

**Quarterly Accounts (un-audited) for the period ended September 30, 2022**



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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. Mirza Qamar Beg – Independent Director  
Mr. Danish Elahi - Non-Executive Director  
Mrs. Safina Danish Elahi – Non-Executive Director  
Mrs. Nadine Malik Almani - Independent Director  
Mr. Asfandyar Farrukh - Independent Director  
Mr. Ali Aamer Baxamoosa - Executive Director  
Mr. Imran Baxamoosa – Chief Executive Officer

### AUDIT COMMITTEE

Mr. Mirza Qamar Beg - Chairman  
Mr. Arif Elahi  
Mrs. Nadine Malik Almani  
Mr. Asfandyar Farrukh  
Mr. Ahsan Iqbal - Secretary

### HUMAN RESOURCE & REMUNERATION COMMITTEE

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

### COMPANY SECRETARY

Mr. Ahsan Iqbal

### CHIEF FINANCIAL OFFICER

Mr. Salman Hameed

### AUDITORS

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

### LEGAL ADVISOR

Mohsin Tayebaly & Co.

### 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  
United Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Habib Metropolitan Bank Limited

### SHARE REGISTRAR

CDC Share Registrar Services Limited  
CDC House, 99-B, Block B, S.M.C.H.S.,  
Main Shahra-e-Faisal, Karachi – 74400.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326034  
Email: [info@cdcrsl.com](mailto:info@cdcrsl.com) Website: [www.cdcrsl.com](http://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](mailto:ask@blue-ex.com)  
website: [www.blue-ex.com](http://www.blue-ex.com)

**SYMBOL AT PAKISTAN STOCK EXCHANGE LIMITED**  
GEMUNSL

**DIRECTOR’S REVIEW REPORT**

**FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

The Board of Directors of your Company are pleased to present their review report on the financial and operational performance of the Company for the period ended September 30, 2022.

**Financial Performance Summary**

The Summarized results for period ended September 30, 2022 and 2021 are summarized below:

|                                       | <b>Three months Ended</b> |             |
|---------------------------------------|---------------------------|-------------|
|                                       | <b>September 30</b>       |             |
|                                       | <b>2022</b>               | <b>2021</b> |
|                                       | .....Rupees.....          |             |
| Profit before tax                     | 8,020,201                 | 5,139,360   |
| Profit after tax                      | 7,383,190                 | 3,413,464   |
|                                       |                           | (Restated)  |
| Earnings per share                    | 0.27                      | 0.12        |
| Number of outstanding ordinary shares | 27,428,430                | 27,428,430  |

As advised earlier in the annual report for the year ended June 30, 2022 that the Company is consistently working to serve its clientele with more robust business solutions through better technology, efficient operational network and more new products for building up beneficial partnerships.

Despite the challenges on economic front due to constant volatility in fuel prices, PKR to \$ parity, limited cross border trade, the Company is working persistently to improve operational efficiencies for 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 niche for the Company of having a diversified revenue streams in international trade segment provides a strong dimension for better revenue growth through its partnerships with international courier & freight operators. So the more price sensitive domestic business segments are maintained through increased focus on the international business operations which is continuously growing.

Therefore, the company in addition to earlier informed potential partnership in Nepal to setup a new logistics entity, now the Company has taken another major step for international business. The company has incorporated a wholly owned local subsidiary "Shyp Guru Private Limited" on

September 14, 2022 to establish new partnerships with global logistics / courier networks for international express courier and other kind of similar services as mentioned in the Memorandum of Association of that Company for Europe and other major destinations which can feed inbound / outbound business. No investment is made till September 30, 2022.

### **Future Business Prospects**

On a macro perspective, the country still facing challenges due to unprecedented floods in August 2022, higher current account deficit, fiscal pressure for higher tax to GDP ratio from international donor agencies but we are hopeful that the policy makers are focused to address these issues in both short to medium term space for current financial year and beyond.

