PSW
PAKISTAN SINGLE WINDOW

ANNUAL REPORT

FY 2023-24

www.psw.gov.pk

CONTENTS

DIRECTORS' REPORT

The Directors of the Company take pleasure in presenting the 5th Annual Report for the year ending 30th June 2024, presenting the operational & financial performance of the company. The report gives a summary of the company's key activities during the past year and outlines successes, difficulties, and future prospects.

COMPANY OVERVIEW

Pakistan Single Window Company, commonly known as 'PSW' was incorporated in April 2020 under the Companies Act, 2017 and notified by the federal government as the 'operating entity' of the PSW system under the provisions of the PSW Act, 2021. A Governing Council chaired by the Minister of Finance & Revenues and comprising of federal secretaries from the key ministries regulating cross border trade along with four private sector members is responsible for the oversight and monitoring of the PSW system as well as serving as the interface and coordinator between all stakeholders. Pakistan Customs is the designated 'lead agency' for the PSW initiative providing the interface between the company and the federal government and also provides secretariat support to the PSW GC. The company has offices in Islamabad and Karachi. The PSW platform was rolled in June 2022 in line with Pakistan's commitment under the WTO Trade Facilitation Agreement. New features, services, and modules are constantly being added to it.

In a relatively short period of time, the Company has emerged as a success model for designing and executing complex digitalization projects in the public sector as well as for its unique governance and operating structure. The company has also consistently met the performance benchmarks agreed with the Government regarding delivery of the different components of the system and has been successfully executing its business and operational plans.

The Board has a vision to make PSW the top-tier company in digitalization of cross-border trade not only within the country but also internationally. In developing this vision, the Board and the Company management is encouraged by the success and goodwill that the PSW initiative is receiving from its national and international partners. We understand that success is not achieved overnight, and PSW is committed to deliver excellence with discipline and flexibility, adapting to changes in the business environment as needed.

VISION, MISSION, AND CORE VALUES OF PSW

PSW is rapidly emerging as a key factor in all cross-border trade-related initiatives. PSW's vision is to use technology and innovative solutions to enable ease in achieving compliance with national regulations which it aims to facilitate through the creation of a single electronic platform simplifying, standardizing, and digitizing cross border trade related procedures for reducing time and cost of doing business. PSW identifies integrity, innovation, and collaboration as its core values and actively promotes the ***'three Cs'*** i.e., Collaboration, Coordination, and Connectivity in its interaction with the stakeholders.

In order to realize this vision, PSW is providing support to customs, other government agencies (OGAs), and the private sector stakeholders in the:

- **a)** Review, analysis, and reengineering of their trade related business processes to align them with international best practices;
- **b)** Standardization and harmonization of information and documentary requirements;
- **c)** Digitization of business processes, documentary requirements and payments systems and integration with the PSW system;
- **d)** Review of legal framework related to cross border trade and policy interventions;
- **e)** Change management and capacity building of stakeholders and PSW users;
- **f)** Integration with international databases and single window systems of partner countries;

IMPLEMENTATION STATUS & ACHIEVEMENTS

Incorporated in 2020, FY 2023–24 is in the third year of its operations. During these three years generally and 2023-24 specifically, PSW has consistently achieved most of the performance benchmarks agreed with the PSW Governing Council and rapidly expanded its footprint. Its main product is the Pakistan Single Window system which began rolling out in July 2021 and achieved Phase 1 completion status in June 2022 in line with Pakistan's commitment under the World Trade Organization's Trade Facilitation Agreement (TFA). As of June 2024, the PSW System integrates Customs and 15 Other Government Agencies (OGAs), 29 commercial banks, and several other public and private sector entities associated with cross border trade on a single platform providing fully electronic services such as online customs registration, electronic processing of licenses, permits, certificates, and other documents prescribed by the integrated departments, and digital payments etc. The credentials for these users are verified through real time integrations with FBR, SECP, NADRA, and PMD strengthening PSW's Know-Your-Customer (KYC) protocols. In addition to the B2G processes, PSW is also digitizing B2B services related to cross border trade successfully integrating labs, pre-shipment inspection companies, and treatment providers into the system. Work on digitizing and integrating marine insurance, bank guarantees, insurance guarantees, treatment providers etc. is currently in progress. By the end of 2023-24 the number of PSW subscribers surpassed 80,000 and its coverage expanded to 71% of Pakistan's trade. The holistic approach and complete review of procedures by PSW has so far resulted in the elimination of 155 paper-based documents with electronic submissions creating ease of doing business.

Going forward, PSW will be launching the Port Community System in September, 2024 as well as operationalizing the primary data centre established with funding received from the Asian Development Bank. It also plans to develop and implement an e-Commerce platform for facilitating B2B2C e-commerce.

During the year, PSW successfully integrated with the global e-phyto hub to facilitate the exchange of e-Phytos between National Plant Protection Organizations (NPPOs) and is supporting Pakistan Customs in integrating with the Customs/SW systems of China, Tajikistan, and Uzbekistan. In 2024 PSW became the first SW operator to have conducted an independent assessment of the PSW system as per the SWAM Methodology developed by UNECE.

In addition to digitalization initiatives, PSW is also implementing the Khadijah Women Entrepreneurship Program to encourage and support more women and women led businesses to join the international supply chain. PSW held a major event in Lahore in December 2023 followed by a trip to Kazakhstan for the 'Pakistan-Kazakhstan Trade Opportunities Forum' organized by the United States Agency for International Development's (USAID).

Internationally PSW is being recognized for its achievements and implementation model and has been showcased at several international events as a success model.

CORPORATE GOVERNANCE

As a State-Owned Enterprise (SOE), PSW is required to comply with the provisions of the State-Owned Enterprises (Governance & Operations) Act, 2023, and the State-Owned Enterprises Ownership & Management Policy, 2023, as well as the Companies Act, 2017. These laws establish the legal framework for corporate governance within the Company. Oversight of corporate governance rests with the Board of Directors, while the management is responsible for managing day-to-day operational & financial matters in compliance with the policies approved by the Board.

BOARD OF DIRECTORS

The Board comprised of seven Directors as of 30th June, 2024, including the Chief Executive Officer (CEO). Six Board meetings were convened during FY 2023-24 as well as several meetings of the Board Committees. The details of the Board meetings are attached as ***Annex-A*** whereas specific statements presented by the Board are attached as ***Annex-B***. The details of the Board Members along with the Board's committees are detailed below:

- **Mr. Ashhad Jawwad**, Member Customs (Operations), Federal Board of Revenue (FBR), Member Board of Directors, PSW
- **Ms. Ambreen Iftikhar**, Additional Secretary/Executive Director General (EDG), Board of Investment (BOI), Member Board of Directors, PSW
- **Mr. Muhammad Imran**, Director General (DG) Reforms & Automation (Customs), FBR, Member Board of Directors, PSW
- **Mr. Muhammad Waqas Azeem**, Joint Secretary (JS), Exports & Imports (EXIM), Ministry of Commerce (MoC), Member Board of Directors, PSW
- **Mr. Muhammad Anees**, Nominee of Pakistan Business Council (PBC), Member Board of Directors, PSW
- **Mr. Khurram Ijaz**, Nominee of Federation of Pakistan Chamber of Commerce & Industry (FPCCI), Member Board of Directors, PSW
- **Syed Aftab Haider**, Chief Executive Officer (CEO), PSW, Executive Director, PSW

BOARD'S COMMITTEES

The Board has three sub-committees as follow to support it in its work:

AUDIT COMMITTEE

The Audit Committee is entrusted with the critical responsibility of ensuring robust internal controls and the accurate reporting of the company's financial performance. This involves a comprehensive review and evaluation of the company's financial reporting processes, risk management practices, and compliance with statutory and regulatory requirements. The committee works closely with both internal and external auditors to assess the adequacy of financial controls, identify any weaknesses or potential risks, and recommend corrective measures. The Terms of Reference (TORs) of the Audit Committee are attached as ***Annex-C***. The membership of the committee is detailed below:

- Mr. Khurram Ijaz (Chairperson)
- Ms. Ambreen Iftikhar (Member)

HUMAN RESOURCE COMMITTEE

The Human Resource Committee of the Board is responsible for overseeing the company's human resources policies and practices, ensuring alignment with its strategic objectives. The membership of the committee is detailed below:

- Mr. Muhammad Anees (Chairperson)
- Ms. Ambreen Iftikhar (Member)
- Mr. Muhammad Imran (Member)

PROCUREMENT COMMITTEE

The Procurement Committee of the Board is responsible for overseeing the company's procurement activities, ensuring transparency, efficiency, and alignment with strategic and financial objectives. The membership of the committee is detailed below:

- Mr. Muhammad Waqas Azeem (Chairperson)
- Mr. Muhammad Anees (Member)

In addition to the above, a Risk Management Committee has also been reconstituted by the Board whose TORs are attached as ***Annex-D*. **The membership of the Committee shall be determined in the Board of Directors meeting to held in the FY 2024-25.

FINANCIAL HIGHLIGHTS

In a relatively short period of time, the Company has improved its financial health. Despite no funding received from the Government or a development partner, the Company has posted an operational surplus for the second consecutive year reflecting the diligent and prudent management of its self generated resources. A brief summary of the financial position of the Company over the past five financial years is tabulated below:

Details	2020	2021	2022	2023	2024
Revenue	-	9,263,960	67,624,539	709,018,467	1,661,298,338
Surplus/(Deficit)	(3,601,122)	(51,015,781)	(178,221,231)	112,513,317	480,208,768
Sponsor's Loan	-	800,155,359	1,709,397,346	2,197,718,390	2,197,718,390

EXECUTIVE REMUNERATION

The details for the remuneration of Directors, Chief Executive Officer (CEO) and key management personnel with the aggregate amount charged in the financial statements for remuneration including all benefits are as follows:

	2024				2023			
	CEO	Directors	Executives	Total	CEO	Directors	Executives	Total
	--------------------------Rupees--------------------------				--------------------------Rupees--------------------------			
Meeting fee	-	2,550,000	-	**2,550,000**	-	2,290,000	-	**2,290,000**
Managerial remuneration	28,183,338	-	442,423,365	**470,606,703**	22,100,004	-	348,482,710	**370,582,714**
Medical allowance	-	-	80,190	**80,190**	-	-	7,593,242	**7,593,242**
Fuel/ conveyance allowance	672,555	-	25,306,487	**25,979,042**	881,664	-	31,087,033	**31,968,697**
Connectivity allowance	120,000	-	4,599,434	**4,719,434**	120,000	-	4,028,635	**4,148,635**
COLA allowance	-	-	912,850	**912,850**	-	-	4,242,532	**4,242,532**
EOBI	19,200	-	1,829,060	**1,848,260**	15,000	-	1,066,875	**1,081,875**
Provident fund	1,367,402	-	22,708,069	**24,075,471**	1,233,420	-	12,810,390	**14,043,810**
Leave fair assistance	683,976	-	11,821,071	**12,505,047**	616,959	-	8,093,997	**8,710,956**
Leave encashment	671,230	-	10,568,488	**11,239,718**	605,480	-	8,657,638	**9,263,118**
Festive allowance	2,041,667	-	35,884,485	**37,926,152**	1,841,667	-	26,678,327	**28,519,994**
	33,759,368	**2,550,000**	**556,133,499**	**592,442,867**	**27,414,194**	**2,290,000**	**452,741,379**	**482,445,573**
Number of persons	**1**	**8**	**100**	**109**	**1**	**6**	**95**	**102**

