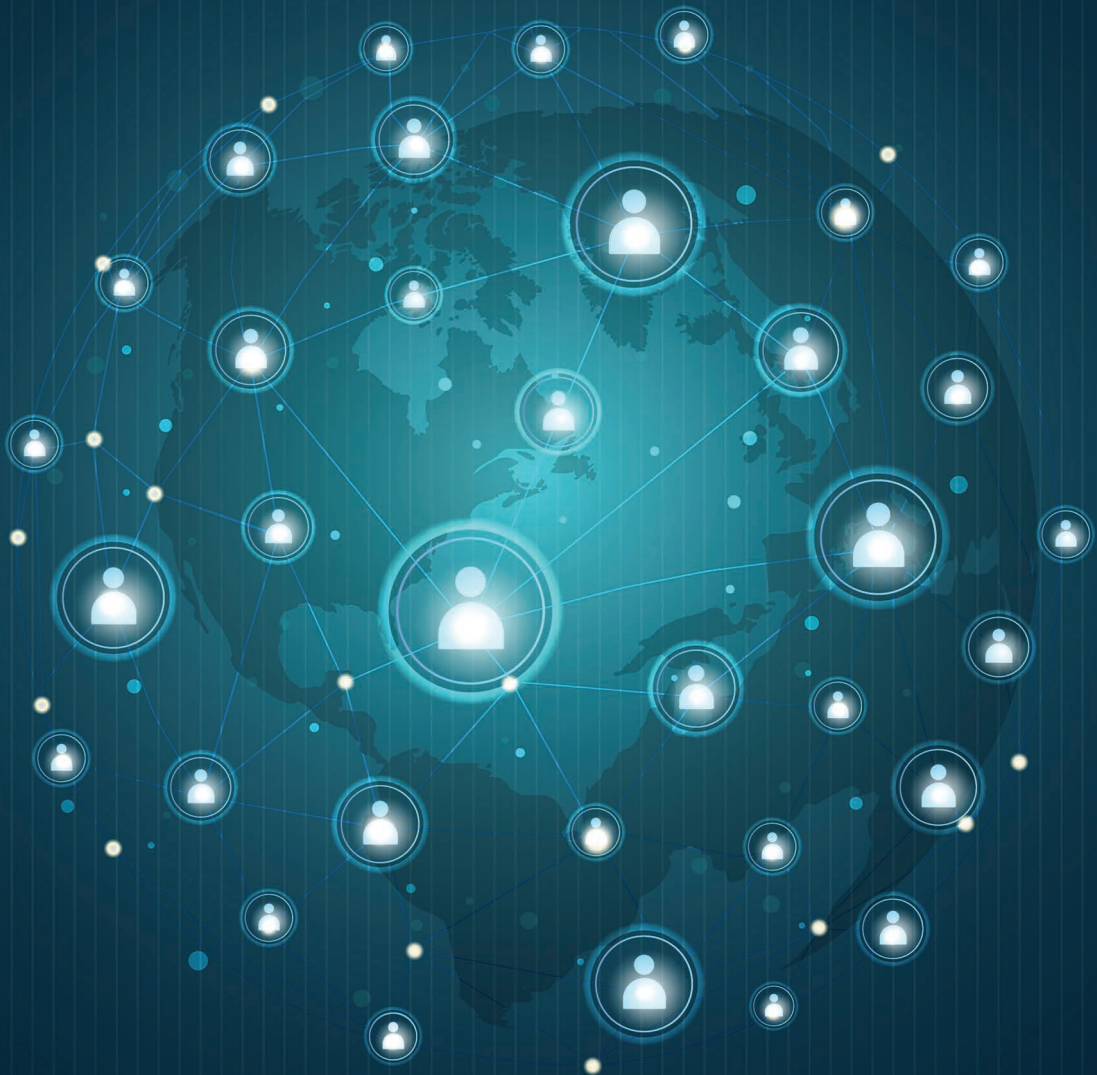


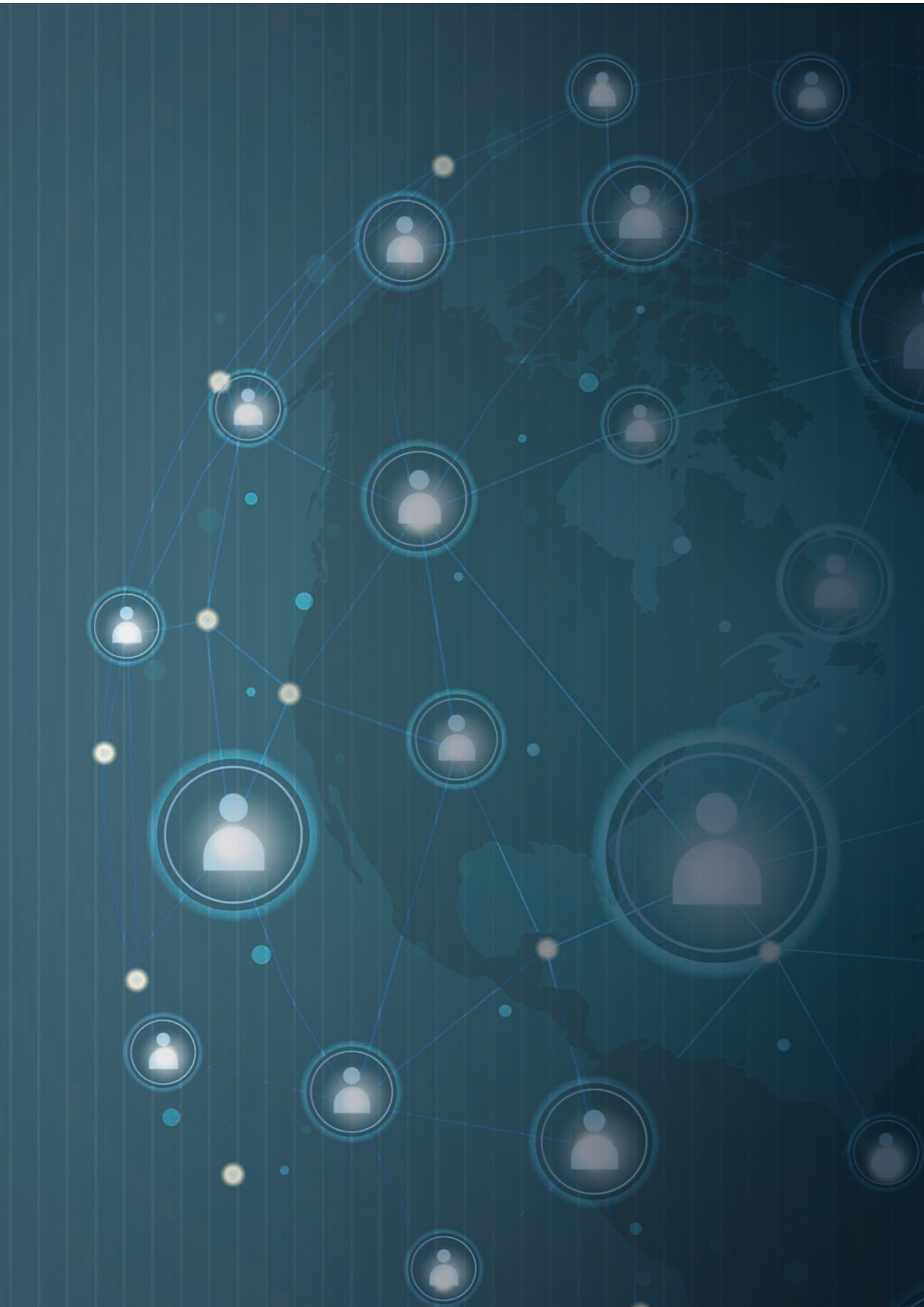


YOUR SMART DEVICE PARTNER



THE POWER OF **CONNECTION**

QUARTERLY REPORT AS AT SEPTEMBER 30, 2023



VISION

To be the largest and most reliable distributor, manufacturer and retailer in Pakistan

MISSION

To establish strong network in Pakistan by providing state of the art services to customers.

V A L U E S



Transparency



Diversity



Customer
Satisfaction



Passion



Quality



Integrity






AIRLINK

SALES & SERVICE CENTRE

COMPANY PROFILE

Board of Directors

Mr. Aslam Hayat Piracha
Chairman / Non-executive Director

Mr. Muzaffar Hayat Piracha
Chief Executive Officer /Executive Director

Mr. Sharique Azim Siddiqui
Independent Director

Mr. Hussain Kuli Khan
Independent Director

Mr. Aqdu Faraz Tahir
Independent Director

Mrs. Rabiya Muzaffar
Non-executive Director

Mr. Syed Nafees Haider
Executive 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 & Remuneration Committee

Mr. Sharique Azim Siddiqui
(Independent Director)-Chairman

Mr. Aqdu 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

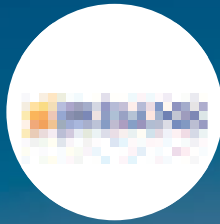
Company Secretary

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



Sindh Bank Limited



ICBC

Non Banking Financial Institutes



Saudi Pak Industrial & Agricultural Investment Co. Ltd



Pak Oman Investment Company Limited



OLP Financial Services Pakistan Limited

Legal Advisor

Punjab Law Associates

Factory Address

152/1 - M, Quaid-e-Azam, Industrial Estate, Kot lakh pat, Lahore

Company's Registered address (Head office)

152/1 - M, Quaid-e-Azam, Industrial Estate, Kot lakh pat, Lahore

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

Dear Stake Holders,

The Directors of the Company are delighted to present the unaudited condensed interim financial statements for the first quarter ending on September 30, 2023.

