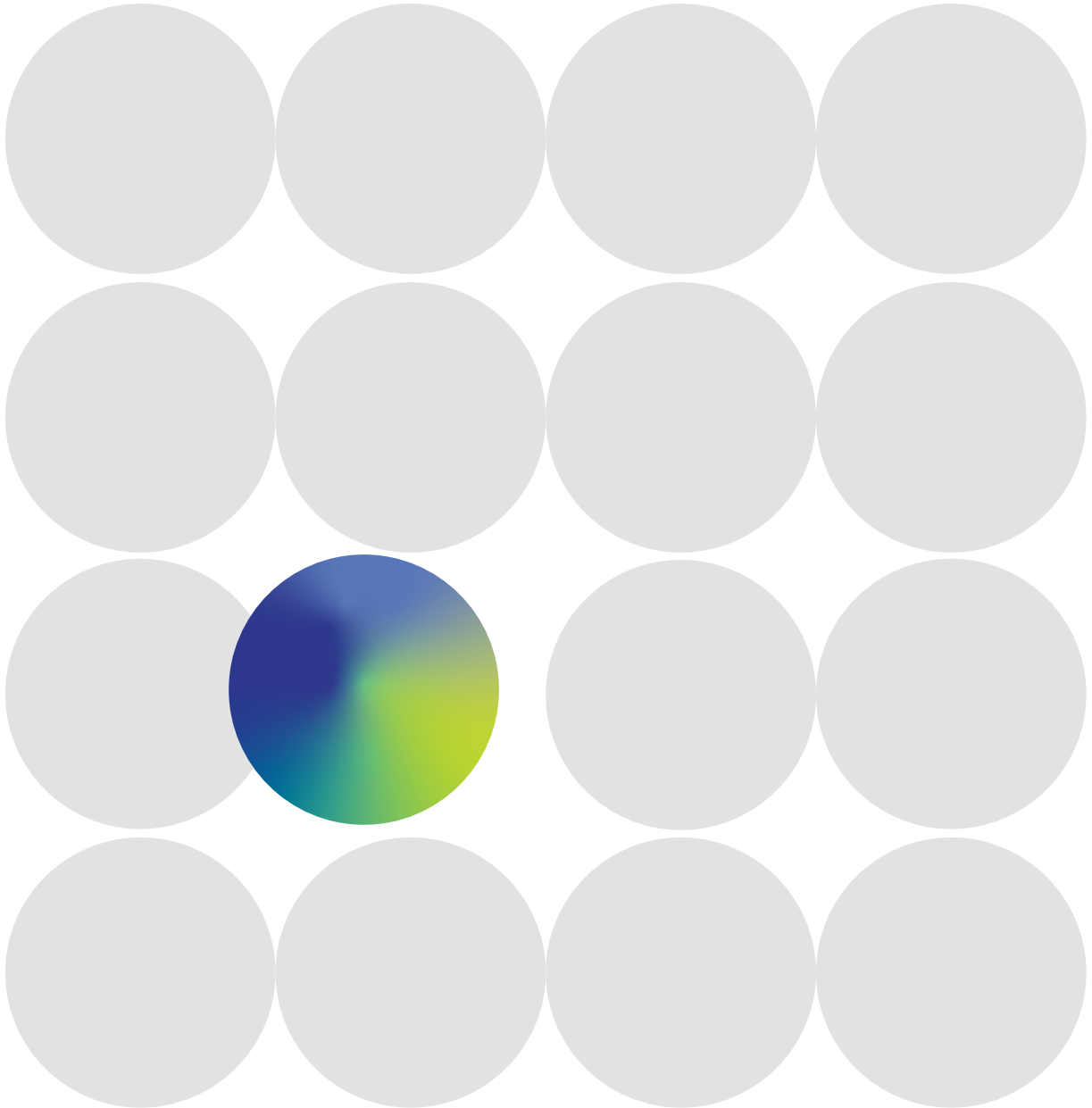




MADE FOR IMPACT

ANNUAL REPORT 2025





AIR LINK COMMUNICATION

COVER STORY

Air Link Communication Ltd. stands among Pakistan's foremost technology companies, with a strong presence in the manufacturing, distribution, and retail of smartphones and consumer electronics.

Since its inception, the Company has maintained a position of distinction in the telecom sector, consistently setting new benchmarks for growth and innovation.

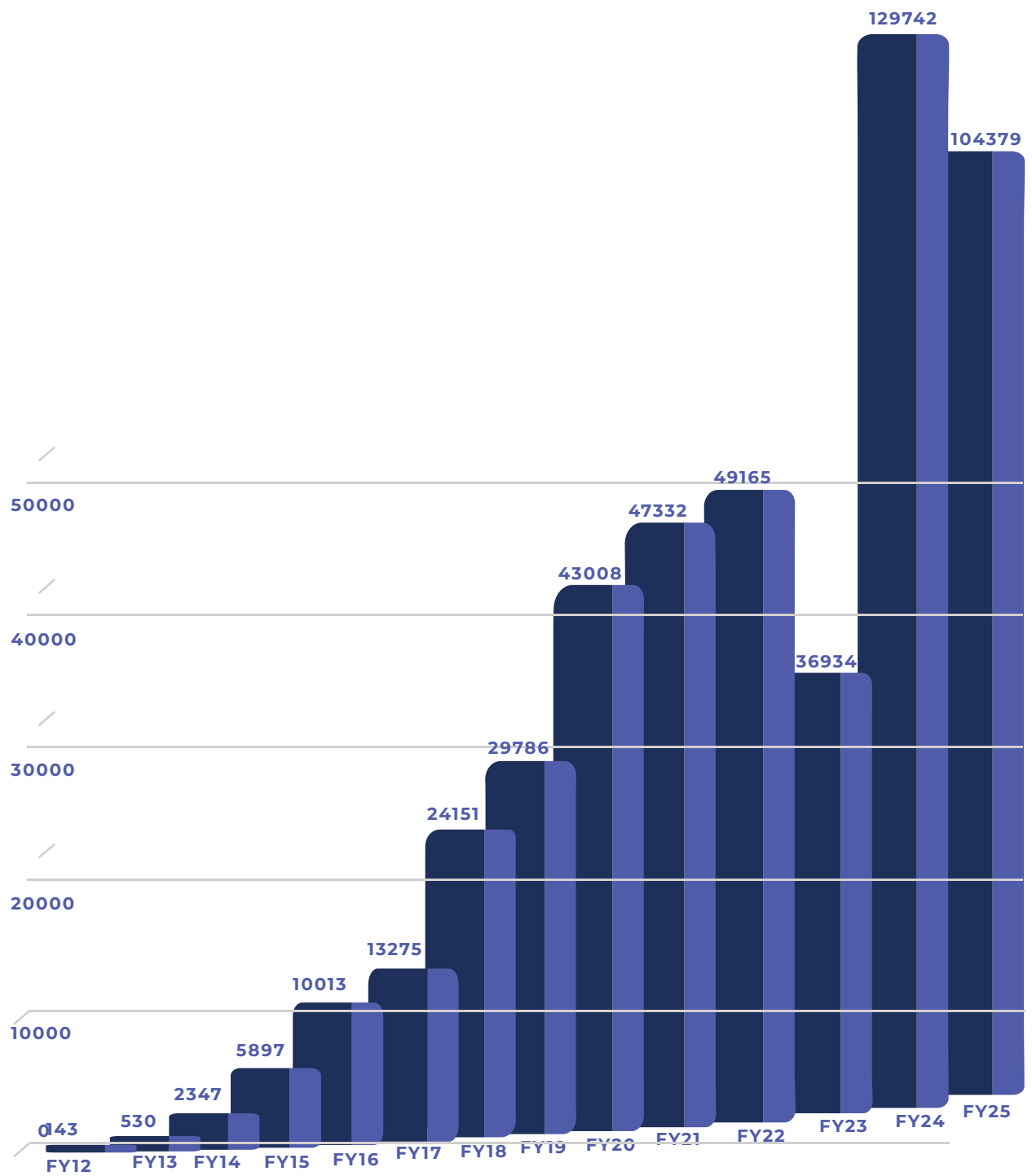
The successful launch of Pakistan's largest private sector IPO in 2021, oversubscribed by PKR 11 billion, was a landmark achievement that reinforced investor confidence and highlighted Airlink's leadership within the industry. Building on this momentum, the Company has continued to expand its portfolio, most notably through the launch of the Xiaomi Smart TV manufacturing facility, strengthening its role in advancing the nation's consumer electronics sector.

In 2025, Airlink accelerated its transformation by embedding AI-driven systems into its manufacturing ecosystem, enabling greater precision, efficiency, and scalability.

This integration ensures that cutting-edge, locally produced smartphones and smart devices remain accessible to households across Pakistan, supporting both technological inclusion and the "Made in Pakistan" vision.

Airlink's mission remains steadfast: to enhance quality of life by delivering innovative, affordable technology, while fostering long-term digital transformation and contributing to Pakistan's economic resilience. The Company's operations are guided by core values of integrity, transparency, diversity, and inclusivity, with innovation consistently positioned at the forefront.

Through these commitments, Airlink continues to drive sustainable growth, enable digital access, and shape a smarter future for Pakistan.





PERFORMANCE AT A GLANCE

Since its inception, Air Link has demonstrated remarkable growth, achieving a compound annual growth rate (CAGR) of 33.3% over the past decade. In addition to its impressive financial performance, the company has also expanded its product portfolio more extensively than any other player in the industry.

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01

INTRODUCTION

ORGANIZATIONAL OVERVIEW

Air Link Communication Ltd. is a leading force in Pakistan's technology and communication sector, recognized for delivering innovative, high-quality, and affordable solutions nationwide. Through strategic partnerships with global leaders such as Samsung, Xiaomi, Apple (Authorized Reseller), Tecno, itel, Acer Gadgets Inc., and iMiki, Airlink continues to bridge international expertise with local capabilities.

The company's journey began with distribution, where a robust nationwide network positioned Airlink as a trusted partner for leading international brands. This success paved the way for backward integration into manufacturing, with advanced local facilities producing Xiaomi smartphones, Smart TVs, and Tecno smartphones, strengthening Pakistan's role in the global technology value chain while supporting the "Made in Pakistan" vision.

Complementing its upstream capabilities, Airlink has expanded forward into retail through flagship stores and brand outlets that provide consumers with convenient access to world-class technology, including smartphones, smart TVs, wearables, home appliances, and accessories.

To further scale operations, a landmark manufacturing unit is currently under construction at Sundar Industrial Estate, spanning 8 acres with a covered area of 1.4 million square feet. Once completed, this state-of-the-art facility will significantly expand production capacity, accelerate technology transfer, and create new employment opportunities, while positioning Pakistan as an emerging hub for exports of smartphones and consumer electronics.

By integrating distribution, manufacturing, and retail, Airlink has built a complete 360-degree ecosystem. This model not only ensures accessibility and affordability for consumers but also advances digital inclusion, supports sustainable growth, and strengthens Pakistan's position in the global technology landscape.



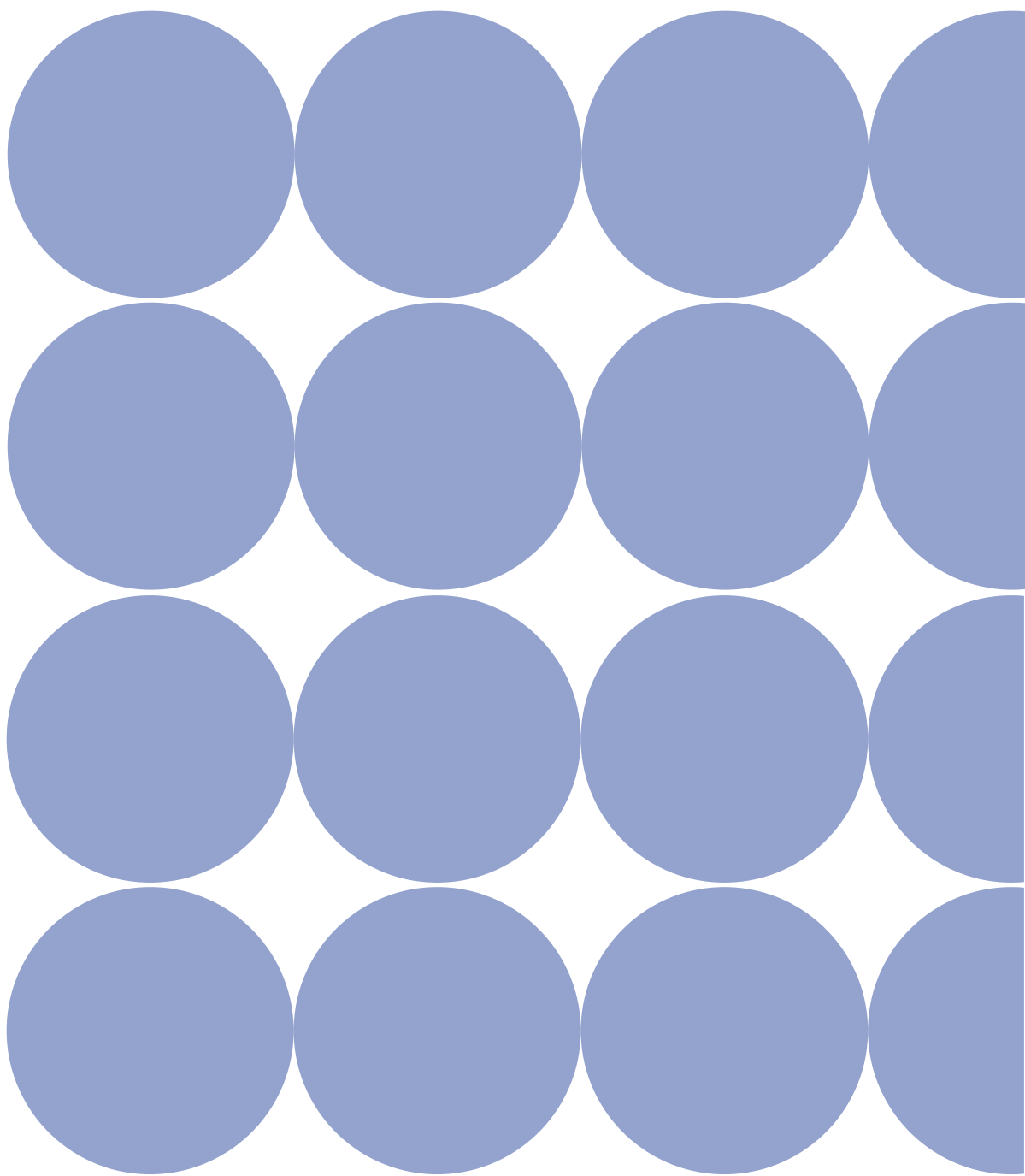
VISION

To become a global leader in technology and telecommunication, driving innovation and excellence to establish Pakistan as a recognized technological hub.



MISSION

To enhance connectivity and improve lives through high-quality, affordable products, while driving Pakistan's transformation into a global technological leader. With a steadfast commitment to customer satisfaction, integrity, and excellence, we aim to set industry benchmarks and foster a culture of continuous improvement and innovation.



VALUES



TRANSPARENCY



INTEGRITY



QUALITY



**CUSTOMER
SATISFACTION**



INNOVATION



**DIVERSITY &
INCLUSION**

Air Link Communication Limited is a prominent player in Pakistan's technology and telecommunication sector, excelling in the distribution, retail and manufacturing of mobile phones and varied electronics. The company has partnered with leading global brands such as



SAMSUNG



TECNO



delivering innovative products to a broad consumer market.



DISTRIBUTION



RETAIL



**SMARTPHONE
PRODUCTION FACILITY**



**SMART TV
PRODUCTION FACILITY**

DISTRIBUTION

As one of the three core pillars of the corporation's operating model, the distribution division has established a robust and extensive nationwide network. With 16 regional hubs in over 300 cities and thousands of employees, wholesalers, and retailers, this network ensures seamless access to smartphones, smart TVs, accessories, and digital communication services. This scale and reach underscore Airlink's position as a leading force in Pakistan's telecom industry.



16 Regional
Hubs



300
Cities

The company maintains official distribution partnerships with globally renowned brands such as Xiaomi, Samsung, Tecno and also serves as an Apple Authorized Reseller in Pakistan. In addition, Airlink has secured exclusive distribution and manufacturing contracts with Acer Gadgets Inc. and iMiki, further demonstrating its commitment to positioning Pakistan as a competitive technological hub.



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(Pvt) Ltd
FY 2020	43,008	Air Link Communication(Pvt) Ltd
FY2021	47,372	Air Link Communication(Pvt) Ltd
FY2022	46,159	Air Link Communication(Pvt) Ltd
FY2022	49,165	Air Link Communication Limited & Select Technologies (Pvt) Limited <i>[a wholly owned subsidiary]</i>
FY2023	36,934	Air Link Communication Limited & Select Technologies (Pvt) Limited <i>[a wholly owned subsidiary]</i>
FY2024	129,742	Air Link Communication Limited & Select Technologies (Pvt) Limited <i>[a wholly owned subsidiary]</i>
FY2024	129,742	Air Link Communication Limited & Select Technologies (Pvt) Limited <i>[a wholly owned subsidiary]</i>
FY2025	104,379	Air Link Communication Limited & Select Technologies (Pvt) Limited <i>[a wholly owned subsidiary]</i>

**Air Link Communication (Pvt.) Limited was incorporated on January 2, 2014, and remained dormant until FY2018, when it began assuming the assets and liabilities of the AOP. This acquisition was completed effective July 1, 2018. The entity was subsequently converted into a public limited company on April 24, 2019, and listed on the Pakistan Stock Exchange on September 22, 2021.*

Business revenues have demonstrated strong long-term growth, rising from PKR 5,897 million in FY2015 to PKR 129,742 million in FY2024, reflecting an impressive 9-year CAGR of 41%. In FY2022, revenues stood at PKR 46,159 million, marking a 2.56% decline compared to the prior year but maintaining a 7-year CAGR of 34%.

The company operates with a strong commitment to corporate governance, supported by an effective management framework aligned with international best practices. To ensure operational excellence, Airlink utilizes the SAP Enterprise Resource Planning System for financial and management reporting. Financial statements are audited by BDO Ebrahim & Co., Chartered Accountants, reinforcing transparency and accountability.

The company's successful listing on the Pakistan Stock Exchange in September 2021 marked a significant milestone. A total of 90 million shares were offered in the IPO process, comprising 60 million new shares issued by the company and 30 million existing shares offered to the public at a price of PKR 71.5 per share, determined through the book-building process.

Air Link Communication Ltd. remains dedicated to customer satisfaction beyond the point of sale. Service centers located across Pakistan provide warranty claims, post-warranty repairs, and expert technical support. By ensuring prompt and reliable service, the company continues to deliver value to customers, reinforcing its reputation as a trusted partner in technology.

RETAIL NETWORK

Airlink maintains one of Pakistan's most extensive and strategically positioned retail networks, designed to enhance nationwide access to advanced technology. These outlets serve as more than points of sale; they function as experiential centers where consumers can directly engage with the latest innovations in smartphone, consumer electronics, smart wearables, accessories and digital communication.

The network showcases a comprehensive portfolio of globally recognized brands, including Samsung, Xiaomi, Apple (iPhone), Tecno, Acer Gadgets Inc., and iMiki complemented by a wide selection of premium accessories. Each product is presented with an emphasis on authenticity, quality assurance, and reliability, underscoring the company's role as a trusted partner in the technology sector.



Retail operations are further strengthened by a service-oriented approach. Highly trained staff provide professional guidance on product specifications, features, and suitability, enabling informed purchasing decisions.

This commitment to excellence ensures that the retail network delivers not only accessibility to technology but also a consistently superior customer experience across all locations.



LAHORE

SAMSUNG STORE PACKAGES MALL

Shop # 1079 1st Floor, Opposite Carrefour, Packages Mall, Lahore.

AIRLINK FLAGSHIP STORE PACKAGES MALL

Shop # 1080 1st Floor, Opposite Carrefour, Packages Mall, Lahore.

AIRLINK OUTLET EMPORIUM MALL

Emporium Mall, G56, Lahore.

SAMSUNG STORE EMPORIUM MALL

Emporium Mall G 27, Lahore.

AIRLINK OUTLET XINHUA MALL

(Apple Authorized Reseller)

Air Link Communication Ltd, G/Floor Xinhua Mall, 24-B/2 Mian Mehmood Ali Kasuri Road, Gulberg III, Lahore



KARACHI

AIRLINK FLAGSHIP STORE LUCKY ONE MALL

Shop # 7, 2nd Floor, Lucky One Mall, Karachi.

AIRLINK OUTLET DOLMEN MALL

1st Floor, Adjacent to Miniso, Dolmen Mall, Clifton, Karachi.

SAMSUNG FLAGSHIP STORE LUCKY ONE MALL

Shop # 18, 19, LG Floor, Lucky One Mall, Karachi



HYDERABAD

AIRLINK STORE HYDERABAD

Shop # 1, Saddar Cantt, Hyderabad.



MULTAN

SAMSUNG STORE MULTAN

Shop # 5, Sharif Complex, Near Shell pump, Gulgusht Colony, Multan.



BAHAWALPUR

SAMSUNG STORE BAHAWALPUR

Shop # 2, Opposite Junaid Jamshed Brand, Haqqi Market, DC Office Chowk, Bahawalpur.

SMARTPHONE PRODUCTION FACILITY

In 2021, Airlink established one of Pakistan's most advanced smartphone manufacturing facilities, marking a transformative milestone in the nation's technology sector. Situated in Lahore, the facility spans 250,000 square feet and integrates state-of-the-art machinery with specialized human expertise to achieve precision, efficiency, and uncompromising quality.

With a production capacity of 12 million smartphones and feature phones annually, the facility plays a pivotal role in addressing Pakistan's growing demand for smart devices while contributing to import substitution and self-reliance in technology. Beyond its production output, the facility has generated thousands of employment opportunities for both skilled and semi-skilled professionals, thereby fostering economic inclusion and regional development.



SUBSIDIARY

Select Technologies (Pvt.) Limited, a wholly owned subsidiary of Air Link Communication Ltd., operates a state-of-the-art assembly plant in Lahore. The facility is dedicated to the manufacturing of smartphones and Smart TVs. As the exclusive partner of Xiaomi (one of the world's leading technology brands) in Pakistan, Select Technologies plays a pivotal role in bringing the brand's globally acclaimed technology to the local market.

Through this subsidiary, Airlink has strengthened its position as a leader in Pakistan's consumer electronics sector, advancing domestic manufacturing capabilities while supporting the "Made in Pakistan" vision.



In collaboration with government entities, Airlink was instrumental in developing and implementing the Device Identification, Registration, and Blocking System (DIRBS), a framework that ensured device authenticity, and unlocked a market potential of nearly 40 million handsets.

Pakistan's digital landscape is being shaped by a youth-driven demographic, where over 130 million smartphone users already participate in the digital economy, with millions more transitioning through greater internet access.

Airlink's facility accelerates this transformation, making technology more accessible while reinforcing the nation's "Made in Pakistan" vision.

The smartphone production facility exemplifies Airlink's long-term commitment to innovation, economic resilience, and nation-building. By combining advanced technology with local expertise, the company continues to drive meaningful impact, empowering communities, strengthening the domestic technology ecosystem, and shaping Pakistan's digital future.

SMART TV PRODUCTION FACILITY

In 2024, Airlink established a state-of-the-art Smart TV manufacturing facility in Lahore, built to international standards. The facility integrates advanced assembly lines, AI-powered systems, and skilled expertise to ensure precision, efficiency, and consistent quality.

With an annual capacity of 180,000 Google-certified Smart TVs, the operation is designed to meet rising domestic demand for premium home entertainment while supporting the government's "Made in Pakistan" vision. It also creates a foundation for future exports, enhancing Pakistan's position in the global consumer electronics market.

The facility is operated under Select Technologies (Pvt.) Limited, a wholly owned subsidiary of Airlink and the exclusive partner of Xiaomi in Pakistan. Through this collaboration, Xiaomi Smart TVs are locally produced, combining global innovation with domestic value creation.

This investment not only reinforces partnerships with leading international brands but also drives job creation, skills development, and technology transfer. It underscores Airlink's commitment to innovation, sustainability, and digital transformation, solidifying its role as a catalyst in Pakistan's technology ecosystem.





XIAOMI TV A Series **2025**
XIAOMI TV A Pro Series **2025**
Smart living, immersive viewing



Now Available in Pakistan

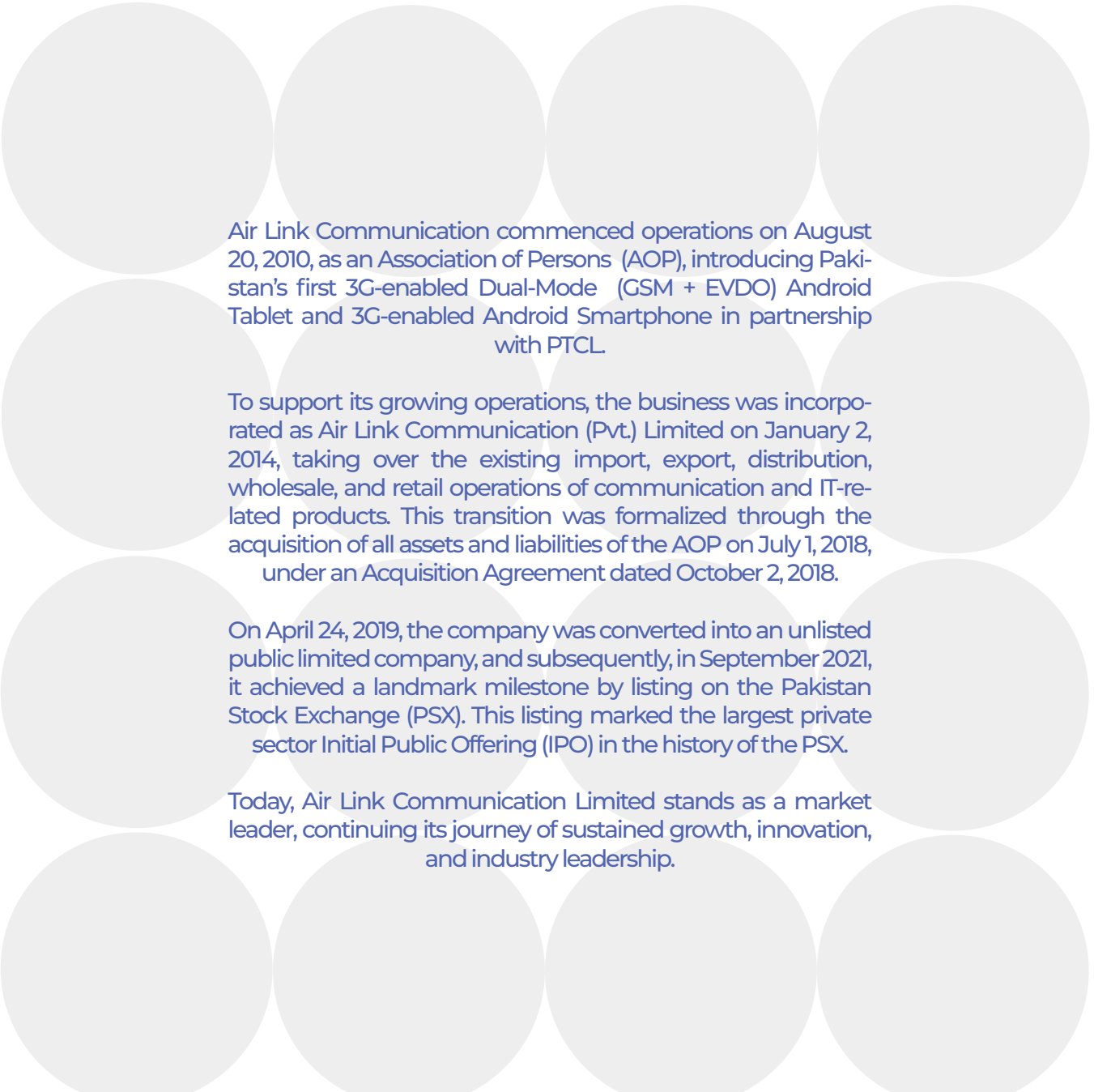




02

COMPANY HISTORY

Name	Air Link Communication Limited
Registration Number	0086378
Date of Commencement of Business	January 2, 2014 in Lahore
Date of Commencement of Business	Not applicable, 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 commenced operations on August 20, 2010, as an Association of Persons (AOP), introducing Pakistan's first 3G-enabled Dual-Mode (GSM + EVDO) Android Tablet and 3G-enabled Android Smartphone in partnership with PTCL.

To support its growing operations, the business was incorporated as Air Link Communication (Pvt.) Limited on January 2, 2014, taking over the existing import, export, distribution, wholesale, and retail operations of communication and IT-related products. This transition was formalized through the acquisition of all assets and liabilities of the AOP on July 1, 2018, under an Acquisition Agreement dated October 2, 2018.

On April 24, 2019, the company was converted into an unlisted public limited company, and subsequently, in September 2021, it achieved a landmark milestone by listing on the Pakistan Stock Exchange (PSX). This listing marked the largest private sector Initial Public Offering (IPO) in the history of the PSX.

Today, Air Link Communication Limited stands as a market leader, continuing its journey of sustained growth, innovation, and industry leadership.

COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Aslam Hayat Piracha
Chairman / Non-executive Director

Mr. Muzzaffar Hayat Piracha
Chief Executive Officer / Executive Director

Mr. Sharique Azim Siddiqui
Independent Director

Mr. Hussain Kuli Khan
Independent Director

Mr. Aqdlus Faraz Tahir
Independent Director

Mrs. Rabiya Muzzaffar
Non-executive Director

Syed Nafees Haider
Executive Director

AUDIT COMMITTEE

Mr. Hussain Kuli Khan
(Independent Director) - Chairman

Mr. Sharique Azim Siddiqui
(Independent Director) - Member

Mrs. 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. Aqdlus Faraz Tahir
(Independent Director) - Member

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

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

CHIEF FINANCIAL OFFICER

Mr. Nusrat Mahmood

COMPANY SECRETARY

Mr. Amer Latif



NON-BANKING FINANCIAL INSTITUTE



LEGAL ADVISOR

Punjab Law Associate

FACTORY ADDRESS

152/1M, Shan Road, Quaid-e-Azam
Industrial Estate, Kot Lakhpat,
Lahore, Pakistan

COMPANY'S REGISTERED ADDRESS (HEAD OFFICE)

Air Link Communication Limited

152/1M, Shan Road, Quaid-e-Azam
Industrial Estate, Kot Lakhpat,
Lahore, Pakistan

EXTERNAL AUDITORS

BDO Ebrahim & Co. Chartered
Accountants

Office No. 4, 6th Floor, Askari
Corporate Tower, 75/76/D-1, Main
Boulevard, Gulberg-III, Lahore, Pakistan

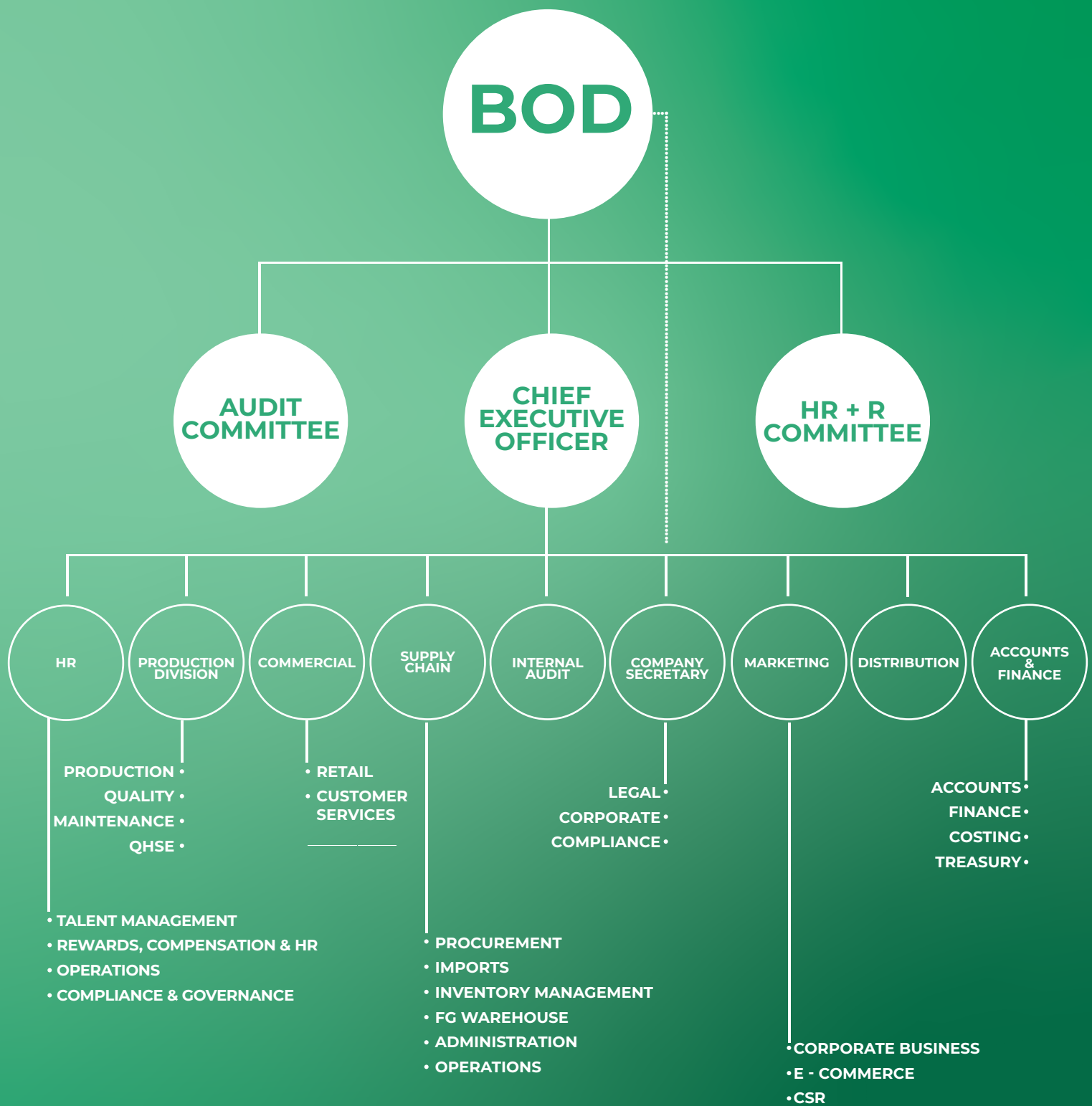




03

ORGANIZATIONAL STRUCTURE









04

MILESTONES

•2010



Became
the official
distributor

•2012



Official
Partner

•2015



Gold
Partner
Award

•2016

SAMSUNG

Official
Partner

•2018



Huawei Platinum
National Distributor Award

Huawei Sustainable
growth channel partner



FBR Top Tax
Payer Award

AIRLINK

•2019



Official Partner



Authorized Reseller



Official Partner



Official Partner

•2020



Official Partner

Smartphone Production Facility



•2021



Largest Private Sector IPO

•2022



Manufacturing Partnership

•2024



Xiaomi TV Manufacturing



Manufacturing & Distribution Partnership



Manufacturing & Distribution Partnership





Hoorah Tv

Next Agro

Airlink C

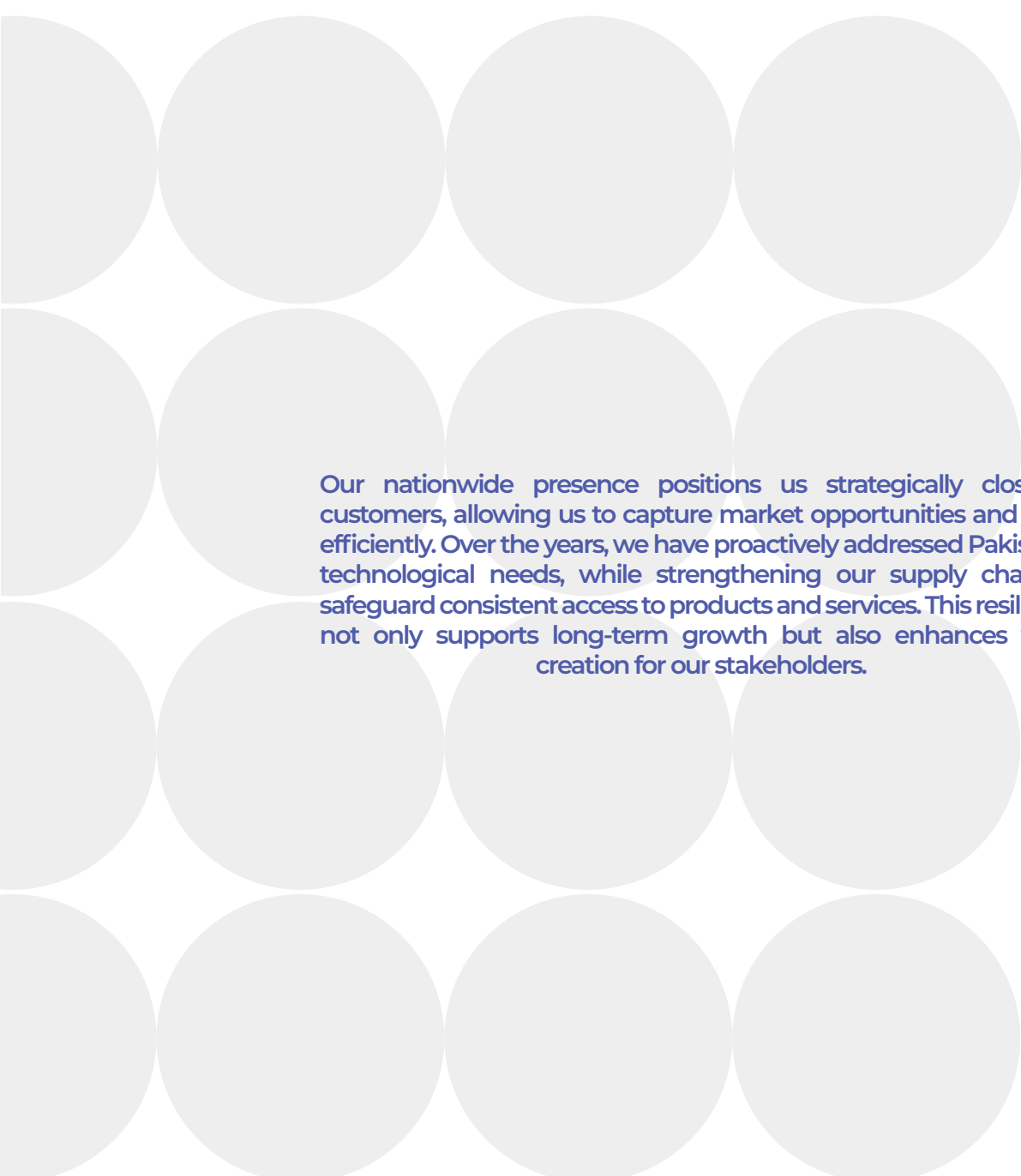
Asiatics Group

05

GEOGRAPHICAL
PRESENCE

Sui Northern Gas

Shan Rd



Our nationwide presence positions us strategically close to customers, allowing us to capture market opportunities and scale efficiently. Over the years, we have proactively addressed Pakistan's technological needs, while strengthening our supply chain to safeguard consistent access to products and services. This resilience not only supports long-term growth but also enhances value creation for our stakeholders.







06

CSR & EVENTS

CORPORATE SOCIAL RESPONSIBILITY

Airlink believes business growth must advance alongside nation-building and inclusive development. Guided by this vision, our CSR efforts focus on education, healthcare, community development, sustainability, and cultural enrichment, uplifting communities while supporting Pakistan's broader progress and digital inclusion.

Aligned with the UN Sustainable Development Goals and local needs, each initiative is designed to empower underserved populations and create lasting impact beyond business.





BHERA COMMUNITY CENTER



The Bhera Community Centre stands as a hub for holistic community development. Equipped with comprehensive medical facilities, health awareness programs, educational courses, and vocational training, the centre empowers individuals with tools for long-term well-being and self-reliance.

Its community halls strengthen social cohesion through cultural, recreational, and civic activities, while dedicated accommodation allows families to reconnect with their ancestral roots. This initiative embodies a commitment to health, education, decent livelihoods, and inclusive community growth.



SUNDAR STEM SCHOOL



Airlink recognizes the transformative power of digital education in preparing future generations. A donation of 154 Chromebooks to Sundar STEM School, Lahore, provides students with essential access to technology, strengthening their capacity to thrive in science, technology, engineering, and mathematics.

By equipping young learners with future-ready skills, this initiative fosters innovation, reduces barriers to quality education, and supports a knowledge-driven economy.

THAR WATER WELL



To address critical water scarcity in Thar, 17 solar-powered water wells have been established, providing clean and sustainable water sources to underserved communities. By leveraging renewable energy, this initiative not only ensures

safe drinking water but also promotes sustainable resource management and climate-resilient development. It represents a tangible step toward improving health, reducing inequalities, and supporting environmentally responsible growth.