However, while the Company is financially self-sustaining for its current operations, it will require additional funding to launch new projects and develop additional modules. The primary sources of revenues for the Company are as follows:

- Subscription Fee;
- Single Declaration (SD) Fee;

The PSW fee provides a sustainable source of income to the Company and can be raised with the approval of the Governing Council in case additional funding is required for PSW operations or maintenance

RISKS & UNCERTAINITIES

While the implementation process has generally progressed smoothly, PSW has faced challenges such as resistance to change, limited IT readiness, and prolonged bureaucratic procedures within some OGAs, delaying critical approvals for software development and integration with PSW. Additionally, delays or non-disbursal of committed funds by the FBR and certain development partners have, at times, impacted project timelines. However, PSW has effectively mitigated most of these risks by enhancing stakeholder engagement, adopting a more flexible approach to integrating OGAs, and diversifying revenue streams to reduce reliance on external funding sources.

PSW RISK MATRIX

Risk ID	Potential Risk	Description
OGA integration	It may take longer than planned to integrate relevant OGAs	OGA integration is the weakest link in PSW. Unlike Customs which is operating WeBOC, most OGAs are not used to automation. Therefore, OGAs may take too long to build up sufficient capacity for electronically integrating with the PSW. In certain cases, OGAs may incorrectly view PSW as intruding in their regulatory

		domains and resist integration. ***Cases in point: MoFA, EDB, and BoI.*** **Risk Mitigation:** Agreed timelines for integration, constant support and handholding, PSW GC intervention where required.
Resistance to Change	OGAs and other stakeholders may resist change	Digitization eliminates unethical practices such as bribing and wastages which may be a factor in resisting the change that PSW potentially brings. Fear of layoffs, perceived loss in power (and nuisance), and possible accountability for bad/non-performance may further contribute to the resistance by government officials. The resistance may also come from stakeholder groups that benefit from paper-based processes and/or opaqueness in the application of customs and trade laws. PSW's change management strategy has so far been effective in reaching out to various stakeholder groups and addressing most of their concerns. However, it requires a sustained and long-term effort to ensure that the PSW initiative remains on track. **Risk Mitigation:** Sustained levels of effort on change management targeting key stakeholders at all levels (i.e., political, bureaucratic, and business).
Human Resource (HR) capacity deficit	HR capacity in government may not be able to cope with PSW demands initially;	HR especially in OGAs do not have sufficient capacity, at least initially to cope with the requirements of the PSW such as: 1) IT competence to function in the PSW electronic environment on a paperless basis; 2) Process applications for LPCOs speedily and work with shorter time limits. **Risk Mitigation:** Training and capacity building for OGA officials, support to OGAs in transitioning of HR to new roles.
Delayed/non-replacement of Domain Officers	Non-deputation of government officers for domain management may slow development of new designs	As of now 10 officers primarily from Customs are working in PSW on deputation basis for three years in key roles for system design and implementation. In addition to business knowledge, the officers bring crucial experience in governance and management, wider access to bureaucratic network, and greater credibility amongst the stakeholders. Going forward, it will be important to augment and timely replace this

		cohort to ensure business continuity. Delayed/non-replacement of the existing resources lengthens the orientation phase for new hires and may impact PSW roll out timelines. **Risk Mitigation:** Onboarding of domain specialists from OGAs and the private sector to reduce dependence on Customs, succession planning, timely onboarding of domain officers from Customs as replacements for existing cohort.
Development/ implementation model	PSW bespoke development more time consuming and exposes PSW to the vulnerabilities of the dynamic IT sector	The decision to go for bespoke development of the PSW instead of a readymade over the counter solution means longer development and deployment times. Moreover, as the system expands, the number of IT resources required to engage and retain on permanent basis is also exponentially increasing causing strain on PSW's financial resources. The surging demand for IT resources internationally is resulting in many skilled IT personnel taking up international jobs or free-lancing assignments that are financially more rewarding. Insufficient resources may negatively impact PSW roll out timelines. **Risk Mitigation:** Implementation of HR retention policies, increased use of temporary contracts, staff augmentation, and outsourcing projects, integration of off-the-shelf tools/products.
Inadequate financial resources	Due to fiscal constraints adequate funding may not be available for future expansion and upkeep.	Till date PSW has been primarily funded through SD fee collected on each declaration filed and processed through the system. Whereas, the amount generated from PSW fee makes it operationally sustainable, it is insufficient to meet its growing needs primarily because the per transaction service fee is substantially lower than the original PC-1 estimates. **Risk Mitigation:** Enhancement to PSW's revenue pipelines by accelerating implementation of the PCS, integration of B2B services and charging of service fee, increase in the rate of PSW service fee, and undertaking commercial activities such as advisory services and system development for OGAs, SLA with customs for reimbursement of WeBOC related expenses.

CORPORATE SOCIAL RESPONSIBILITY

PSW is committed to its role as a socially responsible organization. As an innovation hub centered on information and communication technology, PSW is dedicated to enhancing Pakistan's integration into global trade and logistics by providing a single, centralized data submission platform. This streamlined approach not only reduces the time, cost, and complexity of international trade but also simplifies the overall process. Recognizing the importance of corporate responsibility in maximizing the benefits of global trade and investment, PSW developed a comprehensive Corporate Social Responsibility (CSR) Policy which is aligned with the United Nations (UN) Sustainable Development Goals (SDGs) and is focused on addressing key challenges to promote a fair, environmentally sustainable, and healthy society. During the year PSW has taken several CSR activities some of which are as follows:

KHADIJAH – WOMEN EMPOWERMENT PROGRAM

PSW is dedicated to increasing female participation in international trade in Pakistan by leveraging its innovative digital platform to reduce cross-border barriers through targeted training programs and resources, enhancing their understanding of trade dynamics, compliance, and digital tools. By offering this support, PSW equips women with the skills and knowledge they need to overcome obstacles and achieve global success.

STRENGTHENING DIVERSITY, EQUITY AND INCLUSION IN THE WORKPLACE

PSW reaffirmed its commitment to diversity, equity, and inclusion (DEI) through a series of impactful initiatives. These efforts emphasize creating an inclusive environment, advancing gender equality, and addressing unconscious bias. Our comprehensive DEI training sessions, offered across all levels of the organization, are designed to enhance cultural competence and embed DEI principles into our daily operations.

PSW TRAINING PARTNERSHIP PROGRAM

PSW is inviting experienced organizations to join our Training Partnership Program, designed to enhance the training and capacity-building of stakeholders involved in Pakistan's cross-border trade.

RAMADAN RATION BOXES DISTRIBUTION:

During Ramadan, PSW organized a drive to support our dedicated support staff by providing essential ration packs. Recognizing the importance of community and compassion, our team distributed these packs to ensure our staff and their families had the necessary supplies for a comfortable and joyous Ramadan.

FUTURE PROSPECTS

PSW envisions a bright and prosperous future. Following the directives of the honorable Prime Minister of Pakistan, PSW's scope will be expanded nationwide. PSW has embarked on a mission to establish itself as a key player in global trade. With a data-centric approach, PSW aims to forge connections with countries such as Tajikistan, Uzbekistan, and Egypt for seamless integration. Additionally, PSW is engaging with international e-commerce platforms like Ali Baba to expand its footprint in the e-commerce sector and create a launching pad for Pakistan's Small and Medium Enterprises (SMEs), facilitating their access to global markets.

The development of PSW's Airport Community System (ACS) is currently underway, while the Port Community System (PCS) is scheduled for launch in FY 2024-25. Both ACS and PCS are poised to be game changers for Pakistan's trade landscape, streamlining processes for regulatory authorities and traders alike, and facilitating smoother, more efficient trade transactions. PSW is empowering the Government and key stakeholders to make data-driven decisions, enhancing policy-making and operational efficiency. Additionally, the data collected through the PSW system can support law enforcement agencies in carrying out their duties more effectively.

ACKNOWLEDGEMENT

We take this opportunity to thank all stakeholders for helping the company to progress. The management & employees of the Company are the greatest strengths of the Company, and they have demonstrated their commitment once again throughout the year. They are fundamental to everything PSW does, particularly when the entire world is fast moving towards digitalization. The Board would like to pay tribute to the professionalism and dedicated efforts of the PSW employees in executing the Board's policies. The Board also appreciates the continuous support and guidance extended by the Ministry of Finance, the Federal Board of Revenue, Pakistan Customs, and other Federal Government departments. Special recognition is due to the Honorable Prime Minister of Pakistan as well as the Finance Minister who have both emerged as PSW champions.