In the fiscal year 2022-23, Pakistan encountered several economic challenges, including import restrictions, flooding, and disruptions caused by the Russia-Ukraine conflict. These circumstances led to a fiscal deficit, trade imbalance, and elevated inflation. High interest rates further dampened business expansion, signaling a potential long-term economic slowdown. However, Quarter 1 of FY2024 has displayed signs of progress with the relaxation of import restrictions, Air Link has proactively managed these challenges to boost its growth prospects.

The Company adeptly navigated through these challenges, achieving an impressive 106.68% increase in net revenue, amounting to PKR 14,115,310,852/- as compared to PKR 6,829,213,597/- in the same period last year and recorded consolidated revenue amounting to PKR 25,108,511,383/- as compare to PKR 9,417,411,479/- in the same comparative period last year resulting an increase of 166.62%.

The company achieved record net profits of PKR 634,830,335 in the first quarter of 2023, representing the highest quarterly profit in its history standing at 4.50% and consolidated 3.14% as compared to 3.87% and consolidated 3.24% during the comparative period last year. Earnings Per Share have risen to Rs. 1.65 and consolidated Rs. 2.06 from Rs. 0.69 and consolidated Rs. 0.79 respectively.

The Board is optimistic about the Company's future growth, underlining the positive developments experienced and their anticipation of this trend persisting. Despite the global and local economic challenges, they firmly believe that the Company will continue to thrive in the current financial year. The Company is actively engaged in initiatives to expand its market share, including strategic measures and enhanced marketing efforts, to reinforce its competitiveness.

The Board of Directors extends heartfelt appreciation to our valued shareholders, banks and financial institutions, loyal customers, and trusted suppliers for their unwavering support and collaborative efforts. We would like to offer a special commendation to our dedicated employees, who, in the face of challenging times and adverse conditions, have demonstrated unwavering commitment. We anticipate and deeply appreciate their ongoing support. It's imperative to acknowledge that the Company's growth is not attainable without the divine blessings and divine providence.



Chief Executive Officer



Director

ڈائریکٹرز رپورٹ

عزیز شیئر ہولڈرز

کمپنی کے ڈائریکٹرز 30 ستمبر 2023 کو اختتام پذیر ہونے والی پہلی سہ ماہی کے لیے غیر آڈٹ شدہ مکثف عبوری مالی گوشوارے پیش کرنے پر خوشی محسوس کر رہے ہیں۔

مالی سال 2022-23 میں، پاکستان کو کئی اقتصادی چیلنجز کا سامنا کرنا پڑا، جن میں درآمدی پابندیاں، سیلاب اور روس-یوکرین تنازعہ کی وجہ سے ہونے والی دریم بریمی شامل ہیں۔ ان حالات نے مالی خسارہ، تجارتی عدم توازن اور بڑھتی ہوئی افراط زر کو جنم دیا۔ اعلیٰ شرحوں نے کاروباری توسیع کو مزید متاثر کیا، جو اس بات کا اشارہ ہے کہ طویل المدتی اقتصادی سست روی کا امکان ہے۔ تاہم، مالی سال 2024 کی پہلی سہ ماہی نے درآمدی پابندیوں میں نرمی کے ساتھ ترقی کے آثار دکھائے ہیں، ایئر لنک نے اپنے ترقی کے امکانات کو بڑھانے کے لیے ان چیلنجز کا پیشگی انتظام کیا ہے۔

کمپنی نے ان چیلنجز کا مقابلہ کرتے ہوئے گذشتہ سال کی اسی مدت میں 6,829,213,597 روپے کے مقابلے میں روپے کی خالص آمدنی میں 106.68% کا اضافہ کیا اور گذشتہ سال کی اسی مدت میں 9,417,411,479 روپے 14,115,310,852 کے مقابلے میں 25,108,511,383 روپے کی مجموعی آمدنی ریکارڈ کی، جس کے نتیجے میں 166.62% کا اضافہ ہوا۔

کمپنی نے 2023 کی پہلی سہ ماہی میں 634,830,335 کا ریکارڈ خالص منافع حاصل کیا، جو اس کی تاریخ میں اب تک کا سب سے زیادہ سہ ماہی منافع ہے، جو پچھلے سال کی اسی مدت کے مقابلے میں 4.50% اور 3.14% زیادہ ہے، جبکہ اس مدت کے دوران فی حصص آمدنی 0.69 روپے سے بڑھ کر 1.65 روپے اور 0.79 روپے سے بڑھ کر 2.06 روپے ہو گئی۔