AL KAREEM BEGUM CLINIC



Situated in Barmi Gali, Nathia Gali, the Al Kareem Begum Clinic delivers free healthcare services and medicines to underserved communities. Supported by Airlink, the facility includes consultation rooms, inpatient beds, ultrasound

services, oxygen supply, and blood transfusion capabilities. By ensuring accessible, quality healthcare in a remote region, the clinic plays a critical role in reducing inequalities in health outcomes and promoting community well-being.



APWA RANA LIAQAT WELFARE PROJECT



Through ongoing financial support, Airlink partners with the APWA Rana Liaqat Craftsmen's Colony Welfare Project, improving the lives of over 20,000 individuals, primarily women and children. By providing healthcare, early childhood education, vocational

training, and income-generating opportunities, the project fosters empowerment and long-term social mobility. This initiative is deeply aligned with advancing gender equality, reducing poverty, and promoting inclusive economic growth.

KEY EVENTS

The past year was marked by milestones that extended beyond business achievements to create lasting value for our people, partners, and communities. From strategic partnerships and international exhibitions to employee development and social initiatives, each event reflects Airlink's commitment to driving progress that is meaningful, inclusive, and sustainable.

MADE IN PAKISTAN 2025

Jeddah Exhibition



As part of its mission to project Pakistan's industrial capabilities globally, Airlink participated in the Made in Pakistan 2025 Exhibition in Jeddah. Showcasing locally manufactured smartphones, smart TVs,

and devices, the exhibition highlighted Airlink's role as a champion of the "Made in Pakistan" vision and a trusted enabler of technological self-reliance.

MANAGERIAL ESSENTIALS TRAINING



To nurture future-ready leadership, Airlink introduced Managerial Essentials Training for mid-level managers. The program equips participants with critical leadership, decision-making,

and problem-solving skills aligned with global corporate practices, strengthening the management backbone of the organization.

14th AUGUST INDEPENDENCE DAY CELEBRATION



On Independence Day, Airlink celebrated the spirit of freedom and unity with employees across offices and retail outlets. The event showcased national pride while fostering a sense of

togetherness and belonging among teams, reflecting Airlink's identity as a company deeply rooted in Pakistan's progress.

INTERNATIONAL WOMEN'S DAY CELEBRATION



Airlink proudly celebrated International Women's Day by honoring the achievements and contributions of women within the organization and society. Through awareness sessions

and engagement activities, the event reinforced our commitment to inclusivity, diversity, and gender equality at the workplace.

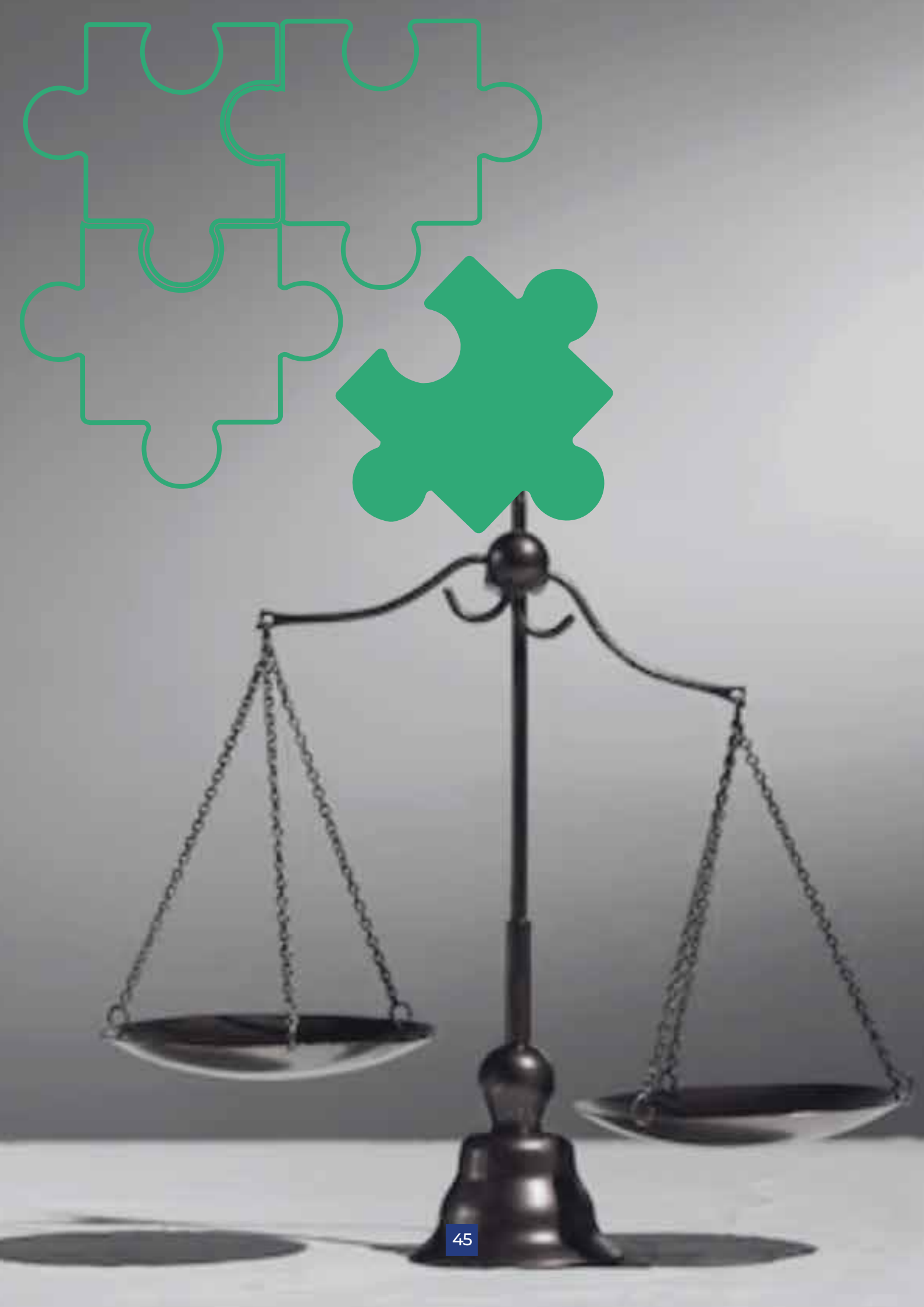
SABFIT

Employee Wellness Program



Recognizing that the strength of a company lies in the well-being of its people, Airlink launched Sabfit, a structured employee wellness program. The initiative focuses on

promoting physical fitness, mental health, and holistic wellness, ensuring our teams remain motivated, energized, and engaged in building sustainable growth.



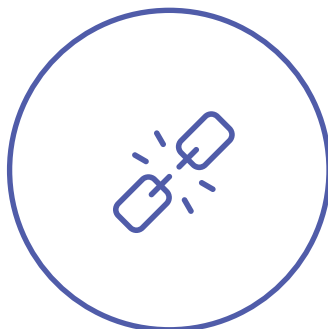
07

SWOT ANALYSIS



STRENGTHS

- Strong financial position demonstrated by “A+” long-term and “A1” short-term credit rating, consistent profitability, and reliable access to capital.
- Strong corporate image built on a deeply embedded value
- Well-invested manufacturing and supply chain infrastructure
- Sufficient production capacity to absorb the increase in volumes
- Excellent labour skills
- Vertical integration: a full-spectrum player, from assembling devices to distributing and retailing them through a nationwide network
- Strong commercial performance driven by process excellence and adherence to best practices.



WEAKNESSES

- Dependence on imported raw material and components
- Exogenous factors such as supply chain disruptions due to geopolitical and other reasons



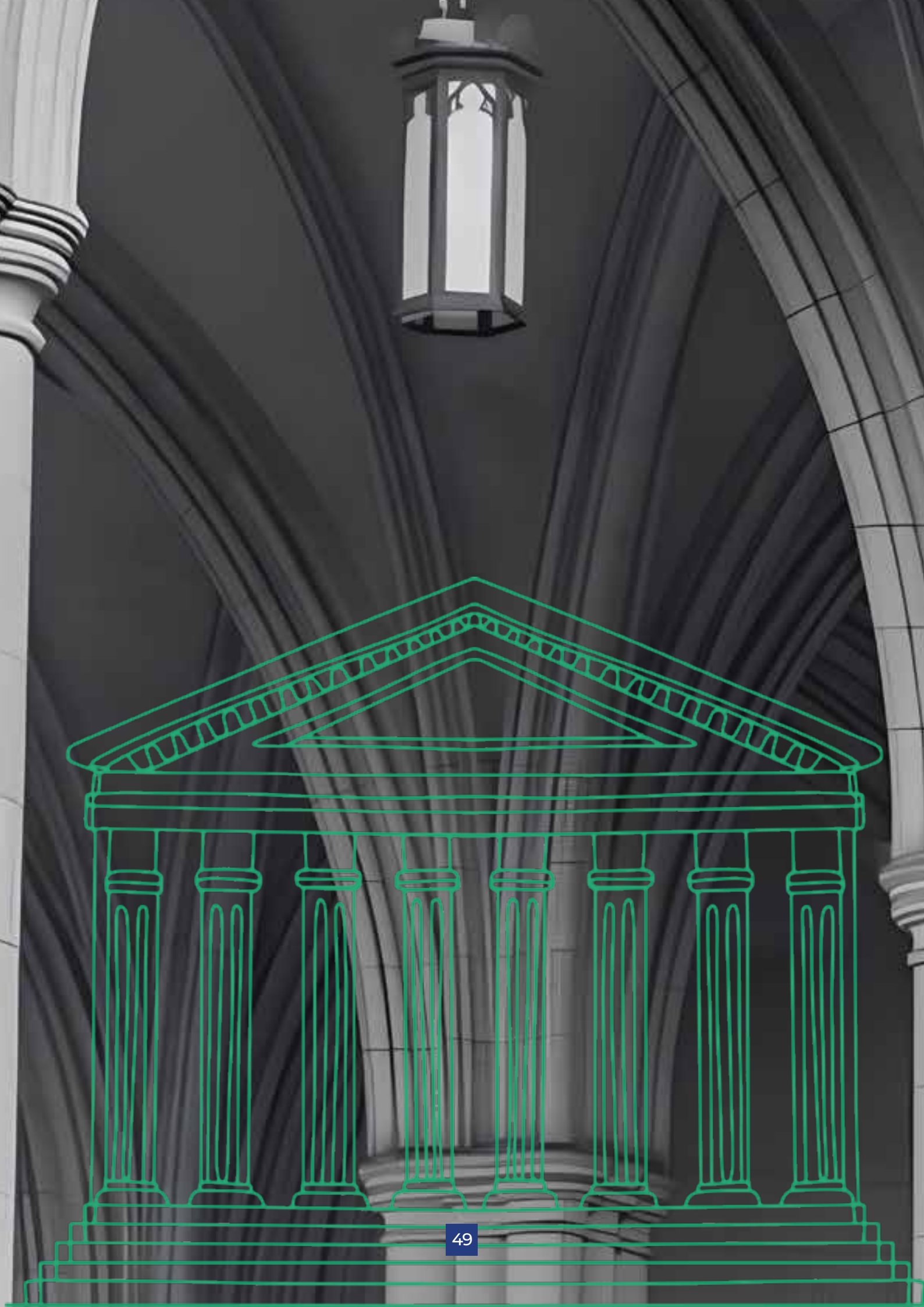
OPPORTUNITIES

- Well-positioned to seize growth opportunities as the domestic economy begins its resurgence.
- Strong financial foundation empowers to invest strategically in capacity and growth initiatives.
- Conversion of 2G phones into smartphones - 1/3rd of the mobile phones on the mobile networks are 2G phones
- Demographic dividend and rising per capita income
- Push for financial inclusion and digitization, driving the demand for smartphones



THREATS

- Change in regulatory framework
- Ease in import duties, challenging the competitiveness of local manufacturing.
- Law and order situation and political disturbance in the country
- Steep devaluation of Pak Rupee
- Disruption in global supply chains
- Global geopolitical tensions and supply chain disruptions





08

GOVERNANCE



MR. ASLAM HAYAT PIRACHA

CHAIRMAN / NON-EXECUTIVE DIRECTOR

Hailing from a renowned business family of Sargodha, Mr. Aslam Hayat Piracha, is our company's distinguished chairman. His practice in the leadership role spans over five decades of experience with a central focus in trading. His journey began as a trader in the late 1960s involving the import and export of textile goods. He is a natural visionary - launching his business career in the early 1980s by establishing a textile manufacturing unit with the installation of knitting machines. He is a goal-focused and self-driven professional, adept at building and enabling management teams to

enhance corporate profitability and operational efficiency. His ability to cultivate lasting amiable and professional relationships with customers and suppliers grants him a significant competitive edge in the industry.

Along with being an excellent businessman, he actively supports social welfare through Corporate Social Responsibility (CSR) initiatives and welfare activities of the company, and is involved in developing the Bhera Community Center - a state-of-the-art facility serving medical and community needs.



MR. MUZZAFFAR HAYAT PIRACHA

GROUP CHIEF EXECUTIVE OFFICER /EXECUTIVE DIRECTOR

Muzaffar Piracha is the visionary founder and CEO of Air Link Communication Ltd., a company he established in 2010 alongside his late brother, Mr. Moazzam Piracha. Under his dynamic leadership, Airlink has rapidly evolved into one of Pakistan's largest and most influential distributors, manufacturers, and retailers of smartphones. With net profit rising from PKR 2,367 million in FY20 to PKR 4,747 million in FY25.

Muzaffar's ability to identify and capitalize on emerging opportunities has enabled Airlink to forge strategic partnerships with some of the world's leading technology

companies, including Xiaomi, Samsung, Apple (Authorized Reseller), Tecno, itel, Acer Gadget e10 and iMiki.. These alliances have not only bolstered Airlink's market position but have also played a significant role in making cutting-edge technology accessible to millions of Pakistanis.

With over 25 years of extensive experience in the business world, Muzaffar is widely recognized for his strategic insight and deep expertise in the industry. His leadership extends beyond Airlink, as he serves as the Senior Vice Chairman of the Pakistan Mobile Phone Manufacturer Association. In this capacity, he plays a pivotal role in advancing and shaping the mobile phone manufacturing sector in Pakistan, contributing to the industry's growth and development on a national scale.



MRS. RABIYA MUZZAFFAR

NON-EXECUTIVE DIRECTOR

Mrs. Rabiya Muzzaffar earned her Master's in Business Administration (MBA) from NUST University, Islamabad, with a focus on Marketing and Human Capital Management.

She applies her plethora of skills to optimize efficiency, enhance employee satisfaction, and strengthen retention strategies. With a background in outdoor media and targeted marketing campaigns, she effectively connects the company with key audiences. Passionate about workforce development, Mrs. Muzzaffar is committed to ongoing training and growth to prepare teams for the challenges of a dynamic business environment. Perpetually driven to learn more, she has also enriched her expertise by attending various conferences and seminars on human capital management.

MR. SYED NAFEES HAIDER

DIRECTOR SALES AND DISTRIBUTION

Mr. Haider, who embarked on his professional journey in 2003, has been a cornerstone of Air Link Communication Ltd.. since its inception. As the Director Sales & Distribution, he leads the company's sales and distribution network with a sharp focus on strategy and policy-making.

Mr. Haider's extensive experience and deep understanding of market dynamics make him a key player in shaping Airlink's distribution network. His efforts are centered on optimizing the distribution channel's profitability through meticulous market analysis and strategic planning. He is instrumental in developing both strategic and operational plans to meet and exceed sales targets. Additionally, Mr. Haider plays a critical role in coordinating product launches, working closely with the sales and marketing teams to ensure seamless execution.

Before joining Airlink, Mr. Haider gained valuable experience in the stock brokerage and tourism industries, further enriching his expertise and contributing to his well-rounded approach to leadership in sales and distribution.





MR. SHARIQUE AZIM SIDDIQUI

INDEPENDENT DIRECTOR

Mr. Sharique Siddiqui is the Chief Executive Officer of Pakistan International Bulk Terminal Limited (PIBT), the country's first state-of-the-art terminal dedicated to handling cement, clinker, and coal. Under his visionary leadership, PIBT has established itself as a critical infrastructure asset, supporting Pakistan's industrial growth.

Mr. Siddiqui's association with the Marine Group of Companies dates back to 1997, where he played a pivotal role in various ventures within the group. His notable achievements include leading the successful bid for PIBTL's terminal in 2007, where his strategic planning and execution were instrumental in bringing the project to fruition.

From 2002 to 2012, Mr. Siddiqui served as Project Director and Chief Operating Officer at Pakistan International Container Terminal Ltd. (PICT), where he oversaw the comprehensive project planning, coordination, and implementation of the container terminal. Mr. Siddiqui holds a Bachelor's and Master's degree in Economics from Tufts University, Boston, USA.

MR. HUSSAIN KULI KHAN

INDEPENDENT DIRECTOR

Mr. Khan, Chief Executive Officer of The General Tyre and Rubber Company of Pakistan Limited, brings a wealth of managerial and leadership expertise to the organization.

His leadership acumen is well recognized, having served as President and Vice President of the Landhi Association of Trade and Industry (LATI) in Karachi. Mr. Khan's financial and strategic insights were honed during his tenure as Executive Director of Finance at JDM Textile Mills Limited, a pivotal role in his early career.

In 2003, Mr. Khan's was elected Chairman of the All Pakistan Textile Mills Association (APTMA) for the Khyber Pakhtunkhwa region, subsequently serving as Vice Chairman of APTMA's Central Body. Mr. Khan holds a degree in Business Administration from Gettysburg College, USA, and is also a Certified Director, accredited by the Pakistan Institute of Corporate Governance (PICG).





MR. AQDUS FARAZ TAHIR
INDEPENDENT DIRECTOR

Mr. Tahir holds a Master's degree in Technology Management from Griffith University, Brisbane, Australia, and is a seasoned telecom procurement consultant with extensive experience in the industry. He has played a pivotal role in the procurement, logistics, and implementation of telecom networks for PTCL and Ufone, consistently aligning these operations with international best practices.

Throughout his career, Mr. Tahir has held senior procurement positions at PTCL and Ufone, where he was responsible for overseeing procurement systems and logistics. As an Advisor to PTCL, he was instrumental in setting up advanced procurement systems and managing the integration of the latest technologies into traditional supply chains.

MANAGEMENT TEAM



NUSRAT MEHMOOD
CFO

Mr. Mahmood is a distinguished Management Accountant and Chemical Engineer with 23 years of experience across industries, including textiles, fertilizers, and telecommunications. As a fellow member of the Institute of Cost and Management Accountants of Pakistan, he has consistently demonstrated excellence in driving corporate operations and executing investment strategies. His contributions to developing policies, internal control systems, and Enterprise Resource Management systems have been instrumental in enhancing organizational performance. Mr. Mahmood's unique blend of technical and financial expertise positions him as a key asset in our strategic initiatives.

ADNAN AFTAB
*CEO SELECT TECHNOLOGIES
(WHOLLY OWNED SUBSIDIARY OF AIRLINK)*

Mr. Aftab is a seasoned professional with over 30 years of experience in manufacturing, holding a Master's in Manufacturing Engineering and a Bachelor's in Mechanical Engineering from N.E.D University of Engineering & Technology, Karachi. He has played pivotal roles at leading companies such as Dawlance Pvt. Ltd., Pak Elektron Ltd., and Waves Singer Pakistan Ltd. Mr. Aftab also serves as an independent director for Tariq Glass Ltd. His leadership in corporate performance and organizational expansion projects has consistently delivered significant market advantages.





MUHAMMAD SAJID FAROOQI
CHIEF STRATEGY OFFICER

Muhammad Sajid Farooqi, CFA, FCA, is an experienced investment professional specializing in private equity, corporate finance, public-private partnerships, and infrastructure financing. With a proven track record across TMT, aviation, financial services, manufacturing, agriculture, and FMCG, he has helped entrepreneurs grow businesses and enhance valuations.

He has served on boards including Pakistan Petroleum Limited and currently sits on the Public-Private Partnership Authority. A Chartered Accountant (ICAP) and Chartered Financial Analyst (CFA Institute), he is also a founding member of CFA Society Pakistan. His career spans leading roles with IFC, Axiata Group, JS Group, TPL Corp, PTA, and A. F. Ferguson & Co. (PwC).

MR. QAISER ALI
HEAD OF INTERNAL AUDIT

Mr. Qaiser is a highly skilled professional with a decade of experience in internal audit, accounting, and finance, spanning both the public and private sectors. He holds multiple professional certifications, including CICA, CIPFA, CIA, APFA, CAF, and M.Com. His expertise includes implementing internal controls, conducting audits, and financial analysis, with hands-on experience in various ERP solutions. Mr. Qaiser's strong technical financial competency, combined with exceptional interpersonal and organizational skills, consistently drives efficiencies that align with the company's objectives.



**MR. AMER LATIF*****COMPANY SECRETARY & HEAD OF LEGAL AFFAIRS***

Mr. Amer Latif has over 24 years of experience in company secretarial practice, corporate law, and regulatory affairs. A member of the Lahore Bar Association and the Lahore High Court Bar Association, he ensures compliance with statutory and regulatory frameworks, oversees litigation, and liaises with key regulatory bodies including SECP, CCP, CDC, and PSX. His prior roles with the SECP's Company Law Division and METRO Cash & Carry Pakistan have further strengthened his expertise in governance and strategic compliance.



CHAIRMAN REVIEW REPORT

Dear Shareholders and Stakeholders,

It is both an honor and a privilege to address you on behalf of the Board of Directors and the management team as we present the Annual Report for the fiscal year ending June 30, 2025.

This past year has presented both challenges and transformative opportunities for the domestic and global mobile phone industry. I take great pride in sharing that our company has consistently demonstrated resilience, adaptability, and a forward-thinking approach in navigating these complex circumstances.

In FY 2025, we observed a positive upward trend in various economic growth and health indicators, primarily attributed to the government's prudent—and at times challenging—economic decisions. While these measures may pose short-term challenges, they will yield substantial long-term benefits.

This fiscal year, the Company achieved a commendable net profit after tax of PKR 3,461 million, resulting in earnings per share (EPS) of PKR 7.74. Despite facing a decline in sales, we have successfully maintained our profitability and are pleased to announce a final dividend of PKR 4.5 per share of Rs. 10 each, as recommended by the Board of Directors. These results reflect our capacity to harness challenges as opportunities, further solidifying our strategic position in the marketplace.

As we look to the future, we recognize that both global and domestic landscapes will remain intricate and unpredictable. Nevertheless, the Company is well-prepared to navigate these emerging risks and capitalize on new opportunities through strategic foresight and our proven ability to adapt. The Board is dedicated to empowering the management team with the vision, direction, and resources necessary to foster innovation and deliver sustainable, long-term value.

The Board acknowledges that our progress would not be possible without the invaluable trust of our shareholders. On behalf of the entire leadership team, I would like to express our sincere appreciation for your continued confidence and support. Together, we are committed to building the Company into a formidable player in the global mobile technology sector, while upholding our principles of responsible growth, innovation, and purposeful engagement.

In closing, I would like to extend my heartfelt thanks to my fellow Board members for their invaluable insights and guidance, to the management for their unwavering leadership, to our dedicated employees, and to all our valued stakeholders.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Aslam Hayat Piracha', with a horizontal line underneath.

Aslam Hayat Piracha
Chairman



چیرمین کی جائزہ رپورٹ

محترم شیئر ہولڈرز اور اسٹیک ہولڈرز،

یہ میرے لیے اعزاز اور فخر کی بات ہے کہ میں بورڈ آف ڈائریکٹرز اور انتظامیہ کی طرف سے آپ سے خطاب کر رہا ہوں اور مالی سال 30 جون 2025 کے اختتام پر سالانہ رپورٹ پیش کر رہا ہوں۔

گزشتہ سال ملکی اور عالمی موبائل فون انڈسٹری کے لیے چیلنجز اور ترقی کے مواقع دونوں کا حامل رہا۔ مجھے یہ بات فخر کے ساتھ کہنا ہے کہ ہماری کمپنی نے ان پیچیدہ حالات میں استحکام، پلک اور مستقبل کی سمت میں قدم بڑھانے کی اپنی صلاحیت کو بخوبی ثابت کیا ہے۔

مالی سال 2025 میں ہم نے اقتصادی ترقی اور صحت کے مختلف اشاریوں میں مثبت رجحانات دیکھے، جو بنیادی طور پر حکومت کے سمجھداری سے کیے گئے اقتصادی فیصلوں کا نتیجہ ہیں۔ اگرچہ ان فیصلوں کے اثرات بعض اوقات عارضی چیلنجز پیدا کر سکتے ہیں، لیکن یہ طویل مدت میں اہم فوائد لائیں گے۔

اس مالی سال، کمپنی نے 3,461 ملین روپے کا شاندار خالص منافع حاصل کیا، جس کے نتیجے میں فی شیئر آمدنی (EPS) 7.74 روپے رہی۔ فروخت میں کمی کے باوجود، ہم نے اپنی منافع بخش کارکردگی کو کامیابی کے ساتھ برقرار رکھا ہے اور بورڈ آف ڈائریکٹرز کی سفارش پر فی دس روپے کے فی شیئر پر 4.5 روپے کا حتمی منافع کا اعلان کرتے ہوئے ہمیں خوشی محسوس ہو رہی ہے۔ یہ نتائج چیلنجز کو مواقع میں بدلنے کی ہماری صلاحیت کو ظاہر کرتے ہیں، جس سے مارکیٹ میں ہماری اسٹریٹجک پوزیشن مزید مضبوط ہوتی ہے۔

مستقبل کی جانب دیکھتے ہوئے، ہم سمجھتے ہیں کہ عالمی اور ملکی منظر نامے پیچیدہ اور غیر متوقع رہیں گے۔ تاہم، کمپنی ان ابھرتے ہوئے خطرات کا مقابلہ کرنے اور نئے مواقع سے فائدہ اٹھانے کے لیے مکمل طور پر تیار ہے، اور ہم اس بات پر عزم ہیں کہ اسٹریٹجک پیش بینی اور پلکار طرز عمل سے ہم ترقی کی راہ پر گامزن رہیں گے۔ بورڈ انتظامیہ کو درست رہنمائی، وسائل اور جدید خیالات فراہم کرنے کے لیے پر عزم ہے تاکہ وہ مسلسل جدت اور طویل مدتی پائیدار قدر فراہم کر سکے۔

بورڈ تسلیم کرتا ہے کہ ہمارے شیئر ہولڈرز کے قیمتی اعتماد کے بغیر ہماری ترقی ممکن نہیں تھی۔ پوری قیادت کی جانب سے، میں آپ کے مسلسل اعتماد اور حمایت کے لیے تہہ دل سے شکریہ ادا کرنا چاہتا ہوں۔ ہم سب مل کر کمپنی کو عالمی موبائل ٹیکنالوجی کے شعبے میں ایک مضبوط کھلاڑی بنانے کے لیے پر عزم ہیں، اور ہم ذمہ دار ترقی، جدت، اور مقصدی مشغولیت کے اپنے اصولوں پر قائم رہیں گے۔

آخر میں، میں اپنے ساتھی بورڈ اراکین کا ان کی قیمتی بصیرت اور رہنمائی کے لیے، انتظامیہ کا ان کی غیر متزلزل قیادت کے لیے، ہمارے سرشار ملازمین کا، اور ہمارے تمام قابل قدر اسٹیک ہولڈرز کا تہہ دل سے شکریہ ادا کرنا چاہتا ہوں۔

آپ کے مسلسل اعتماد اور تعاون کا شکریہ

محکم،
اسلم حیات، راجہ

چیرمین
ایئر لک کیونیکیشن لمیٹڈ



CEO REVIEW REPORT

Dear Shareholders and Stakeholders,

I am pleased to share an overview of the progress we have made over the past year. This period has truly demonstrated the resilience and agility of our Company.

At the start of the year, the government imposed an 18% sales tax on mobile phones, which challenged market demand and substantially increased our working capital requirements to manage this tax at the import stage. Despite these challenges, coupled with geopolitical tensions, we proudly maintained our position among the elite companies with a turnover exceeding PKR 100 billion.

During the year, Pakistan's economy began to show signs of recovery and stabilization, marked by a current account surplus, moderating inflation, and reduced policy rates — all of which are attributed mainly to the continuation of essential policy reforms under the IMF programs. The Company is well-positioned to benefit from improving economic conditions, rising income levels, a push for financial inclusion and digitization, rapid urbanization, and improving business sentiments. The mobile industry has adeptly adjusted to the sales tax, and we foresee an increase in mobile phone demand in the upcoming year.

On a consolidated basis, the Company experienced a decline in net revenue, which decreased to PKR 104.4 billion from PKR 129.7 billion in the previous year. However, through effective cost optimization measures, enhanced supply chain efficiencies, currency stabilization, and successive reductions in policy rates, we achieved a noteworthy increase in net profitability and net margins. Our net profit increased to PKR 4.7 billion, representing a net margin of 4.5%, compared to PKR 4.6 billion and a net margin of 3.5% in the same period last year.

In our commitment to long-term growth, we acquired an eight-acre parcel of land in the Sunder Green Economic Zone, strategically located near Lahore, which will enable us to expand our production capacity and introduce white goods appliances. The advantages of being part of a Special Economic Zone (SEZ) include zero duty on imported machinery and a generous 10-year tax holiday.

The Company, as part of its diversification and growth strategy, commenced manufacturing and production of Xiaomi smart LED televisions. The initial results are promising, and the Company will focus on attaining a decent market share within 24 to 36 months.

Our people remain the driving force behind the Company's success. Our continued focus on diversity, equity, and inclusion helped foster a workplace where individuals feel empowered to contribute their unique strengths.

The driving force behind our success remains our incredible team. Our unwavering commitment to diversity, equity, and inclusion has cultivated an environment where every individual feels empowered to contribute their unique strengths.

I extend my deepest gratitude to our Board of Directors for their invaluable guidance, as well as to our shareholders, partners, and employees for their steadfast support and trust. Together, we will continue to explore new horizons and fortify our legacy in the years to come.

Thank you for your enduring trust and confidence in Air Link Communication Limited.

Sincerely,



Muzzaffar Hayat Piracha
CEO, Air Link Communication Limited



سی ای او کی جائزہ رپورٹ

مجھے گزشتہ سال کے دوران ہماری پیش رفت کا جائزہ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔ یہ عرصہ ہماری کمپنی کی استحکام اور فریٹیبل پن کا حقیقی مظہر ہے۔

سال کے آغاز میں، حکومت نے موبائل فونز پر 18% سیلز ٹیکس عائد کیا، جس نے مارکیٹ کی طلب کو متاثر کیا اور درآمدی مرحلے پر اس ٹیکس کا انتظام کرنے کے لیے ہمارے ورکنگ کیپیٹل کی ضروریات میں خاطر خواہ اضافہ کیا۔ ان چیلنجز اور جغرافیائی سیاسی تناؤ کے باوجود، ہمیں 100 ارب روپے سے زیادہ کے کاروبار والی ایلیٹ کمپنیوں میں اپنی پوزیشن برقرار رکھنے پر فخر ہے۔

سال کے دوران، پاکستان کی معیشت میں بحالی اور استحکام کے آثار نظر آنے لگے، جس کی خاص علامات میں کرنٹ اکاؤنٹ سرپلس، اعتدال پسند مہنگائی اور پالیسی ریٹ میں کمی شامل ہیں۔ یہ سب بنیادی طور پر آئی ایم ایف کے پروگراموں کے تحت جاری ضروری پالیسی اصلاحات کا نتیجہ ہیں۔ ہماری کمپنی بہتر ہوتی ہوئی معاشی صورتحال، بڑھتی ہوئی آمدنی، مالی شمولیت اور ڈیجیٹلائزیشن کی طرف بڑھتی ہوئی کوششوں، تیزی سے شہری کاری، اور کاروباری رجحانات میں بہتری سے فائدہ اٹھانے کے لیے بہترین پوزیشن میں ہے۔ موبائل انڈسٹری نے سیلز ٹیکس کے اثرات کو بخوبی جذب کیا ہے، اور ہم آئندہ سال میں موبائل فون کی مانگ میں اضافے کی توقع رکھتے ہیں۔

مجموعی طور پر، کمپنی کی خالص آمدنی میں کمی دیکھی گئی، جو پچھلے سال کے 129.7 ارب روپے سے کم ہو کر 104.4 ارب روپے پر آگئی۔ تاہم، مؤثر لاگت کو بہتر بنانے، سپلائی چین کی کارکردگی میں اضافہ، کرنسی کے استحکام، اور پالیسی ریٹ میں مسلسل کمی کے ذریعے، ہم نے خالص منافع اور خالص مارجن میں قابل ذکر اضافہ حاصل کیا۔ ہمارا خالص منافع بڑھ کر 4.7 ارب روپے ہو گیا، جو 4.5% کے خالص مارجن کی نمائندگی کرتا ہے، جبکہ پچھلے سال اسی عرصے میں یہ 4.6 ارب روپے اور 3.5% کے خالص مارجن پر تھا۔

طویل مدتی ترقی کے اپنے عزم میں، ہم نے لاہور کے قریب سندھ گرین اکنامک زون میں آٹھ ایکڑ زمین حاصل کی ہے، جو ہمیں اپنی پیداواری صلاحیت کو بڑھانے اور وائٹ گڈز کی مصنوعات متعارف کرانے کے قابل بنائے گی۔ ایک اسٹیشنل اکنامک زون (SEZ) کا حصہ بننے کے فوائد میں درآمد شدہ مشینری پر زیر وڈیٹی اور 10 سال کی ٹیکس میں چھوٹ شامل ہیں۔

کمپنی، اپنی تنوع اور ترقی کی حکمت عملی کے حصے کے طور پر، Xiaomi سمارٹ ایل ای ڈی ٹیلی ویژن کی مینوفیکچرنگ اور پیداوار شروع کر چکی ہے۔ ابتدائی نتائج حوصلہ افزا ہیں، اور کمپنی 24 سے 36 مہینوں کے اندر ایک معقول مارکیٹ شیئر حاصل کرنے پر توجہ مرکوز کرے گی۔

ہماری کامیابی کے پیچھے ہماری بہترین ٹیم کی محنت ہے۔ تنوع، مساوات، اور شمولیت کے لیے ہمارے پختہ عزم نے ایک ایسا ماحول پروان چڑھایا ہے جہاں ہر فرد اپنی منفرد صلاحیتوں کو بروئے کار لانے کے لیے بااختیار محسوس کرتا ہے۔

میں اپنے بورڈ آف ڈائریکٹرز کا ان کی قیمتی رہنمائی کے لیے، اور اپنے شیئر ہولڈرز، شراکت داروں، اور ملازمین کا ان کی مسلسل حمایت اور اعتماد کے لیے تہہ دل سے شکریہ ادا کرتا ہوں۔ ہم سب مل کر آنے والے سالوں میں نئے افق تلاش کرتے رہیں گے اور اپنے ورثے کو مضبوط بنائیں گے۔

ایئر لنک کمیونیکیشن لمیٹڈ پر آپ کے دیرپا اعتماد اور یقین کے لیے آپ کا شکریہ۔

محکمہ

مظفر حیات پراچہ
چیف ایگزیکٹو آفیسر
ایئر لنک کمیونیکیشن لمیٹڈ

AIRLINK COMMUNICATION LIMITED
Pattern of Shareholding
As at June 30, 2025

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse(s) and minor children			
MUZZAFFAR HAYAT PIRACHA	2	8,482,975	2.15
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
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
SALEHA BASIT	1	14,512,500	3.67
MUZZAFFAR HAYAT PIRACHA	1	91,819,066	23.23
YASIR HAYAT PIRACHA	1	95,782,500	24.23
Associated companies, undertakings and related parties	-	-	-
NIT and ICP	-	-	-
Banks Development Financial Institutions, Non-Banking Financial Institutions	3	2,276,076	0.58
Insurance Companies	4	4,967,831	1.26
Modarabas and Mutual Funds	25	2,971,585	0.75
General Public			
a. Local	12,107	23,944,086	6.06
b. Foreign	778	1,511,401	0.38
Foreign Companies	14	58,901,741	14.90
Others	96	8,829,209	2.23
Totals	13,041	395,269,231	100.00

Share holders holding 10% or more	Shares Held	Percentage
MUZZAFFAR HAYAT PIRACHA	100,302,041	25.38
YASIR HAYAT PIRACHA	95,782,500	24.23

REPORT OF THE AUDIT COMMITTEE

on Adherence to the Listed Companies (Code of Corporate Governance), Regulations, 2019.

The Audit Committee has concluded its annual review of the conduct and operations of the Company during the year ended June 30, 2025, and reports that:

- The Company has issued a “Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019” which has also been reviewed and certified by the External Auditors of the Company.
- 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. Equitable treatment of shareholders has also been ensured.
- The Board has developed a Vision / Mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- The Company has complied with all the corporate and financial reporting requirements. Appropriate accounting policies have been consistently applied. All core & other applicable International Accounting Standards were followed in preparation of financial statements of the Company on a going concern basis, for the financial year ended June 30, 2025, which present fairly the state of affairs, results of operations, profits, cash flows and changes in equities of the Company.
- The Directors’ Report for this year has been prepared in compliance with the requirements of the Listed Companies (Code of Corporate Governance), Regulations, 2019 and fully describes the salient matters required to be disclosed.
- The Chief Executive and the CFO have reviewed the financial statements of the Company and the Directors’ Report.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and the external reporting is consistent with Management processes and adequate for shareholder needs.
- Directors, CEO and executives or their spouses do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the Chief Executive and executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.

INTERNAL AUDIT

- The internal control framework has been effectively implemented through an independent in-house Internal Audit function established by the Board which is independent of the External Audit function.
- The committee meets at least once every quarter and assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders.
- The Internal Audit function has carried out its duties under the charter defined by the Committee. The Committee has reviewed material Internal Audit findings taking appropriate action or bringing the matters to the Board’s attention where required.

- The Company's system of internal control is adequate and effective. The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders wealth at all levels within the Company.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

EXTERNAL AUDITORS

- The statutory Auditors of the Company, BDO Ebrahim, Chartered Accountants have completed their Audit assignment of the "Company's Financial Statements" and the "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019" for the financial year ended June 30, 2025 and shall retire on the conclusion of the 12th Annual General Meeting.
- The statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under Quality Control Review program of the Institute of Chartered Accountants of Pakistan. They are also registered with Audit Oversight Board of Pakistan.

- The Auditors have been allowed direct access to the Committee and the effectiveness, independence and objectivity of the Auditors has thereby been ensured. The Audit Committee had a meeting with the external auditors without the presence of the CFO and the Head of Internal Audit. The Auditors attended the General Meeting of the Company during the Year and have confirmed attendance of the 11th Annual General Meeting scheduled for Oct 22, 2025 and have indicated their willingness to continue as Auditors.
- Being eligible for reappointment as Auditors of the Company, the Audit Committee recommends their reappointment for the financial year ending June 30, 2026.
- The Firm has no financial or other relationship of any kind with the Company except that of External Auditors.

For and on behalf of Audit Committee



Lahore
September 29, 2025

Hussain Kuli Khan
Chairman-Audit Committee



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Gulberg III, Lahore-54660
Pakistan.

INDEPENDENT AUDITOR'S REVIEW 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 June 30, 2025 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 June 30, 2025.

BDO Ebrahim & Co.

LAHORE

DATED: September 29, 2025
UDIN: CR202510087XVjdKasog

CHARTERED ACCOUNTANTS
Engagement Partner: Sajjad Hussain Gill

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 2025

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	NAMES
Independent Directors	Hussain Kuli Khan
	Aqdus Faraz Tahir
	Sharique Azim Siddiqui
Non-Executive Directors	Aslam Hayat Piracha
	Rabiya Muzaffar
Executive Directors	Muzaffar Hayat Piracha
	Nafees Haider
Female Director	Rabiya Muzaffar

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: Nil

The Director's Training of the remaining Directors is under consideration and hopefully will complete 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:-

Audit Committee	Mr. Hussain Kuli Khan (Chairman) Mr. Sharique Azim Siddiqui (Member) Mrs. Rabiya Muzzaffar (Member)
HR and Remuneration Committee (also designated to perform the role of the Sustainability Committee)	Mr. Sharique Azim Siddiqui (Chairman) Mr. Muzzaffar Hayat Piracha (Member) Mr. Aqdu Faraz Tahir (Member)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following, -

- | | |
|----------------------------------|----------------------|
| a) Audit Committee; | 4 Quarterly Meetings |
| b) HR and Remuneration Committee | 1 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: N/A



ASLAM HAYAT PIRACHA
Chairman





09

DIRECTORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2025

The Directors are pleased to present their report, together with the audited standlaone and consolidated financial statements of the Company, for the year ended June 30, 2025..