On behalf of the Board,

On behalf of the Board,

Chief Executive Officer
22nd October, 2024

Director

AUDITED FINANCIAL STATEMENTS

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PAKISTAN SINGLE WINDOW
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	2024 (Rupees)	2023 (Rupees)
FUNDS AND LIABILITIES			
FUNDS			
Funds		360,883,951	(119,324,817)
Loan from sponsor	5	2,197,718,390	2,197,718,390
		2,558,602,341	**2,078,393,573**
NON CURRENT LIABILITIES			
Lease liabilities	6	117,026,091	97,428,088
Deferred capital grant	7	80,043,135	82,471,254
Deferred tax liability	8	28,618,281	-
		225,687,507	**179,899,342**
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	9	149,069,911	88,241,734
Provision for taxation	10	149,672,248	23,088,616
Current portion of lease liabilities		63,585,369	41,086,871
Staff post-retirement benefit	11	9,087,985	47,926,068
		371,415,513	**200,343,289**
CONTINGENCIES AND COMMITMENTS	12	-	-
TOTAL FUNDS & LIABILITIES		**3,155,705,361**	**2,458,636,204**
ASSETS			
NON CURRENT ASSETS			
Property and equipment	13	463,211,248	184,724,159
Right of use assets	14	158,496,813	118,937,198
Intangibles	15	1,402,433,378	764,927,477
Long term deposits	16	19,362,004	10,425,434
		2,043,503,443	**1,079,014,268**
CURRENT ASSETS			
Trade and other receivables	17	243,240,308	61,181,675
Advances and prepayments	18	107,677,366	64,629,221
Short term investment	19	300,000,000	-
Cash and bank balances	20	461,284,244	1,253,811,040
		1,112,201,918	**1,379,621,936**
TOTAL ASSETS		**3,155,705,361**	**2,458,636,204**

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

CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR

PAKISTAN SINGLE WINDOW
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 (Rupees)	2023 (Rupees)
INCOME			
Amortization of grant		-	5,433,729
Amortization of deferred capital grant	7	2,428,119	1,225,485
Income from operations	21	1,286,113,553	502,113,100
Other income	22	372,756,666	200,246,153
		1,661,298,338	**709,018,467**
EXPENDITURE			
Operating expenses	23	750,433,540	405,321,938
Administrative expenses	24	206,324,039	160,368,420
Amortization of deferred capital grant		2,428,119	1,225,485
Finance costs	25	12,339,922	6,560,443
		971,525,620	**573,476,286**
Surplus before tax		**689,772,718**	**135,542,181**
Taxation	26	(209,563,950)	(23,028,864)
Surplus for the year		**480,208,768**	**112,513,317**

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

PAKISTAN SINGLE WINDOW
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 (Rupees)	2023 (Rupees)
Surplus for the year		**480,208,768**	**112,513,317**
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**480,208,768**	**112,513,317**

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

PAKISTAN SINGLE WINDOW
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2024

	Amount in Rupees		
	Funds	**Sponsor's Loan**	**Total**
Balance as on 01 July 2022	**(231,838,134)**	**1,709,397,346**	**1,477,559,212**
Surplus for the year	112,513,317	-	**112,513,317**
Other comprehensive income for the year	-	-	-
Loan from sponsor received during the year	-	488,321,044	**488,321,044**
Balance as on 30 June 2023	**(119,324,817)**	**2,197,718,390**	**2,078,393,573**
Surplus for the year	480,208,768	-	**480,208,768**
Other comprehensive income for the year	-	-	-
Balance as on 30 June 2024	**360,883,951**	**2,197,718,390**	**2,558,602,341**

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

PAKISTAN SINGLE WINDOW
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 (Rupees)	2023 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before tax		**689,772,718**	**135,542,181**
Adjustment of non-cash / non-operating activities			
Depreciation on operating fixed assets		15,288,555	16,487,269
Depreciation on right of use assets		22,077,321	15,974,067
Interest on saving accounts and short-term investments		(199,634,485)	(95,046,162)
Staff retirement-benefits expense for the year	10.1, 10.2	47,765,182	36,240,420
Amortization of deferred capital grant	7	2,428,119	1,225,485
Finance costs		12,339,922	6,560,443
Operating cashflows before changes in working capital		**590,037,332**	**116,983,703**
Changes in working capital			
(Increase) in trade and other receivables		(156,603,143)	(35,558,821)
(Increase)/ decrease in advances and prepayments		(60,028,938)	(20,113,504)
Increase in creditors, accrued and other liabilities		60,828,177	46,358,125
Cash generated from operations		**434,233,428**	**107,669,503**
Staff post-retirement benefits paid	10.1, 10.2	(91,321,720)	(5,243,436)
Finance costs paid		(22,457,070)	(17,814,555)
Income tax paid		(37,381,244)	(14,887,068)
Cash generated from operating activities		**283,073,394**	**69,724,444**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment against acquisition of operating fixed assets		(106,693,886)	(49,719,391)
Payment against capital expenditure on intangibles		(531,313,153)	(347,778,977)
(Payment)/ receipt against long term deposits		(8,936,570)	2,210,756
Interest on saving accounts and short-term investments received		174,178,995	95,046,162
Payment against capital work in progress		(253,397,953)	(65,791,981)
Cash used in investing activities		**(726,162,567)**	**(366,033,431)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of principal against lease liabilities		(49,437,623)	(28,804,480)
Receipt against deferred grant		-	42,050,009
Receipt against sponsor's loan		-	488,321,044
Cash (used in) / generated from financing activities		**(49,437,623)**	**501,566,573**
(Decrease)/ increase in cash and cash equivalents during the year		**(492,526,796)**	**205,257,586**
Cash and cash equivalents at the beginning of the year		1,253,811,040	1,048,553,454
Cash and cash equivalents at the end of the year	20.2	**761,284,244**	**1,253,811,040**

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

PAKISTAN SINGLE WINDOW
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1. CORPORATE AND GENERAL INFORMATION

1.1. LEGAL STATUS AND OPERATIONS

Pakistan Single Window ("the company") was incorporated on April 15, 2020 with Securities and Exchange Commission of Pakistan (SECP) under Section 42 of the Companies Act, 2017. The objective of the company is to facilitate efficient imports, exports, international transit and matters ancillary thereto, across Pakistan's national territory and notified international borders.

Federal Board of Revenue - Pakistan Customs was operating the National Single Window project through Pakistan Revenue Automation (Private) Limited (PRAL) by providing funds for operational expenses to be incurred in implementing the project. Since there was no act for the project implementation, therefore Pakistan Single Window Act, 2021 was promulgated on April 13, 2021, and in so far as relevant to the intent and objects of this Act, it was necessary to establish a separate entity, thus Pakistan Single Window (PSW) became the operating entity of the project owned by the Government of Pakistan, through its lead agency, Pakistan Customs.

Geographical locations and addresses of the business units are as under:

Location	Purpose
2nd Floor, NTC Building, Sector G-5/2 Islamabad Urban Islamabad Capital Territory (I.C.T.).	Registered office / Head office
Ground Floor, NESPAK Building, Sector G-5/2 Islamabad Urban Islamabad Capital Territory (I.C.T.).	Branch office
4th Floor, Bahria Complex-III M.T. Khan Road, Karachi	Branch office
6th Floor, Bahria Complex-I M.T. Khan Road, Karachi	Branch office
5th Floor, Bahria Complex-I M.T. Khan Road, Karachi	Branch office

2. BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS's) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting standards for Not-for-profit organization (NPOs) as issued by Institute of Chartered Accountants of Pakistan,
- Provisions of and the directives issued under the Companies Act, 2017 and State Owned Enterprise (Governance and Operations) Act, 2023.

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

2.2. COMPLIANCE WITH DEBT OBLIGATIONS AND STATE OWNED ENTERPRISE (GOVERNANCE AND OPERATIONS) ACT 2023

In accordance with the requirements of the State Owned Enterprise (Governance and Operations) Act, 2023 the Board of Directors confirms that:

- The Company has assessed its financial position and is able to meet all debt obligations as they fall due.
- The Company confirms adherence to all relevant accounting and reporting requirements prescribed under the State Owned Enterprise (Governance and Operations) Act, 2023.

2.3. Accounting convention

These financial statements have been prepared under the "historical cost" convention. Moreover, these financial statements have been prepared on accrual basis except for cash flows information.

2.4. Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional currency of the company.

2.5. Material estimates and judgements

The preparation of financial statements in conformity with the International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgement about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which they are revised if the revision affects only that period, and any future periods affected.

Material areas requiring the use of management estimates in these financial statements relate to the capitalized development cost. However, assumptions and judgements made by management in the application of accounting policies that have material effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO THE APPROVED ACCOUNTING STANDARDS

3.1. There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Company's financial statements except as disclosed in note 4 to these financial statements.

3.2. Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IFRS 16	Leases (Amendments)	January 1, 2024
IAS 21	The Effects of changes in Foreign Exchange Rates (Amendments)	January 1, 2024
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
IFRS 9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026

3.3. The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

3.4. Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been noticed locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2024;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC 12	Service Concession Arrangement
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied during the period, unless otherwise stated.

4.1. Property and equipment

i. Owned assets

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation is charged by applying straight-line method over the remaining useful life of the assets.

Depreciation on additions to property and equipment is charged from the month in which an asset is acquired/ capitalized, while no depreciation charged for the month in which asset is disposed off.

ii. Right of use assets

The company recognizes the right of use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right of use assets are measured at cost less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets will be depreciated over the shorter of its estimated useful life or the lease term.

iii. Capital work in progress

Capital work in progress is stated at cost less any identified impairment losses. It represents expenditure incurred on assets during construction, installation and development phase. Cost also include applicable borrowing costs under IAS 23 or other relevant IFRS, if and when applicable. These expenditures will be transferred to the relevant asset's category as and when assets are available for use.

4.1.1. Impairment of assets

Management assesses at each statement of financial position date whether there is any indication that assets are 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 amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of income and expenditure. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

4.1.2. Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the company and the cost of the asset can be measured reliably. All other repair and maintenance costs are charged to statement of income and expenditure during the period in which they are incurred.

4.1.3. Gains or losses

Gains or losses on disposal of assets, if any, are included in statement of income and expenditure as and when incurred.

4.2. Intangible assets

Research and development expenditure

Research costs are expensed out as incurred. 'Development' costs are expensed out as incurred unless technical and commercial feasibility of the development is demonstrated, it is probable that future economic benefits will flow to the company, the company has an intention and ability to complete and use or sell the software and cost can be measured reliably.

There are two components of intangible assets:
• In-house developed intangible assets
• Intangible assets acquired from market

(i) **In-house developed intangible assets**
The costs incurred internally to create a software or to develop an enhancement to an existing software is charged to statement of income and expenditure when incurred as research and development expense until technological feasibility for the respective software is established. Thereafter, all software development costs are capitalized and reported at the lower of unamortized cost or recoverable amount. Capitalization ceases when the developed software or enhancement will be available for general commercial or in-house use. Amortization is charged on straight line basis over the useful life of the intangible assets. All intangible assets with an indefinite useful life will be tested for impairment at each statement of financial position date.

(ii) Intangible assets acquired from market
Intangible assets acquired from market are stated at cost less accumulated amortization and impairment losses, if any. Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the company and the cost of the asset could be measured reliably. All other expenses are charged to statement of income and expenditure when they occur. Amortization is charged by applying straight-line method to write off the cost over the remaining useful life of the intangible assets unless such lives are indefinite. All intangible assets with an indefinite useful life are tested for impairment at each statement of financial position date.

4.3. Long term deposits

Long term deposits shall be shown at recoverable value and will also be adjusted to their estimated value by means of the write down reserve, if any.

4.4. Income recognition

The company follows IFRS-15 for the recognition of revenue for its revenue streams.

The company determines revenue recognition using the following step-wise approach:

• Identification of the contract, or contracts, with a customer;
• Identification of the performance obligations in the contract;
• Determination of the transaction price;
• Allocation of the transaction price to the performance obligations in the contract; and
• Recognition of revenue when, or as, a performance obligation is satisfied.

