (4,290,000,000 - Share issuance cost (181,130,882) - Dividend paid (364,306,593) - Short term borrowings repaid - net (2,626,024,684) (1,779,479,195) NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (1,773,329,414) NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS 169,653,465 (35,623,930)	Financial cost paid	(501 466 452)	(538 758 415)
Income tax paid (170,481,465) (487,689,953) NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES (817,243,622) 2,177,129,555 CASH FLOW FROM INVESTING ACTIVITIES Additions in property, plant and equipment - owned assets (12,088,032) (43,743,748) Additions in capital work in progress (767,640,669) (424,343,236) Additions in intangibles (4,921,346) (6,601,224) Long term deposits (5,736,000) (6,601,224) Long term deposits (5,736,000) (6,281,513) Interest income received 16,237,908 41,545,650 Short term investments (348,745,436) (6,281,513) NET CASH USED IN INVESTING ACTIVITIES (1,122,893,575) (439,424,071) CASH FLOW FROM FINANCING ACTIVITIES Lease liability repaid (92,642,158) (77,984,086) Long term loans repaid (45,067,084) (21,557,153) Long term loans obtained (1,128,962,063 45,691,020 Proceeds from issuance of shares (181,130,882) (7,194,79,195) Charles issuance cost (181,130,882) (1,719,479,195) Share issuance cost (181,130,882) (1,779,479,195) Short term borrowings repaid - net (2,626,024,684) (1,7719,479,195) NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (2,626,024,684) (1,773,329,414) NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS 169,653,465 (35,623,930)	·		
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES (817,243,622) 2,177,129,555 CASH FLOW FROM INVESTING ACTIVITIES Additions in property, plant and equipment - owned assets (12,088,032) (43,743,748) Additions in capital work in progress (767,640,669) (424,343,236) Additions in intangibles (4,921,346) (6,601,224) Long term deposits (5,736,000) - Interest income received 16,237,908 41,545,650 Short term investments (348,745,436) (6,281,513) NET CASH USED IN INVESTING ACTIVITIES (1,122,893,575) (439,424,071) CASH FLOW FROM FINANCING ACTIVITIES (92,642,158) (77,984,086) Lease liability repaid (92,642,158) (77,984,086) Long term loans obtained 1,128,962,063 45,691,020 Proceeds from issuance of shares 4,290,000,000 - Share issuance cost (181,130,882) - Dividend paid (364,306,593) - Short term borrowings repaid - net (2,626,024,684) (1,779,479,195) NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	· ·		
Additions in property, plant and equipment - owned assets Additions in capital work in progress Additions in intangibles Additions	·		
Additions in property, plant and equipment - owned assets Additions in capital work in progress (767,640,669) (424,343,236) Additions in intangibles (4,921,346) (6,601,224) Long term deposits (5,736,000) - Interest income received 16,237,908 Adnitions in intengibles (348,745,436) (6,621,513) NET CASH USED IN INVESTING ACTIVITIES (1,122,893,575) CASH FLOW FROM FINANCING ACTIVITIES Lease liability repaid (92,642,158) Long term loans repaid (45,067,084) (21,557,153) Long term loans obtained 1,128,962,063 A5,691,020 Proceeds from issuance of shares Share issuance cost (181,130,882) Short term borrowings repaid - net (2,626,024,684) NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 832,153,312 814,288,761	·	(011,240,022)	2,177,120,000
Additions in capital work in progress Additions in intangibles Additions Addition	CASH FLOW FROM INVESTING ACTIVITIES		
Additions in capital work in progress Additions in intangibles Additions in intangibles Long term deposits (4,921,346) (6,601,224) Long term deposits (5,736,000) Interest income received Short term investments (348,745,436) (6,281,513) NET CASH USED IN INVESTING ACTIVITIES (1,122,893,575) CASH FLOW FROM FINANCING ACTIVITIES Lease liability repaid (92,642,158) Long term loans repaid (45,067,084) Long term loans obtained 1,128,962,063 Af,090,000 Proceeds from issuance of shares A,290,000,000 Share issuance cost (181,130,882) Dividend paid Short term borrowings repaid - net (2,626,024,684) (1,719,479,195) NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 832,153,312 814,288,761	Additions in property, plant and equipment - owned assets	(12,088,032)	(43,743,748)
Long term deposits (5,736,000)	Additions in capital work in progress	(767,640,669)	(424,343,236)
Interest income received	Additions in intangibles	(4,921,346)	(6,601,224)
Short term investments (348,745,436) (6,281,513) NET CASH USED IN INVESTING ACTIVITIES (1,122,893,575) (439,424,071) CASH FLOW FROM FINANCING ACTIVITIES Lease liability repaid (92,642,158) (77,984,086) Long term loans repaid (45,067,084) (21,557,153) Long term loans obtained 1,128,962,063 45,691,020 Proceeds from issuance of shares 4,290,000,000 - Share issuance cost (181,130,882) - Dividend paid (364,306,593) - Short term borrowings repaid - net (2,626,024,684) (1,719,479,195) NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES 2,109,790,662 (1,773,329,414) NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS 169,653,465 (35,623,930) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 832,153,312 814,288,761	Long term deposits	(5,736,000)	-
