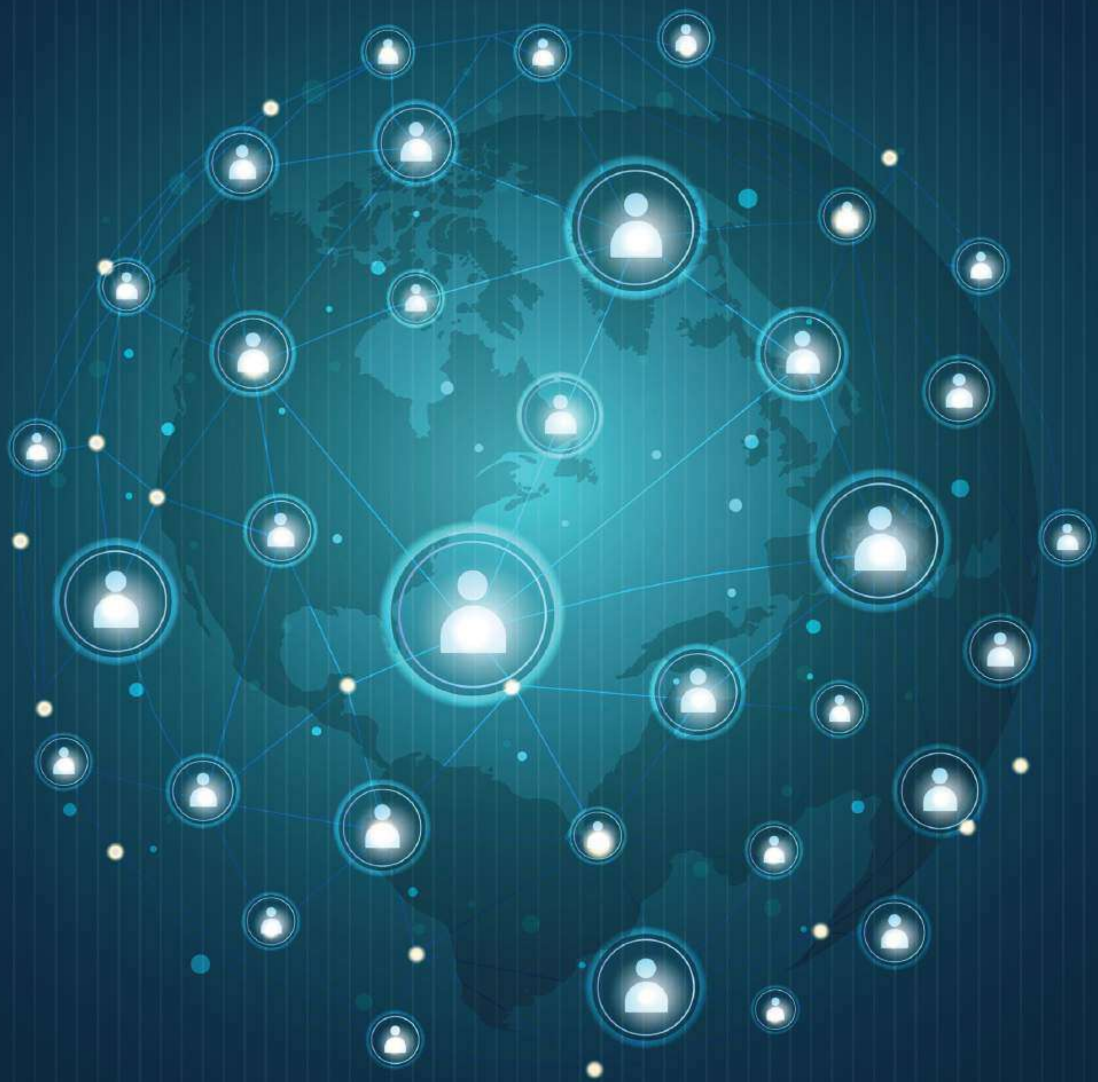
AIRLINK

YOUR SMART DEVICE PARTNER



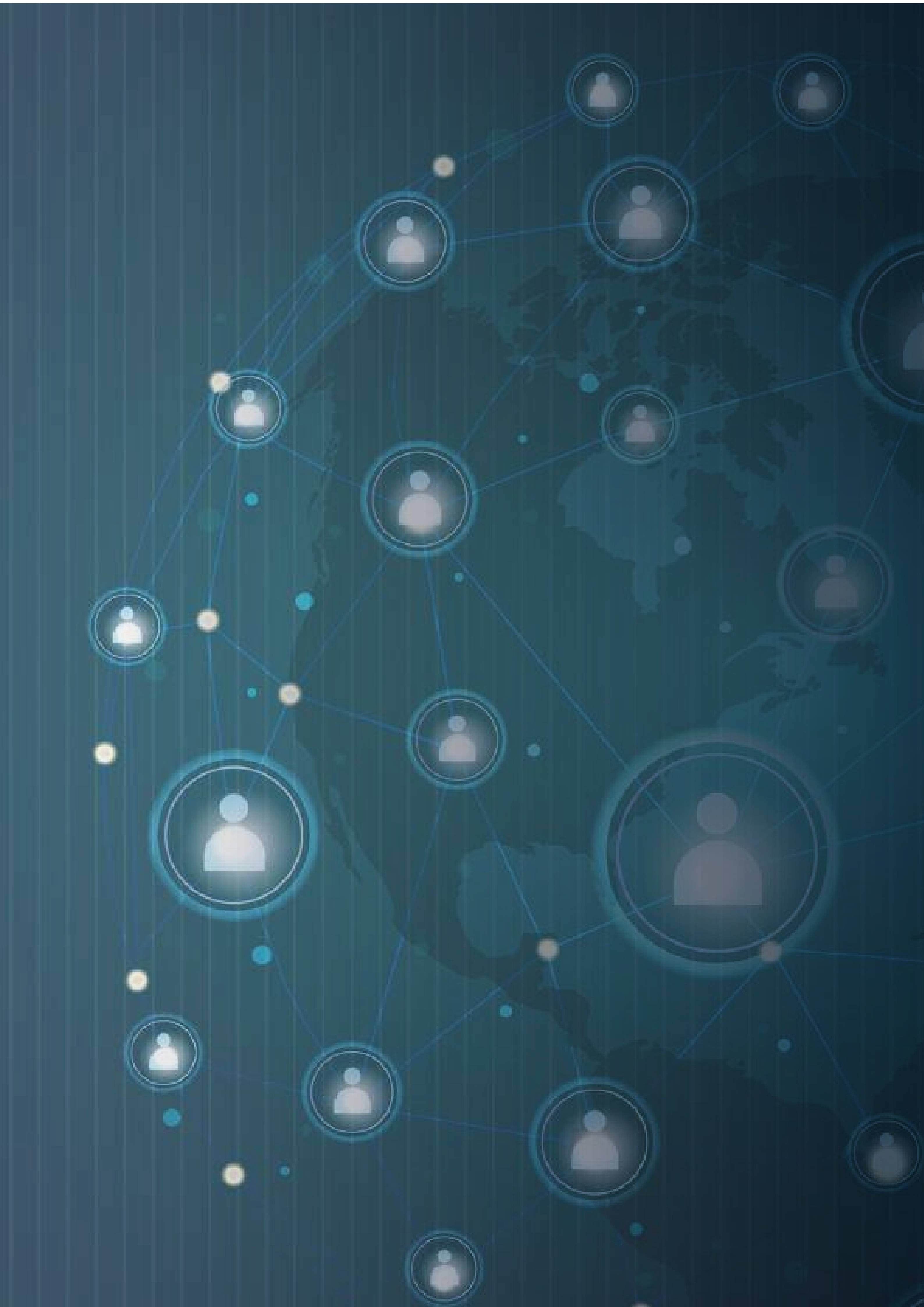
THE POWER OF CONNCECTION

ANNUAL REPORT 2023

Cover Inside

AIRLINK

YOUR SMART DEVICE PARTNER



COVER STORY

The world is more connected than ever before. Thanks to technological innovations, we can stay in touch with loved ones, access information, and conduct business from anywhere in the world. At Airlink, we believe that the power of connection is essential to human progress. That's why we're dedicated to provide the most innovative and reliable mobile devices on the market.

We're proud of the role that we play in connecting the nation. We believe that the power of connection is essential to solving some of the world's biggest challenges, such as poverty, hunger, and disease. That's why we're committed to making modern technology more accessible and affordable for everyone. We're dedicated to using our platform to support causes that matter to our customers and employees.

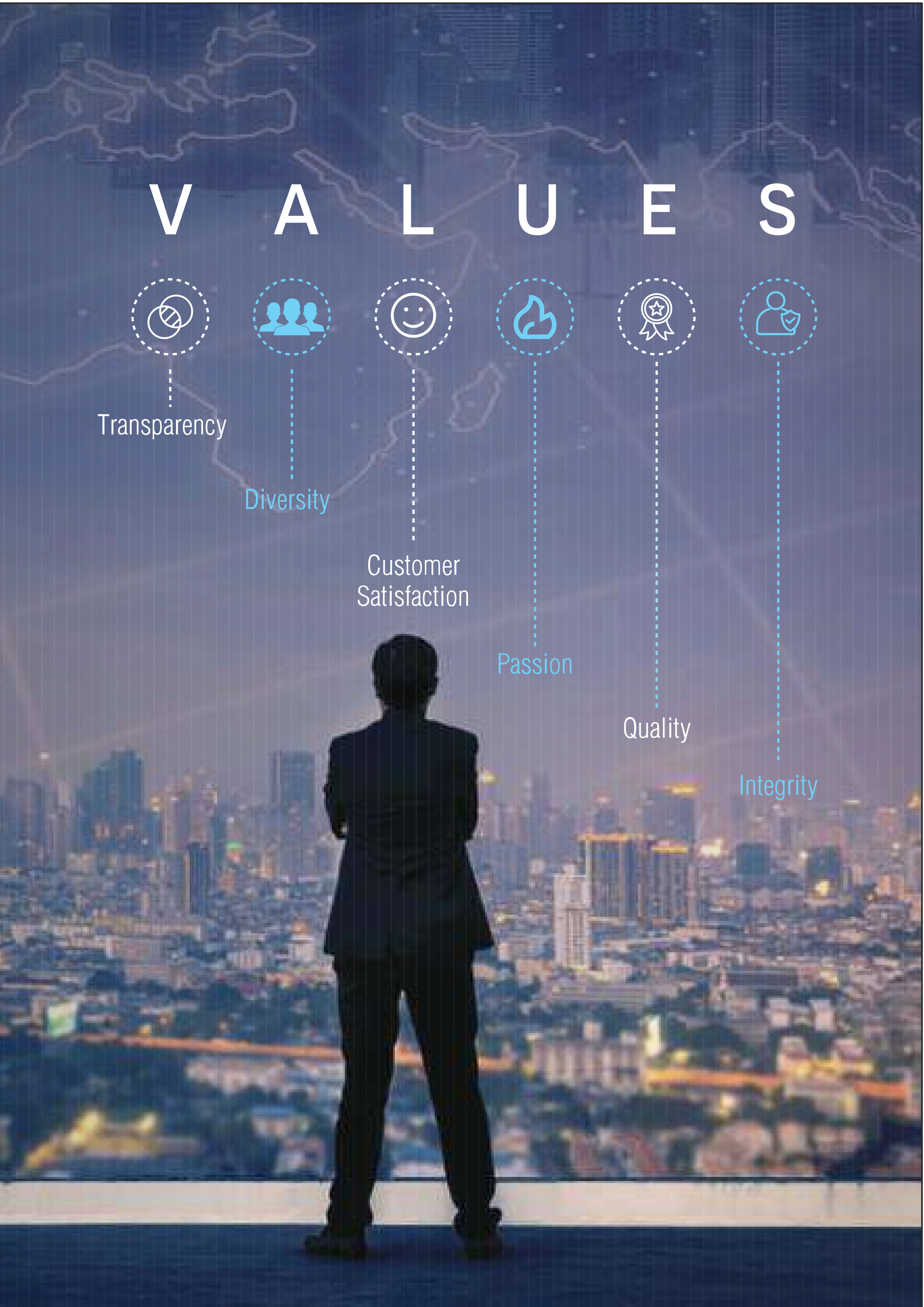
Together, we can create a more connected and equitable world for all.

VISION

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

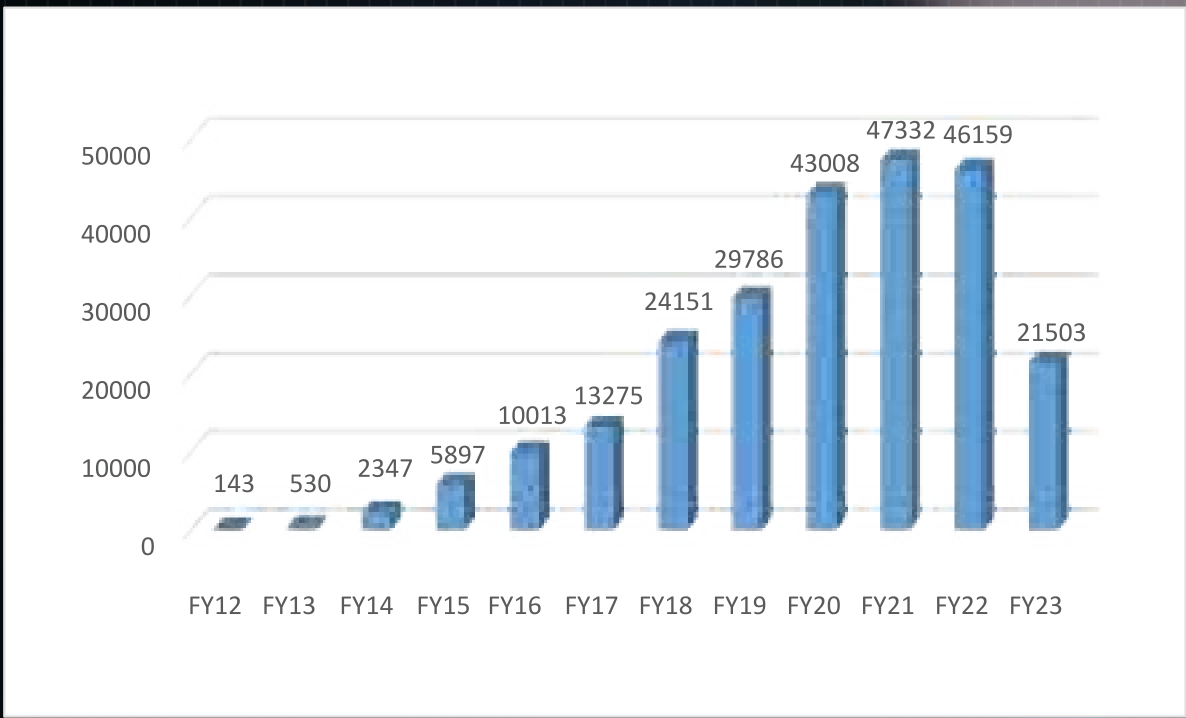
MISSION

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


VALUES
Transparency
Diversity
Customer Satisfaction
Passion
Quality
Integrity

PERFORMANCE
AT A GLANCE

Achived Phenomenal
Growth in a Short




AIRLINK

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 unparalleled customer 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 potential of this industry.

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REPORT 2023


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INTRODUCTION

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.

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.

The Company has a country-wide distribution network consisting of

14
Regional Hubs

1,000+
Wholesalers

4,000+
Retailers

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.



ECOMMERCE
THE POPULARITY OF IS NOT A NEW STORY.

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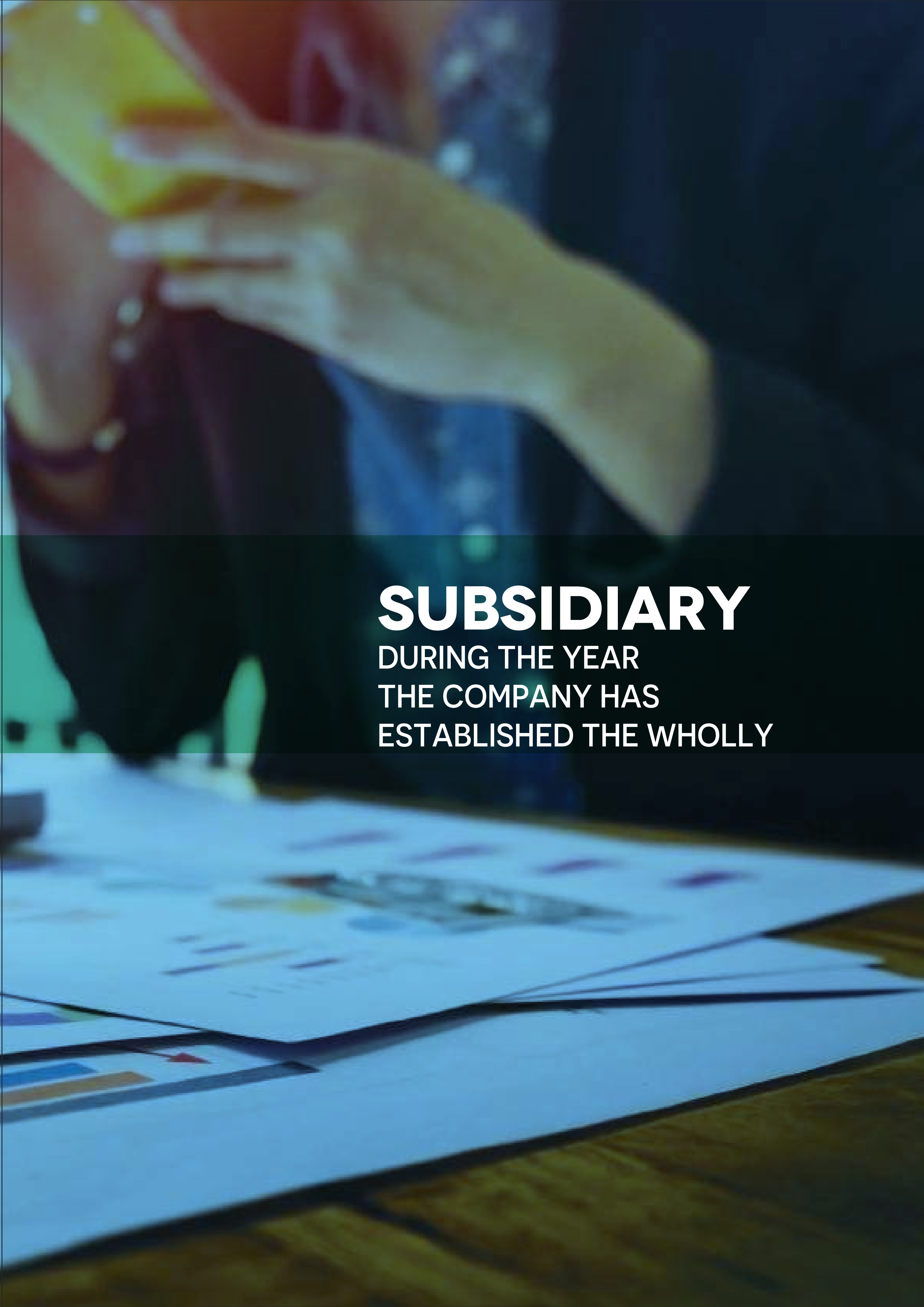

SUBSIDIARY

DURING THE YEAR
THE COMPANY HAS
ESTABLISHED THE WHOLLY

2

COMPANY HISTORY

Background and History

Name	Air Link Communication Limited
Registration Number	0086378
Date of Commencement of Business	January 2, 2014 in Lahore
	Not applicable, since the business was acquired 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

Events

Custom Hockey Match

We are delighted to highlight Airlink's commitment to community engagement and sportsmanship through our sponsorship of an exciting hockey match. We are proud to support events that bring people together and celebrate the values of teamwork and excellence.



COMPANY PROFILE

Board of Directors

Mr. Aslam Hayat Piracha
Chairman / Non-executive Director

Mr. Muzzaffar Hayat Piracha
Chief Executive Officer /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 & Remuneration 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

Sindh Bank

ICBC

Non Banking Financial Institutes

Saudi Pak

Pak Oman Investment Co. Limited

OLP

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

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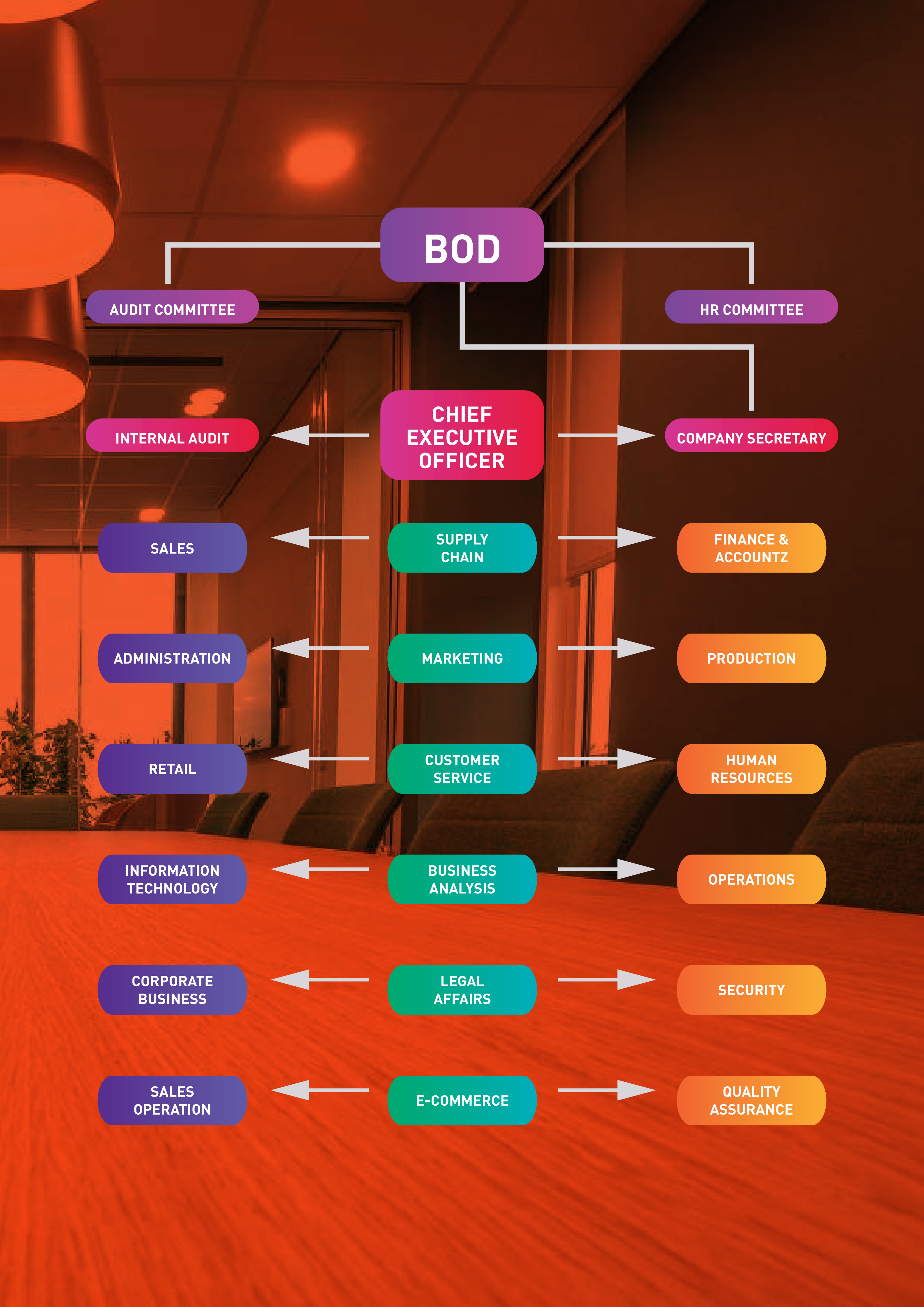
ORGANIZATIONAL STRUCTURE

ORGANOGRAM


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

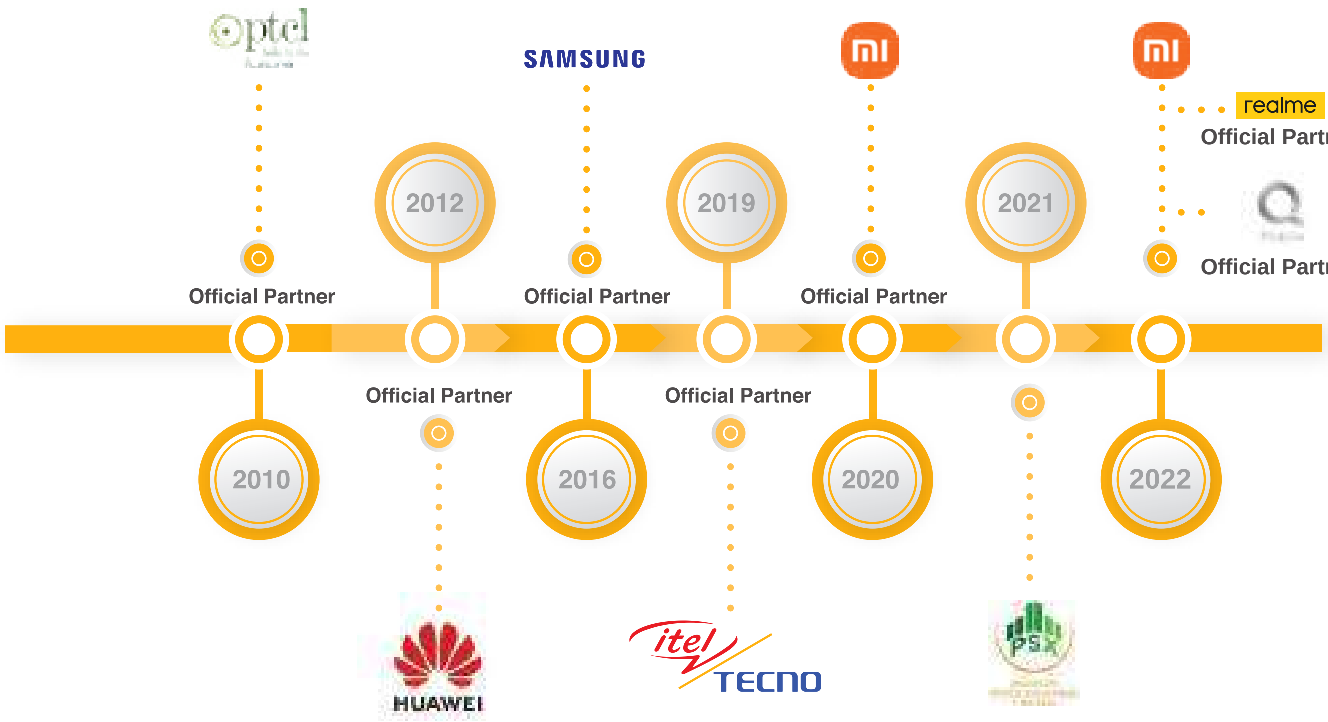
4

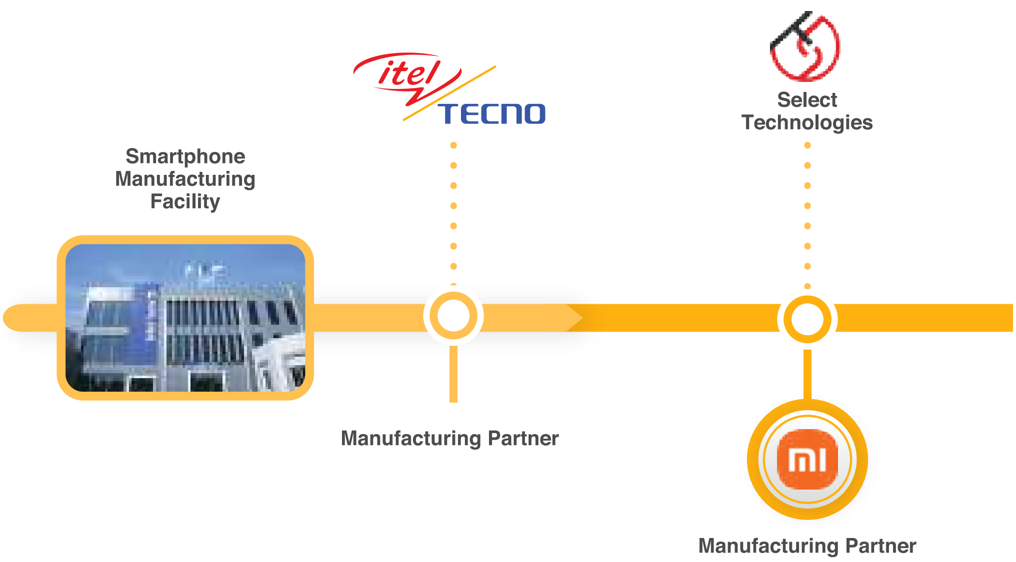
MILESTONES

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





5

GEOGRAPHICAL PRESENCE

HEAD OFFICE

Lahore

REGIONAL OFFICES

Lahore
Rawalpindi
Peshawar
Multan
Quetta
Karachi

CUSTOMER SERVICE

Rawalpindi
Islamabad
Sialkot
Karachi
Lahore
Gujranwala

RETAIL OUTLET

Lahore
Karachi
Hyderabad
Multan
Bahawalpur

6 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.

7 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 telecomnetwork 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 oftraditional 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. ADNAN AFTAB

GM Manufacturing

Mr. Mahmood is an achievement-oriented, t alented and accomplished Management Accountant and Chemical Engineer with 23 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, fertilizersand telecom. Mr. Mahmood is a Chemical Engineer and fellow member of Institute of Cost and Management Accountants Pakistan.

A business manufacturing strategist with over 27 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.

ASIM MAHMOOD

Head of Distribution

MR. QAISER ALI

Head of Internal Audit

Mr. Asim Mahmood has over 26 years of experience in project management, market strategy, product management, sales and distribution channel development, retail development, and cellular and telecommunications. He has extensive experience in CDMA-EVDO, GSM 3G/4G, strategy and business development, technology planning and operations, system automation, IT infrastructure development, and ERP planning and implementation. Mr. Mahmood has successfully launched and managed several national distribution channels for broadband wireless products, GSM products, and wireless broadband affinity programs. He has also successfully implemented RMS systems for PTCL, Warid, Zong, and Jazz Wireless Broadband . Mr. Mahmood holds a bachelor's degree in computer science from the National College of Computer Sciences and an MBA from the Asian Management Development Centre (AMDC).

Mr. Qaiser is an astute Internal audit, accounting and finance professional possessing demonstrated expertise and Equipped experience of Ten years in the field of accounting, auditing, financial reporting, advisory and consulting services at various industries both in public and private sector.

He holds numerous professional certifications and the member of different International bodies such as CICA, CIPFA, CIA, APFA, CAF, M.com and Expert in Internal controls Implementation, conducting external and internal audits, financial analysis and hand on experience of different ERP solutions.

Mr. Qaiser is High-performer and enthusiastic participant possessing strong accounting acumen with rational decision-making skills. Adept at analyzing financial strategies, developing recommendations for improvement and implementing solutions.

Diligent and task-focused individual possessing technical financial competency with ability to create impactful efficiencies for company's objectives; skilled at utilizing interpersonal, communication and organizational skills.

MR. AMER LATIF
Company Secretary & Head of Legal Affairs

Mr. Amer brings with him more than 22 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 inthe 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 GermanGroup METRO AG.

Chairman Review Report

Mr. Aslam Hayat Piracha

Chairman/Non-executive Director

Dear stakeholders, I am pleased to present the review on annual Report of the company for the year ended June 30, 2023.
The financial year 2022-23 was another difficult year for Pakistan's economy characterized by massive fall in domestic currency, inflationary pressure, import restrictions, tight monetary policy and energy crisis.

During the Financial Year 2022-2023 the Company posted net profit after tax of Rs.894.5 million by demonstrating earning per share (EPS) of Rs. 2.33 as compared to net profit after tax of Rs. 1,648 million with an EPS of Rs. 4.29; net profit ratio has slightly improved by 0.6% although there was a decline in revenue and the profit due to several country level economic factors. It gives me immense pleasure to inform you that during the financial year under review upon the recommendations of the Board of Directors final dividend have been announced at Rs. 2.50 per share.

I would like to appreciate the performance of the Board of Directors in devising excellent tactical, operational and financial strategies for the Company utilizing their broad visions, in depth knowledge and vast market experience in this difficult time for the Country as a whole.

Focusing on translating the vision and core values of the business into tangible results, the Board of Directors equipped the Company with all necessary resources to maximize shareholders' value and encouraged the management to convert challenges into opportunities mitigating the associated risks. Best practices of corporate governance have been embedded into the Company's culture to maintain highest level of professionalism and business conduct.

Risk management framework, effective internal controls and audit functions have been implemented to ensure that the day-to-day operations follow the overall strategy formulated by the Board. Best utilization of the available resources remained at the core of operations to achieve the best results under the given circumstances.

I am truly thankful for the unwavering leadership and determination demonstrated by members of our Company. I also extend my heartfelt gratitude to the Board of Directors, Board's sub-Committees, our dedicated staff, business partners for their collective efforts in surpassing expectations. It is through their hard work and commitment that we have been able to achieve remarkable outcomes and are geared to move forward together as a successful team.

Chairman

کاروبار کے وژن اور بنیادی اقدار کو ٹھوس نتائج میں تبدیل کرنے پر توجہ مرکوز کرتے ہوئے، بورڈ آف ڈائریکٹرز نے کمپنی کو تمام ضروری وسائل سے لیس کیا تاکہ حصص یافتگان کی قدر کو زیادہ سے زیادہ بنایا جاسکے اور انتظامیہ کی حوصلہ افزائی کی جائے کہ وہ متعلقہ خطرات کو کم کرنے کے لیے چیلنجوں کو مواقع میں تبدیل کرے۔ کارپوریٹ گورننس کے بہترین طریقوں کو کمپنی کے کلچر میں شامل اگیا ہے تاکہ پیشہ ورانہ مہارت اور کاروباری طرز عمل کی اعلیٰ سطح کو برقرار رکھا جاسکے۔

رسک مینجمنٹ فریم ورک، موثر اندرونی کنٹرولز اور آڈٹ کے افعال کو اس بات کو یقینی بنانے کے لیے لاگو کیا گیا ہے کہ روزانہ کی کارروائیاں بورڈ کی وضع کردہ مجموعی حکمت عملی پر عمل پیرا ہوں۔ دیے گئے حالات میں بہترین نتائج حاصل کرنے کے لیے دستیاب وسائل کا بہترین استعمال آپریشن کا مرکز رہا۔

میں اپنی کمپنی کے ممبران کی جانب سے ظاہر کی گئی غیر متزلزل قیادت اور عزم کے لیے واقعی شکرگزار ہوں۔ میں بورڈ آف ڈائریکٹرز، بورڈ کی ذیلی کمیٹیوں، ہمارے سرشار عملے، کاروباری شراکت داروں کا بھی تہہ دل سے شکریہ ادا کرتا ہوں جنہوں نے توقعات سے بڑھ کر اجتماعی کوششیں کیں۔ یہ ان کی محنت اور عزم کی بدولت ہی ہم قابل ذکر نتائج حاصل کرنے میں کامیاب ہوئے ہیں اور ایک کامیاب ٹیم کے طور پر مل کر آگے بڑھنے کے لیے تیار ہیں۔

چیئرمین

چیئر مین جائزہ رپورٹ :

عزیز اسٹیک ہولڈرز،

مجھے ۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ کا جائزہ پیش کرتے ہوئے خوشی ہو رہی ہے۔

مالی سال ۲۳-۲۰۲۲ پاکستان کی معیشت کے لیے ایک اور مشکل سال تھا جس کی خصوصیات ملکی کرنسی میں زبردست گراوٹ، افراط زر کے دباؤ، درآمدی پابندیوں، سخت مانیٹری پالیسی اور توانائی کے بحران کی وجہ سے تھی۔

کمپنی نے ۱،٦۴۸ ملین روپے فی حصص آمدنی ۲۹.۴ روپے کے منافع کے مقابلے میں مالی سال ۲۰۲۲-۲۰۲۳ کے دوران ۳۳ .۲ روپے فی حصص آمدنی کا مظاہرہ کرتے ہوئے ۵.۸۹۴ ملین روپے کا بعد از ٹیکس منافع کمایا; خالص منافع کا تناسب 0.6% سے قدرے بہتر ہوا ہے حالانکہ متعدد ملکی سطح کے معاشی عوامل کی وجہ سے محصول اور منافع میں کمی واقع ہوئی ہے۔

مجھے آپ کو یہ بتاتے ہوئے بے حد خوشی ہو رہی ہے کہ زیر جائزہ مالی سال کے دوران بورڈ آف ڈائریکٹرز کی سفارشات پر ۲.۵۰ فی شیئر فائنل ڈیویڈنڈ کا اعلان کیا گیا ہے۔ میں بورڈ آف ڈائریکٹرز کی کارکردگی کو سراہنا چاہتا ہوں جس میں کمپنی کے لیے بہترین حکمت عملی، آپریشنل اور مالیاتی حکمت عملی وضع کرنے کے لیے ان کے وسیع مقصد، گہرائی سے علم اور مجموعی طور پر ملک کے لیے اس مشکل وقت میں مارکیٹ کے وسیع تجربے کو بروئے کار لایا گیا۔

CEO
Review

Dear Shareholders, Partners, and Stakeholders,
As the CEO of Air Link Communication Limited and its affiliated group of company, I am deeply honored to address you in our annual report for the year 2023. As we gather here to reflect upon the achievements and challenges of the past year, I am humbled by the remarkable journey we have undertaken together.

Air Link Communication Limited has consistently upheld a steadfast commitment to excellence in the realm of mobile device manufacturing and distribution. Our unwavering dedication to innovation, quality, and customer satisfaction has been the bedrock of our success. In the year 2023, despite facing a myriad of challenges, we continued to push the boundaries of what is achievable in our industry, and the outcomes are a testament to our unwavering dedication.

Financial Performance
In the fiscal year 2022-2023, Air Link Communication Limited skillfully navigated a complex business environment shaped by various macroeconomic factors. The impact of rupee depreciation, escalating commodity prices, and import restrictions profoundly affected our operations, particularly concerning the availability of Mobile Phones Completely Built Units (CBU) and Semi-Knocked Down (SKD) materials.

Nevertheless, it is with great pleasure that I report the resilience and adaptability demonstrated by our company. We achieved a net revenue of PKR 21,503 million, underscoring our team's commitment and resourcefulness. Although our revenue and profitability experienced a decline due to the external factors mentioned above, we take pride in the enhancement of our Gross profit ratio and net profit ratio by 0.27% and 0.59%, respectively, compared to the previous year. Our net profit after tax stood at Rs. 894.5 million, resulting in earnings per share (EPS) of Rs. 2.33, compared to Rs. 1,648 million and an EPS of Rs. 4.29 in the prior year. This improvement in net profit ratios and the declaration of a final dividend of Rs. 2.50 per share, despite economic challenges, exemplify our steadfast commitment to our shareholders and our capacity to effectively manage and adapt to external economic forces.

Manufacturing Excellence
Our state-of-the-art manufacturing facilities have always been the nucleus of our success story. In 2023, we elevated our production capabilities even further, ensuring that every device bearing our name adheres to the highest quality standards. We take immense pride in our meticulous manufacturing processes, which guarantee the reliability and durability of our products.

Air Link Team
The success we have achieved would have been inconceivable without the unwavering dedication and hard work of our exceptional team. I extend my heartfelt gratitude to every employee who contributes to our vision of excellence. Together, we have accomplished remarkable feats, and I have complete confidence that our team will continue to propel our success in the years ahead.

Looking Ahead
As we navigate the challenges and seize the opportunities that await us, I want to assure our stakeholders that our commitment to delivering top-quality mobile devices and expanding our footprint remains unwavering. We will persist in our pursuit of innovation, adaptability, and growth, ensuring that Air Link Communication Limited maintains its position at the forefront of the mobile technology industry.
In conclusion, I extend my most sincere thanks to our shareholders, partners, and stakeholders for their unwavering support. Your trust in Air Link Communication Limited has been pivotal in our journey, and we eagerly anticipate sharing many more triumphs together in the future.
Air Link Communication Limited is not merely a company; it is a symbol of excellence, innovation, and resilience. We take immense pride in what we have accomplished, and we are poised with excitement for the boundless possibilities that lie ahead.

