

# 2021 Report for the Half year

and quarter ended  
December 31, 2021

# TABLE OF CONTENTS

<b>Contents</b>	<b>Page No.</b>
Company Information	02
Director's Review Report (English & Urdu)	04
Auditors' Review Reports	10
Reviewed Condensed Financial Statements	12
Investors' Education (Jama Punji)	25

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Arif Elahi	Chairman of the Board & Non-Executive Director
Mr. Imran Baxamoosa	Chief Executive Officer and Director
Mr. Ali Aamer Baxamoosa	Executive Director
Ms. Safina Danish Elahi	Non-Executive Director
Mr. Asfandyar Farrukh	Independent Director
Ms. Nadine Malik Almani	Independent Director
Mr. Mirza Qamer Beg	Independent Director

### AUDIT COMMITTEE

Mr. Mirza Qamer Beg	Chairman of the Committee
Ms. Nadine Malik Almani	
Mr. Arif Elahi	
Mr. Asfandyar Farrukh	
Mr. Ali Taha	Secretary to the Committee

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Ms. Nadine Malik Almani	Chairperson of the Committee
Ms. Safina Danish Elahi	
Mr. Imran Baxamoosa	
Ms. Anam Saleem	Secretary to the Committee

### COMPANY SECRETARY

Mr. Ali Taha

### AUDITORS

M/s. Crowe Hussain Choudhury & Co.  
Chartered Accountants

### LEGAL ADVISOR

Mohsin Tayebaly & Co.



## **BANKERS OF THE COMPANY**

Dubai Islamic Bank  
Meezan Bank  
Standard Chartered Bank (Pakistan) Limited  
Habib Bank Limited  
Bank Alfalah  
Al Baraka Bank (Pakistan) Limited  
Silk Bank Limited  
Summit Bank Limited  
United Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Habib Metropolitan Bank Limited

## **SHARE REGISTRAR**

CDC Share Registrar Services Limited  
CDC House, 99-B, Block B, S.M.C.H.S.,  
Main Shahra-e-Faisal, Karachi – 74400.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326034  
Email: info@cdcsrcsl.com

## **REGISTERED AND HEAD OFFICE**

Bangalow No. 5, Banglore Town, Main Shahrah-e-Faisal, Karachi  
Tel: (92-21) 111-Blue Ex (258339)  
Email: ask@blue-ex.com  
website: www.blue-ex.com

## **REGIONAL OFFICE - CENTRAL**

158-S, Quaid-e-Azam Industrial  
Estate, Kot Lakhpat, Lahore.

## **REGIONAL OFFICE - NORTH**

Bulding No 2A, Airport Link Road,  
Chaklala, Rawalpindi.

## **SYMBOL AT PAKISTAN STOCK EXCHANGE LIMITED**

GEMUNSL



## DIRECTOR'S REVIEW REPORT

### FOR THE PERIOD ENDED DECEMBER 31, 2021

The Board of Directors of your Company are pleased to present their first review report on the financial and operational performance of the Company for the six months ended December 31, 2021. The attached financial statements for the period ended December 31, 2021 were reviewed by the external auditors of the Company and their unqualified 'Review Report' is annexed as part of these financial statements.

The Board of Directors of your Company expresses its gratitude to its esteemed shareholders for showing confidence in the Company during the public offering of its shares in November 2021 when the offering was oversubscribed by 1.6x. This unique feat of becoming the first public listed Company in ecommerce tech logistics & courier sector of Pakistan was not possible without the kind guidance of Pakistan Stock Exchange Limited and Securities & Exchange Commission of Pakistan during the whole process creating history in the process in Pakistan

The Board of Directors and the Management of your Company are fully conversant of the fact that the Company has achieved a unique position in the country's courier & ecommerce logistics industry, which may help other fellow companies to follow suit of public participation through stock exchange and become more open and transparent in their business practices.

### Financial Performance Summary

This is the first time, your Company is presenting its reviewed financial statements as part of the compliance of Pakistan Stock Exchange Limited – Listing Regulations and Companies Act, 2017. The Summarized results for period ended December 31, 2021 (reviewed) and comparative period December 31, 2020 (Un-Reviewed) are summarized below:

	Six months Ended	
	December 31	
	2021 Reviewed	2020 Unreviewed
	.....Rupees.....	
Profit before tax	15,402,048	9,367,899
Profit after tax	12,681,333	10,346,658
Earnings per share	0.55	18.11
Number of outstanding ordinary shares - average	22,857,097	571,430

The net operating revenue of the Company from its international freight business and Courier Segments has increased by more than 48% on period to period largely due to contribution from higher cargo shipments moved by the Company across Pakistan through its domestic E-commerce network. The international freight operations remained under influence of Pandemic effects as global supply chain disrupted with lesser number of airline operations and significant increase in shipping lines' freight container charges coupled with longer wait time. The same pandemic related effect on local airline operations also kept domestic cargo segment under pressure.