NET CASH USED IN INVESTING ACTIVITIES (1,122,893,575) (439,424,071) CASH FLOW FROM FINANCING ACTIVITIES Lease liability repaid (92,642,158) (77,984,086) Long term loans repaid (45,067,084) (21,557,153) Long term loans obtained 1,128,962,063 45,691,020 Proceeds from issuance of shares 4,290,000,000 - Share issuance cost (181,130,882) - Dividend paid (364,306,593) - Short term borrowings repaid - net (2,626,024,684) (1,719,479,195) NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES 2,109,790,662 (1,773,329,414) NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS 169,653,465 (35,623,930) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 832,153,312 814,288,761			41,545,650
CASH FLOW FROM FINANCING ACTIVITIES Lease liability repaid (92,642,158) (77,984,086) Long term loans repaid (45,067,084) (21,557,153) Long term loans obtained 1,128,962,063 45,691,020 Proceeds from issuance of shares 4,290,000,000 - Share issuance cost (181,130,882) - Dividend paid (364,306,593) - Short term borrowings repaid - net (2,626,024,684) (1,719,479,195) NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES 2,109,790,662 (1,773,329,414) NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS 169,653,465 (35,623,930) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 832,153,312 814,288,761	Short term investments		
Lease liability repaid (92,642,158) (77,984,086) Long term loans repaid (45,067,084) (21,557,153) Long term loans obtained 1,128,962,063 45,691,020 Proceeds from issuance of shares 4,290,000,000 - Share issuance cost (181,130,882) - Dividend paid (364,306,593) - Short term borrowings repaid - net (2,626,024,684) (1,719,479,195) NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES 2,109,790,662 (1,773,329,414) NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS 169,653,465 (35,623,930) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 832,153,312 814,288,761	NET CASH USED IN INVESTING ACTIVITIES	(1,122,893,575)	(439,424,071)
Long term loans repaid (45,067,084) (21,557,153) Long term loans obtained 1,128,962,063 45,691,020 Proceeds from issuance of shares 4,290,000,000 - Share issuance cost (181,130,882) - Dividend paid (364,306,593) - Short term borrowings repaid - net (2,626,024,684) (1,719,479,195) NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES 2,109,790,662 (1,773,329,414) NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS 169,653,465 (35,623,930) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 832,153,312 814,288,761	CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans repaid (45,067,084) (21,557,153) Long term loans obtained 1,128,962,063 45,691,020 Proceeds from issuance of shares 4,290,000,000 - Share issuance cost (181,130,882) - Dividend paid (364,306,593) - Short term borrowings repaid - net (2,626,024,684) (1,719,479,195) NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES 2,109,790,662 (1,773,329,414) NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS 169,653,465 (35,623,930) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 832,153,312 814,288,761	Lease liability repaid	(92,642,158)	(77,984,086)
Proceeds from issuance of shares 4,290,000,000 - Share issuance cost (181,130,882) - Dividend paid (364,306,593) - Short term borrowings repaid - net (2,626,024,684) (1,719,479,195) NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES 2,109,790,662 (1,773,329,414) NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS 169,653,465 (35,623,930) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 832,153,312 814,288,761	Long term loans repaid		
Share issuance cost (181,130,882) - Dividend paid (364,306,593) - Short term borrowings repaid - net (2,626,024,684) (1,719,479,195) NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES 2,109,790,662 (1,773,329,414) NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS 169,653,465 (35,623,930) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 832,153,312 814,288,761	Long term loans obtained	1,128,962,063	45,691,020
Dividend paid (364,306,593) -	Proceeds from issuance of shares	4,290,000,000	-
Short term borrowings repaid - net (2,626,024,684) (1,719,479,195) NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES 2,109,790,662 (1,773,329,414) NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS 169,653,465 (35,623,930) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 832,153,312 814,288,761	Share issuance cost	(181,130,882)	-
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES 2,109,790,662 (1,773,329,414) NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS 169,653,465 (35,623,930) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 832,153,312 814,288,761	Dividend paid	(364,306,593)	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 832,153,312 814,288,761			
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD 832,153,312 814,288,761	NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	2,109,790,662	(1,773,329,414)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	169,653,465	(35,623,930)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD 1,001,806,777 778,664,831	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	832,153,312	814,288,761
	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,001,806,777	778,664,831