Thank you for being an integral part of our journey.

Sincerely,
Muzzaffar Hayat Piracha
CEO, Air Link Communication Limited

ایئر لنک ٹیم

ہم نے جو کامیابی حاصل کی ہے وہ ہماری غیر معمولی ٹیم کی غیر متزلزل لگن اور محنت کے بغیر نا قابل فہم تھی۔ میں ہر اس ملازم کا تہہ دل سے شکریہ ادا کرتا ہوں جو ہمارے عمدگی کے وژن میں تعاون کرتا ہے۔ ایک ساتھ مل کر، ہم نے قابل ذکر کارنامے انجام دیے ہیں، اور مجھے پورا یقین ہے کہ ہماری ٹیم آنے والے سالوں میں ہماری کامیابی کو آگے بڑھاتی رہے گی۔

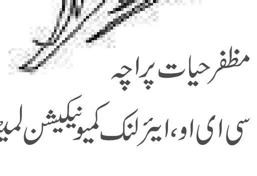
مستقبل کی آگاہی

جیسے ہم چیلنجز سے گذرتے ہیں اور ان مواقع سے فائدہ اٹھاتے ہیں جو ہمارے منتظر ہیں، میں اپنے اسٹیک ہولڈرز کو یقین دلانا چاہتا ہوں کہ اعلیٰ معیار کے موبائل آلات کی فراہمی اور اپنے نقش قدم کو بڑھانے کے لیے ہماری وابستگی غیر متزلزل ہے۔ اس بات کو یقینی بناتے ہوئے کہ **ایئر لنک کمیونیکیشن لمیٹڈ** موبائل ٹیکنالوجی کی صنعت میں سب سے آگے اپنی پوزیشن برقرار رکھے، ہم جدت، موافقت اور ترقی کے حصول کے لیے اپنی کوششیں جاری رکھیں گے۔

آخر میں، میں اپنے شیئر ہولڈرز، شراکت داروں اور اسٹیک ہولڈرز کا ان کی غیر متزلزل حمایت کے لیے تہہ دل سے شکریہ ادا کرتا ہوں۔ **ایئر لنک کمیونیکیشن لمیٹڈ** پر آپ کا بھروسہ ہمارے سفر میں اہم رہا ہے، اور ہم مستقبل میں ایک ساتھ مل کر بہت سی مزید کامیابیوں کی توقع رکھتے ہیں۔

ایئر لنک کمیونیکیشن لمیٹڈ محض ایک کمپنی نہیں ہے۔ یہ برتری، جدت اور لچک کی علامت ہے۔ ہم نے جو کچھ حاصل کیا ہے اس پر ہمیں بے حد فخر ہے، اور ہم ان لامحدود امکانات کے لیے
جوش و خروش کے ساتھ تیار ہیں۔

ہمارے سفر کا ایک لازمی حصہ بننے کے لیے آپ کا شکریہ۔
مخلص،



مظفر حیات پراچہ
سی ای او، ایئر لنک کمیونیکیشن لمیٹڈ

سی ای او کا جائزہ

عزیز شیئر ہولڈرز، پارٹنرز اور اسٹیک ہولڈرز،

ایئر لنک کمیونیکیشن لمیٹڈ اور کمپنی کے اس سے منسلک گروپ کے سی ای او کے طور پر، مجھے سال ۲۰۲۳ کے لیے اپنی سالانہ رپورٹ میں آپ کو مخاطب کرتے ہوئے بہت فخر محسوس ہو رہا ہے۔ جب ہم گزشتہ سال کی کامیابیوں اور چیلنجوں پر غور کرنے کے لیے یہاں جمع ہو رہے ہیں، میں اس شاندار سفر پر مشکور ہوں جو ہم نے مل کر شروع کیا ہے۔ **ایئر لنک کمیونیکیشن لمیٹڈ** نے موبائل ڈیوائس کی تیاری اور تقسیم کے میدان میں شاندار کارکردگی کے لیے مستقل عزم کو برقرار رکھا ہے۔ جدت، معیار اور صارفین کی اطمینان کے لیے ہماری اٹل لگن ہماری کامیابی کی بنیاد رہی ہے۔ سال ۲۰۲۳ میں، بے شمار چیلنجوں کا سامنا کرنے کے باوجود، ہم نے اپنی صنعت میں جو کچھ حاصل کیا جا سکتا ہے اس کے حصول کی جدوجہد کو جاری رکھا اور اس کے نتائج ہماری غیر متزلزل لگن کا ثبوت ہیں۔

مالیاتی کارکردگی

مالی سال ۲۰۲۲-۲۳ میں، ایئر لنک کمیونیکیشن لمیٹڈ نے مہارت کے ساتھ ایک پیچیدہ کاروباری ماحول کو آگے چلایا جو مختلف میکرو اکنامک عوامل سے مزین ہے۔ روپے کی قدر میں کمی، اشیاء کی بڑھتی ہوئی قیمتوں، اور درآمدی پابندیوں کے اثرات نے ہمارے آپریشنز خاص طور پر موبائل فون کے مکمل طور پر تیار شدہ یونٹس (CBU) اور سیمی-ناکڈ ڈاؤن (SKD) اجزاء کی دستیابی کو بہت زیادہ متاثر کیا۔ بہرحال میں بہت خوشی کے ساتھ اپنی کمپنی کی طرف سے ظاہر کردہ لچک اور موافقت کی اطلاع دیتا ہوں۔ ہم نے 21,503 ملین روپے کا خالص ریونیو حاصل کیا، جو ہماری ٹیم کے عزم اور وسائلکی عکاسی کرتا ہے۔ اگرچہ اوپر بیان کردہ بیرونی عوامل کی وجہ سے ہماری آمدنی اور منافع میں کمی واقع ہوئی ہے، لیکن ہمیں گزشتہ سال کے مقابلے میں اپنے مجموعی منافع کے تناسب (GPR) اور خالص منافع کے تناسب (NPR) میں بالترتیب 0.27% اور 0.59% اضافے پر فخر ہے۔ ہمارا خالص منافع بعد از ٹیکس (Net Profit) 894.5 ملین روپے رہا، جس کے نتیجے میں پچھلے سال 1,648 ملین روپے اور فی حصص آمدنی (EPS) 4.29 روپے کے مقابلے میں فی حصص آمدنی (EPS) 2.33 روپے رہی۔

خالص منافع کے تناسب میں یہ بہتری اور 2.50 روپے فی حصص کے حتمی ڈیویڈنڈ کا اعلان، اقتصادی چیلنجز کے باوجود، ہمارے حصص یافتگان کے ساتھ ہماری ثابت قدمی اور بیرونی اقتصادی قوتوں کو مؤثر طریقے سے منظم کرنے اور ان کے مطابق ڈھالنے کی ہماری صلاحیت کی مثال ہے۔

مینوفیکچرنگ میں بہتری

ہماری جدید ترین مینوفیکچرنگ سہولیات ہمیشہ ہماری کامیاب اسٹوری کا مرکز رہی ہیں۔ ۲۰۲۳ میں ہم نے اپنی پیداواری صلاحیتوں کو مزید بڑھایا، اس بات کو یقینی بناتے ہوئے کہ ہمارے نام کی ڈیوائیس کوالٹی کے اعلیٰ معیار پر پورا اترتی ہے۔ ہم اپنے پیچیدہ مینوفیکچرنگ کے عمل پر بے حد فخر کرتے ہیں، جو ہماری مصنوعات کے استحکام اور پائیداری کی ضمانت دیتے ہیں۔

EY
Building a better working world

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Independent Auditor's Report

To the members of Air Link 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 Air Link Communication Limited (the Company) for the year ended 30 June 2023 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 year ended 30 June 2023.

EY Ford Rhodes
Chartered Accountants
Lahore: 05 October 2023
UDIN: CR202310079RzMUAhnjr

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

Name of company:	Air Link Communication Limited (the Company)
Year ending:	30th June 2023

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: six (6)
    b. Female: one (1)
2. The composition of the Board is as follows:

Category	Name
Independent Directors Independent Director	Mr. Sharique Azim Siddiqui Mr. Hussain Kuli Khan Mr. Aqdus Faraz Tahir
Non-Executive Directors	Mr. Aslam Hayat Piracha Ms. Rabiya Muzzaffar
Executive Directors	Mr. Muzzaffar Hayat Piracha (CEO) 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: Nusrat Mehmood (CFO)
   Faheem Nawaz (Head of HR)

The Company is planning to arrange Director's Training program for female executive in next year.

10. The Board has in prior years 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.-

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 Annual Meeting

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

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:

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:	Nusrat Mehmood (CFO)
	Faheem Nawaz (Head of HR)	

The Company is planning to arrange Director's Training program for female executive in next year.

10. The Board has in prior years 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;

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

12. The Board has formed committees comprising of members given below.-

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 Annual Meeting

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

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:

Sr. No.	Requirement	Explanation	Regulation
1.	**Directors' Training:** (1) It is encouraged that: (i) by June 30, 2020 at least half of the directors on their Boards; (ii) by June 30, 2021 at least 75% of the directors on their Boards; and (iii) by June 30, 2022 all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	The Company acquired the listing status on September 22, 2021. Two directors of the current BOD have prescribed certification and Four Executives of the Company have acquired Directors' Training Program certification during the last 18 months since the listing of the Company. The election of BOD is due in upcoming AGM and the Company will arrange Directors' Training Program certification for new directors (if required) accordingly.	19
2.	**Nomination Committee:** The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and functions are being performed by the Board itself.	29
3.	**Risk Management Committee:** The board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a Risk Management Committee and the Company's management performs requisite functions and apprise the Board accordingly.	30

Signature (s)
ASLAM HAYAT PIRACHA
Chairman

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DIRECTOR'S REPORT

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, 2023.

Economic Overview

During the outgoing fiscal year 2022-23, Pakistan has faced unprecedented economic challenges due to several factors including but not limited to import restrictions on account of forex shortage, devastating floods, and political uncertainty. In addition, the Russia-Ukraine war severely disrupted the global demand-supply balance which led to a slowdown of the global economic growth to 2.8% in the current year from 6.2% in 2021. Resultantly, the last fiscal year alone witnessed an overall fiscal deficit of 7.9 percent, and a trade deficit of US$ 39.1 billion.

High interest rates also impacted the businesses profitability and growth in the country. Today, high interest rates are not merely restricting growth in developing economies, there are also decelerating investment and intensifying the risk of financial crises, weak growth prospects compounded with the overlapping shocks of pandemic and Russia's invasion into Ukraine project a long term slowdown in potential growth. Rising borrowing costs in advanced economics could lead to financial disruptions in developing marks as well. These problems indicate heighted risks for the coming period and must be addressed promptly if the world is to re-establish the economic prowess necessary for progress on global development goals.

In the fiscal year of 2023, the inflation rate, as measured by the Consumer Price Index (CPI), surged to 29.4% on a year-over-year basis, a significant increase from the 21.3% recorded in June 2022. In contrast, the economic growth rate for the year 2022-23 remained stagnant at a mere 0.29%.

This inflationary pressure can be primarily attributed to currency depreciation, which not only drove up domestic commodity prices but also exerted a downward force on aggregate demand throughout FY2023.

The combination of a high inflation rate, sluggish GDP growth, and the imposition of stringent import restrictions had adverse repercussions on production levels across various sectors. Large-scale manufacturing, in particular, bore a significant brunt of these challenges.

However, Air Link has been able to overcome the challenges given its proactive approach and kept its business going with least impact on the profitability figures.

Performance Review

A brief financial analysis is presented as under:

Particulars	June 30, 2023	June 30, 2022
Turnover	21,503,905,362	46,159,701,856
Gross Profit	2,280,685,740	4,771,848,004
Profit before taxation	712,205,371	2,467,973,711
Net profit for the year	894,537,773	1,648,590,432

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 was able to navigate through these challenges with achievement of net revenue amounting to PKR 21,503 million although revenue and profitability were considerably declined on account of aforementioned factors but Gross profit ratio and net profit ratios were improved by 0.27% and 0.59% respectively as compared to last year.

Future Prospects

The country has sailed through very difficult times and currently the economic environment is on improving trend. Further depreciation of Pak Rupee has been contained in wake of affirmative steps taken by the Government, SBP is maintaining the interest rates and inflation is also being slowed down. Revival of IMF program has played a vital role in revival of the business and Government is committed to fulfill all the conditions attached to the IMF program. IMF has restricted the Government for any kind of ban on imports as part of its major conditions.

It is anticipated that inflation will eventually begin to subside, potentially leading to a decrease in interest rates. The management has kept an eye on the costs including financial cost to keep them at the optimum level. Supply chain of the stock and sales to receivable cycle is being managed to keep the financial cost burden to a minimum level. Management expects a significantly improved financial performance of the Company in the next financial year.

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:

	Sr. No:	Name of Directors	Audit Committee	Human Resource Committee
Independent Directors	1	Mr. Hussain Kuli Khan	Member	-
	2	Mr. Aqdas Faraz Tahir	-	Member
	3	Mr. Sharique Azim Siddiqui	Member	Member
Non-Executive Directors	1	Mr. Aslam Hayat Piracha	-	-
	2	Mrs. Rabia Muzzaffar	Member	-
Executive Directors	1	Mr. Muzzaffar Hayat Piracha	-	Member
	2	Mr. Nafees Haider	-	-

Audit Committee:

Audit committee assist the board in fulfilling its oversight responsibilities primarily in reviewing and reporting the financial and non-financial information to shareholders, system of internal control, risk management and audit process.it has the autonomy to call for information from management and to consult directly with external auditors or advisor as consider appropriate. 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. The audit committee review the quarterly, half yearly and annual financial statement apart from internal audit plan, material audit findings and recommendation of internal audit department.

Human Resource and Remuneration Committee:

The Company recognizes the significant role that its Human Resources (HR) department plays in the company's success. HR's dedication and commitment have been crucial in achieving exceptional results and navigating market challenges. Their responsibilities, ranging from policy-making to employee development and labor relations, highlight their multifaceted contributions to the organization's growth and progress. 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, five (5) 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 Director	Board of Directors Meetings	Audit Committee Meetings	HR & Remuneration Committee Meetings
Hussain Kuli Khan	5	4	-
Aqdas Faraz Tahir	5	-	1
Sharique Azim Siddiqui	4	4	1
Aslam Hayat Piracha	2	-	-
Muzzaffar Hayat Piracha	5	-	0
Nafees Haider	5	-	-
Rabia Muzzaffar	5	1	-

Corporate Governance

Your Company is committed to good corporate governance. The Board acknowledges its responsibility in respect of the Corporate and Financial Reporting Framework. The Directors confirm that:

1. The Financial Statements prepared by the management of the Company present its state of affairs fairly, the results of its operations, cash flows, and changes in equity.
2. Proper books of accounts have been maintained by the Company.
3. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
4. There are no doubts upon the Company's ability to continue as a going concern.
5. There has been no material departure from the best practices of the Code of Corporate Governance, as detailed in the listing regulations of the Pakistan Stock Exchange.

6. The system of internal control is sound in design and has been effectively implemented and monitored.
7. International Financial Reporting Standards, as applicable in Pakistan and the requirements of the Companies Act, 2017 have been followed in the preparation of the financial statements; and any departure thereof has been adequately disclosed and explained.

Relations With Stakeholders

The Company emphasizes its commitment to fostering mutually beneficial relationships with various stakeholders, including regulatory bodies like the Pakistan stock exchange and SECP, financial institutions, and other business partners. These relationships remained positive and cooperative during the review period. This commitment underscores the Company's dedication to ethical and responsible business practices, which are essential for long-term success and sustainability

Talent Acquisition

The Company values hiring the right person for the right job and emphasizes alignment with the organization's vision and values. Talent acquisition can indeed be challenging in today's dynamic market, but having a dedicated and competent team focused on acquiring top talent is a valuable asset. We understand that people are our real strength and fully understands its importance every individual is important and knows their role and requirements to contribute to the organization's success combined with framing people strategies that enable employees to grow and thrive at a fast pace achieving their full potential.

Earnings Per Share

The earnings per share of your Company for the year ended June 30, 2023, was PKR 2.33 in comparison to PKR 4.30 reported last year.

Contingencies and commitments

No material changes and commitments affecting the financial position of the Company have occurred at the end of the financial year to which the statement of financial position relates and the date of Directors' Report, except as disclosed in the financial statements.

Directors' Remuneration

The company has established a remuneration system for directors that is intended to motivate them to improve business performance, taking into account both short-term and long-term growth in corporate value. This system has been formalized and approved by the Board of Directors through a "Remuneration Policy for Directors and Members of Senior Management." The policy outlines specific details of how directors' compensation is structured, emphasizing the importance of enhancing corporate value as a key performance indicator. Overall, the remuneration system is designed to align director incentives with the company's strategic goals and financial success. 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.

Adequacy of Internal Control

The Management of your Company believes in good corporate governance, implemented through a well-defined and efficiency applied system of checks and balances and provision of transparent, accurate and timely financial information. The Board of Directors has established a system of sound internal control including effective financial controls which are implemented at all levels within the company.

- Effective System of Internal Controls: Internal controls are processes, procedures, and policies designed to ensure that a company's operations are conducted efficiently, its assets are protected, and its financial information is accurate.

- Orderly Business Operations: These internal controls are in place to help the company conduct its business in an organized and efficient manner. This includes ensuring that business processes are well-structured and follow established procedures.

- Asset Protection: The company is committed to safeguarding its assets. This means taking measures to prevent theft, fraud, or other forms of asset loss or misuse.

- Accuracy and Reliability of Records: The internal controls are also designed to ensure that the company's financial records are accurate and reliable. Accurate financial records are crucial for making informed business decisions and for compliance with regulatory requirements.

- Board Oversight: The company's board of directors plays a key role in overseeing internal controls. They are responsible for ensuring that these controls are adequate and effective. This oversight can be done directly by the board or through its various committees, such as the audit committee.

- Regular Review: The board regularly reviews the company's financial operations and its financial position. This review includes examining interim accounts, reports, profitability reviews, and other financial and statistical information. This ongoing monitoring helps the board stay informed about the company's financial health and make informed decisions.

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

Our company has consistently centered its efforts on achieving excellence and ongoing enhancement. Our primary objective is to uphold integrity, transparency, and a profound respect for fundamental human rights and essential labor principles in all facets of our business operations. We are deeply committed to upholding the utmost standards in health, safety, and environmental (HSE) matters to safeguard the welfare of our employees and the communities in which we operate. Our safety protocols in warehouses throughout Pakistan align with our vision of creating a hazard-free environment, prioritizing the well-being of our workforce and the preservation of nature.

Ensuring a safe workplace for employees is our foremost priority. Vigorous risk assessment and preventive measures are diligently pursued to achieve zero accidents and mitigate environmental impacts. All accidents or near misses are thoroughly investigated to address root causes and prevent recurrence. We are constantly increasing our focus on fire safety. Many measures have been taken in this regard that include updated firefighting equipment, training, regular fire and evacuation drills to ensure emergency preparedness and their training.

Financial Statements

The Chief Executive Officer, Chief Financial Officer and a Director have endorsed the financial statements of the Company for the financial year 2023 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 upholds a set of ethical standards that encompass a range of topics, including conflicts of interest, employee rights, and fraud prevention. The Code fosters a culture of honesty, integrity, and transparency in the company's activities. It provides clear directives for how the company should engage with various stakeholders, such as customers, suppliers, shareholders, and partners. The senior management team is tasked with the daily execution and oversight of the Code to ensure its adherence.

Auditors

M/s EY Ford Rhodes, Chartered Accountants, have audited the financial statements of the Company for the year ended June 30, 2023. The present auditors, M/s EY Ford Rhodes, Chartered Accountants retired and another firm of Chartered Accountants had to be appointed as auditors of the Company for the year ended June 30, 2024.
Upon recommendation of the Audit Committee, the Board recommends appointing M/s BDO Ebrahim & Co. Chartered Accountants as the statutory auditors of the Company for the year ending June 30, 2024, subject to the approval of the Shareholders at the forthcoming Annual General Meeting of the Company.

Contribution to National Exchequer and Economy of Pakistan

During the year, the Company contributed a sum of Rs. 220.92 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, 2023 and its disclosure, as required by the Code of Corporate Governance is annexed with this report.

Social Corporate Responsibilities

The company strongly believes in its responsibility towards community at large and has taken various steps in the area of education, health and the natural environment. During the year, company made generous donations as reported in Note no.32.2 to the financial statements.

Principal Risks and uncertainty Facing the Company

The company has established a formal risk management framework to evaluate the various risks it faces within the broader political and macroeconomic landscape. This comprehensive system identifies risks across different categories, including strategic, regulatory, financial, operational, and sustainability, all of which are connected to the company's business activities. These risks are carefully examined by the management committee in conjunction with departmental goals, objectives, and performance metrics. Subsequently, suitable strategies are devised and put into action to mitigate the potential adverse effects of these identified risks.

Financial risks represent those that have the potential to result in financial losses for the company. These financial risks have been elaborated upon in note 42 of the attached financial statements, encompassing market risks, interest rate risk, currency risk, credit risks, and liquidity risk.

One prominent risk that has emerged pertains to the negative outlook of the country and the top-tier banks, as assessed by international credit rating agencies. This risk has the potential to disrupt not only the company's supply chain but also affect all businesses reliant on imports throughout the country. However, it is challenging to predict the duration and extent of this impact on overall economic activity unless there is a restoration of political stability within the country.

Subsequent Events

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

The Board of Directors wishes to extend their heartfelt gratitude to the management and staff of the Company for their unwavering commitment and tireless efforts demonstrated throughout the year. We also want to convey our sincere thanks, on behalf of both the Board of Directors and all Company employees, to our esteemed customers, distributors, stockiest, dealers, and banking partners for their unwavering trust and confidence in our organization. We eagerly anticipate their ongoing support and active involvement in fostering the Company's growth in the years ahead.

Chief Executive Officer	Director

آڈٹ کمیٹی کی سفارش پر، بورڈ میسرز BDO ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو ۳۰ جون ۲۰۲۴ کو ختم ہونے والے سال کے لیے کمپنی کے قانونی آڈیٹرز کے طور پر مقرر کرنے کی سفارش کرتا ہے، جو آئندہ سالانہ جنرل میٹنگ میں کمپنی کے شیئر ہولڈرز کی منظوری سے مشروط ہے۔

پاکستان کے قومی خزانے اور معیشت میں شراکت

سال کے دوران، کمپنی نے انکم ٹیکس، سیلز ٹیکس، کسٹم ڈیوٹی اور دیگر محصولات کی مد میں قومی خزانے کو ۲۲۰.92 ملین روپے کی رقم کا تعاون کیا۔

شیئر ہولڈنگ کا نمونہ

۳۰ جون ۲۰۲۳ تک شیئر ہولڈنگ کا پیٹرن اور اس کا انکشاف، جیسا کہ کوڈ آف کارپوریٹ گورننس کی ضرورت ہے اس رپورٹ کے ساتھ منسلک ہے۔

سماجی کارپوریٹ ذمہ داریاں

کمپنی بڑے پیمانے پر کمیونٹی کے تئیں اپنی ذمہ داری پر پختہ یقین رکھتی ہے اور اس نے تعلیم، صحت اور قدرتی ماحول کے شعبے میں مختلف اقدامات کیے ہیں۔ سال کے دوران، کمپنی نے فراخدلی سے عطیات دیے جیسا کہ نوٹ نمبر 32.2 میں مالی بیانات میں بتایا گیا ہے۔

کمپنی کو درپیش بنیادی خطرات اور غیر یقینی صورتحال

کمپنی نے وسیع تر سیاسی اور میکرو اکنامک منظرنامے کے اندر درپیش مختلف خطرات کا جائزہ لینے کے لیے ایک رسمی رسک مینجمنٹ فریم ورک قائم کیا ہے۔ یہ جامع نظام مختلف زمروں میں خطرات کی نشاندہی کرتا ہے، بشمول اسٹریٹجک، ریگولیٹری، مالی، آپریشنل، اور پائیداری، یہ سبھی کمپنی کی کاروباری سرگرمیوں سے منسلک ہیں۔ ان خطرات کا انتظامی کمیٹی محکمانہ اہداف، مقاصد اور کارکردگی کے میٹرکس کے ساتھ مل کر احتیاط سے جائزہ لیتی ہے۔ اس کے بعد، ان شناخت شدہ خطرات کے ممکنہ منفی اثرات کو کم کرنے کے لیے مناسب حکمت عملی وضع کی جاتی ہے اور ان پر عمل درآمد کیا جاتا ہے۔

مالیاتی خطرات ان کی نمائندگی کرتے ہیں جن کے نتیجے میں کمپنی کو مالی نقصان پہنچنے کی صلاحیت ہوتی ہے۔ ان مالیاتی خطرات کو منسلک مالیاتی بیانات کے نوٹ 42 میں بیان کیا گیا ہے، جس میں مارکیٹ کے خطرات، شرح سود کا خطرہ، کرنسی کا خطرہ، کریڈٹ کے خطرات، اور لیکویڈیٹی رسک شامل ہیں۔

ایک نمایاں خطرہ جو سامنے آیا ہے وہ ملک اور اعلیٰ درجے کے بینکوں کے منفی نقطہ نظر سے متعلق ہے، جیسا کہ بین الاقوامی کریڈٹ ریٹنگ ایجنسیوں نے اندازہ لگایا ہے۔ یہ خطرہ نہ صرف کمپنی کی سپلائی چین کو متاثر کرنے کی صلاحیت رکھتا ہے بلکہ ملک بھر میں درآمدات پر انحصار کرنے والے تمام کاروباروں کو بھی متاثر کرتا ہے۔ تاہم، ملک کے اندر سیاسی استحکام کی بحالی کے بغیر مجموعی اقتصادی سرگرمیوں پر اس کے اثرات کی مدت اور حد کا اندازہ لگانا مشکل ہے۔

بعد کے واقعات

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

اعتراف

بورڈ آف ڈائریکٹرز کمپنی کی انتظامیہ اور عملے کا غیر متزلزل عزم اور سال بھر کی انتھک کوششوں کا مظاہرے پر تہہ دل سے شکریہ ادا کرنا چاہتےہیں۔ ہم بورڈ آف ڈائریکٹرز اور کمپنی کے تمام ملازمین کی جانب سے اپنے معزز صارفین، تقسیم کاروں، اسٹاکیسٹ، ڈیلرز، اور بینکنگ شراکت داروں کا ہماری تنظیم پر غیر متزلزل اعتماد اور بھروسے کے لیے اپنا تہہ دل سے شکریہ ادا کرنا چاہتے ہیں۔ ہم آنے والے سالوں میں کمپنی کی ترقی کو فروغ دینے میں ان کے جاری تعاون اور فعال شمولیت کی بے تابی سے توقع کرتے ہیں۔

چیف ایگزیکٹو آفیسر

ڈائریکٹر

۔ **ریکارڈز کی درستگی اور اعتماد گی:** اندرونی کنٹرول بھی اس بات کو یقینی بنانے کے لیے بنائے گئے ہیں کہ کمپنی کے مالیاتی ریکارڈ درست اور قابل اعتماد ہیں۔ باخبر کاروباری فیصلے کرنے اور ریگولیٹری تقاضوں کی تعمیل کے لیے درست مالیاتی ریکارڈز اہم ہیں۔

۔ **بورڈ کی نگرانی:** کمپنی کا بورڈ آف ڈائریکٹرز اندرونی کنٹرولز کی نگرانی میں کلیدی کردار ادا کرتا ہے۔ وہ اس بات کو یقینی بنانے کے ذمہ دار ہیں کہ یہ کنٹرول مناسب اور موثر ہیں۔ یہ نگرانی براہ راست بورڈ یا اس کی مختلف کمیٹیوں جیسے آڈٹ کمیٹی کے ذریعے کی جاسکتی ہے۔

• **باقاعدہ جائزہ:** بورڈ کمپنی کے مالیاتی کاموں اور اس کی مالی حالت کا باقاعدگی سے جائزہ لیتا ہے۔ اس جائزے میں عبوری اکاؤنٹس، رپورٹس، منافع کے جائزے، اور دیگر مالیاتی اور شماریاتی معلومات کا جائزہ لینا شامل ہے۔ یہ جاری نگرانی بورڈ کو کمپنی کی مالی صحت کے بارے میں باخبر رہنے اور باخبر فیصلے کرنے میں مدد کرتی ہے۔

متعلقہ 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 کی حفاظت اور ماحولیات

ہماری کمپنی نے مسلسل اپنی کوششوں کو عمدگی کے حصول اور مسلسل اضافہ پر مرکوز رکھا ہے۔ ہمارا بنیادی مقصد اپنے کاروباری کاموں کے تمام پہلوؤں میں دیانتداری، شفافیت، اور بنیادی انسانی حقوق اور ضروری مزدور اصولوں کے لیے مکمل احترام برقرار رکھنا ہے۔ ہم اپنے ملازمین اور ان کمیونٹیز کی فلاح و بہبود کے تحفظ کے لیے جن میں ہم کام کرتے ہیں صحت، حفاظت اور ماحولیاتی (HSE) کے معاملات میں انتہائی معیارات کو برقرار رکھنے کے لیے پرعزم ہیں۔ پاکستان بھر میں گوداموں میں ہمارے حفاظتی پروٹوکول خطرے سے پاک ماحول پیدا کرنے کے ہمارے وژن کے مطابق ہیں، ہماری افرادی قوت کی بہبود اور فطرت کے تحفظ کو ترجیح دیتے ہیں۔

ملازمین کے لیے محفوظ کام کی جگہ کو یقینی بنانا ہماری اولین ترجیح ہے۔ صفر حادثات کو حاصل کرنے اور ماحولیاتی اثرات کو کم کرنے کے لیے سخت خطرے کی تشخیص اور احتیاطی تدابیر کو مستعدی سے اپنایا جاتا ہے۔ تمام حادثات یا قریب سے ہونے والی غلطیوں کی مکمل چھان بین کی جاتی ہے تاکہ اس کی بنیادی وجوہات کو حل کیا جاسکے اور تکرار کو روکا جاسکے۔ ہم فائر سیفٹی پر اپنی توجہ مسلسل بڑھا رہے ہیں۔ اس سلسلے میں بہت سے اقدامات اٹھائے گئے ہیں جن میں آگ بجھانے کے جدید آلات، تربیت، باقاعدہ آگ اور انخلاء کی مشقیں شامل ہیں تاکہ ہنگامی تیاریوں اور ان کی تربیت کو یقینی بنایا جاسکے۔

مالیاتی گوشوارے

چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر اور ایک ڈائریکٹر نے بورڈ کی منظوری کے بعد مالی سال ۲۰۲۳ کے لیے کمپنی کے مالی بیانات کی توثیق کی ہے۔ آڈیٹرز، Ford RhodesEY، Chartered Accountants نے مالیاتی گوشواروں کا آڈٹ کیا اور مالی بیانات پر غیر ترمیم شدہ رائے کا اظہار کیا۔

ضابطہ اخلاق

کمپنی کا ضابطہ اخلاق اخلاقی معیارات کے ایک سیٹ کو برقرار رکھتا ہے جس میں متعدد موضوعات شامل ہیں، بشمول مفادات کے تصادم، ملازمین کے حقوق، اور دھوکہ دہی کی روک تھام۔ ضابطہ کمپنی کی سرگرمیوں میں ایمانداری، دیانتداری اور شفافیت کی ثقافت کو فروغ دیتا ہے۔ یہ واضح ہدایات فراہم کرتا ہے کہ کمپنی کو مختلف اسٹیک ہولڈرز، جیسے کہ صارفین، سپلائرز، شیئر ہولڈرز، اور شراکت داروں کے ساتھ کس طرح مشغول رہنا چاہیے۔ سینئر مینجمنٹ ٹیم کو ضابطہ کی پابندی کو یقینی بنانے کے لیے روزانہ اس پر عملدرآمد اور نگرانی کا کام سونپا گیا ہے۔

آڈیٹرز

میسرز ای وائی فورڈ رہوڈز، چارٹرڈ اکاؤنٹنٹس، نے ۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں کا آڈٹ کیا ہے۔ موجودہ آڈیٹرز، میسرز ای وائی فورڈ رہوڈز، چارٹرڈ اکاؤنٹنٹس ریٹائرڈ اور چارٹرڈ اکاؤنٹنٹس کی ایک اور فرم کو ہونا تھا۔ ۳۰ جون ۲۰۲۴ کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹرز کے طور پر مقرر کیا گیا۔

ہنرمندوں کی حوصلہ افزائی

کمپنی صحیح کام کے لیے صحیح شخص کی خدمات حاصل کرنے کی قدر کرتی ہے اور تنظیم کے وژن اور اقدار کے ساتھ ہم آہنگی پر زور دیتی ہے۔ آج کی متحرک مارکیٹ میں ٹیلنٹ کا حصول درحقیقت چیلنجنگ ہوسکتا ہے، لیکن اعلیٰ صلاحیتوں کے حصول پر توجہ مرکوز کرنے والی ایک سرشار اور قابل ٹیم کا ہونا ایک قیمتی اثاثہ ہے۔ ہم سمجھتے ہیں کہ لوگ ہماری اصل طاقت ہیں اور اس کی اہمیت کو پوری طرح سے سمجھتے ہیں کہ ہر فرد اہم ہے اور تنظیم کی کامیابی میں اپنا کردار اور تقاضوں کو جانتا ہے اور اس کے ساتھ مل کر لوگوں کی حکمت عملی تیار کرنا جو ملازمین کو اپنی پوری صلاحیتوں کو حاصل کرتے ہوئے تیز رفتاری سے ترقی اور ترقی کرنے کے قابل بناتی ہے۔

فی شیئر آمدنی

۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے لیے آپ کی کمپنی کی فی حصص آمدنی گزشتہ سال کی رپورٹ کردہ ۳۰.۴ روپے کے مقابلے میں ۳۳.۲ روپے تھی۔

ہنگامی حالات اور وعدے۔

مالی سال کے اختتام پر کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے نہیں ہوئے جس سے مالیاتی پوزیشن کا بیان اور ڈائریکٹرز کی رپورٹ کی تاریخ کا تعلق ہے، سوائے اس کے کہ انکو مالی بیانات میں ظاہر کیا گیا ہو۔

ڈائریکٹرز کا معاوضہ

کمپنی نے ڈائریکٹرز کے لیے معاوضے کا ایک نظام قائم کیا ہے جس کا مقصد کارپوریٹ ویلیو میں قلیل مدتی اور طویل مدتی دونوں طرح کی نمو کو مدنظر رکھتے ہوئے کاروباری کارکردگی کو بہتر بنانے کے لیے حوصلہ افزائی کرنا ہے۔ اس نظام کو بورڈ آف ڈائریکٹرز نے "سینئر مینجمنٹ کے ڈائریکٹرز اور ممبران کے لیے معاوضے کی پالیسی" کے ذریعے باقاعدہ اور منظور کیا ہے۔ پالیسی اس بات کی مخصوص تفصیلات بیان کرتی ہے کہ ڈائریکٹرز کے معاوضے کو کس طرح تشکیل دیا جاتا ہے، کارپوریٹ ویلیو کو ایک اہم کارکردگی کے اشارے کے طور پر بڑھانے کی اہمیت پر زور دیتا ہے۔ مجموعی طور پر، معاوضے کے نظام کو کمپنی کے اسٹریٹجک اہداف اور مالیاتی کامیابی کے ساتھ ڈائریکٹر مراعات کو ہم آہنگ کرنے کے لیے ڈیزائن کیا گیا ہے۔ جن کی نمایاں خصوصیات یہ ہیں:

- کمپنی اپنے غیر 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 کی میٹنگوں، اس کی کمیٹیوں اور/ یا کمپنی کی جنرل میٹنگز میں شرکت کے لیے تمام سفری، بورڈنگ، قیام اور دیگر اخراجات فراہم کیا جائے گا یا اس کی ادائیگی کی جائے گی۔

اندرونی کنٹرول کی افادیت

آپ کی کمپنی کی انتظامیہ اچھی کارپوریٹ گورننس پر یقین رکھتی ہے، جس کا نفاذ چیک اینڈ بیلنس اور شفاف، درست اور بروقت مالیاتی معلومات کی فراہمی کے ایک اچھی طرح سے طے شدہ اور موثر لاگو نظام کے ذریعے کیا گیا ہے۔ بورڈ آف ڈائریکٹرز نے مؤثر مالیاتی کنٹرول سمیت مضبوط اندرونی کنٹرول کا ایک نظام قائم کیا ہے جو کمپنی کے اندر ہر سطح پر لاگو ہوتا ہے۔

- **اندرونی کنٹرول کا موثر نظام:** اندرونی کنٹرول وہ عمل، طریقہ کار، اور پالیسیاں ہیں جو اس بات کو یقینی بنانے کے لیے بنائی گئی ہیں کہ کمپنی کے آپریشنز کو موثر طریقے سے انجام دیا جائے، اس کے اثاثے محفوظ ہوں، اور اس کی مالی معلومات درست ہوں۔
- **آرڈرلی بزنس آپریشنز:** یہ اندرونی کنٹرولز کمپنی کو اپنے کاروبار کو منظّم اور موثر انداز میں چلانے میں مدد کرنے کے لیے موجود ہیں۔ اس میں اس بات کو یقینی بنانا بھی شامل ہے کہ کاروباری عمل اچھی طرح سے منظّم ہیں اور قائم شدہ طریقہ کار کی پیروی کرتے ہیں۔
- **اثاثوں کا تحفظ:** کمپنی اپنے اثاثوں کی حفاظت کے لیے پرعزم ہے۔ اس کا مطلب ہے چوری، دھوکہ دہی، یا اثاثوں کے نقصان یا غلط استعمال کی دیگر اقسام کو روکنے کے لیے اقدامات کرنا۔

ہیومن ریسورس اور معاوضاتی کمیٹی:

کمپنی اس اہم کردار کو تسلیم کرتی ہے جو اس کے انسانی وسائل (HR) ڈیپارٹمنٹ کمپنی کی کامیابی میں ادا کرتا ہے۔ HR کی لگن اور عزم غیر معمولی نتائج حاصل کرنے اور مارکیٹ کے چیلنجوں کو نیویگیٹ کرنے میں اہم رہے ہیں۔ ان کی ذمہ داریاں، پالیسی سازی سے لے کر ملازمین کی ترقی اور مزدور تعلقات تک، تنظیم کی ترقی اور پیشرفت میں ان کے کثیر جہتی تعاون کو نمایاں کرتی ہیں۔ کمیٹی تین ارکان پر مشتمل ہے جن میں سے ایک ایگزیکٹو اور دو نان ایگزیکٹو ڈائریکٹر ہیں۔ کمیٹی کا چیئرمین ایک آزاد ڈائریکٹر ہے۔

ڈائریکٹرز کی حاضری:

زیر جائزہ مدت کے دوران، پانچ (۵) بورڈ اجلاس، چار (۴) آڈٹ کمیٹی کے اجلاس اور ایک (۱) ہیومن ریسورس اینڈ معاوضاتی (HR&R) کمیٹی کے اجلاس منعقد ہوئے۔
متعلقہ بورڈ/ ذیلی کمیٹیوں کے اجلاسوں کے ہر ڈائریکٹر کی حاضری حسب ذیل تھی:

ڈائریکٹرز کا نام	بورڈ آف ڈائریکٹرز میٹنگز	آڈٹ کمیٹی میٹنگز	ہیومن ریسورس اور معاوضاتی کمیٹی میٹنگز
حسین قلی خان	۵	۴	-
اقدس فراز طاہر	۵	-	۱
شارق عظیم صدیقی	۴	۴	۱
اسلم حیات پراچہ	۲	-	-
مظفر حیات پراچہ	۵	-	•
نفیس حیدر	۵	-	-
رابعہ مظفر	۵	۱	-

کارپوریٹ گورننس

آپ کی کمپنی اچھی کارپوریٹ گورننس کے لیے پرعزم ہے۔ بورڈ کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے سلسلے میں اپنی ذمہ داری کو تسلیم کرتا ہے۔ ڈائریکٹرز تصدیق کرتے ہیں کہ:

۱۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کی حالت، اس کے کاموں کے نتائج، کیش فلو، اور ایکویٹی میں ہونے والی تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
۲۔ کمپنی نے اکاؤنٹس کی کتابوں کو مناسب طور پر برقرار رکھا ہے۔
۳۔ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
۴۔ کمپنی کے آگے بڑھنے کی صلاحیت پر کوئی شک نہیں ہے۔
۵۔ کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی اخراج نہیں ہوا ہے، جیسا کہ پاکستان اسٹاک ایکسچینج کے لسٹنگ کے ضوابط میں تفصیل سے بتایا گیا ہے۔
۶۔ اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
۷۔ بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے اور مالیاتی بیانات کی تیاری میں کمپنیز ایکٹ، ۲۰۱۷ کے تقاضوں پر عمل کیا گیا ہے۔ اور اس کی کسی بھی اخراج کی مناسب طور پر وضاحت کی گئی ہے۔

اسٹیک ہولڈرز کے ساتھ تعلقات

کمپنی پاکستان اسٹاک ایکسچینج اور SECP جیسے ریگولیٹری اداروں، مالیاتی اداروں اور دیگر کاروباری شراکت داروں سمیت مختلف اسٹیک ہولڈرز کے ساتھ باہمی طور پر فائدہ مند تعلقات کو فروغ دینے کے اپنے عزم پر زور دیتی ہے۔ جائزے کی مدت کے دوران یہ تعلقات مثبت اور تعاون پر مبنی رہے۔ یہ عزم کمپنی کے اخلاقی اور ذمہ دارانہ کاروباری طریقوں کے لیے لگن کو واضح کرتا ہے، جو طویل مدتی کامیابی اور پائیداری کے لیے ضروری ہیں۔

مستقبل کے امکانات

ملک انتہائی مشکل وقت سے گزر رہا ہے اور اس وقت معاشی ماحول بہتر ہونے کے رجحان پر ہے۔ حکومت کے مثبت اقدامات کے نتیجے میں پاک روپے کی مزید گراوٹ پر قابو پا لیا گیا ہے، اسٹیٹ بینک شرح سود کو برقرار رکھے ہوئے ہے اور افراط زر کو بھی کم کیا جا رہا ہے۔ آئی ایم ایف پروگرام کی بحالی نے کاروبار کی بحالی میں اہم کردار ادا کیا ہے اور حکومت آئی ایم ایف پروگرام سے منسلک تمام شرائط کو پورا کرنے کے لیے پرعزم ہے۔ آئی ایم ایف نے اپنی اہم شرائط کے تحت حکومت کو درآمدات پر کسی بھی قسم کی پابندی عائد کر دی ہے۔

یہ متوقع ہے کہ افراط زر بالآخر کم ہونا شروع ہو جائے گا، جو ممکنہ طور پر شرح سود میں کمی کا باعث بنے گا۔ انتظامیہ نے اخراجات پر نظر رکھی ہے جس میں مالیاتی لاگت بھی شامل ہے تاکہ انہیں بہترین سطح پر رکھا جا سکے۔ مالیاتی لاگت کے بوجھ کو کم سے کم سطح پر رکھنے کے لیے اسٹاک کی سپلائی چین اور قابل وصول سائیکل پر فروخت کا انتظام کیا جا رہا ہے۔ انتظامیہ اگلے مالی سال میں کمپنی کی مالیاتی کارکردگی میں نمایاں بہتری کی توقع رکھتی ہے۔

بورڈ آف ڈائریکٹرز اور کمیٹیوں کی تشکیل:

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

ڈائریکٹرز کی کل تعداد:

الف) مرد ۶

ب) خاتون ۱

بورڈ کی تشکیل:

	نمبر	ڈائریکٹرز کا نام	آڈٹ کمیٹی	ہیومن ریسورس کمیٹی
	۱	جناب حسین قلی خان	ممبر	ـ
آزاد ڈائریکٹرز	۲	جناب اقدس فراز طاہر	ـ	ممبر
	۳	جناب شارق عظیم صدیقی	ممبر	ممبر
نان ایگزیکٹو ڈائریکٹرز	۱	مسٹر اسلم حیات پراچہ	ـ	ـ
	۲	مسز رابعہ مظفر	ممبر	ـ
ایگزیکٹو ڈائریکٹرز	۱	جناب مظفر حیات پراچہ	ـ	ممبر
	۲	جناب نفیس حیدر	ـ	ـ

آڈٹ کمیٹی:

آڈٹ کمیٹی بورڈ کی نگرانی کی ذمہ داریوں کو پورا کرنے میں بنیادی طور پر مالیاتی اور غیر مالیاتی معلومات کا جائزہ لینے اور شیئر ہولڈرز کو رپورٹ کرنے، اندرونی کنٹرول کا نظام، رسک مینجمنٹ اور آڈٹ کے عمل میں مدد کرتی ہے۔ اسے انتظامیہ سے معلومات طلب کرنے اور بیرونی آڈیٹرز یا مشیر کے ساتھ جو مناسب سمجھیں براہ راست مشورہ کرنے کی خود مختاری حاصل ہے۔ کمیٹی تین ممبران پر مشتمل ہے، دو آزاد اور ایک نان ایگزیکٹو ڈائریکٹر۔ کمیٹی کا چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے۔ جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ ("ضابطہ ۲۰۱۹") کا تقاضہ ہے، آڈٹ کمیٹی انتظامیہ کی غیر موجودگی میں بیرونی آڈیٹرز اور ہیڈ آف انٹرنل آڈٹ کے ساتھ ہم آہنگی کو بھی یقینی بناتی ہے۔ آڈٹ کمیٹی انٹرنل آڈٹ پلان، میٹریل آڈٹ فائنڈنگز اور انٹرنل آڈٹ ڈیپارٹمنٹ کی سفارشات کے علاوہ سہ ماہی، ششماہی اور سالانہ مالیاتی بیان کا جائزہ لیتی ہے۔

ڈائریکٹرز کی رپورٹ

تعارف

محترم اسٹیک ہولڈرز،

بورڈ آف ڈائریکٹرز ایئر لنک کمیونیکیشن لمیٹڈ کے ۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ کمپنی کے نتائج کو پیش کرنے پر خوشی محسوس کرتے ہیں۔

اقتصادی جائزہ

گزرے ہوئے مالی سال ۲۳-۲۰۲۲ کے دوران، پاکستان کو متعدد عوامل کی وجہ سے بے مثال اقتصادی چیلنجوں کا سامنا کرنا پڑا ہے جن میں بشمول لیکن ان تک محدود نہیں غیر ملکی کرنسی کی کمی، تباہ کن سیلاب، اور سیاسی غیر یقینی کی وجہ سے درآمدی پابندیاں شامل ہیں۔ مزید برآں، روس-یوکرین جنگ نے عالمی طلب اور رسد کے توازن کو بری طرح متاثر کیا جس کی وجہ سے عالمی اقتصادی نمو ۲۰۲۱ میں ۲.۶ فیصد سے رواں سال میں ۲.۸ فیصد تک کم ہو گئی۔ نتیجے کے طور پر گزشتہ مالی سال نے ۷.۹ فیصد کا مالی خسارہ اور ۱.۳۹ بلین امریکی ڈالر کے تجارتی خسارے کا سامنا کیا۔

بلند شرح سود نے ملک میں کاروبار کے منافع اور نمو کو بھی متاثر کیا۔ آج، بلند شرح سود صرف ترقی پذیر معیشتوں میں ترقی کو محدود نہیں کر رہی، سرمایہ کاری میں کمی اور مالیاتی بحرانوں کے خطرے کو تیز کر رہی ہے، وبائی امراض کے پے در پے جھٹکوں کے ساتھ مل کر کمزور ترقی کے امکانات اور یوکرین پر روس کے حملے سے ممکنہ ترقی میں طویل مدتی سست روی ہے۔ جدید معاشیات میں قرض لینے کے اخراجات بڑھنے سے ترقی پذیر عوامل میں بھی مالی رکاوٹیں پڑ سکتی ہیں۔ یہ مسائل آنے والے دور کے لیے بلند خطرات کی نشاندہی کرتے ہیں اور اگر دنیا کو عالمی ترقی کے اہداف پر پیشرفت کے لیے ضروری اقتصادی صلاحیت کو دوبارہ قائم کرنا ہے تو ان سے فوری طور پر نمٹا جانا چاہیے۔

۲۰۲۳ کے مالی سال میں، مہنگائی کی شرح، جیسا کہ کنزیومر پرائس انڈیکس (سی پی آئی) سے جانچا گیا، سال بہ سال کی بنیاد پر ۲۹.۴ فیصد تک بڑھ گئی، جو جون ۲۰۲۲ میں ریکارڈ کی گئی ۲۱.۳ فیصد سے نمایاں اضافہ ہے۔ اس کے برعکس، سال ۲۳-۲۰۲۲ کے لیے معاشی ترقی کی شرح محض 0.29 فیصد پر جمود کا شکار رہی۔

افراط زر کے اس دباؤ کو بنیادی طور پر کرنسی کی قدر میں کمی کی وجہ قرار دیا جا سکتا ہے، جس نے نہ صرف گھریلو اجناس کی قیمتوں میں اضافہ کیا بلکہ مالی سال ۲۰۲۳ کے دوران مجموعی طلب پر بھی نچلی طرف زور دیا۔

افراط زر کی بلند شرح، جی ڈی پی کی سست شرح نمو، اور سخت درآمدی پابندیوں کے امتزاج نے مختلف شعبوں میں پیداوار کی سطح پر منفی اثرات مرتب کیے۔ بڑے پیمانے کی مصنوعاتی صنعت نے خاص طور پر ان چیلنجوں کا ایک خاطر خواہ اثر برداشت کیا ہے۔

تاہم، ائیر لنک اپنے فعال نقطہ نظر کی وجہ سے چیلنجوں پر قابو پانے میں کامیاب رہا ہے اور منافع کے اعداد و شمار پر کم سے کم اثر کے ساتھ اپنے کاروبار کو جاری رکھا۔

کارکردگی کا جائزہ

ایک مختصر مالی تجزیہ ذیل میں پیش کیا جاتا ہے:

تفصیلات	۳۰ جون ۲۰۲۳	۳۰ جون ۲۰۲۲
کاروبار	۲۱،۵۰۳،۹۰۵،۳۶۲	۴۶،۱۵۹،۷۰۱،۸۵۶
مجموعی منافع	۲،۲۸۰،۶۸۵،۷۴۰	۴،۷۷۱،۸۴۸،۰۰۴
ٹیکس سے پہلے منافع	۷۱۲،۲۰۵،۳۷۱	۲،۴۶۷،۹۷۳،۷۱۱
سال کا خالص منافع	۸۹۴،۵۳۷،۷۷۳	۱،۶۴۸،۵۹۰،۴۳۲

معاشی عوامل، روپے کی قدر میں کمی، اجناس کی بڑھتی ہوئی قیمتوں اور درآمدی پابندیوں اور بالترتیب کمپنی کو موبائل فون CBU اور SKD میٹریلز کی دستیابی میں رکاوٹ کا سامنا کرنا پڑا۔ تاہم، کمپنی ۵۰۳، ۲۱ ملین روپے کی خالص آمدنی کے حصول کے ساتھ ان چیلنجوں سے گزرنے میں کامیاب رہی حالانکہ مذکورہ عوامل کی وجہ سے آمدنی اور منافع میں کافی حد تک کمی واقع ہوئی تھی لیکن گزشتہ سال کے مقابلے میں مجموعی منافع کا تناسب اور خالص منافع کے تناسب میں بالترتیب 0.27% اور 0.59% اضافہ ہوا تھا۔

AIRLINK COMMUNICATION LIMITED
Pattern of Shareholding
As at June 30, 2023

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse(s) and minor children			
SHARIQUE AZIM SIDDIQUI	1	1	0.00
HUSSAIN KULI KHAN	1	1	0.00
AQDUS FARAZ TAHIR	1	1	0.00
RABIYA MUZZAFFAR	1	129	0.00
ASLAM HAYAT PIRACHA	1	129	0.00
MUZZAFFAR HAYAT PIRACHA	1	7,806,303	1.97
Sponsors			
MISHAAL PARACHA (MINOR) THROUGH SALEHA BASIT (GUARDIAN)	1	20,317,500	5.14
ROSHANAY PARACHA (MINOR) THROUGH SALEHA BASIT (GUARDIAN)	1	20,317,500	5.14
NAILA PARACHA (MINOR) THROUGH SALEHA BASIT (GUARDIAN)	1	20,317,500	5.14
SANIA PARACHA (MINOR) THROUGH SALEHA BASIT (GUARDIAN)	1	20,317,500	5.14
YASIR HAYAT PIRACHA	1	95,782,500	24.23
MUZZAFFAR HAYAT PIRACHA	1	98,684,738	24.97
SALEHA BASIT	1	14,512,500	3.67
Associated companies, undertakings and related parties	-	-	-
NIT and ICP	-	-	-
Banks Development Financial Institutions, Non-Banking Financial Institutions	6	21,977,991	5.56
Insurance Companies	3	15,043,206	3.81
Modarabas and Mutual Funds	25	5,306,782	1.34
General Public			
a. Local	4,476	32,604,363	8.25
b. Foreign	327	1,308,608	0.33
Foreign Companies	1	227,599	0.06
Others	57	20,744,380	5.25
Totals	**4,908**	**395,269,231**	**100.00**

Share holders holding 10% or more	Shares Held	Percentage
YASIR HAYAT PIRACHA	95,782,500	24.23
MUZZAFFAR HAYAT PIRACHA	106,491,041	26.94

9

CODE OF CONDUCT & COMAPNY 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.

Hr Policies

Employees

Managers

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

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.

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

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 Response plan & 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.


BALANCE
CASHFLOW
Level
92%

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FINANCIAL STATEMENT

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INDEPENDENT AUDITOR'S REPORT

To the members of Airlink Communication Limited

Report on the Audit of the Unconsolidated Financial Statements as at 30 June 2023

Opinion

We have audited the annexed unconsolidated financial statements of Airlink Communication Limited ("the Company"), which comprise the unconsolidated statement of financial position as at 30 June 2023, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, and the unconsolidated 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 2023 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 unconsolidated 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 unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated 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 2023, the Company recognized net revenue of Rs. 21.50 billion as compared to Rs. 46.16 billion in previous year, as disclosed in Note 30 and according to the accounting policy described in Note 4.10 to the unconsolidated 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 unconsolidated 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; Ensured that revenue items are correctly classified with reference to guidance in International Financial Reporting Standard ("IFRS 15"); Performed procedures around the cut off of revenue; and Considered the appropriateness and adequacy of the disclosure provided in Note 30 to the unconsolidated financial statements in relation to the relevant accounting standards.

Information Other than the Unconsolidated 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 Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated 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.

The Board of directors are responsible for overseeing the Company's financial reporting process.
Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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.

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 unconsolidated 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.

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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);

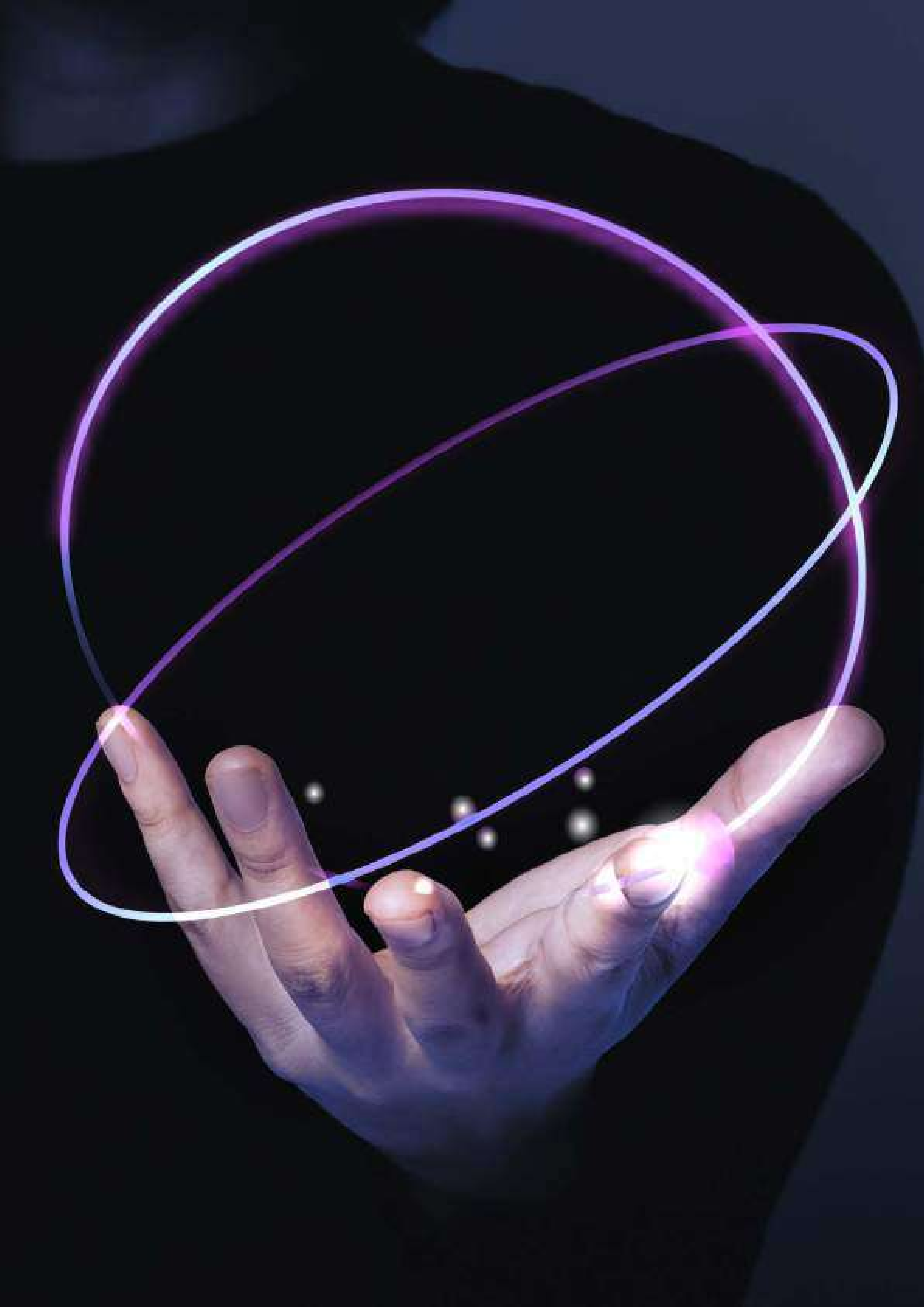
b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Ahsan Shahzad.

EY Ford Rhodes
Chartered Accountants
Lahore: 05 October 2023
UDIN: AR202210079pM1qs8n23



AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At June 30, 2023

	Note	2023	2022
		(Rupees)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	430,762,820	736,588,940
Intangibles	6	10,267,435	15,455,020
Investment in subsidiary	7	5,500,000,000	5,000,000,000
Long-term investment	8	300,000,000	-
Deferred tax asset	9	16,809,425	23,762,797
		6,257,839,680	5,775,806,757
CURRENT ASSETS			
Stores and spares		20,357,378	17,161,871
Stock in trade	10	3,087,267,709	3,158,551,742
Trade debts	11	2,046,766,881	3,752,501,028
Loans and advances	12	1,748,484,448	133,626,782
Trade deposits and short-term prepayments	13	8,661,897	23,324,133
Other receivables			
Receivable from related party	14	1,907,570,023	947,860,458
Others	14	3,779,970,937	2,913,993,357
Tax refunds due from the Government	15	226,188,147	166,623,631
Short-term investments	16	257,414,751	1,009,527,023
Cash and bank balances	17	546,558,296	990,297,235
		13,629,240,467	13,113,467,260
TOTAL ASSETS		19,887,080,147	18,889,274,017
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Authorized share capital 600,000,000 (30 June 2022: 600,000,000) ordinary shares of Rs.10 each		6,000,000,000	6,000,000,000
Issued, subscribed and paid up capital	18	3,952,692,310	3,952,692,310
Share premium - capital reserve	19	3,556,176,808	3,556,176,808
Accumulated profit - revenue reserve		4,723,711,779	4,199,708,939
General reserves - revenue reserve		44,559,977	44,559,977
Long term loan - equity component		-	21,372,477
		12,277,140,874	11,774,510,511
NON CURRENT LIABILITIES			
Long-term loans	21	530,000,000	876,612,295
Lease liabilities	22	96,142,001	242,066,981
Defined benefit liability	23	27,129,907	24,930,028
		653,271,908	1,143,609,304
CURRENT LIABILITIES			
Current portion of long-term loans	21	448,282,214	426,789,550
Current maturity of lease liabilities	22	71,978,305	104,179,241
Short-term borrowings	24	2,627,254,146	3,936,056,734
Accrued markup	25	102,622,746	121,937,580
Refund liabilities	26	-	309,084
Contract liabilities	27	1,671,813,287	152,365,597
Provision for taxation		489,247,729	743,403,372
Trade payables, accrued and other liabilities	28	1,382,981,889	390,814,817
Unclaimed dividend		162,487,049	95,298,227
		6,956,667,365	5,971,154,202
TOTAL EQUITY AND LIABILITIES		19,887,080,147	18,889,274,017
CONTINGENCIES AND COMMITMENTS	29		

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

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For The Year Ended 30 June, 2023

	Note	2023	2022
		(Rupees)	
Revenue from contracts with customers - net	30	**21,503,905,362**	46,159,701,856
Cost of sales	31	**(19,223,219,622)**	(41,404,210,456)
Gross profit		**2,280,685,740**	4,755,491,400
Administrative expenses	32	**(601,063,629)**	(851,560,156)
Selling and distribution cost	33	**(334,315,154)**	(549,699,453)
		(935,378,783)	(1,401,259,609)
Operating profit		**1,345,306,957**	3,354,231,791
Other expenses	35	**(54,821,633)**	(88,462,415)
Other income	34	**140,175,310**	227,337,666
Finance cost	36	**(718,455,263)**	(1,025,133,331)
Profit before taxation		**712,205,371**	2,467,973,711
Taxation	37	**182,332,402**	(819,383,279)
Profit for the year		**894,537,773**	1,648,590,432
Earnings per share	38		
- Basic		**2.332**	4.298
- Diluted		**2.332**	4.300

Chief Executive

Chief Financial Officer

Director

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 30 June, 2023

	Note	2023	2022
		(Rupees)	
Profit for the year		**894,537,773**	1,648,590,432
Items not to be reclassified to profit or loss in subsequent years			
Re-measurement gains / (losses) on defined benefit plan	23.3	**5,511,182**	(3,715,078)
Related tax effect		**(2,149,361)**	1,225,976
Re-measurement gains / (losses) on defined benefit plan - net of tax		**3,361,821**	(2,489,102)
Items to be reclassified to profit or loss in subsequent years		**-**	-
Other comprehensive income / (loss)		**3,361,821**	(2,489,102)
Total comprehensive income for the year		**897,899,594**	1,646,101,330

Chief Executive

Chief Financial Officer

Director

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 30 June, 2023

	Capital reserve				Revenue reserve		
	Issued, subscribed and paid up capital	Share Premium	Long-term loan equity component	Share deposit money	General reserves	Accumulated profit	Total
	(Rupees)						
Balance as at 1 July 2021	3,000,000,000	-	42,744,954	400,000,000	44,559,977	2,991,850,517	6,479,155,448
Conversion of long term loan amounting Rs. 400 million at the rate of Rs. 52 per share (note 21.1)	76,923,080	323,076,920	-	(400,000,000)	-	-	
Extinguishment of equity component on repayment of long-term loan (note 21.1)	-	-	(21,372,477)	-	-	21,372,477	-
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 1 July 2022	**3,952,692,310**	**3,556,176,808**	**21,372,477**	**-**	**44,559,977**	**4,199,708,939**	**11,774,510,511**
Extinguishment of equity component on repayment of long-term loan (Note 21.1)	**-**	**-**	**(21,372,477)**	**-**	**-**	**21,372,477**	**-**
Final dividend for the year ended 30 June 2022 at the rate of Rs. 1 per share	**-**	**-**	**-**	**-**	**-**	**(395,269,231)**	**(395,269,231)**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**894,537,773**	**894,537,773**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**3,361,821**	**3,361,821**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**897,899,594**	**897,899,594**
Balance as at 30 June 2023	**3,952,692,310**	**3,556,176,808**	**-**	**-**	**44,559,977**	**4,723,711,779**	**12,277,140,874**

Chief Executive

Chief Financial Officer

Director

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 30 June, 2023

	Note	2023	2022
		(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		712,205,371	2,467,973,711
Adjustments for :			
Depreciation of property, plant and equipment	5.1	213,512,604	274,699,168
Amortization of intangible assets	6	6,470,788	11,706,708
Provision for net realizable value reversed	10.1	(363,577)	(11,525,259)
Allowance for expected credit loss - trade debts	11.1	5,048,450	(58,941,054)
Allowance for expected credit loss - other receivables	14	-	(50,659,247)
Provision for gratuity	23.2	33,867,848	14,083,998
Provision for Workers' Welfare Funds	28.1	17,337,140	-
Provision for Workers' Profit Participation Funds	28.2	37,484,493	-
Gain on lease termination	34	(6,060,079)	(43,406,778)
Gain on modification of loan	34	-	(4,656,579)
Finance cost		715,022,073	725,405,405
Gain on disposal of fixed asset	34	(18,282,999)	-
Unrealized gain on financial assets	34	(3,254,283)	(3,522,535)
Profit on investments	34	(98,485,559)	(56,112,791)
		902,296,899	797,071,036
Operating profit before working capital changes		1,614,502,270	3,265,044,747
Decrease / (Increase) in current assets			
Stock in trade		71,647,610	386,647,383
Stores and spares		(3,195,507)	(9,601,224)
Trade debts		1,700,685,697	1,697,702,181
Loans and advances		(1,614,857,666)	111,917,421
Trade deposits and short term prepayments		14,662,236	(60,058,684)
Other receivables		(1,825,687,145)	(57,849,651)
Tax refunds due from the Government		(59,564,516)	81,471,693
		(1,716,309,291)	2,150,229,119
Increase / (decrease) in current liabilities			
Trade payables, accrued and other liabilities		937,036,355	(1,039,092,784)
Contract liabilities		1,519,447,690	69,483,109
		2,354,677,024	4,445,664,191
Gratuity paid		(26,156,787)	(27,591,441)
Income tax paid		(67,019,230)	(331,540,768)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)		2,261,501,007	3,455,997,075
CASH FLOW FROM INVESTING ACTIVITIES			
Additions in operating fixed assets		(1,246,933)	(32,412,818)
Disposals of operating fixed assets		18,513,999	-
Investment in subsidiary		(500,000,000)	(5,000,000,000)
Additions in intangible assets		(1,283,203)	(9,145,374)
Additions in long-term investment		(300,000,000)	-
Interest income received		59,433,184	38,809,089
Short-term investments - net		794,418,930	(479,200,000)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)		69,835,977	(5,481,949,103)
CASH FLOW FROM FINANCING ACTIVITIES			
Lease liability repaid		(104,566,848)	(130,052,971)
Long term loans repaid		(303,747,154)	(350,833,719)
Long term loans repaid - equity portion		(21,372,477)	-
Long term loans obtained		-	1,070,000,000
Proceeds from issuance of shares		-	4,108,869,118
Finance cost paid		(708,506,447)	(630,534,907)
Dividend paid		(328,080,409)	(364,317,158)
Short term borrowings repaid - net		(1,308,802,588)	(2,149,569,319)
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES (C)		(2,775,075,923)	2,184,095,951
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		(443,738,939)	158,143,923
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		990,297,235	832,153,312
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		546,558,296	990,297,235

Chief Executive   Chief Financial Officer   Director

For The Year Ended 30 June, 2023

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 into a public limited company on 24 April 2019 and was listed on Pakistan Stock Exchange (PSX) on 22 September 2021 as a result of completion of its Initial Public Offering (IPO).

The Company also operates 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	152-1-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan
Assembling Facility	152-1-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 operates certain stores and warehouses, the list of which is not presented in these financial statements to maintain concision.

Subsidiary company: Select Technologies (Private) Limited

Select Technologies (Private) Limited, an unlisted public company registered under the Companies Act, 2017, is a wholly owned subsidiary of the Company. Select Technologies (Private) Limited is engaged in the business of assembly and production of smartphones and related accessories, and has its registered office and assembly unit at 152-1-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore.

These financial statements are the separate financial statements of the Company in which investment in subsidiary companies, is accounted for on the basis of direct equity interest rather than on the basis of reported results. Consolidated financial statements are presented separately.

1.2 In 2021, 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.

Below is the summary of utilization of proceeds from IPO:

	Note	2023	2022
		(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: Expenditure incurred on working capital (purchase of stock)		-	(4,040,375,729)
Less: Duties paid		-	(68,493,389)
		-	-

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, interpretations and amendment to Published Approved Accounting Standards that are not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Standard	
IAS 1	Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current. In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: • What is meant by a right to defer settlement • That a right to defer must exist at the end of the reporting period • That classification is unaffected by the likelihood that an entity will exercise its deferral right • That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. • Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. The amendments are effective for annual reporting periods beginning on or after 01 July 2024 and must be applied retrospectively. The amendments are not expected to have a material impact on the Company's financial statements.
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 - The amendments aim to help entities provide accounting policy disclosures that are more useful by: - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 01 July 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8 - The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 July 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Company's financial statements.
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 - In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The amendments are not expected to have a material impact on the Company's financial statements.

IFRS 10 & IAS 28 Consolidated Financial Statements & Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – (Amendment). The effective date of Amendments to IFRS 10 and IAS 28 has been deferred indefinitely (until the research project of IASB, on the equity method, has been concluded. Earlier application of the September 2014 amendments continues to be permitted. The Company expects that the adoption of the amendments will have no material effect on the Company's financial statements.

IFRS 16 Leases - Lease Liability in a Sale and Leaseback - Amendments requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. The amendments are effective for annual reporting periods beginning on or after 01 July 2024. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application.

In addition to the above, the 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		(Annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	01 July 2004
IFRS 17	Insurance Contracts	01 July 2023

The above amendments and interpretations are not expected to have any significant impact on financial statements of the Company.

2.3 Standards, amendments to published standards and interpretations that are effective in current year

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year, except for following amendments to accounting standards which are effective for annual periods beginning on or after 01 July 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective:

IFRS 03 Business Combinations – The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the separate financial statements of the Company.

IAS 16 Property, plant and equipment – Amendment to clarify the prohibition on an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PPE made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments to specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Company applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period. These amendments had no impact on the financial statements of the Company, as prior to the application of the amendments, the Company had not identified any contracts as being onerous and the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised of incremental costs directly related to the contracts and an allocation of costs directly related to contract activities.

The adoption of the above amendments to accounting standards did not have any material effect on the financial statement.

In addition to the above amendments to standards, improvements to various accounting standards (under the annual improvements 2018 - 2020 cycle) have also been issued by the IASB in May 2020. Such improvements were generally effective for accounting periods beginning on or after 01 July 2022.

IFRS 9 Financial Instruments: Fees in the ’10 per cent’ test for derecognition of financial liabilities - The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. There is no similar amendment proposed for IAS 39.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company’s financial instruments during the period.

IFRS 16 Leases: Lease incentives – The amendment removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16 and had no impact on the financial statements of the Company.

IAS 41 Agriculture: Taxation in fair value measurements – The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

For The Year Ended 30 June, 2023

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:

Judgements

Lease term (Note 4.6 & 22)

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.

Estimates and assumptions

Revenue from contracts with customers (Note 4.10 & 30)

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.

Impairment of financial assets (Note 4.13 & 11)

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.

Taxation (Note 4.9 & 37)

The Company establishes provisions, based on reasonable estimates taking into account the applicable tax laws and the decisions by appellate authorities on certain issues in the past. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

A deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Gratuity (Note 4.11 & 23)

Staff retirement gratuity defined benefit is provided for permanent employees of the Company. Calculations in respect of the liability require assumptions to be made of future outcomes, the principal ones being in respect of mortality rate, withdrawal rate, increase in remuneration and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

Property, plant and equipment (Note 4.1 & 5)

The Company reviews the useful lives and residual values of property, plant and equipment on a regular basis. Any changes in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge.

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 on additions is charged from the day it becomes available for use, and assets are depreciated till the date of disposal. 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 41 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. TDRs are not included in cash and cash equivalents as they are not held for cash management purposes.

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	-	weighted average 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

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rates implicit in the leases are 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 in-substance fixed lease payments or a change in the assessment 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 and borne 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 either short-term advances from its customers or allows credit limit of 30 to 90 days. Accordingly, the Company does not adjust the promised amount of consideration for the effects of any financing component.

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 incentives and lower portion discounts 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 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.

*In the current year, the Company has extended the scheme to sales staff, in addition to the Company's administrative staff. This resulted in recognition of past service cost in the statement of profit or loss.

4.12 Foreign exchange

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in unconsolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. There are no non-monetary items measured at fair value in a foreign currency.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, determines the transaction date for each payment or receipt of advance consideration.

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 short-term investments, deposits, trade debts, loans and advances, long-term investments, 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, long-term investments, 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, other receivables, and short-term and long-term investments, 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.

4.18 Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability; or

• In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For The Year Ended 30 June, 2023

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. None of the Company's assets or liabilities are carried at their fair value. The fair value of the Company's investment property is however measured and disclosed on an annual basis.

4.19 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		(Rupees)	
Operating fixed assets		**329,881,997**	462,819,390
Right-of-use assets		**100,880,823**	273,769,550
	5.1	**430,762,820**	736,588,940

5.1

	30 June 2023									
	COST				ACCUMULATED DEPRECIATION				Net book value as on 30 June 2023	Rate
	Balance as on 01 July 2022	Additions	Disposal	Balance as on 30 June 2023	Balance as on 01 July 2022	Charge for the year	Disposal	Balance as on 30 June 2023		
	(Rupees)									
Owned Assets										
Building and renovations	109,465,547	-	-	109,465,547	7,327,822	11,538,204	-	18,866,026	90,599,521	2.5
Plant and machinery	245,854,455	-	-	245,854,455	31,655,808	22,931,220	-	54,587,028	191,267,427	10
Furniture and fixtures	24,523,350	203,582	(350,000)	24,376,932	21,352,107	3,239,825	(215,000)	24,376,932	-	33
Computers	44,258,128	193,371	-	44,451,499	23,329,040	12,720,636	-	36,049,676	8,401,823	33
Office equipment	259,954,800	849,980	(146,000)	260,658,780	144,803,220	76,292,334	(50,000)	221,045,554	39,613,226	33
Motor vehicles	54,162,315	-	(14,629,000)	39,533,315	46,931,208	7,231,107	(14,629,000)	39,533,315	-	25
	738,218,595	1,246,933	(15,125,000)	724,340,528	275,399,205	133,953,326	(14,894,000)	394,458,531	329,881,997	
Right-of-use assets										
Motor vehicles	87,772,965	-	-	87,772,965	62,385,952	19,226,614	-	81,612,566	6,160,399	25
Rented premises-buildings	471,314,113	-	(134,510,680)	336,803,433	222,931,576	60,332,664	(41,181,231)	242,083,009	94,720,424	10 - 20
	559,087,078	-	(134,510,680)	424,576,398	285,317,528	79,559,278	(41,181,231)	323,695,575	100,880,823	
Total	1,297,305,673	1,246,933	(149,635,680)	1,148,916,926	560,716,733	213,512,604	(56,075,231)	718,154,106	430,762,820	

	30 June 2022									
	COST				ACCUMULATED DEPRECIATION				Net book value as on 30 June 2023	Rate
	Balance as on 01 July 2022	Additions	Disposal	Balance as on 30 June 2023	Balance as on 01 July 2022	Charge for the year	Disposal	Balance as on 30 June 2023		
	(Rupees)									
Owned Assets										
Building and renovations	108,158,357	1,307,190	-	109,465,547	4,441,935	2,885,887	-	7,327,822	102,137,725	2.5
Plant & 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	53,037,229	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
Leasehold 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	

For The Year Ended 30 June, 2023

5.2 There are fully depreciated assets, having cost of Rs. 83,579,465 (30 June 2022: Rs.5,264,217) that are still in use as of the reporting date.

5.3 The building was constructed on a leasehold land, located at 152-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore having area of 77,637 square feet in the year ended 30 June 2021, whereas the leasehold land was capitalized as a right-of-use asset for a term of 10 years. During the previous 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 leasehold land”, under the ‘Owned Assets’, has been updated to “Building and renovations” having a revised useful life of 40 years. In accordance with arrangement approved by the Board of Directors of subsidiary, no rent is being charged by the subsidiary against use of this land. In absence of any contractual requirements and considering that the subsidiary is a wholly owned subsidiary, the Company has elected to not recognize impact of this arrangement on fair value basis.

5.4 No assets / lease were terminated / sold to the Chief Executive Officer, director, executive, or shareholder of the Company other than those disclosed under note 5.7.

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

	Note	2023	2022
		(Rupees)	
Cost of sales	30	42,702,520	53,391,728
Administrative expenses	31	74,729,412	93,193,883
Selling and distribution cost	32	96,080,672	128,113,557
		213,512,604	274,699,168

5.6 The detail of operating fixed assets sold during the year is as follows:

Particulars	Cost	Written down value	Sale Proceeds	Gain	Particulars of buyers	Mode of disposal	Relation-shipwith buyer
SUZUKI SWIFT	1,955,000	-	2,160,000	2,160,000	Jawad Chughati	Company Policy	Employee
SUZUKI SWIFT	1,450,000	-	1,725,000	1,725,000	Mubashir	Company Policy	Employee
SUZUKI SWIFT	1,377,000	-	1,621,999	1,621,999	Aadil sandhu	Company Policy	Employee
SUZUKI SWIFT	1,425,000	-	1,951,000	1,951,000	Rizwan Khan	Company Policy	Employee
SUZUKI SWIFT	1,377,000	-	1,750,000	1,750,000	Waleed	Company Policy	Employee
SUZUKI SWIFT	735,000	-	1,661,000	1,661,000	Tayyab Sharif	Company Policy	Employee
SUZUKI SWIFT	1,347,000	-	1,560,000	1,560,000	Rub Nawaz	Company Policy	Employee
SUZUKI SWIFT	1,552,000	-	1,880,000	1,880,000	Arslan	Company Policy	Employee
SUZUKI SWIFT	1,377,000		1,494,000	1,494,000	Atif Alam	Company Policy	Employee
SUZUKI SWIFT	1,194,000		1,550,000	1,550,000	Khurram	Company Policy	Executive
SUZUKI MEHRAN	840,000	-	930,000	930,000	Waqas Razi	Company Policy	Employee
Aggregate of items of property, plant and equipment							
with individual book value below Rs. 500,000	496,000	231,000	231,000	-			
TOTAL FOR THE YEAR ENDED 30 JUNE 2023	15,125,000	231,000	18,513,999	18,282,999			
TOTAL FOR THE YEAR ENDED 30 JUNE 2022	-	-	-	-			

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6. INTANGIBLES

	Note	2023	2022
		(Rupees)	
Software			
As at 1 July		39,323,654	30,178,280
Acquired during the year	6.1	1,283,203	9,145,374
As at 30 June		40,606,857	39,323,654
Accumulated amortization:			
As at 1 July			
Charge for the year	6.2	6,470,788	11,706,708
As at 30 June		30,339,422	23,868,634
Net book value		10,267,435	15,455,020
Rate of amortization		33%	33%

6.1 This represents the software upgradation of the Retail Pro software.

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

	Note	2023	2022
Cost of sales	31	1,294,157	2,224,275
Administrative expenses	32	2,264,776	4,214,413
Selling and distribution cost	33	2,911,855	5,268,020
		6,470,788	11,706,708

7 INVESTMENT IN SUBSIDIARY

	Note	2023	2022
Investment in subsidiary - at cost	7.1	5,500,000,000	5,000,000,000

7.1 The Company directly hold 550 million (2022: 500 million) shares representing 100% ownership in Select Technologies (Private) Limited, a subsidiary Company. The subsidiary company has a registered office located at 152-1-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, in Pakistan on 13 October 2021. The subsidiary has set up a state-of-the-art smartphone assembly plant in Lahore. The principal line of business of the subsidiary is to set up, establish, and operate plants for the assembly and production of mobile phones of all sorts and descriptions, accessories, components, attachments, and bodies used for or in connection with the aforementioned mobile phones. The additional investment of Rs. 500 million was made during the year in accordance with the requirement of section 199 of the Companies Act, 2017, accordingly, the number of shares increased to 550 million (2022: 500 million).

