



AIRLINK

YOUR SMART DEVICE PARTNER

**QUARTERLY REPORT AS AT
MARCH 31, 2022**

COVER STORY

Air Link recognizes the importance of access to technology for a better, more digitally literate Pakistan. Therefore, the Company has worked towards the provision of affordable technology to every household of this country. The vertical and backward integration of the business supports Air Link's vision of putting Pakistan on the global technological map by synchronizing its business functions for bringing innovation for the betterment of its consumers.

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

COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Muzzaffar Hayat Piracha
Chief Executive Officer / Executive Director

Mr. Aslam Hayat Piracha
Chairman / Non-executive Director

Mrs. Rabiya Muzzaffar
Non-executive Director

Mr. Syed Nafees Haider
Executive Director

Mr. Sharique Azim Siddiqui
Independent Director

Mr. Hussain Kuli Khan
Independent Director

Mr. Aqdus Faraz Tahir
Independent Director

AUDIT COMMITTEE

Mr. Hussain Kuli Khan
(Independent Director)-Chairman

Mr. Sharique Azim Siddiqui
(Independent Director)-Member

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

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

HR COMMITTEE

Mr. Sharique Azim Siddiqui
(Independent Director)-Chairman

Mr. Aqdus Faraz Tahir
(Independent Director)-Member

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

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

CHIEF FINANCIAL OFFICER

Mr. Nusrat Mahmood

COMPANY SECRETARY

Mr. Amer Latif

BANKS



Bank Al-Habib Limited



Standard Chartered Bank (Pakistan) Limited



The Bank of Punjab



Habib Metropolitan Bank Limited



Dubai Islamic Bank Pakistan



Bank Islami Pakistan Limited



Bank Alfalah Limited



United Bank Limited



Askari Bank Limited



JS Bank Limited



The Bank of Khyber Limited



Habib Bank Limited



Meezan Bank Limited



Soneri Bank Limited



Summit Bank Limited



Silk Bank Limited



Muslim Commercial Bank Limited



Faysal Bank Limited



Allied 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

DIRECTORS REPORT

The Directors of your Company are pleased to present the unaudited condensed interim financial statements of the Company for the nine months ended March 31, 2022.

The economic scenario in the current quarter has been encouraging due to the waning of pandemic globally and domestically, which has given a boost to the economy and growth in all sectors. This is reflected in the increased business which your Company has done compared in the third quarter of the previous year.

During the nine months ended March 31 ,2022, your company managed to achieve the gross profit margin of 10.89% representing an increase of 1.81% as compare to corresponding previous period. The net profit for the period under review recorded at Rs. 1,432 million as compared to Rs. 1,331 million for the corresponding period of last year resulting an increase in 7.61%. The Board expects the growth momentum to continue during the remainder of the current financial year the Company is geared to enhance its share in stronger market.

During the period under review, Company made significant investment in wholly owned subsidiary under the name "Select Technologies (Private) Limited" for establishing and operating state of the art mobiles phones and allied products assembling plant.

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



Chief Executive



Director

ڈائریکٹر صاحبان کی رپورٹ

آپ کی کمپنی کے ڈائریکٹر صاحبان کو 31 مارچ، 2022 کو ختم ہونے والے نو ماہ کے کمپنی کے غیر آڈٹ شدہ مختصر عبوری مالی اسٹیٹمنٹس پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

پوری دنیا اور ملک میں عالمی وبا کے کم ہونے کے باعث رواں سہ ماہی میں معاشی منظر نامہ حوصلہ افزا رہا ہے، جس نے تمام شعبوں میں معیشت اور نمو کو آگے بڑھایا۔ اس کی عکاسی اُس اضافی کاروبار سے ہوتی ہے جو آپ کی کمپنی نے گزشتہ سال کی تیسری سہ ماہی کے مقابلے میں کیا ہے۔

آپ کی کمپنی، 31 مارچ، 2022 کو ختم ہونے والے نو ماہ کے دوران 10.89% کا مجموعی منافع مارجن حاصل کرنے میں کامیاب رہی جو اس سے پچھلی مدت کے مقابلے میں 1.81% اضافہ ظاہر کرتا ہے۔ زیر غور مدت کے لیے خالص منافع، پچھلے سال کی اسی مدت میں 1,331 ملین روپے کے مقابلے میں 1,432 ملین روپے رہا، نتیجتاً 7.61% اضافہ ہوا۔ بورڈ کو رواں مالی سال کے باقی حصے کے دوران افزائش کی رفتار جاری رہنے کی امید ہے، کمپنی ایک زیادہ مضبوط مارکیٹ میں اپنا حصہ بڑھانے کے لیے تیار ہے۔

