



YOUR SMART DEVICE PARTNER

**QUARTERLY REPORT AS AT
SEPTEMBER 30, 2022**

TECHNOLOGY FOR A BRIGHTER FUTURE



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. Aqdlus 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. Aqdlus 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 Address

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

Company's Registered address (Head office)

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

External auditors

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





DIRECTORS' REPORT

The Directors of your Company are pleased to present the unaudited condensed interim financial statements of the Company for the first quarter ended September 30, 2022.

The business environment remained challenging during the period under review 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 6,829,213,597/- and consolidated PKR 9,417,411,479/- as compare to PKR 9,436,655,566/- of comparative period. However, Gross profit margin remained consistent to 10.98%. By applying strict cost controls and bringing efficiencies in the operations company achieved growth in profit before taxation and net profit 6.18% and 3.87% as compare to 6.04% and 4.45% of last comparative period respectively.

Current ratio was increase to 3.14 times from 2.20 times and gearing ratio was decrease to 14.64% from 27.07% as compare with financial year ended June 30, 2022. The earning per share remained Rs.0.69 against Rs.1.14 for the three months of the last year

The board expects the growth momentum to continue during the remainder of the current financial year and beyond despite the prevailing downfall in the value of local currency and with Government Policies, the company is geared to enhance its share in the market.

The board of directors wishes to express their gratitude to valued shareholders, banks/financial Institutions, customers and suppliers for their continuous support, cooperation and patronage. We would specially like to recognized hard work and dedication of our employees who in these testing times and adverse condition have performed to the best of their abilities with utmost commitment and look forward to their continued support. Needless to mention, all growth in the business of the company is not possible without will and blessings of ALMIGHTY ALLAH.



Chief Executive



Director

آپ کی کمپنی کے ڈائریکٹر 30 ستمبر 2022 کو ختم شدہ پہلی سہ ماہی کے لیے کمپنی کے غیر آڈٹ شدہ ٹھوس عبوری مالیاتی گوشورے با مسرت پیش کرتے ہیں

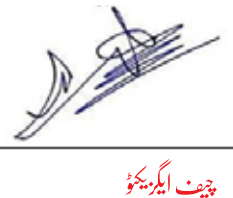
اس مدت کے دوران جس کا جائزہ لیا گیا ہے کاروباری ماحول میکرو اکنامک عناصر، روپے کی قدر میں کمی، بڑھتی ہوئی اشیاء کی قیمتیں اور درآمدات پر پابندیوں کی بناء پر کاروباری ماحول بدستور چیلنجنگ رہا اور اس کے نتیجے میں کمپنی کو CBU اور SKD موبائل فونز میٹریلز کی دستیابی میں مزاحمت کا سامنا کرنا پڑا۔ تاہم کمپنی خالص آمدنی جو -/6,829,213,597 پاکستانی روپے بنتی ہے اور مرکب آمدنی جو -/9,417,411,479 پاکستانی روپے بنتی ہے کہ حصول کے ساتھ ان چیلنجز سے نمٹنے میں کامیاب رہی یہ رقم مسابقتی مدت کی -/9,436,655,566 پاکستانی روپے کے مقابلے میں کم تھی۔ تاہم مجموعی منافع کا مارجن 10.98% متوازن رہا۔ سخت کاسٹ کنٹرول کا اطلاق اور آپریشنز میں صلاحیت کا استعمال کرتے ہوئے کمپنی نے ٹیکسیشن سے قبل منافع میں اضافہ کیا اور گزشتہ مسابقتی مدت کے 6.04% اور 4.45% کے مقابلے میں خالص منافع بالترتیب 6.18% اور 3.87% حاصل کیا

