



YOUR SMART DEVICE PARTNER

**QUARTERLY REPORT AS AT
MARCH 31, 2023**

TECHNOLOGY FOR A
BRIGHTER FUTURE

The background of the image is a dark blue, almost black, space. In the center, there is a bright, glowing light source that creates a lens flare effect. From this light source, several bright blue lines radiate outwards, creating a perspective that suggests a path or a digital landscape. The lines are arranged in a grid-like pattern, with some lines being more prominent than others. The overall effect is one of depth and forward motion, symbolizing technology and progress.

Company Profile

Board of Directors

Mr. Muzaffar Hayat Piracha
Chief Executive Officer /Executive Director

Mr. Aslam Hayat Piracha
Chairman / Non-executive Director

Mrs. Rabiya Muzaffar
Non-executive Director

Mr. Syed Nafees Haider
Executive Director

Mr. Sharique Azim Siddiqui
Independent Director

Mr. Hussain Kuli Khan
Independent Director

Mr. Aqdas Faraz Tahir
Independent Director

Audit Committee

Mr. Hussain Kuli Khan
(Independent Director)-Chairman

Mr. Sharique Azim Siddiqui
(Independent Director)-Member

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

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

HR Committee

Mr. Sharique Azim Siddiqui
(Independent Director)-Chairman

Mr. Aqdas Faraz Tahir
(Independent Director)-Member

Mr. Muzaffar 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 Limited



The Bank of Khyber Limited



Habib Metro Limited



Bank Alfalah Limited



Dubai Islamic Bank Limited



Habib Bank Limited



Meezan Bank Limited



Bank Islami Limited



Soneri Bank Limited

Legal Advisor

Punjab Law Associates

Factory Adress

152/1 - M, Quaid-e-Azam Industrial Estate, Kot Lakh Pat Lahore, Pakistan.

Company's Registered address (Head office)

152/1 - M, Quaid-e-Azam Industrial Estate, Kot Lakh Pat Lahore, Pakistan.

External auditors

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





DIRECTORS' REPORT


The Directors of your Company are pleased to present the unaudited condensed interim financial statements of the Company for the nine months ended March 31, 2023.

The Country is currently experiencing significant economic and political challenges, which have had an adverse impact on our company. These challenges include low foreign reserve levels, high foreign exchange rates, high inflation rates, high interest rates, and high fuel and energy prices. Moreover, the government's restrictions on imports have led to disrupted supplies and shortages of raw materials. As a result, our company was forced to squeeze operations during the period under review, which contributed to lower sales and production volumes. We acknowledge that these challenges are beyond our control, we are actively exploring all possible options to minimize their impact on our business.

During the nine months ended March 31, 2023, your company managed to achieve the gross profit margin of 8.43% representing a decrease of 2.46% as compared to the corresponding previous period. The net profit for the period under review recorded at 4.30% representing an increase of 0.23% as compared to corresponding period of last year. The Board expects the growth momentum to continue during the remainder of the current financial year the Company is geared to enhance its share in stronger market.

It is expected that the Government shall take immediate concrete steps including completion of IMF program to resolve the prevailing economic crisis and shall provide the business friendly environment for the recovery and sustainability of the industrial sectors in the periods to come because the delay will further worsen the economic conditions of the country.

The Board would like to place on record the all stakeholders, Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange, State Bank of Pakistan, banks/financial Institutions, especially its customers as well as the vendors and suppliers, for their continued commitment and support to the Company. The Board would also like to thank all staff members of the Company in performing their tasks with diligence and commitment.



Chief Executive



Director

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2023 کو ختم ہونے والے نو مہینوں کے لیے کمپنی کے غیر آڈٹ شدہ کنڈینسڈ عبوری مالیاتی گوشواروں کو پیش کرنے پر خوش ہیں۔

ملک اس وقت اہم اقتصادی اور سیاسی چیلنجوں کا سامنا کر رہا ہے، جس کا ہماری کمپنی پر منفی اثر پڑا ہے۔ ان چیلنجوں میں غیر ملکی ذخائر کی کم سطح، غیر ملکی زرمبادلہ کی بلند شرح، افراط زر کی بلند شرح، سود کی بلند شرح، اور ایندھن اور توانائی کی بلند قیمتیں شامل ہیں۔ مزید برآں، درآمدات پر حکومت کی پابندیوں کی وجہ سے رسد میں خلل پڑا ہے اور خام مال کی قلت ہے۔ نتیجے کے طور پر، ہماری کمپنی کو زیر جائزہ مدت کے دوران آپریشنز کو محدود کرنے پر مجبور ہوگی، جس نے فروخت اور پیداوار کے حجم کو کم کرنے میں اہم کردار ادا کیا۔ ہم تسلیم کرتے ہیں کہ یہ چیلنجز ہمارے قابو سے باہر ہیں، ہم اپنے کاروبار پر ان کے اثرات کو کم کرنے کے لیے تمام ممکنہ آپشنز کو فعال طور پر تلاش کر رہے ہیں۔