بورڈ کمپنی کی مستقبل کی ترقی کے بارے میں پر امید ہے، ان مثبت پیش رفتوں کو اجاگر کرتا ہے جن کا وہ ادراک کر رہے ہیں اور ان کے اس رجحان کا باقی رہنے کا امکان ہے۔ عالمی اور مقامی اقتصادی چیلنجز کے باوجود، وہ پختہ طور پر یہ یقین رکھتے ہیں کہ کمپنی موجودہ مالی سال میں ترقی کرتی رہے گی۔ کمپنی اپنی مسابقتی صلاحیت کو مضبوط بنانے کے لیے اپنی مارکیٹ شیئر بڑھانے کے لیے اقدامات میں سرگرم عمل ہے، جن میں حکمت عملی کے اقدامات اور بہتر مارکیٹنگ کی کوششیں شامل ہیں۔

بورڈ آف ڈائریکٹرز ہمارے معزز حصہ داروں، بینکوں اور مالیاتی اداروں، وفادار صارفین اور قابل اعتماد سپلائرز کے ان کے بے لوث تعاون اور مشترکہ کوششوں کے لیے دلی تعریفیں پیش کرتا ہے۔ ہم اپنے پرعزم ملازمین کی خصوصی تعریف کرنا چاہیں گے جنہوں نے چیلنجز اوقات اور نامساعد حالات کے باوجود، بے لوث عزم کا مظاہرہ کیا ہے۔ ہم ان کی جاری حمایت کا امکان رکھتے ہیں اور اس کی گہرائی سے تعریف کرتے ہیں۔ یہ تسلیم کرنا ضروری ہے کہ کمپنی کی ترقی الہی برکتوں اور الہی فضل کے بغیر حاصل نہیں کی جا سکتی۔

H. K. K.

ڈائریکٹر

چیف ایگزیکٹو آفیسر



BALANCE SHEET

CASHFLOW STATEMENT

Level

92%



FINANCIAL STATEMENT

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	Note	30 September 2023 (Un-audited) (Rupees)	30 June 2023 (Audited) (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	514,766,749	430,762,820
Intangibles		9,722,366	10,267,435
Investment in subsidiary		5,500,000,000	5,500,000,000
Long-term investment		300,000,000	300,000,000
Deferred tax asset		16,809,425	16,809,425
		6,341,298,540	6,257,839,680
CURRENT ASSETS			
Stores and spares		28,636,368	20,357,378
Stock in trade	6	2,116,183,691	3,087,267,709
Trade debts	7	894,898,644	2,046,766,881
Loans and advances		2,830,752,198	1,748,484,448
Trade deposits and short-term prepayments		184,447,708	8,661,897
Other receivables		3,899,411,306	5,687,540,960
Tax refunds due from the Government		198,872,372	226,188,147
Short-term investments		260,468,621	257,414,751
Cash and bank balances	8	1,497,347,356	546,558,296
		11,911,018,263	13,629,240,467
TOTAL ASSETS		18,252,316,803	19,887,080,147
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Authorized share capital 600,000,000 (30 June 2023: 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		5,358,542,114	4,723,711,779
General reserves - revenue reserve		44,559,977	44,559,977
		12,911,971,209	12,277,140,874
NON CURRENT LIABILITIES			
Long-term loans		374,739,590	530,000,000
Lease liabilities		66,375,117	96,142,001
Defined benefit liability		18,702,317	27,129,907
		459,817,024	653,271,908
CURRENT LIABILITIES			
Current portion of long-term loans		458,015,054	448,282,214
Current maturity of lease liabilities		99,562,676	71,978,305
Short-term borrowings		2,538,244,971	2,627,254,146
Accrued markup		15,346,141	102,622,746
Contract liabilities		183,450,406	1,671,813,287
Provision for taxation		518,589,142	489,247,729
Trade payables, accrued and other liabilities	9	904,833,131	1,382,981,889
Unclaimed dividend		162,487,049	162,487,049
		4,880,528,570	6,956,667,365
TOTAL EQUITY AND LIABILITIES		18,252,316,803	19,887,080,147
CONTINGENCIES AND COMMITMENTS			

The annexed notes from 1 to 12 form an integral part of these unconsolidated financial statements.



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2023

	<u>Note</u>	<u>30 September 2023</u> <u>(Un-audited)</u> <u>(Rupees)</u>	<u>30 September 2022</u> <u>(Un-audited)</u> <u>(Rupees)</u>
Revenue from contracts with customers - net	11	14,115,310,852	6,829,213,597
Cost of sales		(13,010,058,055)	(6,079,322,463)
Gross profit		1,105,252,797	749,891,134
Administrative expenses		(202,619,579)	(141,465,395)
Selling and distribution cost		(47,263,068)	(62,435,798)
		(249,882,647)	(203,901,193)
Operating profit		855,370,150	545,989,941
Other income		14,837,771	30,302,988
Finance cost		(200,938,083)	(154,526,100)
Profit before taxation		669,269,839	421,766,829
Taxation		(34,439,504)	(157,594,764)
Profit for the year		634,830,335	264,172,065
Earnings per share - Basic		1.655	0.690

The annexed notes from 1 to 12 form an integral part of these unconsolidated financial statements.