The domestic E-commerce sector has challenges due to higher inflation, supply restrain as ban on imports of luxury goods but still more businesses are coming up with better business opportunities.

### **Acknowledgement**

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

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



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**Arif Elahi**  
Chairman



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**Imran Baxamoosa**  
Chief Executive Officer

**October 27, 2022**  
Karachi.

## ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کو 30 ستمبر 2022 کو ختم ہونے والی مدت کے لیے کمپنی کی مالیاتی اور آپریشنل کارکردگی کے بارے میں اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

### مالیاتی کارکردگی کا خلاصہ

30 ستمبر 2022 اور 2021 کو ختم ہونے والی مدت کے نتائج کا خلاصہ ذیل میں دیا گیا ہے:

### Three Months Ended

September 30

2021

2022

.....Rupees.....

|            |            |                        |
|------------|------------|------------------------|
| 5,139,360  | 8,020,201  | منافع قبل از محصول     |
| 3,413,464  | 7,383,190  | ٹیکس کے بعد منافع      |
| (Restated) |            |                        |
| 0.12       | 0.27       | فی حصہ آمدنی           |
| 27,428,430 | 27,428,430 | بقایا عام حصص کی تعداد |

جیسا کہ 30 جون 2022 کو ختم ہونے والے سال کی سالانہ رپورٹ میں پہلے مطلع کیا گیا تھا کہ کمپنی فائدہ مند پارٹنرشپ بنانے کے لیے بہتر ٹیکنالوجی، موثر آپریشنل نیٹ ورک اور مزید نئی مصنوعات کے ذریعے مزید مضبوط کاروباری طریقوں کے ساتھ اپنے گاہکوں کی خدمت کے لیے مسلسل کام کر رہی ہے۔

ایندھن کی قیمتوں میں مسلسل اتار چڑھاؤ، غیر مستحکم پاکستانی روپیہ سے امریکی ڈالر کی شرح تبادلہ، محدود کراس بارڈر ٹریڈ کی وجہ سے اقتصادی محاذ پر مشکلات کے باوجود، کمپنی تمام طبقات میں صلاحیت کے بہتر استعمال کے لیے آپریشنل استعداد کار کو بہتر بنانے اور تمام نیٹ ورکس پر، ملکی و عالمی سطح پر، اپنی ٹاپ لاجسٹکس اور کورنیر پارٹنر کی پوزیشن کو مضبوط کرنے اور مارکیٹ میں اپنے اثرات کو بڑھانے کے لیے مسلسل کام کر رہی ہے۔

کمپنی کے لیے بین الاقوامی تجارتی طبقے میں متنوع ریونیو اسٹریم رکھنے کا مقام بین الاقوامی کورنیر اور فریٹ آپریٹرز کے ساتھ شراکت داری کے ذریعے بہتر آمدنی میں اضافے کے لیے ایک مضبوط جہت فراہم کرتا ہے۔ لہذا قیمتوں سے زیادہ حساس گھریلو کاروباری حصوں کو بین الاقوامی کاروباری کارروائیوں پر زیادہ توجہ دینے کے ذریعے برقرار رکھا جاتا ہے جو مسلسل بڑھ رہا ہے۔

لہذا، کمپنی نے نیپال میں ایک نئی لاجسٹک ہسٹی کے قیام کے لیے پہلے سے مطلع ممکنہ شراکت داری کے علاوہ، اب کمپنی نے بین الاقوامی کاروبار کے لیے ایک اور بڑا قدم اٹھایا ہے۔ کمپنی نے 14 ستمبر 2022 کو ایک مکمل ملکیتی مقامی ذیلی کمپنی "Shyp" کو شامل کیا ہے تاکہ بین الاقوامی ایکسپریس کورنیر اور اسی طرح کی دیگر خدمات کے لیے عالمی لاجسٹکس/ کورنیر نیٹ ورکس کے ساتھ نئی شراکت داری قائم کی جا سکے جیسا کہ اس کمپنی کے میمورنڈم آف ایسوسی ایشن میں ذکر کیا گیا ہے۔ یورپ اور دیگر اہم مقامات کے لیے ان ہاؤنڈ اور آؤٹ ہاؤنڈ کاروبار کو کھول سکتے ہیں۔ 30 ستمبر 2022 تک اس نئی کمپنی میں کوئی سرمایہ کاری نہیں کی گئی ہے۔

