

ANNUAL REPORT 2023



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Vision

To become the service provider of choice in the express and logistics industry, delivering pioneering technological solutions by flexibly responding to evolving customer needs.

Mission

We are committed to providing exceptional customized solutions to meet our client's unique logistics challenges and customer care. We tackle each challenge in a multifaceted way using creativity, logic, technology and technical expertise to provide the most innovative, cost-effective logistical and specialized supply chain solutions. We aim to be the leading express services provider in Pakistan with a focus on expanding and strengthening our operational network.

Values

Committed to Customer

We are committed toward providing a delighted customer service experience to build long-lasting relationships with our customers.

Innovation

We focused toward architectural innovation to address the evolving customer needs

Integrity

We upholds the highest standards of integrity in all our actions

Team Work

We work together across different communities to meet the need of our customers and to help the company wins.

Transparency

We encourage a culture of open dialogue and sharing and embraces transparency among all our processes

Respect

We value our people, our community and customers are at the core of everything we do.

Code of Conduct

“Guiding you to make the right decisions.”

Commitment to the code is a shared framework of professional responsibility that affirms our pledge to the core values of our organization and therefore its compliance is obligatory.

Compliance with the rules and regulations

All employees are bound to comply with the rules and regulation of the organization; all actions should be within the parameters of the rules and regulations. Any action against the guidelines should be reported to concern Manager/Head of HR or one can refer to the Whistleblowing Policy in our Employee Handbook.

Safe, Secure and Healthy Working Conditions

We are committed to providing safe and healthy working conditions at all our premises. Safety and health are paramount in all business decisions and must be an integral part of our culture. It is the duty of every employee to follow the safety & health guidelines.

Anti-bribery and Corruption

We are committed to implementing fair and ethical business practices, and avoiding corruption of all kinds, including bribery, commission, kickbacks or any malpractices from the vendors, suppliers or within the organization with any staff member. The company, its employees and anyone acting on our behalf, must abide and follow.

Business Gifts and Entertainment

Business gifts, entertainment and hospitality on a modest scale are commonly used to build goodwill. However, Blue EX forbids any unethical gifts, entertainment or hospitality. The limitation of gift acceptance is clearly mentioned in the business, gifts and entertainment policy in our Employee Handbook.

Equality and Fair Treatment

We commit to ensuring fair treatment for all employees based on merit in our process and procedures. We continuously strive to promote a work environment that is free of harassment, bullying and abusive conduct – whether physical, verbal or visual. Every employee is bound to follow the equality and fair treatment guidelines provided in HR manual.

Company Assets and Information

We act with integrity and responsible to prevent the misuse or loss of company resources and assets by being cautions and alert in our work. We treat company's information as one of the most valued assets and handle confidential and sensitive information with utmost care which includes software, logos, letterheads, laptops, visiting cards, uniforms or any other material that is company's property.

Conflict of Interest

Acting with integrity requires being free from conflicts of interest in all decision making. A conflict of interest occurs whenever the prospect of direct or indirect personal gain may influence our judgement or actions while conducting company business. We expect our employees to uphold the letter and spirit of our code of conduct in all their dealings and abide by the guidelines mentioned within. To this effect, willful violations of the code shall result in appropriate and just disciplinary action.

Social Media/Internet Community

At Blue EX, we understand that social media can be fun and rewarding way to share your opinions with co-workers. In particular, uploading, posting, forwarding or posting a link to any of the following types of material on a social media website such as our logos, a false defamatory statement about any person or organization or any material.

Attendance & Punctuality

All employees are bound to comply with the rules of attendance and punctuality. Employees should be at their work station by the start of each workday at the time designated by the department.

Uniform & Presentation

Employees should always be dressed neatly and appropriately for the type of work they perform. This includes wearing appropriate uniforms, footwear and the identification of badges/cards. Avoid using abusive language and smoking, chewing of pan, gutka or drugs inside the office.

Harassment

We do not tolerate harassment in the workplace. This applies whether the person being harassed or doing the harassing to employee or a non-employee. Harassment involves a pattern of abusive and degrading conduct (such as verbal abuse, sexually explicit or derogatory comments or images, mimicry, unwanted touching, or lewd or offensive

gestures, bullying or jokes) Such harassment can occur in or outside the office, or through social media which should be reported on immediate basis.

CONCLUSION

We are committed to a supportive work environment, where employees have the opportunity to reach their fullest potential. Blue EX is expected to do their utmost to create a workplace culture that is free of harassment, intimidation, bias, and unlawful discrimination. In the case of non-compliance with this Code, BLUE EX shall have the right and/or obligation to take disciplinary action, including but not limited to one or more of the following actions:

- Warnings (verbal and/or written).
- Termination of employment/services.
- Financial penalties.
- Declaration to regulators.
- Legal action and/or lawsuits.

The level and type of disciplinary action is driven by the non- compliance's nature, scope, intent and materiality of potential consequences.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Arif Elahi - Chairman / Non-Executive Director
Mr. Danish Elahi – Non-Executive Director
Mrs. Safina Danish Elahi – Non-Executive Director
Mufti Muhammad Najeeb Khan – Non-Executive Director
Mrs. Nadine Malik Almani - Independent Director
Mrs. Naveen Ahmed - Independent Director
Mr. Ali Aamer Baxamoosa - Executive Director
Mr. Imran Baxamoosa – Chief Executive Officer

AUDIT COMMITTEE

Mrs. Naveen Ahmed - Chairman
Mr. Danish Elahi
Mrs. Nadine Malik Almani
Mr. Ahsan Iqbal – Secretary

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mrs. Nadine Malik Almani – Chairperson
Mr. Danish Elahi
Mrs. Safina Danish Elahi
Mr. Imran Baxamoosa
Ms. Anam Saleem – Secretary

CHIEF FINANCIAL OFFICER

Mr. Salman Hameed

COMPANY SECRETARY

Mr. Ahsan Iqbal

AUDITORS

Crowe Hussain Choudhury & Co. Chartered Accountants

LEGAL ADVISOR

Mohsin Tayebaly & Co

SYMBOL AT PAKISTAN STOCK EXCHANGE LIMITED

GEMUNSL

TAX ADVISOR

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

BANKERS

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
Habib Metropolitan Bank Limited
United Bank Limited
JS Bank Limited
MCB 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
Email: info@cdcrsl.com Website: www.cdcrsl.com

REGISTERED 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

UNIVERSAL NETWORK SYSTEMS LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting ("AGM") of Universal Network Systems Limited ("Company") will be held on Monday, November 27, 2023 at 03:30 p.m. at the registered office of the Company situated at Plot # 5, Banglore Town, Near Awami Markaz, Shahrah-e-Faisal, Karachi Pakistan, and through video link facility to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Unconsolidated and Consolidated Financial Statements of the Company for the year ended June 30, 2023 together with the Auditors' and Directors' Reports thereon and the Review Report of the Chairman.

In accordance with Section 223(7) of the Companies Act, 2017, the financial statements of the Company have been uploaded on the Company's website which can be downloaded from the link: <https://www.blue-ex.com/corporate/financial-report>.

2. To appoint Auditors and to fix their remuneration. The members are hereby notified that the Board and the Audit Committee have recommended the reappointment of M/s. Crowe Hussain Chaudhury & Co. Chartered Accountants, as auditors of the Company.

Place: Karachi
Dated: November 06, 2023

By Order of the Board

Ahsan Iqbal
Company Secretary

Notes:

1. The Share Transfer Book of the Company will remain closed from Tuesday November 21, 2023 to Monday November 27, 2023 (both days inclusive).
2. A member entitled to attend and vote at the meeting may appoint another person as his/her proxy to attend and vote on his/her behalf. In the case of corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature of the representative shall be submitted along with Proxy Form of the Company. Proxies, to be affective proxies, must be received at the registered office of the Company 48 hours before the time of holding of the meeting.
3. Those members who have deposited their shares with the Central Depository Company of Pakistan Limited (CDC) are requested to bring their original CNIC, Account and Participation's Numbers. Such members will further have to follow the guidelines as laid down in the Securities and Exchange Commission of Pakistan's Circular No. I dated January 26, 2000.
4. The members should quote their folio number in all correspondence with the Company and at the time of attending the meeting.
5. Members are encouraged to attend the AGM proceedings via video-conferencing facility, which shall be made available by the Company. All shareholders/members interested in attending the AGM, through video-conferencing facility is required to send an email at ahsan.iqbal@blue-ex.com with his/her email address, name, folio number, CNIC number and number of shares held in his/her name with subject "Registration for UNSL's AGM ". A video link to join the AGM will be shared with members whose emails are received at least 48 hours before the time of AGM. Shareholders can also provide their comments and questions for the agenda items of the AGM at the above-mentioned email address.
6. Pursuant to the Companies (Postal Ballot) Regulations, 2018 for the purpose of election of directors and for any other agenda item subject to the requirements of sections 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

یونیورسل نیٹ ورک سسٹمز لمیٹڈ

سالانہ جنرل میٹنگ کا نوٹس

اطلاع دی جاتی ہے کہ یونیورسل نیٹ ورک سسٹمز لمیٹڈ ("کمپنی") کی سالانہ جنرل میٹنگ ("AGM") پیر 27 نومبر 2023 کو دوپہر 03:30 بجے منعقد ہوگی۔ پلاٹ نمبر 5، بنگلور ٹاؤن، نزد عوامی مرکز، شاہراہ فیصل، کراچی پاکستان میں واقع کمپنی کے رجسٹرڈ دفتر میں، اور ویڈیو لنک کی سہولت کے ذریعے درج ذیل کاروبار کو لین دین کرنے کے لیے:

عام کاروبار

1. 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ غیر متفقہ اور متفقہ مالیاتی بیانات کو وصول کرنے، ان پر غور کرنے اور اپنانے کے لیے آڈیٹرز اور ڈائریکٹرز کی رپورٹس اور چیئرمین کی جائزہ رپورٹ کے ساتھ۔

کمپنیز ایکٹ 2017 کے سیکشن 223(7) کے مطابق، کمپنی کے مالیاتی گوشواروں کو کمپنی کی ویب سائٹ پر اپ لوڈ کر دیا گیا ہے جسے لنک سے ڈاؤن لوڈ کیا جا سکتا ہے: <https://www.blue-ex.com/corporate/> مالیاتی جائزہ۔

2. آڈیٹرز کی تقرری اور ان کے معاوضے کو طے کرنا۔ اراکین کو مطلع کیا جاتا ہے کہ بورڈ اور آڈٹ کمیٹی نے کرو حسین چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، کی دوبارہ تقرری کی سفارش کی ہے کمپنی کے آڈیٹرز کے طور پر۔

بورڈ کے حکم سے

احسن اقبال

کمپنی سیکرٹری

کراچی، 6 نومبر 2023

نوٹس:

نوٹس:

1. کمپنی کی شیئر ٹرانسفر بک منگل 21 نومبر 2023 سے پیر 27 نومبر 2023 (دونوں دن سمیت) تک بند رہے گی۔

2. میٹنگ میں شرکت اور ووٹ دینے کا حقدار رکن کسی دوسرے شخص کو اپنی طرف سے شرکت کرنے اور ووٹ دینے کے لیے اپنا پراکسی مقرر کر سکتا ہے۔ کارپوریٹ ادارے کے معاملے میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی نمائندے کے دستخط کے ساتھ کمپنی کے پراکسی فارم کے ساتھ جمع کرائے جائیں گے۔ پراکسیز، متاثر کن پراکسی ہونے کے لیے، میٹنگ کے انعقاد کے وقت سے 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس میں موصول ہونا ضروری ہے۔

3. جن ممبران نے اپنے حصص سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (CDC) میں جمع کرائے ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنے اصل CNIC، اکاؤنٹ اور شرکت کے نمبر لائیں۔ ایسے اراکین کو مزید ہدایات پر عمل کرنا ہوگا جیسا کہ سیکوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر I مورخہ 26 جنوری 2000 میں دیا گیا ہے۔

4. اراکین کو کمپنی کے ساتھ تمام خط و کتابت میں اور میٹنگ میں شرکت کے وقت اپنے فولیو نمبر کا حوالہ دینا چاہیے۔

5. اراکین کو ویڈیو کانفرنسنگ کی سہولت کے ذریعے AGM کی کارروائی میں شرکت کی ترغیب دی جاتی ہے، جو کمپنی کی طرف سے دستیاب کرائی جائے گی۔ ویڈیو کانفرنسنگ کی سہولت کے ذریعے AGM میں شرکت میں دلچسپی رکھنے والے تمام شیئر ہولڈرز/ممبران کو اپنے ای میل ایڈریس، نام، فولیو نمبر، CNIC نمبر اور حصص کی تعداد کے ساتھ -ahsan.iqbal@blue-ex.com پر ای میل بھیجنے کی ضرورت ہے۔ اس کے نام پر "UNSL کی AGM کے لیے رجسٹریشن" کے موضوع کے ساتھ AGM میں شامل ہونے کے لیے ایک ویڈیو لنک ان ممبروں کے ساتھ شیئر کیا جائے گا جن کی ای میلز AGM کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہوتی ہیں۔ مندرجہ بالا ای میل ایڈریس پر AGM کے ایجنڈا آئٹمز۔

6. کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کے مطابق ڈائریکٹرز کے انتخاب کے مقصد کے لیے اور کمپنیز ایکٹ 2017 کے سیکشن 143 اور 144 کے تقاضوں سے مشروط کسی دوسرے ایجنڈے کے لیے، اراکین کو اپنا حق استعمال کرنے کی اجازت ہوگی۔ پوسٹل بیلٹ کے ذریعے ووٹ، جو کہ پوسٹ کے ذریعے یا کسی بھی الیکٹرانک موڈ کے ذریعے ووٹ ڈالنا ہے، مذکورہ ضوابط میں موجود تقاضوں اور طریقہ کار کے مطابق۔

Directors' Report

The Directors of Universal Network Systems Limited are pleased to present the Annual Report and the audited Unconsolidated and Consolidated Financial Statements for the year ended June 30, 2023.

Your company's strength lies in its diverse business segments which distinguish it from other companies. Your Company with more diversification and innovative solutions aiming to address the economic headwinds and throughout the year, it consistently worked to serve its clientele with more robust business solutions through better technology, efficient operational network and introducing new products to meet continuous demand of its valued clientele.

The Company is consolidating its position on both transactions' volume and performance with net operating revenue of the Company led primarily by its international freight business, e-commerce shipments and Courier Segments has increased a massive 61% year on year on a standalone basis.

The Company in order to achieve rapid growth and increased profitability, successfully concluded its acquisition of Universal Freight Systems Private Limited (UFS), one of the largest freight forwarding companies of Pakistan which adds to its range of international freight business in the coming years. This acquisition of UFS as a wholly owned subsidiary was completed towards the end of financial year and its results were presented with this report separately.

As informed you earlier during the year through announcement at PSX that Abhi Private Limited (ABHI), a fintech company licensed under SECP NBFC Regulations has acquired an equity stake in the Company making way for Pakistan's largest platform to tap into fintech & logistics deployment in retail distribution of financial/e-com products across Pakistan. This transaction between ABHI and the Company will leverage the power of finance and logistics to enable the largest platform in Pakistan to distribute financial products across the country.

To diversify its bouquet of services, earlier in the calendar year, the Company forged a partnership with Fly Jinnah – a low cost budget airline of Air Arabia as their Cargo General Sales Agent. The Company is aiming to capitalize on the low-cost model of airline for serving its airport-to-airport customers with higher efficiency and at most competitive service model.

All the above, would provide a more stable and long-term business anchoring for diversified sources of sustainable income streams as well as providing customers with full 360° solutions for international outreach, via express, freight and e-com solutions.

Economy Review

Despite the challenges on both domestic and international business and economic fronts due to continuous rise in fuel prices, unpredictable PKR to \$ parity, limited cross border trade; the Company managed well to maintain its cost of doing business through continuous untiring efforts for achieving operational efficiencies, better capacity utilization across all segments and enhance its footprints across all networks, both globally and domestically to strengthen its position of top logistics & courier partner in the country.

The online market size of e-commerce for domestic consumers is still growing and as per Statista, at an average CAGR of 6%, it is anticipated to reach over USD 7 billion by 2027. However, the higher cost of doing business, fiscal narrative and geo-political situation has created numerous challenges the domestic economy at large and for logistics industry, in particular, due to higher inflation and fuel prices.

Sector Review

The global recession and overall higher interest rates scenario around the world has taken the bite out of the venture and private equity funded companies during the last 8 months and the average investment in such companies in Pakistan showed a negative cash flow. Those entrants which were dependent on such VC funding and in earlier days raised their business volume through a higher burn-out rate now facing numerous challenges internally for higher cost issues, a limited network outreach, low revenue per shipment and externally not able to provide any meaningful

business product other than COD, are feeling the absence of fresh funding more significantly. Since the market is saturated due to competition in COD, some of them went for mergers while others aimed for market share through acquisition.

In addition to severe liquidity issues for such companies, the external cost elements including political instability in Pakistan, USD to PKR parity, exorbitant increase in fuel and utilities in the domestic economy highest since 2008, resulted in a huge increase in overall costs. These indicators have now started to stabilize but its results would be meaningful in coming six months to a year time after general elections.

As explained above, the Board contemplated all the above situation prudently and therefore expanded the business streams through acquisitions, partnerships, and stable business volumes. The most important factors that it is in a significantly better position than its competitors is such diversification of business. In addition to above mentioned steps, UNSL's International Express Courier Business alliance with Aramex LLC, the Dubai listed international courier company, provides a sustainable growth trajectory for the company in the mid to long term. Having a significant alliance with Aramex provides the Company with a big opportunity to take its domestic e-commerce customers to international markets, providing them a full roundup of services that help in building new businesses and allows UNSL better volumes and margins. The company has maintained its focus on the international segment and has been able to grow its international business despite the domestic pressures mentioned above. The company's customers, understood that impact and having seen low quality service provision by competitors, chose to work with UNSL for a higher quality of services, wider geographical reach and technological edge.

The niche for the Company of having a well-diversified revenue streams through international and domestic trade segment provides it a strong foundation and dimension for managing continuous revenue growth. Therefore, the Company is shoring up its efforts for the more price competitive domestic business segments while increasing its focus on the international business operations.

Company Performance

During the year 2022-23, the consolidated profit after tax stood at Rs. 166.365 million as compared to Rs.15.95 million reported last year. The brief summary of the consolidated financial highlights for the year ended June 30, 2023 and 2022 as per the requirement of IFRS are as under:

Consolidated Highlights	2023	2022
Income - courier and allied services	1,192,084,802	1,028,519,073
CBC handling charges income - courier and allied services	26,390,594	23,677,827
International freight	139,730,967	46,931,273
Commission income	3,076,925	1,017,607
Total Revenue	1,361,283,288	1,100,145,780
Cost of sales - courier and allied services	(1,111,507,257)	(949,271,679)
Gross profit	249,776,031	150,874,101
Marketing, General and administrative expenses	(174,152,538)	(136,203,042)
Operating profit	75,623,493	14,671,059
Other income	116,839,059	16,894,121
Finance costs	(6,286,125)	(7,821,861)
Profit before taxation	186,176,427	23,743,319
Taxation	(19,811,036)	(7,797,663)
Profit after tax	166,365,391	15,945,656
Earnings per share - basic & diluted	6.07	0.65

Earnings per Share

During the year the company posted earnings per share of **Rs. 6.07** compared to Rs. 0.65 last year on a consolidated basis.

Objectives and Corporate Strategy

We are committed to mounting good asset quality portfolio and continuously build the Company at sound footing with diversified pool of income stream. The key elements of our corporate strategy have been to effectively employ available resources and maximize profitability while managing and mitigating related risks.

The Company is following up to explore local e-commerce segment with better services, adding new products and a much wider reach to provide sound and satisfactory services to its customers. Further, it is more focused and aimed towards international segment with Aramex for capturing a larger market share for both inbound and outbound services.

Liquidity, Cash Flows and financing arrangement

The Company has an effective cash management system, powered by a team of dedicated and competent employees, preparing forecasts and regularly monitoring Company's cash needs. Inflows and outflows of cash and other liquid assets, including investments, are managed on net adjusted return basis.

Capital Structure

Shareholders' fund at the year-end totaled Rs. 950.79 million. The liquidity position of the Company remains strong with a year-end current ratio of 1.86.

Risk management & Strategy for Mitigating Risks

Company also manages a portfolio of short-term investments, made after thorough financial evaluation. The credit risk in short term investments is minimized through diversification in investments among highly rated money market mutual funds. Short term investments include highly rated money market mutual funds investments.

Credit risk

Credit risk represents the risk of a loss if the counterparties fail to perform as contracted. The Company's credit risk mainly arises from deposits with banks, loan to employees, Investments in mutual funds and trade and other receivables. For banks and financial institutions, management keeps deposits with reputed institutions. For investment in mutual funds, management keeps surplus funds in high rated mutual funds. Credit risk on account of dividend receivable is minimal due to the statutory protection. The risk of default in these transactions is considered minimal due to inherent systematic measures taken therein. Further, risk of investment in mutual funds is also minimal as Company is exposed to high rated money market funds for liquidity management.

Market risk

Market risk is the risk of change in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. However, the Company is exposed to interest rate risk and equity price risk.

The Company is exposed to market risk with respect to its investments, long term loans, short term deposits and bank balances. The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in the equity market. The market risks associated with the Company's business activities are interest rate risk and price risk. The Company is not exposed to material currency risk.

Foreign currency risk

The Company is not exposed to risk from foreign currency exchange rate fluctuations.

Relationships with Stakeholders

The Company recognizes and respects the rights of each and every stakeholder including shareholders, employees, creditors, local communities and others. The Company encourages active participation of shareholders in all general meetings of the Company and values their views towards better governance and operational management. The Company is also aware of its legal and constructive obligations towards its stakeholders where it operates and takes proper actions to timely respond to their expectations after taking into account a realistic view of their interests associated with the Company.

Information Technology

We strongly believe that future of logistics & courier sector is highly linked to the best use of technological advancement. The Company is well invested in developing newer solutions for its external and internal users to achieve better market share, for better work experience and implementations of sound techniques for controls of risks. This focus on better technological solutions which have become benchmark for industry, the operational capabilities of the Company continuously improve with much effective internal controls and management information system.

Human Resources Development & Succession Planning

The business model of the Company is human resource intensive. The Company has employed experienced and qualified human resources to meet the challenges ahead. Company also plans to strengthen its team, use employee performance evaluation methods and benchmark surveys to further strengthen organization structure and effectiveness.

The Company not only attracts the best talent but also grooms and develops their abilities for future leadership roles. The Company believes in empowering employees by providing them with challenging opportunities to enhance their potential and develop their abilities. Clear roles and job descriptions are defined, based on which, succession plan will be prepared for sensitive and critical positions in the Company.

Internal Control

The internal control framework has been effectively implemented through an outsource partner (KPMG) for Internal Audit function which is independent of the External Audit function. The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy. 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.