Chief Financial Officer



AIR LINK COMMUNICATION LIMITED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2021

1 THE GROUP AND ITS OPERATIONS

1.1 Air Link Communication Limited ("ACL") is part of Air Link Group ("The Group") which consist of:

Parent (Holding) Company

Air Link Communication Limited ("ACL")

Subsidiary Company

Select Technologies (Private) Limited ("STPL") - 100% shareholding by ACL

1.2 Air Link Communication Limited - Parent (Holding) Company

Air Link Communication Limited ('the Holding Company') was incorporated in Pakistan on 02 January 2014 as a private limited company, later on converted to a public limited company on 24 April 2019, under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) having registered office at LG 2, AI - 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 Holding Company also has 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.

In prior financial year, the Holding Company initiated the process to raise funds through Initial Public Offering (IPO) to meet working capital requirements in order to expand the existing business of the Company. During the period, the Securities and Exchange Commission of Pakistan (SECP) granted approval dated 19 July 2021 to the Holding Company to issue, circulate and publish Prospectus for the Initial Public Offering (IPO) of 90 million ordinary shares. On 31 August 2021, book-building and institutional / large investors' bidding process was completed for new issue of 60 million shares at strike price of Rs. 71.5 per share, whereas public subscription of remaining 30 million shares was completed on 07 September 2021. Consequently, 25% of the total share capital of the Holding Company stands offered to the public and institutional investors whilst the process of listing of shares on Pakistan Stock Exchange was completed on 22 September 2021.

1.3 Select Technologies (Private) Limited - Subsidiary Company

Select Technologies (Private) Limited ('the subsidiary company') was incorporated in Pakistan on 13 October 2021 as a private limited company under the Companies Act, 2017 having registered office at 152-M, Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan. The principal line of business of the subsidiary shall be to set up, establish and operate plants for the assembly and production of mobile phones of all sorts and description, accessories, components, attachments and bodies used for or in connection with the aforementioned mobile phones.

