AIRLINK

YOUR SMART DEVICE PARTNER

ANNUAL REPORT

2022

AIRLINK

YOUR SMART DEVICE PARTNER


TECHNOLOGY FOR A
BRIGHTER FUTURE

COVER STORY

Airlink recognizes the importance of access to technology for a better, more digitally literate Pakistan. Therefore, the company has worked towards the provision of affordable technology to every household of this country.

The vertical and backward Integration of the business supports airlink's vision of putting Pakistan on the global technological map by synchronizing its business functions for bringing innovation for the betterment of its consumers.

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

Vision

To be the largest and most reliable distributor and mobile manufacturer in Pakistan.

Mission

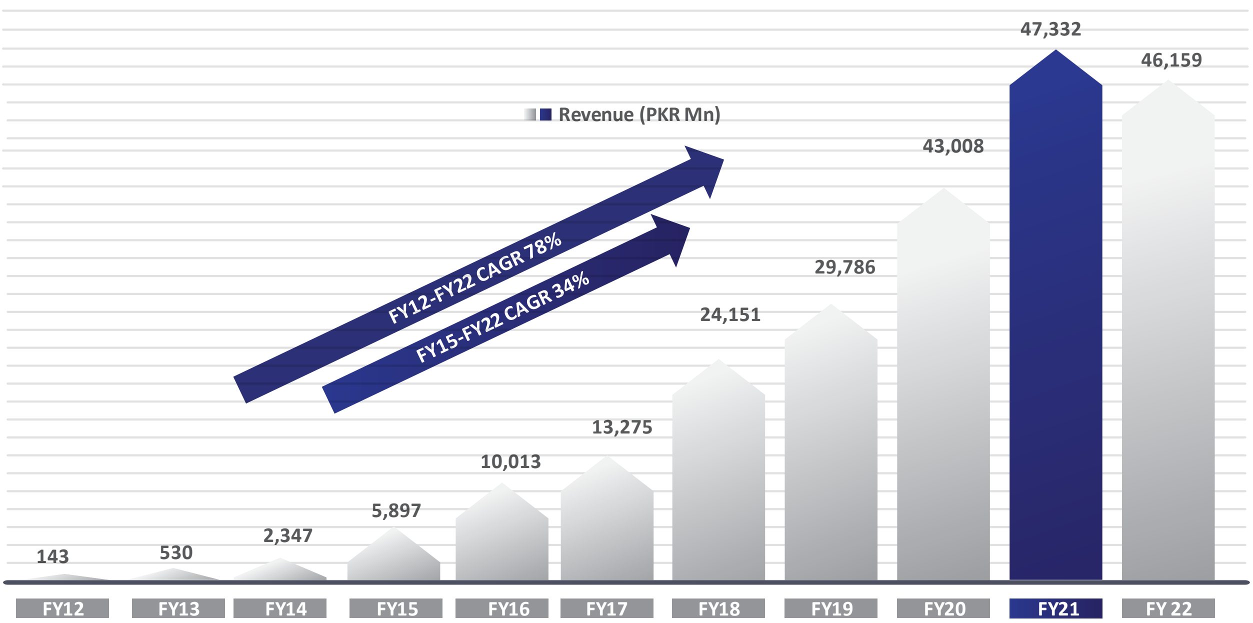
To establish strong network in Pakistan by providing state of the art services to customers.

Values

- Transparency
- Diversity
- Customer Satisfaction
- Passion
- Quality
- Integrity

PERFORMANCE AT A GLANCE

Achieved Phenomenal
Growth in a Short Span of Time

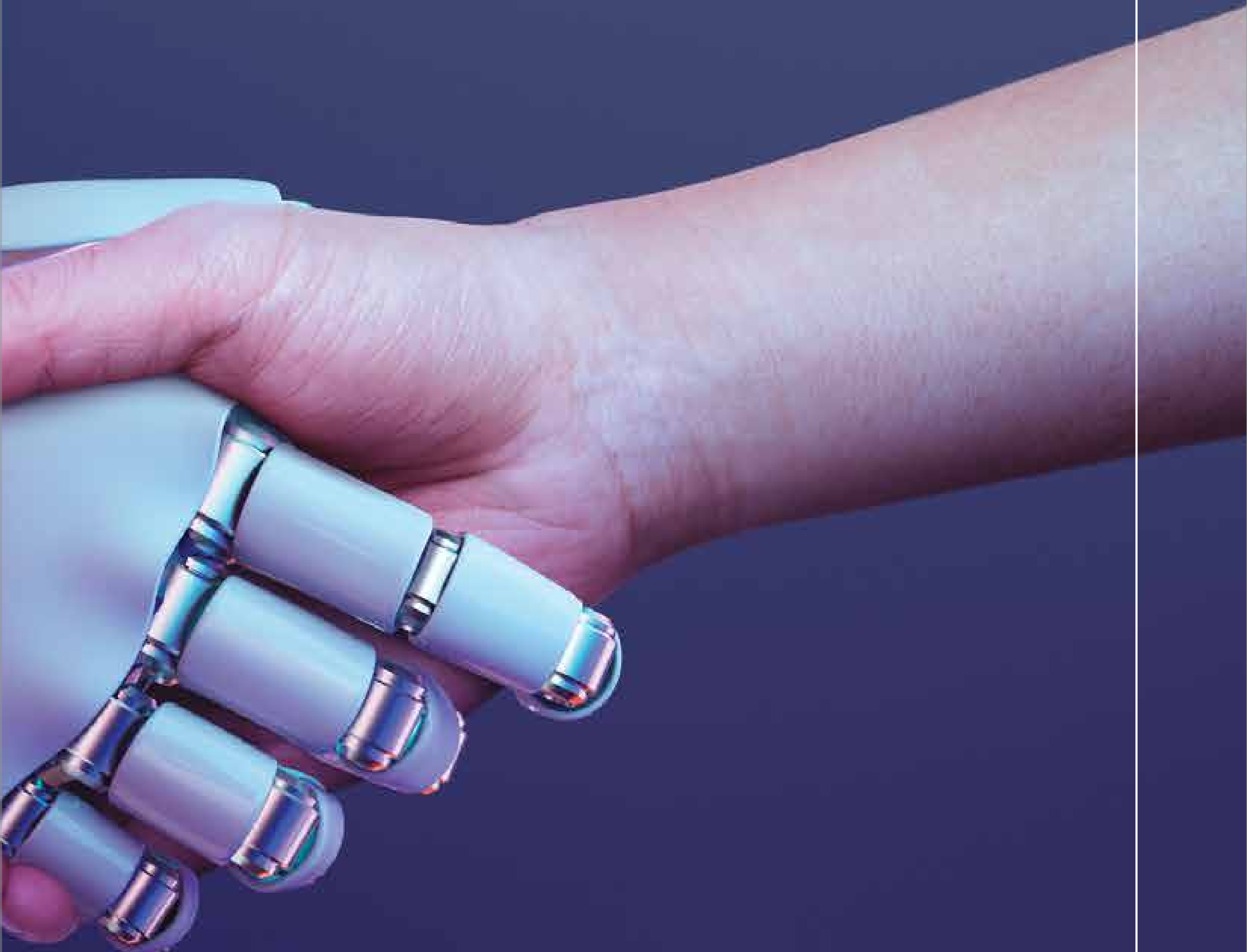


*Annualized

ORGANIZATIONAL OVERVIEW

Air Link Communication Limited is one of the largest manufacturers, distributors and retailers of smartphone devices in Pakistan with over a decade long brilliance in telecom industry. The company aims to provide unparalleledcustomer service and cultivate a loyal following.The company has set up state-of-the-art smartphone production facility which is going to produce top-notch products that will enable us to take technology to every nook and corner of the country.With effective management and positive relations with our partners and customers, we were able to achieve PKR 51 Billion gross revenue amidst the pandemic which speaks volumes about the potentialof this industry.

Contents



01

INTRODUCTION


AIRLINK
YOUR SMART DEVICE PARTNER

Distribution

Air Link Communication Limited is a leading distributor of mobile phones having a strong presence in Pakistan with service centers across the country. The Company is official distributor of Samsung, Huawei, TCL, Tecno, Itel, Realme and Xiaomi; and has an agreement with the Apple Authorized Distributor for Pakistan (i.e. Mercantile Pacific Asia Pte. Ltd or “MP”) for distribution of products procured from MP in Pakistan. The Company imports and distributes mobile phones & accessories in Pakistan, having market share of around 20%. The Company was awarded “Platinum National Distributor” and “Sustainable Channel Growth Partner” by Huawei in 2018.

The Company has a country-wide distribution network consisting of

14
Regional Hubs

1,000+
Wholesalers

4,000+
Retailers

Years	Revenues(PKR Mn)	Legal Status*
FY 2015	5,897	AOP
FY 2016	10,013	AOP
FY 2017	13,275	AOP
FY 2018	24,151	AOP + Air Link Communication (Pvt) Ltd
FY 2019	29,786	Air Link Communication Ltd
FY 2020	43,008	Air Link Communication Ltd
FY2021	47,372	Air Link Communication Ltd
FY2022	46,159	Air Link Communication Ltd

*Air Link Communication (Pvt.) Limited was incorporated in January 02, 2014 but was dormant till FY 2018 when it started taking over the assets and liabilities of the AOP. The acquisition was completed w.e.f. July 01, 2018. Air Link Communication (Pvt.) Limited was converted into a public limited company w.e.f. April 24, 2019 and listed on Pakistan Stock Exchange w.e.f. September 22, 2021.

- The business revenues grew exponentially from PKR 5,897 million in FY15 to PKR 46,159 million in FY22, depicting a remarkable 7-Year CAGR of 34%, whereas revenues during FY22 stood at PKR 46,159 million, with decline of 2.56% compared to last year.

- The management of Air Link is highly experienced and most of the team has been associated with the Company for a number of years.

- Corporate Governance and management systems of the Company are in line with international best practices. This is evident from the fact that the Company utilizes Enterprise Resource Planning system of SAP for its financial and management information system, and its financial statements are audited by EY Ford Rhodes, Chartered Accountants, member firm of Ernst & Young in Pakistan.

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

Retail

The retail industry has evolved dramatically over the past decade.

With ever-changing shopping behaviors, the strong emergence of e-commerce and global competition, retailers are consistently challenged to bring shoppers into their brick-and- mortar stores—and keep them coming back.

Retail stores play an important role in high-level exposure of businesses and widespread distribution of products.

At Air Link we believe in reinventing the shopping experience through state-of-the-art retail outlets with latest technology and customer experience of international standard. As of June 30, 2022, the Company operated thirteen retail outlets, out of which five were located in south, five in Lahore, two in Bahawalpur and one in Multan.


Smart Phone Production facility

Airlink has set up state of the art smartphone assembly plant in Lahore.

The organization is strong proponent of investment in Pakistan and has invested heavily in the local industry.

The idea is to promote “Make in Pakistan” products to and to create employment opportunities for skilled and unskilled labor. The company is currently assembling phones of famous brands (iTel, Tecno, TCL & Alcatel)

The total covered area a of factory is 150,000sqft. In the first phase, we have established 8 Production, 2 Quality, and 4 Packaging lines, with the technological assistance from TCL and Transsion Holdings Company. The facility will have an estimated production capacity of 500,000-800,000 units (per month) for smart phones and feature phones. Warehouse area is around 10,000 sq ft. with the height of 30 ft., equipped with the latest material handling

This local assembling provides 1000 jobs in Pakistanis including engineers, skilled and semi-skilled educated youth.

The local market carries a potential of 40 million handsets. This has become a practical possibility, especially after the successful launch of Device Identification and Blocking System(DIRBS) that eliminates smuggling of mobile phones.
devices.

Ecommerce

The popularity of e-commerce is not a new story.

As lockdowns became the new normal, businesses and consumers increasingly went digital, providing and purchasing more goods and services online, raising e-commerce's share of global retail trade.

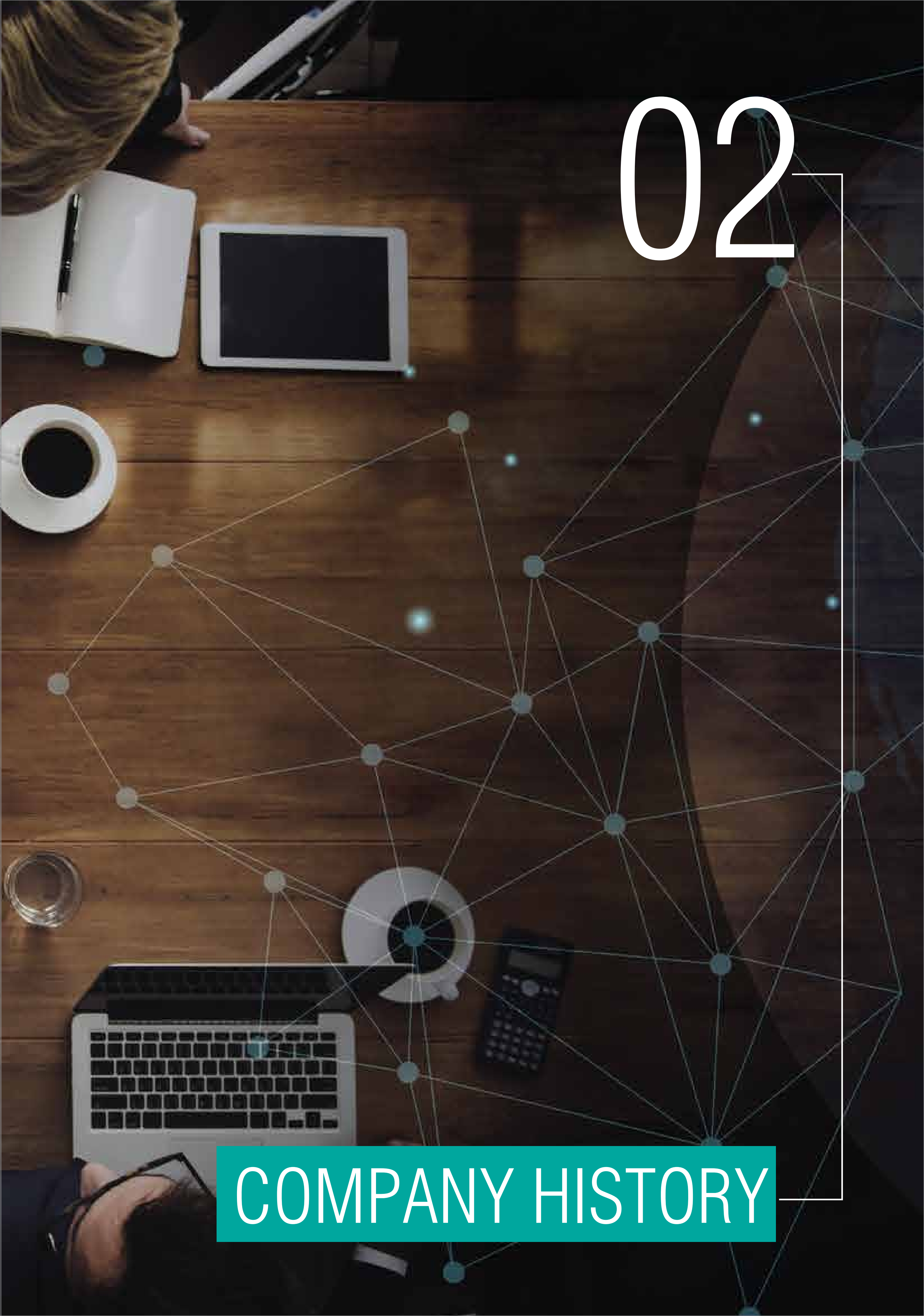
The pandemic has made an already exploding trend of selling online even more important. With the expansion of 3G/4G network in Pakistan and the new shopping habits of shoppers during the pandemic, we have witnessed sharp increase in online sales. To cater to this trend, Air Link has developed an E-commerce platform “www.airlink.pk” where people have access to a wide range of products with the ease of ordering from home. Through our user-friendly portal, we provide authentic products to customers at best pricing and fast delivery at their door step.

Subsidiary

During the year the company has established the wholly owned subsidiary under the name "Select Technologies (Pvt.) Limited" which has set up state-of-the-art smartphone assembly plant in Lahore for mobile phones and allied products of Xiaomi. Xiaomi is one of the leading smartphone brands in the world.

The Company has invested rupees 5 billion for purchase of plant and machinery and to build infrastructure.


INFORMATION



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COMPANY HISTORY

Background and History

Name	Air Link Communication Limited
Registration Number	0086378
Date of Commencement of Business	January 2, 2014 in Lahore
Date of Commencement of Business	Not applicable, sincce the business was ac quired from Air Link Communication, as Association of Persons (AOP)
Date of Acquisition of AOP Business (In Effect)	July 1, 2018
Date of Conversion to Public Limited Company	April 24, 2019

Air Link Communication registered itself as an Association of Persons (“AOP”) and commenced operations on August 20, 2010 when it introduced Pakistan's First 3G-enabled Dual-Mode (GSM + EVDO) Android Tablet and First 3G-enabled (GSM + EVDO) Android Smartphone in partnership with PTCL.

Air Link Communication (Pvt.) Limited was incorporated on January 2, 2014 to take over the existing business of import, export distribution, indenting, wholesale, retail of communication and IT related products and services including cellular mobile / smartphones, tablets, laptops, accessories and allied products being run by Air Link Communication (the AOP). This was achieved by acquiring all assets and liabilities of the latter on July 1, 2018 vide Acquisition Agreement dated October 2, 2018. Subsequently, Air Link Communication (Pvt) Limited was converted into an unlisted public limited company with effect from April 24, 2019. The Company is in distribution business and has commenced assembly of 3G/4G smartphones

Calendar of Major Events:

Xiaomi Manufacturing Facility Inauguration- March 2022

AirLink Communication Inaugurated the state-of-the-art Smartphone Production Facility for Xiaomi Handsets in Lahore.

Women's Day – March 2022

AirLink is strongly committed to gender equality at work. With this in mind we gathered our female workforce to recognize with efforts and contribution towards the success of the organization.

Gong Ceremony of AirLink Communication Ltd.

We made history last year by executing Pakistan's largest IPO in private sector. This endeavor not only set a new benchmark for the industry but also motivated others to follow the same path.

Company Profile

Board of Directors

Mr. Muzzaffar Hayat Piracha
Chief Executive Officer /Executive Director

Mr. Aslam Hayat Piracha
Chairman / Non-executive Director

Mrs. Rabiya Muzzaffar
Non-executive Director

Mr. Syed Nafees Haider
Executive Director

Mr. Sharique Azim Siddiqui
Independent Director

Mr. Hussain Kuli Khan
Independent Director

Mr. Aqdus Faraz Tahir
Independent Director

Audit Committee

Mr. Hussain Kuli Khan
(Independent Director)-Chairman

Mr. Sharique Azim Siddiqui
(Independent Director)-Member

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

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

HR Committee

Mr. Sharique Azim Siddiqui
(Independent Director)-Chairman

Mr. Aqdus Faraz Tahir
(Independent Director)-Member

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

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

Chief Financial Officer

Mr. Nusrat Mahmood

Company Secretary

Mr. Amer Latif

BANKS

Bank Al Habib Limited

JS Bank Limited

United Bank Limited

Askari Bank Limited

Standard Chartered Limited

The bank of Punjab 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

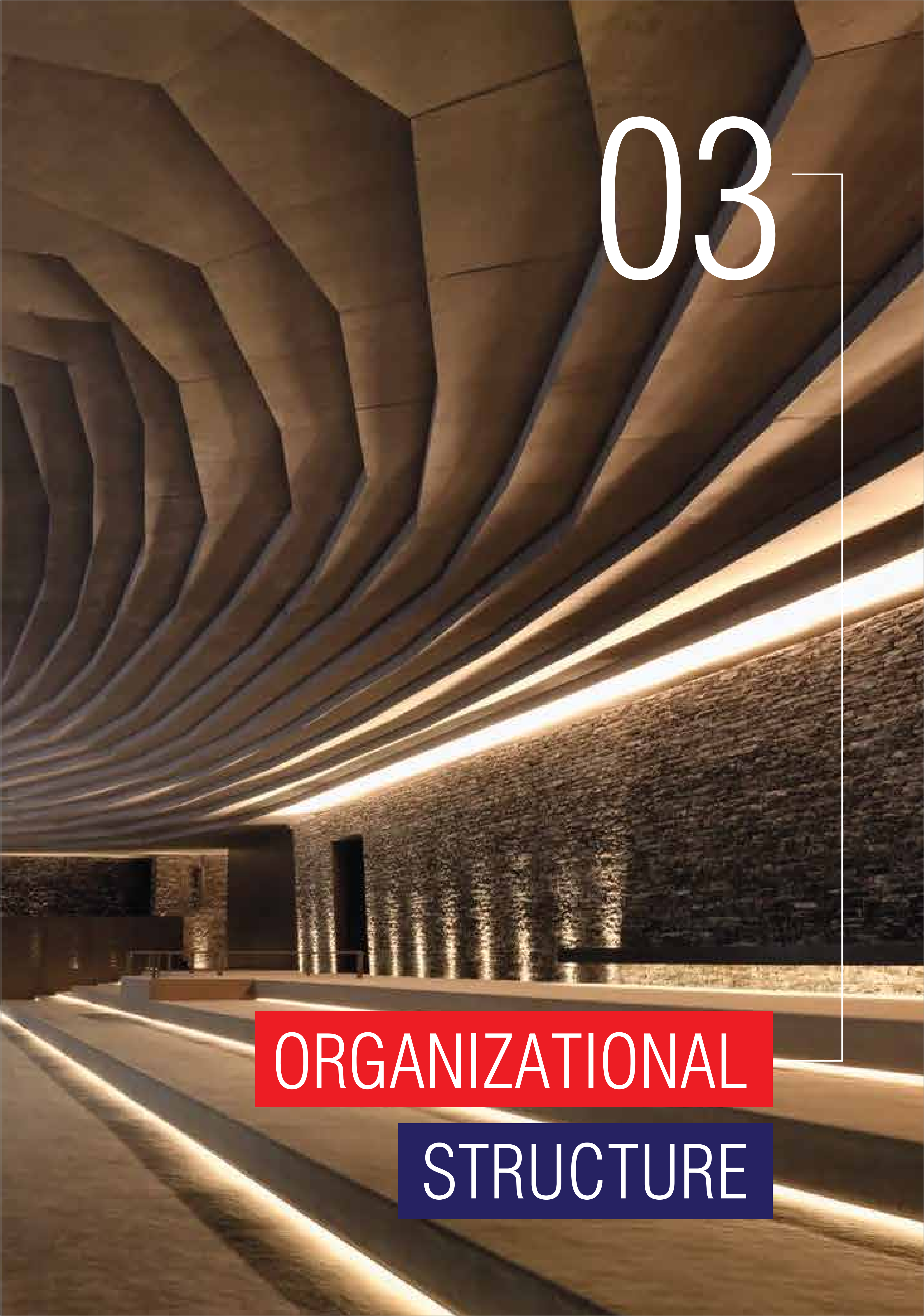
152/1 - M, Quaid-e-Azam, Industrial Estate, Kot lakh pat, Lahore

Company's Registered address (Head office)

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

External auditors

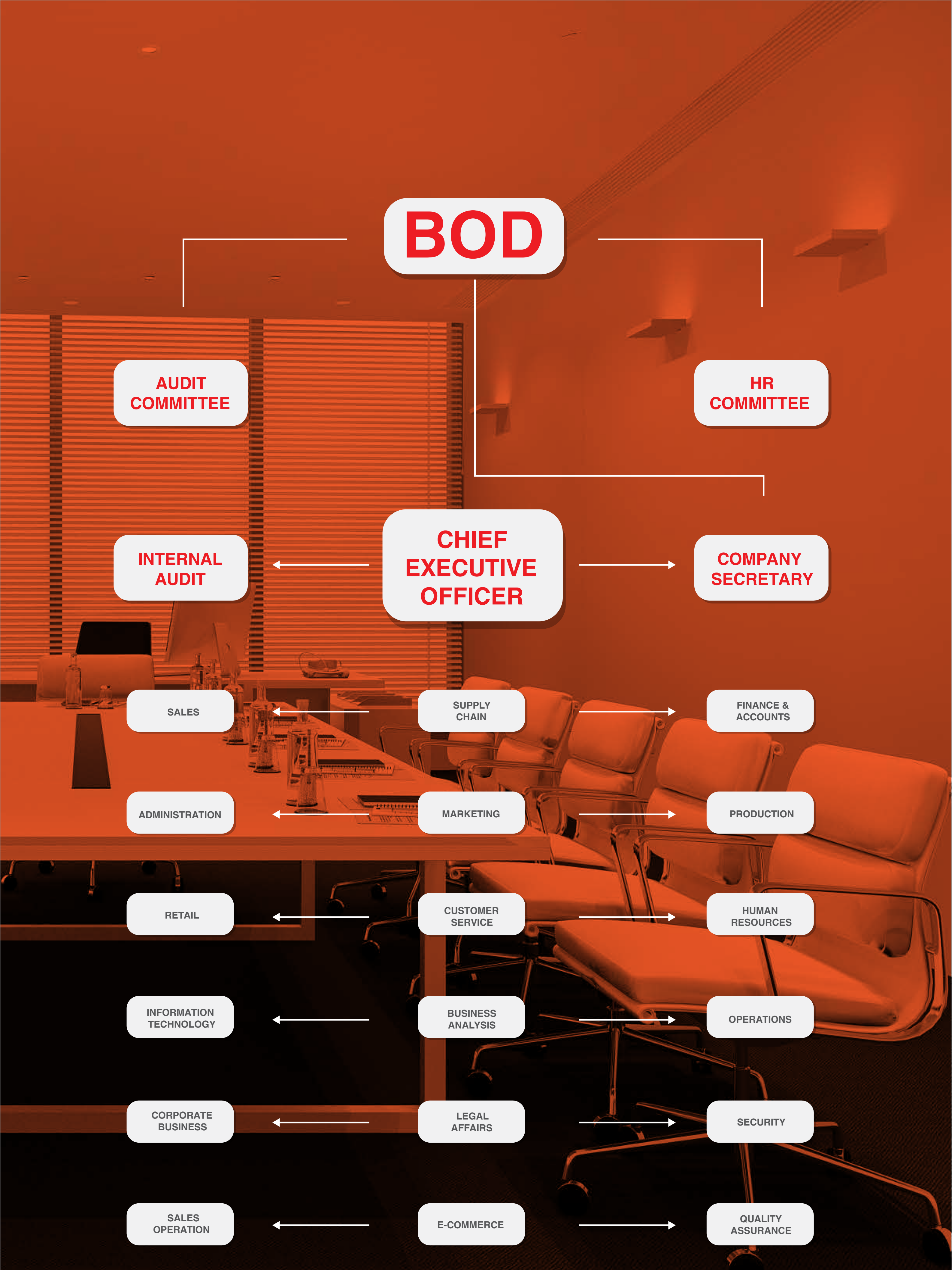
EY Ford Rhodes (Chartered Accountants) 96/B-1, 4th Floor, Pace tower, M.M. Alam Road, Gulberg 3, Lahore, 54000, Pakistan

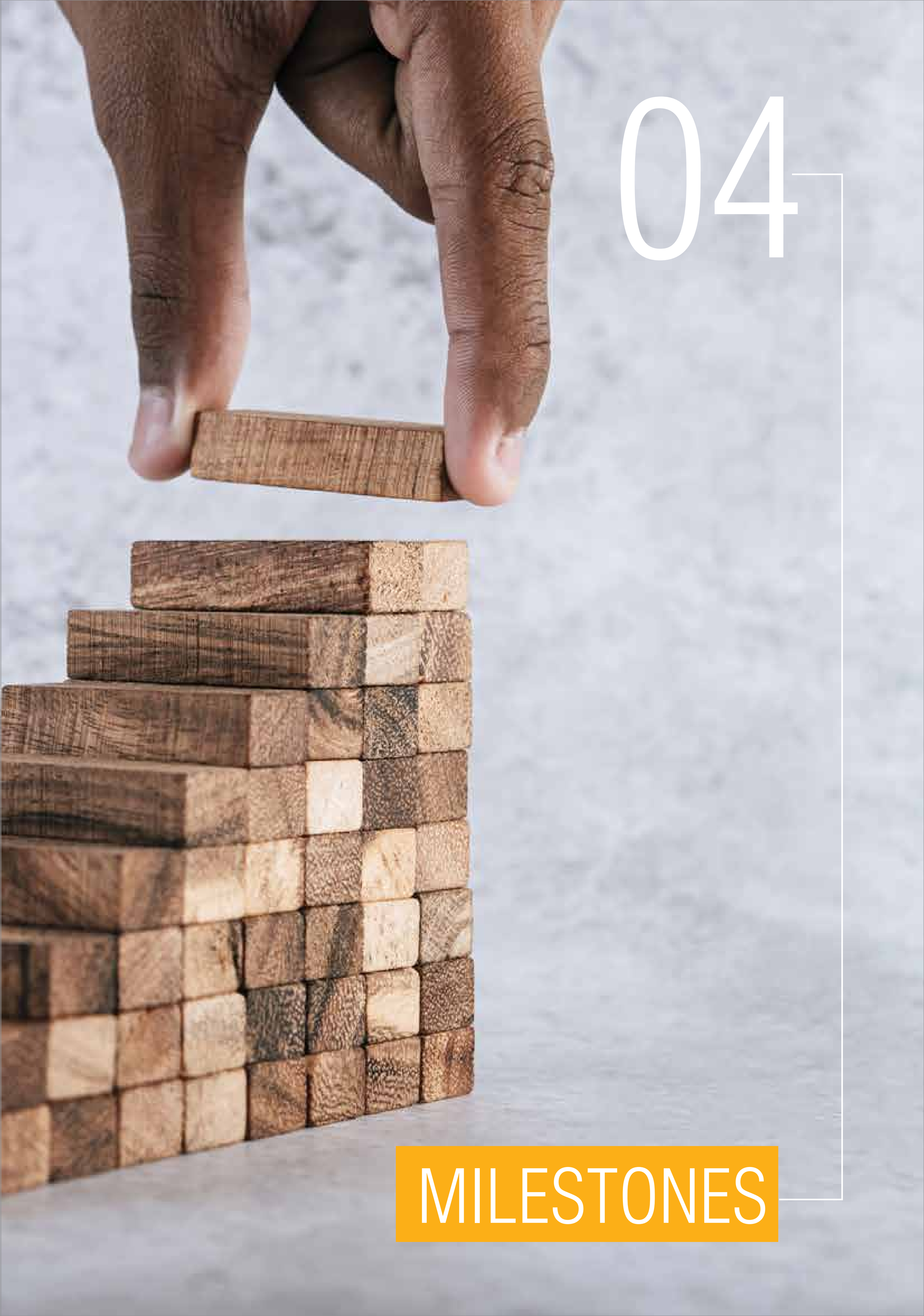


03

ORGANIZATIONAL STRUCTURE

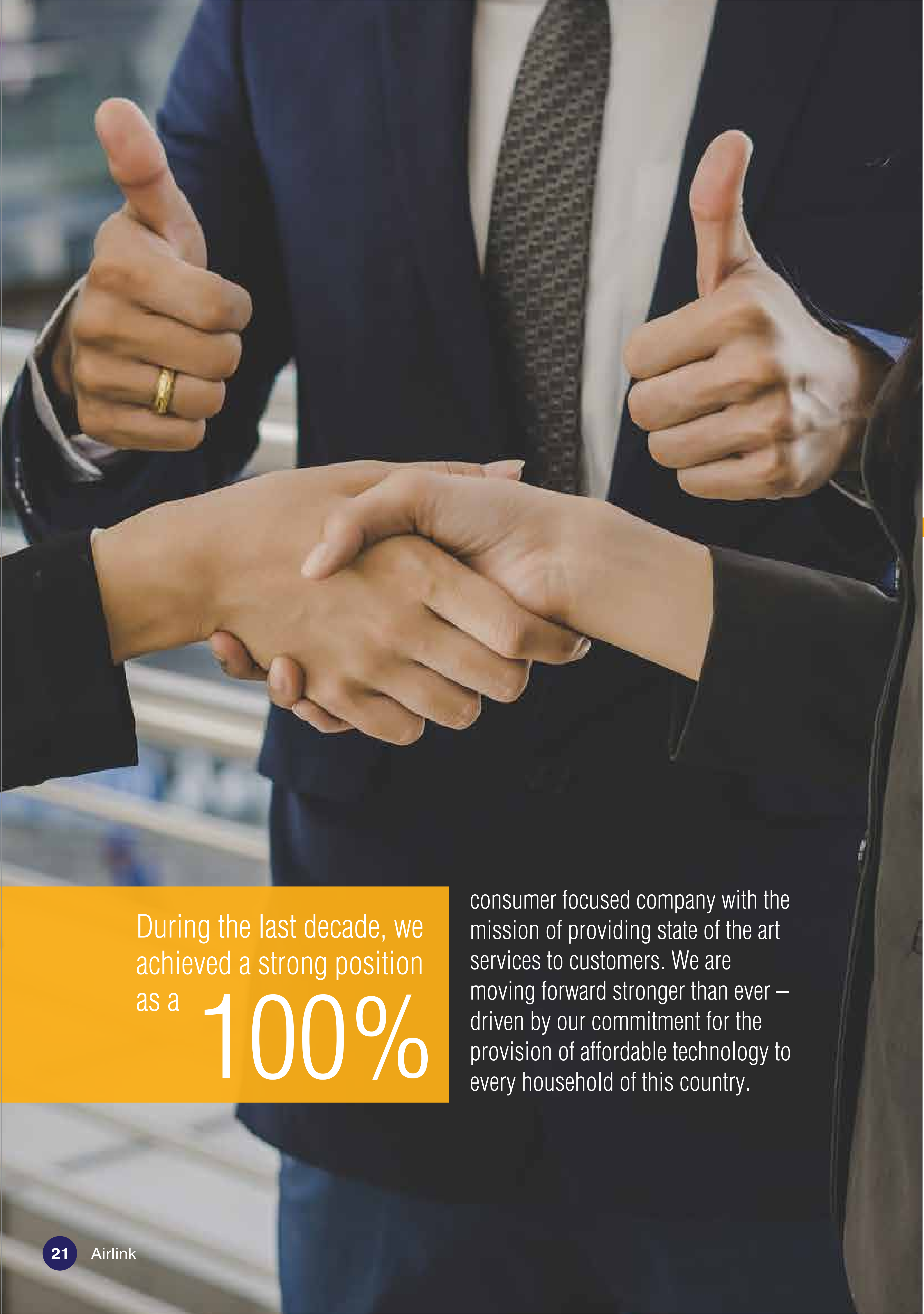
ORGANOGRAM


BOD
AUDIT COMMITTEE
HR COMMITTEE
INTERNAL AUDIT
CHIEF EXECUTIVE OFFICER
COMPANY SECRETARY
SALES
SUPPLY CHAIN
FINANCE & ACCOUNTS
ADMINISTRATION
MARKETING
PRODUCTION
RETAIL
CUSTOMER SERVICE
HUMAN RESOURCES
INFORMATION TECHNOLOGY
BUSINESS ANALYSIS
OPERATIONS
CORPORATE BUSINESS
LEGAL AFFAIRS
SECURITY
SALES OPERATION
E-COMMERCE
QUALITY ASSURANCE



04

MILESTONES



During the last decade, we achieved a strong position as a 100% consumer focused company with the mission of providing state of the art services to customers. We are moving forward stronger than ever – driven by our commitment for the provision of affordable technology to every household of this country.

Airlink at a Glance

2010

Official Partner

2012

Official Partner

2016

Official Partner

2019

Official Partner

2020

Official Partner

2021

Smartphone Manufacturing Facility

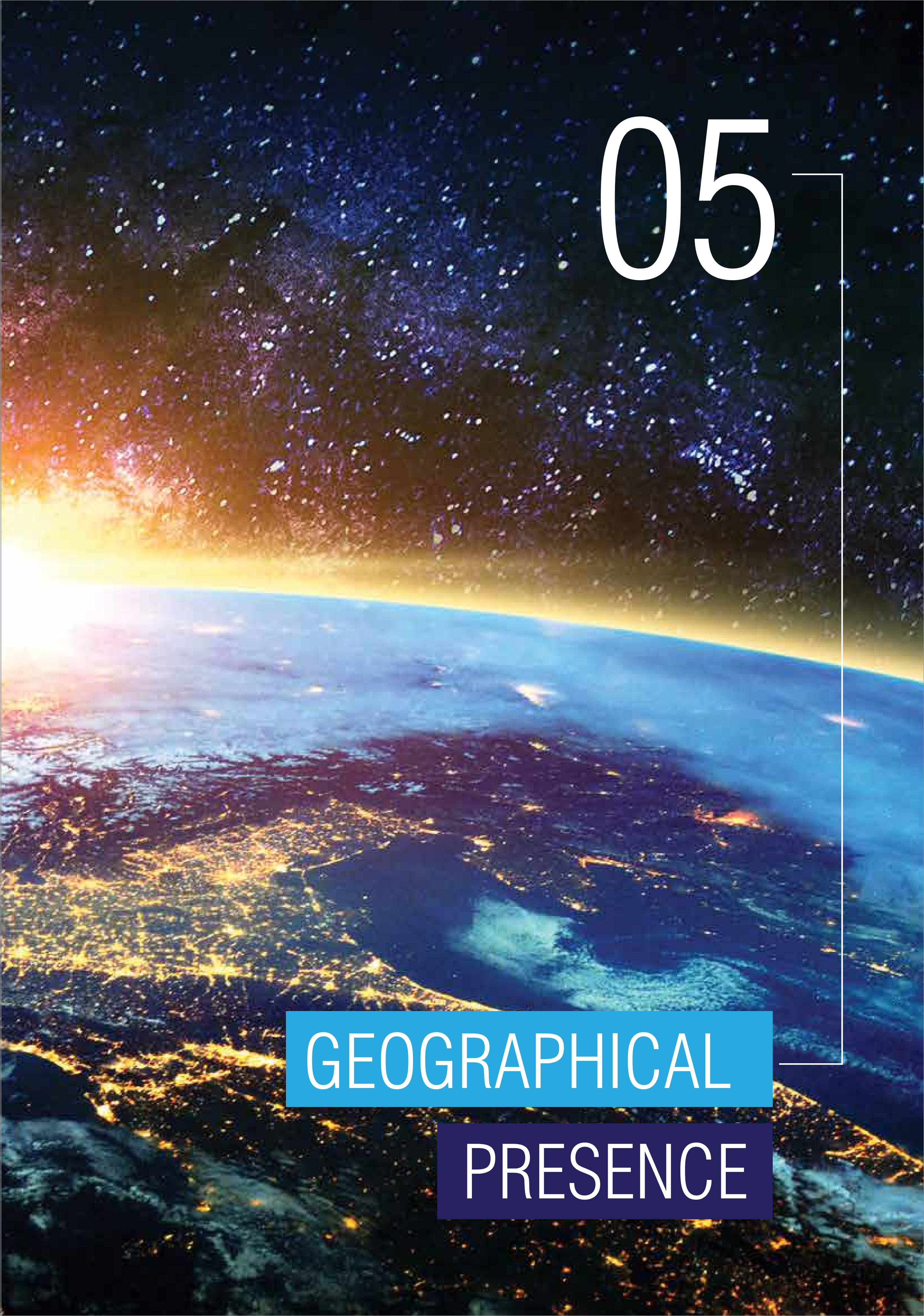
Manufacturing Partner

Select Technologies

Manufacturing Partner

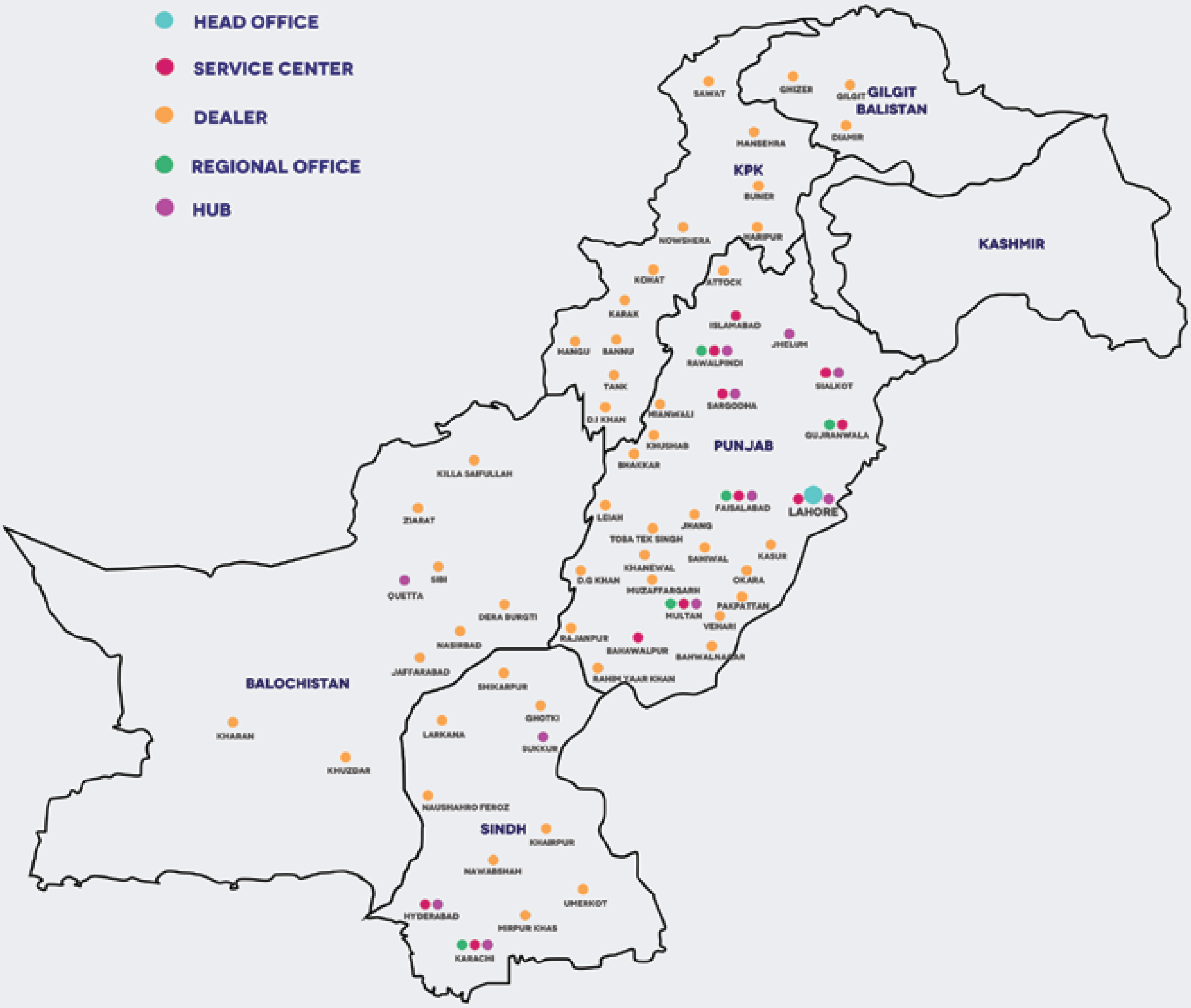
05

GEOGRAPHICAL PRESENCE



Our nationwide presence enables us to facilitate and develop solutions and be closer to our customers.