The company has following primary revenue stream:

• Upfront fee – a prescribed application processing fee, fixed by the Governing Council and notified to management from time to time, shall be charged to the traders/clearing agents who submits an online application for subscription to the PSW electronic platform and for any subsequent change/update thereon.

• Single declaration fee – a prescribed fee, fixed by the Governing Council and notified to management from time to time, shall be charged to the customer who submits a GD for imports/exports using Pakistan Single Window electronic platform.

4.4.1. Grants

Grants are recognized when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognized as an income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognized as deferred income and released to income in amounts equal to depreciation over the expected useful life of related asset.

4.4.2. Other income

Other income is recognized in the period it relates to.

4.5. Loan from sponsor

This represents unconditional, unsecured and interest free loan from Pakistan Customs (sponsor) - related party, which will be payable on the discretion of the company and is consider as part of equity.

4.6. Creditors, accrued and other liabilities

Creditors, accrued and other liabilities are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

4.7. Related party transactions

Transactions with related parties are carried out at arm's length and priced at comparable uncontrolled market price unless stated otherwise.

4.8. Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and at current or remunerative accounts held with banks, fixed deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an immaterial risk of changes in value.

4.9. Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amount and the company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

4.10. Advances and prepayments

These all will be shown at recoverable value and will also be adjusted to their estimated realizable value by means of the write down reserve, if any.

4.11. Trade and other receivable

Trade debts and other receivables are classified as financial assets at amortized cost and subsequently measured at amortized cost less allowance for expected credit loss and impairment if any. Other receivables are recognized at cost which is fair value of the consideration to be received in the future.

4.12. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings, if any, are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of income and expenditure and liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of income and expenditure. Other financial liabilities are also subsequently measured at amortized cost using the EIR method. Interest expense and foreign exchange gains and losses are recognized in the statement of income and expenditure. Any gain or loss on de-recognition will also be recognized in the statement of income and expenditure.

4.13. Lease liabilities

At the commencement date of the lease, the company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities are increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities are re-measured in case of a modification, a change in the lease term, in-substance fixed lease payments or the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The company applies the short-term leases and leases of low-value assets as per relevant accounting standard (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Material judgement in determining the lease term of contracts with renewal options

The company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The company will apply judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the company reassesses the lease term if there is a material event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

4.14. Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past event and, it is probable that an outflow of resources embodying economic benefits are required to settle the obligation and reliable estimate of the amount could be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

4.15. Fair value

The fair value of financial instruments that are actively traded in organized financial markets are determined but reference to quoted market bid prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transaction; reference to the current market value of another instrument, which has substantially similar characteristics, discounted cash flow analysis or other valuation models.

4.16. Contingencies and commitments

Contingencies

Contingency represents a condition, situation or set of circumstances involving a possible loss that will ultimately be resolved when one or more future events occur or fail to occur e.g. litigation, disallowances, performance bond, credit guarantee, actual or possible claims or assessments etc.

These determinations are frequently very difficult to make and require an informed judgement on the best information available before the release of the financial statements. Information considered in making these determinations includes the views of legal counsel and other experts, past experience of the State or others in similar situations, qualitative factors relevant to the entity that has issued the guaranteed obligations, and intentions of the company (whether, for example, an appeal of an adverse court decision will be made). Disclosure generally is not required when the likelihood of a loss is remote, unless there is extreme materiality or unusual circumstances involved warranting the disclosure of such.

Commitments

The Board understands that certain liabilities may not exist as of the statement of financial position date, but due to an agreement or contractual obligation, may arise as commitments to certain revenue expenses for future fiscal year or projected capital expenditures over a period of time at a future date.

4.17. Staff retirement benefits

Provident fund

The company operates a defined contribution provident fund for all eligible employees, for whom equal monthly contribution are made to the fund by the company and the employees at the rate of 8.33% of the basic pay of each eligible employee. The company's contribution is charged to statement of income and expenditure.

Voluntary pension scheme

The company operates a voluntary pension scheme for all eligible employees, for whom equal monthly contribution are made to the fund by the company at the rate of 8.33% of the basic pay. The company's contribution is charged to statement of income and expenditure.

4.18. Taxation

4.18.1. Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.18.2. Deferred tax

Deferred tax is accounted for using the statement of financial position approach in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and corresponding tax bases used in the computation of the taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference, unused tax losses and tax credits can be utilized.

4.19. Financial Instruments - Initial recognition and subsequent measurement

4.19.1. Recognition

Financial assets and liabilities are recognized at the time the company becomes a party to contractual provisions of the instrument.

The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.19.2. Classification of financial assets

The company classifies its financial instruments in the following categories:

- at fair value through profit or loss (FVTPL),
- at fair value through other comprehensive income (FVTOCI), or
- at amortized cost.

The company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The company classifies its financial liabilities in the following categories:

- at fair value through profit or loss (FVTPL); or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the company has opted to measure them at FVTPL.

4.19.3. Subsequent Classification

Financial assets at fair value through other comprehensive income (FVTOCI)

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

Financial assets and liabilities at fair value through profit and loss (FVTPL)

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

4.19.4. De-recognition

Financial assets and liabilities are derecognized when the company loses control of the contractual rights that comprise the financial asset. The company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the company surrenders those rights. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

4.19.5. Off-setting

Financial assets and liabilities are off set when the company has a legally enforceable right to offset and intends to settle either on a net basis and to realize the asset or settle the liability simultaneously.

4.19.6. Impairment

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an "incurred loss" event) and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be readily estimated.

	Note	2024 (Rupees)	2023 (Rupees)
5 LOAN FROM SPONSOR			
Balance as at 01 July		2,197,718,390	1,709,397,346
Loan from sponsor received during the year		-	488,321,044
Balance as at 30 June	5.1	**2,197,718,390**	**2,197,718,390**

5.1 This represents unconditional, unsecured and interest free loan from Pakistan Customs (sponsor) - related party, which is payable at the discretion of the company, the transaction is outside the normal course of business.

	Note	2024	2023
6 LEASE LIABILITIES			
Balance as at 01 July		138,514,959	180,292,329
Additions/ (adjustments) to lease liability		91,534,124	(12,972,890)
Finance cost relating to lease liabilities	6.2	22,295,061	17,663,939
Payments made during the year		(71,732,684)	(46,468,419)
		180,611,460	**138,514,959**
Current portion of lease liabilities		(63,585,369)	(41,086,871)
Balance as at 30 June		**117,026,091**	**97,428,088**

6.1 These represents lease contracts for offices situated in Karachi and Islamabad used in its operations and had estimated lease terms between 3 to 5 years. These are discounted using borrowing rate ranging from 8% to 23.12% of the Company.

	Note	2024	2023
6.2 Finance cost recognition			
Amount recognized in income and expenditure	25	12,177,913	6,513,647
Amount recognized in intangibles	15.6	10,117,148	11,150,292
		22,295,061	**17,663,939**
6.3 Maturity analysis of lease liabilities			
Up to one year		63,585,369	41,086,871
After one year		117,026,091	97,428,088
Total lease liability		**180,611,460**	**138,514,959**
7 DEFERRED CAPITAL GRANT			
Balance as at 01 July		82,471,254	41,646,730
Transferred from deferred grants		-	42,050,009
Amortization charge for the year representing depreciation on related items of operating fixed assets	13.1.1	(734,822)	(769,368)
Amortization - others		(1,693,297)	(456,117)
Balance as at 30 June		**80,043,135**	**82,471,254**
8 DEFERRED TAX LIABILITY			
Taxable temporary differences			
Intangible development cost		57,426,070	26,934,628
ROU assets		45,964,076	34,491,787
Deductible temporary differences			
Property and equipment		(8,452,665)	(1,606,320)
Lease liabilities		(52,377,323)	(40,169,338)
Tax losses		-	(19,650,757)
Tax credits		(13,941,877)	-
		28,618,281	-
8.1 Movement in respect of deferred tax balance during the year			
Balance as at 01 July		-	-
Add: charge during the year-statement of income and expenditure		28,618,281	
		28,618,281	-

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		Note	2024 (Rupees)	2023 (Rupees)
9	**CREDITORS, ACCRUED AND OTHER LIABILITIES**			
	Creditors		38,647,019	29,741,350
	Accrued expenses		41,445,692	24,539,632
	Withholding income tax payable		12,543,959	14,328,292
	Guarantee deposits payable		4,021,253	5,222,384
	Withholding sales tax payable		143,477	95,247
	Audit fee payable		98,600	98,600
	Other liabilities	9.1	52,169,911	14,216,229
			149,069,911	88,241,734

9.1 This represents the amount credited by the National Bank of Pakistan in the company's account. The management has taken up the matter with the management of National Bank as the management believes that this amount has been wrongly credited into the company's account.

		Note	2024 (Rupees)	2023 (Rupees)
10	**PROVISION FOR TAXATION**			
	Balance as at 01 July		23,088,616	599,093
	Charge for the year		180,449,584	23,028,864
	Prior year adjustment		496,085	-
	Income tax paid during the year		(37,381,244)	-
	Adjustment of prior year advance income tax		(16,980,793)	(539,341)
	Balance as at 30 June		149,672,248	23,088,616
11	**STAFF POST-RETIREMENT BENEFITS**			
	Unrecognized provident fund	11.1	-	47,926,068
	Contributory Voluntary Pension Scheme	11.2	9,087,985	-
			9,087,985	47,926,068
11.1	**UNRECOGNIZED PROVIDENT FUND**			
	Balance as at 01 July		47,926,068	15,108,278
	Employees' contribution during the year		15,646,862	18,120,210
	Employer's contribution during the year		15,646,862	18,120,210
	Interest for the year		4,718,455	1,820,806
	Final settlement made during the year		(83,938,247)	(5,243,436)
	Balance as at 30 June		-	47,926,068

11.1.1 During the year, the management terminated the provident fund and replaced it with voluntary pension scheme.

			2024 (Rupees)	2023 (Rupees)
11.2	**CONTRIBUTORY VOLUNTARY PENSION SCHEME**			
	Balance as at 01 July		-	-
	Expense for the year		16,471,458	-
	Payments during the year		(7,383,473)	-
			9,087,985	-

11.2.1 Contibutions to the VPS is made at 8.33% of the salary by the employer which the final discharge of the company's liability in respect of the staff post-retirement benefit.