اس مدت کے دوران جس کا جائزہ لیا گیا ہے کاروباری ماحول میکرو اکنامک عناصر، روپے کی قدر میں کمی، بڑھتی ہوئی اشیاء کی قیمتیں اور درآمدات پر پابندیوں کی بناء پر کاروباری ماحول بدستور چیلنجنگ رہا اور اس کے نتیجے میں کمپنی کو میٹریلز کی دستیابی میں مزاحمت کا سامنا کرنا پڑا۔ تاہم کمپنی خالص آمدنی جو -/6,829,213,597 CBU اور SKD موبائل فونز پاکستانی روپے بنتی ہے کہ حصول کے ساتھ ان چیلنجز سے نمٹنے میں کامیاب رہی یہ رقم مسابقتی مدت کی -/9,436,655,566 پاکستانی روپے کے مقابلے میں کم تھی۔ تاہم مجموعی منافع کا مارجن 10.98% متوازن رہا۔ سخت کاسٹ کنٹرول کا اطلاق اور آپریشنز میں صلاحیت کا استعمال کرتے ہوئے کمپنی نے ٹیکسیشن سے قبل منافع میں اضافہ کیا اور گزشتہ مسابقتی مدت کے 6.04% اور 4.45% کے مقابلے میں خالص منافع بالترتیب 6.18% اور 3.87% حاصل کیا

موجودہ تناسب میں 2.20 کے مقابلے میں 3.14 گناتک کا اضافہ ہوا اور گینرنگ تناسب 30 جون 2022 کو ختم شدہ مالی سال کے مقابلے میں 27.07% سے کم ہو کر 14.64% ہو گیا۔ گزشتہ سال کے تین ماہ کے لئے فی شیئر آمدنی 1.14 روپے کے مقابلے میں 0.69 روپے رہی۔ رواں مالی سال کی باقی ماندہ مدت کے دوران بورڈ کو بڑھتے ہوئے منافع کی توقع ہے اور مقامی کرنسی کی مالیت میں فی الوقت کمی اور سرکاری پالیسیز کے باوجود کمپنی اپنے مارکیٹ میں اپنے شیئر کو بڑھانے میں مصروف عمل ہے۔

بورڈ آف ڈائریکٹرز قابل قدر شیئر ہولڈرز، بینکس/مالیاتی انسٹی ٹیوشنز، کسٹمرز اور سپلائرز کی مسلسل سپورٹ، تعاون اور سرپرستی کے لئے ان کا تہ دل سے شکریہ ادا کرتی ہے۔ ہم ان ملازمین خاص طور پر ان کی محنت اور لگن کو تسلیم کرتے ہیں جنہوں نے ان مشکل حالات اور مخالف کنڈیشن میں پوری ذمہ داری کے ساتھ اپنی بہترین صلاحیتوں کو استعمال کیا اور اپنی جاری سپورٹ کے ساتھ آگے بڑھتے رہے۔ یہاں اس بات کا ذکر کرنا انتہائی ضروری ہے کہ اللہ تعالیٰ کی مدد اور نصرت کے بغیر کمپنی کے کاروبار میں تمام تر اضافہ قطعاً ممکن نہیں ہے۔