The Internal Audit function has carried out its duties under the Audit Plan defined by the Board Audit Committee. The Audit Committee has reviewed material Internal Audit findings, taking appropriate action or bringing the matters to the Board's attention where required. 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.

Energy Conservation

The Company's energy conservation measures include usage of LEDs all around the Company areas and shutting down auxiliaries and equipment's wherever possible.

Occupational Health, Safety & Environment Protection

We are committed to achieve excellence in health, safety and environment across our business. The Company maintains a safe working environment and takes responsibility for the health and wellbeing of its staff and stakeholders.

Corporate Relations

Corporate relations promote efficiency, productivity and decent work. Indeed, a participative and mutually respecting relations, advance cooperation, enhance productivity and promote trust thereby reducing dislike and exploitation. During the year recreational and motivational activities in the form of football matches were organized with other institutions.

Business Ethics and Anti-Corruption Measures

It is a fundamental policy of the Company to conduct its business with honesty, integrity and in accordance with the highest ethical and legal standards. Unethical practices of any sort are not to find their way into our business. All employees must act at all times in the interest of Company's shareholders and no employee shall ever commit an illegal or an unethical act, or instruct and encourage another employee to do so.

The Company has communicated the Code of Conduct to all its directors and employees and has also placed it on its website.

Related Party Transactions

During the year, all transactions made with associated companies/related parties were duly recommended by Board's Audit Committee and approved by the Board of Directors of the Company. All transactions with related parties are on arm's length basis.

Board of Directors

The total numbers of Directors are seven (07) as per the following:

- a. Male: 05
- b. Female: 02

The composition of board is as follows:

Category	Names
Non-executive Directors	Arif Elahi Danish Elahi Safina Danish Elahi
Independent Directors	Mirza Qamar Beg Nadine Malik Almani Asfandiyar Farrukh
Executive Directors	Ali Aamer Baxamoosa
Female Directors	Safina Danish Elahi Nadine Malik Almani

Election of Directors

On July 10, 2023, the following directors were elected in accordance with section 159 of the Companies Act, 2017 for a term of 3 years commencing from July 10, 2023:

- 1. Mr. Arif Elahi
- 2. Mr. Danish Elahi
- 3. Mrs. Safina Danish Elahi
- 4. Mufti Muhammad Najeeb Khan
- 5. Mr. Ali Aamer Baxamoosa
- 6. Mrs. Nadine Malik Almani
- 7. Mrs. Naveen Ahmed

The Company and the Board members placed on record their gratitude to Mr. Mirza Qamar Beg and Mr. Asfandiyar Farrukh for their dedication and efforts in their tenure as Directors and wish them all the very best in their future endeavors.

Conflict of Interest among BOD Members

Any conflict of interest is managed as per provisions of the Company's Code of Conduct for Directors, Acts, and rules and regulations of SECP and Pakistan Stock Exchange.

CEO Performance Review

The Board continuously review performance of the CEO against pre-determined operational and strategic goals. The Board adopts the monitoring role, giving full authority to the CEO to manage the Company, implement strategic decisions and policies of the Board and align the Company's direction.

Directors' Remuneration Policy

The remuneration of the directors shall from time to time be determined by the Board in accordance with the articles of association and subject to the provisions of the Companies Act, 2017.

Directors' Training Program

All seven directors have a minimum of fourteen years of education. All the directors have obtained certification under the directors' training program stipulated in the Listed Companies (Code of Corporate Governance) Regulations, 2019 except one director whose director training program is in progress at PICG.

Board Meetings

During the year under review, five (5) meetings of the Board of Directors were held, which were presided over by the Chairman. The Chief Financial Officer and Company Secretary also attended the meetings as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Attendance by each director was as follows:

Name of Director	No. of meetings held	No. of meetings attended
Arif Elahi (Chairman / Director)	6	6
Mr. Danish Elahi (Director)*	6	4
Mrs. Safina Danish Elahi (Director)	6	4
Mr. Mirza Qamar Beg (Director)	6	6
Mrs. Nadine Malik Almani (Director)	6	6
Mr. Asfandiyar Farrukh (Director)	6	6
Mr. Imran Baxamoosa (CEO/Director)*	6	2
Mr. Ali Aamer Baxamoosa (Director)	6	4

* Mr. Danish Elahi appointed as Director in place of Mr. Imran Baxamoosa on October 18, 2022.

Board Audit Committee Meetings

Name of Member	No. of meetings held	No. of meetings attended
Mirza Qamar Beg (Chairman)	6	6
Arif Elahi (Member)	6	0
Danish Elahi (Member)	6	2
Nadine Malik Almani (Member)	6	6
Asfandiyar Farrukh (Member)	6	6

Board HR & Remuneration Committee Meetings

Name of Member	No. of meetings held	No. of meetings attended
Nadine Malik Almani (Chairperson)	5	5
Danish Elahi (Member)	5	3
Safina Danish Elahi (Member)	5	3
Imran Baxamoosa (Member)	5	5

Code of Conduct

The board of directors adopted the Code of Conduct for Directors and for employees and the same has been circulated to board members and employees in terms of requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The code of conduct is also placed at the company's website.

Corporate and Financial Reporting Framework

- a) The financial statements prepared by the management of the Company, present fairly its State of Affairs, the Results of its Operations, Cash Flows and Statement of Changes in Equity.
- b) The Company has maintained proper books of accounts as required under the Companies Act, 2017.
- c) The Company has followed consistent and appropriate accounting policies in the preparation of the financial statements. All changes, wherever made during the year have been adequately disclosed and accounting estimates are on the basis of prudent and reasonable judgment.
- d) The International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) The fundamentals of the Company are strong and it has the ability to continue as a going concern free from uncertainties.
- g) The Company has followed the best practices of the Corporate Governance as laid down in the Listed Companies (Code of Corporate Governance) Regulations, 2019 and there has been no material departure there from.
- h) There are no statutory payments on account of taxes, duties, levies and charges which are outstanding except in the ordinary course of business and described in the financial statements.
- i) The fair value of investments of the Provident Fund as maintained by the Company disclosed in accounts as on June 30, 2023 is Rs. 4.16 million.
- j) All of the company directors are Certified Directors under Directors' Training Program (DTP) from approved institutes as prescribed by SECP except one director whose DTP course is in progress.

Ownership

As at June 30, 2023, there were 358 shareholders on the record of the Company.

Pattern of Shareholding

The pattern of Shareholding of the Company as at June 30, 2023, along with pattern of shareholding of certain classes of shareholders whose disclosure is required under the reporting framework is shown in the shareholding section of this report.

Auditors

The present auditors M/s. Crowe Hussain Chaudhury & Co. Chartered Accountants being eligible, has provided their consent for appointment at the forthcoming annual general meeting. The Audit Committee has recommended the appointment of M/s. Crowe Hussain Chaudhury & Co. Chartered Accountants as Statutory Auditors of the company for the year ending June 30, 2024. The Board has endorsed this recommendation.

Key operating and financial data

A Statement summarizing the key financial and operating data for the last six years along with the current year is included in the report.

Forward Looking Information

Pakistan's economy is on track with CPEC turning from a dream to reality, Pakistan has attained serious attention from the world at large. There is optimism within the business community and overall improved economic activity. The Company is actively undertaking portfolio management business and corporate finance advisory business and the outlook is positive. The management team under its CEO is fully committed to deliver a superior risk adjusted return to the shareholders.

Acknowledgement

We would like to thank all our stakeholders, especially our valued investors, who have placed their confidence in us and also appreciate the efforts put in by the management team for their unswerving commitment and hard work. The Board would also like to place its appreciation for the Securities & Exchange Commission of Pakistan, State Bank of Pakistan and the management of the Pakistan Stock Exchange for their continued support and cooperation.

On behalf of the Board

Arif Elahi
Chairman

Imran Baxamoosa
CEO

Karachi: November 03, 2023

ڈائریکٹر رپورٹ

یونیورسل نیٹ ورک سسٹمز لمیٹڈ کے ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ اور آڈٹ شدہ غیر متفقہ اور یکجا مالی بیانات پیش کرنے پر خوش ہیں۔

آپ کی کمپنی کی طاقت اس کے متنوع کاروباری حصوں میں ہے جو اسے دوسری کمپنیوں سے ممتاز کرتی ہے۔ آپ کی کمپنی مزید تنوع اور اختراعی حل کے ساتھ جس کا مقصد معاشی مشکلات کو حل کرنا ہے اور سال بھر اس نے اپنے گاہکوں کو بہتر ٹیکنالوجی، موثر آپریشنل نیٹ ورک اور اپنے قابل قدر گاہکوں کی مسلسل مانگ کو پورا کرنے کے لیے نئی مصنوعات متعارف کروانے کے ذریعے مزید مضبوط کاروباری حل فراہم کرنے کے لیے مسلسل کام کیا۔

کمپنی بنیادی طور پر اس کے بین الاقوامی مال برداری کے کاروبار، ای کامرس کی ترسیل اور کورئیر سیگمنٹس کی وجہ سے کمپنی کی خالص آپریٹنگ آمدنی کے ساتھ ٹرانزیکشنز کے حجم اور کارکردگی دونوں پر اپنی پوزیشن کو مستحکم کر رہی ہے، اسٹینڈ لون بنیادوں پر سال بہ سال 61 فیصد کا بڑا اضافہ ہوا ہے۔

کمپنی نے تیز رفتار ترقی اور بڑھتے ہوئے منافع کو حاصل کرنے کے لیے، یونیورسل فریٹ سسٹمز پرائیویٹ لمیٹڈ (UFS) کے حصول کو کامیابی کے ساتھ مکمل کیا، جو کہ پاکستان کی سب سے بڑی فریٹ فارورڈنگ کمپنیوں میں سے ایک ہے جو آنے والے سالوں میں اس کے بین الاقوامی فریٹ بزنس کی حد میں اضافہ کرے گی۔ مکمل ملکیتی ذیلی ادارے کے طور پر UFS کا یہ حصول مالی سال کے اختتام تک مکمل ہوا اور اس کے نتائج اس رپورٹ کے ساتھ الگ سے پیش کیے گئے۔

جیسا کہ آپ کو سال کے شروع میں PSX میں اعلان کے ذریعے مطلع کیا گیا تھا کہ ابھی پرائیویٹ لمیٹڈ (ABHI)، SECP NBFC ریگولیشنز کے تحت لائسنس یافتہ فنڈیک کمپنی نے کمپنی میں ایکویٹی حصص حاصل کر لیا ہے جس سے پاکستان کے سب سے بڑے پلیٹ فارم کو ریٹیل میں فنڈیک اور لاجسٹک کی تعیناتی میں مدد ملے گی۔ پاکستان بھر میں مالیاتی/ای کام مصنوعات کی تقسیم۔ ABHI اور کمپنی کے درمیان یہ لین دین پاکستان کے سب سے بڑے پلیٹ فارم کو ملک بھر میں مالیاتی مصنوعات کی تقسیم کے قابل بنانے کے لیے فنانس اور لاجسٹکس کی طاقت کا فائدہ اٹھائے گا۔

اپنی خدمات کے گلدستے کو متنوع بنانے کے لیے، کیلنڈر سال کے اوائل میں، کمپنی نے فلائی جناح کے ساتھ شراکت قائم کی جو کہ ایئر عربیہ کی ایک کم لاگت والی بجٹ ایئر لائن ہے، بطور کارگو جنرل سیلرز ایجنٹ۔ کمپنی اپنے ہوائی اڈے سے ہوائی اڈے کے صارفین کو اعلیٰ کارکردگی کے ساتھ اور انتہائی مسابقتی سروس ماڈل کی خدمت کے لیے ایئر لائن کے کم لاگت والے ماڈل سے فائدہ اٹھانا چاہتی ہے۔

مندرجہ بالا تمام چیزیں، پائیدار آمدنی کے متنوع ذرائع کے لیے زیادہ مستحکم اور طویل مدتی کاروباری اینکرننگ فراہم کریں گی اور ساتھ ہی ساتھ صارفین کو ایکسپریس، فریٹ اور ای کام کے حل کے ذریعے بین الاقوامی رسائی کے لیے مکمل 360° حل فراہم کریں گی۔

معیشیت کا جائزہ

اینڈھن کی قیمتوں میں مسلسل اضافے کی وجہ سے گھریلو اور بین الاقوامی کاروباری اور اقتصادی محاذوں پر چیلنجوں کے باوجود، غیر متوقع PKR سے \$ برابری، محدود سرحدی تجارت، کمپنی نے آپریشنل افادیت کے حصول کے لیے مسلسل انتہک

کوششوں کے ذریعے کاروبار کرنے کی اپنی لاگت کو برقرار رکھنے میں اچھی طرح سے انتظام کیا، تمام طبقات میں صلاحیت کے بہتر استعمال اور تمام نیٹ ورکس پر عالمی اور ملکی سطح پر اپنے قدموں کے نشانات کو بڑھایا تاکہ اس میں اعلیٰ لاجسٹکس اور کورئیر پارٹنر کی حیثیت کو مضبوط کیا جا سکے۔ ملک۔

گھریلو صارفین کے لیے ای کامرس کی آن لائن مارکیٹ کا سائز اب بھی بڑھ رہا ہے اور اسٹیٹسٹا کے مطابق، اوسطاً 6% کے CAGR کے ساتھ، یہ 2027 تک USD 7 بلین سے زیادہ ہونے کی توقع ہے۔ تاہم، کاروبار کرنے کی زیادہ لاگت، مالی بیانیہ اور جغرافیائی سیاسی صورتحال نے ملکی معیشت کو بڑے پیمانے پر اور لاجسٹکس انڈسٹری کے لیے خاص طور پر افراط زر اور ایندھن کی قیمتوں میں اضافے کی وجہ سے متعدد چیلنجز پیدا کیے ہیں۔

سیکٹر کا جائزہ

عالمی کساد بازاری اور دنیا بھر میں مجموعی طور پر بلند شرح سود کے منظر نامے نے پچھلے 8 مہینوں کے دوران وینچر اور پرائیویٹ ایکویٹی فنڈڈ کمپنیوں کو باہر نکال دیا ہے اور پاکستان میں ایسی کمپنیوں میں اوسط سرمایہ کاری منفی نقد بہاؤ کو ظاہر کرتی ہے۔ وہ داخلے جو اس طرح کی VC فنڈنگ پر انحصار کرتے تھے اور پہلے دنوں میں اپنے کاروباری حجم کو زیادہ برن آؤٹ ریٹ کے ذریعے بڑھاتے تھے اب زیادہ لاگت کے مسائل، ایک محدود نیٹ ورک آؤٹ ریچ، فی کھیپ کم آمدنی اور بیرونی طور پر کوئی بھی فراہم کرنے کے قابل نہیں ہیں۔ COD کے علاوہ بامعنی کاروباری مصنوعات، زیادہ نمایاں طور پر تازہ فنڈنگ کی کمی محسوس کر رہے ہیں۔ چونکہ COD میں مسابقت کی وجہ سے مارکیٹ سیر ہے، ان میں سے کچھ انضمام کے لیے گئے جبکہ دیگر کا مقصد حصول کے ذریعے مارکیٹ شیئر کرنا تھا۔

ایسی کمپنیوں کے لیے لیکویڈیٹی کے شدید مسائل کے علاوہ، بیرونی لاگت کے عناصر بشمول پاکستان میں سیاسی عدم استحکام، USD تا PKR برابری، ایندھن میں بے تحاشہ اضافہ اور گھریلو معیشت میں 2008 کے بعد سے سب سے زیادہ یوٹیلیٹیز، جس کے نتیجے میں مجموعی لاگت میں زبردست اضافہ ہوا۔ یہ اشارے اب مستحکم ہونا شروع ہو گئے ہیں لیکن عام انتخابات کے بعد آنے والے چھ ماہ سے ایک سال کے عرصے میں اس کے نتائج معنی خیز ہوں گے۔

جیسا کہ اوپر بیان کیا گیا ہے، بورڈ نے مذکورہ بالا تمام صورت حال پر تدبیر سے غور کیا اور اس لیے حصول، شراکت داری، اور مستحکم کاروباری حجم کے ذریعے کاروباری سلسلے کو بڑھایا۔ سب سے اہم عوامل کہ یہ اپنے حریفوں کے مقابلے میں نمایاں طور پر بہتر پوزیشن میں ہے کاروبار کا اس طرح کا تنوع ہے مذکورہ بالا اقدامات کے علاوہ، UNSL کا انٹرنیشنل ایکسپریس کورئیر بزنس الائنس Aramex LLC کے ساتھ، دبئی میں درج بین الاقوامی کورئیر کمپنی، ایک پائیدار ترقی کی رفتار فراہم کرتا ہے۔ وسط سے طویل مدتی میں کمپنی۔ Aramex کے ساتھ اہم اتحاد کمپنی کو اپنے گھریلو ای کامرس صارفین کو بین الاقوامی منڈیوں تک لے جانے کا ایک بڑا موقع فراہم کرتا ہے، انہیں خدمات کا مکمل راؤنڈ اپ فراہم کرتا ہے جو نئے کاروبار کی تعمیر میں مدد کرتی ہے اور UNSL کو بہتر حجم اور مارجن کی اجازت دیتی ہے۔ کمپنی نے بین الاقوامی طبقہ پر اپنی توجہ برقرار رکھی ہے اور مذکورہ گھریلو دباؤ کے باوجود اپنے بین الاقوامی کاروبار کو بڑھانے میں کامیاب رہی ہے۔ کمپنی کے صارفین، اس

اثر کو سمجھتے اور حربوں کی طرف سے کم معیار کی خدمات کی فراہمی کو دیکھتے ہوئے، اعلیٰ معیار کی خدمات، وسیع تر جغرافیائی رسائی اور تکنیکی برتری کے لیے UNSL کے ساتھ کام کرنے کا انتخاب کیا۔ کمپنی کے لیے بین الاقوامی اور گھریلو تجارتی طبقے کے ذریعے متنوع آمدنی کے سلسلے رکھنے کا مقام اسے مسلسل آمدنی میں اضافے کے انتظام کے لیے ایک مضبوط بنیاد اور جہت فراہم کرتا ہے۔ لہذا، کمپنی بین الاقوامی کاروباری کارروائیوں پر اپنی توجہ بڑھاتے ہوئے زیادہ قیمت کے مسابقتی گھریلو کاروباری حصوں کے لیے اپنی کوششوں کو تیز کر رہی ہے۔

کمپنی کی کارکردگی

سال 2022-23 کے دوران، ٹیکس کے بعد مجموعی منافع روپے ربا۔ 166.365 ملین جبکہ پچھلے سال رپورٹ کردہ 15.95 ملین روپے کے مقابلے۔ IFRS کی ضرورت کے مطابق 30 جون 2023 اور 2022 کو ختم ہونے والے سال کے لیے مجموعی مالیاتی جھلکیوں کا مختصر خلاصہ حسب ذیل ہے:

Consolidated Highlights	2023	2022
Income - courier and allied services	1,192,084,802	1,028,519,073
CBC handling charges income - courier and allied services	26,390,594	23,677,827
International freight	139,730,967	46,931,273
Commission income	3,076,925	1,017,607
Total Revenue	1,361,283,288	1,100,145,780
Cost of sales - courier and allied services	(1,111,507,257)	(949,271,679)
Gross profit	249,776,031	150,874,101
Marketing, General and administrative expenses	(174,152,538)	(136,203,042)
Operating profit	75,623,493	14,671,059
Other income	116,839,059	16,894,121
Finance costs	(6,286,125)	(7,821,861)
Profit before taxation	186,176,427	23,743,319
Taxation	(19,811,036)	(7,797,663)
Profit after tax	166,365,391	15,945,656
Earnings per share - basic & diluted	6.07	0.65

فی شیئر آمدنی

سال کے دوران کمپنی نے روپے فی حصص آمدنی پوسٹ کی۔ 6.07 روپے کے مقابلے میں 0.65 پچھلے سال ایک مستحکم بنیاد پر۔

مقاصد اور کارپوریٹ حکمت عملی

ہم اچھے اثاثہ جات کے معیار کے پورٹ فولیو کو بڑھانے اور آمدنی کے متنوع پول کے ساتھ کمپنی کو مستقل بنیادوں پر بنانے کے لیے پرعزم ہیں۔ ہماری کارپوریٹ حکمت عملی کے اہم عناصر دستیاب وسائل کو مؤثر طریقے سے استعمال کرنا اور متعلقہ خطرات کا انتظام اور ان میں تخفیف کرتے ہوئے منافع کو زیادہ سے زیادہ کرنا ہے۔

کمپنی بہتر خدمات کے ساتھ مقامی ای کامرس سیگمنٹ کو تلاش کرنے کے لیے پیروی کر رہی ہے، نئی مصنوعات شامل کر رہی ہے اور اپنے صارفین کو اچھی اور تسلی بخش خدمات فراہم کرنے کے لیے وسیع تر رسائی حاصل کر رہی ہے۔ مزید یہ کہ یہ زیادہ توجہ مرکوز ہے اور اس کا مقصد امریکس کے ساتھ بین الاقوامی طبقہ کی طرف ہے تاکہ ان ہاؤنڈ اور آؤٹ ہاؤنڈ دونوں خدمات کے لیے زیادہ مارکیٹ شیئر حاصل کیا جا سکے۔

لیکویڈیٹی، کیش فلو اور فنانسنگ کا انتظام

کمپنی کے پاس کیش مینجمنٹ کا ایک موثر نظام ہے، جو وقف اور قابل ملازمین کی ایک ٹیم کے ذریعہ تقویت یافتہ ہے، پیش گوئیاں تیار کرتا ہے اور کمپنی کی نقدی کی ضروریات کی باقاعدگی سے نگرانی کرتا ہے۔ سرمایہ کاری سمیت نقد اور دیگر مائع اثاثوں کی آمد اور اخراج کا انتظام خالص ایڈجسٹ شدہ واپسی کی بنیاد پر کیا جاتا ہے۔

کیپٹل سٹرکچر

سال کے آخر میں شیئر ہولڈرز کا فنڈ کل روپے تھا۔ 950.79 ملین کمپنی کی لیکویڈیٹی پوزیشن سال کے آخر میں 1.86 کے موجودہ تناسب کے ساتھ مضبوط ہے۔

رسک مینجمنٹ اور خطرات کو کم کرنے کی حکمت عملی

کمپنی مختصر مدتی سرمایہ کاری کے پورٹ فولیو کا بھی انتظام کرتی ہے، جو مکمل مالیاتی جانچ کے بعد کی جاتی ہے۔ قلیل مدتی سرمایہ کاری میں کریڈٹ رسک کو انتہائی درجہ بندی والے منی مارکیٹ میوچل فنڈز میں سرمایہ کاری میں تنوع کے ذریعے کم کیا جاتا ہے۔ قلیل مدتی سرمایہ کاری میں اعلیٰ درجہ کی منی مارکیٹ میوچل فنڈز کی سرمایہ کاری شامل ہے۔