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2023

	30 September 2023 (Un-audited) Rupees	30 September 2022 (Un-audited) Rupees
Profit for the year	634,830,335	264,172,065
Items not to be reclassified to profit or loss in subsequent years		
Re-measurement gains / (losses) on defined benefit plan	-	(3,715,078)
Related tax effect	-	1,225,976
Re-measurement gains / (losses) on defined benefit plan - net of tax		(2,489,102)
Items to be reclassified to profit or loss in subsequent years	-	-
Other comprehensive income / (loss)	-	(2,489,102)
Total comprehensive income for the year	634,830,335	261,682,963

The annexed notes from 1 to 12 form an integral part of these unconsolidated financial statements.



Chief Executive

Annual Report 2023



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2023

	-----Capital reserve-----			-----Revenue reserve-----		Total	
	Issued, subscribed and paid up capital	Share Premium	Long-term loan equity component	Share deposit money	General reserves		Accumulated profit
	----- (Rupees) -----						
Balance as at 1 July 2022	3,952,692,310	3,556,176,808	21,372,477	-	44,559,977	4,199,708,939	11,774,510,511
Extinguishment of equity component on repayment of long-term loan (note 21.1)			(21,372,477)			21,372,477	21,372,477
Final dividend for the year ended 30 June 2022 at the rate of Rs. 1 per share						(395,269,231)	(395,269,231)
Profit for the year	-	-	-	-	-	894,537,773	894,537,773
Other comprehensive loss for the year	-	-	-	-	-	3,361,821	3,361,821
Total comprehensive income for the year	-	-	-	-	-	897,899,594	897,899,594
Balance as at 1 July 2023	3,952,692,310	3,556,176,808	-	-	44,559,977	4,723,711,779	12,277,140,874
Profit for the period	-	-	-	-	-	634,830,335	634,830,335
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	634,830,335	634,830,335
Balance as at 30 September 2023	3,952,692,310	3,556,176,808	-	-	44,559,977	5,358,542,114	12,911,971,209

The annexed notes from 1 to 12 form an integral part of these unconsolidated financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2023

Note	30 September 2023 (Un-audited) (Rupees)	30 September 2022 (Un-audited) (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	669,269,839	421,766,829
Adjustments for :		
Depreciation of property, plant and equipment	24,170,889	24,170,885
Amortization of intangible assets	504,848	548,552
Provision for net realizable value reversed	(363,577)	(2,274,365)
Finance cost	178,260,748	(125,713,368)
Profit on investments	(14,837,771)	(30,302,988)
	<u>187,735,137</u>	<u>(133,571,284)</u>
Operating profit before working capital changes	857,004,976	288,195,545
Decrease / (Increase) in current assets		
Stock in trade	971,447,595	1,576,032,802
Stores and spares	(8,278,990)	(35,432)
Trade debts	1,151,868,237	1,271,800,590
Loans and advances	(1,082,267,750)	3,725,567
Trade deposits and short term prepayments	(175,785,811)	73,642,747
Other receivables	1,788,129,654	(1,007,891,335)
Tax refunds due from the Government	27,315,775	(30,730,334)
	<u>2,672,428,710</u>	<u>1,886,544,605</u>
Increase / (decrease) in current liabilities		
Trade payables, accrued and other liabilities	(478,148,758)	339,485,350
Contract liabilities	(1,488,362,881)	(39,387,067)
	<u>1,562,922,047</u>	<u>2,474,838,433</u>
Financial charges paid	(261,737,349)	(121,937,580)
Interest Income Received	14,837,771	30,302,988
	<u>1,316,022,469</u>	<u>2,383,203,841</u>
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	1,316,022,469	2,383,203,841
CASH FLOW FROM INVESTING ACTIVITIES		
Additions in operating fixed assets	(104,385,200)	-
Additions in capital work in progress	-	(1,220,093)
Short-term investments - net	-	(186,571,529)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	(104,385,200)	(187,791,622)
CASH FLOW FROM FINANCING ACTIVITIES		
Lease liability repaid	(26,304,848)	(6,691,375)
Long term loans repaid	(145,527,570)	-
Long term loans obtained	-	333,398,161
Short term borrowings repaid - net	(89,015,792)	(3,041,199,500)
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES (C)	(260,848,210)	(2,714,492,714)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	950,789,059	(519,080,495)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	546,558,296	990,297,235
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,497,347,355	471,216,740