### مستقبل کے کاروباری امکانات

میکرو تناظر میں، اگست 2022 میں بے مثال سیلاب، کرنٹ اکاؤنٹ کے زیادہ خسارے، بین الاقوامی ڈونر ایجنسیوں کی جانب سے جی ڈی پی کے تناسب سے زیادہ ٹیکس کے لیے مالی دباؤ کی وجہ سے ملک کو اب بھی چیلنجز کا سامنا ہے لیکن ہمیں امید ہے کہ پالیسی سازان مسائل کو حل کرنے پر، نا صرف موجودہ مالی سال بلکہ اس سے بڑھ کر مختصر اور درمیانی مدت کے عرصے کے لئے، اپنی توجہ مرکوز کریں گے۔ گھریلو ای۔ کامرس سیکٹر کو زیادہ مہنگائی کی وجہ سے چیلنجز کا سامنا ہے، پر تعیش اشیا کی درآمد پر پابندی کے باعث سپلائی میں رکاوٹ ہے لیکن پھر بھی مزید کاروبار بہتر کاروباری مواقع کے ساتھ سامنے آ رہے ہیں۔

اظہار تشکر  
ہم تمام اسٹیک ہولڈرز بشمول اپنے کلانٹس، کاروباری شراکت داروں، شیئر ہولڈرز، مالیاتی اداروں اور ریگولیٹرز کے تعاون اور اعتماد کے لیے اور اپنے ملازمین کا مسلسل بہترین کارکردگی کو حاصل کرنے کے لیے ان کی لگن اور محنت کے لیے تہہ دل سے شکریہ ادا کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز



عمران بکساموسی

چیف ایگزیکٹو آفیسر



عارف الہی

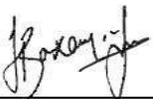
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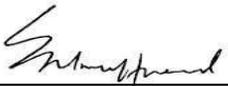
27 اکتوبر 2022  
کراچی۔