8 LONG-TERM INVESTMENT

Financial assets at amortized cost

	Note	2023	2022
Term finance certificate	8.1	300,000,000	-

8.1 This relates to a term finance certificate (TFC) obtained from JS Bank, having a face value of Rs. 300 million (30 June 2022: Rs. Nil) and carrying a markup at the rate of 3 months KIBOR + 2 %, having a maturity period of 10 years (30 June 2022: Nil). The TFC pays interest quarterly, and is rated A+ by PACRA. No lien is marked against this TFC. Movement in financial assets is as follows:

	Note	2023	2022
		(Rupees)	
As at 1 July		-	-
Additions		300,000,000	-
Deletion		-	-
Markup accrued		1,032,787	-
Fair value gain on investment		-	-
Markup received		-	-
Current portion of markup accrued on long-term investment - net		(1,032,787)	-
As at 30 June		300,000,000	-

9 DEFERRED TAX ASSET

This comprises of:

	Note	2023	2022
Deferred tax liabilities on taxable temporary differences			
Decelerated tax depreciation		(26,623,825)	(12,546,716)
Deferred tax assets on deductible temporary differences			
Lease liabilities - net		26,223,398	23,917,301
Defined benefit liability		10,580,664	8,226,909
Provision for net realizable value adjustment		745,207	750,540
Refund liabilities		-	101,998
Provision for expected credit loss		5,883,981	3,312,765
		16,8a09,425	23,762,797

	Note	2023	2022
		(Rupees)	
Reconciliation of deferred tax - net			
As at 1 July		23,762,797	(15,239,805)
Recognized in statement of profit or loss	37	(4,804,011)	37,776,626
Recognized in other comprehensive income		(2,149,361)	1,225,976
As at 30 June		16,809,425	23,762,797

9.1 Deferred tax asset has been recognized based on the assessment that sufficient taxable profits will be available to the Company in future years, against which deferred tax asset will be utilized.

10 STOCK IN TRADE

	Note	2023	2022
		(Rupees)	
Raw material		379,018,995	437,698,159
Work in process		8,827,123	8,152,105
Mobile phones		165,069,255	1,328,007,868
Spare parts		144,007,330	146,012,883
		696,922,703	1,919,871,015
Provision for net realizable value	10.1	(1,910,788)	(2,274,365)
		695,011,915	1,917,596,650
Goods in transit	10.2	2,392,255,794	1,240,955,092
		3,087,267,709	3,158,551,742

For The Year Ended 30 June, 2023

10.1 Movement in provision for net realizable value is as follows:

	2023	2022
As at 1 July	**2,274,365**	13,799,624
Reversal during the year	**(363,577)**	(11,525,259)
	1,910,788	2,274,365

10.2 This represents goods that are made available for use to the Company by the supplier against open letter of credits, but have not yet been received by the Company.

11 TRADE DEBTS

	Note	2023 (Rupees)	2022 (Rupees)
Due from customers - considered good		**2,046,766,881**	3,752,501,028
Considered doubtful - others		**15,087,132**	10,038,682
Allowance for expected credit losses	11.1	**(15,087,132)**	(10,038,682)
		-	-
		2,046,766,881	3,752,501,028

11.1 Movement in allowance for expected credit loss is as follows:

	Note	2023	2022
As at 1 July		**10,038,682**	68,979,736
Reversal during the year	34	**(10,038,682)**	(68,979,736)
Charge during the year	32	**15,087,132**	10,038,682
		5,048,450	(58,941,054)
Closing balance		**15,087,132**	10,038,682

11.2 These customers have no recent history of default. For age analysis of these trade debts, refer to Note 42.2.1.

11.3 No amount is receivable from the Chief Executive, directors and executives of the Company (2022: Rs. Nil).

12 LOANS AND ADVANCES

	Note	2023 (Rupees)	2022 (Rupees)
Advances considered good - unsecured			
Advance to supplier	12.1	**1,629,870,165**	31,878,274
Advance to custom authorities		**80,902,077**	73,869,236
Advance to employees against salary	12.2	**37,501,771**	26,672,613
Advance to employees against Company expenses		**64,300**	104,300
Advance to employees against loaned / mobile sets		**146,135**	1,102,359
		1,748,484,448	133,626,782

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

12.2 These are interest free loan provided to employees and executives of the Company, 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.

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12.3 This includes loans and advances amounting to Rs. 20,185,690 (2022: Rs. 16,063,354) given to 13 (2022: 16) executives of the Company.

13 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	2023	2022
		(Rupees)	
Security deposits	13.1	-	4,536,492
Prepayments		8,661,897	18,787,641
		8,661,897	23,324,133

13.1 This represented amount deposited with brand owners against purchase of parts and deposit with logistics company.

14 OTHER RECEIVABLES

	Note	2023	2022
		(Rupees)	
Receivable from related party			
Loan for working capital requirements	14.1	1,903,516,315	947,860,458
Markup accrued on loan		4,053,708	-
		1,907,570,023	947,860,458
Receivable from others			
Margin against letters of credit		3,245,404,143	1,871,704,954
Due from brand owners	14.2	530,034,007	1,036,979,618
Bank guarantee		3,500,000	3,500,000
Claims from courier against lost items		-	1,808,785
Current portion of markup on long-term investment	8.1	1,032,787	-
		3,779,970,937	2,913,993,357

14.1 This represents an amount receivable against expenses incurred to meet working capital requirement of the subsidiary company. 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.1,908 million (2022: Rs. 948 million).

14.2 This represents due from brand owners on account of various incentives and promotions offered by them, and other costs reimbursed by them.

15 TAX REFUNDS DUE FROM THE GOVERNMENT

	Note	2023	2022
		(Rupees)	
Advance income tax	15.1	223,557,776	164,044,545
Sales tax		2,630,371	2,579,086
		226,188,147	166,623,631

15.1 This represents the amount of advance income tax recoverable from tax authorities net of current year's provision for taxation amounting to Rs. 489,247,729 (2022: 750,450,688)

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16 SHORT-TERM INVESTMENTS

	Note	2023	2022
		(Rupees)	
Financial assets at amortized cost			
Term deposits	16.1	200,000,000	845,600,000
Term finance certificates	16.2	-	100,000,000
Accrued markup		57,113,452	19,093,864
		257,113,452	964,693,864
Financial assets at fair value through profit or loss			
Investment in mutual funds	16.3	301,299	44,833,159
		257,414,751	1,009,527,023

16.1 This relates to term deposits (TDRs) having face value of Rs. 200 million (30 June 2022: Rs. 845.6 million) and carrying markup ranging from 12.25% to 20.50% (30 June 2022: 5% to 10%), having a maturity period of 30 days to 365 days (30 June 2022: 30 days to 90 days). These TDRs are under lien against funded facilities obtained from financial institutions.

16.2 This relates to term finance certificate (TFCs) having face value of Rs. Nil (30 June 2022: Rs. 100 million) and carrying markup ranging from Nil (30 June 2022: 6 Months KIBOR + 2.25%), having a maturity period of Nil years (30 June 2022: 180 days). These TFCs are under lien against funded facilities obtained from financial institutions.

16.3 This amount relates to 2,975 units of Al Habib Cash Fund managed by Al Habib Asset Management Limited (30 June 2022: 454,629.56 units of JS Islamic Hybrid Fund of Fund II (JS Islamic Capital Preservation Allocation Plan III) managed by JS Investments Limited).

16.4 Movement in financial assets is as follows:

	At amortized cost		At fair value through profit and loss	
30 June 2023	Term Deposits	Term Finance Certificates	Investment in mutual funds	Total
As at 1 July	864,693,864	100,000,000	44,833,159	1,009,527,023
Additions	220,460,000	471,634,488	1,285,659	693,380,147
Deletions	(866,060,000)	(571,634,488)	(49,071,802)	(1,486,766,290)
Markup accrued	83,305,026	14,147,746	-	97,452,772
Fair value gain on investment	-	-	3,254,283	3,254,283
Markup received	(45,285,438)	(14,147,746)	-	(59,433,184)
	257,113,452	-	301,299	257,414,751
30 June 2022				
As at 1 July	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

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

	Note	2023	2022
		(Rupees)	
As at 1 July		6,149,595	2,627,060
Fair value gain during the year		3,254,283	3,522,535
Gain realised during the year		(9,365,543)	-
Closing balance		38,335	6,149,595

17 CASH AND BANK BALANCES

	Note	2023	2022
Cash in hand		13,187,255	31,820,223
Cash at bank - current accounts		533,371,041	958,476,164
Cash at bank - saving account	17.1	-	848
		546,558,296	990,297,235

17.1 This carries markup at the rate of Nil per annum (2022: 4.25% per annum)

18 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2023	2022		2023	2022
Number of Shares			Share Capital	
192,692,308	192,692,308	Ordinary shares of Rs.10 each (30 June2022: Rs 10) fully paid in cash	1,926,923,080	1,926,923,080
202,576,923	202,576,923	Ordinary shares of Rs.10 each (30 June2022: Rs 10) fully paid in cash	2,025,769,230	2,025,769,230
395,269,231	395,269,231		3,952,692,310	3,952,692,310

Movement in share capital as follows:	No. of Shares 30 June 2023	No. of Shares 30 June 2022	Share Capital 30 June 2023	Share Capital 30 June 2022
Opening 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
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	192,692,308	1,926,923,080	1,926,923,080
- Bonus shares of Rs. 10 each fully paid as bonus shares	202,576,923	202,576,923	2,025,769,230	2,025,769,230
	395,269,231	395,269,231	3,952,692,310	3,952,692,310

19 SHARE PREMIUM - CAPITAL RESERVE

	Note	2023	2022
		(Rupees)	
Movement in share premium reserve as follows:			
As at 1 July		3,556,176,808	-
Conversion of long term loan into ordinary shares		-	323,076,920
Issuance of shares against initial public offering		-	3,690,000,000
Transaction cost on issuance of ordinary shares	19.2	-	(181,130,882)
Issue of bonus shares for the year ended 30 June 2021 at the rate of 7.5%		-	(275,769,230)
	19.1	3,556,176,808	3,556,176,808

19.1 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.

19.2 This represented consulting and book runner fee paid to JS Global Capital Limited

20 SHARE DEPOSIT MONEY

	Note	2023	2022
		(Rupees)	
As at 1 July		-	400,000,000
Conversion into ordinary shares		-	(400,000,000)
		-	-

21 LONG TERM LOANS

	Note	2023	2022
JS Bank Limited & PCF Communication Investments (Private) Limited	21.1	-	133,333,333
JS Bank Limited	21.2	-	22,832,239
Orix Leasing Pakistan Limited	21.3	28,282,214	77,236,273
Saudi Pak Industrial and Agricultural Investment Company Limited	21.4	800,000,000	800,000,000
Pak Oman Investment Company	21.5	150,000,000	270,000,000
Add: Accrued markup		58,249,616	39,455,067
		1,036,531,830	1,342,856,912
Less: Current portion shown under current liabilities		(448,282,214)	(426,789,550)
Less: Accrued markup presented in current liabilities		(58,249,616)	(39,455,067)
		530,000,000	876,612,295

21.1 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 was 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. The said criteria has been met accordingly, the loan has been extinguished in the current year.

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21.2 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.

21.3 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 mark-up rate charged during the year on the outstanding balance ranged from 20.43% to 27.16% per annum. The loan is secured against the leased assets.

21.4 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 was obtained for the period of 5 years with a grace period of 1 year from date of first disbursement. Loan is repayable in 8 equal semi-annual instalments starting from the end of 6th quarter from the date of first disbursement. The rate of mark up on loan is 3 months KIBOR + 2.5%. The mark-up rate charged during the year on the outstanding balance ranged from 18.27% to 25.58% per annum. This facility is secured against all present and future current assets of the Company.

21.5 This represents loan of PKR 300 million obtained from Pak Oman Investment Company Limited to meet working capital requirements of the Company. This loan was obtained for the period of 3 years with a grace period of 6 month from date of first disbursement. Loan is repayable in 10-equal quarterly instalments starting from the end of 3rd quarter from the date of first disbursement. The rate of mark up on loan is 3 months KIBOR + 2%. The mark-up rate charged during the year on the outstanding balance ranged from 17.36% to 24.91% per annum. This facility is secured against all present and future current assets and non current assets of the Company.

22 LEASE LIABILITIES

Lease period for the lease during current year ranges from 3 to 10 years (2022: 3 to 10 years) The effective interest rate used as the discounting factor (i.e. incremental borrowing rate) ranges from 9.39% to 12.69% (2022: 9.39% to 12.69%).The amounts of future payments and the periods in which they will become due are:

22.1 Year ending

	2023	2022
	(Rupees)	
2023	-	124,560,085
2024	84,798,171	103,824,392
2025	52,838,614	77,220,918
2026	16,257,554	30,644,485
2027	10,582,173	19,349,234
2028	10,759,381	22,888,752
Later than 2028	26,818,514	37,582,233
	202,054,407	416,070,099
Less: Future finance charges	(33,934,101)	(69,823,877)
Present value of lease payments	168,120,306	346,246,222
Less: Current maturity shown under current liabilities	(71,978,305)	(104,179,241)
	96,142,001	242,066,981

For The Year Ended 30 June, 2023

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

	30 June 2023		30 June 2022	
	LP	PV of LP	LP	PV of LP
	Rupees	Rupees	Rupees	Rupees
As at 1 July	864,693,864	100,000,000	44,833,159	1,009,527,023
Additions	220,460,000	471,634,488	1,285,659	693,380,147
Deletions	(866,060,000)	(571,634,488)	(49,071,802)	(1,486,766,290)
Markup accrued	83,305,026	14,147,746	-	97,452,772
Fair value gain on investment	-	-	3,254,283	3,254,283
Markup received	(45,285,438)	(14,147,746)	-	(59,433,184)
	257,113,452	-	301,299	257,414,751

	Note	2023	2022
		(Rupees)	
22.3 Movement of lease liabilities			
As at 1 July		346,246,222	711,057,063
Lease liabilities acquired during the year		-	17,727,490
Mark-up on lease liabilities - rented premises	36	25,830,460	83,663,854
Termination of lease		(99,389,528)	(336,149,214)
		272,687,154	476,299,193
Lease rentals paid		(104,566,848)	(130,052,971)
Present value of lease payments		168,120,306	346,246,222

22.4 Cash outflow for lease

The Company had total cash outflows for leases of Rs. 104,566,848 (2022: Rs. 130,052,971). There were no non-cash additions to right-of-use assets and lease liabilities in the current year. (2022: Right-of-use assets and lease liabilities amounts to Rs. 17,727,490 and Rs. 17,727,490 respectively).

22.5 As of reporting date, the Company has no current obligation to transfer economic resources in respect of leases that have not yet commenced.

	Note	2023	2022
		(Rupees)	

23 DEFINED BENEFIT LIABILITY

UNFUNDED GRATUITY

23.1 The amounts recognized in the statement of financial position are:

Present value of defined benefits obligation	27,129,907	24,930,028

23.2 The amounts recognized in the statement of profit or loss are:

Current service cost	11,918,935	10,603,029
Past service cost	18,037,138	-
Interest cost on defined benefit obligation	3,911,775	3,480,969
Expense recognized in the statement of profit or loss	33,867,848	14,083,998

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23.3 Movement in the net present value of defined benefit obligation is:

	Note	2023	2022
		(Rupees)	
Net liabilities at the beginning of the year		**24,930,028**	34,722,393
Current service cost		**11,918,935**	10,603,029
Past service cost		**18,037,138**	-
Interest cost on defined benefit obligation		**3,911,775**	3,480,969
Remeasurements (gain) / losses charged to other comprehensive income			
-Actuarial assumption		**(5,511,182)**	3,715,078
		53,286,694	52,521,469
Less: Payments during the year		**(26,156,787)**	(27,591,441)
Net liabilities at the end of the year		**27,129,907**	24,930,028

Qualified actuaries have carried out the valuation as at 30 June 2023. The projected unit credit method, based on the following significant assumptions, is used for valuation:

	2023	2022
Discount rate	**16.25%**	13.25%
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	(28,263,687)
-100 bps	Discount rate	26,053,164
+100 bps	Expected increase in salary	28,376,475
-100 bps	Expected increase in salary	25,929,934
+1 year	Mortality variation	27,183,015
+1 year	Mortality variation	(27,080,696)

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.

24 SHORT TERM BORROWINGS

	Note	2023	2022
		(Rupees)	
JS Bank Limited	24.1	1,183,936,619	1,765,788,891
Bank AL Habib Limited	24.2	631,318,969	938,310,383
Dubai Islamic Bank	24.3	525,420,000	131,481,501
Bank of Khyber	24.4	-	863,475,959
Askari Bank Limited	24.5	-	237,000,000
Industrial and Commercial Bank of China	24.6	286,578,558	-
Accrued markup		44,373,130	82,482,513
		2,671,627,276	4,018,539,247
Less: Accrued markup presented in current liabilities		(44,373,130)	(82,482,513)
		2,627,254,146	3,936,056,734

24.1 Represents the utilized portion of working capital facilities for Funds against trust receipt (FATR) and Short term finance (STF) amounts to Rs. 941 million (2022: Rs. 670 million) and Rs. 243 million (2022: Rs. 905 million), respectively, total limit of facility for sight-letter of credit (SLC) amounts to Rs. 4,350 million (2022: Rs. 2,300 million), shipping guarantees of Rs. 4,350 million (Sub Limit of SLC) (2022: Rs. 1,200 Million), FATR amounting to 1,150 million (2022: Rs. 4,350 million), STF of Rs. 1,150 million (2022: Rs. 1,500 million) (sublimit of FATR), running finance of Rs. 200 million (sublimit of FATR) (2022: Rs. 200 million), bank guarantee of Rs. 13.5 million (2022: Rs. 20 million (sublimit of FATR).

These facilities are inter-changeable with wholly owned subsidiary of the Company. The rate of markup on funded facilities is 3 months KIBOR + 2% (2022: 3 months KIBOR + 2%). The markup rate charged during the year on the outstanding balance ranged from 17.32% to 24.91% (2022: 9.45% to 17.16%) per annum.

These facilities are secured against mortgage of residential properties belonging to sponsors and shareholders having fair market value amounting to Rs. 195.05 million (2022: Rs. 187.55 million) and investment property of subsidiary having fair market value amounting 1,117.513 million, Joint pari pasu charge of amounting 3,700 million (2022: Rs. 3,700 million) over all present and future current assets and personal guarantees of all directors of the Company.

24.2 Represents the utilized portion of working capital facilities for Funds against trust receipt (FATR) amounts to Rs. 941 million (2022: Rs. 670 million), total limit of facility for sight-letter of credit (SLC) amounting to Rs. 25,000 million (2022: Rs. 2,500 million), running finance facility of Rs. 560 million (2022: Rs. 3,060 million) (sublimit of FATR), STF of 640 Million. The rate of mark up on funded facilities is 3 months KIBOR + 1%(RF) & 3 months KIBOR + 2% (FATR) (2022: 3 months KIBOR + 1%(RF) & 3 months KIBOR + 2% (FATR). The markup rate charged during the year on the outstanding balance ranged from 17.32% to 24.91% (2022: 9.45% to 17.16%) per annum.

These facilities are secured against mortgage of residential properties belonging to sponsors and shareholders having fair market value amounting to Rs. 347 million (2022: Rs. 347 million) and pari passu / joint pari passu charge over current assets of Rs. 5,500 million (2022: 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 (2022: Rs. 7,800 million) and cross corporate guarantees.

24.3 Represents the utilized portion of working capital facilities for Running Musharakah (RM) amounts to Rs. 525 million (2022: Rs Nil), total limit of facility for sight-letter of credit (SLC) amounting Rs. 1,200 million (2022: Rs. 700 million), shipping guarantee (sublimit of SLC) of Rs. 1,200 million (2022: Rs. 700 million) and import Murabaha / Istisna cum Wakala of Rs. 800 million (2022: Rs. 525 million) and RM of Rs. 800 million (2022: Rs Nil) (Sublimit of LC sight).The rate of mark up on funded facilities is matching KIBOR + 2.5%. The markup rate charged during the year on the outstanding balance ranged from 17.82% to 25.41% (2022: 9.95% to 17.56%) per annum.

These facilities are interchangeable with wholly owned subsidiary the Company and secured against Joint pari pasu charge of amounting 700 million. The security comprise of Lien over Import Documents / Lien over Deposit / TDR in the name of Company / Sponsors account being maintained with Dubai Islamic Bank or as per SBP requirements whichever is higher.

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24.4 Working capital facilities obtained from Bank of Khyber comprise of letter of credit (sight) amounting to Rs. 600 million (2022: Rs.600 million), shipping guarantees of Rs. 350 million (2022: 350 million) (sublimit of finance against trust receipt), finance against trust receipt of Rs. 600 million [2022: Rs 600 million (sublimit of letter of credit)], one time running finance of Rs. 300 million (2022: 300 million). The rate of mark up on funded facilities is 3 months KIBOR + 2% (2022: 3 months KIBOR + 2%).

These facilities are secured against personal guarantees of directors along with their net worth statements. These facilities are secured against Joint pari pasu of Rs 400 million (2022: Rs 400 million) 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.

24.5 Working capital facilities obtained from Askari Bank Limited comprise of letter of credit (sight) amounting to Rs. 500 million (2022: Rs. 500 million), shipping guarantees of Rs. 500 million [2022: Rs. 500 million (sublimit of letter of credit (sight)] and short term finance of Rs. 500 million (2022: Rs. 500 million) (sublimit of letter of credit (sight)). The rate of mark up on funded facilities is 3 months KIBOR + 1.9% (2022: 3 months KIBOR + 1.9%).

These facilities are secured against personal guarantees of directors along with their net worth statements. These facilities are secured against joint pari passu charge of Rs. 334 million (2022: Rs. 334 million) over all present and future current assets of the Company, TDR covering 50% of outstanding exposure at all times.

24.6 Represents the utilized portion of working capital facilities for Funds against trust receipt (FATR) amounts to Rs. 287 million (2022: Rs. Nil), total limit of facility for sight-letter of credit (SLC) amounting Rs. 1,500 million (2022: Rs. Nil), shipping guarantee of Rs. 1,500 million (2022: Rs. Nil) (Sub limit of LC), FATR receipt of Rs. 750 million (2022: Rs. Nil) (Sub limit of LC). The rate of mark up on funded facilities is matching tenure KIBOR + 2% (2022: Nil). The markup rate charged during the year on the outstanding balance ranged from 17.93% to 24.91% (2022: Nil) per annum.

These facilities are secured against joint pari passu charge of Rs. 1,000 million over present and future current assets of the Company and personal guarantee of sponsor and directors of the Company.

	Note	2023	2022
		(Rupees)	
25 ACCRUED MARKUP			
Long term loans	21	**58,249,616**	39,455,067
Short term borrowings	24	**44,373,130**	82,482,513
		102,622,746	121,937,580
26 REFUND LIABILITIES			
Arising from retrospective incentives and lower portion discounts.	26.1	**-**	309,084

26.1 As of reporting date the Company has estimated that there is no outstanding refund liability arising from retrospective incentives and lower portion discounts.

27 CONTRACT LIABILITIES

These represent advances from customers against which the Company has performance obligation to provide goods in future. The above contract liabilities are expected to be recognized as revenue within one year.

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28 TRADE PAYABLES, ACCRUED AND OTHER LIABILITIES

	Note	2023	2022
		(Rupees)	
Trade payables		982,215,834	-
Accrued expenses		83,499,257	16,454,036
Withholding tax payable		101,202,943	229,504,765
Workers' Welfare Fund	28.1	123,691,026	106,353,886
Workers' Profit Participation Fund	28.2	81,293,088	37,644,335
Other payables	28.3	11,079,741	857,795
		1,382,981,889	390,814,817

28.1 Movement in Workers' Welfare Funds

		2023	2022
As at 1 July		106,353,886	55,535,806
Charge for the year		17,337,140	50,818,080
		123,691,026	106,353,886

28.2 Movement in Workers' Profit Participation Funds

	Note	2023	2022
As at 1 July		37,644,335	-
Charge for the year		37,484,493	37,644,335
Interest charge for the year	36	6,164,260	-
		81,293,088	37,644,335

28.3 This includes rebate payable amount to Rs. 9,116,894 (2022: Rs. 237,657) which is adjustable against due from brand owners.

29 CONTINGENCIES AND COMMITMENTS

29.1 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

29.2 Commitments

	Note	2023	2022
		(Rupees)	
Letters of credit		3,245,404,143	1,871,704,954
Bank guarantees		3,500,000	3,500,000
Shipping guarantee		-	-
		3,248,904,143	1,875,204,954

	Note	2023	2022
		(Rupees)	

30. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	Note	2023	2022
Sales - local		23,304,118,691	48,506,332,805
Sales - export		-	62,085,188
Service income		37,355,795	72,128,238
Gross sales		23,341,474,486	48,640,546,231
Less: Sales tax		(34,986,336)	(65,977,021)
		23,306,488,150	48,574,569,210
Less: Discount		(1,802,582,788)	(2,414,867,354)
		21,503,905,362	46,159,701,856
Geographical region:			
Pakistan		23,341,474,486	48,578,461,043
UAE		-	62,085,188
		23,341,474,486	48,640,546,231
Timing of transfer of goods and services:			
At a point in time		23,341,474,486	48,640,546,231
Contract balances			
Trade debt	30.1	2,046,766,881	3,752,501,028
Contract liability	30.2	1,671,813,287	152,365,597
Refund liability	26	-	309,084

30.1 Trade debts are non interest bearing and become due after 30 to 90 days of the invoice date. The decrease in trade debt pertains to decrease in overall revenue from customers during the year.

30.2 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.152.3 million (2022: Rs. 82.8 million). The balance of contract liability as at 30 June 2023, is expected to be recognized as revenue within one year.

31 COST OF SALES

	Note	2023	2022
Raw material consumed	31.1	3,862,621,611	12,414,253,091
Cost of export sales		-	57,640,368
Sales tax on mobiles		10,553,435	424,840,573
Sales tax on tablets		-	7,608,143
Regulatory duty		105,905,286	1,597,867,040
Insurance		1,133,603	2,512,244
Clearing charges		35,022,785	15,743,927
Salaries, wages and benefits		22,488,000	380,591,401
Custom duty - tablets		4,146,806	2,501,112
Depreciation	5.5	42,702,520	53,391,728
Utilities		8,117,127	16,356,604
Amortization	6.2	1,294,157	2,224,275
Exchange loss		54,385,213	-
Domestic carriage		4,149,662,443	14,976,330,906
(Increase) / Decrease in work-in-process		(675,018)	11,424,049
Cost of goods assembled		4,148,987,425	14,987,754,955
Decrease / (Increase) in finished goods		1,162,938,613	(5,418,133)
Cost of goods sold - own assembled		5,311,926,038	14,982,336,822
Cost of goods sold - imported for resale		96,380,701	21,752,361,642
Cost of goods sold - purchased locally for resale		13,814,912,883	4,669,511,992
		19,223,219,622	41,404,210,456

		Note	2023	2022
			(Rupees)	
31.1	**As at 1 July**		**583,711,042**	473,442,637
	Purchases during the year		**3,801,936,894**	12,521,483,441
	Closing		**(523,026,325)**	(583,711,042)
	Raw material consumed		**3,862,621,611**	12,414,253,091

32 ADMINISTRATIVE EXPENSES

	Note	2023	2022
Salaries wages and benefits		**281,045,478**	389,996,065
Rent, rates and taxes		**-**	512,000
Depreciation		**5.5 74,729,412**	93,193,883
Insurance		**28,033,438**	19,482,721
Legal and professional		**11,746,233**	9,360,761
Repair and maintenance		**23,841,658**	27,909,939
Fees and subscription		**22,361,221**	128,182,431
Utilities		**11,494,638**	12,914,212
Office expenses		**8,296,535**	20,268,999
Security service charges		**10,431,794**	16,320,349
Traveling and conveyance		**54,103,710**	29,069,356
Entertainment		**6,388,594**	25,100,356
Vehicle running expenses		**6,870,939**	15,501,244
Postage and telephone		**3,724,856**	5,818,660
Amortization	6.2	**2,264,776**	4,214,413
Printing and stationary		**2,953,040**	10,966,054
Staff retirement benefits - Gratuity scheme	23.2	**16,933,924**	7,041,999
Auditors' remuneration	32.1	**4,700,000**	4,650,000
Allowance for expected credit loss - trade debts	11.1	**15,087,132**	10,038,682
Charity and donation	32.2	**13,775,244**	18,200,324
Miscellaneous expenses		**2,281,007**	2,817,708
		601,063,629	851,560,156

32.1 Breakup of auditor remuneration is as follows:

	2023	2022
Annual audit fee	**3,000,000**	3,000,000
Review of condensed interim financial statements	**800,000**	800,000
Out of pocket expenses	**200,000**	150,000
Certificates and other assurance engagements	**700,000**	700,000
	4,700,000	4,650,000

32.2 During the year, the Company has not paid donations to any organization, in which any director or his spouse has any interest. Donation to the following parties / organizations exceeds 10% of total amount of donation expense or Rs. 1 million.

	Note	2023	2022
		(Rupees)	
Million smiles foundation		**3,300,000**	500,000
Sunder stem school		**3,500,000**	762,000
Support for family of ex-employee (Late Riaz Noor)		**1,470,000**	1,100,000
		8,270,000	2,362,000

For The Year Ended 30 June, 2023

	Note	2023	2022
		(Rupees)	
33 SELLING AND DISTRIBUTION COST			
Salaries, wages and benefits		132,909,935	226,562,417
Staff retirement benefits - Gratuity scheme		16,933,924	7,041,999
Freight outward		1,851,412	69,043,384
Advertisement and promotions		10,518,144	43,539,850
Depreciation	5.5	96,080,672	128,113,557
Travelling and conveyance		21,738,776	29,756,159
Packing expenses		1,361,564	6,764,463
Amortization	6.2	2,911,855	5,268,020
Utilities		23,603,762	31,839,886
Insurance		1,519,790	1,769,718
Postage and communication		24,885,320	-
		334,315,154	549,699,453
34 OTHER INCOME			
Income from financial assets			
Reversal of expected credit loss - trade debts		10,038,682	68,979,736
Reversal of expected credit loss - other receivable		-	50,659,247
Profit on investments		98,485,559	56,112,791
Markup income on loan given to subsidiary		4,053,708	-
Unrealized gain on financial assets at fair value through profit or loss		3,254,283	3,522,535
Modification gain on long term loan		-	4,656,579
Income from assets other than financial assets			
Gain on termination of lease		6,060,079	43,406,778
Gain on disposal of asset		140,175,310	227,337,666
35 OTHER EXPENSES			
Provision for Workers' Welfare Fund	28.1	17,337,140	50,818,080
Provision for Workers' Profit Participation Fund	28.2	37,484,493	37,644,335
		54,821,633	88,462,415

	Note	2023	2022
		(Rupees)	
36 FINANCE COST			
Bank charges		3,433,190	12,170,778
Commission on letter of credits		70,549,309	250,099,748
Commission on shipping guarantees		10,566,159	37,457,400
Interest / markup on:			
- Short term borrowings		394,575,535	496,516,888
- Long term borrowings		207,336,350	145,224,663
- Lease liabilities		25,830,460	83,663,854
- Workers' Profit Participation Fund		718,455,263	1,025,133,331

	Note	2023	2022
		(Rupees)	

37. TAXATION

	Note	2023	2022
Current tax		249,492,219	866,126,384
Prior year	37.2	(436,628,632)	(8,966,479)
		(187,136,413)	857,159,905
Deferred tax - relating to origination of temporary differences		4,804,011	(37,776,626)
		(182,332,402)	819,383,279

37.1 Reconciliation between tax expenses and accounting profit

	2023	2022
Accounting profit before taxation	712,205,371	2,467,973,711
Tax at applicable tax rate of 29% (2022: 29%)	206,539,558	715,712,376
Tax effect of:		
Expenses not allowed for tax	49,652,984	(29,629,018)
Fixed tax regime (FTR)	-	(1,114,219
Prior years tax	(436,628,632)	(8,966,479)
Minimum tax	-	43,691,548
Tax credits under section 65 (D) for the year	(88,582,013)	-
Super tax at rate of 10%	86,685,701	99,689,071
Tax expense for the year	(182,332,402)	819,383,279

37.2 This includes adjustment of tax credit amounting to Rs 362 million under section 65 (D). The Company made an investment in financial year 2021 for establishing and operating a new industrial undertaking. Under the section 65 (D) of the Income Tax Ordinance, 2001 (the Ordinance), for a period of 5 years beginning financial year 2021, the Company can claim tax credit against minimum tax and final taxes payable under any of the provisions of the Ordinance on the taxable income arising from such industrial undertaking; calculated with reference to proportion of the equity investment to the total investment. There are no non-tax conditions attached to these credits except source of financing. Subsequent to the Company's investment, the Finance Act, 2021 has repealed the section 65 (D) with effective date of 01 July 2021. During the year, the Company availed the tax credit while filing the tax return for the tax year 2022. Management of Company, based on the opinion from the Company's tax advisor, is confident that Company has a legitimate claim, considering the Company's right to tax credit was established upon investment when section 65 (D) was in effect.

38 EARNINGS PER SHARE - BASIC AND DILUTED

	Note	2023	2022
		(Rupees)	
Profit attributable to ordinary equity holders for basic earnings	A	894,537,773	1,648,590,432
Add: Unwinding of discount on convertible loan - net of tax		-	8,903,915
Profit attributable to ordinary equity holders adjusted for the effect of dilution	B	894,537,773	1,657,494,347

		2023	2022
		------------ Numbers	------------
Weighted average number of ordinary shares for basic EPS	C	383,560,063	383,560,063
Effect of potential dilution from convertible loan		-	1,886,088
Weighted average number of ordinary shares adjusted for the effect of dilution	D	383,560,063	385,446,151

	Note	2023	2022
		(Rupees)	
Earning per share - basic	A/C	2.332	4.298
Earning per share - diluted	B/D	2.332	4.300

39 RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary, 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 the financial statements are as follows:

Name of related party	Nature of transaction	30 June 2023 Rupees	30 June 2022 Rupees
Select Technologies (Private) Limited - a subsidiary company	Expenses paid on behalf of the subsidiary	3,074,094,835	4,983,004,031
	Expenses reimbursed by the subsidiary	2,118,438,978	4,035,143,573
	Expenses paid by the subsidiary on behalf of the Company	10,612,959,140	7,096,931,825
	Expenses reimbursed by the Company	10,612,959,140	7,096,931,825
	Purchase of goods	-	60,331,100
	Markup income	4,053,708	-
	Receivable from the subsidiary	1,907,570,023	947,860,458

40 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	Rupees					
Managerial remuneration	71,834,122	48,000,000	9,336,804	9,278,737	171,870,247	176,068,109
Gratuity	4,049,800	3,327,698	792,175	787,248	12,810,231	14,731,193
Medical allowance	2,928,000	2,928,000	560,208	556,724	10,211,400	10,485,500
Bonus	-	-	-	1,556,134	-	27,022,906
	78,811,922	54,255,698	10,689,187	12,178,843	194,891,878	228,307,708
Number of persons	1	1	6	6	34	61

The Chief Executive is provided with company-maintained car. No remuneration is paid to directors other than Chief Executive and one executive director. Meeting fee amounts to Rs. 3,375,000 (2022: 1,875,000) are paid to 3 (2022: 3) independent directors. Some executives have been provided with company maintained vehicles and are also entitled to fuel allowances.

41. CASH AND CASH EQUIVALENTS

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

	Note	2023	2022
		(Rupees)	
Cash in hand	17	**13,187,255**	31,820,223
Cash at bank	17	**533,371,041**	958,477,012
		546,558,296	990,297,235

TDRs are not considered as cash and cash equivalents as they are not held for the purpose of cash management.

42 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise of long-term loan, short-term borrowings, unclaimed dividend 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, loans and advances, deposits, short-term and long-term investments and cash and bank balances.

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:

42.1 Market risk

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 2023 and 30 June 2022.

42.1.1 Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short term borrowings from banks and short term deposits with banks. At the reporting date the interest rate risk profile of the Company's interest bearing financial instruments is:

	Note	2023	2022
		(Rupees)	
Fixed rate instruments			
Financial assets		**200,000,000**	845,600,000
Variable rate instruments			
Financial assets		**2,203,817,614**	1,092,693,617
Financial liabilities		**3,605,536,360**	5,239,458,579

Fair value sensitivity analysis for fixed rate instruments

The Company is not exposed to interest rate risk on its fixed rate instruments as all of these are of a short term nature.

Cash flow sensitivity analysis for variable rate instruments

A change of 1000 basis points in interest rates would have increased / (decreased) profit by the amounts shown below. This analysis assumes that all other variables remain constant.

	Note	2023	2022
		(Rupees)	
Increase / decrease in basis points		**+ / - 1000**	+ / - 1000
Effect on profit before tax		**(140,171,875)**	(414,676,496)

Market price risk

For investments at fair value through profit or loss, a 10% increase / decrease in market price at reporting date would have increased / decreased profit for the year by Rs. 30,130 (2022: 4,483,316)

42.1.2 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. The Company is not materially 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.

42.1.3 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.

42.2 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, deposits, loans and advances, short-term and long-term investments 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:

For The Year Ended 30 June, 2023

	Note	2023	2022
		(Rupees)	
Trade debts - unsecured		**2,046,766,881**	3,752,501,028
Other receivables		**3,779,970,937**	2,913,993,357
Long-term investments		**300,000,000**	-
Security deposits		**-**	4,536,492
Loans and advances		**37,712,206**	27,879,272
Short-term investments		**257,113,452**	964,693,864
Bank balances		**533,371,041**	958,477,012
		6,954,934,517	8,622,081,025

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:

42.2.1 Trade Debts

		Exposure at default Rupees	Expected credit loss Rupees	Expected credit loss rate
30 June 2023				
Not due	[A]	**926,288,428**	**1,160,703**	**0.13%**
Past due:				
1-30 days		**590,729,249**	**4,612,944**	**0.78%**
31-60 days		**295,364,624**	**1,557,362**	**0.53%**
61-90 days		**147,682,312**	**1,705,971**	**1.16%**
91-120 days		**63,292,420**	**834,823**	**1.32%**
Above 120 days		**38,496,980**	**5,215,329**	**13.55%**
	[B]	**1,135,565,585**	**13,926,429**	
	[A+B]	**2,061,854,013**	**15,087,132**	
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	

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.

42.2.2 Bank balances, long-term and short-term investments, and other receivables

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.

