PSW
PAKISTAN SINGLE WINDOW

2022 ANNUAL REPORT

ANNUAL REPORT 2021-22

Single Window

The single window system or single window concept is a trade facilitation concept which allows an international (cross-border) trader to submit information to a single agency, rather than having to deal with multiple agencies in multiple locations to obtain the necessary papers, permits, and clearances to complete their import or export processes.

PAKISTAN SINGLE WINDOW (PSW)

The Pakistan Single Window initiative led by Pakistan Customs aims at reducing the time and cost of doing business by digitalizing Pakistan's cross border trade and eliminating paper based manual processes.

The PSWC, a Public Sector Company incorporated under Section 42 of the Companies Act, 2017, by Pakistan Customs has been notified as the 'Operating Entity' of the PSW system by the Federal Government under the provisions of the PSW Act, 2021.

PSW aims to provide an integrated electronic platform that allows parties involved in international trade and transport to lodge standardized information and documents with a single-entry point to fulfill all import, export, and transit regulatory requirements. In order to ensure optimal benefits of the PSW system to the traders as well as public sector regulators, Section 3(3) of the PSW Act, 2021, makes it mandatory upon Customs and Other Government Agencies (OGAs), as listed in the schedule to the Act, to align their respective laws, regulations, procedures, processes and other information requirements related to regulation of imports, exports, transit trade and associated transport with Pakistan Single Window.

VISION

Using technology and innovative solutions to enable ease in achieving effective compliance with national regulations, especially for cross border trade and related services.

MISSION

Establish single electronic platform to efficiently meet requirements for regulation of imports, exports and transit trade while supporting simplification, harmonization and digitization of related processes to improve ease of doing business and compliance.

CORE VALUES

Drive for excellence: We commit to constant effort and innovation in our drive towards excellence.

Collaborative: We believe in collaboration and teamwork both internally as well as externally.

Challenging: We challenge every established process, procedure, document, policy, and law while avoiding assumptions and disregarding status quo for bringing improvements.

Knowledge driven: We believe in constant learning and self-improvement being cognizant that there are always lessons to learn and value to add.

Inclusive: We appreciate the differences in opinions, perspectives, thoughts, and ideas in promoting an inclusive and 360-degree approach in our organizational culture and decision making.

Integrity: We identify integrity as a core value promoting transparency and accountability on every task we perform.

Performance driven: We strive for, recognizing and rewarding performance.

DIRECTORS' REPORT

Worthy Members,

The Board of Directors of Pakistan Single Window (PSW) is pleased to present the 3rd Directors' Report detailing the operational and financial performance of the Company along with the Annual Report containing the Company's Audited financial statements for the year ended 30th June, 2022.

Introduction & Background

The Pakistan Single Window (PSW) initiative, led by Pakistan Customs, aims at reducing the time and cost of doing business by digitalizing cross border trade and eliminating paper based manual processes. The Pakistan Single Window Company (PSWC), a public sector company incorporated under section 42 of the Companies Act, 2017 by Pakistan Customs has been notified as the 'operating entity' of the PSW system by the Federal Government under the provisions of Pakistan Single Window Act, 2021.

The Pakistan Single Window (PSW) is an electronic facility that allow parties involved in trade and transport to lodge standardized information and documents with a single-entry point to fulfil all import, export, and transit-related regulatory requirements. The PSW will primarily serve as a platform for integrating Customs and regulatory clearance of import, export and transit goods and is predicated on a harmonized and coordinated approach towards cargo reporting, management and clearance procedures. Accordingly, in addition to customs clearance, electronic processing of licenses, permits, certificates and other regulatory documents mandated by national and international laws, e-payments, and integrated risk management involving joint inspections, the PSW system will also include electronically integrated platforms for cargo processing and management in the form of port community systems implemented at all seaports, air freight units, international border crossings and dry ports. These platforms will enable real time exchange of information amongst other stakeholders connected to international trade such as port operators, ground handling agents, freight forwarders, transporters, and shipping agents etc. and will maximize the potential benefits of the PSW system.