We've spent years addressing the country's technological needs and continuously improving our supply chain helped ensure steady access to our trusted services.



HEAD OFFICE

Lahore

REGIONAL OFFICES

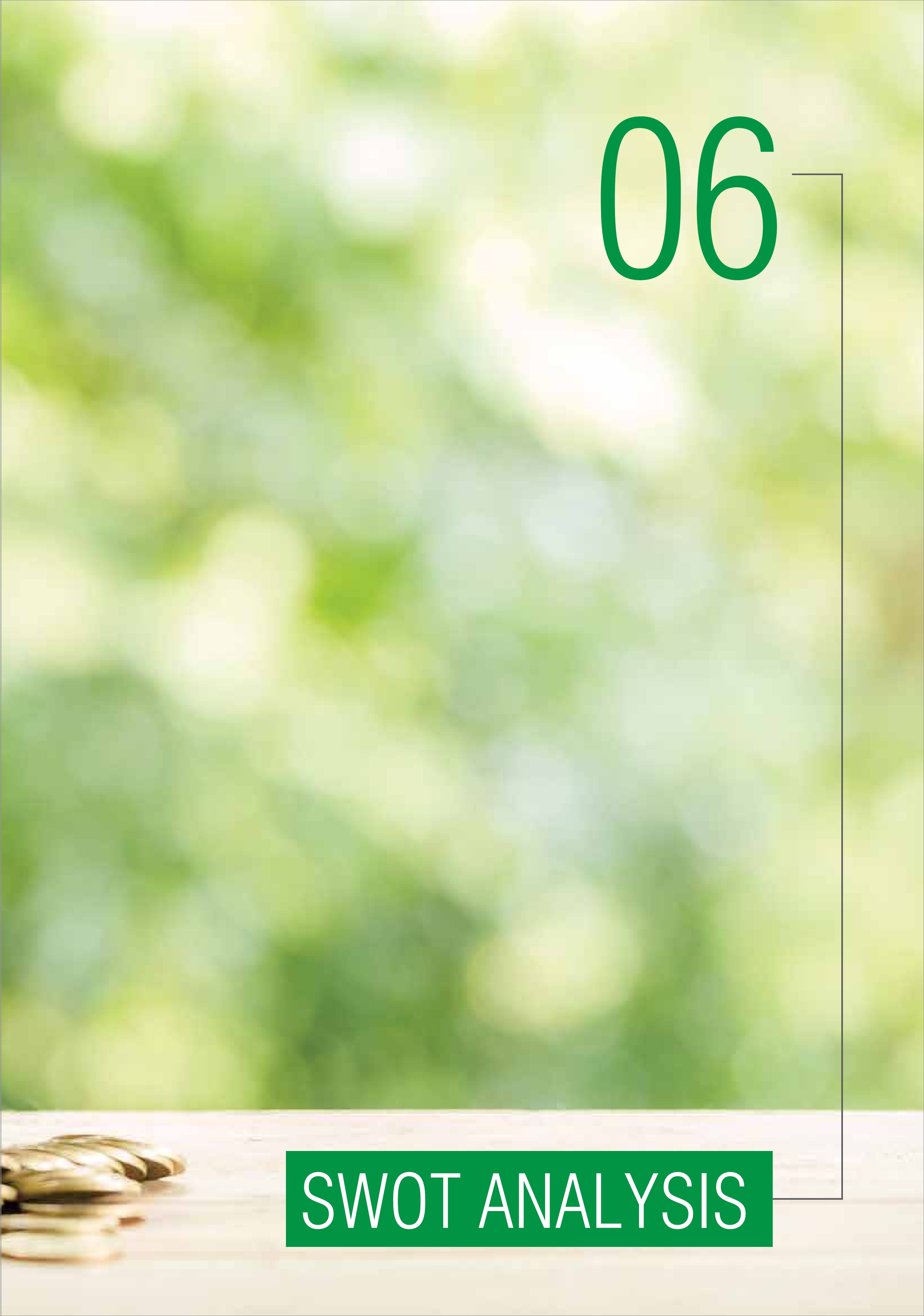
Lahore, Multan, Karachi, Gujranwala, Faisalabad, Bahawalpur, Islamabad, Taxila/Wah, Rawalpindi, Hyderabad, Peshawar, Sargodha, Sialkot, Sahiwal, Quetta

SERVICE CENTERS

Lahore, Multan, Karachi, Peshawar, Faisalabad, Islamabad, Rawalpindi, Hyderabad

DISPLAY CENTERS

Lahore, Karachi



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SWOT ANALYSIS

Strengths

Experienced and customer-friendly team.

Official partnerships with leading mobile phone manufacturers and the ability to run competing brands under one umbrella.

Excellent stakeholder relations based on prompt delivery of stock and customer service.

Country wide distribution network and warehouses.

Remarkable 7-Year revenue CAGR of

34%

during FY15 to FY20.

Consistent margins owing to adjustment to pricing of products provided by vendors.

Inventory of the Company is comprehensively insured against damage, fire, theft etc.

Commenced assembly of mobile phones which will provide a cost advantage

Weaknesses

Margins are set by Principal/ Manufacturer/Regional Distributor.

Imposition of 100% margin on import to curtail current account deficit of country.

Opportunities

Post-implementation of DIRBS by PTA will enable official importers / distributers to capture additional market share.

Forward integration via opening of Company operated retail outlets to capture retailer margins.

Establishment of own e-commerce platform utilizing alternate delivery channels such as online shopping and television to increase outreach to customers.

Increasing demand as customer preferences shift from feature phones to low cost smart phones.

Setting up an assembly unit will result in localization, import substitution and possible exports. The Company has set up an assembly line in Lahore, and is in the process of obtaining requisite approvals from Regulatory bodies.

Air Link can add more brands in the portfolio. Leverage expanding distribution & retail network to tap feature phone market.

Threats

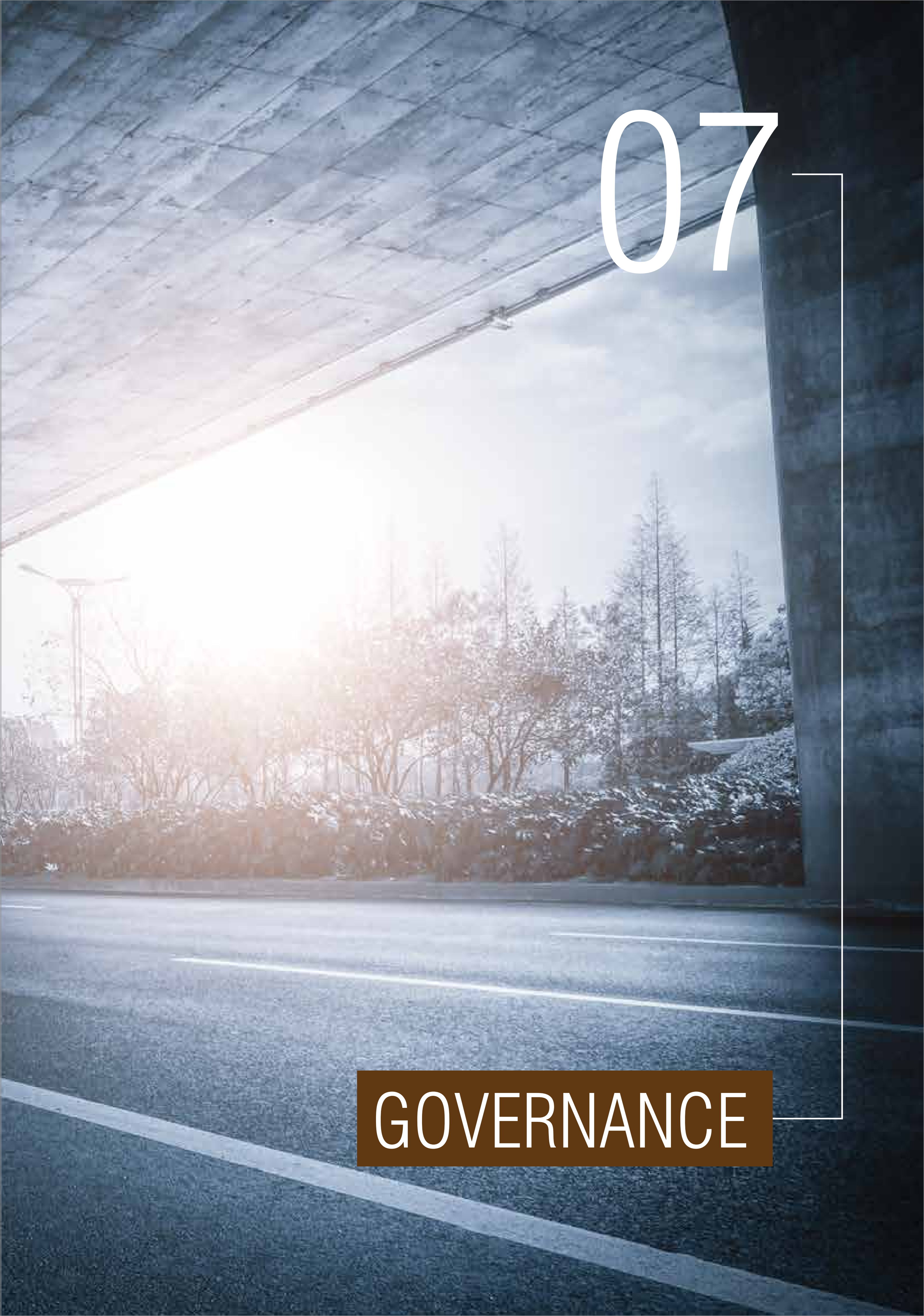
Government may impose additional duty on high-end mobile phones to reduce Current Account deficit.

Decrease in demand as a result of currency devaluation.

Adverse changes in the regional and global mobile market will have spillover effects on local trade volumes.

Future changes in import policy by the government.

Higher interest rates increase the cost of debt.



07

GOVERNANCE

Profiles of Directors

MR. ASLAM HAYAT PIRACHA
Chairman/Non-executive Director

Mr. Aslam Hayat Piracha belongs to a well-known business family of Sargodha.

His leadership experience spans over five decades with core specialty in trading. He started his business career in the late 1960s as a trader, importing and exporting textile products. In the early 1980s, he laid the foundation of a manufacturing unit of textile garments by installing knitting machines.

He is a result driven and self-moti- vated individual with a proven ability to develop and strengthen management teams in order to maximize corporate profitability and efficiency. He has maintained professional relationships with customers and suppliers over the long term giving him a discernible competitive advantage in the industry.

Mr. Aslam Hayat Piracha actively participates in Corporate Social Responsibility (CSR) and welfare activities of the Company and is involved in development of Bhera Community Center – a state of art medical and community center.

MR. MUZZAFFAR HAYAT PIRACHA
Chief Executive Officer/Executive Director

Mr. Piracha has been instrumental in the sustained growth of Air Link from a relatively smaller set-up with FY12 revenue of PKR 143 Million to an entity which generated PKR 43 billion in revenues in FY20. He ventured into telecommunications in 2010 to form Air Link Communication.

In Air Link, he partnered with Huawei to bring EVO devices in Pakistan through PTCL's network. Although 3G services were not officially launched, Pakistan Telecommunication Company Limited's (PTCL) CDMA network offered 3G speeds and through the vision of Mr. Piracha who established and fostered relationships with Huawei and PTCL, the Company gained a first-mover advantage and became Huawei's licensed distributor for telecommunication devices and accessories.

In 2016, Mr. Piracha also signed an agreement with Samsung for distribution of its smart phones through Air Link's established nationwide distribution network.

Mr. Piracha's vision for Air Link is to use the FMCG model employed by large multi-nationals to develop a multi-faceted distribution network. Apart from Air Link, Mr. Piracha is considered an industry stalwart and has supported relevant authorities in formation and implementation of DIRBS to eliminate illegal import of telecom devices in Pakistan.

MRS. RABIYA MUZZAFFAR
Non- Executive Director

Mrs. Rabiya Muzzaffar holds a Masters in Business Administration from NUST University, Islamabad. Mrs. Muzzaffar specializes in Marketing and Human Capital Management. She utilizes her skills for improvement of efficiencies, job satisfaction and retention of human resource.

She also has experience of outdoor media and marketing campaigns with the objectives of accessing the target market. She believes that continuous training and development of human resources would make the workforce that is compatible in the emerging era.

She has attended various conferences and seminars on human capital management.

MR. SYED NAFEES HAIDER
Executive Director

Mr. Haider began his career in 2003 and has been associated with Air Link Communication since its inception.

He is involved in the formulation and implementation of the distribution strategy, in consultation with the Sales Head. He provides valuable input to the overall sales strategy through in-depth market analysis to drive profitability of the distribution channel. He sets forth strategic and operational plans for achieving sales targets by the distribution network and is involved in planning launch of new products in coordination with sales and marketing teams. He also coordinates and liaisons with vendors about new development in market dynamics and its implications.

Prior to Air Link, Mr. Nafees was associated with stock brokerage and tourism industry.

MR. SHARIQUE AZIM SIDDIQUI
Independent Director

Mr. Siddiqui is the CEO of Pakistan International Bulk Terminal Limited (PIBT). PIBT is Pakistan's first bulk terminal for handling cement, clinker and coal.

He led the team for the bidding of the PIBTL's terminal in 2007 and was instrumental in the planning and execution of the project. He joined Marine Group of Companies in 1997 and was involved in various Group Ventures. He served as Project Director and Chief Operating Officer at Pakistan International Container Terminal Ltd. from 2002 till 2012 and was in-charge of container terminal's project planning, coordination and implementation.

He also served as CEO of Marine International Container Terminal - an inland Container Depot project with Railways connectivity in Lahore. He did his Bachelors and Masters of Arts in Economics from Tufts University, Boston, USA.

MR. HUSSAIN KULI KHAN
Independent Director

Mr. Khan is the CEO of The General Tyre and Rubber Company of Pakistan Limited. He is an accomplished professional with substantial and diversified managerial and leadership experience in the manufacturing sector.

He has served as President and Vice President of Landhi Association of Trade and Industry (LATI), Karachi. Prior to that, he held the position of Executive Director Finance at JDM Textile Mills Limited. In 2003, he was elected as the chairman of All Pakistan Textile Mills Association (APTMA) Khyber Pakhtunkhwa and Vice Chairman APTMA Central Body.

Mr. Khan possesses Business Administration qualification from Gettysburg College, USA and attended several professional programs in Europe. Mr. Khan is also Certified Director from Pakistan Institute.

MR. AQDUS FARAZ TAHIR
Independent Director

Mr. Tahir is an established telecom procurement consultant who played an instrumental role in the procurement, logistics and implementation of the PTCL and Ufone telecom network as per international best practices.

He has served as an Advisor to PTCL for Procurement, where he was responsible for setting up and implementation of procurement systems. Prior to that, he held senior positions in procurement at PTCL & Ufone.

His responsibilities included heading procurement, logistics and implementation of procurement systems transformation. Moreover, he supervised the merger of traditional turnkey and supply sections based on latest technologies.

He did his Masters of Technology Management from Griffith University, Brisbane, Australia.

Management Team

MR. NUSRAT MAHMOOD
Chief Financial Officer

Mr. Mahmood is an achievement-oriented, talented and accomplished Management Accountant and Chemical Engineer with 19 years of experience.

He has a proven track record of managing corporate operations, with investment related ability to implement effective policies and procedures, internal controls systems, and Enterprise Resource Management systems. He is well versed in designing balance scorecard, budget management, forecasting and negotiations, preparing feasibilities and due diligence.

He has hands-on experience of diversified businesses including textiles, fertilizers and telecom. Mr. Mahmood is a Chemical Engineer and fellow member of Institute of Cost and Management Accountants Pakistan.

MR. ADNAN AFTAB
GM Manufacturing

A business manufacturing strategist with over 25 years of experience in start-ups, proficient oversight of cross-functional teams and overall development of corporate performance and organizational expansion projects that drive significant market advantages and optimize capacity planning, supply chain, least cost facilities and logistics.

Mr. Aftab has B.E in Mechanical Engineering and Masters in Manufactur- ing Engineering from N.E.D University of Engineering & Technology, Karachi.

Mr. Aftab has been previously associated with Dawlance Pvt. Ltd. for 15 years, Pak Elektron Ltd. for 6 years and Waves Singer Pakistan Ltd. for 4 Years; during this time he managed overall factory operations and ensured efficiency of processes.

MR. MIAN IRFAN
Head of Distribution

Mr. Irfan is an accomplished professional with over 23 years of experience in the telecom industry that encompasses complete aspects of marketing and sales. He has diversified experience of managing his own business and serving at the top management of different organizations.

He started his career in marketing & communications, and also has experience in brand management, public relations, business development, sales and distribution. Mr. Irfan has rich professional experience in developing, revamping and marketing brands and leading business units. As Head of Distribution, he effectively leads nationwide business and corresponds with the vendors on critical issues.

Mr. Irfan holds a Masters in Business Administration (Finance) and Certification in Accounts and Finance.

MR. AMER LATIF
Company Secretary &
Head of Legal Affairs

Mr. Amer brings with him more than 21 years of experience in Company Secretarial functions, Corporate Laws & Regulatory Affairs in both Public and Private Sector. He is member of Lahore Bar Association & Lahore High Court Bar Association.

He is involved in improving the reporting capabilities of the Company, ensuring compliance with statutory regulations and developing an internal contol environment in the Company. He also looks after litigation matters of the Company. Moreover, he has a vital role in dealing with SECP, CCP, CDC, PSX and other regulatory departments.

In the past, he has had professional associations with SECP's Company Law Division and with METRO Cash & Carry Pakistan, a member Company of German Group METRO AG.

Chairman Review Report

MR. ASLAM HAYAT PIRACHA

Chairman/Non-executive Director

On behalf of the Board of Directors, I am pleased to present to you the annual report 2022 and performance of board of directors of the company.

Although the FY 2021-2022 was a challenging year in front of economic, social and political front. Instead of all this your company has manage to reap all positive factors to reach its objectives. This include better working capital management, despite the abrupt and dynamic changes in economic and monetary fronts. Efficient procurement and vigilant proactive approach are the cornerstone to sustain competitive advantage.

A decade of high performance is the result of untiring efforts of the management and Board of Directors. This is despite of the various challenges with respect of non-availability of raw material in timely manner and increasing price trend due to fluctuation of foreign exchange.

Air Link Communication Limited remained in compliance with all the relevant requirement of the listed companies, Code of corporate Governance 2019 and Companies Act 2017.

I congratulate the company to establishing the wholly owned subsidiary under the name "Select Technologies (Pvt.) Limited" which has set up state-of-the-art smartphone assembly plant in Lahore for mobile phones and allied products of Xiaomi. Xiaomi is one of the leading smartphone brands in the world.

Technological development is an important factor in increasing the growth rate of economy at macro level. The social development occurs if a society can make technological advances and reflect them to their social and cultural lives. Our mission to make technology affordable for the end consumer.

I feel proud to share that Air Link has supported the national economy by contributing Rs.2.257 billion to national exchequer in the form of sales tax, income tax, custom duties and other levies which is equivalent to 5.0% of the net sales of the Company. We believe that with local manufacturing is a future that will shape prosperity of Pakistan.

I would like to place on record the Board's performance in discharging their responsibilities in a diligent and efficient manner, guiding the management in all the key decision relating to state of the affairs of the company and providing strategic guidelines.

Last but not the least, I want to acknowledge the hard work and consistency of employees, their strength, commitment and dedication is what makes the Company unique and successful. I am grateful for prudent and insightful approach of leadership team, support and loyalty of our customers, continued trust of all the stakeholders of the Company. With all of your trust and confidence in the company, we will be able to achieve our goals and reach new heights.

Chairman

مجھے یہ بتاتے ہوئے فخر محسوس ہوتا ہے کہ ایئرلنک نے سیلز ٹیکس، انکم ٹیکس، کسٹم ڈیوٹی اور دیگر محصولات کی مد میں قومی خزانے میں 2.257 بلین روپے کا حصہ ڈال کر قومی معیشت کو سہارا دیا ہے جو کمپنی کی فروخت کے 5.0 فیصد کے برابر ہے۔ ہم سمجھتے ہیں کہ مقامی مینوفیکچرنگ ایک ایسا مستقبل ہے جو پاکستان کی خوشحالی کو تشکیل دے گا۔

میں اپنی ذمہ داریوں کو مستعدی اور موثر طریقے سے نبھانے میں، کمپنی کے معاملات کی متعلق تمام اہم فیصلوں میں انتظامیہ کی رہنمائی اور اسٹریٹجک رہنمائی فراہم کرنے پر بورڈ کی کارکردگی ریکارڈ پر رکھنا چاہتا ہوں۔

سب سے آخر میں، میں ملازمین کی محنت اور مستقل مزاجی کو تسلیم کرنا چاہتا ہوں، ان کی قوت، عزم اور لگن ہی کمپنی کو منفرد اور کامیاب بناتی ہے۔ میں لیڈرشپ ٹیم کے دانشمندانہ اور بصیرت افروز نقطہ نظر، اپنے صارفین کی حمایت اور وفاداری، کمپنی کے تمام اسٹیک ہولڈرز کے مسلسل اعتماد کے لیے شکر گزار ہوں۔ کمپنی پر آپ کے تمام تر اعتماد اور اعتماد کے ساتھ، ہم اپنے اہداف کو حاصل کرنے اور نئی بلندیوں تک پہنچنے کے قابل ہو جائیں گے۔

چیئرمین

چیئرمین جائزہ رپورٹ:

بورڈ آف ڈائریکٹرز کی جانب سے، مجھے آپ کے سامنے کمپنی کے بورڈ آف ڈائریکٹرز کی کارکردگی اور سالانہ رپورٹ 2022 پیش کرتے ہوئے خوشی ہو رہی ہے۔

اگرچہ مالی سال 2021-2022 معاشی، سماجی اور سیاسی محاذ پر ایک مشکل سال تھا۔ان سب کے بجائے آپ کی کمپنی نے اپنے مقاصد تک پہنچنے کے لیے تمام مثبت عوامل کو حاصل کیا ہے۔اس میں معاشی اور مالیاتی محاذوں میں بے ربط اور بڑی تبدیلیوں کے باوجود بہتر ورکنگ کیپیٹل مینجمنٹ شامل ہے۔ مسابقتی فائدے کو برقرار رکھنے کے لیے موثر پروکیورمنٹ اور چوکس فعال نقطہ نظر سنگ بنیاد ہیں۔

ایک دہائی کی اعلیٰ کارکردگی انتظامیہ اور بورڈ آف ڈائریکٹرز کی انتھک کوششوں کا نتیجہ ہے۔ یہ مختلف چیلنجوں کے باوجود جن کا تعلق خام مال کی بروقت عدم دستیابی، غیر ملکی کرنسی کے اتار چڑھاؤ کی وجہ سے قیمتوں میں اضافے کے رجحان سے ہے۔ائیر لنک کمیونیکیشن لمیٹڈ درج لسٹیڈ کمپنیوں کی تمام متعلقہ ضوابط، کوڈ آف کارپوریٹ گورننس 2019 اور کمپنیز ایکٹ 2017 کی تعمیل کرتا رہا ہے.

میں کمپنی کو "Select Technologies (Pvt.) Limited" کے نام سے مکمل ملکیتی ذیلی ادارہ قائم کرنے پر مبارکباد دیتا ہوں جس نے Xiaomi کے موبائل فونز اور اس سے منسلک مصنوعات کے لیے لاہور میں جدید ترین سمارٹ فون اسمبلی پلانٹ قائم کیا ہے۔Xiaomi دنیا کے معروف اسمارٹ فون برانڈز میں سے ایک ہے۔

تکنیکی ترقی چھوٹی سطح پر معیشت کی ترقی کی شرح کو بڑھانے میں ایک اہم عنصر ہے۔ سماجی ترقی اس وقت ہوتی ہے جب کوئی معاشرہ تکنیکی ترقی کر سکے اور ان کی سماجی اور ثقافتی زندگی میں عکاسی کرے۔ ہمارا مشن آخری صارف کے لیے ٹیکنالوجی کو سستی بنانا ہے۔

CEO'S Review

MR. MUZZAFFAR HAYAT PIRACHA
Chief Executive Officer/Executive Director

Dear Shareholders,
As a group of companies with progressive technological approach, we aim to serve the stakeholders with competitive advantage and satisfying commitment on not to compromise on sustainability of the society social fabric and culture.

Alhamdulillah, the financial year 2021-2022, marks the tenth year of continuous operations of ALC. In the current year, the Company managed to secure the highest ever net revenue and net profits since its inception as a group. We have also strived with our utmost efforts to fulfil our commitments with the stakeholders. These benchmarks and objectives achieved this year would not have been possible without the strategic decisions of the leadership and efforts of their team.

The business environment remained challenging during the year due to macroeconomic factors, rupee depreciation, commodity super cycle and import restrictions. However, Company remained able to navigate from these challenges with achievement of net revenue amounting to PKR 46,159,701,856/-. Gross profit margin remained under pressure resulting increase of 0.20% as compared to last year.

Recent developments across the world including intensifying Russia-Ukraine War resulting commodity shortage and surging prices and because of that Pakistan is also facing high LNG rates and halt in import of fossil Fuel-Oil and coal which ultimately effect the common man and his purchasing power.

Air Link Communication registered itself as an Association of Persons ("AOP") and commenced operations when it introduced Pakistan's First 3G-enabled Dual-Mode (GSM + EVDO) Android Tablet and First 3G-enabled (GSM + EVDO) Android Smartphone in partnership with PTCL.

Air Link Communication (Pvt.) Limited was incorporated on January 2, 2014 to take over the existing business of import, export distribution, indenting, wholesale, retail of communication and IT related products and services including cellular mobile / smartphones, tablets, laptops, accessories and allied products being run by Air Link Communication (the AOP). This was achieved by acquiring all assets and liabilities of the latter on July 1, 2018 vide Acquisition Agreement dated October 2, 2018. Subsequently, Air Link Communication (Pvt) Limited was converted into an unlisted public limited company with effect from April 24, 2019. The Company is being listed on September 22, 2021 in this current year.
The Company's revenue grew exponentially from PKR 143 million in FY12 to PKR 46,459 million in FY22 depicting a remarkable 10-Year CAGR of 78%.

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

During the year company has established the wholly owned subsidiary under the name "Select Technologies (Pvt.) Limited" which has set up state-of-the-art smartphone assembly plant in Lahore for mobile phones and allied products of Xiaomi. Xiaomi is one of the leading smartphone brand in the world. The Company has invested rupees 5 billion for purchase of plant and machinery and to build infrastructure.

Air Link is working towards becoming Pakistan's largest vertically integrated mobile phone company and intends to increase its outreach by injecting more investment in assembly plant and in working capital to expand its distribution and retail network in more cities of Pakistan.

Lastly, I express my gratitude to all the stakeholders who stood by our side during these challenging times. Their unwavering support has led the Company to achieve numerous milestones throughout the journey. The Company will continue to work towards excellence, which will strengthen and grow the bond we share.

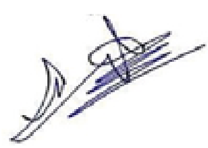
Chief Executive Officer

اس سال کے دوران کمپنی 22 ستمبر 2021 کو پاکستان اسٹاک ایکسچینج میں کامیابی کے ساتھ لسٹ ہوئی۔ IPO کے عمل میں کل 90 ملین حصص کی پیشکش کی گئی، جن میں سے 60 ملین نئے حصص کمپنی نے جاری کیے جبکہ باقی 30 ملین شیئرز 71.5 روپے فی حصص کی قیمت پر بذریعہ بک بلڈنگ [کتاب سازی] فروخت کے لیے پیش کیے گئے۔

سال کے دوران کمپنی نے "Select Technologies (Pvt.) Limited" کے نام سے مکمل ملکیتی ذیلی ادارہ قائم کیا جس نے Xiaomi کے موبائل فونز اور اس سے منسلک مصنوعات کے لیے لاہور میں جدید ترین اسمارٹ فون اسمبلی پلانٹ قائم کیا ہے۔ Xiaomi دنیا کے معروف اسمارٹ فون برانڈز میں سے ایک ہے۔ کمپنی نے پلانٹ اور مشینری کی خریداری اور انفراسٹرکچر کی تعمیر کے لیے 5 ارب روپے کی سرمایہ کاری کی ہے

ایئرلنک پاکستان کی سب سے بڑی مربوط موبائل فون کمپنی بننے کی جانب گامزن ہے اور پاکستان کے مزید شہروں میں اپنے ڈسٹری بیوشن اور ریٹیل نیٹ ورک کو بڑھانے کے لیے اسمبلی پلانٹ اور ورکنگ کیپیٹل میں مزید سرمایہ کاری کے ذریعے اپنی رسائی کو بڑھانے کا ارادہ رکھتی ہے۔

آخر میں، میں ان تمام اسٹیک ہولڈرز کا شکریہ ادا کرتا ہوں جو اس مشکل وقت میں ہمارے ساتھ کھڑے رہے۔ ان کی غیر متزلزل حمایت نے کمپنی کو پورے سفر میں متعدد سنگ میل حاصل کرنے کا باعث بنایا ہے۔ کمپنی عمدگی کے لیے کام جاری رکھے گی، جو ہمارے باہمی تعلق کو مضبوط اور بڑھائے گی۔



سی ای او

سی ای او کا جائزہ

معزز شیئر ہولڈرز،

ہمارا مقصد ترقی پسند تکنیکی نقطہ نظر رکھنے والی کمپنیوں کے ایک گروپ کے طور پر مسابقتی فائدے اور معاشرے کی سماجی اقدار اور ثقافت کی پائیداری پر سمجھوتہ نہ کرنے کے اطمینان بخش عزم کے ساتھ اسٹیک ہولڈرز کی خدمت کرنا ہے

الحمدللہ، مالی سال 2021-2022 میں، ایئر لنک کمیونیکیشن [ALC] مسلسل آپریشنز کے دسویں سال کی تکمیل کو پہنچ رہا ہے۔ کمپنی نے ایک گروپ کے طور پر اپنے آغاز کے بعد سے اب تک، موجودہ سال کی آمدنی اور منافع کی سب سے زیادہ شرح حاصل کی۔ ہم نے اسٹیک ہولڈرز کے ساتھ اپنے وعدوں کو پورا کرنے کے لیے بھی پوری کوشش کی ہے۔ اس سال حاصل ہونے والے یہ معیارات اور مقاصد، قیادت کے سٹریٹجک فیصلوں اور ان کی ٹیم کی کوششوں کے بغیر ممکن نہیں تھے۔

کاروباری ماحول اس سال کے دوران معاشی عوامل، روپے کی قدر میں کمی، اجناس کے سپر سائیکل اور درآمدی پابندیوں کی وجہ سے چیلنجنگ رہا۔ تاہم کمپنی PKR 46,159,701,856 کے خالص آمدنی کے حصول کے ساتھ ان چیلنجوں سے نکلنے میں کامیاب رہی۔ مجموعی منافع کا مارجن دباؤ میں رہا اور اس میں گزشتہ سال کے مقابلے میں 0.20 فیصد کا اضافہ ہوا۔

دنیا بھر میں جاری حالات بشمول روس –یوکرین کی جنگ میں شدت جس کے نتیجے میں اجناس کی قلت، قیمتوں میں اضافہ اور اس کی وجہ سے پاکستان کو ایل این جی کی بلند نرخوں اور فوسل فیول آئل اور کوئلے کی درآمد میں روکاوٹ کا سامنا ہے جس کا اثر بالآخر عام آدمی اور اس کی قوت خرید پر پڑتا ہے۔

ائیر لنک کمیونیکیشن نے خود کو ایسوسی ایشن آف پرسنز ("AOP") کے طور پر رجسٹر کروایا اور پی ٹی سی ایل کے ساتھ شراکت داری میں پاکستان کا پہلا G3-فعال ڈوئل موڈ (GSM + EVDO) اینڈرائیڈ ٹیبلیٹ اور پہلا G3-فعال (GSM + EVDO) اینڈرائیڈ اسمارٹ فون متعارف کراتے ہوئے کاروبار کا آغاز کیا۔

ایئر لنک کمیونیکیشن (پرائیویٹ) لمیٹڈ کو 2 جنوری 2014 میں درآمد، برآمدی تقسیم، انڈینٹنگ، ہول سیل، مواصلات کی ریٹیل اور آئی ٹی سے متعلق مصنوعات اور خدمات بشمول سیلولر موبائل/اسمارٹ فونز، ٹیبلٹس، لیپ ٹاپس، کے موجودہ کاروبار کو سنبھالنے کے لیے شروع کیا گیا تھا۔ یہ 1 جولائی 2018 کو مؤخرالذکر کے تمام اثاثوں اور واجبات کو حاصل کر کے 2 اکتوبر 2018 کو ایکویزیشن ایگریمنٹ کے ذریعے حاصل کیا گیا تھا۔ اس کے بعد، ایئر لنک کمیونیکیشن (پرائیویٹ) لمیٹڈ کو 24 اپریل 2019 سے غیر فہرست شدہ پبلک لمیٹڈ کمپنی میں تبدیل کر دیا گیا تھا۔ کمپنی کو رواں سال 22 ستمبر 2021 میں لسٹ کیا گیا۔

کمپنی کی آمدنی FY12 میں PKR 143 ملین سے نہیات تیزی سے FY22 میں PKR 46,459 ملین ہو گئی جو کہ % 78 کی 10 سالہ قابل ذکر ترقی کی مجموعی شرح [CAGR] کی عکاسی کرتی ہے۔

Building a better working world

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Airlink Communication Limited

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Airlink Communication Limited ("the Company") for the period from 22 September 2021 to 30 June 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the period from 22 September 2021 to 30 June 2022.

EY Ford Rhodes

EY Ford Rhodes
Chartered Accountants
Audit Engagement Partner: Abdullah Fahad Masood
Lahore: 06 October 2022
UDIN: CR202210177fhTd0qZet

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of company : Air Link Communication Limited
Period : From 13 October 2021 to 30 June 2022

The company has complied with the requirements of the Regulations in the following manner:-

1. The total number of directors are 7 as per the following: -

   a. Male: Number (6)
   b. Female: Number (1)

2. The composition of the Board is as follows:

Category	Name
Independent Directors (*)	Mr. Sharique Azim Siddiqui Mr. Hussain Kuli Khan
Independent Director / Female Non-Executive Directors	Mr. Aqdus Faraz Tahir Mr. Aslam Hayat Piracha Ms. Rabiya Muzzaffar
Executive Directors	Mr. Muzzaffar Hayat Piracha Mr. Syed Nafees Haider
Female Director	Ms. Rabiya Muzzaffar

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Board has arranged Directors' Training program during the year from the Institute of Chartered Accountants of Pakistan for the following: -

   i. Name of Director: Nil

   ii. Name of Executive: (a) Amer Latif
   Company Secretary

   (b) Qaiser Ali
   Head of Internal Audit

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below.-

Audit Committee	Mr. Sharique Azim Siddiqui Mr. Hussain Kuli Khan Mr. Aqdus Faraz Tahir	(Chairman) (Member) (Member)
HR and Remuneration Committee	Mr. Sharique Azim Siddiqui Mr. Muzzaffar Hayat Piracha Mr. Aqdus Faraz Tahir	(Chairman) (Member) (Member)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following, -

    a) Audit Committee; 4 quarterly meetings
    b) HR and Remuneration Committee 1 yearly meeting

15. The Board has set up an effective internal audit function;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with us have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (Not applicable):

ASLAM HAYAT PIRACHA
Chairman

08

DIRECTORS' REPORT

Introduction
Dear Stake Holders,

The Board of Directors of Air Link Communication Limited are pleased to share the results of company along with audited financial statements for the year ended June 30, 2022.

Overview

With a combination of both recovery and growth in FY22, country attained a GDP growth of 5.97%. This Strong momentum in economic activities also observed in different sectors with a GDP growth rate of; 4.40% in agriculture, 9.2% in Large Scale Manufacturing (LSM).

However in last quarter of FY22, political and macro-economic circumstances changed significantly and going further by 19th May, 2022 Ministry of Commerce issued SRO for "Ban on Import of Luxury Items" which restricted the import of Mobile Phones in CBU condition and later on by 20th May, 2022 State Bank of Pakistan also issued a circular "EDP Circular Letter No. 9 of 2022" with direction to obtain prior approval from SBP to establish the LC of Mobile Phones in CKD/SKD condition with limited foreign exchange quota. The consecutive issuance of two different orders effected closing performance of FY 22 and it is expected that FY23 will be challenging period for economy and all stakeholders.

The intensifying Russia-Ukraine War resulting commodity shortage and surging prices and because of that Pakistan is also facing high LNG rates and halt in import of fossil Fuel-Oil and coal which ultimately effect the common man and his purchasing power.

Inflation and Interest Rates

As in the rest of the world, due to ongoing commodity super cycle, there is an across the board surge in prices (food prices 14.32%, fuel prices 23.99%, power prices 10.75% and other consumer discretionary items 10.60%) consequently, inflation as measured by CPI shot up considerably during FY22 and recorded at 12.15%.

However, Air Link has confronted all new development because of its proactive approach and foresight of dynamics in near future. Company's financial position and cash flow generating ability are the basis to further support its operational efficiencies, make new investments to attain first mover advantage and enhance shareholders' value by sustaining competitive advantage.

Performance Review

A brief financial analysis is presented as under:

Particulars	June 30, 2022	June 30, 2021
Turnover	46,159,701,856	47,372,802,392
Gross Profit	4,771,848,004	4,801,792,199
Profit before taxation	2,467,973,711	2,404,058,171
Net profit for the year	1,648,590,432	1,505,004,481

The business environment remained challenging during the year due to macroeconomic factors, rupee depreciation, rising commodity prices and import restrictions and respectively Company faced impediment in availability of Mobile Phones CBU and SKD Materials. However, Company remained able to navigate from these challenges with achievement of net revenue amounting to PKR 46,159,701,856/-. Gross profit margin remained under pressure resulting increase of 0.20% as compared to last year. However, by applying strict cost controls and bringing efficiencies in the operations company achieved growth in profit before taxation and net profit 5.35% and 3.57% as compare to 5.07% and 3.18% of last year respectively.

Future Prospects

The economy, over the years, has presented strong resilience despite of unexpected volatility and uncertainty. But the ongoing fiscal year is expected to be remain very challenging on account of rising inflation, fiscal slippages and drying up financial inflows. Moving forward, it is essential to sustain the reform momentum by focus on policies for securing stability and promoting growth. There is strong need to strike an appropriate balance between supporting the economy, ensuring debt sustainability and advancing structural reforms while maintaining social cohesion.