قرض کا خطرہ

کریڈٹ رسک نقصان کے خطرے کی نمائندگی کرتا ہے اگر ہم منصب معاہدے کے مطابق کارکردگی کا مظاہرہ کرنے میں ناکام رہتے ہیں۔ کمپنی کا کریڈٹ رسک بنیادی طور پر بینکوں میں جمع رقم، ملازمین کو قرض، میوچل فنڈز میں سرمایہ کاری اور تجارت اور دیگر قابل وصول چیزوں سے پیدا ہوتا ہے۔ بینکوں اور مالیاتی اداروں کے لیے، انتظامیہ معروف اداروں کے پاس ڈپازٹ رکھتی ہے۔ میوچل فنڈز میں سرمایہ کاری کے لیے، انتظامیہ سرپلس فنڈز کو ہائی ریٹ میوچل فنڈز میں رکھتی ہے۔ قانونی تحفظ کی وجہ سے قابل وصول ڈیویڈنڈ کی وجہ سے کریڈٹ رسک کم سے کم ہے۔ ان ٹرانزیکشنز میں ڈیفالٹ کے خطرے کو اس میں اٹھانے کے موروثی منظم اقدامات کی وجہ سے کم سے کم سمجھا جاتا ہے۔ مزید برآں، میوچل فنڈز میں سرمایہ کاری کا خطرہ بھی کم ہے کیونکہ کمپنی کو لیکویڈیٹی مینجمنٹ کے لیے اعلیٰ درجہ بندی والے منی مارکیٹ فنڈز کا سامنا ہے۔

مارکیٹ کا خطرہ

مارکیٹ کا خطرہ مارکیٹ کی قیمتوں میں تبدیلی کا خطرہ ہے، جیسے کہ زرمبادلہ کی شرحیں، شرح سود اور ایکویٹی کی قیمتیں کمپنی کی آمدنی یا اس کے مالیاتی آلات کی ہولڈنگ کی قدر کو متاثر کریں گی۔ مارکیٹ رسک مینجمنٹ کا مقصد ریٹرن کو بہتر

بناتے ہوئے قابل قبول پیرامیٹرز کے اندر مارکیٹ رسک ایکسپوزرز کو منظم اور کنٹرول کرنا ہے۔ تاہم، کمپنی سود کی شرح کے خطرے اور ایکویٹی قیمت کے خطرے سے دوچار ہے۔

کمپنی اپنی سرمایہ کاری، طویل مدتی قرضوں، مختصر مدت کے ذخائر اور بینک بیلنس کے حوالے سے مارکیٹ کے خطرے سے دوچار ہے۔ کمپنی متنوع پورٹ فولیو کو برقرار رکھنے اور ایکویٹی مارکیٹ میں ہونے والی پیش رفت کی مسلسل نگرانی کے ذریعے مارکیٹ کے خطرے کو محدود کرتی ہے۔ کمپنی کی کاروباری سرگرمیوں سے وابستہ مارکیٹ کے خطرات شرح سود اور قیمت کا خطرہ ہیں۔ کمپنی مادی کرنسی کے خطرے سے دوچار نہیں ہے۔

غیر ملکی کرنسی کا خطرہ

کمپنی غیر ملکی کرنسی کی شرح مبادلہ کے اتار چڑھاؤ کے خطرے سے دوچار نہیں ہے۔

اسٹیک ہولڈرز کے ساتھ تعلقات

کمپنی ہر اسٹیک ہولڈر کے حقوق کو تسلیم کرتی ہے اور ان کا احترام کرتی ہے بشمول شیئر ہولڈرز، ملازمین، قرض دہندگان، مقامی کمیونٹیز اور دیگر۔ کمپنی کمپنی کے تمام عام اجلاسوں میں حصص یافتگان کی فعال شرکت کی حوصلہ افزائی کرتی ہے اور بہتر نظم و نسق اور آپریشنل انتظام کے حوالے سے ان کے خیالات کی قدر کرتی ہے۔ کمپنی اپنے اسٹیک ہولڈرز کے تئیں اپنی قانونی اور تعمیری ذمہ داریوں سے بھی آگاہ ہے جہاں وہ کام کرتی ہے اور کمپنی سے وابستہ ان کے مفادات کے حقیقت پسندانہ نظریہ کو مدنظر رکھتے ہوئے ان کی توقعات پر بروقت جواب دینے کے لیے مناسب اقدامات کرتی ہے۔

انفارمیشن ٹیکنالوجی

ہم پختہ یقین رکھتے ہیں کہ لاجسٹکس اور کورئیر سیکٹر کا مستقبل تکنیکی ترقی کے بہترین استعمال سے جڑا ہوا ہے۔ کمپنی نے اپنے بیرونی اور اندرونی صارفین کے لیے بہتر مارکیٹ شیئر حاصل کرنے، کام کے بہتر تجربے اور خطرات پر قابو پانے کے لیے درست تکنیکوں کے نفاذ کے لیے نئے حل تیار کرنے میں اچھی طرح سے سرمایہ کاری کی ہے۔ یہ توجہ بہتر تکنیکی حل پر ہے جو صنعت کے لیے معیار بن چکے ہیں، کمپنی کی آپریشنل صلاحیتیں بہت زیادہ موثر اندرونی کنٹرولز اور مینجمنٹ انفارمیشن سسٹم کے ساتھ مسلسل بہتر ہوتی جا رہی ہیں۔

انسانی وسائل کی ترقی اور جانشینی کی منصوبہ بندی

کمپنی کا کاروباری ماڈل انسانی وسائل پر مشتمل ہے۔ کمپنی نے آنے والے چیلنجوں کا مقابلہ کرنے کے لیے تجربہ کار اور اہل انسانی وسائل کو ملازمت دی ہے۔ کمپنی اپنی ٹیم کو مضبوط کرنے، ملازمین کی کارکردگی کے جائزے کے طریقوں اور بینچ مارک سروے کو مزید مضبوط بنانے کے لیے تنظیم کے ڈھانچے اور تاثر کو مزید مضبوط کرنے کا منصوبہ رکھتی ہے۔

کمپنی نہ صرف بہترین ٹیلنٹ کو اپنی طرف متوجہ کرتی ہے بلکہ مستقبل میں قائدانہ کرداروں کے لیے ان کی صلاحیتوں کو تیار بھی کرتی ہے۔ کمپنی ملازمین کو ان کی صلاحیتوں کو بڑھانے اور ان کی صلاحیتوں کو بڑھانے کے لیے چیلنجنگ مواقع فراہم کر کے انہیں بالاختیار بنانے میں یقین رکھتی ہے۔ واضح کردار اور ملازمت کی تفصیل بیان کی گئی ہے، جس کی بنیاد پر کمپنی میں حساس اور اہم عہدوں کے لیے جانشینی کا منصوبہ تیار کیا جائے گا۔

اندرونی کنٹرول

اندرونی کنٹرول کے فریم ورک کو مؤثر طریقے سے ایک آؤٹ سورس پارٹنر (KPMG) کے ذریعے اندرونی آڈٹ فنکشن کے لیے نافذ کیا گیا ہے جو کہ بیرونی آڈٹ فنکشن سے آزاد ہے۔ کمپنی کا اندرونی کنٹرول کا نظام ڈیزائن کے لحاظ سے درست ہے اور تاثیر اور مناسبت کے لیے اس کا مسلسل جائزہ لیا جاتا ہے۔ آڈٹ کمیٹی نے کمپنی کے اندر تمام سطحوں پر آپریشنل، تعمیل، رسک مینجمنٹ، مالیاتی رپورٹنگ اور کنٹرول کے مقاصد، کمپنی کے اثاثوں کی حفاظت اور شیئر ہولڈرز کی دولت کے حصول کو یقینی بنایا ہے۔

اندرونی آڈٹ فنکشن نے بورڈ آڈٹ کمیٹی کی طرف سے بیان کردہ آڈٹ پلان کے تحت اپنے فرائض سرانجام دیے ہیں۔ آڈٹ کمیٹی نے اندرونی آڈٹ کے مواد کا جائزہ لیا ہے، مناسب کارروائی کی ہے یا جہاں ضرورت ہو بورڈ کی توجہ میں معاملات کو لایا ہے۔ ایک قابل اعتماد مالیاتی رپورٹنگ سسٹم اور قوانین و ضوابط کی تعمیل سمیت کمپنی کے مقاصد میں کارکردگی اور شراکت کو یقینی بنانے کے لیے بیرونی اور اندرونی آڈیٹرز کے درمیان ہم آہنگی کو آسان بنایا گیا۔

توانائی کا تحفظ

کمپنی کے توانائی کی بات چیت کے اقدامات میں کمپنی کے تمام علاقوں میں ایل ای ڈی کا استعمال اور جہاں بھی ممکن ہو معاون آلات اور آلات کو بند کرنا شامل ہے۔

پیشہ ورانہ صحت، حفاظت اور ماحولیاتی تحفظ

ہم اپنے پورے کاروبار میں صحت، حفاظت اور ماحول میں عمدگی حاصل کرنے کے لیے ہر عزم ہیں۔ کمپنی کام کرنے کا ایک محفوظ ماحول برقرار رکھتی ہے اور اپنے عملے اور اسٹیک ہولڈرز کی صحت اور بہبود کی ذمہ داری لیتی ہے۔

کارپوریٹ تعلقات

کارپوریٹ تعلقات کارکردگی، پیداواریت اور مہذب کام کو فروغ دیتے ہیں۔ درحقیقت، شراکت دار اور باہمی احترام کے ساتھ تعلقات، تعاون کو آگے بڑھانا، پیداواری صلاحیت میں اضافہ اور اعتماد کو فروغ دینا اس طرح ناپسندیدگی اور استحصال کو کم کرتا ہے۔ سال کے دوران دیگر اداروں کے ساتھ فٹ بال میچوں کی شکل میں تفریحی اور تحریکی سرگرمیاں منعقد کی گئیں۔

کاروباری اخلاقیات اور انسداد بدعنوانی کے اقدامات

یہ کمپنی کی ایک بنیادی پالیسی ہے کہ وہ اپنے کاروبار کو ایمانداری، دیانتداری اور اعلیٰ ترین اخلاقی اور قانونی معیارات کے مطابق چلائے۔ کسی بھی قسم کے غیر اخلاقی عمل ہمارے کاروبار میں اپنا راستہ تلاش کرنے کے لیے نہیں ہیں۔ تمام ملازمین کو کمپنی کے شیئر ہولڈرز کے مفاد میں ہر وقت کام کرنا چاہیے اور کوئی بھی ملازم کبھی بھی غیر قانونی یا غیر اخلاقی فعل کا ارتکاب نہیں کرے گا، یا کسی دوسرے ملازم کو ایسا کرنے کی ہدایت اور حوصلہ افزائی نہیں کرے گا۔

کمپنی نے اپنے تمام ڈائریکٹرز اور ملازمین کو ضابطہ اخلاق سے آگاہ کر دیا ہے اور اسے اپنی ویب سائٹ پر بھی رکھ دیا ہے۔

متعلقہ پارٹی لین دین

سال کے دوران، متعلقہ کمپنیوں/متعلقہ جماعتوں کے ساتھ کیے گئے تمام لین دین کی بورڈ کی آڈٹ کمیٹی نے سفارش کی تھی اور کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے منظوری دی گئی تھی۔ متعلقہ فریقوں کے ساتھ تمام لین دین بازو کی لمبائی کی بنیاد پر ہوتے ہیں۔

بورڈ آف ڈائریکٹرز

مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات (07) ہیں۔

a مرد: 05

b خواتین: 02

بورڈ کی ساخت مندرجہ ذیل ہے:

زمرہ کے نام

نان ایگزیکٹو ڈائریکٹر

عارف الہی

دانش الہی

سفینہ دانش الہی

آزاد ڈائریکٹرز

مرزا قمر بیگ

نادین ملک المانی

اسفند یار فرخ

ایگزیکٹو ڈائریکٹرز

علی عامر بکساموسہ

خاتون ڈائریکٹرز

سفینہ دانش الہی

نادین ملک المانی

ڈائریکٹرز کا انتخاب

10 جولائی 2023 کو کمپنیز ایکٹ 2017 کے سیکشن 159 کے مطابق 10 جولائی 2023 سے شروع ہونے والی 3 سال کی مدت کے لیے درج ذیل ڈائریکٹرز کا انتخاب کیا گیا:

1. جناب عارف الہی 5. جناب علی عامر بکساموسہ
2. جناب دانش الہی 6. مسز نادین ملک المانی
3. مسز سفینہ دانش الہی 7. مسز نوین احمد
4. مفتی محمد نجیب خان

کمپنی اور بورڈ کے اراکین نے بطور ڈائریکٹر جناب مرزا قمر بیگ اور جناب اسفند یار فرخ کی ان کی لگن اور کوششوں کے لیے ان کا شکریہ ادا کیا اور ان کی مستقبل کی کوششوں کے لیے نیک خواہشات کا اظہار کیا۔

BOD اراکین کے درمیان مفادات کا ٹکراؤ

مفادات کے کسی بھی ٹکراؤ کا انتظام کمپنی کے ضابطہ اخلاق برائے ڈائریکٹرز، ایکٹ، اور SECP اور پاکستان اسٹاک ایکسچینج کے قواعد و ضوابط کے مطابق کیا جاتا ہے۔

سی ای او کی کارکردگی کا جائزہ

بورڈ پہلے سے طے شدہ آپریشنل اور اسٹریٹجک اہداف کے خلاف سی ای او کی کارکردگی کا مسلسل جائزہ لیتا ہے۔ بورڈ مانیٹرنگ کا کردار اہناتا ہے، سی ای او کو کمپنی کا انتظام کرنے، بورڈ کے اسٹریٹجک فیصلوں اور پالیسیوں کو لاگو کرنے اور کمپنی کی سمت کو ہم آہنگ کرنے کا مکمل اختیار دیتا ہے۔

ڈائریکٹرز کے معاوضے کی پالیسی

ڈائریکٹرز کے معاوضے کا تعین بورڈ کے ذریعہ وقتاً فوقتاً ایسوسی ایشن کے آرٹیکلز کے مطابق اور کمپنیز ایکٹ 2017 کی دفعات کے تحت کیا جائے گا۔

ڈائریکٹرز کا تربیتی پروگرام

تمام سات ڈائریکٹرز کی کم از کم چودہ سال کی تعلیم ہے۔ تمام ڈائریکٹرز نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 میں درج ڈائریکٹرز کے تربیتی پروگرام کے تحت سرٹیفیکیشن حاصل کیا ہے سوائے ایک ڈائریکٹر کے جس کا ڈائریکٹر ٹریننگ پروگرام PICG میں جاری ہے۔

بورڈ میٹنگز

زیر نظر سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس منعقد ہوئے جن کی صدارت چیئرمین نے کی۔ چیف فنانشل آفیسر اور کمپنی سیکریٹری نے بھی میٹنگوں میں شرکت کی جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی ضرورت ہے۔

ہر ڈائریکٹر کی حاضری حسب ذیل تھی:

Name of Director	No. of meetings held	No. of meetings attended
Arif Elahi (Chairman / Director)	6	6
Mr. Danish Elahi (Director)*	6	4
Mrs. Safina Danish Elahi (Director)	6	4
Mr. Mirza Qamar Beg (Director)	6	6
Mrs. Nadine Malik Almani (Director)	6	6
Mr. Asfandyar Farrukh (Director)	6	6
Mr. Imran Baxamoosa (CEO/Director)*	6	2
Mr. Ali Aamer Baxamoosa (Director)	6	4

* جناب دانش الہی کو 18 اکتوبر 2022 کو جناب عمران بخشاموسہ کی جگہ ڈائریکٹر مقرر کیا گیا۔

Board Audit Committee Meetings

Name of Member	No. of meetings held	No. of meetings attended
Mirza Qamar Beg (Chairman)	6	6
Arif Elahi (Member)	6	0
Danish Elahi (Member)	6	2
Nadine Malik Almani (Member)	6	6
Asfandyar Farrukh (Member)	6	6

Board HR & Remuneration Committee Meetings

Name of Member	No. of meetings held	No. of meetings attended
Nadine Malik Almani (Chairperson)	5	5
Danish Elahi (Member)	5	3
Safina Danish Elahi (Member)	5	3
Imran Baxamoosa (Member)	5	5

ضابطہ اخلاق

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز اور ملازمین کے لیے کوڈ آف کنڈکٹ کو اپنایا اور اسے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی ضرورت کے لحاظ سے بورڈ ممبران اور ملازمین کو بھیجا گیا ہے۔ ضابطہ اخلاق بھی رکھا گیا ہے۔ کمپنی کی ویب سائٹ پر۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

(a) کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات، اس کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کے بیان کو منصفانہ طور پر پیش کرتے ہیں۔

(b) کمپنی نے کمپنیز ایکٹ، 2017 کے تحت اکاؤنٹس کی مناسب کتابیں رکھی ہیں۔

(c) کمپنی نے مالی بیانات کی تیاری میں مستقل اور مناسب اکاؤنٹنگ پالیسیوں پر عمل کیا ہے۔ سال کے دوران جہاں کہیں بھی کی گئی تمام تبدیلیاں مناسب طور پر ظاہر کی گئی ہیں اور حساب کتاب کے تخمینے دانشمندانہ اور معقول فیصلے کی بنیاد پر ہیں۔

(d) بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS)، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے اور وہاں سے کسی بھی روانگی کا مناسب طور پر انکشاف کیا گیا ہے۔

(e) اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔

(f) کمپنی کے بنیادی اصول مضبوط ہیں اور اس میں یہ صلاحیت ہے کہ وہ غیر یقینی صورتحال سے پاک ایک جاری تشویش کے طور پر جاری رکھے۔

(g) کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں بیان کردہ کارپوریٹ گورننس کے بہترین طریقوں پر عمل کیا ہے اور وہاں سے کوئی مواد نہیں نکلا ہے۔

(h) ٹیکسز، ڈیوٹی، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگیاں نہیں ہیں جو بقایا ہیں سوائے عام کاروبار کے اور مالی بیانات میں بیان کی گئی ہیں۔

(i) 30 جون 2023 تک اکاؤنٹس میں ظاہر کردہ کمپنی کے ذریعہ پراویڈنٹ فنڈ کی سرمایہ کاری کی مناسب قیمت روپے ہے۔ 4.16 ملین۔

(j) کمپنی کے تمام ڈائریکٹرز SECP کی طرف سے تجویز کردہ منظور شدہ اداروں سے ڈائریکٹرز ٹریننگ پروگرام (DTP) کے تحت سرٹیفائیڈ ڈائریکٹرز ہیں سوائے ایک ڈائریکٹر کے جن کا DTP کورس جاری ہے۔

ملکیت

30 جون 2023 تک، کمپنی کے ریکارڈ پر 358 شیئر ہولڈرز تھے۔

شیئر ہولڈنگ کا نمونہ

30 جون 2023 تک کمپنی کے شیئر ہولڈنگ کا پیٹرن، حصص یافتگان کے مخصوص طبقوں کے شیئر ہولڈنگ کے پیٹرن کے ساتھ جن کا انکشاف رپورٹنگ فریم ورک کے تحت ضروری ہے اس رپورٹ کے شیئر ہولڈنگ سیکشن میں دکھایا گیا ہے۔

آڈیٹرز

موجودہ آڈیٹرز M/s. کرو حسین چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کے اہل ہونے کی وجہ سے، آئندہ سالانہ جنرل میٹنگ میں تقرری کے لیے اپنی رضامندی فراہم کر دی ہے۔ آڈٹ کمیٹی نے M/s کی تقرری کی سفارش کی ہے۔ کرو حسین چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے قانونی آڈیٹرز کے طور پر۔ بورڈ نے اس سفارش کی توثیق کی ہے۔

کلیدی آپریٹنگ اور مالیاتی ڈیٹا

رپورٹ میں گزشتہ پانچ سالوں کے ساتھ ساتھ موجودہ سال کے اہم مالیاتی اور آپریٹنگ ڈیٹا کا خلاصہ کرنے والا بیان بھی شامل ہے۔

آگے کی تلاش میں معلومات

سی پیک ایک خواب سے حقیقت میں بدلنے کے ساتھ پاکستان کی معیشت تریک پر ہے، پاکستان نے پوری دنیا کی توجہ حاصل کی ہے۔ کاروباری برادری کے اندر امید ہے اور مجموعی طور پر معاشی سرگرمیوں میں بہتری آئی ہے۔ کمپنی فعال طور پر پورٹ فولیو مینجمنٹ بزنس اور کارپوریٹ فنانس ایڈوائزری بزنس شروع کر رہی ہے اور آؤٹ لک مثبت ہے۔ اس کے سی ای او کے ماتحت انتظامی ٹیم حصص یافتگان کو اعلیٰ رسک ایڈجسٹ شدہ واپسی فراہم کرنے کے لیے پوری طرح پر عزم ہے۔

اعتراف

ہم اپنے تمام اسٹیک ہولڈرز، خاص طور پر اپنے قابل قدر سرمایہ کاروں کا شکریہ ادا کرنا چاہیں گے، جنہوں نے ہم پر اپنا اعتماد ظاہر کیا اور انتظامیہ کی ٹیم کی جانب سے ان کے غیر متزلزل عزم اور محنت کے لیے کی جانے والی کوششوں کو بھی سراہا۔ بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کی مسلسل حمایت اور تعاون کے لیے اپنی تعریف کرنا چاہے گا۔

مختار بورڈ آف ڈائریکٹرز

عمران بکاسموی
چیف ایگزیکٹو آفیسر

عارف الی
چیرمین

Chairman's Review

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present to you the Annual Report of Universal Network Systems Limited for the year ended June 30, 2023 with its Directors' report along with auditors' report and financial statements (consolidated and unconsolidated) of Universal Network Systems Limited (UNSL), its subsidiaries, Universal Freight Systems (Pvt.) Limited (UFS) and Shyp Guru (Pvt.) Limited (SG).

We are pleased to report that during the year, your Company, its Board and Management remained focused on two important challenges and successfully achieved the desired results. One is to further strengthen UNSL on its performance matrix in international and domestic e-commerce, fulfilment and technological business avenues and secondly, to make it more diverse and sustainable through key acquisitions and valuable partnerships with major business players.

The successful acquisition of UFS, one of the largest freight forwarding companies in the country for the last many years, during the year with the purpose to increase the UNSL footprint but also in view uncertain domestic economic landscape, have a sustainable profitable revenue streams as well. This acquisition was well directed and timely as can be seen that the gross revenue as well profitability increased over the year which will hopefully sustain in coming years.

On the same note, the Company also partnered with Abhi (Pvt.) Ltd, one of the fastest growing fintech lending company in Pakistan, which purchased around 9.99% shares of UNSL through private placement. Abhi has international presence in middle east and other regions and this shareholding-partnership has opened avenues for UNSL to provide easy access to its valued customers for financial solutions while gaining more business.