STRATEGIC GOALS

- Reduce time, cost and complexity while improving quality of experience for all stakeholders to ensure ease of doing business in cross border trade;
- Successfully play role of Operating Entity as envisaged under the PSW Act 2021 and rules thereof;
- Adopt international best practices and policy guidelines of PSW's Governing Council in its service delivery;
- Consistently provide highly available, highly reliable and secure PSW electronic platform that ensures predictable and transparent services in cross-border trade ecosystem;
- Continuously upgrade PSW system and stay ahead of the curve;
- Support adoption of technology and digitization of related functions of entities mandated to regulate cross border trade to improve their efficiency and transparency;
- Support government agencies in adopting an Integrated Risk Management approach for efficient enforcement of cross border trade related controls;
- Establish and operate ICT based Port Community System integrated with the PSW platform for efficient cargo management at seaports, airports, dry ports and land border crossings;
- Establish and maintain a world class cross border trade related information portal under PSW platform;
- Enable Pakistan to integrate with any other National, Regional and Global Single Window Systems related to cross border trade;

STRATEGIC GOALS

- Enable third parties to offer and exchange value added services on PSW platform with preference for local ICT entrepreneurs and firms;
- Provide statistically accurate trade data to stakeholders for evidence-based decision making;
- Enable Pakistan to efficiently and timely meet its commitments under bilateral and multilateral commitments related to cross border trade;
- Act as an innovation hub for design and testing of ICT based solutions to improve Pakistan's integration into global value chains, international trade and logistics;
- Participate in ICT based projects in Pakistan and beyond, especially in Public Sector; and
- Attract and retain best in class human resource to provide services in Pakistan and beyond.

The PSW system began rolling out in July, 2021, and achieved phase 1 completion on 30th June, 2022, with integration of Customs and key government agencies including the Department of Plant Protection, Animal Quarantine Department, Federal Seed Certification & Registration Department, Pakistan Standards & Quality Control Authority and Export Development Fund.

The PSWC was incorporated in April, 2020, by Pakistan Customs with the approval of the Federal Government. The Company began operations in December, 2020, with the hiring of the first cohort of key employees including the Company Secretary, the Chief Technical Officer and the Manager Human Resources followed by the Chief Financial Officer and the Chief Internal Auditor. The Chief Executive Officer was on boarded in August, 2021. Currently, the company comprises of 137 employees with a majority comprising of resources from the IT sector responsible for designing, developing, operating, and maintaining the PSW system and its allied components. The software development for the PSW system began in October, 2020, and the first module was rolled out in July, 2021, with additional features and modules being consistently rolled out. The Company has its offices in Islamabad and Karachi. Almost the entire software design, development and operations team is based in Karachi.

The management reports to the Board of Directors comprising of public sector representatives from Pakistan Customs, Ministry of Commerce (MOC), and the Board of Investment (BOI), and private sector representatives from the Pakistan Business Council (PBC), and the Federation of Pakistan Chamber of Commerce & Industry (FPCCI).

Key Activities & Achievements

During the year, the Company fulfilled Government of Pakistan's two (02) obligations under the World Trade Organization's (WTO) Trade Facilitation Agreement (TFA) by launching the Trade Information Portal on 31st March, 2022, and rolling out Phase-1 of the Pakistan Single Window system on 30th June, 2022.

The Trade Information Portal (renamed as the 'Tradeverse') provides a single access point for all import, export, and transit related information including HS codes, applicable duty and taxes, downloadable forms, processing times, and contact information. In addition, the portal has a digital library of all customs and trade related laws and regulations, provides guided journeys on imports and exports, and access to anonymized, aggregated trade data. The Trade Information Portal fulfills Pakistan's commitment under Article 1 of the TFA.

In line with Pakistan's commitment under Article 10.3 of the TFA, Phase 1 of the PSW system was successfully rolled out on 30th June, 2022. The first phase integrates Pakistan Customs, Department of Plant Protection, Animal Quarantine Department, Federal Seed Certification & Registration Department, Pakistan Standards & Quality Control Authority and Export Development Fund. In addition, the system also integrates 29 commercial banks thereby eliminating the Electronic Import Form (EIF) and Electronic Form for Exports (EFE).