In last week of November 2021, the contract for cargo service agreement with Serene Air was matured and the Company didn't pursue its renewal as your Board felt that this sector has no further growth due to more affordable and time saving option of improved road network is available which will put domestic airline sectors at disadvantage. Furthermore, to concentrate on the high growth segment of ecommerce last mile logistics and fulfilment, the Company is contemplating various measures for more operational efficiency and outreach.

### **Public Offering**

As advised, during the period in November 2021, the Company after obtaining approvals from competent regulators, issued 6.857 million ordinary shares of Rs. 10/- each at premium of Rs. 55/- each to raise equity of Rs. 445.705 million. This additional equity will be used for increasing the network reach across country, more technological enhancements and acquiring efficient logistics solutions for increasing profitability in coming periods.

### **Board and its Committees**

Your Board as advised is committed to complete compliance with the applicable requirement for public listed companies and therefore, before going for public listing, a well diverse and professional board was in place. There are 3 independent, 2 non-executive and 2 executive directors on Board including in the composition are 2 female directors.

The Board formally advised the Audit Committee (3 independent and 1 non-executive director) and Human Resource & Remuneration Committee (1 independent, 1 non-executive and 1 executive director) with their terms of reference.

### **Future Business Prospects**

On a macro perspective, the country is facing various challenges from higher international oil prices, political unrest, current account deficit which puts pressure on Pak Rupee but we are hopeful that the policy makers are focused to increase exports and keep money supply in check.

The E-commerce sector is booming with more business are opening their operations online or converting into online segments. More and more new smartphone App based companies are onboarding for solutions from quick commerce to dark stores which require partnerships with reliable, transparent and public trusted companies. Your Company is well positioned to serve these new and existing entrepreneurs with more robust business solutions, advance technological solutions and focus on building up beneficial partnerships. The Company is also aiming in opening dialogue about a comprehensive regulatory framework for this sector with competent authorities.

The management is working persistently to improve operational efficiencies, increase capacity utilization across all segments and enhance its footprints across all networks, globally and domestically to strengthen its position of top logistics & courier partner in the country.

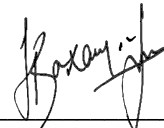
### **Acknowledgement**

We express our sincerest gratitude to all stakeholders including our clients, business partners, shareholders, financial institutions, regulators for their support and confidence and to our employees for their dedication and hard work for continuously achieving the best performance.

**For & on behalf of the Board of Directors**



**Arif Elahi**  
Chairman



**Imran Baxamoosa**  
Chief Executive Officer

**February 28, 2022**  
Karachi.

## ڈائریکٹرز کا جائزہ

آپ کی کمپنی کا بورڈ آف ڈائریکٹرز نہایت مسرت کے ساتھ مالیاتی سال 2021-22 کی پہلی ششماہی جس کا اختتام بتاریخ 31 دسمبر 2021 ہوا ہے، کمپنی کی مالیاتی اور عملیاتی کارکردگی کے بارے میں اپنی پہلی جائزہ رپورٹ پیش کر رہا ہے۔ منسلک مالیاتی گوشواروں کو، جو مدت اختتام 31 دسمبر 2021 کے ہیں، بیرونی محاسب نے جائزہ لیا ہے اور انکی جاری کردہ غیر مشروط "جائزہ رپورٹ" ان مالیاتی گوشواروں کے جز کے طور پر شامل کی گئی ہے۔

آپ کی کمپنی کا بورڈ آف ڈائریکٹرز نومبر 2021 میں اپنے حصص کی عوامی پیشکش کے دوران کمپنی پر اعتماد ظاہر کرنے پر اپنے معزز حصص یافتگان کا شکریہ ادا کرتا ہے جب پیشکش کو 11 اکتوبر 2021 سے زیادہ قبولیت دی گئی۔ پاکستان کے ای کامرس ٹیک لاجسٹکس اور کوریئر شعبہ جات میں پہلی پبلک لسٹڈ کمپنی بننے کا یہ کارنامہ پاکستان اسٹاک ایکسچینج لمیٹڈ اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مہربان رہنمائی کے بغیر ممکن نہیں تھا اور اس پورے عمل کے دوران پاکستان میں ایک نئی تاریخ رقم ہوئی۔

آپ کی کمپنی کا بورڈ آف ڈائریکٹرز اور انتظامیہ اس حقیقت سے پوری طرح واقف ہے کہ کمپنی نے ملک کی کوریئر اور ای کامرس لاجسٹکس انڈسٹری میں ایک منفرد مقام حاصل کیا ہے، جس سے دیگر ساتھی کمپنیوں کو اسٹاک ایکسچینج کے ذریعے عوامی شرکت کی پیروی کرنے میں مدد مل سکتی ہے اور اپنے کاروباری طریقوں میں زیادہ کھلا پن اور شفافیت حاصل کر سکتے ہیں۔

## مالیاتی کارکردگی کا خلاصہ

یہ پہلی بار ہے کہ آپ کی کمپنی پاکستان اسٹاک ایکسچینج لمیٹڈ - لسٹنگ ریگولیشنز اینڈ کمپنیز ایکٹ، 2017 کی تعمیل کے طور پر اپنے جائزہ شدہ مالیاتی گوشواروں کو پیش کر رہی ہے۔ 31 دسمبر 2021 کی اختتامی مدت کے لیے خلاصہ شدہ نتائج (جائزہ لئے گئے) اور تقابلی مدت 31 دسمبر 2020 (غیر جائزہ شدہ) کا خلاصہ ذیل میں دیا گیا ہے:

### ششماہی مدت کا اختتام

31 دسمبر

2021- جائزہ شدہ

2020- غیر جائزہ شدہ

روپیہ		
15,402,048	9,367,899	منافع قبل از محصول
12,681,333	10,346,658	منافع بعد از محصول
0.55	18.11	نی حصہ آمدنی
22,857,097	571,430	عام حصص کی تعداد- اوسط

کمپنی کی اس کے بین الاقوامی مال برداری کے کاروبار اور کوریج کے شعبوں سے خالص آپریٹنگ ریونیو میں پچھلی مدت کے مقابلے میں 48 فیصد سے زائد کا اضافہ ہوا ہے جس کی بڑی وجہ کمپنی کی طرف سے پاکستان بھر میں اپنے مقامی ای کامرس نیٹ ورک کے ذریعے منتقل کی جانے والی کارگو شپمنٹس ہیں۔ بین الاقوامی مال برداری کے آپریشنز بدستور وبائی اثرات کے زیر اثر رہے جس کی وجہ سے عالمی سپلائی چین میں ایئر لائن آپریشنز کی کم تعداد اور شپنگ لائنوں کے فریٹ کنٹینرز چارجز میں نمایاں اضافہ اور طویل انتظار وقت کے ساتھ کلی بین الاقوامی کاروبار میں خلل پڑا۔ اسی عالمی وبا کے مقامی ایئر لائنوں پر اثرات مقامی مال برداری کے کاروبار کو بھی متاثر کرتے رہے۔

نومبر 2021 کے آخری ہفتے میں، سیرین ایئر کے ساتھ کارگو سروس کے معاہدے کی مدت مکمل ہو گئی تھی اور کمپنی نے اس کی تجدید نہ کر کے اس معاہدہ کو آگے نہیں بڑھایا کیونکہ آپ کے بورڈ نے محسوس کیا کہ دستیاب سڑکوں اور ہائی ویز کے بہتر ہوتے ہوئے نیٹ ورک زیادہ سستے اور وقت کی بچت کی وجہ بنیں گے نتیجتاً اس شعبے میں مزید ترقی کے مواقع ناپید ہوتے جا رہے ہیں اور تجدید معاہدہ کمپنی کے حق میں نقصان کا سبب بنے گا۔ مزید برآں، ای کامرس کے آخری میل لاجسٹکس اور تکمیل کے اعلیٰ نمو والے شعبوں پر توجہ مرکوز کرنے کے لیے، کمپنی مزید عملیاتی کارکردگی اور وسیع رسائی کے لیے مختلف اقدامات پر غور کر رہی ہے۔

## عوامی پیش کش:

جیسا کہ اوپر بتایا گیا ہے، نومبر 2021 کی مدت کے دوران، کمپنی نے مجاز ریگولیٹرز سے منظوری حاصل کرنے کے بعد، 10 روپے مالیت کے 6.857 ملین عام حصص جاری کیے۔ یہ حصص 55 روپے پر ایم فی حصہ کے حساب سے 445.705 ملین روپے کی ایکویٹی بڑھانے کے لیے جاری کئے گئے۔ اس اضافی ایکویٹی کا استعمال پورے ملک میں نیٹ ورک کی رسائی بڑھانے، مزید تکنیکی بہتری اور آنے والے ادوار میں منافع میں اضافے کے لیے موثر لاجسٹکس حل کے حصول کے لیے کیا جائے گا۔

## بورڈ اور اس کی کمیٹیاں

آپ کا بورڈ جیسا کہ درکار ہے، وہ پبلک لسٹڈ کمپنیوں کے لیے قابل اطلاق تقاضوں کی مکمل تعمیل کرنے کے لیے پر عزم ہے اور اس لیے، پبلک لسٹنگ کے لئے جانے سے پہلے ہی ایک متنوع اور پیشہ ورانہ بورڈ موجود تھا۔ بورڈ میں 3 آزاد، 2 نان ایگزیکٹو اور 2 ایگزیکٹو ڈائریکٹرز ہیں جن میں 2 خواتین ڈائریکٹرز شامل ہیں۔

بورڈ نے باضابطہ طور پر آڈٹ کمیٹی (3 آزاد اور 1 نان ایگزیکٹو ڈائریکٹر) اور ہیومن ریسورس اینڈ ریٹرنیشن کمیٹی (1 آزاد، 1 نان ایگزیکٹو اور 1 ایگزیکٹو ڈائریکٹر) کو ان کی مطلق شرائط کے ساتھ تشکیل دیا ہے۔