Composition of Board of Directors and Committees:

In line with the requirements, the Company Board of Directors represented by Independent, Non-Executive and Executive Directors with gender diversity.

Total Number of Directors:

a)	Male	6
b)	Female	1

Composition of the Board:

Independent Directors

Sr. No:	Name of Directors	Audit Committee	Human Resource Committee
1	Mr. Hussain Kuli Khan	Member	-
2	Mr. Aqdas Faraz Tahir	-	Member
3	Mr. Sharique Azim Siddiqui	Member	Member

Non-Executive Directors

Sr. No:	Name of Directors	Audit Committee	Human Resource Committee
1	Mr. Aslam Hayat Piracha	-	-
2	Mrs. Rabia Muzzaffar	Member	-

Executive Directors

Sr. No:	Name of Directors	Audit Committee	Human Resource Committee
1	Mr. Muzzaffar Hayat Piracha	-	Member
2	Mr. Nafees Haider	-	-

Audit Committee:
Audit Committee assists the Board of Directors in discharging their fiduciary responsibilities in accordance with the Corporate Governance and Financial Reporting Frame Work. The Committee consists of three members, two Independent and one Non-Executive Director. The Chairman of the Committee is an Independent Director. As required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Code 2019"), Audit Committee also ensure coordination with external auditors and Head of Internal Audit in the absence of management.

Human Resource and Remuneration Committee:
Human Resource and Remuneration Committee also assists the Board of Directors in discharging their responsibilities with regard to devising and periodic reviews of human resource policies and practices within the Company. It also assists the Board in selection, evaluation, compensation and succession planning of key management personnel. The Committee consists of three members, of whom one is executive and two are non-executive directors. The Chairman of the Committee is an independent director.

Directors' Attendance:
During the period under review, four (4) Board meetings, four (04) Audit Committee meetings and one (01) Human Resource and Remuneration (HR&R) Committee meetings were held. Attendance by each Director of the respective Board/Sub – Committees meetings was as follows:

Name of Directors	Board of Director's Meetings	Audit Committee Meetings	Human Resource & Remuneration Committee Meeting
Hussain Kuli Khan	3	4	-
Aqdas Faraz Tahir	4	-	1
Sharique Azim Siddiqui	4	4	1
Aslam Hayat Piracha	4	-	-
Muzzaffar Hayat Piracha	4	-	1
Nafees Haider	4	-	-
Rabia Muzzaffar	3	1	-

Earnings Per Share
The earnings per share of your Company for the year ended June 30, 2022, was PKR 4.30 in comparison to PKR 4.59 (restated) reported last year.

Directors' Remuneration
The Board of Directors has approved a 'Remuneration Policy for Directors and Members of Senior Management'; the salient features of which are:

- The Company will not pay any remuneration to its non-executive and Independent directors except as meeting fee for attending the Board meetings.
- The remuneration of a Director for attending meetings of the Board of Directors or its Committees shall from time to time be determined and approved by the Board of Directors.
- A Director shall be provided or reimbursed for all travelling, boarding, lodging and other expenses incurred by him for attending meetings of the Board, its Committees and/or General Meetings of the Company.

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

Establishment of Subsidiary

During the year company has established the wholly owned subsidiary under the name "Select Technologies (Pvt.) Limited" which has set up state-of-the-art smartphone assembly plant in Lahore for mobile phones and allied products of Xiaomi. Xiaomi is one of the leading smartphone brand in the world. The Company has invested rupees 5 billion for purchase of plant and machinery, to build infrastructure and also extended rupees 947 million to meet the working capital requirement at 3 months KIBOR plus 3%.

Adequacy of Internal Control

The Company has employed an effective system of internal controls to carry on the business of the Company in an orderly manner, safeguard its assets and secure the accuracy and reliability if its records. The Board ensures adequacy of internal control activities either directly or through its Committees. The Board also reviews the Company's financial operations and position at regular intervals by means of interim accounts, reports, profitability reviews and other financial and statistical information.

Related Party Transaction

All transactions with related parties arising in the normal course of business are carried out on an unbiased, arm's length basis at normal commercial terms and conditions, under the Company's Related Party policy. The company has made no related party transaction other than disclosed in financial statements.

Health Safety and Environment

We strongly believe in maintaining the highest standards in health, safety and environment (HSE) to ensure the well-being of the people who works with us, as well as the communities where we operate. The Company obtained its certification from Bureau Veritas a gold standard certification. The safety policies in warehouses across Pakistan are implemented with the Company's vision of hazard free environment both for employees and nature.

Financial Statements

The Chief Executive Officer, Chief Financial Officer and a Director have endorsed the financial statements of the Company for the financial year 2022 after approval of the Board. The auditors, EY Ford Rhodes, Chartered Accountants, audited the financial statements and have expressed an unmodified opinion on the financial statements.

Code of Conduct

The Company's Code of Conduct promotes guidelines on various ethical standards including issues such as conflicts of interests, employee rights, fraud, etc. The Code encourages honesty, integrity and openness in conduct of Company's operations. It contains guidelines for interactions with all stakeholders, including consumers, suppliers, shareholders and partners. The responsibility for day to day implementation and monitoring of Code is delegated to the senior management.

Auditors

M/s EY Ford Rhodes, Chartered Accountants, have audited the financial statements of the Company for the year ended June 30, 2022. Being eligible, they have offered themselves for reappointment for the next financial year ending June 30, 2023. Upon recommendation of the Audit Committee, the Board recommends appointing M/s EY Ford Rhodes Chartered Accountants as the statutory auditors of the Company for the year ending June 30, 2023, subject to the approval of the Shareholders at the forthcoming Annual General Meeting of the Company.

Dividend

The Board of Directors have recommended a final cash dividend for the financial year ended June 30, 2022, at the rate of 10%, i.e. PKR 1 per share of PKR 10/- each, subject to the approval of the shareholders at the forth coming annual general meeting.

Contribution to National Exchequer and Economy of Pakistan

During the year, the Company contributed a sum of Rs. 2,257 million to the national exchequer by way of income tax, sales tax, custom duties and other levies.

Pattern of Shareholding

The pattern of shareholding as on June 30, 2022 and its disclosure, as required by the Code of Corporate Governance is annexed with this report.

Principal Risks and uncertainty Facing the Company

Company has formal risk management framework to assess the risks faced in the context of the broader political and macroeconomic environment. The risk management system identifies strategic, regulatory, financial, operational and sustainability risks related to business activities. The risks are reviewed by management committee along with departmental objectives, targets and performance. Appropriate strategies are developed and implemented to minimize the impact of the identified risks.

Financial risks are those that may cause financial loss to the entity. Financial risk has been described in detail in note 41 of the attached financial statements that include market risks, interest rate risk, currency risk, credit risks and liquidity risk.

The negative outlook of the country and the top tier banks by international credit rating agencies has evolved as major risk that may impact / disrupt supply chain not only for the company but also for all import dependent businesses across the country. It is however difficult to ascertain for how long and to what extent it will continue impacting overall economic activity unless political stability takes its due course in the country.

Subsequent Events

The Board of directors of the Company at their meeting held on October 04, 2022, has proposed a cash dividend of Rs. 1 per share for the financial year ended June 30 2022. However, this event has been considered as a non-adjusting event under IAS 1' 'Events after the Reporting Period' and has not been recognized in these financial statements.

There are no other material changes, and commitments affecting the Company's financial position have occurred between the end of the financial year of the Company and the date of the auditor's Report.

Acknowledgement

Acknowledgement The Directors would like to place on record their sincere appreciation for the hard work and dedication shown by the management and the employees of the Company throughout the year. On behalf of the Board of Directors and employees of the Company, we express our gratitude and appreciation to all our valued customers, distributors, stockiest, dealers and bankers for the trust and confidence reposed in the Company and look forward to their continued support and participation in sustaining the growth of the Company in the coming years.

Chief Executive **Director**

مالیاتی گوشوارے

چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر اور ایک ڈائریکٹر نے بورڈ کی منظوری کے بعد مالی سال 2022 کے لیے کمپنی کے مالی بیانات کی توثیق کی ہے۔ آڈیٹرز، EY Ford Rhodes، Chartered Accountants نے مالیاتی گوشواروں کا آڈٹ کیا اور مالی حسابات پر غیر ترمیم شدہ رائے کا اظہار کیا۔

ضابطہ اخلاق

کمپنی کا ضابطہ اخلاق مختلف اخلاقی معیارات پر رہنما اُصولوں کو فروغ دیتا ہے جن میں مفادات کے تصادم، ملازمین کے حقوق، دھوکہ دہی وغیرہ جیسے معاملات شامل ہیں۔ اس میں صارفین، سپلائرز، شیئر ہولڈرز اور شراکت داروں سمیت تمام اسٹیک ہولڈرز کے ساتھ بات چیت کے لیے رہنما خطوط شامل ہیں۔ ضابطہ کے روزانہ نفاذ اور نگرانی کی ذمہ داری سینئر انتظامیہ کو سونپی گئی ہے۔

آڈیٹرز

M/s EY Ford Rhodes، چارٹرڈ اکاؤنٹنٹس نے 30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں کا آڈٹ کیا ہے۔ اہلیت کی بناء پر انہوں نے 30 جون 2023 کو ختم ہونے والے اگلے مالی سال کے لیے دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔ آڈٹ کمیٹی، بورڈ میسرز ای وائی فورڈ روڈس چارٹرڈ اکاؤنٹنٹس کو 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے قانونی آڈیٹرز کے طور پر مقرر کرنے کی سفارش کرتا ہے، جو کمپنی کی آئندہ سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

پاکستان کے قومی خزانے اور معیشت میں شراکت

دوران سال کمپنی نے انکم ٹیکس، سیلز ٹیکس، کسٹم ڈیوٹی اور دیگر محصولات کی مد میں قومی خزانے کو 2,257 ملین روپے کا فائدہ دیا ہے۔

شیئر ہولڈنگ کا نمونہ

30 جون 2022 تک شیئر ہولڈنگ کا تناسب، جیسا کہ کوڈ آف کارپوریٹ گورننس کی ضرورت ہے کے مطابق اس رپورٹ کے ساتھ منسلک ہے۔

کمپنی کو درپیش بنیادی خطرات اور غیر یقینی صورتحال

وسیع تر سیاسی اور میکرو اکنامک ماحول کے تناظر میں درپیش خطرات کا اندازہ لگانے کے لیے کمپنی کے پاس رسک مینجمنٹ کا باقاعدہ فریم ورک ہے۔ رسک مینجمنٹ سسٹم کاروباری سرگرمیوں سے متعلق اسٹریٹجک، ریگولیٹری، مالی، آپریشنل اور پائیداری کے خطرات کی نشاندہی کرتا ہے۔ انتظامی کمیٹی کے ذریعے خطرات کا جائزہ محکمانہ مقاصد، اہداف اور کارکردگی کے ساتھ لیا جاتا ہے۔ ظاہر شدہ خطرات کے اثرات کو کم سے کم کرنے کے لیے مناسب حکمت عملی تیار اور نافذ کی جاتی ہے۔ مالی خطرات وہ ہیں جو ادارے کو مالی نقصان پہنچا سکتے ہیں۔ مالیاتی خطرے کو منسلک مالیاتی بیانات کے نوٹ 41 میں تفصیل سے بیان کیا گیا ہے جس میں مارکیٹ کے خطرات، شرح سود کا خطرہ، کرنسی کا خطرہ، کریڈٹ کے خطرات اور لیکویڈیٹی رسک شامل ہیں۔ بین الاقوامی کریڈٹ ریٹنگ ایجنسیوں کی طرف سے ملک اور اعلی درجے کے بینکوں کا منفی نقطہ نظر ایک بڑے خطرے کے طور پر پیش کیا گیا ہے جو نہ صرف کمپنی بلکہ ملک بھر میں درآمد پر منحصر تمام کاروباروں کے لیے سپلائی چین کو متاثر کر سکتا ہے۔ تاہم یہ جاننا مشکل ہے کہ ملک میں سیاسی استحکام کے آنے تک یہ مجموعی معاشی سرگرمیوں کو کب تک اور کس حد تک متاثر کرتا رہے گا۔

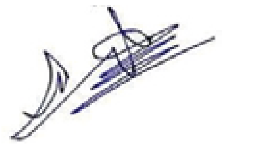
آگے آنے والے معاملات

کمپنی کے بورڈ آف ڈائریکٹرز نے 04 اکتوبر 2022 کو ہونے والی اپنی میٹنگ 30 جون 2022 کو ختم ہونے والے مالی سال کے لیے میں 1 روپے فی حصص کے نقد منافع کی تجویز پیش کی ہے۔ تاہم، اس ایونٹ کو IAS-1 کے تحت ایک نان ایڈجسٹنگ ایونٹ کے طور پر تصور کیا گیا ہے رپورٹنگ کی مدت کے بعد کے واقعات اور ان مالی بیانات میں اس کو ظاہر نہیں کیا گیا ہے۔

کوئی دوسری مادی تبدیلیاں اور کمپنی کی مالی حالت کو متاثر کرنے والے وعدے کمپنی کے مالی سال کے اختتام اور آڈیٹر کی رپورٹ کی تاریخ کے درمیان نہیں ہوئے ہیں۔

اظہارِ تشکر

اعتراف! ڈائریکٹرز سال بھر کمپنی کے انتظامیہ اور ملازمین کی طرف سے دکھائی گئی محنت اور لگن کے لیے اپنی مخلصانہ تعریف ریکارڈ پر رکھنا چاہیں گے۔ کمپنی کے بورڈ آف ڈائریکٹرز اور ملازمین کی جانب سے، ہم اپنے تمام قابل قدر صارفین، ڈسٹری بیوٹرز، اسٹاکسٹ، ڈیلرز اور بینکرز کا کمپنی پر اعتماد اور اعتماد کے لیے شکریہ ادا کرتے ہیں اور آنے والے سالوں میں کمپنی کی ترقی کو برقرار رکھنے کے لیے ان کی مسلسل حمایت اور شرکت کے منتظر ہیں۔



چیف ایگزیکٹو

ڈائریکٹر۔

ہیومن ریسورس اور معاوضہ کمیٹی:

ہیومن ریسورس اور معاوضہ کمیٹی کمپنی کے اندر ہیومن ریسورس کی پالیسیوں اور طریقوں کے متواتر جائزہ لینے اور ان کے بارے میں اپنی ذمہ داریوں کو نبھانے میں بورڈ آف ڈائریکٹرز کی مدد کرتی ہے۔ یہ کلیدی انتظامی اہلکاروں کے انتخاب، تشخیص، معاوضہ اور جانشینی کی منصوبہ بندی میں بورڈ کی مدد کرتی ہے۔ کمیٹی تین ارکان پر مشتمل ہے جن میں سے ایک ایگزیکٹو اور دو نان ایگزیکٹو ڈائریکٹر ہیں۔ کمیٹی کا چیئرمین ایک آزاد ڈائریکٹر ہے۔

فی شیئر آمدنی

30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی کی فی حصص آمدنی گزشتہ سال کی رپورٹ کردہ 4.59 روپے (بحال شدہ) کے مقابلے میں 4.28 روپے رہی۔

ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز نے سینئر مینجمنٹ کے ڈائریکٹرز اور ممبران کے لیے معاوضے کی پالیسی کی منظوری دی ہے۔ جن کی نمایاں خصوصیات یہ ہیں:

- کمپنی اپنے نان ایگزیکٹو اور آزاد ڈائریکٹرز کو بورڈ کے اجلاسوں میں شرکت کے لیے میٹنگ فیس کے علاوہ کوئی معاوضہ ادا نہیں کرے گی۔
- بورڈ آف ڈائریکٹرز یا اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے ڈائریکٹر کا معاوضہ وقتاً فوقتاً بورڈ آف ڈائریکٹرز کے ذریعے طے اور منظور کیا جائے گا۔
- ایک ڈائریکٹر کو بورڈ کے اجلاسوں، اس کی کمیٹیوں اور/ یا کمپنی کی جنرل میٹنگز میں شرکت کے لیے تمام سفری، بورڈنگ، قیام اور دیگر اخراجات کے لیے فراہم یا معاوضہ دیا جائے گا۔

پاکستان سٹاک ایکسچینج میں کمپنی کی لسٹنگ

دوران سال کمپنی 22 ستمبر 2021 کو پاکستان اسٹاک ایکسچینج میں کامیابی کے ساتھ رجسٹرڈ ہوئی۔ IPO کے عمل میں کل 90 ملین شیئرز پیش کیے گئے، جن میں سے 60 ملین نئے حصص کمپنی نے جاری کیے جبکہ باقی 30 ملین شیئرز 5.71 روپے فی حصص کے حساب سے کتاب سازی (book building) کے عمل کے ذریعے فروخت کے لیے پیش کیے گئے۔

ماتحت ادارے کا قیام

سال کے دوران کمپنی نے "سلیکٹ ٹیکنالوجیز (پرائیویٹ) لمیٹڈ" کے نام سے مکمل ملکیتی ماتحت ادارہ قائم کیا ہے۔ جس نے Xiaomi کے موبائل فونز اور اس سے منسلک مصنوعات کے لیے لاہور میں جدید ترین اسمارٹ فون اسمبلی پلانٹ قائم کیا ہے۔ Xiaomi دنیا کے معروف اسمارٹ فون برانڈز میں سے ایک ہے۔ کمپنی نے پلانٹ اور مشینری کی خریداری، انفراسٹرکچر کی تعمیر کے لیے 5 بلین روپے کی سرمایہ کاری کی ہے اور 3 ماہ کے KIBOR پلس 3 فیصد پر ورکنگ کیپیٹل کی ضرورت کو پورا کرنے کے لیے 947 ملین روپے کا اضافہ کیا ہے۔

اندرونی کنٹرول کی افادیت

کمپنی نے کمپنی کے کاروبار کو منظم طریقے سے آگے بڑھانے، اس کے اثاثوں کی حفاظت اور اگر اس کے ریکارڈ کی درستگی اور محفوظ بنانے کے لیے اندرونی کنٹرول کا ایک موثر نظام استعمال کیا ہے۔
بورڈ براہ راست یا اپنی کمیٹیوں کے ذریعے اندرونی کنٹرول کی سرگرمیوں کی کافی مقدار کو یقینی بناتا ہے۔ بورڈ عبوری کھاتوں، رپورٹوں، منافع کے جائزوں اور دیگر مالیاتی اور شماریاتی معلومات کے ذریعے کمپنی کے مالیاتی آپریشنز اور پوزیشن کا باقاعدہ وقفوں سے جائزہ بھی لیتا ہے۔

متعلقہ فرق سے لین دین پارٹی ٹرانزیکشن

کاروبار کے معمول کے دوران پیدا ہونے والے متعلقہ فریقوں کے ساتھ تمام لین دین کمپنی کی متعلقہ پارٹی پالیسی کے تحت، عام تجارتی شرائط وضوابط پر غیر جانبدارانہ، بازو کی لمبائی کی بنیاد پر کیے جاتے ہیں۔
کمپنی نے مالی بیانات میں ظاہر کیے جانے کے علاوہ کوئی متعلقہ فریق لین دین نہیں کیا ہے۔

صحت، تحفظ اور ماحولیات

ہم صحت، تحفظ اور ماحولیات (HSE) میں اعلیٰ ترین معیارات کو برقرار رکھنے پر پختہ یقین رکھتے ہیں تا کہ ہمارے ساتھ کام کرنے والے لوگوں کے ساتھ ساتھ ان کمیونٹیز کی فلاح و بہبود کو یقینی بنایا جا سکے جہاں ہم کام کرتے ہیں۔ کمپنی نے بیورو ویریٹاس سے گولڈ اسٹینڈرڈ سرٹیفکیشن حاصل کی ہے۔ پاکستان بھر کے گوداموں میں حفاظتی پالیسیاں کمپنی کے ملازمین اور فطرت دونوں کے لیے خطرے سے پاک ماحول کے وژن کے ساتھ لاگو ہوتی ہیں۔

بورڈ آف ڈائریکٹرز اور کمیٹیوں کی تشکیل:

قوانین کے مطابق، صنفی تنوع کے ساتھ کمپنی کے بورڈ آف ڈائریکٹرز کی نمائندگی آزاد، غیر ایگزیکٹو اور ایگزیکٹو ڈائریکٹرز کرتے ہیں۔

ڈائریکٹرز کی کل تعداد

a- مرد : 6

b- خاتون : 1

بورڈ کی تشکیل

	سیریل نمبر	ڈائریکٹرز کے نام	آڈٹ کمیٹی	ہیومن ریسورس کمیٹی
آزاد ڈائریکٹرز	1	حسین قلی خان	ممبر	-
	2	آقدس فراز طاہر	-	ممبر
	3	شارق عظیم صدیقی	ممبر	ممبر
غیر ایگزیکٹو ڈائریکٹرز	1	اسلم حیات پراچہ	-	-
	2	رابعہ مظفر	ممبر	-
ایگزیکٹو ڈائریکٹرز	1	مظفر حیات پراچہ	–	ممبر
	2	نفیس حیدر	–	–

ڈائریکٹرز کی حاضری:

زیر جائزہ مدت کے دوران بورڈ کے چار (4) جلاس، چآڈٹ کمیٹی کے چار (04) اجلاس اور ایک (01) ہیومن ریسورس اینڈ ریمونریشن (HR&R) کمیٹی کا ایک (01) اجلاس منعقد ہوئے۔ متعلقہ بورڈ/ ذیلی کمیٹیوں کے اجلاسوں میں ہر ڈائریکٹر کی حاضری حسب ذیل تھی: کمیٹیوں کے اجلاس حسب ذیل تھے:

ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز کے اجلاس	آڈٹ کمیٹی کے اجلاس	ہیومن ریسورس اور معاوضہ کمیٹی کے اجلاس
حسین قلی خان	3	4	–
اقدس فراز طاہر	4	–	1
شارق عظیم صدیقی	4	4	1
اسلم حیات پراچہ	4	–	–
مظفر حیات پراچہ	4	–	1
نفیس حیدر	4	–	–
رابعہ مظفر	3	1	–

آڈٹ کمیٹی

آڈٹ کمیٹی کارپوریٹ گورننس اور فنانشل رپورٹنگ فریم ورک کے مطابق بورڈ آف ڈائریکٹرز کو ان کی حقیقی ذمہ داریوں کی ادائیگی میں معاونت کرتی ہے۔ کمیٹی تین ممبران پر مشتمل ہے، دو آزاد ڈائریکٹرز اور ایک نان ایگزیکٹو ڈائریکٹر ہیں کمیٹی کے چیئرمین آزاد ڈائریکٹر ہیں۔ آڈٹ کمیٹی لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 (کوڈ 2019) کے مطابق انتظامیہ کی عدم موجودگی میں بیرونی آڈیٹرز اور ہیڈ آف انٹرنل آڈٹ کے درمیان ہم آہنگی کو یقینی بناتی ہے۔

ڈائریکٹر کی رپورٹ

تعارف

محترم اسٹیک ہولڈرز،

ایئرلنک کمیونیکیشن لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون 2022 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ کمپنی کے نتائج پیش کرنے میں اظہار مسرت کرتے ہیں۔

جائزہ

ملک نے مالی سال 22 میں بحالی اور ترقی دونوں کے امتزاج کے ساتھ جی ڈی پی کی شرح نمو 5.97 فیصد حاصل کی۔ اقتصادی سرگرمیوں میں اس مضبوط رفتار کا مشاہدہ مختلف شعبوں میں جی ڈی پی کی شرح نمو کے ساتھ بھی کیا گیا ہے۔ 4.40% زراعت میں، 9.2% لارج مینوفیکچرنگ (LSM) سیکٹر میں ہوئی۔

تاہم مالی سال 22 کی آخری سہ ماہی میں، سیاسی اور میکرو اکنامک حالات میں نمایاں تبدیلی آئی اور 19 مئی 2022 تک وزارت تجارت نے "لگژری آئٹمز کی درآمد پر پابندی" کے لیے SRO جاری کیا جس نے CBU حالت میں موبائل فونز کی درآمد کو محدود کر دیا اور بعد ازاں میں 20 مئی 2022 تک اسٹیٹ بینک آف پاکستان نے بھی ایک سرکلر "EDP سرکلر لیٹر نمبر 9 آف 2022" جاری کیا جس میں SBP سے موبائل فونز کی CKD/SKD حالت میں محدود زرمبادلہ کوٹہ کے ساتھ LC(Letter of Credit) کھولنے کے لئے پیشگی منظوری حاصل کرنے کی ہدایت کی گئی ہے۔ دو مختلف آرڈرز کے مسلسل اجراء نے مالی سال 22 کی اختتامی کارکردگی کو متاثر کیا اور امید کی جاتی ہے کہ مالی سال 23 معیشت اور تمام اسٹیک ہولڈرز کے لیے چیلنجنگ دور ہوگا۔

روس اور یوکرائن کی جنگ میں شدت کے نتیجے میں اجناس کی قلت ہوئی اور قیمتیں بڑھ گئی اور اس کی وجہ سے پاکستان کو ایل این جی کی بلند قیمتوں اور فوسل فیول آئل اور کوئلے کی درآمد میں رکاوٹ پیش آ رہی ہے جس کا اثر بالآخر عام آدمی اور اس کی قوت خرید پر پڑا ہے۔

افراط زر اور شرح سود

اجناس کے جاری سپر سائیکل کی وجہ سے، باقی دنیا کی طرح قیمتوں میں بہت زیادہ اضافہ ہوا ہے (خوراک کی قیمتیں 14.32%، ایندھن کی قیمتیں 23.99٪ بجلی کی قیمتیں 10.75% اور دیگر صارفین کی صوابدیدی اشیاء 10.60%) نتیجتاً افراط زر جیسا کہ CPI نے اشارہ دیا FY22 کے دوران کافی اضافہ ہوا جو 12.15% ریکارڈ کیا گیا۔ تاہم، ایئرلنک نے مستقبل قریب میں اپنے فعال نقطہ نظر اور عملی دوراندیشی کی وجہ سے تمام تر ترقی حاصل کی ہے کمپنی کی مالی پوزیشن اور نقد لین دین کرنے کی صلاحیت وہ بنیادیں ہیں جس سے اس کی آپریشنل افادیت کو مزید سہارا ملتا ہے، اور پہلا بہترین فائدہ حاصل کرنے کے لیے نئی سرمایہ کاری کرنے اور مسابقتی فائدہ کو برقرار رکھتے ہوئے شیئر ہولڈرز کی قدر کو بڑھانے میں مدد حاصل ہوتی ہے۔

کارکردگی کا جائزہ

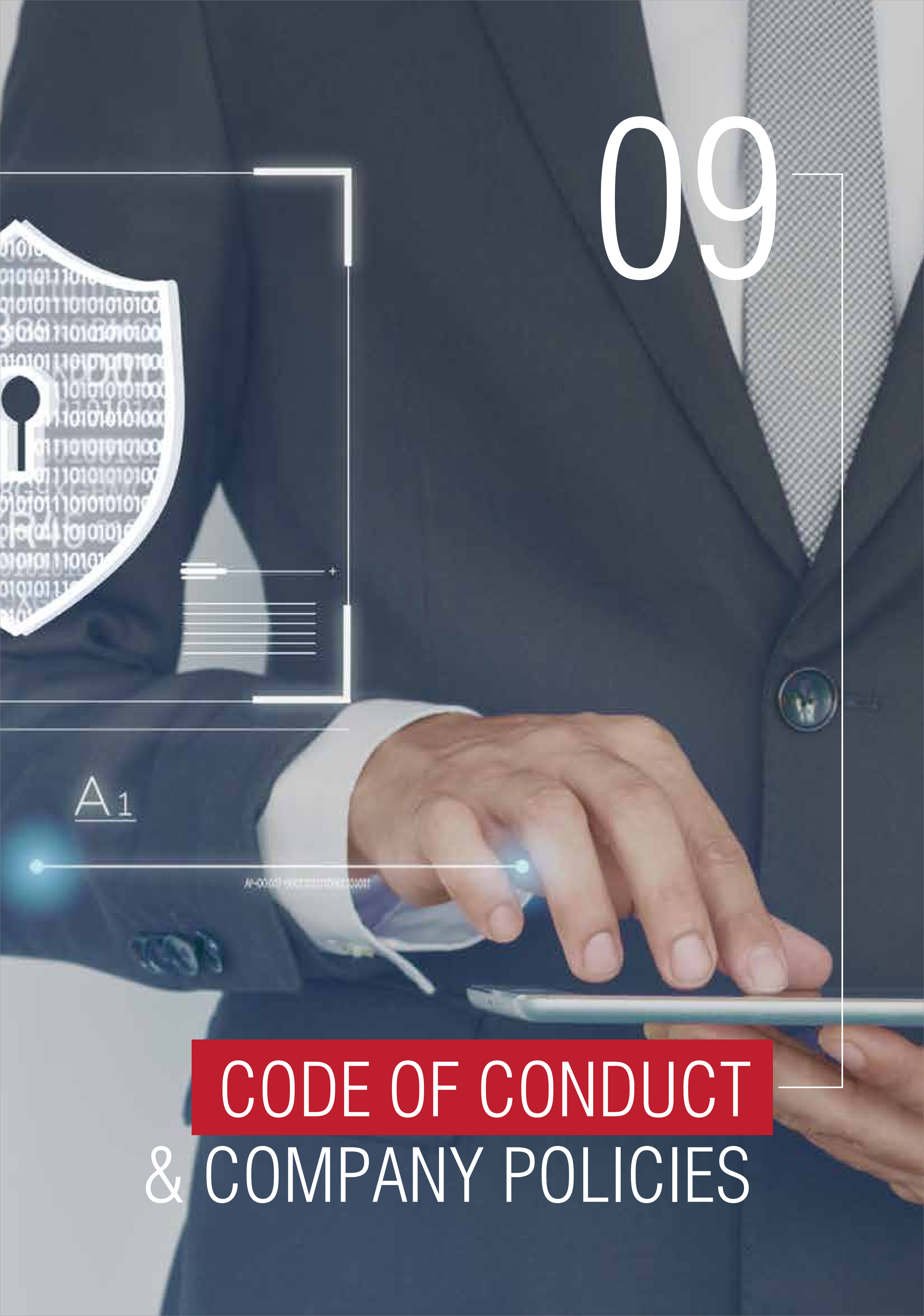
ایک مختصر مالی تجزیہ ذیل میں پیش کیا جاتا ہے:

تفصیلات	30 جون 2021	30 جون 2022
کاروبار	46,159,701,856	47,372,802,392
کل منافع	4,771,848,004	4,801,792,199
منافع قبل از ٹیکس	2,467,973,711	2,404,058,171
سال کے لئے خالص منافع	1,648,590,432	1,505,004,481

معاشی عوامل، روپے کی قدر میں کمی، اجناس کی بڑھتی ہوئی قیمتوں اور درآمدی پابندیوں اور بالترتیب کمپنی کو موبائل فونز CBU اور SKD میٹریلز کی دستیابی میں رکاوٹ کا سامنا کرنا پڑا۔ جبکہ کمپنی 46,159,701,856 روپے کی خالص آمدنی کے حصول کے ساتھ ان چیلنجوں سے نکلنے میں کامیاب رہی۔ مجموعی منافع کا مارجن دباؤ میں رہا جس کے نتیجے میں گزشتہ سال کے مقابلے میں 0.20 فیصد اضافہ ہوا۔ تاہم، لاگت کے سخت کنٹرول کو لاگو کر کے اور آپریشنز میں استعداد کار لانے سے کمپنی کا ٹیکس سے پہلے منافع اور خالص منافع میں بالترتیب 5.33 فیصد اور 3.56 فیصد اضافہ ہوا جو پچھلے سال کے 5.07 فیصد اور 3.18 فیصد تھا۔

مستقبل کا جائزہ

غیر متوقع اتار چڑھاؤ اور غیر یقینی صورتحال کے باوجود کئی سالوں میں معیشت نے مضبوط لچک کا مظاہرہ کیا ہے۔ لیکن توقع ہے کہ جاری مالی سال بڑھتی ہوئی مہنگائی، مالیاتی گراوٹ اور مالیاتی رقوم کے کم ہونے کی وجہ سے بہت مشکل رہے گا۔ آگے بڑھتے ہوئے، استحکام کو محفوظ بنانے اور ترقی کو فروغ دینے کے لیے پالیسیوں پر توجہ دے کر اصلاحات کی رفتار کو برقرار رکھنا ضروری ہے۔ معیشت کو سہارا دینے، قرضوں کی پائیداری کو یقینی بنانے اور سماجی ہم آہنگی کو برقرار رکھتے ہوئے ساختی اصلاحات کو آگے بڑھانے کے درمیان ایک مناسب توازن قائم کرنے کی سخت ضرورت ہے۔



09

CODE OF CONDUCT & COMPANY POLICIES

Code of Conduct

Our Employee Code of Conduct company policy outlines our expectations regarding employees’ behavior towards their colleagues, supervisors and overall organization.

We promote freedom of expression and open communication. But we expect all employees to follow our code of conduct. They should avoid offending, participating in serious disputes and disrupting our workplace. We also expect them to foster a well-organized, respectful and collaborativeenvironment.

Conflict of Interest

We expect employees to avoid any personal, financial or other interests that might hinder their capability or willingness to perform their job duties.

Compliance With Lawz

All employees must protect our company’s legality. They should comply with all environmental, safety and fair dealing laws. We expect employees to be ethical and responsible when dealing with our company’s finances, products,partnerships and public image.We expect employees to avoid any personal, financial or other interests that might hinder their capability or willingness to perform their job duties.

Respect in Theworkplace

All employees should respect their colleagues. We won’t allow any kind of discriminatory behavior,harassment or victimization.Employees should conform with our equal opportunity policy in all aspects of their work, fromrecruitment and performanceevaluation to interpersonal relations.

Company Policies

HR policies and procedures of Airlink gives guidance on a range of employment issues for:

and others with responsibility for its people.

They also provide consistency and transparency for employees and managers, helping to enhance the psychological contract and create a positive organizational culture. Air Link's HR policiesprovide general andpractical advice andguidance for managersand staff on a range ofemployment issues.It can be helpful to consider the type of policies that may be relevant to the organization during the course of the employment life cycle: beginningemployment, duringemployment and leaving employment.

It Governance

The purpose of this policy is to establish a framework to maintain the security ofinformation and related assets exchange between Air link communication ltd. And any external entity.

The policy applies to permanent, contractual employees, consultants and other workers at ALC including all personnel affiliated with third parties. It also covers all suppliers and customers where a formal contract is in place.

All departments of theorganization will ensure that information in electric form shall be exchanged through electronic medium and using reliable security &encryptioncontrols to ensure its integrity, and the ones shared throughphysical media andwritten/printed form shall follow the same protocols of security.We expect employees to avoid any personal, financial or other interests that might hinder their capability or willingness to perform their job duties.

Diversity Policy

Air Link Communication is committed to encouraging equality, diversity and inclusion among our workforce, and eliminating unlawful discrimination.

The aim is for our workforce to be truly representative of all sections of society and our customers, and for each employee to feel respected and able to give their best.

The organization - inproviding goods and/orservices and/or facilities - is also committed against unlawful discrimination of customers or the public.

Provide equality, fairness, and respect for all in our employment, whether temporary, part-time or full-time

Not unlawfully discriminate becauseof the Equality Act 2010 protectedcharacteristics of age, disability, genderreassignment, marriage and civil partnership, pregnancyand maternity, race (including colour, nationality, and ethnic or national origin), religion or belief, sex and sexual orientation

Oppose and avoid all forms of unlawfuldiscrimination. This includes in pay and benefits, terms and conditionsof employment, dealing with griev-ances and disci-pline,dismissal,redundancy, leave for parents, requests forflexible working, and selection for employment, promotion,training or other developmental opportunities

Whistle blowing policy

Compliance and integrity are of great importance for Air Link Communication. The Board of Directors therefore requires all employees and members of the Air Link Communication act in accordance with the law, the Air Link CommunicationBusiness Principles, our company guidelines and other internal regulations. It is therefore crucial to be aware of any potential non-compliant behavior that puts Air Link Communication at risk.

Hence, the Air Link Communication Board of Directors promotes a culture of openness, trust and transparency and encourages employees as well as external parties to speak up and raise concerns about actual or suspected misconduct.

This is key to avert and safeguard Air Link Communication from any potential financial and/or reputational risk and secure our long-term success.

This guideline is intended to demonstrate the Board of Directors' commitment towards protecting reporters of misconduct or wrongdoing in the organization to actively encourage employees to raise any concerns.

In this sense, the guideline sets out standards for protecting reporters of alleged Compliance Incidents. In addition, it governs the process of reporting suspected or actual misconduct at Air Link Communication and the handling of received reports.

This Guideline mainly describes:

- Protection of Compliance Incident reporters
- Compliance Incident reporting and handling process.

CSR Policy

This policy applies to our company and its subsidiaries. It may also refer to suppliers and partners.

Policy Elements

We want to be a responsible business that meets the highest standards of ethics and professionalism.

Our company's social responsibility falls under two categories:

Compliance and proactiveness. Compliance refers to our company's commitment to legality and willingness to observe community values. Proactiveness is every initiative to promote human rights, help communities and protect our natural environment.


Compliance


Legality


Protecting the environment


Protecting people


Human rights


Proactiveness


Donations and aid


Volunteering


Preserving the environment


Supporting the community

Prohibition of Childlabor Policy

Airlink's prohibition of child labor policy is our position on employing minors and aims to ensure that our company, its subsidiaries, and everyone we're connected with, follows the law and cares for children's interests.

This policy applies to our entire organization and those we do business or partner with including suppliers, vendors, and contractors.The International Labor Organization (ILO), the U.N Convention on the Rights of the Child, local government legislation including and not limited to **THE PUNJAB RESTRICTION ONEMPLOYMENT OF CHILDREN ACT** 2016; guide our policy on child labor. When it comes to legal aspects, we always:

Follow the stricter law if more than one laws apply (e.g. state and federal, local and international).

Require suppliers, partners,and vendors to follow the stricter applicable laws and recognize children's rightsThey must also require theirown suppliers, subcontractors,and stakeholders to do the same.

Pandemic Responseplan & Strategies

OUTLINE
This document is designed to help Air link minimize the risk posed by

1

Covid-19 pandemic to the health and safety of employees, the continuity of business operations and their bottom line. It is intended to provide all businesses in Canada with the basic information they require in preparing a continuity plan to mitigate the potential effects of a pandemic.

Business Continuity Planning

2

2.1.Safetymeasures for Workforce

Right after the pandemic broke out, we ensured the hygiene kits including and not limited to mandatoryface masks at workplace, use of hand sanitizers, installation of hand washers for frequent hand washing,personal protection equipment where needed and social distancing practices.

2.2. Extending digital outreach

IT team ensured that every-one stays connected during mandatory work from home, everyone was connected through Zoom (video app) and there has been a SOP regarding daily team meeting over Zoom for business continuity and job delivery. IT team also ensured that teams have virtual access to the required data during WFH phase.

2.3. Maintaining Essential Business Operations

Supply Chain was ensured to be effectively managed during the extreme waves of pandemic to ensurethat product delivery is not compromised. Certainmeasures were taken to onboard the logistics careers with new service levels.

2.4 Communicationwith Staff

Simultaneous communication from CEO, HODs and HR with staff was developed and maintained throughout the pandemic to keep them posted with overall business strategy and evolving situations.

Human Resource Obligations

3

3.1. Training & Awareness

HR Department devised a strategy to train and teach employees by developing and communicating SOPsunder precautions advised by concerned local and global bodies, through their managers, officermanagement teams, display, email & whatsapp reminders.

3.2. Policies for Infected Employees

HR department had a very clear policy for infected employees by advising them complete isolation formild symptoms andhospitalization in case of mild to strong symptoms. HR benefits team also worked to include coverage of hospitalization in current health insurance plan. HR stayed in contact with all infected employees during their recovery period and arranged medical advice where needed. HR also maintained database for tracking all such cases.

3.3. Mandatory Work From Home & 50% Staff@work Place Implementation

HR ensured the compliance on government policies of mandatory work from home and 50% staff at workplace to keep all employees from any infection. HR with the help of IT also ensured that all employees remainvirtually connected and acted as POC in case of any problem.

3.4. Vaccinated Workplace Drive

As soon as vaccination drive started by government, HR pushed all employees to get vaccinated and made it obligatory to havevaccinated to appear for work. HR had to achieve 100% vaccinated staff at workplace withoutconsuming anyconsiderable time. HR also updated recruitment policy and made vaccination a spot on checklist for new hires.