All the above measures and actions helped the overall consolidated performance of the Company and its results for the year show the value of these timely decisions for the shareholders of the Company. The brief summary of the consolidated financial highlights for the year ended June 30, 2023 and 2022 are as under:

Consolidated Highlights	2023	2022
	(Rs)	(Rs)
Total Revenue	1,361,283,288	1,100,145,780
Profit after tax	166,365,391	15,945,656
Earnings per share - basic & diluted	6.07	0.65

Though the previous eighteen months were characterized with constant uncertainty, post two years of a global pandemic and Russia-Ukraine war that catalyzed an energy crisis across the world, regional geo-political instability, which negatively impact business environment in Pakistan. Your Board and management remained engaged and focused upon devising the best possible strategies to address the current economic challenges and enhance efficiency for key business drivers to achieve key milestones. The above results are a manifest of the resilience and adaptability of the Company to such challenges.

The Board is fully conversant with operational & reputational risks affecting current business scenario and addressing all significant issues through itself or its committees to strengthen and formalize the corporate decision-making process for better results for its shareholders and other stakeholders in the coming years.

Going ahead, your Board is hopeful that it's focused approach and best business practices shall help in addressing the current business and economic environment on both domestic and international segments in coming periods. The Company's inherent strength and in its strong management's multi-thronged approach were able to mitigate the impact of international inflationary pressures and the price war in the courier business especially by the new competitors. I have however advised the management to be more cautious and vigilant in curtailing non-operational expenses especially in these trying times.

I would like to conclude by extending my gratitude to the regulators for their support and to the Board, management team and entire staff of the Company for their untiring efforts & contribution in the Company's endeavors.

Arif Elahi
Chairman

Karachi: November 03, 2023

OPERATING HIGHLIGHTS (SEVEN YEARS SUMMARY)

	PARTICULARS	UNIT	2017	2018	2019	2020	2021	2022	2023
A)	STATEMENT OF FINANCIAL POSITION								
1	Total Assets	Rs. In (000)	348,729	350,237	392,545	453,758	747,306	1,029,216	1,069,442
2	Current Assets	Rs. In (000)	280,989	273,082	317,793	357,120	511,725	729,279	705,507
3	Current Liabilities	Rs. In (000)	275,969	276,234	309,819	364,512	279,200	205,616	183,355
4	Paid Up Capital	Rs. In (000)	5,714	5,714	5,714	5,714	205,714	274,284	274,284
5	Shareholders Equity	Rs. In (000)	68,452	68,797	76,293	78,301	412,244	785,802	861,256
6	No. of Ordinary Shares	In (000)	57	57	57	57	24,686	24,667	27,428
B)	STATEMENT OF PROFIT OR LOSS								
1	Sales Value	Rs. In (000)	542,242	741,115	516,978	786,114	992,448	1,100,146	1,353,358
2	Gross Profit / (Loss)	Rs. In (000)	99,713	85,076	120,458	107,360	138,204	150,874	242,827
3	Finance Cost	Rs. In (000)	2,106	3,113	8,355	10,738	12,527	7,822	5,306
4	Operating Profit / (Loss)	Rs. In (000)	26,647	15,109	33,142	22,601	50,631	31,565	100,196
5	Profit / (Loss) Before Taxation	Rs. In (000)	24,541	11,996	24,787	11,863	38,105	23,743	94,890
6	Profit / (Loss) After Taxation	Rs. In (000)	21,856	345	7,496	2,007	33,221	15,946	75,453
C)	STATEMENT OF CASH FLOWS								
1	Net Cash Flow from Operating Activities	Rs. In (000)	33,755	(56,967)	31,572	(10,175)	49,321	(120,835)	115,859
2	Net Cash Flow from Investing Activities	Rs. In (000)	(16,594)	(21,946)	(8,765)	(33,035)	(58,426)	(95,715)	(117,252)
3	Net Cash Flow from Financing Activities	Rs. In (000)	42,972	(1,713)	(3,572)	4,603	162,410	334,196	(25,866)

STATEMENT OF VALUE ADDITION AND DISTRIBUTION

(Rs. In 000)

	2023		2022	
	(Rs. In 000)	%	(Rs. In 000)	%
Wealth Generated				
Total revenue	<u>1,382,177</u>	100.00%	<u>1,117,040</u>	100.00%
Wealth Distributed				
To Services				
Cost of revenue (excluding employees' salaries and benefits)	801,469	57.99%	657,534	58.86%
Administration & other expenses (excluding employees' salaries and benefits)	96,044	6.95%	66,745	5.98%
To Providers of Capital				
Mark-up / interest expense	5,306	0.38%	7,822	0.70%
To Government				
Taxes	19,437	1.41%	7,798	0.70%
To Employees Salaries and benefits	384,469	27.82%	361,196	32.34%
Retained in the Business	75,453	5.46%	15,946	1.43%
	<u>1,382,177</u>	100.00%	<u>1,117,040</u>	100.00%

**Independent Auditor's Review Report
To the Members of Universal Network Systems 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 Board of Directors of **Universal Network Systems Limited** (the 'Company'), for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of 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.

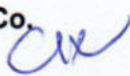
As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 for and on behalf of the Company, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.



Crowe Hussain Chaudhury & Co.
Chartered Accountants



Karachi.

Dated: 06 NOV 2023

UDIN: CR202310207b534mn82x

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

UNIVERSAL NETWORK SYSTEMS LIMITED YEAR ENDED JUNE 30, 2023

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven (07) as per the following:
 - a. Male: 04
 - b. Female: 03
2. The composition of board is as follows:

Category	Names
Non-executive Directors	Arif Elahi (Chairman) Danish Elahi Safina Danish Elahi
Independent Directors	Mirza Qamar Beg Nadine Malik Almani Asfandyar Farrukh
Executive Director	Ali Aamer Baxamoosa
Female Director	Safina Danish Elahi Nadine Malik Almani

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 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. No Directors' Training Program has been arranged. However, the Company undertakes to arrange training programs within the next year, for the all the Directors except below who are already certified as per the Regulations:

Mr. Arif Elahi - Chairman / Non-Executive Director
 Mr. Mirza Qamar Beg – Independent Director
 Mrs. Safina Danish Elahi – Non-Executive Director
 Mrs. Nadine Malik Almani – Independent Director
 Mr. Asfandiyar Farrukh– Independent Director
 Mr. Ali Aamer Baxamoosa – Executive Director;

10. The Board has approved appointment of 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:

a) Audit Committee

Name	Designation	Category
Mr. Mirza Qamer Beg	Chairman	Independent Director
Mr. Arif Elahi	Member	Non-Executive Director
Mr. Danish Elahi	Member	Non-Executive Director
Mr. Asafandiyar Farrukh	Member	Independent Director
Ms. Nadine Malik Almani	Member	Independent Director

b) Human Resource and Remuneration Committee

Name	Designation	Category
Ms. Nadine Malik Almani	Chairperson	Independent Director
Mr. Danish Elahi	Member	Non-Executive Director
Ms. Safina Danish Elahi	Member	Non-Executive Director
Mr. Imran Baxamoosa	Member	Chief Executive

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: 06 meetings held during the year ended on June 30, 2023.
- b) HR and Remuneration Committee: 05 meetings held during the year ended on June 30, 2023.
15. The Board has set up an effective internal audit function managed by a suitably qualified and experienced professional who is 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 them 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.



Arif Elahi
Chairman

Karachi: **November 03, 2023**

**Independent Auditor's Report
To the members of Universal Network Systems Limited
Report on the Audit of the Unconsolidated Financial Statements**

Opinion

We have audited the annexed unconsolidated financial statements of **Universal Network Systems Limited (the Company)**, which comprise the unconsolidated statement of financial position as at June 30, 2023, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit and loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of its profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, 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 Matter	How the matter was addressed in our audit
01	Revenue Recognition Refer gross revenue under the unconsolidated statement of profit or loss The Company has recognized revenue amounting Rs 1,353.358 million during the year ended June 30, 2023. The Company's revenue stream is derived from multiple sources out of which major key streams include courier and allied services and international freight. Each stream has its own revenue recognition policies based on the nature of the revenue and underlying contractual arrangement. We considered revenue recognition as a key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not be appropriately recorded and disclosed in the financial statements.	Our audit procedures included the following: • Obtained an understanding, evaluated the design and tested the controls over the process of capturing, processing and recording of revenue; • Assessed the appropriateness of the Company's accounting policy for recording of revenue in line with requirements of applicable accounting and reporting standards; • Performing tests of control to confirm our understanding of the process by which revenue is calculated. • Compare, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period • Evaluated the appropriateness of the disclosures provided under the revenue standard IFRS-15 and assessed the completeness and mathematical accuracy of the relevant disclosures

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Information Other than the Unconsolidated and 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 unconsolidated and consolidated financial statements and our auditor's reports 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.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.



As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

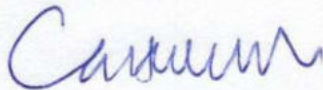


Report on Other Legal and Regulatory Requirements

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) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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



Crowe Hussain Chaudhury & Co.
Chartered Accountants



Karachi

Date: 06 NOV 2023

UDIN: AR202310207c9CqiKE0S

UNIVERSAL NETWORK SYSTEMS LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

		2 0 2 3	2 0 2 2
		-----Rupees-----	
	Note		
Non-current assets			
Property and equipment	4	142,845,278	155,333,920
Intangible assets	5	145,402,706	83,229,223
Right of use assets	6	22,683,136	48,627,045
Long term deposits	7	11,469,400	12,746,728
Long Term Investments	8	41,534,520	-
		363,935,040	299,936,916
Current assets			
Trade debts	9	453,517,809	455,744,899
Packaging material		4,998,354	2,101,092
Short term loans and advances	10	40,674,214	21,440,805
Short term deposits, prepayments and advance income tax	11	17,329,632	35,043,921
Due from related party		1,296,524	-
Tax refund due from Government		20,483,731	20,483,731
Short term investments	12	36,306,641	131,686,290
Cash and bank balances	13	130,899,792	62,778,606
		705,506,697	729,279,343
		1,069,441,737	1,029,216,258
Share capital and Reserves			
Authorized			
50,000,000 ordinary shares of Rs.10/- each		500,000,000	500,000,000
Issued, subscribed and paid-up share capital			
27,428,430 ordinary shares of Rs. 10/- each			
(2022: 27,428,430 ordinary shares of Rs. 10/- each)			
fully paid in cash	14	274,284,300	274,284,300
Share Premium		402,328,868	402,328,868
Revaluation surplus on property and equipment		16,950,945	23,044,649
Sponsors' loan		-	-
Unappropriated profit		167,691,547	86,144,583
		861,255,660	785,802,399
Non-current liabilities			
Lease liabilities	15	11,840,993	25,298,396
Deferred tax liabilities - net	16	12,989,881	12,499,107
		24,830,874	37,797,503
Current liabilities			
Trade and other payables	17	149,179,008	165,764,385
Current portion lease liabilities	15	13,458,942	25,867,487
Provision for taxation	25	20,717,253	13,984,475
		183,355,203	205,616,347
Contingencies and Commitments	18	-	-
		1,069,441,737	1,029,216,258

The annexed notes from 1 to 37 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNIVERSAL NETWORK SYSTEMS LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2 0 2 3 -----Rupees-----	2 0 2 2
Income - courier and allied services		1,191,922,180	1,028,519,073
CBC handling charges income - courier and allied services		26,390,594	23,677,827
International freight		133,852,779	46,931,273
Commission income		1,192,181	1,017,607
		1,353,357,734	1,100,145,780
Cost of sales - courier and allied services	19	(1,110,531,149)	(949,271,679)
		242,826,585	150,874,101
General and administrative expenses	20	(160,675,923)	(131,638,292)
Marketing and selling expenses	21	(6,772,959)	(4,564,750)
		(167,448,882)	(136,203,042)
Operating profit		75,377,703	14,671,059
Other income	22	28,819,582	16,894,121
Other expense	23	(4,000,931)	-
Finance costs	24	(5,306,262)	(7,821,861)
		19,512,389	9,072,260
Profit before taxation		94,890,092	23,743,319
Taxation	24	(19,436,831)	(7,797,663)
Profit after tax		75,453,261	15,945,656
Earning per share - basic and diluted	26	2.75	0.65

The annexed notes from 1 to 37 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNIVERSAL NETWORK SYSTEMS LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2 0 2 3	2 0 2 2
	-----Rupees-----	
Profit after taxation	75,453,261	15,945,656
Items not to be reclassified to profit or loss in subsequent period:	-	-
Total comprehensive income for the year	<u>75,453,261</u>	<u>15,945,656</u>

The annexed notes from 1 to 37 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNIVERSAL NETWORK SYSTEMS LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscribed and paid-up capital	Share Premium	Unappropriated profit	Surplus on revaluation of property & equipment	Sponsors' Loan	Total
	-----Rupees-----					
Balance as at June 30, 2021	205,714,300	43,286,074	65,398,115	27,845,460	70,000,000	412,243,949
Issuance of 6,857,000 ordinary share @ 10/- each	68,570,000	-	-	-	-	68,570,000
Premium @ 55 per share on issue of 6,857,000 ordinary shares	-	377,135,000	-	-	-	377,135,000
Transaction cost on issuance of shares*	-	(18,092,206)	-	-	-	(18,092,206)
Profit after tax	-	-	15,945,656	-	-	15,945,656
Reversal for Sponsor Loan's	-	-	-	-	(70,000,000)	(70,000,000)
Realized revaluation surplus on derecognition- net of deferred tax	-	-	533,111	(533,111)	-	-
Transfer of revaluation surplus on incremental depreciation - net of deferred tax	-	-	4,267,700	(4,267,700)	-	-
	-	-	-	-	-	-
Balance as at June 30, 2022	274,284,300	402,328,868	86,144,582	23,044,649	-	785,802,399
Profit after tax	-	-	75,453,261	-	-	75,453,261
Transfer of revaluation surplus on incremental depreciation - net of deferred tax	-	-	3,155,420	(3,155,420)	-	-
Realized revaluation surplus on derecognition- net of deferred tax	-	-	2,938,284	(2,938,284)	-	-
Total comprehensive income	-	-	-	-	-	-
	-	-	81,546,965	(6,093,704)	-	75,453,261
Balance as at June 30, 2023	274,284,300	402,328,868	167,691,547	16,950,945	-	861,255,660

* Utilization as transaction cost on issuance of shares are allow under Section 81 of the Companies Act 2017.

The annexed notes from 1 to 37 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNIVERSAL NETWORK SYSTEMS LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022
Note	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	94,890,092	23,743,319
Adjustment for non cash changes and other items:		
Depreciation - Property and equipment	23,560,218	18,653,080
Depreciation - ROUA	21,890,753	24,354,488
Allowance for expected credit losses	1,831,424	1,543,346
Amortization of Intangibles	3,801,900	1,333,416
Finance costs	24 5,306,262	7,821,861
Amortization of deferred income	-	-
Loss / (Gain) on sale of property and equipment	4,000,931	(43,576)
Cash flows from operating activities	155,281,580	77,405,934
(Increase)/ decrease in current assets		
Trade debts	9 395,666	(95,432,589)
Packaging Material	(2,897,263)	561,797
Short term loans and advances	10 (19,233,409)	(12,699,921)
Short term deposits and prepayments	11 16,408,025	7,014,274
Due from related party	(1,296,524)	-
	(6,623,505)	(100,556,439)
	148,658,075	(23,150,505)
Increase/(Decrease) in current liabilities		
Trade and other payables	17 (16,585,377)	(75,963,114)
Due to related parties	-	(2,434,610)
	(16,585,377)	(78,397,724)
Cash (used)/generated from operations	132,072,698	(101,548,229)
Income tax paid	(10,907,026)	(11,407,001)
Finance cost paid	(5,306,262)	(7,879,448)
Net cash (used)/generated in operating activities	115,859,410	(120,834,678)
CASH FLOW FROM INVESTING ACTIVITIES		
Property and equipment's	4 (18,687,293)	(70,894,645)
Intangibles	5 (65,975,383)	(25,429,489)
Sale proceeds from property and equipment	7,667,943	2,110,000
Long term deposits	7 1,277,328	(1,501,000)
Long Term Investments	8 (41,534,520)	-
Net cash flows used in investing activities	(117,251,926)	(95,715,134)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares - net	-	427,612,794
Sponsors' loan	-	(70,000,000)
Lease liability	15 (25,865,948)	(23,417,236)
Net cash flows generated from financing activities	(25,865,948)	334,195,558
Net (decrease) / increase in cash and cash equivalents	(27,258,463)	117,645,746
Cash and cash equivalents at the beginning of the year	194,464,896	76,819,150
Cash and cash equivalents at the end of the year	167,206,433	194,464,896
Cash and bank balances	27 167,206,433	194,464,896
	167,206,433	194,464,896

The annexed notes from 1 to 37 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

Universal Network Systems Limited
Notes to the Unconsolidated Financial Statements
For the Year ended June 30, 2023

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 December 6, 2021, 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.

On December 06, 2021, 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 June 30, 2022. Rs. 369,460,703/- was utilized from issue of fresh share as of June 30, 2023.

On June 14, 2023, the Company acquired Universal Freight Systems (Private) Limited as a wholly owned subsidiary through purchase of its ordinary share capital of Rs. 11,000,000/- (110,000 ordinary shares of Rs. 100/- per share) at a price of Rs. 113.04 per share. Total consideration of this purchase was Rs. 12,434,612/-. The Company has taken in compliance with IFRS's requirement, the profit and loss statement of UFS from the date of acquisition and is reflected in the consolidated Profit and loss statement.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The Company has prepared its unconsolidated 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.

2.2 Basis of Measurement

These unconsolidated financial statements have been prepared under the historical cost convention, except for the measurement of certain financial instruments at fair value.

2.3 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.

2.4 ACCOUNTING ESTIMATES AND JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these unconsolidated 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.

In preparing these unconsolidated financial statements, the significant judgment made by the management in applying accounting policies include:

- (a) - Current and deferred taxation (Note 16 and 25)
- (b) - Impairment (Note 3.1.1)
- (c) - Provisions, commitment and contingent liabilities (Note 3.1.9 and 18.1)
- (d) - Depreciation and amortization on fixed and intangible assets (Note 4.1)

3. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE YEAR

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

Standards, interpretations and amendments to approved accounting standards that are effective in current year

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Company for accounting periods beginning on or after July 01, 2022. These are considered either not to be relevant or not to have any significant impact on the Company's operations and therefore are not detailed in these unconsolidated financial

Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 1 - Classification of Liabilities as Current or Non-current	January 01, 2024
IAS 1 - Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8 - Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)	January 01, 2023

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment in Subsidiaries:

These investments are measured at cost in the Company's unconsolidated financial statements. Cost in relation to investments made in foreign currency is determined by translating the consideration paid in foreign currency into rupees at exchange rates prevailing on the date of transactions.

The Company is required to issue consolidated financial statements along with its unconsolidated financial statements, in accordance with the requirements of IFRS 10 "Consolidated Financial Statements" and Companies Act, 2017.

3.1.1 Fixed assets

Property and equipment

These are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to income applying the reducing balance method at the rates specified in the relevant note. Depreciation on additions is charged from the month at which asset is available for use and on disposals no charge for the month in which asset disposed. Depreciation is charged to profit and loss account applying reducing balance method at the rate mentioned in relevant note. Full depreciation is charged to profit or loss and the difference of accelerated depreciation is charged to statement of changes in equity.

Normal repairs & maintenance are charged to income as and when incurred. Major renewals and improvements if any are capitalized when it is probable that respective future economic benefits will flow to the Company.

An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount of relevant assets. These are included in the profit and loss account.

Intangible Assets

Intangible assets other than goodwill and marketing related intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any.

Goodwill and marketing related intangible assets are stated at cost less accumulated impairment losses, if any, as their useful life is indefinite and are tested for impairment annually. For other intangibles, amortization is charged to the profit or loss applying the straight line method, whereby, the cost of intangible asset is written off over its useful economic life.

The amortization rate of the intangible assets are stated in note 5 & 6 to these unconsolidated financial statements. Full month's amortization is charged in the month of addition when the asset is available for use, whereas, amortization on disposals is charged upto the month in which the disposal takes place.

Capital work-in-progress

Capital work-in-progress, if any, is stated at cost (less impairment losses, if any) and represents expenditure on fixed assets in the course of construction and installation and advances for capital expenditure. Transfers are made to relevant operating fixed assets when the assets are available for intended use.

Impairment

The Company assesses at each reporting date whether there is any indication that operating fixed assets may be impaired. If 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 amounts, assets are written down to their recoverable amounts and the resulting impairment charge is recognized in the statement of profit or loss and other comprehensive income. The recoverable amount of property and equipment is the greater of fair value less cost to sell and value in use.

Surplus on revaluation on Property and equipment

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to unappropriated profit is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit.

3.1.2 IFRS 9 - Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial asset or a portion of financial asset when, and only when, the Company loses control of the contractual rights that comprise the financial asset or portion of financial asset.

A financial liability or part of financial liability is derecognized from the balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

Any gain or loss on the recognition or de-recognition of the financial assets and financial liabilities is taken to statement of profit or loss and other comprehensive income.

Financial assets

Classification

The Company classifies its financial assets at fair value through profit or loss (FVTPL). The classification depends on the business model in which the financial asset is managed and its contractual cash flows. The management determines the appropriate classification of its financial assets at initial recognition and it evaluates this classification on a regular basis.

Financial asset at fair value through profit or loss

Debt investment

Debt investments that does not qualify for measurement at either amortized cost or FVOCI are classified as financial asset at fair value through profit or loss.

Equity investment

Equity investments that are held for trading, and equity investments for which the entity has not elected to recognize fair value gains and losses through other comprehensive income are classified as financial asset at fair value through profit or loss.

Allowance for Expected Credit Loss (Provisions)

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company uses a simplified approach to consider reasonable and supportable information that is relevant and available without undue cost or effort.

The Company considers a financial asset in default when contractual payments are past due over the agreed credit terms. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience of actual credit losses over past years and informed credit assessment and including forward-looking information. 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.

Such assets are written off when there is no reasonable expectation of recovery.

Provision are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Financial liabilities

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset when the Company has a legally enforceable right to offset the recognized amounts and intends either to settle these on net basis or to realize the assets and settle the liabilities simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counterparties.

3.1.3 Stores and Supplies

Store and Supplies including packaging materials are valued at the average cost of purchase at each period end. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

3.1.4 Cash & cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost and include cash in hand, at bank and short term highly liquid investments that are readily available convertible to known amounts of cash. For the purpose of cash flow statement, cash and cash equivalents include bank balances including short-term deposits net of bank overdraft, if any.

3.1.5 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price, without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis making as much use of available and supportable market data as possible).

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

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the Company can access at measurement date.

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

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

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting year during which the change occurs.

3.1.6 Taxation**Current taxation**

Provision for current taxation is based on taxable income at the current rates of taxation after considering tax credits and rebates available, if any.

Deferred taxation

Deferred tax is recognized using the balance sheet liability method, providing for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Impairment of non-financial assets other than operating fixed assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the asset.

In determining fair value less costs to sell, the recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other fair value indicators.

Intangible assets with indefinite useful lives are tested for impairment annually at year end either individually or at cumulative group level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

For such assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in the profit or loss.