## مستقبل کے کاروباری امکانات

کلی معاشیات کے نقطہ نظر سے، ملک کو تیل کی بلند بین الاقوامی قیمتوں، سیاسی بے چینی، کرنٹ اکاؤنٹ خسارے اور ان جیسے مختلف چیلنجز کا سامنا ہے جس سے پاکستانی روپے کی قدر پر دباؤ پڑتا ہے لیکن ہم پر امید ہیں کہ پالیسی ساز برآمدات بڑھانے اور رقم کی ترسیل و انتقال کو کنٹرول میں رکھنے پر توجہ مرکوز کر رہے ہیں۔

ای کامرس کا شعبہ مائل بہ عروج پر ہے اور ہر آنے والے دن زیادہ سے زیادہ کاروبار اپنے کام آن لائن کھول رہے ہیں یا آن لائن حصوں میں تبدیل ہو رہے ہیں۔ زیادہ سے زیادہ نئی اسمارٹ فون ایپ پر مبنی کمپنیاں فوری تجارت سے لے کر ڈاک اسٹورز تک حل تلاش کر رہی ہیں جن کے لیے قابل اعتماد، شفاف اور عوامی بھروسہ مند کمپنیوں کے ساتھ شراکت داری کی ضرورت ہے۔ آپ کی کمپنی ان نئے اور موجودہ کاروباریوں کو زیادہ مضبوط کاروباری حل، پیشگی تکلیفی حل اور فائدہ مند شراکت داریوں کی تعمیر پر توجہ دینے کے لیے اچھی پوزیشن میں ہے۔ کمپنی مجاز حکام کے ساتھ اس شعبے کے لیے ایک جامع ریگولیٹری فریم ورک کے بارے میں بات چیت شروع کرنے کا بھی ارادہ رکھتی ہے۔

انتظامیہ عملی افادیت کو بہتر بنانے، تمام شعبوں میں صلاحیت کے استعمال کو بڑھانے اور تمام نیٹ ورکس پر عالمی اور ملکی سطح پر اپنے اثرات کو بڑھانے کے لیے مسلسل کام کر رہی ہے تاکہ ملک میں چوٹی کی لاجسٹکس اور کوریئر پارٹنر کی حیثیت کو مضبوط کیا جاسکے۔

## اعتراف شکر گزاری

ہم تہہ دل سے شکریہ ادا کرتے ہیں اپنے تمام متعلقین بشمول اپنے کلائنٹس، کاروباری شراکت داروں، حصص یافتگان، مالیاتی اداروں، ریگولیٹرز کا ان کے تعاون اور اعتماد کے لیے اور اپنے ملازمین کا بھی کہ جن کی مسلسل و انتھک محنت بہترین کارکردگی کو حاصل کرنے میں معاون رہی ہے۔

منجانب بورڈ آف ڈائریکٹرز



عمران بکساموسی

چیف ایگزیکٹو آفیسر



عارف الہی

چیئر مین



**Crowe Hussain Chaudhury & Co.**  
Chartered Accountants  
Member Crowe Global

F-4/2, Mustafa Avenue,  
Behind The Forum  
Block 9, Clifton, Karachi, Pakistan.  
+92 21 35877806-10  
www.crowe.pk

Other Offices in Lahore & Islamabad

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of  
**Universal Network Systems Limited**  
Report on review of interim financial statements

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Universal Network Systems Limited** (the 'Company'), as at December 31, 2021 and the related condensed interim statement of profit or loss condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



**Other Matters**

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the six months period ended December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

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

A handwritten signature in black ink, appearing to read "Ayone Hussain".

**Crowe Hussain Chaudhury & Co.**  
**Chartered Accountants**

**Place: Karachi**

**Date: 28 FEB 2022**

**UDIN Number: RR202110207tGvpR7BuH**



**UNIVERSAL NETWORK SYSTEMS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2021**

	Note	(Un-Audited) December 31 2021	(Audited) June 30 2021
-----Rupees-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	114,383,269	105,158,981
Right-of-use assets	6	48,625,346	60,043,079
Intangible assets	7	59,133,150	59,133,150
Long term deposits		<u>11,147,728</u>	<u>11,245,728</u>
		<b>233,289,492</b>	<b>235,580,938</b>
<b>Current assets</b>			
Trade debts		375,157,404	349,627,734
Packaging material		3,430,479	2,662,889
Short term loans and advances	8	14,097,438	20,968,806
Short term deposits, prepayments and advance income tax		31,980,808	39,667,316
Tax refund due from Government		20,483,731	21,979,070
Short term investments	9	354,468,763	-
Cash and bank balances	10	120,296,155	76,819,150
		<u>919,914,778</u>	<u>511,724,965</u>
<b>TOTAL ASSETS</b>		<b><u>1,153,204,270</u></b>	<b><u>747,305,903</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
50,000,000 ordinary shares of Rs.10/- each (2021: 100,000 ordinary shares of Rs. 100/- each)		<u>500,000,000</u>	<u>500,000,000</u>
<b>Issued, subscribed and paid-up share capital</b>			
27,428,430 ordinary shares of Rs. 10/- each (2021: 20,571,430 ordinary shares of Rs. 10/- each)			
fully paid in cash		274,284,300	205,714,300
Share premium		402,328,869	43,286,075
Revaluation surplus on property, plant & equipment		26,656,021	27,845,460
Subordinated loan from sponsor		70,000,000	70,000,000
Unappropriated profit		79,268,887	65,398,114
		<u>852,538,077</u>	<u>412,243,949</u>