Some other milestones of Phase-1 rollout, achieved successfully during the year are as follows.

- Implementation of KYC protocols for identification of users of PSW system;
- User Registration System;
- Universal e-Payment system -Enablement of e-payments covering B2G, G2B and B2B components for Payment of duty, taxes, LPCO fees, etc. through ADC, PD account;
- Single Declaration for Imports – Home Consumption;
- Single Declaration for Export – Commercial Exports;
- Electronic processing of import permits, release orders, phytosanitary certificates of the Department of Plant Protection with export certificates and release orders on imports of the Animal Quarantine Department and import permits and release orders of the Federal Seed Certification & Registration Department while conformity assessment certificates of the Pakistan Standard & Quality Control Authority
- Data visibility to the Export Development Fund regarding export surcharge; and
- PSW Trader Support Centre/Helpdesk (021-111-111-779).

The PSW system is now providing electronic registration for Customs, electronic processing and issuance of import permits, release orders, Phyto-sanitary certificates, and other documents as mandated by the above-referred departments. All the commercial banks have been fully integrated with the PSW platform and are exchanging trade-related financial information/transactional data fully visible to Customs during clearance and eliminate the need for manual verification. A single declaration, for all customs & regulatory requirements, was launched during the year. The Company also established a Complaint Resolution Mechanism (CRM) by outsourcing the call center services for immediate resolution of the trader's issues related to the PSW system.

In addition to the above initiatives, PSW has successfully integrated with TradeLens- a digital blockchain enabled platform jointly owned by IBM and A.P. Moller-Maersk A/S that brings together shippers, freight forwarders, ports and terminals, ocean carriers, intermodal operators, government authorities and customs agents. Integration with TradeLense will allow the users of the PSW system visibility into the movements of international shipments using the permissions defined in the Data Sharing Specification and the ability to store documents in structured and unstructured forms and share those documents in the supply chain. PSW also successfully negotiated a framework cooperation agreement with China Single Window that has been sent to Pakistan Customs for approval through the federal cabinet.

The Company officially launched the PSW system in an event held in November, 2021. The event was attended by domestic and foreign dignitaries. The honorable Finance Minister was the chief guest at the event. The Finance Minister lauded the efforts of the PSW team while emphasizing the importance of national and international trade digitization.

Corporate Compliance

Pakistan Single Window (PSW) being a Public Sector Company operates under the Public Sector Companies (Corporate Governance) Rules, 2013, which provide the legal framework for Corporate Governance. Overall superintendence rests with the Board of Directors, whereas Management is responsible for day-to-day operations, implementation of policies and disclosure requirements as envisaged in the Rules, Regulations and General Orders. Even though the fiscal year 2021-22 was actually the first year of its operations, the Company complied with most of these rules. During the year, the Company developed and implemented several important policies and plans including the Business Continuity Plan (BCP) based on a risk matrix that provides the guidelines for continuity of PSW operations in case of any natural or manmade disaster. In addition, the communications policy, the CSR policy and a provisional performance appraisal and increment policy were also developed and approved by the Board.
The Audit Committee recommended re-appointing Parker Russell A.J.S. as the External Auditors of the Company for the year 2022-23.

Financial Review

The Company is mainly funded by Pakistan Customs with a small amount of funding received from the Government of Pakistan from the Public Sector Development Program (PSDP), and revenue raised from subscription and PSW service fees. Technical assistance has been received from various development partners including USAID, IFC, FCDO and ADB.

	2020	2021	2022
Income	0	9,263,960	67,624,539
Expenditure	3,601,122	60,279,741	245,246,677
Operating Surplus / (Deficit)	(3,601,122)	(51,015,781)	(177,622,138)
Net Surplus / (Deficit)	**(3,601,122)**	**(51,015,781)**	**(178,221,231)**

Organization & Management

Pakistan Single Window (PSW) completed its core team by hiring a full-time professional Chief Executive having vast experience in the field of international trade & Customs by complying with the Securities & Exchange Commission of Pakistan's (SECP) guidelines for the appointment of a Public Sector Company's Chief Executive. The Board also established an Internal Audit function in the Company by hiring a Chief Internal Auditor. The Internal control and Audit provide an independent and objective appraisal of the Company's dealings leading to continuous improvement in business processes and procedures.