3.1.7 Segment reporting

All business segments of the company are distinguishable components which are engaged in revenue generating activities and its results are regularly reviewed by the Company. The senior management decides to allocate the resources to the respective segment and assess its performance. Furthermore, related financial information is available for each segment.

Based on internal management reporting structure, the Company is organized into the following operating segments:

- Domestic Courier and Cargo
- International Freight

Management monitors the operating results of above mentioned segments separately for the purpose of making decisions about resources to be allocated and assessing performance.

3.1.8 Related party transactions

Related parties comprises of major shareholders, associated companies with or without common directorship, other companies with common directorship, directors of the Company, key management personnel and their close family members. The Company continues to have a policy whereby transactions with related parties are entered into; at commercial terms, approved policy or at rate agreed under a contract/arrangement/agreement.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Chief Strategy Officer, Company Secretary and departmental heads to be its key management personnel.

3.1.9 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, 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 the Company has a present legal or constructive 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.

3.1.10 Staff retirement benefits

The Company operates a defined contribution plan (i.e. recognized provident fund scheme) for all its permanent employees. Equal monthly contributions at the rate of 8.3% of the base salary are made to the fund, both by the Company and by its employees. The assets of the fund are held separately under the control of the Trustees.

Contributions made by the Company are charged to statement of profit or loss and other comprehensive income for the year.

3.1.11 Foreign currency transactions

Transactions in foreign currencies are translated into PKR (the functional currency) using the exchange rates prevailing at the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into PKR using the exchange rate at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss and other comprehensive income.

3.1.12 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable in the normal course of business.

-Courier, cargo and allied services are recorded as and when the invoices are raised.

-Commission income is recognized on accrual basis.

-Profit on saving accounts, short term investments and other income is recognized on accrual basis using effective interest rate method.

3.1.13 Reclassification of prior year presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

4 PROPERTY AND EQUIPMENT

Notes	2023	2022
4.1	142,845,278	150,523,336
4.2	-	4,810,584
	142,845,278	155,333,920

Fixed Assets
Capital Work in progress

4.1 Fixed Assets

Description	Owned					Leased	Total
	Leasehold improvement	Furniture, fixtures and fittings	Office and electrical equipment	Computers and accessories	Vehicles	Vehicles	
Cost							
Balance as at July 01, 2021	38,936,042	18,811,309	31,428,460	24,322,412	49,318,864	-	162,817,087
Additions	22,939,681	5,127,512	9,039,285	8,111,714	20,865,869	-	66,084,061
Disposals	-	-	(60,000)	(1,509,294)	(1,906,390)	-	(3,475,684)
Balance as at June 30, 2022	61,875,723	23,938,821	40,407,745	30,924,832	68,278,343	-	225,425,464
Balance as at July 01, 2022	61,875,723	23,938,821	40,407,745	30,924,832	68,278,343	-	225,425,464
Additions	4,984,976	1,556,456	3,600,899	5,367,696	7,987,850	-	23,497,877
Disposals	-	-	-	(457,667)	(14,250,800)	-	(14,708,467)
Balance as at June 30, 2023	66,860,699	25,495,277	44,008,644	35,834,861	62,015,393	-	234,214,874
Accumulated depreciation							
Balance as at July 01, 2021	11,286,515	5,118,006	11,592,121	15,126,156	14,535,310	-	57,658,108
Charge for the year	3,385,281	2,374,029	3,575,302	3,855,722	5,462,746	-	18,653,080
On disposals	-	-	(6,675)	(573,042)	(829,343)	-	(1,409,060)
Balance as at June 30, 2022	14,671,796	7,492,035	15,160,748	18,408,836	19,168,713	-	74,902,128
Balance as at July 01, 2022	14,671,796	7,492,035	15,160,748	18,408,836	19,168,713	-	74,902,128
Charge for the year	5,166,777	2,544,369	4,014,264	4,604,058	7,230,750	-	23,560,218
On disposals	-	-	-	(444,988)	(6,647,762)	-	(7,092,750)
Balance as at June 30, 2023	19,838,573	10,036,404	19,175,012	22,567,906	19,751,701	-	91,369,596
CARRYING AMOUNT - 2023	47,022,126	15,458,873	24,833,632	13,266,955	42,263,692	-	142,845,278
RATE OF DEPRECIATION (%)	10%	15%	15%	30%	15%	15%	

4.2 Capital Work in progress

Opening
Additions
Transfer
Closing

2023	2022
-----Rupees-----	
4,810,584	-
174,392	19,375,247
(4,984,976)	(14,564,663)
-	4,810,584

4.3 Detail of disposal of property and equipment**As of Jun 30, 2023**

Disposal of fixed asset during the year having written down value of more than Rs. 500,000/- is Rs. 7,603,038/- are as follows:

Particulars	Cost	Accumulated depreciation	Written down value	Sales proceeds	Gain/ (Loss)	Sold to	Relationship with company	Mode of disposal
Vehicle - SUZUKI-Ravi	1,060,881	505,101	555,780	340,000	(215,780)	Thrid Party	None	Bank
Vehicle - SUZUKI-Ravi	1,097,344	541,564	555,780	340,000	(215,780)	Thrid Party	None	Bank
Vehicle - SUZUKI-Ravi	1,262,784	572,850	689,934	369,000	(320,934)	Thrid Party	None	Bank
Vehicle - SUZUKI-Ravi	1,207,460	517,526	689,934	340,000	(349,934)	Thrid Party	None	Bank
Vehicle - SUZUKI-Ravi	1,211,649	521,715	689,934	360,000	(329,934)	Thrid Party	None	Bank
Vehicle - SUZUKI-Ravi	1,211,649	521,715	689,934	360,000	(329,934)	Thrid Party	None	Bank
Vehicle - SUZUKI-Ravi	1,211,649	521,715	689,934	360,000	(329,934)	Thrid Party	None	Bank
Vehicle - TOYOTA - Corolla	2,710,179	1,172,073	1,538,106	775,114	(762,992)	Thrid Party	None	Bank
Vehicle - SUZUKI-Ravi	1,093,168	614,047	479,121	320,000	(159,121)	Thrid Party	None	Bank
Vehicle - SUZUKI-Ravi	1,083,120	603,999	479,121	369,000	(110,121)	Thrid Party	None	Bank
Vehicle - SUZUKI-Mehran	1,100,917	555,457	545,460	680,000	134,540	Thrid Party	None	Bank

Total	14,250,800	6,647,762	7,603,038	4,613,114	(2,989,924)
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- 4.4** The carrying amount of the assets as at June 30, 2023, if the said assets had been carried at historical cost, would have been Rs. 117,626,773.

	2 0 2 3	2 0 2 2
Note	-----Rupees-----	

5 INTANGIBLE ASSETS

Software	5.1	51,864,684	18,657,834
Software under development	5.2	93,538,022	64,571,389
		145,402,706	83,229,223

5.1

	2 0 2 2									
	Cost				Amortization					
	Opening	Addition	Disposal	Closing	Opening	Charge for the year	Disposal	Closing	Book value	Rate %
Software	17,000,000	2,991,250	-	19,991,250	-	1,333,416	-	1,333,416	18,657,834	6.67%
	2 0 2 3									
	Cost				Amortization					
	Opening	Addition/tr ansfer	Disposal	Closing	Opening	Charge for the year	Disposal	Closing	Book value	Rate %
Software	19,991,250	37,008,750	-	57,000,000	1,333,416	3,801,900	-	5,135,316	51,864,684	6.67%

5.2 Software under development

	2023	2022
	-----Rupees-----	
Opening	64,571,389	42,133,150
Additions	65,975,383	25,429,489
Transfer	(37,008,750)	(2,991,250)
	93,538,022	64,571,389

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)-----		
6.1 Net carrying value basis			
Opening book value Jul 1, 2021	12,709,803	47,333,276	60,043,079
Addition: during the year	-	12,938,454	12,938,454
Less: Depreciation charged for the year	<u>(1,906,470)</u>	<u>(22,448,018)</u>	<u>(24,354,488)</u>
Closing net book value Jun 30, 2022	10,803,333	37,823,712	48,627,045
Less: Depreciation charge for the year	(1,620,501)	(20,270,252)	(21,890,753)
Less: Disposal during the period	(6,556,500)	-	(6,556,500)
Accumulated depreciation on disposal	<u>2,503,344</u>	<u>-</u>	<u>2,503,344</u>
Closing net book value June 30, 2023	<u>5,129,676</u>	<u>17,553,460</u>	<u>22,683,136</u>

Depreciation rate (%)	<u>15%</u>	<u>5-Years</u>
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6.2 Gross carrying value basis

Cost	13,904,499	81,200,726	95,105,225
Less: Accumulated Depreciation	(2,218,323)	(63,647,266)	(65,865,589)
Less: Disposal	(6,556,500)	-	(6,556,500)
Net book value June 30, 2023	<u>5,129,676</u>	<u>17,553,460</u>	<u>22,683,136</u>

6.3 Detail of disposal of right of use of asset

As of Jun 30, 2023

Disposal of fixed asset during the year having written down value of more than Rs. 500,000/- is Rs. 4,053,156/- are as follows:

Particulars	Cost	Accumulated depreciation	Written down value	Sales proceeds	Gain/ (Loss)	Sold to	Relationship with company	Mode of disposal
Vehicle - TOYOTA - Hilux Revo	6,556,500	2,503,344	4,053,156	3,013,429	(1,039,727)	CEO	Employee	Bank
Total	<u>6,556,500</u>	<u>2,503,344</u>	<u>4,053,156</u>	<u>3,013,429</u>	<u>(1,039,727)</u>			

Note **2023** **2022**
-----Rupees-----

7 LONG TERM DEPOSITS

Security deposit against

- Utilities	56,500	162,500
- Rent	6,326,494	7,497,822
- Leased vehicles	500,000	500,000
- Others	4,586,406	4,586,406
	<u>11,469,400</u>	<u>12,746,728</u>

8 LONG TERM INVESTMENTS**8.1 Investment in subsidiaries - at cost**

Shyp Guru (Private) Limited - unquoted

1,000,000 June 30, 2022: NIL)

Percentage of holding: 100% ordinary shares

of Rs. 10/- each	8.1.1	10,000,000	-
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Universal Freight Systems (Private) Limited - unquoted

110,000 June 30, 2022: NIL)

Percentage of holding: 100% ordinary shares

of Rs. 100/- each	8.1.2	12,434,612	-
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Long term investments - in TDR 3 years	8.2.1	19,099,908	-
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		<u>41,534,520</u>	<u>-</u>
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- 8.1.1** On September 14, 2022, the Company incorporated a wholly owned subsidiary, Shyp Guru (Private) Limited (SGPL) in Pakistan, for expanding its business operations in Europe, North America and other regions. It is the Technology First Concept Company in international logistics business which shall inter alia have contracts with multiple global logistics /courier networks for international express & freight business.
- 8.1.2** On June 14, 2023, the Company fully acquired Universal Freight Systems (Private) Limited (UFS) by way of purchasing 100% its ordinary shares which comprises of 110,000 shares on value PKR 113.04 each, for expanding its presence in international freight business in Pakistan.
- 8.2.1** Investment with Term Deposit Receipt with markup rate of 15.6%.

9 TRADE DEBTS - Unsecured

		2 0 2 3	2 0 2 2
	Note	-----Rupees-----	
Trade debts - unsecured		460,424,172	459,442,680
Due from related parties - Trade related	9.1	-	1,377,158
Allowances for expected credit losses		(6,906,363)	(5,074,939)
		453,517,809	455,744,899

9.1 These amounts are related to services provided by related companies.

9.2 Maximum balance at any time during the year from the related party amount to Rs. Nil (2022: Rs 1,744,189)

		2 0 2 3	2 0 2 2
	Note	-----Rupees-----	
9.3 Aging analysis of related party receivable			
Not over due		-	1,377,158

10 SHORT TERM LOANS AND ADVANCES - unsecured, considered good

		2 0 2 3	2 0 2 2
	Note	-----Rupees-----	
Employees	10.1	3,622,486	3,137,926
Executives		1,009,661	1,832,546
Advance against services		36,042,067	16,470,333
		40,674,214	21,440,805

10.1 Loans given to employees are of short term nature, for personal use and carries interest charge on an average rate 14.75%. These are recovered on monthly basis from staff salary.

		2 0 2 3	2 0 2 2
	Note	-----Rupees-----	
11 SHORT TERM DEPOSITS, PREPAYMENTS AND ADVANCE INCOME TAX			
Bank guarantee margin		2,928,362	21,844,308
Accrued interest on placements		958,556	-
Prepayments		3,341,770	1,792,405
Advance tax			
-Income tax		10,100,944	11,407,208
		17,329,632	35,043,921

		2023	2022
	Note	-----Rupees-----	
12 SHORT TERM INVESTMENT			
12.1 Held For Trading			
Mutual Funds			
Opening Balance		71,686,290	-
Add: additions to mutual funds		94,500,000	62,600,000
Add: unrealized gain on revaluation of investment		7,120,351	9,086,290
Less: disposal of investments		(137,000,000)	-
Closing Balance	12.1.1	36,306,641	71,686,290
12.2 Musharaka			
Modaraba Al- Mali (short term rating A2)	12.2.1	-	60,000,000
		36,306,641	131,686,290

12.1.1 Mutual fund certificates

2023	2022	2023	Name of the entity	2023	2022
Number of Units		Unit price		----- RUPEES -----	
165,760.73	687,274.82	50.38	MCB - Arif Habib	8,351,606	34,685,248
237,679.46	84,792.33	100.00	Faysal Islamic Cash Fund	23,767,946	8,479,233
9,245.58	8,111.89	102.52	Faysal Money Market Fund	947,899	828,773
26,277.00	268,913.18	101.19	UBL Liquidity Plus Fund(ULPF)	2,658,881	27,179,610
5,799.34	5,091.14	100.11	UBL Al-Ameen Islamic Cash Plan	580,309	513,426
				36,306,641	71,686,290

12.1.3 These investments represent mutual funds of various banks. These carry profit at rate of 15.00% to 20.00% per annum (2022: 10.41% to 12.52%).

12.2.1 This amount represent investment in musharaka having tenure of 89 days. These carry profit at rate of 6 months KIBOR+3.5%. This amount have been matured during the year.

	Note	2023	2022
		----- RUPEES -----	
13 CASH AND BANK BALANCES			
Cash in hand		2,971,484	3,364,020
Cash at bank			
- in current account		113,787,549	30,904,588
- in saving account	13.1	14,140,759	28,509,998
		130,899,792	62,778,606

13.1 These carry markup rates ranging from 12.00% to 14.00% (2022: 9.5%) per anum.

14 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2023 (Number of shares)	2022		2023 ----- RUPEES -----	2022
27,428,430	27,428,430	Ordinary shares of Rs. 10 each fully paid in cash	274,284,300	274,284,300
27,428,430	27,428,430		274,284,300	274,284,300

15 LEASE LIABILITIES**15.1 Lease liabilities**

	Note	2023 ----- RUPEES -----	2022
Current maturity		13,458,942	25,867,487
Non-current		11,840,993	25,298,396
	15.1.1	25,299,935	51,165,883

15.1.1 Reconciliation of

Opening balance		51,165,883	61,644,669
Additions		-	12,938,450
Paid during the year		(25,865,948)	(23,417,236)
Closing balance		25,299,935	51,165,883

15.1.2 The Company has entered into conventional lease agreement for different vehicles. Further the Company has adopted requirements of IFRS 16 related to rental properties in prior year. Lease rentals are payable on monthly basis and include finance charges are applied at the respective discount rates applicable to different kind of transactions including Right of Use Assets. The Company has the option to purchase vehicle upon completion of lease period and has the intention to exercise such option. The Company has intention to continue operations from rental properties which are currently available from July 1, 2022 to June 30, 2026.

2023 **2022**
-----Rupees-----

16 DEFERRED TAX LIABILITIES - Net**Deferred tax liabilities on taxable temporary differences:**

- accelerated tax depreciation:			
- Property and equipment		10,835,823	9,683,280
- right of use assets		6,578,109	14,101,843
- surplus on revaluation of plant and equipment		4,915,774	6,682,948
- short term investment		-	2,635,024
		22,329,707	33,103,095

Deferred tax assets on deductible temporary differences:

- trade debts	2,002,845	1,471,732
- lease liabilities	7,336,981	14,838,106
- minimum tax	-	4,294,150
	9,339,826	20,603,988
	12,989,881	12,499,107

2 0 2 3 **2 0 2 2**

-----Rupees-----

17 TRADE AND OTHER PAYABLES

Creditors	56,713,292	111,882,667
Accrued liabilities	63,254,050	46,609,201
Advance from customers	1,174,952	2,205,112
Income tax payable	1,449,722	1,793,914
Sales tax payable	13,549,535	2,670,647
Workers welfare fund	602,845	602,845
Others	12,434,612	-
	149,179,008	165,764,386

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

There are no contingencies during the year (2022: Nil)

18.2 Commitments

18.2.1 The Company has Ijarah and lease financing facilities from various financial institutions for vehicles and those are payable till 2025. Further the company has long term rental property contracts across the country which are due to mature by 2026.

18.2.2 Corporate Guarantees given by the Company in favour of Fly Jinnah (Private) Limited aggregating to Rs. 18.93 million (2022: 18.95 million).

19 COST OF SALES

2 0 2 3 **2 0 2 2**
-----Rupees-----

Freight forwarding expenses		405,847,353	380,581,091
Operational expenses		4,148,795	1,993,312
Delivery expense		190,078,607	121,295,262
Fuel expense		66,856,684	43,094,613
Packing material		34,058,022	27,377,429
Entertainment expense		6,653,106	5,651,988
Staff salaries and other benefits		309,062,434	291,737,753
Royalty expense		3,806,250	2,756,250
Rent, rates and taxes		13,146,729	4,531,986
Repair and maintenance		10,263,867	10,616,840
Printing and stationery		7,161,616	4,886,182
Insurance		2,417,960	3,449,772
Security		6,430,484	5,212,740
Communication		14,357,658	13,316,702
Utilities		12,571,758	8,450,413
Travelling expense		3,399,574	3,849,731
Depreciation - ROUA	6.1	20,270,252	20,469,615
		1,110,531,149	949,271,679

	Note	2 0 2 3 -----Rupees-----	2 0 2 2
20 GENERAL AND ADMINISTRATIVE EXPENSES			
Directors remuneration		1,410,000	-
Salaries, allowances and other benefits		75,406,281	69,458,116
Rent, rates and taxes		9,924,137	8,845,084
Allowance for expected credit losses		1,831,424	1,543,346
Insurance		2,314,011	1,375,678
Repairs and maintenance		5,239,460	3,802,699
Fuel		2,584,386	2,075,212
Printing and stationery		1,567,102	707,318
Postage and telegram		18,040	39,405
Telephone, internet and mobile charges		3,223,040	2,794,464
Electricity, gas and water charges		10,523,486	7,068,314
Entertainment		3,504,967	2,826,601
Fees and subscription		6,383,881	1,398,789
Books and periodicals		4,670	17,470
Travelling and conveyance		630,595	2,248,930
Auditors remuneration	20.1	1,165,250	885,000
Vehicle and generator maintenance		2,865,339	1,036,087
Security expense		1,277,235	1,159,157
Depreciation - PPE	4.1	23,560,218	18,653,080
Depreciation - ROUA	6.1	1,620,501	1,906,470
Amortization	5.1	3,801,900	1,333,416
Legal and professional		1,820,000	2,463,656
		160,675,923	131,638,292
20.1 Auditors' remuneration			
Audit fee - stand alone		862,500	750,000
Audit fee - consolidated		125,000	-
Out of pocket expenses		98,750	75,000
SRB		79,000	60,000
		1,165,250	885,000
21 Marketing and selling expenses			
Sales promotion		1,228,690	1,032,305
Advertisement and publicity		5,544,269	3,532,445
		6,772,959	4,564,750
22 OTHER INCOME			
- From non-financial assets			
Gain on sale of fixed assets		-	43,576
- From financial assets			
Profit on placements		17,548,208	7,764,255
Gain on short term investment		11,271,374	9,086,290
		28,819,582	16,894,121
23 OTHER EXPENSE			
- From non-financial assets			
Loss on sale of fixed assets		(4,000,931)	-
		(4,000,931)	-

	2 0 2 3	2 0 2 2
	-----Rupees-----	
24 FINANCE COSTS		
Mark up on leases	4,685,968	6,906,431
Mark up on running finance	-	412,303
Bank charges	620,294	503,127
	<u>5,306,262</u>	<u>7,821,861</u>
25 TAXATION		
Current	20,717,253	13,984,475
Prior	(1,771,196)	(2,280,507)
Deferred	490,774	(3,906,305)
	<u>19,436,831</u>	<u>7,797,663</u>
26 EARNING PER SHARE - basic and diluted		
Profit after tax for the year	<u>75,453,262</u>	<u>15,945,656</u>
Weighted average number of shares outstanding during the year	<u>27,428,430</u>	<u>24,685,630</u>
Earning per share - basic and diluted	<u>2.75</u>	<u>0.65</u>
27 CASH AND CASH EQUIVALENTS		
Short Term Investment	36,306,641	131,686,290
Cash and bank balances	130,899,792	62,778,606
	<u>167,206,433</u>	<u>194,464,896</u>
28 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets as per statement of financial position		
At amortised cost		
Short term deposits and prepayments	6,270,132	23,636,713
Short term loans and advances	40,674,214	21,440,805
Long term deposit's	11,469,400	12,746,728
Trade debt	453,517,809	455,744,899
Cash and bank balances	130,899,792	62,778,606
	<u>642,831,347</u>	<u>576,347,751</u>
Fair value through other comprehensive income		
Short term Investments	-	-
Fair value through profit or loss		
Short term Investments	36,306,641	131,686,290
	<u>679,137,988</u>	<u>708,034,041</u>
Financial liabilities as per statement of financial position		
At amortised cost		
Lease liability	25,299,935	51,165,883
Accrued expenses and other payables	133,576,906	160,696,980
	<u>158,876,841</u>	<u>211,862,863</u>

29 FINANCIAL RISK MANAGEMENT

Financial risk

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, other market price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

The Company's overall risk management procedures, to minimize the potential adverse effects of financial market on the Company's performance, are as follows:

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency, interest rate, commodity price and equity price that will affect the Company's income or the value of its holdings of financial instruments.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to United States Dollar (USD) and Euro (EUR). Currently, the Company's foreign exchange risk exposure is restricted to the amounts payable to foreign entities and foreign currency bank balances.

At June 30, 2023, if the Rupee had weakened / strengthen by 5% against the US dollar and Euro with all other variables held constant, pre-tax profit for the year would have been Rs. 12,728,730 lower / higher, mainly as a result of foreign exchange losses / gains on translation of US dollar and Euro-denominated financial assets and liabilities.

(ii) Interest rate

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As the Company has no significant floating interest rate assets, the Company's income is substantially independent of changes in market interest rates. The Company's interest rate risk arises from short term borrowings and long term financings. These financing, issued at variable rates, expose the Company to cash flow interest rate risk. The Company analyses its interest rate exposure on a dynamic basis taking into consideration refinancing, renewal of existing positions and alternative financing.