مارچ 31، 2023 کو ختم ہونے والے نو مہینوں کے دوران، آپ کی کمپنی 8.43% کے مجموعی منافع کے مارجن کو حاصل کرنے میں کامیاب رہی جو کہ گزشتہ مدت کے مقابلے میں 2.46% کی کمی کو ظاہر کرتی ہے۔ زیر جائزہ مدت کے لیے خالص منافع 4.30 ریکارڈ کیا گیا جو گزشتہ سال کی اسی مدت کے مقابلے میں 0.23% زیادہ ہے۔ بورڈ کو توقع ہے کہ موجودہ مالی سال کے بقیہ حصے میں ترقی کی رفتار جاری رہے گی، کمپنی مضبوط مارکیٹ میں اپنا حصہ بڑھانے کے لیے تیار ہے۔

توقع ہے کہ حکومت موجودہ معاشی بحران کو حل کرنے کے لیے آئی ایم ایف پروگرام کی تکمیل سمیت فوری ٹھوس اقدامات کرے گی اور اُنے والے ادوار میں صنعتی شعبوں کی بحالی اور پائیداری کے لیے کاروباری دوستانہ ماحول فراہم کرے گی کیونکہ تاخیر سے ملکی معاشی بحران مزید خراب ہو جائے گا۔

بورڈ تمام اسٹیک ہولڈرز، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج، اسٹیٹ بینک آف پاکستان، بینکوں/مالیاتی اداروں، خاص طور پر اس کے صارفین کے ساتھ ساتھ وینڈرز اور سپلائرز کو ان کی مسلسل وابستگی اور تعاون کے لیے ریکارڈ پر رکھنا چاہتا ہے۔ بورڈ کمپنی کے تمام سٹاف ممبران کا بھی شکریہ ادا کرنا چاہے گا کہ انہوں نے اپنے کام کو تندی اور عزم کے ساتھ انجام دیا۔



ڈائریکٹر



چیف ایگزیکٹو





FINANCIAL STATEMENT

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 March 2023

	Note	31 March 2023 (Un-audited) (Rupees)	30 June 2022 (Audited) (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	557,652,836	736,588,940
Intangibles		13,850,756	15,455,020
Investment in subsidiary	5	9,393,706,278	5,000,000,000
Deferred tax asset		45,046,221	23,762,797
		10,010,256,091	5,775,806,757
CURRENT ASSETS			
Stores and spares		17,114,021	17,161,871
Stock in trade	6	1,350,098,528	3,158,551,742
Trade debts	7	1,898,010,967	3,752,501,028
Loans and advances		73,053,127	59,757,546
Trade deposits and short term prepayments		82,535,785	97,193,369
Other receivables	8	641,330,413	3,861,853,815
Tax refunds due from the Government		207,159,929	166,623,631
Short term investments	9	1,147,840,058	1,009,527,023
Cash and bank balances	10	755,976,065	990,297,235
		6,173,118,893	13,113,467,260
TOTAL ASSETS		16,183,374,984	18,889,274,017
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Authorized share capital 600,000,000 (30 June 2022: 600,000,000) ordinary shares of Rs.10 each		6,000,000,000	6,000,000,000
Issued, subscribed and paid up capital		3,952,692,310	3,952,692,310
Share premium - capital reserve		3,556,176,808	3,556,176,808
Accumulated profit - revenue reserve		4,594,520,938	4,199,708,939
General reserves - revenue reserve		44,559,977	44,559,977
Long term loan - equity portion		-	21,372,477
		12,147,950,033	11,774,510,511
NON CURRENT LIABILITIES			
Long term loans - debt portion	11	630,000,000	876,612,295
Lease liabilities		182,350,984	242,066,981
Defined benefit liability		11,609,145	24,930,028
		823,960,129	1,143,609,304
CURRENT LIABILITIES			
Current portion of long term loans		395,429,254	426,789,550
Current maturity of lease liabilities		123,808,741	104,179,241
Short term borrowings	12	1,816,837,557	3,936,056,734
Accrued markup		73,425,587	121,937,580
Refund liabilities		-	309,084
Contract liabilities		-	152,365,597
Provision for taxation		383,556,204	743,403,372
Trade payables, accrued and other liabilities		255,920,430	390,814,817
Unpaid dividend		162,487,049	95,298,227
		3,211,464,822	5,971,154,202
TOTAL EQUITY AND LIABILITIES		16,183,374,984	18,889,274,017
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The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE-MONTH PERIOD ENDED 31 March 2023

	Note	Nine month period ended		Three month period ended	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
Revenue from contracts with customers - net	14	18,021,983,112	35,164,991,475	3,962,670,926	11,162,688,805
Cost of sales		(16,502,777,403)	(31,337,126,369)	(3,543,678,934)	(9,918,788,832)
Gross profit		1,519,205,709	3,827,865,106	418,991,992	1,243,899,973
Administrative expenses		(449,102,447)	(764,036,126)	(129,032,674)	(233,867,436)
Selling and distribution cost		(232,261,131)	(328,188,702)	(56,724,664)	(136,089,923)
		(681,363,578)	(1,092,224,828)	(185,757,338)	(369,957,359)
Operating profit		837,842,131	2,735,640,278	233,234,654	873,942,614
Other income		83,895,607	20,572,104	32,071,053	2,410,326
Other expenses		(24,261,681)	(25,737,962)	(29,999)	(2,000)
Finance cost		(441,241,738)	(731,749,789)	(152,157,805)	(219,050,240)
Profit before taxation		456,234,319	1,998,724,631	113,117,903	657,300,700
Taxation		319,085,022	(566,901,087)	(10,696,744)	(251,544,773)
Profit for the period		775,319,341	1,431,823,544	102,421,159	405,755,927
Earnings per share					
- Basic		2.01	4.11	0.27	1.16
- Diluted		1.99	4.05	0.27	1.16