10

FINANCIAL STATEMENT

EY
Building a better working world

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INDEPENDENT AUDITOR'S REPORT

To the members of Airlink Communication Limited

Report on the Audit of the Financial Statements as at 30 June 2022

Opinion

We have audited the annexed financial statements of Airlink Communication Limited ("the Company"), which comprise the statement of financial position as at 30 June 2022, statement of profit or loss, the statement of comprehensive income , the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss , the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Revenue Recognition	
During the year ended 30 June 2022, the Company recognized net revenue of Rs. 46.16 billion as compared to Rs. 47.37 billion in previous year, as disclosed in Note 29 and according to the accounting policy described in Note 4.10 to the financial statements. The Company generates revenue from sales of a wide range of products and services which include cellular mobile phones, tablets, accessories, allied products and related repair services to customers. The Company also offers discounts from time to time on several product categories for the various types of customers. Due to the above factors requiring significant auditor's attention on occurrence and considering the significance of revenue as a key performance indicator for users of financial statements, we have considered revenue recognition as a key audit matter.	Our audit procedures, amongst others, included the following: Obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the effectiveness of those controls, specifically in relation to recognition of revenue and timing thereof; Evaluated the appropriateness of the Company's revenue recognition policies and procedures to assess compliance with International Financial Reporting Standards ("IFRS") as applicable in Pakistan; Performed substantive analytical procedures using dis-aggregated data in order to gain assurance over the revenue recognized and focused our testing on outliers and unusual trends in light of overall external economic environment; Performed trend analysis and correlation between revenue and trade discount and assessed the reasonableness in the context of local environment along with relating the same to movement in receivables and cash; Performed procedures to identify and review any manual adjustments at year end impacting revenue to identify significant or unusual items and reviewed underlying documentation; Tested supporting evidence in relation to a sample of sales transactions including but not limited to sales orders, sales invoices, goods dispatch notes, gate passes, proof of delivery (acknowledgement by customers) and performing other tests of details;

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Key audit matters	How the matter was addressed in our audit
	Ensured that revenue items are correctly classified with reference to guidance in International Financial Reporting Standard 15 ("IFRS 15"); Performed procedures around the cut off of revenue; and Considered the appropriateness and adequacy of the disclosure provided in Note 29 to the financial statements in relation to the relevant accounting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017(XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deducted at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

EY Ford Rhodes

EY Ford Rhodes
Chartered Accountants
Lahore: 06 October 2022
UDIN: AR202210177AYxj2TPbD

Unconsolidated Statement Of Financial Position
As At 30 June 2022

	Note	30 June 2022 Rupees	30 June 2021 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	736,588,940	1,253,900,236
Intangibles	6	15,455,020	18,016,354
Investment in subsidiary	7	5,000,000,000	-
Deferred tax asset	8	23,762,797	-
		5,775,806,757	1,271,916,590
CURRENT ASSETS			
Stores and spares		17,161,871	7,560,647
Stock in trade	9	3,158,551,742	3,533,673,866
Trade debts	10	3,752,501,028	5,391,262,155
Loans and advances	11	59,757,546	171,674,967
Trade deposits and short term prepayments	12	97,193,369	32,468,109
Other receivables	13	3,861,853,815	3,753,344,917
Tax refunds due from the Government	14	166,623,631	244,859,633
Short term investments	15	1,009,527,023	509,500,786
Cash and bank balances	16	990,297,235	832,153,312
		13,113,467,260	14,476,498,392
TOTAL ASSETS		18,889,274,017	15,748,414,982
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Authorized share capital 600,000,000 (30 June 2021: 400,000,000 of Rs.10 each) ordinary shares of Rs.10 each		6,000,000,000	4,000,000,000
Issued, subscribed and paid up capital	17	3,952,692,310	3,000,000,000
Share premium - capital reserve	18	3,556,176,808	-
Accumulated profit - revenue reserve		4,199,708,939	2,991,850,517
General reserves - revenue reserve		44,559,977	44,559,977
Long term loan - equity portion		21,372,477	42,744,954
Share deposit money	19	-	400,000,000
		11,774,510,511	6,479,155,448
NON CURRENT LIABILITIES			
Long term loans - debt portion	20	876,612,295	145,487,575
Lease liabilities	21	242,066,981	621,155,313
Defined benefit liability	22	24,930,028	34,722,393
Deferred tax liability	8	-	15,239,805
		1,143,609,304	816,605,086
CURRENT LIABILITIES			
Current portion of long term loans	20	426,789,550	438,747,989
Current maturity of lease liabilities	21	104,179,241	89,901,750
Short term borrowings	23	3,936,056,734	6,085,626,053
Accrued markup	24	121,937,580	110,730,936
Refund liabilities	25	309,084	30,221,644
Contract liabilities	26	152,365,597	82,882,488
Provision for taxation		743,403,372	214,548,547
Trade payables, accrued and other liabilities	27	390,814,817	1,399,995,041
Unclaimed dividend		95,298,227	-
		5,971,154,202	8,452,654,448
TOTAL EQUITY AND LIABILITIES		18,889,274,017	15,748,414,982
CONTINGENCIES AND COMMITMENTS	28		

The annexed notes from 1 to 49 form an integral part of these unconsolidated financial statements.

Chief Executive	Chief Financial Officer	Director

Unconsolidated Statement Of Profit Or Loss

For The Year Ended 30 June 2022

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Revenue from contracts with customers - net	29	46,159,701,856	47,372,802,392
Cost of sales	30	(41,387,853,852)	(42,571,010,193)
Gross profit		4,771,848,004	4,801,792,199
Administrative expenses	31	(874,958,759)	(725,215,507)
Selling and distribution cost	32	(542,657,454)	(580,987,886)
		(1,417,616,213)	(1,306,203,393)
Operating profit		3,354,231,791	3,495,588,806
Other expenses	33	(88,462,415)	(57,113,232)
Other income	34	227,337,666	67,846,840
Finance cost	35	(1,025,133,331)	(1,102,264,243)
Profit before taxation		2,467,973,711	2,404,058,171
Taxation	36	(819,383,279)	(899,053,690)
Net profit for the year		1,648,590,432	1,505,004,481
Earnings per share			**Restated**
- Basic	37	4.30	4.59
- Diluted	37	4.30	4.47

The annexed notes from 1 to 49 form an integral part of these unconsolidated financial statements.

Chief Executive	**Chief Financial Officer**	**Director**

Unconsolidated Statement Of Comprehensive Income
For The Year Ended 30 June 2022

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Net profit for the year	A	1,648,590,432	1,505,004,481
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement losses on defined benefit plan	22.4	(3,715,078)	(1,231,140)
Related tax effect		1,225,976	357,031
Re-measurement losses on defined benefit plan - net of tax		(2,489,102)	(874,109)
Items that may be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive loss for the year	B	(2,489,102)	(874,109)
Total comprehensive income for the year	A+B	1,646,101,330	1,504,130,372

The annexed notes from 1 to 49 form an integral part of these unconsolidated financial statements.

Chief Executive

Chief Financial Officer

Director

Unconsolidated Annual Statement Of Changes In Equity
For The Year Ended 30 June 2022

	Issued, subscribed and paid up capital	Capital reserve: Share Premium	Revenue reserve: General reserves	Revenue reserve: Accumulated profit	Long term loan - equity portion	Loan from Director	Share deposit money	Total
	(Rupees)							
Balance as at 1 July 2020	3,000,000,000	-	44,559,977	1,487,720,145	42,744,954	21,557,155	-	4,596,582,231
Profit for the year	-	-	-	1,505,004,481	-	-	-	1,505,004,481
Other comprehensive income for the year	-	-	-	(874,109)	-	-	-	(874,109)
Total comprehensive income for the year	-	-	-	1,504,130,372	-	-	-	1,504,130,372
Loan repaid	-	-	-	-	-	(21,557,155)	-	(21,557,155)
Conversion of long term loan (note 20.1)	-	-	-	-	-	-	400,000,000	400,000,000
Balance as at 30 June 2021	3,000,000,000	-	44,559,977	2,991,850,517	42,744,954	-	400,000,000	6,479,155,448
Transactions with owners in their capacity as owners:								
Conversion of long term loan amounting Rs. 400 million at the rate of Rs. 52 per share (note 20.1.1)	**76,923,080**	**323,076,920**	-	**21,372,477**	**(21,372,477)**	-	**(400,000,000)**	-
Issuance of shares against initial public offering (note 1.2)	**600,000,000**	**3,690,000,000**	-	-	-	-	-	**4,290,000,000**
Transaction cost on issuance of ordinary shares (note 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	-	-	-	**1,648,590,432**	-	-	-	**1,648,590,432**
Other comprehensive loss for the year	-	-	-	**(2,489,102)**	-	-	-	**(2,489,102)**
Total comprehensive income for the year	-	-	-	**1,646,101,330**	-	-	-	**1,646,101,330**
Balance as at 30 June 2022	**3,952,692,310**	**3,556,176,808**	**44,559,977**	**4,199,708,939**	**21,372,477**	-	-	**11,774,510,511**

The annexed notes from 1 to 49 form an integral part of these unconsolidated financial statements.

Chief Executive | **Chief Financial Officer** | **Director**

Unconsolidated Statement Of Cash Flows

For The Year Ended 30 June 2022

	Note	30 June 2022 Rupees	30 June 2021 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		2,467,973,711	2,404,058,171
Adjustments for :			
Depreciation of property, plant and equipment	5.5	274,699,168	232,928,893
Amortization of intangible assets	6	11,706,708	7,459,242
Provision for net realizable value	9.1	(11,525,259)	(18,875,891)
(Reversal of) allowance for expected credit loss - trade debts	31	(58,941,054)	8,588,796
(Reversal of) allowance for expected credit loss - other receivables	31	(50,659,247)	50,659,247
Provision for gratuity	22.2	14,083,998	13,048,974
(Gain) / loss on lease termination	33 & 34	(43,406,778)	6,265,435
Foreign currency exchange loss	33 & 34	-	1,996,317
Gain on modification of loan	34	(4,656,579)	-
Provision written back	34	-	(14,819,017)
Finance cost	35	725,405,405	771,002,246
Unrealized gain on financial assets	34	(3,522,535)	(2,651,572)
Profit on investments	34	(56,112,791)	(50,376,251)
		797,071,036	1,005,226,419
Operating profit before working capital changes		3,265,044,747	3,409,284,590
(Increase) / decrease in current assets			
Stock in trade		386,647,383	1,095,253,920
Stores and spares		(9,601,224)	(7,560,647)
Trade debts		1,697,702,181	(744,539,216)
Loans and advances		111,917,421	(5,032,964)
Trade deposits and short term prepayments		(60,058,684)	(16,014,063)
Other receivables		(57,849,651)	5,348,330,486
Tax refunds due from the Government		81,471,693	2,623,238
		2,150,229,119	5,673,060,754
Increase / (decrease) in current liabilities			
Trade payables, accrued and other liabilities		(1,039,092,784)	(5,046,435,763)
Contract liabilities		69,483,109	(34,190,626)
Cashflows after working capital changes - net		4,445,664,191	4,001,718,955
Financial cost paid		(630,534,907)	(739,238,538)
Gratuity paid	22.4	(27,591,441)	(8,746,300)
Income tax paid		(331,540,768)	(785,158,695)
NET CASH GENERATED FROM OPERATING ACTIVITIES	[A]	3,455,997,075	2,468,575,422
CASH FLOW FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment - owned assets		(32,412,818)	(578,163,563)
Investment in subsidiary		(5,000,000,000)	-
Additions in intangibles	6	(9,145,374)	(16,667,109)
Interest income received		38,809,089	72,773,914
Short term investments made		(479,200,000)	-
Short term investments disposed off		-	197,000,000
NET CASH USED IN INVESTING ACTIVITIES	[B]	(5,481,949,103)	(325,056,758)
CASH FLOW FROM FINANCING ACTIVITIES			
Lease liability repaid		(130,052,971)	(162,174,670)
Proceeds against issuance of shares		4,108,869,118	-
Dividend paid		(364,317,158)	-
Director's loan repaid		-	(21,557,155)
Long term loans obtained		1,070,000,000	547,279,250
Long term loans repaid		(350,833,719)	(390,890,949)
Short term borrowings repaid - net		(2,149,569,319)	(2,098,310,589)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	[C]	2,184,095,951	(2,125,654,113)
NET INCREASE IN CASH AND CASH EQUIVALENTS	[A+B+C]	158,143,923	17,864,551
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		832,153,312	814,288,761
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	40	990,297,235	832,153,312

The annexed notes from 1 to 49 form an integral part of these unconsolidated financial statements.

Chief Executive | **Chief Financial Officer** | **Director**

1 THE COMPANY AND ITS OPERATIONS

1.1 The Company was incorporated in Pakistan on 02 January 2014 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) having registered office at 152-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan (previously at LG 2, Al - Qadeer Heights, 1 Babar Block, New Garden Town, Lahore, 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, Pakistan.
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 Complex, Rashid Minhas Road, Karachi, Pakistan

In addition to the above, the Company also has stores and warehouses, the list of which is not presented in these financial statements to maintain concision. The Company has a wholly-owned subsidiary namely Select Technologies (Private) Limited which is engaged in the business of assembly and production of smartphones and related accessories.

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

2 STATEMENT OF COMPLIANCE

2.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS standards) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These are separate financial statements of the Company in which Select Technologies (Private) Limited is shown at cost, consolidated financial statements are presented separately.

2.2 Standards, interpretation and amendments applicable to the financial statements for the year ended 30 June 2022

The accounting policies adopted in the preparation of these financial statements are consistent with those of the Company for the year ended 30 June 2021, except as described below:

New standards and amendment

The Company has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current year:

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

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

The following 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	Effective date (annual periods beginning on after)
Reference to the Conceptual Framework – Amendments to IFRS 3	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	1 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	1 January 2022
AIP IFRS 1 First-time Adoption of International Financial Reporting Standards – Sub sidiary as a first-time adopter	1 January 2022
AIP IFRS 9 Financial Instruments – Fees in the "10 per cent" test for derecognition of financial liabilities	1 January 2022
AIP IAS 41 Agriculture – Taxation in fair value measurements	1 January 2022
Insurance Contracts – IFRS 17	1 January 2023
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	1 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amend ments to IAS 12	1 January 2023
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 & IAS 28	Not yet finalized

The Company expects that such improvements to the standards will not have any material impact on the Company's 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.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation		Effective date (annual periods beginning on after) *
IFRS 1	First-time Adoption of International Financial Reporting Standard	1 July 2009
IFRS 17	Insurance Contracts	1 January 2023

*This represents effective date as per the standards. However, the standards will become effective from the date as notified by the SECP.

The Company expects that such improvements to the standards and new standards will not have any material impact on the Company's financial statements.

3 BASIS OF PREPARATION

3.1 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except that certain employee benefits are recognized on the basis mentioned in note 4.11

3.2 PRESENTATION CURRENCY

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

3.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of 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.

In preparing these financial statements, the significant estimates, assumptions and judgements made by the management in applying accounting policies include:

3.3.1 Judgements

Lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonable certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease options that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factor that create an economic incentive for it to exercise the renewal or termination. After the commencement period, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

3.3.2 Estimates and assumptions

3.3.2.1 Revenue from contracts with customers

The Company applied the following judgement that significantly affect the determination of the amount of revenue from contracts with customers:

- **Variable consideration**

  Contracts with customers include incentives and lower portion discounts that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

  The Company applies the most likely amount method. The selected method that best predicts the amount of variable consideration is primarily driven by the incentives decided by the brand owners at the time of purchase of goods and historical recovery patterns.

  Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience and current economic conditions.

3.3.2.2 Impairment of financial assets

The Company assesses the impairment of its financial assets based on the Expected Credit Loss ("ECL") model. Under the expected credit loss model, the Company accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Company measures the loss allowance at an amount equal to lifetime ECL for its financial instruments.

The Company measures the expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

- the time value of money, if applicable; and

- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Expected credit losses are measured for the maximum contractual period over which the entity is exposed to credit risk. The significant estimates relating to the measurement of ECL relate to the fair value of the collaterals in place, the expected timing of the collection and forward looking economic factors.

Other areas where estimates and judgments are involved have been disclosed in respective notes to the financial statements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with prior year except as stated in note 2.2.

4.1 Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is provided on straight line method at the rates given in schedule of property, plant and equipment and charged to statement of profit or loss to write off the depreciable amount of each asset at the rates specified in the note 5. Depreciation is provided on assets for the proportionate period of its use in the year of addition and disposal in statement of profit or loss. Normal repairs and maintenance are charged to statement of profit or loss, while major renewals and improvements are capitalized.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

Estimates with respect to residual values, depreciable lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the management reviews the value of the assets for possible impairments on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment, with a corresponding effect on the depreciation charge and impairment.

4.2 Intangibles

Intangibles are initially stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged to statement of profit or loss applying the straight line basis over its normal useful life as specified in note 6. Amortization is charged to statement of profit or loss on time proportion basis for addition or deletion during the year. Gains and losses on disposal of assets are included in statement of profit or loss.

4.3 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash in hand and cash at bank as specified in note 40 that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in values.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand and cash at banks defined above.

4.4 Stock in trade

Stock in trade, stores, spares and loose tools are valued at lower of cost or net realizable value except those in transit, which are valued at invoice value including other charges, if any, incurred thereon. Basis of determining cost is as follows:

Raw and packing material	-	weighted average cost
Material in transit	-	actual cost
Work in process	-	actual cost
Finished goods	-	weighted average cost
Stores, spare parts and loose tools	-	weighted average cost

Items considered obsolete are carried at nil value. Provision for obsolete and slow moving inventory is based on management estimates of usage in normal business operations. Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs of completion and costs necessary to be incurred in order to make the sale.

4.5 Trade and other receivables

Trade debts and other receivables are carried at original invoice amount. Provision is made for debts considered doubtful of recovery based on ECL model of IFRS 9 and debts considered irrecoverable are written off as and when identified.

4.6 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

4.6.1 Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

4.6.2 Lease liabilities - rented premises

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

4.7 Trade and other payables

Trade and other payables are carried at cost which is the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.8 Provisions

Provisions are recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the extent of obligation.

4.9 Taxation

Current

Provision for the current tax is based on the taxable income for the year determined in accordance with the provisions of the Income Tax Ordinance, 2001. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognized using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

The Company recognizes a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.10 Revenue from contracts with customers

The Company is in the business of selling cellular mobile phones, tablets, accessories and allied products. Revenue from contract with customers is recognized when control of goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange of those goods.

Revenue from sale of goods is recognized at a point when performance obligations are satisfied coinciding with transfer of control of the asset to the customer, generally on delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated such as sale incentives, promotions and rebates. In considering the transaction price for the sale of equipment, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to customer (if any).

4.10.1 Service Income

The Company also provides repair services for mobile phones, tablets, accessories and allied products which are in-warranty and out-of-warranty at its service centres. The Company recognizes the revenue from repair services when the service is provided to the customer.

4.10.2 Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts with customers provide them with a right to incentives, lower portion discounts, rebates and promotions at the discretion of brand owners. Only the incentives and lower portion discounts give rise to variable consideration.

(i) Incentives and lower portion discounts

The Company provides retrospective sale incentives to certain customers once the quantity of products sold by those customers to end consumers during the period exceeds an agreed threshold. These incentives reduce the amounts payable by the customer. To estimate the variable consideration for the expected future incentives, the Company applies the most likely amount method. The selected method that best predicts the amount of variable consideration is primarily driven by the incentives decided by the brand owners at the time of purchase of goods. The Company then applies the requirements on constraining estimates of variable consideration and recognizes a refund liability for the expected future incentives.

(ii) Rebates and promotions

The Company provides rebates and promotions to customers based on the instructions by the brand owners. Upon receipts of instructions, the Company gives the customers an option to return unsold products and obtain same product categories based on revised selling prices or the Company issues a credit note to the customer which can be used to adjust against the receivable recorded of the customer. These do not constitute variable consideration as these rebates and promotions are decided by brand owners on specific categories based on market demand which is a factor outside the Company's influence and there is no established pattern of possible consideration amounts at time of sale. Therefore, these rebates and promotions are not adjusted in revenue from contract with customers.

4.10.3 Significant financing component

The Company receives few short-term advances from its customers and hence does not adjust the promised amount of consideration for the effects of a significant financing component as the effect of the same is not considered material.

4.10.4 Non cash consideration

The Company's receivables against the transfer of goods to customers are usually settled in cash.

4.10.5 Consideration payable to customers

The Company records the consideration payable to customers when brand owners provide instructions to provide rebates and promotions to the customers. The consideration payable to a customer is accounted for as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity.

4.10.6 Contract balances

(i) Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Accounting policy for initial recognition and subsequent measurement is disclosed in note 4.5 to these financial statements. Payment is generally due within 30 to 90 days of satisfaction of performance obligation.

(ii) Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

(iii) Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

4.10.7 Costs to obtain a contract

The Company pays legal documentation costs for each contract that they obtain for sale of goods. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense these costs because the amortization period of the asset that the Company otherwise would have used is one year or less.

4.10.8 Costs to fulfil a contract

The Company incurs carriage costs on delivery of goods to warehouses as well as to customers. The Company has elected to apply the optional practical expedient for costs to fulfil a contract which allows the Company to immediately expense these costs as the amortization period of the asset that the Company otherwise would have used is less than a year.

In case of carriage costs from shipping port to main warehouse, these costs are classified as domestic carriage which is part of cost of sales. In case of deliveries to regional warehouses and customers, these costs are included under freight outward which is part of selling and distribution cost.

4.11 Employees' Retirement Benefits - Defined Benefit Plan

The Company operates an unfunded gratuity scheme covering eligible workers, payable on ceasing of employment subject to completion of minimum qualifying period of service. Obligations under the scheme are calculated on the last drawn gross salary by number of years served to the Company.

An actuarial valuation of all defined benefit schemes except eligible retired employees' medical scheme is conducted every year. The valuation uses the Projected Unit Credit method. Experience adjustments are recognized in other comprehensive income when they occur. Amounts recorded in statement of profit or loss are limited to current and past service cost, gains or losses on settlements, and net interest income / (expense). All other changes in net defined benefit liability are recognized in other comprehensive income with no subsequent recycling to statement of profit or loss.

The Company faces the following risks on account of calculation of provision for employees benefits:

a) **Salary increase / inflation risk:**
The Gratuity Scheme is a defined benefit scheme with benefits based on last drawn salary. Therefore, the liabilities of the scheme are sensitive to the salary increases.

b) **Discount rate risk:**
The risk of changes in discount rate may have an impact on the plan's liability.

c) **Mortality risk:**
Actual mortality experience maybe different than that assumed in the calculation.

d) **Withdrawal risk:**
Actual withdrawals experience may different from that assumed in the calculation.

4.12 Foreign exchange

Foreign currency transactions are recorded at the exchange rate applicable at the transaction date. Monetary assets and liabilities are translated into rupees using exchange rates applicable at the reporting date. All gains and losses on settlement and translation at period end are recognized in the statement of profit or loss.

4.13 Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.13.1 Financial assets

Financial assets - initial recognition

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade debts and bank balance that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policy in Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include long-term deposits, trade debts, loans and advances, other receivables and bank balances.

Financial assets - subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Financial assets at fair value through profit or loss

b) Financial assets at amortized cost (debt instruments)

c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

d) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognized as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Company's financial asset at fair value through profit or loss include investment in mutual funds.

b) Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized costs includes trade debts, other receivables, short term investments excluding investment in mutual funds and bank balance.

c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under 'IAS 32 Financial Instruments: Presentation' and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have any financial assets designated at fair value through OCI (equity instruments).

d) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company does not have debt instruments recorded at fair value through OCI with recycling of cumulative gains and losses.

Financial assets - Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial assets - Impairment

The Company recognizes an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). The Company considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company uses a provision matrix to calculate ECLs for trade debts. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type and customer type).

For trade debts, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product and inflation) are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The expected credit losses are recognized in the statement of profit or loss. For bank balances, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Company reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognized in the statement of profit or loss.

4.13.2 Financial liabilities

Financial liabilities - initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include long term loans, short term borrowings utilized under mark-up arrangements, creditors, lease liabilities, accrued and other liabilities.

Financial liabilities - subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income.

This category applies to long term loans, short term borrowings utilized under mark-up arrangements, creditors, lease liabilities, accrued and other liabilities.

Financial liabilities - derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

4.14 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4.15 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Operating Decision Maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CEO who makes strategic decisions. The CODM monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The management has determined that the Company has ‘Distribution & Retail’ and ‘Assembly’ as two distinct reportable segments. Accordingly, segment related information is presented in Note 46.

4.16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

4.17 Dividend and appropriation to reserves

Dividend distribution and appropriation to reserves are recognized as liability in the financial statements in the period in which these are approved.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Operating fixed assets		**462,819,390**	567,454,504
Right-of-use assets		**273,769,550**	686,445,732
	5.1	**736,588,940**	1,253,900,236

Notes To The Unconsolidated Financial Statements
For The Year Ended 30 June 2022

5.1

30 June 2022

	COST					ACCUMULATED DEPRECIATION						
	Balance as on 01 July 2021	**Additions**	**Transfer from right-of-use assets**	**Termination**	**Balance as on 30 June 2022**	**Balance as on 01 July 2021**	**Charge for the period**	**Transfer from right-of-use assets**	**Termination**	**Balance as on 30 June 2022**	**Net book value as on 30 June 2022**	**Rate**
	Rupees											%
Owned Assets												
Building and renovations (Note 5.4)	108,158,357	1,307,190	-	-	109,465,547	4,441,935	2,885,887	-	-	7,327,822	102,137,725	2.5
Plant and machinery	224,328,857	21,525,598	-	-	245,854,455	9,234,689	22,421,119	-	-	31,655,808	214,198,647	10
Furniture and fixtures	24,130,183	393,167	-	-	24,523,350	13,224,527	8,127,580	-	-	21,352,107	3,171,243	33
Computers	41,674,504	2,583,624	-	-	44,258,128	15,852,006	7,477,034	-	-	23,329,040	20,929,088	33
Office equipment	253,351,561	6,603,239	-	-	259,954,800	62,036,469	82,766,751	-	-	144,803,220	115,151,580	33
Motor vehicles	54,162,315	-	-	-	54,162,315	33,561,647	13,369,561	-	-	46,931,208	7,231,107	25
	705,805,777	32,412,818	-	-	738,218,595	138,351,273	137,047,932	-	-	275,399,205	462,819,390	
Right-of-use assets												
Motor vehicles	70,045,475	17,727,490	-	-	87,772,965	39,787,461	22,598,491	-	-	62,385,952	25,387,013	25
Lease hold land	344,940,738	-	-	(344,940,738)	-	31,077,886	25,863,382	-	(56,941,268)	-	-	10
Rented premises-buildings	481,537,889	-	-	(10,223,776)	471,314,113	139,213,023	89,189,363	-	(5,470,810)	222,931,576	248,382,537	10 - 20
	896,524,102	17,727,490	-	(355,164,514)	559,087,078	210,078,370	137,651,236	-	(62,412,078)	285,317,528	273,769,550	
Total	1,602,329,879	50,140,308	-	(355,164,514)	1,297,305,673	348,429,643	274,699,168	-	(62,412,078)	560,716,733	736,588,940	

30 June 2021

	COST					ACCUMULATED DEPRECIATION						
	Balance as on 01 July 2020	Additions	Transfer from right-of-use assets	Termination	Balance as on 30 June 2021	Balance as on 01 July 2020	Charge for the period	Transfer from right-of-use assets	Termination	Balance as on 30 June 2021	Net book value as on 30 June 2021	Rate
	(Rupees)											%
Owned Assets												
Building on lease hold land	-	108,158,357	-	-	108,158,357	-	4,441,935	-	-	4,441,935	103,716,422	10
Plant & machinery	-	224,328,857	-	-	224,328,857	-	9,234,689	-	-	9,234,689	215,094,168	10
Furniture and fixtures	15,502,464	8,627,719	-	-	24,130,183	6,614,840	6,609,687	-	-	13,224,527	10,905,656	33
Computers	14,004,875	27,669,629	-	-	41,674,504	7,163,270	8,688,736	-	-	15,852,006	25,822,498	33
Office equipment	45,916,395	207,435,166	-	-	253,351,561	16,684,124	45,352,345	-	-	62,036,469	191,315,092	33
Motor vehicles	47,720,480	6,441,835		-	54,162,315	21,516,386	12,045,261	-	-	33,561,647	20,600,668	25
	123,144,214	582,661,563	-	-	705,805,777	51,978,620	86,372,653	-	-	138,351,273	567,454,504	
Right-of-use assets												
Motor vehicles	56,288,625	19,315,600	-	(5,558,750)	70,045,475	22,443,747	19,232,166		(1,888,452)	39,787,461	30,258,014	25
Lease hold land	-	344,940,738	-	-	344,940,738	-	31,077,886		-	31,077,886	313,862,852	10
Rented premises-buildings	424,139,029	146,418,178	-	(89,019,318)	481,537,889	52,177,356	96,246,188	-	(9,210,521)	139,213,023	342,324,866	10 - 33
	480,427,654	510,674,516	-	(94,578,068)	896,524,102	74,621,103	146,556,240	-	(11,098,973)	210,078,370	686,445,732	
Total	603,571,868	1,093,336,079	-	(94,578,068)	1,602,329,879	126,599,723	232,928,893	-	(11,098,973)	348,429,643	1,253,900,236	

5.2 There are fully depreciated assets, having cost of Rs. 5,264,217 (30 June 2021: Rs.3,726,130) that are still in use as at the reporting date.

5.3 Company's immovable fixed assets including land are located at 152-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore having area of 77,637 square feet .

5.4 The building was constructed on a lease hold land in prior year, whereas the lease hold land was capitalized as a right-of-use asset for a term of 10 years. During the year, this land was purchased by Select Technologies (Private) Limited, a subsidiary of the Company, resulting in termination of the lease contract against this land. Consequently, the term "Building on lease hold land" has been updated to "Building and renovations" having a revised useful life of 40 years. There is no rent being charged by the subsidiary against use of this land.

5.5 The depreciation charge for the year has been allocated as follows:

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Cost of sales	30	53,391,728	21,626,328
Administrative expenses	31	93,193,883	93,581,998
Selling and distribution cost	32	128,113,557	117,720,567
		274,699,168	232,928,893

6 INTANGIBLES - Software

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Cost:			
As at 1 July		30,178,280	13,511,171
Additions during the year		9,145,374	16,667,109
As at 30 June		39,323,654	30,178,280
Accumulated amortization:			
As at 1 July		12,161,926	4,702,684
Charge for the year	6.1	11,706,708	7,459,242
As at 30 June		23,868,634	12,161,926
Net book value		15,455,020	18,016,354
Rate of amortization		33%	33%

6.1 The amortization charge for the year has been allocated as follows:

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Cost of sales	30	2,224,275	469,880
Administrative expenses	31	4,214,413	6,989,362
Selling and distribution cost	30	5,268,020	-
		11,706,708	7,459,242

7 INVESTMENT IN SUBSIDIARY

	30 June 2022 Rupees	30 June 2021 Rupees
Investment in Select Technologies (Private) Limited - at cost	5,000,000,000	-

During the year, the Company incorporated a wholly-owned subsidiary under the name of Select Technologies (Private) Limited. 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.

		Note	30 June 2022 Rupees	30 June 2021 Rupees
8	**DEFERRED TAX ASSET / (LIABILITY)**			
	This comprises of:			
	Deferred tax liabilities on taxable temporary differences			
	Accelerated tax depreciation		**(12,546,716)**	(65,216,875)
	Deferred tax assets on deductible temporary differences			
	Lease liabilities - net		**23,917,301**	7,137,286
	Defined benefit liability		**8,226,909**	10,069,493
	Provision for net realizable value adjustment		**750,540**	4,001,891
	Refund liabilities		**101,998**	8,764,277
	Provision for expected credit loss		**3,312,765**	20,004,123
			23,762,797	(15,239,805)
	Reconciliation of deferred tax, net			
	As at 1 July		**(15,239,805)**	81,263,214
	Recognized in statement of profit or loss	**36**	**37,776,626**	(96,860,050)
	Recognized in other comprehensive income		**1,225,976**	357,031
	As at 30 June		**23,762,797**	(15,239,805)

8.1 Deferred tax asset has been recognized based on assessment that the Company will fall under Normal Tax Regime in future years and shall have sufficient taxable profits against which this deferred tax asset shall be utilized.

		Note	30 June 2022 Rupees	30 June 2021 Rupees
9	**STOCK IN TRADE**			
	Raw material		**437,698,159**	393,763,974
	Work in process		**8,152,105**	19,576,154
	Mobile phones		**1,328,007,868**	1,254,026,953
	Spare parts		**146,012,883**	79,678,663
			1,919,871,015	1,747,045,744
	Provision for net realizable value	**9.1**	**(2,274,365)**	(13,799,624)
			1,917,596,650	1,733,246,120
	Goods in transit		**1,240,955,092**	1,800,427,746
			3,158,551,742	3,533,673,866
9.1	Movement in provision for net realizable value is as follows:			
	Opening balance		**13,799,624**	32,675,515
	Reversal during the year		**(11,525,259)**	(18,875,891)
			2,274,365	13,799,624
10	**TRADE DEBTS**			
	Considered good - unsecured			
	Local		**3,762,539,710**	4,034,354,128
	Exports		**-**	1,425,887,763
			3,762,539,710	5,460,241,891
	Allowance for expected credit loss	**10.1**	**(10,038,682)**	(68,979,736)
			3,752,501,028	5,391,262,155

		Note	30 June 2022 Rupees	30 June 2021 Rupees
10.1	Movement in allowance for expected credit loss is as follows:			
	Opening balance		**68,979,736**	60,390,940
	Reversal during the year	**34**	**(68,979,736)**	(60,390,940)
	Charge during the year	**31**	**10,038,682**	68,979,736
			(58,941,054)	8,588,796
			10,038,682	68,979,736

10.2 Age analysis of these trade debts is disclosed in Note 41.2.1.

11 LOANS AND ADVANCES

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Advances considered good - unsecured			
To suppliers against deliver of goods	**11.1**	**31,878,274**	152,235,346
To employees against salary	**11.2**	**26,672,613**	18,883,649
To employees against company expenses		**104,300**	154,300
To employees against loaned / mobile sets		**1,102,359**	401,672
		59,757,546	171,674,967

11.1 This represents amount given as advance to suppliers against purchase of stock in trade.

11.2 These are interest free loan provided to employees repayable in one year. Since the maturity of loan is less than one year, the present value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' is not recognized being immaterial.

12 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Security deposits			
Prepayments	**12.1**	**78,405,728**	29,308,107
		18,787,641	3,160,002
		97,193,369	32,468,109

12.1 This represents amount deposited with brand owners against purchase of parts and deposit with logistics company.

13 OTHER RECEIVABLES

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Margin against letters of credit and contracts		**1,871,704,954**	2,283,571,862
Due from brand owners	**13.1**	**1,036,979,618**	1,384,192,837
Receivable from subsidiary	**13.2**	**947,860,458**	-
Bank guarantee		**3,500,000**	3,000,000
Claims from courier against lost items		**1,808,785**	1,808,785
Earnest money		**-**	32,000,000
Insurance claims	**13.3**	**-**	99,430,680
		3,861,853,815	3,804,004,164
Less: Allowance for expected credit loss	**13.4**	**-**	(50,659,247)
		3,861,853,815	3,753,344,917

13.1 This represents due from brand owners on account of various incentives and promotions offered by them.

13.2 This represents an amount receivable from subsidiary against expenses incurred to meet working capital needs of the subsidiary. This amount carries markup charged at 3 month KIBOR plus 3% and is expected to be repaid within one month from the reporting year end. The maximum aggregated amount outstanding at any month end is Rs. 947,860,458 (2021: Rs. Nil). Since the amount will be settled within one month from the date of the financial statements, the impact of present value adjustment under IFRS 9 'Financial Instruments' has been considered immaterial.

13.3 This represented amount receivable from Premier Insurance Limited (PIL) against which the Company had filed an application in Insurance Tribunal for recovery of the same on the grounds that PIL deviated from its legal and contractual obligations and despite payment of premium by the Company, PIL had arbitrarily withheld the amounts claimed. During the year, the said amount has been adjusted against the general reserve.

		Note	30 June 2022	30 June 2021
13.4	Movement in allowance for expected credit loss is as follows:		**Rupees**	Rupees
	Opening balance		**50,659,247**	-
	(Reversal) / charged during the year	**31**	**(50,659,247)**	50,659,247
			-	50,659,247

14 TAX REFUNDS DUE FROM THE GOVERNMENT

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Advance income tax	**14.1**	**164,044,545**	160,808,854
Sales tax		**2,579,086**	84,050,779
		166,623,631	244,859,633

14.1 This represents the amount of advance income tax recoverable from tax authorities net of current year's provision for taxation amounting to Rs. 841,614,357 (2021: Rs. 787,944,002).

15 SHORT TERM INVESTMENTS

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Financial assets at amortized cost			
Term deposits	**15.1**	**845,600,000**	366,400,000
Term finance certificate	**15.2**	**100,000,000**	100,000,000
Accrued markup		**19,093,864**	1,790,162
		964,693,864	468,190,162
Financial assets at fair value through profit or loss			
Investment in mutual funds	**15.3**	**44,833,159**	41,310,624
		1,009,527,023	509,500,786

15.1 These term deposits (TDR's) have face value of Rs. 845.6 million (30 June 2021: Rs. 366.4 million) and carry mark up of 5% to 10% (30 June 2021: 5% to 8%), having maturity period 30 days to 180 days (30 June 2021: 30 days to 90 days). These TDR's are under lien against funded facilities obtained from financial institutions.

15.2 This term finance certificate has face value of Rs. 100 million (30 June 2021: Rs. 100 million) and carry mark up at the rate of 6 months KIBOR + 2.25 % (30 June 2021: 6 Months KIBOR + 2.25%), having maturity period of 180 days (30 June 2021: 180 days). This term finance certificate is under lien against funded facilities obtained from financial institutions.

15.3 The amount relates to 454,629.56 units (30 June 2021: 422,772.1690 units) of JS Islamic Hybrid Fund of Funds II (JS Islamic Capital Preservation Allocation Plan III) managed by JS Investments Limited.

15.4 Movement in financial assets is as follows:

	At amortized cost		At fair value through profit and loss	
30 June 2022	**Term Deposit**	**Term Finance Certificate**	**Investment in mutual funds**	**Total**
Opening balance	**368,190,162**	**100,000,000**	**41,310,624**	**509,500,786**
Additions	**479,200,000**	**-**	**-**	**479,200,000**
Deletions	**-**	**-**	**-**	**-**
Mark up accrued	**37,378,154**	**11,809,098**	**-**	**49,187,252**
Fair value gain on investment	**-**	**-**	**3,522,535**	**3,522,535**
Mark up received	**(20,074,452)**	**(11,809,098)**	**-**	**(31,883,550)**
	864,693,864	**100,000,000**	**44,833,159**	**1,009,527,023**
30 June 2021				
Opening balance	588,676,313	101,887,000	34,567,128	725,130,441
Additions	-	-	29,000,000	29,000,000
Deletions	(200,000,000)	-	(26,000,000)	(226,000,000)
Mark up accrued	40,879,412	9,521,351	-	50,400,763
Fair value gain on investment	-	-	3,743,496	3,743,496
Mark up received	(61,365,563)	(11,408,351)	-	(72,773,914)
	368,190,162	100,000,000	41,310,624	509,500,786

15.5 Movement in gain on remeasurement of financial assets at fair value through profit or loss is as follows:

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Balance as at 1 July		**2,627,060**	(1,116,436)
Fair value gain during the year		**3,522,535**	3,743,496
Closing Balance		**6,149,595**	2,627,060

16 CASH AND BANK BALANCES

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Cash in hand		**31,820,223**	14,936,115
Cash at bank - current accounts		**958,476,164**	650,731,335
- savings account	**16.1**	**848**	166,485,862
		990,297,235	832,153,312

16.1 This carries markup at the rate of 4.25% per annum (2021: 4% per annum).

17 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

30 June 2022	30 June 2021		30 June 2022	30 June 2021
No. of shares			Share Capital	
192,692,308	125,000,000	Ordinary shares of Rs. 10 each (30 June 2021: Rs.10 each) fully paid in cash	**1,926,923,080**	1,250,000,000
202,576,923	175,000,000	Ordinary shares of Rs. 10 each (30 June 2021: Rs.10 each) fully paid as bonus shares	**2,025,769,230**	1,750,000,000
395,269,231	300,000,000		**3,952,692,310**	3,000,000,000

17.1 Movement in share capital as follows:

	No. of Shares		Share Capital	
	30 June 2022	30 June 2021	**30 June 2022**	30 June 2021
Opening balance				
- Ordinary shares of Rs. 10 each fully paid in cash	**125,000,000**	125,000,000	**1,250,000,000**	1,250,000,000
- Bonus shares of Rs. 10 each fully paid as bonus shares	**175,000,000**	175,000,000	**1,750,000,000**	1,750,000,000
Movement during the year				
-Conversion of long term loan amounting Rs. 400 million at the rate of Rs. 52 per share	**7,692,308**	-	**76,923,080**	-
-Issuance of shares against initial public offering at the rate of Rs. 71.5 per share	**60,000,000**	-	**600,000,000**	-
-Issuance of bonus shares at face value of Rs. 10	**27,576,923**	-	**275,769,230**	-
Closing balance				
- Ordinary shares of Rs. 10 each fully paid in cash	**192,692,308**	125,000,000	**1,926,923,080**	1,250,000,000
- Bonus shares of Rs. 10 each fully paid as bonus shares	**202,576,923**	175,000,000	**2,025,769,230**	1,750,000,000
	395,269,231	300,000,000	**3,952,692,310**	3,000,000,000

18 SHARE PREMIUM - CAPITAL RESERVE

Movement in share premium reserve as follows:

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Balance as at 1 July		**-**	-
Conversion of long term loan into ordinary shares	**20.1.1**	**323,076,920**	-
Issuance of shares against initial public offering	**1.2**	**3,690,000,000**	-
Transaction cost on issuance of ordinary shares	**18.2**	**(181,130,882)**	-
Issue of bonus shares for the year ended 30 June 2021 at the rate of 7.5%		**(275,769,230)**	-
		3,556,176,808	-

18.1 This reserve can be utilized by the Company only for the purposes specified in section 81(2) and 81(3) of the Companies Act, 2017.