ڈائریکٹر

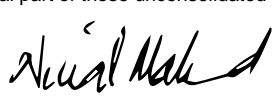

چیف ایگزیکٹو

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	30 September 2022 (Un-audited) (Rupees)	30 June 2022 (Audited) (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	712,647,059	736,588,940
Intangibles		16,126,561	15,455,020
Investment in subsidiary		5,500,000,000	5,000,000,000
Deferred tax Asset		-	23,762,797
		6,228,773,620	5,775,806,757
CURRENT ASSETS			
Stock in trade	6	1,584,793,305	3,158,551,742
Stores and spares		17,126,439	17,161,871
Trade debts	7	2,480,700,438	3,752,501,028
Loans and advances		56,031,979	59,757,546
Trade deposits and short term prepayments		23,550,622	97,193,369
Tax refunds due from the Government		197,353,965	166,623,631
Other receivables		4,594,364,045	3,861,853,815
Short term investments		1,196,098,552	1,009,527,023
Cash and bank balances	8	471,216,740	990,297,235
		10,621,236,085	13,113,467,260
TOTAL ASSETS		16,850,009,705	18,889,274,017
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Authorized share capital 600,000,000 (30 June 2022: 400,000,000) ordinary shares of Rs.10 each		6,000,000,000	6,000,000,000
Issued, subscribed and paid up capital		3,952,692,310	3,952,692,310
Share premium - capital reserve		3,556,176,808	3,556,176,808
General reserves - revenue reserve		44,559,977	44,559,977
Accumulated profit - revenue reserve		4,463,881,004	4,199,708,939
Long term loan - equity portion		-	21,372,477
		12,017,310,099	11,774,510,511
NON CURRENT LIABILITIES			
Long term loan		1,182,813,467	876,612,295
Lease liabilities		243,517,637	242,066,981
Defined benefit liability		22,671,348	24,930,028
		1,449,002,452	1,143,609,304
CURRENT LIABILITIES			
Trade payables, accrued and other liabilities	9	730,300,167	390,814,817
Contract liabilities		112,978,530	152,365,597
Refund liabilities		-	309,084
Current portion of long term loans		453,986,539	426,789,550
Current maturity of lease liabilities		109,419,960	104,179,241
Unclaimed dividend		95,298,227	95,298,227
Short term borrowings		894,857,234	3,936,056,734
Accrued markup		93,124,848	121,937,580
Provision for taxation		893,731,649	743,403,372
		3,383,697,154	5,971,154,202
TOTAL EQUITY AND LIABILITIES		16,850,009,705	18,889,274,017
CONTINGENCIES AND COMMITMENTS	10		

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


Chief Executive


Chief Financial Officer


Director

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

		Quarter Ended	
		30 September 2022 Un Audited (Rupees)	30 September 2021 Un Audited (Rupees)
Revenue from contracts with customers - net	11	6,829,213,597	9,436,655,566
Cost of sales		(6,079,322,463)	(8,400,124,365)
Gross profit		749,891,134	1,036,531,201
Administrative expenses		(141,465,395)	152,851,699
Selling and distribution cost		(62,435,798)	128,569,036
		(203,901,193)	281,420,735
Operating profit		545,989,941	755,110,466
Other income		30,302,988	10,360,992
Finance cost		(154,526,100)	(195,367,572)
Profit before taxation		421,766,829	570,103,886
Taxation		(157,594,764)	(150,221,072)
Profit for the period		264,172,065	419,882,814
Earnings per share			
- Basic		0.69	1.14

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



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

	Quarter Ended	
	30 September 2022 (Un-audited) (Rupees)	30 September 2021 (Un-audited) (Rupees)
Profit for the period	264,172,065	419,882,814
Items not to be reclassified to profit or loss in subsequent periods		
Re-measurement losses on defined benefit plan	-	-
Tax effect	-	-
Re-measurement losses on defined benefit plan - net of tax	-	-
Total comprehensive income for the period	264,172,065	419,882,814

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



Chief Executive


Chief Financial Officer


Director

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

		Capital reserve	----- Revenue reserve -----				
	Issued, subscribed and paid up capital	Share Premium	General reserves	Accumulated profit	Long term loan - equity portion	Share deposit money	Total
	(Rupees)						
Balance as at 1st July 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	-	-	-	-	-	-	-
Other comprehensive loss for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-
Balance as at 30 June 2022 (Audited)	3,952,692,310	3,556,176,808	44,559,977	4,199,708,939	21,372,477	-	11,774,510,511
Balance as at 1st July 2022	3,952,692,310	3,556,176,808	44,559,977	4,199,708,939	21,372,477	-	11,774,510,511
Profit for the period (Un-audited)	-	-	-	264,172,065	-	-	264,172,065
Reversal of equity portion	-	-	-	-	(21,372,477)	-	(21,372,477)
Other comprehensive income for the period (Un-audited)	-	-	-	-	-	-	-
Total comprehensive income for the period (Un-audited)	-	-	-	264,172,065	(21,372,477)	-	242,799,588
Balance as at 30 September 2022 (Un-audited)	3,952,692,310	3,556,176,808	44,559,977	4,463,881,004	-	-	12,017,310,099