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED 31 March 2023

	Note	Nine month period ended		Three month period ended	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
		(Un-audited) (Rupees)	(Un-audited) (Rupees)	(Un-audited) (Rupees)	(Un-audited) (Rupees)
Profit for the period	A	775,319,341	1,431,823,544	102,421,159	405,755,927
Items not to be reclassified to profit or loss in subsequent periods					
Re-measurement losses on defined benefit plan		(9,617,177)	(10,891,361)	-	-
Related tax effect		2,788,981	-	-	-
Re-measurement losses on defined benefit plan - net of tax		(6,828,196)	(10,891,361)	-	-
Items to be reclassified to profit or loss in subsequent periods					
Other comprehensive loss	B	(6,828,196)	(10,891,361)	-	-
Total comprehensive income for the period	A+B	768,491,145	1,420,932,183	102,421,159	405,755,927

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 31 March 2023

	Capital reserve		----- Revenue reserve -----		Long term loan - equity portion	Total
	Issued, subscribed and paid up capital	Share Premium	General reserves	Accumulated profit		
----- (Rupees) -----						
Balance as at 1 July 2021 (Audited)	3,000,000,000	-	44,559,977	2,991,850,517	42,744,954	6,079,155,448
Conversion of long term loan amounting Rs. 400 million at the rate of Rs. 52 per share	76,923,080	323,076,920	-	-	-	400,000,000
Issuance of shares against initial public offering	600,000,000	3,690,000,000	-	-	-	4,290,000,000
Transaction cost on issuance of ordinary shares	-	(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)	-	-	-	1,431,823,544	(42,744,954)	1,389,078,590
Other comprehensive loss for the period (Un-audited)	-	-	-	(10,891,361)	-	(10,891,361)
Total comprehensive income for the period (Un-audited)	-	-	-	1,420,932,183	(42,744,954)	1,378,187,229
Balance as at 31 March 2022 (Un-audited)	<u>3,952,692,310</u>	<u>3,556,176,808</u>	<u>44,559,977</u>	<u>3,953,167,315</u>	<u>-</u>	<u>11,506,596,410</u>
Balance as at 1 July 2022 (Audited)	3,952,692,310	3,556,176,808	44,559,977	4,199,708,939	21,372,477	11,774,510,511
Extinguishment of equity on repayment of long-term loan	-	-	-	21,372,477	(21,372,477)	-
Final dividend for the year ended 30 June 2022 at the rate of Rs. 1 per share	-	-	-	(395,051,622)	-	(395,051,622)
Profit for the period (Un-audited)	-	-	-	775,319,341	-	775,319,341
Other comprehensive loss for the period (Un-audited)	-	-	-	(6,828,196)	-	(6,828,196)
Total comprehensive income for the period (Un-audited)	-	-	-	768,491,145	-	768,491,145
Balance as at 31 March 2023 (Un-audited)	<u>3,952,692,310</u>	<u>3,556,176,808</u>	<u>44,559,977</u>	<u>4,594,520,938</u>	<u>-</u>	<u>12,147,950,033</u>



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 31 March 2023

	Note	Nine month period ended	
		31 March 2023 (Un-audited) (Rupees)	31 March 2022 (Un-audited) (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		456,234,319	1,998,724,631
Adjustments for :			
Depreciation of property, plant and equipment		179,831,549	189,268,391
Amortization of intangible assets		6,228,773	6,666,117
Provision for net realizable value reversed		(363,577)	(11,216,176)
Allowance for expected credit loss		-	64,713,006
Provision for gratuity		9,511,184	9,365,561
Provision for WWF		7,727,615	25,735,962
Provision for WPPF		16,504,067	-
Gain on lease termination		-	(441,594)
Finance cost		441,241,738	731,749,789
Unrealized gain on financial assets		(3,215,948)	(1,923,869)
Profit on short-term investments		(80,679,659)	(18,648,235)
		576,785,742	995,268,952
Operating profit before working capital changes		1,033,020,061	2,993,993,583
(Increase)/decrease in current assets			
Stock in trade	6	1,808,816,791	(443,929,074)
Stores and spares		47,850	(7,330,121)
Trade debts	7	1,854,490,061	1,586,350,680
Loans and advances		(13,295,581)	(671,101,069)
Trade deposits and short term prepayments		14,657,584	(51,649,282)
Other receivables		3,220,523,402	1,550,310,408
Tax refunds due from the Government		(40,536,298)	2,507,470
		6,844,703,809	1,965,159,012
Increase/(decrease) in current liabilities			
Trade payables, accrued and other liabilities		(132,407,964)	(895,219,295)
Contract liabilities		(152,365,597)	(6,246,969)
		7,592,950,309	4,057,686,331
Finance cost paid		(489,753,731)	(737,918,258)
Gratuity paid		(32,449,244)	(22,184,380)
Income tax paid		(82,797,386)	(204,889,863)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)		6,987,949,948	3,092,693,830
CASH FLOW FROM INVESTING ACTIVITIES			
Additions in operating fixed assets		(895,447)	29,909,812
Investment in subsidiary	5	(4,393,706,278)	(4,125,006,318)
Additions in intangible assets		(4,624,509)	(5,247,701)
Interest income received		9,056,926	(18,648,235)
Short term investments made		(265,000,000)	(571,227,491)
Short term investments disposed off		172,600,000	-
NET CASH USED IN INVESTING ACTIVITIES (B)		(4,482,569,308)	(4,690,219,933)
CASH FLOW FROM FINANCING ACTIVITIES			
Lease liability repaid		(58,566,878)	(143,249,230)
Long term loans repaid		(247,972,591)	-
Long term loans obtained	11	-	981,762,138
Proceeds from issuance of shares		-	4,290,000,000
Share issuance cost		-	(181,130,882)
Dividend paid		(327,862,800)	(364,317,158)
Short term borrowings obtained		420,587,722	-
Short term borrowings repaid		(2,525,887,263)	(3,246,127,558)
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES (C)		(2,739,701,810)	1,336,937,310
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		(234,321,170)	(260,591,793)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		990,297,235	832,153,312
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		755,976,065	571,561,519