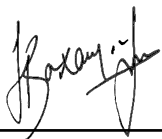
Chief Executive Officer

Chief Financial Officer

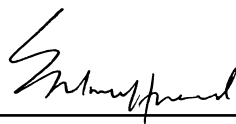
Director

		(Un-Audited) December 31 2021	(Audited) June 30 2021
		-----Rupees-----	
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	11	28,842,671	39,456,951
Deferred tax liabilities - net	12	13,716,284	16,405,413
		<u>42,558,955</u>	<u>55,862,364</u>
<b>Current liabilities</b>			
Trade and other payables		230,112,927	241,727,500
Due to related parties		1,259,943	2,434,610
Accrued mark-up		-	57,587
Current portion lease liabilities	11	22,063,245	22,187,718
Provision for taxation		4,671,123	12,792,175
		<u>258,107,238</u>	<u>279,199,590</u>
<b>Contingencies and Commitments</b>	<b>13</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>1,153,204,270</u></u>	<u><u>747,305,903</u></u>

The annexed notes form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director



**UNIVERSAL NETWORK SYSTEMS LIMITED**  
**CONDENSED INTERIM PROFIT OR LOSS ACCOUNT**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - (Un-Audited)**

	Note	Half year ended		Quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		-----Rupees-----		-----Rupees-----	
International freight		<b>13,014,310</b>	1,904,072	<b>6,270,572</b>	521,934
Courier service income		<b>81,851,290</b>	61,234,233	<b>42,408,073</b>	31,781,199
Commission income		<b>293,143</b>	706,563	<b>132,453</b>	421,457
	<b>14</b>	<b>95,158,744</b>	63,844,868	<b>48,811,097</b>	32,724,590
General and administrative expenses		<b>(78,713,769)</b>	(48,648,484)	<b>(39,463,618)</b>	(25,661,443)
Marketing and selling expenses		<b>(1,706,181)</b>	(1,527,101)	<b>(893,061)</b>	(664,923)
		<b>(80,419,950)</b>	(50,175,585)	<b>(40,356,679)</b>	(26,326,366)
Operating profit		<b>14,738,794</b>	13,669,283	<b>8,454,419</b>	6,398,224
Other income		<b>4,208,817</b>	914,665	<b>3,401,858</b>	1,113,169
Finance cost	<b>15</b>	<b>(3,545,563)</b>	(5,216,049)	<b>(1,700,322)</b>	(2,734,168)
		<b>663,254</b>	(4,301,384)	<b>1,701,536</b>	(1,620,998)
Profit before taxation		<b>15,402,048</b>	9,367,899	<b>10,155,955</b>	4,777,225
Taxation	<b>16</b>	<b>(2,720,715)</b>	978,759	<b>(664,720)</b>	3,224,245
Profit after taxation		<b>12,681,333</b>	10,346,658	<b>9,491,235</b>	8,001,470
Earnings per share - basic and diluted	<b>17</b>	<b>0.55</b>	18.11	<b>0.42</b>	14.00

The annexed notes form an integral part of these financial statements.

**Chief Executive Officer**

**Chief Financial Officer**

**Director**



**UNIVERSAL NETWORK SYSTEMS LIMITED**  
**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - (Un-Audited)**

	Half year ended		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Profit after taxation	<b>12,681,333</b>	10,346,658	<b>9,491,235</b>	8,001,470
Items not to be reclassified to profit or loss in subsequent period:				
Surplus on revaluation of property, plant equipment	-	45,030,204	-	45,030,204
Deferred tax on revaluation surplus on property, plant and equipment		(13,058,759)		(13,058,759)
	-	31,971,445	-	31,971,445
Total comprehensive income for the period	<b><u>12,681,333</u></b>	<u>42,318,103</u>	<b><u>9,491,235</u></b>	<u>39,972,915</u>