The Human Resource (HR) strength of the Company reached the number 137 as of 30th June, 2022. The Company has nine (09) departments led by the Chief Executive Officer (CEO) of the Company as tabulated below:

Departments	Led By
Executive Officer	Chief Executive Officer
Human Resource & Administration	Head of HR & Admin
Information Technology	Chief Technology Officer
Operations & Strategy	Chief Strategy & Operations Officer
Domain Management	Chief Domain Officer
Finance & Procurement	Chief Financial Officer
Corporate Affairs	Company Secretary
Internal Audit	Chief Internal Auditor
Marketing & Communication	Head of Marketing & Communication

Change Management & Communications

Change Management activities go hand in hand with PSW modules as new features go-live. During the year, multiple training sessions and capacity building events were held spearheading PSW's outreach to more than 3000 key stakeholders.

PSW organized a series of training programs and workshops covering ports and major land boarder stations on LPCO modules. Department of Plant Protection, Federal Seed Certification Department, Pakistan Standard Quality Control Authority and Animal Quarantine Department, including PSW flagship programs i.e., Tradeverse, Port Community System and Integrated Risk Management System. A majority of traders, clearing agents, OGAs, banks and others were onboarded for change management activities using virtual channels too.

A comprehensive Change Management Framework and detailed Capacity Building Policy have been devised to implement change management program in true sense. In order to maximize the outreach PSW is also working on training partnership & training accreditation programs. Envision to gender inclusion and diversity several other initiatives are being worked upon by the team.

During the period under review, PSW also established Communications Department to create awareness regarding the Pakistan Single Window (PSW) initiative and highlight its positive impact on international trade of the country. In compliance with the Corporate Governance Rules, Communications Department developed an effective Communications Policy that reaches out to all stakeholders, whether internal or external, in a timely, continuous, and effective manner. PSW Communications reach out regularly to its many stakeholders to clarify the single window rationale, its impact on each stakeholder group, and the benefits. The Communications department has successfully established the PSW brand, developed trust, and expanded its outreach by: -

- Using mass media and digital media in all its forms— newspapers, radio, magazines and television, website(s), email, and social networks, —to raise awareness about PSW and its services to facilitate trade;
- In-depth media engagement through media dialogues which has led to widespread media coverage of all PSW initiatives in National print, radio, and TV channels; and
- Building trust in PSW through two-way communication with all relevant government agencies and traders, fostering ownership and ultimately genuine collaboration among all stakeholders.

A Corporate Social Responsibility (CSR) policy has also been developed to support PSW play its role in maximizing the benefits of international trade and investment in development. The CSR policy is a powerful complementary component to open global trade, international investment, and economic growth in support of sustainable development.

Gender Inclusion & Diversity

The Company aims at a prosperous and healthy working environment that entails inclusion and diversity. The Company is dedicated to upholding a secure and welcoming atmosphere for everyone regardless of gender. In order to meet this objective, the Company conducted a gender audit with technical assistance received from FCDO through its Revenue Mobilization, Investment, and Trade program to align the policies and culture with international best practices to encourage gender equality.

Key Challenges

During the year, the Company faced the following challenges:

- Funding constraints: Donor funding committed by PSW's development partners did not come through. $5 million committed by FCDO as per PSW's PC-I was diverted elsewhere jeopardizing timely deliveries of key activities such as the development of the port community and air community systems. Data center procurement being funded by ADB hit unexpected delays due to mis-procurement by the executing agency. As a result PSW continues to rely on PRAL for network and infrastructure support;
- Delay in WeBOC software development: The WeBOC system forms an integral component of the PSW system. However, delay in software development of the WeBOC system by M/s PRAL to align it with the PSW system delayed the roll out of Phase 1 of the PSW system from March to June. The issue was resolved on FBR's intervention with the handing over of the WeBOC development team to PSW; and
- Political situation: The volatile political situation impacted PSW's plan for formal inauguration of the system and also delayed in meetings of the PSW Governing Council. As a result approval of certain key initiatives such as the Evidence of Identity rules, Trade Data Dissemination, Exchange, and Utilization rules, and the Framework Cooperation Agreement with China Customs was inordinately delayed.