ECONOMIC OVERVIEW

Pakistan's economy is on a path of steady recovery, with indicators of economic growth and health trending upward. GDP growth rebounded to 2.7% in 2025, and per capita income increased to USD 1,824 in FY 2025 from USD 1,662 in FY 2024.

Essential macroeconomic reforms and an IMF Stand-By Arrangement have primarily driven this recovery. Between June 2024 and June 2025, the central bank lowered the policy rate from a peak of 22% to 11%, resulting in increased private credit uptake.

On the external front, exports increased by 4.67% to USD 32.1 billion, and remittances reached a record USD 38.3 billion—a 26.6% increase from the previous year.

Monthly remittances reached a peak of USD 4.1 billion in March 2025,

indicating strong confidence among overseas Pakistanis in formal remittance channels. As of 2025, Pakistan ranks fifth globally in remittances.

Pakistan's economic outlook for FY 2025–26 reflects cautious optimism, with GDP expected to grow by 3.6% as per the latest estimates by the International Monetary Fund. The IMF's Extended Fund Facility and Resilience and Sustainability Facility programmes continue to remain central to continued reform and fiscal discipline. Under the National Economic Transformation Plan (2024-29), the government aims to achieve USD 60 billion in annual exports by 2029, focusing on diversifying beyond textiles and agriculture, particularly in the IT and creative sectors.



THE GROUP AND ITS PRINCIPAL ACTIVITIES

The group comprises Air Link Communication Limited (the parent company) and its subsidiary, Select Technologies (Private) Limited. Air Link Communication Limited is engaged in the business of manufacturing, distribution, retail, and after-sales services

of various brands of mobile phones and allied accessories. Select Technologies (Private) Limited is currently engaged in the business of manufacturing Xiaomi smart-phones and Xiaomi smart LED televisions.



PERFORMANCE REVIEW

Net turnover at PKR 56.1 billion for the year under review is almost in line with the same period last year (SPLY). However, the Company, in absolute terms, has managed to improve its after-tax profit by 13% over the SPLY, resulting in the net margin increasing to 6.1% from 5.4%.

On a consolidated basis, the Company reported net revenue of PKR 104.4 billion, down from PKR 129.7 billion in the previous year. It is pertinent to mention that FY 2024 was an exceptional year, as the Company's sales increased 3.5 times in a single year, from PKR 36.9 billion in FY 2023. The aforementioned exponential

growth in FY 2024 was primarily driven by pent-up demand, as the country faced challenges in its external accounts. Furthermore, the Company's consolidated net profit for the year under review was PKR 4.7 billion, compared to PKR 4.6 billion in SPLY. The Company's consolidated net profit for FY 2025 has shown a marginal improvement compared to last year, and net margin improved to 4.5% from 3.5% compared to the SPLY.

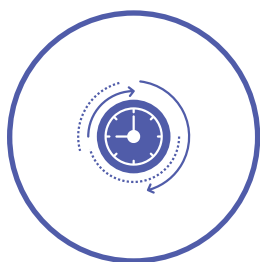
The stand alone and consolidated financial performance of your Company for the year ended June 30, 2025, as compared to last year is as follows:

Standalone Performance (PKR mln)

PARTICULARS	June 30, 2025	June 30, 2024
Turnover	56,135	56,282
Gross Profit	6,861	5,694
Profit before taxation	4,132	3,211
Net profit for the year	3,461	3,059

Consolidated Performance (PKR mln)

PARTICULARS	June 30, 2025	June 30, 2024
Turnover	104,379	129,742
Gross Profit	11,014	9,667
Profit before taxation	6,206	5,602
Net profit for the year	4,747	4,625



FUTURE PROSPECTS

The Company is embarking on a journey of expansion and investment in technological advancements. To support this initiative, the Company has acquired an eight-acre parcel of land in the Sundar Green Economic Zone to increase production capacity and expand its product portfolio.

In late FY2025, the Company commenced production and distribution of Xiaomi's smart LED televisions, with plans to further expand its production capacity.

Additionally, management is working to initiate the production and distribution of selected household appliances starting in FY 2026 and beyond.

The Company is also gradually expanding its retail presence, with plans to open more high-end retail stores in large malls and commercial centers across the country. It is placing special emphasis on cost optimization, integrating AI tools, and adopting technological advancements in its daily operations.

With agility and discipline, the Company is committed to delivering sustained value in a complex and evolving economic environment.

Backed by a strong operational foundation and a forward-looking approach, the Board is confident in achieving sustained financial growth, improved margins, and long-term competitiveness in FY 2026 and beyond.



COMPOSITION OF BOARD OF DIRECTORS AND COMMITTEES

Air Link Communication Limited

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

Total Number of Directors

Male - 6
Female - 1

Composition of the Board:

	BOARD OF DIRECTORS	AUDIT COMMITTEE	HUMAN RESOURCE COMMITTEE
Independent Directors	Hussain Kuli Khan	Member	
	Aqduz Faraz Tahir		Member
	Sharique Azim Siddiqui	Member	Member
Non-Executive Directors	Aslam Hayat Piracha		
	Rabiya Muzzaffar	Member	
Executive Directors	Muzzaffar Hayat Piracha		Member
	Nafees Haider		

Select Technologies (Private) Limited

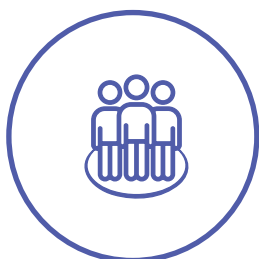
The Board consists of three directors (Male 02, Female 01). The present directors of the company are: Mr. Adnan Aftab, Mr. Nafees Haider and Miss Mariam Sajjad.



AUDIT COMMITTEE

The Audit Committee plays a crucial role in supporting the Board's oversight responsibilities, particularly in areas such as financial and non-financial reporting, internal controls, risk management, and the audit process. The Committee has the autonomy to request information from management and consult directly with external auditors or advisors as deemed necessary. It consists of three members - two Independent Directors and one Non-Executive Director—and an

Independent Director chair the Committee. In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Code 2019"), the Audit Committee ensures coordination between external auditors and the Head of Internal Audit, in the absence of management. Additionally, the Committee reviews quarterly, half-yearly, and annual financial statements, as well as the internal audit plan, significant audit findings, and recommendations of the internal audit department.



HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Company recognizes the pivotal role that its Human Resources (HR) department plays in its overall success. The unwavering dedication and commitment of the HR team have been key to achieving exceptional outcomes and overcoming market challenges. Their diverse responsibilities, encompassing policy development,

employee development, and labor relations underscore their significant impact on the organization's growth and progress. The HR Committee is composed of three members: one executive director and two non-executive directors, with an independent director serving as the Committee's Chairman.



DIRECTORS' ATTENDANCE

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

NAME OF DIRECTORS	BOARD OF DIRECTORS MEETINGS	AUDIT COMMITTEE MEETINGS	HR & REMUNERATION COMMITTEE MEETINGS
Hussain Kuli Khan	4	4	-
Aqduş Faraz Tahir	4	-	1
Sharique Azim Siddiqui	4	4	1
Aslam Hayat Piracha	4	-	-
Muzzaffar Hayat Piracha	4	-	1
Nafees Haider	4	-	-
Rabiya Muzzaffar	4	4	-



CORPORATE GOVERNANCE

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

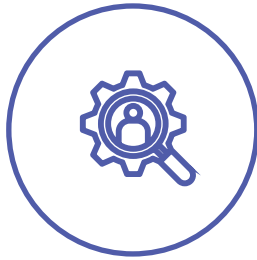
- The Financial Statements prepared by the management of the Company present its state of affairs fairly, the results of its operations, cash flows, and changes in equity.
- The Company has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements, and accounting estimates are based on reasonable and prudent judgment.
- There are no doubts about the Company's ability to continue as a going concern.
- 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.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- 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

During the year, the Company continued to maintain strong, collaborative relationships with key stakeholders, including regulatory bodies such as the Pakistan Stock Exchange and the Securities and Exchange Commission of Pakistan (SECP), as well as financial institutions and business partners.

These relationships remained consistently positive, reflecting the Company's ongoing commitment to ethical conduct and responsible business practices - foundations that support long-term growth and sustainability.



TALENT ACQUISITION

At the Company, we are committed to hiring the right people for the right roles, individuals who reflect our values and share our vision. In an increasingly competitive talent market, we understand that successful hiring requires focus, expertise, and intention. That's why we invest in a dedicated team to attract, engage, and retain top talent.

We believe our people are our greatest strength, and every role is essential to our success. By building strategies that support growth and development, we create an environment where employees are empowered to thrive and reach their full potential.



DIVERSITY, EQUITY, AND INCLUSION (DE&I)

The company is deeply committed to building a workplace that reflects the diversity of the communities it serves and fosters an environment where everyone feels valued, respected, and empowered to thrive. To achieve this, several strategic initiatives have been implemented:

- Clear, measurable objectives have been established to guide the company's efforts and track progress toward greater diversity, equity, and inclusion.
- The organization actively promotes a culture of inclusion, where diverse perspectives are embraced and all employees feel a sense of belonging.
- Comprehensive DE&I training programs are in place to raise awareness, reduce bias, and ensure equitable treatment throughout the company at all levels.
- The hiring process is designed to attract, engage, and retain talent from a broad range of backgrounds and experiences
- Mentorship programs, leadership development initiatives, and tailored support systems are provided to help underrepresented employees grow and succeed.
- DE&I initiatives are regularly evaluated to ensure alignment with best practices and to drive continuous improvement.



EARNINGS PER SHARE

The earnings per share of your Company for the year ended June 30, 2025, was PKR 8.76 in comparison to PKR 7.74 reported last year. The Consolidated earnings per share were PKR 12.01, compared to PKR 11.70 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 adopted a structured remuneration framework for its directors, aimed at promoting both short-term performance and long-term sustainable growth in corporate value. This framework is outlined in the Remuneration Policy for Directors and Members of Senior Management, as approved by the Board of Directors. The policy ensures that director compensation is aligned with the Company's strategic objectives and financial outcomes, with a clear focus on enhancing overall corporate value. The key features of this system include:

- Non-Executive and Independent Directors shall not receive any form of remuneration other than fees for attending meetings of the Board or its Committees.
- Fees payable to directors for attending Board or Committee meetings shall be determined and approved by the Board of Directors from time to time.
- Directors shall be reimbursed for all reasonable expenses incurred in connection with attending meetings of the Board, its Committees, or General Meetings of the Company. This includes travel, accommodation, and related costs.



ADEQUACY OF INTERNAL CONTROL

The Management of the group is committed to upholding strong corporate governance through a well-defined and effectively implemented system of checks and balances, ensuring the provision of transparent, accurate, and timely financial information. The Board of Directors has established a robust system of internal controls, including effective financial controls, which are enforced across all levels of the companies. Key elements of this system include:

Effective System of Internal Controls:

These controls consist of processes, procedures, and policies designed to ensure efficient operations, asset protection, and the accuracy of financial information.

Orderly Business Operations:

Internal controls are in place to ensure that the companies conduct its business in an organized and efficient manner, adhering to established procedures.

Asset Protection:

The companies are dedicated to safeguarding its assets by implementing measures to prevent theft, fraud, and other forms of asset loss or misuse.

Accuracy and Reliability of Records:

The internal controls ensure that financial records are accurate and reliable, which is essential for informed decision-making and regulatory compliance.

Board Oversight:

The Board of Directors is actively involved in overseeing internal controls, ensuring their adequacy and effectiveness. This oversight may be conducted directly by the Board or through its committees, such as the audit committee.

Regular Review:

The Board regularly reviews the company's financial operations and overall financial position, including the examination of interim accounts, reports, profitability reviews, and other financial and statistical data. This continuous monitoring helps the Board stay informed about the company's financial health and supports sound decision-making.



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

At Air Link, we are firmly committed to upholding the highest standards of health, safety, and environmental responsibility across all areas of our operations. Guided by the principles of integrity, transparency, and respect for human rights, we strive to create a safe and sustainable working environment for our employees and the communities in which we operate.

We implement comprehensive risk assessments and preventive measures to ensure a safe and hazard-free workplace. Our facilities, including assembly lines and warehouses across Pakistan, are operated with strict adherence to HSE protocols aimed at preventing accidents, safeguarding health, and minimizing environmental impact.

All incidents, including near misses, are promptly investigated to identify root causes and apply corrective actions. Continuous learning and improvement are central to our safety culture. To strengthen emergency preparedness, we have upgraded fire safety systems, enhanced employee training, and conduct regular fire and evacuation drills to ensure swift and effective response in critical situations.

Our commitment to HSE is not just a policy, it is an essential part of how we operate every day. We believe that protecting people and the environment is fundamental to our long-term success.



DIVIDEND

The Board of Directors have recommended a final cash dividend for the financial year ended June 30, 2025, at the rate of 45%, i.e. PKR 4.5 per share of PKR 10/- each, subject to the approval of the shareholders at the forthcoming annual general meeting.



FINANCIAL STATEMENTS

The Chief Executive Officer, Chief Financial Officer and a Director have endorsed the financial statements of the Company for the financial year 2025 after approval of the Board.

The auditors, BDO Ebrahim & Co, 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 sets forth clear ethical standards governing areas such as conflicts of interest, employee rights, and the prevention of fraud. It is designed to promote a culture of integrity, transparency, and accountability across all business activities.

The Code also defines appropriate conduct in dealings with key stakeholders, including customers, suppliers, shareholders, and strategic partners. Responsibility for the Code's implementation and enforcement rests with senior management, who are tasked with ensuring company-wide compliance.



AUDITORS

M/s BDO Ebrahim & Co, Chartered Accountants, have audited the financial statements of the Company for the year ended June 30, 2025. Being eligible, they have offered themselves for reappointment for the next financial year ending June 30, 2026.

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, 2026, 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 group contributed a sum of PKR 16,091 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, 2025 and its disclosure, as required

by the Code of Corporate Governance is annexed with this report.



SOCIAL CORPORATE RESPONSIBILITIES

The company places a strong emphasis on its role as a responsible corporate citizen and actively contributes to the well-being of society. Throughout the year, initiatives were undertaken in key areas

such as education, healthcare, gender equality, and environmental sustainability. As part of these efforts, the company made notable donations, as disclosed in Note 30.3 to the financial statements.



PRINCIPAL RISKS AND UNCERTAINTY FACING THE COMPANY

The company has established a formal risk management framework to assess the various risks it faces within the broader political and macroeconomic environment. This comprehensive system identifies risks across multiple categories including strategic, regulatory, environmental, financial, operational, and sustainability all of which are tied to the company's business activities. These risks are thoroughly evaluated by the management committee in alignment

with departmental goals, objectives, and performance metrics. Appropriate strategies are then developed and implemented to mitigate the potential adverse effects of identified risks.

Financial risks, which could lead to financial losses for the company, are detailed in Note 39 of the accompanying financial statements. These include market risk, interest rate risk, currency risk, credit risk, and liquidity risk.



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 express its deep appreciation to the management and staff for their dedication, resilience, and outstanding contributions over the past year. Your unwavering commitment has been instrumental in advancing the Company's goals and performance. We also extend our sincere thanks on behalf

of the Board and all employees to our valued customers, distributors, stockists, dealers, and banking partners. Your continued trust and support are the foundation of our success. We look forward to strengthening these relationships as we work together to drive sustained growth and long-term value for all stakeholders.

Chief Executive Officer

Director

شیئر ہولڈنگ کا بیٹرن

30 جون 2025 تک شیئر ہولڈنگ کا بیٹرن اور اس کا انکشاف، جیسا کہ کارپوریٹ گورننس کے ضوابط کے تحت مطلوب ہے، اس رپورٹ کے ساتھ منسلک ہے۔

سوشل کارپوریٹ ذمہ داریاں

کمپنی ایک ذمہ دار کارپوریٹ شہری کے طور پر اپنے کردار پر زور دیتی ہے اور معاشرے کی فلاح و بہبود میں فعال طور پر حصہ ڈالتی ہے۔ پورے سال کے دوران، تعلیم، صحت کی دیکھ بھال، صنفی مساوات اور ماحولیاتی پائیداری جیسے اہم شعبوں میں اقدامات کیے گئے۔ ان کوششوں کے ایک حصے کے طور پر، کمپنی نے نمایاں عطیات کیے، جیسا کہ مالیاتی بیانات کے نوٹ 30.3 میں ظاہر کیا گیا ہے۔

کمپنی کو درپیش اہم خطرات اور غیر یقینی صورتحال

کمپنی نے ایک رسمی رسک مینجمنٹ فریم ورک قائم کیا ہے تاکہ وہ وسیع تر سیاسی اور میکرو اقتصادی ماحول کے اندر درپیش مختلف خطرات کا اندازہ لگا سکے۔ یہ جامع نظام اسٹریٹجک، ریگولیٹری، ماحولیاتی، مالیاتی، آپریشنل اور پائیداری سمیت متعدد زمروں میں خطرات کی نشاندہی کرتا ہے، یہ تمام کمپنی کی کاروباری سرگرمیوں سے منسلک ہیں۔ ان خطرات کا مینجمنٹ کمیٹی کے ذریعے محکمہ جاتی اہداف، مقاصد اور کارکردگی کے میٹرکس کے ساتھ ہم آہنگی میں اچھی طرح سے جائزہ لیا جاتا ہے۔ پھر شناخت شدہ خطرات کے ممکنہ منفی اثرات کو کم کرنے کے لیے مناسب حکمت عملیوں کو تیار اور نافذ کیا جاتا ہے۔

مالی خطرات، جو کمپنی کے لیے مالی نقصانات کا سبب بن سکتے ہیں، ساتھ موجود مالیاتی بیانات کے نوٹ 39 میں تفصیل سے بیان کیے گئے ہیں۔ ان میں مارکیٹ رسک، سود کی شرح کا رسک، کرنسی رسک، کریڈٹ رسک اور لیکویڈیٹی رسک شامل ہیں۔

بعد از واقعات

کمپنی کے مالی سال کے اختتام اور آڈیٹر کی رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن پر اثر انداز ہونے والی کوئی اور اہم تبدیلیاں اور عہد نہیں ہوئے۔

شکریہ

بورڈ آف ڈائریکٹرز انتظامیہ اور عملے کو ان کی گتھن، پگھ اور گزشتہ سال کے دوران ان کی شاندار شراکت کے لیے اپنی گہری تعریف کا اظہار کرتا ہے۔ آپ کا غیر متزلزل عزم کمپنی کے اہداف اور کارکردگی کو آگے بڑھانے میں معاون ثابت ہوا ہے۔ ہم بورڈ اور تمام ملازمین کی جانب سے اپنے قابل قدر صارفین، تقسیم کاروں، اسٹاکسٹوں، ڈیلرز اور بینکنگ شراکت داروں کا بھی تہہ دل سے شکریہ ادا کرتے ہیں۔ آپ کا مسلسل اعتماد اور حمایت ہماری کامیابی کی بنیاد ہیں۔ ہم ان تعلقات کو مضبوط کرنے کی توقع رکھتے ہیں کیونکہ ہم تمام اسٹیک ہولڈرز کے لیے پائیدار ترقی اور طویل مدتی ویلیو کو فروغ دینے کے لیے مل کر کام کرتے ہیں۔



ڈائریکٹر



چیف ایگزیکٹو آفیسر

تمام واقعات، بشمول قریب قریب ہونے والے حادثات، کی فوری طور پر تحقیقات کی جاتی ہیں تاکہ بنیادی وجوہات کی نشاندہی کی جاسکے اور اصلاحی اقدامات کیے جاسکیں۔ مسلسل سیکھنا اور بہتری ہماری حفاظتی ثقافت کا ایک مرکزی حصہ ہیں۔ ہنگامی تیاری کو مضبوط کرنے کے لیے، ہم نے آگ کی حفاظت کے نظام کو اپ گریڈ کیا ہے، ملازمین کی تربیت میں اضافہ کیا ہے، اور اہم حالات میں فوری اور مؤثر رد عمل کو یقینی بنانے کے لیے باقاعدگی سے آگ اور انخلاء کی مشقیں کراتے ہیں۔

مالیاتی بیانات

چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر اور ایک ڈائریکٹر نے بورڈ کی منظوری کے بعد مالی سال 2025 کے لیے کمپنی کے مالیاتی بیانات کی توثیق کی ہے۔ آڈیٹرز، BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے مالیاتی بیانات کا آڈٹ کیا ہے اور ان پر ایک غیر متغیر رائے دی ہے۔

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے مالی سال جو 30 جون 2025 کو ختم ہوا، کے لیے 45 فیصد کی شرح سے، یعنی 10 روپے کے ہر شیئر پر 4.5 روپے فی شیئر کے حساب سے، حتمی نقد ڈیویڈنڈ کی سفارش کی ہے۔ یہ سفارش آئندہ سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

طریقہ کار

کمپنی کا ضابطہ اخلاق واضح اخلاقی معیار طے کرتا ہے جو مفادات کے تضادم، ملازمین کے حقوق اور دھوکہ دہی کی روک تھام جیسے شعبوں کو حکمرانی کرتا ہے۔ یہ تمام کاروباری سرگرمیوں میں ایمانداری، شفافیت اور جوابدہی کے کلچر کو فروغ دینے کے لیے ڈیزائن کیا گیا ہے۔ یہ ضابطہ صارفین، سپلائرز، شیئر ہولڈرز اور اسٹریٹجک شراکت داروں سمیت اہم اسٹیک ہولڈرز کے ساتھ معاملات میں مناسب طرز عمل کی بھی وضاحت کرتا ہے۔ ضابطے کے نفاذ اور عمل درآمد کی ذمہ داری سینئر مینجمنٹ پر ہے، جنہیں کمپنی بھر میں تعمیل کو یقینی بنانے کا کام سونپا گیا ہے۔

آڈیٹرز

M/s BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی بیانات کا آڈٹ کیا ہے۔ اہل ہونے کی وجہ سے، انہوں نے 30 جون 2026 کو ختم ہونے والے اگلے مالی سال کے لیے دوبارہ تفریق کی پیشکش کی ہے۔ آڈٹ کمیٹی کی سفارش پر، بورڈ M/s BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے قانونی آڈیٹرز کے طور پر مقرر کرنے کی سفارش کرتا ہے، جو کمپنی کی آئندہ سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

قومی خزانے اور پاکستان کی معیشت میں تعاون

اس سال کے دوران، گروپ نے انکم ٹیکس، سیلز ٹیکس، کسٹم ڈیوٹیز اور دیگر ٹیکسوں کے ذریعے قومی خزانے میں 16,091 ملین روپے کا تعاون کیا۔

اندرونی کنٹرول کی مناسبت

گروپ کی انتظامیہ ایک اچھی طرح سے متعین اور مؤثر طریقے سے نافذ کردہ چیک اینڈ بیلنس کے نظام کے ذریعے مضبوط کارپوریٹ گورننس کو برقرار رکھنے کے لیے پرعزم ہے، جو شفاف، درست اور بروقت مالی معلومات کی فراہمی کو یقینی بناتا ہے۔ بورڈ آف ڈائریکٹرز نے ایک مضبوط اندرونی کنٹرول کا نظام قائم کیا ہے، جس میں مؤثر مالی کنٹرول بھی شامل ہیں، جو کمپنیوں کی تمام سطحوں پر نافذ کیے جاتے ہیں۔

اس نظام کے اہم عناصر میں شامل ہیں:

- مؤثر اندرونی کنٹرول کا نظام: ان کنٹرولز میں ایسے عمل، طریقہ کار اور پالیسیاں شامل ہیں جو مؤثر آپریشنز، اثاثوں کے تحفظ اور مالی معلومات کی درستگی کو یقینی بنانے کے لیے ڈیزائن کیے گئے ہیں۔
- منظم کاروباری آپریشنز: اندرونی کنٹرولز اس بات کو یقینی بنانے کے لیے ہیں کہ کمپنیاں اپنے کاروبار کو منظم اور مؤثر طریقے سے چلائیں، اور قائم شدہ طریقہ کار پر عمل کریں۔
- اثاثوں کا تحفظ: کمپنیاں چوری، دھوکہ دہی اور اثاثوں کے دیگر نقصانات یا غلط استعمال کو روکنے کے لیے اقدامات نافذ کر کے اپنے اثاثوں کی حفاظت کے لیے وقف ہیں۔
- ریکارڈز کی درستگی اور اعتماد: اندرونی کنٹرولز اس بات کو یقینی بناتے ہیں کہ مالی ریکارڈز درست اور قابل اعتماد ہوں، جو باخبر فیصلہ سازی اور ریگولیٹری تعمیل کے لیے ضروری ہے۔
- بورڈ کی نگرانی: بورڈ آف ڈائریکٹرز اندرونی کنٹرولز کی نگرانی میں فعال طور پر شامل ہوتا ہے، تاکہ ان کی مناسبت اور مؤثر ہونے کو یقینی بنایا جاسکے۔
- یہ نگرانی براہ راست بورڈ یا اس کی کمیٹیوں، جیسے آڈٹ کمیٹی کے ذریعے کی جاسکتی ہے۔
- باقاعدہ جائزہ: بورڈ کمپنی کے مالی آپریشنز اور مجموعی مالی پوزیشن کا باقاعدگی سے جائزہ لیتا ہے، جس میں عبوری اکاؤنٹس، رپورٹس، منافع کا جائزہ اور دیگر مالی و شماراتی ڈیٹا کا جائزہ شامل ہوتا ہے۔

متعلقہ فریقوں کے ساتھ لین دین

تمام لین دین جو متعلقہ فریقوں کے ساتھ کاروبار کے معمول کے دوران ہوتے ہیں، وہ کمپنی کی متعلقہ فریق پالیسی کے تحت غیر جانبدارانہ، آرم کی لمبائی کے اصول پر اور معمول کی تجارتی شرائط و ضوابط کے تحت کیے جاتے ہیں۔ کمپنی نے مالیاتی بیانات میں ظاہر کیے گئے لین دین کے علاوہ کسی متعلقہ فریق کے ساتھ کوئی لین دین نہیں کیا۔

صحت، تحفظ اور ماحول

ایئر لائنک میں، ہم اپنے آپریشنز کے تمام شعبوں میں صحت، تحفظ اور ماحولیاتی ذمہ داری کے اعلیٰ ترین معیار کو برقرار رکھنے کے لیے مضبوطی سے پرعزم ہیں۔ ایمانداری، شفافیت اور انسانی حقوق کے احترام کے اصولوں کی رہنمائی میں، ہم اپنے ملازمین اور ان کمیونٹیز کے لیے ایک محفوظ اور پائیدار کام کا ماحول بنانے کی کوشش کرتے ہیں جن میں ہم کام کرتے ہیں۔

ہم ایک محفوظ اور خطرات سے پاک ورک پلیس کو یقینی بنانے کے لیے جامع رسک اسسٹمنٹس اور احتیاطی تدابیر نافذ کرتے ہیں۔ ہماری سہولتیں، جن میں پاکستان بھر میں اسمبلی لائنز اور گودام شامل ہیں، سخت HSE پروٹوکولز کے مطابق چلائی جاتی ہیں جن کا مقصد حادثات کو روکنا، صحت کی حفاظت کرنا اور ماحولیاتی اثرات کو کم کرنا ہے۔

- جامع I&DE تربیتی پروگرام موجود ہیں تاکہ آگاہی بڑھائی جاسکے، تعصب کو کم کیا جاسکے، اور کمپنی میں ہر سطح پر مساوی سلوک کو یقینی بنایا جاسکے۔
- بھرتی کا عمل مختلف پس منظر اور تجربات سے تعلق رکھنے والے ٹیلنٹ کو راغب کرنے، مشغول کرنے اور برقرار رکھنے کے لیے ڈیزائن کیا گیا ہے۔
- کم نمائندگی والے ملازمین کو ترقی اور کامیابی میں مدد دینے کے لیے رہنمائی پروگرام، قیادت کی ترقی کے اقدامات اور مخصوص معاونت کے نظام فراہم کیے گئے ہیں۔
- I&DE کے اقدامات کا باقاعدگی سے جائزہ لیا جاتا ہے تاکہ بہترین طریقوں کے ساتھ ہم آہنگی کو یقینی بنایا جاسکے اور مسلسل بہتری کو فروغ دیا جاسکے۔

یہ کوششیں نہ صرف ایک مثبت اور شمولیت پسند ورک پلیس بنانے کے لیے ضروری ہیں بلکہ کمپنی کی جدت لانے، موافقت کرنے اور اپنے صارفین کی متنوع ضروریات کو پورا کرنے کی صلاحیت کو بھی بڑھاتی ہیں۔

ایئرنگلز پر شیئر

آپ کی کمپنی کا ایئرنگلز پر شیئر (30 EPS) جون 2025 کو ختم ہونے والے سال کے لیے 8.76 روپے تھا جبکہ پچھلے سال یہ 7.74 روپے تھا۔ کنسولیڈیٹڈ ایئرنگلز پر شیئر 12.01 روپے تھا، جبکہ پچھلے سال یہ 11.70 روپے تھا۔

ممکنہ ذمہ داریاں اور عہدہ

کمپنی کی مالی پوزیشن پر اثر انداز ہونے والی کوئی اہم تبدیلیاں اور عہدہ مالی سال کے اختتام اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان نہیں ہوئے، سوائے ان کے جو مالیاتی بیانات میں ظاہر کیے گئے ہیں۔

ڈائریکٹرز کی مراعات

کمپنی نے اپنے ڈائریکٹرز کے لیے ایک منظم معاوضہ فریم ورک اپنایا ہے، جس کا مقصد قلیل مدتی کارکردگی اور طویل مدتی پائیدار کارپوریٹ ویلیو میں ترقی کو فروغ دینا ہے۔ اس فریم ورک کو ڈائریکٹرز اور سینئر مینجمنٹ کے اراکین کے لیے بورڈ آف ڈائریکٹرز کی طرف سے منظور شدہ معاوضہ پالیسی میں بیان کیا گیا ہے۔ یہ پالیسی یقینی بناتی ہے کہ ڈائریکٹرز کا معاوضہ کمپنی کے اسٹریٹجک مقاصد اور مالی نتائج کے ساتھ ہم آہنگ ہو، جس کا واضح مقصد مجموعی کارپوریٹ ویلیو کو بڑھانا ہے۔

اس نظام کی اہم خصوصیات میں شامل ہیں:

- غیر ایگزیکٹو اور آزاد ڈائریکٹرز کو بورڈ یا اس کی کمیٹیوں کی میٹنگز میں شرکت کے لیے فیس کے علاوہ کسی قسم کا کوئی معاوضہ نہیں ملے گا۔
- بورڈ یا کمیٹی میٹنگز میں شرکت کے لیے ڈائریکٹرز کو قابل ادائیگی فیس بورڈ آف ڈائریکٹرز کی طرف سے وقتاً فوقتاً طے اور منظور کی جائے گی۔
- ڈائریکٹرز کو بورڈ، اس کی کمیٹیوں، یا کمپنی کی عمومی میٹنگز میں شرکت کے سلسلے میں ہونے والے تمام معقول اخراجات کی واپسی کی جائے گی۔
- اس میں سفر، رہائش اور متعلقہ اخراجات شامل ہیں۔

- کمپنی کی انتظامیہ کے تیار کردہ مالیاتی بیانات اس کی مالی حالت، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو درست طور پر پیش کرتے ہیں۔
- کمپنی نے اکاؤنٹس کی مناسب کتابیں برقرار رکھی ہیں۔
- مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے، اور اکاؤنٹنگ تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- کمپنی کی جاری رہنے کی صلاحیت کے بارے میں کوئی شک نہیں ہے۔
- پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز میں بیان کردہ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں ہوا ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن میں مضبوط ہے اور اسے مؤثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔
- پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات اور کمپنیز ایکٹ 2017 کے تقاضوں کی مالیاتی بیانات کی تیاری میں پیروی کی گئی ہے۔
- اور اس سے کسی بھی انحراف کو مناسب طریقے سے ظاہر اور واضح کیا گیا ہے۔

اسٹیک ہولڈرز کے ساتھ تعلقات

اس سال کے دوران، کمپنی نے اہم اسٹیک ہولڈرز کے ساتھ مضبوط، باہمی تعاون پر مبنی تعلقات برقرار رکھے، جن میں پاکستان اسٹاک ایکسچینج اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) جیسی ریگولیٹری باڈیز، نیز مالیاتی ادارے اور کاروباری شراکت دار شامل ہیں۔ یہ تعلقات مسلسل مثبت رہے، جو کمپنی کے اخلاقی طرز عمل اور ذمہ دار کاروباری طریقوں کے لیے اس کے جاری عزم کی عکاسی کرتے ہیں۔ یہ وہ بنیادیں ہیں جو طویل مدتی ترقی اور پائیداری کو سپورٹ کرتی ہیں۔

ٹیلنٹ کا حصول

کمپنی میں، ہم صحیح کرداروں کے لیے صحیح لوگوں کو ملازمت دینے کے لیے پرعزم ہیں، ایسے افراد جو ہماری اقدار کی عکاسی کرتے ہیں اور ہمارے وژن کو بانٹتے ہیں۔ ایک تیزی سے مسابقتی ٹیلنٹ مارکیٹ میں، ہم سمجھتے ہیں کہ کامیاب بھرتی کے لیے توجہ، مہارت اور ارادے کی ضرورت ہوتی ہے۔ یہی وجہ ہے کہ ہم اعلیٰ ٹیلنٹ کو راغب کرنے، مشغول کرنے اور برقرار رکھنے کے لیے ایک وقف ٹیم میں سرمایہ کاری کرتے ہیں۔ ہمارا ماننا ہے کہ ہمارے لوگ ہماری سب سے بڑی طاقت ہیں، اور ہر کردار ہماری کامیابی کے لیے ضروری ہے۔ ترقی اور ترقی کو سپورٹ کرنے والی حکمت عملیوں کی تعمیر کے ذریعے، ہم ایک ایسا ماحول بناتے ہیں جہاں ملازمین کو ترقی کرنے اور اپنی مکمل صلاحیت تک پہنچنے کے لیے بااختیار بنایا جاتا ہے۔

تنوع، مساوات اور شمولیت (I&DE)

کمپنی ایک ایسی ورک پلیس بنانے کے لیے گہرا عزم رکھتی ہے جو ان کمیونٹیز کے تنوع کی عکاسی کرے جن کی وہ خدمت کرتی ہے اور ایک ایسا ماحول پروان چڑھائے جہاں ہر کوئی قابل قدر، باوقار اور ترقی کرنے کے لیے بااختیار محسوس کرے۔ اس مقصد کو حاصل کرنے کے لیے، کئی اسٹریٹجک اقدامات نافذ کیے گئے ہیں:

- کمپنی کی کوششوں کی رہنمائی اور تنوع، مساوات اور شمولیت کی جانب پیش رفت کو ٹریک کرنے کے لیے واضح، قابل پیمائش مقاصد قائم کیے گئے ہیں۔
- تنظیم فعال طور پر شمولیت کے کلچر کو فروغ دیتی ہے، جہاں مختلف نقطہ نظر کو اپنایا جاتا ہے اور تمام ملازمین تعلق کا احساس محسوس کرتے ہیں۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

کمپنی اپنی مجموعی کامیابی میں اپنے ہیومن ریسورس (HR) ڈیپارٹمنٹ کے اہم کردار کو تسلیم کرتی ہے۔ HR ٹیم کی مستقل لگن اور عزم نے غیر معمولی نتائج حاصل کرنے اور مارکیٹ کے چیلنجز پر قابو پانے میں کلیدی کردار ادا کیا ہے۔ ان کی متنوع ذمہ داریاں، جن میں پالیسی کی تشکیل، ملازمین کی ترقی اور لیبر تعلقات شامل ہیں، تنظیم کی ترقی اور پیشرفت پر نمایاں اثر ڈالتی ہیں۔

HR کمیٹی تین ارکان پر مشتمل ہے: ایک ایگزیکٹو ڈائریکٹر اور دو غیر ایگزیکٹو ڈائریکٹرز، جس میں ایک آزاد ڈائریکٹر کمیٹی کے چیئرمین کے طور پر خدمات انجام دیتا ہے۔

ڈائریکٹرز کی حاضری

زیر جائزہ مدت کے دوران، چار (4) بورڈ میٹنگز، چار (4) آڈٹ کمیٹی میٹنگز اور ایک (1) ہیومن ریسورس اینڈ ریمونریشن (R&HR) کمیٹی میٹنگ منعقد ہوئیں۔ ہر ڈائریکٹر کی متعلقہ بورڈ/سب کمیٹی میٹنگز میں حاضری درج ذیل ہے:

ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز کی میٹنگز	آڈٹ کمیٹی کی میٹنگز	HR اور ریمونریشن کمیٹی کی میٹنگز
حسین کلی خان	4	4	-
اقدرس فراز طاہر	4	-	1
شاریق عظیم صدیقی	4	4	1
اسلم حیات پیراچہ	4	-	-
مظفر حیات پیراچہ	4	-	1
نفیس حیدر	4	-	-
رابعہ مظفر	4	4	-

کارپوریٹ گورننس

کمپنی اچھی کارپوریٹ گورننس کے لیے پر عزم ہے۔ بورڈ کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے تحت اپنی ذمہ داری کو تسلیم کرتا ہے۔ ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ:

2.	محترم اقدس فراز طاہر	-	رکن
3.	محترم شارق عظیم صدیقی	رکن	رکن
			غیر عملی ڈائریکٹرز
1.	محترم اسلم حیات پیراچہ	-	-
2.	محترمہ راہیہ مظفر	رکن	-
			عملی ڈائریکٹرز
1.	محترم مظفر حیات پیراچہ	-	رکن
2.	محترم نفیس حیدر	-	-

سلیکٹ ٹیکنالوجیز (پرائیویٹ) لمیٹڈ

بورڈ میں تین ڈائریکٹرز شامل ہیں (2 مرد، 1 خاتون)۔ کمپنی کے موجودہ ڈائریکٹرز یہ ہیں: مسٹر عدنان آفتاب، مسٹر نفیس حیدر اور مس مریم سجاد۔

آڈٹ کمیٹی

آڈٹ کمیٹی بورڈ کی نگرانی کی ذمہ داریوں کو پورا کرنے میں ایک اہم کردار ادا کرتی ہے، خاص طور پر مالی اور غیر مالی رپورٹنگ، اندرونی کنٹرولز، رسک مینجمنٹ اور آڈٹ کے عمل جیسے شعبوں میں۔ کمیٹی کو انتظامیہ سے معلومات طلب کرنے اور ضرورت پڑنے پر خارجی آڈیٹر یا مشیروں سے براہ راست مشورہ کرنے کا اختیار حاصل ہے۔ یہ تین ارکان پر مشتمل ہے — دو آزاد ڈائریکٹرز اور ایک غیر ایگزیکٹو ڈائریکٹر — اور ایک آزاد ڈائریکٹر ہی کمیٹی کا چیئرمین ہوتا ہے۔ "لسٹڈ کمپنیاں (کارپوریٹ گورننس کے ضوابط) 2019 ("کوڈ 2019") کی تعمیل میں، آڈٹ کمیٹی انتظامیہ کی غیر موجودگی میں خارجی آڈیٹر ز اور اندرونی آڈٹ کے سربراہ کے درمیان ہم آہنگی کو یقینی بناتی ہے۔ اس کے علاوہ، کمیٹی سہ ماہی، ششماہی، اور سالانہ مالیاتی بیانات کا جائزہ لیتی ہے، ساتھ ہی اندرونی آڈٹ پلان، اہم آڈٹ نتائج اور اندرونی آڈٹ ڈیپارٹمنٹ کی سفارشات کا بھی جائزہ لیتی ہے۔

مستقبل کا منظر نامہ

کمپنی ٹیکنالوجی میں ترقی اور توسیع کے سفر پر گامزن ہے۔ اس اقدام کو سپورٹ کرنے کے لیے، کمپنی نے پیداواری صلاحیت بڑھانے اور اپنی مصنوعات کے پورٹ فولیو کو وسعت دینے کے لیے سنڈر گرین اکنامک زون میں آٹھ ایکڑ زمین حاصل کی ہے۔

مالی سال 2025 کے آخر میں، کمپنی نے شیڈیو کے اسمارٹ ایل ای ڈی ٹیلی ویژن کی پیداوار اور تقسیم شروع کی، اور اس کی پیداواری صلاحیت کو مزید بڑھانے کے منصوبے ہیں۔ اس کے علاوہ، انتظامیہ مالی سال 2026 اور اس کے بعد منتخب گھریلو آلات کی پیداوار اور تقسیم شروع کرنے کے لیے کام کر رہی ہے۔ کمپنی اپنی ریٹیل موجودگی کو بھی بتدریج بڑھا رہی ہے، جس کے تحت ملک بھر میں بڑے مالز اور کمرشل سینٹرز میں مزید ہائی اینڈ ریٹیل اسٹورز کھولنے کا ارادہ ہے۔ کمپنی لاگت کی اصلاح، اے آئی ٹولز کو ضم کرنے اور اپنے روزمرہ کے آپریشنز میں تکنیکی ترقیوں کو اپنانے پر خاص زور دے رہی ہے۔