18.2 This represents consulting and book runner fee paid to JS Global Capital Limited.

19 SHARE DEPOSIT MONEY

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Balance as at 1 July		**400,000,000**	-
Transfer from long term loan	**20.1.1**	**-**	400,000,000
Conversion into ordinary shares.		**(400,000,000)**	-
		-	400,000,000

20 LONG TERM LOANS

	Note	30 June 2022 Rupees	30 June 2021 Rupees
JS Bank Limited and PCF Communication Investments (Private) Limited	**20.1**	**133,333,333**	393,435,951
JS Bank Limited	**20.2**	**22,832,239**	68,251,302
Orix Leasing Pakistan Limited	**20.3**	**77,236,273**	122,548,311
Saudi Pak Industrial and Agricultural Investment Company Limited	**20.4**	**800,000,000**	-
Pak Oman Investment Company	**20.5**	**270,000,000**	-
Add: Accrued markup		**39,455,067**	28,318,519
		1,342,856,912	612,554,083
Less: Current portion shown under current liabilities		**(426,789,550)**	(438,747,989)
Less: Accrued markup presented in current liabilities	**24**	**(39,455,067)**	(28,318,519)
		876,612,295	145,487,575

20.1 This represents loan obtained from JS Bank Limited and PCF Communication Investments (Private) Limited to meet working capital requirements of the Company. The Company has agreed to issue redeemable capital in the form of secured and convertible term finance certificates subject to the requirements of the Private Placement Securities Rules, 2017. The rate of mark up on loan is 3 months KIBOR + 1%.

This loan is convertible into ordinary shares on meeting covenants agreed in the subscription agreement. However, the loan, if not converted into ordinary shares, shall be redeemable after 31 December 2021 in the event Company does not meet criteria set out in the subscription agreement with loan providers. Based on these facts, the Company had determined that liability to redeem shares existed at the prior year reporting date, therefore, this loan had been presented as a compound financial instrument and the current portion had been recognized under current liabilities. However, in current year, the present value of future cash flows have been discounted at market interest rate of 3 months KIBOR plus 250 bps and difference is accounted for as an equity reserve in financial statements. This loan is secured against joint pari passu charge over current assets of the Company.

	30 June 2022 Rupees	30 June 2021 Rupees
Opening balance	**393,435,951**	767,733,610
Unwinding during the year	**12,540,725**	25,702,341
Transferred to share deposit money	**-**	(400,000,000)
Modification of long term loan	**(4,661,270)**	-
Repayment	**(267,982,073)**	-
	133,333,333	393,435,951
To be unwound in future years	**1,521,948**	6,564,049
	134,855,281	400,000,000

20.1.1 On 25 May 2021, the Company obtained approval from Securities Exchange Commission of Pakistan for conversion of redeemable capital amounting Rs. 400 million from JS Bank Limited and PCF Communication Investments (Private) Limited into 7,692,308 ordinary shares of Rs. 10 at conversion rate of Rs. 52 per share. Accordingly, the corresponding portion of loan had been transferred to share deposit money in prior year. On 10 September 2021, this share deposit money has been converted into ordinary shares.

20.2 The Company has obtained long term finance facility from JS Bank Limited under State Bank of Pakistan refinance scheme for payment of wages and salaries of workers and employees for the month of April 2020 to June 2020. This represents amount of term finance facility for paying salaries for the month of April 2020 and May 2020. The facility is repayable in eight equal quarterly instalments, payable quarterly in arrears, commencing after a grace period of 6 months and it carries markup at the rate of 3% per annum. However, till the grant of refinance from SBP, markup is charged at 1 month KIBOR plus 2%. The effect of differential in rate by applying 'IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance' is considered immaterial. This facility is secured against lien over term deposit receipts of Rs. 190 million (30 June 2021: 190 million) and JSIL of Rs. 31.91 million (30 June 2021: 10 million), lien against already issued JSIL funds with 20% margin and personal guarantees of the directors.

20.3 This represents loan obtained from Orix Leasing Pakistan Limited under sale and lease back arrangement of different machinery including but not limited to mobile assembly units, air conditioner including VRF system, elevator, electrical equipment's vehicles. As the transfer of the assets did not meet the criteria of sales under IFRS 15 Revenue from Contracts with Customers therefore the said transaction has been treated under IFRS 9. The loan carries mark-up of 6 months KIBOR+ 5% and is repayable in 36 equal monthly instalments. The loan is secured against the leased assets.

20.4 This represents loan of PKR 800 million obtained from Saudi Pak Industrial and Agricultural Investment Company Limited to meet working capital requirements of the Company. This loan is obtained for the period of 5 years and grace period is 1 year from date of first disbursement. The rate of mark up on loan is 3 months KIBOR + 2.5%. This facility is secured against all present and future current assets of the Company.

20.5 This represents loan of PKR 300 million obtained from Pak Oman Investment Company Limited to meet working capital requirements of the Company. This loan is obtained for the period of 3 years and grace period is 6 month from date of first disbursement. The rate of mark up on loan is 3 months KIBOR + 2%. This facility is secured against all present and future current assets and non current assets of the Company.

21 LEASE LIABILITIES

The effective interest rate used as the discounting factor (i.e. incremental borrowing rate) ranges from 9.39% to 12.69% The amounts of future payments and the periods in which they will become due are:

Year ending	30 June 2022 Rupees	30 June 2021 Rupees
2022	-	169,133,039
2023	124,560,085	163,865,032
2024	103,824,392	139,281,335
2025	77,220,918	137,782,181
2026	30,644,485	84,182,932
2027	79,820,219	387,036,499
	416,070,099	1,081,281,018
Less: Future finance charges	(69,823,877)	(370,223,955)
Present value of lease payments	346,246,222	711,057,063
Less: Current maturity shown under current liabilities	(104,179,241)	(89,901,750)
	242,066,981	621,155,313

21.1 Lease Payments (LP) and their Present Value (PV) are as follows:

	30 June 2022		30 June 2021	
	LP Rupees	PV of LP Rupees	LP Rupees	PV of LP Rupees
Due not later than 1 year	124,560,085	104,179,241	169,133,039	89,901,750
Due later than 1 year but not later than 5 years	291,510,014	242,066,981	912,147,979	621,155,313
	416,070,099	346,246,222	1,081,281,018	711,057,063

21.2 Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Opening balance		711,057,063	370,486,836
Reassessment of lease		-	32,573,783
Lease liabilities acquired during the year		17,727,490	458,439,687
Mark-up on lease liabilities - rented premises	35	83,663,854	84,447,089
Termination of lease		(336,149,214)	(72,715,662)
		476,299,193	873,231,733
Lease rentals paid		(130,052,971)	(162,174,670)
Closing balance		346,246,222	711,057,063

21.3 The Company had total cash outflows for leases of Rs. 130,052,971 (2021: Rs. 162,174,670). The non-cash additions to right-of-use assets and lease liabilities amounts to Rs. 17,727,490 and Rs. 17,727,490 respectively. (2021: Right-of-use assets and lease liabilities of Rs. 510,674,516 and Rs. 458,439,687 respectively).

22 DEFINED BENEFIT LIABILITY

UNFUNDED GRATUITY

		Note	30 June 2022 Rupees	30 June 2021 Rupees
22.1	The amounts recognized in the statement of financial position are:			
	Present value of defined benefits obligation		**24,930,028**	34,722,393
22.2	The amounts recognized in the statement of profit or loss are:			
	Current service cost		**10,603,029**	11,397,238
	Interest cost on defined benefit obligation		**3,480,969**	1,651,736
	Expense recognized in the statement of profit or loss		**14,083,998**	13,048,974
22.3	The charge for the year has been allocated as follows:			
	Cost of sales	30	**-**	142,250
	Administrative expenses	31	**14,083,998**	12,906,724
			14,083,998	13,048,974
22.4	Movement in the net present value of defined benefit obligation is:			
	Net liabilities at the beginning of the year		**34,722,393**	29,188,579
	Current service cost		**10,603,029**	11,397,238
	Interest cost on defined benefit obligation		**3,480,969**	1,651,736
	Remeasurements charged to other comprehensive income			
	-Actuarial assumption		**3,715,078**	1,231,140
			52,521,469	43,468,693
	Less: Payments during the year		**(27,591,441)**	(8,746,300)
	Net liabilities at the end of the year		**24,930,028**	34,722,393

Qualified actuaries have carried out the valuation as at 30 June 2022. The projected unit credit method, based on the following significant assumptions, is used for valuation:

	30 June 2022	30 June 2021
Discount rate for interest cost	**13.25%**	10.00%
Discount rate for obligation	**13.25%**	10.00%
Expected rates of salary increase in future years	**5.00%**	5.00%
Retirement assumption	**Age 60**	Age 60
Mortality rate	**SLIC 2001-2005 with one year setback**	SLIC 2001-2005 with one year setback

The risks to which plan is exposed include salary, demographic, investment and discount risks. If the significant actuarial assumptions (relating to major risks) used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the impact on the present value of the defined benefit obligation would have been as follows:

Sensitivity level	Assumption	Impact on defined benefit obligation (Rupees)
+100 bps	Discount rate	(21,620,547)
-100 bps	Discount rate	23,572,668
+100 bps	Expected increase in salary	23,643,167
-100 bps	Expected increase in salary	(21,538,431)
+1 year	Mortality rate	3,303,229
-1 year	Mortality rate	(2,916,758)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.

The average duration of the defined benefit plan obligation at the end of the reporting year is 5 years.

23	**SHORT TERM BORROWINGS**	**Note**	**30 June 2022** **Rupees**	30 June 2021 Rupees
	JS Bank Limited	**23.1**	**1,765,788,891**	2,958,308,505
	Bank AL Habib Limited	**23.2**	**938,310,383**	1,937,956,517
	Dubai Islamic Bank	**23.3**	**131,481,501**	263,972,993
	Bank Alfalah Limited	**23.4**	**-**	439,388,038
	Askari Bank Limited	**23.5**	**237,000,000**	486,000,000
	Bank of Khyber	**23.6**	**863,475,959**	-
	Accrued markup		**82,482,513**	82,412,417
			4,018,539,247	6,168,038,470
	Less: Accrued markup presented in current liabilities	**24**	**(82,482,513)**	(82,412,417)
			3,936,056,734	6,085,626,053

23.1 Working capital facilities obtained from JS Bank comprise of letter of credit (sight) amounting to Rs. 2,300 million (30 June 2021: Rs. 800 million), shipping guarantees of Rs. 1,200 million [30 June 2021: Rs. 800 Million (sublimit of finance against trust receipt)], short term finance of Rs. 1,500 million (30 June 2021: Rs. 600 million), running finance of Rs. 200 million (30 June 2021: Rs. 600 million), Finance against trust receipt of PKR 1,200 million (30 June 2021: Nil) and bank guarantee of Rs. 20 million [30 June 2021: Rs. 20 million (sublimit of running finance)]. Short term finance of Rs. Nil (30 June 2021: Rs. 1,000 million) and finance against imported merchandise of Rs. Nil (30 June 2021: Rs. 200 million). These facilities are secured against mortgage of residential properties belonging to sponsors and shareholders having fair market value amounting to Rs. 187.55 million (30 June 2021: Rs. 151.228 million), first pari passu hypothecation charge of Rs. 3,700 billion (30 June 2021: Rs. 2,400 billion) over all present and future current assets, lien of term deposits and personal guarantees of all directors. The rate of mark up on funded facilities is 3 months KIBOR + 2% (30 June 2021: 3 months KIBOR + 2%).

23.2 Working capital facilities obtained from Bank AL Habib comprise of LC sight amounting Rs. 2,500 million (30 June 2021: Rs. 2,500 million), running finance facility of Rs. 560 million (30 June 2021: Rs. 3,060 million), finance against trust receipt (FATR is sublimit of RF) of Rs. 640 million (30 June 2021: Rs. 640 million) and short term finance facility of Rs. 150 million (30 June 2021: Rs. 150 million), one time short term finance of Rs. Nil (30 June 2021: Rs. 200 million). These facilities are secured against mortgage of residential properties belonging to sponsors and shareholders having fair market value amounting to Rs. 347 million (30 June 2021: Rs. 347 million) and pari passu / joint pari passu charge over current assets of Rs. 5,500 million (30 June 2021: Rs. 5,500 million), cash margin, lien over term deposits, term certificates, current accounts and import documents, personal guarantees of Directors and mortgagors of Rs. 7,800 million (30 June 2021: Rs. 7,800 million) and cross corporate guarantees. The rate of mark up on funded facilities is 3 months KIBOR + 1%(RF) & 3 months KIBOR + 2% (FATR) (30 June 2021: 3 months KIBOR + 1%(RF) & 3 months KIBOR + 2% (FATR).

23.3 Working capital facilities obtained from Dubai Islamic Bank comprise of LC sight amounting Rs. 700 million (30 June 2021: Rs. 700 million), shipping guarantee (sublimit of LC) of Rs. 700 million (30 June 2021: Rs. 700 million), letter of credit usance / acceptance of Rs. Nil (30 June 2021: Rs. 600 million) and import Murabaha / Istisna cum Wakala of Rs. 525 million (30 June 2021: Rs. 1,400 million) of which import Murabaha is of Rs. 525 million (30 June 2021: Rs. 600 million). These facilities are secured against 1st pari passu / joint pari passu charge of Rs. 700 million (30 June 2021: Rs. 1,860 million) over current assets of the company, cash margin and lien over term deposits is 60% of import Murabaha. The rate of mark up on funded facilities is 3 months KIBOR + 2.5% (30 June 2021: 3 months KIBOR + 2.5%).

23.4 Working capital facilities obtained from Bank Alfalah comprise of short term finance facility of Rs. 250 million (30 June 2021: Rs. 225 million), finance against trust receipt Rs. Nil (30 June 2021: Rs. 425 million) and sight LC of Rs. 350 million (30 June 2021: Rs. 500 million).These facilities are secured against 1st joint pari passu charge over present & future current assets of company of Rs. 700 million (30 June 2021: Rs. 700 million) and personal guarantee of all directors of the company. The rate of mark up on funded facilities is 1 month KIBOR + 2% (30 June 2021: 1 month KIBOR + 2%).

23.5 Working capital facilities obtained from Askari Bank Limited comprise of letter of credit (sight) amounting to Rs. 500 million (30 June 2021: Rs. 500 million), shipping guarantees of Rs. 500 million [30 June 2021: Rs. 500 million (sublimit of letter of credit (sight)] and short term finance of Rs. 500 million (30 June 2021: Rs. 500 million) (sublimit of letter of credit (sight)). These facilities are secured against personal guarantees of directors along with their net worth statements. These facilities are secured against ranking charge of Rs. Nil (30 June 2021: Rs. Nil) and joint pari passu charge of Rs. 334 million (30 June 2021: Rs. 334 million) over all present and future current assets of the company, TDR covering 50% of outstanding exposure at all times. The rate of mark up on funded facilities is 3 months KIBOR + 1.9% (30 June 2021: 3 months KIBOR + 1.9%).

23.6 Working capital facilities obtained from Bank of Khyber comprise of letter of credit (sight) amounting to Rs. 600 million (30 June 2021: Rs. Nil), shipping guarantees of Rs. 350 million (30 June 2021: Rs. Nil) (sublimit of finance against trust receipt), finance against trust receipt of Rs. 600 million [30 June 2021: Nil (sublimit of letter of credit)], one time running finance pf Rs. 300 million (30 June 2021: Nil). These facilities are secured against personal guarantees of directors along with their net worth statements. These facilities are secured against ranking charge of Rs 400 million (30 June 2021: Rs. Nil) over all present and future current assets of the company, TDR / Lien covering 50% of outstanding exposure of Finance against trust receipt at all times. The rate of mark up on funded facilities is 3 months KIBOR + 2% (30 June 2021:Nil).

		Note	30 June 2022	30 June 2021
			Rupees	Rupees
24	**ACCRUED MARKUP**			
	Long term loans	20	39,455,067	28,318,519
	Short term borrowings	23	82,482,513	82,412,417
			121,937,580	110,730,936
25	**REFUND LIABILITIES**			
	Arising from retrospective incentives and lower portion discounts		309,084	30,221,644
26	**CONTRACT LIABILITIES**			
	Advances from customers in respect of revenue recognized at a point in time		152,365,597	82,882,488

26.1 This represents the liability recognized in respect of consideration received from customers before the satisfaction of performance obligation. Revenue recognized in the reporting period that was included in the contract liabilities balance at the beginning of the year amounts to Rs. 82,882,488 (2021: 117,073,114).

26.3 The balance of contract liability as at 30 June 2022, is expected to be recognized as revenue within one year.

		Note	30 June 2022 Rupees	30 June 2021 Rupees
27	**TRADE PAYABLES, ACCRUED AND OTHER LIABILITIES**			
	Trade payables		-	1,050,104,185
	Incentives and promotions payable		-	143,969,719
	Accrued expenses		16,454,036	57,306,627
	Withholding tax payable		229,504,765	89,839,256
	Workers' Welfare Fund	27.1	106,353,886	55,535,806
	Workers' Profit Participation Fund	27.2	37,644,335	-
	Other payables	27.3	857,795	3,239,448
			390,814,817	1,399,995,041
27.1	Movement in Workers' Welfare Funds			
	As at 1 July		55,535,806	6,684,326
	Charge for the year	33	50,818,080	48,851,480
	As at 30 June		106,353,886	55,535,806
27.2	Movement in Workers' Profit Participation Funds			
	As at 1 July		-	-
	Charge for the year	33	37,644,335	-
	As at 30 June		37,644,335	-

27.3 This includes rebate payable amounting to Rs.237,657 (30 June 2021: Rs. 2.43 million) which is adjustable against due from brand owners (note 13).

28 CONTINGENCIES AND COMMITMENTS

28.1 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.

		30 June 2022 Rupees	30 June 2021 Rupees
28.2	**Commitments**		
	Letters of credit	1,871,704,954	2,283,571,862
	Bank guarantees	3,500,000	3,000,000
		1,875,204,954	2,286,571,862

		Note	30 June 2022 Rupees	30 June 2021 Rupees
29	**REVENUE FROM CONTRACTS WITH CUSTOMERS - NET**			
	Sales - local		**48,506,332,805**	51,367,832,877
	Sales - export		**62,085,188**	-
	Service income		**72,128,238**	42,533,678
	Gross sales		**48,640,546,231**	51,410,366,555
	Less: Sales tax		**(65,977,021)**	(42,253,231)
			48,574,569,210	51,368,113,324
	Less: Discounts		**(2,414,867,354)**	(3,995,310,932)
			46,159,701,856	47,372,802,392
	Geographical region:			
	Pakistan		**48,578,461,043**	51,410,366,555
	UAE		**62,085,188**	-
			48,640,546,231	51,410,366,555
	Timing of transfer of goods and services:			
	At a point in time		**48,640,546,231**	51,410,366,555
30	**COST OF SALES**			
	Raw material consumed		**12,411,215,036**	1,816,793,771
	Packing material consumed		**3,038,055**	85,182,162
	Cost of export sales		**57,640,368**	-
	Sales tax - mobiles		**424,840,573**	2,381,239,558
	Sales tax - tablets		**7,608,143**	8,400,988
	Regulatory duty		**1,597,867,040**	3,132,573,750
	Insurance		**2,512,244**	13,031,516
	Clearing charges		**15,743,927**	52,267,363
	Salaries, wages and benefits		**380,591,401**	75,459,409
	Custom duty - tablets		**2,501,112**	22,280,620
	Depreciation	**5.5**	**53,391,728**	21,626,328
	Amortization	**6**	**2,224,275**	469,880
	Staff retirement benefits - gratuity scheme	**22.3**	**-**	142,250
	Domestic carriage		**800,400**	5,466,975
			14,959,974,302	7,614,934,570
	Decrease in work-in-process		**11,424,049**	(19,576,154)
	Cost of goods assembled		**14,971,398,351**	7,595,358,416
	Increase finished goods		**(5,418,133)**	(75,172,379)
	Cost of goods sold - own assembled		**14,965,980,218**	7,520,186,037
	Cost of goods sold - imported for resale		**21,752,361,642**	35,050,824,156
	Cost of goods sold - purchased locally for resale		**4,669,511,992**	-
			41,387,853,852	42,571,010,193

		Note	30 June 2022	30 June 2021
31	**ADMINISTRATIVE EXPENSES**		**Rupees**	Rupees
	Salaries and benefits		**389,996,065**	338,170,508
	Rent, rates and taxes		**512,000**	2,317,699
	Depreciation	5.5	**93,193,883**	93,581,998
	Insurance		**19,482,721**	26,905,093
	Legal and professional		**9,360,761**	26,779,254
	Repair and maintenance		**27,909,939**	35,769,006
	Fees and subscription		**128,182,431**	17,919,538
	Utilities		**29,270,816**	14,914,503
	Office expenses		**20,268,999**	17,415,193
	Security service charges		**16,320,349**	12,249,497
	Traveling and conveyance		**29,069,356**	9,265,941
	Entertainment		**25,100,356**	8,971,748
	Vehicle running expenses		**15,501,244**	7,718,050
	Postage and telephone		**5,818,660**	7,445,464
	Amortization	6	**4,214,413**	6,989,362
	Printing and stationary		**10,966,054**	5,119,275
	Staff retirement benefits - gratuity scheme	22.3	**14,083,998**	12,906,724
	Auditors' remuneration	31.1	**4,650,000**	7,502,350
	Allowance for expected credit loss - trade debts	10.1	**10,038,682**	8,588,796
	Allowance for expected credit loss - other receivables	13.4	**-**	50,659,247
	Charity and donation	31.2	**18,200,324**	11,256,863
	Miscellaneous expenses		**2,817,708**	2,769,398
			874,958,759	725,215,507

31.1	Breakup of auditors' remuneration is as follows:			
	Annual audit fee		**3,800,000**	1,950,000
	Out of pocket expenses		**150,000**	70,000
	Certificates and other assurance engagements		**700,000**	1,150,000
	Capital market review		**-**	4,332,350
			4,650,000	7,502,350

31.2 No donation has been made to a single donee which comprise at least 10% of the total donations during the year.

		Note	30 June 2022	30 June 2021
32	**SELLING AND DISTRIBUTION COST**		**Rupees**	Rupees
	Salaries, wages and benefits		**226,562,417**	270,678,535
	Freight outward		**69,043,384**	117,952,497
	Advertisement and promotions		**43,539,850**	17,987,772
	Depreciation	**5.5**	**128,113,557**	117,720,567
	Travelling and conveyance		**29,756,159**	12,340,449
	Packing expenses		**6,764,463**	15,341,483
	Amortization		**5,268,020**	-
	Utilities		**31,839,886**	26,798,060
	Insurance		**1,769,718**	2,168,523
			542,657,454	580,987,886

		Note	30 June 2022 Rupees	30 June 2021 Rupees
33	**OTHER EXPENSES**			
	Loss on termination of lease		-	6,265,435
	Workers' Welfare Fund	27.1	50,818,080	48,851,480
	Workers' Profit Participation Fund	27.2	37,644,335	-
	Foreign currency exchange loss		-	1,996,317
			88,462,415	57,113,232
34	**OTHER INCOME**			
	Financial assets			
	Reversal of expected credit loss - trade debts		68,979,736	-
	Reversal of expected credit loss - other receivable		50,659,247	-
	Profit on investments		56,112,791	50,400,763
	Gain on termination of lease		43,406,778	-
	Unrealized gain on financial assets at fair value through profit or loss	15.5	3,522,535	3,743,496
	Modification gain on long term loan		4,656,579	-
	Non-financial assets			
	Provision written back		-	13,702,581
			227,337,666	67,846,840
35	**FINANCE COST**			
	Mark up on borrowings		641,741,551	686,555,157
	Bank charges		299,727,926	331,261,997
	Lease financial charges	21.2	83,663,854	84,447,089
			1,025,133,331	1,102,264,243
36	**TAXATION**			
	Current tax		866,126,384	787,944,002
	Deferred tax - relating to origination of temporary differences	8	(37,776,626)	96,860,050
	Prior year		(8,966,479)	14,249,638
		36.1	819,383,279	899,053,690
36.1	Reconciliation between tax expenses and accounting profit			
	Accounting profit before taxation		2,467,973,711	2,404,058,171
	Tax at applicable tax rate of 29% (2021: 29%)		715,712,376	697,176,870
	Effect of expenses not allowed for tax		(42,303,806)	(1,176,669)
	Effect of deductible expenses		50,451,414	-
	Effect of deferred tax		(37,776,626)	96,860,050
	Effect of fixed regime / FTR		(1,114,219)	91,943,801
	Effect of prior years tax		(8,966,479)	14,249,638
	Effect of minimum tax		43,691,548	-
	Effect of super tax		99,689,071	-
	Tax expense for the year		819,383,279	899,053,690

37 EARNINGS PER SHARE - BASIC AND DILUTED

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Profit attributable to ordinary equity holders for basic earnings	A	**1,648,590,432**	1,505,004,481
Add: Unwinding of discount on convertible loan - net of tax	20.1	**8,903,915**	18,248,662
Profit attributable to ordinary equity holders adjusted for the effect of dilution	B	**1,657,494,347**	1,523,253,143

		30 June 2022 Rupees	30 June 2021 Rupees Restated
Weighted average number of ordinary shares for basic EPS	C	**383,560,063**	327,576,923
Effect of potential dilution from convertible loan		**1,886,088**	13,286,714
Weighted average number of ordinary shares adjusted for the effect of dilution	D	**385,446,151**	340,863,637

		30 June 2022 Rupees	30 June 2021 Rupees Restated
Earning per share - basic	A/C	**4.30**	4.59
Earning per share - diluted	B/D	**4.30**	4.47

37.1 As explained in note 1.2, the Company had issued 60,000,000 new ordinary shares of Rs. 10 each through Initial Public Offering on 31 August 2021.

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

38 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	2022 Rupees	2021 Rupees
Select Technologies (Private) Limited	Subsidiary	Expenses paid by the Company on behalf of the subsidiary	**947,860,458**	-
		Purchase of goods	**60,331,100**	-

39 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

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

	Number of persons	Managerial remuneration Rupees	Gratuity Rupees	Bonus Rupees	Total Rupees
30 June 2022					
Chief executive	1	**48,000,000**	**3,327,698**	**-**	**51,327,698**
Executive director	1	**9,278,737**	**787,248**	**1,556,134**	**11,622,119**
Executives	62	**176,068,109**	**14,731,193**	**27,022,906**	**217,822,208**
		233,346,846	**18,846,139**	**28,579,040**	**280,772,025**
30 June 2021					
Chief executive	1	59,936,768	1,807,585	-	61,744,353
Executive director	1	7,410,602	672,945	-	8,083,547
Executives	41	136,934,387	7,160,807	-	144,095,194
		204,281,757	9,641,337	-	213,923,094

The Chief Executive is provided with company-maintained car. No remuneration is paid to directors other than CEO and executive director.

40 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following items as included in the statement of financial position:

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Cash in hand	16	**31,820,223**	14,936,115
Cash at bank	16	**958,477,012**	817,217,197
		990,297,235	832,153,312

41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise short-term borrowings and trade and other payables. The major portion of these financial liabilities include short term borrowing that is availed to meet the working capital requirements. The Company's principal financial assets include trade debts, other receivables, short term investment and cash and bank.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the risk profile and is supported by the finance department that advises on financial risks and the appropriate financial risk governance framework for the Company. This department also provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and risk appetite. The Board of Directors reviews and approves policies for managing each of these risks which are summarized below:

41.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, trade and other payables, trade debts, short-term investments.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debts and the proportion of financial instruments in foreign currencies are all constant.

The sensitivity analysis has been based on the assumption that the sensitivity of the relevant profit or loss item is the effect of the assumed changes in respect of market risks. This is based on the financial assets and financial liabilities held at 30 June 2022 and 30 June 2021.

41.1.1 Interest rate risk

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on above mentioned financial instruments. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings as follows:

	30 June 2022	30 June 2021
Increase / decrease in basis points	**+ / - 100**	+ / - 100
Effect on profit before tax	**42,747,647**	62,016,715

41.1.2 Currency risk

Currency risk is the risk that the value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly from receivables and payables that exist due to transactions in foreign currencies. Company is not exposed to the risk of changes in foreign exchange rates as the brand owners have agreed to compensate for any fluctuations in foreign currency movements.

41.1.3 Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

41.2 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. The Company does not believe it is exposed to major concentration of credit risk, however to manage any possible exposure the Company applies approved credit limits to its customers. Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily for trade debts.

The management monitors and limits the Company's exposure to credit risk through monitoring of client's credit exposure review and conservative estimates of provisions for expected credit loss, if any, and through the prudent use of collateral policy. Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit limits and quality are established for all customers based on individual customer evaluation.

The Company is exposed to credit risk on trade debts, other receivables, short term investments (except investment in mutual funds) and bank balances. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

	30 June 2022 Rupees	30 June 2021 Rupees
Trade debts - unsecured	**3,762,539,710**	5,460,241,891
Other receivables	**3,861,853,815**	3,804,004,164
Short term investments	**964,693,864**	468,190,162
Bank balances	**958,477,012**	817,217,197
	9,547,564,401	10,549,653,414

The credit quality of financial assets can be assessed by reference to external credit ratings or the historical information about counter party defaults as shown below:

41.2.1 Trade Debts		Exposure at default Rupees	Expected credit loss Rupees	Expected credit loss rate
30 June 2022				
Not due	[A]	**1,713,607,722**	**1,675,450**	0.10%
Past due:				
1-30 days		**890,943,725**	**1,553,064**	0.17%
31-60 days		**655,049,184**	**1,001,636**	0.15%
61-90 days		**213,386,761**	**921,744**	0.43%
91-120 days		**157,186,043**	**1,185,096**	0.75%
Above 120 days		**132,366,275**	**3,701,692**	2.80%
	[B]	**2,048,931,988**	**8,363,232**	
	[A+B]	**3,762,539,710**	**10,038,682**	
30 June 2021				
Not due	[A]	1,883,449,624	235,507	0.01%
Past due:				
1-30 days		496,316,903	352,355	0.07%
31-60 days		548,042,329	384,557	0.07%
61-90 days		635,622,990	927,423	0.15%
91-120 days		428,894,682	2,624,777	0.61%
Above 120 days		1,467,915,363	64,455,117	4.39%
	[B]	3,576,792,267	68,744,229	
	[A+B]	5,460,241,891	68,979,736	

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. The information about the credit risk exposure on the Company's trade debts using a provision matrix is given above.

41.2.2 Other receivables	Exposure at default Rupees	Expected credit loss Rupees	Expected credit loss rate
30 June 2022	**3,861,853,815**	**-**	**0.00%**
30 June 2021	3,804,004,164	50,659,247	1.33%

41.2.3 Bank balances

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Chief Executive. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Financial institution	Ratings			30 June 2022	30 June 2021
	Agency	Short Term	Long term	Rupees	Rupees
Allied Bank Limited	PACRA	A-1+	AAA	**-**	3,540
Askari Bank Limited	PACRA	A-1+	AA+	**53,435,625**	74,444,203
Bank Alfalah Limited	PACRA	A-1+	AA+	**4,034,574**	255,455,854
Bank AL Habib Limited	PACRA	A-1+	AAA	**136,034,933**	29,546,477
Dubai Islamic Bank Pakistan Limited	JCR-VIS	A-1+	AA	**82,829,686**	167,295,765
Faysal Bank Limited	PACRA	A-1+	AA	**3,495,505**	1,038,943
Habib Bank Limited	JCR-VIS	A-1+	AAA	**10,198,926**	6,066,033
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	**3,157,673**	256,337,443
JS Bank Limited	PACRA	A-1+	AA-	**1,571,315**	51,175
Meezan Bank Limited	JCR-VIS	A-1+	AAA	**37,225,019**	3,674,583
MCB Bank Limited	PACRA	A-1+	AAA	**18,908**	19,518
Silk Bank Limited	JCR-VIS	A-2	A-	**686,268**	1,391,612
Soneri Bank Limited	PACRA	A-1+	AA-	**2,650,468**	2,130,042
Standard Chartered Bank	PACRA	A-1+	AAA	**3,798,413**	1,173,466
Summit Bank Limited	JCR-VIS	A-3	BBB-	**13,915,131**	5,923,316
Bank Islami Pakistan Limited	PACRA	A-1	A+	**100**	-
Bank of Khyber	PACRA	A-1	A	**593,397,795**	3,600
Bank of Punjab	PACRA	A-1+	AA+	**931,398**	3,158,281
Industrial & Commercial Bank of China Limited	S&P	-	A	**1,018,886**	-
United Bank Limited	JCR-VIS	A-1+	AAA	**10,076,389**	9,503,346
				958,477,012	817,217,197

41.2.4 With respect to credit risk arising from other financial assets of the Company, the Company's management assesses exposure to such risk to be minimal based on past experience and is restricted to the carrying amount of those assets.

41.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its commitments associated with financial liabilities when they fall due. Liquidity requirements are monitored regularly and management ensures that sufficient liquid funds are available to meet any commitments as they arise. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

30 June 2022	On demand Rupees	Within one year Rupees	More than one year but less than five years Rupees	After five years Rupees	Total Rupees
Long term loans	-	456,195,760	747,206,085	100,000,000	1,303,401,845
Lease liabilities	-	124,560,085	291,510,014	-	416,070,099
Short term borrowings	191,017,692	3,745,039,042	-	-	3,936,056,734
Trade and other payables	-	390,814,817	-	-	390,814,817
Accrued markup	-	121,937,580	-	-	121,937,580
	191,017,692	4,838,547,284	1,038,716,099	100,000,000	6,168,281,075

30 June 2021	On demand Rupees	Within one year Rupees	More than one year but less than five years Rupees	After five years Rupees	Total Rupees
Long term loans	-	513,372,774	109,332,297	-	622,705,071
Lease liabilities	-	169,133,039	525,111,480	387,036,499	1,081,281,018
Short term borrowings	925,365,172	5,160,260,881	-	-	6,085,626,053
Trade and other payables	-	1,399,995,041	-	-	1,399,995,041
Accrued markup	-	110,730,936	-	-	110,730,936
	925,365,172	7,353,492,671	634,443,777	387,036,499	9,300,338,119

Changes in liabilities arising from financing activities

	As at 1 July Rupees	Cash flows Rupees	New leases Rupees	Others Rupees	As at 30 June Rupees
30 June 2022					
Long term loans	584,235,564	719,166,281	-	-	1,303,401,845
Lease liabilities	711,057,063	(130,052,971)	17,727,490	(252,485,360)	346,246,222
Short term borrowings	6,085,626,053	(2,149,569,319)	-	-	3,936,056,734
Accrued markup	110,730,936	(630,534,907)	-	641,741,551	121,937,580
	7,491,649,616	(2,190,990,916)	8,329,956,327	389,256,191	5,707,642,381
30 June 2021					
Long term loans	827,847,263	156,388,301	-	(400,000,000)	584,235,564
Lease liabilities	370,486,836	(162,174,670)	458,439,687	44,305,210	711,057,063
Short term borrowings	8,183,936,642	(2,098,310,589)	-	-	6,085,626,053
Accrued markup	163,414,317	(739,238,538)	-	686,555,157	110,730,936
	9,545,685,058	(2,843,335,496)	458,439,687	330,860,367	7,491,649,616

42 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Company may adjust the return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with the industry norms, the Company monitors its capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total capital plus debt. Net debt is calculated as total borrowings as shown in the statement of financial position less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt (as defined above).

The debt to equity ratio is as follows:	**30 June 2022** **Rupees**	30 June 2021 Rupees
Long term loan	**1,342,856,912**	612,554,083
Short term borrowings	**4,018,539,247**	6,168,038,470
Cash and cash equivalent	**(990,297,235)**	(832,153,312)
Net debt	**4,371,098,924**	5,948,439,241
Total equity	**11,774,510,511**	6,479,155,448
Total capital	**16,145,609,435**	12,427,594,689
Capital gearing ratio	**27%**	48%

43 FINANCIAL INSTRUMENTS - FAIR VALUES

Fair value measurement of financial instruments

The Company measures financial instruments such as investment in mutual funds, at fair value at each reporting date.

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).

- Unobservable inputs for the asset or liability (level 3).

The management assessed that the fair values of all financial assets and financial liabilities, carried at amortized cost, approximate their carrying amounts largely due to the short-term maturities of these instruments. The following table shows the carrying amounts and fair values of financial instruments carried at fair value, including their levels in the fair value hierarchy:

	Note	Fair value			
		Level 1	Level 2	Level 3	Total
		(Rupees)			
Financial assets at fair value through profit or loss:					
30 June 2022					
Investment in mutual funds	**15**	**44,833,159**	**-**	**-**	**44,833,159**
30 June 2021					
Investment in mutual funds	15	41,310,624	-	-	41,310,624

44 CAPACITY AND PRODUCTION

	30 June 2022 Number of handsets	30 June 2021 Number of handsets
Cell phones		
- Maximum capacity	**1,200,000**	1,200,000
- Actual production	**1,031,232**	165,740

The assembly plant became operational in April 2021, therefore, the actual production is less than maximum capacity.

45 NUMBER OF EMPLOYEES

	30 June 2022 Number	30 June 2021 Number
As at reporting date	**671**	530
Average during the year	**601**	504

Notes To The Unconsolidated Financial Statements
For The Year Ended 30 June 2022

46 OPERATING SEGMENT INFORMATION

	Distribution and retail		Assembly		Inter segment eliminations		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	----------Amount in Rupees----------							
Revenue								
-External customer	**41,560,523,204**	47,372,802,392	**-**	-	**-**	-	**41,560,523,204**	47,372,802,392
-Inter-segment	**-**	-	**4,599,178,652**	1,910,612,152	**(4,599,178,652)**	(1,910,612,152)	**-**	-
	41,560,523,204	47,372,802,392	**4,599,178,652**	1,910,612,152	**(4,599,178,652)**	(1,910,612,152)	**41,560,523,204**	47,372,802,392
Cost of sales	**(37,684,625,908)**	(42,546,766,724)	**(3,703,227,944)**	(1,934,855,621)	**4,599,178,652**	1,910,612,152	**(36,788,675,200)**	(42,571,010,193)
Gross profit	**3,875,897,296**	4,826,035,668	**895,950,708**	(24,243,469)	**-**	-	**4,771,848,004**	4,801,792,199
Administrative expenses	**(733,317,675)**	(668,836,846)	**(141,641,084)**	(56,378,661)			**(874,958,759)**	(725,215,507)
Selling and distribution cost	**(541,234,526)**	(579,490,524)	**(1,422,928)**	(1,497,362)	**-**	-	**(542,657,454)**	(580,987,886)
Operating profit	**2,601,345,095**	3,577,708,298	**752,886,696**	(82,119,492)	**-**	-	**3,354,231,791**	3,495,588,806
Other expenses	**(88,462,415)**	(57,113,232)	**-**	-	**-**	-	**(88,462,415)**	(57,113,232)
Other income	**227,337,666**	67,846,840	**-**	-	**-**	-	**227,337,666**	67,846,840
Finance cost	**(1,025,133,331)**	(1,099,212,848)	**-**	(3,051,395)	**-**	-	**(1,025,133,331)**	(1,102,264,243)
Profit / (loss) before taxation	**1,715,087,015**	2,489,229,058	**752,886,696**	(85,170,887)	**-**	-	**2,467,973,711**	2,404,058,171
Taxation	**(819,383,279)**	(899,053,690)	**-**	-	**-**	-	**(819,383,279)**	(899,053,690)
Profit / (loss) for the year	**895,703,736**	1,590,175,368	**752,886,696**	(85,170,887)	**-**	-	**1,648,590,432**	1,505,004,481
Segment assets	**279,216,150**	14,836,247,990	**415,928,609**	2,170,622,104	**-**	(1,258,455,112)	**695,144,759**	15,748,414,982
Segment liabilities	**(5,264,019,728)**	(7,025,265,931)	**(1,456,205,193)**	(2,896,150,643)	**-**	652,157,040	**(6,720,224,921)**	(9,269,259,534)
Capital expenditure	**32,412,818**	94,685,023	**-**	487,976,540	**-**	-	**32,412,818**	582,661,563

46.1 Geographical information

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

	30 June 2022 Rupees	30 June 2021 Rupees
Pakistan	**48,578,461,043**	51,410,366,555
UAE	**62,085,188**	-
	48,640,546,231	51,410,366,555

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

46.2 The Company's revenue is earned from a large mix of customers.

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

47 UTILIZATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING (IPO)

As explained in note 1.2, the Company raised funds through Initial Public Offering (IPO) to meet working capital requirements, in order to expand the existing business of the Company. Below is the summary of utilization proceeds from IPO:

	Amount Rupees
Issuance of 90,000,000 ordinary shares at Rs. 71.5 per share	6,435,000,000
Less: Expenses related to IPO	(181,130,882)
Net proceeds received from IPO	**6,253,869,118**
Less: OFS transaction of 30,000,000 ordinary shares to sponsor	(2,145,000,000)
Less: Expenditures incurred on working capital (Purchase of stock)	(4,040,375,729)
Less: Duties paid	(68,493,389)
Balance amount	-

48 SUBEQUENT EVENTS

The Board of Directors in their meeting held on 04 October 2022 have proposed a final cash dividend for the year ended 30 June 2022 of Rs. 1.00 per share (2021: Rs. 1.25 per share), amounting to 395,269,231 (2021: Rs. 459,615,385) for approval of the members at the Annual General Meeting to be held on 28 October 2022. These financial statements do not reflect this dividend.