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


Chief Executive


Chief Financial Officer


Director

AIRLINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

	Quarter Ended	
	30 September 2022	30 September 2021
	(Rupees)	(Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	421,766,829	570,103,886
Adjustments for :		
Depreciation	24,170,885	36,566,727
Amortization of intangible assets	548,552	2,255,821
Provision for net realizable value	(2,274,365)	-
Financial charges	(125,713,368)	124,058,229
Finance income	(30,302,988)	(10,360,992)
	(133,571,284)	152,519,785
Operating profit before working capital changes	288,195,545	722,623,671
(Increase)/decrease in current assets		
Stock in trade	1,576,032,802	1,025,026,577
Store & Spares	(35,432)	7,560,647
Trade debts	1,271,800,590	(1,899,230,919)
Loans and advances	3,725,567	(43,538,715)
Trade deposits and short term prepayments	73,642,747	(40,331,726)
Other receivables	(1,007,891,335)	(643,722,103)
Tax refunds due from the Government	(30,730,334)	17,382,327
	1,886,544,605	(1,576,853,912)
Increase/(decrease) in current liabilities		
Trade payables, accrued and other liabilities	339,485,350	(730,450,531)
Contract liabilities	(39,387,067)	(82,882,488)
	2,474,838,433	(1,667,563,260)
Financial charges paid	(121,937,580)	(204,513,958)
Interest income received	30,302,988	-
Gratuity paid	-	(12,891,604)
Income tax paid	-	(95,543,684)
NET CASH USED IN OPERATING ACTIVITIES	2,383,203,841	(1,980,512,506)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions in property and equipment	-	(180,723,866)
Additions in capital work in progress	-	(442,752,128)
Short term investments	(186,571,529)	(73,600,000)
Additions in intangibles	(1,220,093)	(3,120,322)
NET CASH USED IN INVESTING ACTIVITIES	(187,791,622)	(700,196,316)
CASH FLOW FROM FINANCING ACTIVITIES		
Lease liability repaid	(6,691,375)	16,210,941
Issuance of Share Capital	-	676,923,080
Loans repaid	-	(42,744,954)
Loans acquired	333,398,161	209,156,767
Share Premium	-	3,831,288,173
Share deposit money repaid	-	(400,000,000)
Decrease in short term bank borrowings	(3,041,199,500)	(699,869,566)
NET CASH GENERATED FROM FINANCING ACTIVITIES	(2,714,492,714)	3,590,964,441
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(519,080,495)	910,255,619
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	990,297,235	832,153,312
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	471,216,740	1,742,408,931



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

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.

2 STATEMENT OF COMPLIANCE

This interim financial information of the Company for the quarter ended September 30, 2022 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act 2017 have been followed.

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

3 BASIS OF PREPARATION

These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2022 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended June 30, 2022

3.1 PRESENTATION CURRENCY

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

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

During preparation of this interim condensed financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended June 30, 2022.

	30 September 2022 (Un-audited) (Rupees)	30 June 2022 (Audited) (Rupees)
5 PROPERTY AND EQUIPMENT		
Operating fixed assets	438,211,195	462,819,390
Capital work in progress	-	-
Right-of-use assets	274,435,864	273,769,550
	<u>712,647,059</u>	<u>736,588,940</u>
6 STOCK IN TRADE		
Raw material	366,526,428	437,698,159
Work in process	770,583	8,152,105
Mobile phones	492,875,659	1,328,007,868
Spare parts	171,536,364	146,012,883
	<u>1,031,709,034</u>	<u>1,919,871,015</u>
Provision for net realizable value	(2,274,365)	(2,274,365)
	<u>1,029,434,669</u>	<u>1,917,596,650</u>
Goods in transit	555,358,636	1,240,955,092
	<u>1,584,793,305</u>	<u>3,158,551,742</u>
7 TRADE DEBTS		
Local		
Local	2,480,700,438	3,762,539,710
Exports	-	-
	<u>2,480,700,438</u>	<u>3,762,539,710</u>
Allowance for expected credit loss	-	(10,038,682)
Considered good - unsecured	<u>2,480,700,438</u>	<u>3,752,501,028</u>
8 CASH AND BANK BALANCES		
Cash in hand	138,521,512	31,820,223
Cash at bank - current accounts	332,695,228	958,476,164
Cash at bank - saving account	-	848
	<u>471,216,740</u>	<u>990,297,235</u>
9 TRADE PAYABLES, ACCRUED AND OTHER LIABILITIES		
Trade payables	233,496,677	-
Incentives and promotions payable	40,192,623	-
Accrued expenses	95,609,460	16,454,036
Withholding tax payable	200,882,702	229,504,765
Other payables	160,118,695	144,856,016
	<u>730,300,157</u>	<u>390,814,817</u>

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There is no material change in the contingencies since the last audited financial statements for the year ended 30 June 2022.