کمپنی نے زیر غور مدت کے دوران اپنی مثال آپ موبائل فونز اور ملحقہ مصنوعات کے اسمبلنگ پلانٹ کے قیام اور اسے چلانے کے لیے "سلیکٹ ٹیکنالوجیز" (پرائیویٹ) لمیٹڈ کے نام سے اپنی مکمل ملکیتی سبسیڈری میں خطیر سرمایہ کاری کی۔

بورڈ، تمام سٹیک ہولڈرز، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان سٹاک ایکسچینج، اسٹیٹ بینک آف پاکستان، بینکوں / مالیاتی اداروں، خصوصاً اپنے کسٹمرز وینڈرز اور سپلائرز کے مسلسل عہد اور کمپنی کی معاونت کو سراہتا ہے۔ بورڈ، احتیاط اور پر عزم طریقے سے ذمہ داریاں انجام دینے پر تمام سٹاف ممبرز کا بھی شکر گزار

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ڈائریکٹر



چیف ایگزیکٹو آفیسر





FINANCIAL STATEMENTS

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	31 March 2022 (Un-audited) (Rupees)	30 June 2021 (Audited) (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	1,141,928,100	1,253,900,236
Intangibles		16,602,938	18,016,354
Investment in subsidiary	6	4,125,006,318	-
		5,283,537,356	1,271,916,590
CURRENT ASSETS			
Stock in trade	7	3,977,602,940	3,533,673,866
Stores and spares		14,890,768	7,560,647
Trade debts		3,804,911,475	5,391,262,155
Loans and advances		842,776,036	171,674,967
Trade deposits and short term prepayments		84,117,391	32,468,109
Other receivables		2,203,034,509	3,753,344,917
Tax refunds due from the Government		242,352,163	244,859,633
Short term investments		1,022,832,522	509,500,786
Cash and bank balances	8	571,561,519	832,153,312
		12,764,079,323	14,476,498,392
TOTAL ASSETS		18,047,616,679	15,748,414,982
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Authorized share capital 600,000,000 (30 June 2021: 400,000,000) ordinary shares of Rs.10 each		6,000,000,000	4,000,000,000
Issued, subscribed and paid up capital		3,952,692,310	3,000,000,000
Share premium - capital reserve		3,556,176,808	-
General reserves - revenue reserve		44,559,977	44,559,977
Accumulated profit - revenue reserve		3,953,167,315	2,991,850,517
Long term loan - equity portion		-	42,744,954
Share deposit money		-	400,000,000
		11,506,596,410	6,479,155,448
NON CURRENT LIABILITIES			
Long term loan		1,312,932,345	145,487,575
Lease liabilities		558,640,611	621,155,313
Defined benefit liability		32,794,935	34,722,393
Deferred tax liability		15,596,836	15,239,805
		1,919,964,727	816,605,086
CURRENT LIABILITIES			
Trade payables, accrued and other liabilities	9	534,997,390	1,399,995,041
Contract liabilities		76,635,519	82,882,488
Refund liabilities		-	30,221,644
Current portion of long term loans		253,065,357	438,747,989
Current maturity of lease liabilities		140,795,347	89,901,750
Unclaimed dividend		95,298,227	-
Short term borrowings		2,839,498,495	6,085,626,053
Accrued markup		104,562,467	110,730,936
Provision for taxation		576,202,740	214,548,547
		4,621,055,542	8,452,654,448
TOTAL EQUITY AND LIABILITIES		18,047,616,679	15,748,414,982
CONTINGENCIES AND COMMITMENTS			