49 GENERAL

49.1 These financial statements were authorized by Board of Directors on October 04, 2022.

49.2 On 19 May 2022, the Government of Pakistan, through its notification no. 598(I)/2022, imposed ban on the import of all luxury and non-essential goods (including cell phones and related accessories) to avert a balance of payments crisis and stabilise the economy. As a consequence to this ban, the company was unable to import mobile devices leading to a slight decline in stock as at year end. However, on 18 August 2022, the Government of Pakistan uplifted the ban imposed on imports of all products, including luxury and non-essential goods. Accordingly, the company has resumed import of mobile devices subsequent to the year end. The impact of the above event is considered immaterial to these financial statements.

Chief Executive **Chief Financial Officer** **Director**

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INDEPENDENT AUDITORS' REPORT

To the members of Airlink Communication Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Airlink Communication Limited** and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matters	How our audit addressed the key audit matter
1.Preparation of consolidated financial statements	
On 13 October 2021, the Group incorporated a wholly-owned subsidiary under the name Select Technologies (Private) Limited for assembly of mobile phones and allied products. As a result of the above, the Group is preparing consolidated financial statements for the first time since its incorporation. The Group's consolidated financial statements comprise of transactions and balances of the holding company and its subsidiary. Consolidating these financial statements involves elimination of intercompany transactions and balances, and consolidation of the amounts and disclosures of each entity's financial statements.	Our audit procedures, amongst others, included the following: Obtained an understanding of the Group's process of consolidation of the financial statements of the newly incorporated subsidiary into the holding company, to ensure compliance with the requirements of the applicable financial reporting standards. Reviewed the procedures performed by the Group for consolidation process of the financial statements of subsidiary into the holding company, including but not limited to: a) Review of inter-company transactions. b) Elimination of unrealized profit / loss, if any. c) Ensuring that the accounting policies of the subsidiary are consistent with the accounting policies of the holding Company. Assessed the nature of property, plant and equipment capitalized by the subsidiary to test the validity of amounts capitalized and evaluate whether assets capitalized meet the recognition criteria set out in IAS 16, as the amount of capital expenditure made by the subsidiary is significant for the financial statements of the Group.

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Key audit matters	How our audit addressed the key audit matter
2.Revenue Recognition	
During the year ended 30 June 2022, the Group recognized net revenue of Rs. 49.17 billion as compared to Rs. 47.37 billion in previous year, as disclosed in Note 29 and according to the accounting policy described in Note 4.10 to the financial statements. The Group generates revenue from sales of a wide range of products and services which include cellular mobile phones, tablets, accessories, allied products and related repair services to customers. The Group also offers discounts from time to time on several product categories for the various types of customers. Due to the above factors requiring significant auditor's attention on occurrence and considering the significance of revenue as a key performance indicator for users of financial statements, we have considered revenue recognition as a key audit matter.	Our audit procedures, amongst others, included the following: Obtained an understanding of the Group's processes and related internal controls for revenue recognition and on a sample basis, tested the effectiveness of those controls, specifically in relation to recognition of revenue and timing thereof; Evaluated the appropriateness of the Group's revenue recognition policies and procedures to assess compliance with International Financial Reporting Standards ("IFRS") as applicable in Pakistan; Performed substantive analytical procedures using dis-aggregated data in order to gain assurance over the revenue recognized and focused our testing on outliers and unusual trends in light of overall external economic environment; Performed trend analysis and correlation between revenue and trade discount and assessed the reasonableness in the context of local environment along with relating the same to movement in receivables and cash; Performed procedures to identify and review any manual adjustments at year end impacting revenue to identify significant or unusual items and reviewed underlying documentation; Tested supporting evidence in relation to a sample of sales transactions including but not limited to sales orders, sales invoices, goods dispatch notes, gate passes, proof of delivery (acknowledgement by customers) and performing other tests of details;

Key audit matters	How our audit addressed the key audit matter
	Ensured that revenue items are correctly classified with reference to guidance in International Financial Reporting Standard 15 ("IFRS 15"); Performed procedures around the cut off of revenue; and Considered the appropriateness and adequacy of the disclosure provided in Note 29 to the financial statements in relation to the relevant accounting standards.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Board of directors are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Abdullah Fahad Masood.

EY Ford Rhodes

EY Ford Rhodes
Chartered Accountants
Lahore: 06 October 2022
UDIN: AR202210177hS5HiePd7

Consolidated Statement of Financial Position

As at June 30, 2022

ASSETS	Note	30 June 2022 Rupees	30 June 2021 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	5	**6,126,596,812**	1,253,900,236
Intangibles	6	**15,654,520**	18,016,354
Long term deposits		**5,736,000**	-
Deferred tax asset	7	**23,762,797**	-
		6,171,750,129	1,271,916,590
CURRENT ASSETS			
Stores and spares		**18,394,867**	7,560,647
Stock in trade	8	**5,333,571,199**	3,533,673,866
Trade debts	9	**3,752,501,028**	5,391,262,155
Loans and advances	10	**99,508,357**	171,674,967
Trade deposits and short term prepayments	11	**100,698,737**	32,468,109
Other receivables	12	**3,905,064,773**	3,753,344,917
Tax refunds due from the Government	13	**167,742,313**	244,859,633
Short term investments	14	**1,009,527,023**	509,500,786
Cash and bank balances	15	**1,101,488,794**	832,153,312
		15,488,497,091	14,476,498,392
TOTAL ASSETS		**21,660,247,220**	15,748,414,982
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Authorized share capital 600,000,000 (30 June 2021: 400,000,000 of Rs.10 each) ordinary shares of Rs.10 each		**6,000,000,000**	4,000,000,000
Issued, subscribed and paid up capital	16	**3,952,692,310**	3,000,000,000
Share premium - capital reserve	17	**3,556,176,808**	-
Accumulated profit - revenue reserve		**4,081,140,221**	2,991,850,517
General reserves - revenue reserve		**44,559,977**	44,559,977
Long term loan - equity portion		**21,372,477**	42,744,954
Share deposit money	18	**-**	400,000,000
		11,655,941,793	6,479,155,448
NON CURRENT LIABILITIES			
Long term loans - debt portion	19	**1,636,612,295**	145,487,575
Lease liabilities	20	**242,066,981**	621,155,313
Defined benefit liability	21	**24,930,028**	34,722,393
Deferred tax liability	22	**233,401,360**	15,239,805
		2,137,010,664	816,605,086
CURRENT LIABILITIES			
Current portion of long term loans	19	**466,789,550**	438,747,989
Current maturity of lease liabilities	20	**104,179,241**	89,901,750
Short term borrowings	23	**5,571,643,558**	6,085,626,053
Accrued markup	24	**206,814,630**	110,730,936
Refund liabilities	25	**309,084**	30,221,644
Contract liabilities	26	**153,168,178**	82,882,488
Provision for taxation		**766,923,311**	214,548,547
Trade payables, accrued and other liabilities	27	**502,168,984**	1,399,995,041
Unclaimed dividend		**95,298,227**	-
		7,867,294,763	8,452,654,448
TOTAL EQUITY AND LIABILITIES		**21,660,247,220**	15,748,414,982
CONTINGENCIES AND COMMITMENTS	28		

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Chief Executive	Chief Financial Officer	Director

Consolidated Statement Of Profit Or Loss

For the Year ended 30 June 2022

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Revenue from contracts with customers - net	29	**49,165,800,930**	47,372,802,392
Cost of sales	30	**(43,968,167,439)**	(42,571,010,193)
Gross profit		**5,197,633,491**	4,801,792,199
Administrative expenses	31	**(1,005,498,279)**	(725,215,507)
Selling and distribution cost	32	**(542,657,454)**	(580,987,886)
		(1,548,155,733)	(1,306,203,393)
Operating profit		**3,649,477,758**	3,495,588,806
Other expenses	33	**(88,462,415)**	(57,113,232)
Other income	34	**220,412,127**	67,846,840
Finance cost	35	**(1,175,101,178)**	(1,102,264,243)
Profit before taxation		**2,606,326,292**	2,404,058,171
Taxation	36	**(1,076,304,578)**	(899,053,690)
Net profit for the year		**1,530,021,714**	1,505,004,481
Earnings per share			Restated
- Basic	37	**3.99**	4.59
- Diluted	37	**3.99**	4.47

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Chief Executive **Chief Financial Officer** **Director**

Consolidated Statement of Comprehensive income

For the Year ended 30 June 2022

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Net profit for the year	A	**1,530,021,714**	1,505,004,481
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement losses on defined benefit plan	21.4	**(3,715,078)**	(1,231,140)
Related tax effect		**1,225,976**	357,031
Re-measurement losses on defined benefit plan - net of tax		**(2,489,102)**	(874,109)
Items that may be reclassified to profit or loss in subsequent periods		**-**	-
Other comprehensive loss for the year	B	**(2,489,102)**	(874,109)
Total comprehensive income for the year	A+B	**1,527,532,612**	1,504,130,372

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Chief Executive **Chief Financial Officer** **Director**

Consolidated Statement of Changes in Equity

For the Year ended 30 June 2022

	Issued, subscribed and paid up capital	Capital reserve: Share Premium	Revenue reserve: General reserves	Revenue reserve: Accumulated profit	Long term loan - equity portion	Loan from Director	Share deposit money	Total
	(Rupees)							
Balance as at 1 July 2020	3,000,000,000	-	44,559,977	1,487,720,145	42,744,954	21,557,155	-	4,596,582,231
Profit for the year	-	-	-	1,505,004,481	-	-	-	1,505,004,481
Other comprehensive income for the year	-	-	-	(874,109)	-	-	-	(874,109)
Total comprehensive income for the year	-	-	-	1,504,130,372	-	-	-	1,504,130,372
Loan repaid	-	-	-	-	-	(21,557,155)	-	(21,557,155)
Conversion of long term loan (note 19.1)	-	-	-	-	-	-	400,000,000	400,000,000
Balance as at 30 June 2021	3,000,000,000	-	44,559,977	2,991,850,517	42,744,954	-	400,000,000	6,479,155,448
Transactions with owners in their capacity as owners:								
Conversion of long term loan amounting Rs. 400 million at the rate of Rs. 52 per share (note 19.1.1)	**76,923,080**	**323,076,920**	**-**	**21,372,477**	**(21,372,477)**	**-**	**(400,000,000)**	**-**
Issuance of shares against initial public offering (note 1.2)	**600,000,000**	**3,690,000,000**	**-**	**-**	**-**	**-**	**-**	**4,290,000,000**
Transaction cost on issuance of ordinary shares (note 1.2)	**-**	**(181,130,882)**	**-**	**-**	**-**	**-**	**-**	**(181,130,882)**
Final dividend for the year ended 30 June 2021 at the rate of Rs. 1.25 per share	**-**	**-**	**-**	**(459,615,385)**	**-**	**-**	**-**	**(459,615,385)**
Issue of bonus shares for the year ended 30 June 2021 at rate of 7.5%	**275,769,230**	**(275,769,230)**	**-**	**-**	**-**	**-**	**-**	**-**
Profit for the year	**-**	**-**	**-**	**1,530,021,714**	**-**	**-**	**-**	**1,530,021,714**
Other comprehensive loss for the year	**-**	**-**	**-**	**(2,489,102)**	**-**	**-**	**-**	**(2,489,102)**
Total comprehensive income for the year	**-**	**-**	**-**	**1,527,532,612**	**-**	**-**	**-**	**1,527,532,612**
Balance as at 30 June 2022	**3,952,692,310**	**3,556,176,808**	**44,559,977**	**4,081,140,221**	**21,372,477**	**-**	**-**	**11,655,941,793**

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Chief Executive | **Chief Financial Officer** | **Director**

Consolidated Statement of Cash Flows

For the Year ended 30 June 2022

CASH FLOW FROM OPERATING ACTIVITIES	Note	30 June 2022 Rupees	30 June 2021 Rupees
Profit before taxation		**2,606,326,292**	2,404,058,171
Adjustments for :			
Depreciation of property, plant and equipment	5.4	**337,139,021**	232,928,893
Amortization of intangible assets	6	**11,720,230**	7,459,242
Provision for net realizable value	8.1	**(11,525,259)**	(18,875,891)
(Reversal of) allowance for expected credit loss - trade debts	31	**(58,941,054)**	8,588,796
(Reversal of) allowance for expected credit loss - other receivables	31	**(50,659,247)**	50,659,247
Provision for gratuity	21.2	**14,083,998**	13,048,974
(Gain) / loss on lease termination	33 & 34	**(43,406,778)**	6,265,435
Foreign currency exchange loss	33 & 34	**-**	1,996,317
Gain on modification of loan	34	**(4,656,579)**	-
Provision written back	34	**-**	(14,819,017)
Finance cost	35	**843,712,917**	771,002,246
Unrealized gain on financial assets	34	**(3,522,535)**	(2,651,572)
Profit on investments	34	**(49,187,252)**	(50,376,251)
		984,757,462	1,005,226,419
Operating profit before working capital changes		**3,591,083,754**	3,409,284,590
(Increase) / decrease in current assets			
Stock in trade		**(1,788,372,074)**	1,095,253,920
Stores and spares		**(10,834,220)**	(7,560,647)
Trade debts		**1,697,702,181**	(744,539,216)
Loans and advances		**72,166,610**	(5,032,964)
Trade deposits and short term prepayments		**(63,564,052)**	(16,014,063)
Other receivables		**(101,060,609)**	5,348,330,486
Tax refunds due from the Government		**81,471,693**	2,623,238
		(112,490,471)	5,673,060,754
Increase / (decrease) in current liabilities			
Trade payables, accrued and other liabilities		**(927,738,617)**	(5,046,435,763)
Contract liabilities		**70,285,690**	(34,190,626)
Cashflows after working capital changes - net		**2,621,140,356**	4,001,718,955
Financial cost paid		**(663,965,369)**	(739,238,538)
Gratuity paid	21.4	**(27,591,441)**	(8,746,300)
Income tax paid		**(332,659,450)**	(785,158,695)
NET CASH GENERATED FROM OPERATING ACTIVITIES	[A]	**1,596,924,096**	2,468,575,422
CASH FLOW FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment - owned assets		**(5,484,860,543)**	(578,163,563)
Additions in intangibles	6	**(9,358,396)**	(16,667,109)
Long term deposits paid		**(5,736,000)**	-
Interest income received		**31,883,550**	72,773,914
Short term investments made		**(479,200,000)**	-
Short term investments disposed		**-**	197,000,000
NET CASH USED IN INVESTING ACTIVITIES	[B]	**(5,947,271,389)**	(325,056,758)
CASH FLOW FROM FINANCING ACTIVITIES			
Lease liability repaid		**(130,052,971)**	(162,174,670)
Proceeds against issue of shares		**4,108,869,118**	-
Dividend paid		**(364,317,158)**	-
Director's loan repaid		**-**	(21,557,155)
Long term loans obtained		**1,870,000,000**	547,279,250
Long term loans repaid		**(350,833,719)**	(390,890,949)
Short term borrowings (repaid) - net		**(513,982,495)**	(2,098,310,589)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	[C]	**4,619,682,775**	(2,125,654,113)
NET INCREASE IN CASH AND CASH EQUIVALENTS	[A+B+C]	**269,335,482**	17,864,551
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**832,153,312**	814,288,761
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	40	**1,101,488,794**	832,153,312

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Chief Executive **Chief Financial Officer** **Director**

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 (previously at LG 2, Al - Qadeer Heights, 1 Babar Block, New Garden Town, 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 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 year, the Securities and Exchange Commission of Pakistan (SECP) granted approval dated 19 July 2021 to the Company to issue, circulate and publish prospectus for the Initial Public Offering (IPO) of 90 million ordinary shares. On 31 August 2021, book-building and institutional / large investors' bidding process was completed for new issue of 60 million shares at strike price of Rs. 71.5 per share, whereas public subscription of remaining 30 million shares was completed on 07 September 2021. Consequently, 25% of the total share capital of the Company stands offered to the public and institutional investors whilst the process of listing of shares on Pakistan Stock Exchange was completed on 22 September 2021. 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

BUSINESS UNIT	ADDRESS
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, Pakistan.
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 Complex, Rashid Minhas Road, Karachi, Pakistan

In addition to the above, the Company also has stores and warehouses, the list of which is not presented in these financial statements to maintain concision.

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 financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS standards) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Standards, interpretation and amendments applicable to the financial statements for the year ended 30 June 2022

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with prior year financial statements for the year ended 30 June 2021, except as described below:

New standards and amendment

The Group has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current year:

IAS 39, IFRS 9, IFRS 7, IFRS 4 & IFRS 16	Rate Benchmark Reform - Phase 2 (Amendments)

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

The following 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	Effective date (annual periods beginning on after)
Reference to the Conceptual Framework – Amendments to IFRS 3	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	1 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	1 January 2022
AIP IFRS 1 First-time Adoption of International Financial Reporting Standards – Sub sidiary as a first-time adopter	1 January 2022
AIP IFRS 9 Financial Instruments – Fees in the "10 per cent" test for derecognition of financial liabilities	1 January 2022
AIP IAS 41 Agriculture – Taxation in fair value measurements	1 January 2022
Insurance Contracts – IFRS 17	1 January 2023
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	1 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 & IAS 28	Not yet finalized

The Group expects that such improvements to the standards will not have any material impact on the Group's 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.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation		Effective date (annual periods beginning on after)*
IFRS 1	First-time Adoption of International Financial Reporting	1 July 2009
IFRS 17	Insurance Contracts	1 January 2023

*This represents effective date as per the standards. However, the standards will become effective from the date as notified by the SECP.

The Group expects that such improvements to the standards and new standards will not have any material impact on the Group's consolidated financial statements.

3 BASIS OF PREPARATION

3.1 BASIS OF MEASUREMENT

These consolidated financial statements have been prepared under the historical cost convention except that certain employee benefits are recognized on the basis mentioned in note 4.11

3.2 PRESENTATION CURRENCY

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

3.3 The company is making consolidated financial statements for the first time in current year due to establishment of a subsidiary at 13 October 2021. Therefore, the figures of the prior year consolidated financial statements are not entirely comparable.

3.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated 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.

In preparing these consolidated financial statements, the significant estimates, assumptions and judgements made by the management in applying accounting policies include:

3.4.1 Judgements

3.4.1.1 Lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonable certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease options that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factor that create an economic incentive for it to exercise the renewal or termination. After the commencement period, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

3.4.2 Estimates and assumptions

3.4.2.1 Revenue from contracts with customers

The Group applied the following judgement that significantly affect the determination of the amount of revenue from contracts with customers:

- **Variable consideration**

  Contracts with customers include incentives and lower portion discounts that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

  The Group applies the most likely amount method. The selected method that best predicts the amount of variable consideration is primarily driven by the incentives decided by the brand owners at the time of purchase of goods and historical recovery patterns.

  Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience and current economic conditions.

3.4.2.2 Impairment of financial assets

The Group assesses the impairment of its financial assets based on the Expected Credit Loss ("ECL") model. Under the expected credit loss model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Group measures the loss allowance at an amount equal to lifetime ECL for its financial instruments.

The Group measures the expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money, if applicable; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Expected credit losses are measured for the maximum contractual period over which the entity is exposed to credit risk. The significant estimates relating to the measurement of ECL relate to the fair value of the collaterals in place, the expected timing of the collection and forward looking economic factors.

Other areas where estimates and judgments are involved have been disclosed in respective notes to the financial statements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with prior year except as stated in note 2.2.

4.1 Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is provided on straight line method at the rates given in schedule of property, plant and equipment and charged to statement of profit or loss to write off the depreciable amount of each asset at the rates specified in the note 5. Depreciation is provided on assets for the proportionate period of its use in the year of addition and disposal in statement of profit or loss. Normal repairs and maintenance are charged to statement of profit or loss, while major renewals and improvements are capitalized.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

Estimates with respect to residual values, depreciable lives and pattern of flow of economic benefits are based on the analysis of the management of the Group. Further, the management reviews the value of the assets for possible impairments on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment, with a corresponding effect on the depreciation charge and impairment.

4.2 Intangibles

Intangibles are initially stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged to statement of profit or loss applying the straight line basis over its normal useful life as specified in note 6. Amortization is charged to statement of profit or loss on time proportion basis for addition or deletion during the year. Gains and losses on disposal of assets are included in statement of profit or loss.

4.3 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash in hand and cash at bank as specified in note 40 that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in values.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand and cash at banks defined above.

4.4 Stock in trade

Stock in trade, stores, spares and loose tools are valued at lower of cost or net realizable value except those in transit, which are valued at invoice value including other charges, if any, incurred thereon. Basis of determining cost is as follows:

Raw and packing material	-	weighted average cost
Material in transit	-	actual cost
Work in process	-	actual cost
Finished goods	-	weighted average cost
Stores, spare parts and loose tools	-	weighted average cost

Items considered obsolete are carried at nil value. Provision for obsolete and slow moving inventory is based on management estimates of usage in normal business operations. Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs of completion and costs necessary to be incurred in order to make the sale.

4.5 Trade and other receivables

Trade debts and other receivables are carried at original invoice amount. Provision is made for debts considered doubtful of recovery based on ECL model of IFRS 9 and debts considered irrecoverable are written off as and when identified.

4.6 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

4.6.1 Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

4.6.2 Lease liabilities - rented premises

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

4.7 Trade and other payables

Trade and other payables are carried at cost which is the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

4.8 Provisions

Provisions are recognized in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the extent of obligation.

4.9 Taxation

Current

Provision for the current tax is based on the taxable income for the year determined in accordance with the provisions of the Income Tax Ordinance, 2001. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognized using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

The Group recognizes a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Group has not opted for group taxation, therefore, deferred tax asset related to Air Link Communication (Holding Company) and deferred tax lialitiy related to Select Technologies (Private) Limited (subsidiary) has been shown seperately as disclosed note 7 and note 22 respectively.

4.10 Revenue from contracts with customers

The Group is in the business of selling cellular mobile phones, tablets, accessories and allied products. Revenue from contract with customers is recognized when control of goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange of those goods.

Revenue from sale of goods is recognized at a point when performance obligations are satisfied coinciding with transfer of control of the asset to the customer, generally on delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated such as sale incentives, promotions and rebates. In considering the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to customer (if any).

4.10.1 Service Income

The Group also provides repair services for mobile phones, tablets, accessories and allied products which are in-warranty and out-of-warranty at its service centres. The Group recognizes the revenue from repair services when the service is provided to the customer.

4.10.2 Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts with customers provide them with a right to incentives, lower portion discounts, rebates and promotions at the discretion of brand owners. Only the incentives and lower portion discounts give rise to variable consideration.

(i) Incentives and lower portion discounts

The Group provides retrospective sale incentives to certain customers once the quantity of products sold by those customers to end consumers during the period exceeds an agreed threshold. These incentives reduce the amounts payable by the customer. To estimate the variable consideration for the expected future incentives, the Group applies the most likely amount method. The selected method that best predicts the amount of variable consideration is primarily driven by the incentives decided by the brand owners at the time of purchase of goods. The Group then applies the requirements on constraining estimates of variable consideration and recognizes a refund liability for the expected future incentives.

(ii) Rebates and promotions

The Group provides rebates and promotions to customers based on the instructions by the brand owners. Upon receipts of instructions, the Group gives the customers an option to return unsold products and obtain same product categories based on revised selling prices or the Group issues a credit note to the customer which can be used to adjust against the receivable recorded of the customer. These do not constitute variable consideration as these rebates and promotions are decided by brand owners on specific categories based on market demand which is a factor outside the Group’s influence and there is no established pattern of possible consideration amounts at time of sale. Therefore, these rebates and promotions are not adjusted in revenue from contract with customers.

4.10.3 Significant financing component

The Group receives few short-term advances from its customers and hence does not adjust the promised amount of consideration for the effects of a significant financing component as the effect of the same is not considered material.

4.10.4 Non cash consideration

The Group’s receivables against the transfer of goods to customers are usually settled in cash.

4.10.5 Consideration payable to customers

The Group records the consideration payable to customers when brand owners provide instructions to provide rebates and promotions to the customers. The consideration payable to a customer is accounted for as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity.

4.10.6 Contract balances

(i) Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Accounting policy for initial recognition and subsequent measurement is disclosed in note 4.5 to these financial statements. Payment is generally due within 30 to 90 days of satisfaction of performance obligation.

(ii) Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

(iii) Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

4.10.7 Costs to obtain a contract

The Group pays legal documentation costs for each contract that they obtain for sale of goods. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense these costs because the amortization period of the asset that the Group otherwise would have used is one year or less.

4.10.8 Costs to fulfil a contract

The Group incurs carriage costs on delivery of goods to warehouses as well as to customers. The Group has elected to apply the optional practical expedient for costs to fulfil a contract which allows the Group to immediately expense these costs as the amortization period of the asset that the Group otherwise would have used is less than a year.

In case of carriage costs from shipping port to main warehouse, these costs are classified as domestic carriage which is part of cost of sales. In case of deliveries to regional warehouses and customers, these costs are included under freight outward which is part of selling and distribution cost.

4.11 Employees' Retirement Benefits - Defined Benefit Plan

The Group operates an unfunded gratuity scheme covering eligible workers, payable on ceasing of employment subject to completion of minimum qualifying period of service. Obligations under the scheme are calculated on the last drawn gross salary by number of years served to the Group.

An actuarial valuation of all defined benefit schemes except eligible retired employees' medical scheme is conducted every year. The valuation uses the Projected Unit Credit method. Experience adjustments are recognized in other comprehensive income when they occur. Amounts recorded in statement of profit or loss are limited to current and past service cost, gains or losses on settlements, and net interest income / (expense). All other changes in net defined benefit liability are recognized in other comprehensive income with no subsequent recycling to statement of profit or loss.

The Group faces the following risks on account of calculation of provision for employees benefits:

a) Salary increase / inflation risk:

The Gratuity Scheme is a defined benefit scheme with benefits based on last drawn salary. Therefore, the liabilities of the scheme are sensitive to the salary increases.

b) Discount rate risk:

The risk of changes in discount rate may have an impact on the plan's liability.

c) Mortality risk:

Actual mortality experience maybe different than that assumed in the calculation.

d) Withdrawal risk:

Actual withdrawals experience may different from that assumed in the calculation.

4.12 Foreign exchange

Foreign currency transactions are recorded at the exchange rate applicable at the transaction date. Monetary assets and liabilities are translated into rupees using exchange rates applicable at the reporting date. All gains and losses on settlement and translation at period end are recognized in the statement of profit or loss.

4.13 Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.13.1 Financial assets

Financial assets - initial recognition

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade debts and bank balance that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policy in Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include long-term deposits, trade debts, loans and advances, other receivables and bank balances.

Financial assets - subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Financial assets at fair value through profit or loss
b) Financial assets at amortized cost (debt instruments)
c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
d) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognized as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Group's financial asset at fair value through profit or loss include investment in mutual funds.

b) Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized costs includes trade debts, other receivables, short term investments excluding investment in mutual funds and bank balance.

c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under 'IAS 32 Financial Instruments: Presentation' and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group does not have any financial assets designated at fair value through OCI (equity instruments).

d) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group does not have debt instruments recorded at fair value through OCI with recycling of cumulative gains and losses.

Financial assets - Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

  Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial assets - Impairment

The Group recognizes an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group uses a provision matrix to calculate ECLs for trade debts. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type and customer type).

For trade debts, the Group applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product and inflation) are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The expected credit losses are recognized in the statement of profit or loss. For bank balances, the Group applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Group reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognized in the statement of profit or loss.

4.13.2 Financial liabilities

Financial liabilities - initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include long term loans, short term borrowings utilized under mark-up arrangements, creditors, lease liabilities, accrued and other liabilities.

Financial liabilities - subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income.

This category applies to long term loans, short term borrowings utilized under mark-up arrangements, creditors, lease liabilities, accrued and other liabilities.

Financial liabilities - derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

4.14 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4.15 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Operating Decision Maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CEO who makes strategic decisions. The CODM monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The management has determined that the Group has 'Distribution & Retail' and 'Assembly' as two distinct reportable segments.

4.16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

4.17 Dividend and appropriation to reserves

Dividend distribution and appropriation to reserves are recognized as liability in the financial statements in the period in which these are approved.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Operating fixed assets		**5,852,827,262**	567,454,504
Right-of-use assets		**273,769,550**	686,445,732
	5.1	**6,126,596,812**	1,253,900,236

5.1

30 June 2022

	COST					ACCUMULATED DEPRECIATION						
	Balance as on 01 July 2021	Additions	Transfer from right-of-use assets	Termination	Balance as on 30 June 2022	Balance as on 01 July 2021	Charge for the period	Transfer from right-of-use assets	Termination	Balance as on 30 June 2022	Net book value as on 30 June 2022	Rate
	Rupees											%
Owned Assets												
Land	-	1,959,139,873	-	-	1,959,139,873	-	-	-	-	-	1,959,139,873	
Building and renovations	108,158,357	665,707,252	-	-	773,865,609	4,441,935	8,560,733	-	-	13,002,668	760,862,941	2.5
Plant and machinery	224,328,857	2,628,360,592	-	-	2,852,689,449	9,234,689	62,477,907	-	-	71,712,596	2,780,976,853	6.67 - 10
Furniture and fixtures	24,130,183	6,718,772	-	-	30,848,955	13,224,527	8,522,031	-	-	21,746,558	9,102,397	33
Computers	41,674,504	48,148,817	-	-	89,823,321	15,852,006	10,053,046	-	-	25,905,052	63,918,269	33
Office equipment	253,351,561	140,294,237	-	-	393,645,798	62,036,469	95,592,132	-	-	157,628,601	236,017,197	33
Motor vehicles	54,162,315	36,491,000	-	-	90,653,315	33,561,647	14,281,936	-	-	47,843,583	42,809,732	25
	705,805,777	5,484,860,543	-	-	6,190,666,320	138,351,273	199,487,785	-	-	337,839,058	5,852,827,262	
Right-of-use assets												
Motor vehicles	70,045,475	17,727,490	-	-	87,772,965	39,787,461	22,598,491	-	-	62,385,952	25,387,013	25
Lease hold land	344,940,738	-	-	(344,940,738)	-	31,077,886	25,863,382	-	(56,941,268)	-	-	10
Rented premises-buildings	481,537,889	-	-	(10,223,776)	471,314,113	139,213,023	89,189,363	-	(5,470,810)	222,931,576	248,382,537	10 - 20
	896,524,102	17,727,490	-	(355,164,514)	559,087,078	210,078,370	137,651,236	-	(62,412,078)	285,317,528	273,769,550	
Total	1,602,329,879	5,502,588,033	-	(355,164,514)	6,749,753,398	348,429,643	337,139,021	-	(62,412,078)	623,156,586	6,126,596,812	

30 June 2021

	COST					ACCUMULATED DEPRECIATION						
	Balance as on 01 July 2020	Additions	Transfer from right-of-use assets	Termination	Balance as on 30 June 2021	Balance as on 01 July 2020	Charge for the period	Transfer from right-of-use assets	Termination	Balance as on 30 June 2021	Net book value as on 30 June 2021	Rate
	(Rupees)											%
Owned Assets												
Building on lease hold land	-	108,158,357	-	-	108,158,357	-	4,441,935	-	-	4,441,935	103,716,422	
Plant & machinery	-	224,328,857	-	-	224,328,857	-	9,234,689	-	-	9,234,689	215,094,168	10
Furniture and fixtures	15,502,464	8,627,719	-	-	24,130,183	6,614,840	6,609,687	-	-	13,224,527	10,905,656	33
Computers	14,004,875	27,669,629	-	-	41,674,504	7,163,270	8,688,736	-	-	15,852,006	25,822,498	33
Office equipment	45,916,395	207,435,166	-	-	253,351,561	16,684,124	45,352,345	-	-	62,036,469	191,315,092	33
Motor vehicles	47,720,480	6,441,835		-	54,162,315	21,516,386	12,045,261	-	-	33,561,647	20,600,668	25
	123,144,214	582,661,563	-	-	705,805,777	51,978,620	86,372,653	-	-	138,351,273	567,454,504	
Right-of-use assets												
Motor vehicles	56,288,625	19,315,600	-	(5,558,750)	70,045,475	22,443,747	19,232,166		(1,888,452)	39,787,461	30,258,014	25
Lease hold land	-	344,940,738	-	-	344,940,738	-	31,077,886		-	31,077,886	313,862,852	10
Rented premises-buildings	424,139,029	146,418,178	-	(89,019,318)	481,537,889	52,177,356	96,246,188	-	(9,210,521)	139,213,023	342,324,866	10 - 33
	480,427,654	510,674,516	-	(94,578,068)	896,524,102	74,621,103	146,556,240	-	(11,098,973)	210,078,370	686,445,732	
Total	603,571,868	1,093,336,079	-	(94,578,068)	1,602,329,879	126,599,723	232,928,893	-	(11,098,973)	348,429,643	1,253,900,236	

5.2 There are fully depreciated assets, having cost of Rs. 5,264,217 (30 June 2021: Rs.3,726,130) that are still in use as at the reporting date.

5.3 Group's immovable fixed assets including land are located at 152-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore having area of 77,637 square feet .

5.4 The depreciation charge for the year has been allocated as follows:

	Note	30 June 2022	30 June 2021
		Rupees	Rupees
Cost of sales	30	94,884,472	21,626,328
Administrative expenses	31	114,140,992	93,581,998
Selling and distribution cost	32	128,113,557	117,720,567
		337,139,021	232,928,893

6 INTANGIBLES - Software

	Note	30 June 2022	30 June 2021
Cost:			
As at 1 July		30,178,280	13,511,171
Additions during the year		9,358,396	16,667,109
As at 30 June		39,536,676	30,178,280
Accumulated amortization:			
As at 1 July		12,161,926	4,702,684
Charge for the year	6.1	11,720,230	7,459,242
As at 30 June		23,882,156	12,161,926
Net book value		15,654,520	18,016,354
Rate of amortization		33%	33%

6.1 **The amortization charge for the year has been allocated as follows:**

	Note	30 June 2022	30 June 2021
Cost of sales	30	2,237,797	469,880
Administrative expenses	31	4,214,413	6,989,362
Selling and distribution cost	30	5,268,020	-
		11,720,230	7,459,242

		Note	30 June 2022 Rupees	30 June 2021 Rupees
7	**DEFERRED TAX ASSET / (LIABILITY)**			
	This comprises of:			
	Deferred tax liabilities on taxable temporary differences			
	Accelerated tax depreciation		**(12,546,716)**	(65,216,875)
	Deferred tax assets on deductible temporary differences			
	Lease liabilities - net		**23,917,301**	7,137,286
	Defined benefit liability		**8,226,909**	10,069,493
	Provision for expected credit loss		**750,540**	20,004,123
	Provision for net realizable value adjustment		**-**	4,001,891
	Refund liabilities		**3,312,765**	8,764,277
			23,762,797	(15,239,805)
	Reconciliation of deferred tax, net			
	As at 1 July		**(15,239,805)**	81,263,214
	Recognized in statement of profit or loss	36	**37,776,626**	(96,860,050)
	Recognized in other comprehensive income		**1,225,976**	357,031
	As at 30 June		**23,762,797**	(15,239,805)

7.1 Deferred tax asset has been recognized based on assessment that in future sufficient taxable profits will be available to the Group and the Group will fall under Normal Tax Regime in future years and shall have sufficient taxable profits against which this deferred tax asset shall be utilized.

		Note	30 June 2022 Rupees	30 June 2021 Rupees
8	**STOCK IN TRADE**			
	Raw material		**1,029,483,708**	393,763,974
	Work in process		**128,106,849**	19,576,154
	Mobile phones		**1,459,389,775**	1,254,026,953
	Spare parts		**146,012,883**	79,678,663
			2,762,993,215	1,747,045,744
	Provision for net realizable value	8.1	**(2,274,365)**	(13,799,624)
			2,760,718,850	1,733,246,120
	Goods in transit		**2,572,852,349**	1,800,427,746
			5,333,571,199	3,533,673,866
8.1	Movement in provision for net realizable value is as follows:			
	Opening balance		**13,799,624**	32,675,515
	Reversal during the year		**(11,525,259)**	(18,875,891)
			2,274,365	13,799,624

		Note	30 June 2022	30 June 2021
9	**TRADE DEBTS**		**Rupees**	Rupees
	Considered good - unsecured			
	Local		**3,762,539,710**	4,034,354,128
	Exports		**-**	1,425,887,763
			3,762,539,710	5,460,241,891
	Allowance for expected credit loss	9.1	**(10,038,682)**	(68,979,736)
			3,752,501,028	5,391,262,155
9.1	**Movement in allowance for expected credit loss is as follows:**			
	Opening balance		**68,979,736**	60,390,940
	Reversal during the year	34	**(68,979,736)**	(60,390,940)
	Charge during the year	31	**10,038,682**	68,979,736
			(58,941,054)	8,588,796
			10,038,682	68,979,736

9.2 **Age analysis of these trade debts is disclosed in Note 41.2.1.**

		Note	30 June 2022	30 June 2021
10	**LOANS AND ADVANCES**			
	Advances considered good - unsecured			
	Advance to suppliers	10.1	**71,629,085**	152,235,346
	Employees against salary	10.2	**26,672,613**	18,883,649
	Employees against company expenses		**104,300**	154,300
	Employees against loaned / mobile sets		**1,102,359**	401,672
			99,508,357	171,674,967

10.1 This represents amount given as advance to suppliers against purchase of stock in trade.

10.2 These are interest free loan provided to employees repayable in one year. Since the maturity of loan is less than one year, the present value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' is not recognized being immaterial.

		Note	30 June 2022	30 June 2021
11	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**		**Rupees**	Rupees
	Security deposits	11.1	**78,405,728**	29,308,107
	Prepayments		**22,293,009**	3,160,002
			100,698,737	32,468,109

11.1 This represents amount deposited with brand owners against purchase of parts and deposit with logistics company.

		Note	30 June 2022	30 June 2021
12	**OTHER RECEIVABLES**		**Rupees**	Rupees
	Margin against letters of credit and contracts		**2,862,776,370**	2,283,571,862
	Due from brand owners	12.1	**1,036,979,618**	1,384,192,837
	Bank guarantee		**3,500,000**	3,000,000
	Claims from courier against lost items		**1,808,785**	1,808,785
	Earnest money		**-**	32,000,000
	Insurance claims	12.2	**-**	99,430,680
			3,905,064,773	3,804,004,164
	Less: Allowance for expected credit loss	12.3	**-**	(50,659,247)
			3,905,064,773	3,753,344,917

12.1 This represents due from brand owners on account of various incentives and promotions offered by them.

12.2 This represented amount receivable from Premier Insurance Limited (PIL) against which the Group had filed an application in Insurance Tribunal for recovery of the same on the grounds that PIL deviated from its legal and contractual obligations and despite payment of premium by the Group, PIL had arbitrarily withheld the amounts claimed. During the year, the said amount has been adjusted against the general reserve.

		Note	30 June 2022	30 June 2021
12.3	Movement in allowance for expected credit loss is as follows:		Rupees	Rupees
	Opening balance		**50,659,247**	-
	Charged / (reversed) during the year	31	**(50,659,247)**	50,659,247
			-	50,659,247

13 TAX REFUNDS DUE FROM THE GOVERNMENT

	Note	30 June 2022	30 June 2021
Advance income tax	13.1	**165,163,227**	160,808,854
Sales tax		**2,579,086**	84,050,779
		167,742,313	244,859,633

13.1 This represents the amount of advance income tax recoverable from tax authorities net of current year's provision for taxation amounting to Rs. 750,450,688 (2021: Rs. 787,944,002).