**UNIVERSAL NETWORK SYSTEMS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT September 30, 2022 (Un-audited)**

|  |      | (Un-audited)<br>September 30, 2022 | (Audited)<br>June 30, 2022 |
|--|------|------------------------------------|----------------------------|
|  | Note | ------(Rupees)-----                |                            |
| <b>Non-current assets</b>  |      |                                    |                            |
| Property and equipment   | 5    | 150,421,599                        | 155,333,920                |
| Right of use assets  | 6    | 41,465,168                         | 48,627,045                 |
| Intangible assets  | 7    | 90,293,751                         | 83,229,223                 |
| Long term deposits   |      | 12,747,728                         | 12,746,728                 |
|  |      | 294,928,246                        | 299,936,916                |
| <b>Current assets</b>  |      |                                    |                            |
| Trade debts  |      | 426,857,731                        | 455,744,899                |
| Packaging material   |      | 2,346,769                          | 2,101,092                  |
| Short term loans and advances  |      | 24,473,597                         | 21,440,805                 |
| Short term deposits, prepayments and advance income tax  |      | 62,354,980                         | 35,043,921                 |
| Tax refund due from Government   |      | 20,483,731                         | 20,483,731                 |
| Short term investments   | 8    | 94,328,254                         | 131,686,290                |
| Cash and bank balances   | 9    | 59,839,244                         | 62,778,606                 |
|  |      | 690,684,306                        | 729,279,343                |
|  |      | <b>985,612,551</b>                 | <b>1,029,216,258</b>       |
| <b>Share capital and Reserves</b>  |      |                                    |                            |
| <b>Authorized</b>  |      |                                    |                            |
| 50,000,000 ordinary shares of Rs.10/- each<br>(2021: 50,000,000 ordinary shares of Rs. 10/- each)  |      | 500,000,000                        | 500,000,000                |
| <b>Issued, subscribed and paid-up share capital</b>  |      |                                    |                            |
| 27,428,430 ordinary shares of Rs. 10/- each<br>(2021: 20,571,430 ordinary shares of Rs. 10/- each) |      |                                    |                            |
| fully paid in cash   |      | 274,284,300                        | 274,284,300                |
| Share Premium  |      | 402,328,868                        | 402,328,868                |
| Revaluation surplus on property, plant & equipment   |      | 21,699,043                         | 23,044,649                 |
| Unappropriated profit  |      | 94,873,378                         | 86,144,583                 |
|  |      | 793,185,589                        | 785,802,400                |
| <b>Non-current liabilities</b>   |      |                                    |                            |
| Lease liabilities  | 10   | 25,296,688                         | 25,298,396                 |
| Deferred tax liabilities - net   |      | 9,941,629                          | 12,499,107                 |
|  |      | 35,238,317                         | 37,797,503                 |
| <b>Current liabilities</b>   |      |                                    |                            |
| Trade and other payables   |      | 119,914,925                        | 165,764,385                |
| Current portion lease liabilities  | 10   | 20,094,667                         | 25,867,487                 |
| Provision for taxation   |      | 17,178,965                         | 13,984,475                 |
|  |      | 157,188,558                        | 205,616,347                |
| <b>Contingencies and Commitments</b>   |      |                                    |                            |
|  | 11   |                                    |                            |
|  |      | <b>985,612,551</b>                 | <b>1,029,216,258</b>       |

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

  
 Chief Executive Officer

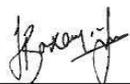
  
 Chief Financial Officer

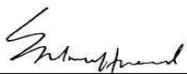
  
 Director

**UNIVERSAL NETWORK SYSTEMS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2022 (Un-audited)**

| Note   | Quarter Ended       |                     |
|--|---------------------|---------------------|
|  | September 30, 2022  | September 30, 2021  |
|  | ------(Rupees)----- |                     |
| <b>Courier and allied services</b>               |                     |                     |
| - Courier income                                 | 250,605,219         | 254,691,987         |
| - CBC handling charges income                    | 4,954,041           | 6,373,309           |
|  | <b>255,559,260</b>  | <b>261,065,296</b>  |
| - Cost of sales                                  | (240,260,985)       | (220,188,587)       |
| <b>Total courier and allied services</b>         | <b>15,298,275</b>   | <b>40,876,709</b>   |
| International freight                            | 38,270,718          | 6,743,739           |
| Commission income                                | 559,894             | 160,690             |
|  | <b>54,128,887</b>   | <b>47,781,138</b>   |
| General and administrative expenses              | (33,031,824)        | (30,953,732)        |
| Marketing and selling expenses                   | (1,247,425)         | (813,120)           |
|  | <b>(34,279,249)</b> | <b>(31,766,852)</b> |
| Operating profit                                 | <b>19,849,638</b>   | <b>16,014,286</b>   |
| Other income                                     | 7,038,058           | 806,959             |
| Exchange Loss                                    | (4,079,758)         | (1,433,491)         |
| Finance costs                                    | (1,512,442)         | (1,845,242)         |
|  | <b>1,445,858</b>    | <b>(2,471,774)</b>  |
| Profit before Tax, Depreciation and Amortization | <b>21,295,496</b>   | <b>13,542,512</b>   |
| Depreciation and Amortization                    | <b>(13,275,295)</b> | <b>(8,403,152)</b>  |
| Profit before taxation                           | <b>8,020,201</b>    | <b>5,139,360</b>    |
| <b>Taxation</b>                                  |                     |                     |
| - Current  | (3,194,490)         | (1,725,896)         |
| - Deferred                                       | 2,557,479           | -                   |
|  | (637,011)           | (1,725,896)         |
| Profit after tax                                 | <b>7,383,190</b>    | <b>3,413,464</b>    |
| Earnings per share - basic and diluted           | 12                  | 0.27                |
|  |                     | (Restated) 0.12     |