	Ratings			30 June 2023	30 June 2022
Financial institution	Agency	Short Term	Long term	Rupees	Rupees
Cash and bank balances					
Askari Bank Limited	PACRA	AA+	A1+	**1,174,305**	53,435,625
Bank Alfalah Limited	PACRA	AA+	A1+	**33,340,492**	4,034,574
Bank AL Habib Limited	PACRA	AAA	A1+	**78,369,638**	136,034,933
Dubai Islamic Bank Pakistan Limited	JCR-VIS	AA	A1+	**339,687,203**	82,829,686
Faysal Bank Limited	PACRA	AA	A1+	**8,785,980**	3,495,505
Habib Bank Limited	JCR-VIS	AAA	A1+	**4,833,378**	10,198,926
Habib Metropolitan Bank Limited	PACRA	AA+	A1+	**10,338,186**	3,157,673
JS Bank Limited	PACRA	AA-	A1+	**22,319,566**	1,571,315
Meezan Bank Limited	JCR-VIS	AAA	A1+	**13,587,846**	37,225,019
MCB Bank Limited	PACRA	AAA	A1+	**18,908**	18,908
Silk Bank Limited	JCR-VIS	A	A2	**1,583,195**	686,268
Sindh Bank Limited	JCR-VIS	A+	A1	**387,215**	-
Soneri Bank Limited	PACRA	AA-	A1+	**647,191**	2,650,468
Standard Chartered Bank	PACRA	AAA	A1+	**1,013,404**	3,798,413
Summit Bank Limited	JCR-VIS	BBB-	A3	**2,645,326**	13,915,131
Bank Islami Pakistan Limited	PACRA	A-1	A+	**-**	100
The Bank of Khyber	PACRA	A+	A1	**641,035**	593,397,795
The Bank of Punjab	PACRA	AA+	A1+	**4,418,617**	931,398
Industrial & Commercial Bank of China Limited	S&P	-	A	**500,921**	1,018,886
United Bank Limited	JCR-VIS	AAA	A1+	**9,078,635**	10,076,389
				533,371,041	958,477,012

	Ratings			30 June 2023	30 June 2022
	Agency	Short Term	Long term	Rupees	Rupees
Long-term Investments					
JS Bank Limited	PACRA	AA-	A1+	**300,000,000**	-
Short-term Investments					
Saudi Pak Industrial & Agriculture Investment Company Limited	JCR-VIS	AA+	A-1+	**257,113,452**	203,009,736
JS Bank Limited	PACRA	AA-	A1+	**-**	687,934,911
Askari Bank Limited	PACRA	AA+	A1+	**-**	73,749,217
JS Islamic Hybrid Fund of Fund II	JCR-VIS	-	AM-2	**-**	44,833,159
Al Habib cash fund	JCR-VIS	-	AA+	**301,299**	-
				257,414,751	1,009,527,023
Other receivable					
JS Bank Limited	PACRA	AA-	A1+	**2,228,041,986**	1,531,260,576
Dubai Islamic Bank Pakistan Limited	JCR-VIS	AA	A1+	**611,350,211**	-
Industrial & Commercial Bank of China Limited	S&P	-	A	**111,783,733**	146,308,480
Sindh Bank Limited	JCR-VIS	A+	A1	**298,761,000**	-
Askari Bank Limited	PACRA	AA+	A1+	**-**	2,372,000
Bank AL Habib Limited	PACRA	AAA	A1+	**-**	195,263,898
				3,249,936,930	1,875,204,954

42.2.4 With respect to credit risk arising from other financial assets of the Company, consisting of receivables from subsidiary and brand owners, 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. The Company's subsidiary is profitable and generating positive cash flows. It has been able to fully repay the opening balance and the Company is confident of full recovery within 12 months of the report date. The amount receivable from brand owners is not overdue and based upon credit ratings, the Company expects minimal expected credit loss. Accordingly, no provision has been recognized.

42.3 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:

	Carrying amount	Contractual cash flows	On demand	Within one year	More than one year year but less than	After five years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
30 June 2023						
Long term loans	978,282,214	1,357,799,834	-	635,844,711	721,955,123	-
Lease liabilities	168,120,306	185,995,274	-	84,798,171	90,437,722	10,759,381
Short term borrowings	2,627,254,146	2,627,254,146	-	2,627,254,146	-	-
Trade and other payables	1,382,981,889	1,382,981,889	-	1,382,981,889	-	-
Accrued markup	102,622,746	102,622,746	-	102,622,746	-	-
	5,259,261,301	5,656,653,889	-	4,833,501,663	812,392,845	10,759,381

	Carrying amount	Contractual cash flows	On demand	Within one year	More than one year year but less than	After five years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
30 June 2022						
Long term loans	1,303,401,845	1,733,904,054	-	632,235,101	1,001,668,953	100,000,000
Lease liabilities	346,246,222	416,070,099	-	124,560,085	291,510,014	
Short term borrowings	3,936,056,734	3,936,056,734	191,017,692	3,745,039,042	-	-
Trade and other payables	390,814,817	390,813,817	-	390,813,817	-	-
Accrued markup	121,937,580	121,937,580	-	121,937,580	-	-
	6,098,457,198	6,598,782,284	191,017,692	5,014,585,625	1,293,178,967	100,000,000

Changes in liabilities arising from financing activities

	As at 1 July	Cash flows	Additions	Others	As at
	Rupees	Rupees	Rupees	Rupees	Rupees
30 June 2023					
Long term loans	1,303,401,845	(325,119,631)	-	-	978,282,214
Lease liabilities	346,246,222	(104,566,848)	-	(73,559,068)	168,120,306
Short term borrowings	3,936,056,734	(1,308,802,588)	-	-	2,627,254,146
Accrued markup	121,937,580	(708,506,447)	-	689,191,613	102,622,746
	5,707,642,381	(2,446,995,514)		615,632,545	3,876,279,412
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)	17,727,490	389,256,191	5,707,642,381

For The Year Ended 30 June, 2023

43 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:

Long term loan	**978,282,214**	1,342,856,912
Short term borrowings	**2,627,254,146**	4,018,539,247
Cash and cash equivalent	**(546,558,296)**	(990,297,235)
Net debt	**3,058,978,064**	4,371,098,924
Total equity	**12,277,140,874**	11,767,584,972
Total capital	**15,336,118,938**	16,138,683,896
Capital gearing ratio	**20%**	27%

44 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).

Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	30 June 2023		30 June 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets carried at amortized cost	--------	--------Rupees--------	--------	
Trade debts - unsecured	**2,046,766,881**	**2,046,766,881**	3,752,501,028	3,752,501,028
Other receivables	**3,779,970,937**	**3,779,970,937**	2,913,993,357	2,913,993,357
Long-term investments	**300,000,000**	**300,000,000**	-	-
Security deposits	**-**	**-**	4,536,492	4,536,492
Loans and advances	**37,712,206**	**37,712,206**	27,879,272	27,879,272
Short-term investments	**257,113,452**	**257,113,452**	964,693,864	964,693,864
Bank balances	**533,371,041**	**533,371,041**	958,476,164	958,476,164
	6,954,934,517	**6,954,934,517**	8,622,080,177	8,622,080,177
Assets carried at amortized cost				
Short-term investments: Mutual funds	**262,964**	**301,299**	38,683,564	44,833,159
Liabilities carried at amortized cost				
Long-term loans	**1,080,904,960**	**1,080,904,960**	1,425,339,425	1,425,339,425
Trade and other payables	**1,382,981,889**	**1,382,981,889**	390,814,817	390,814,817
Short-term borrowings	**2,627,254,146**	**2,627,254,146**	3,936,056,734	3,936,056,734
	5,091,140,995	**5,091,140,995**	5,752,210,976	5,752,210,976

Fair value hierarchy

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	Level2	Level3	Total
		----------	---------- (Rupees)	----------	
Financial assets at fair value through profit or loss:					
30 June 2023					
Investment in mutual funds	16	**-**	**301,299**	**-**	**301,299**
30 June 2022					
Investment in mutual funds	16	-	44,833,159	-	44,833,159

45 CAPACITY AND PRODUCTION

	2023	2022
	Number of handsets	
Cell phones		
- Maximum capacity	**1,200,000**	1,200,000
- Actual production	**224,431**	1,031,232

The assembly plant has been unable to open enough LCs in the current year due to government restrictions, leading to fewer production in the year.

46 NUMBER OF EMPLOYEES

	Note	2023	2022
		(Rupees)	
As at Reporting date:			
Permanent staff		**166**	308
Contractual factory staff		**25**	498
		191	806
Average during the year		**499**	988

Staff has decreased significantly during the year because of the lack of availability of raw materials due to which the factory remained under-utilized.

	Distribution and retail		Assembly		Inter segment eliminations		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	---Amount inRupees ---							
Revenue								
-External customer	15,869,458,643	41,560,523,204	5,634,446,719	-	-	-	21,503,905,362	41,560,523,204
-Inter-segment	-	-	-	4,599,178,652	-	(4,599,178,652)	-	-
	15,869,458,643	41,560,523,204	5,634,446,719	4,599,178,652	-	(4,599,178,652)	21,503,905,362	41,560,523,204
Cost of sales								
-External customer	(14,206,099,806)	(37,684,625,908)	(5,017,119,816)	(3,703,227,944)	-	-	(19,223,219,622)	(41,387,853,852)
-Inter-segment	-	-	-	(4,599,178,652)	-	4,599,178,652	-	-
Gross profit	1,663,358,837	3,875,897,296	617,326,903	(3,703,227,944)	-	-	2,280,685,740	172,669,352
Administrative expenses	(519,137,823)	(733,317,675)	(81,925,806)	(141,641,084)	-	-	(601,063,629)	(874,958,759)
Selling and distribution cost	(333,469,228)	(541,234,526)	(845,926)	(1,422,928)	-	-	(334,315,154)	(542,657,454)
-								
Operating profit	810,751,786	2,601,345,095	534,555,171	(3,846,291,956)	-	-	1,345,306,957	(1,244,946,861)
Other income	140,175,310	227,337,666	-	-	-	-	140,175,310	227,337,666
Other expenses	(54,821,633)	(88,462,415)	-	-	-	-	(54,821,633)	(88,462,415)
Finance cost	(718,455,263)	(1,025,133,331)	-	-	-	-	(718,455,263)	(1,025,133,331)
Profit / (loss) before taxation	177,650,200	1,715,087,015	534,555,171	(3,846,291,956)	-	-	712,205,371	(2,131,204,941)
Taxation	182,332,402	(819,383,279)	-	-	-	-	182,332,402	(819,383,279)
Profit / (loss) for the year	359,982,602	895,703,736	534,555,171	(3,846,291,956)	-	-	894,537,773	(2,950,588,220)
Segment assets	25,640,925,092	279,216,150	1,573,051,449	415,928,609	(7,326,896,394)	-	19,887,080,147	695,144,759
Segment liabilities	(4,793,767,060)	(5,264,019,728)	(1,499,193,283)	(1,456,205,193)	(1,316,978,930)	-	(7,609,939,273)	(6,720,224,921)
Capital expenditure	93,917,777	32,412,818	408,712,586	-	-	-	502,630,363	32,412,818

47.1 Geographical information

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

	2023	2022
	(Rupees)	
Pakistan	21,503,905,362	41,499,934,559
UAE	-	60,588,645
	21,503,905,362	41,560,523,204

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

47.2 Revenue from one of the customers (2022: Nil customers) of the Company represents more than 10% of the Company's total revenue.

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

48 SUBSEQUENT EVENT

The Board of Directors in their meeting held on October 04, 2023 have proposed a final cash dividend for the year ended 30 June 2023 of Rs. 2.50 per share (2022: Rs. 1 per share), amounting to Rs. 988,173,078 (2022: Rs. 395,269,231) for approval of the members at the Annual General Meeting to be held on 28 October 2023. These financial statements do not reflect this dividend.

49 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for better presentation. Significant reclassifications are as follows:

Description	From	To	Amount
Advance to custom authorities	Trade deposits and short term prepayments	Loans and advances	73,869,236
Staff retirement benefits - gratuity	Administrative expenses	Selling and distribution	7,041,999
Utilities	Administrative expenses	Cost of sales	16,356,604

As the impact of the above reclassifications on balances in the statement of financial position as on June 30, 2022 is not material, no statements of financial position as of that date has been presented.

50 DATE OF AUTHORIZATION FOR ISSUE

50.1 These financial statements were authorized by Board of Directors on October 4, 2023.

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

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INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Consolidated Financial Statements as at 30 June 2023

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 2023, 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, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2023, and (of) its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Consolidated 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 the 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:

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 2023, the Group recognized net revenue of Rs. 36.93 billion as compared to Rs. 49.16 billion in previous year, as disclosed in Note 30 and according to the accounting policy described in Note 4.15 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.	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;

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Key audit matters	How the matter was addressed in our audit
1. Revenue Recognition	
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.	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; Ensured that revenue items are correctly classified with reference to guidance in International Financial Reporting Standard ("IFRS 15"); Performed procedures around the cut off of revenue; and Considered the appropriateness and adequacy of the disclosure provided in Note 30 to the financial statements in relation to the relevant accounting standards.

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

Management is responsible for the other information. The other information comprises the Director's report, but does not include the consolidated financial statements and auditor's 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 accounting and reporting standards as applicable in Pakistan and Companies Act, 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.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's 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 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 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 auditor's 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 auditor's 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.

- 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we

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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 Ahsan Shahzad.

EY Ford Rhodes
Chartered Accountants
Lahore: 05 October 2023
UDIN: AR202210079QtLXnkuTS

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At June 30, 2023

	Note	2023	2022
		(Rupees)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	6,151,751,064	6,126,596,812
Investment property	6	1,350,758,464	-
Intangibles	7	10,662,139	15,654,520
Long-term investment	8	300,000,000	-
Long-term deposits		7,116,000	5,736,000
Deferred tax asset	23	16,809,425	23,762,797
		7,837,097,092	6,171,750,129
CURRENT ASSETS			
Stores and spares		20,956,864	18,394,867
Stock in trade	9	7,175,108,245	5,333,571,199
Trade debts	10	2,713,922,206	3,752,501,028
Loans and advances	11	1,748,484,448	173,377,593
Trade deposits and short-term prepayments	12	14,722,608	26,829,501
Other receivables	13	5,978,182,489	3,905,064,773
Tax refunds due from the government	14	291,706,903	167,742,313
Short-term investments	15	1,833,624,327	1,009,527,023
Cash and bank balances	16	1,020,769,669	1,101,488,794
		20,797,477,759	15,488,497,091
TOTAL ASSETS		28,634,574,851	21,660,247,220
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Authorized share capital 600,000,000 (30 June 2022: 600,000,000) ordinary shares of Rs.10 each		6,000,000,000	6,000,000,000
Issued, subscribed and paid up capital	17	3,952,692,310	3,952,692,310
Share premium - capital reserve	18	3,556,176,808	3,556,176,808
Accumulated profit - revenue reserve		4,671,112,539	4,081,140,221
General reserves - revenue reserve		44,559,977	44,559,977
Long term loan - equity component		-	21,372,477
		12,224,541,634	11,655,941,793
NON CURRENT LIABILITIES			
Long-term loans	20	2,175,000,000	1,636,612,295
Lease liabilities	21	96,142,001	242,066,981
Defined benefit liability	22	27,129,907	24,930,028
Deferred tax liability	23	284,626,255	233,401,360
		2,582,898,163	2,137,010,664
CURRENT LIABILITIES			
Current portion of long-term loans	20	820,782,214	466,789,550
Current maturity of lease liabilities	21	71,978,305	104,179,241
Short-term borrowings	24	5,138,117,603	5,571,643,558
Accrued markup	25	186,911,068	206,814,630
Refund liabilities	26	-	309,084
Contract liabilities	27	1,692,615,868	153,168,178
Provision for taxation		527,822,992	766,923,311
Trade payables, accrued and other liabilities	28	5,226,419,955	502,168,984
Unclaimed dividend		162,487,049	95,298,227
		13,827,135,054	7,867,294,763
TOTAL EQUITY AND LIABILITIES		28,634,574,851	21,660,247,220
CONTINGENCIES AND COMMITMENTS	29		

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

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For The Year Ended 30 June, 2023

	Note	2023	2022
		(Rupees)	
Revenue from contracts with customers - net	30	**36,934,010,392**	49,165,800,930
Cost of sales	31	**(33,399,215,586)**	(43,984,524,043)
Gross profit		**3,534,794,806**	5,181,276,887
Administrative expenses	32	**(770,257,054)**	(982,099,676)
Selling and distribution cost	33	**(334,315,154)**	(549,699,453)
		(1,104,572,208)	(1,531,799,129)
Operating profit		**2,430,222,598**	3,649,477,758
Other expenses	34	**(63,020,035)**	(88,462,415)
Other income	35	**328,873,871**	220,412,127
Finance cost	36	**(1,828,101,427)**	(1,175,101,178)
Profit before taxation		**867,975,007**	2,606,326,292
Taxation	37	**92,532,244**	(1,076,304,578)
Profit for the year		**960,507,251**	1,530,021,714
Earnings per share			
- Basic	38	**2.504**	3.989
- Diluted		**2.504**	3.990

Chief Executive

Chief Financial Officer

Director

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 30 June, 2023

	Note	2023	2022
		(Rupees)	
Profit for the year		**960,507,251**	1,530,021,714
Items not to be reclassified to profit or loss in subsequent years			
Re-measurement gains / (losses) on defined benefit plan	22.3	**5,511,182**	(3,715,078)
Related tax effect		**(2,149,361)**	1,225,976
Re-measurement gains / (losses) on defined benefit plan - net of tax		**3,361,821**	(2,489,102)
Items to be reclassified to profit or loss in subsequent years		**-**	-
Other comprehensive income / (loss)		**3,361,821**	(2,489,102)
Total comprehensive income for the year		**963,869,072**	1,527,532,612

Chief Executive

Chief Financial Officer

Director

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 30 June, 2023

	Capital reserve				Revenue reserve		
	Issued, subscribed and paid up capital	Share Premium	Long-term loan equity component	Share deposit money	General reserves	Accumulated profit	Total
	(Rupees)						
Balance as at 1 July 2021	3,000,000,000	-	42,744,954	400,000,000	44,559,977	2,991,850,517	6,479,155,448
Conversion of long term loan amounting Rs. 400 million at the rate of Rs. 52 per share (note 20.1)	76,923,080	323,076,920	-	(400,000,000)	-	-	-
Extinguishment of equity component on repayment of long-term loan	-	-	(21,372,477)	-	-	21,372,477	-
Issuance of shares against initial public offering	600,000,000	3,690,000,000	-	-	-	-	4,290,000,000
Transaction cost on issuance of ordinary shares (note 18)	-	(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**	**21,372,477**	**-**	**44,559,977**	**4,081,140,221**	**11,655,941,793**
Extinguishment of equity component on repayment of long-term loan (note 20.1)	**-**	**-**	**(21,372,477)**	**-**	**-**	**21,372,477**	**-**
Final dividend for the year ended 30 June 2022 at the rate of Rs. 1 per share	**-**	**-**	**-**	**-**	**-**	**(395,269,231)**	**(395,269,231)**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**960,507,251**	**960,507,251**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**3,361,821**	**3,361,821**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**963,869,072**	**963,869,072**
Balance as at 30 June 2023	**3,952,692,310**	**3,556,176,808**	**-**	**-**	**44,559,977**	**4,671,112,539**	**12,224,541,634**

Chief Executive

Chief Financial Officer

Director

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 30 June, 2023

	Note	2023	2022
		(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		867,975,007	2,606,326,292
Adjustments for :			
Depreciation of property, plant and equipment	5.1	503,469,652	337,139,021
Amortization of intangible assets	7.2	6,674,584	11,720,230
Provision for net realizable value reversed	9.1	(363,577)	(11,525,259)
Allowance for expected credit loss - trade debts	10.4	5,048,450	(58,941,054)
Allowance for expected credit loss - other receivables		-	(50,659,247)
Provision for gratuity	22.2	33,867,848	14,083,998
Provision for Workers' Welfare Fund	34	17,337,140	-
Provision for Workers' Profit Participation Fund	34	45,682,895	-
Gain on lease termination	35	(6,060,079)	(43,406,778)
Gain on modification of loan		-	(4,656,579)
Finance cost		1,824,668,237	843,712,917
Gain on disposal of fixed asset	35	(19,630,299)	-
Unrealized gain on financial assets	35	(3,254,283)	(3,522,535)
Profit on short-term investments	35	(284,482,388)	(49,187,252)
		2,122,958,180	984,757,462
Operating profit before working capital changes		2,990,933,187	3,591,083,754
(Increase) / decrease in current assets			
Stock in trade		(1,841,173,469)	(1,788,372,074)
Stores and spares		(2,561,997)	(10,834,220)
Trade debts		1,033,530,372	1,697,702,181
Loans and advances		(1,575,106,855)	72,166,610
Trade deposits and short term prepayments		12,106,893	(63,564,052)
Other receivables		(2,073,117,716)	(101,060,609)
Tax refunds due from the Government		(123,964,590)	81,471,693
		(4,570,287,362)	(112,490,471)
Increase / (decrease) in current liabilities			
Trade payables, accrued and other liabilities		4,660,921,852	(927,738,617)
Contract liabilities		1,539,447,690	70,285,690
		4,621,015,367	2,621,140,356
Gratuity paid	22.3	(26,156,787)	(27,591,441)
Income tax paid		(90,539,169)	(332,659,450)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)		4,504,319,411	2,260,889,465
CASH FLOW FROM INVESTING ACTIVITIES			
Additions in operating fixed assets		(637,293,787)	(5,484,860,543)
Disposals of operating fixed assets	5.5	34,571,733	-
Additions in intangible assets	7	(1,283,203)	(9,358,396)
Long term deposits paid		(1,380,000)	(5,736,000)
Investment property	6	(1,350,758,464)	-
Additions in long-term investment	8	(300,000,000)	-
Interest income received		184,720,437	31,883,550
Short-term investments - net		(721,081,070)	(479,200,000)
NET CASH USED IN INVESTING ACTIVITIES (B)		(2,792,504,354)	(5,947,271,389)
CASH FLOW FROM FINANCING ACTIVITIES			
Lease liability repaid		(104,566,848)	(130,052,971)
Long term loans repaid		(336,247,154)	(350,833,719)
Long term loans repaid - equity portion		(21,372,477)	-
Long term loans obtained		1,250,000,000	1,870,000,000
Proceeds from issuance of shares		-	4,108,869,118
Finance cost paid		(1,818,741,339)	(663,965,369)
Dividend paid		(328,080,409)	(364,317,158)
Short term borrowings repaid - net		(433,525,955)	(513,982,495)
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES (C)		(1,792,534,182)	3,955,717,406
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		(80,719,125)	269,335,482
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,101,488,794	832,153,312
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		1,020,769,669	1,101,488,794

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

For The Year Ended 30 June, 2023

1. THE GROUP AND ITS OPERATIONS

1.1 The Group comprises of Air Link Communication Limited ("Parent / the Holding Company") and Select Technologies (Private) Limited ("the Subsidiary"), together "the Group".

1.2 Corporate and general information

1.2.1 Air Link Communication Limited - Parent / the 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.

1.2.2 Select Technologies (Private) Limited - the Subsidiary

Select Technologies (Private) Limited, an unlisted public company registered under the Companies Act, 2017, is a wholly owned subsidiary of the Company. Select Technologies (Private) Limited is engaged in the business of assembly and production of smartphones and related accessories, and has its registered office and assembly unit at 152-1-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore.

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

BUSINESS UNIT	ADDRESS
The Holding Company	
Head Office	152-1-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan
Assembling Facility	152-1-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

BUSINESS UNIT	ADDRESS
The Holding Company	
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
Subsidiary	
Head Office	LG 2, Al - Qadeer Heights, 1 Babar Block, New Garden Town, Lahore, Punjab, Pakistan
Assembly Facility	152-1-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan

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

1.3 In 2021, the Group 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.

Below is the summary of utilization of proceeds from IPO:	30 June 2023 Rupees	30 June 2022 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: Expenditure incurred on working capital (purchase of stock)	-	(4,040,375,729)
Less: Duties paid	-	(68,493,389)
	-	-

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, interpretations and amendment to Published Approved Accounting Standards that are not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Standard

IAS 1

Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current.
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability isitself an equity instrument would the terms of a liability not impact its classification.
- Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The amendments are effective for annual reporting periods beginning on or after 01 July 2024 and must be applied retrospectively. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

IAS 1 and IFRS Practice Statement 2

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 - The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and

- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 01 July 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

IAS 8

Definition of Accounting Estimates - Amendments to IAS 8 - The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 July 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 - In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

IFRS 10 & IAS 28 Consolidated Financial Statements & Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – (Amendment). The effective date of Amendments to IFRS 10 and IAS 28 has been deferred indefinitely (until the research project of IASB, on the equity method, has been concluded. Earlier application of the September 2014 amendments continues to be permitted. The Group expects that the adoption of the amendments will have no material effect on the Group's consolidated financial statements.

IFRS 16 Leases - Lease Liability in a Sale and Leaseback - Amendments requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. The amendments are effective for annual reporting periods beginning on or after 01 July 2024. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application.

In addition to the above, the 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		(Annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	01 July 2004
IFRS 17	Insurance Contracts	01 July 2023

The above amendments and interpretations are not expected to have any significant impact on consolidated financial statements of the Group.

2.3 Standards, amendments to published standards and interpretations that are effective in current year

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year, except for following amendments to accounting standards which are effective for annual periods beginning on or after 01 July 2022 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective:

For The Year Ended 30 June, 2023

IFRS 03 Business Combinations – The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. In accordance with the transitional provisions, the Group applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the separate financial statements of the Holding Company.

IAS 16 Property, plant and equipment – Amendment to clarify the prohibition on an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PPE made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments to specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period. These amendments had no impact on the financial statements of The Group, as prior to the application of the amendments, The Group had not identified any contracts as being onerous and the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised of incremental costs directly related to the contracts and an allocation of costs directly related to contract activities.

The adoption of the above amendments to accounting standards did not have any material effect on the consolidated financial statement.

In addition to the above amendments to standards, improvements to various accounting standards (under the annual improvements 2018 - 2020 cycle) have also been issued by the IASB in May 2020. Such improvements were generally effective for accounting periods beginning on or after 01 July 2022.

IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities - The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39.

In accordance with the transitional provisions, the Group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Group as there were no modifications of the Group's financial instruments during the year.

IFRS 16 Leases: Lease incentives – The amendment removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 Grouping IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16 and had no impact on the financial statements of the Group.

IAS 41 Agriculture: Taxation in fair value measurements – The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

3 BASIS OF PREPARATION

3.1 BASIS OF MEASUREMENT

These consolidated financial statements have been prepared under the historical cost convention except that investment property and certain employee benefits and are recognized on the basis mentioned in note 4.4 , and note 4.8, respectively.

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 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:

Judgements

a - Revenue from contracts with customers (the Subsidary)

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

- Determination of performance Obligations

  With respect to the sale of goods, the Group concluded the goods transferred in each contract constitute a single performance obligation. In relation to the product warranty provided to the customer (such as the goods will conform, in all respects, to the specifications, standards, drawings, samples, descriptions, quality requirements, quality standards, and free from defect) as part of the agreements into which the Group enters. Accordingly, such a warranty is an assurance-type warranty and is thus accounted for under IAS 37. The Group has determined that the promise is the transfer of goods to the customer. Any warranty related to the ultimate customer such as after-sale services or the performance warranty is the responsibility of the brand owner (i.e. the group to which our customer belongs) towards its customer. Therefore, the Group has concluded that the transfer of goods is a single performance obligation recognized at a point in time when the control is transferred.

- Variable consideration

  Contracts with customers include the right to issue debit / credit notes for any amount of exchange loss / (gain) variation in respect of imported raw material 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. TheGroup is not materially exposed to the risk of changes in foreign exchange rates as the brand owners have determined the price of the product which is regulated and therefore, agreed to compensate for any fluctuations in foreign currency movements accordingly, any fluctuation in foreign currency is part of cost of sales.

  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.

- Principal versus agent considerations – sale of goods

  The Group enters arrangement for sale of goods included in the contract in which the Group act as Seller (Assembler / Manufacturer). The Group has determined that it controls the goods before they are transferred to Buyer (Xiaomi Pakistan Private Limited), because it has the ability to direct the use of these goods and obtain the benefits from them. In making this determination, the Group has considered that it is primarily responsible for fulfilling the promise to provide goods because it directly deals with the Buyer and it is primarily responsible for the quality or suitability of the goods. In addition, the Group has inventory risk before the goods have been delivered to a customer. Therefore, the Group has concluded that it is the principal in these contracts. In addition, the Group has concluded that it transfer of goods single performance obligation recognized at a point in time when the control is transferred.

b - Lease term (Note 4.9, 21)

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.

For The Year Ended 30 June, 2023

c - Recognition of deferred tax on unabsorbed depreciation

The Group takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Group's views differ from the views taken by the income tax department at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities. The Group recognises deferred tax assets, to the extent it is probable that taxable profits and tax liability, as applicable, will be available against which the deductible temporary differences and unabsorbed depreciation can be utilized, based on its assessment of the probability and sufficiency of future taxable profits, future reversals of existing taxable temporary differences and ongoing tax planning strategies while also keeping in view the provisions of Income Tax Ordinance, 2001 related to adjustment/ carry forward of the underlying temporary differences and tax credits / unabsorbed depreciation, in subsequent years.

d - Arrangement is not a lease (the Subsidary)

The Group has entered a 'Manufacturing supply agreement', dated 01 November 2021, for manufacturing and selling smartphones and related products with Xiaomi Pakistan Private Limited (the Buyer), the Group's sole customer. The Group has determined that the Group's plant is an identified asset (Group of assets) but the Group has substantive right to substitute the asset throughout the period of use as the Group has the practical ability to substitute alternative assets throughout the period of use and the Group would benefit economically from the exercise of its right to substitute the asset (by for example deploying them elsewhere within the Group to meet demands under higher margin agreements). The buyer has no right to 'direct the use of the asset'. Accordingly, the Groups's arrangement with Xiaomi Pakistan Private Limited does not contain lease, as defined under IFRS 16 ""Leases"". The Group recognizes the consideration receivable under 'Manufacturing supply agreement' with reference to identifiable performance obligations, under IFRS 15. In making this determination, the Group has considered that it is primarily responsible for fulfilling the promise to 'manufacture and sell smartphones and related products' as per the agreement.

Further, considering the Group's assessment of term of agreement, that the buyer only have a right to take possession of and title to its property (that is used to produce goods upon payment) on the Group's option/ consent and quantum of fixed payments under the arrangement, amounts to be recognized in the profit or loss under both the operating lease arrangement, under IFRS 16, or contract with customers, under IFRS 15, are substantially consistent.

Estimates and assumptions

Revenue from contracts with customers (the Holding Company) (Note 4.15 & 30)

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.

Impairment of financial assets (Note 4.20 & 11)

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.

Taxation (Note 4.14 & 37)

Current

The Group establishes provisions, based on reasonable estimates taking into account the applicable tax laws and the decisions by appellate authorities on certain issues in the past. Instances where the Group’s view differs from the view taken by the income tax department at the assessment stage and where the Group considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

A deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Gratuity (Note 4.18 & 23)

Staff retirement gratuity defined benefit is provided for permanent employees of the Group. Calculations in respect of the liability require assumptions to be made of future outcomes, the principal ones being in respect of mortality rate, withdrawal rate, increase in remuneration and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

Property, plant and equipment (Note 4.3 & 5)

The Group reviews the useful lives and residual values of property, plant and equipment on a regular basis. Any changes in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge.

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Valuation of investment property (Note 4.4 & 6)

The fair value of investment property is determined by real estate valuation expert, for disclosure purposes only, using recognised valuation techniques and the principles of IFRS 13 Fair Value Measurement. Investment property is measured based on estimates prepared by independent real estate valuation expert, except where such values cannot be reliably determined. As of reporting date, there is no material change in fair value of the rented portion of the investment property as compared to its purchase price, determined with reference to market conditions and recent transactions of similar properties.

Estimation of net realizable value for inventory

At year end, the Group holds inventory with a carrying value of Rs. 4,087 million (2022: Rs. 2,175 million). Inventory property is stated at the lower of cost and net realisable value (NRV). NRV for inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for the goods in the same geographical market.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Basis of consolidation

The consolidated financial statements include the financial statement of the Holding Company and its subsidiary. The Group uses the acquisition method of accounting to account for business combination. The consideration transferred is the fair value of the assets transferred, the liabilities assumed and the equity interest issued by the Group, if any. The Group recognizes any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the identifiable net assets of the acquiree. The financial statement of the Holding Company and its subsidiary are prepared up to the same reporting date using consistent accounting policy except as stated otherwise.

The Subsidiary is wholly owned incorporated company. The Group policy related to acquisition of the Subsidiary's Identifiable assets acquired and liabilities assumed in the acquisition are measured initially at their fair value at the date of acquisition. Goodwill (if any) is initially measured as the excess of the aggregate of the consideration transferred and the value of non- controlling interest using proportionate share method over the net identifiable assets acquired and liabilities assumed. If this is less than the fair value of the net asset of the subsidiary acquired, the difference is recognized in consolidated statement of profit or loss. After initial recognition it is measured at carrying value i.e. at date of acquisition less any accumulated impairment. The financial statements of subsidiaries have been consolidated on line by line basis. Intra company balances, transactions, income and expenses have been eliminated. Assets, liabilities, income and expense have been consolidated from the date the company acquired the control of the subsidiary till the control cease to exist. Unrealized gain or loss on intra company transactions are also eliminated but unrealized losses are however recognized to the extent of impairment, if any.

4.1.2 Disposal of subsidiary

When the Group ceases to consolidate an investment in subsidiary because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

4.2 Business combinations and goodwill

4.2.1 Acquisition method of accounting

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

4.3 Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for land which is stated at cost. 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 on additions is charged from the day it becomes available for use, and assets are depreciated till the date of disposal. 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.

4.4 Investment property

Th investment property is initially measured at cost (purchase price). The major portion of the investment property (building) is under construction, and accordingly has been classified as capital work -in-progress. Rented portion of investment property are stated at fair value. Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit or loss and other comprehensive income in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. If owner-occupied property becomes an investment property, The Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

4.5 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.

4.6 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 41 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. TDRs are not included in cash and cash equivalents as they are not held for cash management purposes.

4.7 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
Goods in transit	-	actual cost
Work in process	-	weighted average 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.

4.8 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.

4.9 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.

4.10 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.

4.11 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rates implicit in the leases are 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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

4.12 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.

4.13 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.

4.14 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.

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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.

4.15 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).

Rental income arising from investment property is accounted for on a straight line basis and is included in revenue in the consolidated statement of profit or loss due to its operating nature.

4.15.1 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.

4.15.2 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 and borne 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.

4.15.3 Significant financing component

The Group receives either short-term advances from its customers or allows credit limit of 30 to 90 days. Accordingly, the Group does not adjust the promised amount of consideration for the effects of any financing component.

4.15.4 Non cash consideration

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

4.7 Consideration payable to customers

The Group records the consideration payable to customers when brand owners provide instructions to provide incentives and lower portion discounts 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.

4.15.6 Contract balances

(i) Trade receivables

A receivable represents the Group'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 4.8 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.

4.16 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.

4.17 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.

4.18 Employees' Retirement Benefits - Defined Benefit Plan

The Group operates an unfunded gratuity scheme covering eligible workers* of the Holding Group, 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 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.

*In the current year, the Holding Company has extended the scheme to sales staff, in addition to the Holding Company's administrative staff. This resulted in recognition of past service cost in the statement of profit or loss.

4.19 Foreign exchange

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in unconsolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. There are no non-monetary items measured at fair value in a foreign currency.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, determines the transaction date for each payment or receipt of advance consideration.

4.20 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.

4.20.1 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 short-term investments, deposits, trade debts, loans and advances, long-term investments, 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)

For The Year Ended 30 June, 2023

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, long-term investments, 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.

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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, other receivables, and short-term and long-term investments, 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.

4.20.2 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.

4.21 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.

4.22 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. Accordingly, segment related information is presented in Note 47.

4.23 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.

4.24 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.

4.25 Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.
  The principal or the most advantageous market must be accessible by the Group at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

None of the Group's assets or liabilities are carried at their fair value. The fair value of the Group's investment property is however measured and disclosed on an annual basis.

4.26 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;

- Held primarily for the purpose of trading;

- Expected to be realised within twelve months after the reporting period; or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4.27 Capacity and production (the subsidary)

Xiaomi Pakistan Private Limited (Buyer) and the Select Technologies (Private) Limited (Seller) agree on the capacity planning of each month (the "Agreed Capacity") for the next six (6) months in writing, in respect of Buyer's demand for goods. The Buyer also provides the Seller with a demand forecast for the following three (3) months (including the then-current month) based on market demand before the 5th day of each month. If Buyer demand is higher than the Agreed Capacity for that month, Select Technologies (Private) Limited is required to ensure the production and delivery of the goods in a quantity up to 130% of the Agreed Capacity; If the Select Technologies (Private) Limited's actual capacity is lower than 90% of the Agreed Capacity for that month, and such under-performance is solely due to Select Technologies (Private) Limited, they are required to compensate the Buyer for the economic loss incurred therefrom, after negotiation between the parties. If the Buyer's demand is lower than the Agreed Capacity for that month, the Buyer shall ensure that its demand is no less than 70% of the Agreed Capacity. If the demand is less than 70% of theAgreed Capacity, the Buyer shall pay The Company for the idle production lines as a result of inadequate demand.

During the year, the actual production was less than the Agreed Capacity owing to restrictions imposed by the Government of Pakistan on import of mobile SKDs (refer to note 45); however, Select Technologies (Private) Limited was otherwise able to meet the demand of the Buyer as per the production plan/ Agreed Capacity and the Buyer's demand was not less than 70% of the Agreed Capacity. Accordingly, no provision for/ receivable against shortfall in availability/ demand has been recognized in these financial statements.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		(Rupees)	
Operating fixed assets		6,039,178,197	5,852,827,262
Right-of-use assets		100,880,823	273,769,550
Capital work in progress	5.4	11,692,044	-
	5.1	6,151,751,064	6,126,596,812

	30 June 2023									
	COST				ACCUMULATED DEPRECIATION					
	Balance as on 01 July 2022	Additions	Disposal	Balance as on 30 June 2023	Balance as on 01 July 2022	Charge for the year	Disposal	Balance as on 30 June 2023	Net book value as on 30 June 2023	Rate
	(Rupees)									
Owned Assets										
Land	1,959,139,873	-	-	1,959,139,873	-	-	-	-	1,959,139,873	
Building and renovations	773,865,609	3,121,146	-	776,986,755	13,002,668	28,446,431	-	41,449,099	735,537,656	2.5
Plant and machinery	2,852,689,449	611,388,356 *	-	3,464,077,805	71,712,596	221,263,634	-	292,976,230	3,171,101,575	6.67 - 10
Furniture and fixtures	30,848,955	762,903 **	(350,000)	3,464,077,805	21,746,558	5,488,484	(215,000)	27,020,042	4,241,816	33
Computers	89,823,321	1,548,207	-	91,371,528	25,905,052	28,358,938	-	54,263,990	37,107,538	33
Office equipment	393,645,798	8,360,081	(146,000)	401,859,879	157,628,601	122,955,257	(50,000)	280,533,858	121,326,021	33
Motor vehicles	90,653,315	22,050	(32,874,500)	57,800,865	47,843,583	17,397,630	(18,164,066)	47,077,147	10,723,718	25
	6,190,666,320	625,202,743	(33,370,500)	6,782,498,563	337,839,058	423,910,374	(18,429,066)	743,320,366	6,039,178,197	
Right-of-use assets										
Motor vehicles	87,772,965	-	-	87,772,965	62,385,952	19,226,614	-	81,612,566	6,160,399	25
Rented premises-buildings	471,314,113	-	(134,510,680)	336,803,433	222,931,576	60,332,664	(41,181,231)	242,083,009	94,720,424	10 - 20
	559,087,078	-	(134,510,680)	424,576,398	285,317,528	79,559,278	(41,181,231)	323,695,575	100,880,823	
Total	6,749,753,398	625,202,743	(167,881,180)	7 ,207,074,961	623,156,586	503,469,652	(59,610,297)	1,067,015,941	6,140,059,020	

	30 June 2022									
	COST				ACCUMULATED DEPRECIATION					
	Balance as on 01 July 2022	Additions	Disposal	Balance as on 30 June 2023	Balance as on 01 July 2022	Charge for the year	Disposal	Balance as on 30 June 2023	Net book value as on 30 June 2023	Rate
Owned Assets	(Rupees)									
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	
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	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	2
	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	

* This represents transfer of capital expenditure from capital work in progress

** This includes software having cost and accumulated depreciation amounts to Rs. 0.39 million and Rs. 0.13 million, respectively, has been reclassified to intangible assets.Refer to note 7.

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5.2 There are fully depreciated assets, having cost of Rs. 83,579,465 (30 June 2022: Rs.5,264,217) that are still in use as at the reporting date.