2 STATEMENT OF COMPLIANCE

- 2.1 These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
 - International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.
 - Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have
- 2.2 These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Group for the year ended 30 June 2021.
- 2.3 The consolidated condensed interim financial statements have been prepared under the historical cost convention except for the defined benefit obligation which are measured at present value. These financial statements are prepared in Pak Rupees, which is the functional currency of the Group. Figures have been rounded off to the nearest Pak Rupees unless otherwise stated.
- 2.4 Provisions in respect of taxation, retirement benefit obligations and Workers' Welfare Fund (WWF) are provisional and subject to final adjustments in the annual audited financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except for the following new amended standards effective for annual period beginning on 01 July 2021, as listed below. The Group has not early-adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New Standards, Interpretations and Amendments

IFRS 9, IAS 39, IFRS 7, IFRS 4 and $\,$ - $\,$ Interest Rate Benchmark Reform – Phase 2 – Amendments IFRS 16

The adoption of above amendments applied for the first time in the period did not have any material impact on the consolidated condensed interim financial statements of the Group.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Group for the year ended 30 June 2021.

		Note	31 December 2021 (Un-audited)	30 June 2021 (Audited)
5	PROPERTY AND EQUIPMENT		(Rupees)	(Rupees)
	Operating fixed assets	5.1	506,018,542	567,454,504
	Capital work in progress	5.2	767,640,669	-
	Right-of-use assets	5.3	656,228,476	686,445,732
			1,929,887,687	1,253,900,236
5.1	Movement in operating fixed assets is as follows:			
	Opening balance		567,454,504	71,165,594
	Additions during the period / year	5.1.1	12,088,032	582,661,563
	Depreciation for the period / year		(73,523,994)	(86,372,653)
	Closing balance		506,018,542	567,454,504
5.1.1	Additions in operating fixed assets during the period / year are as f	ollows:		
	Building on lease hold land		1,307,190	108,158,357
	Plant & machinery		4,766,218	224,328,857
	Furniture and fixtures		1,238,613	8,627,719
	Computers		1,689,795	27,669,629
	Office equipment		3,086,216	207,435,166
	Motor vehicles		<u> </u>	6,441,835
			12,088,032	582,661,563
5.2	Movement in capital work in progress is as follows:			
	Opening balance		-	-
	Additions during the period / year		767,640,669	-
	Closing balance		767,640,669	-
5.3	Movement in right-of-use assets is as follows:			
	Opening balance		686,445,732	405,806,551
	Additions during the period / year	5.3.1	49,335,269	510,674,516
	Termination during the period / year		(6,838,294)	(83,479,095)
	Depreciation for the period / year		(72,714,231)	(146,556,240)
	Closing balance		656,228,476	686,445,732
5.3.1	Additions in right-of-use assets during the period / year are as follows:	ws:		
	Motor vehicles		17,471,000	19,315,600
	Lease hold land		-	344,940,738
	Rented premises-buildings		31,864,269	146,418,178
			49,335,269	510,674,516

				31 December 2021	30 June 2021
6	STOCK IN TRADE		Note	(Un-audited)	(Audited)
				(Rupees)	(Rupees)
	Raw material			771,614,344	393,763,974
	Work in process			11,846,858	19,576,154
	Mobile phones			1,417,979,592	1,254,026,953
	Spare parts			131,211,295	79,678,663
				2,332,652,089	1,747,045,744
	Provision for net realizable value		6.1	(2,583,448)	(13,799,624)
				2,330,068,641	1,733,246,120
	Goods in transit			2,558,047,280	1,800,427,746
				4,888,115,921	3,533,673,866
6.1	Movement in provision for net realizable v	alue is as follows:			
	Opening balance			13,799,624	32,675,515
	Reversal during the period / year			(11,216,176)	(18,875,891)
	Closing balance			2,583,448	13,799,624
7	TRADE DEBTS				
	Considered good - unsecured				
	Local			5,463,418,065	4,034,354,128
	Exports			<u> </u>	1,425,887,763
				5,463,418,065	5,460,241,891
	Allowance for expected credit loss			(82,170,971)	(68,979,736)
				5,381,247,094	5,391,262,155
8	ISSUED, SUBSCRIBED AND PAID	31 December 2021 (Un-audited)	30 June 2021 (Audited)	31 December 2021 (Un-audited)	30 June 2021 (Audited)
•	UP CAPITAL	No. of s		(Rupees)	(Rupees)
	or oarnae	140. 01 0	illai 00	(Itapeco)	(Napoco)
	Opening Balance - Ordinary shares of Rs. 10 each fully				
	paid in cash	125,000,000	125,000,000	1,250,000,000	1,250,000,000
	Bonus shares of Rs. 10 each	175,000,000	175,000,000	1,750,000,000	1,750,000,000
	Movement during the period - Conversion of long term loan amounting Rs. 400 million at the rate				
	of Rs. 52 per share	7,692,308	-	76,923,080	-
	- Issuance of shares (see note 1.2)	60,000,000	-	600,000,000	-
	Bonus shares of Rs. 10 each	27,576,923	-	275,769,230	-
	Closing Balance - Ordinary shares of Rs. 10 each fully				
	paid in cash	192,692,308	125,000,000	1,926,923,080	1,250,000,000
	- Bonus shares of Rs. 10 each	202,576,923	175,000,000	2,025,769,230	1,750,000,000
		395,269,231	300,000,000	3,952,692,310	3,000,000,000