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2022

	Nine month period ended		Three month period ended	
	31 MARCH 2022 (Un-audited) (Rupees)	31 March 2021 (Un-audited) (Rupees)	31 March 2022 (Un-audited) (Rupees)	31 March 2021 (Un-audited) (Rupees)
Revenue from contracts with customers - net	35,164,991,475	38,980,989,937	11,162,688,805	10,857,219,757
Cost of sales	(31,337,126,369)	(35,442,931,414)	(9,918,788,832)	(9,933,331,398)
Gross profit	3,827,865,106	3,538,058,523	1,243,899,973	923,888,359
Administrative expenses	(764,036,126)	(535,898,174)	(233,867,436)	(251,038,928)
Selling and distribution cost	(328,188,702)	(352,401,330)	(136,089,923)	(40,636,959)
	(1,092,224,828)	(888,299,504)	(369,957,359)	(291,675,887)
Operating profit	2,735,640,278	2,649,759,019	873,942,614	632,212,472
Other income	20,572,104	58,759,206	2,410,326	3,748,504
Other expenses	(25,737,962)	(7,884,268)	(2,000)	(3,942,134)
Finance cost	(731,749,789)	(712,329,822)	(219,050,240)	(142,277,060)
Profit before taxation	1,998,724,631	1,988,304,135	657,300,700	489,741,782
Taxation	(566,901,087)	(657,704,613)	(251,544,773)	(118,123,568)
Profit for the period	1,431,823,544	1,330,599,522	405,755,927	371,618,214
Earnings per share				
- Basic	4.11	4.44	1.10	1.24
- Diluted	4.05	4.26	1.09	1.23



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2022

	Nine month period ended		Three month period ended	
	31 March 2022 (Un-audited)	31 March 2021 (Un-audited)	31 March 2022 (Un-audited)	31 March 2021 (Un-audited)
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Profit for the period	1,431,823,544	1,330,599,522	405,755,927	371,618,214
Items not to be reclassified to profit or loss in subsequent periods				
Re-measurement losses on defined benefit plan	(10,891,361)	(1,067,582)		-
Tax effect		309,600		-
Re-measurement losses on defined benefit plan - net of tax	(10,891,361)	(757,982)	-	-
Items to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive loss	(10,891,361)	(757,982)	-	-
Total comprehensive income for the period	1,420,932,183	1,329,841,540	405,755,927	371,618,214



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2022

	Issued, subscribed and paid up capital	Capital reserve Share Premium	----- Revenue reserve ----- General reserves	Accumulated profit	Long term loan - equity portion	Loan from Director	Share deposit money	Total
	(Rupees)							
Balance as at 1 July 2020 (Audited)	3,000,000,000	-	44,559,977	1,487,720,145	42,744,954	21,557,155	-	4,596,582,231
Profit for the period (Un-audited)	-	-	-	958,981,308	-	-	-	958,981,308
Other comprehensive income for the period (Un-audited)	-	-	-	(757,982)	-	-	-	(757,982)
Total comprehensive income for the period (Un-audited)	-	-	-	958,223,326	-	-	-	958,223,326
Loan repaid	-	-	-	-	-	(21,772,674)	-	(21,772,674)
Balance as at 31 December 2020 (Un-audited)	3,000,000,000	-	44,559,977	2,445,943,471	42,744,954	(215,519)	-	5,533,032,883
Balance as at 1 July 2021 (Audited)	3,000,000,000	-	44,559,977	2,991,850,517	42,744,954		400,000,000	6,479,155,448
Transactions with owners in their capacity as owners:								
Conversion of long term loan amounting Rs. 400 million at the rate of Rs. 52 per share (note 10.1)	76,923,080	323,076,920	-	-	-	-	(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)	-	-	-	1,431,823,544	(42,744,954)	-	-	1,389,078,590
Other comprehensive income for the period (Un-audited)	-	-	-	(10,891,361)	-	-	-	(10,891,361)
Total comprehensive income for the period (Un-audited)	-	-	-	1,420,932,183	(42,744,954)	-	-	1,378,187,229
Balance as at 31 March 2022 (Un-audited)	3,952,692,310	3,556,176,808	44,559,977	3,953,167,315	-	-	-	11,506,596,410