بورڈ کو یقین ہے کہ وہ مالی سال 2026 اور اس کے بعد مستحکم مالی ترقی، بہتر مارجن، اور طویل مدتی مسابقت حاصل کرے گا۔

بورڈ آف ڈائریکٹرز اور کمیٹیوں کی تشکیل

ایئر لائن کمیونیکیشن کمیٹی

ضروریات کے مطابق، کمپنی کے بورڈ آف ڈائریکٹرز میں آزاد، غیر ایگزیکٹو اور ایگزیکٹو ڈائریکٹرز کی نمائندگی ہے، جس میں صنفی تنوع بھی موجود ہے۔

• ڈائریکٹرز کی کل تعداد:

○ مرد: 6

○ خواتین: 1

بورڈ کی تشکیل:

سری نمبر	ڈائریکٹرز کے نام	آڈٹ کمیٹی	ہیومن ریسورس کمیٹی
آزاد ڈائریکٹرز			
1.	محترم حسین کلی خان	رکن	-

کی وجہ سے تھی۔ اس کے علاوہ، زیرِ جائزہ سال کے لیے کمپنی کا کنسولیڈیٹڈ خالص منافع 4.7 ارب روپے رہا، جبکہ گزشتہ سال یہ 4.6 ارب روپے تھا۔ مالی سال 2025 کے لیے کمپنی کا کنسولیڈیٹڈ خالص منافع گزشتہ سال کے مقابلے میں معمولی بہتری دکھاتا ہے، اور خالص مارجن گزشتہ سال کے 3.5% سے بڑھ کر 4.5% ہو گیا ہے۔

مالی کارکردگی (PKR ملین)

30 جون 2025 کو ختم ہونے والے سال کے لیے آپ کی کمپنی کی اسٹیٹڈ آلون اور کنسولیڈیٹڈ مالی کارکردگی کا گزشتہ سال کے مقابلے میں جائزہ درج ذیل ہے:

اسٹیٹڈ آلون کارکردگی (PKR ملین)

تفصیلات	30 جون 2025	30 جون 2024
فروخت	56,135	56,282
مجموعی منافع	6,861	5,694
ٹیکس سے پہلے کا منافع	4,132	3,211
سال کا خالص منافع	3,461	3,059

کنسولیڈیٹڈ کارکردگی (PKR ملین)

تفصیلات	30 جون 2025	30 جون 2024
فروخت	104,379	129,742
مجموعی منافع	11,014	9,667
ٹیکس سے پہلے کا منافع	6,206	5,602
سال کا خالص منافع	4,747	4,625

ڈائریکٹرز کی رپورٹ

ڈائریکٹرز

ڈائریکٹرز اپنی رپورٹ پیش کرنے پر خوش ہیں، جس میں کمپنی کے آڈٹ شدہ اسٹیٹمنٹ اسٹون اور ملحقہ مالیاتی بیانات شامل ہیں، جو 30 جون 2025 کو ختم ہونے والے سال کے لیے ہیں۔

معاشی جائزہ

پاکستان کی معیشت بتدریج بحالی کی راہ پر گامزن ہے، جس میں معاشی ترقی اور صحت کے اشارے اوپر کی طرف جارہے ہیں۔ 2025 میں جی ڈی پی کی شرح نمو 2.7% تک پہنچ گئی، اور فی کس آمدنی مالی سال 2024 میں 1,662 امریکی ڈالر سے بڑھ کر مالی سال 2025 میں 1,824 امریکی ڈالر ہو گئی ہے۔ ضروری میکرو اقتصادی اصلاحات اور آئی ایم ایف کے اسٹیٹمنٹ بانی ایجنٹس نے اس بحالی کو بنیادی طور پر تحریک دی ہے۔ جون 2024 اور جون 2025 کے درمیان، مرکزی بینک نے پالیسی ریٹ کو 22% کی بلند ترین سطح سے کم کر کے 11% کر دیا، جس کے نتیجے میں نجی قرضوں کی مانگ میں اضافہ ہوا۔ بیرونی محاذ پر، برآمدات میں 4.67% کا اضافہ ہوا جو 32.1 بلین امریکی ڈالر تک پہنچ گئیں، اور ترسیلات زر نے 38.3 بلین امریکی ڈالر کا ریکارڈ قائم کیا، جو پچھلے سال کے مقابلے میں 26.6% کا اضافہ تھا۔ مارچ 2025 میں ماہانہ ترسیلات زر 4.1 بلین امریکی ڈالر کی بلند ترین سطح پر پہنچ گئیں، جو یہ ظاہر کرتا ہے کہ بیرون ملک مقیم پاکستانیوں کا باقاعدہ ترسیلات زر چینلز پر مضبوط اعتماد ہے۔ 2025 تک، پاکستان عالمی سطح پر ترسیلات زر کے لحاظ سے پانچویں نمبر پر ہے۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے تازہ ترین تخمینوں کے مطابق، مالی سال 2025-26 کے لیے پاکستان کا اقتصادی منظر نامہ محتاط امید کا حامل ہے، اور جی ڈی پی کی شرح نمو 3.6% تک پہنچنے کی توقع ہے۔ آئی ایم ایف کی ایکسٹینڈڈ فنڈ فیسیلیٹی اور ریزر لینس اینڈ سسٹم ایسٹبلشمنٹ فیسیلیٹی پروگرامز مسلسل اصلاحات اور مالی نظم و ضبط کے لیے اہم ہیں۔ نیشنل اکنامک ٹرانسفارمیشن پلان (2024-29) کے تحت، حکومت کا مقصد 2029 تک سالانہ برآمدات کو 60 بلین امریکی ڈالر تک پہنچانا ہے، جس میں خاص طور پر آئی ٹی اور تخلیقی شعبوں میں تنوع پر زور دیا جا رہا ہے، نہ کہ صرف ٹیکسٹائل اور زراعت پر۔

گروپ اور اس کی اہم سرگرمیاں

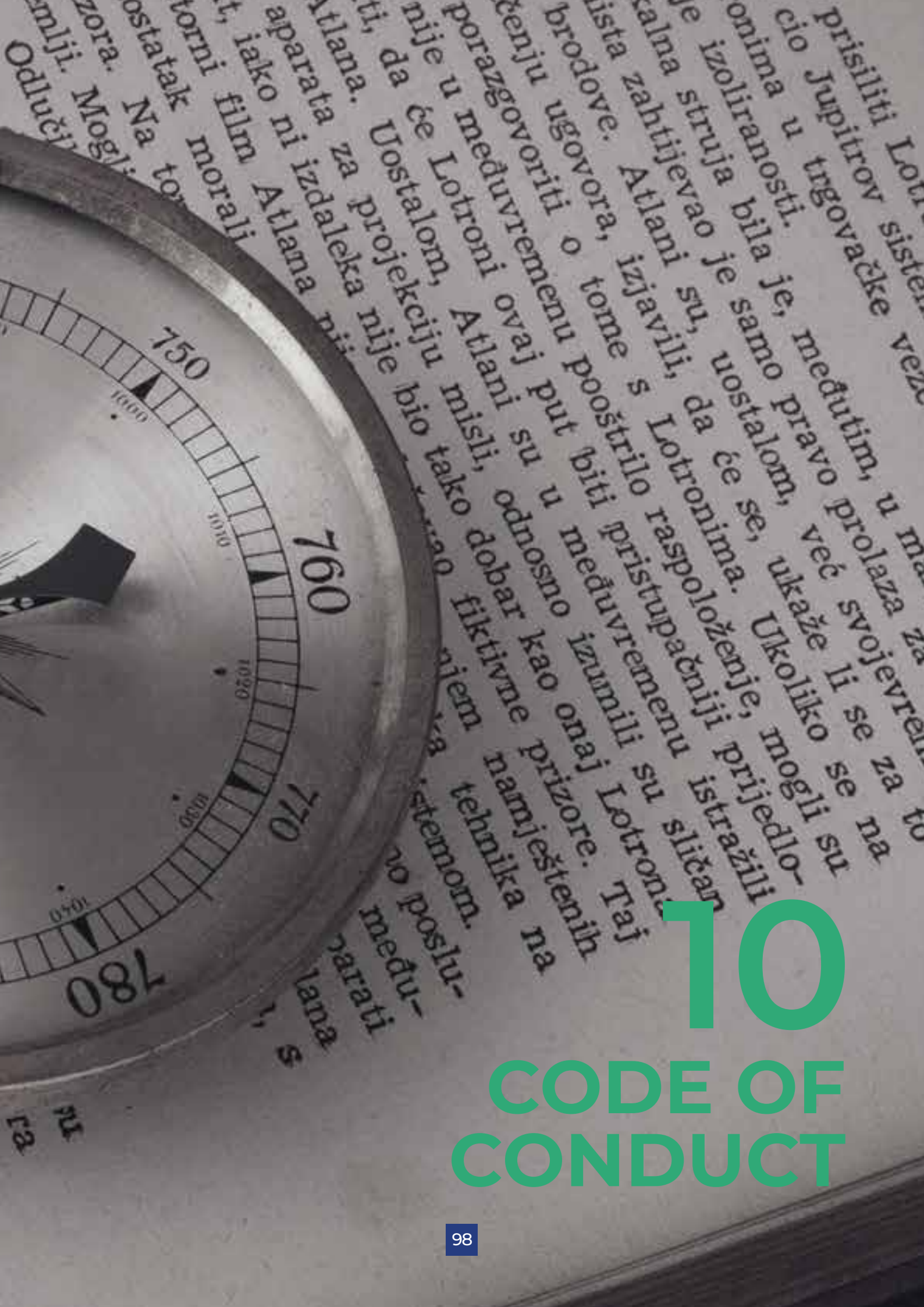
گروپ میں ایئر لائن کمپنی کیونیکیشن لمیٹڈ (بنیادی کمپنی) اور اس کی ذیلی کمپنی، سلیکٹ ٹیکنالوجیز (پرائیویٹ) لمیٹڈ شامل ہیں۔ ایئر لائن کمپنی کیونیکیشن لمیٹڈ مختلف موبائل فون برانڈز اور ان کے متعلقہ لوازمات کی تیاری، تقسیم، ریٹیل، اور بعد از فروخت خدمات کے کاروبار میں مصروف ہے۔ سلیکٹ ٹیکنالوجیز (پرائیویٹ) لمیٹڈ اس وقت شیاؤمی اسمارٹ فونز اور شیاؤمی اسمارٹ ایل ای ڈی ٹیلی ویژن بنانے کے کاروبار میں مصروف ہے۔

کارکردگی کا جائزہ

زیر جائزہ سال کے دوران خالص فروخت 56.1 ارب روپے رہی، جو کہ گزشتہ سال (SPLY) کے اسی عرصے کے قریب ہے۔ تاہم، کمپنی نے مجموعی طور پر اپنے بعد از ٹیکس منافع میں گزشتہ سال کے مقابلے میں 13% کا اضافہ کیا ہے، جس کے نتیجے میں خالص مارجن 5.4% سے بڑھ کر 6.1% ہو گیا ہے۔

کنسولٹیڈ بیڈ بنیاد پر، کمپنی نے 104.4 ارب روپے کی خالص آمدنی کی اطلاع دی، جو پچھلے سال کے 129.7 ارب روپے سے کم ہے۔ یہ ذکر کرنا ضروری ہے کہ مالی سال 2024 ایک غیر معمولی سال تھا، کیونکہ کمپنی کی فروخت میں ایک ہی سال میں 3.5 گنا اضافہ ہوا، جو مالی سال 2023 میں 36.9 ارب روپے سے بڑھی تھی۔ مالی سال 2024 میں ہونے والی غیر معمولی ترقی بنیادی طور پر دباؤ میں آنے والی ملکی معیشت کے حالات





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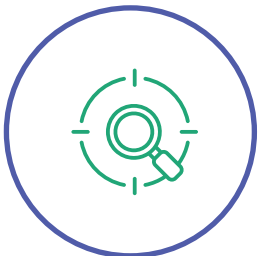
CODE OF CONDUCT

CODE OF CONDUCT



POLICY BRIEF & PURPOSE

The Air Link Communication Employee Code of Conduct outlines expectations for employee behavior toward colleagues, supervisors, and the organization as a whole. It promotes a respectful, collaborative, and well-organized workplace, while still encouraging open communication.



SCOPE

This policy applies to all our employees regardless of employment agreement or rank.



POLICY ELEMENTS

All employees are bound by their contract to follow Air Link's Employee Code of Conduct while performing their duties. We outline the components of our Code of Conduct below:

Compliance with Law:

Employees must protect the company's legality by complying with all environmental, safety, and fair-dealing laws. They are also expected to be ethical and responsible in all dealings related to the company's finances, products, and public image.

Respect in the Workplace:

The company does not tolerate discriminatory behavior, harassment, or victimization. This includes verbal, physical, visual, and sexual harassment.

Anti-Harassment Committee:

Consisting of at least three members (one of whom must be a woman), has been established to oversee the anti-harassment policy, investigate complaints, and recommend disciplinary action

Reporting Procedures:

Employees who experience or witness harassment are encouraged to report the incident immediately, but not later than 30 days.

Investigation Process:

Once a written complaint is received and deemed valid, the Anti-Harassment Committee will, within three days, inform the accused of the charges. The accused then has seven days to submit a written defense. The committee will then investigate the matter by examining any necessary evidence.

Disciplinary Action:

After investigating, the Committee will submit its findings and recommended disciplinary actions to the HR Department within 30 days of the inquiry starting. If the accused is found guilty, the Committee can recommend one or more penalties it deems appropriate.

Minor penalties:

- Issuance of warning in writing.
- Withholding, for a specific period, promotion or increment.
- Fine or recovery of the compensation payable to the complainant from pay of the accused.

Major penalties:

- Demotion.
- Dismissal from service.

Responsibilities:

All Employees:

- Understand and comply with the Anti-Harassment Policy.
- Treat colleagues with respect and refrain from discriminatory or harassing behavior.
- Report any observed or experienced harassment.
- Managers and Supervisors:
 - Ensure a harassment-free workplace.
 - Address harassment concerns promptly.
 - Participate in Anti-Harassment training.

No Retaliation:

The Airlink prohibits retaliation against anyone who reports harassment or participates in an investigation. Retaliation is a serious violation of this code and will be subject to disciplinary action.

Protection of Company Property:

Employees must treat all company property, both physical and intangible (like trademarks and copyrights), with care and respect.

Professionalism:

All employees must show integrity and professionalism in the workplace.

Personal appearance:

All employees must follow our dress code and personal appearance guidelines.

Corruption:

We discourage employees from accepting gifts from clients or partners. We prohibit bribes for the benefit of any external or internal party.

Job duties and authority:

Employees must perform their job duties with integrity and respect for customers, stakeholders, and the community. Supervisors and managers are expected to delegate tasks to their teams based on their competence and workload, without abusing their authority. In turn, team members should follow their leaders' instructions and complete their duties skilfully and on time.

Absenteeism and tardiness:

Employees should follow their schedules. We can make exceptions for occasions that prevent employees from following standard working hours or days. But generally, we expect employees to be punctual when coming to and leaving from work.

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.

Communication:

All employees must be open for communication with their colleagues, supervisors or team members.

Policies:

All employees should read and follow our company policies. If they have any questions, they should ask their managers or Human Resources (HR) department.

Collaboration:

Employees should be friendly and collaborative. They should try not to disrupt the workplace or present obstacles to their colleagues' work.

Benefits:

We expect employees to not abuse their employment benefits. This can refer to time off, insurance, facilities, subscriptions or other benefits our company offers.

Disciplinary Actions:

The company may take disciplinary action for repeated or intentional violations of the code. Consequences vary depending on the violation and can include:

- Reprimand
- Demotion
- Loss of benefits
- Suspension
- termination for serious offenses
- The company also reserves the right to take legal action in cases of corruption, theft, or other unlawful behavior

GENDER PAY GAP STATEMENT UNDER CIRCULAR 10 OF 2024

As required under the SECP circular no. 10 of 2024, the following is the Gender Pay Gap calculated for the year ended June 30, 2025; The pay gap has been calculated for all fulltime employees based on gross hourly salary.

Following is gender pay gap for the year ended June 30, 2025

- **Mean Gender Pay Gap** 2.6%
- **Median Gender Pay Gap** -2.4%

COMPANY POLICIES

AirLink's HR policies and procedures provide guidance on a range of employment issues for both employees and managers. These policies ensure consistency and transparency, helping to foster a positive organizational culture. They cover the full employment lifecycle, from recruitment to departure, offering practical advice and guidance on various employment matters.



IT GOVERNANCE

This framework safeguards information security and asset integrity across all operations. It applies to employees, contractors, consultants, partners, suppliers, and customers, ensuring all data exchanges, digital or physical, comply with strict encryption and security protocols.



DIVERSITY POLICY

The Company is committed to equality, diversity, and inclusion, ensuring a workforce that reflects society and empowers employees to perform at their best. Discrimination of any kind is not tolerated, with equal respect and opportunity guaranteed regardless of background or protected characteristics.



WHISTLEBLOWING POLICY

Integrity, compliance, and transparency remain central to corporate governance. Employees and stakeholders are encouraged to report actual or suspected misconduct without fear of reprisal. The policy underscores the Board's commitment to openness, accountability, and protection for whistleblowers.



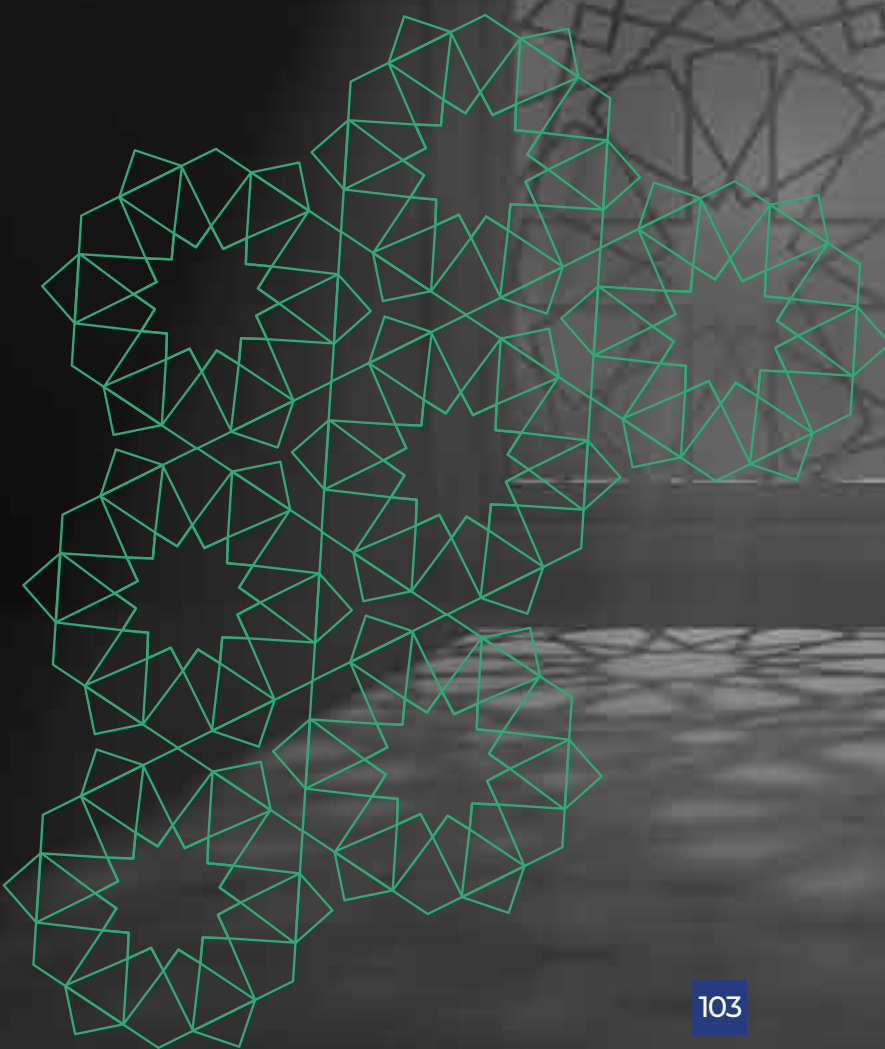
CSR POLICY

Airlink upholds the highest standards of ethics and professionalism in its business practices. CSR efforts focus on compliance with legal and community standards while proactively advancing human rights, community development, and environmental sustainability across all operations and partnerships.



PROHIBITION OF CHILD LABOR POLICY

The Company strictly prohibits child labor across its operations and value chain, aligning with ILO conventions, the UN Convention on the Rights of the Child, and local legislation. All partners, suppliers, and subcontractors are required to comply with these standards, ensuring shared responsibility in safeguarding child welfare.



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SHARIAH COMPLIANT

MUFTI ASAD MAHMOOD-CSAA

Certified Shariah Advisor and Auditor-AAOIFI-Bahrain
SECP Registered Sharia Advisor

Professional Summary:

Mufti Asad Mahmood is a registered Shariah Advisor, auditor and Consultant with expertise in Islamic Trade and Finance. He is a graduate of Jamia Tur Rasheed, Karachi Pakistan specializing in Islamic Trade and Finance with MPhil-Islamic studies. Mufti Asad Mahmood brings a well-rounded academic background to his work.

With a diverse professional experience in Islamic finance, Mufti Asad Mahmood has successfully served in various capacities, including Zakat Management system, Islamic product development for the microfinancing, Sukuk structuring and restructuring, Shariah compliance review (SCR) of Sukuk, Takaful, Shariah audit, and Shariah consultation. He has also made significant contributions to academia and the halal food industry through teaching, training, research, and other activities\.

Mufti Asad Mahmood has provided Shariah advisory and compliance services on both project and retainer ship basis to various clients. During the ten years, have worked as a Shariah Advisor with the following capacities:

- Shariah Advisor and Head SCD-Akhuwat Islamic Microfinance Pvt Ltd
(*Presently working as Shariah Advisor and head shariah compliance*)
- Shariah compliance manager and auditor-Adamjee Islamic insurance Pvt Ltd
- Shariah Advisor Air Link Communications Limited

Islamic Qualification:

- Two Years Specialization in Islamic commercial law & management sciences
المالية المعاملات فقه يف تخصص from Jamia-Tur-Rasheed, Karachi (2012-2013).
- One year specialization in Islamic commercial law from Jamia Darul Uloom
Karachi (2013-2014)

The Specialization Includes but not limited to;

- All famous books of Fiqh, Fatwa and Modern books of Islamic banking and finance.
- Comparative study of different Juristic Schools of Thoughts.
- Selected Sharia Standards (AAOIFI), Contract Act 1872, Sale Of Goods Act 1930.
- Composition (as an author) Of More than 100 Fatwa about Trade, Banking & Finance.
- Thesis about Trade & Finance.

Dars-e-Nizami (Shahadat ul Aalmiyyah) with 95% marks (2002-2010, 8-Years Aalim Course)

E-Mail: meetasad786@gmail.com

Cell #: 0314-5112486

Mufti Asad Mahmood

Graduate from Jamia Tur Rasheed, Karachi Pakistan
Sharia Advisor-Islamic Finance

Tuesday 23th September, 2025

نحمدہ ونصلی علی رسولہ الکریم

Shariah Compliance Certificate

As established Shariah Scholar, I hereby, confirm that I performed the screening criteria of Air Link Communication Limited. On the basis of "audited accounts dated 30 June, 2025", for shariah compliance by using the following criteria:

1. Business of the investee company

Core business of the investee company is halal and in-line with Shariah guidelines.

2. Non-compliant investments to Total Assets

The ratio of non-compliant investments to total assets is less than 33% i.e. 2.88%. Investment in any non-compliant security was comprised for the calculation of this ratio.

3. Non-compliant income To Total Revenue– Purification of non-compliant income

The ratio of non-compliant income to total revenue is less than 5% i.e. 0.40%. Total revenue includes gross revenue plus other income earned by the company.

4. Illiquid assets To Total Assets

The ratio of illiquid assets to total assets is at least 25% i.e.53.73%. Illiquid assets include receivables, loans, trade deposits and tax refunds etc.

5. Debt to Total Asset

Debt to Asset ratio is less than 37% i.e.29.68%. Debt, in this case, is classified as an interest-bearing debt.

6. Net Liquid assets to share price

Since market price per share is greater than NLA (Net Liquid Asset) per share, therefore met the shariah compliant condition.

Based on the above-mentioned criteria I found the company as Shariah compliant. Therefore, I hereby certify that **Air Link Communication Limited is Shariah Compliant for capital investment.**

Allah knows best.



Mufti Asad Mahmood

Sharia Advisor

Email: meetasad786@gmail.com

Phone: 0314-5112486





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FINANCIAL STATEMENTS



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Gulberg III, Lahore-54660
Pakistan.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIR LINK COMMUNICATION LIMITED

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Air Link Communication Limited** (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2025, and 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 for the year then ended, and notes to the unconsolidated financial statements, including a material accounting policies information 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, unconsolidated statement of profit or loss, 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 June 30, 2025 and of the profit and 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.

Following are the key audit matters:

S. No	Key audit matters	How the matters were addressed in our audit
1.	Stock in trade	
	As described in Note 11 to the unconsolidated financial statements, the Company's stock in trade includes items of raw-materials in hand, raw-materials in	Our audit procedures in relation to the matter, amongst others, included the following:



S. No	Key audit matters	How the matters were addressed in our audit
	transit against which the rights and obligations have been transferred to the Company, work in process and the finished good items as at reporting date amounting to Rs. 6,933.36 million as compared to Rs. 2,837.01 million, which constitutes a significant portion of the Company's total assets. We identified this area as a key audit matter given the complexity associated with the multiple stages of assembling, production, and distribution of mobile phones, accessories, and allied products.	• Obtained an understanding of the Company's processes and design and implementation of internal controls relating the purchase and recording on inventory and on a sample basis, testing the effectiveness of those controls, particularly in relation to timing and recording on inventory; • Observed physical inventory count procedures and compared on a sample basis, physical count with inventory sheets; • Evaluated the effectiveness of the Company's internal controls over inventory management across various stages of production. This included performing ITAC testing to ensure that overhead costs were properly allocated, and inventory was recorded and issued at accurate moving average rates. Verified that stock issuance rates were correctly calculated and that inventory was appropriately valued; • Performed substantive analytical procedures to reconcile stock issuance as per stock movement records with the amounts recorded in the trial balances. This involved investigating any discrepancies, including those related to interdepartmental issuances, and ensuring that consumption is accurately reflected in the financial statements; • Performed procedures related to purchases cut-off to ensure that recorded purchases were of the relevant period and ensured that inventory were properly allocated to the correct accounting period; • Checked the provision for slow moving stock as at the year end and assessed whether it is in accordance with the relevant accounting and reporting standards; and

S. No	Key audit matters	How the matters were addressed in our audit
		Checked adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and financial reporting standards.
2.	Revenue Recognition	
	As described in Notes 5.9 and 28 to the unconsolidated financial statements, the Company generates revenue from sale of a diverse range of products and services, including cellular mobile phones, tablets, accessories, allied products, and related repair services. During the year ended, the Company generated net revenue of Rs. 56,135.42 million, compared to Rs. 56,282.42 million in the previous year. The revenue recognition is identified as a key audit matter due to revenue being one of the key performance indicators of the Company and raises the risk that revenue could be misstated to meet targets.	Our audit procedures amongst others included the following: - Obtained an understanding of the Company's processes and design and implementation of internal controls relating to revenue recognition, credit control processes (credit limits), discount policies and on a sample basis, testing the effectiveness of those controls, particularly in relation to revenue recognition and timing; - Evaluated the appropriateness of the Company's revenue recognition policies and procedures to ensure compliance with International Financial Reporting Standards (IFRS) as applicable in Pakistan; - Checked IT general controls and application controls for effectiveness in processing revenue transactions; - Performed test of controls on identified controls to ensure that they are operating effectively; - Examined supporting documentation for a sample of sales transactions, which involved verifying sales orders, invoices, goods dispatch notes, gate passes and conducting additional detailed procedures; - Performed substantive analytical procedures to reconcile sales reported in the sales tax returns with those in the internal sales reports. This included comparing the figures, investigating any discrepancies, and ensuring that all sales were accurately recorded and properly reported for tax purposes;



S. No	Key audit matters	How the matters were addressed in our audit
		• Performed cut-off procedures on near year-end sales to ensure revenue has been recorded in the correct period; and • Checked the appropriateness and adequacy of the disclosures provided in Note 28 to the unconsolidated financial statements in accordance with relevant accounting standards.

Information other than the Unconsolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated 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 unconsolidated 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 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.

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





Auditors' 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 auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 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 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 Sajjad Hussain Gill.

LAHORE

DATED: September 29, 2025

UDIN: AR202510087Vo2lnXiwr

**BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS**

Air Link Communication Limited

Unconsolidated Statement Of Financial Position

As At June 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	1,717,852,344	441,776,053
Intangible assets	7	2,658,275	7,312,382
Investment in subsidiary	8	8,000,000,000	8,000,000,000
Long term loans	9	36,309,398	25,225,678
Long term deposits		30,609,746	7,454,250
Deferred tax asset	10	326,855,368	191,615,119
		10,114,285,131	8,673,383,482
CURRENT ASSETS			
Stores and spares		33,220,743	32,970,164
Stock in trade	11	6,933,365,217	2,837,017,237
Trade debts	12	5,810,920,561	3,527,099,204
Loans and advances	13	5,481,752,667	4,145,760,804
Trade deposits, prepayments and other receivables	14	4,090,731,420	2,464,683,453
Tax refunds due from the Government	15	972,842,996	615,027,385
Short term investments	16	1,108,404,318	621,195,618
Cash and bank balances	17	3,907,827,965	1,219,456,144
		28,339,065,887	15,463,210,009
TOTAL ASSETS		38,453,351,018	24,136,593,491
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 600,000,000 (June 30, 2024: 600,000,000) ordinary shares of Rs. 10 each	18.1	6,000,000,000	6,000,000,000
Issued, subscribed and paid up capital	18.2	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		6,890,523,149	6,002,365,424
General reserves - revenue reserve		44,559,977	44,559,977
		14,443,952,244	13,555,794,519
NON CURRENT LIABILITIES			
Long term loans	20	200,000,000	300,000,000
Lease liabilities	21	371,309,621	106,407,928
Defined benefit liability	22	47,987,316	32,674,356
		619,296,937	439,082,284
CURRENT LIABILITIES			
Accrued and other liabilities	23	886,230,046	961,887,150
Contract liabilities		403,138,941	578,399,044
Short term borrowings	24	18,413,703,494	6,287,760,506
Accrued markup	25	495,365,734	318,154,209
Provision for taxation		1,539,011,955	835,501,683
Current portion of non current liabilities	26	313,042,552	373,576,203
Unclaimed dividend		1,339,609,115	786,437,893
		23,390,101,837	10,141,716,688
TOTAL EQUITY AND LIABILITIES		38,453,351,018	24,136,593,491
CONTINGENCIES AND COMMITMENTS			
	27		

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

Air Link Communication Limited

Unconsolidated Statement Of Profit Or Loss
For The Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
Revenue from contracts with customers - net	28	56,135,421,068	56,282,418,797
Cost of revenue	29	(49,274,046,209)	(50,588,166,284)
Gross profit		6,861,374,859	5,694,252,513
Administrative expense	30	(905,027,453)	(672,355,902)
Selling and distribution costs	31	(368,405,802)	(318,952,128)
		(1,273,433,255)	(991,308,030)
Operating profit		5,587,941,604	4,702,944,483
Other income	32	749,165,583	140,405,176
Other expense	33	(150,281,628)	(328,396,355)
Finance cost	34	(2,054,756,983)	(1,303,385,686)
Profit before income tax and levy		4,132,068,576	3,211,567,618
Levy		-	-
Profit before income tax		4,132,068,576	3,211,567,618
Income tax	35	(670,762,445)	(152,225,741)
Profit for the year		3,461,306,131	3,059,341,877
Earnings per share			
- Basic and diluted	36	8.76	7.74

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

Air Link Communication Limited

Unconsolidated Statement Of Comprehensive Income
For The Year Ended June 30, 2025

Profit for the year

Items not to be reclassified to profit or loss in subsequent

Re-measurement loss on defined benefit plan

Related deferred tax effect

Re-measurement loss on defined benefit plan - net

Items to be reclassified to profit or loss in subsequent years

Other comprehensive loss

Total Comprehensive income for the year

3,461,306,131	3,059,341,877
(6,390,826)	(3,240,478)
2,492,422	1,263,786
(3,898,404)	(1,976,692)
-	-
(3,898,404)	(1,976,692)
3,457,407,727	3,057,365,185

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Air Link Communication Limited

Unconsolidated Statement Of Changes In Equity
For The Year Ended June 30, 2025

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Balance as at July 01, 2023

Final dividend for the year ended
June 30, 2023 at the rate of Rs. 2.5 per share
Interim dividend at the rate of Rs. 2 per share
Profit for the year
Other comprehensive loss for the year
Total comprehensive income for the year

Balance as at June 30, 2024

Final dividend for the year ended June 30,
2024 at the rate of Rs. 4 per share
Interim dividend at the rate of Rs. 2.5 per share
Profit for the year
Other comprehensive loss for the year
Total comprehensive income for the year

Balance as at June 30, 2025

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER




DIRECTOR

Issued, subscribed & paid up capital	Reserves			Total
	Capital reserves	Revenue reserves		
Ordinary shares	Share premium	General reserves	Unappropriated profit	
Rupees				
3,952,692,310	3,556,176,808	44,559,977	4,723,711,779	12,277,140,874
-	-	-	(988,173,078)	(988,173,078)
-	-	-	(790,538,462)	(790,538,462)
-	-	-	3,059,341,877	3,059,341,877
-	-	-	(1,976,692)	(1,976,692)
-	-	-	3,057,365,185	3,057,365,185
3,952,692,310	3,556,176,808	44,559,977	6,002,365,424	13,555,794,519
-	-	-	(1,581,076,924)	(1,581,076,924)
-	-	-	(988,173,078)	(988,173,078)
-	-	-	3,461,306,131	3,461,306,131
-	-	-	(3,898,404)	(3,898,404)
-	-	-	3,457,407,727	3,457,407,727
3,952,692,310	3,556,176,808	44,559,977	6,890,523,149	14,443,952,244

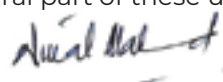
Air Link Communication Limited

Unconsolidated Statement Of Cash Flows For The Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		4,132,068,576	3,211,567,618
Adjustments for:			
Depreciation on property, plant and equipment	6.6	156,532,846	127,437,233
Amortization on intangible assets	7	4,654,107	4,777,724
Impairment allowance for slow moving and obsolete stock	11.1	11,083,090	16,446,694
Allowance for expected credit loss - trade debts- net	12.1	3,091,647	(6,738,456)
Provision for gratuity	22.2	28,861,195	18,395,989
Provision for Workers' Welfare Funds (WWF)	33	19,172,418	67,259,315
Provision for Workers' Profit Participation Funds (WPPF)	33	120,026,120	176,998,199
Investment in mutual funds written off	33	-	301,300
Finance cost	34	1,943,442,113	1,203,948,906
(Gain) / loss on disposal of operating fixed assets	32	(20,653,741)	22,931,316
Loss / (gain) on disposal of term finance certificate	33	-	44,459,531
Markup on loan given to subsidiary	32	(505,934,110)	(40,291,966)
Profit on investments	32	(222,577,732)	(100,113,210)
		1,537,697,953	1,535,812,575
Operating profit before working capital changes		5,669,766,529	4,747,380,193
Effect on cash flow due to working capital changes:			
(Increase) / decrease in current assets			
Stock in trade		(4,107,431,070)	233,803,778
Stores and spares		(250,579)	(12,612,786)
Trade debts		(2,286,913,004)	(1,473,593,867)
Loans and advances		(841,141,473)	(514,932,011)
Trade deposits, prepayments and other receivable		(1,626,047,967)	1,242,988,275
Tax refunds due from the Government		(357,815,611)	(315,332,382)
(Decrease) / increase in current liabilities			
Trade payables, accrued and other liabilities		(116,174,112)	(665,352,253)
Contract liabilities		(175,260,103)	(1,038,007,248)
		(9,511,033,919)	(2,543,038,494)
Cash (used in) / generated from operations		(3,841,267,390)	2,204,341,699
Finance cost paid		(1,690,962,923)	(971,963,722)
Long term deposits		(23,155,496)	-
Gratuity paid		(19,939,061)	(16,092,018)
WPPF Paid		(98,681,530)	-
Income tax paid		(100,000,000)	(4,021,029)
Net Cash (used in) / generated from operating activities		(5,774,006,400)	1,212,264,930
CASH FLOW FROM INVESTING ACTIVITIES			
Additions in operating fixed assets		(506,507,204)	(145,062,665)
Additions in capital work in progress		(569,552,896)	-
Proceeds from disposal of operating fixed assets		(97,643,486)	(74,750,000)
Investment in subsidiary		-	(2,500,000,000)
Additions in intangible assets		-	(1,822,671)
Long term investment encashed		-	255,540,469
Interest income received		203,736,433	135,636,642
Short term investments - net		(499,000,000)	(400,000,000)
Net cash used in investing activities		(1,273,680,181)	(2,580,958,225)
CASH FLOW FROM FINANCING ACTIVITIES			
Lease liability repaid		(143,805,806)	(115,872,307)
Long term loans - net		(230,000,000)	(348,282,214)
Dividend paid		(2,016,078,780)	(1,154,760,696)
Short term borrowings - net		12,125,942,988	3,660,506,360
Net cash generated from financing activities		9,736,058,402	2,041,591,143
Net increase in cash and cash equivalents		2,688,371,821	672,897,848
Cash and Cash equivalents at the beginning of the year	17	1,219,456,144	546,558,296
Cash and Cash equivalents at the end of the year		3,907,827,965	1,219,456,144

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Air Link Communication Limited

Notes To The Unconsolidated Financial Statements
For The Year Ended June 30, 2025

1. THE COMPANY AND ITS OPERATIONS

1.1 The Company was incorporated in Pakistan on January 02, 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. The Company is engaged in the business of import, export distribution, assembling of smart phones indenting, wholesale, retail of communication and IT related products and services including cellular mobile/smart phones, tablets, laptops, accessories and allied products. The Company converted to a public limited company on April 24, 2019 and got itself registered on Pakistan Stock Exchange (PSX) on September 22, 2021 as a result of completion of its Initial Public Offering (IPO).

The Company 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.

1.2 Subsidiary company: Select Technologies (Private) Limited

Select Technologies (Private) Limited (STPL), an unlisted public company registered under the Companies Act, 2017, is a wholly owned subsidiary of the Company. STPL 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 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.

These unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiary Company, is accounted for on the basis as discussed in Note 5.16. Consolidated financial statements are presented separately.

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

BUSINESS UNIT	ADDRESS
Head Office	152-M, Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan.
Assembling Facility	152-M, Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan.
Assembling Facility Capital Work in Progress	E2 and E3 Sundar Green Special Economic Zone.

Air Link Communication Limited

Notes To The Unconsolidated Financial Statements
For The Year Ended June 30, 2025

BUSINESS UNIT

ADDRESS

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.
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 13 retails, 7 stores and 6 warehouses, the list of which is not presented in these unconsolidated financial statements to maintain concision.

3. BASIS OF PREPARATION

3.1 Statement of compliance

These unconsolidated 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) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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Air Link Communication Limited

Notes To The Unconsolidated Financial Statements For The Year Ended June 30, 2025

3.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except defined benefits are recognized on the basis mentioned in Note 5.10.

3.3 Functional and presentation currency

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

3.4 Significant accounting judgements, estimates and assumptions

The preparation of unconsolidated 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 unconsolidated financial statements, the significant estimates, assumptions and judgements made by the management in applying accounting policies include

	Note
Impairment of non financial assets	5.1.5
Lease term	5.1.6
Allowance for expected credit loss	5.5.1
Taxation	5.7

4. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

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Air Link Communication Limited

Notes To The Unconsolidated Financial Statements For The Year Ended June 30, 2025

Effective date (annual periods beginning on or after)

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements.	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions.	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current.	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants.	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements.	January 01, 2024

4.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's unconsolidated financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments.	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments.	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability.	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).	January 01, 2026
IFRS 17 Insurance Contracts.	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

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Air Link Communication Limited

Notes To The Unconsolidated Financial Statements
For The Year Ended June 30, 2025

5. MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies applied are consistent with prior year except as stated in Note 4.

5.1 Property, plant and equipment

5.1.1 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 6.

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 unconsolidated statement of profit or loss, while major renewals and improvements are capitalized.

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.

5.1.2 Disposal

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 unconsolidated statement of profit or loss when the asset is derecognized.

5.1.3 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 or the estimated useful lives of the assets.

5.1.4 Estimate

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.

5.1.5 Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized as expense. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is charged, the depreciation charge is adjusted for the future periods to allocate the asset's revised carrying amount over its estimated useful life.