	Quarter Ended	
	30 September 2022 (Un-audited) (Rupees)	30 September 2021 (Un-audited) (Rupees)
11 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET		
Sales - local	7,275,335,063	9,991,278,514
Sales - export	-	60,588,645
Service income	21,873,310	16,544,458
Gross sales	<u>7,297,208,373</u>	<u>10,068,411,617</u>
Less: Discount	(467,994,776)	(631,756,051)
	<u>6,829,213,597</u>	<u>9,436,655,566</u>
12 DATE OF AUTHORIZATION FOR ISSUE		

These condensed interim financial statements were authorized by Board of Directors on 28-10-2022.



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	30 September 2022 (Un-audited) (Rupees)	30 June 2022 (Audited) (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	6,047,746,862	6,126,596,812
Intangibles		-	15,654,520
Long term deposits		16,292,412	5,736,000
Deferred tax asset		-	23,762,797
		6,064,039,274	6,171,750,129
CURRENT ASSETS			
Stock in trade	6	4,450,598,232	5,333,571,199
Stores and spares		17,707,623	18,394,867
Trade debts	7	2,459,944,336	3,752,501,028
Loans and advances		100,354,445	99,508,357
Trade deposits and short term prepayments		32,791,990	100,698,737
Tax refunds due from the Government		198,718,153	167,742,313
Other receivables		5,929,798,277	3,905,064,773
Short term investments		1,796,098,552	1,009,527,023
Cash and bank balances	8	1,133,533,364	1,101,488,794
		16,119,544,972	15,488,497,091
TOTAL ASSETS		22,183,584,246	21,660,247,220
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Authorized share capital 600,000,000 (30 June 2022: 400,000,000) ordinary shares of Rs.10 each		6,000,000,000	6,000,000,000
Issued, subscribed and paid up capital		3,952,692,310	3,952,692,310
Share premium - capital reserve		3,556,176,808	3,556,176,808
General reserves - revenue reserve		44,559,977	44,559,977
Accumulated profit - revenue reserve		4,385,893,071	4,081,140,221
Long term loan - equity portion		-	21,372,477
Share deposit money		-	-
		11,939,322,166	11,655,941,793
NON CURRENT LIABILITIES			
Long term loan		2,162,421,980	1,636,612,295
Defined benefit liability		22,671,348	242,066,981
Lease liabilities		243,517,637	24,930,028
Deferred tax liability		-	233,401,360
		2,428,610,965	2,137,010,664
CURRENT LIABILITIES			
Trade payables, accrued and other liabilities		3,511,171,866	502,168,984
Contract liabilities		112,978,530	153,168,178
Refund liabilities		-	309,084
Current portion of long term loans		492,972,971	466,789,550
Current maturity of lease liabilities		109,419,960	104,179,241
Unclaimed dividend		95,298,227	95,298,227
Short term borrowings		2,055,388,174	5,571,643,558
Accrued markup		287,768,439	206,814,630
Provision for taxation		1,150,652,948	766,923,311
		7,815,651,115	7,867,294,763
TOTAL EQUITY AND LIABILITIES		22,183,584,246	21,660,247,220
CONTINGENCIES AND COMMITMENTS			

9

The annexed notes from 1 to 11 form an integral part of these consolidated condensed interim financial statements.