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

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

**UNIVERSAL NETWORK SYSTEMS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2022 (Un-audited)**

Quarter Ended  
**September 30, 2022    September 30, 2021**  
 -----(Rupees)-----

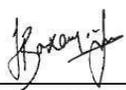
|                       |           |           |
|-----------------------|-----------|-----------|
| Profit after taxation | 7,383,190 | 3,413,464 |
|-----------------------|-----------|-----------|

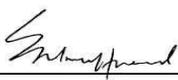
**Items not to be reclassified to profit or loss in subsequent period:**

|   |   |   |
|---|---|---|
| Surplus on revaluation of property, plant equipment | - | - |
| Deferred tax on property, plant and equipment       | - | - |

|  |           |           |
|--|-----------|-----------|
| <b>Total comprehensive income for the period</b> | 7,383,190 | 3,413,464 |
|--|-----------|-----------|

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

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

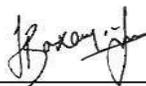
  
 \_\_\_\_\_  
 Chief Financial Officer

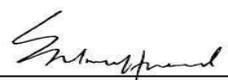
  
 \_\_\_\_\_  
 Director

**UNIVERSAL NETWORK SYSTEMS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2022 (Un-audited)**

|  | SEPTEMBER 30, 2022  | SEPTEMBER 30, 2021  |
|--|---------------------|---------------------|
| Note   | ------(Rupees)----- |                     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                |                     |                     |
| Profit before tax  | 8,020,201           | 5,139,360           |
| <b>Adjustment for non cash changes and other items:</b>                    |                     |                     |
| Depreciation - Property and equipment                                      | 6,074,072           | 4,484,586           |
| Depreciation - ROUA  | 6,756,751           | 5,917,725           |
| Allowance for expected credit losses                                       | -                   | (3,531,593)         |
| Amortization of Intangibles  | 444,472             | 444,472             |
| Finance costs  | 1,512,442           | 1,911,632           |
| Loss on sale of property and equipment                                     | 431,055             | -                   |
| <b>Cash flows from operating activities before working capital changes</b> | <u>23,238,993</u>   | <u>14,366,182</u>   |
| <b>(Increase)/ decrease in current assets</b>                              |                     |                     |
| Trade debts  | 28,887,168          | (53,853,055)        |
| Packaging Material   | (245,678)           | (1,182,334)         |
| Short term loans and advances  | (3,032,792)         | 8,173,946           |
| Short term deposits and prepayments  | 14,412,173          | (4,079,964)         |
|  | <u>40,020,871</u>   | <u>(50,941,407)</u> |
|  | 63,259,864          | (36,575,226)        |
| <b>Decrease in current liabilities</b>                                     |                     |                     |
| Trade and other payables   | (45,849,461)        | 34,378,344          |
|  | (45,849,461)        | 34,378,344          |
| <b>Cash flows used in operations</b>                                       | <u>17,410,403</u>   | <u>(2,196,882)</u>  |
| Finance cost paid  | (1,512,442)         | (1,911,632)         |
| <b>Net cash flows (used) / generated in operating activities</b>           | <u>15,897,961</u>   | <u>(4,108,514)</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                |                     |                     |
| Property, plant and equipment's  | (6,736,262)         | (1,768,695)         |
| Intangibles  | (7,064,528)         | (5,984,533)         |
| Sale proceeds from property, plant and equipment                           | 739,000             | -                   |
| Addition in investment   | (37,358,035)        | 100,000             |
| Long term deposits   | (1,000)             | (16,000)            |
| <b>Net cash flows used in investing activities</b>                         | <u>(50,420,825)</u> | <u>(7,669,228)</u>  |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                 |                     |                     |
| Lease liability  | (5,774,534)         | (10,478,786)        |
| <b>Net cash flows generated from financing activities</b>                  | <u>(5,774,534)</u>  | <u>(10,478,786)</u> |
| Net (decrease) / increase in cash and cash equivalents                     | (40,297,398)        | (22,256,528)        |
| Cash and cash equivalents at the beginning of the period                   | 194,464,896         | 76,819,150          |
| Cash and cash equivalents at the end of the period                         | <u>154,167,498</u>  | <u>54,562,622</u>   |
| Cash and bank balances   | 8 & 9 154,167,498   | 54,562,622          |
|  | <u>154,167,498</u>  | <u>54,562,622</u>   |