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 31 March 2023

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 152-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan. The Company is engaged in the business of import, export distribution, indenting, wholesale, retail of communication and IT related products and services including cellular mobile/smart phones, tablets, laptops, accessories and allied products. The Company converted to a public limited company on 24 April 2019 and got itself registered on Pakistan Stock Exchange (PSX) on 22 September 2021 as a result of completion of its Initial Public Offering (IPO).

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.

The locations of Company's head office, assembling facility, retail outlets and flagship store are as below:

BUSINESS UNIT	ADDRESS
Head Office	152-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan
Assembling Facility	152-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan
Samsung Retail Store	Shop No. LG-19, Lucky One Mall, LA-2/B, Block 21, Opp. UBL Sports Complex, Rashid Minhas Road, Karachi, Pakistan
Air Link Flagship Store	Shop No. 1, Xinhua Mall, 24-B/2, Mian Mehmood Ali Kasoori Road, Block B2 Gulberg III, Lahore, Pakistan
Samsung Retail Store	Shop No. 27, Ground Floor, Emporium Mall, Johar Town, Lahore, Pakistan
Air Link Retail Store	Shop No. SF-7, Lucky One Mall, LA-2/B, Block 21, Opp. UBL Sports Complex, Rashid Minhas Road, Karachi, Pakistan
Air Link Retail Store	Shop No. 1080 Opposite Carrefour, Packages Mall, Walton Road, Lahore, Pakistan
Air Link Retail Store	Shop No. SF-51, Dolmen Mall Clifton, Karachi, Pakistan
Samsung Retail Store	Shop No. 1 Near Bank Alfalah, Saddar Cantt. Hyderabad, Pakistan
Samsung Retail Store	Shop No. 5, Ground Floor, Shareef Complex, Tehsil Chowk, Multan,
Samsung Retail Store	City Centre, DC Office Chowk, Bahawalpur
Samsung Retail Store	Shop-1079, 1st Floor, Packages Mall, Walton Road, Lahore
Air Link Retail Store	Shop G-56, Ground Floor, Emporium Mall, Johar Town, Lahore
MI Retail Store	Shop No. LG-20, Lucky One Mall, LA-2/B, Block 21, Opp. UBL Sports

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 condensed interim financial statements are un-audited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

- 2.4** The unconsolidated condensed interim financial statements have been prepared under the historical cost convention except for the defined benefit obligation which is 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, Workers' Welfare Fund (WWF) and Worker's Profit Participation Fund (WPPF) 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

- 3.1** The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2022, except as mentioned in note 3.2.
- 3.2** The Company adopted following new amendments to the approved accounting standards which became effective during the period, however these are not considered to be relevant or have any significant effect on the financial statements:

New Standards, Interpretations and Amendments

IFRS 3	Reference to conceptual framework — (Amendments)
IAS 16	Property, plant and equipment: Proceeds before intended use — (Amendments)
IAS 37	Onerous contracts - costs of fulfilling a contract — (Amendments)
AIP IFRS 1	First-time Adoption of International Financial Reporting Standards — Subsidiary
AIP IFRS 9	Fees in the '10 per cent' test for derecognition of financial liabilities

Standards, interpretation and amendments to published approved accounting standards that are not yet effective:

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	IASB Effective date (annual periods beginning on or after)
IAS 1	Classification of liabilities as current or non-current — January 01, 2024
IAS 8	Definition of accounting estimates — (Amendments) January 01, 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies — (Amendments) January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction — (Amendments) January 01, 2023
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its associate or Joint Venture — (Amendments) Not yet finalized

The Company expects that such improvements to the standards will not have any material impact on the Company's condensed interim financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2022.