The annexed notes from 1 to 12 form an integral part of these unconsolidated financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

AIR LINK COMMUNICATION LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 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
Air Link Retail Store	Shop No. 2, Al Kareem Plaza, Circular Road, Bahawalpur, 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.
- 2.3** These condensed interim financial statements do not include all the information required for annual financial statements and should be read in conjunction with the annual audited financial statements as at and for the year ended June 30, 2022. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of June 30, 2022, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and related notes are extracted from condensed interim financial statements of the Company for the six month period ended December 31, 2021.
- 2.4** 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.
- 2.5** 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.
- 2.6** 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.
- 2.7** 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.

5	PROPERTY AND EQUIPMENT	30 September 2023 Rupees	30 June 2023 Rupees
	Operating fixed assets	393,992,996	329,881,997
	Right of use assets	120,773,752	100,880,823
		514,766,749	430,762,820
		30 September 2023 Rupees	30 June 2023 Rupees
6	STOCK IN TRADE		
	Raw material	1,029,891,139	379,018,995
	Work in process	19,471,758	8,827,123
	Mobile phones	208,732,533	165,069,255
	Spare parts	150,125,249	144,007,330
		1,408,220,679	696,922,703
	Provision for net realizable value	(1,910,788)	(1,910,788)
		1,406,309,891	695,011,915
	Goods in transit	709,873,800	2,392,255,794
		2,116,183,691	3,087,267,709
7	TRADE DEBTS	30 September 2023 Rupees	30 June 2023 Rupees
	Due from customers - considered good	894,898,644	2,046,766,881
	Considered doubtful - others	15,087,131	15,087,132
	Allowance for expected credit losses	(15,087,131)	(15,087,132)
		-	-
		894,898,644	2,046,766,881
8	CASH AND BANK BALANCES		
	Cash in hand	36,753,103	13,187,255
	Cash at bank - current accounts	1,460,594,253	533,371,041
		1,497,347,356	546,558,296
9	TRADE PAYABLES, ACCRUED AND OTHER LIABILITIES	30 September 2023 Rupees	30 June 2023 Rupees
	Trade payables	401,913,226	982,215,834
	Accrued expenses	95,650,204	83,499,257
	Other payables	407,269,702	317,266,798
		904,833,131	1,382,981,889
10	CONTINGENCIES AND COMMITMENTS		
10.1	Contingencies		
	There is no material change in contingencies since the last audited financial statements for the year ended 30 June 2023		
11	REVENUE FROM CONTRACTS WITH CUSTOMERS - NET	30 September 2023 Rupees	30 September 2022 Rupees
	Sales - local	14,474,842,781	7,275,335,063
	Service income	13,136,307	21,873,310
	Gross sales	14,487,979,088	7,297,208,373
	Less: Discount	(372,668,236)	(467,994,776)
		14,115,310,852	6,829,213,597
12	DATE OF AUTHORIZATION FOR ISSUE		
	These financial statements were authorized by Board of Directors on October 28, 2023.		



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

		30 September 2023	30 June 2023
	Note	(Un-audited)	(Audited)
		Rupees	Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	6,163,553,576	6,151,751,064
Investment Properties		1,384,303,082	1,350,758,464
Intangibles		10,081,557	10,662,139
Long Term Investment		300,000,000	300,000,000
Long term deposit		7,116,000	7,116,000
Deferred tax asset		16,809,425	16,809,425
		7,881,863,640	7,837,097,092
CURRENT ASSETS			
Stores and spares		31,475,451	20,956,864
Stock in trade	6	6,934,257,001	7,175,108,245
Trade debts	7	894,926,338	2,713,922,206
Loans and advances		2,830,752,198	1,748,484,448
Trade deposits and short term prepayments		189,937,481	14,722,608
Other receivables		11,499,763,317	5,978,182,489
Tax refunds due from the Government		225,412,456	291,706,903
Short term investments		2,128,896,384	1,833,624,327
Cash and bank balances	8	1,958,708,832	1,020,769,669
		26,694,129,458	20,797,477,759
TOTAL ASSETS		34,575,993,098	28,634,574,851
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Authorized share capital			
600,000,000 (30 June 2023: 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		3,952,692,310	3,952,692,310
Share premium - capital reserve		3,556,176,808	3,556,176,808
Accumulated profit - revenue reserve		5,459,703,289	4,671,112,539
General reserves - revenue reserve		44,559,977	44,559,977
		13,013,132,384	12,224,541,634
NON CURRENT LIABILITIES			
Long term loans - debt portion		1,928,214,590	2,175,000,000
Lease liabilities		66,375,117	96,142,001
Defined benefit liability		18,702,317	27,129,907
Deferred tax liability		51,224,895	284,626,255
		2,064,516,919	2,582,898,163
CURRENT LIABILITIES			
Current portion of long term loans		922,040,054	820,782,214
Current maturity of lease liabilities		99,562,676	71,978,305
Short term borrowings		6,491,590,921	5,138,117,603
Accrued markup		96,604,356	186,911,068
Contract liabilities		2,219,496,631	1,692,615,868
Provision for taxation		841,568,705	527,822,992
Trade payables, accrued and other liabilities	9	8,675,992,235	5,226,419,955
Unclaimed dividend		162,487,049	162,487,049
		19,498,343,795	13,827,135,054
TOTAL EQUITY AND LIABILITIES		34,575,993,098	28,634,574,851
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes from 1 to 12 form an integral part of these unconsolidated financial statements.