The annexed notes form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

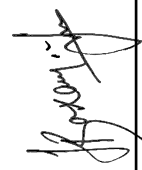
Director

**UNIVERSAL NETWORK SYSTEMS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021**



	Issued, subscribed and paid-up capital	Share Premium	Unappropriated profit	Surplus on revaluation of property, plant & equipment	Sponsor's Loan	Total
Balance as at June 30, 2020	5,714,300	43,286,075	29,300,412	-	-	78,300,787
Conversion of loans from directors into 10,089,209 ordinary shares @ Rs. 10/- each	100,890,291					100,890,291
Issue of 9,910,971 shares on cash @ Rs. 10/- each	99,109,709					99,109,709
Profit after tax	-	-	33,220,547	-		33,220,547
Subordinated loan from sponsor					70,000,000	70,000,000
<b>Other comprehensive income for the year</b>						
Surplus on revaluation of property, plant and equipment - net of deferred tax	-	-		29,022,616		29,022,616
Realized revaluation surplus on derecognition			1,177,156	(1,177,156)		-
Reversal of amortization on software			1,700,000			1,700,000
Balance as at June 30, 2021	<b>205,714,300</b>	<b>43,286,075</b>	<b>65,398,114</b>	<b>27,845,460</b>	<b>70,000,000</b>	<b>412,243,949</b>
Issuance of 6,857,000 ordinary share @ 10/- each	<b>68,570,000</b>					<b>68,570,000</b>
Premium @ 55 per share on issue of 6,857,000 ordinary shares		<b>359,042,794</b>				<b>359,042,794</b>
Total comprehensive income	<b>68,570,000</b>	<b>359,042,794</b>	<b>12,681,333</b>			<b>12,681,333</b>
Transferred from revaluation surplus on property, plant and equipment- net of deferred tax			<b>1,189,439</b>	<b>(1,189,439)</b>		
<b>Balance as at December 31, 2021</b>	<b>274,284,300</b>	<b>402,328,869</b>	<b>79,268,887</b>	<b>26,656,021</b>	<b>70,000,000</b>	<b>852,538,077</b>

The annexed notes form an integral part of these financial statements.

  
**Chief Executive Officer**

  
**Chief Financial Officer**

  
**Director**





**UNIVERSAL NETWORK SYSTEMS LIMITED  
CONDENSED INTERIM STATEMENT OF CASHFLOW  
FOR THE YEAR HALF YEAR ENDED DECEMBER 31, 2021**

	Half year ended	
	December 31, 2021	December 31, 2020
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	<b>15,402,048</b>	17,053,153
<b>Adjustments for non cash charges and other items</b>		
Depreciation Property and equipment	<b>8,407,799</b>	5,859,432
Depreciation-ROUA	<b>11,417,733</b>	
Amortization of Intangibles	-	850,000
Finance costs	<b>3,545,563</b>	5,216,049
Gain/ (loss) on sale of property and equipment	-	(2,408,586)
	<b>23,371,095</b>	9,516,895
<b>Cash flows from operating activities before working capital changes</b>	<b>38,773,143</b>	26,570,048
Increase/(Decrease) in cash flow due to working capital changes		
Trade debtors - unsecured and considered good	<b>(25,529,670)</b>	(54,197,471)
Packaging material	<b>(767,590)</b>	-
Short term loans and advances	<b>6,871,368</b>	(1,214,780)
Short term deposits, prepayments and advance income tax	<b>4,654,494</b>	697,057
Trade and other payables	<b>(14,633,800)</b>	(535,201)
Due to related parties	<b>(1,174,667)</b>	6,361,436
	<b>(30,579,865)</b>	(48,888,960)
Cash flows generated from operations	<b>8,193,278</b>	(22,318,912)
Finance cost paid	<b>(3,603,150)</b>	(2,742,212)
Income tax paid	<b>(5,984,315)</b>	(5,216,049)
	<b>(9,587,465)</b>	(7,958,261)
Net cash flows generated from operating activities	<b>(1,394,187)</b>	(30,277,173)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to property, plant and equipment	<b>(17,632,087)</b>	(7,169,229)
Sale proceeds from property and equipment	-	2,446,700
Addition in Investments	<b>(354,468,763)</b>	
Long term security deposits	<b>98,000</b>	(150,701)
	<b>(372,002,850)</b>	(4,873,230)
Net cash flows used in investing activities	<b>(373,397,036)</b>	(35,150,403)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Obligation under finance lease	<b>(10,738,753)</b>	(4,111,890)
Issue of shares	<b>427,612,794</b>	-
Net cash flows used in financing activities	<b>416,874,041</b>	(4,111,890)
Net increase in cash and cash equivalents	<b>43,477,005</b>	(39,262,293)
Cash and cash equivalents at the beginning of the period	<b>76,819,150</b>	(76,485,681)
Cash and cash equivalents at the end of the period	<b>120,296,155</b>	(115,747,974)

The annexed notes form an integral part of these financial statements.

**Chief Executive Officer**

**Chief Financial Officer**

**Director**

## **Universal Network System Limited**

### **Notes to the Condensed Interim Financial Information**

#### **For the half year ended December 31, 2021 - Un-audited**

#### **1. The Company and its operation**

Universal Network Systems Limited (The Company) was incorporated as a private limited company in Pakistan on December 12, 2005 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). On February 18, 2021 the Company was converted to "Public Limited" under Companies Act, 2017. On November 18, 2022, the Company became listed on GEM Board of Pakistan Stock Exchange Limited.

The registered office of the Company is situated at Bungalow No. 5, Bangalore Town, Main Shahrah-e-Faisal, Karachi, Pakistan, 74550. The principal activities of the Company are to act as a cargo forwarder, provide domestic and international courier and allied services.

- 1.1** During the period, the Company increased its ordinary share capital by issuing 6,857,000 fresh shares through Pakistan Stock Exchange. After this issue of fresh shares, the issued share capital was Rs. 274,284,300 as of December 31, 2021. Rs. 54,735,735/- was utilized from issue of fresh share as of December 31, 2021.