Future Prospects

The Company is committed to reduce its dependence on government and customs funding by generating and optimizing its our streams of revenue. The Company is projected to generate annual income over Rs. 1 billion from levy of PSW service fee approved vide S.R.O. 1292(I)/2021 dated 1st October, 2021, provided the current levels of cross border trade transactions are sustained. Additional income is projected to be realized from provision of value-added services such as digitization of insurance policies and bank guarantees, implementation of the port community system, and monetization of training activities.

Once the system is developed, the Company aims to offer the developed system for sale to the regional markets in Central & South Asia thus generating revenue and foreign exchange. The Company also intends to join public-private partnership ventures to generate revenue.

Acknowledgement

The Directors wish to acknowledge and appreciate the support of the Government of Pakistan, State Bank of Pakistan, various ministries, and departments in helping achieve a smooth roll out of the system. The support of Pakistan Customs in this regard has been invaluable. The Board also wishes to acknowledge the professionalism and concerted efforts of the Company's management and employees in implementing the Board strategies. Last, but least, we are grateful for the contribution and support of the private sector including the Federation of Pakistan Chambers of Commerce and Industry, Pakistan Business Council, local chambers, trade bodies and associations, and all partner banks who have worked together with PSW in implementing this transformative initiative.

On behalf of the Board,

Chief Executive Officer

Chairman/Director

KEY FINANCIAL DATA

The Key financial data for the year ended 30th June, 2022, is tabulated in the succeeding pages of the Annual Report of the Company.

PAKISTAN SINGLE WINDOW
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		----------------Rupees----------------	
Deficit for the year - after tax		**(178,221,231)**	(51,015,781)
Other comprehensive income for the year		**-**	-
Total comprehensive loss for the year		**(178,221,231)**	(51,015,781)

The annexed notes 1 - 30 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 JUNE 30, 2022

	Note	**2022**	2021
		-------------Rupees----------	
INCOME			
Amortization of grant	7	**3,812,458**	9,080,381
Deferred capital grant	8	**967,661**	44,724
Income from operations	19	**41,755,000**	64,000
Other income	20	**21,089,420**	74,855
		67,624,539	9,263,960
EXPENDITURE			
Operating expenses	21	**108,338,667**	14,172,913
Administrative expenses	22	**128,403,663**	46,059,654
Amortization of deferred capital grant	8	**967,661**	44,724
Finance cost	23	**7,536,686**	2,450
		245,246,677	60,279,741
Deficit for the year - before tax		**(177,622,138)**	(51,015,781)
Taxation	24	**(599,093)**	-
Deficit for the year - after tax		**(178,221,231)**	(51,015,781)

The annexed notes 1 - 30 form an integral part of these financial statements.

Chief Executive	**Chief Financial Officer**	**Director**

PAKISTAN SINGLE WINDOW
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022	2021
		---------------Rupees------------	
FUNDS AND LIABILITIES			
Funds			
Funds (As per statement of changes in funds)		**(231,838,134)**	(53,616,903)
Sponsor's loan	5	**1,709,397,346**	800,155,359
		1,477,559,212	746,538,456
Non current liabilities			
Lease liabilities	6	**143,846,764**	96,898,181
Deferred grant	7	**-**	661
Deferred capital grant	8	**41,646,730**	10,874,234
Deferred liabilities	9	**15,108,278**	546,118
		200,601,772	108,319,194
Current liabilities			
Current portion of lease liabilities	6	**36,445,565**	29,191,140
Creditors, accrued and other liabilities	10	**41,883,609**	60,081,484
Provision for taxation	24	**599,093**	-
		78,928,267	89,272,624
Contingencies and commitments	11	**-**	-
TOTAL FUNDS & LIABILITIES		**1,757,089,251**	944,130,274
ASSETS			
Non current assets			
Property and equipment	12	**112,103,606**	29,347,564
Right of use asset	13	**171,392,646**	121,215,591
Intangibles	14	**357,151,852**	118,519,442
Long term deposits	15	**12,636,190**	5,695,760
		653,284,294	274,778,357
Current assets			
Advances, prepayments and other receivables	16	**55,251,503**	31,894,457
Short term investments	17	**300,000,000**	-
Cash and bank balances	18	**748,553,454**	637,457,460
		1,103,804,957	669,351,917
TOTAL ASSETS		**1,757,089,251**	944,130,274

The annexed notes 1 - 30 form an integral part of these financial statements.