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2022

	Nine month period ended	
	31 March 2022 (Un-audited) (Rupees)	31 March 2021 (Un-audited) (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,998,724,631	1,785,026,942
Adjustments for :		
Depreciation of property, plant and equipment	189,268,391	39,923,123
Amortization of intangible assets	6,661,117	3,574,136
Provision for net realizable value reversed	(11,216,176)	(32,675,515)
Allowance for expected credit loss - trade debts	64,713,006	-
Provision for gratuity	9,365,561	5,788,663
Provision for workers welfare fund	25,737,962	-
Gain on lease termination	(441,594)	-
Finance cost	731,749,789	527,418,674
Unrealized gain on financial assets	(1,923,869)	-
Finance income	(18,648,235)	(58,759,206)
	995,265,952	485,269,875
Operating profit before working capital changes	2,993,990,583	2,270,296,817
(Increase)/decrease in current assets		
Stock in trade	(443,929,074)	510,155,845
Stores and spares	(7,330,121)	-
Trade debts	1,586,350,680	651,476,654
Loans and advances	(671,101,069)	76,432,029
Trade deposits and short term prepayments	(51,649,282)	(588,429,834)
Other receivables	1,550,310,408	942,902,578
Tax refunds due from the Government	2,507,470	67,462,764
	1,965,159,012	1,660,000,036
Increase/(decrease) in current liabilities		
Trade payables, accrued and other liabilities	(895,219,295)	(1,336,763,074)
Contract liabilities	(6,246,969)	(117,073,115)
	4,057,683,331	2,476,460,664
Financial cost paid	(737,918,258)	(539,680,194)
Gratuity paid	(22,184,380)	(1,392,250)
Income tax paid	(204,889,863)	(662,704,613)
Interest income received		19,040,863
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	3,092,690,830	1,291,724,470
CASH FLOW FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment - owned assets	(29,909,812)	(17,656,918)
Additions in capital work in progress	-	-
Investment in subsidiary	(4,125,006,318)	-
Additions in intangibles	(5,247,701)	(9,110,841)
Interest income received	(18,648,235)	(29,379,603)
Short term investments	(511,407,867)	(31,531,488)
NET CASH USED IN INVESTING ACTIVITIES	(4,690,219,933)	(87,678,850)
CASH FLOW FROM FINANCING ACTIVITIES		
Lease liability repaid	(143,249,230)	(1,619,086,376)
Long term loans repaid	-	(21,557,153)
Long term loans obtained	981,762,138	-
Proceeds from issuance of shares	4,290,000,000	-
Share issuance cost	(181,130,882)	-
Dividend paid	(364,317,158)	-
Short term borrowings repaid - net	(3,246,127,558)	20,677,561
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	1,336,937,310	(1,619,965,968)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(260,591,793)	(415,920,348)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	832,153,312	1,272,168,318
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	571,561,519	856,247,970

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Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2022

1 THE COMPANY AND ITS OPERATIONS

- 1.1** The Company was incorporated in Pakistan on 02 January 2014 as a private limited company, later on converted to a public limited company on 24 April 2019, under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) having registered office at LG 2, Al - Qadeer Heights, 1 Babar Block, New Garden Town, Lahore, Punjab. The Company is engaged in the business of import, export distribution, indenting, wholesale, retail of communication and IT related products and services including cellular mobile/smart phones, tablets, laptops, accessories and allied products.

The Company also has a facility for assembly of smart phones and feature phones located at 152-M, Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan. Initial assembling capacity has been planned for 400,000 mobile sets per month which is expandable according to market demand.

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

2 STATEMENT OF COMPLIANCE

- 2.1** These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

- 2.2** These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2021.
- 2.3** These unconsolidated condensed interim financial statements are unaudited but subject to limited scope review by the auditors and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Companies (Code of Corporate Governance) Regulations, 2019.
- 2.4** The unconsolidated condensed interim financial statements have been prepared under the historical cost convention except for the defined benefit obligation which are measured at present value. These financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest Pak Rupees unless otherwise stated.

- 2.5** Provisions in respect of taxation, retirement benefit obligations and Workers' Welfare Fund (WWF) are provisional and subject to final adjustments in the annual audited financial statements.
- 2.6** These are unconsolidated condensed interim financial statements where the investment in subsidiary is shown at cost less any identified impairment losses; consolidated financial statements are separately presented.