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Air Link Communication Limited

Notes To The Unconsolidated Financial Statements For The Year Ended June 30, 2025

5.1.6 Lease liabilities

At the commencement date of the lease, the Company recognizes 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.

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.

5.1.7 Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases, if any (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are of low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

5.2 Intangible assets

Intangible assets 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 7. 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.

5.3 Cash and cash equivalents

Cash and cash equivalents in the unconsolidated statement of financial position comprise cash in hand and cash at bank as specified in Note 17 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. Term deposit receipts are not included in cash and cash equivalents as they are not held for cash management purposes.

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Air Link Communication Limited

Notes To The Unconsolidated Financial Statements For The Year Ended June 30, 2025

5.4 Stock in trade, stores and spares

Stock in trade, stores and spares are valued at lower of cost and 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:

Cost has been determined 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 and spares	- weighted average cost

Items considered obsolete are carried at nil value. Impairment allowance 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.

5.5 Trade debts

Trade debts and other receivables are carried at original invoice amount. Provision is made for debts considered doubtful of recovery based on expected credit loss (ECL) model of IFRS 9 and debts considered irrecoverable are written off as and when identified. Receivable are generally due within 30 to 90 days of satisfaction of performance obligation.

5.5.1 Allowance for expected credit losses of trade debts

The Company assesses the impairment of its financial assets based on the Expected Credit Loss ("ECL") model. Under the ECL model, the Company accounts for ECL and changes in those ECL 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 ECL 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

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.

5.6 Provisions

Provisions are recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

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Air Link Communication Limited

Notes To The Unconsolidated Financial Statements For The Year Ended June 30, 2025

5.7 Taxation

5.7.1 Current

Current tax is the expected tax payable on the taxable income for the year based on taxable profits, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

5.7.2 Deferred

Deferred tax is provided using the Statement of Financial Position for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantially enacted at the reporting date.

5.7.3 Estimate

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.

5.8 Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in statement of profit or loss account. Any excess of expected income tax paid or payable for the year under the Income Tax Ordinance, 2001 over the amount designated as current income tax for the year, is then recognized as a levy.

5.9 Revenue from contracts with customers

5.9.1 Sale of goods

The Company is in the business of selling cellular mobile phones, tablets, accessories, allied products and services. 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.

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Air Link Communication Limited

Notes To The Unconsolidated Financial Statements For The Year Ended June 30, 2025

5.9.2 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 centers. The Company recognizes the revenue from repair services when the service is provided to the customer.

5.9.3 Sales returns

The Company provides sales returns 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.

5.9.4 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.

5.10 Defined benefit liability

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 unconsolidated statement of profit or loss.

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.

5.11 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.

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5.12 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.

5.12.1 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 Note 5.9.

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

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

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

The Company's financial assets include long-term deposits, short term investments, other receivables and bank balances.

Financial assets - Subsequent measurement

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

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

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Air Link Communication Limited

Notes To The Unconsolidated Financial Statements For The Year Ended June 30, 2025

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 unconsolidated 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.

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, deposits prepayments and other receivables, long-term investments, short-term investments excluding bank balance.

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Air Link Communication Limited

Notes To The Unconsolidated Financial Statements For The Year Ended June 30, 2025

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 unconsolidated 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 unconsolidated 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.

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Notes To The Unconsolidated Financial Statements For The Year Ended June 30, 2025

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 ECL 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 analyzed. The expected credit losses are recognized in the statement of profit or loss. For bank balances, short term investments, margin against bank guarantee 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 unconsolidated statement of profit or loss.

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Notes To The Unconsolidated Financial Statements For The Year Ended June 30, 2025

5.12.2 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, 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, 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.

5.13 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated 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.

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Notes To The Unconsolidated Financial Statements For The Year Ended June 30, 2025

5.14 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to The Chief Operating Decision Maker (CODM). The 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 and Retail' and 'Assembly' as two distinct reportable segments. Accordingly, segment related information is presented in Note 44.

5.15 Dividend and appropriation to reserves

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

5.16 Investment in subsidiary

Investments in subsidiaries are accounted for at cost in the unconsolidated financial statements of the Company. The cost of an investment is measured as the fair value of the consideration transferred, including any transaction costs directly attributable to the acquisition of the investment.

Subsequent to initial recognition, investments in subsidiaries are carried at cost less any accumulated impairment losses. The carrying amounts of investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the unconsolidated statement of profit or loss when the carrying amount of the investment exceeds its recoverable amount. The recoverable amount is the higher of the investment's fair value less costs to sell and its value in use.

Dividends received from subsidiaries are recognized in the unconsolidated statement of profit or loss when the Company's right to receive the payment is established.

Where the Company disposes of part or all of its investment in a subsidiary, the difference between the carrying amount of the investment and the consideration received is recognized in the unconsolidated statement of profit or loss.

5.17 Earning per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

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Air Link Communication Limited

Notes To The Unconsolidated Financial Statements
For The Year Ended June 30, 2025

5.18 Contingent liabilities

A contingent liability is disclosed when:

- There is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- There is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.19 Related party transactions

Transactions and contracts with related party are carried at agreed contractual terms approved by Board of Directors.

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- 6.2 There are fully depreciated assets, having cost of Rs. 368.39 million (June 30, 2024: Rs. 339.828 million) that are still in use as of the reporting date.
- 6.3 The building was constructed on a lease hold land, located at 152-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore having area of 77,637 square feet in the year ended June 30, 2021, whereas the lease hold land was capitalized as a right-of-use asset for a term of 10 years. During the year ended June 30, 2022, this land was purchased by Select Technologies (Private) Limited, a subsidiary of the Company, resulting in termination of the lease contract against this land. Consequently, the term "Building on lease hold land" has been updated to "Building and renovations" having a revised useful life of 40 years. There is no rent being charged by the subsidiary against use of this land.
- 6.4 During the year, company acquired a 3-acre industrial plot situated in the Sundar Green Special Economic Zone (SGSEZ), Lahore. There is an ongoing construction of a new assembling facility on this land for the assembly of smart phones and feature phones. The related building cost has been recognized under capital work-in-progress until completion of the assembling unit.

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

	Note	2025 Rupees	2024 Rupees
Cost of revenue	29	31,306,569	25,487,447
Administrative expense	30	54,786,496	44,603,032
Selling and distribution costs	31	70,439,781	57,346,755
		156,532,846	127,437,234
Operating fixed assets	6.1	64,622,185	82,056,572
Right of use assets	6.9.1 and 6.9.2	91,910,661	45,380,662
		156,532,846	127,437,234

6.7 **Capital work in progress**

- 6.7.1 This represents ongoing construction of a new assembling facility on new acquired land as disclosed in Note 6.4.

2025	
Building	Total
Rupees	
569,552,896	569,552,896
569,552,896	569,552,896

Additions during the year
As at June 30,

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

Particulars	Cost	Accumulated depreciation	Net book value	Sale proceeds	Loss	Particulars of buyer	Mode of disposal	Relationship with buyer
	-----Rupees-----							
Vehicle								
Land Cruiser	83,673,267	6,972,772	76,700,495	71,000,000	(5,700,495)	Faisal Ali Chishti	Negotiation	None
2025	83,673,267	6,972,772	76,700,495	71,000,000	(5,700,495)			Boo
2024	109,016,353	11,335,037	97,681,316	74,750,000	(22,931,316)			

Bao

	Note	2025 Rupees	2024 Rupees
6.9	Right of use assets		
Vehicles	6.9.1	223,030,688	19,450,721
Rented premises - buildings	6.9.2	265,166,718	127,118,558
		488,197,406	146,569,279

6.9.1 Vehicles

Year ended June 30,

Net carrying value basis

Opening net book value July 01,

Additions

Depreciation charge

Closing net book value

Gross carrying value basis

Cost

Accumulated depreciation

Net book value

Depreciation rate per annum %

19,450,721	6,160,399
224,417,340	22,771,576
(20,837,373)	(9,481,254)
223,030,688	19,450,721
334,961,881	110,544,541
(111,931,193)	(91,093,820)
223,030,688	19,450,721
20	20

6.9.2 Rented premises - buildings

Year ended June 30,

Net carrying value basis

Opening net book value July 01,

Additions

Depreciation charge

Closing net book value

Gross carrying value basis

Cost

Accumulated depreciation

Net book value

Depreciation rate per annum %

127,118,558	94,720,424
209,121,448	68,297,541
(71,073,288)	(35,899,407)
265,166,718	127,118,558
614,222,422	405,100,974
(349,055,704)	(277,982,416)
265,166,718	127,118,558
10 - 20	10 - 20

7 INTANGIBLE ASSETS

Computer software

Net carrying value

Opening balance as on July 01,

Addition during the year

Amortization charge

Net book value as at June 30,

7,312,382	10,267,435
-	1,822,671
(4,654,107)	(4,777,724)
2,658,275	7,312,382

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	Note	2025 Rupees	2024 Rupees
Gross carrying value			
Cost		42,429,528	42,429,528
Accumulated amortization		(39,771,253)	(35,117,146)
Net book value		2,658,275	7,312,382
Amortization % per annum		33.33%	33.33%
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:		
Cost of revenue	29	930,821	955,545
Administrative expense	30	1,628,938	1,672,203
Selling and distribution costs	31	2,094,348	2,149,976
		4,654,107	4,777,724
8 INVESTMENT IN SUBSIDIARY			
Investment in subsidiary - at cost	8.1	8,000,000,000	8,000,000,000
8.1	Movement in investment in subsidiary is as follows:		
As at July 01,		8,000,000,000	5,500,000,000
Addition		-	2,500,000,000
As at June 30,	8.2	8,000,000,000	8,000,000,000
8.2	The Company directly hold 800 million (2024: 800 million) shares representing 100% ownership in STPL, a subsidiary Company.		
9 LONG TERM LOANS			
Advance to employees against salary	9.1	102,364,235	47,935,810
Less: current portion		(66,054,837)	(22,710,132)
		36,309,398	25,225,678
9.1	These are interest free loan provided to employees and executives of the Company, repayable over three years. The present value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' is insignificant, hence not recognized in the unconsolidated financial statements.		
9.2	This includes loans and advances amounting to Rs. 91.58 million (2024: Rs. 35.08 million) given to 72 (2024: 23) executives of the Company		
10 DEFERRED TAX ASSET			
The net asset / (liability) for deferred taxation comprises temporary differences relating to:			
Decelerated tax depreciation		(7,243,511)	(14,496,156)
Lease liabilities - net		(1,499,641)	1,331,792
Alternative corporate tax		103,682,654	-
Defined benefit liability		18,715,053	12,742,999
Provision for slow moving stock		11,481,823	7,159,418
Workers' Welfare Fund		81,782,321	74,470,529
Workers' Profit Participation Fund		115,474,943	107,150,553
Provision for expected credit loss		4,461,726	3,255,984
		326,855,368	191,615,119

	Note	2025 Rupees	2024 Rupees
Reconciliation of deferred tax - net			
As at July 01,		191,615,119	16,809,425
Recognized in Profit and loss		132,747,827	173,541,908
Recognized in OCI		2,492,422	1,263,786
As at June 30,		326,855,368	191,615,119

- 10.1 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.

11 STOCK IN TRADE

Raw material		432,382,503	1,034,578,931
Work in process		136,487,207	221,741,475
Mobile phones		3,952,090,963	1,540,046,527
TV		185,180,442	-
Spare parts		25,775,874	59,007,786
		4,731,916,989	2,855,374,719
Impairment allowance for slow moving and obsolete stock	11.1	(29,440,572)	(18,357,482)
		4,702,476,417	2,837,017,237
Goods in transit	11.2	2,230,888,800	-
		6,933,365,217	2,837,017,237

- 11.1 Movement in impairment allowance for slow moving and obsolete stock is as follows:

As at July 01,	18,357,482	1,910,788
Increase in allowance	11,083,090	16,446,694
As at June 30,	29,440,572	18,357,482

- 11.2 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

12 TRADE DEBTS

Due from customers - Considered good	5,810,920,561	3,527,099,204
Considered doubtful - Others	11,440,323	8,348,676
Allowance for expected credit losses	(11,440,323)	(8,348,676)
	-	-
	5,810,920,561	3,527,099,204

300

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

As at July 01,		8,348,676	15,087,132
Charge / (reversal) during the year	30	3,091,647	(6,738,456)
As at June 30,		11,440,323	8,348,676

13 LOANS AND ADVANCES

Receivable from related party

Loan for working capital requirements	13.1	3,619,237,058	3,758,361,688
Markup accrued on loan		505,934,110	40,291,966
		4,125,171,168	3,798,653,654

Advances considered good - unsecured

Advances to suppliers	13.2	1,290,526,662	324,186,583
Current portion of long term loans	9	66,054,837	22,710,132
Advance to employees against Company expenses		-	64,300
Advance to employees against loaned / mobile sets		-	146,135
		1,356,581,499	347,107,150
		5,481,752,667	4,145,760,804

13.1 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. 4,125.17 million (2024: Rs. 3,798.65 million).

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

14 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances to clearing agent	14.1	1,013	13,590,448
Prepayments		12,020,979	6,408,123
		12,021,992	19,998,571

Receivable from others

Margin against bank guarantee and letters of credit		2,196,043,648	2,087,587,890
Due from brand owners	14.2	1,852,033,181	357,096,992
Accrued markup on savings accounts		30,632,599	-
		4,078,709,428	2,444,684,882
		4,090,731,420	2,464,683,453

14.1 This represents amount deposited with custom authorities against import clearance.

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

Income tax	888,766,427	552,417,605
Prepaid assets	-	59,453,627
Sales tax	84,076,569	3,156,153
	972,842,996	615,027,385

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16 SHORT TERM INVESTMENTS

Financial assets at amortized cost

Term deposits	16.1	1,099,000,000	600,000,000
Accrued markup		9,404,318	21,195,618
		<u>1,108,404,318</u>	<u>621,195,618</u>

- 16.1 This relates to term deposits (TDRs) carrying markup ranging from 6.05% to 20% (2024: 19% to 22%), having a maturity period of 30 days to 180 days (2024: 30 days to 365 days). These TDRs are under lien against funded facilities obtained from financial institutions.

16.2 Movement in financial assets measured at amortized cost is as follows:

Note

2025
Rupees

2024
Rupees

As at July 01,	621,195,618	257,113,452
Additions	1,199,000,000	2,000,000,000
Encashed	(700,000,000)	(1,600,000,000)
Markup accrued	97,309,917	100,020,108
Markup received	(109,101,217)	(135,937,942)
As at June 30,	<u>1,108,404,318</u>	<u>621,195,618</u>

17 CASH AND BANK BALANCES

Cash in hand	12,164,315	8,498,449
Cash at bank - Current accounts	2,882,399,294	1,210,957,695
Cash at bank - Savings accounts	1,013,264,356	-
	<u>3,907,827,965</u>	<u>1,219,456,144</u>

- 17.1 This carry mark-up rate range at 3.20% to 7.25% (2024: Nil) per annum.

18 SHARE CAPITAL

18.1 Authorized share capital

2025	2024		2025	2024
Number of ordinary shares of Rs. 10/- each				
600,000,000	600,000,000	Ordinary shares of Rs. 10/- each	6,000,000,000	6,000,000,000

18.2 Issued, subscribed and paid up capital

2025	2024		2025	2024
Number of ordinary shares of Rs. 10/- each				
192,692,308	192,692,308	Fully paid in cash	1,926,923,080	1,926,923,080
202,576,923	202,576,923	Fully paid bonus shares	2,025,769,230	2,025,769,230
395,269,231	395,269,231		<u>3,952,692,310</u>	<u>3,952,692,310</u>

BDO

19 SHARE PREMIUM - CAPITAL RESERVE

Share premium reserve	19.1	3,556,176,808	3,556,176,808
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- 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.

20 LONG TERM LOAN

	Note	2025 Rupees	2024 Rupees
Saudi Pak Industrial and Agricultural Investment Company Limited	20.1	400,000,000	600,000,000
Pak Oman Investment Company	20.2	-	30,000,000
Add: Accrued markup		33,069,990	38,648,400
		433,069,990	668,648,400
Less: Current portion shown under current liabilities		(200,000,000)	(330,000,000)
Less: Accrued markup presented in current liabilities		(33,069,990)	(38,648,400)
		200,000,000	300,000,000

- 20.1 This represents loan of Rs. 800 million obtained from Saudi Pak Industrial and Agricultural Investment Company Limited in 2021 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 the 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 13.65% to 22.74% (2024: 22.74% - 25.64%) per annum. This facility is secured against all present and future current assets of the Company.
- 20.2 This represents loan of Rs. 300 million obtained from Pak Oman Investment Company Limited in 2021 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 the 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 around 22.19% (2024: 22.24% - 25.14%) per annum. This facility is secured against all present and future current assets and non current assets of the Company.

21 LEASE LIABILITIES

Lease period for the lease during current year ranges from 3 to 10 years (2024: 3 to 10 years) The effective interest rate used as the discounting factor (i.e. incremental borrowing rate) ranges from 10% to 22.59% (2024: 9.39% to 23.99%). The amounts of future payments and the periods in which they will become due are:

Lease liabilities	21.1	371,309,621	106,407,928
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21.1 Movement in lease liabilities

As at July 01,		149,984,131	168,120,306
Additions during the year		433,538,788	80,938,542
Mark-up on lease liabilities	34	44,635,060	16,797,590
		628,157,979	265,856,438
Payments / adjustments		(143,805,806)	(115,872,307)
Present value of lease payments		484,352,173	149,984,131
Less: Current portion of long term lease		(113,042,552)	(43,576,203)
As at June 30,		371,309,621	106,407,928

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21.2 Lease payments (LP) and their present value (PV) are as follows:

	2025		2024	
	LP	PV of LP	LP	PV of LP
	-----Rupees-----			
Due not later than 1 year	177,427,695	113,042,552	64,391,529	43,576,203
Due later than 1 year but not later than 5 years	451,706,768	371,207,983	128,992,653	92,603,488
Later than 5 years	3,759,365	101,638	14,900,193	13,804,440
	632,893,828	484,352,173	208,284,375	149,984,131

22 DEFINED BENEFIT LIABILITY

Note 2025
Rupees 2024
Rupees

Unfunded Gratuity

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

Present value of defined benefits obligation	47,987,316	32,674,356
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22.2 The amounts recognized in the unconsolidated statement of profit or loss are:

Current service cost	27,420,833	16,274,507
Interest cost on defined benefit obligation	1,440,362	2,121,482
Expense recognized in the profit or loss	28,861,195	18,395,989

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

Net liabilities at the beginning of the year	32,674,356	27,129,907
Current service cost	27,420,833	16,274,507
Interest cost on defined benefit obligation	1,440,362	2,121,482
Remeasurements loss charged to OCI		
-Actuarial assumption	6,390,826	3,240,478
	67,926,377	48,766,374
Less: Payments during the year	(19,939,061)	(16,092,018)
Net liabilities at the end of the year	47,987,316	32,674,356

Qualified actuaries have carried out the valuation as at June 30, 2025. The projected unit credit method, based on the following significant assumptions, is used for valuation:

	2025	2024
Discount rate	11.75%	14.75%
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:

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Sensitivity level	Assumption	Impact on defined benefit obligation
		Rupees
+100 bps	Discount rate	(2,188,101)
-100 bps	Discount rate	2,073,712
+100 bps	Expected increase in salary	2,310,209
-100 bps	Expected increase in salary	(2,223,858)
+1 year	Mortality rate	121,406
-1 year	Mortality rate	(111,327)
+1 year	Mortality variation	121,406
+1 year	Mortality variation	(111,327)

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

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

Note	2025 Rupees	2024 Rupees
Within next 12 months	983,740	669,824
Between 2 and 5 years	3,426,295	2,332,949
Between 5 and 10 years	3,647,036	2,483,251
Beyond 10 years	39,930,245	27,188,332
	<u>47,987,316</u>	<u>32,674,356</u>

22.4 Expected expense for next year:

The expected expense to gratuity scheme for the year ending June 30, 2026 works out to be Rs. 31.75 million.

23 ACCRUED AND OTHER LIABILITIES

Accrued expenses		45,706,225	48,390,537
Due to brand owners		-	73,466,963
Withholding tax payable		334,735,964	374,334,567
Workers' Welfare Fund	23.1	209,698,259	190,950,075
Workers' Profit Participation Fund	23.2	296,089,598	274,745,008
		<u>886,230,046</u>	<u>961,887,150</u>

23.1 Movement in Workers' Welfare Funds

As at July 01,	190,950,341	123,691,026
Charge for the year	19,172,418	67,259,315
Reversal during the year	(424,500)	-
As at June 30,	<u>209,698,259</u>	<u>190,950,341</u>

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23.2 Movement In Workers' Profit Participation Funds		2025 Rupees	2024 Rupees
As at July 01,	Note	274,745,008	81,293,088
Charge for the year		120,026,120	176,998,199
Payment during the year		(98,681,530)	-
Interest charge for the year	34	-	16,453,721
As at June 30,		296,089,598	274,745,008

24 SHORT TERM BORROWINGS

Sukuk	24.1	7,000,000,000	3,000,000,000
JS Bank Limited	24.2	2,094,500,000	1,135,000,000
Bank Al Habib Limited	24.3	1,867,511,365	639,144,672
Dubai Islamic Bank	24.4	60,000,000	407,400,000
Askari Bank Limited	24.5	378,030,000	106,216,800
Faysal Bank Limited	24.6	-	999,999,034
National Bank of Pakistan	24.7	2,000,000,000	-
NBP Islamic	24.8	300,000,000	-
Bank of Khyber	24.9	1,499,971,019	-
Bank Islami	24.10	2,050,000,000	-
Saudi Pak	24.11	600,000,000	-
Bank of Punjab	24.12	563,691,110	-
Add: Accrued markup		462,295,744	279,505,809
		18,875,999,238	6,567,266,315
Less: Accrued markup presented in current liabilities		(462,295,744)	(279,505,809)
		18,413,703,494	6,287,760,506

24.1 This represents Shariah compliant, privately placed and secured Sukuks of six months tenor issued during the year. The proceeds therefrom were utilized to finance the Company's working capital requirement. They carry profit at the rate of 6 months KIBOR + 1.75%.

24.2 This represents the utilized portion of working capital facilities for short term finance (STF) amounts to Rs. 2,094.5 million (2024: Rs. 1,135 million), total limit of facility for sight-letter of credit (SLC) amounts to Rs. 5,000 million (2024: Rs. 4,000 million), shipping guarantees of Rs. 5,000 million (Sub Limit of SLC) (2024: Rs. 4,000 million), FATR amounting to Rs. 1,150 million (2024: Rs. 1,150 million), STF of Rs. 1,150 million (2024: Rs. 1,150 million) (sublimit of FATR), running finance of Rs. 200 million (sublimit of FATR) (2024: Rs. 200 million), bank guarantee of Rs. 13.5 million (2024: Rs. 13.5 million) (sublimit of FATR) and STF II of Rs. 2,000 million (2024: Rs. 1,000 million).

These facilities are inter-changeable with wholly owned subsidiary of the Company. The rate of markup on funded facilities is 3 months KIBOR + 2% (2024: 3 months KIBOR + 2%). The markup rate charged during the year on the outstanding balance ranged from 13.14% to 23.22% (2024: 22.24% to 25.14%) per annum.

These facilities are secured against mortgage of residential properties belonging to sponsors and shareholders having fair market value amounting to Rs. 187.55 million (2024: Rs. 187.55 million) and investment property of subsidiary having fair market value amounting 1,713 million, Joint pari passu charge of amounting 3,700 million (2024: Rs. 3,700 million) over all present and future current assets and personal guarantees of all directors of the Company.

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- 24.3 This represents the utilized portion of working capital facilities for Funds against trust receipt (FATR/STF) amounts to Rs. 1,867.51 million (2024: Rs. 639 million), total limit of facility for sight-letter of credit (SLC) amounting to Rs. 2,500 million (2024: Rs. 25,000 million), running finance facility of Rs. 560 million (2024: Rs. 560 million) (sublimit of FATR), STF of 640 Million also interchangeable with wholly owned subsidiary Select Technologies (Private) Limited. The rate of mark up on funded facilities is 3 months KIBOR + 1%(RF) & 3 months KIBOR + 2% (FATR) (2024: 3 months KIBOR + 1% (RF) & 3 months KIBOR + 2% (FATR). The markup rate charged during the year on the outstanding balance ranged from 13.14% to 22.22% (2024: 22.24% to 25.14%) per annum.

These facilities are secured against mortgage of residential properties belonging to sponsors and shareholders having fair market value amounting to Rs. 264 million (2024: Rs. 513 million) and pari passu / joint pari passu charge over current assets of Rs. 5,500 million (2024: Rs. 5,500 million), Joint pari passu Charge on Plant and machinery of Air Link Communication limited Rs. 940 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 (2024: Rs. 7,800 million) and cross corporate guarantees.

- 24.4 This represents the utilized portion of working capital facilities for Import Murabah amounts to Rs. 60 million (2024: Rs. 407 million), total limit of facility for sight-letter of credit (SLC) amounting Rs. 1,200 million (2024: Rs. 1,200 million), shipping guarantee of Rs. Nil (2024: Rs. 1,200 million), shipping guarantee (sublimit of SLC-II) of Rs. Nil (2024: Rs. 800 million) and import Murabaha / Istisna cum Wakala of Rs. 800 million (2024: Rs. 800 million) and Running Musharakah of Rs. Nil (2024: Rs. 800 million) (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 14.60% to 23.43% (2024: 23.54% to 25.64%) per annum.

These facilities are interchangeable with wholly owned subsidiary the Company and secured against Joint pari passu 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. It also comprises personal guarantees of directors of the company and cross corporate guarantee of the wholly owned subsidiary Select Technologies (Private) Limited.

- 24.5 This represents the utilized portion of working capital facility for Short Term Finance amounting to Rs. 378 million (2024: Rs. 106 million), total limit of facility for letter of credit (sight) amounts to Rs. 1,500 million (2024: Rs. 500 million), shipping guarantees of Rs. 900 million (2024: Rs. 500 million) sublimit of letter of credit (sight)) and short term finance of Rs. 1,000 million (2024: Rs. 500 million) (sublimit of letter of credit (sight)). The rate of mark up on funded facilities is 1 month KIBOR + 1.95% (2024: 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. 666.67 million (2024: Rs. 334 million) over all present and future current assets of the Company, TDR covering 50% of outstanding exposure at all times."

- 24.6 This represents the utilized portion of working capital facilities for Funds against trust receipt Local Murabaha amounts to Rs. Nil (2024: Rs. 1,000 million), total limit of funded line Local Murabaha amounts to Rs. 1,000 million (2024: Rs. Nil). The rate of mark up on funded facilities is relevant KIBOR + 2%. The markup rate charged during the year on the outstanding balance ranged from 14.70% to 22.14% per annum (2024: 23.04% to 25.14%).

These facilities are secured against TDR with 40% cash collateral, joint pari passu (Joint Pari passu) charge of 1,000 million on current asset, Joint Pari passu charges of Rs. 1,067 million on fixed assets of Select Technologies (Private) Limited and Joint Pari passu charge of Rs. 400 million on plant and machinery on fixed assets of Air Link Communication Limited.

- 24.7 This represents the utilized portion of working capital facilities for short term finance facility amounts to Rs. 2,000 million (2024: Rs. Nil), total limit of SLC amounts to Rs. 2,250 million (2024: Rs. Nil), the short term finance facility (sub-limit of SLC) to Rs. 2,000 million (2024: Rs. Nil). The rate of mark up on funded facilities is relevant KIBOR + 2.25%. The markup rate charged during the year on the outstanding balance ranged from 14.43% to 17.15% per annum.

These facilities are secured against TDRs, Joint pari passu charge of Rs. 667 million on current assets of Air Link Communication Limited and ranking charge of Rs. 667 million on fixed assets of Select Technologies (Private) Limited.

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- 24.8 Represents the utilized portion of working capital facilities for Istisna facility amounts to Rs. 300 million (2024: Rs. Nil), total limit of Istisna facility amounts to Rs. 300 million (2024: Rs. Nil), SLC (sub-limit of Istisna) to Rs. 300 million (2024: Rs. Nil). The rate of mark up on funded facilities is respective KIBOR + 1.25%. The markup rate charged during the year on the outstanding balance ranged from 12.40% to 13.67% per annum.

These facilities are secured against TDRs and Joint Pari passu charge of 200 million on current assets of Air Link Communication Limited and personal guarantees of directors of the company.

- 24.9 Represents the utilized portion of working capital facilities for Istisna facility amounts to Rs. 1,500 million (2024: Rs. Nil), total limit of SLC under Murabaha amounts to Rs. 1,500 million (2024: Rs. Nil) and shipping guarantee (sub-limit of SLC) to Rs. 1,500 million (2024: Rs. Nil). The rate of mark up on funded facilities is relevant KIBOR + 1.75%. The markup rate charged during the year on the outstanding balance ranged from 12.64% to 13.78% per annum.

These facilities are secured against TDRs, Joint pari passu charge of Rs. 2,000 million on current assets and fixed assets of Air Link Communication Limited and personal guarantees from all directors of the company.

- 24.10 Represents the utilized portion of working capital facilities for istisna and import murabaha facility amounts to Rs. 2,050 million (2024: Rs. Nil), total limit of SLC under Murabaha amounts to Rs. 1,400 million (2024: Rs. Nil), Istisna facility (sub-limit of import murabaha) to Rs. 1,400 million (2024: Rs. Nil) SLC to Rs. 2,000 million (2024: Rs. Nil) and shipping guarantee of Rs. 2,000 million (2024: Rs. Nil).

These facilities are interchangeable with the wholly owned subsidiary Select Technologies (Private) Limited. The rate of mark up on funded facilities is respective KIBOR + 2% p.a. The markup rate charged during the year on the outstanding balance ranged from 13.62% to 16.25% per annum.

The facilities are secured through ranking charges over current assets of both Air Link Communication Limited and Select Technologies (Private). Limited amounting to Rs. 1,334 million each, ranking and Joint Pari passu charges over fixed assets of Select Technologies aggregating Rs. 1,000 million, a commercial property valued at Rs. 483 million and cross corporate guarantees between Air Link Communication Limited and Select Technologies (Private) Limited.

- 24.11 Represents the utilized portion of working capital facilities for short term finance facility amounting to Rs. 600 million (2024: Rs. Nil), total limit of STF amounts to Rs. 600 million (2024: Rs. Nil). The rate of mark up on the facility is 3 month KIBOR + 2.25%. The markup rate charged during the year on the outstanding balance ranged from 13.62% to 17.23% per annum.

These facilities are secured against TDRs, Joint Pari passu charge of Rs. 827 million on present and future fixed assets of Air Link Communication Limited, ranking charge of Rs. 600 million and personal guarantees from all directors of the company.

- 24.12 Represents the utilized portion of working capital facilities for cash finance facility amounting to Rs. 564 million (2024: Rs. Nil), total limit of cash finance facility amounts to Rs. 1,000 million (2024: Rs. Nil). The rate of mark up on the facility is 3 month KIBOR + 2.25%. The markup rate charged during the year on the outstanding balance ranged around 13.38% per annum.

These facilities are secured against pledged stock, Joint Pari passu charge on fixed assets of Company, ranking charge of Rs. 350 million and personal guarantees from all directors of the company.

25 ACCRUED MARKUP

	Note	2025 Rupees	2024 Rupees
Long term loans	20	33,069,990	38,648,400
Short term borrowings	24	462,295,744	279,505,809
		495,365,734	318,154,209

26 CURRENT PORTION OF NON CURRENT LIABILITIES

Long term loans	20	200,000,000	330,000,000
Lease liabilities	21.1	113,042,552	43,576,203
		313,042,552	373,576,203

27 CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

- 27.1.1 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 unconsolidated financial statements.
- 27.1.2 The Company has challenge the super tax matter pertaining to tax year 2018 and 2019 before the Honourable Lahore High Court vide reference no. 3150 and 3148 respectively. The matter is Still subjudice before the Honourable Court, but no decision has been made by the Honourable Court, The potential impact of Super tax in case of unfavourable decision might be Rs. 49.720 million. However, the legal counsel fully believes positive outcome due to "Final tax Regime Basis" being commercial importer before tax year 2019.

27.2 Commitments

Letters of credit and Bank Guarantees	2,196,043,648	2,087,587,890
Commitment relating to construction of Sundar Industrial Estate and MM tower amounting to Rs. 1,305.44 million (2024: Nil).		

28 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

Sales - Local	62,288,252,474	58,518,523,757
Service income	70,711,201	56,342,461
Gross sales	62,358,963,675	58,574,866,218
Less: Sales tax	(2,004,716,624)	(44,363,419)
	60,354,247,051	58,530,502,799
Less: Discount	(4,218,825,983)	(2,248,084,002)
	56,135,421,068	56,282,418,797

Geographical region:	Note	2025 Rupees	2024 Rupees
Pakistan		62,358,963,675	58,574,866,218
Timing of transfer of goods and services:			
At a point in time		62,358,963,675	58,574,866,218
Contract balances			
Trade debt		5,810,920,561	3,527,099,204
Contract liabilities	28.1	403,138,941	578,399,044

- 28.1 This represents the liability recognized in respect of consideration received from customers before the satisfaction of performance obligation. Revenue recognized in the reporting period that was included in the contract liabilities balance at the beginning of the year amounts to Rs. 578.399 million (2024: Rs.1,671.813 million). The balance of contract liability as at June 30, 2025 is expected to be recognized as revenue within one year.

29 COST OF REVENUE

Raw material consumed	29.1	9,656,809,700	17,519,716,540
Salaries, wages and benefits	29.2	468,263,335	117,215,700
Regulatory duty		238,983,417	321,882,946
Sales tax on mobiles		-	25,699,606
Clearing charges		67,757,003	109,059,108
Depreciation	6.5	31,306,569	25,487,447
Travelling		42,133,142	28,751,640
Fee		75,678,951	35,704,827
Utilities		29,152,624	14,637,989
Insurance		2,447,924	5,338,320
Amortization	7.2	930,821	955,545
Domestic carriage		12,865,958	7,263,500
		10,626,329,444	18,211,713,168
Increase in work-in-process		85,254,267	(212,914,352)
Cost of goods assembled		10,711,583,711	17,998,798,816
Increase in finished goods		(2,597,224,877)	(1,374,977,272)
Cost of goods sold - Own assembled		8,114,358,834	16,623,821,544
Cost of goods sold - Imported for resale		133,865,664	-
Cost of goods sold - Purchased locally for resale		41,025,821,711	33,964,344,740
		49,274,046,209	50,588,166,284
29.1 As at July 01,		1,093,586,717	523,026,325
Purchases during the year		9,021,381,360	18,090,276,932
		10,114,968,077	18,613,303,257
As at June 30,		(458,158,377)	(1,093,586,717)
Raw material consumed		9,656,809,700	17,519,716,540

29.2 This includes the share of expenses allocated from its wholly owned subsidiary amounting to Rs. 253.821 million.

30 ADMINISTRATIVE EXPENSE

	Note	2025 Rupees	2024 Rupees
Salaries wages and benefits	30.1	394,398,977	318,631,437
Depreciation	6.5	54,786,496	44,603,032
Insurance		27,417,592	22,032,275
Legal and professional		13,633,021	10,882,245
Repair and maintenance		32,595,913	30,697,648
Fees and subscription		96,313,941	45,442,506
Utilities		24,609,263	12,319,068
Office expense		16,632,858	13,815,285
Security service charges		26,367,285	16,068,272
Traveling and conveyance		40,831,385	31,235,382
Entertainment		57,816,031	58,250,449
Vehicle running expense		19,321,831	10,066,637
Postage and telephone		5,364,802	2,897,176
Amortization	7.2	1,628,938	1,672,203
Printing and stationary		4,989,195	2,713,761
Auditors' remuneration	30.2	6,555,000	5,580,000
Allowance for expected credit loss - trade debts		3,091,647	(6,738,456)
Charity and donation	30.3	54,392,679	50,406,140
Miscellaneous expense		24,280,599	1,780,842
		905,027,453	672,355,902

30.1 Salaries, wages and benefits include Rs. 14.98 million (2024: Rs. 9.18 million) in respect of gratuity

30.2 Breakup of auditors' remuneration is as follows:

Annual audit fee	4,255,000	3,000,000
Review of condensed interim financial statements	920,000	800,000
Certificates and other assurance engagements	1,020,000	1,580,000
Out of pocket expense	360,000	200,000
	6,555,000	5,580,000

30.3 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.

Million Smiles Foundation	-	6,000,000
Junior Leaders School	5,500,000	
Sunder Stem School	18,950,000	-
Sweet Affairs	2,175,000	-
Support for family of ex-employee (Late Riaz Noor)	-	1,800,000
Customs Health Care Society	-	5,100,000
APWA Rana Liaqat Craftman's Colony Welfare Project	18,000,000	10,500,000
	44,625,000	23,400,000

	Note	2025 Rupees	2024 Rupees
31 SELLING AND DISTRIBUTION COSTS			
Salaries, wages and benefits	31.1	175,806,333	136,601,021
Freight outward		2,569,370	3,309,321
Advertisement and promotions		11,153,942	8,080,924
Depreciation	6.5	70,439,781	57,346,755
Travelling and conveyance		32,220,514	17,720,113
Packing expense		340,599	1,456,371
Amortization	7.2	2,094,348	2,149,976
Utilities		8,451,769	30,895,204
Insurance		12,891,273	-
Postage and communication		52,437,873	61,392,443
		368,405,802	318,952,128

31.1 Salaries, wages and benefits include Rs. 14.98 million (2024: Rs. 9.18 million) in respect of gratuity fund.

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32 OTHER INCOME

Profit on investments		97,309,917	100,113,210
Profit on savings accounts		125,267,815	-
Markup income on loan given to subsidiary		505,934,110	40,291,966
Gain on disposal of operating fixed assets		20,653,741	-
		749,165,583	140,405,176

33 OTHER EXPENSE

Provision for Workers' Welfare Fund	23.1	19,172,418	67,259,315
Provision for Workers' Profit Participation Fund	23.2	120,026,120	176,998,199
Increase in provision for slow moving and obsolete stock	11.1	11,083,090	16,446,694
Loss on disposal of term finance certificate		-	44,459,531
Loss on disposal of operating fixed asset		-	22,931,316
Investment in mutual funds written off		-	301,300
		150,281,628	328,396,355

34 FINANCE COST

	Note	2025 Rupees	2024 Rupees
Bank charges		111,314,870	99,436,780
Interest / markup on:			
-Short term borrowings		1,816,630,668	987,479,479
-Long term loans		82,176,385	183,218,116
-Lease liabilities		44,635,060	16,797,590
-Workers' Profit Participation Fund		-	16,453,721
		2,054,756,983	1,303,385,686

35 TAXATION

Current tax:			
Current	35.2	796,421,966	520,299,024
Prior		7,088,306	(194,531,375)
		803,510,272	325,767,649
		(132,747,827)	(173,541,908)
		670,762,445	152,225,741
Current tax liability for the year as per the Ordinance		803,510,272	325,767,649
Portion of current tax liability as per tax laws, representing income tax under IAS 12		(803,510,272)	(325,767,649)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37		-	-
		-	-

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35.1 Reconciliation between tax expenses and accounting profit

Accounting profit before taxation		4,132,068,576	3,211,567,618
Tax at applicable tax rate of 29% (2024: 29%)		1,198,299,887	931,354,609
Tax effect of:			
Expenses not allowed for tax		50,309,549	97,299,819
Deductible expenses		(30,781,763)	(17,718,615)
Income not allowed for tax		-	(6,738,456)
Deferred tax		(132,747,827)	(173,541,908)
Prior years tax		7,088,306	(194,531,375)
Tax credits under section 65(D) for the year	35.2	(495,344,849)	(617,308,339)
Alternative corporate tax		(103,682,654)	-
Super tax at rate of 10%		177,621,796	133,410,006
Tax expense for the year		670,762,445	152,225,741

- 35.2 This includes adjustment of tax credit amounting to Rs. 495 million (2024: Rs. 617 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 2023. 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.