Cash flow

If interest rates at the reporting date fluctuate by 10% higher / lower with all other variables held constant, profit before tax for the year would have been Rs. 3,666,000 lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities outstanding at the reporting date are outstanding for the entire year.

(iii) Other market 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.

The Company is not exposed to any market price risk.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure.

Credit risk of the Company arises from deposits with banks, long term deposits, short term deposits, trade receivables and other receivables. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any. Carrying values of financial assets exposed to credit risk, which are neither past due nor impaired are as under:

	2 0 2 3	2 0 2 2
	-----Rupees-----	
Trade debts	453,517,809	455,744,899
Long term deposits	11,469,400	12,746,728
Short term deposits and other receivables	6,270,132	23,636,713
Loans to employees	3,622,486	3,137,926
Bank balances	127,928,308	59,414,586
	<u>602,808,135</u>	<u>554,680,852</u>

The aging of receivables as at reporting date is as follows:

Neither past due nor impaired

Past due but not impaired

1 - 30 days

31 - 90 days

More than 90 days

138,127,252	122,761,595
115,106,043	106,224,639
207,190,877	230,456,449
<u>460,424,172</u>	<u>459,442,683</u>

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties and trade receivables are subject to specific credit ceilings based on customer credit history.

The management estimates the recoverability of trade receivables on the basis of financial position and past history of its customers based on the objective evidence that it shall not receive the amount due from the particular customer. The provision is written off by the Company when it expects that it cannot recover the balance due. Any subsequent repayments in relation to amounts written off are credited directly to the statement of profit or loss.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating Agency	2 0 2 3	2 0 2 2
	Short term	Long term		Rupees	Rupees
AL BARAKA BANK	A-1	A+	JCR-VIS	55,255,943	10,457,919
Bank Al Falah	A1+	AA+	PACRA	5,491,774	3,033,899
Habib Bank Limited	A1+	AAA	PACRA	26,119,803	36,691
MCB Bank Limited	A1+	AAA	PACRA	1,301,367	1,292
Meezan Bank	A-1+	AAA	JCR-VIS	2,128,958	7,650,866
Silk Bank Limited	A-2	A-	JCR-VIS	2,133,566	2,842,739
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	13,786,397	4,294,961
Summit Bank	-	-	PACRA	75,247	37,472

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected cash outflows during its operating cycle, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Company monitors rolling forecasts of the liquidity reserve (comprising undrawn borrowing facilities and cash and cash equivalents) on the basis of expected cash flows.

In addition, the Company's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities and maintaining debt financing plans. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date, to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows and also include the impact of estimated future interest payments.

Description	Carrying amount	Contractual cash	Within one year	After one year
	Rupees	Rupees	Rupees	Rupees

Contractual maturities of financial liabilities as at June 30, 2023:

Lease liabilities	25,299,935	25,299,935	13,458,942	11,840,993
Trade and other payables [trade creditors and accrued expenses]	133,576,906	133,576,906	-	133,576,906
	158,876,841	158,876,841	13,458,942	145,417,899

Description	Carrying amount	Contractual cash flows	Within one year	After one year
	Rupees	Rupees	Rupees	Rupees

Contractual maturities of financial liabilities as at June 30, 2022:

Lease liabilities	51,165,883	51,165,883	25,867,487	25,298,396
Trade and other payables [trade creditors and accrued expenses]	160,696,980	160,696,980	-	160,696,980
	211,862,863	211,862,863	25,867,487	185,995,376

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at the reporting date. The rates of interest / mark up have been disclosed in relevant notes to these unconsolidated financial statements.

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. Fair value is determined on the basis of objective evidence at each reporting date. The carrying values of financial assets and financial liabilities approximate their fair values.

30 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company finances its operations through equity, management of working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

31 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at June 30, 2022	Non-cash changes	Cash Flows	As at June 30, 2023
	← Rupees →			
Lease liabilities	51,165,883		(25,865,948)	25,299,935
	<u>51,165,883</u>	<u>-</u>	<u>(25,865,948)</u>	<u>25,299,935</u>

32 REMUNERATION OF CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES

	2023			2022		
	Chief Executive Officer	Executive Director	Executives	Chief Executive Officer	Executive Director	Executives
	----- Rupees -----			----- Rupees -----		
Basic Salary	5,000,000	5,000,000	32,734,537	4,743,505	4,679,368	32,906,567
Allowances	2,000,000	2,000,000	13,093,817	1,897,390	1,871,734	13,162,557
Medical	500,000	500,000	3,273,457	474,347	467,928	3,290,657
Retirement benefit	-	-	419,881	-	-	689,196
	<u>7,500,000</u>	<u>7,500,000</u>	<u>49,521,692</u>	<u>7,115,241</u>	<u>7,019,029</u>	<u>50,048,976</u>
Number of Persons	<u>1</u>	<u>1</u>	<u>20</u>	<u>1</u>	<u>1</u>	<u>20</u>

32.1 Certain executives are provided with company maintained vehicles.

33 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, key management personnel and retirement benefit schemes. The Investment Bank in the normal course of business carries out transactions with various related parties. Amounts due from and to associated undertakings, executives and remuneration of directors and executives are disclosed in the relevant notes. Transactions with related parties other than disclosed elsewhere in these unconsolidated financial statements are as follows:

Name of the related party	Relationship	Transactions during the period	June 30, 2023	June 30, 2022
-----Rupees-----				
Universal Freight Systems (Pvt.) Ltd.	Wholly owned subsidiary	Sales of services	-	5,299,993
		Purchase of services	10,731,439	8,892,621
		Investment	12,434,612	-
UNS Employee's Provident Fund Trust	Staff Benefits Plan	Net change in respect of staff benefit plan	631,666	1,379,307
Directors & key management personnel	Key management personnel	Remuneration	64,521,692	64,183,246
Shyp Guru (Private) Limited	Wholly owned subsidiary	Investment	10,000,000	-

34 PROVIDENT FUND RELATED DISCLOSURE

A joint provident fund is maintained by the Company. The following information is based on the latest financials statements:

	(Un-Audited) 2023	(Un-Audited) 2022
-----Rupees-----		
Size of the Funds - Total Assets	6,572,703	15,791,533
Cost of investment made	4,160,105	12,831,171
Percentage of investment as size of the fund	63%	81%
Fair value of investment	4,160,105	12,831,171

34.1 The breakup of fair value of investment is

	2023		2022	
	Investment	Percentage as of size of the fund	Investment	Percentage as of size of the fund
	Rupees	%	Rupees	%
Bank Balance	161,180	2%	2,831,171	18%
Investment in term deposit receipts	3,998,925	61%	10,000,000	63%
	4,160,105	63%	12,831,171	81%

34.2 The investments out of provident fund have been made in accordance with the provision of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

2 0 2 3 **2 0 2 2**

-----Rupees-----

35 NUMBER OF EMPLOYEES

Total number of employees as at June 30

123

112

Average number of factory employees during the year

135

126

36 AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized for issue on NOVEMBER 03, 2023 by the Board of Directors of the Company.

37 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE OFFICER**CHIEF FINANCIAL OFFICER****DIRECTOR**

Independent Auditor's Report
To the members of Universal Network Systems Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Universal Network Systems Limited and its subsidiaries (the Group)**, which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of 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 Matter

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.

CH

Following are the Key audit matters:

S.No	Key Audit Matter	How the matter was addressed in our audit
01	Revenue Recognition Refer gross revenue under the consolidated statement of profit or loss The Group has recognized revenue amounting Rs 1,361.283 million during the year ended June 30, 2023. The Group's revenue stream is derived from multiple sources out of which major key streams include courier and allied services and international freight. Each stream has its own revenue recognition policies based on the nature of the revenue and underlying contractual arrangement. We considered revenue recognition as a key audit matter as it is one of the key performance indicators of the Group and because of the potential risk that revenue transactions may not be appropriately recorded and disclosed in the financial statements.	Our audit procedures included the following: • Obtained an understanding, evaluated the design and tested the controls over the process of capturing, processing and recording of revenue; • Assessed the appropriateness of the Group's accounting policy for recording of revenue in line with requirements of applicable accounting and reporting standards; • Performing tests of control to confirm our understanding of the process by which revenue is calculated. • Compare, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period • Evaluated the appropriateness of the disclosures provided under the revenue standard IFRS-15 and assessed the completeness and mathematical accuracy of the relevant disclosures



Information Other than the Unconsolidated and 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 unconsolidated and consolidated financial statements and our auditor's reports 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 (XIX of 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.

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.





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 Imran Shaikh.

A handwritten signature in blue ink, appearing to read "Imran Shaikh", written over the printed name.

Crowe Hussain Chaudhury & Co.
Chartered Accountants

A small, stylized handwritten signature in blue ink, possibly reading "CH", located to the right of the firm's name.

Karachi

Date: 06 NOV 2023

UDIN: AR202310207V4tvryc0o

UNIVERSAL NETWORK SYSTEMS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

		2 0 2 3	2 0 2 2
		-----Rupees-----	
	Note		
Non-current assets			
Property and equipment	4	176,687,943	155,333,920
Intangible assets	5	145,402,706	83,229,223
Right of use assets	6	22,683,136	48,627,045
Long term deposits	7	16,523,193	12,746,728
Long Term Investments	8	19,099,908	-
		380,396,886	299,936,916
Current assets			
Trade debts	9	991,224,307	455,744,899
Packaging material		4,998,354	2,101,092
Short term loans and advances	10	41,013,971	21,440,805
Short term deposits, prepayments and advance income tax	11	31,574,062	35,043,921
Tax refund due from Government		20,483,731	20,483,731
Short term investments	12	43,809,098	131,686,290
Cash and bank balances	13	156,912,151	62,778,606
		1,290,015,674	729,279,343
		1,670,412,560	1,029,216,258
Share capital and Reserves			
Authorized			
50,000,000 ordinary shares of Rs.10/- each		500,000,000	500,000,000
Issued, subscribed and paid-up share capital			
27,428,430 ordinary shares of Rs. 10/- each (2022: 27,428,430 ordinary shares of Rs. 10/- each) fully paid in cash	14	274,284,300	274,284,300
Share Premium		402,328,868	402,328,868
Revaluation surplus on property and equipment		16,950,945	23,044,649
Sponsors' loan		-	-
Unappropriated profit		257,232,152	86,144,583
		950,796,265	785,802,399
Non-current liabilities			
Lease liabilities	15	13,248,489	25,298,396
Deferred tax liabilities - net	16	12,989,881	12,499,107
		26,238,370	37,797,503
Current liabilities			
Trade and other payables	17	431,995,748	165,764,385
Current portion lease liabilities	15	15,090,331	25,867,487
Short-term financing	18	217,640,708	-
Provision for taxation		28,651,138	13,984,475
		693,377,925	205,616,347
Contingencies and Commitments	19	-	-
		1,670,412,560	1,029,216,258

The annexed notes from 1 to 39 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNIVERSAL NETWORK SYSTEMS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2 0 2 3 -----Rupees-----	2 0 2 2
Income - courier and allied services		1,192,084,802	1,028,519,073
CBC handling charges income - courier and allied services		26,390,594	23,677,827
International freight		139,730,967	46,931,273
Commission income		3,076,925	1,017,607
		1,361,283,288	1,100,145,780
Cost of sales - courier and allied services	20	(1,111,507,257)	(949,271,679)
		249,776,031	150,874,101
General and administrative expenses	21	(167,141,927)	(131,638,292)
Marketing and selling expenses	22	(7,010,611)	(4,564,750)
		(174,152,538)	(136,203,042)
Operating profit		75,623,493	14,671,059
Other income	23	120,726,215	16,894,121
Other expense	24	(3,887,156)	-
Finance costs	25	(6,286,125)	(7,821,861)
		110,552,934	9,072,260
Profit before taxation		186,176,427	23,743,319
Taxation	26	(19,811,036)	(7,797,663)
Profit after tax		166,365,391	15,945,656
Earning per share - basic and diluted	27	6.07	0.65

The annexed notes from 1 to 39 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNIVERSAL NETWORK SYSTEMS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2 0 2 3	2 0 2 2
	-----Rupees-----	
Profit after taxation	166,365,391	15,945,656
Items not to be reclassified to profit or loss in subsequent period:		
Loss attributable to Owners of the Holding company	(1,371,525)	-
	(1,371,525)	-
Total comprehensive income for the year	<u><u>164,993,866</u></u>	<u><u>15,945,656</u></u>

The annexed notes from 1 to 39 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNIVERSAL NETWORK SYSTEMS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscribed and paid-up capital	Share Premium	Unappropriated profit	Surplus on revaluation of property and equipment	Sponsors' Loan	Total
-----Rupees-----						
Balance as at June 30, 2021	205,714,300	43,286,074	65,398,115	27,845,460	70,000,000	412,243,949
Issuance of 6,857,000 ordinary share @ 10/- each	68,570,000	-	-	-	-	68,570,000
Premium @ 55 per share on issue of 6,857,000 ordinary shares	-	377,135,000	-	-	-	377,135,000
Transaction cost on issuance of shares*	-	(18,092,206)	-	-	-	(18,092,206)
Profit after tax	-	-	15,945,656	-	-	15,945,656
Reversal for Sponsor Loan's	-	-	-	-	(70,000,000)	(70,000,000)
Realized revaluation surplus on derecognition- net of deferred tax	-	-	533,111	(533,111)	-	-
Transfer of revaluation surplus on incremental depreciation - net of deferred tax	-	-	4,267,700	(4,267,700)	-	-
	-	-	-	-	-	-
Balance as at June 30, 2022	274,284,300	402,328,868	86,144,582	23,044,649	-	785,802,399
Profit after tax	-	-	166,365,391	-	-	166,365,391
Realized revaluation surplus on derecognition- net of deferred tax	-	-	2,938,284	(2,938,284)	-	-
Transfer of revaluation surplus on incremental depreciation - net of deferred tax	-	-	3,155,420	(3,155,420)	-	-
Preliminary expenses - Registration and filling charges - Shyp Guru	-	-	(1,371,525)	-	-	(1,371,525)
	-	-	171,087,570	(6,093,704)	-	164,993,866
Balance as at June 30, 2023	274,284,300	402,328,868	257,232,152	16,950,945	-	950,796,265

* Utilization as transaction cost on issuance of shares are allow under Section 81 of the Companies Act 2017.

The annexed notes from 1 to 39 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNIVERSAL NETWORK SYSTEMS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

		June 30, 2023	June 30, 2022
	Note	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		186,176,427	23,743,319
Adjustment for non cash changes and other items:			
Bargain purchase gain		(91,269,832)	-
Depreciation - Property and equipment		23,822,511	18,653,080
Depreciation - ROUA		21,890,753	24,354,488
Allowance for expected credit losses		1,831,424	1,543,346
Amortization of Intangibles		3,801,900	1,333,416
Finance costs		6,286,125	7,821,861
Loss / (gain) on sale of property and equipment		3,887,156	(43,576)
Cash flows from operating activities		156,426,464	77,405,934
(Increase) / decrease in current assets			
Trade debts	9	130,971,774	(95,432,589)
Packaging Material		(2,897,263)	561,797
Short term loans and advances	10	(19,573,166)	(12,699,921)
Short term deposits and prepayments	11	17,952,113	7,014,274
		126,453,458	(100,556,439)
		282,879,922	(23,150,505)
Increase /(decrease) in current liabilities			
Trade and other payables	17	(146,977,100)	(78,397,724)
		(146,977,100)	(78,397,724)
Cash generated from / (used in) operations		135,902,822	(101,548,229)
Income tax paid		(15,550,351)	(11,407,001)
Finance cost paid		(6,286,125)	(7,879,448)
Net cash generated from / (used in) operating activities		114,066,346	(120,834,678)
CASH FLOW FROM INVESTING ACTIVITIES			
Property and equipment's	4	(18,687,293)	(70,894,645)
Intangibles	5	(65,975,383)	(25,429,489)
Sale proceeds from property and equipment		7,667,943	2,110,000
Long term deposits	7	(112,673)	(1,501,000)
Long term investments	8	(19,099,908)	-
Net cash flow on acquisition of subsidiaries		15,634,794	
Net cash used in investing activities		(80,572,520)	(95,715,134)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares - net		-	427,612,794
Sponsors' loan		-	(70,000,000)
Preliminary expenses - Registration and filling charges - Shyp Guru		(1,371,525)	
Lease liability	15	(25,865,948)	(23,417,236)
Net cash (used in) / generated from financing activities		(27,237,473)	334,195,558
Net increase in cash and cash equivalents		6,256,353	117,645,746
Cash and cash equivalents at the beginning of the year		194,464,896	76,819,150
Cash and cash equivalents at the end of the year		200,721,249	194,464,896
Cash and cash equivalents	27	200,721,249	194,464,896
		200,721,249	194,464,896

The annexed notes from 1 to 39 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

Universal Network Systems Limited
Notes to the Consolidated Financial Statements
For the Year ended June 30, 2023

1. The Group and its operation

1.1 The Group consists of Universal Network Systems Limited (the Holding Company), its wholly owned subsidiary Shyp Guru (Private) Limited and its wholly owned subsidiary Universal Freight Systems (Private) Limited [together referred to as "the Group" and individually as "Group entities"].

1.2 The Holding 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 Holding Company was converted to "Public Limited" under Companies Act, 2017. On December 6, 2021, the Holding Company became listed on GEM Board of Pakistan Stock Exchange Limited.

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

On December 06, 2021, the Holding 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 June 30, 2022. Rs. 369,460,703/- was utilized from issue of fresh share as of June 30, 2023.

On June 14, 2023, the Holding Company acquired Universal Freight Systems (Private) Limited as a wholly owned subsidiary through purchase of its ordinary share capital of Rs. 11,000,000/- (110,000 ordinary shares of Rs. 100/- per share) at a price of Rs. 113.04 per share. Total consideration of this purchase was Rs. 12,434,612/-. The Company has taken in compliance with IFRS's requirement, the profit and loss statement of UFS from the date of acquisition and is reflected in the consolidated Profit and loss statement.

1.3 Shyp Guru Private Limited was incorporated as a private limited company in Pakistan on September 14, 2022 under the Companies Act, 2017.

The registered office of the Company is situated at Bungalow No. 5, Bangalore Town, Main Shahrah-e-Faisal, Karachi, Pakistan, 74550. The principal line of business of the company shall be to carry on the business of pick-up, handling, moving, shipping and delivery of all types of goods, articles, commodities, parcels and mails on and by air, land and sea routes, with special use of information technology, and to provide and carry out all the ancillary services and activities connected therewith such as freight forwarding, transportation, stevedoring, cargo packaging, freight contracting, warehousing, cargo agents, shipping agents, clearing and forwarding agents and supply chain consultants.

1.4 Universal Freight Systems (Private) Limited was incorporated in 1987 as a private limited company under the Companies Ordinance, 1984 (now the Companies Act, 2017). The principal activity of the company is to act as freight forwarders and carry on allied services. The head office of the Company is situated at 50-H, Block 6, P.E.C.H.S., Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The Group has prepared its consolidated 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.

2.2 Basis of Measurement

These consolidated financial statements have been prepared under the historical cost convention, except for the measurement of certain financial instruments at fair value.

2.3 Presentation and functional currency

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

2.4 ACCOUNTING ESTIMATES AND JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these consolidated 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.

In preparing these financial statements, the significant judgment made by the management in applying accounting policies include:

- (a) - Current and deferred taxation (Note 16 and 26)
- (b) - Impairment (Note 3.1.1)
- (c) - Provisions, commitment and contingent liabilities (Note 3.1.9 and 19.1)
- (d) - Depreciation and amortization on fixed and intangible assets (Note 4.1)

2.5 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the activities of the subsidiaries;
- is exposed to variable returns from the subsidiaries; and
- decision-making power allows the Group to affect its variable returns from the subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognised from the date the control ceases. These consolidated financial statements include Universal Network Systems Limited (the Holding Company) and all companies which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors (the Subsidiaries).

The financial statements of the Subsidiaries have been consolidated on a line-by-line basis. Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses (unrealised) are also eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Where the ownership of a subsidiary is less than hundred percent and therefore, a non controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

(b) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of a subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Bargain Purchase Gain

Where an acquirer will make a bargain purchase, which is a business combination in which if the net value of identifiable assets and liabilities at the acquisition date exceeds the sum of the consideration transferred, the amount of non-controlling interest in the acquiree, and the fair value of equity interest in the acquiree held previously by the Company, the acquirer shall recognise the excess amount as bargain purchase gain in profit or loss on the acquisition date.

3. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE YEAR

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

Standards, interpretations and amendments to approved accounting standards that are effective in current year

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Company for accounting periods beginning on or after July 01, 2022. These are considered either not to be relevant or not to have any significant impact on the Group's operations and therefore are not detailed in these consolidated financial statements.

Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Group

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 1 - Classification of Liabilities as Current or Non-current	January 01, 2024
IAS 1 - Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8 - Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)	January 01, 2023

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Group and therefore, have not been presented here.

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1.1 Fixed assets

Property and equipment

These are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to income applying the reducing balance method at the rates specified in the relevant note. Depreciation on additions is charged from the month at which asset is available for use and on disposals no charge for the month in which asset disposed. Depreciation is charged to profit and loss account applying reducing balance method at the rate mentioned in relevant note. Full depreciation is charged to profit or loss and the difference of accelerated depreciation is charged to statement of changes in equity.

Normal repairs & maintenance are charged to income as and when incurred. Major renewals and improvements if any are capitalized when it is probable that respective future economic benefits will flow to the Group.

An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount of relevant assets. These are included in the profit and loss account.

Intangible Assets

Intangible assets other than goodwill and marketing related intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any.

Goodwill and marketing related intangible assets are stated at cost less accumulated impairment losses, if any, as their useful life is indefinite and are tested for impairment annually. For other intangibles, amortization is charged to the profit or loss applying the straight line method, whereby, the cost of intangible asset is written off over its useful economic life.

The amortization rate of the intangible assets are stated in note 5 and 6 to these financial statements. Full month's amortization is charged in the month of addition when the asset is available for use, whereas, amortization on disposals is charged upto the month in which the disposal takes place.

Capital work-in-progress

Capital work-in-progress, if any, is stated at cost (less impairment losses, if any) and represents expenditure on fixed assets in the course of construction and installation and advances for capital expenditure. Transfers are made to relevant operating fixed assets when the assets are available for intended use.

Impairment

The Group assesses at each reporting date whether there is any indication that operating fixed assets may be impaired. If 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 amounts, assets are written down to their recoverable amounts and the resulting impairment charge is recognized in the statement of profit or loss and other comprehensive income. The recoverable amount of property and equipment is the greater of fair value less cost to sell and value in use.

Surplus on revaluation on Property and equipment

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to unappropriated profit is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit.

3.1.2 IFRS 9 - Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments. The Group derecognizes a financial asset or a portion of financial asset when, and only when, the Company loses control of the contractual rights that comprise the financial asset or portion of financial asset.