		Note	30 June 2022	30 June 2021
14	**SHORT TERM INVESTMENTS**		Rupees	Rupees
	Financial assets at amortized cost			
	Term deposits	14.1	**845,600,000**	366,400,000
	Term finance certificate	14.2	**100,000,000**	100,000,000
	Accrued markup		**19,093,864**	1,790,162
			964,693,864	468,190,162
	Financial assets at fair value through profit or loss			
	Investment in mutual funds	14.3	**44,833,159**	41,310,624
			1,009,527,023	509,500,786

14.1 These term deposits (TDR's) have face value of Rs. 845.6 million (30 June 2021: Rs. 366.4 million) and carry mark up of 5% to 10% (30 June 2021: 5% to 8%), having maturity period 30 days to 180 days (30 June 2021: 30 days to 90 days). These TDR's are under lien against funded facilities obtained from financial institutions.

14.2 This term finance certificate has face value of Rs. 100 million (30 June 2021: Rs. 100 million) and carry mark up at the rate of 6 months KIBOR + 2.25 % (30 June 2021: 6 Months KIBOR + 2.25%), having maturity period of 180 days (30 June 2021: 180 days). This term finance certificate is under lien against funded facilities obtained from financial institutions.

14.3 The amount relates to 454,629.56 units (30 June 2021: 422,772.1690 units) of JS Islamic Hybrid Fund of Funds II (JS Islamic Capital Preservation Allocation Plan III) managed by JS Investments Limited.

14.4 Movement in financial assets is as follows:

	At amortized cost		At fair value through profit and loss	
30 June 2022	**Term Deposit**	**Term Finance Certificate**	**Investment in mutual funds**	**Total**
Opening balance	**368,190,162**	**100,000,000**	**41,310,624**	**509,500,786**
Additions	**479,200,000**	**-**	**-**	**479,200,000**
Deletions	**-**	**-**	**-**	**-**
Mark up accrued	**37,378,154**	**11,809,098**	**-**	**49,187,252**
Fair value gain on investment	**-**	**-**	**3,522,535**	**3,522,535**
Mark up received	**(20,074,452)**	**(11,809,098)**	**-**	**(31,883,550)**
	864,693,864	**100,000,000**	**44,833,159**	**1,009,527,023**
30 June 2021				
Opening balance	588,676,313	101,887,000	34,567,128	725,130,441
Additions	-	-	29,000,000	29,000,000
Deletions	(200,000,000)	-	(26,000,000)	(226,000,000)
Mark up accrued	40,879,412	9,521,351	-	50,400,763
Fair value gain on investment	-	-	3,743,496	3,743,496
Mark up received	(61,365,563)	(11,408,351)	-	(72,773,914)
	368,190,162	100,000,000	41,310,624	509,500,786

14.5 Movement in gain on remeasurement of financial assets at fair value through profit or loss is as follows:

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Balance as at 1 July	11.1	**2,627,060**	(1,116,436)
Fair value gain during the year		**3,522,535**	3,743,496
Closing Balance		**6,149,595**	2,627,060

15 CASH AND BANK BALANCES

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Cash in hand		**31,820,223**	14,936,115
Cash at bank - current accounts		**1,069,667,723**	650,731,335
- savings account	15.1	**848**	166,485,862
		1,101,488,794	832,153,312

15.1 This carries markup at the rate of 4.25% per annum (2021: 4% per annum).

16 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

30 June 2022 No. of shares	30 June 2021 No. of shares		30 June 2022 Share Capital	30 June 2021 Share Capital
192,692,308	125,000,000	Ordinary shares of Rs. 10 each (30 June 2021: Rs.10 each) fully paid in cash	**1,926,923,080**	1,250,000,000
202,576,923	175,000,000	Ordinary shares of Rs. 10 each (30 June 2021: Rs.10 each) fully paid as bonus shares	**2,025,769,230**	1,750,000,000
395,269,231	300,000,000		**3,952,692,310**	3,000,000,000

		No. of Shares		Share Capital	
		30 June 2022	30 June 2021	**30 June 2022**	30 June 2021
16.1	Movement in share capital as follows:				
	Opening balance				
	- Ordinary shares of Rs. 10 each fully paid in cash	**125,000,000**	125,000,000	**1,250,000,000**	1,250,000,000
	- Bonus shares of Rs. 10 each fully paid as bonus shares	**175,000,000**	175,000,000	**1,750,000,000**	1,750,000,000
	Movement during the year				
	-Conversion of long term loan amounting Rs. 400 million at the rate of Rs. 52 per share	**7,692,308**	-	**76,923,080**	-
	-Issuance of shares against initial public offering at the rate of Rs. 71.5 per share	**60,000,000**	-	**600,000,000**	-
	-Issuance of bonus shares at face value of Rs. 10	**27,576,923**	-	**275,769,230**	-
	Closing balance				
	- Ordinary shares of Rs. 10 each fully paid in cash	**192,692,308**	125,000,000	**1,926,923,080**	1,250,000,000
	- Bonus shares of Rs. 10 each fully paid as bonus shares	**202,576,923**	175,000,000	**2,025,769,230**	1,750,000,000
		395,269,231	300,000,000	**3,952,692,310**	3,000,000,000

		Note	30 June 2022	30 June 2021
17	**SHARE PREMIUM - CAPITAL RESERVE**		**Rupees**	Rupees
	Movement in share premium reserve as follows:			
	Balance as at 1 July		**-**	-
	Conversion of long term loan into ordinary shares.	19.1.1	**323,076,920**	-
	Issuance of shares against initial public offering.	1.2	**3,690,000,000**	-
	Transaction cost on issuance of ordinary shares.		**(181,130,882)**	-
	Issue of bonus shares for the year ended 30 June 2021 at the rate of 7.5%.		**(275,769,230)**	-
			3,556,176,808	-

17.1 This reserve can be utilized by the Company only for the purposes specified in section 81(2) and 81(3) of the Companies Act, 2017.

17.2 This represents consulting and book runner fee paid to JS Global Capital Limited.

		Note	30 June 2022	30 June 2021
18	**SHARE DEPOSIT MONEY**			
	Balance as at 1 July		**400,000,000**	-
	Transfer from long term loan	19.1.1	**-**	400,000,000
	Conversion into ordinary shares.		**(400,000,000)**	-
			-	400,000,000
19	**LONG TERM LOANS**			
	JS Bank Limited and PCF Communication Investments (Private) Limited	19.1	**133,333,333**	393,435,951
	JS Bank Limited	19.2	**22,832,239**	68,251,302
	Orix Leasing Pakistan Limited	19.3	**77,236,273**	122,548,311
	Saudi Pak Industrial and Agricultural Investment Company Limited	19.4	**800,000,000**	-
	Pak Oman Investment Company	19.5	**270,000,000**	-
	Bank Al-Habib	19.6	**800,000,000**	-
	Add: Accrued markup		**64,695,066**	28,318,519
			2,168,096,911	612,554,083
	Less: Current portion shown under current liabilities		**(466,789,550)**	(438,747,989)
	Less: Accrued markup presented in current liabilities	24	**(64,695,066)**	(28,318,519)
			1,636,612,295	145,487,575

19.1 This represents loan obtained from JS Bank Limited and PCF Communication Investments (Private) Limited to meet working capital requirements of the Group. The Group has agreed to issue redeemable capital in the form of secured and convertible term finance certificates subject to the requirements of the Private Placement Securities Rules, 2017. The rate of mark up on loan is 3 months KIBOR + 1%.

This loan is convertible into ordinary shares on meeting covenants agreed in the subscription agreement. However, the loan, if not converted into ordinary shares, shall be redeemable after 31 December 2021 in the event Group does not meet criteria set out in the subscription agreement with loan providers. Based on these facts, the Group had determined that liability to redeem shares existed at the prior year reporting date, therefore, this loan had been presented as a compound financial instrument and the current portion had been recognized under current liabilities. However, in current year, the present value of future cash flows have been discounted at market interest rate of 3 months KIBOR plus 250 bps and difference is accounted for as an equity reserve in financial statements. This loan is secured against joint pari passu charge over current assets of the Group.

	30 June 2022 Rupees	30 June 2021 Rupees
Opening balance	**393,435,951**	767,733,610
Unwinding during the year	**12,540,725**	25,702,341
Transferred to share deposit money	**-**	(400,000,000)
Modification of long term loan	**(4,661,270)**	-
Repayment	**(267,982,073)**	-
	133,333,333	393,435,951
To be unwound in future years	**1,521,948**	6,564,049
	134,855,281	400,000,000

19.1.1 On 25 May 2021, the Group obtained approval from Securities Exchange Commission of Pakistan for conversion of redeemable capital amounting Rs. 400 million from JS Bank Limited and PCF Communication Investments (Private) Limited into 7,692,308 ordinary shares of Rs. 10 at conversion rate of Rs. 52 per share. Accordingly, the corresponding portion of loan had been transferred to share deposit money in prior year. On 10 September 2021, this share deposit money has been converted into ordinary shares.

19.2 The Group has obtained long term finance facility from JS Bank Limited under State Bank of Pakistan refinance scheme for payment of wages and salaries of workers and employees for the month of April 2020 to June 2020. This represents amount of term finance facility for paying salaries for the month of April 2020 and May 2020. The facility is repayable in eight equal quarterly instalments, payable quarterly in arrears, commencing after a grace period of 6 months and it carries markup at the rate of 3% per annum. However, till the grant of refinance from SBP, markup is charged at 1 month KIBOR plus 2%. The effect of differential in rate by applying 'IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance' is considered immaterial. This facility is secured against lien over term deposit receipts of Rs. 190 million (30 June 2021: 190 million) and JSIL of Rs. 31.91 million (30 June 2021: 10 million), lien against already issued JSIL funds with 20% margin and personal guarantees of the directors.

19.3 This represents loan obtained from Orix Leasing Pakistan Limited under sale and lease back arrangement of different machinery including but not limited to mobile assembly units, air conditioner including VRF system, elevator, electrical equipment's vehicles. As the transfer of the assets did not meet the criteria of sales under IFRS 15 Revenue from Contracts with Customers therefore the said transaction has been treated under IFRS 9. The loan carries mark-up of 6 months KIBOR+ 5% and is repayable in 36 equal monthly instalments. The loan is secured against the leased assets.

19.4 This represents loan of PKR 800 million obtained from Saudi Pak Industrial and Agricultural Investment Company Limited to meet working capital requirements of the Group. This loan is obtained for the period of 5 years and grace period is 1 year from date of first disbursement. The rate of mark up on loan is 3 months KIBOR + 2.5%. This facility is secured against all present and future current assets of the Company.

19.5 This represents loan of PKR 300 million obtained from Pak Oman Investment Company Limited to meet working capital requirements of the Group. This loan is obtained for the period of 3 years and grace period is 6 month from date of first disbursement. The rate of mark up on loan is 3 months KIBOR + 2%. This facility is secured against all present and future current assets and non current assets of the Company.

19.6 This represents loan obtained from Bank Al-Habib Limited for the purchase of assembling unit (Land and Building) located at Quaid-e-Azam Industrial estate Kot Lakh pat Lahore. The total tenure for this facility is 6 years including 1 years grace period. The rate of mark up on loan is 3 months KIBOR + 2%.

20 LEASE LIABILITIES

The effective interest rate used as the discounting factor (i.e. incremental borrowing rate) ranges from 9.39% to 12.69% The amounts of future payments and the periods in which they will become due are:

	30 June 2022 Rupees	30 June 2021 Rupees
Year ending		
2022	**-**	169,133,039
2023	**124,560,085**	163,865,032
2024	**103,824,392**	139,281,335
2025	**77,220,918**	137,782,181
2026	**30,644,485**	84,182,932
2027	**79,820,219**	387,036,499
	416,070,099	1,081,281,018
Less:	**(69,823,877)**	(370,223,955)
Present value of minimum lease payments	**346,246,222**	711,057,063
Less:	**(104,179,241)**	(89,901,750)
	242,066,981	621,155,313

20.1 Lease Payments (LP) and their Present Value (PV) are as follows:

	30 June 2022		30 June 2021	
	LP Rupees	PV of LP Rupees	LP Rupees	PV of LP Rupees
Due not later than 1 year	**124,560,085**	**104,179,241**	169,133,039	89,901,750
Due later than 1 year but not later than 5 years	**291,510,014**	**242,066,981**	912,147,979	621,155,313
	416,070,099	**346,246,222**	1,081,281,018	711,057,063

20.2 Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Opening balance		**711,057,063**	370,486,836
Reassessment of lease		**-**	32,573,783
Lease liabilities acquired during the year		**17,727,490**	458,439,687
Mark-up on lease liabilities - rented premises	35	**83,663,854**	84,447,089
Termination of lease		**(336,149,214)**	(72,715,662)
		476,299,193	873,231,733
Lease rentals paid		**(130,052,971)**	(162,174,670)
Closing balance		**346,246,222**	711,057,063

20.3 The Group had total cash outflows for leases of Rs. 175,177,694 (2021: Rs. 162,174,670). The non-cash additions to right-of-use assets and lease liabilities amounts to Rs. Nil and Rs. Nil respectively. (2021: Right-of-use assets and lease liabilities of Rs. 510,674,516 and Rs. 458,439,687 respectively).

		Note	30 June 2022 Rupees	30 June 2021 Rupees
21	**DEFINED BENEFIT LIABILITY**			
	UNFUNDED GRATUITY			
21.1	The amounts recognized in the statement of financial position are:			
	Present value of defined benefits obligation		**24,930,028**	34,722,393
21.2	The amounts recognized in the statement of profit or loss are:			
	Current service cost		**10,603,029**	11,397,238
	Interest cost on defined benefit obligation		**3,480,969**	1,651,736
	Expense recognized in the statement of profit or loss		**14,083,998**	13,048,974
21.3	The charge for the year has been allocated as follows:			
	Cost of sales	30	**-**	142,250
	Administrative expenses	31	**14,083,998**	12,906,724
			14,083,998	13,048,974
21.4	Movement in the net present value of defined benefit obligation is:			
	Net liabilities at the beginning of the year		**34,722,393**	29,188,579
	Current service cost		**10,603,029**	11,397,238
	Interest cost on defined benefit obligation		**3,480,969**	1,651,736
	Remeasurements charged to other comprehensive income			
	-Actuarial assumption		**3,715,078**	1,231,140
			52,521,469	43,468,693
	Less: Payments during the year		**(27,591,441)**	(8,746,300)
	Net liabilities at the end of the year		**24,930,028**	34,722,393

Qualified actuaries have carried out the valuation as at 30 June 2022. The projected unit credit method, based on the following significant assumptions, is used for valuation:

	30 June 2022	30 June 2021
Discount rate for interest cost	**13.25%**	10.00%
Discount rate for obligation	**13.25%**	10.00%
Expected rates of salary increase in future years	**5.00%**	5.00%
Retirement assumption	**Age 60**	Age 60
Mortality rate	**SLIC 2001-2005 with one year setback**	SLIC 2001-2005 with one year setback

The risks to which plan is exposed include salary, demographic, investment and discount risks. If the significant actuarial assumptions (relating to major risks) used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the impact on the present value of the defined benefit obligation would have been as follows:

Sensitivity level	Assumption	Impact on defined benefit obligation (Rupees)
+100 bps	Discount rate	(21,620,547)
-100 bps	Discount rate	23,572,668
+100 bps	Expected increase in salary	23,643,167
-100 bps	Expected increase in salary	(21,538,431)
+1 year	Mortality rate	3,303,229
-1 year	Mortality rate	(2,916,758)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.

The average duration of the defined benefit plan obligation at the end of the reporting year is 5 years.

	Note	30 June 2022 Rupees	30 June 2021 Rupees
22 DEFERRED TAX LIABILITY			
This comprises of:			
Deferred tax liabilities on taxable temporary differences			
Accelerated tax depreciation		**240,222,142**	-
Deferred tax assets on deductible temporary differences			
Alternate corporate tax		**6,820,782**	-
		233,401,360	-
Reconciliation of deferred tax - net			
Opening balance		**-**	-
Recognized in statement of profit or loss	36	**233,401,360**	-
		233,401,360	-
23 SHORT TERM BORROWINGS			
JS Bank Limited	23.1	**2,285,237,231**	2,958,308,505
Bank AL Habib Limited	23.2	**1,230,448,867**	1,937,956,517
Dubai Islamic Bank	23.3	**131,481,501**	263,972,993
Bank Alfalah Limited	23.4	**-**	439,388,038
Askari Bank Limited	23.5	**237,000,001**	486,000,000
Bank of Khyber	23.6	**863,475,958**	-
Running Finance		**824,000,000**	-
Accrued markup		**142,119,564**	82,412,417
		5,713,763,122	6,168,038,470
Less: Accrued markup presented in current liabilities	24	**(142,119,564)**	(82,412,417)
		5,571,643,558	6,085,626,053

23.1 Working capital facilities obtained from JS Bank comprise of letter of credit (sight) amounting to Rs. 2,300 million (30 June 2021: Rs. 800 million), shipping guarantees of Rs. 1,200 million [30 June 2021: Rs. 800 Million (sublimit of finance against trust receipt)], short term finance of Rs. 1,500 million (30 June 2021: Rs. 600 million), running finance of Rs. 200 million (30 June 2021: Rs. 600 million), Finance against trust receipt of PKR 1,200 million (30 June 2021: Nil) and bank guarantee of Rs. 20 million [30 June 2021: Rs. 20 million (sublimit of running finance)]. Short term finance of Rs. Nil (30 June 2021: Rs. 1,000 million) and finance against imported merchandise of Rs. Nil (30 June 2021: Rs. 200 million). These facilities are secured against mortgage of residential properties belonging to sponsors and shareholders having fair market value amounting to Rs. 187.55 million (30 June 2021: Rs. 151.228 million), first pari passu hypothecation charge of Rs. 3,700 billion (30 June 2021: Rs. 2,400 billion) over all present and future current assets, lien of term deposits and personal guarantees of all directors. The rate of mark up on funded facilities is 3 months KIBOR + 2% (30 June 2021: 3 months KIBOR + 2%).

23.2 Working capital facilities obtained from Bank AL Habib comprise of LC sight amounting Rs. 2,500 million (30 June 2021: Rs. 2,500 million), running finance facility of Rs. 560 million (30 June 2021: Rs. 3,060 million), finance against trust receipt (FATR is sublimit of RF) of Rs. 640 million (30 June 2021: Rs. 640 million) and short term finance facility of Rs. 150 million (30 June 2021: Rs. 150 million), one time short term finance of Rs. Nil (30 June 2021: Rs. 200 million). These facilities are secured against mortgage of residential properties belonging to sponsors and shareholders having fair market value amounting to Rs. 347 million (30 June 2021: Rs. 347 million) and pari passu / joint pari passu charge over current assets of Rs. 5,500 million (30 June 2021: Rs. 5,500 million), cash margin, lien over term deposits, term certificates, current accounts and import documents, personal guarantees of Directors and mortgagors of Rs. 7,800 million (30 June 2021: Rs. 7,800 million) and cross corporate guarantees. The rate of mark up on funded facilities is 3 months KIBOR + 1%(RF) & 3 months KIBOR + 2% (FATR) (30 June 2021: 3 months KIBOR + 1%(RF) & 3 months KIBOR + 2% (FATR).

23.3 Working capital facilities obtained from Dubai Islamic Bank comprise of LC sight amounting Rs. 700 million (30 June 2021: Rs. 700 million), shipping guarantee (sublimit of LC) of Rs. 700 million (30 June 2021: Rs. 700 million), letter of credit usance / acceptance of Rs. Nil (30 June 2021: Rs. 600 million) and import Murabaha / Istisna cum Wakala of Rs. 525 million (30 June 2021: Rs. 1,400 million) of which import Murabaha is of Rs. 525 million (30 June 2021: Rs. 600 million). These facilities are secured against 1st pari passu / joint pari passu charge of Rs. 700 million (30 June 2021: Rs. 1,860 million) over current assets of the Group, cash margin and lien over term deposits is 60% of import Murabaha. The rate of mark up on funded facilities is 3 months KIBOR + 2.5% (30 June 2021: 3 months KIBOR + 2.5%).

23.4 Working capital facilities obtained from Bank Alfalah comprise of short term finance facility of Rs. 250 million (30 June 2021: Rs. 225 million), finance against trust receipt Rs. Nil (30 June 2021: Rs. 425 million) and sight LC of Rs. 350 million (30 June 2021: Rs. 500 million).These facilities are secured against 1st joint pari passu charge over present & future current assets of Group of Rs. 700 million (30 June 2021: Rs. 700 million) and personal guarantee of all directors of the Group. The rate of mark up on funded facilities is 1 month KIBOR + 2% (30 June 2021: 1 month KIBOR + 2%).

23.5 Working capital facilities obtained from Askari Bank Limited comprise of letter of credit (sight) amounting to Rs. 500 million (30 June 2021: Rs. 500 million), shipping guarantees of Rs. 500 million [30 June 2021: Rs. 500 million (sublimit of letter of credit (sight)] and short term finance of Rs. 500 million (30 June 2021: Rs. 500 million) (sublimit of letter of credit (sight)). These facilities are secured against personal guarantees of directors along with their net worth statements. These facilities are secured against ranking charge of Rs. Nil (30 June 2021: Rs. Nil) and joint pari passu charge of Rs. 334 million (30 June 2021: Rs. 334 million) over all present and future current assets of the Group, TDR covering 50% of outstanding exposure at all times. The rate of mark up on funded facilities is 3 months KIBOR + 1.9% (30 June 2021: 3 months KIBOR + 1.9%).

23.6 Working capital facilities obtained from Bank of Khyber comprise of letter of credit (sight) amounting to Rs. 600 million (30 June 2021: Rs. Nil), shipping guarantees of Rs. 350 million (30 June 2021: Rs. Nil) (sublimit of finance against trust receipt), finance against trust receipt of Rs. 600 million [30 June 2021: Nil (sublimit of letter of credit)], one time running finance pf Rs. 300 million (30 June 2021: Nil). These facilities are secured against personal guarantees of directors along with their net worth statements. These facilities are secured against ranking charge of Rs 400 million (30 June 2021: Rs. Nil) over all present and future current assets of the Group, TDR / Lien covering 50% of outstanding exposure of Finance against trust receipt at all times. The rate of mark up on funded facilities is 3 months KIBOR + 2% (30 June 2021:Nil).

23.7 Working capital facilities obtained from Bank AL Habib comprise of short term running finance amounting Rs. 1.275 billion. The rate of markup on funded facilities is 3 months KIBOR+2%. These facilities are secured against ranking charge of Rs. 1,500 million over fixed assets and Rs. 1500 million over current assets of the Group.

		Note	30 June 2022 Rupees	30 June 2021 Rupees
24	**ACCRUED MARKUP**			
	Long term loans	19	**64,695,066**	28,318,519
	Short term borrowings	23	**142,119,564**	82,412,417
			206,814,630	110,730,936
25	**REFUND LIABILITIES**			
	Arising from retrospective incentives and lower portion discounts		**309,084**	30,221,644
26	**CONTRACT LIABILITIES**			
	Advances from customers in respect of revenue recog nized at a point in time	26.1	**153,168,178**	82,882,488

26.1 This represents the liability recognized in respect of consideration received from customers before the satisfaction of performance obligation. Revenue recognized in the reporting period that was included in the contract liabilities balance at the beginning of the year amounts to Rs. 82,882,488 (2021: 117,073,114).

26.2 The balance of contract liability as at 30 June 2022, is expected to be recognized as revenue within one year.

		Note	30 June 2022 Rupees	30 June 2021 Rupees
27	**TRADE PAYABLES, ACCRUED AND OTHER LIABILITIES**			
	Trade payables		**47,009,807**	1,050,104,185
	Incentives and promotions payable		**-**	143,969,719
	Accrued expenses		**16,454,036**	57,306,627
	Withholding tax payable		**229,504,765**	89,839,256
	Workers' Welfare Fund	27.1	**106,353,886**	55,535,806
	Workers' Profit Participation Fund	27.2	**37,644,335**	-
	Other payables	27.3	**65,202,155**	3,239,448
			502,168,984	1,399,995,041
27.1	Movement in Workers' Welfare Funds:			
	As at 1 July		**55,535,806**	6,684,326
	Charge for the year	33	**50,818,080**	48,851,480
	As at 30 June		**106,353,886**	55,535,806

		Note	30 June 2022 Rupees	30 June 2021 Rupees
27.2	Movement in Workers' Profit Participation Funds:			
	As at 1 July		**-**	-
	Charge for the year	33	**37,644,335**	-
	As at 30 June		**37,644,335**	-

27.3 This includes rebate payable amounting to Rs.237,657 (30 June 2021: Rs. 2.43 million) which is adjustable against due from brand owners (note 12).

28 CONTINGENCIES AND COMMITMENTS

28.1 Contingencies

A number of legal cases have been filed against the Group 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 Group'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 consolidated financial statements.

		30 June 2022 Rupees	30 June 2021 Rupees
28.2	**Commitments**		
	Letters of credit	**2,862,776,370**	2,283,571,862
	Bank guarantees	**3,500,000**	3,000,000
		2,866,276,370	2,286,571,862

29 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	30 June 2022 Rupees	30 June 2021 Rupees
Sales - local	**51,513,727,279**	51,367,832,877
Sales - export	**62,085,188**	-
Service income	**72,128,238**	42,533,678
Gross sales	**51,647,940,705**	51,410,366,555
Less: Sales tax	**(67,272,421)**	(42,253,231)
	51,580,668,284	51,368,113,324
Less: Discounts	**(2,414,867,354)**	(3,995,310,932)
	49,165,800,930	47,372,802,392
Geographical region:		
Pakistan	**51,585,855,517**	51,410,366,555
UAE	**62,085,188**	-
	51,647,940,705	51,410,366,555
Timing of transfer of goods and services:		
At a point in time	**51,647,940,705**	51,410,366,555

		Note	30 June 2022 Rupees	30 June 2021 Rupees
30	**COST OF SALES**			
	Raw material consumed		14,933,616,768	1,816,793,771
	Packing material consumed		4,497,622	85,182,162
	Cost of export sales		57,640,368	-
	Sales tax - mobiles and tablets		432,448,716	2,389,640,546
	Service fee		129,347,260	-
	Regulatory duty		1,598,121,340	3,132,573,750
	Insurance		3,199,689	13,031,516
	Clearing charges		15,743,927	52,267,363
	Salaries, wages and benefits		465,110,416	75,459,409
	Custom duty - tablets		2,501,112	22,280,620
	Depreciation	5.4	94,884,472	21,626,328
	Amortization	6	2,237,797	469,880
	Staff retirement benefits - gratuity scheme	21.3	-	142,250
	Domestic carriage		800,400	5,466,975
			17,740,149,887	7,614,934,570
	Increase in working-in-process		(128,106,849)	(19,576,154)
	Cost of goods assembled		17,612,043,038	7,595,358,416
	Increase in finished goods		(5,418,133)	(75,172,379)
	Cost of goods sold - own assembled		17,606,624,905	7,520,186,037
	Cost of goods sold - imported for resale		21,692,030,542	35,050,824,156
	Cost of goods sold - purchased locally for resale		4,669,511,992	-
			43,968,167,439	42,571,010,193

		Note	30 June 2022 Rupees	30 June 2021 Rupees
31	**ADMINISTRATIVE EXPENSES**			
	Salaries and benefits		389,996,065	338,170,508
	Rent, rates and taxes		16,852,532	2,317,699
	Depreciation	5.4	114,140,992	93,581,998
	Insurance		19,773,814	26,905,093
	Legal and professional		13,250,582	26,779,254
	Repair and maintenance		34,194,452	35,769,006
	Fees and subscription		186,131,547	17,919,538
	Utilities		37,994,410	14,914,503
	Office expenses		23,699,191	17,415,193
	Security service charges		18,650,326	12,249,497
	Traveling and conveyance		36,935,164	9,265,941
	Entertainment		25,563,380	8,971,748
	Vehicle running expenses		15,808,160	7,718,050
	Postage and telephone		5,979,538	7,445,464
	Amortization	6	4,214,413	6,989,362
	Printing and stationary		11,374,935	5,119,275
	Staff retirement benefits - gratuity scheme	21.3	14,083,998	12,906,724
	Auditors' remuneration	31.1	5,650,000	7,502,350
	Allowance for expected credit loss - trade debts	9.1	10,038,682	8,588,796
	Allowance for expected credit loss - other receivables	12.3	-	50,659,247
	Charity and donation	31.2	18,332,024	11,256,863
	Miscellaneous expenses		2,834,074	2,769,398
			1,005,498,279	725,215,507

		30 June 2022 Rupees	30 June 2021 Rupees
31.1	Breakup of auditors' remuneration is as follows:		
	Annual audit fee	**4,800,000**	1,950,000
	Out of pocket expenses	**150,000**	70,000
	Certificates and other assurance engagements	**700,000**	1,150,000
	Capital market review	**-**	4,332,350
		5,650,000	7,502,350

31.2 No donation has been made to a single done which comprise at least 10% of the total donations during the year.

		Note	30 June 2022 Rupees	30 June 2021 Rupees
32	**SELLING AND DISTRIBUTION COST**			
	Salaries, wages and benefits		**226,562,417**	270,678,535
	Freight outward		**69,043,384**	117,952,497
	Advertisement and promotions		**43,539,850**	17,987,772
	Depreciation	5.4	**128,113,557**	117,720,567
	Travelling and conveyance		**29,756,159**	12,340,449
	Packing expenses		**6,764,463**	15,341,483
	Amortization	6	**5,268,020**	-
	Utilities		**31,839,886**	26,798,060
	Insurance		**1,769,718**	2,168,523
			542,657,454	580,987,886
33	**OTHER EXPENSES**			
	Loss on termination of lease		**-**	6,265,435
	Workers' Welfare Fund	27.1	**50,818,080**	48,851,480
	Workers' Profit Participation Fund	27.2	**37,644,335**	-
	Foreign currency exchange loss		**-**	1,996,317
			88,462,415	57,113,232
34	**OTHER INCOME**			
	Financial assets			
	Reversal of expected credit loss - trade debts	9.1	**68,979,736**	-
	Reversal of expected credit loss - other receivable	12.3	**50,659,247**	-
	Profit on investments	14.4	**49,187,252**	50,400,763
	Gain on termination of lease		**43,406,778**	-
	Modification gain on long term loan	19.1	**4,656,579**	-
	Unrealized gain on financial assets at fair value through profit or loss	14.5	**3,522,535**	3,743,496
	Non-financial assets			
	Provision written back		**-**	13,702,581
			220,412,127	67,846,840

		Note	30 June 2022 Rupees	30 June 2021 Rupees
35	**FINANCE COST**			
	Mark up on borrowings		760,049,063	686,555,157
	Bank charges		331,388,261	331,261,997
	Lease financial charges	20.2	83,663,854	84,447,089
			1,175,101,178	1,102,264,243
36	**TAXATION**			
	Current tax		889,646,323	787,944,002
	Deferred tax - relating to origination of temporary differences	7 & 22	195,624,734	96,860,050
	Prior year		(8,966,479)	14,249,638
		36.1	1,076,304,578	899,053,690
36.1	**Reconciliation between tax expenses and accounting profit**			
	Accounting profit before taxation		2,606,326,292	2,404,058,171
	Tax at applicable tax rate of 29% (2021: 29%)		755,834,625	697,176,870
	Effect of expenses not allowed for tax		(42,303,806)	(1,176,669)
	Effect of deductible expenses		50,451,414	-
	Effect of alternate corporate tax		(16,602,310)	-
	Effect of deferred tax		195,624,734	96,860,050
	Effect of fixed regime / FTR		(1,114,219)	91,943,801
	Effect of minimum tax		(8,966,479)	-
	Effect of prior years tax		43,691,548	14,249,638
	Effect of super tax		99,689,071	-
	Tax expense for the year		1,076,304,578	899,053,690
37	**EARNINGS PER SHARE - BASIC AND DILUTED**			
	Profit attributable to ordinary equity holders for basic earnings	A	1,530,021,714	1,505,004,481
	Add: Unwinding of discount on convertible loan - net of tax	19.1	8,903,915	18,248,662
	Profit attributable to ordinary equity holders adjusted for the effect of dilution	B	1,538,925,629	1,523,253,143

		30 June 2022 Numbers	30 June 2021 Numbers Restated
Weighted average number of ordinary shares for basic EPS	C	383,560,063	327,576,923
Effect of potential dilution from convertible loan		1,886,088	13,286,714
Weighted average number of ordinary shares adjusted for the effect of dilution	D	385,446,151	340,863,637

		30 June 2022 Rupees	30 June 2021 Rupees Restated
Earning per share - basic	A/C	3.99	4.59
Earning per share - diluted	B/D	3.99	4.47

37.1 As explained in note 1.2, the parent company had issued 60,000,000 new ordinary shares of Rs. 10 each through Initial Public Offering on 31 August 2021.

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

38 RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

The related parties include remuneration of key management personnel which is disclosed in note 39.

39 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

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

	Number of persons	Managerial remuneration	Gratuity	Bonus	Total
		Rupees	Rupees	Rupees	Rupees
30 June 2022					
Chief executive	1	**48,000,000**	**3,327,698**	**-**	**51,327,698**
Executive director	1	**9,278,737**	**787,248**	**1,556,134**	**11,622,119**
Executives	62	**176,068,109**	**14,731,193**	**27,022,906**	**217,822,208**
		233,346,846	**18,846,139**	**28,579,040**	**280,772,025**
30 June 2021					
Chief executive	1	59,936,768	1,807,585	-	61,744,353
Executive director	1	7,410,602	672,945	-	8,083,547
Executives	41	136,934,387	7,160,807	-	144,095,194
		204,281,757	9,641,337	-	213,923,094

The Chief Executive is provided with company-maintained car. No remuneration is paid to directors other than CEO and executive director.

40 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following items as included in the statement of financial position:

	Note	30 June 2022 Rupees	30 June 2021 Rupees
Cash in hand	15	**31,820,223**	14,936,115
Cash at bank	15	**1,069,668,571**	817,217,197
		1,101,488,794	832,153,312

41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise short-term borrowings and trade and other payables. The major portion of these financial liabilities include short term borrowing that is availed to meet the working capital requirements. The Group's principal financial assets include trade debts, other receivables, short term investment and cash and bank.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the risk profile and is supported by the finance department that advises on financial risks and the appropriate financial risk governance framework for the Group. This department also provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and risk appetite. The Board of Directors reviews and approves policies for managing each of these risks which are summarized below:

41.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, trade and other payables, trade debts, short-term investments.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debts and the proportion of financial instruments in foreign currencies are all constant.

The sensitivity analysis has been based on the assumption that the sensitivity of the relevant profit or loss item is the effect of the assumed changes in respect of market risks. This is based on the financial assets and financial liabilities held at 30 June 2022 and 30 June 2021.

41.1.1 Interest rate risk

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on above mentioned financial instruments. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings as follows:

	30 June 2022	30 June 2021
Increase / decrease in basis points	**+ / - 100**	+ / - 100
Effect on profit before tax	**59,103,515**	62,016,715

41.1.2 Currency risk

Currency risk is the risk that the value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly from receivables and payables that exist due to transactions in foreign currencies. Group is not exposed to the risk of changes in foreign exchange rates as the brand owners have agreed to compensate for any fluctuations in foreign currency movements.

41.1.3 Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

41.2 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. The Group does not believe it is exposed to major concentration of credit risk, however to manage any possible exposure the Group applies approved credit limits to its customers. Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily for trade debts.

The management monitors and limits the Group's exposure to credit risk through monitoring of client's credit exposure review and conservative estimates of provisions for expected credit loss, if any, and through the prudent use of collateral policy. Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit limits and quality are established for all customers based on individual customer evaluation.

The Group is exposed to credit risk on trade debts, other receivables, short term investments (except investment in mutual funds) and bank balances. The Group seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

	30 June 2022	30 June 2021
	Rupees	Rupees
Trade debts - unsecured	**3,762,539,710**	5,460,241,891
Other receivables	**3,905,064,773**	3,804,004,164
Short term investments	**964,693,864**	468,190,162
Bank balances	**1,069,668,571**	817,217,197
	9,701,966,918	10,549,653,414

The credit quality of financial assets can be assessed by reference to external credit ratings or the historical information about counter party defaults as shown below:

41.2.1 Trade Debts

		Exposure at default	**Expected credit loss**	**Expected credit loss rate**
		Rupees	**Rupees**	
30 June 2022				
	[A]	**1,713,607,722**	**1,675,450**	**0.10%**
Not due				
Past due:		**890,943,725**	**1,553,064**	**0.17%**
1-30 days		**655,049,184**	**1,001,636**	**0.15%**
31-60 days		**213,386,761**	**921,744**	**0.43%**
61-90 days		**157,186,043**	**1,185,096**	**0.75%**
91-120 days		**132,366,275**	**3,701,692**	**2.80%**
Above 120 days	**[B]**	**2,048,931,988**	**8,363,232**	
	[A+B]	**3,762,539,710**	**10,038,682**	

		Exposure at default Rupees	Expected credit loss Rupees	Expected credit loss rate
30 June 2021				
Not due	[A]	1,883,449,624	235,507	0.01%
Past due:				
1-30 days		496,316,903	352,355	0.07%
31-60 days		548,042,329	384,557	0.07%
61-90 days		635,622,990	927,423	0.15%
91-120 days		428,894,682	2,624,777	0.61%
Above 120 days	[B]	1,467,915,363	64,455,117	4.39%
		3,576,792,267	68,744,229	
	[A+B]	5,460,241,891	68,979,736	

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. The information about the credit risk exposure on the Group's trade debts using a provision matrix is given above.

41.2.2 Other receivables	**Exposure at default Rupees**	**Expected credit loss Rupees**	**Expected credit loss rate**
30 June 2022	**3,905,064,773**	**-**	**0.00%**
30 June 2021	3,804,004,164	50,659,247	1.33%

41.2.3 Bank balances

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Chief Executive. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Financial institution	Ratings Agency	Ratings Short Term	Ratings Long term	30 June 2022 Rupees	30 June 2021 Rupees
Allied Bank Limited	PACRA	A-1+	AAA	-	3,540
Askari Bank Limited	PACRA	A-1+	AA+	**53,435,625**	74,444,203
Bank Alfalah Limited	PACRA	A-1+	AA+	**4,034,574**	255,455,854
Bank AL Habib Limited	PACRA	A-1+	AAA	**136,034,933**	29,546,477
Dubai Islamic Bank Pakistan Limited	JCR-VIS	A-1+	AA	**82,829,686**	167,295,765
Faysal Bank Limited	PACRA	A-1+	AA	**3,495,505**	1,038,943
Habib Bank Limited	JCR-VIS	A-1+	AAA	**10,198,926**	6,066,033
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	**3,157,673**	256,337,443
JS Bank Limited	PACRA	A-1+	AA-	**1,571,315**	51,175
Meezan Bank Limited	JCR-VIS	A-1+	AAA	**37,225,019**	3,674,583
MCB Bank Limited	PACRA	A-1+	AAA	**18,908**	19,518
Silk Bank Limited	JCR-VIS	A-2	A-	**686,268**	1,391,612
Soneri Bank Limited	PACRA	A-1+	AA-	**2,650,468**	2,130,042
Standard Chartered Bank	PACRA	A-1+	AAA	**3,798,413**	1,173,466
Summit Bank Limited	JCR-VIS	A-3	BBB-	**13,915,131**	5,923,316
Bank Islami Pakistan Limited	PACRA	A-1	A+	**100**	-
Bank of Khyber	PACRA	A-1	A	**593,397,795**	3,600
Bank of Punjab	PACRA	A-1+	AA+	**931,398**	3,158,281
Industrial & Commercial Bank of China Limited	S&P	-	A	**1,018,886**	-
United Bank Limited	JCR-VIS	A-1+	AAA	**10,076,389**	9,503,346
				958,477,012	817,217,197

41.2.4 With respect to credit risk arising from other financial assets of the Group, the Group's management assesses exposure to such risk to be minimal based on past experience and is restricted to the carrying amount of those assets.