3 SIGNIFICANT ACCOUNTING POLICIES

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

New Standards, Interpretations and Amendments

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

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

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

	31 MARCH 2022 (Un-audited) (Rupees)	30 June 2021 (Audited) (Rupees)
5 PROPERTY AND EQUIPMENT		
Operating fixed assets	517,987,506	567,454,504
Right-of-use assets	623,940,594	686,445,732
	1,141,928,100	1,253,900,236

6 INVESTMENT IN SUBSIDIARY

Investment in Select Technologies (Private) Limited - at cost	4,125,006,318	-
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During the period, the Company incorporated a wholly-owned subsidiary under the name of Select Technologies (Private) Limited. The principal line of business of the subsidiary shall be to set up, establish and operate plants for the assembly and production of mobile phones of all sorts and description, accessories, components, attachments and bodies used for or in connection with the aforementioned mobile phones.

	31 MARCH 2022 (Un-audited) (Rupees)	30 June 2021 (Audited) (Rupees)
7 STOCK IN TRADE		
Raw material	532,561,210	393,763,974
Work in process	-	19,576,154
Mobile phones	1,459,900,052	1,254,026,953
Spare parts	143,017,210	79,678,663
	2,135,478,472	1,747,045,744
Provision for net realizable value	(2,583,448)	(13,799,624)
	2,132,895,024	1,733,246,120
Goods in transit	1,844,707,916	1,800,427,746
	3,977,602,940	3,533,673,866

	31 MARCH 2022 (Un-audited) (Rupees)	30 June 2021 (Audited) (Rupees)
8 CASH AND BANK BALANCES		
Cash in hand	385,066,614	14,936,115
Cash at bank - current accounts	186,494,905	650,731,335
Cash at bank - saving account	-	166,485,862
	571,561,519	832,153,312

	31 March 2022 (Un-audited) (Rupees)	30 June 2021 (Audited) (Rupees)
9 TRADE PAYABLES, ACCRUED AND OTHER LIABILITIES		
Trade payables	201,509,895	1,050,104,185
Incentives and promotions payable	114,305,476	143,969,719
Accrued expenses	51,988,752	57,306,627
Withholding tax payable	88,587,057	89,839,256
Due to Associates	-	55,535,806
WWF PAYABLE	81,273,502	3,239,448
	537,664,682	1,399,995,041

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 2021.

	31 March 2022 (Un-audited) (Rupees)	30 June 2021 (Audited) (Rupees)
10.2 Commitments		
Letters of credit	1,176,251,948	2,283,571,862
Bank guarantees	3,000,000	3,000,000
	1,179,251,948	2,286,571,862

11 RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

The related party transactions includes remuneration of key management personnel which is disclosed in note 12

12 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

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

	Chief Executive Nine month period ended 31 March 2022 (Un-audited) (Rupees)	Executives Nine month period ended 31 March 2022 (Un-audited) (Rupees)	31 March 2021 (Un-audited) (Rupees)
Managerial remuneration	36,000,000	157,179,453	45,297,924
Number of persons	1	74	39

13 GENERAL

These unconsolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Company on _____.



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED

CONSOLIDATED CONDENSED INTERIM

FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED

MARCH 31, 2022 (Unaudited)

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 March 2022

	Note	31 March 2022 (Un-audited) (Rupees)	30 June 2021 (Audited) (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	5,081,342,237	1,253,900,236
Intangibles		16,802,438	18,016,354
Investment in subsidiary		-	-
Long term deposit		5,736,000	-
		5,103,880,675	1,271,916,590
CURRENT ASSETS			
Stock in trade	6	5,090,018,523	3,533,673,866
Stores and spares		14,890,768	7,560,647
Trade debts		3,874,457,836	5,391,262,155
Loans and advances		1,139,604,598	171,674,967
Trade deposits and short term prepayments		86,761,403	32,468,109
Other receivables		2,203,034,509	3,753,344,917
Tax refunds due from the Government		242,549,331	244,859,633
Short term investments		1,022,832,522	509,500,786
Cash and bank balances	7	584,864,142	832,153,312
		14,259,013,632	14,476,498,392
TOTAL ASSETS		19,362,894,307	15,748,414,982
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Authorized share capital 600,000,000 (30 June 2021: 400,000,000) ordinary shares of Rs.10 each		6,000,000,000	4,000,000,000
Issued, subscribed and paid up capital		3,952,692,310	3,000,000,000
Share premium - capital reserve		3,556,176,808	-
General reserves - revenue reserve		44,559,977	44,559,977
Accumulated profit - revenue reserve		3,876,157,027	2,991,850,517
Long term loan - equity portion		-	42,744,954
Share deposit money		-	400,000,000
		11,429,586,122	6,479,155,448
NON CURRENT LIABILITIES			
Long term loan		2,282,932,345	145,487,575
Lease liabilities		556,237,567	621,155,313
Defined benefit liability		32,794,935	34,722,393
Deferred tax liability		15,596,836	15,239,805
		2,887,561,683	816,605,086
CURRENT LIABILITIES			
Trade payables, accrued and other liabilities	8	939,266,823	1,399,995,041
Contract liabilities		76,635,519	82,882,488
Refund liabilities		-	30,221,644
Current portion of long term loans		253,065,357	438,747,989
Current maturity of lease liabilities		140,795,347	89,901,750
Unclaimed dividend		95,298,227	-
Short term borrowings	9	2,839,498,491	6,085,626,053
Accrued markup		122,651,300	110,730,936
Provision for taxation		578,535,438	214,548,547
		5,045,746,502	8,452,654,448
TOTAL EQUITY AND LIABILITIES		19,362,894,307	15,748,414,982
CONTINGENCIES AND COMMITMENTS			
	10		