36 EARNINGS PER SHARE - BASIC AND DILUTED

Note	2025 Rupees	2024 Rupees
Profit attributable to ordinary equity holders for basic earnings	<u>3,461,306,131</u>	<u>3,059,341,877</u>
	Numbers	Numbers
Weighted average number of ordinary shares adjusted for the effect of dilution	<u>395,269,231</u>	<u>395,269,231</u>
	Rupees	Rupees
Earning per share - basic and diluted	<u>8.757</u>	<u>7.740</u>

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37 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 unconsolidated financial statements. Significant transactions with related parties other than those disclosed elsewhere in the unconsolidated financial statements are as follows:

Name of related party	Nature of transaction	Rupees	Rupees
Select Technologies (Private) Limited - a Subsidiary Company	Expenses paid on behalf of the Subsidiary	54,080,003,503	80,720,741,345
	Expenses reimbursed by the Subsidiary	54,184,875,694	78,869,949,680
	Expenses paid by the Subsidiary on behalf of the Company	37,315,202,417	55,944,922,691
	Expenses reimbursed by the Company	37,315,202,417	55,944,922,691
	Purchase of TVs from the Subsidiary	666,876,685	-
	Markup income	505,934,110	40,291,966
	Outstanding balance as at June 30,		
	Receivable from the Subsidiary	4,125,171,168	3,798,653,654

38 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	Rupees					
Managerial remuneration	54,086,400	54,837,600	25,149,144	10,761,188	309,803,424	240,212,437
Gratuity	10,577,153	5,293,941	9,972,567	2,424,424	52,011,026	25,878,887
Medical allowance	3,513,600	3,562,400	1,633,764	699,072	20,125,584	15,604,745
Bonus	-	5,000,000	14,375,000	778,067	-	19,525,785
	68,177,153	68,693,941	51,130,475	14,662,751	381,940,034	301,221,854
Number of persons	1	1	4	4	113	85

The Chief Executive Officer is provided with company-maintained car. No remuneration is paid to directors other than Chief Executive Officer and one executive director. Meeting fee amounts to Rs. 2.5 million (2024: Rs. 2.5 million) are paid to 3 (2024: 3) independent Directors. Some executives have been provided with company maintained vehicles and are also entitled to fuel allowances.

39 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 investment 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:

39.1 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 June 30, 2025 and June 30, 2024.

39.1.1 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:

	2025 Rupees	2024 Rupees
Financial Assets - Fixed rate instruments		
Short term investments	1,099,000,000	600,000,000
Bank Balances - Saving Accounts	1,013,264,356	
	<u>2,112,264,356</u>	<u>600,000,000</u>
Financial Liabilities - Variable rate instruments		
Long term loans	400,000,000	630,000,000
Short term borrowings	18,413,703,494	6,287,760,506
Lease Liabilities	484,352,173	149,984,131
	<u>19,298,055,667</u>	<u>7,067,744,637</u>

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.

Increase / decrease in basis points	+ / - 1000	+ / - 1000
Effect on profit before tax	1,929,805,567	706,774,464

39.1.2 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.

39.1.3 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.

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39.2 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:

Trade debts - Unsecured	5,810,920,561	3,527,099,204
Other receivables	4,078,709,428	2,444,684,882
Loans and advances	102,364,235	48,146,245
Short term investments	1,108,404,318	621,195,618
Bank balances	2,882,399,294	1,210,957,695
	<u>13,982,797,836</u>	<u>7,852,083,644</u>

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:

		Exposure at default	Expected credit loss	Expected credit loss rate
		Rupees	Rupees	
39.2.1 Trade Debts				
June 30, 2025				
Not due	[A]	3,422,731,975	-	0.00000%
Past due:				
1-30 days		740,330,494	1,945,878	0.26%
31-60 days		554,227,687	1,074,233	0.19%
61-90 days		416,576,906	1,650,392	0.40%
91-120 days		656,163,527	6,233,654	0.95%
Above 120 days		32,330,295	536,167	1.66%
	[B]	2,399,628,909	11,440,324	
	[A+B]	<u>5,822,360,884</u>	<u>11,440,324</u>	
June 30, 2024				
Not due	[A]	2,569,134,062	1,497,890	0.06%
Past due:				
1-30 days		303,102,546	1,354,644	0.45%
31-60 days		310,349,641	258,959	0.08%
61-90 days		9,055,172	260,464	2.88%
91-120 days		285,457,553	103,103	0.04%
Above 120 days		58,348,906	4,873,616	8.35%
	[B]	966,313,818	6,850,786	
	[A+B]	<u>3,535,447,880</u>	<u>8,348,676</u>	

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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 information about the credit risk exposure on the Company's trade debts using a provision matrix is given above.

39.2.2 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.

Financial institution	Ratings		
	Agency	Short Term	Long term
Bank balances			
Allied Bank Limited	PACRA	AAA	A1+
Askari Bank Limited	PACRA	A1+	AA+
Bank Alfalah Limited	PACRA	A1+	AAA
Bank AL Habib Limited	PACRA	A1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	AA-
Dubai Islamic Bank Pakistan Limited	VIS	A1+	AA
Faysal Bank Limited	PACRA	A1+	AA
JS Bank Limited	PACRA	A1+	AA
Meezan Bank Limited	VIS	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
Sindh Bank Limited	VIS	A1+	AA-
Soneri Bank Limited	PACRA	A1+	AA-
Standard Chartered Bank	PACRA	A1+	AAA
Bank Makramah Limited (formerly: Summit Bank Limited)	VIS	A-3	BBB-
The Bank of Khyber	VIS	A1	AA-
The Bank of Punjab	PACRA	A1+	AA+
United Bank Limited	VIS	A1+	AAA
Habib Bank Limited	VIS	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Industrial and Commercial Bank of China	Fitch	A	F1+
NBP Islamic	PACRA	A1+	AAA
Saudi Pak Investment Company	VIS	A1+	AAA

39.2.3 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.

39.3 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 but less than five years	After five years
Rupees					

June 30, 2025

Financial liabilities

Long term loans	400,000,000	400,000,000	-	2 00,000,000	2 00,000,000	-
Lease liabilities	484,352,173	632,893,828	-	177,427,695	451,706,768	3,759,365
Short term borrowings	18,413,703,494	18,413,703,494	-	18,413,703,494	-	-
Trade and other payables	45,706,225	886,230,046	-	886,230,046	-	-
Accrued markup	495,365,734	495,365,734	-	495,365,734	-	-
	19,839,127,626	20,828,193,102	-	20,172,726,969	651,706,768	3,759,365

June 30, 2024

Financial liabilities

Long term loans	630,000,000	630,000,000	-	330,000,000	300,000,000	-
Lease liabilities	149,984,131	208,284,375	-	64,391,529	128,992,653	14,900,193
Short term borrowings	6,287,760,506	6,287,760,506	-	6,287,760,506	-	-
Trade and other payables	121,857,500	961,887,150	-	961,887,150	-	-
Accrued markup	318,154,209	318,154,209	-	318,154,209	-	-
	7,507,756,346	8,406,086,240	-	7,962,193,394	428,992,653	14,900,193

39.4 Changes in liabilities arising from financing activities

As at July 01,	Cash flows	Additions	Others	As at June 30,
Rupees				

2025

Long term loans	630,000,000	(230,000,000)	-	-	400,000,000
Lease liabilities	149,984,131	(143,805,806)	433,538,788	44,635,060	484,352,173
Short term borrowings	6,287,760,506	-	12,125,942,988	-	18,413,703,494
Accrued markup	318,154,209	(1,690,962,923)	1,943,442,113	(75,267,665)	495,365,734
	7,385,898,846	(2,064,768,729)	14,502,923,889	(30,632,605)	19,793,421,401

2024

Long term	978,282,214	(348,282,214)	-	-	630,000,000
Lease liabilities	168,120,306	(115,872,307)	80,938,642	16,797,590	149,984,131
Short term borrowings	2,627,254,146	(453,535,177)	3,660,506,360	-	6,287,760,506
Accrued	102,622,746	(97,963,722)	-	99,092,911	318,154,209
	3,876,279,412	(1,889,653,420)	3,741,445,002	115,890,501	7,385,898,846

39.5 Financial instruments by categories

2025

Financial assets

	At fair value through OCI	At fair value through profit or loss	At amortized cost	Total
Rupees				
Trade debts - unsecured	-	-	5,810,920,561	5,810,920,561
Long term deposits	-	-	30,609,746	30,609,746
Loans and advances	-	-	4,191,226,005	4,191,226,005
Short-term investments	-	-	1,108,404,318	1,108,404,318
Bank balances	-	-	2,882,399,294	2,882,399,294
	-	-	14,023,559,924	14,023,559,924

2025**Financial Liabilities**

Long term loans
Trade and other payables
Short-term borrowings

At fair value through OCI	At fair value through profit or loss	At amortized cost	Total
Rupees			
-	-	400,000,000	400,000,000
-	-	45,706,225	45,706,225
-	-	18,413,703,494	18,413,703,494
-	-	18,859,409,719	18,859,409,719

2024**Financial assets****Debt instruments at amortized cost**

Trade debts - unsecured
Long term deposits
Loans and advances
Short-term investments
Bank balances

At fair value through OCI	At fair value through profit or loss	At amortized cost	Total
Rupees			
-	-	3,527,099,204	3,527,099,204
-	-	7,454,250	7,454,250
-	-	3,821,363,786	3,821,363,786
-	-	621,195,618	621,195,618
-	-	1,210,957,695	1,210,957,695
-	-	9,188,070,553	9,188,070,553

Financial Liabilities

Long term loans
Trade and other payables
Short-term borrowings

At fair value through OCI	At fair value through profit or loss	At amortized cost	Total
Rupees			
-	-	630,000,000	630,000,000
-	-	121,857,500	121,857,500
-	-	6,287,760,506	6,287,760,506
-	-	7,039,618,006	7,039,618,006

40 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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 carrying amounts of all assets and liabilities reflected in these financial statements approximate to their fair value.

The following table shows assets recognized at fair value, analyzed between those whose fair value is based on:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of the reporting date, the Company does not have any assets and liabilities carried at fair value that required categorization in Level 1, Level 2 and Level 3.

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41 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company'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

Short term borrowings

Cash and cash equivalent

Short term investments

Net debt

Total equity

Total capital

Capital gearing ratio

2025 Rupees	2024 Rupees
400,000,000	630,000,000
18,413,703,494	6,287,760,506
(3,907,827,965)	(1,219,456,144)
1,108,404,318	621,195,618
16,014,279,847	6,319,499,980
14,443,952,244	13,555,794,519
30,458,232,091	19,875,294,499
53%	32%

42 CAPACITY AND PRODUCTION

Cell phones

- Maximum capacity
- Actual production

2025 Number of handsets	2024 Number of handsets
1,200,000	1,200,000
785,039	652,421

- 42.1 The Company has not yet reached its maximum production capacity, as the optimal market demand has not been achieved. This shortfall is primarily due to the depreciation of the rupee against foreign currencies, which has led to an increase in the prices of mobile phones. Consequently, the purchasing power of consumers has diminished.

43 NUMBER OF EMPLOYEES

As at reporting date:

Permanent staff

Outsourced factory staff

Average during the year

2025 Number	2024 Number
252	213
419	177
671	390
531	291

300

44 OPERATING SEGMENT INFORMATION

	Distribution and Retail		Assembly		Total	
	2025	2024	2025	2024	2025	2024
	-----Rupees-----					
Revenue						
-External customer	44,353,296,911	36,396,139,453	11,782,124,157	19,886,279,344	56,135,421,068	56,282,418,797
-Inter-segment	-	-	-	-	-	-
	44,353,296,911	36,396,139,453	11,782,124,157	19,886,279,344	56,135,421,068	56,282,418,797
Cost of sales						
-External customer	(39,873,751,291)	(33,508,767,561)	(9,400,294,918)	(17,079,398,723)	(49,274,046,209)	(50,588,166,284)
-Inter-segment	-	-	-	-	-	-
Gross profit	4,479,545,620	2,887,371,892	2,381,829,239	2,806,880,621	6,861,374,859	5,694,252,513
Administrative expenses	(714,969,947)	(277,876,072)	(190,057,506)	(394,479,830)	(905,027,453)	(672,355,902)
Selling and distribution cost	(291,035,235)	(230,504,781)	(77,370,567)	(88,447,347)	(368,405,802)	(318,952,128)
Operating profit	3,473,540,438	2,378,991,039	2,114,401,166	2,323,953,444	5,587,941,604	4,702,944,483
Other income	-	34,955,885	749,165,583	105,449,291	749,165,583	140,405,176
Other expenses	(118,722,486)	(225,027,852)	(31,559,142)	(103,368,503)	(150,281,628)	(328,396,355)
Finance cost	(1,623,258,017)	(848,396,911)	(431,498,966)	(454,988,775)	(2,054,756,983)	(1,303,385,686)
Profit before taxation	1,731,559,935	1,340,522,161	2,400,508,641	1,871,045,457	4,132,068,576	3,211,567,618
Taxation	(433,644,615)	(152,225,741)	(237,117,830)	-	(670,762,445)	(152,225,741)
Profit for the year	1,297,915,320	1,188,296,420	2,163,390,811	1,871,045,457	3,461,306,131	3,059,341,877
	3,461,306,131					
Segment assets	34,668,086,960	23,103,740,582	3,785,264,058	1,032,852,909	38,453,351,018	24,136,593,491
Segment liabilities	(22,032,448,129)	6,505,427,783	(1,357,653,708)	(6,911,835,711)	(23,390,101,837)	(406,407,928)
Capital expenditure	351,045,091	141,043,371	155,462,113	4,019,294	506,507,204	145,062,665

44.1 GEOGRAPHICAL INFORMATION

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

Pakistan

56,135,421,068 56,282,418,797

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

44.2 Revenue from none of the customers (2024: Nil customers) of the Company represents more than 10% of the Company's total revenue.

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

45 SHARIAH COMPLIANCE DISCLOSURE

Following information has been disclosed with the reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to all shares Islamic Index.

Description

Explanation

Short term investments	Term Deposit Receipts
Bank balances	Bank Balances
Short term borrowings	Short term facilities
Shariah compliant Sukuk	Interest bearing

550,000,000	400,000,000
613,494,952	354,164,128
2,410,000,000	1,407,399,034
7,000,000,000	-

Relationship with banks having Islamic windows

Institution Name

Region

Nature of transactions

Faysal Bank	Pakistan	Term Deposit Receipts
NBP Islamic	Pakistan	Term Deposit Receipts
Dubai Islamic Bank	Pakistan	Savings Account
NBP Islamic	Pakistan	Bank Balances
Faisal Bank	Pakistan	Bank Balances
Bank Islami	Pakistan	Bank Balances
Bank Islami	Pakistan	Istisna and import murabaha facility
NBP Islamic	Pakistan	Istisna facility
Faysal Bank	Pakistan	Local Murabaha facility
Dubai Islamic Bank	Pakistan	Import Murabaha
Mutual Funds	Pakistan	Shariah compliant Sukuk

46 SUBSEQUENT EVENT

- 46.1 The Board of Directors in their meeting held on September 29, 2025 have proposed a final cash dividend for the year ended June 30, 2025 of Rs. 4.50 per share (2024: Rs. 4 per share), amounting to Rs. 1,778,711,540 (2024: Rs. 1,581.076 million) for approval of the members at the Annual General Meeting to be held on October 22, 2025. These unconsolidated financial statements do not reflect this dividend.

47 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for better presentation. However no significant rearrangement or reclassification has been made.

Description	From	To	Amount in Rs.
Statement of Profit or loss			
Salaries, wages and other benefits	Administrative expense	Cost of sales	74,537,508
Travelling	Administrative expense	Cost of sales	28,751,640
Fee and Subscription	Administrative expense	Cost of sales	35,704,827

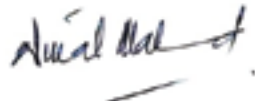
48 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized by Board of Directors on September 29, 2025.

49 GENERAL

Figures have been rounded off to the nearest rupees, unless stated otherwise.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIR LINK COMMUNICATION LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Air Link Communication Limited** and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policies information 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 June 30, 2025, and 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 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:

S. No	Key audit matters	How the matters were addressed in our audit
1.	Stock in trade	
	As described in Note 10 to the consolidated financial statements, the Group's stock in trade includes items of raw-materials, raw-materials in transit against which the rights and obligations have been transferred to the Group, work in process and the finished good items as at reporting date amounting to Rs. 18,952.06 million as compared to Rs. 8,109.46 million, which constitutes a significant portion of the Group's total assets.	Our audit procedures in relation to the matter, amongst others, included the following: Obtained an understanding of the Group's processes and design and implementation of internal controls relating the purchase and recording on inventory and on a sample basis, testing the effectiveness of those controls, particularly in relation to timing and recording on inventory;

S. No	Key audit matters	How the matters were addressed in our audit
	We identified this area as a key audit matter given the complexity associated with the multiple stages of assembling, production, and distribution of mobile phones, accessories, and allied products.	- Observed physical inventory count procedures and compared on a sample basis, physical count with inventory sheets; - Evaluated the effectiveness of the Group's internal controls over inventory management across various stages of production. This included performing ITAC testing to ensure that overhead costs were properly allocated, and inventory was recorded and issued at accurate moving average rates. Verified that stock issuance rates were correctly calculated and that inventory was appropriately valued; - Performed substantive analytical procedures to reconcile stock issuance as per stock movement records with the amounts recorded in the trial balances. This involved investigating any discrepancies, including those related to interdepartmental issuances, and ensuring that consumption is accurately reflected in the financial statements; - Performed procedures related to purchases cut-off to ensure that recorded purchases were of the relevant period and ensured that inventory were properly allocated to the correct accounting period. - Checked the provision for slow moving stock as at the year end and assessed whether it is in accordance with the relevant accounting and reporting standards; and - Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and financial reporting standards.

S. No	Key audit matters	How the matters were addressed in our audit
2.	Revenue Recognition	
	As described in Notes 5.12 and 28 to the Consolidated financial statements, the Group generates revenue from sale of a diverse range of products and services, including cellular mobile phones, tablets, accessories, allied products, and related repair services. During the year ended June 30, 2025, the Group generated net revenue of Rs. 104,379.10 million, compared to Rs. 129,742.41 million in the previous year. The revenue recognition is identified as a key audit matter due to revenue being one of the key performance indicators of the Group and raises the risk that revenue could be misstated to meet targets.	Our audit procedures amongst others included the following: • Obtained an understanding of the Group's processes and design and implementation of internal controls relating to revenue recognition, credit control processes (credit limits), discount policies and on a sample basis, testing the effectiveness of those controls, particularly in relation to revenue recognition and timing; • Evaluated the appropriateness of the Group's revenue recognition policies and procedures to ensure compliance with International Financial Reporting Standards (IFRS) as applicable in Pakistan; • Checked IT general controls and application controls for effectiveness in processing revenue transactions; • Performed test of controls on identified controls to ensure that they are operating effectively; • Examined supporting documentation for a sample of sales transactions, which involved verifying sales orders, invoices, goods dispatch notes, gate passes and conducting additional detailed procedures; • Performed substantive analytical procedures to reconcile sales reported in the sales tax returns with those in the internal sales reports. This included comparing the figures, investigating any discrepancies, and ensuring that all sales were accurately recorded and properly reported for tax purposes; • Performed cut-off procedures on near year-end sales to ensure revenue has been recorded in the correct period; and

S. No	Key audit matters	How the matters were addressed in our audit
		Assessing the appropriateness and adequacy of the disclosures provided in Note 27 to the Consolidated financial statements in accordance with relevant accounting standards.

Information other than the Consolidated 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 consolidated financial statements and our 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 the accounting and reporting standards as applicable in Pakistan and the requirements of 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 are 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.





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Gulberg III, Lahore- 54660
Pakistan.

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 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 auditor's report is Sajjad Hussain Gill.

LAHORE

DATED: September 29, 2025

UDIN: AR202510087eyW14GTfM

BDO Ebrahim & Co.

**BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS**

Air Link Communication Limited

Consolidated Statement Of Financial Position

As at June 30, 2025

ASSETS

NON CURRENT ASSETS

Property, plant and equipment	6
Investment property	7
Intangible assets	8
Long term loans and deposits	9
Deferred tax asset	21

Note	2025 Rupees	2024 Rupees
6	11,088,666,474	8,334,755,859
7	1,935,770,352	1,401,500,000
8	2,658,275	7,445,148
9	105,818,317	37,572,751
21	326,854,998	191,615,119
	13,459,768,416	9,972,888,877

CURRENT ASSETS

Stores and spares	
Stock in trade	10
Trade debts	11
Loans and advances	12
Trade deposits, prepayments and other receivables	13
Tax refunds due from the Government	14
Short term investments	15
Cash and bank balances	16

	34,983,839	35,089,855
10	18,925,063,503	8,109,466,346
11	7,537,001,348	3,527,099,204
12	1,356,581,499	347,107,150
13	12,174,884,857	12,811,384,377
14	3,367,866,624	626,740,754
15	2,908,499,770	2,800,401,233
16	4,152,557,630	2,288,039,864
	50,457,439,070	30,545,328,783
	63,917,207,486	40,518,217,660

TOTAL ASSETS

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized share capital	
600,000,000 (June 30, 2024: 600,000,000)	
ordinary shares of Rs. 10 each	17.1

6,000,000,000	6,000,000,000
3,952,692,310	3,952,692,310
3,556,176,808	3,556,176,808
9,690,715,195	7,515,922,412
44,559,977	44,559,977
17,244,144,290	15,069,351,507

NON CURRENT LIABILITIES

Long term loans	19
Lease liabilities	20
Deferred tax liability	21
Defined benefit liability	22

	1,216,863,955	1,609,175,638
19		
	426,696,510	157,896,016
20		
	856,649,010	425,969,321
21		
	47,987,316	32,674,356
22		
	2,548,196,791	2,225,715,331

CURRENT LIABILITIES

Trade payables, accrued and other liabilities	23
Contract liabilities	
Short term borrowings	24
Accrued markup	25
Provision for taxation	
Current portion of non current liabilities	26
Unclaimed dividend	

	9,101,196,543	5,167,302,651
23		
	403,138,941	578,399,044
24	29,570,649,494	13,722,586,937
25	711,597,342	508,511,593
	2,012,509,321	1,531,025,380
	986,165,648	928,887,324
26		
	1,339,609,116	786,437,893
	44,124,866,405	23,223,150,822
	63,917,207,486	40,518,217,660

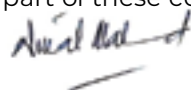
TOTAL EQUITY AND LIABILITIES

CONTINGENCIES AND COMMITMENTS

27

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER

 Bno
DIRECTOR

Air Link Communication Limited

Consolidated Statement Of Profit Or Loss
For The Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
Revenue from contracts with customers - net	28	104,379,101,499	129,742,418,267
Cost of revenue	29	(93,364,500,346)	(120,075,740,015)
Gross profit		11,014,601,153	9,666,678,252
Administrative expense	30	(1,102,025,347)	(854,469,658)
Selling and distribution costs	31	(368,405,803)	(318,952,128)
		(1,470,431,150)	(1,173,421,786)
Operating profit		9,544,170,003	8,493,256,466
Other income	32	883,137,308	562,833,588
Other expense	33	(276,697,182)	(479,422,336)
Finance cost	34	(3,944,423,730)	(2,974,132,186)
Profit before income tax and levy		6,206,186,399	5,602,535,532
Levy		-	-
Profit before income tax		6,206,186,399	5,602,535,532
Income tax	35	(1,458,245,210)	(977,037,427)
Profit for the year		4,747,941,189	4,625,498,105
Earnings per share			
- Basic and diluted	36	12.01	11.70

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Air Link Communication Limited

Consolidated Statement Of Comprehensive Income
For The Year Ended June 30, 2025

	2025 Rupees	2024 Rupees
Profit for the year	4,747,941,189	4,625,498,105
Items not to be reclassified to profit or loss in Subsequent years		
Re-measurement loss on defined benefit plan	(6,390,826)	(3,240,478)
Related tax effect	2,492,422	1,263,786
Re-measurement loss on defined benefit plan - net of tax	(3,898,404)	(1,976,692)
Items to be reclassified to profit or loss in subsequent years	-	-
Other comprehensive loss	(3,898,404)	(1,976,692)
Total Comprehensive income for the year	<u>4,744,042,785</u>	<u>4,623,521,413</u>

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Air Link Communication Limited

Consolidated Statement Of Changes In Equity

For The Year Ended June 30, 2025

Issued, subscribed and paid up capital	Reserves		Total
	Capital reserves	Revenue reserves	
Ordinary shares	Share premium	General reserves	Unappropriated profit
-----Rupees-----			

Balance as at July 01, 2023

Final dividend for the year ended June 30, 2023 at the rate of Rs. 2.5 per share
Interim dividend at the rate of Rs. 2 per share

Profit for the year
Other comprehensive loss for the year
Total comprehensive income for the year

Balance as at June 30, 2024

Final dividend for the year ended June 30, 2024 at the rate of Rs. 4 per share
Interim dividend at the rate of Rs. 2.5 per share

Profit for the year
Other comprehensive loss for the year
Total comprehensive income for the year

Balance as at June 30, 2025

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

3,952,692,310	3,556,176,808	44,559,977	4,671,112,539	12,224,541,634
-	-	-	(988,173,078)	(988,173,078)
-	-	-	(790,538,462)	(790,538,462)
-	-	-	4,625,498,105	4,625,498,105
-	-	-	(1,976,692)	(1,976,692)
-	-	-	4,623,521,413	4,623,521,413
3,952,692,310	3,556,176,808	44,559,977	7,515,922,412	15,069,351,507
-	-	-	(1,581,076,924)	(1,581,076,924)
-	-	-	(988,173,078)	(988,173,078)
-	-	-	4,747,941,189	4,747,941,189
-	-	-	(3,898,404)	(3,898,404)
-	-	-	9,690,715,195	4,744,042,785
3,952,692,310	3,556,176,808	44,559,977	9,690,715,195	17,244,144,290

BDO



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

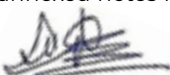
Air Link Communication Limited

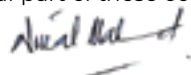
Consolidated Statement Of Cash Flows

For The Year Ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		6,206,186,399	5,602,535,532
Adjustments for non cash and other items:			
Depreciation on property, plant and equipment	6.4	540,199,871	436,758,339
Amortization on intangible assets	8	4,786,873	5,039,662
Impairment allowance for slow moving and obsolete stock	10.1	11,083,090	16,446,694
Allowance for expected credit loss - trade debts	11.1	3,091,647	(6,738,456)
Provision for gratuity	22.2	28,861,195	18,395,989
Provision for Workers' Welfare Funds (WWF)	33	40,710,782	98,736,900
Provision for Workers' Profit Participation Funds (WPPF)	33	224,903,310	296,546,595
Investment in mutual funds written off	33	-	301,300
Fair value gain on investment property		(310,645,190)	(50,741,536)
Rental Income		(63,162,462)	(51,574,546)
Finance cost	34	3,647,051,223	2,671,461,233
Gain on disposal of operating fixed assets	32	(20,653,741)	22,931,316
Loss on disposal of term finance certificate	33	-	44,459,531
Profit on investments	32	(470,625,684)	(460,517,506)
		3,635,600,914	3,041,505,515
Operating profit before working capital changes		9,841,787,313	8,644,041,047
Effect on cash flow due to working capital changes:			
(Increase) / decrease in current assets			
Stock in trade		(10,826,680,247)	(950,804,795)
Stores and spares		106,016	(14,132,991)
Trade debts		(4,012,993,791)	(806,438,542)
Loans and advances		(1,009,474,349)	1,377,578,435
Trade deposits, prepayments and other receivable		669,029,383	(6,818,479,280)
Tax refunds due from the Government		(2,531,749,465)	(315,507,455)
Increase / (decrease) in current liabilities			
Trade payables, accrued and other liabilities		3,668,279,800	(475,203,380)
Contract liabilities		(175,260,103)	(1,038,007,248)
		3,493,019,697	(1,513,210,628)
Cash used in operations		(4,376,955,443)	(396,954,209)
Finance cost paid		(3,357,585,466)	(2,361,232,241)
Gratuity paid		(19,939,061)	(16,092,018)
Long term loans and deposits - paid		(68,245,566)	-
WPPF Paid		(98,681,530)	-
Income tax paid		(816,371,111)	(50,067,611)
		(8,737,778,177)	(2,824,346,079)
Net cash used in operating activities			
CASH FLOW FROM INVESTING ACTIVITIES			
Additions in operating fixed assets		(1,264,264,300)	(182,051,110)
Additions in capital work in progress		(1,874,610,301)	(2,389,031,731)
Proceeds from disposal of operating fixed assets		97,643,486	74,750,000
Additions in intangible assets		-	(1,822,671)
Long term investment encashed		-	255,540,469
Rental income received		61,239,469	38,121,723
Interest income received		480,894,548	492,544,899
Short term investments - net		(149,000,000)	(999,500,000)
		(2,648,097,098)	(2,711,448,421)
Net cash used in investing activities			
CASH FLOW FROM FINANCING ACTIVITIES			
Lease liability repaid		(166,665,806)	(122,472,307)
Long term loans		(414,924,931)	(504,171,636)
Dividend paid		(2,016,078,779)	(1,154,760,696)
Short term borrowings - net		15,848,062,557	8,584,469,334
		13,250,393,041	6,803,064,695
Net cash generated from financing activities			
Net increase in cash and cash equivalents		1,864,517,766	1,267,270,195
Cash and cash equivalents at the beginning of the year		2,288,039,864	1,020,769,669
Cash and cash equivalents at the end of the year	16	4,152,557,630	2,288,039,864

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

Air Link Communication Limited

Notes To The Consolidated Financial Statements

For The Year Ended June 30, 2025

1. THE GROUP AND ITS OPERATIONS

1.1 The Company was incorporated in Pakistan on January 02, 2014 as a private limited company, 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 January 02, 2014 as a Private Limited Company, later on converted to a public limited Company on April 24, 2019, under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) having registered office at 152-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan. The Company is engaged in the business of import, export distribution, assembling of smart phones 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 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.

1.2.2 Select Technologies (Private) Limited - the Subsidiary

Select Technologies (Private) Limited (STPL), an unlisted public company registered under the Companies Act, 2017, is a wholly owned subsidiary of the Company. STPL 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.

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

BUSINESS UNIT	ADDRESS
Head Office	152-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan.
Assembling Facility	152-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan.
Assembling Facility - Capital Work in Progress	E2 and E3 Sundar Green Special Economic Zone.

BDO

Air Link Communication Limited

Notes To The Consolidated Financial Statements
For The Year Ended June 30, 2025

BUSINESS UNIT

ADDRESS

Samsung Retail Store	Shop No. LG-20, 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.
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	152-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan.
Assembling Facility	152-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan.

In addition to the above, the Company also operates 13 retails, 7 stores and 6 warehouses, the list of which is not presented in these unconsolidated financial statements to maintain concision.

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Air Link Communication Limited

Notes To The Consolidated Financial Statements

For The Year Ended June 30, 2025

3. BASIS OF PREPARATION

3.1 Statement of compliance

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) issued by the International Accounting Standards Board (IASB) as notified under the Companies act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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 and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Statement of compliance

These consolidated financial statements have been prepared under the historical cost convention except that investment property and defined benefits and are recognized on the basis mentioned in Note 5.4 and Note 5.13 respectively.

3.3 Functional and presentation currency

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

3.4 Significant accounting judgements, estimates and assumptions

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

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

	Note
Impairment of non financial assets	5.3.5
Lease liabilities	5.3.6
Fair value of investment property	5.4
Allowance for expected credit loss	5.8.1
Taxation	5.10

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Notes To The Consolidated Financial Statements
For The Year Ended June 30, 2025

4. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Group's operations or did not have significant impact on the consolidated financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current.	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	

4.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures.

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Notes To The Consolidated Financial Statements For The Year Ended June 30, 2025

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

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5. MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies applied are consistent with prior year.

5.1 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.

5.1.1 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.

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Notes To The Consolidated Financial Statements
For The Year Ended June 30, 2025

5.2 Business combinations and goodwill

5.2.1 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 of:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- 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.

5.3 Property, plant and equipment

5.3.1 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 consolidated statement of profit or loss to write off the depreciable amount of each asset at the rates specified in the Note 6.

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 consolidated statement of profit or loss, while major renewals and improvements are capitalized.

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.

5.3.2 Disposal

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 consolidated statement of profit or loss when the asset is derecognized.

5.3.3 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.

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Notes To The Consolidated Financial Statements

For The Year Ended June 30, 2025

5.3.4 Estimate

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, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

5.3.5 Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized as expense. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is charged, the depreciation charge is adjusted for the future periods to allocate the asset's revised carrying amount over its estimated useful life.

5.3.6 Lease liabilities

At the commencement date of the lease, the Group recognizes 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.

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.

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Notes To The Consolidated Financial Statements

For The Year Ended June 30, 2025

5.3.7 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases, if any (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are of low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

5.3.8 Arrangement is not a lease

The Group has entered a 'Manufacturing supply agreement', dated November 01, 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 Group'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.

5.4 Investment property

Recognition and measurement

Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment property measured at fair value. The changes in fair value recognised in the Consolidated statement of profit or loss.

The fair value of investment property is determined at the end of each year using current market prices for comparable real estate, adjusted for any differences in nature, location and condition.

The effect of any changes in estimate is accounted for on a prospective basis. Further, determining adjustments for any differences in nature, location and condition of the investment property involves significant judgment.

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Notes To The Consolidated Financial Statements

For The Year Ended June 30, 2025

5.5 Intangible assets

Intangible assets are initially stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged to consolidated statement of profit or loss applying the straight line basis over its normal useful life as specified in Note 8. Amortization is charged to consolidated 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 consolidated statement of profit or loss.

5.6 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash in hand and cash at banks as specified in Note 16 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 consolidated statement of cash flows, cash and cash equivalents consist of cash in hand and cash at banks defined above. Term deposit receipts are not included in cash and cash equivalents as they are not held for cash management purposes.

5.7 Stock in trade, stores and spares

Stock in trade, stores and spares are valued at lower of cost and 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:

Cost has been determined 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 and spares	-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.

5.8 Trade debts

Trade debts and other receivables are carried at original invoice amount. Provision is made for debts considered doubtful of recovery based on expected credit loss (ECL) model of IFRS 9 and debts considered irrecoverable are written off as and when identified. Receivable are generally due within 30 to 90 days of satisfaction of performance obligation.

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For The Year Ended June 30, 2025

5.8.1 Allowance for expected credit losses of trade debts

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.

5.9 Provisions

Provisions are recognized in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each consolidated statement of financial position date and adjusted to reflect current best estimate. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

5.10 Taxation

5.10.1 Current

Current tax is the expected tax payable on the taxable income for the year based on taxable profits, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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Notes To The Consolidated Financial Statements For The Year Ended June 30, 2025

5.10.2 Deferred

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.

Deferred tax is provided using the balance sheet method for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantially enacted at the reporting date.

5.10.3 Estimate

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.

5.11 Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in consolidated statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Income tax Ordinance, 2001 over the amount designated as current income tax for the year, is then recognized as a levy.

5.12 Deferred

5.12.1 Sale of goods

The Holding Company is in the business of selling cellular mobile phones, tablets, LEDs 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.

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Notes To The Consolidated Financial Statements

For The Year Ended June 30, 2025

5.12.2 Service income

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

5.12.3 Sales returns

The Holding Company provides sales returns to customers based on the instructions by the brand owners. Upon receipts of instructions, the Holding Company gives the customers an option to return unsold products and obtain same product categories based on revised selling prices or the Holding Company issues a credit note to the customer which can be used to adjust against the receivable recorded of the customer.

5.12.4 Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Holding Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Holding 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 Holding Company performs under the contract.

5.12.5 Revenue from contracts with customers (the Subsidiary)

The Subsidiary 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 Subsidiary 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 Subsidiary enters. Accordingly, such a warranty is an assurance-type warranty and is thus accounted for under IAS 37. The Subsidiary 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 Subsidiary to which our customer belongs) towards its customer. Therefore, the Subsidiary Company has concluded that the transfer of goods is a single performance obligation recognized at a point in time when the control is transferred.

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 Subsidiary 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 transfer of goods is single performance obligation recognized at a point in time when the control is transferred.

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5.13 Defined benefit liability

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

An actuarial valuation of all defined benefit schemes 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 consolidated 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 consolidated statement of other comprehensive income with no subsequent recycling to consolidated statement of profit or loss.

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.

5.14 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 consolidated 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.

5.15 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.

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5.15.1 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 Note 5.11.

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

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

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

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

Financial assets - Subsequent measurement

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

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

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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.

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.

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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 consolidated 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 analyzed. The expected credit losses are recognized in the consolidated statement of profit or loss. For bank balances, short term investments, margin against bank guarantee 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 consolidated statement of profit or loss.

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For The Year Ended June 30, 2025

5.15.2 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, 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, 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.

5.16 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

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5.17 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to The Chief Operating Decision Maker (CODM). The 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 and Retail' and 'Assembly' as two distinct reportable segments. Accordingly, segment related information is presented in Note 44.

5.18 Dividend and appropriation to reserves

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

5.19 Earning per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Group that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

5.20 Contingent liabilities

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

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6 PROPERTY, PLANT AND EQUIPMENT

	Note	2025 Rupees	2024 Rupees
Operating fixed assets	6.1	8,886,601,681	5,736,778,021
Capital work in progress (CWIP)	6.5	1,657,523,345	2,400,723,775
Right of use assets	6.7	544,541,448	197,254,063
		<u>11,088,666,474</u>	<u>8,334,755,859</u>

6.1 Operating fixed assets

The following is the statement of operating fixed assets:

Description	Freehold Land	Building and Renovations	Plant and machinery	Furniture and fixture	Computers	Office equipment	Motor vehicles	Total
Net carrying value basis								
Year ended June 30, 2025								
Opening net book value (NBV)	1,959,139,873	713,803,676	2,935,305,188	2,734,318	43,725,364	61,168,933	20,900,669	5,736,778,021
Additions / transfer (at cost)	572,100,000	121,380,649	392,508,772	5,098,682	14,275,500	19,142,854	139,757,843	1,264,264,300
Transfer from CWIP	-	-	2,394,185,569	-	-	-	-	2,394,185,569
Disposals (NBV)	-	-	-	-	(289,256)	-	(76,700,495)	(76,989,751)
Depreciation charge	-	(19,609,998)	(307,854,472)	(2,592,072)	(23,716,071)	(55,109,666)	(22,754,179)	(431,636,458)
Closing net book value	2,531,239,873	815,574,327	5,414,145,057	5,240,928	33,995,537	25,202,121	61,203,838	8,886,601,681
Gross carrying value basis								
Year ended June 30, 2025								
Cost	2,531,239,873	905,091,408	6,255,348,893	37,392,951	132,688,326	437,940,601	214,281,137	10,513,983,189
Accumulated depreciation	-	(89,517,081)	(841,203,836)	(32,152,023)	(98,692,789)	(412,738,480)	(153,077,299)	(1,627,381,508)
Net book value	2,531,239,873	815,574,327	5,414,145,057	5,240,928	33,995,537	25,202,121	61,203,838	8,886,601,681
Net carrying value basis								
Year ended June 30, 2024								
Opening net book value (NBV)	1,959,139,873	735,537,656	3,171,101,575	4,241,816	37,107,538	121,326,021	10,723,718	6,039,178,197
Additions at cost	-	6,724,004	4,576,747	1,032,411	27,041,298	17,167,868	125,738,782	182,281,110
Disposals (NBV)	-	-	-	-	-	(230,000)	(97,681,316)	(97,911,316)
Depreciation charge	-	(28,457,984)	(240,373,134)	(2,539,909)	(20,423,472)	(77,094,956)	(17,880,515)	(386,769,970)
Closing net book value	1,959,139,873	713,803,676	2,935,305,188	2,734,318	43,725,364	61,168,933	20,900,669	5,736,778,021
Gross carrying value basis								
Year ended June 30, 2024								
Cost	1,959,139,873	783,710,759	3,468,654,552	32,294,269	118,412,826	418,797,747	74,523,294	6,855,533,320
Accumulated depreciation	-	(69,907,083)	(533,349,364)	(29,559,951)	(74,687,462)	(357,628,814)	(53,622,625)	(1,118,755,299)
Net book value	1,959,139,873	713,803,676	2,935,305,188	2,734,318	43,725,364	61,168,933	20,900,669	5,736,778,021
Depreciation rate % per annum	-	2.5	6.67-10	33	33	33	25	Bao

6.2 There are fully depreciated assets, having cost of Rs. 368.38 million (June 30, 2024: Rs.339.82 million) that are still in use as of the reporting date.