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

  
 Chief Executive Officer

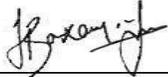
  
 Chief Financial Officer

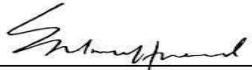
  
 Director

**UNIVERSAL NETWORK SYSTEMS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2022 (Un-audited)**

|   | Issued,<br>subscribed and<br>paid-up capital | Share Premium      | Unappropriated<br>profit    | Surplus on<br>revaluation of<br>property, plant<br>& equipment | Sponsors' Loan      | Total               |
|---|--|--------------------|-----------------------------|--|---------------------|---------------------|
| <b>Balance as at June 30, 2021</b>  | <b>205,714,300</b>                           | <b>43,286,074</b>  | <b>65,398,115</b>           | <b>27,845,460</b>  | <b>70,000,000</b>   | <b>412,243,949</b>  |
|   |  |                    | ----- <i>(Rupees)</i> ----- |  |                     |                     |
| Issuance of 6,857,000 ordinary share @ 10/- each                                  | 68,570,000                                   | -                  | -                           | -  | -                   | <b>68,570,000</b>   |
| Premium @ 55 per share on issue of 6,857,000 ordinary shares                      | -  | 359,042,794        | -                           | -  | -                   | <b>359,042,794</b>  |
| Reversal for Sponsor Loan's   | -  | -                  | -                           | -  | (70,000,000)        | <b>(70,000,000)</b> |
| 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)  | -                   | -                   |
| Profit after Tax  | -  | -                  | 15,945,656                  | -  | -                   | <b>15,945,656</b>   |
|   | <b>68,570,000</b>                            | <b>359,042,794</b> | <b>20,746,467</b>           | <b>(4,800,811)</b>   | <b>(70,000,000)</b> | <b>373,558,450</b>  |
| <b>Balance as at June 30, 2022</b>  | <b>274,284,300</b>                           | <b>402,328,868</b> | <b>86,144,582</b>           | <b>23,044,649</b>  | <b>-</b>            | <b>785,802,399</b>  |
| Realized revaluation surplus on derecognition- net of deferred tax                | -  | -                  | <b>477,790</b>              | <b>(477,790)</b>   | -                   | -                   |
| Transfer of revaluation surplus on incremental depreciation - net of deferred tax | -  | -                  | <b>867,816</b>              | <b>(867,816)</b>   | -                   | -                   |
| Total comprehensive income  | -  | -                  | <b>7,383,190</b>            | -  | -                   | <b>7,383,190</b>    |
| <b>Balance as at September 30, 2022</b>   | <b>274,284,300</b>                           | <b>402,328,868</b> | <b>94,873,378</b>           | <b>21,699,043</b>  | <b>-</b>            | <b>793,185,589</b>  |

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

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

**Universal Network System Limited**  
**Notes to the Condensed Interim Financial Statements**  
**For the period ended SEPTEMBER 30, 2022 - (Un-audited)**

**1. The Company and its operation**

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

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

The company has incorporated a wholly owned local subsidiary "Shyp Guru Private Limited" on September 14, 2022 to partner with global logistics / courier networks for international express courier and other kind of similar services as mentioned in the Memorandum of Association of the Company for Europe and other major destinations which can feed inbound / outbound business. No investment is made till September 30, 2022.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

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

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

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

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

These condensed interim financial statements comprise of the statement of financial position as at September 30, 2022 and statement of profit or loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity for the three months period ended September 30, 2022.