#### **2. BASIS OF PREPARATION**

##### **2.1 Statement of compliance**

The earlier financial statements of the Company, being a private limited company, were prepared in accordance with the guidelines of 'Revised Accounting and Financial Reporting Standard for the Small-sized Entities (Revised AFRs for SSEs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017.

After the conversion of the Company from private limited to a public limited company having issued share capital of over Rs. 200 million, the Company has prepared its financial statements 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 (IFRSs) issued by International Accounting Standard Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP), as notified under Companies Act, 2017 (the Act) and provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

There is no impact of this change on the previous financial statements, except where identified in the respective notes to the financial statements.

- 2.2** These condensed financial statements have been prepared under the historical cost convention unless otherwise as specifically disclosed.

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

These condensed interim financial statements comprise of the statement of financial position as at December 31, 2021 and statement of profit or loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity for the six months period ended December 31, 2021.

- 2.4** The comparative statement of financial position presented in these condensed interim financial statements as at June 30, 2021 has been extracted from the audited financial statements of the Company for the year ended June 30, 2021, whereas the comparative statement of profit or loss account, statement of cash flows and statement of changes in equity for the six months period ended December 31, 2020 have been extracted from the unaudited condensed interim financial statements for the period then ended.
- 2.5** These condensed interim financial statements does not include all the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements for the period ended June 30, 2021.

**2.6 Presentation and functional currency**

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year ended, except as described below which are amended or recently implemented/adopted by the Company after conversion to public limited company.

**4. ACCOUNTING ESTIMATES AND JUDGEMENTS AND FINANCIAL RISK MANAGEMENT**

The preparation of these condensed interim financial statements in conformity with accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The significant judgments made by the management in applying the Company's accounting policies and the key resources of estimation and uncertainty were the same as those applied to the annual audited financial statements for the year ended June 30, 2021.

The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2021.

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	-----Rupees-----	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Opening net book value	<b>105,158,981</b>	71,033,283
Additions during the period:		
Leasehold improvement	<b>7,410,030</b>	634,332
Furniture, fixture & fittings	<b>2,653,223</b>	4,202,462
Office and electrical equipments	<b>4,186,019</b>	3,545,911
Computer & accessories	<b>3,382,815</b>	1,731,260
Vehicles	-	5,930,000
	<b>17,632,087</b>	16,043,965
Revaluation surplus	-	45,030,204
Reclassified to right-of-use assets on initial application of IFRS 16	-	(6,556,499)
Disposals during the period :		
Office and electrical equipments	-	66,493
Vehicles	-	9,621,169
	-	(9,687,662)
On disposal	-	3,073,424
Depreciation charged during the period	<b>(8,407,799)</b>	(13,777,734)
	<b>114,383,269</b>	105,158,981

## 6. RIGHT-OF-USE ASSETS

The carrying amounts of right-of-use assets recognized and movement during the year is as follows:

	Vehicles	Rental Properties	Total
	------(Rupees)-----		
<b>6.1 Net carrying value basis</b>			
Balance at the beginning of the year	12,709,803	47,333,276	60,043,079
Additions	-	-	-
Disposals	-	-	-
Less: Depreciation charge for the year	(953,235)	(10,464,498)	(11,417,733)
Closing net book value	11,756,568	36,868,778	48,625,346
Depreciation rate (%)	15%	5-Years	
<b>6.2 Gross carrying value basis</b>			
Cost	13,904,499	68,262,272	82,166,771
Less: Accumulated Depreciation	(2,147,931)	(31,393,494)	(33,541,425)
Net book value	11,756,568	36,868,778	48,625,346

## 7. INTANGIBLE ASSETS

### - Internally generated computer softwares

Balance as at July 01	<b>59,133,150</b>	17,000,000
Additions during the year	-	42,133,150
	<b>59,133,150</b>	59,133,150
Accumulated amortization		
Opening balance	-	1,700,000
Charge / (reverse) during the year	-	(1,700,000)
	-	-
	<b>59,133,150</b>	59,133,150
Rate of amortization	<b>10%</b>	10%

The Company capitalized the cost incurred for development of these software for its business services. These software are developed specifically catering to the specialized business segments of the Company.

Previously it was amortized using the straight-line method over an estimated 10-year useful life. However, the management feels that there will be ongoing improvement and modification in these software which may result in continued economic benefits for the Company therefore, estimates useful life is changed to indefinite. This change in accounting estimate is applied on a prospective basis (only over current and future years) Prior years are not adjusted.

The Company carries impairment testing annually as per policy.

## 8. SHORT TERM LOAN AND ADVANCES

These loans and advances do not carry mark up arrangements.