12 **CONTINGENCIES AND COMMITMENTS**

12.1 **Contingencies**

There are no contingencies as on reporting date

			2024 (Rupees)	2023 (Rupees)
12.2	**Commitments**			
	Capital commitments - property and equipment		120,703,512	-
	Capital commitments - deveopment costs		170,100,000	888,402,607
			290,803,512	888,402,607

		Note	2024 (Rupees)	2023 (Rupees)
13	**PROPERTY AND EQUIPMENT**			
	Operating fixed assets	13.1	209,813,295	184,724,159
	Capital work in progress	13.2	253,397,953	-
			463,211,248	**184,724,159**
13.1	**OPERATING FIXED ASSETS**			
	See attached schedule		**209,813,295**	**184,724,159**
13.2	**CAPITAL WORK IN PROGRESS**			
	Balance as at 01 July		-	43,896,370
	Additions during the year			
	IT equipment and accessories		253,397,953	-
	Leasehold improvements		-	65,791,981
	Transferred to operating fixed assets during the year			
	Leasehold improvements		-	(109,688,351)
	Balance as at 30 June		**253,397,953**	**-**

14 RIGHT OF USE ASSET

This represents right of use asset obtained on lease as referred to in note 6. These are being depreciated over the lease term. Reconciliation of the carrying amount is as follows:

	Note	2024 (Rupees)	2023 (Rupees)
Cost			
Balance as at 01 July		204,391,598	217,660,806
Additions during the year		91,081,316	-
Adjustment - NTC		-	(13,269,208)
Balance as at 30 June		**295,472,914**	**204,391,598**
Depreciation			
Balance as at July 01		(85,454,400)	(46,268,160)
Charge for the year:			
NTC building	24.3	(15,366,876)	(15,974,067)
Bahria Complex III - 4th Floor	15	(9,001,545)	(9,001,547)
NESPAK	23	(6,710,445)	-
Bahria Complex I - 6th Floor	15	(5,939,734)	-
Bahria Complex I - 5th Floor	15	(14,503,101)	(14,210,626)
Balance as at 30 June		**(136,976,101)**	**(85,454,400)**
Carrying value as at 30 June		**158,496,813**	**118,937,198**

15 INTANGIBLES

	Note	2024 (Rupees)	2023 (Rupees)
Development cost	15.1		
Balance as at 01 July		764,927,477	357,151,852
Movement during the year:			
Salaries and benefits	15.2	511,308,004	325,460,229
Depreciation	15.3	95,025,754	48,846,356
Development cost - Port Community System	15.4	18,900,000	-
Allowances to OGAs	15.5	2,154,995	2,020,645
Finance cost related to lease	15.6	10,117,148	11,150,292
Short term leases	15.7	-	7,484,460
Development tools	15.8	-	12,813,643
Additions during the year		**637,505,901**	**407,775,625**
Balance as at 30 June		**1,402,433,378**	**764,927,477**

15.1 The company is internally developing software for the implementation of Pakistan Single Window Programme, which is in development phase. The following expenditures incurred on the development of software:

15.2 This represents salaries paid to IT employees of the company, working on the internally generated software.

15.3 This includes depreciation charged on right of use asset Bahria Complex I, Bahria Complex III and property and equipment which are directly attributable for the purpose of development of intangibles. (Note 13.1, 14)

15.4 This represents expenditure during the year on Port Community System.

15.5 This represents allowances paid to Other Government Agencies, which are capitalized to development cost, as they are part of implementation of the Pakistan Single Window programme.

15.6 This includes finance cost of lease liabilities related to Bahria Complex I and Bahria Complex III.

15.7 This represent rent expenses related to Bahria Complex III Karachi office, Bahria Complex I Karachi office and Regus office for temporary space availability to development team which has been vacated during the year.

15.8 This includes costs of Microsoft 365 Business Basic, Dot Access, Clickup Tools and Development Tools purchased online.

		Note	2024 (Rupees)	2023 (Rupees)
16	**LONG TERM DEPOSITS**			
	Leases		16,404,560	8,250,534
	Others		2,957,444	2,174,900
			19,362,004	**10,425,434**
17	**TRADE AND OTHER RECEIVABLES**			
	Trade receivables, considered good.			
	Pakistan Customs	**17.1**	206,718,805	55,362,028
	Others	**17.2**	11,066,013	5,819,647
	Interest receivable		25,455,490	-
			243,240,308	**61,181,675**

17.1 This repersents receivable against reimbursement of expenses.

17.2 This repersents receivable from 1 link (Guarantee) Limited against services provided to customers.

		Note	2024 (Rupees)	2023 (Rupees)
18	**ADVANCES AND PREPAYMENTS**			
	Advances to supplier and staff		2,504,421	5,633,087
	Advance income tax		-	16,980,793
	Prepayments	**18.1**	105,172,945	42,015,341
			107,677,366	**64,629,221**

18.1 This represents prepayments in respect of insurances, subscription and licenses.

		Note	2024 (Rupees)	2023 (Rupees)
19	**SHORT TERM INVESTMENT**			
	Investments in term deposit receipts	**19.1**	300,000,000	-

19.1 This represent TDR for 3 months invested in National Bank of Pakistan @ 19.7%.

		Note	2024 (Rupees)	2023 (Rupees)
20	**CASH AND BANK BALANCES**			
	Cash in hand		276,389	278,621
	Cash at bank			
	Current accounts		236,890,409	824,767,485
	Saving accounts	**20.1**	224,117,446	428,764,934
			461,284,244	**1,253,811,040**

20.1 The saving accounts earned interest at rates ranging from 10% to 20.51% per annum (2023: 10% to 19.51%)

		Note	2024 (Rupees)	2023 (Rupees)
20.2	**Cash and cash equivalents**			
	Cash and cash equivalents comprise of:			
	Short term investment	19	300,000,000	-
	Cash and bank balances	20	461,284,244	1,253,811,040
			761,284,244	**1,253,811,040**

		Note	2024 Rupees	2023 Rupees
21	**INCOME FROM OPERATIONS**			
	Upfront fee		31,006,500	10,555,000
	Single declaration fee		1,209,883,500	491,558,100
	Certification fee		24,623,525	-
	PSW Fee on Sindh ET Collection		20,317,400	-
	Verification fee		282,628	-
			1,286,113,553	**502,113,100**
22	**OTHER INCOME**			
	Return on short term investments		105,752,546	41,998,354
	Reimbursement from Pakistan Customs		171,291,606	105,199,991
	Return on saving accounts		93,881,939	53,047,808
	Miscellaneous		1,830,575	-
			372,756,666	**200,246,153**
23	**OPERATING EXPENSES**			
	Salaries, allowances and other benefits	**23.1**	348,408,647	211,256,279
	Subscription and licenses		171,036,797	35,635,968
	Travelling and conveyance		40,263,994	34,999,462
	Legal and professional charges		31,985,653	11,848,271
	Training and capacity building		21,844,168	10,323,098
	Insurance expense		23,350,120	35,741,080
	Third party services	**23.2**	36,839,448	28,145,482
	Receivable of Sindh Excise fee writen off		20,317,400	-
	Commission charges		14,194,299	2,083,777
	Office supplies		12,026,838	6,611,860
	Utilities		10,690,132	4,758,419
	Depreciation	**14**	6,710,445	-
	Entertainment expenses		3,729,940	1,055,701
	Tendering cost		2,875,231	999,307
	Printing and stationery		2,050,117	2,148,734
	Media management		1,830,719	16,607,498
	Recruitment expenses		1,657,126	2,435,955
	Courier and postage		622,466	671,047
			750,433,540	**405,321,938**

23.1 Salaries, allowances and other benefits includes post retirement benefit contributions paid by the employer.

23.2 This amount represents security and call center for customer care charges.

		Note	2024 Rupees	2023 Rupees
24	**ADMINISTRATIVE EXPENSES**			
	Salaries, allowances and other benefits	**24.1**	126,152,024	107,521,198
	Directors' fee	**24.2**	2,610,000	2,290,000
	Travelling and conveyance		19,889,449	-
	Depreciation expense	**24.3**	30,655,431	32,461,336
	Insurance expenses		9,500,590	6,572,404
	Repair and maintenance		5,162,377	541,539
	Utilities		8,789,175	8,676,117
	Auditors' remuneration	**24.4**	185,800	185,800
	Others		3,379,193	2,120,026
			206,324,039	**160,368,420**

24.1 Salaries, allowances and other benefits includes post retirement benefit contributions paid by the employer.

24.2 It represents meeting fee paid to directors.

	Note	2024 Rupees	2023 Rupees
24.3 Depreciation expense			
Depreciation on property and equipment	13.1.1	15,288,555	16,487,269
Depreciation on right of use asset - NTC building	14	15,366,876	15,974,067
		30,655,431	**32,461,336**
24.4 Auditors' remuneration			
Annual audit fee		98,600	98,600
Half-yearly review fee		87,200	87,200
		185,800	**185,800**
25 FINANCE COSTS			
Bank charges		162,009	46,796
Finance charges	25.1	12,177,913	6,513,647
		12,339,922	**6,560,443**

25.1 It represents finance charges related to lease liabilty of NTC and NESPAK Islamabad office.

	2024 Rupees	2023 Rupees
26 TAXATION		
Current tax		
For the year	180,449,584	23,088,616
Prior year adjustment	496,085	(59,752)
Deferred tax	28,618,281	-
	209,563,950	**23,028,864**
26.1 Relationship between tax expense and tax on accounting profit:		
Surplus before tax	689,772,718	135,542,181
Tax on accounting profit using rate of tax 29% (2023:29%)	200,034,088	39,307,232
Effect of:		
Tax effect of admissible/inadmissible determining tax expense		
Tax effect on temporary differences	11,830,037	(8,023,759)
Tax pertaining to prior year	496,085	(59,752)
Tax effect of super tax	63,188,222	-
Previous tax losses	(72,879,123)	(13,746,527)
Tax effect of Alternative Corporate Tax	6,894,640	5,551,670
Tax provision for the year	**209,563,949**	**23,028,864**

27 FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

27.1 Financial risk factors and management policies

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

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rate. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The company is not exposed to currency risk.

(ii) Other price risk

Other price risk represents the risk that the fair value of 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 instruments or its issuer, or factors affecting all similar financial instruments traded in the market. The company is not exposed to commodity price risk.

(iii) Interest rate risk

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

	2024 (Rupees)	2023 (Rupees)
Fixed rate instrument		
Financial liabilities		
Lease liabilities	180,611,460	138,514,959
Financial assets		
Short term investments	300,000,000	-
Floating rate instrument		
Financial assets		
Bank balances-Saving accounts	224,117,446	428,764,934

Cashflow sensitivity for variable interest rates

Management of the Company estimates that decrease/ increase of 100 base point in the market interest rate, with all other factors remaining constant, would increase/decrease the Company's net income before tax profits by Rs. 2,241,174 /- (2023: Rs.4,287,649). However, in practice, the actual results may differ from the sensitivity analysis.