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

	Note	2025 Rupees	2024 Rupees
Cost of revenue	29	358,320,843	251,291,853
Administrative expense	30	111,439,247	128,119,731
Selling and distribution costs	31	70,439,781	57,346,755
		540,199,871	436,758,339

6.4 **The depreciation breakup is as follows:**

Operating fixed assets	6.1	431,636,458	386,769,970
Right of use assets	6.7.1 and 6.7.2	108,563,413	49,988,369
		540,199,871	436,758,339

6.5 **Capital work in progress**

	Building	Plant and machinery	IT equipment	Total
	Rupees			
As at July 01,	6,538,206	2,394,185,569	-	2,400,723,775
Additions during the year	1,650,985,139	-	-	1,650,985,139
Transferred to operating fixed assets	-	(2,394,185,569)	-	(2,394,185,569)
As at June 30,	1,657,523,345	-	-	1,657,523,345

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

Particulars	Cost	Accumulated depreciation	Rupees			Particulars of buyer	Mode of disposal	Relationship with buyer
			Net book value	Sale proceeds	Loss			
Vehicle								
Land Cruiser	83,673,267	6,972,772	76,700,495	71,000,000	(5,700,495)	Faisal Ali Chishti	Negotiation	None
2025	83,673,267	6,972,772	76,700,495	71,000,000	(5,700,495)			
2024	109,016,353	11,335,037	97,681,316	74,750,000	(22,931,316)			

	Note	2025 Rupees	2024 Rupees
6.7	Right of use assets		
Vehicles	6.7.1	223,030,688	19,450,721
Rented premises - buildings	6.7.2	321,510,760	177,803,342
		544,541,448	197,254,063

6.7.1 Vehicles

Year ended June 30,

Net carrying value basis

Opening net book value July 01,	19,450,721	6,160,399
Additions	224,417,340	22,771,576
Depreciation charge	(20,837,373)	(9,481,254)
Closing net book value	223,030,688	19,450,721

Gross carrying value basis

Cost	334,961,881	110,544,541
Accumulated depreciation	(111,931,193)	(91,093,820)
Net book value	223,030,688	19,450,721

Depreciation rate per annum %

20	20
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6.7.2 Rented premises - buildings

Year ended June 30,

Net carrying value basis

Opening net book value July 01,	177,803,342	94,720,424
Additions	231,433,458	123,590,033
Disposals	-	-
Depreciation charge	(87,726,040)	(40,507,115)
Closing net book value	321,510,760	177,803,342

Gross carrying value basis

Cost	691,826,924	460,393,466
Accumulated depreciation	(370,316,164)	(282,590,124)
Net book value	321,510,760	177,803,342

Depreciation rate per annum %

10 - 20	10 - 20
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7 INVESTMENT PROPERTY

As at July 01,	1,401,500,000	1,350,758,464
Fair value gain	310,645,190	50,741,536
	1,712,145,190	1,401,500,000
Capital work in progress	223,625,162	-
As at June 30,	1,935,770,352	1,401,500,000

In February 01, 2023, the Group acquired freehold land and building having area 3,790 square meter, under construction, located at 104 B-I, MM Alam Road, Gulberg III. The building is not occupied by the Group and is to be held for earning rental income.

The building have been rented out to tenants. The Group carries this under investment property at fair value model. The rental income in respect of this property amounts to Rs. 63.16 million (2024: Rs. Rs. 51.57 million) and has been recognized in consolidated statement of profit or loss (refer to Note 32 'Other income').

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

Forced sale value of the investment property is assessed at Rs. 1,500 million (2024: Rs. 1,380 million)

8 INTANGIBLE ASSETS

	Note	2025 Rupees	2024 Rupees
Computer software			
Net carrying value			
Opening balance as on July 01,		7,445,148	10,662,139
Addition during the year		-	1,822,671
Amortization charge		(4,786,873)	(5,039,662)
Net book value as at June 30,		2,658,275	7,445,148
Gross carrying value			
Cost		43,041,550	43,041,550
Accumulated amortization		(40,383,275)	(35,596,402)
Net book value		2,658,275	7,445,148
Amortization % per annum		33.33%	33.33%

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

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

Cost of revenue	29	957,375	1,217,483
Administrative expense	30	1,675,406	1,672,203
Selling and distribution costs	31	2,154,093	2,149,976
		4,786,873	5,039,662

9 LONG TERM LOANS AND DEPOSITS

Security deposits		69,508,919	12,347,073
Advance to employees against salary	9.1	102,364,235	47,935,810
Less: current portion		(66,054,837)	(22,710,132)
		36,309,398	25,225,678
		105,818,317	37,572,751

9.1 These are interest free loan provided to employees and executives of the Group, repayable over three years. The present value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' is insignificant, hence not recognized in the consolidated financial

9.2 This includes loans and advances amounting to Rs. 91.58 million (2024: Rs. 35.08 million) given to 72 (2024: 23) executives of the Group.

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10	STOCK IN TRADE	Note	2025 Rupees	2024 Rupees
	Raw material		4,462,012,665	6,145,945,764
	Work in process		235,292,328	308,310,985
	Mobile phones		5,538,544,970	1,614,559,293
	TV		166,081,114	-
	Spare parts		25,775,874	59,007,786
			10,427,706,951	8,127,823,828
	Impairment allowance for slow moving and obsolete stock	10.1	(29,440,572)	(18,357,482)
			10,398,266,379	8,109,466,346
	Goods in transit	10.2	8,526,797,124	-
			18,925,063,503	8,109,466,346

10.1 Movement in impairment allowance for slow moving and obsolete stock is as follows:

As at July 01,	18,357,482	1,910,788
Increase in allowance	11,083,090	16,446,694
As at June 30,	29,440,572	18,357,482

10.2 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.

11 TRADE DEBTS

Due from customers - Considered good	7,537,001,348	3,527,099,204
Considered doubtful - Others	11,440,323	8,348,676
Allowance for expected credit losses	(11,440,323)	(8,348,676)
	-	-
	7,537,001,348	3,527,099,204

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

As at July 01,	8,348,676	15,087,132
Charge / (reversal) during the year	3,091,647	(6,738,456)
As at June 30,	11,440,323	8,348,676

11.2 These customers have no recent history of default. For aging analysis of these trade debts, refer to Note 39.2.1.

12 LOANS AND ADVANCES

Advances considered good - unsecured

Advances to suppliers	12.1	1,290,526,662	324,186,583
Current portion of long term loans	9	66,054,837	22,710,132
Advance to employees against Group expenses		-	64,300
Advance to employees against loaned / mobile sets		-	146,135
		1,356,581,499	347,107,150

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

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13	TRADE DEPOSITS, PREPAYMENTS AND OTHER	Note	2025 Rupees	2024 Rupees
	Advances to clearing agent	13.1	6,081,166	94,551,554
	Prepayments		20,098,852	9,772,147
			26,180,018	104,323,701
	Receivable from others			
	Margin against bank guarantee and letters of credit		10,249,554,472	12,335,402,090
	Due from brand owners	13.2	1,852,033,181	357,096,992
	Rent receivable	13.3	16,484,587	14,561,594
	Accrued markup on savings accounts		30,632,599	-
			12,148,704,839	12,707,060,676
			12,174,884,857	12,811,384,377

13.1 This represents amount deposited with custom authorities against import clearance.

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

13.3 This represents rental receivable on investment property from tenants.

14 TAX REFUNDS DUE FROM THE GOVERNMENT

Income tax	1,109,856,201	565,614,602
Prepaid assets	-	59,453,627
Sales tax	2,258,010,423	1,672,525
	3,367,866,624	626,740,754

15 SHORT TERM INVESTMENTS

Financial assets at amortized cost

Term deposits	15.1	2,864,000,000	2,715,000,000
Accrued markup		44,499,770	85,401,233
		2,908,499,770	2,800,401,233

15.1 This relates to term deposits (TDRs) markup ranging from 6.05% to 20% (2024: 19% to 22%), having a maturity period of 30 days to 180 days (2024: 30 days to 365 days). These TDRs are under lien against funded facilities obtained from financial institutions.

Movement in financial assets measured at amortized cost is as follows:

As at July 01,	2,800,401,233	1,833,624,327
Additions	2,364,000,000	5,799,500,000
Encashed	(2,215,000,000)	(1,600,301,299)
Markup accrued	345,357,869	460,517,506
Markup received	(386,259,332)	(3,692,939,301)
As at June 30,	2,908,499,770	2,800,401,233

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16	CASH AND BANK BALANCES	2025 Rupees	2024 Rupees
	Cash in hand	12,164,315	8,498,449
	Cash at bank - Current accounts	3,116,355,639	2,274,462,632
	Cash at bank - Savings accounts	1,024,037,676	5,078,783
		<u>4,152,557,630</u>	<u>2,288,039,864</u>

16.1 This carries mark-up rate at 3.20% - 7.5% (2024: 3.1% - 5.4%) per annum.

17 SHARE CAPITAL

17.1 Authorized share capital

2025 2024
Number of ordinary shares of Rs.
10/- each

600,000,000 600,000,000

6,000,000,000 6,000,000,000

17.2 Issued, subscribed and paid up capital

2025 2024
Number of ordinary shares of Rs.
10/- each

192,692,308	192,692,308	Fully paid in cash
202,576,923	202,576,923	Fully paid bonus shares
<u>395,269,231</u>	<u>395,269,231</u>	

1,926,923,080	1,926,923,080
2,025,769,230	2,025,769,230
<u>3,952,692,310</u>	<u>3,952,692,310</u>

18 SHARE PREMIUM - CAPITAL RESERVE

Share premium reserve 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.

19 LONG TERM LOAN

Orix Leasing Pakistan Limited	19.1	146,435,647	216,610,578
Saudi Pak Industrial and Agricultural Investment Company Limited I	19.2	400,000,000	600,000,000
Saudi Pak Industrial and Agricultural Investment Company Limited II	19.3	562,500,000	787,500,000
Pak Oman Investment Company I	19.4	-	30,000,000
Pak Oman Investment Company II	19.5	500,000,000	250,000,000
Bank AL Habib Limited	19.6	467,750,000	607,500,000
Add: Accrued markup		106,402,590	116,004,349
		<u>2,183,088,237</u>	<u>2,607,614,927</u>
Less: Current portion shown under current liabilities		(859,821,692)	(882,434,940)
Less: Accrued markup presented in current liabilities		(106,402,590)	(116,004,349)
		<u>1,216,863,955</u>	<u>1,609,175,638</u>

19.1 This represents loan (Lease Assets Agreement) of Rs. 240 million obtained from OLP Financial Services Pakistan Limited (Formerly Orix Leasing Pakistan Limited) to meet the working capital requirements of the group. Total tenure of loan is 3 years. Loan is repayable in 36 monthly instalments starting from the end of 1st month of disbursement. The rate of mark up on loan is 6 months KIBOR + 5%. The markup rate charged during the year on the outstanding balance ranged from 16.69% to 24.41% (2024: 25.14% to 25.85%) per annum. This facility is secured against one production line for mobile phones along with laboratory/testing equipment's, fixtures and standard accessories and spare parts.

19.2 This represents loan of Rs. 800 million obtained from Saudi Pak Industrial and Agricultural Investment Company Limited in 2021 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 the 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 13.65% to 22.74% (2024: 22.74% - 25.64%) per annum. This facility is secured against all present and future current assets of the Group.

19.3 This represents loan of Rs. 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%. The markup rate charged during the year on the outstanding balance ranged from 14.33% - 24.28% (2024: 22.74% - 25.64%) 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.

19.4 This represents loan of Rs. 300 million obtained from Pak Oman Investment Company Limited in 2021 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 the 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 around 22.19% (2024: 22.24% - 25.14%) per annum. This facility is secured against all present and future current assets and non current assets of the Group.

19.5 This represents loan of Rs. 500 million obtained from Pak Oman Investment Company Limited to meet working capital requirements of the Group. Total tenure of facility 3.5 years with no grace period. Loan is repayable in 12 equal quarterly instalments. 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 13.14% - 23.79% (2024: 22.24% - 25%) per annum. This facility is secured against all present and future non current assets of the Company and personal guarantees of director of the Group.

19.6 This represents loan obtained from Bank AL Habib Limited for the purchase of assembling unit (Land and Building) located at Quaid-e-Azam Industrial estate Kot Lakh pat Lahore. The total tenure for this facility is 6 years including 1 years grace period 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 14.09% - 22.22% (2024: 22.24% - 25.14%) 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.

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20 LEASE LIABILITIES

Lease period for the lease during current year ranges from 3 to 10 years (2024: 3 to 10 years) The effective interest rate used as the discounting factor (i.e. incremental borrowing rate) ranges from 10% to 22.59% (2024: 9.39% to 23.99%). The amounts of future payments and the periods in which they will become due are:

		2025 Rupees	2024 Rupees
Lease liabilities	20.1	426,696,510	157,896,016

20.1 Movement of lease liabilities

As at July 01,		204,348,400	168,120,306
Additions during the year		455,850,798	136,231,034
Mark-up on lease liabilities	34	59,507,074	22,469,367
		719,706,272	326,820,707
Payments / adjustments		(166,665,806)	(122,472,307)
Present value of lease payments		553,040,466	204,348,400
Less: Current portion of long term lease		(126,343,956)	(46,452,384)
As at June 30,		426,696,510	157,896,016

20.2 Lease payments (LP) and their present value (PV) are as follows:

	2025		2024	
	LP	PV of LP	LP	PV of LP
	Rupees			
Due not later than 1 year	202,573,695	126,343,956	78,251,529	46,452,384
Due later than 1 year but not later than 5 years	528,736,820	426,594,872	199,749,339	133,910,521
Later than 5 years	3,759,365	101,638	25,529,559	23,985,495
	735,069,880	553,040,466	303,530,427	204,348,400

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21 DEFERRED TAX LIABILITY

This comprises of:

Deferred tax liabilities on taxable temporary differences

Decelerated tax depreciation - the Holding Company	7,243,511	14,496,156
Accelerated tax depreciation - the Subsidiary	834,718,497	467,158,436
Investment property	241,032,025	72,468,779

The net asset / (liability) for deferred taxation comprises temporary differences relating to:

Lease liabilities - net	(3,314,617)	(2,766,791)
Alternative corporate tax	(206,484,701)	(50,040,125)
Defined benefit liability	(18,715,053)	(12,742,999)
Provision for slow moving stock	(11,481,823)	(7,159,418)
Workers' Welfare Funds	(102,458,541)	(86,746,787)
Workers' Profit Participation Funds	(206,283,560)	(157,057,065)
Provision for expected credit loss	(4,461,726)	(3,255,984)
	529,794,012	234,354,202
Less: deferred tax asset of Parent shown under non-current assets	326,854,998	191,615,119
	856,649,010	425,969,321

	2025 Rupees	2024 Rupees
Reconciliation of deferred tax - net		

As at July 01,	234,354,202	267,816,830
Recognized in consolidated statement of profit or loss	297,932,232	(32,198,842)
Recognized in consolidated statement of other comprehensive income	(2,492,422)	(1,263,786)
As at June 30,	529,794,012	234,354,202

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

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22 DEFINED BENEFIT LIABILITY

UNFUNDED GRATUITY

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

Present value of defined benefits obligation	47,987,316	32,674,356
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22.2 The amounts recognized in the consolidated statement of profit or loss are:

Current service cost	27,420,833	16,274,507
Interest cost on defined benefit obligation	1,440,362	2,121,482
Expense recognized in the profit or loss	28,861,195	18,395,989

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

Net liabilities at the beginning of the year	32,674,356	27,129,907
Current service cost	27,420,833	16,274,507
Interest cost on defined benefit obligation	1,440,362	2,121,482
Remeasurements loss / (gain) charged to OCI		
-Actuarial assumption	6,390,826	3,240,478
	67,926,377	48,766,374
Less: Payments during the year	(19,939,061)	(16,092,018)
Net liabilities at the end of the year	47,987,316	32,674,356

Qualified actuaries have carried out the valuation as at June 30, 2025. The projected unit credit method, based on the following significant assumptions, is used for valuation:

	2025	2024
Discount rate	11.75%	14.75%
Expected rates of salary increase in future years	5.00%	5.00%
Retirement assumption	Age 60	Age 60
Mortality rate	SLIC 2001-	SLIC 2001-

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 obligation
		Rupees
+100 bps	Discount rate	(2,188,101)
-100 bps	Discount rate	2,073,712
+100 bps	Expected increase in salary	2,310,209
-100 bps	Expected increase in salary	(2,223,858)
+1 year	Mortality rate	121,406
-1 year	Mortality rate	(111,327)
+1 year	Mortality variation	121,406
+1 year	Mortality variation	(111,327)

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

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

	Note	2025 Rupees	2024 Rupees
Within next 12 months		983,740	669,824
Between 2 and 5 years		3,426,295	2,332,949
Between 5 and 10 years		3,647,036	2,483,251
Beyond 10 years		39,930,245	27,188,332
		<u>47,987,316</u>	<u>32,674,356</u>

22.4 Expected expense for next year

The expected expense to gratuity scheme for the year ending June 30, 2026 works out to be Rs. 31.75 million.

23 TRADE PAYABLES, ACCRUED AND OTHER LIABILITIES

Trade payables	23.1	7,763,139,720	3,899,272,643
Accrued expenses		144,059,442	104,770,450
Due to brand owners		-	73,466,963
Withholding tax payable		374,359,240	403,768,836
Workers' Welfare Fund	23.2	262,714,208	222,427,660
Workers' Profit Participation Fund	23.3	528,932,204	402,710,424
Other payables		27,991,729	20,802,581
Sales tax payable		-	40,083,094
		<u>9,101,196,543</u>	<u>5,167,302,651</u>

23.1 This includes amount payable to Xiaomi H. K. Limited amounting Rs. 7,763.14 million (2024: Rs. 3,883.11 million).

23.2 Movement in Workers' Welfare Funds

As at July 01,	222,427,660	123,691,026
Charge for the year	40,710,782	98,736,634
As at June 30,	<u>263,138,442</u>	<u>222,427,660</u>

23.3 Movement in Workers' Profit Participation Funds

	Note	2025 Rupees	2024 Rupees
As at July 01,		402,710,424	81,293,088
Charge for the year		224,903,310	304,963,615
Payment during the year		(98,681,530)	-
Interest charge for the year	34	-	16,453,721
As at June 30,		<u>528,932,204</u>	<u>402,710,424</u>

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24 SHORT TERM BORROWINGS

Sukuk	24.1	10,500,000,000	3,000,000,000
JS Bank Limited	24.2	2,094,500,000	1,135,000,000
JS Bank Limited II	24.3	1,040,388,000	948,801,885
Bank Al Habib Limited I	24.4	1,867,511,365	639,144,672
Bank Al Habib Limited II	24.5	4,179,558,000	5,236,024,726
Dubai Islamic Bank	24.6	60,000,000	407,400,000
Askari Bank Limited	24.7	378,030,000	106,216,800
Faysal bank Limited I	24.8	-	999,999,034
Faysal bank Limited II	24.9	1,000,000,000	499,999,820
National Bank of Pakistan	24.10	2,000,000,000	-
NBP Islamic	24.11	300,000,000	-
Bank of Khyber	24.12	1,499,971,019	-
Bank Islami	24.13	2,050,000,000	-
Saudi Pak Investment Company	24.14	600,000,000	-
Bank of Punjab	24.15	563,691,110	-
Pak China Investment Bank	24.16	1,000,000,000	750,000,000
Saudi Pak Investment Company	24.17	437,000,000	-
Add: Markup		641,861,052	392,507,244
		30,212,510,546	14,115,094,181
Less: Accrued markup presented in current liabilities		(641,861,052)	(392,507,244)
		29,570,649,494	13,722,586,937

24.1 This represents Shariah compliant, privately placed and secured Sukuks of six months tenor issued during the year. The proceeds therefrom were utilized to finance the Company's working capital requirement. They carry profit at the rate of 6 months KIBOR + 1.75%.

24.2 This represents the utilized portion of working capital facilities for short term finance (STF) amounts to Rs. 2,094.5 million (2024: Rs. 1,135 million), total limit of facility for sight-letter of credit (SLC) amounts to Rs. 5,000 million (2024: Rs. 4,000 million), shipping guarantees of Rs. 5,000 million (Sub Limit of SLC) (2024: Rs. 4,000 million), FATR amounting to Rs. 1,150 million (2024: Rs. 1,150 million), STF of Rs. 1,150 million (2024: Rs. 1,150 million) (sublimit of FATR), running finance of Rs. 200 million (sublimit of FATR) (2024: Rs. 200 million), bank guarantee of Rs. 13.5 million (2024: Rs. 13.5 million) (sublimit of FATR) and STF II of Rs. Nil (2024: Rs. 1,000 million).

These facilities are inter-changeable with within Group. The rate of markup on funded facilities is 3 months KIBOR + 2% (2024: 3 months KIBOR + 2%). The markup rate charged during the year on the outstanding balance ranged from 13.14% to 23.22% (2024: 22.24% to 25.14%) per annum.

These facilities are secured against mortgage of residential properties belonging to sponsors and shareholders having fair market value amounting to Rs. 187.55 million (2024: 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 (2024: Rs. 3,700 million) over all present and future current assets and personal guarantees of all directors of the Group.

24.3 This represents the utilized portion of working capital facilities for Short Term Finance Facility (STFF) amounts to Rs. 949 million (2024: Rs. 949 million), total limit of facility for sight-letter of credit (SLC) amounts to Rs. 4,000 million (2024: Rs. 4,000 million), FATR amounting to Rs. 1,150 million (2024: Rs. 1,150 million), STF (Sub Limit of FATR) amounting to Rs. 1,150 million (2024: Rs. 1,150 million) and STFF amounting to Rs. 1,000 million (2024: Rs. 1,000). These facilities are interchangeable within Group. The rate of markup on funded facilities is 3 months KIBOR+3%. The markup rate charged during the year on the outstanding balance ranged from 23.24% to 26.14% (2024: 23.24% to 26.14%) per annum.

These facilities are interchangeable within Group and secured against mortgage of residential properties belonging to sponsors and shareholders having fair market value amounting to Rs. 187.55 million (2024: 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 (2024: Rs. 3,700 million) over all present and future current assets and personal guarantees of all directors of the Company.

24.4 This represents the utilized portion of working capital facilities for Funds against trust receipt (FATR/STF) amounts to Rs. 1,867.51 million (2024: Rs. 639 million), total limit of facility for sight-letter of credit (SLC) amounting to Rs. 2,500 million (2024: Rs. 2,500 million), running finance facility of Rs. 560 million (2024: Rs. 560 million) (sublimit of FATR), STF of Rs. 640 Million also interchangeable within Group. The rate of mark up on funded facilities is 3 months KIBOR + 1% (RF) and 3 months KIBOR + 2% (FATR) (2024: 3 months KIBOR + 1% (RF) and 3 months KIBOR + 2% (FATR). The markup rate charged during the year on the outstanding balance ranged from 13.14% to 22.22% (2024: 22.24% to 25.14%) per annum.

These facilities are secured against mortgage of residential properties belonging to sponsors and shareholders having fair market value amounting to Rs. 513 million (2024: Rs. 513 million) and joint pari passu charge over current assets of Rs. 5,500 million (2024: Rs. 5,500 million), Joint pari passu Charge on Plant and machinery of Parent Company Rs. 940 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 (2024: Rs. 7,800 million) and cross corporate guarantees.

24.5 This represents the utilized portion of working capital facilities for Funds against trust receipt (FATR) amounts to Rs. 5,236 million (2024: Rs. 5,236 million), total limit of facility for sight-letter of credit (SLC) amounts to Rs. 6,700 million (2024: Rs. 6,700 million), finance against trust receipt (FATR) amounting to Rs. 5,340 million (2024: Rs. 5,340 million) (sublimit of letter of credit) and STF amounting to Rs. 640 million (sublimit of FATR). 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 22.24% to 25.14% (2024: 22.24% to 25.14%) per annum.

Some facilities are interchangeable with parent company and secured against mortgage of residential properties belonging to sponsors and shareholders having fair market value amounting to Rs. 513 million (2024: Rs. 513 million) and pari passu / joint pari passu charge over current assets of Rs. 5,500 million (2024: Rs. 5,500 million), Ranking Charge on Plant and machinery of Parent Company Rs. 940 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 (2024: Rs. 7,800 million) and cross corporate guarantees.

24.6 This represents the utilized portion of working capital facilities for Import Murabaha amounts to Rs. 60 million (2024: Rs 407 million), total limit of facility for sight-letter of credit (SLC) amounting Rs. 1,200 million (2024: Rs. 1,200 million), shipping guarantee of Rs. Nil (2024: Rs. 1,200 million), shipping guarantee (sublimit of SLC-II) of Rs. Nil (2024: Rs. 800 million) and import Murabaha / Istisna cum Wakala of Rs. 800 million (2024: Rs. 800 million) and Running Musharakah of Rs. Nil (2024: Rs 800 million) (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 14.60% to 23.43% (2024: 23.54% to 25.64%) per annum.

These facilities are interchangeable within group and secured against Joint pari pasu charge of amounting Rs. 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. It also comprises personal guarantees of directors of the company and cross corporate guarantee.

24.7 This represents the utilized portion of working capital facility for Short Term Finance amounting to Rs. 378 million (2024: Rs. 106 million), total limit of facility for letter of credit (sight) amounts to Rs. 1,500 million (2024: Rs. 500 million), shipping guarantees of Rs. 900 million [2024: Rs. 500 million sublimit of letter of credit (sight)] and short term finance of Rs. 1,000 million (2024: Rs. 500 million) (sublimit of letter of credit (sight)). The rate of mark up on funded facilities is 1 month KIBOR + 1.95% (2024: 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. 666.667 million (2024: Rs. 334 million) over all present and future current assets of the Company, TDR covering 50% of outstanding exposure at all times.

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24.8 This represents the utilized portion of working capital facilities for Funds against trust receipt Local Murabaha amounts to Rs. Nil (2024: Rs. 1,000 million), total limit of funded line Local Murabaha amounts to Rs. 1,000 million (2024: Rs. Nil). The rate of mark up on funded facilities is relevant KIBOR + 2%. The markup rate charged during the year on the outstanding balance ranged from 14.70% to 22.14% per annum (2024: 23.04% to 25.14%).

These facilities are secured against TDR with 40% cash collateral, joint pari passu charge of 1,000 million on current asset, JPP charges of Rs. 1,067 million on fixed assets of Subsidiary Company and JPP charge of Rs. 400 million on plant and machinery on fixed assets of Parent Company.

24.9 This represents the utilized portion of working capital facilities for Tijarah Finance Facility amounts to Rs. 500 million (2024: Rs. 500), total limit of facility for Letter of credit (SLC) amounts to Rs. 1,500 million (2024: Rs. 1,500), Tijarah amounting to Rs. 750 million (2024: Rs. 750 million). The rate of markup on funded facilities is 6 months KIBOR+2.00%. These facilities are secured against ranking charge on present and future current assets, TDR and PG's of sponsor directors.

24.10 This represents the utilized portion of working capital facilities for short term finance facility amounts to Rs. 2,000 million (2024: Rs. Nil), total limit of SLC amounts to Rs. 2,250 million (2024: Rs. Nil), the short term finance facility (sub-limit of SLC) to Rs. 2,000 million (2024: Rs. Nil). The rate of mark up on funded facilities is relevant KIBOR + 2.25%. The markup rate charged during the year on the outstanding balance ranged from 14.43% to 17.15% per annum.

These facilities are secured against TDRs, first pari passu charge of 667 million on current assets of Parent Company and ranking charge of Rs. 667 million on fixed assets of Subsidiary Company.

24.11 This represents the utilized portion of working capital facilities for Istisna facility amounts to Rs. 300 million (2024: Rs. Nil), total limit of Istisna facility amounts to Rs. 300 million (2024: Rs. Nil), SLC (sub-limit of Istisna) to Rs. 300 million (2024: Rs. Nil). The rate of mark up on funded facilities is respective KIBOR + 1.25%. The markup rate charged during the year on the outstanding balance ranged from 12.40% to 13.67% per annum.

These facilities are secured against TDRs and JPP charge of Rs. 200 million on current assets of Parent Company and personal guarantees of directors of the Group.

24.12 This represents the utilized portion of working capital facilities for Istisna facility amounts to Rs. 1,500 million (2024: Rs. Nil), total limit of SLC under Murabaha amounts to Rs. 1,500 million (2024: Rs. Nil) and shipping guarantee (sub-limit of SLC) to Rs. 1,500 million (2024: Rs. Nil). The rate of mark up on funded facilities is relevant KIBOR + 1.75%. The markup rate charged during the year on the outstanding balance ranged from 12.64% to 13.78% per annum.

These facilities are secured against TDRs, first joint pari passu charge of Rs. 2,000 million on current assets and fixed assets of Parent Company and personal guarantees from all directors of the Group.

24.13 This represents the utilized portion of working capital facilities for Istisna and import Murabaha facility amounts to Rs. 2,050 million (2024: Rs. Nil), total limit of SLC under Murabaha amounts to Rs. 1,400 million (2024: Rs. Nil), Istisna facility (sub-limit of import Murabaha) to Rs. 1,400 million (2024: Rs. Nil) SLC to Rs. 2,000 million (2024: Rs. Nil) and shipping guarantee of Rs. 2,000 million (2024: Rs. Nil).

These facilities are interchangeable within group. The rate of mark up on funded facilities is respective KIBOR + 2% p.a. The markup rate charged during the year on the outstanding balance ranged from 13.62% to 16.25% per annum.

The facilities are secured through ranking charges over current assets of Group amounting to Rs. 1,334 million each, ranking and JPP charges over fixed assets of Subsidiary Company aggregating Rs. 1,000 million, charged on commercial property valued at Rs. 483 million and cross corporate guarantees between Parent and Subsidiary Company.

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24.14 This represents the utilized portion of working capital facilities for short term finance facility amounting to Rs. 600 million (2024: Rs. Nil), total limit of STF amounts to Rs. 600 million (2024: Rs. Nil). The rate of mark up on the facility is 3 month KIBOR + 2.25%. The markup rate charged during the year on the outstanding balance ranged from 13.62% to 17.23% per annum.

These facilities are secured against TDRs, JPP charge of Rs. 827 million on present and future fixed assets of Parent Company, ranking charge of Rs. 600 million and personal guarantees from all directors of the group.

24.15 This represents the utilized portion of working capital facilities for cash finance facility amounting to Rs. 564 million (2024: Rs. Nil), total limit of cash finance facility amounts to Rs. 1,000 million (2024: Rs. Nil). The rate of mark up on the facility is 3 month KIBOR + 2.25%. The markup rate charged during the year on the outstanding balance ranged around 13.38% per annum.

These facilities are secured against pledged stock, JPP charge on current assets of Parent Company, ranking charge of Rs. 350 million and personal guarantees from all directors of the Company.

24.16 This represents the utilized portion of working capital facilities for Letter of comfort facility (LOC) amounts to Rs. 1,000 million (2024: Rs. 1,000 million), STF amounting to Rs. 800 million (2024: Rs. 800 million) (sublimit of letter of comfort). The rate of markup on funded facilities is 3 months KIBOR+2.25%. These facilities are secured against JPP charge on amounting to Rs.400 million over present and future fixed and current assets, Lien over shares, corporate and personal guarantees.

24.17 This represents the utilized portion of short term finance facility amounts to Rs. 437 million (2024: Nil). The rate of markup on funded facilities is 3 months KIBOR+2.25%. These facilities are secured against pari passu charge on Plant and machinery of the company up to the extent of Rs. 720 million, lien over term deposits, ranking charge on present and future current assets, PG's of sponsor directors and cross corporate guarantee of Parent Company.

	Note	2025 Rupees	2024 Rupees
25 ACCRUED MARKUP			
Long term loans	19	69,736,290	116,004,349
Short term borrowings	24	641,861,052	392,507,244
		<u>711,597,342</u>	<u>508,511,593</u>
26 CURRENT PORTION OF NON CURRENT LIABILITIES			
Long term loans	19	859,821,692	882,434,940
Lease liabilities	20.1	126,343,956	46,452,384
		<u>986,165,648</u>	<u>928,887,324</u>

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27. CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 A number of legal cases have been filed against the Group by individuals at various forums relating to several disputes / difference of opinion primarily in relation to consumer court matters. Due to their nature, it is not possible to quantify their financial impact at present. However, the management and the Group's legal advisors are of the view that the outcome of these cases is expected to be favourable and a liability, if, any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made for any liability that may arise as a result of these cases in these consolidated financial statements.

27.1.2 The Holding Company has challenge the super tax matter pertaining to tax year 2018 and 2019 before the Honourable Lahore High Court vide reference no. 3150 and 3148 respectively. The matter is Still subjudice before the Honourable Court, but no decision has been made by the Honourable Court. The potential impact of Super tax in case of unfavourable decision might be Rs. 49.720 million. However, the legal counsel fully believes positive outcome due to "Final tax Regime Basis" being commercial importer before tax year 2019.

27.1.3 The Subsidiary Company has received a notice under section 205(1B) of the Income Tax Ordinance, 2001, in respect of Tax Year 2024, proposing a tax demand of Rs. 19.97 million through order dated April 30, 2025, on account of shortfall in payment of advance tax. The Subsidiary Company has submitted its response to the tax authorities and filed an appeal before the Commissioner Inland Revenue on May 15, 2025. The matter is currently pending adjudication, and no final order has been passed as of the reporting date.

27.2 Commitments

Margin against Guarantees and Letter of Credit

10,249,554,472	12,335,402,090
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Commitment relating to construction of Sundar Industrial Estate and MM tower amounting to Rs. 3,342 million (2024: Nil) and Rs. 33 million (2024: Nil).

28 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

Sales - Local	119,464,975,396	131,978,523,227
Service income	70,711,201	56,342,461
Gross sales	119,535,686,597	132,034,865,688
Less: Sales tax	(10,762,809,086)	(44,363,419)
	108,772,877,511	131,990,502,269
Less: Discount	(4,393,776,012)	(2,248,084,002)
	104,379,101,499	129,742,418,267

Geographical region:

Pakistan	119,535,686,597	132,034,865,688
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	Note	2025 Rupees	2024 Rupees
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Timing of transfer of goods and services:

At a point in time	119,535,686,597	132,034,865,688
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Contract balances

Trade debt	7,537,001,348	3,527,099,204
Contract liabilities	403,138,941	578,399,044

28.1

28.1 This represents the liability recognized in respect of consideration received from customers before the satisfaction of performance obligation. Revenue recognized in the reporting period that was included in the contract liabilities balance at the beginning of the year amounts to Rs. 271.686 million (2024: Rs. 1,671.813 million). The balance of contract liability as at June 30, 2025, is expected to be recognized as revenue within one year.

29 COST OF REVENUE

Raw material consumed	29.1	54,507,858,973	85,859,515,106
Salaries, wages and benefits	29.2	1,147,186,627	750,129,851
Regulatory duty		238,983,417	321,882,946
Utilities		115,311,584	137,774,239
Sales tax on mobiles		-	25,699,606
Service fee (foreign consultants)		-	10,284,844
Insurance		7,190,830	10,479,577
Clearing charges		67,757,003	109,059,108
Depreciation	6.3	358,320,843	251,291,853
Travelling		42,133,142	28,751,640
Fee		75,678,951	35,704,827
Amortization	8.2	1,063,588	1,217,483
Domestic carriage		12,865,958	7,263,500
		56,574,350,916	87,549,054,580
Increase / (decrease) in work-in-process		73,018,656	(274,646,366)
Cost of goods assembled		56,647,369,572	87,274,408,214
Increase in finished goods		(4,109,166,118)	(1,163,012,939)
Cost of goods sold - Own assembled		52,538,203,454	86,111,395,275
Cost of goods sold - Imported for resale		430,394,281	-
Cost of goods sold - Purchased locally for resale		40,395,902,611	33,964,344,740
		93,364,500,346	120,075,740,015
29.1 As at July 01,		6,204,953,550	868,946,999
Purchases during the year		52,790,693,962	91,195,521,657
		58,995,647,512	92,064,468,656
As at June 30,		(4,487,788,539)	(6,204,953,550)
Raw material consumed		54,507,858,973	85,859,515,106
29.2 Salaries, wages and benefits include Rs. 14.43 million (2024: Rs. 9.18 million) in respect of gratuity fund.			

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30	ADMINISTRATIVE EXPENSE	Note	2025 Rupees	2024 Rupees
	Salaries wages and benefits	30.1	394,398,977	318,631,437
	Depreciation	6.3	111,442,536	128,119,731
	Rent, rates and taxes		16,896,585	13,847,347
	Insurance		45,079,143	27,913,021
	Legal and professional		14,241,561	13,514,326
	Repair and maintenance		56,913,836	53,874,744
	Fees and subscription		149,709,559	61,413,716
	Utilities		26,029,213	14,024,829
	Office expense		23,601,734	20,192,239
	Security service charges		29,103,076	22,508,733
	Traveling and conveyance		43,662,530	33,572,695
	Entertainment		58,215,021	65,212,627
	Vehicle running expense		19,321,831	11,035,412
	Postage and telephone		8,104,926	4,397,279
	Amortization	8.2	1,625,649	1,672,203
	Printing and stationary		12,076,892	4,261,804
	Auditors' remuneration	30.2	8,205,000	6,680,000
	Allowance for expected credit loss - trade debts	11.1	3,091,647	(6,738,456)
	Charity and donation	30.3	54,392,679	50,506,140
	Advertisement		1,156,157	7,437,987
	Miscellaneous expense		24,756,795	2,391,844
			<u>1,102,025,347</u>	<u>854,469,658</u>

30.1 Salaries, wages and benefits include Rs. 14.43 million (2024: Rs. 9.18 million) in respect of gratuity fund.

30.2 Breakup of auditor's remuneration is as follows:

Annual audit fee	5,755,000	3,000,000
Review of condensed interim financial statements	920,000	800,000
Certificates and other assurance engagements	1,020,000	1,580,000
Out of pocket expense	510,000	200,000
	<u>8,205,000</u>	<u>6,680,000</u>

30.3 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.

Million Smiles Foundation	-	6,000,000
Junior Leaders School	5,500,000	-
Sunder Stem School	18,950,000	-
Sweet Affairs	2,175,000	-
Support for family of ex-employee (Late Riaz Noor)	-	1,800,000
Customs Health Care Society	-	5,100,000
APWA Rana Liaquat Craftsman's Colony Welfare Project	18,000,000	10,500,000
	<u>44,625,000</u>	<u>23,400,000</u>

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			2025 Rupees	2024 Rupees
31	SELLING AND DISTRIBUTION COSTS	Note		
	Salaries, wages and benefits	31.1	175,806,334	136,601,021
	Freight outward		2,569,370	3,309,321
	Advertisement and promotions		11,153,942	8,080,924
	Depreciation	6.3	70,439,781	57,346,755
	Travelling and conveyance		32,220,514	17,720,113
	Packing expense		340,599	1,456,371
	Amortization	8.2	2,094,348	2,149,976
	Utilities		8,451,769	30,895,204
	Insurance		12,891,273	-
	Postage and communication		52,437,873	61,392,443
			368,405,803	318,952,128

31.1 Salaries, wages and benefits include Rs. 14.43 million (2024: Rs. 9.18 million) in respect of gratuity fund.

32 OTHER INCOME

Profit on investments	345,357,869	460,517,506
Profit on savings accounts	143,318,046	-
Fair value gain on investment properties	310,645,190	50,741,536
Rental Income	63,162,462	51,574,546
Gain on disposal of operating fixed assets	20,653,741	-
	883,137,308	562,833,588

33 OTHER EXPENSE

Provision for Workers' Welfare Fund	23.2	40,710,782	98,736,900
Provision for Workers' Profit Participation Fund	23.3	224,903,310	296,546,595
Increase in provision for slow moving and obsolete stock	10.1	11,083,090	16,446,694
Loss on disposal of term finance certificate		-	44,459,531
Loss on disposal of operating fixed asset		-	22,931,316
Investment in mutual funds written off		-	301,300
		276,697,182	479,422,336

34 FINANCE COST

Bank charges	297,372,507	308,342,730
Interest / markup on:		
- Short term borrowings	3,505,367,764	1,971,548,858
- Long term loans	82,176,385	655,317,510
- Lease liabilities	59,507,074	22,469,367
- Workers' Profit Participation Fund	-	16,453,721
	3,944,423,730	2,974,132,186

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35 TAXATION

Current tax

Current period

Prior period

35.3

Deferred tax - relating to origination of temporary differences

Relating to rate change

1,269,919,332	1,215,822,721
(109,606,354)	(206,586,452)
1,160,312,978	1,009,236,269
297,932,232	(130,345,826)
-	98,146,984
1,458,245,210	977,037,427

2025
Rupees

2024
Rupees

Current tax liability for the year as per the Ordinance

1,160,312,978

1,009,236,269

Portion of current tax liability as per tax laws, representing income tax under IAS 12

(1,160,312,978)

(1,009,236,269)

Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS37

-

-

35.1 The aggregate of current income tax amounting to Rs. 1,160.312 million (2024: (Rs. 1,009.236) million) represents tax liability of the Group calculated under the relevant provisions of the Income Tax Ordinance, 2001.

35.2 Reconciliation between tax expenses and accounting profit

Accounting profit before taxation

6,206,186,399

5,602,535,532

Tax at applicable tax rate of 29% (2024: 29%)

1,799,794,056

1,624,735,304

Tax effect of:

Expenses not allowed for tax

92,497,263

97,299,819

Deductible expenses

(335,022,390)

(254,674,332)

Income not allowed for tax

(26,399,992)

(6,738,456)

Deferred tax

297,932,232

(32,198,842)

Prior years tax

(109,606,354)

(206,586,452)

Tax credits under section 65(D) for the year

35.3

(495,344,850)

(617,308,339)

Alternative corporate tax

(50,956,981)

-

Super tax at rate of 10%

285,352,226

372,508,725

Tax expense for the year

1,458,245,210

977,037,427

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35.3 This includes adjustment of tax credit amounting to Rs. 495.345 million (2024: 617 million) under section 65 (D). The Parent 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 Parent 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 Parent Company's investment, the Finance Act, 2021 has repealed the section 65 (D) with effective date of 01 July 2021. During the year, the Parent Company availed the tax credit while filing the tax return for the tax year 2023. Management of Parent Company, based on the opinion from the Parent Company's tax advisor, is confident that Parent Company has a legitimate claim, considering the Parent Company's right to tax credit was established upon investment when section 65 (D) was in effect.