Chief Executive

Chief Financial Officer

Director

AIRLINK COMMUNICATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

	Note	Quarter Ended	
		30 JUNE 2022 (Un-audited) (Rupees)	30 September 2021 (Audited) (Rupees)
Revenue from contracts with customers - net	10	9,417,411,479	9,436,655,566
Cost of sales		(8,284,638,177)	(8,400,124,365)
Gross profit		1,132,773,302	1,036,531,201
Administrative expenses		(241,971,776)	(152,851,699)
Selling and distribution cost		(62,417,798)	(128,569,036)
		(304,389,574)	(281,420,735)
Operating profit		828,383,728	755,110,466
Other income		30,303,122	10,360,992
Finance cost		(396,339,236)	(195,367,572)
Profit before taxation		462,347,614	570,103,886
Taxation		(157,594,764)	(150,221,072)
Profit for the period		304,752,850	419,882,814
Attributable to: Equity holders of the parent		304,752,850	419,882,814
Earnings per share - Basic		0.79	1.14

The annexed notes from 1 to 11 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

	Quarter Ended	
	30 September 2022 (Un-audited) (Rupees)	30 September 2021 (Audited) (Rupees)
Profit for the period	304,752,850	419,882,814
Items not to be reclassified to profit or loss in subsequent periods		
Re-measurement losses on defined benefit plan	-	
Tax effect		
Re-measurement losses on defined benefit plan - net of tax	-	-
Total comprehensive income for the period	304,752,850	419,882,814
Attributable to:		
Equity holders of the parent	304,752,850	419,882,814

The annexed notes from 1 to 11 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

		Capital reserve	----- Revenue reserve -----				
	Issued, subscribed and paid up capital	Share Premium	General reserves	Accumulated profit	Long term loan - equity portion	Share deposit money	Total
	(Rupees)						
Balance as at 1 July 2021	3,000,000,000	-	44,559,977	2,991,850,517	42,744,954	400,000,000	6,479,155,448
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 period (Un-audited)	-	-	-	1,530,021,714	-	-	1,530,021,714
Other comprehensive income for the period (Un-audited)	-	-	-	(2,489,102)	-	-	(2,489,102)
Total comprehensive income for the period (Un-audited)	-	-	-	1,527,532,612	-	-	1,527,532,612
Loan repaid	-	-	-	-	-	-	-
Balance as at 30 June 2022 (Audited)	3,952,692,310	3,556,176,808	44,559,977	4,081,140,221	21,372,477	-	11,655,941,793
Balance as at 1 July 2022	3,952,692,310	3,556,176,808	44,559,977	4,081,140,221	21,372,477	-	11,655,941,793
Profit for the period (Un-audited)	-	-	-	304,752,850	-	-	304,752,850
Reversal of equity portion	-	-	-	-	(21,372,477)	-	(21,372,477)
Other comprehensive income for the period (Un-audited)	-	-	-	-	-	-	-
Total comprehensive income for the period (Un-audited)	-	-	-	304,752,850	(21,372,477)	-	283,380,373
Balance as at 30 September 2022 (Un-audited)	3,952,692,310	3,556,176,808	44,559,977	4,385,893,071	-	-	11,939,322,166

The annexed notes from 1 to 11 form an integral part of these consolidated condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director