41.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its commitments associated with financial liabilities when they fall due. Liquidity requirements are monitored regularly and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	On demand Rupees	Within one year Rupees	More than one year but less than five years Rupees	After five years Rupees	Total Rupees
30 June 2022					
Long term loans	**-**	**463,991,274**	**747,206,085**	**100,000,000**	**1,311,197,359**
Lease liabilities	**-**	**124,560,085**	**291,510,014**	**-**	**416,070,099**
Short term borrowings	**191,017,692**	**5,380,625,866**	**-**	**-**	**5,571,643,558**
Trade and other payables	**-**	**502,168,984**	**-**	**-**	**502,168,984**
Accrued markup	**-**	**206,814,630**	**-**	**-**	**206,814,630**
	191,017,692	**6,678,160,839**	**1,038,716,099**	**100,000,000**	**8,007,894,630**

	On demand	Within one year	More than one year but less than five years	After five years	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
30 June 2021					
Long term loans	-	513,372,774	109,332,297	-	622,705,071
Lease liabilities	-	169,133,039	912,147,979	-	1,081,281,018
Short term borrowings	925,365,172	5,160,260,881	-	-	6,085,626,053
Trade and other payables	-	1,399,995,041	-	-	1,399,995,041
Accrued markup	-	110,730,936	-	-	110,730,936
	925,365,172	7,353,492,671	1,021,480,276	-	9,300,338,119

Changes in liabilities arising from financing activities

	As at 1 July	**Cash flows**	**New leases**	**Others**	**As at 30 June**
	Rupees	**Rupees**	**Rupees**	**Rupees**	**Rupees**
30 June 2022					
Long term loans	**584,235,564**	**1,519,166,281**	**-**	**-**	**2,103,401,845**
Lease liabilities	**711,057,063**	**(130,052,971)**	**17,727,490**	**(252,485,360)**	**346,246,222**
Short term borrowings	**6,085,626,053**	**(513,982,495)**	**-**	**-**	**5,571,643,558**
Accrued markup	**110,730,936**	**(663,965,369)**	**-**	**760,049,063**	**206,814,630**
	7,491,649,616	**211,165,446**	**8,329,956,327**	**507,563,703**	**8,228,106,255**
30 June 2021					
Long term loans	**827,847,263**	**156,388,301**	**-**	**(400,000,000)**	**584,235,564**
Lease liabilities	**370,486,836**	**(162,174,670)**	**458,439,687**	**44,305,210**	**711,057,063**
Short term borrowings	**8,183,936,642**	**(2,098,310,589)**	**-**	**-**	**6,085,626,053**
Accrued markup	**163,414,317**	**(739,238,538)**	**-**	**686,555,157**	**110,730,936**
	9,545,685,058	**(2,843,335,496)**	**458,439,687**	**330,860,367**	**7,491,649,616**

42 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the entity's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may adjust the return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with the industry norms, the Group monitors its capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total capital plus debt. Net debt is calculated as total borrowings as shown in the statement of financial position less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt (as defined above).

	30 June 2022 Rupees	30 June 2021 Rupees
The debt to equity ratio is as follows:		
Long term loan	**2,168,096,911**	612,554,083
Short term borrowings	**5,713,763,122**	6,168,038,470
Cash and cash equivalent	**(1,101,488,794)**	(832,153,312)
Net debt	**6,780,371,239**	5,948,439,241
Total equity	**11,655,941,793**	6,479,155,448
Total capital	**18,436,313,032**	12,427,594,689
Capital gearing ratio	**37%**	48%

43 FINANCIAL INSTRUMENTS - FAIR VALUES

Fair value measurement of financial instruments

The Group measures financial instruments such as investment in mutual funds, at fair value at each reporting date.

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).

- Unobservable inputs for the asset or liability (level 3).

The management assessed that the fair values of all financial assets and financial liabilities, carried at amortized cost, approximate their carrying amounts largely due to the short-term maturities of these instruments. The following table shows the carrying amounts and fair values of financial instruments carried at fair value, including their levels in the fair value hierarchy:

	Note	Fair value			
		Level 1	Level 2	Level 3	Level 4
		(Rupees)			
Financial assets at fair value through profit or loss:					
30 June 2022					
Investment in mutual funds	14	**44,833,159**	**-**	**-**	**44,833,159**
30 June 2021					
Investment in mutual funds	14	41,310,624	-	-	41,310,624

44 CAPACITY AND PRODUCTION

	30 June 2022	30 June 2021
	Number of headsets	Number of headsets
Cell phones		
- Maximum capacity	**3,200,000**	1,200,000
- Actual production	**1,167,072**	165,740

The assembly plant of Select Technologies (Private) Limited became operational in May 2022, therefore, the actual production is less than maximum capacity.

45 NUMBER OF EMPLOYEES

	30 June 2022	30 June 2021
	Number	Number
As at reporting date	**1,201**	530
Average during the year	**1,105**	504

46 **OPERATING SEGMENT INFORMATION**

	Distribution and retail		Assembly		Inter segment eliminations		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	-----Amount in Rupees-----							
Revenue								
-External customer	**41,560,523,204**	47,372,802,392	**-**	-	**-**	-	**41,560,523,204**	47,372,802,392
-Inter-segment	**-**	-	**7,665,608,826**	1,910,612,152	**(4,599,178,652)**	(1,910,612,152)	**3,066,430,174**	-
	41,560,523,204	47,372,802,392	**7,665,608,826**	1,910,612,152	**(4,599,178,652)**	(1,910,612,152)	**44,626,953,378**	47,372,802,392
Cost of sales	**(37,684,625,908)**	(42,546,766,724)	**(6,343,872,631)**	(1,934,855,621)	**4,599,178,652**	1,910,612,152	**(39,429,319,887)**	(42,571,010,193)
Gross profit	**3,875,897,296**	4,826,035,668	**1,321,736,195**	(24,243,469)	**-**	-	**5,197,633,491**	4,801,792,199
Administrative expenses	**(733,317,675)**	(668,836,846)	**(272,180,604)**	(56,378,661)			**(1,005,498,279)**	(725,215,507)
Selling and distribution cost	**(541,234,526)**	(579,490,524)	**(1,422,928)**	(1,497,362)	**-**	-	**(542,657,454)**	(580,987,886)
Operating profit	**2,601,345,095**	3,577,708,298	**1,048,132,663**	(82,119,492)	**-**	-	**3,649,477,758**	3,495,588,806
Other expenses	**(88,462,415)**	(57,113,232)	**-**	-	**-**	-	**(88,462,415)**	(57,113,232)
Other income	**220,412,127**	67,846,840	**-**	-	**-**	-	**220,412,127**	67,846,840
Foreign exchange loss	**-**	-	**-**	-	**-**	-	**-**	-
Finance cost	**(1,025,133,331)**	(1,099,212,848)	**(149,967,847)**	(3,051,395)	**-**	-	**(1,175,101,178)**	(1,102,264,243)
Profit / (loss) before taxation	**1,708,161,476**	2,489,229,058	**898,164,816**	(85,170,887)	**-**	-	**2,606,326,292**	2,404,058,171
Taxation	**(819,383,279)**	(899,053,690)	**(256,921,299)**	-	**-**	-	**(1,076,304,578)**	(899,053,690)
Profit / (loss) for the year	**888,778,197**	1,590,175,368	**641,243,517**	(85,170,887)	**-**	-	**1,530,021,714**	1,505,004,481
Segment assets	**279,216,150**	14,836,247,990	**415,928,609**	2,170,622,104	**-**	(1,258,455,112)	**695,144,759**	15,748,414,982
Segment liabilities	**(5,264,019,728)**	(7,025,265,931)	**(1,456,205,193)**	(2,896,150,643)	**-**	652,157,040	**(6,720,224,921)**	(9,269,259,534)
Capital expenditure	**32,412,818**	94,685,023	**-**	487,976,540	**-**	-	**5,484,860,543**	582,661,563

		30 June 2022 Rupees	30 June 2021 Rupees
46.1	**Geographical information**		

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

	30 June 2022 Rupees	30 June 2021 Rupees
	51,585,855,517	51,410,366,555
Pakistan	**62,085,188**	-
UAE	**51,647,940,705**	51,410,366,555

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

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

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

47 UTILIZATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING (IPO)

As explained in note 1.2, the Holding Company raised funds through Initial Public Offering (IPO) to meet working capital requirements, in order to expand the existing business of the Holding Company. Below is the summary of utilization of proceeds from IPO:

	Amount Rupees
Issuance of 90,000,000 ordinary shares at Rs. 71.5 per share	6,435,000,000
Less: Expenses related to IPO	(181,130,882)
Net proceeds received from IPO	**6,253,869,118**
Less: OFS transaction of 30,000,000 ordinary shares to sponsor	(2,145,000,000)
Less: Expenditures incurred on working capital (Purchase of stock)	(4,040,375,729)
Less: Duties paid	(68,493,389)
Balance amount	-

48 SUBEQUENT EVENTS

The Board of Directors in their meeting held on 04 October 2022 have proposed a final cash dividend for the year ended 30 June 2022 of Rs. 1.00 per share (2021: Rs. 1.25 per share), amounting to 395,269,231 (2021: Rs. 459,615,385) for approval of the members at the Annual General Meeting to be held on 28 October 2022. These financial statements do not reflect this dividend.

49 GENERAL

49.1 These financial statements were authorized by Board of Directors on October 04, 2022.

49.2 On 19 May 2022, the Government of Pakistan, through its notification no. 598(I)/2022, imposed ban on the import of all luxury and non-essential goods (including cell phones and related accessories) to avert a balance of payments crisis and stabilise the economy. As a consequence to this ban, the Group was unable to import mobile devices leading to a slight decline in stock as at year end. However, on 18 August 2022, the Government of Pakistan uplifted the ban imposed on imports of all products, including luxury and non-essential goods. Accordingly, the company has resumed import of mobile devices subsequent to the year end. The impact of the above event is considered immaterial to these consolidated financial statements.

Chief Executive	**Chief Financial Officer**	**Director**

Notice of AGM

NOTICE IS HEREBY GIVEN that the 9th Annual General Meeting (AGM) of Air Link Communication Limited (the Company) will be held on Friday, October 28, 2022 at 10:00 a.m. at Pearl Continental Hotel, Shahrah-e-Quaid-e-Azam, Lahore, Pakistan, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the annual audited financial statements of the Company for the year ended June 30, 2022 together with the Directors' and Auditors' reports thereon.

2. To appoint auditors of the Company and fix their remuneration for the financial year 2022-23. The Board of Directors have recommended for re-appointment of M/S EY Ford Rhodes Chartered Accountants as external auditors for the financial year 2022-23.

3. To consider and approve the payment of final cash dividend @ 10% i.e. Rs.1 per share of Rs.10.00 each held by the members as recommended by the Board of Directors.

OTHER BUSINESS

4. To transact any other business with the permission of the Chair.

By Order of the Board

(AMER LATIF)
Company Secretary

Lahore: October 07, 2022

NOTES:

1. Book Closure

Share Transfer Books of the Company shall remain closed from Saturday, October 22, 2022 to Friday, October 28, 2022 (both days inclusive) and no transfers will be registered during that time. Share Transfer deeds received in order by the Shares Registrar of the Company, i.e. CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B' S.M.C.H.S. Main Shahra-e-Faisal, Karachi up to the close of business on October 21, 2022 will be treated in time for the above entitlement.

2. Appointment of Proxy and participation in the AGM

A member of the Company entitled to attend and vote at the AGM is entitled to appoint another member as a proxy to attend and vote on his/her behalf. In case a corporate entity, being a member of the Company may appoint as its proxy any of its official or any other person whether a member of the Company or not through board resolution/ power of attorney.

The instrument appointing a proxy duly stamped/signed and witnessed and must be received at the register office of the Company at 152/1 – M, Quaid-e-Azam, Industrial Estate, Kot Lakh Pat, Lahore or email scanned copies of the same at agm@airlinkcommunication.net. not later than forty-eight (48) hours before the AGM.

In case of individuals, whose share(s) are registered in their account/sub-account with Central Depository System (CDS), shall authenticate his/her identity by showing his/her original CNIC or original Passport at the time of attending the AGM.

In case of Corporate Entity, the Board's Resolution/Power attorney with specimen signature of the nominee (unless it has been provided earlier) alongwith his/her original CNIC or original Passport shall be produced at the time of AGM.

In case of joint holders, only one member whose name will appear as main title shareholder in our list of shareholders, will be allowed to attend the AGM

3. Online Registration to participate in the meeting

The members can also participate in the AGM through zoom video link facility.

a. To attend the meeting, members are requested to register them self by providing the following information along with a valid copy of CNIC (both sides)/ passport or attested copy of board resolution / power of attorney (in case of corporate shareholders) through email at agm@airlinkcommunication.net on or before Saturday, October, 22, 2022;

Name of Share Holder	CNIC No.	CDC Account No./Folio No	Cell No	Email Address

b. Members who are registered, after the necessary verification, will be provided a video link by the Company on the said email address. The login facility will remain open from 09:45 a.m. till the end of the meeting.

4. Bank Account detail

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its members only through electronic mode directly into bank account designated by the entitled shareholders.

a. n order to receive dividends directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website that is www.airlinkcommunication.net and send it duly signed along with a copy of CNIC to the Shares Registrar of the Company CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B' S.M.C.H.S. Main Shahra-e-Faisal, Karachi, in case of physical shares.

b. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services. No further action is required if IBAN has already been incorporated/updated in the CDC account or physical folio of the shareholder.

5. Change of address

Members holding shares in physical form are requested to promptly notify Shares Registrar of the Company of any change in their addresses in written request. Whereas, Shareholders maintaining their shares in electronic form should have their addresses updated with their respective CDC participant or CDC Investor Accounts Service.

6. Financial Statement

In accordance with Section 223 of the Companies Act, 2017, the annual financial statements of the Company for the year ended June 30, 2022 together with Chairman's Review Report, Directors' and Auditors' Report thereon have been made available on the Company's website www.airlinkcommunication.net.

7. Annual Accounts

Further, we are pleased to offer this facility to our members who desire to receive Annual Financial Statements of the Company through e-mail. In this respect members are hereby requested to convey their consent via e-mail at agm@airlinkcommunication.net on a standard request form which is available at the Company's website i.e. www.airlinkcommunication.net. Please ensure that your e-mail has sufficient rights and space available to receive such e-mail which may be larger than 10 MB file in size.

The members who desire to receive hard copy of the Annual Financial Statements of the Company are hereby requested to convey their consent via e-mail at agm@airlinkcommunication.net on a standard request form which is available at the Company's website i.e. www.airlinkcommunication.net.

8. Change in email address

Further, it is the responsibility of the member to timely update the Shares Registrar of any change in the registered e-mail address.

9. Deduction of Income Tax under Section 150 of the Income Tax Ordinance, 2001

(i) The rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance, 2001 shall be as follows:
a) Persons appearing in Active Tax Payers List (ATL) 15%
b) Persons not appearing in Active Tax Payers List (ATL) 30%
(ii) To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered in ATL before the first day of book closure, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.
(iii) Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate or stay order from a competent court of law is made available to CDC Share Registrar Services Limited, by the first day of Book Closure.
(iv) In case of joint account, please intimate proportion of shareholding of each account holder along with their individual's status on the ATL. According to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.
(v) In this regard all shareholders who hold shares jointly are requested to provide shareholding Proportions of Principal shareholders and Joint-holder(s) in respect of shares held by them (only if not already provided) to our Shares Registrar, in writing as follows:

Company Name	Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

(vi) The required information must reach our Shares Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint-holder(s).
(vii) Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or CDC Share Registrar Services Limited. Shareholders while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective folio numbers. Without the NTN company would not be in a position to check filer status on the ATL and hence higher tax of 30% may be applied in such cases.
(viii) Members who desire to stop deduction of Zakat from their dividends may submit a declaration on non-judicial stamp paper duly signed as required under the law (if not submitted earlier).
(ix) Withholding Tax exemption from the dividend income shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar by first day of Book Closure.

10. Conversion of Physical Shares into Book-Entry Form

Section 72 of the Companies Act, 2017 requires every company to replace its physical shares with book- entry form within the period to be notified by the SECP. The Shareholders having physical shareholding are accordingly encouraged to open their account with investors account services of CDC or sub account with any of the brokers and convert their physical shares in script less form. This will facilitate the shareholders in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

11. Postal Ballot/E-Voting

In accordance with the Companies (Postal Ballot) Regulations, 2018, for the purpose of election of directors and for any other agenda item subject to the requirements of section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot i.e. by post or e-voting, in the manner and subject to conditions contained in aforesaid regulations.

12. Form of Proxy is enclosed.

Statement under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulation, 2017

Name of Investee Company	Select Technologies (Private) Limited, a wholly owned subsidiary of Air Link Communication Limited (the Company).
Total Investment Approved	Long term equity investment upto PKR 5,500,000,000 for subscription of 550,000,000 ordinary shares alongwith loan upto PKR 4,000,000,000.
Amount of Investment made to date	PKR 5,000,000,000 in terms of equity investment and PKR 940,934,919 in terms of short-term loan.
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in a specified time.	No deviation, as there is no validity defined in resolution for investment. The balance investment will be made as and when funds are required by the Associated Company.
Material change in financial statements of associated company or associated undertaking since the date of the`` resolution passed for approval of investment in such company.	Investment was initially approved on October 04, 2021 and subsequently increase approved on February, 25, 2022. The Company have initially injected equity of PKR 500,000,000 and subsequently increased to PKR 5,000,000,000. The Associated Company has commenced its commercial operations on November 03, 2021. As per latest audited financial statements of the Associated Company for the year ended June 30, 2022 the balance sheet size is PKR. 8,718,833,661. Operating profit is PKR. 295,245,967, whereas net loss after adjustment of deferred tax is PKR (118,568,718).

۱۰۔ طبعی حصص کی بک انٹری فارم میں تبدیلی:

کمپنیز ایکٹ، 2017 کے سیکشن 72 کے مطابق ہر لسٹڈ کمپنی کو اپنے فزیکل شیئرز کو ایس ای سی پی کی طرف سے مطلع کیے جانے کی مدت کے اندر بک انٹری فارم میں تبدیلی کروانا ضروری ہے۔ اس کے مطابق فزیکل شیئر ہولڈنگ رکھنے والے شیئر ہولڈرز کی حوصلہ افزائی کی جاتی ہے کہ سی ڈی سی انوسٹرز اکاؤنٹ سروسز کے ساتھ اپنا اکاؤنٹ کھولیں یا کسی بھی بروکر کے ساتھ سب اکاؤنٹ کھولیں اور اپنے فزیکل شیئرز کو اسکرپ لیس میں تبدیل کریں۔ یہ حصص یافتگان کو کئی طریقوں سے سہولت فراہم کرے گا، بشمول حصص کی محفوظ تحویل اور فروخت، کیونکہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے موجودہ قواعد کے مطابق فزیکل شیئرز کی تجارت کی اجازت نہیں ہے۔

۱۱۔ پوسٹل بیلٹ / ای ووٹنگ:

کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کے مطابق، ڈائریکٹرز کے انتخاب کے مقصد کے لیے اور کمپنیز ایکٹ 2017 کے سیکشن 143 اور 144 کے تقاضوں سے مشروط کسی دوسرے ایجنڈے کے لیے، اراکین پوسٹل بیلٹ کے ذریعے یعنی ڈاک یا ای ووٹنگ کے ذریعے اپنے ووٹ کا حق مذکورہ ضوابط میں شامل شرائط کے ساتھ استعمال کرنے کی اجازت ہوگی۔

۱۲۔ پراکسی کا فارم منسلک ہے:

کمپنیز کے ضابطہ (2)4 کے (ایسوسی ایٹڈ کمپنیوں یا ایسوسی ایٹڈ انڈرٹیکنگ میں سرمایہ کاری) ریگولیشن، 2017 کے تحت کا بیانیہ

سرمایہ کار کمپنی کا نام	سلیکٹ ٹیکنالوجیز (پرائیویٹ) لمیٹڈ ایئرلنک کمیونیکیشن لمیٹڈ (کمپنی) کا مکمل ملکیتی ذیلی ادارہ ہے۔
کل منظور شدہ سرمایہ کاری	550,000,000 عام حصص کی فروخت کے ذریعے 5,500,000,000 روپے تک کی طویل المدتی سرمایہ کاری جس میں 4,000,000,000 روپے تک قرض کی سہولت بھی ہے۔
آج تک کی گئی سرمایہ کاری کی رقم	ایکویٹی سرمایہ کاری کے لحاظ سے /5,000,000,000 روپے اور مختصر مدت کے قرض کے لحاظ سے 940,934,919 روپے۔
سرمایہ کاری کی منظور شدہ ٹائم لائن سے انحراف کی وجوہات، جہاں سرمایہ کاری کا فیصلہ ایک مخصوص وقت میں نافذ کیا جانا تھا۔	کوئی انحراف نہیں، کیونکہ سرمایہ کاری کے لیے قرارداد میں کسی حتمی مدت کا تعین نہیں ہے۔ بقایا سرمایہ کاری اس وقت کی جائے گی جب متعلقہ کمپنی کو فنڈز درکار ہوں گے۔
کمپنی میں سرمایہ کاری کی منظوری کے لیے منظور کی گئی قرارداد کی تاریخ کے بعد سے وابستہ کمپنی یا متعلقہ انڈرٹیکنگ کے مالیاتی گوشواروں میں مادی تبدیلی	ابتدائی طور پر سرمایہ کاری 04 اکتوبر، 2021 کو منظور کی گئی اور اس کے بعد 25 فروری، 2022 کو اضافہ کی منظوری دی گئی۔ کمپنی نے ابتدائی طور پر 500,000,000 روپے کا سرمایہ لگایا ہے اور بعد میں اسے بڑھا کر 5,000,000,000 روپے کر دیا ہے اور اس سے وابستہ کمپنی نے 03 نومبر، 2021 کے تجارتی سرگرمیوں کا آغاز کیا ہے۔ جون، 2022 کو ختم ہونے والے سال کے تازہ ترین مالیاتی گوشواروں کے آڈٹ کے مطابق بیلنس شیٹ کا حجم 8,718,833,661 روپے۔ آپریٹنگ منافع 295,245,967 روپے، جبکہ موخر ٹیکس کی ایڈجسٹمنٹ کے بعد خالص نقصان 118,568,718 روپے ہے۔

۸۔ ای میل ایڈریس کی تبدیلی:

جوممبران کمپنی کے سالانہ مالیاتی گوشواروں کی بارڈ کاپی حاصل کرنا چاہتے ہیں ان سے درخواست کی جاتی ہے کہ وہ ایک باقاعدہ درخواست فارم پر agm@airlinkcommunication.net ای میل کے ذریعے اپنی رضامندی ظاہر کریں، جو کمپنی کی ویب سائٹ یعنی www.airlinkcommunication.net پر دستیاب ہے۔

مزید یہ کہ ممبر کی ذمہ داری ہے کہ وہ رجسٹرڈ ای میل ایڈریس میں کسی بھی تبدیلی کے بارے میں شیئر رجسٹرار کو بروقت اطلاع کرے۔

۹۔ انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے تحت انکم ٹیکس کی کٹوتی:

(i) انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے تحت ڈیویڈنڈ کی ادائیگیوں پر انکم ٹیکس کی کٹوتی کی شرحیں حسب ذیل ہوں گی۔

a. وہ افراد جن کے نام فعال ٹیکس ادا کرنے والوں کی فہرست (ATL) میں موجود ہیں۔ 15%

b. وہ افراد جن کے نام فعال ٹیکس ادا کرنے والوں کی فہرست (ATL) میں موجود نہیں ہیں۔ 30%

(ii) وہ شیئر ہولڈرز جن کے نام ایف بی آر کی ویب سائٹ پر فراہم کردہ فعال ٹیکس دہندگان کی فہرست (ATL) میں درج نہیں ہیں، اس حقیقت کے باوجود کہ وہ فائلرز ہیں، انہیں مشورہ دیا جاتا ہے کہ وہ اس بات کو یقینی بنائیں کہ کھاتوں کی بندش کے پہلے دن سے قبل ان کے نام ATL میں درج کر لیے جائیں تا کہ کمپنی کیش ڈیویڈنڈ کی رقم پر 30% کے بجائے 15% ٹیکس کٹوتی کرے، بصورت دیگر ان کے کیش ڈیویڈنڈ پر 15% کی بجائے 30% ٹیکس کاٹا جائے گا۔

(iii) ڈیویڈنڈ کی آمدنی سے ودہولڈنگ ٹیکس کی چھوٹ کی اجازت صرف اس صورت میں دی جائے گی جب مستند ٹیکس استثنٰی کے سرٹیفکیٹ کی کاپی یا مجاز عدالت سے حکم امتناعی CDC شیئر رجسٹرار سروسز لمیٹڈ کو کھاتوں کی بندش کے پہلے دن سے قبل فراہم کر دیا جائے۔

(iv) مشترکہ اکاؤنٹ کی صورت میں، براہ کرم ہر اکاؤنٹ ہولڈر کے شیئر ہولڈنگ کے تناسب کے ساتھ ساتھ ATL پر ان کی انفرادی حیثیت کے بارے میں بھی آگاہ کریں۔ فیڈرل بورڈ آف ریونیو (ایف بی آر) سے موصول ہونے والی وضاحت کے مطابق مشترکہ کھاتوں پر ودہولڈنگ ٹیکس کا تعین پرنسپل شیئر ہولڈر کے ساتھ ساتھ جوائنٹ ہولڈرز کے فائلر / نان فائلر اسٹیٹس پر ان کے شیئر ہولڈنگ کے تناسب کی بنیاد پر کیا جائے گا۔

(v) اس سلسلے میں تمام شیئر ہولڈرز جو مشترکہ طور پر حصص رکھتے ہیں ان سے درخواست کی جاتی ہے کہ وہ پرنسپل شیئر ہولڈرز اور جوائنٹ ہولڈرز کے شیئر ہولڈنگ کا تناسب اپنے پاس رکھے ہوئے حصص (اگر پہلے سے فراہم نہ کیے گئے ہوں) مندرجہ ذیل کے ذریعے ہمارے شیئر رجسٹرار کو تحریری طور پر فراہم کریں۔

کمپنی کا نام	فولیو/سی ڈی سی اکاؤنٹ نمبر	کل شیئر	پرنسپل شیئر ہولڈر		جوائنٹ شیئر ہولڈر	
			نام اور CNIC نمبر	شیئر ہولڈنگ کا تناسب (کل شیئرز)	نام اور CNIC نمبر	شیئر ہولڈنگ کا تناسب (کل شیئرز)

(vi) مطلوبہ معلومات اس نوٹس کے 10 دنوں کے اندر ہمارے شیئر رجسٹرار تک پہنچنی چاہیے۔ بصورت دیگر یہ فرض کیا جائے گا کہ پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈرز کے پاس حصص برابر ہیں۔

(vii) CDC اکاؤنٹس رکھنے والے کارپوریٹ شیئر ہولڈرز کو ان کے متعلقہ شرکاء کے ساتھ اپنا نیشنل ٹیکس نمبر (NTN) اپ ڈیٹ کروانا ہوگا۔ جب کہ کارپوریٹ فزیکل شیئر ہولڈرز کو اپنے NTN سرٹیفکیٹ کی ایک کاپی کمپنی یا CDC شیئر رجسٹرار سروسز لمیٹڈ کو بھیجنی چاہیے۔ شیئر ہولڈرز کو NTN یا NTN سرٹیفکیٹ بھیجتے وقت کمپنی کا نام اور ان کے متعلقہ فولیو نمبرز کا حوالہ دینا ضروری ہے۔ NTN کے بغیر کمپنی ATL پر فائلر کی حیثیت کو چیک کرنے کی پوزیشن میں نہیں ہوگی اور اس لیے ایسے معاملات میں 30% کا زیادہ ٹیکس لاگو کیا جا سکتا ہے۔

(viii) جو ممبران اپنے منافع سے زکوۃ کی کٹوتی کو روکنا چاہتے ہیں وہ قانون کے تحت ضروری طور پر دستخط شدہ غیر عدالتی اسٹامپ پیپر پر ایک اعلامیہ جمع کرا سکتے ہیں (اگر پہلے جمع نہ کیا گیا ہو)۔

(ix) ڈیویڈنڈ کی آمدنی سے ودہولڈنگ ٹیکس کی چھوٹ صرف اس صورت میں دی جائے گی جب مستند ٹیکس استثنٰی کے سرٹیفکیٹ کی کاپی ہمارے شیئر رجسٹرار کو کھاتوں کی بندش کے پہلے دن تک دستیاب کر دی جائے۔

ج) کارپوریٹ ادارے کے معاملے میں، بورڈ کی قرارداد/پاور آف اٹارنی نامزد شخص دستخط کے نمونے کے ساتھ (تاوقتیکہ پہلے فراہم کیا گیا ہو) اپنا اصل CNIC یا اصل پاسپورٹ AGM کے وقت پیش کرے گا۔

د) جوائنٹ ہولڈرز کی صورت میں، صرف ایک ممبر جس کا نام ہمارے شیئر ہولڈرز کی فہرست میں مین ٹائٹل شیئر ہولڈر کے طور پر لکھا ہوگا، کو AGM میں شرکت کی اجازت ہوگی۔

۳۔ اجلاس میں شرکت کیلئے اندراج:

اراکین زوم ویڈیو لنک کی سہولت کے ذریعے بھی AGM میں شرکت کر سکتے ہیں۔

الف) میٹنگ میں شرکت کے لیے ممبران سے درخواست کی جاتی ہے کہ وہ مندرجہ ذیل معلومات کے ساتھ CNIC (دونوں طرف)/پاسپورٹ کی ایک درست کاپی یا بورڈ کی قرارداد کی تصدیق شدہ کاپی/پاور آف اٹارنی (کارپوریٹ شیئر ہولڈرز کی صورت میں) ای میل agm@airlinkcommunication.net کے ذریعے ہفتہ ۲۲ اکتوبر ۲۰۲۲ کو یا اس سے پہلے درج ذیل معلومات فراہم کر کے خود کو رجسٹر کریں۔

شیئر ہولڈر کا نام	CNIC No.	سی ڈی سی اکاؤنٹ نمبر/فولیو نمبر	موبائل نمبر	ای میل ایڈریس

ب) جو ممبران رجسٹرڈ ہیں ان کو ضروری تصدیق کے بعد، کمپنی کی طرف سے مذکورہ ای میل ایڈریس پر ایک ویڈیو لنک فراہم کیا جائے گا۔ لاگ ان کی سہولت صبح 9:45 بجے سے میٹنگ کے اختتام تک مہیا رہے گی۔

۴۔ بینک اکاؤنٹ کی تفصیل:

کمپنیز ایکٹ، 2017 کے سیکشن 242 کی دفعات کے تحت، لسٹڈ کمپنی کے لیے لازمی ہے کہ وہ اپنے شیئر ہولڈرز کو نقد ڈیویڈنڈ صرف الیکٹرانک موڈ کے ذریعے براہ راست حقدار شیئر ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں ادا کرے۔

الف) براہ راست اپنے بینک اکاؤنٹ میں ڈیویڈنڈ حاصل کرنے کے لیے، حصص یافتگان سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ www.airlinkcommunication.net پر دستیاب الیکٹرانک کریڈٹ مینڈیٹ فارم کو پُر کریں اور دستخط کے بعد فزیکل شیئرز کی صورت میں کمپنی کے رجسٹرار یعنی سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس B-99، بلاک-S.M.C.H.S, B مین شاہراہ فیصل، کراچی کو CNIC کی ایک کاپی کے ساتھ بھیجیں۔

ب) اگر سی ڈی سی میں حصص رکھے گئے ہیں تو الیکٹرانک کریڈٹ مینڈیٹ فارم براہ راست شیئر ہولڈرز کے بروکر/پارٹیسپینٹ/ سی ڈی سی اکاؤنٹ سروسز کو جمع کرانا چاہیے۔ اگر IBAN پہلے ہی CDC اکاؤنٹ یا شیئر ہولڈر کے فزیکل فولیو میں شامل/اپ ڈیٹ ہو چکا ہے تو مزید کسی کاروائی کی ضرورت نہیں ہے۔

۵۔ پتہ کی تبدیلی:

فزیکل شکل میں حصص رکھنے والے ممبران سے درخواست کی جاتی ہے کہ وہ تحریری درخواست میں اپنے پتوں میں کسی بھی تبدیلی کے بارے میں کمپنی کے شیئر رجسٹرار کو فوری طور پر مطلع کریں۔ جبکہ، حصص یافتگان جو اپنے حصص کو الیکٹرانک شکل میں رکھتے ہیں ان کے پتے اپنے متعلقہ سی ڈی سی پارٹیسپینٹ یا سی ڈی سی انویسٹر اکاؤنٹ سروسز کے ساتھ اپ ڈیٹ ہونے چاہئیں۔

۶۔ مالیاتی گوشوارے:

کمپنیز ایکٹ 2017 کے سیکشن 223 کے مطابق، 30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ مالیاتی گوشواروں کے ساتھ چیئرمین کی جائزہ رپورٹ، ڈائریکٹرز اور آڈیٹرز کی رپورٹ کمپنی کی ویب سائٹ www.airlinkcommunication.net پر فراہم کر دی گئی ہے۔

۷۔ سالانہ حسابات:

مزید برآں، ہمیں یہ سہولت اپنے ممبران کو پیش کرتے ہوئے خوشی ہو رہی ہے جو کمپنی کے سالانہ مالیاتی گوشوارے ای میل کے ذریعے وصول کرنا چاہتے ہیں۔ اس سلسلے میں اراکین سے درخواست کی جاتی ہے کہ وہ agm@airlinkcommunication.net پر ای میل کے ذریعے ایک درخواست فارم پر اپنی رضامندی ظاہر کریں جو کمپنی کی ویب سائٹ یعنی www.airlinkcommunication.net پر دستیاب ہے۔ براہ کرم یقینی بنائیں کہ آپ کے ای میل میں ایسی ای میل وصول کرنے کے لیے مکمل حقوق اور جگہ دستیاب ہے جس کا سائز 10 MB فائل سے بڑا ہو سکتا ہے۔

سالانہ اجلاس عام کا نوٹس

اطلاع دی جاتی ہے کہ ایئر لنک کمیونیکیشن لمیٹڈ (کمپنی) کا نواں سالانہ اجلاس عام (AGM) بروز جمعہ 28 اکتوبر 2022 کو صبح 10:00 بجے پرل کانٹی نینٹل ہوٹل، شاہراہ قائد اعظم، لاہور، پاکستان میں درج ذیل کاروباری معاملات طے کرنے کے لئے منعقد ہوگا۔

عمومی امور:

۱۔ 30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں بمعہ ڈائریکٹرز اور آڈیٹرز کی رپورٹس کو وصول کرنا، ان پر غور کرنا اور اس کی منظوری دینا۔

۲۔ مالی سال 23-2022 کے لیے کمپنی کے آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین کرنا۔ بورڈ آف ڈائریکٹرز نے مالی سال 23-2022 کے لیے M/s EY Ford Rhodes Chartered Accountants کی بطور بیرونی آڈیٹرز دوبارہ تقرری کی سفارش کی ہے۔

۳۔ بورڈ آف ڈائریکٹرز کی تجویز کے مطابق 10% یعنی 10.00 روپے فی شیئر پر 1 روپے حتمی نقد منافع کی ادائیگی پر غور کرنا اور اسے منظور کرنا۔

دیگر امور:

۴۔ چیئر کی اجازت سے کسی دوسرے کاروباری معاملے پر غور کرنا۔

بحکم بورڈ

لاہور: 07 اکتوبر 2022

(عامر لطیف)
کمپنی سیکریٹری

نوٹس:

۱۔ کھاتوں کی بندش

کمپنی کے حصص کی منتقلی کے کھاتے ہفتہ 22 اکتوبر 2022 سے جمعہ، 28 اکتوبر 2022 تک بند رہیں گے (بشمول دونوں ایام) اس دوران کوئی منتقلی رجسٹر نہیں کی جائے گی۔ حصص کی منتقلی کی وہ درخواستیں جو کمپنی کے شیئر رجسٹرار، یعنی سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس B-99، بلاک M.C.H.S, B مین شاہراہ فیصل کراچی میں 21 اکتوبر 2022 کو کاروبار بند ہونے تک موصول ہونگی انہی کو منتقلی کے لیے بروقت تصور کیا جائے گا۔

۲۔ نمائندوں کی تقرری اور اجلاس عام میں شرکت:

اجلاس میں شرکت کرنے اور ووٹ دینے کا حقدار کمپنی کا کوئی رکن دوسرے ممبر کو بطور پراکسی مقرر کرنے کا حقدار ہے تاکہ وہ اپنی طرف سے شرکت کرے اور ووٹ دے سکے۔ اگر کوئی کارپوریٹ ادارہ، کمپنی کا رکن ہونے کے ناطے اپنے کسی اہلکار یا کسی دوسرے شخص کو چاہے وہ کمپنی کا ممبر ہو یا نہ ہو، بورڈ کی قرارداد/پاور آف اٹارنی کے ذریعے اپنا پراکسی مقرر کر سکتا ہے۔

الف) باضابطہ پر دستخط شدہ اور تصدیق شدہ پراکسی فارم کمپنی کے رجسٹرڈ آفس 152/1-M، قائداعظم انڈسٹریل اسٹیٹ کوٹ لکھپت، لاہور یا اس کی اسکین شدہ کاپی اس ای میل ایڈریس airlinkcommunication.net پر اجلاس سے اڑتالیس (48) گھنٹے پہلے موصول ہونا چاہیے۔

ب) انفرادی فرد کی صورت میں، جن کے شیئرز سینٹرل ڈپازٹری سسٹم (CDS) کے ساتھ اپنے اکاؤنٹ / سب اکاؤنٹ میں رجسٹرڈ ہیں، وہ AGM میں شرکت کے وقت اپنا اصل CNIC یا اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کروائے گا۔

FORM OF PROXY

The Company Secretary
Air Link Communication Limited
152/1-M, Quaid-e-Azam Industrial Estate,
Kot lakh pat, Lahore

I/We____
of____
a member of Air Link Communication Limited hereby appoint ______________________________
____
of____
or failing him____
____of
____
who is/are also member/s of Air Link Communication Limited to act as my/our proxy and to vote for me/us and on my/our behalf at the 9th Annual General Meeting of the shareholders of the Company to be held on the 28th day of October 2022 and at any adjournment thereof.

Signed this ____ day of__________2022.

Folio No.	CDC Participant ID No.	CDC Account/ Sub-Account No	No. of Shares held

Witness:1
Signature___________________
Name______________________
CINC#_____________________
Address____________________

Witness:2
Signature___________________
Name______________________
CINC#_____________________
Address____________________

Notes:

1. The proxy must be a member of the Company.
2. The signature must tally with the specimen signature/s registered with the Company.
3. If a proxy is granted by a member who has deposited his/her shares in Central Depository Company of Pakistan Limited, the proxy must be accompanied with participant's ID number and CDC account/sub-account number along with attested photocopies of Computerized National Identity Card (CNIC) or the Passport of the beneficial owner. Representatives of corporate members should bring the usual documents required for such purpose.
4. The instrument of Proxy properly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting excluding holidays.

پراکسی فارم

کمپنی سیکریٹری

ایئر لنک کمیونیکیشن لمیٹڈ

152/1-M، قائداعظم انڈسٹریل اسٹیٹ،

کوٹ لکھپت، لاہور۔

میں/ہم ______________________________ ساکن ______________________________

بحیثیت ممبر ایئر لنک کمیونیکیشن لمیٹڈ محترم/محترمہ ______________________________

کو یا ان کی عدم دستیابی کی صورت میں محترم/محترمہ ______________________________ ساکن ______________

______________ جو خود ایئر لنک کمیونیکیشن لمیٹڈ کے ممبر ہے/ ہیں بطور پراکسی مقرر کرتا/کرتی ہوں کہ وہ میری جگہ اور میری طرف سے کمپنی کے نویں سالانہ اجلاس

عام جو بتاریخ 28 اکتوبر 2022 کو منعقد ہوگا اور کسی ملتوی شدہ اجلاس میں شرکت اور ووٹ ڈال سکے۔

دستخط............................. بتاریخ..............................2022

فولیو نمبر	سی ڈی سی نمبر	سی ڈی سی ذیلی اکاؤنٹ نمبر	حصص کی کل تعداد

گواہان

1- نام ______________________ 2- نام ______________________

پتہ ______________________ پتہ ______________________

CNIC نمبر ______________________ CNIC نمبر ______________________

دستخط ______________________ دستخط ______________________

نوٹس:۔

1. پراکسی کا کمپنی کا ممبر ہونا ضروری ہے۔
2. پراکسی فام پر کیئے گئے دستخط کمپنی کے پاس موجود دستخط کے نمونے کے مطابق ہونے چاہیں۔
3. وہ پراکسی جن کے حصص سینٹرل ڈیپازیٹری کمپنی آف پاکستان لمیٹڈ میں رجسٹرڈ ہیں وہ پراکسی فارم یا پارٹیسپنٹ ID نمبر اور سی ڈی سی اکاؤنٹ یا ذیلی اکاؤنٹ نمبر کے ساتھ شناختی کارڈ کی تصدیق شدہ کاپیاں یا اصل مالک کا پاسپورٹ فراہم کریگا۔ کارپوریٹ ادارے کی نمائندگی کی صورت میں اس مقصد کے لئے ضروری تمام دستاویزات منسلک کریں۔
4. مکمل پُر شدہ پراکسی فارم کمپنی کے رجسٹرڈ آفس میں اجلاس سے 48 گھنٹے قبل تعطیل کے ایام کو چھوڑ کر موصول ہو جانے چاہئیں۔

AIRLINK

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