**2.4** The comparative statement of financial position presented in these condensed interim financial statements as at June 30, 2022 has been extracted from the audited financial statements of the Company for the year ended June 30, 2022, whereas the comparative condensed interim statement of profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity for the three months period ended September 30, 2021 have been extracted from the unaudited condensed interim financial statements for the period then ended.

**2.5** These condensed interim financial statements does not include all the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements for the period ended June 30, 2022.

**2.6 Presentation and functional currency**

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

**3. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2022.

| Note                              | (Un-audited)<br>Sep 30, 2022 | (Audited)<br>Jun 30, 2022 |
|-----------------------------------|------------------------------|---------------------------|
|                                   | ------(Rupees)-----          |                           |
| <b>5 PROPERTY &amp; EQUIPMENT</b> |                              |                           |
| Operating fixed assets            | 150,421,599                  | 150,523,336               |
| Work in progress                  | -                            | 4,810,584                 |
|                                   | <u>150,421,599</u>           | <u>155,333,920</u>        |

#### 6 RIGHT-OF-USE ASSETS

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

|   | Vehicles            | Rental<br>Properties | Total               |
|---|---------------------|----------------------|---------------------|
|   | ------(Rupees)----- |                      |                     |
| <b>6.1 Net carrying value basis</b>   |                     |                      |                     |
| Reclassified from operating fixed assets on initial application of IFRS 16 (note 4) | 6,556,499           | -                    | 6,556,499           |
| Right-of-use assets recognised on initial application of IFRS 16                    | 7,348,000           | 68,262,272           | 75,610,272          |
| Less: Depreciation charge for the year  | <u>(1,906,470)</u>  | <u>(22,448,018)</u>  | <u>(24,354,488)</u> |
| Closing net book value Jun 30, 2021   | 11,998,029          | 45,814,254           | 57,812,283          |
| Addition: during the period   | -                   | 12,938,454           | 12,938,454          |
| Less: Accumulated Depreciation  | <u>(1,194,696)</u>  | <u>(20,928,996)</u>  | <u>(22,123,692)</u> |
| Closing net book value June 30, 2022  | 10,803,333          | 37,823,712           | 48,627,045          |
| Addition: during the period   | -                   | -                    | -                   |
| Less: Depreciation charge for the year  | <u>(405,126)</u>    | <u>(6,756,751)</u>   | <u>(7,161,877)</u>  |
| Closing net book value September 30, 2022   | <u>10,398,207</u>   | <u>31,066,961</u>    | <u>41,465,168</u>   |
| 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    | <u>(3,101,166)</u> | <u>(43,377,014)</u> | <u>(46,478,180)</u> |
| Net book value June 30, 2022      | <u>10,803,333</u>  | <u>37,823,712</u>   | <u>48,627,045</u>   |
| Cost                              | 13,904,499         | 81,200,726          | 95,105,225          |
| Less: Accumulated Depreciation    | <u>(3,506,292)</u> | <u>(50,133,765)</u> | <u>(53,640,057)</u> |
| Net book value September 30, 2022 | <u>10,398,207</u>  | <u>31,066,961</u>   | <u>41,465,168</u>   |

#### 7 INTANGIBLE ASSETS

|                          |                   |                    |
|--------------------------|-------------------|--------------------|
| Computer software        | 18,657,834        | 19,991,250         |
| Amortization             | <u>(444,472)</u>  | <u>(1,333,416)</u> |
|                          | 18,213,362        | 18,657,834         |
| Capital work in progress | <u>72,080,389</u> | <u>64,571,389</u>  |
|                          | <u>90,293,751</u> | <u>83,229,223</u>  |