A financial liability or part of financial liability is derecognized from the balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

Any gain or loss on the recognition or de-recognition of the financial assets and financial liabilities is taken to statement of profit or loss and other comprehensive income.

Financial assets**Classification**

The Group classifies its financial assets at fair value through profit or loss (FVTPL). The classification depends on the business model in which the financial asset is managed and its contractual cash flows. The management determines the appropriate classification of its financial assets at initial recognition and it evaluates this classification on a regular basis.

Financial asset at fair value through profit or loss**Debt investment**

Debt investments that does not qualify for measurement at either amortized cost or FVOCI are classified as financial asset at fair value through profit or loss.

Equity investment

Equity investments that are held for trading, and equity investments for which the entity has not elected to recognize fair value gains and losses through other comprehensive income are classified as financial asset at fair value through profit or loss.

Allowance for Expected Credit Loss (Provisions)

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company uses a simplified approach to consider reasonable and supportable information that is relevant and available without undue cost or effort.

The Group considers a financial asset in default when contractual payments are past due over the agreed credit terms. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience of actual credit losses over past years and informed credit assessment and including forward-looking information. 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.

Such assets are written off when there is no reasonable expectation of recovery.

Provision are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Financial liabilities**Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are offset when the Group has a legally enforceable right to offset the recognized amounts and intends either to settle these on net basis or to realize the assets and settle the liabilities simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Group or the counterparties.

3.1.3 Stores and Supplies

Store and Supplies including packaging materials are valued at the average cost of purchase at each period end. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

3.1.4 Cash & cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost and include cash in hand, at bank and short term highly liquid investments that are readily available convertible to known amounts of cash. For the purpose of cash flow statement, cash and cash equivalents include bank balances including short-term deposits net of bank overdraft, if any.

3.1.5 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price, without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis making as much use of available and supportable market data as possible).

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

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the Company can access at measurement date.

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

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

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting year during which the change occurs.

3.1.6 Taxation

Current taxation

Provision for current taxation is based on taxable income at the current rates of taxation after considering tax credits and rebates available, if any.

Deferred taxation

Deferred tax is recognized using the balance sheet liability method, providing for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Impairment of non-financial assets other than operating fixed assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the asset.

In determining fair value less costs to sell, the recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other fair value indicators.

Intangible assets with indefinite useful lives are tested for impairment annually at year end either individually or at cumulative group level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

For such assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in the profit or loss.

3.1.7 Segment reporting

All business segments of the company are distinguishable components which are engaged in revenue generating activities and its results are regularly reviewed by the Company. The senior management decides to allocate the resources to the respective segment and assess its performance. Furthermore, related financial information is available for each segment.

Based on internal management reporting structure, the Company is organized into the following operating segments:

- Domestic Courier and Cargo
- International Freight

Management monitors the operating results of above mentioned segments separately for the purpose of making decisions about resources to be allocated and assessing performance.

3.1.8 Related party transactions

Related parties comprises of major shareholders, associated companies with or without common directorship, other companies with common directorship, directors of the Company, key management personnel and their close family members. The Company continues to have a policy whereby transactions with related parties are entered into; at commercial terms, approved policy or at rate agreed under a contract/arrangement/agreement.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Chief Strategy Officer, Company Secretary and departmental heads to be its key management personnel.

3.1.9 Contingent liabilities

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, 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 the Company has a present legal or constructive 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.

3.1.10 Staff retirement benefits

The Group operates a defined contribution plan (i.e. recognized provident fund scheme) for all its permanent employees. Equal monthly contributions at the rate of 8.3% of the base salary are made to the fund, both by the Company and by its employees. The assets of the fund are held separately under the control of the Trustees.

Contributions made by the Group are charged to statement of profit or loss and other comprehensive income for the year.

3.1.11 Foreign currency transactions

Transactions in foreign currencies are translated into PKR (the functional currency) using the exchange rates prevailing at the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into PKR using the exchange rate at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss and other comprehensive income.

3.1.12 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable in the normal course of business.

-Courier, cargo and allied services are recorded as and when the invoices are raised.

-Commission income is recognized on accrual basis.

-Profit on saving accounts, short term investments and other income is recognized on accrual basis using effective interest rate method.

3.1.13 Reclassification of prior year presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

4 PROPERTY AND EQUIPMENT

Notes	2023	2022
4.1	176,687,943	150,523,336
4.2	-	4,810,584
	176,687,943	155,333,920

Fixed Assets**Capital Work in progress****4.1 Fixed Assets**

Description	Owned					Leased		Total
	Leasehold improvement	Furniture, fixtures and fittings	Office and electrical equipment	Computers and accessories	Vehicles	Office equipment	Vehicles	
Cost								
Balance as at July 01, 2021	38,936,042	18,811,309	31,428,460	24,322,412	49,318,864	-	-	162,817,087
Additions	22,939,681	5,127,512	9,039,285	8,111,714	20,865,869	-	-	66,084,061
Disposals	-	-	(60,000)	(1,509,294)	(1,906,390)	-	-	(3,475,684)
Balance as at June 30, 2022	61,875,723	23,938,821	40,407,745	30,924,832	68,278,343	-	-	225,425,464
Balance as at July 01, 2022	61,875,723	23,938,821	40,407,745	30,924,832	68,278,343	-	-	225,425,464
Acquired under business combination	5,477,432	2,365,723	630,420	232,898	9,999,216	150,329	15,171,904	34,027,923
Additions	6,184,856	3,108,456	3,655,899	5,513,196	7,987,850	-	-	26,450,257
Disposals	-	-	-	(457,667)	(17,239,300)	-	(4,270,500)	(21,967,467)
Balance as at June 30, 2023	73,538,011	29,413,000	44,694,064	36,213,259	69,026,109	150,329	10,901,404	263,936,177
Accumulated depreciation								
Balance as at July 01, 2021	11,286,515	5,118,006	11,592,121	15,126,156	14,535,310	-	-	57,658,108
Charge for the year	3,385,281	2,374,029	3,575,302	3,855,722	5,462,746	-	-	18,653,080
On disposals	-	-	(6,675)	(573,042)	(829,343)	-	-	(1,409,060)
Balance as at June 30, 2022	14,671,796	7,492,035	15,160,748	18,408,836	19,168,713	-	-	74,902,128
Balance as at July 01, 2022	14,671,796	7,492,035	15,160,748	18,408,836	19,168,713	-	-	74,902,128
Charge for the year	5,201,154	2,576,307	4,019,852	4,611,463	7,303,854	1,225	108,655	23,822,511
On disposals	-	-	-	(444,988)	(8,604,464)	-	(2,426,953)	(11,476,405)
Balance as at June 30, 2023	19,872,951	10,068,342	19,180,599	22,575,311	17,868,103	1,225	(2,318,298)	87,248,234
CARRYING AMOUNT - 2023	53,665,061	19,344,658	25,513,464	13,637,948	51,158,006	149,104	13,219,702	176,687,943
RATE OF DEPRECIATION (%)	10%	15%	15%	30%	15%	15%	15%	

4.2 Capital Work in progress

	2023	2022
	-----Rupees-----	
Opening	4,810,584	-
Additions	174,392	19,375,247
Transfer	(4,984,976)	(14,564,663)
Closing	-	4,810,584

4.3 Detail of disposal of property, plant & equipment**As of Jun 30, 2023**

Disposal of fixed asset during the year having written down value of more than Rs. 500,000/- is Rs. 10,100,102/- are as follows:

Particulars	Cost	Accumulated depreciation	Written down value	Sales proceeds	Gain/ (Loss)	Sold to	Relationship with company	Mode of disposal
Vehicle - SUZUKI-Ravi	1,060,881	505,101	555,780	340,000	(215,780)	Thrid Party	None	Bank
Vehicle - SUZUKI-Ravi	1,097,344	541,564	555,780	340,000	(215,780)	Thrid Party	None	Bank
Vehicle - SUZUKI-Ravi	1,262,784	572,850	689,934	369,000	(320,934)	Thrid Party	None	Bank
Vehicle - SUZUKI-Ravi	1,207,460	517,526	689,934	340,000	(349,934)	Thrid Party	None	Bank
Vehicle - SUZUKI-Ravi	1,211,649	521,715	689,934	360,000	(329,934)	Thrid Party	None	Bank
Vehicle - SUZUKI-Ravi	1,211,649	521,715	689,934	360,000	(329,934)	Thrid Party	None	Bank
Vehicle - SUZUKI-Ravi	1,211,649	521,715	689,934	360,000	(329,934)	Thrid Party	None	Bank
Vehicle - TOYOTA - Corolla	2,710,179	1,172,073	1,538,106	775,114	(762,992)	Thrid Party	None	Bank
Vehicle - SUZUKI-Ravi	1,093,168	614,047	479,121	320,000	(159,121)	Thrid Party	None	Bank
Vehicle - SUZUKI-Ravi	1,083,120	603,999	479,121	369,000	(110,121)	Thrid Party	None	Bank
Vehicle - SUZUKI-Mehran	1,100,917	555,457	545,460	680,000	134,540	Thrid Party	None	Bank
Vehicle - Toyota Corolla BAN-725	1,808,500	1,154,983	653,517	1,724,000	1,070,483	Thrid Party	None	Bank
Vehicle - Honda Civic BKC-336	2,662,500	1,658,339	1,004,161	1,004,161	-	CEO - UFS	Employee	Bank
Vehicle- Suzuki Cultus	1,608,000	768,614	839,386	840,000	614	Third Party	None	Bank
Total	20,329,800	10,229,698	10,100,102	8,181,275	(1,918,827)			

5 INTANGIBLE ASSETS

Software	5.1	51,864,684	18,657,834
Software under development	5.2	93,538,022	64,571,389
		145,402,706	83,229,223

5.1

	2 0 2 2									
	Cost				Amortization					
	Opening	Addition	Disposal	Closing	Opening	Charge for the year	Disposal	Closing	Book value	Rate %
Software	17,000,000	2,991,250	-	19,991,250	-	1,333,416	-	1,333,416	18,657,834	6.67%
	2 0 2 3									
	Cost				Amortization					
	Opening	Addition/transfer	Disposal	Closing	Opening	Charge for the year	Disposal	Closing	Book value	Rate %
Software	19,991,250	37,008,750	-	57,000,000	1,333,416	3,801,900	-	5,135,316	51,864,684	6.67%

5.2 Software under development

	2023	2022
	-----Rupees-----	
Opening	64,571,389	42,133,150
Additions	65,975,383	25,429,489
Transfer	(37,008,750)	(2,991,250)
	93,538,022	64,571,389

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)-----		
6.1 Net carrying value basis			
Opening book value Jul 1, 2021	12,709,803	47,333,276	60,043,079
Addition: during the year	-	12,938,454	12,938,454
Less: Depreciation charged for the year	<u>(1,906,470)</u>	<u>(22,448,018)</u>	<u>(24,354,488)</u>
Closing net book value Jun 30, 2022	10,803,333	37,823,712	48,627,045
Less: Depreciation charge for the year	(1,620,501)	(20,270,252)	(21,890,753)
Less: Disposal during the period	(6,556,500)	-	(6,556,500)
Accumulated depreciation on disposal	<u>2,503,344</u>	<u>-</u>	<u>2,503,344</u>
Closing net book value June 30, 2023	5,129,676	17,553,460	22,683,136
Depreciation rate (%)	<u>15%</u>	<u>5-Years</u>	
6.2 Gross carrying value basis			
Cost	13,904,499	81,200,726	95,105,225
Less: Accumulated Depreciation	(2,218,323)	(63,647,266)	(65,865,589)
Less: Disposal	(6,556,500)		(6,556,500)
Net book value June 30, 2023	<u>5,129,676</u>	<u>17,553,460</u>	<u>22,683,136</u>

6.3 Detail of disposal of right of use of asset

As of Jun 30, 2023

Disposal of fixed asset during the year having written down value of more than Rs. 500,000/- is Rs. 4,053,156/- are as follows:

Particulars	Cost	Accumulated depreciation	Written down value	Sales proceeds	Gain/ (Loss)	Sold to	Relationship with company	Mode of disposal
Vehicle - TOYOTA - Hilux Revo	6,556,500	2,503,344	4,053,156	3,013,429	(1,039,727)	CEO	Employee	Bank
Total	6,556,500	2,503,344	4,053,156	3,013,429	(1,039,727)			

		2 0 2 3	2 0 2 2
		-----Rupees-----	
7	LONG TERM DEPOSITS		
	Security deposit against		
	- Utilities	361,653	162,500
	- Rent	9,158,134	11,580,028
	- IBCC	1,390,000	-
	- Leased vehicles	500,000	500,000
	- Others	5,113,406	504,200
		<u>16,523,193</u>	<u>12,746,728</u>
8	LONG TERM INVESTMENTS		
	Long term investments - in TDR 3 years	8.1	
		<u>19,099,908</u>	<u>-</u>
		<u>19,099,908</u>	<u>-</u>
8.1	Investment with Term Deposit Receipt with markup rate of 15.6%.		
9	TRADE DEBTS - Unsecured	2 0 2 3	2 0 2 2
		-----Rupees-----	
	Trade debts - unsecured	998,130,670	459,442,680
	Due from related parties - Trade related	9.1	-
	Allowances for expected credit losses	(6,906,363)	(5,074,939)
		<u>991,224,307</u>	<u>455,744,899</u>
9.1	These amounts are related to services provided by related companies.		
9.2	Maximum balance at any time during the year from the related party amount to Nil (2022: Rs 1,744,189).		
		2 0 2 3	2 0 2 2
		-----Rupees-----	
9.3	Aging analysis of related party receivable		
	Not over due	-	1,377,158
10	SHORT TERM LOANS AND ADVANCES - unsecured, considered good		
	Employees	10.1	3,962,243
	Executives		3,137,926
	Advance against services		1,832,546
		<u>36,042,067</u>	<u>16,470,333</u>
		<u>41,013,971</u>	<u>21,440,805</u>
10.1	Loans given to employees are of short term nature, for personal use and carries interest charge on an average rate 14.75%. These are recovered on monthly basis from staff salary.		
		2 0 2 3	2 0 2 2
		-----Rupees-----	
11	SHORT TERM DEPOSITS, PREPAYMENTS AND ADVANCE INCOME TAX		
	Bank guarantee margin	2,928,362	21,844,308
	Accrued interest on placements	958,556	-
	Prepayments	6,186,060	1,792,405
	Advance tax		
	-Income tax	<u>21,501,084</u>	<u>11,407,208</u>
		<u>31,574,062</u>	<u>35,043,921</u>

2023 **2022**
-----Rupees-----

12 SHORT TERM INVESTMENT**Note****12.1 Held For Trading****Mutual Funds**

Opening Balance		71,686,290	-
Add: additions to mutual funds		103,000,000	62,600,000
Add: unrealized gain on revaluation of investment		7,622,808	9,086,290
Less: disposal of investments		(138,500,000)	-
Closing Balance	12.1.1	43,809,098	71,686,290

12.2 Musharaka

Modaraba Al- Mali (short term rating A2)		-	60,000,000
		43,809,098	131,686,290

12.1.1 Mutual fund certificates

2023	2022	2023	Name of the entity	2023	2022
Number of Units		Unit price		----- RUPEES -----	
314,667.74	687,274.82	50.38	MCB - Arif Habib	15,854,063	34,685,248
237,679.46	84,792.33	100.00	Faysal Islamic Cash Fund	23,767,946	8,479,233
9,245.58	8,111.89	102.52	Faysal Money Market Fund	947,899	828,773
26,277.00	268,913.18	101.19	UBL Liquidity Plus Fund(ULPF)	2,658,881	27,179,610
5,799.34	5,091.14	100.11	UBL Al-Ameen Islamic Cash Plan	580,309	513,426
				43,809,098	71,686,290

12.1.3 These investments represent mutual funds of various banks. These carry profit at rate of 15.00% to 20.00% per annum (2022: 10.41% to 12.52%).

12.2.1 This amount represent investment in musharaka having tenure of 89 days. These carry profit at rate of 6 months KIBOR+3.5%. This amount have been matured during the year.

13 CASH AND BANK BALANCES**Note**

2023 **2022**
----- RUPEES -----

Cash in hand		7,485,860	3,364,020
Cash at bank			
- in current account		131,068,627	30,904,588
- in saving account	13.1	18,357,664	28,509,998
		156,912,151	62,778,606

13.1 These carry markup rates ranging from 12.00% to 14.00% (2022: 9.5%) per annum.

14 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2023 (Number of shares)	2022		2023 ----- RUPEES -----	2022
27,428,430	27,428,430	Ordinary shares of Rs. 10 each fully paid in cash	274,284,300	274,284,300
27,428,430	27,428,430		274,284,300	274,284,300

15 LEASE LIABILITIES**15.1 Lease liabilities**

	Note	2023 ----- RUPEES -----	2022
Current maturity		15,090,331	25,867,487
Non-current		13,248,489	25,298,396
	15.1.1	28,338,820	51,165,883

15.1.1 Reconciliation of

Opening balance	51,165,883	61,644,669
Acquired under business combination	3,038,885	-
Additions	-	12,938,450
Paid during the year	(25,865,948)	(23,417,236)
Closing balance	28,338,820	51,165,883

15.1.2 The Company has entered into conventional lease agreement for different vehicles. Further the Company has adopted requirements of IFRS 16 related to rental properties in prior year. Lease rentals are payable on monthly basis and include finance charges are applied at the respective discount rates applicable to different kind of transactions including Right of Use Assets. The Company has the option to purchase vehicle upon completion of lease period and has the intention to exercise such option. The Company has intention to continue operations from rental properties which are currently available from July 1, 2022 to June 30, 2026.

2023 **2022**
-----Rupees-----

16 DEFERRED TAX LIABILITIES - Net**Deferred tax liabilities on taxable temporary differences:**

- accelerated tax depreciation:		
- Property and equipment	10,835,823	9,683,280
- right of use assets	6,578,110	14,101,843
- surplus on revaluation of plant and equipment	4,915,774	6,682,948
- short term investment	-	2,635,024
	22,329,707	33,103,095

Deferred tax assets on deductible temporary differences:

- trade debts	2,002,845	1,471,732
- lease liabilities	7,336,981	14,838,106
-minimum tax	-	4,294,150
	9,339,826	20,603,988
	12,989,881	12,499,107

17 TRADE AND OTHER PAYABLES

2 0 2 3 **2 0 2 2**
-----Rupees-----

Creditors	271,123,777	111,882,667
Accrued liabilities	80,894,021	46,609,201
Advance from customers	1,174,952	2,205,112
Income tax payable	1,449,722	1,793,914
Sales tax payable	13,549,535	2,670,647
Workers welfare fund	602,845	602,845
Others	63,200,896	-
	431,995,748	165,764,386

18 Short-term financing

Running finance	42,876,686	-
Book overdraft	174,764,022	-
	217,640,708	-

18.1 The facility for short term running finance is available from the financial institutions amounting to Rs 121.00 million (2022: 121.00 million). The rate of markup is 3 months kibar + 3.0% and 3 month kibar + 3.5% (2022: 3 months kibar + 3.0% and 3 month kibar + 2.5%).This is secured by first mortgage upon immovable properties and hypothecation of current and future movable assets of the company, including, books debts and investments.

18.2 This amount represents temporary book overdraft. Deposits were made in the accounts to convert it into a favourable balance subsequent to the balance sheet date.

19 CONTINGENCIES AND COMMITMENTS**19.1 Contingencies**

There are no contingencies during the year (2022: Nil)

19.2 Commitments

19.2.1 The Company has Ijarah and lease financing facilities from various financial institutions for vehicles and those are payable till 2025. Further the company has long term rental property contracts across the country which are due to mature by 2026.

19.2.2 Corporate Guarantees given by the Company in favour of Fly Jinnah (Private) Limited aggregating to Rs. 18.93 million (2022: 18.95 million).

20 COST OF SALES

Note **2 0 2 3** **2 0 2 2**
-----Rupees-----

Freight forwarding expenses		407,318,408	380,581,091
Operational expenses		4,148,795	1,993,312
Delivery expense		190,083,480	121,295,262
Fuel expense		66,856,684	43,094,613
Packing material		34,058,022	27,377,429
Entertainment expense		6,653,106	5,651,988
Staff salaries & other benefits		309,062,434	291,737,753
Royalty expense		3,806,250	2,756,250
Rent, rates & taxes		13,146,729	4,531,986
Repair & maintenance		10,263,867	10,616,840
Printing and stationery		7,161,616	4,886,182
Insurance		2,417,960	3,449,772
Security		6,430,484	5,212,740
Communication		14,357,658	13,316,702
Utilities		12,571,758	8,450,413
Travelling expense		3,399,574	3,849,731
Depreciation - ROUA	6.1	20,270,252	20,469,615
		1,112,007,077	949,271,679

2023

2022

-----Rupees-----

Note

21 GENERAL AND ADMINISTRATIVE EXPENSES

Directors remuneration		2,120,545	-
Salaries, allowances and other benefits		78,541,408	69,458,116
Rent, rates and taxes		10,088,861	8,845,084
Allowance for expected credit losses		1,831,424	1,543,346
Insurance		2,419,285	1,375,678
Repairs and maintenance		5,547,603	3,802,699
Fuel		2,584,386	2,075,212
Printing and stationery		1,670,094	707,318
Postage and telegram		71,432	39,405
Telephone, internet and mobile charges		3,417,250	2,794,464
Electricity, gas and water charges		10,775,708	7,068,314
Entertainment		3,691,598	2,826,601
Fees and subscription		6,587,201	1,398,789
Books and periodicals		8,379	17,470
Travelling and conveyance		656,605	2,248,930
Auditors remuneration	21.1	1,172,702	885,000
Vehicle and generator maintenance		3,567,562	1,036,087
Security expense		1,277,235	1,159,157
Depreciation - PPE	4.1	23,822,511	18,653,080
Depreciation - ROUA	6.1	1,620,501	1,906,470
Amortization	5.1	3,801,900	1,333,416
Legal and professional		1,867,737	2,463,656
		167,141,927	131,638,292

21.1 Auditors' remuneration

Audit fee - stand alone	869,952	750,000
Audit fee - consolidated	125,000	-
Out of pocket expenses	98,750	75,000
SRB	79,000	60,000
	1,172,702	885,000

22 Marketing and selling expenses

Sales promotion	1,337,013	1,032,305
Advertisement and publicity	5,673,598	3,532,445
	7,010,611	4,564,750

23 OTHER INCOME

Bargain purchase gain	91,269,832	-
- From non-financial assets		
Gain on sale of fixed assets	-	43,576
- From financial assets		
Profit on placements	17,591,672	7,764,255
Gain on short term investment	11,864,711	9,086,290
	120,726,215	16,894,121

24 OTHER EXPENSE

- From non-financial assets		
Loss on sale of fixed assets	(3,887,156)	-
	(3,887,156)	-

2023

2022

-----Rupees-----

25 FINANCE COSTS

Mark up on leases	4,744,659	6,906,431
Mark up on running finance	862,300	412,303
Bank charges	679,166	503,127
	<u>6,286,125</u>	<u>7,821,861</u>

26 TAXATION

Current	21,086,775	13,984,475
Prior	(1,766,513)	(2,280,507)
Deferred	490,774	(3,906,305)
	<u>19,811,036</u>	<u>7,797,663</u>

27 EARNING PER SHARE - basic and diluted

Profit after tax for the period	<u>166,365,391</u>	<u>15,945,656</u>
Weighted average number of shares outstanding during the period	<u>27,428,430</u>	<u>24,685,630</u>
Earning per share - basic and diluted	<u>6.07</u>	<u>0.65</u>

28 CASH AND CASH EQUIVALENTS

Short Term Investment	43,809,098	131,686,290
Cash and bank balances	<u>156,912,151</u>	<u>62,778,606</u>
	<u>200,721,249</u>	<u>194,464,896</u>

29 FINANCIAL INSTRUMENTS BY CATEGORY**Financial assets as per statement of financial position****At amortised cost**

Short term deposits and prepayments	9,114,422	23,636,713
Short term loans and advances	41,013,971	21,440,805
Long term deposit's	16,523,193	12,746,728
Trade debt	991,224,307	455,744,899
Cash and bank balances	<u>156,912,151</u>	<u>62,778,606</u>
	<u>1,214,788,044</u>	<u>576,347,751</u>

Fair value through other comprehensive income

Short term Investments	-	-
------------------------	---	---

Fair value through profit or loss

Short term Investments	43,809,098	131,686,290
	<u>1,258,597,142</u>	<u>708,034,041</u>

Financial liabilities as per statement of financial position**Loans and receivables at amortised cost**

Lease liability	28,338,820	51,165,883
Accrued expenses and other payables	<u>353,192,750</u>	<u>160,696,980</u>
	<u>381,531,570</u>	<u>211,862,863</u>

30 FINANCIAL RISK MANAGEMENT**Financial risk**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, other market price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

The Company's overall risk management procedures, to minimize the potential adverse effects of financial market on the Company's performance, are as follows:

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency, interest rate, commodity price and equity price that will affect the Company's income or the value of its holdings of financial instruments.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to United States Dollar (USD) and Euro (EUR). Currently, the Company's foreign exchange risk exposure is restricted to the amounts payable to foreign entities and foreign currency bank balances.