9 LONG TERM LOANS

JS Bank Limited and PCF Communication Investments (Private) Limited JS Bank Limited	400,000,000 45,582,232	393,435,951 68,251,302
Orix Leasing Pakistan Limited	122,548,311	122,548,311
Saudi Pak Industrial and Agricultural Investment Company Limited	800,000,000	-
Pak Oman Investment Company	300,000,000	-
Add: Accrued markup	19,121,023	28,318,519
	1,687,251,566	612,554,083
Less: Current portion shown under current liabilities	(625,580,371)	(438,747,989)
Less: Accrued markup presented in current liabilities	(19,121,023)	(28,318,519)
	1,042,550,172	145,487,575

9.1 On 13 September 2021, long term loan amounting Rs. 400 million from JS Bank Limited and PCF Communication Investments (Private) Limited has been converted in to 7,692,308 ordinary shares of Rs. 10 at conversion rate of Rs. 52 per share

10 LEASE LIABILITIES

Opening balance 711,057,063 Reassessment of lease -	270 400 020
	370,486,836
	32,573,783
Lease liabilities acquired during the period / year 49,335,269	458,439,687
Mark-up on lease liabilities - rented premises 39,913,834	84,447,089
Termination of lease (7,279,886)	(72,715,662)
793,026,280	873,231,733
	(162,174,670)
700,384,122	711,057,063
Less: Current portion of long term lease (161,108,192)	(89,901,750)
<u>539,275,930</u>	621,155,313
	June 2021
(Un-audited)	Audited)
(Un-audited)	
11 SHORT TERM BORROWINGS (Un-audited) (August (Rupees) (Fig. 1)	Audited)
11 SHORT TERM BORROWINGS (Un-audited) (/ (Rupees) (Figure 1) (Figure 2) (Figure 2)	Audited) Rupees)
11 SHORT TERM BORROWINGS (Un-audited) (/ (Rupees) (Figure 1) (Figure 2) (Figure 2)	Audited) Rupees) ,958,308,505
Color	Audited) Rupees) ,958,308,505 ,937,956,517
Name	Audited) Rupees) ,958,308,505 ,937,956,517 ,263,972,993

62,929,177

(62,929,177)

3,522,530,546

3,459,601,369

82,412,417

(82,412,417)

6,168,038,470

6,085,626,053

12 CONTINGENCIES AND COMMITMENTS

Less: Accrued markup presented in current liabilities

12.1 Contingencies

Accrued markup

There is no material change in the contingencies since the last audited financial statements for the year ended 30 June 2021.