		31 March 2023 (Un-audited) (Rupees)	30 June 2022 (Audited) (Rupees)
4	PROPERTY PLANT AND EQUIPMENT		
	Operating fixed assets	342,096,433	462,819,390
	Right-of-use assets	215,556,403	273,769,550
		<u>557,652,836</u>	<u>736,588,940</u>
5	INVESTMENT IN SUBSIDIARY		
	Opening balance - at cost	5,000,000,000	-
	Additions during the period / year	4,393,706,278	5,000,000,000
	Closing balance - at cost	<u>9,393,706,278</u>	<u>5,000,000,000</u>
5.1	The Company incorporated a fully owned subsidiary in Pakistan on 13 October 2021 under the name of Select Technologies (Private) Limited. The subsidiary has set up state-of-the-art smartphone assembly plant in Lahore. The principal line of business of the subsidiary is 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. Further investment is made during the current period to meet the working capital requirements of the subsidiary.		
6	STOCK IN TRADE		
	Raw material	489,910,439	437,698,159
	Work in process	-	8,152,105
	Mobile phones	672,453,899	1,328,007,868
	Spare parts	189,644,978	146,012,883
		<u>1,352,009,316</u>	<u>1,919,871,015</u>
	Provision for net realizable value	(1,910,788)	(2,274,365)
		<u>1,350,098,528</u>	<u>1,917,596,650</u>
	Goods in transit	-	1,240,955,092
		<u>1,350,098,528</u>	<u>3,158,551,742</u>
7	TRADE DEBTS		
	Considered good - unsecured		
	Local	1,908,049,651	3,762,539,710
	Allowance for expected credit loss	(10,038,684)	(10,038,682)
		<u>1,898,010,967</u>	<u>3,752,501,028</u>
8	OTHER RECEIVABLES		
	Margin against letters of credit & contracts	-	1,871,704,954
	Shipping guarantee	2,592,320	-
	Bank guarantee	3,500,000	3,500,000
	Receivable from subsidiary	6,925,539	947,860,458
	Due from principals	626,503,769	1,036,979,618
	Claims from courier against lost items	1,808,785	1,808,785
		<u>641,330,413</u>	<u>3,861,853,815</u>
9	SHORT TERM INVESTMENTS		
	Financial assets at amortized cost		
	Term deposits	940,845,900	845,600,000
	Term finance certificate	100,000,000	100,000,000
	Accrued markup	58,945,051	19,093,864
		<u>1,099,790,951</u>	<u>964,693,864</u>
	Financial assets at fair value through profit or loss		
	Investment in mutual funds	48,049,107	44,833,159
		<u>1,147,840,058</u>	<u>1,009,527,023</u>
10	CASH AND BANK BALANCES		
	Cash in hand	291,847,005	31,820,223
	Cash at bank - current accounts	464,129,060	958,476,164
	Cash at bank - saving account	-	848
		<u>755,976,065</u>	<u>990,297,235</u>
11	LONG TERM LOANS		
	JS Bank Limited & PCF Communication Investments (Private) Limited	-	133,333,333
	JS Bank Limited	-	22,832,239
	Orix Leasing Pakistan Limited	45,429,254	77,236,273
	Saudi Pak Industrial and Agricultural Investment Company Limited	800,000,000	800,000,000
	Pak Oman Investment Company	180,000,000	270,000,000
	Add: Accrued markup	73,425,587	39,455,067
		<u>1,098,854,841</u>	<u>1,342,856,912</u>
	Less: Current portion shown under current liabilities	(395,429,254)	(426,789,550)
	Less: Accrued markup presented in current liabilities	(73,425,587)	(39,455,067)
		<u>630,000,000</u>	<u>876,612,295</u>

- 11.1 During the period, entire amount of loan from JS Bank Limited and PCF Communication Investments (Private) Limited was repaid.
11.2 During the current period, salary loan obtained from JS Bank was repaid.

12 SHORT TERM BORROWINGS

JS Bank Limited	527,145,883	1,765,788,891
Bank AL Habib Limited	736,805,744	938,310,383
Dubai Islamic Bank	61,267	131,481,501
Bank of Khyber	816,707	863,475,959.0
Askari Bank Limited	-	237,000,000
Industrial and Commercial Bank of China	552,007,956	-
Accrued markup	73,425,587	82,482,513
	1,890,263,144	4,018,539,247
Less: Accrued markup presented in current liabilities	(73,425,587)	(82,482,513)
	1,816,837,557	3,936,056,734

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 2022.

13.2 Commitments

Letters of credit	-	1,871,704,954
Bank guarantees	3,500,000	3,500,000
	3,500,000	1,875,204,954

14 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	Nine month period ended		Three month period ended	
	31 March 2023 (Un-audited) (Rupees)	31 March 2022 (Un-audited) (Rupees)	31 March 2023 (Un-audited) (Rupees)	31 March 2022 (Un-audited) (Rupees)
Sales - local	19,480,958,372	36,879,826,676	4,325,227,215	11,744,909,739
Sales - export	-	40,540,500	-	-
Service income	22,717,986	55,774,815	5,213,333	21,581,397
Gross sales	19,503,676,358	36,976,141,991	4,330,440,548	11,766,491,136
Less: Discount	(1,481,693,246)	(1,811,150,516)	(389,435,646)	(603,716,839)
	18,021,983,112	35,164,991,475	3,962,670,926	11,162,774,297

Timing of transfer of goods and services:

At a point in time	19,503,676,358	36,976,141,991	4,330,440,548	11,123,279,147
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15 RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary, associated companies, other related companies and the Company's directors and key management personnel. Balances with related parties are disclosed in respective notes to the financial statements. Significant transactions with related parties other than those disclosed elsewhere in financial statements are as follows:

Name of related party	Basis of relationship	Nature of transaction	31 March 2023 Rupees	30 June 2022 Rupees
Select Technologies (Private) Limited	Subsidiary	Investment in subsidiary	9,393,706,278	5,000,000,000

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 Company are as follows:

	Chief Executive		Executives	
	Nine month period ended		Nine month period ended	
	31 March 2023 (Un-audited) (Rupees)	31 March 2022 (Un-audited) (Rupees)	31 March 2023 (Un-audited) (Rupees)	31 March 2022 (Un-audited) (Rupees)
Managerial remuneration	36,000,000	24,000,000	124,038,776	86,560,676
Number of persons	1	1	48	41

17 GENERAL

These unconsolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Company on April 27, 2023.