Cashflow sensitivity for variable interest rates

The company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the statement of financial position date would not affect profit or loss of the company.

(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. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	2024 Rupees	2023 Rupees
Long term deposits	16	19,362,004	10,425,434
Trade and other receivables	17	243,240,308	61,181,675
Advances	18	2,504,421	5,633,087
Short term investments	19	300,000,000	-
Bank balances	20	461,007,855	1,253,532,419
		1,026,114,588	**1,330,772,615**

The company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. Outstanding receivable are regularly monitored. The credit quality of financial assets that are neither past due nor impaired can be assessed by the reference to the external credit ratings (if available) or to historical information about counterparty default rate. The table below shows the bank balances including term deposits held with some major counterparties at the reporting date:

Bank Name	Rating			2024	2023
	Short term	Long term	Agency	Rupees	
Habib Bank Limited	A-1+	AAA	VIS	411,605,057	681,370,882
National Bank Limited	A-1+	AAA	PACRA	31,992,571	521,476,525
Faysal Bank Limited	A-1+	AA	PACRA	12,260,945	-
Meezan Bank Limited	A-1+	AAA	VIS	5,149,282	50,685,012
				461,007,855	**1,253,532,419**

Due to Board's good business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counterparties on their obligations to the Board.

The credit risk is therefore, minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses. The Government of Pakistan has agreed to support Pakistan Single Window for operational costs.

	2024			2023		
	Up to one year	After one year	Total	Up to one year	After one year	Total
	Rupees					
Creditors, accrued and other liabilities	149,069,911	-	**149,069,911**	88,241,734	-	**88,241,734**
Provision for taxation	149,672,248	-	**149,672,248**	23,088,616	-	**23,088,616**
Staff post-retirement benefit	9,087,985	-	**9,087,985**	47,926,068	-	**47,926,068**
Lease liabilities	63,585,369	117,026,091	**180,611,460**	41,086,871	97,428,088	**138,514,959**
	371,415,513	**117,026,091**	**488,441,604**	**200,343,289**	**97,428,088**	**297,771,377**

Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial instruments approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Financial instruments by categories

Financial assets as per statement of financial position

	Note	At Amortized Cost	
		2024	2023
		Rupees	Rupees
Long term deposits	16	19,362,004	10,425,434
Trade and other receivables	17	243,240,308	61,181,675
Advances to supplier and staff	18	2,504,421	5,633,087
Short term investment	19	300,000,000	-
Cash and bank balances	20	461,284,244	1,253,811,040
		1,026,390,977	1,331,051,236
Financial liabilities as per statement of financial position			
Lease liabilities	6	180,611,460	138,514,959
Creditors, accrued and other liabilities	9	149,069,911	88,241,734
Provision for taxation	10	149,672,248	23,088,616
Staff post-retirement benefit	11	9,087,985	47,926,068
		488,441,604	297,771,377

28 CAPITAL RISK MANAGEMENT

As required by the State Owned Enterprises (Governance and Operations) Act 2023, the Company's objective when managing capital is to safeguard the Company's ability to continue as going concern so that it can continue to provide benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses. The Company manages its capital structure by monitoring return on net assets and makes adjustments to economic conditions. The Company also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon (if any), less cash and bank balances.

29 RELATED PARTIES TRANSACTION AND BALANCES

29.1 Transactions with related parties

The related party comprises the chief executive/ director, executives and associated undertakings of the company. Further, Pakistan Single Window and it's Lead agency - Pakistan Customs are related party to each other. The company in the normal course of business carried out transactions with related party unless otherwise stated. Remuneration of chief executive, directors and key management personnel's are disclosed in note 27.

The figures have been rounded off to the nearest rupee, unless otherwise stated.

Entity	Relationship	Nature of transactions	2024 (Rupees)	2023 (Rupees)
Pakistan Customs	Lead agency as per PSW Act 2021	Debt received during the year	-	488,321,044
		Reimburseable expenses incurred on behalf of Pakistan Customs (Other income)	171,291,606	105,199,991
		Reimburseable of faulty SAN Drives to Pakistan Customs	5,878,784	-

29.2 Balances with related parties

Entity	Relationship	Nature of balance	2024 (Rupees)	2023 (Rupees)
Pakistan Customs	Lead agency as per PSW Act 2021	Sponsor's loan outstanding - Payable	2,197,718,390	2,197,718,390
		Receivable against reimbursement of expenses incurred on behalf	206,718,805	55,348,415

30 REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE (CEO) AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including all benefits to CEO, directors and executives of the Company are as follows.

	2024				2023			
	CEO	Directors	Executives	Total	CEO	Directors	Executives	Total
	Rupees				Rupees			
Meeting fee	-	2,550,000	-	**2,550,000**	-	2,290,000	-	**2,290,000**
Managerial remuneration	28,183,338	-	442,423,365	**470,606,703**	22,100,004	-	348,482,710	**370,582,714**
Medical allowance	-	-	80,190	**80,190**	-	-	7,593,242	**7,593,242**
Fuel/ conveyance allowance	672,555	-	25,306,487	**25,979,042**	881,664	-	31,087,033	**31,968,697**
Connectivity allowance	120,000	-	4,599,434	**4,719,434**	120,000	-	4,028,635	**4,148,635**
COLA allowance	-	-	912,850	**912,850**	-	-	4,242,532	**4,242,532**
EOBI	19,200	-	1,829,060	**1,848,260**	15,000	-	1,066,875	**1,081,875**
Provident fund	1,367,402	-	22,708,069	**24,075,471**	1,233,420	-	12,810,390	**14,043,810**
Leave fair assistance	683,976	-	11,821,071	**12,505,047**	616,959	-	8,093,997	**8,710,956**
Leave encashment	671,230	-	10,568,488	**11,239,718**	605,480	-	8,657,638	**9,263,118**
Festive allowance	2,041,667	-	35,884,485	**37,926,152**	1,841,667	-	26,678,327	**28,519,994**
	33,759,368	**2,550,000**	**556,133,499**	**592,442,867**	**27,414,194**	**2,290,000**	**452,741,379**	**482,445,573**
Number of persons	**1**	**8**	**100**	**109**	**1**	**6**	**95**	**102**

31 NUMBER OF EMPLOYEES

	2024	2023
Number of persons employed as on the year end	242	183
Average number of persons employed for the year	212	167

32 CORRESPONDING FIGURES

The following corresponding figures have been reclassified for the purpose of better presentation.

FROM	TO	AMOUNT (Rs.)
STATEMENT OF FINANCIAL POSITION		
NON CURRENT LIABILITIES	**CURRENT LIABILITIES**	
Deferred Liabilites	Staff post-retirement benefit	47,926,068
CURRENT LIABILITIES	**CURRENT LIABILITIES**	
CREDITORS, ACCRUED AND OTHER LIABILITIES	CREDITORS, ACCRUED AND OTHER LIABILITIES	
Creditors	Other liabilities	14,216,229
Other liabilities	Accrued expenses	411,118
CURRENT ASSETS		
ADVANCES, PREPAYMENTS AND RECEIVABLES	**TRADE AND OTHER RECEIVABLES**	
Other receivables	Trade receivables	61,181,675
STATEMENT OF INCOME AND EXPENDITURE		
OPERATING EXPENSES	**OPERATING EXPENSES**	
Consultancy expenses	Subscription and licenses	24,801,579
ADMINISTRATIVE EXPENSES	**OPERATING EXPENSES**	
Salaries, allowances and other benefits	Salaries, allowances and other benefits	28,559,127
ADMINISTRATIVE EXPENSES	**OPERATING EXPENSES**	
Travelling and conveyance	Travelling and conveyance	11,963,840
OPERATING EXPENSES	**ADMINISTRATIVE EXPENSES**	
Office supplies	Others	1,023,078
ADMINISTRATIVE EXPENSES	**OPERATING EXPENSES**	
Insurance expenses	Insurance expenses	35,741,080
OPERATING EXPENSES	**ADMINISTRATIVE EXPENSES**	
Training and capacity building	Salaries, allowances and other benefits	3,291,359
ADMINISTRATIVE EXPENSES	**OPERATING EXPENSES**	
Utilities	Utilities	4,758,419

33 DATE OF AUTHORIZATION

These financial statements were approved and authorized for issue on 26 NOV 2024 by the board of directors.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

13.1 OPERATING FIXED ASSETS

		Furniture and Fixtures	Computers and IT Equipment	Leasehold Improvement	Electric Equipment	Total
COST	**Balance as at 01 July 2022**	**11,646,827**	**59,137,425**	**10,391,158**	**7,609,306**	**88,784,716**
	Addition during the year	14,903,300	20,856,361	109,733,509	13,914,572	**159,407,742**
	Balance as at 30 June 2023	**26,550,127**	**79,993,786**	**120,124,667**	**21,523,878**	**248,192,458**
	Addition during the year	6,274,810	82,693,684	8,281,254	9,444,138	**106,693,886**
	Balance as at 30 June 2024	**32,824,937**	**162,687,470**	**128,405,921**	**30,968,016**	**354,886,344**
ACCUMULATED DEPRECIATION	**Balance as at 01 July 2022**	**1,788,061**	**14,254,512**	**2,564,302**	**1,970,605**	**20,577,480**
	Charge for the year	4,568,880	23,349,263	9,393,800	5,578,876	**42,890,819**
	Balance as at 30 June 2023	**6,356,941**	**37,603,775**	**11,958,102**	**7,549,481**	**63,468,299**
	Charge for the year	5,588,787	44,468,780	24,187,717	7,359,466	**81,604,750**
	Balance as at 30 June 2024	**11,945,728**	**82,072,555**	**36,145,819**	**14,908,947**	**145,073,049**
	Carrying value as at 30 June 2023	**20,193,186**	**42,390,011**	**108,166,565**	**13,974,397**	**184,724,159**
	Carrying value as at 30 June 2024	**20,879,209**	**80,614,915**	**92,260,102**	**16,059,069**	**209,813,295**
	Annual rate of depreciation on staright line basis	**20%**	**33%**	**20%**	**33%**	

13.1.1 ALLOCATION OF DEPRECIATION

	Note	2024 (Rupees)	2023 (Rupees)
Depreciation related to deferred capital grant	7	734,822	769,368
Depreciation charged to administrative expenses	24.3	15,288,555	16,487,269
Depreciation capitalized in development cost	15	65,581,373	25,634,182
		81,604,750	**42,890,819**

INDEPENDENT AUDITOR'S REPORT

MUNIFF ZIAUDDIN & CO
Chartered Accountants

BKR INTERNATIONAL | INDEPENDENT MEMBER

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAKISTAN SINGLE WINDOW

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the annexed financial statements of **PAKISTAN SINGLE WINDOW** *(the Company)*, which comprise the statement of financial position as at 30 June 2024, and the statement of income and expenditure, statement of comprehensive income, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material 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 purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, statement of comprehensive income, the statement of changes in funds and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2024, and of the surplus 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 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 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.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT

Management is responsible for the other information. The other information comprises the information included in the Director Report, but does not include the financial statements and Auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the 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 the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 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 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 material 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 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 financial statements, including the disclosures, and whether the 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 material audit findings, including any material deficiencies in internal control that we identify during our audit.