		31 December 2021 (Un-audited)	30 June 2021 (Audited)
12.2	Commitments	(Rupees)	(Rupees)
	Letters of credit	1,763,347,065	2,283,571,862
	Bank guarantees	3,000,000	3,000,000
		1,766,347,065	2,286,571,862

		Six month period ended		Three month period ended		
		31 December 2021	31 December 2020	31 December 2021	31 December 2020	
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	
13	REVENUE FROM CONTRACTS WITH CUSTOMERS - NET	(Rupees)	(Rupees)	(Rupees)	(Rupees)	
	Sales - local	25,164,804,729	30,168,598,490	15,173,526,215	13,605,535,325	
	Sales - export	60,588,645	· · · · · · · · · -	-	-	
	Service income	34,193,418	19,816,103	17,648,960	6,267,100	
	Gross sales	25,259,586,792	30,188,414,593	15,191,175,175	13,611,802,425	
	Less: Sales tax	(31,326,448)	(24,505,544)	(19,857,756)	(15,514,499)	
		25,228,260,344	30,163,909,049	15,171,317,419	13,596,287,926	
	Less: Discount	(1,098,716,830)	(2,040,138,869)	(478,429,471)	(616,241,552)	
		24,129,543,514	28,123,770,180	14,692,887,948	12,980,046,374	
	Geographical region:					
	Pakistan	25,198,998,147	30,188,414,593	15,191,175,175	13,611,802,425	
	UAE	60,588,645	· · · · · -	-	-	
		25,259,586,792	30,188,414,593	15,191,175,175	13,611,802,425	
	services: At a point in time	25,259,586,792	30,188,414,593	15,191,175,175	13,611,802,425	
14	COST OF SALES					
	Cost of local sales	11,587,205,410	22,316,830,023	9,355,075,736	10,052,578,129	
	Cost of goods assembled	8,136,552,108	-	2,792,733,014	-	
	Cost of export sales	36,107,226	-	-	-	
	Sales tax - mobiles	305,165,150	1,013,383,270	176,296,471	471,473,044	
	Sales tax- tablets	7,608,143	13,571,782	6,101,775	10,446,375	
	Regulatory duty	1,295,250,140	2,106,723,180	733,071,400	837,578,220	
	Insurance	2,143,118	8,481,368	1,452,876	3,453,498	
	Clearing charges	12,050,611	34,460,379	6,146,196	14,917,257	
	Salaries, wages and benefits	131,934,964	-	50,479,393	-	
	Custom duty- tablets	2,501,112	6,016,437	1,896,044	4,992,623	
	Depreciation	13,161,440	6,073,000	6,678,085	-	
	Staff retirement benefits - Gratuity					
	scheme	98,193	-	32,731	2,214,472	
	Domestic carriage	706,900	4,060,577	396,429	2,753,793	
		21,530,484,515	25,509,600,016	13,130,360,150	11,400,407,411	

15 RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

The related party transactions includes remuneration of key management personnel which is disclosed in note 16.

16 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amounts charged in the interim financial statements in respect of remuneration, including all benefits to Chief Executives and Executives of the Group are as follows:

	Chief E	Chief Executive Six month period ended		Executives	
	Six month p			Six month period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-Audited)	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	
Managerial remuneration	24,000,000	24,000,000	86,560,676	74,217,600	
Number of persons	1	1	41	49	