Chief Executive | **Chief Financial Officer** | **Director**

PAKISTAN SINGLE WINDOW
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Funds	Sponsor's Loan	Total
	----------------Rupees----------------		
Balance as on July 01, 2020	(3,601,122)	-	(3,601,122)
Total comprehensive loss for the year	(51,015,781)	-	(51,015,781)
Sponsors' contribution received during the year	1,000,000	-	1,000,000
Sponsors' loan received during the year	-	800,155,359	800,155,359
Balance as on June 30, 2021	(53,616,903)	800,155,359	746,538,456
Balance as on July 01, 2021	**(53,616,903)**	**800,155,359**	**746,538,456**
Total comprehensive loss for the year	**(178,221,231)**	**-**	**(178,221,231)**
Sponsors' loan received during the year	**-**	**909,241,987**	**909,241,987**
Balance as on June 30, 2022	**(231,838,134)**	**1,709,397,346**	**1,477,559,212**

The annexed notes 1 - 30 form an integral part of these financial statements.

Chief Executive | **Chief Financial Officer** | **Director**

PAKISTAN SINGLE WINDOW
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		--------------------Rupees	--------------------
A) Cash flows from operating activities			
Deficit for the year - before tax		**(177,622,138)**	(51,015,781)
Adjustment of non-cash / non-operating activities			
Depreciation on property and equipment	**12.1.1**	**10,065,062**	4,218,445
Depreciation on right of use asset	**13**	**19,010,014**	7,086,800
Provident fund contribution	**9**	**15,508,680**	546,118
Amortization of deferred capital grant	**8**	**4,780,119**	44,724
Finance cost	**23**	**7,536,686**	2,450
Deficit before working capital changes		**(120,721,577)**	(39,117,244)
Changes in working capital			
Increase in advances, prepayments and other receivables		**(23,357,046)**	(31,894,457)
Decrease in creditors, accrued and other liabilities		**(16,299,678)**	56,480,362
		(39,656,724)	24,585,905
Cash used in operations		**(160,378,301)**	**(14,531,339)**
Deferred liabilities paid	**9**	**(946,520)**	-
Lease rentals paid		**(49,354,610)**	(2,213,070)
Finance cost paid	**23**	**(15,799)**	(2,450)
Net cash used in operating activities		**(210,695,230)**	(16,746,859)
B) Cash flows from investing activities			
Acquisition of property and equipment	**12.1**	**(55,897,733)**	(32,886,983)
Capital expenditure incurred on intangibles	**14**	**(213,179,475)**	(118,519,442)
Long term deposits	**15**	**(6,940,430)**	(5,695,760)
Short term investment	**17**	**(300,000,000)**	-
Capital expenditure on work in progress assets	**12.2**	**(43,172,620)**	(723,750)
Deferred grant paid	**7**	**(661)**	661
Deferred capital grant received	**8**	**31,740,157**	10,874,234
Net cash used in investing activities		**(587,450,762)**	(146,951,040)

Chief Executive **Chief Financial Officer** **Director**

C) Cash flows from financing activities

Sponsors' loan received		**909,241,987**	800,155,359
Sponsors' contribution received		**-**	1,000,000
Net cash generated from financing activities		**909,241,987**	801,155,359

RECONCILIATION OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the beginning of the year		**637,457,460**	-
A) Cash flows from operating activities		**(210,695,230)**	(16,746,859)
B) Cash flows from investing activities		**(587,450,762)**	(146,951,040)
C) Cash flows from financing activities		**909,241,987**	801,155,359
Cash and cash equivalents at the end of the year	**18**	**748,553,454**	637,457,460

The annexed notes 1 - 30 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 JUNE 30, 2022

1 The company and its operations

Pakistan Single Window 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 13 April 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 location 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
6th Floor, Bahria Complex-III 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;

- Provisions of and the directives issued under the Companies Act, 2017.