36 EARNINGS PER SHARE - BASIC AND DILUTED

Profit attributable to ordinary equity holders for basic earnings

4,747,941,189	4,625,498,105
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Numbers

Numbers

Weighted average number of ordinary shares adjusted for the effect of dilution

18

395,269,231

395,269,231

Rupees

Rupees

Earning per share - basic and diluted

12.01

11.70

37

37 RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

The related parties include remuneration of key management personnel which is disclosed in note 38.

38 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	Rupees					
Managerial remuneration	54,086,400	54,837,600	25,149,144	10,761,188	309,803,424	240,212,437
Gratuity	10,577,153	5,293,941	9,972,567	2,424,424	52,011,026	25,878,887
Medical allowance	3,513,600	3,562,400	1,633,764	699,072	20,125,584	15,604,745
Bonus	-	5,000,000	14,375,000	778,067	-	19,525,785
	68,177,153	68,693,941	51,130,475	14,662,751	381,940,034	301,221,854
Number of persons	1	1	4	4	113	85

380

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 amounts to Rs. 2.5 million (2024: 2.5 million) are paid to 3 (2024: 3) independent Directors. Some executives have been provided with group maintained vehicles and are also entitled to fuel allowances.

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group'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 Group'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 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:

39.1 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 June 30, 2025 and June 30, 2024.

39.1.1 Interest rate risk

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:

	2025 Rupees	2024 Rupees
Increase / decrease in basis points	+ / - 100	+ / - 100
Effect on profit before tax	287,388,354	134,137,963

39.1.2 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 Group 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.

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39.1.3 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.

39.2 Credit risk

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

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

The Group is exposed to credit risk on trade debts, other receivables, deposits, loans and advances, short-term and long-term investments 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:

	2025	2024
	Rupees	Rupees
Trade debts - Unsecured	7,537,001,348	3,527,099,204
Other receivables	12,148,704,839	12,707,060,676
Loans and Advances	102,364,235	48,146,245
Short term investments	2,908,499,770	2,800,401,233
Bank balances	3,116,355,639	2,274,462,632
	25,812,925,831	21,357,169,990

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:

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39.2.1	Trade Debts		Exposure at default	Expected credit loss	Expected credit loss rate
			Rupees	Rupees	
			June 30, 2025		
	Not due	[A]	3,422,731,975	-	0.00%
	Past due:				
	1-30 days		740,330,494	1,945,878	0.26%
	31-60 days		554,227,687	1,074,233	0.19%
	61-90 days		416,576,906	1,650,392	0.40%
	91-120 days		656,163,527	6,233,654	0.95%
	Above 120		32,330,295	536,167	1.66%
		[B]	2,399,628,909	11,440,324	
		[A+B]	5,822,360,884	11,440,324	
			June 30, 2024		
	Not due	[A]	2,569,134,062	1,497,890	0.06%
	Past due:				
	1-30 days		303,102,546	1,354,644	0.45%
	31-60 days		310,349,641	258,959	0.08%
	61-90 days		9,055,172	260,464	2.88%
	91-120 days		285,457,553	103,103	0.04%
	Above 120		58,348,906	4,873,616	8.35%
		[B]	966,313,818	6,850,786	
		[A+B]	3,535,447,880	8,348,676	

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.

39.2.2 Bank balances, long term and short term investments, and other receivables

Credit risk from balances with banks and financial institutions is managed by the 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.

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Financial institution

Cash and Bank balances

	Ratings		
	Agency	Short Term	Long term
Allied Bank Limited	PACRA	AAA	A1+
Askari Bank Limited	PACRA	A1+	AA+
Bank Alfalah Limited	PACRA	A1+	AAA
Bank AL Habib Limited	PACRA	A1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	AA-
Dubai Islamic Bank Pakistan Limited	VIS	A1+	AA
Faysal Bank Limited	PACRA	A1+	AA
JS Bank Limited	PACRA	A1+	AA
Meezan Bank Limited	VIS	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
Sindh Bank Limited	VIS	A1+	AA-
Soneri Bank Limited	PACRA	A1+	AA-
Standard Chartered Bank	PACRA	A1+	AAA
Bank Makramah Limited (formerly: Summit Bank Limited)	VIS	A-3	BBB-
The Bank of Khyber	VIS	A1	AA-
The Bank of Punjab	PACRA	A1+	AA+
United Bank Limited	VIS	A1+	AAA
Habib Bank Limited	VIS	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Industrial and Commercial Bank of China	Fitch	A	F1+
NBP Islamic	PACRA	A1+	AAA
Saudi Pak Investment Company	VIS	A1+	AAA

39.2.4 With respect to credit risk arising from other financial assets of the Group, consisting of receivables from brand owners, 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. The Group's subsidiary is profitable and generating positive cash flows. It has been able to fully repay the opening balance and the Group 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 Group expects minimal expected credit loss. Accordingly, no provision has been recognized.

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39.3 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:

Carrying amount	Contractual cash flows	On demand	Within one year	More than one year but less than five years	After five years
Rupees					

June 30, 2025

Financial liabilities

Long term loans	1,719,643,384	2,076,685,647	-	859,821,692	1,216,863,955	-
Lease liabilities	553,040,466	735,069,880	-	202,573,695	528,736,820	3,759,365
Short term borrowings	29,570,649,494	29,570,649,494	-	29,570,649,494	-	-
Trade and other payables	7,935,190,891	9,101,196,543	-	9,101,196,543	-	-
Accrued markup	711,597,342	711,597,342	-	711,597,342	-	-
	40,490,121,577	42,195,198,906	-	40,445,838,766	1,745,600,775	3,759,365

June 30, 2024

Financial liabilities

Long term loans	2,491,610,578	2,491,610,578	-	882,434,940	1,609,175,638	-
Lease liabilities	204,348,400	303,530,427	-	78,251,529	199,749,339	25,529,559
Short term borrowings	13,722,586,937	13,722,586,937	-	13,722,586,937	-	-
Trade and other payables	4,098,312,637	5,167,302,651	-	5,167,302,651	-	-
Accrued markup	508,511,593	508,511,593	-	508,511,593	-	-
	21,025,370,145	22,193,542,186	-	20,359,087,650	1,808,924,977	25,529,559

39.4 Changes in liabilities arising from financing activities

As at July 01,	Cash flows	Additions	Others	As at June 30,
Rupees				

2025

Long term	2,491,610,578	(414,924,931)	-	-	2,076,685,647
Lease liabilities	204,348,430	(166,665,806)	455,850,798	59,507,074	553,040,466
Short term borrowings	13,722,586,937	-	15,848,062,557	-	29,570,649,494
Accrued	508,511,593	(3,384,458,400)	-	3,587,544,149	711,597,342
	16,927,057,538	(3,966,049,137)	16,303,913,355	3,647,051,223	32,911,972,949

2024

Long term	2,995,782,214	(325,119,631)	-	-	2,491,610,578
Lease liabilities	168,120,306	(122,472,307)	136,231,064	22,469,367	204,348,430
Short term borrowings	5,138,117,603	-	8,584,469,334	-	13,722,586,937
Accrued	186,911,068	(2,305,265,843)	-	2,626,866,368	508,511,593
	8,488,931,191	(2,752,857,781)	8,720,700,398	2,649,335,735	16,927,057,538

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39.5 Financial instruments by categories

	At fair value through OCI	At fair value through profit or loss	At amortized cost	Total
Rupees				
2025				
Financial assets				
Debt instruments at amortized cost				
Trade debts - unsecured	-	-	7,537,001,348	7,537,001,348
Long-term investments	-	-	2,908,499,770	2,908,499,770
Security deposits	-	-	69,508,919	69,508,919
Loans and advances	-	-	66,054,837	66,054,837
Short-term investments	-	-	2,908,499,770	2,908,499,770
Bank balances	-	-	3,116,355,639	3,116,355,639
	-	-	16,605,920,283	16,605,920,283
Financial Liabilities				
Long term loans	-	-	2,076,685,647	2,076,685,647
Trade and other payables	-	-	7,907,199,162	7,907,199,162
Short-term borrowings	-	-	29,570,649,494	29,570,649,494
	-	-	39,554,534,303	39,554,534,303
	At fair value through OCI	At fair value through profit or loss	At amortized cost	Total
Rupees				
2024				
Financial assets				
Debt instruments at amortized cost				
Trade debts - unsecured	-	-	3,527,099,204	3,527,099,204
Security deposits	-	-	12,347,073	12,347,073
Loans and advances	-	-	324,397,018	324,397,018
Short-term investments	-	-	2,800,401,233	2,800,401,233
Bank balances	-	-	2,274,462,632	2,274,462,632
	-	-	8,938,707,160	8,938,707,160
Financial Liabilities				
Long term loans	-	-	2,491,610,578	2,491,610,578
Lease liabilities	-	-	204,348,400	204,348,400
Short term borrowings	-	-	13,722,586,937	13,722,586,937
Trade and other payables	-	-	5,167,302,651	5,167,302,651
Accrued markup	-	-	508,511,593	508,511,593
	-	-	22,094,360,159	22,094,360,159

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40. 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 carrying amounts of all the asset and liabilities reflected in these financial statements approximate to their fair value except investment properties.

The following table shows assets recognized at fair value, analyzed between those whose fair value is based on:

Level 1:	Quoted prices in active markets for identical assets or liabilities.
Level 2:	Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
Level 3:	Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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:

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:

			Fair value			
			Level 1	Level 2	Level 3	Total
			Rupees			
Assets at fair value through profit or loss:						
June 30, 2025						
Investment property	15	-	-	1,712,145,190		1,712,145,190
June 30, 2024						
Investment property	15	-	-	1,401,500,000		1,401,500,000

The Group obtains independent valuations of its investment property on an annual basis. At each reporting date, management reassesses the fair value of the building, considering the most recent external valuation and applying judgment within a reasonable range of fair value estimates. Building (Level 3 fair value): The fair value has been determined using the depreciated replacement cost approach. Under this method, the current cost of constructing a similar building at a comparable location is adjusted for depreciation to reflect physical deterioration and obsolescence, in order to arrive at the present market value.

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41. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard. The Group'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).

	2025 Rupees	2024 Rupees
The debt to equity ratio is as follows:		
Long term loan	2,076,685,647	2,491,610,578
Short term borrowings	29,570,649,494	13,722,586,937
Short term investments	2,908,499,770	2,800,401,233
Cash and cash equivalent	(4,152,557,630)	(2,288,039,864)
Net debt	30,403,277,281	16,726,558,884
Total equity	17,244,144,290	15,069,351,507
Total capital	47,647,421,571	31,795,910,391
Capital gearing ratio	64%	53%

42. CAPACITY AND PRODUCTION

	Number of handsets	Number of handsets
Cell phones		
- Maximum capacity	4,700,000	4,200,000
- Actual production	2,800,568	3,190,994
LEDs		
- Maximum capacity	180,000	-
- Actual production	9,496	-

42.1 The assembly plant was able to open enough LCs in the current year as the government removed restrictions, leading to higher production in the year.

42.2 The Group produces the mobile phones as per the demand of the customers.

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43. NUMBER OF EMPLOYEES

	2025 Number	2024 Number
As at Reporting date:		
Permanent staff	252	213
Outsourced factory staff	1396	1718
Foreign Employees	4	6
	<u>1652</u>	<u>1937</u>
Average during the year	<u>1795</u>	<u>1322</u>

44. OPERATING SEGMENT INFORMATION

	Distribution and Retail		Assembly		Total	
	2025	2024	2025	2024	2025	2024
	Rupees					
Revenue						
-External customer	44,353,296,911	36,396,139,453	60,025,804,588	93,346,278,814	104,379,101,499	129,742,418,267
-Inter-segment	-	-	-	-	-	-
	44,353,296,911	36,396,139,453	60,025,804,588	93,346,278,814	104,379,101,499	129,742,418,267
Cost of sales						
-External customer	(39,873,751,291)	(33,369,773,586)	(53,490,749,055)	(86,566,972,454)	(93,364,500,346)	(120,075,740,015)
-Inter-segment	-	-	-	-	-	-
Gross profit	4,479,545,620	3,026,365,867	6,535,055,533	6,779,306,360	11,014,601,153	9,666,678,252
Administrative expenses	(714,634,592)	(416,870,047)	(387,390,755)	(576,593,586)	(1,102,025,347)	(854,469,658)
Selling and distribution cost	(291,035,235)	(230,504,781)	(77,370,568)	(88,447,347)	(368,405,803)	(318,952,128)
Operating profit	3,473,875,793	2,378,991,039	6,070,294,210	6,114,265,427	9,544,170,003	8,493,256,466
Other income	-	(5,336,081)	883,137,308	568,169,669	883,137,308	562,833,588
Other expenses	(122,884,189)	(225,027,852)	(153,812,993)	(254,394,484)	(276,697,182)	(479,422,336)
Finance cost	(1,623,258,017)	(808,104,945)	(2,321,165,713)	(2,166,027,241)	(3,944,423,730)	(2,974,132,186)
Profit before taxation	1,727,733,587	1,340,522,161	4,478,452,812	4,262,013,371	6,206,186,399	5,602,535,532
Taxation	(720,193,045)	(152,225,741)	(738,052,165)	(824,811,686)	(1,458,245,210)	(977,037,427)
Profit for the year	1,007,540,542	1,188,296,420	3,740,400,647	3,437,201,685	4,747,941,189	4,625,498,105
Segment assets	34,663,665,657	36,944,032,540	29,253,541,829	1,032,852,909	63,917,207,486	19,887,080,147
Segment liabilities	(22,036,085,560)	6,027,483,538	(22,088,780,845)	(6,911,835,711)	(44,124,866,405)	(7,609,939,273)
Capital expenditure	351,045,091	285,987,910	3,307,404,778	4,019,294	3,658,449,869	502,630,363

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44.1 Geographical information

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

	2025 Rupees	2024 Rupees
Pakistan	104,379,101,499	129,742,418,267

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

44.2 Revenue from Xiaomi Pakistan (Private) Limited represents more than 10% amounting to Rs. 47.943 billion (2024: Rs. 73.459 billion) of the Group's total revenue.

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

45 SHARIAH COMPLIANCE DISCLOSURE

Following information has been disclosed with the reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to all shares Islamic Index.

Description	Explanation	2025 Rupees	2024 Rupees
Short term investments	Term Deposit Receipts	550,000,000	400,000,000
Bank balances	Bank Balances	796,576,210	356,459,082
Short term borrowings	Short term facilities	3,410,000,000	1,433,010,154
Shariah compliant Sukuk	Interest bearing	10,500,000,000	-

Relationship with banks having islamic windows

Bank Name	Region	Nature of transactions
Faysal Bank	Pakistan	Term Deposit Receipts Bank Balances Local Murabaha facility Tijarah Finance Facility
NBP Islamic Bank	Pakistan	Term Deposit Receipts Bank Balances Istisna facility
Dubai Islamic Bank	Pakistan	Savings Account Import Murabaha
Bank Islami	Pakistan	Bank Balances Istisna and import murabaha
MCB Islamic Limited	Pakistan	Bank Balances
Meezan Bank Limited	Pakistan	Bank Balances
Mutual Funds	Pakistan	Shariah compliant Sukuk

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46 SUBSEQUENT EVENT

- 46.1 The Board of Directors in their meeting held on September 29, 2025 have proposed a final cash dividend for the year ended June 30, 2025 of Rs. 4.50 per share (2024: Rs. 4 per share), amounting to Rs. 1,778,711,540 (2024: Rs. 1,581.076 million) for approval of the members at the Annual General Meeting to be held on October 22, 2025. These consolidated financial statements do not reflect this dividend.

47 CORRESPONDING FIGURES

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

Description	From	To	Amount
Statement of profit or loss			
Salaries, wages and other benefits	Administrative expense	Cost of sales	37,572,751
Travelling	Administrative expense	Cost of sales	10,038,682
Fee	Administrative expense	Cost of sales	35,704,827

48 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized by Board of Directors on September 29, 2025

49 GENERAL

Figures have been rounded off to the nearest rupees, unless stated otherwise.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Air Link Communication Limited

Notice of the 12th Annual General Meeting

NOTICE IS HEREBY GIVEN that the 12th Annual General Meeting (AGM) of **Air Link Communication Limited** (the Company) will be held on Wednesday, October 22, 2025 at 10:00 a.m. at Pearl Continental Hotel, 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, 2025 together with the Directors' and Auditors' Reports thereon.
2. To appoint Auditors of the Company and fix their remuneration for the financial year 2025-26. The Board of Directors have recommended for re-appointment of BDO Ebrahim & Co. Chartered Accountants as external auditors for the financial year 2025-26.
3. To consider and approve the payment of final cash dividend @ 45% i.e. Rs. 4.5 per share of Rs. 10 each held by the members as recommended by the Board of Directors. This is in addition to interim cash dividend @ 25% i.e Rs. 2.50 per share of Rs. 10 each.

B. ANY OTHER BUSINESS

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

By the order of the Board

(AMER LATIF)

Company Secretary

Lahore: October 1, 2025

Air Link Communication Limited

Notice of the 12th Annual General Meeting

NOTES:

1. Book Closure

Share Transfer Books of the Company shall remain closed from Thursday, October 16, 2025 to Wednesday, October 22, 2025 (both days inclusive) and no transfers will be registered during that time. To ensure that any share transfer deeds are registered in time for the above entitlement, they must be received by the Company's Share Registrar at 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 by the close of business on Wednesday, October 15, 2025.

2. Appointment of Proxy and participation in the AGM

A member of the Company who is entitled to attend and vote at the Annual General Meeting may appoint another member as their proxy to attend and vote on their behalf. To be considered valid, proxy forms must be duly stamped, signed, and submitted to the Registered Office at 152/1 – M, Quaid-e-Azam Industrial Estate, Kot Lakh Pat, Lahore, at least 48 hours prior to the meeting. Please note that the proxy must be a member of the Company. Proxy Forms are available in both Urdu and English and can be found attached to the notice circulated to shareholders, as well as on the Company's website at <https://www.airlinkcommunication.com/investor-information>.

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.

Air Link Communication Limited

Notice of the 12th Annual General Meeting

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 themselves 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 Tuesday, October 21, 2025;

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 at <https://www.airlinkcommunication.com/investor-information> 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 the Company's Shares Registrar, M/s. CDC Share Registrar Services Limited, 99-B Block B, SMCHS, Shahrah e Faisal, Karachi of any change in their addresses through a written request. Whereas, for shareholders maintaining their shares in electronic form, please ensure that your addresses are updated with your respective CDC participant or the CDC Investor Accounts Service.

Air Link Communication Limited

Notice of the 12th Annual General Meeting

6. Financial Statement

In accordance with Section 223(6) of the Companies Act, 2017, and S.R.O. 389(I)/2023 dated March 21, 2023, we have sent the annual financial statements of the Company for the year ended June 30, 2025, along with the Chairman's Review Report, and the Directors' and Auditors' Reports, via email to all shareholders who have provided their email addresses. Additionally, these documents are available on the Company's website at the following link and QR code.:

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



7. Change in email address

Members are responsible for promptly notifying the Shares Registrar of any changes at 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.

7. 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:

Air Link Communication Limited

Notice of the 12th Annual General Meeting

Company Name	Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

- vi. The required information must reach our Shares Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint-holder(s).
- vii. Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or CDC Share Registrar Services Limited. Shareholders while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective folio numbers. Without the NTN company would not be in a position to check filer status on the ATL and hence higher tax of 30% may be applied in such cases.
- viii. Members who desire to stop deduction of Zakat from their dividends may submit a declaration on non-judicial stamp paper duly signed as required under the law (if not submitted earlier).
- ix. Withholding Tax exemption from the dividend income shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar by first day of Book Closure.

9. Conversion of Physical Shares into Book-Entry Form

Section 72 of the Companies Act, 2017 mandates that all companies transit their physical shares to a book-entry form within a timeframe to be specified by the Securities and Exchange Commission of Pakistan (SECP). Shareholders holding physical shares are strongly encouraged to open an account with the Central Depository Company (CDC) or establish a sub-account with any registered broker to facilitate the conversion of their physical shares into a scriptless format. This transition offers numerous advantages for shareholders, including enhanced security for share custody and the ability to sell shares at their convenience. It is important to note that trading in physical shares is currently prohibited under the regulations of the Pakistan Stock Exchange Limited.

10. Restriction on Distribution of Gifts

In compliance with Section 185 of the Act read with Circular 2 of 2018, dated February 09, 2018, and S.R.O. 452(1)/2025 dated March 17, 2025 of SECP, the SECP has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/takeaway/packages) in any form or manner, to the shareholders at or in connection with General Meetings

(v) اس سلسلے میں، تمام شیئر ہولڈرز جن کے پاس مشترکہ شیئرز ہیں، سے درخواست کی جاتی ہے کہ وہ ہمارے شیئر رجسٹرار کو ان کے پاس موجود شیئرز کے حوالے سے پرنسپل شیئر ہولڈرز اور مشترکہ ہولڈرز (ز) کے شیئر ہولڈنگ کے تناسب کو تحریری طور پر فراہم کریں (صرف اگر پہلے سے فراہم نہیں کیا گیا ہے)۔

کمپنی کا نام	سی ڈی سی اکاؤنٹ نمبر / فولیو نمبر	کل شیئرز	پرنسپل شیئر ہولڈرز		مشترکہ شیئر ہولڈرز	
			نام اور CNIC نمبر	شیئر ہولڈنگ تناسب (شیئرز کی تعداد)	نام اور CNIC نمبر	شیئر ہولڈنگ تناسب (شیئرز کی تعداد)

(vi) مطلوبہ معلومات اس نوٹس کے 10 دن کے اندر ہمارے شیئر رجسٹرار کو موصول ہونی چاہیے، ورنہ یہ فرض کیا جائے گا کہ شیئر زپر نسل شیئر ہولڈرز اور مشترکہ ہولڈرز (ز) کے درمیان برابر تقسیم ہیں۔

(vii) CDC اکاؤنٹس رکھنے والے کارپوریٹ شیئر ہولڈرز سے درخواست ہے کہ وہ اپنے متعلقہ پارٹنیشنرز کے ساتھ اپنا نیشنل ٹیکس نمبر (NTN) اپ ڈیٹ کریں، جبکہ کارپوریٹ فزیکل شیئر ہولڈرز کو اپنے NTN سرٹیفکیٹ کی ایک کاپی کمپنی یا CDC شیئر رجسٹرار سروسز لمیٹڈ کو بھیجی چاہیے۔ شیئر ہولڈرز NTN یا NTN سرٹیفکیٹس بھیجتے وقت، جیسا کہ ضرورت ہو، کمپنی کا نام اور اپنے متعلقہ فولیو نمبر ضرور بتائیں۔ بغیر NTN کے، کمپنی ATL پر فائلر حیثیت کی جانچ کرنے کی پوزیشن میں نہیں ہوگی، اور اس طرح کے معاملات میں 30% کا زیادہ ٹیکس لاگو ہو سکتا ہے۔

(viii) وہ اراکین جو اپنے ڈیویڈنڈ سے زکوٰۃ کی کٹوتی روکنے کی خواہش رکھتے ہیں، وہ قانون کے مطابق غیر جوڈیشل اسٹامپ پیپر پر دستخط شدہ اعلانیه جمع کر سکتے ہیں (اگر پہلے جمع نہیں کروایا گیا ہو)۔

(ix) ڈیویڈنڈ آمدنی سے وہ ہولڈنگ ٹیکس کی چھوٹ صرف اسی صورت میں دی جائے گی جب کتاب بند ہونے کے پہلے دن سے قبل ہمارے شیئر رجسٹرار کو درست ٹیکس چھوٹ کا سرٹیفکیٹ فراہم کیا جائے۔

9۔ فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنا:

کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت، تمام کمپنیوں کے لیے یہ لازم ہے کہ وہ اپنے فزیکل شیئرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے ذریعے مقرر کردہ وقت میں بک انٹری فارم میں منتقل کریں۔ فزیکل شیئرز رکھنے والے شیئر ہولڈرز کو زور دیا جاتا ہے کہ وہ سینٹرل ڈیپوزیٹری کمپنی (CDC) کے ساتھ اکاؤنٹ کھولیں یا کسی رجسٹرڈ بروکر کے ساتھ ذیلی اکاؤنٹ قائم کریں تاکہ ان کے فزیکل شیئرز کو اسکرپٹ لیس فارمیٹ میں تبدیل کرنے میں آسانی ہو سکے۔ یہ تبدیلی شیئر ہولڈرز کے لیے بہت سے فوائد پیش کرتی ہے، جن میں شیئر کی تحویل کے لیے بہتر سیکیورٹی اور اپنی آسانی پر شیئرز فروخت کرنے کی صلاحیت شامل ہے۔ یہ بات نوٹ کرنا ضروری ہے کہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے ضوابط کے تحت فزیکل شیئرز کی تجارت اس وقت ممنوع ہے۔

10۔ تحائف کی تقسیم پر پابندی

ایکٹ کے سیکشن 185 ملا کر پڑھیں SECP کے سرکلر 2 آف 2018 مورخہ 09 فروری 2018، اور S.R.O. 452(1)/2025 مورخہ 17 مارچ 2025 کی تعمیل میں، SECP نے کمپنیوں کو تحائف (ٹوکن / کوپن / لنچ / ٹیک وے / ہیکیز) کے بدلے میں کسی بھی شکل میں یا جزل میٹنگ میں شیئر ہولڈرز کو تحائف یا مراعات دینے سے سختی سے منع کیا ہے۔

6۔ مالیاتی گوشوارہ:

کمپنیز ایکٹ 2017 کے سیکشن 223(6) اور S.R.O. 389(I)/2023 مورخہ 21 مارچ 2023 کے مطابق، ہم نے 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ مالیاتی گوشوارے، چیئرمین کے جائزہ رپورٹ، اور ڈائریکٹرز اور آڈیٹرز کی رپورٹیں ان تمام شیئرز ہولڈرز کو ای میل کے ذریعے بھیجی ہیں جنہوں نے اپنے ای میل ایڈریس فراہم کیے ہیں۔ اضافی طور پر، یہ دستاویزات کمپنی کی ویب سائٹ پر درج ذیل لنک اور QR کوڈ پر دستیاب ہیں:



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

7۔ ای میل ایڈریس کی تبدیلی:

اگر اکٹین پر یہ ذمہ داری عائد ہوتی ہے کہ وہ کسی بھی تبدیلی کی صورت میں جلد از جلد سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ، CDC ہاؤس، B-99، بلاک 'B' ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی، کراچی، 74400، ٹیلی فون: کسٹر سپورٹ سروسز (ٹول فری) CDCPL (23275-0800)، فیکس: (21-92) 34326053، ای میل: info@cdcsrsl.com، ویب سائٹ: www.cdcsrsl.com کو مطلع کریں۔

8۔ انکم ٹیکس کی دفعہ 150 کے تحت انکم ٹیکس کی کٹوتی:

(i) انکم ٹیکس آرڈیننس، 2001 کے سیکشن 150 کے تحت ڈیویڈنڈ کی ادائیگی سے انکم ٹیکس کی کٹوتی کی شرحیں مندرجہ ذیل ہوں گی:

(a) ایسے افراد جن کا نام فعال ٹیکس دہندگان کی فہرست (ATL) میں شامل ہے: 15%

(b) ایسے افراد جن کا نام فعال ٹیکس دہندگان کی فہرست (ATL) میں شامل نہیں ہے: 30%

(ii) کمپنی کو 30% کے بجائے 15% کی شرح سے کیش ڈیویڈنڈ کی رقم پر ٹیکس کی کٹوتی کرنے کے قابل بنانے کے لیے، شیئرز ہولڈرز جن کے نام فعال ٹیکس دہندگان کی فہرست (ATL) میں درج نہیں ہیں، باوجود اس کے کہ وہ فالوئرز ہیں، کو مشورہ دیا جاتا ہے کہ وہ کتاب بند ہونے کے پہلے دن سے پہلے اپنے نام ATL میں درج کروائیں، ورنہ ان کے کیش ڈیویڈنڈ پر 30% کے بجائے 15% کی شرح سے ٹیکس کی کٹوتی ہوگی۔

(iii) ڈیویڈنڈ آمدنی سے ود ہولڈنگ ٹیکس کی چھوٹ صرف اسی صورت میں دی جائے گی جب کتاب بند ہونے کے پہلے دن سے قبل سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ کو درست ٹیکس چھوٹ کا سرٹیفکیٹ یا کسی مجاز عدالت کا قیام حکم دستیاب ہو۔

(iv) مشترکہ اکاؤنٹ کی صورت میں، براہ کرم ہر اکاؤنٹ ہولڈر کے شیئرز ہولڈنگ کے تناسب کے ساتھ ان کی ATL پر انفرادی حیثیت کی اطلاع دیں۔ فیڈرل بورڈ آف ریونیو (FBR) سے موصول ہونے والی وضاحت کے مطابق، ود ہولڈنگ ٹیکس پر نیپل شیئرز ہولڈر کے ساتھ ساتھ مشترکہ ہولڈر (ز) کی فالوئر/انان فالوئر حیثیت پر ان کے شیئرز ہولڈنگ تناسب کی بنیاد پر الگ الگ طے کیا جائے گا، اگر مشترکہ اکاؤنٹس کی صورت میں ہو۔

3۔ اجلاس میں شرکت کے لیے آن لائن رجسٹریشن:

اراکین زوم ویڈیولنک کی سہولت کے ذریعے بھی AGM میں شرکت کر سکتے ہیں۔

a) میٹنگ میں شرکت کے لیے، اراکین سے درخواست کی جاتی ہے کہ وہ خود کو رجسٹر کریں اور اپنا CNIC (دونوں اطراف) پاسپورٹ کی کاپی یا بورڈ کی قرارداد/پاور آف اٹارنی کی مصدقہ کاپی (کارپوریٹ شیئر ہولڈرز کی صورت میں) کے ساتھ نیچے دی گئی معلومات فراہم کریں۔ یہ معلومات ای میل کے ذریعے agm@airlinkcommunication.net پر منگل، 21 اکتوبر 2025 تک بھیجیں:

شیئر ہولڈر کا نام	CNIC نمبر	CDC اکاؤنٹ نمبر/فولیو نمبر	موبائل نمبر	ای میل ایڈریس

b) ضروری تصدیق کے بعد رجسٹر ڈھونڈنے والے اراکین کو کمپنی کی جانب سے مذکورہ ای میل ایڈریس پر ویڈیولنک فراہم کیا جائے گا۔ لاگ ان کی سہولت صبح 09:45 سے میٹنگ کے اختتام تک دستیاب رہے گی۔

4۔ بینک اکاؤنٹ کی تفصیل:

کمپنیز ایکٹ 2017 کے سیکشن 242 کی دفعات کے تحت، کسی لسٹڈ کمپنی کے لیے یہ لازم ہے کہ وہ اپنے اراکین کو نقد ڈیویڈنڈ صرف الیکٹرانک طریقے سے براہ راست اس بینک اکاؤنٹ میں ادا کرے جو متعلقہ شیئر ہولڈرز نے نامزد کیا ہو۔

a۔ ڈیویڈنڈ کو براہ راست اپنے بینک اکاؤنٹ میں وصول کرنے کے لیے، شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ <https://www.airlinkcommunication.com/investor-information> پر دستیاب الیکٹرانک کریڈٹ مینڈیٹ فارم کو بھر کر، دستخط شدہ حالت میں CNIC کی کاپی کے ساتھ کمپنی کے شیئر رجسٹرار، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاوس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کو ارسال کریں، اگر شیئرز فزیکل فارم میں ہیں۔

b۔ اگر شیئرز CDC میں رکھے گئے ہیں تو الیکٹرانک کریڈٹ مینڈیٹ فارم براہ راست شیئر ہولڈرز کے بروکر/پارٹنیشنر CDC اکاؤنٹ سروسز کو جمع کرائیں۔ اگر IBAN پہلے ہی CDC اکاؤنٹ یا شیئر ہولڈر کے فزیکل فولیو میں شامل/اپ ڈیٹ ہو چکا ہے تو مزید کوئی کارروائی کی ضرورت نہیں ہے۔

5۔ ایڈریس کی تبدیلی:

فزیکل فارم میں شیئر رکھنے والے اراکین سے درخواست ہے کہ کسی بھی ایڈریس کی تبدیلی کے بارے میں کمپنی کے شیئر رجسٹرار، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، B-99 بلاک B، ایس ایم سی ایچ ایس، شاہراہ فیصل، کراچی کو جلد از جلد ایک تحریری درخواست کے ذریعے مطلع کریں۔ جبکہ، وہ شیئر ہولڈرز جو اپنے شیئر ز الیکٹرانک فارم میں رکھتے ہیں، براہ کرم اس بات کو یقینی بنائیں کہ آپ کے ایڈریسز آپ کے متعلقہ سی ڈی سی پارٹنیشنر یا سی ڈی سی انویسٹر اکاؤنٹ سروس کے ساتھ اپ ڈیٹ ہوں۔

نوٹس:

1- کتاب بندش:

کمپنی کی شیئرز انسفر کی کتابیں جمعرات، 16 اکتوبر 2025 سے بدھ، 22 اکتوبر 2025 تک (دونوں دن شامل ہیں) بند رہیں گی اور اس دوران کوئی منتقلی رجسٹر نہیں کی جائے گی۔ اس بات کو یقینی بنانے کے لیے کہ کوئی بھی شیئرز انسفر ڈیڈ ز اوپر دی گئی اہلیت کے لیے وقت پر رجسٹر ہو جائیں، انہیں کمپنی کے شیئرز رجسٹرار کے پاس سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، B99-B، بلاک 'B' ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی، کراچی-74400 پر، فون: کسٹمر سپورٹ سروسز (ٹول فری) 0800-34326053 (21-92)، ای میل: info@cdcsrsl.com، ویب سائٹ: www.cdcsrsl.com پر بدھ، 15 اکتوبر 2025 کو کاروبار کے اختتام تک موصول ہو جائیں۔

2- پراکسی کی تقرری اور سالانہ جنرل میٹنگ میں شرکت:

کمپنی کا وہ رکن جو سالانہ جنرل میٹنگ میں شرکت اور ووٹ دینے کا حقدار ہے، وہ کسی دوسرے رکن کو بطور پراکسی مقرر کر سکتا ہے جو اس کی جگہ پر شرکت اور ووٹ دے سکے۔ پراکسی فارم کو معتبر تصور کرنے کے لیے، انہیں مناسب طور پر مہر شدہ، دستخط شدہ اور رجسٹرڈ دفتر M1/152-، قائد اعظم انڈسٹریل اسٹیٹ، کوٹ لکھپت، لاہور پر میٹنگ سے کم از کم 48 گھنٹے پہلے جمع کرانا ضروری ہے۔ براہ کرم نوٹ کریں کہ پراکسی کمپنی کا رکن ہونا چاہیے۔ پراکسی فارم دونوں زبانوں میں، یعنی اردو اور انگریزی میں دستیاب ہیں اور یہ شیئرز ہولڈرز کو بھیجے گئے نوٹس کے ساتھ منسلک ہیں، نیز کمپنی کی ویب سائٹ <https://www.airlinkcommunication.com/investor-information> پر بھی دستیاب ہیں۔

وہ اراکین جنہوں نے اپنے شیئرز کو سنٹرل ڈیپازٹری کمپنی آف پاکستان میں جمع کیا ہے، انہیں درج ذیل ہدایات پر عمل کرنا ہوگا:

a- میٹنگ میں شخصی طور پر شرکت:

- i) اگر انفرادی حیثیت میں شرکت کرنی ہے تو، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ شخص جس کے سیکورٹیز گروپ اکاؤنٹ میں ہیں اور جن کی رجسٹریشن کی تفصیلات قوانین کے مطابق اپلوڈ کی گئی ہیں، انہیں میٹنگ کے وقت اپنی شناخت کی تصدیق کے لیے اپنی اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) اصل پاسپورٹ دکھانا ہوگا۔
- ii) اگر یہ کارپوریٹ ادارے کا معاملہ ہے تو، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی کے ساتھ نامزد کردہ شخص کے دستخط کا نمونہ میٹنگ کے وقت پیش کرنا ہوگا۔

b- پراکسی کی تقرری:

- i) اگر فرد کی حیثیت میں پراکسی مقرر کرنا ہے تو، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ شخص جس کے سیکورٹیز گروپ اکاؤنٹ میں ہیں اور جن کی رجسٹریشن کی تفصیلات قوانین کے مطابق اپلوڈ کی گئی ہیں، کو پراکسی فارم درج بالا ضروریات کے مطابق جمع کروانا ہوگا۔
- ii) متعلقہ مالکوں اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ فراہم کی جائیں۔
- iii) پراکسی کو میٹنگ کے وقت اپنا اصل شناختی کارڈ/اصل پاسپورٹ پیش کرنا ہوگا۔
- iv) اگر یہ کارپوریٹ ادارے کا معاملہ ہے تو، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی کے ساتھ نامزد کردہ شخص کے دستخط کا نمونہ پراکسی فارم کے ساتھ کمپنی کو جمع کروانا ہوگا۔

ایئر لنک کمیونیکیشن لمیٹڈ

12 ویں سالانہ جنرل میٹنگ کا نوٹس

یہ نوٹس دیا جاتا ہے کہ ایئر لنک کمیونیکیشن لمیٹڈ (کمپنی) کی 12 ویں سالانہ جنرل میٹنگ (اے جی ایم) بدھ، 22 اکتوبر 2025 کو صبح 10:00 بجے پرل کانٹی نینٹل ہوٹل، شاہراہ قائد اعظم، لاہور، پاکستان میں منعقد ہوگی، اور ساتھ ہی آن لائن ویڈیو کانفرنسنگ کی سہولت کے ذریعے بھی منعقد کی جائے گی، تاکہ درج ذیل کاروبار انجام دیا جاسکے:

A- عام کاروبار

- 1) کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کو 30 جون 2025 کو ختم ہونے والے سال کے لیے وصول کرنے، غور کرنے اور اپنانے کے لیے، نیز اس پر ڈائریکٹرز اور آڈیٹرز کی رپورٹیں بھی پیش کی جائیں گی۔
- 2) کمپنی کے آڈیٹرز کی تقرری اور مالی سال 2025-26 کے لیے ان کی تنخواہ مقرر کرنے کے لیے۔ بورڈ آف ڈائریکٹرز نے مالی سال 2025-26 کے لیے بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو بطور خارجی آڈیٹر دوبارہ تقرر کرنے کی سفارش کی ہے۔
- 3) بورڈ آف ڈائریکٹرز کی سفارش کے مطابق، اراکین کے پاس موجود 10 روپے کے حصص پر 45% یعنی 4.5 روپے فی حصص کے حساب سے حتمی نقد منافع کی ادائیگی پر غور اور منظوری دینا۔ یہ 25% عبوری نقد منافع یعنی 2.5 روپے فی 10 روپے کے حصص کے علاوہ ہے۔

B- کوئی بھی دیگر کاروبار

کسی بھی دوسرے کاروبار پر غور و بحث کی جائے گی جو میٹنگ کے دوران چیئر کی اجازت کے ساتھ پیش کیا جاسکتا ہے۔

بحکم بورڈ

عامر لطیف

کمپنی سیکریٹری

لاہور: یکم اکتوبر 2025

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.50/-

Revenue Stamp

Witness:1

Witness:2

Signature _____

Signature _____

Name

Name

CINC#

CINC#

Address

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، قائد اعظم 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 کرتا/ 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 _____ ۲۰۲ کو منعقد ہوگی
 اور اس کے کسی بھی ملتوی شدہ اجلاس میں ووٹ ڈالیں۔

ممبر کے دستخط _____ کے دن _____ ۲۰۲

دستخط برائے

پچاس روپے ریونیو اسٹیپ

فولیو نمبر	سی ڈی سی پارٹیسپنٹ ID نمبر	سی ڈی سی اکاؤنٹ / ذیلی اکاؤنٹ نمبر	حصص کی تعداد

گواہ ۲:

گواہ ۱:

دستخط:

دستخط:

نام:

نام:

شناختی کارڈ نمبر:

شناختی کارڈ نمبر:

پتہ:

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 ڈیپازٹری کمپنی آف پاکستان لمیٹڈ میں جمع کرائے ہیں، تو پراکسی کے ساتھ پارٹیسپنٹ ID نمبر اور اکاؤنٹ/

ذیلی اکاؤنٹ نمبر، کمپیوٹر آؤٹومی شناختی کارڈ یا اصل مالک کے پاسپورٹ کی تصدیق شدہ کاپیاں منسلک کرنا ہوں گی۔ کارپوریٹ ممبران کے نمائندوں کو اس مقصد کے لیے درکار معمول

کی دستاویزات ساتھ لانا ہوں گی۔

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۔



YOUR SMART DEVICE PARTNER