17 OPERATING SEGMENT INFORMATION

	Distribution	n and retail	Assembly		Inter segment eliminations		Total		
			Amount in Rupees						
	Six-month p	Six-month period ended		Six-month period ended		Six-month period ended		Six-month period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	
				(UII-at	iuiteu)				
Revenue -External customer -Inter-segment	24,002,302,672	28,123,770,180	127,240,842 8,750,864,056	-	(8,750,864,056)	- -	24,129,543,514	28,123,770,180	
	24,002,302,672	28,123,770,180	8,878,104,898	-	(8,750,864,056)	-	24,129,543,514	28,123,770,180	
Cost of sales	(21,959,656,413)	(25,509,600,016)	(8,321,692,158)	-	8,750,864,056	-	(21,530,484,515)	(25,509,600,016)	
Gross profit	2,042,646,259	2,614,170,164	556,412,740	=	-	-	2,599,058,999	2,614,170,164	
Administrative expenses Selling and distribution cost	(387,279,461) (265,834,348)	(284,859,246) (311,764,371)	(82,456,619) (845,926)	- -	-	- -	(469,736,080) (266,680,274)	(284,859,246) (311,764,371)	
Operating profit	1,389,532,450	2,017,546,547	473,110,195	-			1,862,642,645	2,017,546,547	
Other income Other expenses Finance cost	18,603,371 - (512,699,549)	55,010,702 (3,942,134) (570,052,762)	- (25,735,962) -	- - -	:	-	18,603,371 (25,735,962) (512,699,549)	55,010,702 (3,942,134) (570,052,762)	
Profit before taxation	895,436,272	1,498,562,353	447,374,233				1,342,810,505	1,498,562,353	
Taxation	(315,356,313)	(539,581,045)	(2,332,698)	-	-	-	(317,689,011)	(539,581,045)	
Profit for the period	580,079,959	958,981,308	445,041,535			-	1,025,121,494	958,981,308	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021	31 December 2021	30 June 2021	31 December 2021	30 June 2021	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	
Segment assets	24,325,052,606	14,836,247,990	2,748,170,112	2,170,622,104	(8,385,407,614)	(1,258,455,112)	18,687,815,104	15,748,414,982	
Segment liabilities	(4,608,163,451)	(7,025,265,931)	(1,617,188,445)	(2,896,150,643)	(1,316,978,930)	652,157,040	(7,542,330,826)	(9,269,259,534)	
Capital expenditure	5,985,692	94,685,023	6,102,340	487,976,540		-	12,088,032	582,661,563	
							Six month r	period ended	
							31 December 2021 (Un-audited)	31 December 2020 (Un-audited)	
Geographical information							(Rupees)	(Rupees)	

All non-current assets of the Group as at reporting dates are located and operating in Pakistan.

The Group's revenue from external customers by geographical location is detailed below:

17.2 The Group's revenue is earned from a large mix of customers.

Pakistan UAE

17.3 Inter segment sales, purchases and balances have been eliminated.

24,068,954,869

60,588,645 24,129,543,514 28,123,770,180

28,123,770,180

18 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amounts charged in the interim financial statements in respect of remuneration, including all benefits to Chief Executives and Executives of the Company are as follows:

	Chief Executive		Executives		
	Six month p	Six month period ended		period ended	
	31 December 2021 (Un-audited)	31 December 2020 (Un-audited)	31 December 2021 (Un-audited)	31 December 2020 (Un-Audited)	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	
Managerial remuneration	24,000,000	24,000.000	86,560,676	74,217,600	
Number of persons	1	1	41	49	

19 FINANCIAL INSTRUMENTS - FAIR VALUES

19.1 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

IFRS 13. "Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 -- Quoted (unadjusted) market prices in active markets for identical assets or
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing caregorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Company's valuation processes, valuation techniques, and types of inputs used in the fair value.

The carrying value of all financial assets and liabilities not carried at fair value in the financial statements approximate their fair values and accordingly, detailed disclosures of fair value are not being presented in these financial statements.

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value historyte.

levels in the fair value hierarchy.							
area ir an rais tall the real area.	Fair value						
	Level 1	Level 2	Level 3	Total			
		(Ru	pees)				
31 December 2021 (Un-audited)							
Financial assets at fair value through profit or loss							
investment in mutual funds	43,234,493			43,234,493			
	43,234,495			43,234,493			
30 June 2021 (Audited)							
Financial assets at fair value through profit or loss							
Investment in mutual funds	13.103.651	50	30	13,103,661			
Constitution of the second second	13,103,651			13,103,651			
Movement in financial assets at fair value		follows.	31 December 2021 (Un-audited)	30 June 2021 (Audited)			
			(Rupees)	(Rupees)			

20 GENERAL

Opening balance

Closing balance

Additions / (deletions)

Unrealized gain on investment

19.2

These unconsolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Company on 25th February 2022

Chief Executive Chief Financial Officer

Director

13,103,651

28,206,973

43,234,453

1,923,869

35,683,564

(26,000,000)

13,103,651

3.420.087

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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.