<b>(Un-audited)</b>	(Audited)
<b>December 31,</b>	June 30,
<b>2021</b>	2021
-----Rupees-----	

## 9. SHORT TERM INVESTMENTS

Placement with commercial banks	<b>9.1</b>	<b>334,368,763</b>	-
Investment with mutual funds		<b>20,100,000</b>	-
		<b>354,468,763</b>	-

**9.1** Placement with commercial banks make with markup rate of 10% to 10.5% (2021: NIL)

## 10. CASH AND BANK BALANCES

Cash in hand		<b>3,333,008</b>	3,438,381
Cash at banks:			
- current accounts		<b>98,073,790</b>	15,552,239
- Savings accounts	<b>10.1</b>	<b>18,889,357</b>	57,828,530
		<b>116,963,147</b>	73,380,769
		<b>120,296,155</b>	76,819,150

**10.1** These carry markup rates of 5% (2021: 5%)

## 11. LEASE LIABILITIES

### 11.1 Lease liabilities

Current maturity	<b>22,063,245</b>	22,187,718
Non-current maturity	<b>28,842,671</b>	39,456,951
	<b><u>50,905,916</u></b>	<u>61,644,669</u>

### 11.2 Reconciliation of total lease liabilities:

Opening balance	<b>61,644,669</b>	5,205,200
Additions	-	74,663,072
Paid during the year	<b>(10,738,753)</b>	(18,223,603)
Closing balance	<b><u>50,905,916</u></b>	<u>61,644,669</u>

## 12. DEFERRED LIABILITIES

<b>Deferred taxation</b>	<b><u>13,716,284</u></b>	<u>16,405,413</u>
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## 13. CONTINGENCIES AND COMMITMENTS

### 13.1 Contingencies

Corporate Guarantees given by the Company in favour of Serene Air (Private) Limited aggregating to Rs. 20.00 million (2021:16.72 million ).

### 13.2 Commitments

There were no commitments as at December 31, 2021 (2021: Nil).

<b>(Un-audited)</b>	(Un-audited)
<b>December 31,</b>	December 31,
<b>2021</b>	2020
-----Rupees-----	

## 14. REVENUE

Gross sales	<b>865,808,874</b>	757,383,963
Less: Cost of services	<b>(770,650,130)</b>	(693,539,095)
	<b><u>95,158,744</u></b>	<u>63,844,868</u>

## 15. FINANCE COST

Mark up on leases		<b>3,049,486</b>	288,678
Mark up on running finance		<b>405,829</b>	3,734,077
Mark up on loan from directors	15.1	-	1,034,286
Bank charges		<b>90,248</b>	159,008
		<b><u>3,545,563</u></b>	<u>5,216,049</u>

**15.1** This amount represents markup on loan taken from directors @ 16% per annum. The loan was converted into shares in Feb-21.

	<b>(Un-audited) December 31, 2021</b>	(Un-audited) December 31, 2020
	-----Rupees-----	
<b>16. TAXATION</b>		
Current	<b>(4,671,123)</b>	(4,891,691)
Prior year	<b>2,280,507</b>	4,609,640
Deferred	<b>(330,099)</b>	1,260,810
	<b><u>(2,720,715)</u></b>	<u>978,759</u>
<b>17. EARNINGS PER SHARE</b>		
Profit after taxation attributable to ordinary shareholders	<b><u>12,681,333</u></b>	<u>10,346,658</u>
Weighted average number of shares in issue during the period / (year)	<b><u>22,857,097</u></b>	<u>571,430</u>
Earnings per share (Rupees) - Basic and diluted	<b><u>0.55</u></b>	<u>18.11</u>
	<b>(Un-audited) December 31, 2021</b>	(Un-audited) December 31, 2020
	-----Rupees-----	
<b>18. TRANSACTIONS WITH RELATED PARTIES</b>		
<b>Relationship with the Company</b>	<b>Nature of transactions</b>	
Common directorship	Sales of services	<b>1,688,489</b>
	Purchase of services	1,882,710
Staff Benefits Plan	Net change in respect of staff benefit plan	<b>1,845,895</b>
		6,836,935
Key management personnel	Remuneration	<b>719,466</b>
		552,807
		<b>14,697,098</b>
		4,830,000

## 19. FAIR VALUE 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. Consequently, differences can arise between carrying values and the fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materiality the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short - term in nature or periodically repriced.

International Financial Reporting Standard 13, 'Financial Instruments: Disclosure' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- unobservable inputs for the asset or liability (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in

Currently there are no financial assets or financial liabilities which are measured at their fair value in the statement of financial position.

**20. CORRESPONDING FIGURES**


Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. No significant reclassifications were made during the period..

**21. DATE OF AUTHORISATION FOR ISSUE**

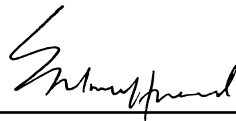
These condensed interim financial statements were authorised for issue on February 28, 2022 by the Board of Directors of the Company.

**22. GENERAL**

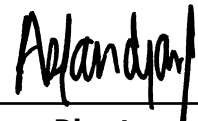
Figures have been rounded off to the nearest rupee.



\_\_\_\_\_  
Chief Executive Officer



\_\_\_\_\_  
Chief Financial Officer



\_\_\_\_\_  
Director



## Investors' Education

In pursuance of SRO 924(1)/2015 dated September 9th, 2015 issued by the Securities and Exchange Commission of Pakistan (SECP), the following information message has been reproduced to educate investors.

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