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 March 2023

	Note	31 March 2023 Un-audited Rupees	30 June 2022 Audited Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	7,433,075,004	6,126,596,812
Intangibles		14,016,607	15,654,520
Long term deposit		5,736,000	5,736,000
Deferred tax asset		45,046,221	23,762,797
		7,497,873,832	6,171,750,129
CURRENT ASSETS			
Stores and spares		17,732,615	18,394,867
Stock in trade	6	1,890,718,874	5,333,571,199
Trade debts	7	4,480,155,983	3,752,501,028
Loans and advances		143,274,497	99,508,357
Trade deposits and short term prepayments		92,271,872	100,698,737
Other receivables		3,651,785,700	3,905,064,773
Tax refunds due from the Government		223,385,376	167,742,313
Short term investments		2,870,298,969	1,009,527,023
Cash and bank balances	8	897,786,360	1,101,488,794
		14,267,410,246	15,488,497,091
TOTAL ASSETS		21,765,284,078	21,660,247,220
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Authorized share capital 600,000,000 (30 June 2022: 600,000,000 of Rs.10 each) ordinary shares of Rs.10 each		6,000,000,000	6,000,000,000
Issued, subscribed and paid up capital	9	3,952,692,310	3,952,692,310
Share premium - capital reserve		3,556,176,808	3,556,176,808
Accumulated profit - revenue reserve		4,655,967,623	4,081,140,221
General reserves - revenue reserve		44,559,977	44,559,977
Long term loan - equity portion		-	21,372,477
		12,209,396,718	11,655,941,793
NON CURRENT LIABILITIES			
Long term loans - debt portion	10	2,332,500,000	1,636,612,295
Lease liabilities		188,999,919	242,066,981
Defined benefit liability		11,609,145	24,930,028
Deferred tax liability		-	233,401,360
		2,533,109,064	2,137,010,664
CURRENT LIABILITIES			
Current portion of long term loans		742,929,254	466,789,550
Current maturity of lease liabilities		123,808,741	104,179,241
Short term borrowings		4,317,632,681	5,571,643,558
Accrued markup		281,508,244	206,814,630
Refund liabilities		-	309,084
Contract liabilities		20,802,581	153,168,178
Provision for taxation		674,366,339	766,923,311
Trade payables, accrued and other liabilities		699,243,407	502,168,984
Unclaimed dividend		162,487,049	95,298,227
		7,022,778,296	7,867,294,763
TOTAL EQUITY AND LIABILITIES		21,765,284,078	21,660,247,220

CONTINGENCIES AND COMMITMENTS

11

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



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTH PERIOD ENDED 31 March 2023

	<u>Note</u>	Nine month period ended		Three month period ended	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
		Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers - net	12	31,577,517,329	35,431,056,677	8,289,435,631	11,242,138,165
Cost of sales		(28,735,221,465)	(31,596,010,227)	(7,484,517,629)	(9,992,532,640)
Gross profit		2,842,295,864	3,835,046,450	804,918,002	1,249,605,525
Administrative expenses		(702,720,868)	(821,998,566)	(189,531,052)	(291,299,068)
Selling and distribution cost		(270,076,512)	(328,121,704)	(94,540,045)	(136,148,673)
		(972,797,380)	(1,150,120,270)	(284,071,097)	(427,447,741)
Operating profit		1,869,498,484	2,684,926,180	520,846,905	822,157,784
Other expenses		(24,274,745)	(25,737,962)	(42,959)	(2,000)
Other income		215,302,041	20,572,104	116,727,932	2,410,326
Finance cost		(1,390,429,558)	(755,713,281)	(429,772,899)	(243,013,732)
Profit before taxation		670,096,222	1,924,047,041	207,758,979	581,552,378
Taxation		285,196,186	(569,233,785)	(44,242,417)	(251,544,773)
Net profit for the year		955,292,408	1,354,813,256	163,516,562	330,007,605
Earnings per share					
- Basic		2.48	3.88	0.42	0.90
- Diluted		2.45	3.84	0.42	0.89

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



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTH PERIOD ENDED 31 March 2023

	<u>Note</u>	Nine month period ended		Three month period ended	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
		Un-audited Rupees	Audited Rupees	(Un-audited) Rupees	(Audited) Rupees
Net profit for the year	A	955,292,408	1,354,813,256	163,516,562	330,007,605
Items not to be reclassified to profit or loss in subsequent periods					
Re-measurement losses on defined benefit plan		(9,617,178)	(10,891,361)	-	(11,332,954)
Related tax effect		2,788,981	-	-	3,286,557
Re-measurement losses on defined benefit plan - net of tax		(6,828,197)	(10,891,361)	-	(8,046,397)
Items that may be reclassified to profit or loss in subsequent periods		-	-	-	-
Other comprehensive loss for the year	B	(6,828,197)	(10,891,361)	-	(8,046,397)
Total comprehensive income for the year	A+B	948,464,211	1,343,921,895	163,516,562	321,961,208