AIRLINK COMMUNICATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

	Note	Quarter Ended	
		30 September 2022	30 September 2021
		(Rupees)	(Audited) (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		462,347,614	570,103,886
Adjustments for :			
Depreciation		92,066,659	36,566,727
Amortization of intangible assets		548,552	2,255,821
Provision for net realizable value		(2,274,365)	
Financial charges		349,638,903	124,058,229
Finance income		(30,303,122)	(10,360,992)
		409,676,627	152,519,785
Operating profit before working capital changes		872,024,241	722,623,671
(Increase)/decrease in current assets			
Stock in trade		885,247,332	1,025,026,577
Trade debts		1,292,556,692	(1,899,230,919)
Stores and spares		687,244	7,560,647
Loans and advances		(846,088)	(43,538,715)
Trade deposits and short term prepayments		67,906,747	(40,331,726)
Tax refunds due from the Government		(30,975,840)	17,382,327
Other receivables		(1,818,480,489)	(643,722,103)
		396,095,598	(1,576,853,912)
Increase/(decrease) in current liabilities			
Trade payables, accrued and other liabilities		3,009,002,882	(730,450,531)
Contract liabilities		(40,189,648)	(82,882,488)
		4,236,933,073	(1,667,563,260)
Financial charges paid		(268,685,094)	(204,513,958)
Gratuity paid		-	(12,891,604)
Income tax paid		-	(95,543,684)
NET CASH USED IN OPERATING ACTIVITIES		3,968,247,979	(1,980,512,506)
CASH FLOW FROM INVESTING ACTIVITIES			
Additions in property and equipment		-	(180,723,866)
Additions in capital work in progress		-	(442,752,128)
Short term investments		-	(73,600,000)
Additions in intangibles		(1,220,093)	(3,120,322)
NET CASH USED IN INVESTING ACTIVITIES		(1,220,093)	(700,196,316)
CASH FLOW FROM FINANCING ACTIVITIES			
Lease liability repaid		(6,691,375)	16,210,941
Issuance of Share Capital		-	676,923,080
Loans repaid		(177,458,134)	(42,744,954)
Short term investments		(786,571,529)	-
Share Premium		-	3,831,288,173
Loans acquired		551,993,106	209,156,767
Share deposit money repaid		-	(400,000,000)
Decrease in short term bank borrowings		(3,516,255,384)	(699,869,566)
NET CASH GENERATED FROM FINANCING ACTIVITIES		(3,934,983,316)	3,590,964,441
NET INCREASE IN CASH AND CASH EQUIVALENTS		32,044,570	910,255,619
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,101,488,794	832,153,312
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1,133,533,364	1,742,408,931



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

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.

2 STATEMENT OF COMPLIANCE

This interim financial information of the Company for the quarter ended September 30, 2022 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act 2017 have been followed.

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

3 BASIS OF PREPARATION

These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2022 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended June 30, 2022

3.1 PRESENTATION CURRENCY

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

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

During preparation of this interim condensed financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended June 30, 2022.

	30 September 2022 (Un-audited) (Rupees)	30 June 2022 (Audited) (Rupees)
5 PROPERTY AND EQUIPMENT		
Operating fixed assets	5,773,310,998	5,852,827,262
Capital work in progress		-
Right-of-use assets	274,435,864	273,769,550
	<u>6,047,746,862</u>	<u>6,126,596,812</u>
6 STOCK IN TRADE		
Raw material	2,673,839,510	1,029,483,708
Work in process	102,581,476	128,106,849
Mobile phones	949,556,611	1,459,389,775
Spare parts	171,536,364	146,012,883
	3,897,513,961	2,762,993,215
Provision for net realizable value	(2,274,365)	(2,274,365)
	3,895,239,596	2,760,718,850
Goods in transit	555,358,636	2,572,852,349
	<u>4,450,598,232</u>	<u>5,333,571,199</u>
7 TRADE DEBTS		
Considered good - unsecured		
Local	2,459,944,336	3,762,539,710
Exports	-	-
	2,459,944,336	3,762,539,710
Allowance for expected credit loss	-	(10,038,682)
	<u>2,459,944,336</u>	<u>3,752,501,028</u>
8 CASH AND BANK BALANCES		
Cash in hand	138,521,512	31,820,223
Cash at bank - current accounts	995,011,852	1,069,667,723
Cash at bank - saving account		848
	<u>1,133,533,364</u>	<u>1,101,487,946</u>
9 CONTINGENCIES AND COMMITMENTS		
9.1 Contingencies		

There is no material change in the contingencies since the last audited financial statements for the year ended 30 June 2022.

	30 September 2022 (Un-audited)	30 September 2021 (Un-audited)
10 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET		
Sales - local	9,863,526,946	9,991,278,514
Sales - export	-	60,588,645
Service income	21,873,310	16,544,458
Gross sales	9,885,400,256	10,068,411,617
Less: Discount	(467,988,777)	(631,756,051)
	<u>9,417,411,479</u>	<u>9,436,655,566</u>

11 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized by Board of Directors on 28-10-2022.



Chief Executive



Chief Financial Officer



Director



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