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2023

	<u>Note</u>	For the period ended	
		<u>30 September 2023</u> (Un-audited) Rupees	<u>30 September 2022</u> (Un-audited) Rupees
Revenue from contracts with customers - net	11	25,108,511,383	9,417,411,479
Cost of sales		(23,489,619,390)	(8,284,638,177)
Gross profit		1,618,891,993	1,132,773,302
Administrative expenses		(374,653,841)	(241,971,776)
Selling and distribution cost		(47,263,068)	(62,417,798)
		(421,916,909)	(304,389,574)
Operating profit		1,196,975,084	828,383,728
Other income		123,916,532	30,303,122
Finance cost		(470,378,361)	(396,339,236)
Profit before taxation		850,513,255	462,347,614
Taxation		(61,922,505)	(157,594,764)
Net profit for the year		788,590,750	304,752,850
Earnings per share			
- Basic		2.06	0.79

The annexed notes from 1 to 12 form an integral part of these unconsolidated financial statements.


 Chief Executive


 Chief Financial Officer


 Director

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2023

		<u>30 September 2023</u> (Un-audited)	<u>30 September 2022</u> (Un-audited)
Net profit for the year	A	788,590,750	304,752,850
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement losses on defined benefit plan		-	-
Related tax effect		-	-
Re-measurement losses on defined benefit plan - net of tax		-	-
Items that may be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive loss for the year	B	-	-
Total comprehensive income for the year	A+B	<u>788,590,750</u>	<u>304,752,850</u>

The annexed notes from 1 to 12 form an integral part of these unconsolidated financial statements.



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 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 2022	3,952,692,310	3,556,176,808	44,559,977	4,081,140,221	21,372,477	11,655,941,793
Conversion of long term loan amounting Rs. 400 million at the rate of Rs. 52 per share (note 20.1.1)	-	-	-	21,372,477	(21,372,477)	-
Final dividend for the year ended 30 June 2022 at the rate of Rs. 1 per share	-	-	-	(395,269,231)	-	(395,269,231)
Profit for the year	-	-	-	960,507,251	-	960,507,251
Other comprehensive loss for the year	-	-	-	3,361,821	-	3,361,821
Total comprehensive income for the year	-	-	-	963,869,072	-	963,869,072
	-	-	-	-	-	-
Balance as at 30 June 2023	<u>3,952,692,310</u>	<u>3,556,176,808</u>	<u>44,559,977</u>	<u>4,671,112,539</u>	<u>-</u>	<u>12,224,541,634</u>
Balance as at 1 July 2023 (Audited)	3,952,692,310	3,556,176,808	44,559,977	4,671,112,539	-	12,224,541,634
Extinguishment of equity upon repayment of long-term loan	-	-	-	-	-	-
Profit for the period	-	-	-	788,590,750	-	788,590,750
Other comprehensive loss for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	788,590,750	-	788,590,750
	-	-	-	-	-	-
Balance as at 30 September 2023 (Un-audited)	<u>3,952,692,310</u>	<u>3,556,176,808</u>	<u>44,559,977</u>	<u>5,459,703,289</u>	<u>-</u>	<u>13,013,132,384</u>

The annexed notes from 1 to 12 form an integral part of these unconsolidated financial statements.