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



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED ANNUAL STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED 31 March 2023

	Capital reserve		----- Revenue reserve -----		Long term loan - equity portion	Share deposit money	Total
	Issued, subscribed and paid up capital	Share Premium	General reserves	Accumulated profit			
	(Rupees)						
Balance as at 1 July 2021	3,000,000,000	-	44,559,977	2,991,850,517	42,744,954	400,000,000	6,479,155,448
Conversion of long term loan amounting Rs. 400 million at the rate of Rs. 52 per share (note 20.1.1)	76,923,080	323,076,920	-	-	-	(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 18.2)		(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 year				1,354,813,256	(42,744,954)		1,312,068,302
Other comprehensive loss for the year				(10,891,361)			(10,891,361)
Total comprehensive income for the year	-	-	-	1,343,921,895	(42,744,954)	-	1,301,176,941
Balance as at 31 March 2022	<u>3,952,692,310</u>	<u>3,556,176,808</u>	<u>44,559,977</u>	<u>3,876,157,027</u>	<u>-</u>	<u>-</u>	<u>11,429,586,122</u>
Balance as at 1 July 2022 (Audited)	<u>3,952,692,310</u>	<u>3,556,176,808</u>	<u>44,559,977</u>	<u>4,081,140,118</u>	<u>21,372,477</u>	<u>-</u>	<u>11,655,941,690</u>
Extinguishment of equity upon repayment of long-term loan	-	-	-	21,372,477	(21,372,477)	-	-
Final dividend for the year ended 30 June 2022 at the rate of Rs. 1 per share	-	-	-	(395,009,183)	-	-	(395,009,183)
Profit for the year				955,292,408	-	-	955,292,408
Other comprehensive loss for the year				(6,828,197)	-	-	(6,828,197)
Total comprehensive income for the year	-	-	-	948,464,211	-	-	948,464,211
Balance as at 31 March 2023 (Un-audited)	<u>3,952,692,310</u>	<u>3,556,176,808</u>	<u>44,559,977</u>	<u>4,655,967,623</u>	<u>-</u>	<u>-</u>	<u>12,209,396,718</u>

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



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED 31 March 2023

	Note	31 March 2023 Rupees	31 March 2022 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		670,096,222	1,924,047,041
Adjustments for :			
Depreciation of property, plant and equipment		438,100,464	209,065,229
Amortization of intangible assets		6,262,422	6,661,117
Provision for net realizable value reversed		(363,577)	(11,216,176)
(Reversal of) allowance for expected credit loss - trade debts		-	66,636,875
Provision for workers welfare fund		7,727,615	25,737,962
Provision for gratuity		9,511,184	9,365,561
Provision for WPPF		16,504,067	-
(Gain) / loss on lease termination		-	(441,594)
Provision for taxation		43,320,339	-
Finance cost		1,390,429,558	755,713,281
Unrealized gain on financial assets		(3,215,948)	(1,923,869)
Finance Income		(80,679,659)	(18,648,235)
		<u>1,827,596,465</u>	<u>1,040,950,151</u>
Operating profit before working capital changes		2,497,692,687	2,964,997,192
(Increase) / decrease in current assets			
Stock in trade		3,443,215,902	(1,545,128,481)
Stores and spares		662,252	(7,330,121)
Trade debts		(625,233,796)	1,450,167,444
Loans and advances		(43,766,140)	(967,929,631)
Trade deposits and short term prepayments		8,426,865	(54,293,294)
Other receivables		253,279,073	1,550,310,408
Tax refunds due from the Government		(55,643,063)	2,310,302
		<u>2,980,941,093</u>	<u>428,106,627</u>
Increase / (decrease) in current liabilities			
Trade payables, accrued and other liabilities		197,074,423	(516,687,824)
Contract liabilities		(132,365,597)	(6,246,969)
		<u>5,543,342,606</u>	<u>2,870,169,026</u>
Cashflows after working capital changes - net			
Financial cost paid		(1,245,208,813)	(743,792,917)
Gratuity paid		(32,449,244)	(21,827,346)
Income tax paid		(82,797,386)	(205,246,894)
		<u>4,182,887,163</u>	<u>1,899,301,869</u>
NET CASH GENERATED FROM OPERATING ACTIVITIES	[A]	4,182,887,163	1,899,301,869
CASH FLOW FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment - owned assets		(1,781,233,148)	(3,947,182,461)
Investment Properties		-	-
Additions in intangibles	6	(4,624,509)	(5,447,201)
Interest income received		(74,693,614)	18,648,235
Short term investments made		(2,033,371,946)	(511,407,867)
Short term investments disposed off		172,600,000	(5,736,000)
		<u>(3,718,218,890)</u>	<u>(4,451,125,294)</u>
NET CASH USED IN INVESTING ACTIVITIES	[B]	(3,718,218,890)	(4,451,125,294)
CASH FLOW FROM FINANCING ACTIVITIES			
Lease liability repaid		(58,566,878)	(145,652,281)
Dividend paid		(327,820,361)	(364,317,158)
Share issuance cost		-	(181,130,882)
Long term loans obtained		972,027,409	1,951,762,138
Short term borrowings		(1,254,010,877)	1,043,872,438
		<u>(668,370,707)</u>	<u>2,304,534,255</u>
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	[C]	(668,370,707)	2,304,534,255
NET INCREASE IN CASH AND CASH EQUIVALENTS	[A+B+C]	(203,702,434)	(247,289,170)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,101,488,794	832,153,312
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	897,786,360	584,864,142

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



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED 31 March 2023

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, 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 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 been followed.