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 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

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

Certain standards, amendments and interpretations to IFRS are effective for accounting period beginning on July 01, 2021, but are considered not to be relevant or to have any significant effect on the company's operations (although they may effect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company

The following new accounting standards, interpretations and amendments to accounting and reporting standards are effective for accounting periods, beginning on or after the date mentioned against each of them and therefore, are not effective for current financial year.

Standards or interpretations	**Effective date** (accounting periods beginning on or after)
Reference to the Conceptual Framework, Amendments in IFRS 3 - Business Combinations	January 1, 2022
Property, Plant and Equipment; Proceeds Before Intended Use - Amendments to IAS 16	January 1, 2022
Costs Related to Onerous Contracts - Amendments in IAS 37	January 1, 2022

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which will not be effective in the next financial year.

	Effective date (accounting periods beginning on or after)
Expiry date of Deferral Approach - Amendments in IFRS 4, Insurance Contracts	January 1, 2023
Concerns and Implementations Challenges - Amendments in IFRS 17	January 1, 2023
Disclosure of Accounting Policies - Amendments in IAS 1 and IFRS practice statement 2	January 1, 2023
Deferred Taxes on Leases and Decommissioning Obligations - Amendments in IAS 12 - Income Taxes	January 1, 2023
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)'	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)'	January 1, 2023

The above amendments are not expected to have a material impact on the company's financial statements when they become effective.

3 Basis of preparation

3.1 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.

3.2 Functional and presentation currency

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

3.3 Significant 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.

Significant 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 significant 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.

4 Summary of significant accounting policies

The significant 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 as incurred. 'Development' costs are expensed 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 show the deposits for leases of buildings and to obtain other contracts.

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:

- Subscription 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 Sponsors' loan

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

Parties are said to be related when they meet the definition as provided in IAS 26.

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 insignificant 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, prepayments and other receivables

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 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.

4.12 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.

Significant 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 significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

4.13 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.

4.14 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.

4.15 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.

4.16 Employees' provident fund

(i) Defined contributory plan (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.

4.17 Taxation

The company has been established as a non-profit organization under section 42 of the Companies Act, 2017. Since the company has not obtained the status of Non Profit Organization under section 2(36) of Income Tax Ordinance, 2001, the company cannot obtain 100% tax credit provided by Section 100C of Income Tax Ordinance, 2001 and resultantly tax provision is created.

4.17.1 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. The current tax provision is higher of tax payable under Normal Tax Regime, Minimum Tax Regime or Alternate Corporate Tax. Management evaluates position taken in tax matters with respect to the respective situations in which applicable tax regulation is subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

4.17.2 Deferred tax

Deferred tax is accounted for using the balance sheet 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.

4.18 Financial Instruments - Initial recognition and subsequent measurement

4.18.1 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.

4.18.2 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.

4.18.3 Subsequent measurement

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.

4.18.4 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.

4.18.5 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.

4.18.6 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.

		2022	2021
		--------------Rupees--------------	
5	**Sponsor's loan**		
	Balance as at July 01	**800,155,359**	-
	Sponsor's loan received during the year	**909,241,987**	800,155,359
	Sponsor's loan repaid during the year	-	-
	Balance as at June 30	**1,709,397,346**	800,155,359

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

6 Lease liabilities

Pakistan Customs had earlier paid advances to Pakistan Revenue Automation (Private) Limited on behalf of Pakistan Single Window for the rental payments of Islamabad and Karachi office. Subsequently Pakistan Revenue Automation (Private) Limited had made rent agreements with National Telecommunication Corporation Headquarters and Bahria Foundation for renting Islamabad and Karachi office buildings respectively for 3 years with an option to extend the lease agreement for further 3 years. After the completion of service level agreement with Pakistan Revenue Automation (Private) Limited, name of lessee in the lease agreement was changed to Pakistan Single Window.