MUNIFF ZIAUDDIN & CO
Chartered Accountants

BKR INTERNATIONAL | INDEPENDENT MEMBER

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of income and expenditure, statement of comprehensive income, the statement of changes in funds and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and the SOE Act, 2023 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).

OTHER MATTER

PRIOR YEAR FINANCIAL STATEMENTS AUDITED BY PREDECESSOR AUDITOR

The financial statements of **PAKISTAN SINGLE WINDOW** for the year ended 30 June 2023, were audited by another auditor who expressed an unmodified opinion on those financial statements on 24 October 2023.

The engagement partner on the audit resulting in this independent auditor's report is **Hammad Farid, ACA**.

Muniff Ziauddin & Co

MUNIFF ZIAUDDIN & CO
CHARTERED ACCOUNTANTS
Date: 09 December 2024
Place: Islamabad
UDIN: AR202410834xodgajK8L

STATEMENT OF COMPLIANCE

CORPORATE GOVERNANCE RULES

SCHEDULE I

[See paragraph 2(1)]

Statement of Compliance with the
Public Sector Companies (Corporate Governance)
Rules, 2013

Name of Company: **Pakistan Single Window**

Name of the Line Ministry: **Ministry of Finance** (through Pakistan Customs)

For the year ended: **30^{th} June, 2024**

I. This statement presents the overview of the compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.

II. The company has complied with the provisions of the Rules in the following manner:

<table>
<tr><th rowspan="2">S. No.</th><th rowspan="2">Provision of the Rules</th><th rowspan="2">Rule no.</th><th>Y</th><th>N</th></tr>
<tr><th colspan="2">Tick the relevant box</th></tr>
<tr><td>1.</td><td>The independent Directors meet the criteria of independence, as defined under the Rules.</td><td>2(d)</td><td>Y</td><td></td></tr>
<tr><td>2.</td><td>The Board has at least one-third of its total members as independent directors. At present the Board includes:
<table>
<tr><th>Category</th><th>Names</th><th>Appointment Date</th></tr>
<tr><td>Independent Directors</td><td>• Muhammad Anees
• Khurram Ijaz</td><td>• 15 April, 2023
• 23 February, 2024</td></tr>
<tr><td>Executive Directors</td><td>• Syed Aftab Haider</td><td>• 23 August, 2021</td></tr>
<tr><td>Non-Executive Directors</td><td>• Ashhad Jawwad
• Ambreen Iftikhar
• Muhammad Imran Khan
• Muhammad Waqas Azeem</td><td>• 26 April, 2024
• 29 August, 2022
• 11 August, 2023
• 02 February, 2024</td></tr>
</table></td><td>3(2)</td><td></td><td>N</td></tr>
<tr><td>3.</td><td>The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.</td><td>3(5)</td><td>Y</td><td></td></tr>
<tr><td>4.</td><td>The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.</td><td>3(7)</td><td>Y</td><td></td></tr>
<tr><td>5.</td><td>The Chairman of the Board is working separately from the Chief Executive of the Company.</td><td>4(1)</td><td>Y</td><td></td></tr>
</table>

6.	The Chairman has been elected by the Board of Directors except where Chairman of the Board has been appointed by the Government	4(4)	Y	
7.	The Board has evaluated the candidates for the position of the Chief Executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission. *(Not applicable where the chief executive has been nominated by the Government)*	5(2)	Y	
8.	(a) The company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company's website. *(Address of website to be indicated: www.psw.gov.pk)* The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	(a) Y (b) Y Y	
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	Y	
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b (ii)	Y	
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the company.	5(5)(b) (vi)	Y	
12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c) (ii)	Y	
13.	The Board has ensured compliance with the law as well as the company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c) (iii)	Y	
14.	The Board has developed a vision or mission statement and corporate strategy of the Company.	5(6)	Y	
15.	The Board has developed significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	Y	

16.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	Y	
17.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	Y	
18.	(a) The Board has met at least four (04) times during the year. (b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven (07) days before the meetings. The minutes of the meetings were appropriately recorded and circulated.	6(1) 6(2) 6(3)	(a) Y (b) Y Y	
19.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8 (2)	Y	
20.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party-wise record of transactions entered into with the related parties during the year has been maintained.	9	Y	
21.	(a) The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end. (b)In case of listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors. The Board has placed the annual financial statements on the company's website.	10	(a) Y (b) N/A Y	
22.	All the Board members underwent an orientation course arranged by the company to apprise them of the material developments and information as specified in the Rules.	11	Y	

<table>
<tr><td>23.</td><td>(a) The Board has formed the requisite committees, as specified in the Rules.

(b) The committees were provided with written terms of reference defining their duties, authority and composition.

(c) The minutes of the meetings of the committees were circulated to all the Board members.

The committees were chaired by the following non-executive directors:
<table>
<tr><th>Committee</th><th>Number of Members</th><th>Name of Chair</th></tr>
<tr><td>Audit Committee</td><td>• 2</td><td>• Khurram Ijaz</td></tr>
<tr><td>Risk Management Committee</td><td>• N/A</td><td>• N/A</td></tr>
<tr><td>Human Resources Committee</td><td>• 3</td><td>• Muhammad Anees</td></tr>
<tr><td>Procurement Committee</td><td>• 2</td><td>• Muhammad Waqas Azeem</td></tr>
<tr><td>Nomination Committee</td><td>• 3</td><td>• Muhammad Anees</td></tr>
</table></td><td>12</td><td>(a) Y

(b) Y

(c) Y</td><td></td></tr>
<tr><td>24.</td><td>The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.</td><td>13</td><td>Y</td><td></td></tr>
<tr><td>25.</td><td>The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.</td><td>14</td><td>Y</td><td></td></tr>
<tr><td>26.</td><td>The Company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.</td><td>16</td><td>Y</td><td></td></tr>
<tr><td>27.</td><td>The Directors' Report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.</td><td>17</td><td>Y</td><td></td></tr>
<tr><td>28.</td><td>The Directors, Chief Executive and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the company except those disclosed to the Company.</td><td>18</td><td>Y</td><td></td></tr>
<tr><td>29.</td><td>(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration.
The Annual Report of the Company contains criteria and details of remuneration of each Director.</td><td>19</td><td>Y</td><td></td></tr>
<tr><td>30.</td><td>The financial statements of the Company were duly endorsed by the Chief Executive and Chief Financial Officer before consideration and approval of the Audit Committee and the Board.</td><td>20</td><td>Y</td><td></td></tr>
</table>

<table>
<tr><td>31.</td><td>The Board has formed an Audit Committee, with defined and written terms of reference, and having the following members:

<table><tr><th>Name of member</th><th>Category[i]</th><th>Professional background[ii]</th></tr><tr><td>• Khurram Ijaz</td><td>Independent Director</td><td>Accounts, Finance & Business</td></tr><tr><td>• Ambreen Iftikhar</td><td>Non-Executive Director</td><td>Management & Business</td></tr></table>
The Chief Executive and Chairman of the Board are not Members of the Audit Committee.</td><td>21 (1) and 21(2)</td><td>Y</td><td></td></tr>
<tr><td>32.</td><td>(a) The Chief Financial Officer, the Chief Internal Auditor, and a representative of the external auditors attended all meetings of the Audit Committee at which issues relating to accounts and audit were discussed.

(b) The Audit Committee met the external auditors, at least once a year, without the presence of the Chief Financial Officer, the Chief Internal Auditor and other executives.

(c) The Audit Committee met the Chief Internal Auditor and other Members of the Internal Audit function, at least once a year, without the presence of Chief Financial Officer and the external auditors.</td><td>21(3)</td><td>(a) Y

(b) Y

(c) Y</td><td></td></tr>
<tr><td>33.</td><td>(a) The Board has set up an effective Internal Audit function, which has an Audit Charter, duly approved by the Audit Committee.

(b) The Chief Internal Auditor has requisite qualification and experience prescribed in the Rules.

The Internal Audit reports have been provided to the external auditors for their review.</td><td>22</td><td>(a) Y

(b) Y

Y</td><td></td></tr>
<tr><td>34.</td><td>The external auditors of the Company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.</td><td>23(4)</td><td>Y</td><td></td></tr>
<tr><td>35.</td><td>The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.</td><td>23(5)</td><td>Y</td><td></td></tr>
</table>

Chief Executive Officer

Director

SCHEDULE II

See Paragraph 2(3)
Explanation for Non-Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

We confirm that all other material requirements envisaged in the Rules have been complied with, except for the following, toward which reasonable progress is being made by the company to seek compliance by the end of next accounting year.

Sr. No.	Rule/Sub -Rule No.	Reason for Non-Compliance	Future course of action
1	3(2)	The Board recommended induction of a female independent Director in its 11th meeting held on 8th February, 2022, to simultaneously comply with requirement of one-third independent Directors and a female Director in the Public Sector Company. The recommendation was duly forwarded to the line ministry for further necessary action. Consequent to which the line ministry directed to provide a revised panel of 10 to 15 prospective independent female Directors for further consideration. The Board then recommended a revised list of 10 prospective independent female Directors, in its 16th meeting held on 23rd June, 2023, which has been sent to the Revenue Division for further necessary action.	Upon receipt of approval from the Federal Cabinet, the female independent Director shall be notified to the Commission.

Chief Executive Officer

Director

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE

MUNIFF ZIAUDDIN & CO
Chartered Accountants

BKR INTERNATIONAL | INDEPENDENT MEMBER

The Professional Arcade
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Islamabad 44000, Pakistan
Tel 2375212, 2375213 Fax 2375220
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www.bkrpakistan.com

Review Report to the Members of Pakistan Single Window, On the Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) prepared by the Board of Directors of Pakistan Single Window for the year ended 30 June 2024.

The responsibility for compliance with the Rules is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Rules. 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 Rules. 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 Rules requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length: transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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 any procedures to determine 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, in all material respects, with the best practices contained in the Rules as applicable to the Company for the year ended 30 June 2024.