2.2 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.

2.3 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.

2.4 Investment properties

Property held for the purpose of rental income and long-term capital appreciation is classified as investment property. Investment property is initially recognized at cost which is equal to the fair value of consideration paid at the time of acquisition or construction of the asset. Subsequent to initial recognition, investment property is carried at historical cost less accumulated depreciation and accumulated impairment losses, if any.

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 IFRS Interest Rate Benchmark Reform — (Amendments)
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Interest Rate Benchmark Reform – Phase 2 –
Amendments

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 2022.

	31 March 2023	30 June 2022
	Rupees	Rupees
5 PROPERTY AND EQUIPMENT		
Operating fixed assets	7,217,518,601	5,852,827,262
Right-of-use assets	215,556,403	273,769,550.00
	7,433,075,004	6,126,596,812
6 STOCK IN TRADE	Rupees	Rupees
Raw material	1,023,785,138	437,698,159
Work in process	-	8,152,105
Mobile phones	679,199,546	1,328,007,868
Spare parts	189,644,978	146,012,883
	1,892,629,662	1,919,871,015
Provision for net realizable value	(1,910,788)	(2,274,365)
	1,890,718,874	1,917,596,650
Goods in transit	-	1,240,955,092
	1,890,718,874	3,158,551,742
7 TRADE DEBTS		
Considered good - unsecured		
Local	4,490,194,667	3,762,539,711
Allowance for expected credit loss	(10,038,684)	(10,038,682)
	4,480,155,983	3,752,501,029
8 CASH AND BANK BALANCES		
Cash in hand	291,847,005	31,820,323
Cash at bank - current accounts	605,614,397	958,476,064
- savings account	324,958	848
	897,786,360	990,297,235
9 ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
31 March 2023	30 June 2022	
No. of shares		31 March 2023
		Share Capital
192,692,308	192,692,308	1,926,923,080
		1,926,923,080
202,576,923	202,576,923	2,025,769,230
		2,025,769,230
395,269,231	395,269,231	3,952,692,310
		3,952,692,310
10 LONG TERM LOANS		
JS Bank Limited and PCF Communication Investments (Private) Limited	-	133,333,333
JS Bank Limited	-	22,832,239
Orix Leasing Pakistan Limited	45,429,254	77,236,273
Saudi Pak Industrial and Agricultural Investment Company Limited	1,700,000,000	800,000,000
Pak Oman Investment Company	530,000,000	270,000,000
BAHL	800,000,000	-
Add: Accrued markup	281,508,244	39,455,066
	3,356,937,498	1,342,856,911
Less: Current portion shown under current liabilities	(742,929,254)	(426,789,550)
Less: Accrued markup presented in current liabilities	(281,508,244)	(39,455,066)
	2,332,500,000	876,612,295

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

A number of legal cases have been filed against the Company by individuals at various forums relating to several disputes / difference of opinion primarily in relation to consumer court matters. Due to their nature, it is not possible to quantify their financial impact at present. However, the management and the Company's legal advisors are of the view that the outcome of these cases is expected to be favourable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made for any liability that may arise as a result of these cases in these financial statements.

11.2 Commitments

	<u>31 March 2023</u>	<u>30 June 2022</u>
	Rupees	Rupees
Letters of credit	2,953,524,421	1,871,704,954
Bank guarantees	3,500,000	3,500,000
	<u>2,957,024,421</u>	<u>1,875,204,954</u>

12 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	<u>Nine month period ended</u>		<u>Three month period ended</u>	
	<u>31 March 2023</u>	31 March 2022	<u>31 March 2023</u>	31 March 2022
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Sales - local	33,036,492,589	37,145,891,878	17,902,427,456	11,824,273,607
Sales - export	-	40,540,500	-	-
Service income	22,717,986	55,774,815	5,213,333.00	21,581,397
Gross sales	<u>33,059,210,575</u>	<u>37,242,207,193</u>	<u>17,907,640,789</u>	<u>11,845,855,004</u>
Less: Discounts	(1,481,693,246)	(1,811,150,516)	(389,435,646)	(603,716,839)
	<u>31,577,517,329</u>	<u>35,431,056,677</u>	<u>17,518,205,143</u>	<u>11,242,138,165</u>
Timing of transfer of goods and services:				
At a point in time	<u>31,577,517,329</u>	<u>35,431,056,677</u>	<u>17,518,205,143</u>	<u>11,242,138,165</u>

13 RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

The related party transactions includes remuneration of key management personnel which is disclosed in note 17.

14 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:

	<u>Chief Executive</u>		<u>Executives</u>	
	<u>Six month period ended</u>		<u>Six month period ended</u>	
	<u>31 March 2023</u>	31 March 2022	<u>31 March 2023</u>	31 March 2022
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Managerial remuneration	36,000,000	24,000,000	124,038,776	86,560,676
Number of persons	1	1	48	41

15 GENERAL

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Group on April 27, 2023.



Chief Executive



Chief Financial Officer



Director