Chief Executive


Chief Financial Officer


Director

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2023

		30 September 2023 (Un-audited)	30 September 2022 (Un-audited)
		Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		850,513,255	462,347,614
Adjustments for :			
Depreciation of property, plant and equipment		99,956,532	92,066,659
Amortization of intangible assets		533,446	548,552
Provision for net realizable value reversed		-	(2,274,365)
Provision for taxation		61,922,505	-
Finance cost		401,675,293	349,638,903
Finance Income		(123,916,532)	(30,303,122)
		440,171,244	409,676,627
Operating profit before working capital changes		1,290,684,499	872,024,241
(Increase) / decrease in current assets			
Stock in trade		240,851,244	885,247,332
Stores and spares		(10,518,587)	687,244
Trade debts		1,818,995,868	1,292,556,692
Loans and advances		(1,082,267,750)	(846,088)
Trade deposits and short term prepayments		(204,660,089)	67,906,747
Other receivables		(5,521,580,828)	(1,818,480,489)
Tax refunds due from the Government		(66,294,447)	(30,975,840)
		(4,825,474,589)	396,095,598
Increase / (decrease) in current liabilities			
Trade payables, accrued and other liabilities		3,449,572,280	3,009,002,882
Contract liabilities		526,880,763	(40,189,648)
		441,662,953	4,236,933,073
Cashflows after working capital changes - net		(248,143,195)	(268,685,094)
Financial cost paid			
		193,519,758	3,968,247,979
NET CASH GENERATED FROM OPERATING ACTIVITIES	[A]	193,519,758	3,968,247,979
CASH FLOW FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment - owned assets		(108,404,820)	-
Investment Properties		(33,544,618)	-
Additions in intangibles		-	(1,220,093)
Short term investments made		(295,272,057)	(786,571,529)
		(437,221,495)	(787,791,622)
NET CASH USED IN INVESTING ACTIVITIES	[B]	(437,221,495)	(787,791,622)
CASH FLOW FROM FINANCING ACTIVITIES			
Lease liability repaid		(26,304,848)	(6,691,375)
Long term loans repaid		(145,527,570)	(177,458,134)
Long term loans obtained		-	551,993,106
Short term borrowings		1,353,473,318	(3,516,255,384)
		1,181,640,900	(3,148,411,787)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	[C]	1,181,640,900	(3,148,411,787)
NET INCREASE IN CASH AND CASH EQUIVALENTS	[A+B+C]	937,939,163	32,044,570
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,020,769,669	1,101,488,794
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1,958,708,832	1,133,533,364

The annexed notes from 1 to 12 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 THREE MONTH PERIOD ENDED 30 SEPTEMBER 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 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 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 16 Interest Rate Benchmark Reform — (Amendments)

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.

5 PROPERTY AND EQUIPMENT

Operating fixed assets
Capital work in progress
Right-of-use assets

<u>30 September 2023</u>	<u>30 June 2023</u>
Rupees	Rupees
6,031,087,779	6,039,178,197
11,692,045	11,692,044.00
120,773,752	100,880,823.00
<u>6,163,553,576</u>	<u>6,151,751,064</u>

6 STOCK IN TRADE

Raw material
Work in process
Mobile phones
Spare parts

Provision for net realizable value

Goods in transit

<u>30 September 2023</u>	<u>30 June 2023</u>
Rupees	Rupees
2,392,678,995	724,939,669
230,768,950	33,664,619
1,433,990,028	451,546,354
150,125,250	144,007,330
4,207,563,223	1,354,157,972
(1,910,788)	(1,910,788)
4,205,652,435	1,352,247,184
2,728,604,566	5,822,861,061
<u>6,934,257,001</u>	<u>7,175,108,245</u>

7 TRADE DEBTS

Considered good - unsecured
Local
Allowance for expected credit loss

<u>30 September 2023</u>	<u>30 June 2023</u>
Rupees	Rupees
910,013,470	2,729,009,338
(15,087,132)	(15,087,132)
<u>894,926,338</u>	<u>2,713,922,206</u>

8 CASH AND BANK BALANCES

Cash in hand
Cash at bank - current accounts

<u>30 September 2023</u>	<u>30 June 2023</u>
Rupees	Rupees
46,702,103	23,136,255
1,912,006,729	997,633,414
<u>1,958,708,832</u>	<u>1,020,769,669</u>

9	TRADE PAYABLES, ACCRUED AND OTHER LIABILITIES	30 September 2023	30 June 2023
		Rupees	Rupees
	Trade payables	8,103,544,909	4,715,368,872
	Incentives and promotions payable	1,684,684,749	-
	Accrued expenses	146,745,859	134,594,911
	Sales tax payable	28,628,460	17,635,260
	Other payables	931,884,888	358,820,912
		10,895,488,865	5,226,419,955

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There is no material change in contingencies since the last audited financial statements for the year ended 30 June 2023

11	REVENUE FROM CONTRACTS WITH CUSTOMERS - NET	30 September 2023	30 September 2022
		Rupees	Rupees
	Sales - local	25,468,043,312	9,863,526,946.0
	Service income	13,136,307	21,873,310.0
	Gross sales	25,481,179,619	9,885,400,256.0
		25,481,179,619	9,885,400,256.0
	Less: Discount	(372,668,236)	(467,988,777.0)
		25,108,511,383	9,417,411,479.0

12 GENERAL

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Group on October 28, 2023.



Chief Executive



Chief Financial Officer



Director