Chief Executive



Chief Financial Officer



Director

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2022**

	Nine month period ended		Three month period ended	
	31 March 2022 (Un-audited) (Rupees)	31 March 2021 (Un-audited) (Rupees)	31 March 2022 (Un-audited) (Rupees)	31 March 2021 (Un-audited) (Rupees)
Revenue from contracts with customers - net	35,431,056,677	38,980,989,937	11,242,138,165	10,857,219,757
Cost of sales	(31,596,010,227)	(35,442,931,414)	(9,992,532,640)	(9,933,331,398) 958,981,308
Gross profit	3,835,046,450	3,538,058,523	1,249,605,525	923,888,359
Administrative expenses	(821,998,566)	(535,898,174)	(291,299,068)	(251,038,928)
Selling and distribution cost	(328,121,704)	(352,401,330)	(136,148,673)	(40,636,959)
	(1,150,120,270)	(888,299,504)	(427,447,741)	(291,675,887)
Operating profit	2,684,926,180	2,649,759,019	822,157,784	632,212,472
Other income	20,572,104	58,759,206	2,410,326	3,748,504
Other expenses	(25,737,962)	(7,884,268)	(2,000)	(3,942,134)
Finance cost	(755,713,281)	(712,329,822)	(243,013,732)	(142,277,060)
Profit before taxation	1,924,047,041	1,988,304,135	581,552,378	489,741,782
Taxation	(569,233,785)	(657,704,613)	(251,544,773)	(118,123,568)
Profit for the period	1,354,813,256	1,330,599,522	330,007,605	371,618,214
Attributable to: Equity holders of the parent	1,354,813,256	1,330,599,522	330,007,605	371,618,214
Earnings per share				
- Basic	3.88	4.44	0.90	1.24
- Diluted	3.84	4.26	0.89	1.23



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2022

	Note	Nine month period ended		Three month period ended	
		31 MARCH 2022	31 MARCH 2021(Un-	31 MARCH 2022	31 MARCH 2021(Un-
		(Un-audited)	audited)	(Un-audited)	audited)
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
Profit for the period	A	1,354,813,256	1,330,599,522	330,007,605	371,618,214
Items not to be reclassified to profit or loss in subsequent periods					
Re-measurement losses on defined benefit plan		(10,891,361)	(1,067,582)	(11,332,954)	-
Tax effect			309,600	3,286,557	-
Re-measurement losses on defined benefit plan - net of tax		(10,891,361)	(757,982)	(8,046,397)	-
Items to be reclassified to profit or loss in subsequent periods		-	-	-	-
Other comprehensive loss	B	(10,891,361)	(757,982)	(8,046,397)	-
Total comprehensive income for the period		1,343,921,895	1,329,841,540	321,961,208	371,618,214
Attributable to:					
Equity holders of the parent		1,343,921,895	1,329,841,540	321,961,208	371,618,214