At June 30, 2023, if the Rupee had weakened / strengthen by 5% against the US dollar and Euro with all other variables held constant, pre-tax profit for the year would have been Rs. 12,728,730 lower / higher, mainly as a result of foreign exchange losses / gains on translation of US dollar and Euro-denominated financial assets and liabilities.

(ii) Interest rate

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As the Company has no significant floating interest rate assets, the Company's income is substantially independent of changes in market interest rates. The Company's interest rate risk arises from short term borrowings and long term financings. These financing, issued at variable rates, expose the Company to cash flow interest rate risk. The Company analyses its interest rate exposure on a dynamic basis taking into consideration refinancing, renewal of existing positions and alternative financing.

Cash flow

If interest rates at the reporting date fluctuate by 10% higher / lower with all other variables held constant, profit before tax for the year would have been Rs. 3,666,000 lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities outstanding at the reporting date are outstanding for the entire year.

(iii) Other market 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.

The Company is not exposed to any market price risk.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure.

Credit risk of the Company arises from deposits with banks, long term deposits, short term deposits, trade receivables and other receivables. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any. Carrying values of financial assets exposed to credit risk, which are neither past due nor impaired are as under:

	2 0 2 3	2 0 2 2
	-----Rupees-----	
Trade debts	991,224,307	455,744,899
Long term deposits	16,523,193	12,746,728
Short term deposits and other receivables	9,114,422	23,636,713
Loans to employees	3,962,243	3,137,926
Bank balances	149,426,291	59,414,586
	<u>1,170,250,456</u>	<u>554,680,852</u>

The aging of receivables as at reporting date is as follows:

Neither past due nor impaired		
Past due but not impaired		
1 - 30 days	138,127,252	122,761,595
31 - 90 days	115,106,043	106,224,639
More than 90 days	207,190,877	230,456,449
	<u>998,130,670</u>	<u>459,442,683</u>

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties and trade receivables are subject to specific credit ceilings based on customer credit history.

The management estimates the recoverability of trade receivables on the basis of financial position and past history of its customers based on the objective evidence that it shall not receive the amount due from the particular customer. The provision is written off by the Company when it expects that it cannot recover the balance due. Any subsequent repayments in relation to amounts written off are credited directly to the statement of profit or loss.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating Agency	2 0 2 3	2 0 2 2
	Short term	Long term		Rupees	Rupees
AL BARAKA BANK	A-1	A+	JCR-VIS	55,255,943	10,457,919
Bank Al Falah	A1+	AA+	PACRA	5,491,774	3,033,899
Habib Bank Limited	A1+	AAA	PACRA	26,119,803	36,691
MCB Bank Limited	A1+	AAA	PACRA	1,301,367	1,292
Meezan Bank	A-1+	AAA	JCR-VIS	2,128,958	7,650,866
Silk Bank Limited	A-2	A-	JCR-VIS	2,133,566	2,842,739
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	13,786,397	4,294,961
Summit Bank	-	-	PACRA	75,247	37,472

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected cash outflows during its operating cycle, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Company monitors rolling forecasts of the liquidity reserve (comprising undrawn borrowing facilities and cash and cash equivalents) on the basis of expected cash flows.

In addition, the Company's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities and maintaining debt financing plans. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date, to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows and also include the impact of estimated future interest payments.

Description	Carrying amount	Contractual cash	Within one year	After one year
	Rupees	Rupees	Rupees	Rupees
Contractual maturities of financial liabilities as at June 30, 2023:				
Lease liabilities	28,338,820	28,338,820	15,090,331	13,248,489
Trade and other payables [trade creditors and accrued expe	121,142,294	121,142,294	-	121,142,294
	149,481,114	149,481,114	15,090,331	134,390,783

Description	Carrying amount	Contractual cash	Within one year	After one year
	Rupees	Rupees	Rupees	Rupees
Contractual maturities of financial liabilities as at June 30, 2022:				
Lease liabilities	51,165,883	51,165,883	25,867,487	25,298,396
Trade and other payables [trade creditors and accrued expe	160,696,980	160,696,980	-	160,696,980
	211,862,863	211,862,863	25,867,487	185,995,376

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at the reporting date. The rates of interest / mark up have been disclosed in relevant notes to these financial statements.

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. Fair value is determined on the basis of objective evidence at each reporting date. The carrying values of financial assets and financial liabilities approximate their fair values.

31 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company finances its operations through equity, management of working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

32 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at June 30, 2022	Non-cash changes	Cash Flows	As at June 30, 2023
	← Rupees →			
Lease liabilities	51,165,883	-	(22,827,063)	28,338,820
	<u>51,165,883</u>	<u>-</u>	<u>(22,827,063)</u>	<u>28,338,820</u>

33 REMUNERATION OF CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES

	2023			2022		
	Chief Executive Officer	Executive Director	Executives	Chief Executive Officer	Executive Director	Executives
	----- Rupees -----			----- Rupees -----		
Basic Salary	5,000,000	5,000,000	32,734,537	4,743,505	4,679,368	32,906,567
Allowances	2,000,000	2,000,000	13,093,817	1,897,390	1,871,734	13,162,557
Medical	500,000	500,000	3,273,457	474,347	467,928	3,290,657
Retirement benefit			419,881			689,196
	<u>7,500,000</u>	<u>7,500,000</u>	<u>49,521,692</u>	<u>7,115,241</u>	<u>7,019,029</u>	<u>50,048,976</u>
Number of Persons	1	1	20	1	1	20

33.1 Certain executives are provided with company maintained vehicles.

34 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, key management personnel and retirement benefit schemes. The Investment Bank in the normal course of business carries out transactions with various related parties. Amounts due from and to associated undertakings, executives and remuneration of directors and executives are disclosed in the relevant notes. Transactions with related parties other than disclosed elsewhere in these financial statements are as follows:

Name of the related party	Relationship	Transactions during the period	2 0 2 3	2 0 2 2
			-----Rupees-----	
UNS Employee's Provident Fund Trust	Staff Benefits Plan	Net change in respect of staff benefit plan	631,666	1,379,307
Directors & key management personnel	Key management personnel	Remuneration	64,521,692	64,183,246

35 PROVIDENT FUND RELATED DISCLOSURE

A joint provident fund is maintained by the Company. The following information is based on the latest financials statements:

	Note	(Un-Audited) 2 0 2 3	(Un-Audited) 2 0 2 2
		-----Rupees-----	
Size of the Funds - Total Assets		6,572,703	15,791,533
Cost of investment made		4,160,105	12,831,171
Percentage of investment as size of the fund		63%	81%
Fair value of investment		4,160,105	12,831,171

35.1 The breakup of fair value of investment is

	2023		2022	
	Investment	Percentage as of size of the fund	Investment	Percentage as of size of the fund
	Rupees	%	Rupees	%
Bank Balance	161,180	2%	2,831,171	18%
Investment in term deposit receipts	3,998,925	61%	10,000,000	63%
	<u>4,160,105</u>	<u>63%</u>	<u>12,831,171</u>	<u>81%</u>

35.2 The investments out of provident fund have been made in accordance with the provision of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

36 NUMBER OF EMPLOYEES

Total number of employees as at June 30	<u>236</u>	<u>112</u>
Average number of factory employees during the year	<u>248</u>	<u>126</u>

37 CORRESPONDING FIGURES

Corresponding figures and balances have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison and better presentation, the effects of which are not material.

38 AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on NOVEMBER 03, **2023** by the Board of Directors of the Holding Company.

39 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

Pattern of Shareholding**The Companies Act, 2017 (Section 227 (2) (f))****Universal Network Systems Limited****Pattern of holding of the shares held by the Shareholders as at June 30, 2023.**

Number of Shareholders	Shareholdings' Slab			Total Shares Held
9	1	to	100	323
166	101	to	500	79,507
76	501	to	1,000	75,843
64	1,001	to	5,000	140,826
11	5,001	to	10,000	78,643
6	10,001	to	15,000	79,582
2	15,001	to	20,000	33,419
1	20,001	to	25,000	22,058
2	25,001	to	30,000	56,887
1	30,001	to	35,000	34,049
1	35,001	to	40,000	35,700
1	40,001	to	45,000	44,100
2	100,001	to	105,000	205,714
1	105,001	to	110,000	108,310
2	205,001	to	210,000	411,428
1	265,001	to	270,000	267,895
1	400,001	to	405,000	404,329
1	425,001	to	430,000	428,571
1	670,001	to	675,000	670,462
1	890,001	to	895,000	892,789
1	895,001	to	900,000	896,852
1	1,000,001	to	1,005,000	1,004,500
4	1,025,001	to	1,030,000	4,110,814
1	2,740,001	to	2,745,000	2,742,000
1	14,600,001	to	14,605,000	14,603,829
358	Total			27,428,430

Pattern of Shareholding**The Companies Act, 2017 (Section 227 (2) (f))**

S.No.	Categories of Shareholders	Shares held	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	16,871,164	61.51%
2	Associated Companies, undertakings and related parties.	-	0.00%
3	NIT and ICP	-	0.00%
4	Banks Development Financial Insititutions, Non Banking Financial Institutions.	-	0.00%
5	Insurance Companies	11,549	0.04%
6	Modarabas and Mutual Funds	673,478	2.46%
7	Shareholders holding 10%	14,603,829	53.24%
8	General Public		
	a. Local	3,414,549	12.45%
	b. Foreign	180,626	0.66%
9	Others	6,277,064	22.89%
Total (excluding : share holder holding 10%)		27,428,430	100%

Pattern of Shareholding
Categories of Shareholding

Disclosure Requirement under Listed Companies (Code of Corporate Governance) Regulations, 2019 (CCG) as on June 30, 2023.

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children			
Arif Elahi	1	500	0.002%
Danish Elahi	1	500	0.002%
Danish Elahi	1	451	0.002%
Safina Danish Elahi	1	14,603,829	53.243%
Mirza Qamar Beg	1	500	0.002%
Asfandiyar Farrukh	1	205,714	0.750%
Nadine Malik Almani	1	500	0.002%
Imran Baxamoosa	1	1,028,580	3.750%
Ali Aamer Baxamoosa	1	1,028,590	3.750%
Salman Hameed	1	2,000	0.007%
Associated Companies, undertakings and related parties	-	-	0.000%
NIT & ICP	-	-	0.000%
Public Sector Companies and Corporations	-	-	0.000%
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful and pension funds			
Dawood Family Takaful Limited	1	11,549	0.042%
Modaraba and Mutual Funds			
Modaraba Al-Mali	1	267,895	0.977%
B.R.R. Guardian Modaraba	1	1,254	0.005%
CDC - Trustee Faysal Islamic Dedicated Equity Fund	1	404,329	1.474%
General Public			
a. Local	282	3,414,549	12.449%
b. Foreign	53	180,626	0.659%
Others			
Abhi (Private) Limited	1	2,742,000	9.997%
Roomi Enterprises (Private) Limited.	1	896,852	3.270%
Masood Spinning Mills Limited	1	670,462	2.444%
Trustees Of Hamdard Laboratories (Waqf) Pakistan.	1	892,789	3.255%
Maple Leaf Capital Limited	1	1,028,572	3.750%
MRA Securities Limited	1	97	0.000%
Trustee-First Dawood Inv. Bank Ltd. & Other Empolyees P.Fund	1	3,219	0.012%
B. R. R. Investment (Private) Limited	1	9,024	0.033%
Sarena Textile Industries (Private) Limited	1	34,049	0.125%
Total	358	27,428,430	100.00%

Share holders holding 10% or more	Shares Held	Percentage
Safina Danish Elahi	14,603,829	53.24%

REQUEST FORM FOR HARD COPY OF ANNUAL AUDITED ACCOUNTS

The Securities and Exchange Commission of Pakistan, vide S.R.O 470(I)/2016 dated May 31, 2016, has allowed companies to circulate their annual balance sheet, profit and loss account, auditor's report, directors' report and ancillary statements/notes/documents ("Annual Audited Accounts") along with notice of general meeting to the registered addresses of its shareholders in electronic form.

However, Shareholders may request a hard copy of the Annual Audited Accounts along with notice of general meetings to be sent to their registered address instead of receiving the same in electronic form. If you require a hard copy of the Annual Audited Accounts, please fill the following form and send it to our Share Registrar or Company Secretary at the address given below.

Date: _____

I/We _____ request that a hard copy of the Annual Audited Accounts along with notice of general meetings be sent to me through post. My/our particulars in this respect are as follows:

Folio /CDC A/c No.	
Postal Address:	
Email Address:	
Contact No:	
CNIC No.	
Signature	

The form may be sent directly to Universal Network Systems Limited Share Registrar or Company Secretary at the following address:

CDC Share Registrar Services Limited
CDC House, 99-B, Block -B, S.M.C.H.S.,
Main Shahra-e-Fiasal, Karachi -74400
Tel #: (92-21) 111-111-500
Website: www.cdcpakistan.com
E-mail: info@cdcpak.com

Universal Network Systems Limited
Plot # 5, Banglore Town, Near Awami Markaz,
Shahrah-e-Faisal, Karachi Pakistan
Tel: 021-111-BlueEX(258339)
Website: www.blue-ex.com
E-mail: ahsan.iqbal@blue-ex.com

PROXY FORM

The Company Secretary,
Universal Network Systems Limited
Plot # 5, Banglore Town,
Near Awami Markaz, Shahrah-e-Faisal,
Karachi.

I/We _____ of _____ being member(s) of **Universal Network Systems Limited** holding _____ Ordinary Shares as Folio /CDC Account No. _____ hereby appoint _____ of _____ as my proxy to vote for me and on my/our behalf at the Annual General Meeting (AGM) of the company to be held at Plot No.5, Banglore Town, Near Awami Markaz, Shahrah-e-Faisal, Karachi and through video link facility on November 27, 2023 at 03:30 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2023

Witness 1

Signature _____

Name _____

CNIC No. or _____

Passport No. _____

Address _____

Witness 2

Signature _____

Name _____

CNIC No. or _____

Passport No. _____

Address _____

Signature

Signature should agree with specimen registered with the Company

Note:

Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting. A Proxy holder may not need to be a member of the Company.

CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

پراکسی فارم

کمپنی سیکرٹری،
یونیورسل نیٹ ورک سسٹمز لمیٹڈ
پلاٹ نمبر 5، بنگلور ٹاؤن،
نزد عوامی مرکز، شاہراہ فیصل،
کراچی۔

یونیورسل نیٹ ورک سسٹمز لمیٹڈ کے _____ کا میں/ہم _____ کا رکن (ممبرز) ہیں جس کے پاس فولیو/CDC

اکاؤنٹ نمبر کے طور پر عام حصص ہیں /اس کا _____ کا _____ میرے پراکسی کے طور پر مجھے اور

میری/ہماری طرف سے کمپنی کی سالانہ جنرل میٹنگ (AGM) میں جو پلاٹ نمبر 5، بنگلور ٹاؤن، نزد عوامی مرکز، شاہراہ فیصل منعقد ہوگا۔ فیصل، کراچی اور

ویڈیو لنک کی سہولت کے ذریعے 27 نومبر 2023 کو دوپہر 03:30 بجے۔ اور اس کے کسی بھی ملتوی ہونے پر۔

دستخط _____ مورخہ /تاریخ _____ / 2023-

گواہان:

۱۔ _____ دستخط:

_____ نام:

_____ پتہ:

_____ کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:

_____ پاسپورٹ نمبر:

دستخط شیئر ہولڈر

دستخط کئی میں کے پائے والے دستخط سے ماٹ کر رکھے ہوں

۲۔ _____ دستخط:

_____ نام:

_____ پتہ:

_____ کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:

_____ پاسپورٹ نمبر:

نوٹ:

پراکسی مؤثر ہونے کے لیے، میٹنگ سے کم از کم 48 گھنٹے پہلے کمپنی کو موصول ہونی چاہیے۔ ایک پراکسی ہولڈر کو کمپنی کا رکن بننے کی ضرورت نہیں ہو سکتی۔

CDC کے شیئر ہولڈرز اور ان کے پراکسیز سے ہر ایک سے درخواست کی جاتی ہے کہ وہ کمپنی کو جمع کرانے سے پہلے اس پراکسی فارم کے ساتھ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی ایک تصدیق شدہ فوٹو کاپی منسلک کریں۔

Ref: AUD/2023-24/11-10483

November 06, 2023

The Board of Directors
Universal Network Systems Limited,
Bungalow No. 5, Bangalore Town,
Main Shahrah-e-Faisal,
Karachi

Dear Board Members

INDEPENDENT REASONABLE ASSURANCE REPORT ON STATEMENT OF FREE FLOAT OF SHARES

Introduction

We have been engaged to perform a reasonable assurance engagement on the annexed Statement of Free Float of Shares (the 'Statement') of Universal Network Systems Limited (the Company) as of September 30, 2022, December 31, 2022, March 31, 2023 and June 30, 2023.

Applicable Criteria

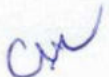
The criteria against which the Statement is assessed is Regulation No. 5.7.2(c)(ii) of Pakistan Stock Exchange Limited Regulations (PSX Regulations) which requires every listed company to submit directly to Pakistan Stock Exchange (PSX) an annual Free-Float Certificate duly verified by the auditor along with the annual audited accounts as prescribed under regulations 5.6.9(a) of the PSX Regulations.

Management's Responsibility for the Statement

Management is responsible for preparation of the Statement as of September 30, 2022, December 31, 2022, March 31, 2023 and June 30, 2023. in accordance with the applicable criteria. This responsibility includes maintaining adequate records and internal controls as determined necessary to enable the preparation of the Statement such that it is free from material misstatement, whether due to fraud or error.

Our Independence and Quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.



The Firm applies International Standards of Quality Control 1 "Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and

Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility and Summary of Work Performed

Our responsibility is to carry out an independent reasonable assurance engagement and to express an opinion as to whether the Statement is prepared in accordance with the applicable criteria, based on the procedures we have performed and evidence we have obtained.

We conducted our reasonable assurance engagement in accordance with International Standard of Assurance engagements 3000 (Revised), '*Assurance engagements other than audits or reviews of historical financial statements*' (ISAE 3000) (Revised) issued by International Auditing and Assurance Standard Board. This standard requires that we plan and perform this engagement to obtain reasonable level of assurance about whether the Statement is free from material misstatement.

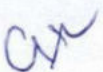
A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the free float of shares and related information in the Statement. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the Statement. In making those risk assessments; we considered internal control relevant to the Company's preparation of the Statement. A reasonable assurance engagement also includes assessing the applicable criteria used and significant estimates made by management, as well as, evaluating the overall presentation of Statement.

We have carried out the procedures considered necessary for the purpose of providing reasonable assurance on the Statement. Our assurance procedures performed included verification of information in the Statement with the underlying data and record comprising of Central Depository Company statements, forms submitted by the Company with Securities & Exchange Commission of Pakistan relating to its pattern of shareholding and other related information. Verification that the computation of free float of shares is in accordance with the PSX regulation also forms part of our assurance procedures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Statement as of September 30, 2022, December 31, 2022, March 31, 2023 and June 30, 2023 are prepared, in all material respects, in accordance with the PSX regulations.

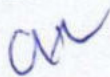


Restriction on use and distribution

This report is issued in relation to the requirements as stipulated under Regulation No. 5.7.2 (c)(ii) of the PSX Regulations and is not to be used or distributed for any other purpose. This report is restricted to the facts stated herein.



Crowe Hussain Chaudhury & Co
Chartered Accountants



Karachi.

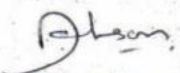


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STATEMENT OF FREE FLOAT OF SHARES

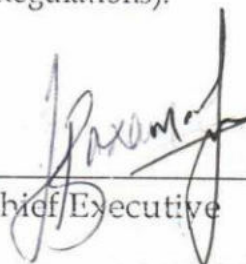
	Quarter -1	Quarter -2	Quarter -3	Quarter -4
Total Outstanding Shares	27,428,430	27,428,430	27,428,430	27,428,430
Less: Government Holdings	Nil	Nil	Nil	Nil
Less: Shares held by Directors / Sponsors / Senior Management Officers and their associates	(16,870,713)	(16,871,213)	(16,871,213)	(16,871,664)
Less: Shares in Physical Form	Nil	Nil	Nil	Nil
Less: Shares held by Associate companies / Group Companies (Cross holdings)	Nil	Nil	Nil	Nil
Less: Shares issued under Employees Stock Option Schemes that cannot be sold in the open market in normal course	Nil	Nil	Nil	Nil
Less: Treasury shares	Nil	Nil	Nil	Nil
Less: Any other category that are barred from selling at the review date	Nil	Nil	Nil	Nil
Free Float	10,557,717	10,557,217	10,557,217	10,556,766

Basis of Preparation: This Statement is prepared in accordance with the requirements of Regulation No. 5.7.2(b)(ii) of Pakistan Stock Exchange Limited Regulations (PSX Regulations).



Company Secretary





Chief Executive





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