Muniff Ziauddin & Co

MUNIFF ZIAUDDIN & CO
CHARTERED ACCOUNTANTS
Place: Islamabad.
Date: December 09, 2024
UDIN: CR202410834ivBNhufjL

ISLAMABAD LAHORE KARACHI

ANNEXURE – A

Meetings Attendance

(FY 2023-24)

Name of Director	Board		Audit Committee			Human Resource Committee			Procurement Committee		
	Meetings	Attendance	Member	Meetings	Attendance	Member	Meetings	Attendance	Member	Meetings	Attendance
Mr. Muhammad Anees	**6**	**5**				**.**	**3**	**3**	**.**	**4**	**4**
Mr. Syed Aftab Haider	**6**	**6**									
Ms. Zeba Hai Azhar	**2**	**1**									
Dr. Fareed Iqbal Qureshi	**2**	**2**									
Mr. Ashhad Jawwad	**2**	**2**									
Ms. Ambreen Iftikhar	**6**	**5**	**.**	**6**	**6**	**.**	**3**	**3**			
Mr. Muhammad Usman Qureshi	**3**	**1**							**.**	**2**	**2**
Mr. M. Waqas Azeem	**3**	**3**							**-**	**2**	**2**
Mr. Khurram Ijaz	**6**	**6**	**.**	**6**	**6**						
Mr. Muhammad Imran Khan	**6**	**5**				**.**	**3**	**1**			

Notes:

1. Dr. Fareed Iqbal Qureshi was appointed as Director w.e.f. 13th December, 2023 in place of Ms. Zeba Hai Azhar
2. Mr. Muhammad Waqas Azeem was appointed as Director w.e.f. 2nd February, 2024 in place of Mr. Muhammad Usman Qureshi.
3. Mr. Khurram Ijaz Re-appointed on 23rd February, 2024
4. Mr. Ashhad Jawwad was appointed as Director w.e.f. 2nd May,2024 in place of Mr. Fareed Iqbal Qureshi

ANNEXURE – B

Statements by the Board

- The Board of Directors and management of PSW are fully committed to ensuring compliance with all applicable laws, regulations, and directives issued by the Securities & Exchange Commission of Pakistan (SECP) and the Government, from time to time;
- The Board recognizes its responsibility to establish and maintain sound system of internal control, which is regularly reviewed and monitored. The Company has adequate internal financial controls in place with appropriate accounting policies being consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- The Board has complied with the relevant provisions of corporate governance, and has identified the rules & regulations that have not been complied with, the period in which such non-compliance continued, and reasons for such non-compliance;
- The Board has complied with the relevant provisions of the State-Owned Enterprises (Governance & Operations) Act, 2023, State-Owned Enterprises Ownership & Management Policy, 2023, Companies Act, 2017, Associations with Charitable and Not for Profit Objects Regulations, 2018, Companies (General Provisions and Forms) Regulations, 2018, Companies Regulations, 2024, along with all conditions provided in the license.
- The Board believes that the financial statements and the notes to the financial statements of the Company duly comply with the provisions of applicable laws including the laws for State-Owned Entities, the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and that the financial statements, prepared by the management, present fairly its state of affairs, the result of its operations, cash flows and changes in equity with maintenance of proper books of accounts;
- The Company has no outstanding tax payments;
- The appointment of the Chairperson and other Members of the Board and the terms of their appointment are in the best interests of the Company and relevant laws as well as in line with the best practices. The Board of Directors receive no remuneration other than meeting fee;
- The Board and the management have reasonable grounds to believe that PSW shall be able to pay its debts as they become payable;
- The Board and the management believe that PSW has been able to achieve its goals and targets as specified in the Statement of Corporate Intent (SCI);
- The Board has reviewed the working of the Audit Committee for FY 2023-24 and is satisfied with the Audit Committee's work; and
- The Board approved the appointment of M/s Muniff Ziauddin as the statutory auditor of the Company for FY 2024-25 in accordance with the recommendations of the Audit Committee.

ANNEX – C

TORs of the Audit Committee

- Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision by external auditors of any service to the Company in addition to audit of its financial statements. The Board of Directors shall give due consideration to the recommendations of the committee in all these matters and where it acts otherwise, it shall record the reasons thereof;
- Determination of appropriate measures to safeguard the Company's assets;
- Review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors;
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- Ensuring co-ordination between the internal and external auditors of the Company;
- Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- Consideration of major findings of internal investigations of activities characterized by fraud, corruption, abuse of power, criminal activities, and management's response thereto;
- Determination of compliance with International Financial Reporting Standards as applicable in Pakistan and other relevant statutory requirements including SROs, notifications and departmental orders where applicable;
- Monitoring compliance with best practices of Public Sector Companies (Corporate Governance) Rules, 2013 and identification of significant violations thereof;
- The details of all related party transactions shall be placed before the committee and upon recommendations of the committee, the same shall be placed before the board for review and approval;
- The related party transactions which are not executed at arm's length price/fair market values shall also be placed separately at each board meeting along with necessary justification for consideration and approval of the board on recommendation of the committee;
- Assess and analyze all critical accounting policies and practices, compliance with the practices of code of corporate governance, compliance with financing terms, statutory filings etc.;
- Review of all alternative treatments of financial information within generally accepted accounting principles related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;
- Other material written communications between the independent auditor and management, including, but not limited to, the management letter and schedule of unadjusted differences;
- At least annually, obtain and review a report by the independent auditor;
- In consultation with the independent auditor and the internal audit function, review the integrity of the company's financial reporting processes;
- Periodically review the adequacy and effectiveness of the company's disclosure controls and procedures and the company's internal control over financial reporting, including any significant deficiencies and significant changes in internal controls;
- Periodically review the efficiencies of core business of the Company i.e., reducing cross-border trade-related costs, time, and complications for growth of trade in the country;

- Review analysis prepared by management and the independent auditor setting forth significant financial reporting issues and judgments made about the preparation of the financial statements, including analysis of the effects of alternative;
- Review, with management, the company's finance function, including its budget, organization, and quality of personnel;
- Conduct an annual performance assessment relative to the audit committee's purpose, duties, and responsibilities outlined;
- Assess and analyze that sufficient system and risk management framework is in place to manage both the strategic and operational risks and operating sufficiently and effectively to identify new or emerging risks and communicate properly;
- Overseeing whistleblowing policy and protection mechanism; and
- Perform any other activities consistent with this charter, the company's bylaws, and governing laws that the board or committee determines are necessary or appropriate.

ANNEX – D

TORs of the Risk Management Committee

1. Purpose

The Risk Management Committee (the "Committee") is established by the Board of Directors (the "Board") to assist in fulfilling its responsibilities related to overseeing the company's risk management framework. The Committee ensures the effective identification, assessment, and mitigation of risks across all areas of the company's operations, including financial, strategic, operational, compliance, health, safety & environment, reputational, and other risks.

2. Composition

2.1. Membership: The Committee shall consist of a minimum of three (03) members of the Board.
2.2. Quorum: At least one-third (1/3) of the total members of the Committee or two (02) members, whichever is higher, shall constitute a quorum. The proceedings of the Committee shall only be valid if it meets the quorum requirements.
2.3. Chair: The Board shall appoint the Chair of the Committee. The Chair should be an independent non-executive director.
2.4. Expertise: Members should have adequate knowledge and experience in risk management, finance, and business operations relevant to the company's industry.
2.5. Terms of Service: Committee members shall serve for a period determined by the Board and may be re-appointed.

3. Responsibilities

3.1. Risk Management Framework: Review and recommend for approval by the Board the company's risk management framework, including risk appetite, risk policies, and risk limits.
3.2. Risk Assessment: Oversee the identification and assessment of key risks, including financial, strategic, operational, compliance, health, safety & environment, and reputational risks.
3.2.1. Financial Risk: Monitor financial risks such as liquidity risk, credit risk, foreign exchange risk, interest rate risk, asset-backed risk, foreign investment risk, equity risk, and currency risk.
3.2.2. Operational Risk: Assess operational risks including those related to business operations, technology, cyber risk, fraud, and business continuity and recovery.
3.2.3. Strategic and Tactical Risks: Evaluate risks related to the company's strategic initiatives and tactical decisions.
3.3. Risk Mitigation: Monitor the implementation and effectiveness of risk mitigation strategies and controls.
3.4. Reporting: Ensure timely and effective reporting to the Board on risk-related matters, including risk exposures, risk management activities, and the effectiveness of the risk management framework.
3.5. Regulatory Compliance: Ensure the company's risk management practices comply with legal and regulatory requirements.

3.6. External Advisers: Engage and oversee external advisers as necessary to assist in fulfilling the Committee's responsibilities.
3.7. Succession Planning: Succession planning is a key factor in alleviating operational risks, the Committee will be responsible to reviewing & recommending the yearly succession planning prepared by the HR for approval by the Board.

4. Authority

4.1. Access to Information: The Committee shall have unrestricted access to all information, documents, and personnel necessary to fulfill its duties.
4.2. Resources: The Committee shall be provided with sufficient resources to carry out its responsibilities, including access to external professional advice, if required.
4.3. Delegated Authority: The Committee is authorized by the Board to investigate any matter within its Terms of Reference (ToRs), seek information from any employee, and obtain outside legal or other professional advice.

5. Meetings

5.1. Frequency: The Committee shall meet at least once every quarter of the financial year and additionally as required.
5.2. Notice and Agenda: Meetings shall be scheduled by the Chair. The agenda and supporting documents should be circulated to members at least seven (07) days prior to the meeting.
5.3. Minutes: Minutes of each meeting shall be prepared and approved by the Committee, then circulated amongst all Board members for information and directions to management for implementation.
5.4. Attendance: Members are expected to attend all meetings. The Committee may invite other individuals, such as the CEO, CFO, and external advisers, to attend meetings as necessary.

6. Reporting

6.1. To the Board: The Committee shall report regularly to the Board on its activities, findings, and recommendations. Therefore, the minutes of the Risk Management Committee shall be circulated among all the Board members.
6.2. Annual Report: The Committee shall prepare an annual report summarizing its activities, findings, and the state of risk management in the company, to be included in the company's annual report.

7. Review

7.1. Annual Review: The Committee shall conduct an annual review of its performance, including compliance with these ToRs, and report the results to the Board.
7.2. Terms of Reference Review: These ToRs shall be reviewed annually and updated as necessary to reflect changes in regulatory requirements, authoritative guidance, and evolving practices in risk management.

8. Risk Identification and Reporting Process

8.1. Departmental Reporting: Every department is required to identify risks related to its functions in line with the Business Continuity Plan (BCP) on a quarterly basis. A combined risk report will be submitted to the Committee by the Company Secretary.

8.2. Financial Reporting: Financial risks shall be identified based on financial reporting, and the Committee will recommend steps to be taken by management to mitigate risks identified by the Audit Committee during the review and recommendations of the quarterly accounts.

9. Approval

9.1 These ToRs were approved by the Board of Directors on **28th August, 2024**.