#### 8 SHORT TERM INVESTMENTS

|                              |     |            |             |
|------------------------------|-----|------------|-------------|
| Investment with mutual funds | 8.1 | 94,328,254 | 131,686,290 |
|------------------------------|-----|------------|-------------|

8.1 Investment with mutual funds make with tentative markup rate of (15.8% to 16.3%)

#### 9 CASH AND BANK BALANCES

|                      |     |                   |                   |
|----------------------|-----|-------------------|-------------------|
| Cash in hand         |     | 3,038,049         | 3,364,020         |
| Cash at bank         |     |                   |                   |
| - in current account |     | 31,618,505        | 30,904,588        |
| - in saving account  | 9.1 | <u>25,182,691</u> | <u>28,509,998</u> |
|                      |     | 56,801,195        | 59,414,586        |
|                      |     | <u>59,839,244</u> | <u>62,778,606</u> |

9.1 These carry markup rates of 10.5% (2021: 5%)

| <b>10 LEASE LIABILITIES</b>   | (Un-audited)<br><b>Sep 30, 2022</b> | (Audited)<br><b>Jun 30, 2022</b> |
|-------------------------------|-------------------------------------|----------------------------------|
|                               | -----Rupees-----                    |                                  |
| <b>10.1 Lease liabilities</b> |                                     |                                  |
| Current maturity              | 20,094,667                          | 25,867,487                       |
| Non-current maturity          | 25,296,688                          | 25,298,396                       |
|                               | <u>45,391,355</u>                   | <u>51,165,883</u>                |

**10.2 Reconciliation of total lease liabilities**

|                        |                   |                   |
|------------------------|-------------------|-------------------|
| Opening balance        | 51,165,883        | 61,644,669        |
| Additions              | -                 | 12,938,450        |
| Paid during the period | (5,774,528)       | (23,417,236)      |
| Closing balance        | <u>45,391,355</u> | <u>51,165,883</u> |

**11 CONTINGENCIES AND COMMITMENTS**

**11.1 Contingencies**

Corporate Guarantees given by the Company in favour of Serene Air (Private) Limited aggregating to Rs. Nil (2022: 20.00 million).

**11.2 Commitments**

There were no commitments as at September 30, 2022 (June 30, 2022: Nil).

**12 EARNING PER SHARE - basic and diluted**

|   |                   |                   |
|---|-------------------|-------------------|
| Profit after tax for the period                                 | 7,383,190         | 3,413,464         |
| weighted average number of shares outstanding during the period | <u>27,428,430</u> | <u>27,428,430</u> |
| Earning per share - basic and diluted                           | <u>0.27</u>       | <u>0.12</u>       |
|   |                   | (Restated)        |

**13 Transactions with related parties:**

| Name of the related party             | Relationship        | Transactions during the period              | Sep 30, 2022     | Sep 30, 2021 |
|---------------------------------------|---------------------|---|------------------|--------------|
|                                       |                     |   | -----Rupees----- |              |
| Universal Freight Systems (Pvt.) Ltd. | Common directorship | Sales of services                           | -                | 1,471,902    |
|                                       |                     | Purchase of services                        | 2,568,271        | 1,630,611    |
| UNS Employee's Provident Fund Trust   | Staff Benefits Plan | Net change in respect of staff benefit plan | 268,334          | 370,316      |
| Directors & Executives                | Executives          | Remuneration                                | 17,247,500       | 14,183,550   |

#### 14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

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

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

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

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

#### 15 CORRESPONDING FIGURES

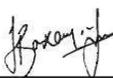
Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. No significant reclassifications were made during the period.

#### 16 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 27, 2022 by the Board of Directors of the company.

#### 17 GENERAL

Figures have been rounded off to the nearest

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

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

  
\_\_\_\_\_  
Director



blue 

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