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

Cost of sales	31	**254,371,165**	94,884,472
Administrative expenses	32	**153,017,815**	114,140,992
Selling and distribution cost	33	**96,080,672**	128,113,557
		503,469,652	337,139,021

5.4 Capital Work in Progress

	2023				2022
	Building	Plant and Machinery	IT Equipment	Total	Total
	--------------------------------------(Rupees)---------------------------------				
Opening Balance	-	-	-	-	-
Additions during the year	6,538,206	611,388,356	5,153,838	623,080,400	1,835,294,364
Transferred to operating fixed assets	-	(611,388,356)	-	(611,388,356)	(1,835,294,364)
	6,538,206	-	5,153,838	11,692,044	-

5.5 The detail of operating fixed sold during the year is as follows:

Particulars	Cost	Written down value	Sale Proceeds	Gain	Particulars of buyers	Mode of disposal	Relation-shipwith buyer
SUZUKI SWIFT	1,955,000	-	2,160,000	2,160,000	Jawad Chughati	Company Policy	Employee
SUZUKI SWIFT	1,450,000	-	1,725,000	1,725,000	Mubashir	Company Policy	Employee
SUZUKI SWIFT	1,377,000	-	1,621,999	1,621,999	Aadil sandhu	Company Policy	Employee
SUZUKI SWIFT	1,425,000	-	1,951,000	1,951,000	Rizwan Khan	Company Policy	Employee
SUZUKI SWIFT	1,377,000	-	1,750,000	1,750,000	Waleed	Company Policy	Employee
SUZUKI SWIFT	735,000	-	1,661,000	1,661,000	Tayyab Sharif	Company Policy	Employee
SUZUKI SWIFT	1,347,000	-	1,560,000	1,560,000	Rub Nawaz	Company Policy	Employee
SUZUKI SWIFT	1,552,000	-	1,880,000	1,880,000	Arslan	Company Policy	Employee
SUZUKI SWIFT	1,377,000	-	1,494,000	1,494,000	Atif Alam	Company Policy	Employee
SUZUKI SWIFT	1,194,000	-	1,550,000	1,550,000	Khurram	Company Policy	Executive
SUZUKI MEHRAN	840,000	-	930,000	930,000	Waqas Razi	Company Policy	Employee
TOYOTA HIACE	18,245,500	14,710,434	16,057,734	1,347,300	International pleasure motors	Negotiation	Third party
Aggregate of items of property, plant and equipment with individual book value below Rs. 500,000	496,000	231,000	231,000	-			
TOTAL FOR THE YEAR ENDED 30 JUNE 2023	33,370,500	14,941,434	34,571,733	19,630,299			
TOTAL FOR THE YEAR ENDED 30 JUNE 2022	-	-	-	-			

	Note	2023	2022
		(Rupees)	
6 INVESTMENT PROPERTY			
Investment property	6.1	1,350,758,464	-

	Note	2023	2022
		(Rupees)	
6.2 This investment property comprises of:			
Capital work in progress		1,125,719,525	-
Rented portion	6.2.1	225,038,939	-
		1,350,758,464	-

6.2.1 The ground floor of the building having area of 4,500 square meter has been rented out to tenants. The Group carries this rented portion under investment property at fair value model. The major portion of the building is under construction, and accordingly has been classified as capital work -in-progress. The allocation of investment property into capital work in progress and rented portion has been made on the basis of square feet area. The rental income in respect of this property amounts to Rs. 5.4 million (2022: Nil) and has been recognized in profit or loss (refer to Note 35 'Other income').

As of reporting date, there is no material change in fair value of the rented portion of the investment property as compared to its purchase price, determined with reference to market conditions and recent transactions of similar properties. The Group does not have any contractual obligation towards its tenants to purchase, construct or develop investment property or to repair maintain and enhance.

6.2.2 This investment property is under lien against funded facilities obtained from financial institutions by the Group.

	Note	2023	2022
		(Rupees)	
7 INTANGIBLES			
Software			
As at 01 July		39,536,676	30,178,280
Acquired during the year	7.1	1,283,203	9,358,396
Transfer form operating fixed assets		399,000	-
As at 30 June		41,218,879	39,536,676
Accumulated amortization:			
As at 1 July		23,882,156	12,161,926
Charge for the year	7.2	6,541,085	11,720,230
Transfer form operating fixed assets		133,499	-
As at 30 June		30,556,740	23,882,156
Net book value		10,662,139	15,654,520
Rate of amortization		33%	33%

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7.1 This represents the software upgradation of the Retail Pro software.

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

	Note	2023	2022
		(Rupees)	
Cost of sales	31	**1,497,953**	2,237,797
Administrative expenses	32	**2,264,776**	4,214,413
Selling and distribution cost	33	**2,911,855**	5,268,020
		6,674,584	11,720,230

8 LONG-TERM INVESTMENT

Financial assets at amortized cost

Term finance certificate	8.1	**300,000,000**	-

8.1 This relates to a term finance certificate (TFC) obtained from JS Bank, having a face value of Rs. 300 million (30 June 2022: Rs. Nil) and carrying a markup at the rate of 3 months KIBOR + 2 %, having a maturity period of 10 years (30 June 2022: Nil). The TFC pays interest quarterly, and is rated A+ by PACRA. No lien is marked against this TFC.

8.2 Movement in financial assets is as follows:

As at 1 July	**-**	-
Additions	**300,000,000**	-
Markup accrued	**1,032,787**	-
Current portion of markup accrued on long-term investment - net	**(1,032,787)**	-
As at 30 June	**300,000,000**	-

9 STOCK IN TRADE

Raw material		**724,939,669**	1,029,483,708
Work in process		**33,664,619**	128,106,849
Mobile phones		**451,546,354**	1,459,389,775
Spare parts		**144,007,330**	146,012,883
		1,354,157,972	2,762,993,215
Provision for net realizable value	9.1	**(1,910,788)**	(2,274,365)
		1,352,247,184	2,760,718,850
Goods in transit	9.2	**5,822,861,061**	2,572,852,349
		7,175,108,245	5,333,571,199

9.1 Movement in provision for net realizable value is as follows:

As at 1 July	**2,274,365**	13,799,624
Reversal during the year	**(363,577)**	(11,525,259)
As at 30 June	**1,910,788**	2,274,365

9.2 This represents goods that are made available for use to the Group by the supplier against open letter of credits, but have not yet been received by the Group.

	Note	2023	2022
		(Rupees)	
10 TRADE DEBTS			
Due from customers - considered good	10.1	2,713,922,206	3,752,501,028
Considered doubtful - others		15,087,132	10,038,682
Allowance for expected credit losses	10.4	(15,087,132)	(10,038,682)
		-	-
		2,713,922,206	3,752,501,028

10.1 This includes receivable from Xiaomi Pakistan (Private) Limited amounting to Rs. 667,155,325 (2022 : Nil) in respect of the Group's foreign exchange losses on importation of raw material resulting from difference between the spot exchange rates at the date of initial recognition of stock in trade and and date of the related payment. the Group has already processed and sold the related finished goods. As per 'Manufacturing supply agreement', such exchange losses (and gains) are chargeable to Xiaomi Pakistan (Private) Limited, via debit note (or credit note, as applicable). Subsequent to reporting date, the whole of the outstanding amounts have been received from Xiaomi Pakistan (Private) Limited.

10.2 These customers have no recent history of default. For age analysis of these trade debts, refer to Note 42.2.1.

10.3 No amount is receivable from the Chief Executive, Directors and Executives of the Group (2022: Rs. Nil).

10.4 Movement in allowance for expected credit loss is as follows:

	Note	2023	2022
		(Rupees)	
As at 01 July		10,038,682	68,979,736
Reversal during the year	35	(10,038,682)	(68,979,736)
Charge during the year	32	15,087,132	10,038,682
		5,048,450	(58,941,054)
As at 30 June		15,087,132	10,038,682

11 LOANS AND ADVANCES

Advances considered good - unsecured

	Note	2023	2022
Advance to supplier	11.1	1,629,870,165	71,629,085
Advance to custom authorities		80,902,077	73,869,236
Advance to employees against salary	#NAME?	37,501,771	26,672,613
Advance to employees against the Group expenses		64,300	104,300
Advance to employees against loaned / mobile sets		146,135	1,102,359
		1,748,484,448	173,377,593

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.

11.3 This includes loans and advances amounting to Rs. 20,185,690 (2022: Rs.16,063,354) given to 13 (2022: 16) executives of the Group.

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12 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	2023	2022
		(Rupees)	
Security deposits	12.1	-	4,536,492
Prepayments		14,722,608	22,293,009
		14,722,608	26,829,501

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

13 OTHER RECEIVABLES

	Note	2023	2022
Margin against letters of credit		5,442,506,924	2,862,776,370
Rental receivable	13.1	1,108,771	-
Bank guarantee		3,500,000	3,500,000
Due from brand owners	13.2	530,034,007	1,036,979,618
Claims from courier against lost items		-	1,808,785
Current portion of markup on long-term investment		1,032,787	-
		5,978,182,489	3,905,064,773

13.1 This represents rental receivable with respect to rented portion of investment property.

13.2 This represents due from brand owners on account of various incentives and promotions offered by them, and other costs reimbursed by them.

14 TAX REFUNDS DUE FROM THE GOVERNMENT

	2023	2022
Advance income tax	287,579,080	165,163,227
Sales tax	4,127,823	2,579,086
	291,706,903	167,742,313

15 SHORT TERM INVESTMENTS

	Note	2023	2022
Financial assets at amortized cost			
Term deposits	15.1	1,715,500,000	845,600,000
Term finance certificates		-	100,000,000
Accrued markup	15.2	117,823,028	19,093,864
		1,833,323,028	964,693,864
Financial assets at fair value through profit or loss			
Investment in mutual funds	15.3	301,299	44,833,159
		1,833,624,327	1,009,527,023

15.1 This relates to term deposits (TDRs) having face value of Rs. 1,715 million (30 June 2022: Rs. 845.6 million) and carrying markup ranging from 12.25% to 20.50% (30 June 2022: 5% to 10%), having a maturity period of 30 days to 365 days (30 June 2022: 30 days to 90 days). These TDRs are under lien against funded facilities obtained from financial institutions.

15.2 This relates to term finance certificate (TFCs) having face value of Rs. Nil (30 June 2022: Rs. 100 million) and carrying markup ranging from Nil (30 June 2022: 6 Months KIBOR + 2.25%), having a maturity period of Nil years (30 June 2022: 180 days). These TFCs are under lien against funded facilities obtained from financial institutions.

For The Year Ended 30 June, 2023

15.3 This amount relates to 2,975 units (30 June 2022: 454,629.56 units) of Al Habib Cash Fund managed by Al Habib Asset Management Limited.

15.4 Movement in financial assets is as follows:

30 June 2023	At amortized cost		At fair value through profit and loss	
	Term Deposits	Term Finance Certificates	Investment in mutual funds	Total
Opening balance 1 July	864,693,864	100,000,000	44,833,159	1,009,527,023
Additions	2,479,960,000	471,634,488	1,285,659	2,952,880,147
Deletions	(1,610,060,000)	(571,634,488)	(49,071,802)	(2,230,766,290)
Mark up accrued	269,301,855	14,147,746	-	283,449,601
Fair value gain on investment	-	-	3,254,283	3,254,283
Mark up received	(170,572,691)	(14,147,746)	-	(184,720,437)
Closing Balance	1,833,323,028	-	301,299	1,833,624,327

30 June 2022	At amortized cost		At fair value through profit and loss	
	Term Deposits	Term Finance Certificates	Investment in mutual funds	Total
Opening balance 1 July	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)
Closing Balance	864,693,864	100,000,000	44,833,159	1,009,527,023

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

	Note	2023	2022
		(Rupees)	
Opening balance		**6,149,595**	2,627,060
Fair value gain during the period / year		**3,254,283**	3,522,535
Gain realised during the year		**(9,365,543)**	-
Closing balance		**38,335**	6,149,595

16 CASH AND BANK BALANCES

	Note	2023	2022
Cash in hand		**23,136,255**	31,820,223
Cash at bank - current accounts		**997,633,414**	1,069,667,723
Cash at bank - saving account	16.1	**-**	848
		1,020,769,669	1,101,488,794

16.1 This carries markup at the rate of Nil per annum (2022: 4.25% per annum)

For The Year Ended 30 June, 2023

17. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2023	2022		2023	2022
(Number of Shares)			(Rupees)	
192,692,308	192,692,308	Ordinary shares of Rs.10 each (30 June2022: Rs 10) fully paid in cash	1,926,923,080	1,926,923,080
202,576,923	202,576,923	Ordinary shares of Rs.10 each (30 June2022: Rs 10) fully paid in cash	2,025,769,230	2,025,769,230
395,269,231	395,269,231		3,952,692,310	3,952,692,310

17.1 Movement in share capital as follows:

	No. of Shares		Share Capital	
Movement in share capital as follows:	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Opening 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
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	192,692,308	1,926,923,080	1,926,923,080
- Bonus shares of Rs. 10 each fully paid as bonus shares	202,576,923	202,576,923	2,025,769,230	2,025,769,230
	395,269,231	395,269,231	3,952,692,310	3,952,692,310

18 SHARE PREMIUM - CAPITAL RESERVE

Movement in share premium reserve as follows:

	Note	2023	2022
		(Rupees)	
As at 1 July		3,556,176,808	-
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)
	18.1	3,556,176,808	3,556,176,808

18.1 This reserve can be utilized by the Group 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	2023	2022
		(Rupees)	
As at 1 July		-	400,000,000
Transfer from long term loan		-	-
Conversion into ordinary shares.		-	(400,000,000)
		-	-

20 LONG TERM LOANS

	Note	2023	2022
JS Bank Limited & PCF Communication Investments (Private) Limited	20.1	-	133,333,333
JS Bank Limited	20.2	-	22,832,239
Orix Leasing Pakistan Limited	20.3	28,282,214	77,236,273
Saudi Pak Industrial and Agricultural Investment Company Limited - I	20.4	800,000,000	800,000,000
Saudi Pak Industrial and Agricultural Investment Company Limited - II	20.5	900,000,000	-
Pak Oman Investment Company - I	20.6	150,000,000	270,000,000
Pak Oman Investment Company - II	20.7	350,000,000	
Bank Al Habib Limited	20.8	767,500,000	800,000,000
Add: Accrued markup		123,139,527	39,455,067
		3,118,921,741	2,142,856,912
Less: Current portion shown under current liabilities		(820,782,214)	(466,789,550)
Less: Accrued markup presented in current liabilities		(123,139,527)	(39,455,067)
		2,175,000,000	1,636,612,295

20.1 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 was 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 the Group does not meet criteria set out in the subscription agreement with loan providers. The said criteria has been met accordingly, the loan has been extinguished in the current year.

20.2 The Group has obtained long term finance facility from JS Bank Limited under State Bank of Pakistan (SBP) 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.

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 mark-up rate charged during the year on the outstanding balance ranged from 20.43% to 27.16% per annum. 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 Group. This loan was obtained for the period of 5 years with a grace period of 1 year from date of first disbursement. Loan is repayable in 8 equal semi-annual instalments starting from the end of 6th quarter from the date of first disbursement. The rate of mark up on loan is 3 months KIBOR + 2.5%. The mark-up rate charged during the year on the outstanding balance ranged from 18.27% to 25.58% per annum. This facility is secured against all present and future current assets of the Group.

20.5 This represents loan of PKR 900 million obtained from Saudi Pak Industrial and Agricultural Investment Company Limited to partially finance/refinance of the Group. Total tenure of loan is 5 years and grace period is 1 year from date of first disbursement. Loan is repayable in 8 equal semi annual instalments starting from the end of 6th quarter from the date of first disbursement. The rate of mark up on loan is 3 months KIBOR + 2.5%. The rate of mark up on loan is 3 months KIBOR + 2%. The markup rate charged during the year on the outstanding balance ranged from 17.88% to 24.55% per annum. This facility is secured against all present and future current assets of the Group and personal guarantees of sponsoring director of the Group.

20.6 This represents loan of PKR 300 million obtained from Pak Oman Investment Company Limited to meet working capital requirements of the Group. This loan was obtained for the period of 3 years with a grace period of 6 month from date of first disbursement. Loan is repayable in 10-equal quarterly installments starting from the end of 3rd quarter from the date of first disbursement. The rate of mark up on loan is 3 months KIBOR + 2%. The mark-up rate charged during the year on the outstanding balance ranged from 17.36% to 24.91% per annum. This facility is secured against all present and future current assets and non current assets of the Group.

20.7 This represents loan of PKR 350 million obtained from Pak Oman Investment Company Limited to meet working capital requirements of the Group. Total tenure of facility 3.5 years and grace period is 6 month from date of first disbursement starting from 14 equal quarterly installments starting from the end of 3rd quarter from the date of disbursement. The rate of mark up on loan is 3 months KIBOR + 2%. The rate of mark up on loan is 3 months KIBOR + 2%. The markup rate charged during the year on the outstanding balance ranged from 17.73% to 24.02%per annum. This facility is secured against all present and future non current assets of the Group and personal guarantees of director of the Group.

20.8 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 repayable in 20 equal quarterly instalments starting form the end of 5th quarter from the date of first disbursement. The rate of mark up on loan is 3 months KIBOR + 2%. The markup rate charged during the year on the outstanding balance ranged from 17.32% to 24.08% per annum. This loan is secured against fixed assets, current assets, 100% cash margin against import of mobile phones at time of establishment of LCs and personal guarantees of all directors of the Group.

21 LEASE LIABILITIES

Lease period for the lease during current year ranges from 3 to 10 years (2022: 3 to 10 years). The effective interest rate used as the discounting factor (i.e. incremental borrowing rate) ranges from 9.39% to 12.69% (2022: 9.39% to 12.69%).The amounts of future payments and the periods in which they will become due are:

21.1 Year ending

	Note	2023	2022
		(Rupees)	
2023		-	124,560,085
2024		84,798,171	103,824,392
2025		52,838,614	77,220,918
2026		16,257,554	30,644,485
2027		10,582,173	79,820,219
		10,759,381	-
Later than 2028		26,818,514	-
		202,054,407	416,070,099
Less: Future finance charges		(33,934,101)	(69,823,877)
Present value of lease payments		168,120,306	346,246,222
Less: Current maturity shown under current liabilities		(71,978,305)	(104,179,241)
		96,142,001	242,066,981

For The Year Ended 30 June, 2023

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

	30 June 2023		30 June 2022	
	LP	PV of LP	LP	PV of LP
	Rupees	Rupees	Rupees	Rupees
Due not later than 1 year	84,798,171	71,978,303	124,560,085	104,179,241
Due later than 1 year but not later than 5 years	90,437,722	72,521,473	291,510,014	242,066,981
Later than 5 years	26,818,514	23,620,530	-	-
	202,054,407	168,120,306	416,070,099	346,246,222

		Note	2023	2022
			(Rupees)	
21.3	Opening balance		346,246,222	711,057,063
	Lease liabilities acquired during the period / year		-	17,727,490
	Mark-up on lease liabilities - rented premises	36	25,830,460	83,663,854
	Termination of lease		(99,389,528)	(336,149,214)
			272,687,154	476,299,193
	Lease rentals paid		(104,566,848)	(130,052,971)
	Present value of lease payments		168,120,306	346,246,222
	Less: Current portion of long term lease		(71,978,305)	(104,179,241)
			96,142,001	242,066,981

21.4 Cash outflow for lease

The Group had total cash outflows for leases of Rs. 104,566,848 (2022: Rs. 130,052,971). There were no non-cash additions to right-of-use assets and lease liabilities in the current year. (2022: Right-of-use assets and lease liabilities amounts to Rs. 17,727,490 and Rs. 17,727,490 respectively).

21.5 As of reporting date, the Group has no current obligation to transfer economic resources in respect of leases that have not yet commenced.

22 DEFINED BENEFIT LIABILITY

UNFUNDED GRATUITY

22.1 The amounts recognized in the statement of financial position are:

	2023	2022
Present value of defined benefits obligation	27,129,907	24,930,028

22.2 The amounts recognized in the statement of profit or loss are:

	2023	2022
Current service cost	11,918,935	10,603,029
Past Service Cost	18,037,138	-
Interest cost on defined benefit obligation	3,911,775	3,480,969
Expense recognized in the statement of profit or loss	33,867,848	14,083,998

For The Year Ended 30 June, 2023

22.3 Movement in the net present value of defined benefit obligation is:

	Note	2023	2022
		(Rupees)	
Net liabilities at the beginning of the year		24,930,028	34,722,393
Current service cost		10,603,029	11,918,935
Past Service Cost		18,037,138	-
Interest cost on defined benefit obligation		3,480,969	
		3,911,775	3,480,969
Remeasurements gain / (losses) charged to other comprehensive income			
-Actuarial assumption		(5,511,182)	3,715,078
		53,286,694	52,521,469
Less: Payments during the year		(26,156,787)	(27,591,441)
Net liabilities at the end of the year		27,129,907	24,930,028

Qualified actuaries have carried out the valuation as at 30 June 2023. The projected unit credit method, based on the following significant assumptions, is used for valuation:

	2023	2022
Discount rate	16.25%	13.25%
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	(28,263,687)
-100 bps	Discount rate	26,053,164
+100 bps	Expected increase in salary	28,376,475
-100 bps	Expected increase in salary	25,929,934

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.

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23 DEFERRED TAX LIABILITY

	Note	2023	2022
		(Rupees)	
This comprises of:			
Deferred tax liabilities on taxable temporary differences			
Accelerated tax depreciation - the Holding Company		26,623,825	12,546,716
Accelerated tax depreciation - the Subsidiary		327,051,640	240,222,142
Deferred tax assets on deductible temporary differences			
Lease liabilities - net		(26,223,398)	(23,917,301)
Defined benefit liability		(10,580,664)	(8,226,909)
Provision for net realizable value adjustment		(745,207)	(750,540)
Refund liabilities		-	(101,998)
Provision for expected credit loss		(5,883,981)	(3,312,765)
Alternate corporate tax - the Subsidiary		-	(6,820,782)
Unabsorbed depreciation losses - the Subsidiary		(42,425,385)	-
	23.1	267,816,830	209,638,563
Less: deferred tax asset of Parent shown under non-current assets		16,809,425	23,762,797
		284,626,255	233,401,360

23.1 Reconciliation of deferred tax - net

	Note	2023	2022
As at 1 July		209,638,563	15,239,805
Recognized in statement of profit or loss	37	56,028,906	195,624,734
Recognized in other comprehensive income		2,149,361	(1,225,976)
As at 30 June		267,816,830	209,638,563

23.2 Below is the expiry tax year of alternate corporate tax and unabsorbed depreciation losses on which deferred tax asset has been recognized.

Expiry Tax Year	Nature	30 June 2023 (Rupees)	30 June 2022 (Rupees)
2032	Alternate corporate tax	-	6,820,782
No Expiry	Unabsorbed depreciation losses	42,425,385	-
		42,425,385	6,820,782

23.3 The Group being prudent has not recognized deferred tax asset on provisions aggregating to Rs. 190.90 million (2022: Rs. 190.90 million), on unused depreciation losses amounting to Rs. 232.54 million (2022: Rs.190.91 million), on alternate corporate tax amounting to Rs. 16.69 million (2022: Rs.16.69 million) and minimum tax amounting to Rs. 36.90 million (2022: Nil) as it is not probable that sufficient future taxable profits will be available against which unused tax losses and deductible temporary differences can be utilized. The recognition of deferred tax asset is based upon whether it is more likely than not that sufficient taxable profits will be available against which the unutilized losses can be deducted.

Expiry Tax Year	Nature	30 June 2023 (Rupees)	30 June 2022 (Rupees)
2032	Alternate corporate tax	23,519,939	16,699,157
2026	Minimum Tax	38,575,263	-
No Expiry	Provision for WPPF	2,440,936	-
No Expiry	Unabsorbed depreciation losses	190,913,130	190,913,130
		255,449,268	207,612,287

24 SHORT TERM BORROWINGS

	Note	2023	2022
		(Rupees)	
JS Bank Limited - I	24.1	**1,183,936,619**	1,765,788,891
JS Bank Limited - II	24.2	**246,648,456**	519,448,340
Bank AL Habib Limited - I	24.3	**631,318,969**	938,310,383
Bank AL Habib Limited - II	24.4	**2,264,215,001**	292,138,484
Bank AL Habib Limited - III	24.5	**-**	824,000,000
Dubai Islamic Bank	24.6	**525,420,000**	131,481,501
Bank of Khyber	24.7	**-**	863,475,959
Askari Bank Limited	24.8	**-**	237,000,000
Industrial and Commercial Bank of China	24.9	**286,578,558**	-
Accrued markup		**63,771,541**	82,482,513
		5,201,889,144	5,654,126,071
Less: Accrued markup presented in current liabilities		**(63,771,541)**	(82,482,513)
		5,138,117,603	5,571,643,558

24.1 Represents the utilized portion of working capital facilities for Funds against trust receipt (FATR) and Short term finance (STF) amounts to Rs. 941 million (2022: Rs. 670 million) and Rs. 243 million (2022: Rs. 905 million), respectively, total limit of facility for sight-letter of credit (SLC) amounts to Rs. 4,350 million (2022: Rs. 2,300 million), shipping guarantees of Rs. 4,350 million (Sub Limit of SLC) (2022: Rs. 1,200 Million), FATR amounting to 1,150 million (2022: Rs. 4,350 million), STF of Rs. 1,150 million (2022: Rs. 1,500 million) (sublimit of FATR), running finance of Rs. 200 million (sublimit of FATR) (2022: Rs. 200 million), bank guarantee of Rs. 13.5 million (2022: Rs. 20 million (sublimit of FATR). These facilities are inter-changeable within the Group. The rate of markup on funded facilities is 3 months KIBOR + 2% (2022: 3 months KIBOR + 2%). The markup rate charged during the year on the outstanding balance ranged from 17.32% to 24.91% (2022: 9.45% to 17.16%) per annum.These facilities are secured against mortgage of residential properties belonging to sponsors and shareholders having fair market value amounting to Rs. 195.05 million (2022: Rs. 187.55 million) and investment property of subsidiary having fair market value amounting 1,117.513 million, Joint pari pasu charge of amounting 3,700 million (2022: Rs. 3,700 million) over all present and future current assets and personal guarantees of all directors of the Group.

24.2 Represents the utilized portion of working capital facilities for funds against trust receipt (FATR) amounts to Rs. 246 million (2022: Rs. 519 million), respectively, total limit of facility for sight-letter of credit (SLC) amounts to Rs. 4,350 million (2022: Rs. 2,300 million) and FATR amounting to Rs. 1,150 million (2022: Rs. 1,200 million). These facilities are interchangeable within the Group. The rate of markup on funded facilities is 3 months KIBOR+2%. The markup rate charged during the year on the outstanding balance ranged from 17.32% to 24.91% (2022: 10.33% to 17.16%) per annum. These facilities are secured against ranking charges of amounting 1,500 million over all present and future current assets of the Group.

24.3 Represents the utilized portion of working capital facilities for Funds against trust receipt (FATR) amounts to Rs. 941 million (2022: Rs. 670 million), total limit of facility for sight-letter of credit (SLC) amounting to Rs. 25,000 million (2022: Rs. 2,500 million), running finance facility of Rs. 560 million (2022: Rs. 3,060 million) (sublimit of FATR), STF of 640 Million. The rate of mark up on funded facilities is 3 months KIBOR + 1%(RF) & 3 months KIBOR + 2% (FATR) (2022: 3 months KIBOR + 1%(RF) & 3 months KIBOR + 2% (FATR). The markup rate charged during the year on the outstanding balance ranged from 17.32% to 24.91% (2022: 9.45% to 17.16%) per annum.

These facilities are secured against mortgage of residential properties belonging to sponsors and shareholders having fair market value amounting to Rs. 347 million (2022: Rs. 347 million) and pari passu / joint pari passu charge over current assets of Rs. 5,500 million (2022: 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 (2022: Rs. 7,800 million) and cross corporate guarantees.

24.4 Represents the utilized portion of working capital facilities for funds against trust receipt (FATR) amounts to Rs. 2,264 million (2022: Rs. 292 million), respectively, total limit of facility for sight-letter of credit (SLC) amounts to Rs. 5,000 million (2022: Rs. 1,500 million) and finance against trust receipt (FATR) amounting to Rs. 4,000 million (2022: Rs. 1,275 million) (sublimit of letter of credit). The markup rate charged during the year on the outstanding balance ranged from 17.32% to 24.91% (2022: 11.95% to 17.16%) per annum. These facilities are secured against over all present and future current assets of the Group.

24.5 The Group has working capital facilities obtained from Bank AL Habib comprise of short term running finance amounting Rs. 4,000 million (2022: 1,275 million). The rate of markup on funded facilities is 3 months KIBOR+2%. These facilities are secured against ranking charge of Rs. 4,600 million over current assets of the Group.

24.6 Represents the utilized portion of working capital facilities for running musharakah amounts to Rs. 525 million (2022: Rs Nil), total limit of facility for sight-letter of credit (SLC) amounting Rs. 1,200 million (2022: Rs. 700 million), shipping guarantee (sublimit of SLC) of Rs. 1,200 million (2022: Rs. 700 million) and import Murabaha / Istisna cum Wakala of Rs. 800 million (2022: Rs. 525 million) and RM of Rs. 800 million (2022: Rs Nil) (Sublimit of LC sight).The rate of mark up on funded facilities is matching KIBOR + 2.5%. The markup rate charged during the year on the outstanding balance ranged from 17.82% to 25.41% (2022: 9.95% to 17.56%) per annum.

These facilities are interchangeable with wholly owned subsidiary of the Group and secured against Joint pari pasu charge of amounting 700 million. The security comprise of lien over import documents / lien over deposit / TDR in the name of the Group / Sponsors account being maintained with Dubai Islamic Bank or as per SBP requirements whichever is higher.

24.7 Working capital facilities obtained from Bank of Khyber comprise of letter of credit (sight) amounting to Rs. 600 million (2022: Rs.600 million), shipping guarantees of Rs. 350 million (2022: 350 million) (sublimit of finance against trust receipt), finance against trust receipt of Rs. 600 million [2022: Rs 600 million (sublimit of letter of credit)], one time running finance of Rs. 300 million (2022: 300 million). The rate of mark up on funded facilities is 3 months KIBOR + 2% (2022: 3 months KIBOR + 2%).These facilities are secured against personal guarantees of directors along with their net worth statements. These facilities are secured against Joint pari pasu of Rs 400 million (2022: Rs 400 million) 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.

24.8 Working capital facilities obtained from Askari Bank Limited comprise of letter of credit (sight) amounting to Rs. 500 million (2022: Rs. 500 million), shipping guarantees of Rs. 500 million [2022: Rs. 500 million (sublimit of letter of credit (sight)] and short term finance of Rs. 500 million (2022: Rs. 500 million) (sublimit of letter of credit (sight)). The rate of mark up on funded facilities is 3 months KIBOR + 1.9% (2022: 3 months KIBOR + 1.9%).These facilities are secured against personal guarantees of directors along with their net worth statements. These facilities are secured against joint pari passu charge of Rs. 334 million (2022: Rs. 334 million) over all present and future current assets of the Group, TDR covering 50% of outstanding exposure at all times.

24.9 Represents the utilized portion of working capital facilities for Funds against trust receipt (FATR) amounts to Rs. 287 million (2022: Rs. Nil), total limit of facility for sight-letter of credit (SLC) amounting Rs. 1,500 million (2022: Rs. Nil), shipping guarantee of Rs. 1,500 million (2022: Rs. Nil) (Sub limit of LC), FATR receipt of Rs. 750 million (2022: Rs. Nil) (Sub limit of LC). The rate of mark up on funded facilities is matching tenure KIBOR + 2% (2022: Nil). The markup rate charged during the year on the outstanding balance ranged from 17.93% to 24.91% (2022: Nil) per annum.These facilities are secured against joint pari passu charge of Rs. 1,000 million over present and future current assets of the Group and personal guarantee of sponsor and Directors of the Group.

For The Year Ended 30 June, 2023

	Note	2023	2022
		(Rupees)	

25 ACCRUED MARKUP

	Note	2023	2022
Long term loans	20	123,139,527	64,695,066
Short term borrowings	24	63,771,541	142,119,564
		186,911,068	206,814,630

26 REFUND LIABILITIES

	2023	2022
Arising from retrospective incentives and lower portion discounts.	-	309,084

27 CONTRACT LIABILITIES

	2023	2022
Advances from customers in respect of revenue recognized at a point in time	1,692,615,868	153,168,178

These represent advances from customers against which the Group has performance obligation to provide goods in future. The above contract liabilities are expected to be recognized as revenue within one year.

28 TRADE PAYABLES, ACCRUED AND OTHER LIABILITIES

	Note	2023	2022
Trade payables	28.1	4,715,368,872	47,009,807
Accrued expenses		134,594,911	16,454,036
Withholding tax payable		134,340,037	229,504,765
Workers' Welfare Fund	28.2	123,691,026	106,353,886
Workers' Profit Participation Fund	28.3	89,710,108	37,644,335
Other payables	28.4	11,079,741	10,808,046
Sales tax payable	`	17,635,260	54,394,109
		5,226,419,955	502,168,984

28.1 This includes amount payable to Xiaomi H. K. Limited amounting Rs. 3,716.03 million (2022 : Rs. 47.01 million)

28.2 Movement in Workers' Welfare Funds

	Note	2023	2022
As at 1 July		106,353,886	55,535,806
Charge for the year	34	17,337,140	50,818,080
As at 30 June		123,691,026	106,353,886

28.3 Movement in Workers' Profit Participation Funds

	Note	2023	2022
As at 1 July		37,644,335	-
Charge for the year	34	45,901,513	37,644,335
Interest charge for the year	36	6,164,260	-
As at 30 June		89,710,108	37,644,335

28.4 This includes rebate payable amount to Rs. 9,116,894 (2022: Rs. 237,657) which is adjustable against due from brand owners.

For The Year Ended 30 June, 2023

29 CONTINGENCIES AND COMMITMENTS

29.1 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 financial statements.

	Note	2023	2022
		(Rupees)	
29.2 Commitments			
Letters of credit		4,583,860,399	2,862,776,370
Bank guarantees		3,500,000	3,500,000
Shipping guarantee		858,646,525	-
		5,446,006,924	2,866,276,370

30 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	Note	2023	2022
Sales - local		38,740,327,541	51,513,727,279
Sales - export		-	62,085,188
Service income		37,355,795	72,128,238
Gross sales		38,777,683,336	51,647,940,705
Less: Sales tax		(41,090,156)	(67,272,421)
		38,736,593,180	51,580,668,284
Less: Discount		(1,802,582,788)	(2,414,867,354)
		36,934,010,392	49,165,800,930
Geographical region:			
Pakistan		38,777,683,336	51,585,855,517
UAE		-	62,085,188
		38,777,683,336	51,647,940,705
Timing of transfer of goods and services:			
At a point in time		38,777,683,336	51,647,940,705
Contract balances			
Trade receiveable	30.1	2,713,922,206	3,752,501,028
Contract liabillity	30.2	1,692,615,868	153,168,178
Refund liability	26	-	309,084

30.1 Trade debts are non interest bearing and become due after 30 to 90 days of the invoice date. The decrease in trade debt pertains to decrease in overall revenue from customers during the year.

30.2 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. 153.17 million (2022: Rs. 82.80 million). The balance of contract liability as at 30 June 2023, is expected to be recognized as revenue within one year.

AIR LINK COMMUNICATION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June, 2023

31 COST OF SALES

	Note	2023 (Rupees)	2022 (Rupees)
Raw material consumed	31.1	16,337,323,512	14,938,114,390
Cost of export sales		-	57,640,368
Sales tax - Mobiles		10,553,435	424,840,573
Sales tax - tablets		-	7,608,143
Service fee		51,185,800	129,347,260
Regulatory duty		105,905,286	1,598,121,340
Insurance		1,536,916	3,199,689
Clearing charges		35,022,785	15,743,927
Salaries, wages and benefits		351,059,335	465,110,416
Custom duty - tablets		4,146,806	2,501,112
Depreciation	5.3	254,371,165	94,884,472
Utilities		33,819,519	16,356,604
Amortization	7.2	1,497,953	2,237,797
Exchange losses		1,197,921,939	-
Domestic carriage		1,291,900	800,400
		18,385,636,351	17,756,506,491
Decrease / (increase) in work-in-process		94,442,230	(128,106,849)
Cost of goods assembled		18,480,078,581	17,628,399,642
Increase in finished goods		1,007,843,421	(5,418,133)
Cost of goods sold - own assembled		19,487,922,002	17,622,981,509
Cost of goods sold - imported for resale		96,380,701	21,692,030,542
Cost of goods sold - purchased locally for resale		13,814,912,883	4,669,511,992
		33,399,215,586	43,984,524,043

	Note	2023 (Rupees)	2022 (Rupees)
31.1 Opening		1,175,496,591	473,442,637
Purchases during the period		16,030,773,920	15,640,168,344
		17,206,270,511	16,113,610,981
Closing		(868,946,999)	(1,175,496,591)
Consumption		16,337,323,512	14,938,114,390

32 ADMINISTRATIVE EXPENSES

	Note	2023	2022
Salaries and benefits		281,045,478	389,996,065
Rent, rates and taxes		19,361,140	16,852,532
Depreciation	5.3	153,017,815	114,140,992
Insurance		34,827,423	19,773,814
Legal and professional		12,582,285	13,250,582
Repair and maintenance		36,391,246	34,194,452
Fees and subscription		35,642,266	186,131,547
Utilities		11,727,292	21,637,806
Office expenses		10,064,003	23,699,191
Security service charges		15,807,726	18,650,326
Traveling and conveyance		63,235,595	36,935,164
Entertainment		22,473,830	25,563,380
Vehicle running expenses		7,237,829	15,808,160
Postage and telephone		6,079,704	5,979,538
Amortization	7.2	2,264,776	4,214,413
Printing and stationary		3,515,562	11,374,935
Staff retirement benefits - Gratuity scheme	22.2	16,933,924	7,041,999
Auditors' remuneration	32.1	5,800,000	5,650,000
Allowance for expected credit loss - trade debts	10.4	15,087,132	10,038,682
Charity and donation	32.2	13,857,244	18,332,024
Miscellaneous expenses		3,304,784	2,834,074
		770,257,054	982,099,676

For The Year Ended 30 June, 2023

		Note	2023	2022
			(Rupees)	
32.1	**Annual audit fee**		4,800,000	4,800,000
	Out of pocket expenses		300,000	150,000
	Certificates and other assurance engagements		700,000	700,000
			5,800,000	5,650,000

32.2 During the year, the Group has not paid donations to any organization, in which any director or his spouse has any interest. Donation to the following parties / organizations exceeds 10% of total amount of donation expense or Rs. 1 million.

	Note	2023	2022
		(Rupees)	
Million smiles foundation		3,300,000	500,000
Sunder stem school		3,500,000	762,000
Support for family of ex-employee (Late Riaz Noor)		1,470,000	1,100,000
		8,270,000	2,362,000

33 SELLING AND DISTRIBUTION COST

	Note	2023	2022
Salaries, wages and benefits		132,909,935	226,562,417
Staff retirement benefits - Gratuity scheme		16,933,924	7,041,999
Freight outward		1,851,412	69,043,384
Advertisement and promotions		10,518,144	43,539,850
Depreciation	5.3	96,080,672	128,113,557
Travelling and conveyance		21,738,776	29,756,159
Packing expenses		1,361,564	6,764,463
Amortization	7.2	2,911,855	5,268,020
Utilities		23,603,762	31,839,886
Insurance		1,519,790	1,769,718
Postage and Communication		24,885,320	-
		334,315,154	549,699,453

34 OTHER EXPENSES

	Note	2023	2022
Provision for Workers' Welfare Fund	28.2	17,337,140	50,818,080
Provision for Workers' Profit Participation Fund	28.3	45,682,895	37,644,335
		63,020,035	88,462,415

35 OTHER INCOME

	2023	2022
Income from financial assets		
Reversal of expected credit loss - trade debts	10,038,682	68,979,736
Reversal of expected credit loss - other receivable	-	50,659,247
Profit on investments	284,482,388	49,187,252
Unrealized gain on financial assets at fair value through profit or loss	3,254,283	43,406,778
Modification gain on long term loan	-	4,656,579
Rental income	5,408,140	-
Income from assets other than financial assets		
Gain on termination of lease	6,060,079	3,522,535
Gain on disposal of asset	19,630,299	-
	328,873,871	220,412,127

For The Year Ended 30 June, 2023

	Note	2023	2022
		(Rupees)	
36 FINANCE COST			
Bank charges		3,433,190	2,691,927
Commission on letter of credits		361,584,567	283,514,541
Commission on shipping guarantees		57,623,284	45,181,793
Interest / markup on:			
- Short term borrowings		789,617,360	589,493,989
- Long term borrowings		583,848,306	170,555,074
- Lease liabilities		25,830,460	83,663,854
- Workers' Profit Participation Fund		6,164,260	-
		1,828,101,427	1,175,101,178
37 TAXATION			
Current tax		288,067,482	889,646,323
Prior year		(436,628,632)	(8,966,479)
		(148,561,150)	880,679,844
Deferred tax - relating to origination of temporary differences		56,028,906	195,624,734
		(92,532,244)	1,076,304,578
37.1 Reconciliation between tax expenses and accounting profit			
Accounting profit before taxation		867,975,007	2,606,326,292
Tax at applicable tax rate of 29% (2022: 29%)		251,712,752	755,834,625
Tax effect of:			
Expenses not allowed for tax		55,704,685	163,650,093
Fixed tax regime (FTR)		-	(1,114,219)
Prior years tax		(436,628,632)	(8,966,479)
Minimum tax		38,575,263	43,691,548
Tax credits under section 65 (D)		(88,582,013)	23,519,939.3
Super tax at rate of 10%		86,685,701	99,689,071
Tax expense for the year	37.3	(92,532,244)	1,076,304,578

37.2 **This includes adjustment of tax credit amounting to Rs 362 million under section 65 (D). The Group made investment in** financial year 2021 for establishing and operating a new industrial undertaking. Under the section 65(D) of the Income Tax Ordinance, 2001 (the Ordinance), for a period of 5 years beginning financial year 2021, the Group can claim tax credit against minimum tax and final taxes payable under any of the provisions of the Ordinance on the taxable income arising from such industrial undertaking; calculated with reference to proportion of the equity investment to the total investment. There are no non-tax conditions attached to these credits except source of financing. Subsequent to the Group's investment, the Finance Act, 2021 has repealed the section 65(D) with effective date of 01 July 2021. During the year, the Group availed the tax credit while filing the tax return for the tax year 2022. Management of Group, based on the opinion from the Group's tax advisor, is confident that Company has a legitimate claim, considering the Group's right to tax credit was established upon investment when section 65D was in effect.