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2022


		Capital reserve	----- Revenue reserve -----					
	Issued, subscribed and paid up capital	Share Premium	General reserves	Accumulated profit	Long term loan - equity portion	Loan from Director	Share deposit money	Total
	(Rupees)							
Balance as at 1 July 2020 (Audited)	3,000,000,000	-	44,559,977	1,487,720,145	42,744,954	21,557,155	-	4,596,582,231
Profit for the period (Un-audited)	-	-	-	958,981,308	-	-	-	958,981,308
Other comprehensive income for the period (Un-audited)	-	-	-	(757,982)	-	-	-	(757,982)
Total comprehensive income for the period (Un-audited)	-	-	-	958,223,326	-	-	-	958,223,326
Loan repaid	-	-	-	-	-	(21,557,155)	-	(21,557,155)
Balance as at 31 December 2020 (Un-audited)	3,000,000,000	-	44,559,977	2,445,943,471	42,744,954	-	-	5,533,248,402
Balance as at 1 July 2021 (Audited)	3,000,000,000	-	44,559,977	2,991,850,517	42,744,954	-	400,000,000	6,479,155,448
Transactions with owners in their capacity as owners:								
Conversion of long term loan amounting Rs. 400 million at the rate of Rs. 52 per share (note 10.1)	76,923,080	323,076,920	-	-	-	-	(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)	-	-	-	1,354,813,256	(42,744,954)	-	-	1,312,068,302
Other comprehensive income for the period (Un-audited)	-	-	-	(10,891,361)	-	-	-	(10,891,361)
Total comprehensive income for the period (Un-audited)	-	-	-	1,343,921,895	(42,744,954)	-	-	1,301,176,941
Balance as at 31 December 2021 (Un-audited)	3,952,692,310	3,556,176,808	44,559,977	3,876,157,027	-	-	-	11,429,586,122



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2022

	Nine month period ended	
	31 March 2022 (Un-audited) (Rupees)	31 March 2021 (Un-audited) (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,924,047,041	1,785,026,942
Adjustments for :		
Depreciation of property, plant and equipment	209,065,229	39,923,123
Amortization of intangible assets	6,661,117	3,574,136
Provision for net realizable value reversed	(11,216,176)	(32,675,515)
Allowance for expected credit loss - trade debts	66,636,875	-
Provision for gratuity	9,365,561	5,788,663
Provision for workers welfare fund	25,737,962	-
Gain on lease termination	(441,594)	-
Finance cost	755,713,281	527,418,674
Provision written off	-	-
Unrealized gain on financial assets	(1,923,869)	-
Finance income	(18,648,235)	(58,759,206)
	1,040,950,151	485,269,875
Operating profit before working capital changes	2,964,997,192	2,270,296,817
(Increase)/decrease in current assets		
Stock in trade	(1,545,128,481)	510,155,845
Stores and spares	(7,330,121)	-
Trade debts	1,450,167,444	651,476,654
Loans and advances	(967,929,631)	76,432,029
Trade deposits and short term prepayments	(54,293,294)	(588,429,834)
Other receivables	1,550,310,408	942,902,578
Tax refunds due from the Government	2,310,302	67,462,764
	428,106,627	1,660,000,036
Increase/(decrease) in current liabilities		
Trade payables, accrued and other liabilities	(516,687,824)	(1,336,763,074)
Contract liabilities	(6,246,969)	(117,073,115)
	2,870,169,026	2,476,460,664
Financial cost paid	(743,792,917)	(539,680,194)
Gratuity paid	(21,827,346)	(1,392,250)
Income tax paid	(205,246,894)	(662,704,613)
	13,040,000	
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	1,899,301,869	1,291,724,470
CASH FLOW FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment - owned assets	(3,947,182,461)	(17,656,918)
Additions in capital work in progress	-	-
Additions in intangibles	(5,447,201)	-
Long term deposits	(5,736,000)	(9,110,841)
Interest income received	18,648,235	(29,379,603)
Short term investments	(511,407,867)	(31,531,488)
NET CASH USED IN INVESTING ACTIVITIES	(4,451,125,294)	(87,678,850)
CASH FLOW FROM FINANCING ACTIVITIES		
Lease liability repaid	(145,652,281)	(1,619,086,376)
Long term loans repaid	-	(21,557,153)
Long term loans obtained	1,951,762,138	-
Proceeds from issuance of shares	4,290,000,000	-
Share issuance cost	(181,130,882)	-
Dividend paid	(364,317,158)	-
Short term borrowings repaid - net	(3,246,127,562)	20,677,561
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	2,304,534,255	(1,619,965,968)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(247,289,170)	(415,920,348)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	832,153,312	1,272,168,318
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	584,864,142	856,247,970