37.3 This includes taxation impact of subsidiary subject to minimum tax amounting to Rs. 89,800,158 (2022: 256,921,299).

	Note	2023	2022
		(Rupees)	

38 EARNINGS PER SHARE - BASIC AND DILUTED

	Note	2023	2022
Profit attributable to ordinary equity holders for basic earnings	A	960,507,251	1,530,021,714
Add: Unwinding of discount on convertible loan - net of tax		-	8,903,915
Profit attributable to ordinary equity holders adjusted for the effect of dilution	B	960,507,251	1,538,925,629
Weighted average number of ordinary shares for basic EPS	C	383,560,063	383,560,063
Effect of potential dilution from convertible loan		-	1,886,088
Weighted average number of ordinary shares adjusted for the effect of dilution	D	383,560,063	385,446,151
Earning per share - basic	A/C	2.50	3.99
Earning per share - diluted	B/D	2.50	3.99

39 RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

The related parties include remuneration of key management personnel which is disclosed in note 40.

40 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	Rupees					
Managerial remuneration	71,834,122	48,000,000	9,336,804	9,278,737	171,870,247	176,068,109
Gratuity	4,049,800	3,327,698	792,175	787,248	12,810,231	14,731,193
Medical allowance	2,928,000	2,928,000	560,208	556,724	10,211,400	10,485,500
Bonus	-	-	-	1,556,134	-	27,022,906
	78,811,922	54,255,698	10,689,187	12,178,843	194,891,878	228,307,708
Number of persons	1	1	6	6	34	61

The Chief Executive is provided with Group-maintained car. No remuneration is paid to directors other than Chief Executive and one executive director. Meeting fee amountsto Rs. 3,375,000 (2022: 1,875,000) are paid to 3 (2022: 3) independent directors. Some executives have been provided with The Group maintained vehicles and are also entitled to fuel allowances.

41 CASH AND CASH EQUIVALENTS

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

	Note	2023	2022
		(Rupees)	
Cash in hand	16	23,136,255	31,820,223
Cash at bank	16	997,633,414	1,069,668,571
		1,020,769,669	1,101,488,794

42 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:

42.1 Market risk

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 2023 and 30 June 2022.

42.1.1 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:

	Note	2023	2022
		(Rupees)	
Increase / decrease in basis points		**+ / - 100**	+ / - 100
Effect on profit before tax		**63,005,768**	67,103,515

42.1.2 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.

42.1.3 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.

42.2 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.

For The Year Ended 30 June, 2023

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:

	Note	2023	2022
		(Rupees)	
Trade debts - unsecured		2,713,922,206	3,752,501,028
Other receivables		5,978,182,489	3,905,064,773
Short term investments		1,833,323,028	964,693,864
Bank balances		997,633,414	1,069,668,571
		11,523,061,137	9,691,928,236

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:

42.2.1 Trade Debts

		Exposure at default Rupees	Expected credit loss Rupees	Expected credit loss rate
30 June 2023				
Not due	[A]	1,593,443,753	1,160,703	0.07%
Past due:				
1-30 days		590,729,249	4,612,944	0.78%
31-60 days		295,364,624	1,557,362	0.53%
61-90 days		147,682,312	1,705,971	1.16%
91-120 days		63,292,420	834,823	1.32%
Above 120 days		38,496,980	5,215,329	13.55%
	[B]	1,135,565,585	13,926,429	
	[A+B]	2,729,009,338	15,087,132	
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	

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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.

42.2.2 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	Agency	Ratings Short Term	Long term	30 June 2023 Rupees	30 June 2022 Rupees
Askari Bank Limited	PACRA	AA+	A1+	1,988,410	54,020,730
Bank Alfalah Limited	PACRA	AA+	A1+	331,932,067	4,039,179
Bank AL Habib Limited	PACRA	AAA	A1+	234,787,361	205,220,993
Dubai Islamic Bank Pakistan Limited	JCR-VIS	AA	A1+	339,688,795	82,830,751
Faysal Bank Limited	PACRA	AA	A1+	8,809,831	3,495,505
Habib Bank Limited	JCR-VIS	AAA	A1+	4,833,378	10,198,926

Financial institution	Agency	Ratings Short Term	Long term	30 June 2023 Rupees	30 June 2022 Rupees
Habib Metropolitan Bank Limited	PACRA	AA+	A1+	10,338,186	3,157,673
JS Bank Limited	PACRA	AA-	A1+	28,391,597	42,612,229
Meezan Bank Limited	JCR-VIS	AAA	A1+	13,587,846	37,225,019
MCB Bank Limited	PACRA	AAA	A1+	18,908	18,908
Silk Bank Limited	JCR-VIS	A	A2	1,583,195	686,268
Sindh Bank Limited	JCR-VIS	A+	A1	2,352,362	-
Soneri Bank Limited	PACRA	AA-	A1+	647,191	2,650,468
Standard Chartered Bank	PACRA	AAA	A1+	1,013,404	3,798,413
Summit Bank Limited	JCR-VIS	BBB-	A3	2,645,326	13,915,131
Bank Islami Pakistan Limited	PACRA	A-1	A+	-	100
The Bank of Khyber	PACRA	A+	A1	1,014,740	593,771,605
The Bank of Punjab	PACRA	AA+	A1+	4,418,617	931,398
Industrial & Commercial Bank of China Limited	S&P	-	A	503,566	1,018,886
United Bank Limited	JCR-VIS	AAA	A1+	9,078,634	10,076,389
				997,633,414	1,069,668,571

42.2.4 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.

42.3 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:

For The Year Ended 30 June, 2023

	On demand	Within one year	More than one year year but less than	After five years	Contractual cash flows	Carring amount
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
30 June 2023						
Long term loans	**-**	**820,782,214**	**2,175,000,000**	**-**	**2,995,782,214**	**2,995,782,214**
Lease liabilities	**-**	**84,798,171**	**90,437,722**	**26,818,514**	**202,054,407**	**168,120,306**
Short term borrowings	**-**	**5,138,117,603**	**-**	**-**	**5,138,117,603**	**5,138,117,603**
Trade and other payables	**-**	**5,226,419,955**	**-**	**-**	**5,226,419,955**	**5,226,419,955**
Accrued markup	**-**	**186,911,068**	**-**	**-**	**186,911,068**	**186,911,068**
	-	**11,457,029,011**	**2,292,256,236**	**2,292,256,236**	**13,749,285,247**	**13,715,351,146**

	On demand	Within one year	More than one year year but less than	After five years	Contractual cash flows	Carring amount
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
30 June 2022						
Long term loans	-	466,789,550	1,636,612,295	100,000,000	2,203,401,845	2,103,401,845
Lease liabilities	-	124,560,085	291,510,014		416,070,099	346,246,222
Short term borrowings	-	5,571,643,558	-	-	5,571,643,558	5,571,643,558
Trade and other payables	-	502,168,984	-	-	502,168,984	502,168,984
Accrued markup	-	206,814,630	-	-	206,814,630	206,814,630
	-	6,871,976,807	2,028,122,309	100,000,000	8,900,099,116	8,730,275,239

42.3.1 Changes in liabilities arising from financing activities

	As at 1 July	Cash flows	Additions	Others	As at
	Rupees	Rupees	Rupees	Rupees	Rupees
30 June 2023					
Long term loans	**2,103,401,845**	**892,380,369**	**-**	**-**	**2,995,782,214**
Lease liabilities	**346,246,222**	**(104,566,848)**	**-**	**(73,559,068)**	**168,120,306**
Short term borrowings	**5,571,643,558**	**(433,525,955)**	**-**	**-**	**5,138,117,603**
Accrued markup	**206,814,630**	**(1,818,741,339)**	**-**	**1,798,837,777**	**186,911,068**
	8,228,106,255	**(1,464,453,773)**	**-**	**1,725,278,709**	**8,488,931,191**
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	(670,890,908)	-	766,974,602	206,814,630
	7,491,649,616	204,239,907	17,727,490	514,489,242	8,228,106,255

43 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).

For The Year Ended 30 June, 2023

	2023	2022
	(Rupees)	
The debt to equity ratio is as follows:		
Long term loan	2,995,782,214	2,103,401,845
Short term borrowings	5,138,117,603	5,571,643,558
Cash and cash equivalent	(1,020,769,669)	(1,101,488,794)
Net debt	7,113,130,148	6,573,556,609
Total equity	12,224,541,634	11,655,941,793
Total capital	19,337,671,782	18,229,498,402
Capital gearing ratio	37%	36%

44 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	Level2	Level3	Total
		(Rupees)			
Financial assets at fair value through profit or loss:					
30 June 2023					
Investment in mutual funds	15	-	301,299	-	301,299
30 June 2022					
Investment in mutual funds	15	-	44,833,159	-	44,833,159

45 CAPACITY AND PRODUCTION

	2023	2022
	Number of handsets	
Cell phones		
- Maximum capacity	**3,200,000**	3,200,000
- Actual production	**842,715**	1,167,072

The assembly plant has been unable to open enough LCs in the current year due to government restrictions, leading to fewer production in the year.

46 NUMBER OF EMPLOYEES

	2023	2022
	(Rupees)	
As at reporting period	**833**	1,201
Average during the year	**1,017**	1,105
Foreign employees	**16**	16
Outsourced employees	**525**	530

Staff has decreased significantly during the year because of the lack of availability of raw materials due to which the factory remained under-utilized.

47 OPERATING SEGMENT INFORMATION

	Distribution and retail		Assembly		Inter segment eliminations		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	------------Amount inRupees ------------							
Revenue								
-External customer	**15,869,458,643**	41,560,523,204	**21,064,551,749**	7,605,277,726	**-**	-	**36,934,010,392**	49,165,800,930
-Inter-segment	**-**	-	**-**	4,599,178,652	**-**	(4,599,178,652)	**-**	-
	15,869,458,643	41,560,523,204	**21,064,551,749**	12,204,456,378	**-**	(4,599,178,652)	**36,934,010,392**	49,165,800,930
Cost of sales								
-External customer	**(14,206,099,806)**	(37,684,625,908)	**(19,193,115,780)**	(6,299,898,135)	**-**	-	**(33,399,215,586)**	(43,984,524,043
-Inter-segment	**-**	-	**-**	(4,599,178,652)	**-**	4,599,178,652	**-**	-
Gross profit	**1,663,358,837**	3,875,897,296	**1,871,435,969**	1,305,379,591	**-**	-	**3,534,794,806**	5,181,276,887
Administrative expenses	**(519,137,823)**	(733,317,675)	**(251,119,231)**	(248,782,001)	**-**	-	**(770,257,054)**	(982,099,676)
Selling and distribution cost	**(333,469,228)**	(541,234,526)	**(845,926)**	(8,464,927)	**-**	-	**(334,315,154)**	(549,699,453)
Operating profit	**810,751,786**	2,601,345,095	**1,619,470,812**	1,048,132,663	**-**	-	**2,430,222,598**	3,649,477,758
Other income	**140,175,310**	227,337,666	**188,698,561**	(6,925,539)	**-**	-	**328,873,871**	220,412,127
Other expenses	**(54,926,833)**	(88,462,415)	**(8,093,202)**	-	**-**	-	**(63,020,035)**	(88,462,415)
Finance cost	**(718,455,263)**	(1,025,133,331)	**(1,109,646,164)**	(149,967,847)	**-**	-	**(1,828,101,427)**	(1,175,101,178)
Profit / (loss) before taxation	**177,545,000**	1,715,087,015	**690,430,007**	891,239,277	**-**	-	**867,975,007**	2,606,326,292
Taxation 93,750,389	**(819,383,279)**	(1,218,145)	**(256,921,299)**	-	**-**	92,532,244	**-**	(1,076,304,578)
Profit / (loss) for the year	**271,295,389**	895,703,736	**689,211,862**	(85,170,887)	**-**	-	**960,507,251**	1,530,021,714
Segment assets	**25,640,925,092**	279,216,150	**2,993,649,759**	21,381,031,070	**(7,326,896,394)**	-	**28,634,574,851**	21,660,247,220
Segment liabilities	**(4,882,349,073)**	(5,264,019,728)	**(11,527,684,144)**	(4,740,285,699)	**(1,316,978,930)**	-	**(16,410,033,217)**	(10,004,305,427)
Capital expenditure	**5,335,764**	32,412,818	**(573,935,605)**	(11,688,354,611)	**-**	-	**(568,599,841)**	(11,655,941,793)

For The Year Ended 30 June, 2023

47.1 Geographical information

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

	Note	2023	2022
		(Rupees)	
Pakistan	30	**38,777,683,336**	51,585,855,517
UAE		**-**	62,085,188
		38,777,683,336	51,647,940,705

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

47.2 Revenue from Xiaomi Pakistan (Private) Limited represents more than 10% amounting to Rs. 15,436,208,850 (2022: Rs. 2,871,578,634) of the Group's total revenue.

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

48 SUBEQUENT EVENTS

The Board of Directors in their meeting held on October 04, 2023 have proposed a final cash dividend for the year ended 30 June 2023 of Rs. 2.50 per share (2022: Rs. 1 per share), amounting to Rs. 988,173,078 (2022: Rs. 395,269,231) for approval of the members at the Annual General Meeting to be held on 28 October 2023. These financial statements do not reflect this dividend.

49 Corresponding figures

49.1 Corresponding figures have been re-arranged, wherever necessary, for better presentation. Significant reclassifications are as follows:

Description	From	To	Amount
Advance to custom authorities	Trade deposits and short term prepayments	Loans and advances	73,869,236
Staff retirement benefits - gratuity	Administrative expenses	Selling and distribution	7,041,999
Utilities	Administrative expenses	Cost of sales	16,356,604
Due from government	Other receivable	Tax refunds due from government	1,118,682

As the impact of the above reclassifications on balances in the statement of financial position as on June 30, 2022 is not material, no statements of financial position as of that date has been presented.

50 Date of Authorization for issue

These financial statements were authorized by Board of Directors on October 4, 2023.

Chief Executive	Chief Financial Officer	Director

Notice of AGM

NOTICE IS HEREBY GIVEN that the 10th Annual General Meeting (AGM) of **Air Link Communication Limited** (the Company) will be held on Saturday, October 28, 2023 at 10:00 a.m. at Avari Hotel, 87 - Shahrah-e-Quaid-e-Azam, Lahore, Pakistan as well as through online video conferencing facility, to transact the following business:

A. ORDINARY BUSINESS

1) To receive, consider and adopt the annual audited financial statements of the Company for the year ended June 30, 2023 together with the Directors' and Auditors' reports thereon.

2) To appoint auditors of the Company and fix their remuneration for the financial year 2023-24. The Board of Directors have recommended for appointment of BDO Ebrahim & Co. Chartered Accountants as external auditors for the financial year 2023-24.

3) To consider and approve the payment of final cash dividend @ 25% i.e. Rs. 2.50 per share of Rs. 10 each held by the members as recommended by the Board of Directors.

4) To elect seven (7) Directors of the Company as fixed by the Board of Directors under Section 159 of the Companies Act, 2017 (the "Act") for a period of three (3) years commencing from October 30, 2023, in accordance with the applicable provisions of the Act.

   The names of the retiring directors, who are eligible for re-election, are:

   1) Mr. Aslam Hayat Piracha
   2) Mr. Muzzaffar Hayat Piracha
   3) Ms. Rabiya Muzzaffar
   4) Mr. Sharique Azim Siddiqui
   5) Mr. Hussain Kuli Khan
   6) Mr. Aqdus Faraz Tahir
   7) Mr. Syed Nafees Haider

B. SPECIAL BUSINESS

5) To consider, and if deemed fit, to amend Article Nos. 43, 46, 70 and insert new Article No. 84 in the Articles of Association of the Company.

6) To consider, and if deemed fit, to approve circulation of annual audited financial statements to the members of the Company through QR enabled code and web-link instead of CD/DVD/USB, as recommended by the Board of Directors in pursuance of SECP's S.R.O. No. 389(1)2023 dated March 21, 2023.

   The QR Code and Web Link are as follows:

   https://www.airlinkcommunication.com/investor-information

C. ANY OTHER BUSINESS

To transact any other business that may be placed before the meeting with the permission of the Chair.

By the order of the Board

(AMER LATIF)

Company Secretary

Lahore: October 7, 2023

a) The statement under section 134(3) of the Companies Act, 2017 ("Statement") pertaining to the special business to be transacted at the Annual General Meeting is annexed to the notice.

b) The statement of material facts as required under section 166(3) concerning the manner of selection of independent directors is annexed to the notice.

NOTES:

1. Book Closure

Share Transfer Books of the Company shall remain closed from Friday, October 20, 2023 to Saturday, October 28, 2023 (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, Karachi-74400, Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275), Fax: (92-21) 34326053, Email: info@cdcsrsl.com, Website: www.cdcsrsl.com up to the close of business on Thursday, October 19, 2023 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 Annual General Meeting may appoint another member as his/her proxy to attend and vote in place of him/her at the meeting. Proxies in order to be effective must be received at the Registered Office at 152/1 – M, Quaid-e-Azam, Industrial Estate, Kot Lakh Pat, Lahore duly stamped and signed not less than 48 hours before the time of the meeting. A proxy must be a member of the Company. Proxy Forms in Urdu and English languages are attached to the notice circulated to the shareholders and are available at company website www.airlinkcommunication.net.

Members, who have deposited their shares into Central Depository Company of Pakistan will further have to follow the under mentioned guidelines.

a. **Attending of Meeting in Person:**

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC)/ original passport at the time of attending the meeting.

ii) In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature of the nominee shall be produced at the time of meeting.

b. **Appointment of Proxies:**

i) In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.

ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iii) The proxy shall produce his/her original CNIC/original passport at the time of the meeting.

iv) In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted along with proxy form to the Company.

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 Thursday, October, 26 2023;

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. In 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 M/s. CDC Share Registrar Services Limited, 99-B Block B, SMCHS, Shahrah e Faisal, Karachi for 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, 2023 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:

Compan y 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. Election of Directors:

A. Any person who seeks to contest the election for the office of Director shall, whether he is a retiring director or otherwise, file following documents/information with the Company at its registered office, no later than fourteen (14) days before the date of meeting:

i. Notice of his/her intention to offer himself /herself for election of directors in terms of Section 159(3) of the Companies Act, 2017.

ii. Consent to act as director on Form-28 under section 167 of the Companies Act, 2017 along with copy of attested copy of CNIC, NTN or Passport.

iii. A detailed profile of the Candidate including his/her office address for placement onto the Company's website as required under SECP's SRO 1196(I) / 2019 dated October 03, 2019.

iv. A declaration confirming that:

- He/she is aware of his/her duties, liabilities and powers under the Companies Act 2017, the Securities Act 2015, Listed Companies (Code of Corporate Governance) Regulations, 2019, listing regulations of Pakistan Stock Exchange, Memorandum and Articles of Association and all other applicable laws/rules/regulations/codes etc.
- He/she is not ineligible to become a director of a listed company under any provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and any other applicable law, rules and regulations.
- He / she is not a minor neither of unsound mind nor an un-discharged insolvent.
- He / she is borne on the register of National Taxpayers.
- He / she has not been convicted by a court as defaulter in payment of loan to financial institutions, ·Development Financial Institution and Non-Banking Financial Institution.
- He / she is not serving as director in more than seven listed companies simultaneously.
- Neither he / she nor his / her spouse is engaged in the business of stock brokerage.
- He / she is aware of “Closed Period”, required prior to the announcement of interim and final results, and business decisions, which may materially affect the market price of company's securities.

v. Copy of valid CNIC (in case of Pakistani national)/ Passport (in case of foreign national), and NTC and Folio Number/CDC Investors Account No. /CDC Sub- Account No (applicable for person filing consent for the first time).

B. Independent Directors shall be elected through a process of Election of Directors required under section 159 of the Companies Act, 2017. Independent Director(s) shall meet the criteria laid down in Section 166 of the Companies Act, 2017 as well as the Companies (Manner and Selection of Independent Directors) Regulations, 2018 accordingly, the following additional documents are to be submitted by the candidates intending to contest election of Directors as an Independent Director:

I. Declaration by Independent Director under Clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
II. Undertaking on the appropriate denomination of non-judicial stamp paper that he / she meets the requirements of sub-regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

STATEMENT U/S 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company to be held on October 28, 2023.

AGENDA ITEM NO. 5:
To consider, and if deemed fit, to amend Article Nos. 43, 46, 70 and insert new Article No. 84 in the Articles of Association of the Company.

i. To amend in the article 43 of the Articles of Association of the Company.

Proposed Special Resolution for the amendment in the Article 43 of the Articles of Association:

a) **Resolved that** the existing Article No. 43 of Articles of Association of the Company be and hereby replaced and the amended Article No.43 be read as follows:

43 (a) The remuneration of the Directors including remuneration for attending meetings of the Board or the Committees of the Directors or any additional remuneration in the form of some fixed sum to the Director being willing to call upon to perform more services or making any exertions for the performance of the Company, shall from time to time be determined and approved by the Board subject to the provisions of the Act.

(b) The Company may also pay to any director all such reasonable expenses as the Director may incur in attending and returning from meetings of the Directors or Committees of Directors or which the Director may otherwise incur in or about business of the Company.

b) **"Further resolved that"** the Chief Executive of the Company be and is hereby authorized to do all acts, deeds and things and take all steps and necessary actions ancillary and incidental including the filing of requisite documents and returns as may be required with the Registrar of Companies and complying with all other regulatory requirements so as to effectuate the alteration of Articles of Association of the Company and implementing this special resolution.

Existing Article No. 43:
The remuneration of the Directors shall from time to time be determined by the Company in general meeting subject to the provisions of the Act.

Reason for Amendment in Articles of Association:

The current process of determination of remuneration of directors by the Company in its general meeting can be a time consuming and inefficient process specially for listed Companies. To streamline the remuneration process and make it more responsive to changing business needs, the Board of directors is being allowed to determine the remuneration to attending meeting of the Board or the committees to the Board or any additional remuneration for performing extra services in accordance with the provisions of Section 170 of the Companies Act, 2017. The amendment of Article 43 has been recommended for approval of members.

Interest of directors

The Directors of the Company are interested in this business only to the extent of their entitlement of remuneration as directors.

Statement by the Board
The aforesaid amendment has been approved by the Board of Directors in their meeting held on October 04, 2023 and is in line with the applicable provisions of the law and regulatory framework.

ii. To recommend the amendment in the Article No. 46 of the Articles of Association.

Proposed Special Resolution for the amendment in the Article 46 of the Articles of Association:

a) **Resolved That** the existing Article No. 46 of Articles of Association of the Company be and hereby replaced and the amended Article No.46 be read as follows:

46. The Directors shall appoint a chief executive on such terms and conditions as they determined in accordance with the relevant provisions of Companies Act 2017.

b) **"Further resolved that"** the Chief Executive of the Company be and is hereby authorized to do all acts, deeds and things and take all steps and necessary actions ancillary and incidental including the filing of requisite documents and returns as may be required with the Registrar of Companies and complying with all other regulatory requirements so as to effectuate the alteration of Articles of Association of the Company and implementing this special resolution.

Existing Article No. 46:

The Directors shall appoint a chief executive in accordance with the relevant provisions of Companies Act 2017.

Reason for Amendment in Articles of Association:

The proposed amendment is to elaborate the responsibility of the Board of Directors besides to appoint the Chief Executive Officer also to determine the terms and conditions for such appointment in accordance with the provisions of Section 188 of the Companies Act, 2017. The amendment of Article 46 has been recommended for approval of members.

Interest of directors

The Directors / Chief Executive of the Company have no interest, directly or indirectly, in this Special Business and / or Special Resolution except in their capacities as Directors / Chief Executive.

Statement by the Board

The aforesaid amendment has been approved by the Board of Directors in their meeting held on October 04, 2023 and is in line with the applicable provisions of the law and regulatory framework.

iii. To recommend the amendment in the Article No. 70 of the Articles of Association.

Proposed Special Resolution for the amendment in the Article 70 of the Articles of Association:

a) **Resolved That** the existing Article No. 70 of Articles of Association of the Company be and hereby replaced and the amended Article No.70 be read as follows:

70.The Directors shall provide for the safe custody of a Common Seal (the Seal) which shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors or by a Committee of Directors authorized in that behalf by the Directors and in the presence of the Secretary or such other person as the Directors may appoint for the purpose; and the Secretary or other person as aforesaid shall sign every instrument to which the Seal of the Company is so affixed in his presence.

b) **"Further resolved that"** the Chief Executive of the Company be and is hereby authorized to do all acts, deeds and things and take all steps and necessary actions ancillary and incidental including the filing of requisite documents and returns as may be required with the Registrar of Companies and complying with all other regulatory requirements so as to effectuate the alteration of Articles of Association of the Company and implementing this special resolution.

Existing Article No. 70:

The Directors shall provide for the safe custody of the seal and the seal shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors or by a committee of Directors authorized in that behalf by the Directors and in the presence of at least two Directors and of the secretary or such other person as the Directors may appoint for the purpose; and those two Directors and secretary or other person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

Reason for Amendment in Articles of Association:

The exclusion of the mandatory signatures' requirement of two directors will make easier and faster the execution of important documents and instruments. The amendment of Article 70 has been recommended for approval of members.

Interest of directors

The Directors / Chief Executive of the Company have no interest, directly or indirectly, in this Special Business and / or Special Resolution except in their capacities as Directors / Chief Executive.

Statement by the Board
The aforesaid amendment has been approved by the Board of Directors in their meeting held on October 04, 2023 and is in line with the applicable provisions of the law and regulatory framework.

iv. To insert new article 84 in the Articles of Association of the Company.

In order to allow the Board of Directors of the Company to approve issuance of bonus shares by way of capitalization any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, the Board of Directors of the Company in their meeting held on October 04, 2023 has recommended to insert new Article 84 in the Articles of Association of the Company accordingly.

Proposed Special Resolution to insert new Article 84 of the Articles of Association:

a) **RESOLVED that** pursuant to Section 38 and all other applicable provisions of the Companies Act, 2017, new Article 84 under the heading Capitalization of Profits be & is hereby inserted in the Articles of Association of the Company and shall be read as follows:

84. Capitalization of Profits
The Board of Directors may capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution among the members who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied in or towards paying up in full unissued shares as bonus shares or debentures of the Company to be allotted and distributed, credited as fully paid up to and amongst such members in the proportion aforesaid, and the Directors shall give effect to such resolution.

b) **“Further resolved that”** the Chief Executive of the Company be and is hereby authorized to do all acts, deeds and things and take all steps and necessary actions ancillary and incidental including the filing of requisite documents and returns as may be required with the Registrar of Companies and complying with all other regulatory requirements so as to effectuate the alteration of Articles of Association of the Company and implementing this special resolution.

Reason for Amendment in Articles of Association:

The Board is being allowed to capitalize the reserves/unappropriated profits by the issuance of bonus shares for which the insertion of new Article 84 has been recommended for approval of members.

Interest of directors

The Directors / Chief Executive of the Company have no interest, directly or indirectly, in this Special Business and / or Special Resolution except in their capacities as Directors / Chief Executive / shareholders.

Statement by the Board
The aforesaid substitution has been approved by the Board of Directors in their meeting held on October 04, 2023 and is in line with the applicable provisions of the law and regulatory framework.

<u>AGENDA ITEM NO. 6:</u>
To circulate the Annual Audited Financial Statements to their members through QR enabled code and web-link instead of CD/DVD/USB.

The Securities and Exchange Commission of Pakistan, vide its SRO. 389 (1)/2023 dated March 21, 2023, has allowed listed companies to circulate the Annual Audited Financial Statements to their members through QR enabled code and web-link instead of CD/DVD/USB, subject to the approval of the shareholders in the general meeting. To comply with the requirement of said SRO shareholder's approval is being sought.

Proposed Special Resolution to circulate the annual audited financial statements to their members through QR code and web-link:

"RESOLVED THAT” the consent and approval of the members of Air Link Communication Limited (the Company) be and is hereby accorded and the Company be and is hereby authorized to circulate its annual audited financial statements to its members through QR enabled code and web link as part of the notice of Annual General meeting.

"FURTHER, RESOLVED THAT" the Company be and is hereby authorized to discontinue the circulation of annual financial statements through CD/DVD/USB.

"FURTHER RESOLVED THAT" the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things, take or cause to be taken any action as may be necessary, incidental or consequential to give effect to this resolution.

Interest of directors

The Directors / Chief Executive of the Company have no interest, directly or indirectly, in this Special Business and / or Special Resolution except in their capacities as Directors / Chief Executive / shareholders.

Statement by the Board
The Company is desirous to obtain members approval in order to circulate annual audited financial statements to its member through QR enable code and web link instead of circulating the same via CD/DVD/USB. The aforesaid resolution has been approved by the Board of Directors in their meeting held on October 04, 2023 and is in line with the applicable provisions of the law and regulatory framework.

Inspection
A copy of each of the existing and amended Memorandum of Association and Articles of Association identifying the changes proposed therein bearing the initial of the company secretary for identification purposes and the documents pertaining to the proposed special resolution are available for inspection at the registered office of the Company from 9.00 a.m. to 5.00 p.m. on any working day, up to the last working day before the date of the Annual General Meeting.

Statement of Material Facts under Section 166(3) of the Companies Act 2017

Section 166(3) of the Companies Act 2017 requires to circulate a statement of material facts with the notice of the general meeting called for the purpose of election of directors, which shall indicate the justification for appointment of independent directors.

Being a listed company, Air Link Communication Limited is required to have at least two (2) or one-third members, whichever is higher, on the Board as independent directors in accordance with the Listed Companies (Code of Corporate Governance), 2019. Accordingly, the Company shall ensure that the required number of independent directors is elected in accordance with the provisions of the Companies Act 2017.

After the contestants file their notices / intention to stand for elections, the Company shall assess the relevant qualification and experience along with ensuring that their names are duly included in data bank maintained by PICG.

Moreover, the Company shall also exercise its due diligence before selecting a person as independent director that the person meets the independence criteria as mentioned in section 166 of the Companies Act 2017 as well as related regulations.

ایجنڈا آئٹم نمبر 6:

USB/DVD/CD کے بجائے QR فعال کوڈ اور ویب لنک کے ذریعے اپنے ممبروں کو سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ترسیل کرنا۔

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے، اپنے ایس آر او۔ ۲۰۲۳/(ا) ۳۸۹ مورخہ ۲۱ مارچ ۲۰۲۳، کے ذریعے نے فہرست میں لسٹڈ کمپنیوں کو اجازت دی ہے کہ وہ اپنے اراکین کو سالانہ آڈٹ شدہ مالیاتی گوشوارے کو USB/DVD/CD کے بجائے QR فعال کوڈ اور ویب لنک کے ذریعے بھیجیں، جو کہ عام اجلاس میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔ . مذکورہ ایس آر او کی ضرورت کو پورا کرنے کے لیے شیئر ہولڈر کی منظوری لی جا رہی ہے۔

سالانہ آڈٹ شدہ مالیاتی گوشواروں کو اپنے اراکین کو QR کوڈ اور ویب لنک کے ذریعے منتقل کرنے کے لیے تجویز کردہ خصوصی قرارداد:

طے کیا گیا ہے کہ ”ایئر لنک کمیونیکیشن لمیٹڈ (کمپنی) کے ممبران کی رضامندی اور منظوری دی جاتی ہے اور کمپنی کو یہ اختیار دیا جاتا ہے کہ وہ اپنے ممبران کو اپنے سالانہ آڈٹ شدہ مالیاتی گوشوارے سالانہ عام اجلاس کے نوٹس کے حصہ کے طور پر بذریعے QR فعال کوڈ اور ویب لنک ارسال کرے۔

مزید طے کیا گیا ہے کہ " کمپنی USB/DVD/CD کے ذریعے سالانہ مالیاتی گوشواروں کی ترسیل کو بند کرنے کی مجاز ہے"

مزید طے کیا گیا ہے کہ " کمپنی کا کمپنی سیکریٹری اس قرارداد کو عملی جامہ پہنانے کے لیے تمام کارروائیوں، اعمال اور چیزیں جو ضروری، واقعاتی یا نتیجہ خیز ہوں کرنے کا مجاز ہے"۔

ڈائریکٹرز کی دلچسپی

کمپنی کے ڈائریکٹرز/ چیف ایگزیکٹو کو اس خصوصی کاروبار اور/ یا خصوصی قرارداد میں براہ راست یا بالواسطہ کوئی دلچسپی نہیں ہے سوائے یہ کہ وہ ڈائریکٹرز/ چیف ایگزیکٹو کی حیثیت میں ہیں۔

بورڈ کا بیان

کمپنی اپنے ممبر کو سالانہ آڈٹ شدہ مالیاتی گوشواروں کو USB/DVD/CD کے ذریعے گردش کرنے کی بجائے QR فعال کوڈ اور ویب لنک کے ذریعے بھیجنے کے لیے اراکین کی منظوری حاصل کرنا چاہتی ہے۔ مذکورہ قرارداد کو بورڈ آف ڈائریکٹرز نے ۴ اکتوبر ۲۰۲۳ کو ہونے والے اپنے اجلاس میں منظور کیا ہے اور یہ قانون اور ریگولیٹری فریم ورک کے قابل اطلاق شقوں کے مطابق ہے۔

جائزہ

ایسوسی ایشن کے موجودہ اور ترمیم شدہ میمورنڈم اور ایسوسی ایشن کے آرٹیکلز میں سے ہر ایک کی ایک کاپی جو اس میں تجویز کردہ تبدیلیوں کی نشاندہی کرتی ہے جس میں شناختی مقاصد کے لیے کمپنی سیکریٹری کا دستخط ہوتا ہے اور مجوزہ خصوصی قرارداد سے متعلق دستاویزات کمپنی کے رجسٹرڈ آفس میں صبح ۹ بجے سے شام ۵ بجے تک کسی بھی کام کے دن، سالانہ جنرل میٹنگ کی تاریخ سے پہلے آخری کام کے دن تک معائنہ کے لیے دستیاب ہیں۔

کمپنیز ایکٹ 2017 کی دفعہ (۳) ۱۶۶ کے تحت مادی حقائق کا بیان

کمپنیز ایکٹ ۲۰۱۷ کے سیکشن (۳)۱۶۶ کے تحت ڈائریکٹرز کے انتخاب کے مقصد کے لیے بلائی گئی جنرل میٹنگ کے نوٹس کے ساتھ مادی حقائق کا بیان گردش کرنا ضروری ہے، جو آزاد ڈائریکٹرز کی تقرری کے جواز کی نشاندہی کرے گا۔

لسٹڈ کمپنی ہونے کے ناطے، ایئر لنک کمیونیکیشن لمیٹڈ کو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس)، ۲۰۱۹ کے مطابق بورڈ میں کم از کم دو (۲) یا ایک تہائی ممبران، جو بھی زیادہ ہو، کا بورڈ پر ہونا ضروری ہے۔ اس کے مطابق، کمپنی اس بات کو یقینی بنائے گی کہ کمپنیز ایکٹ ۲۰۱۷ کی دفعات کے مطابق آزاد ڈائریکٹرز کی مطلوبہ تعداد کا انتخاب کیا جائے۔

الیکشن لڑنے والوں کے نوٹس/ انتخابات میں کھڑے ہونے کا ارادہ داخل کرنے کے بعد، کمپنی متعلقہ اہلیت اور تجربے کا جائزہ لے گی اور اس بات کو یقینی بنائے گی کہ ان کے نام PICG کے زیر انتظام ڈیٹا بینک میں مناسب طریقے سے شامل ہوں۔

مزید برآں، کمپنی کسی شخص کو آزاد ڈائریکٹر کے طور پر منتخب کرنے سے پہلے اس بات کا بھی خیال رکھے گی کہ وہ شخص کمپنیز ایکٹ ۲۰۱۷ کے سیکشن ۱۶۶ کے ساتھ ساتھ متعلقہ ضوابط میں بیان کردہ آزادی کے معیار پر پورا اترتا ہے۔

ڈائریکٹرز کی دلچسپی

کمپنی کے ڈائریکٹرز/ چیف ایگزیکٹوکواس خصوصی کاروباراور/ یاخصوصی قرارداد میں براہ راست یابالواسطہ کوئی دلچسپی نہیں ہے سوائے یہ کہ وہ ڈائریکٹرز/ چیف ایگزیکٹو کی حیثیت میں ہیں۔

بورڈ کا بیان

مذکورہ ترمیم کو بورڈ آف ڈائریکٹرز نے ۴ اکتوبر ۲۰۲۳ کو ہونے والے اپنے اجلاس میں منظور کیا ہے اور یہ قانون اور ریگولیٹری فریم ورک کے قابل اطلاق شقوں کے مطابق ہے۔

iv **کمپنی کے آرٹیکلز آف ایسوسی ایشن میں نیا آرٹیکل 84 شامل کرنا۔**

کمپنی کے بورڈ آف ڈائریکٹرز کو بونس شیئرز جاری کرنے کی منظوری دینے کی اجازت دینے کے لیے سرمایہ کاری کے ذریعے رقم کا کوئی حصہ فی الحال کمپنی کے کسی بھی ریزرواکاؤنٹس یا منافع اور نقصان کے کریڈٹ کے لیے کھڑا ہے۔ اکاؤنٹ یا بصورت دیگر تقسیم کے لیے دستیاب ہو، کمپنی کے بورڈ آف ڈائریکٹرز نے ۴ اکتوبر ۲۰۲۳ کو ہونے والی اپنی میٹنگ میں اس کے مطابق کمپنی کی ایسوسی ایشن کے آرٹیکلز میں نیا آرٹیکل 84 شامل کرنے کی سفارش کی ہے۔

آرٹیکلز آف ایسوسی ایشن کے نئے آرٹیکل 84 داخل کرنے کے لیے مجوزہ خصوصی قرارداد:

الف) طے کیا گیا ہے کہ سیکشن ۳۸ اور کمپنیز ایکٹ، ۲۰۱۷ کی دیگر تمام قابل اطلاق دفعات کے مطابق، منافع کی سرمایہ کاری کے عنوان کے تحت نیا آرٹیکل 84 کمپنی کی ایسوسی ایشن کے آرٹیکلز میں شامل کیا جائے گا اور اسے حسب ذیل پڑھا جائے گا:

84 منافع کی سرمایہ کاری

بورڈ آف ڈائریکٹرز کمپنی کے کسی بھی ریزرواکاؤنٹس یا منافع اور نقصان کے اکاؤنٹ کے کریڈٹ یا تقسیم کے لیے بصورت دیگر دستیاب ہونے والی رقم کے کسی بھی حصے کو وقتی طور پر استعمال کر سکتے ہیں اور اسی لیے اس رقم کو ان ممبران کے درمیان جو اس کے حقدار ہو مختص کیا جائے گا , اگر اسکو ڈیویڈنڈ کے ذریعے اور اسی تناسب سے تقسیم کیا جائے اس شرط پر کہ اس کی ادائیگی نقد میں نہ کی جائے، بلکہ اس کی ادائیگی مکمل غیر جاری شدہ حصص کمپنی کے بونس شیئرز یا ڈیبینچر کے طور پر کی جائے تا کہ یہ حصص مذکورہ بالا تناسب میں اس طرح کے ممبران میں مکمل ادائیگی کے طور پر الاٹ , تقسیم اور کریڈٹ کیئے جائیں اور ڈائریکٹرز اس قرارداد کو عملی جامہ پہنا سکیں۔

ب) مزید طے کیا گیا ہے کہ " کمپنی کے چیف ایگزیکٹو تمام اعمال، معاہدے اور کام کرنے اور وہ تمام اقدامات جو ذیلی اور اتفاقی ہوں بشمول کمپنیز رجسٹرار کے پاس درکار مطلوبہ دستاویزات اور ریٹرن فائل کرنے اور دیگر تمام ریگولیٹری تقاضوں کی تعمیل کرنے کے مجاز ہیں تا کہ کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ردوبدل کیا جا سکے اور اس خصوصی قرارداد کو نافذ کیا جا سکے۔

آرٹیکلز آف ایسوسی ایشن میں ترمیم کی وجہ:

بورڈ کو بونس حصص کے اجراء کے ذریعے ریزرو/ غیر حاصل شدہ منافع کا فائدہ اٹھانے کی اجازت دی جا رہی ہے جس کے لیے اراکین کی منظوری کے لیے نئے آرٹیکل 84 کو شامل کرنے کی سفارش کی گئی ہے۔

ڈائریکٹرز کی دلچسپی

کمپنی کے ڈائریکٹرز/ چیف ایگزیکٹوکواس خصوصی کاروباراور/ یاخصوصی قرارداد میں براہ راست یابالواسطہ کوئی دلچسپی نہیں ہے سوائے یہ کہ وہ ڈائریکٹرز/ چیف ایگزیکٹو /شیئر ہولڈرز کی حیثیت میں ہیں۔

بورڈ کا بیان

مذکورہ متبادل کو بورڈ آف ڈائریکٹرز نے ۴ اکتوبر ۲۰۲۳ کو ہونے والے اپنے اجلاس میں منظور کیا ہے اور یہ قانون اور ریگولیٹری فریم ورک کے قابل اطلاق شقوں کے مطابق ہے۔

بورڈ کا بیان

مذکورہ ترمیم کو بورڈ آف ڈائریکٹرز نے ۴ اکتوبر ۲۰۲۳ کو ہونے والے اپنے اجلاس میں منظور کیا ہے اور یہ قانون اور ریگولیٹری فریم ورک کے قابل اطلاق شقوں کے مطابق ہے۔

ii **آرٹیکلز آف ایسوسی ایشن کے آرٹیکل نمبر 46 میں ترمیم کی سفارش کرنا۔**

آرٹیکلز آف ایسوسی ایشن کے آرٹیکل 46 میں ترمیم کے لیے مجوزہ خصوصی قرارداد:

الف) **یہ طے کیا گیا ہے کہ** کمپنی کے آرٹیکلز آف ایسوسی ایشن کے موجودہ آرٹیکل نمبر 46 کو اس طرح تبدیل کیا جائے اور ترمیم شدہ آرٹیکل نمبر 46 کو اس طرح پڑھا جائے:

ڈائریکٹرز ایسے شرائط و ضوابط پر ایک چیف ایگزیکٹو کا تقرر کریں گے جو انہوں نے کمپنیز ایکٹ ۲۰۱۷ کی متعلقہ دفعات کے مطابق طے کی گئی ہیں۔

ب) **مزید طے کیا گیا ہے کہ** "کمپنی کے چیف ایگزیکیٹو تمام اعمال، معاہدے اور کام کرنے اور وہ تمام اقدامات جو ذیلی اور اتفاقی ہوں بشمول کمپنیز رجسٹرار کے پاس درکار مطلوبہ دستاویزات اور ریٹرن فائل کرنے اور دیگر تمام ریگولیٹری تقاضوں کی تعمیل کرنے کے مجاز ہیں تا کہ کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ردو بدل کیا جا سکے اور اس خصوصی قرارداد کو نافذ کیا جا سکے۔

موجودہ آرٹیکل 46

ڈائریکٹرز کمپنیز ایکٹ ۲۰۱۷ کی متعلقہ دفعات کے مطابق ایک چیف ایگزیکٹو کا تقرر کریں گے۔

آرٹیکلز آف ایسوسی ایشن میں ترمیم کی وجہ:

مجوزہ ترمیم میں بورڈ آف ڈائریکٹرز کی ذمہ داری کو واضح کرنے کے علاوہ چیف ایگزیکٹو آفیسر کی تقرری کے لیے کمپنیز ایکٹ ۲۰۱۷ کے سیکشن ۱۸۸ کی دفعات کے مطابق اس طرح کی تقرری کے لیے شرائط و ضوابط کا تعین کرنا ہے۔ آرٹیکل 46 کی ترمیم اراکین کی منظوری کے لیے سفارش کی گئی ہے۔

ڈائریکٹرز کی دلچسپی

کمپنی کے ڈائریکٹرز/ چیف ایگزیکٹو کو اس خصوصی کاروبار اور/ یا خصوصی قرارداد میں براہ راست یا بالواسطہ کوئی دلچسپی نہیں ہے سوائے یہ کہ وہ ڈائریکٹرز/ چیف ایگزیکٹو کی حیثیت میں ہیں۔

بورڈ کا بیان

مذکورہ ترمیم کو بورڈ آف ڈائریکٹرز نے ۴ اکتوبر ۲۰۲۳ کو ہونے والے اپنے اجلاس میں منظور کیا ہے اور یہ قانون اور ریگولیٹری فریم ورک کے قابل اطلاق شقوں کے مطابق ہے۔

iii **آرٹیکلز آف ایسوسی ایشن کے آرٹیکل نمبر 70 میں ترمیم کی سفارش کرنا۔**

آرٹیکلز آف ایسوسی ایشن کے آرٹیکل 70 میں ترمیم کے لیے مجوزہ خصوصی قرارداد:

الف) **یہ طے کیا گیا ہے کہ** کمپنی کے آرٹیکلز آف ایسوسی ایشن کے موجودہ آرٹیکل نمبر 70 کو اس طرح تبدیل کیا جائے اور ترمیم شدہ آرٹیکل نمبر 70 کو اس طرح پڑھا جائے:

70 ڈائریکٹرز ایک مشترکہ مہر (مہر) حفاظت سے رکھنے کے لیے فراہم کریں گے جو کسی بھی دستاویز پر چسپاں نہیں کی جائے گی سوائے بورڈ آف ڈائریکٹرز کی قرارداد یا ڈائریکٹرز کی جانب سے اس سلسلے میں مجاز کمیٹی آف ڈائریکٹرز کیا اختیار سے سیکرٹری یا ایسے دوسرے شخص جسے ڈائریکٹرز اس مقصد کے لیے مقرر کر سکتے ہیں کی موجودگی میں اور سیکرٹری یا دوسرا شخص مذکورہ بالا ہر اس دستاویز پر دستخط کرے گا جس پر کمپنی کی مہر اس کی موجودگی میں چسپاں کی گئی ہے۔

ب) **مزید طے کیا گیا ہے کہ** "کمپنی کے چیف ایگزیکیٹو تمام اعمال، معاہدے اور کام کرنے اور وہ تمام اقدامات جو ذیلی اور اتفاقی ہوں بشمول کمپنیز رجسٹرار کے پاس درکار مطلوبہ دستاویزات اور ریٹرن فائل کرنے اور دیگر تمام ریگولیٹری تقاضوں کی تعمیل کرنے کے مجاز ہیں تا کہ کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ردو بدل کیا جا سکے اور اس خصوصی قرارداد کو نافذ کیا جا سکے۔

موجودہ آرٹیکل 70

ڈائریکٹرز ایک مشترکہ مہر (مہر) حفاظت سے رکھنے کے لیے فراہم کریں گے جو کسی بھی دستاویز پر چسپاں نہیں کی جائے گی سوائے بورڈ آف ڈائریکٹرز کی قرارداد یا ڈائریکٹرز کی جانب سے اس سلسلے میں مجاز کمیٹی آف ڈائریکٹرز کیا اختیار سے سیکرٹری یا ایسے دوسرے شخص جسے ڈائریکٹرز اس مقصد کے لیے مقرر کر سکتے ہیں کی موجودگی میں اور سیکرٹری یا دوسرا شخص مذکورہ بالا ہر اس دستاویز پر دستخط کرے گا جس پر کمپنی کی مہر اس کی موجودگی میں چسپاں کی گئی ہے۔

آرٹیکلز آف ایسوسی ایشن میں ترمیم کی وجہ:

دو ڈائریکٹرز کے لازمی دستخطوں کی ضرورت کو ختم کرنے سے اہم دستاویزات پر عمل درآمد آسان اور تیز ہو جائے گا۔ ارکان کی منظوری کے لیے آرٹیکل 70 میں ترمیم کی سفارش کی گئی ہے۔

طور پر سزا نہیں دی ہے۔

- وہ بیک وقت سات سے زیادہ لسٹڈ کمپنیوں میں بطور ڈائریکٹر خدمات انجام نہیں دے رہا ہے۔
- نہ وہ/ وہ اور نہ ہی اس کی شریک حیات اسٹاک بروکریج کے کاروبار میں مصروف ہے۔
- وہ "بند مدت" سے واقف ہے، جو عبوری اور حتمی نتائج کے اعلان سے پہلے درکار ہے، اور کاروباری فیصلوں سے، جو کمپنی کی سیکیورٹیز کی مارکیٹ قیمت کو مادی طور پر متاثر کر سکتے ہیں۔

۵۔ درست کمپیوٹرائزڈ قومی شناختی کارڈ کی کاپی (پاکستانی شہری کی صورت میں)/پاسپورٹ (غیر ملکی شہری کی صورت میں)، اور NTC اور فولیو نمبر/CDC سرمایہ کار اکاؤنٹ نمبر/CDC ذیلی اکاؤنٹ نمبر (پہلی بار رضامندی داخل کرنے والے شخص کے لیے قابل اطلاق)۔

ب۔ آزاد ڈائریکٹرز کا انتخاب کمپنیز ایکٹ، ۲۰۱۷ کے سیکشن ۱۵۹ کے تحت ضروری ڈائریکٹرز کے انتخاب کے عمل کے ذریعے کیا جائے گا۔ (آزاد ڈائریکٹرز کا طریقہ اور انتخاب) ضوابط، ۲۰۱۸ کے مطابق، ایک آزاد ڈائریکٹر کے طور پر ڈائریکٹرز کا انتخاب لڑنے کا ارادہ رکھنے والے امیدواروں کو درج ذیل اضافی دستاویزات جمع کرانا ہوں گی۔

ا۔ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ کی شق (۳)۶ کے تحت آزاد ڈائریکٹر کا اعلامیہ۔

۲۔ مناسب مالیت کے غیر عدالتی اسٹامپ پیپر اس بات کا حلف نامہ ہے کہ وہ کمپنیز (آزاد ڈائریکٹرز کا طریقہ اور انتخاب) ریگولیشنز، ۲۰۱۸ کے ضابطہ ۴ کے ذیلی ضابطے (۱) کے تقاضوں کو پورا کرتا ہے۔

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یہ بیان ۲۸ اکتوبر ۲۰۲۳ کو منعقد ہونے والی کمپنی کی سالانہ جنرل میٹنگ میں خصوصی کاروبار سے متعلق مادی حقائق کو بیان کرتا ہے۔

ایجنڈا آئٹم نمبر 5:

غور کرنے کے لیے، اور اگر مناسب سمجھا جائے تو، آرٹیکل نمبر 43، 46، 70 میں ترمیم کرنا اور کمپنی کے آرٹیکلز آف ایسوسی ایشن میں نیا آرٹیکل نمبر 84 شامل کرنا۔

ا۔ کمپنی کے آرٹیکلز آف ایسوسی ایشن کے آرٹیکل 43 میں ترمیم کرنا۔

آرٹیکلز آف ایسوسی ایشن کے آرٹیکل 43 میں ترمیم کے لیے مجوزہ خصوصی قرارداد:

الف) **یہ طے کیا گیا ہے کہ** کمپنی کے آرٹیکلز آف ایسوسی ایشن کے موجودہ آرٹیکل نمبر 43 کو اس طرح تبدیل کیا جائے اور ترمیم شدہ آرٹیکل نمبر 43 کو اس طرح پڑھا جائے:

43(a) ڈائریکٹرز کا معاوضہ بشمول بورڈ یا ڈائریکٹرز کی کمیٹیوں کے اجلاسوں میں شرکت کا معاوضہ یا کوئی اضافی معاوضہ کچھ مقررہ رقم کی صورت میں جو ڈائریکٹر کو مزید خدمات انجام دینے کے لیے بلانے کے لیے تیار ہو یا کمپنی کی کارکردگی کے لیے کوئی کوششیں کرے، وقتاً فوقتاً ایکٹ کی دفعات کے تحت بورڈ کے ذریعے متعین اور منظور شدہ ہوگا۔

(b) کمپنی کسی بھی ڈائریکٹر کو ایسے تمام معقول اخراجات بھی ادا کر سکتی ہے جو ڈائریکٹرز یا کمیٹی آف ڈائریکٹرز کی میٹنگوں میں شرکت اور واپسی کے لیے کیا گیا ہو یا جو ڈائریکٹر کمپنی کے کاروبار میں یا اس سے متعلق خرچ کرے۔

ب) **مزید طے کیا گیا ہے کہ** " کمپنی کے چیف ایگزیکٹیو تمام اعمال، معاہدے اور کام کرنے اور وہ تمام اقدامات جو ذیلی اور اتفاقی ہوں بشمول کمپنیز رجسٹرار کے پاس درکار مطلوبہ دستاویزات اور ریٹرن فائل کرنے اور دیگر تمام ریگولیٹری تقاضوں کی تعمیل کرنے کے مجاز ہیں تاکہ کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ردوبدل کیا جا سکے اور اس خصوصی قرارداد کو نافذ کیا جا سکے۔

موجودہ آرٹیکل 43

ڈائریکٹرز کے معاوضے کا تعین کمپنی کی طرف سے وقتاً فوقتاً ایکٹ کی دفعات کے تحت عام اجلاس میں کیا جائے گا۔

آرٹیکلز آف ایسوسی ایشن میں ترمیم کی وجہ:

کمپنی کی طرف سے اپنے عام اجلاس میں ڈائریکٹرز کے معاوضے کے تعین کا موجودہ عمل خاص طور پر لسٹڈ کمپنیوں کے لیے وقت طلب اور غیر موثر عمل ہو سکتا ہے۔ معاوضے کے عمل کو ہموار کرنے اور کاروباری ضروریات کو تبدیل کرنے کے لیے اسے زیادہ ذمہ دار بنانے کے لیے، بورڈ آف ڈائریکٹرز کو بورڈ یا بورڈ کی کمیٹیوں کے اجلاس میں شرکت کے معاوضے یا اضافی خدمات انجام دینے کے لیے کسی اضافی معاوضے کا تعین کرنے کی اجازت کمپنیز ایکٹ ۲۰۱۷ کے سیکشن ۱۷۰ کی دفعات کے تحت دی جا رہی ہے۔

ڈائریکٹرز کی دلچسپی

کمپنی کے ڈائریکٹرز اس کاروبار میں صرف اس حد تک دلچسپی رکھتے ہیں کہ وہ بطور ڈائریکٹر اپنے معاوضے کے حقدار ہیں۔

(vi) مطلوبہ معلومات اس نوٹس کے 10 دنوں کے اندر ہمارے شیئر زرجسٹرار تک پہنچنی چاہئیں۔ بصورت دیگر یہ فرض کیا جائے گا کہ پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈرز کے پاس حصص برابر ہیں۔

(vii) سی ڈی سی اکاؤنٹس رکھنے والے کارپوریٹ شیئر ہولڈرز کو ان کے متعلقہ پارٹیسپنٹ کے ساتھ اپنا نیشنل ٹیکس نمبر (NTN) اپ ڈیٹ کرنا 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، جیسا کہ معاملہ ہو، کمپنی کا نام اور ان کے متعلقہ فولیو نمبرز کا حوالہ دینا چاہیے۔ 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 زکوٰۃ کی کٹوتی کو روکنا چاہتے ہیں وہ قانون کے تحت ضرورت کے مطابق نان جوڈیشل اسٹامپ پیپر پر دستخط شدہ اعلامیہ جمع کرواسکتے ہیں (اگر پہلے جمع نہ کیا گیا ہو)۔

(i x) ڈیویڈنڈ کی آمدنی سے ودہولڈنگ ٹیکس کی چھوٹ صرف اس صورت میں دی جائے گی جب جائز ٹیکس استثنیٰ کے سرٹیفکیٹ کی کاپی ہمارے شیئر رجسٹرار کو بک کلوزر کے پہلے دن تک دستیاب کر دی جائے۔

۱۰۔ فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنا

کمپنیز ایکٹ، ۲۰۱۷ کا سیکشن ۷۲ ہر کمپنی سے اپنے فزیکل شیئرز کو ایس ای سی پی کی طرف سے مطلع کیے جانے کی مدت کے اندر بک انٹری فارم سے بدلنے کا تقاضا کرتا ہے۔ اس کے مطابق فزیکل شیئر ہولڈنگ رکھنے والے شیئر ہولڈرز کی حوصلہ افزائی کی جاتی ہے کہ وہ سی ڈی سی کی انویسٹر کے اکاؤنٹ سروسز کے ساتھ اپنا اکاؤنٹ کھولیں یا کسی بھی بروکر کے ساتھ سب اکاؤنٹ کھولیں اور اپنے فزیکل شیئرز کو اسکرپٹ لیس میں تبدیل کرالیں۔ یہ حصص یافتگان کو کئی طریقوں سے سہولت فراہم کرے گا، بشمول حصص کی محفوظ تحویل اور وہ جب چاہیں فروخت کریں، کیونکہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے موجودہ ضوابط کے مطابق فزیکل شیئرز کی تجارت کی اجازت نہیں ہے۔

۱۱۔ پوسٹل بیلٹ/ای ووٹنگ

کمپنیز (پوسٹل بیلٹ) ریگولیشنز، ۲۰۱۸ کے مطابق، ڈائریکٹرز کے انتخاب کے مقصد کے لیے اور کمپنیز ایکٹ ۲۰۱۷ کے سیکشن ۱۴۳ اور ۱۴۴ کے تقاضوں سے مشروط کسی دوسرے ایجنڈے کے لیے، ارا کین کو پوسٹل بیلٹ کے ذریعے یعنی ڈاک یا ای ووٹنگ کے ذریعے اور مذکورہ ضوابط میں شامل شرائط کے ساتھ اپنے ووٹ کا حق استعمال کرنے کی اجازت ہوگی۔

۱۲۔ ڈائریکٹرز کا انتخاب:

الف۔ کوئی بھی شخص جو ڈائریکٹر کے عہدے کے لیے الیکشن لڑنا چاہتا ہے، چاہے وہ ریٹائر ہونے والا ڈائریکٹر ہو یا بصورت دیگر، درج ذیل دستاویزات/معلومات کمپنی کے رجسٹرڈ آفس میں اجلاس کی تاریخ سے چودہ (14) دن پہلے جمع کروائے:

۱ کمپنیز ایکٹ، ۲۰۱۷ کے سیکشن (۳)۱۵۹ کے مطابق ڈائریکٹرز کے انتخاب کے لیے خود کو پیش کرنے کے ارادے کا نوٹس۔

۲ کمپیوٹرائزڈ قومی شناختی کارڈ، NTN یا پاسپورٹ کی تصدیق شدہ کاپی کے ساتھ کمپنیز ایکٹ، ۲۰۱۷ کے سیکشن ۱۶۷ کے تحت فارم-۲۸ پر ڈائریکٹر کے طور پر کام کرنے کی رضامندی۔

۳ ایس ای سی پی کے ایس آر او ۱۱۹۶(I)/۲۰۱۹ مورخہ ۳ اکتوبر ۲۰۱۹ کی ضرورت کے مطابق مطلوبہ امیدوار کا تفصیلی پروفائل جس میں اس کے دفتر کا شامل ہو کمپنی کی ویب سائٹ پر آویزاں کرنے کے لئے مطلوب ہے۔

۴۔ ایک اعلامیہ جو اس بات کی تصدیق کرتا ہو کہ:

- وہ کمپنیز ایکٹ ۲۰۱۷، سیکیورٹیز ایکٹ ۲۰۱۵، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹، پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز، میمورنڈم اور آرٹیکلز آف ایسوسی ایشن کے تحت اپنے فرائض، ذمہ داریوں اور اختیارات اور دیگر تمام قابل اطلاق قوانین/قواعد/ضابطے/کوڈز وغیرہ سے واقف ہے۔
- وہ ایکٹ، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور کسی دوسرے قابل اطلاق قانون، قواعد وضوابط کے تحت کسی لسٹڈ کمپنی کا ڈائریکٹر بننے کے لیے نااہل نہیں ہے۔
- وہ نابالغ نہیں ہے اور نہ ہی نابالغ دماغ کا ہے اور نہ ہی غیر خارج شدہ دیوالیہ ہے۔
- وہ/وہ قومی ٹیکس دہندگان کے رجسٹر پر موجود ہے۔
- اسے عدالت نے مالیاتی اداروں، ترقیاتی مالیاتی ادارے اور غیر بینکنگ مالیاتی ادارے کو قرض کی ادائیگی میں ڈیفالٹر (نادہندگان) کے

۵۔ پتے کی تبدیلی

فزیکل شکل میں حصص رکھنے والے ممبران سے درخواست کی جاتی ہے کہ وہ تحریری درخواست میں اپنے پتوں میں کسی تبدیلی کے بارے میں کمپنی کے شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، بی–۹۹، بلاک 'بی'، ایس، ایم سی، ایچ، ایس، شاہراہ فیصل، کراچی–۷۴۴۰۰ کو فوری طور پر مطلع کریں۔ جبکہ، حصص یافتگان جو اپنے حصص کو الیکٹرانک شکل میں برقرار رکھتے ہیں ان کے پتے اپنے متعلقہ CDC پارٹیسپنٹ یا CDC انویسٹر اکاؤنٹ سروسز کے ساتھ اپ ڈیٹ کرائے جائیں۔

۶۔ مالیاتی بیان

کمپنیز ایکٹ ۲۰۱۷ کے سیکشن ۲۲۳ کے مطابق، ۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ مالیاتی گوشواروں کے ساتھ چیئرمین کی جائزہ رپورٹ، ڈائریکٹرز اور آڈیٹرز کی رپورٹ اس پر کمپنی کی ویب سائٹ www.airlinkcommunication.net پر مہیا کردی گئی ہے۔

۷۔ سالانہ اکاؤنٹس

مزید برآں، ہمیں یہ سہولت اپنے ممبران کو پیش کرتے ہوئے خوشی ہورہی 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 ایک مخصوص 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۔ براہ کرم یقینی بنائیں کہ آپ کے ای میل میں ایسے ای میل وصول کرنے کے لیے مکمل حقوق اور جگہ دستیاب ہے جس کا سائز 10 ایم بی فائل سے بڑا ہوسکتا ہے۔

جو ممبران کمپنی کے سالانہ مالیاتی گوشواروں کی ہارڈ کاپی حاصل کرنا چاہتے ہیں ان سے درخواست کی جاتی ہے کہ وہ ایک مخصوص درخواست فارم پر agm@airlinkcommunication.net ای میل کے ذریعے اپنی رضامندی ظاہر کریں جو کمپنی کی ویب سائٹ یعنی www.airlinkcommunicatio.net پر دستیاب ہے۔

۸۔ ای میل ایڈریس میں تبدیلی

مزید یہ کہ ممبر کی ذمہ داری ہے کہ وہ رجسٹرڈ ای میل ایڈریس میں کسی بھی تبدیلی کے بارے میں شیئرز رجسٹرار کو بروقت آگاہ کرے۔

۹۔ انکم ٹیکس آرڈیننس، ۲۰۰۱ کی دفعہ ۱۵۰ کے تحت انکم ٹیکس کی کٹوتی

(i) انکم ٹیکس آرڈیننس ۲۰۰۱ کے سیکشن ۱۵۰ کے تحت ڈیویڈنڈ کی ادائیگیوں سے انکم ٹیکس کی کٹوتی کی شرحیں حسب ذیل ہوں گی۔

الف) فعال ٹیکس ادا کرنے والوں کی فہرست (ATL) میں ظاہر ہونے والے افراد 15%

ب) فعال ٹیکس ادا کرنے والوں کی فہرست (ATL) میں ظاہر نہ ہونے والے افراد 30%

(ii) کمپنی کو 30% کی بجائے 15% کیش ڈیویڈنڈ کی رقم پر ٹیکس کٹوتی کرنے کے قابل بنانے کے لیے، ایسے شیئر ہولڈرز جن کے نام ایف بی آر کی ویب سائٹ پر فراہم کردہ ایکٹو 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 کے بند ہونے کے پہلے دن سے پہلے ان کے نام ATL میں درج کرلیے جائیں، بصورت دیگران کے کیش ڈیویڈنڈ پر 15% کی بجائے 30% ٹیکس کاٹا جائے گا۔

(iii) ڈیویڈنڈ کی آمدنی سے ودہولڈنگ ٹیکس کی چھوٹ، صرف اس صورت میں اجازت دی جائے گی جب جائز ٹیکس استثنیٰ کے سرٹیفکیٹ کی کاپی یا مجاز عدالت سے حکم امتناعی سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو کھاتوں بندش کے پہلے دن تک 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 کی 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 اپنے پاس رکھے ہوئے حصص کے سلسلے میں پرنسپل شیئر ہولڈرز اور جوائنٹ ہولڈرز کے شیئر ہولڈنگ تناسب (صرف اگر پہلے سے فراہم نہ کیے گئے ہوں) ہمارے شیئر رجسٹرار کو تحریری طور پر درج ذیل فراہم کریں۔

کمپنی کا نام	فولیو/سی ڈی ایس اکاؤنٹ نمبر	کل شیئرز	پرنسپل شیئر ہولڈر		جوائنٹ شیئر ہولڈر	
			نام اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	شیئر ہولڈنگ کا تناسب حصص کی تعداد)	نام اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	شیئر ہولڈنگ کا تناسب حصص کی تعداد)

ویب سائٹ : www.cdcsrsl.com کو جمعرات ۱۹ اکتوبر ۲۰۲۳ کو کاروبار کے اختتام تک موصول ہونگے وہی مندرجہ بالا استحقاق کے ساتھ بروقت تصور کئے جائیں گے۔

۲۔ پراکسی کی تقرری اور AGM میں شرکت

سالانہ جنرل میٹنگ میں شرکت اور ووٹ دینے کا حقدار کمپنی کا ممبر میٹنگ میں اس کی جگہ شرکت کرنے اور ووٹ دینے کے لیے کسی دوسرے ممبر کو اپنا پراکسی مقرر کرسکتا ہے۔ مؤثر ہونے کے لیے دستخط شدہ پراکسی رجسٹرڈ آفس ۱۵۲/۱-۱-ایم، قائداعظم، انڈسٹریل اسٹیٹ، کوٹ لکھپت، لاہور میں میٹنگ کے وقت سے کم از کم ۴۸ گھنٹے پہلے موصول ہونے چاہئیں۔ ایک پراکسی کا کمپنی کا ممبر ہونا ضروری ہے۔ اردو اور انگریزی زبانوں میں پراکسی فارم شیئر ہولڈرز کو بھیجے گئے نوٹس کے ساتھ منسلک ہیں اور کمپنی کی ویب سائٹ www.airlinkcommunication.net پر دستیاب ہیں۔

جن ممبران نے اپنے حصص سینٹرل ڈپازٹری کمپنی آف پاکستان میں جمع کرائے ہیں انہیں مزید مندرجہ ذیل ہدایات پر عمل کرنا ہوگا۔

الف۔ ذاتی طور پر اجلاس میں شرکت:

i) افراد کے معاملے میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیل ضوابط کے مطابق اپ لوڈ کی گئی ہے، میٹنگ میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ/اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کرے گا۔

ii) کارپوریٹ ادارے کی صورت میں، میٹنگ کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی نامزد شخص کے دستخط کے ساتھ پیش کی جائے گی۔

ب۔ پراکسیوں کی تقرری:

i) افراد کے معاملے میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، مندرجہ بالا ضرورت کے مطابق پراکسی فارم جمع کرائیں گے۔

ii) اصل مالک کے کمپیوٹرائزڈ قومی شناختی کارڈ/پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ جمع کرنی ہونگی۔

iii) پراکسی میٹنگ کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ/اصل پاسپورٹ پیش کرے گا۔

iv) کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی نمونہ دستخط کے ساتھ کمپنی کو پراکسی فارم کے ساتھ جمع کرایا جائے گا۔

۳۔ میٹنگ میں شرکت کے لیے آن لائن رجسٹریشن

اراکین زوم ویڈیو لنک کی سہولت کے ذریعے بھی AGM میں شرکت کر سکتے ہیں۔

الف) میٹنگ میں شرکت کے لیے، اراکین سے درخواست کی جاتی ہے کہ وہ مندرجہ ذیل معلومات کے ساتھ کمپیوٹرائزڈ شناختی کارڈ (دونوں طرف)/پاسپورٹ کی ایک درست کاپی یا بورڈ کی قرارداد کی تصدیق شدہ کاپی/پاور آف اٹارنی (کارپوریٹ شیئر ہولڈرز کے معاملے میں) کے ذریعے درج ذیل معلومات جمعرات ۲۶ اکتوبر ۲۰۲۳ تک یا اس سے پہلے فراہم کر کے خود کو رجسٹر کروائیں یا agm@airlinkcommunication.net پر ای میل کریں۔

شیئر ہولڈر کا نام	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	فولیو نمبر/سی ڈی سی اکاونٹ نمبر	موبائل نمبر	ای میل ایڈریس

ب) رجسٹرڈ ممبران 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 ۹:۴۵ بجے سے میٹنگ کے اختتام تک کھلی رہے گی۔

۴۔ بینک اکاؤنٹ کی تفصیل

کمپنیز ایکٹ، ۲۰۱۷ کے سیکشن ۲۴۲ کی دفعات کے تحت، ایک لسٹڈ کمپنی کے لیے لازمی ہے کہ وہ اپنے ممبروں کو صرف الیکٹرانک موڈ کے ذریعے براہ راست حقدار شیئر ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں نقد ڈیویڈنڈ 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 فزیکل شیئرز کی صورت میں دستخط شدہ فارم کمپیوٹرائزڈ قومی شناختی کارڈ کی ایک کاپی کے ساتھ کمپنی کے شیئر رجسٹرار سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، بی-۹۹، بلاک 'بی'، ایس ایم سی ایچ ایس، شاہراہ فیصل، کراچی-۷۴۴۰۰ کو بھیجیں۔

ب۔ اگر حصص سی ڈی سی میں رکھے گئے ہیں تو الیکٹرانک کریڈٹ مینڈیٹ فارم براہ راست شیئر ہولڈر کے بروکر/ پارٹیسپنٹ/سی ڈی سی انویسٹر اکاؤنٹ سروسز کی خدمات میں 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 کارروائی کی ضرورت نہیں ہے۔

سالانہ اجلاس عام کا نوٹس

اطلاع دی جاتی ہے کہ ایئر لنک کمیونیکیشن لمیٹڈ (کمپنی) کا (10) دسواں سالانہ اجلاس عام (AGM) ۲۸ اکتوبر ۲۰۲۳ بروز ہفتہ صبح ۱۰:۰۰ بجے آواری ہوٹل لاہور، ۸۷- شاہراہ قائد اعظم، لاہور، پاکستان میں درج ذیل کاروباری امور کی انجام دہی کے لیے منعقد ہوگا:

الف۔ عمومی امور:

۱۔ ۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے لیے ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ساتھ کمپنی کے آڈٹ شدہ سالانہ مالیاتی گوشواروں کو وصول کرنا، ان پر غور کرنا اور اپنانا۔

۲۔ مالی سال ۲۴-۲۰۲۳ کے لیے کمپنی کے آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین کرنا۔ بورڈ آف ڈائریکٹرز نے مالی سال ۲۴-۲۰۲۳ کے لیے بیرونی آڈیٹرز بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے۔

۳۔ بورڈ آف ڈائریکٹرز کی طرف سے تجویز کردہ ممبران کے پاس موجود ہر 10 روپے کے شیئر پر ۲۵ فیصد یعنی 2.50 روپے فی شیئر حتمی نقد ڈیویڈنڈ کی ادائیگی پر غور کرنا اور اسے منظور کرنا

۴۔ ۳۰ اکتوبر ۲۰۲۳ سے شروع ہونے والے تین (۳) سال کی مدت کے لیے کمپنیز ایکٹ، ۲۰۱۷ ("ایکٹ") کے سیکشن ۱۵۹ کے تحت ایکٹ کی قابل اطلاق دفعات کے مطابق اور بورڈ آف ڈائریکٹرز کے ذریعے مقرر کردہ کمپنی کے سات (۷) ڈائریکٹرز کا انتخاب کرنا۔

ریٹائر ہونے والے ڈائریکٹرز کے نام، جو دوبارہ انتخاب کے اہل ہیں، یہ ہیں:

۱)	جناب اسلم حیات پراچہ	۵)	جناب حسین قلی خان
۲)	جناب مظفر حیات پراچہ	۶)	جناب اقدس فراز طاہر
۳)	محترمہ رابعہ مظفر	۷)	جناب سید نفیس حیدر
۴)	جناب شارق عظیم صدیقی		

ب۔ خصوصی امور

۵۔ غور کرنا، اور اگر مناسب سمجھا جائے تو، آرٹیکل نمبر 43، 46، 70 میں ترمیم کرنا اور کمپنی کے آرٹیکلز آف ایسوسی ایشن میں نیا آرٹیکل نمبر 84 شامل کرنا۔

۶۔ غور کرنے کے لیے، اور اگر مناسب سمجھا جائے تو، کمپنی کے اراکین کو سالانہ آڈٹ شدہ مالیاتی گوشواروں کو CD/DVD/USB کے بجائے QR کوڈ کے ذریعہ ترسیل کی منظوری دینا جیسا کہ ایس ای سی پی کے ایس ار او نمبر ۳۸۹(1) ۲۰۲۳ مورخہ ۲۱ مارچ ۲۰۲۳ کے مطابق بورڈ آف ڈائریکٹرز کی طرف سے تجویز کیا گیا ہے۔

QR کوڈ اور ویب لنک درج ذیل ہیں:

https://www.airlinkcommunication.com/investor-information

ج۔ کوئی دوسرا کاروباری معاملہ

کسی دوسرے کاروبار کا لین دین کرنا جو چیئر کی اجازت سے میٹنگ سے پہلے رکھا جائے۔

بورڈ کے حکم سے

(عامر لطیف)
کمپنی سیکرٹری

لاہور: ۷ اکتوبر ۲۰۲۳

الف) کمپنیز ایکٹ، ۲۰۱۷ کے سیکشن (۳) ۱۳۴ کے تحت بیان ("بیان") جو کہ سالانہ جنرل میٹنگ میں لین دین کیے جانے والے خصوصی کاروبار سے متعلق ہے، نوٹس کے ساتھ منسلک ہے۔

ب) سیکشن (۳) ۱۶۶ کے تحت آزاد ڈائریکٹرز کے انتخاب کے طریقہ کار کے مطابق مادی حقائق کا بیان نوٹس کے ساتھ منسلک ہے۔

نوٹس:

۱۔ کھاتوں کی بندش

کمپنی کی شیئر ٹرانسفر بکس جمعہ ۲۰ اکتوبر، ۲۰۲۳ سے ہفتہ ۲۸ اکتوبر، ۲۰۲۳ تک بند رہیں گی (بشمول دونوں ایام) اور اس دوران کوئی ٹرانسفر رجسٹر نہیں کیا جائے گا۔ حصص کی منتقلی کے وہ کیسز جو کمپنی کے شیئر زرجسٹرار، یعنی سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، بی-۹۹، بلاک 'بی' ایس ایم سی ایچ ایس مین شاہراہ فیصل، کراچی-۷۴۴۰۰، ٹیلی فون: کسٹمر سپورٹ سروسز (ٹول فری) CDCPL(۲۳۲۷۵)-۰۸۰۰، فیکس: ۳۴۳۲۶۰۵۳ (۹۲-۲۱) ای میل info@cdcsrsl.com،

FORM OF PROXY

The Company Secretary
Air Link Communication Limited
152/1 – M, Quaid-e-Azam, Industrial Estate,
Kot Lakh Pat, Lahore

I ______________________________ of ____

a member of Air Link Communication Limited hereby appoint Mr. ____________________ son of

_____________________ of ____

or failing him _____________________________ son of __________________________________ 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 Annual General Meeting of the shareholders of the Company to be held on the ____day of _____________ 202__ and at any adjournment thereof.

Signed this ___ day of ___________ 202__.

Folio No.	CDC Participant ID No.	CDC Account/ Sub-Account No.	No. of Shares held

Signature on Rs.5/-
Revenue Stamp

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 کا فارم

کمپنی سیکریٹری

ایئر لنک کمیونیکیشن لمیٹڈ

۱۵۲/۱-ایم ،قائداعظم انڈسٹریل اسٹیٹ،

کوٹ لکھپت، لاہور۔

میں/ہم ______________ ساکن ______________________________________ بحیثیت ممبر ایئر لنک کمیونیکیشن لمیٹڈ

محترم____________ ولد____________ ساکن ____ یا انکی ناکامی کی صورت میں

محترم____________ ولد____________ساکن ____ جو خود ایئر لنک کمیونیکیشن لمیٹڈ

کے ممبر ہے/ ہیں کا تقرر کرتے/کرتے ہیں کہ وہ میرے/ ہمارے پراکسی کے طور پر کام کریں اور میری/ ہماری طرف سے کمپنی کے شیئر ہولڈرز کی سالانہ جنرل میٹنگ جو ۲۸ اکتوبر ۲۰۲۳ کو منعقد ہوگی اور اس کے کسی بھی ملتوی شدہ اجلاس میں ووٹ ڈالیں۔

ممبر کے دستخط________ کے دن __________ ۲۰۲۳ء

فولیو نمبر	سی ڈی سی پارٹیسپنٹ ID نمبر	سی ڈی سی اکاونٹ/ ذیلی اکاونٹ نمبر	حصص کی تعداد

دستخط برائے پانچ روپے ریونیو اسٹیمپ

گواہ ا:

دستخط:____________________________

نام:____________________________

شناختی کارڈ نمبر:____________________________

پتہ: ____________________________

____

گواہ ۲:

دستخط:____________________________

نام:____________________________

شناختی کارڈ نمبر:____________________________

پتہ: ____________________________

____

نوٹس:

۱۔ نمائندہ کے لئے ممبر ہونا لازمی ہے

۲۔ پراکسی فارم پر دستخط کمپنی کے ساتھ رجسٹرڈ نمونہ کے دستخط کے مطابق ہونا چاہئے

۳۔ اگر کسی ایسے ممبر کی طرف سے پراکسی دی جاتی ہے جس نے اپنے حصص سینٹرل ڈیپازیٹری کمپنی آف پاکستان لمیٹڈ میں جمع کرائے ہیں، تو پراکسی کے ساتھ پارٹیسپنٹ ID نمبر اور اکاؤنٹ/ ذیلی اکاؤنٹ نمبر، کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل مالک کے پاسپورٹ کی تصدیق شدہ کاپیاں منسلک کرنا ہونگی۔ کارپوریٹ ممبران کے نمائندوں کو اس مقصد کے لیے درکار معمول کی دستاویزات ساتھ لانا ہونگی۔

۴۔ پراکسی فارم مکمل اور دستخط شدہ، میٹنگ کے لیے مقررہ وقت سے کم از کم ۴۸ گھنٹے پہلے چھٹیوں کے علاوہ کمپنی کے رجسٹرڈ آفس میں موصول ہونا چاہیے۔

AIRLINK

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