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 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 0

1.2 Air Link Communication Limited - Parent (Holding) Company

Air Link Communication Limited ('the Holding Company') was incorporated in Pakistan on 02 January 2014 as a private limited company, later on converted to a public limited company on 24 April 2019, under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) having registered office at LG 2, AI - Qadeer Heights, 1 Babar Block, New Garden Town, Lahore, Punjab. The Company is engaged in the business of import, export distribution, indenting, wholesale, retail of communication and IT related products and services including cellular mobile/smart phones, tablets, laptops, accessories and allied products.

The Holding Company also has a facility for assembly of smart phones and feature phones located at 152-M, Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan. Initial assembling capacity has been planned for 400,000 mobile sets per month which is expandable according to market demand.

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

1.3 Select Technologies (Private) Limited - Subsidiary Company

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

2 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

- 2.2** These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Group for the year ended 30 June 2021.
- 3.2** The consolidated condensed interim financial statements have been prepared under the historical cost convention except for the defined benefit obligation which are measured at present value. These financial statements are prepared in Pak Rupees, which is the functional currency of the Group. Figures have been rounded off to the nearest Pak Rupees unless otherwise stated.
- 3.3** Provisions in respect of taxation, retirement benefit obligations and Workers' Welfare Fund (WWF) are provisional and subject to final adjustments in the annual audited financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

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

New Standards, Interpretations and Amendments

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

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

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

5 PROPERTY AND EQUIPMENT

Operating fixed assets
Right-of-use assets

31 March 2022 (Un-audited) (Rupees)	30 June 2021 (Audited) (Rupees)
4,457,401,643	567,454,504
623,940,594	686,445,732
5,081,342,237	1,253,900,236

6 STOCK IN TRADE

Raw material
Work in process
Mobile phones
Spare parts

Provision for net realizable value

Goods in transit

31 March 2022 (Un-audited) (Rupees)	30 June 2021 (Audited) (Rupees)
1,559,539,975	393,763,974
56,520,828	19,576,154
1,488,816,041	1,254,026,953
143,017,210	79,678,663
3,247,894,054	1,747,045,744
(2,583,448)	(13,799,624)
3,245,310,606	1,733,246,120
1,844,707,917	1,800,427,746
5,090,018,523	3,533,673,866

7 CASH AND BANK BALANCES

Cash in hand
Cash at bank - current accounts
Cash at bank - saving account

31 March 2022 (Un-audited) (Rupees)	30 June 2021 (Audited)
385,066,614	14,936,115
199,797,528	650,731,335
	166,485,862
584,864,142	832,153,312

	31 March 2022 (Un-audited) (Rupees)	30 June 2021 (Audit)
8 TRADE PAYABLES, ACCRUED AND OTHER LIABILITIES		
Trade payables	692,847,078	1,197,313,352
Accrued expenses	51,988,752	57,306,627
Withholding tax payable	194,430,993	89,839,256
Due to Associates	-	55,535,806
	939,266,823	1,399,995,041

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 2021.

	31 March 2022 (Un-audited) (Rupees)	30 June 2021 (Audited) (Rupees)
9.2 Commitments		
Letters of credit	1,176,251,948	2,283,571,862
Bank guarantees	3,000,000	3,000,000
	1,179,251,948	2,286,571,862

10 RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

The related party transactions includes remuneration of key management personnel which is disclosed in note 11.

11 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

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

	Chief Executive Nine month period ended 31 MARCH 2022 (Un-audited) (Rupees)	Executives Nine month period ended 31 March 2022 (Un-audited) 31 March 2021 (Un-audited) (Rupees) (Rupees)	
Managerial remuneration	36,000,000	157,179,453	74,217,600
Number of persons	1	74	49

12 GENERAL

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Group on _____.



Chief Executive



Chief Financial Officer



Director

AIR LINK COMMUNICATION

YOUR SMART DEVICE PARTNER

HEAD OFFICE

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

FACTORY ADDRESS

152-m. Quaid-e-azam industrial estate.