At the date of transfer of the agreement to Pakistan Single Window's name, the liability was measured at the present value of the lease payments, discounted using the lessee's incremental borrowing rate as of March 01, 2021, June 01, 2021 and October 01, 2021 for Islamabad, Bahria complex III Karachi and Bahria complex I Karachi offices respectively. The lessee's incremental borrowing rate (KIBOR) applied to the lease liabilities was 8%. The lease rentals are payable quarterly in advance for Karachi offices and semi annually in advance for Islamabad office.

	2022	2021
	--------------Rupees--------------	
Balance as at July 01	**126,089,321**	**-**
Addition to lease liability	**89,358,415**	128,302,391
Finance cost accrued	**1,898,390**	-
Paid during the year	**(37,053,797)**	(2,213,070)
	180,292,329	126,089,321
Current portion of lease liabilities	**(36,445,565)**	(29,191,140)
Balance as at June 30	**143,846,764**	96,898,181

6.1 **Maturity analysis**

Reconciliation of minimum lease payments and their present value	2022 Not later than 1 year	2022 Later than 1 year but not later than 5 years	2022 Total
Future minimum lease payments	49,885,345	166,172,580	216,057,925
Less: interest on lease liabilities	(13,439,779)	(22,325,816)	(35,765,595)
Present value of future minimum lease payments	**36,445,566**	**143,846,764**	**180,292,330**

Reconciliation of minimum lease payments and their present value	2021 Not later than 1 year	2021 Later than 1 year but not later than 5 years	2021 Total
Future minimum lease payments	38,108,298	111,946,673	150,054,971
Less: interest on lease liabilities	(8,917,158)	(15,048,492)	(23,965,650)
Present value of future minimum lease payments	**29,191,140**	**96,898,181**	**126,089,321**

		Note	2022	2021
			------------Rupees-------------	
7	**Deferred grant**			
	Balance as at July 01		**661**	-
	Grant received during the year	**7.1**	**35,552,615**	20,000,000
	Transferred to deferred capital grant	**8**	**(31,740,157)**	(10,918,958)
	Grant income recognized		**(3,812,458)**	(9,080,381)
	Adjustment		**(661)**	-
	Balance as at June 30		**-**	661

7.1 This represents funds received from Government of Pakistan through Public Sector Development Programme (related party) made against budgetary allocation in Pakistan Single Window programme.

		Note	2022	2021
8	**Deferred capital grant**			
	Balance as at July 01		**10,874,234**	-
	Transferred from deferred grants	**7**	**31,740,157**	10,918,958
	Amortization charge for the year representing depreciation on related items of operating fixed assets	**12.1.1**	**(967,661)**	(44,724)
	Balance as at June 30		**41,646,730**	10,874,234
9	**Deferred liabilities**			
	Balance as at July 01		**546,118**	-
	Employee contribution during the year		**7,754,340**	273,059
	Employer contribution during the year		**7,754,340**	273,059
	Provident paid during the year		**(946,520)**	-
	Balance as at June 30	**9.1**	**15,108,278**	546,118

9.1 This amount pertains to provident fund.

		Note	2022	2021
10	**Creditors, accrued and other liabilities**			
	Creditors		**26,113,210**	54,423,432
	Accrued expenses		**4,569,198**	5,141,726
	Withholding income tax payable		**8,285,187**	150,962
	Withholding sales tax payable		**547,913**	168,164
	Audit fee payable		**98,600**	197,200
	Guarantee deposits payable		**1,546,279**	-
	Other liabilities		**723,222**	-
			41,883,609	60,081,484

11 Contingencies and commitments

11.1 Contingencies

The Company has made multiple contraventions of the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter "CGR Rules 2013"). Any contravention of the CGR Rules 2013 is punishable under the Companies Act, 2017, with fine which may extend to five million rupees and where the contravention is a continuing one, with a further penalty which may extend to one hundred thousand rupees for every day. No provision has been made in the financial statements on the said grounds as the amount and timing of the penalty is not reasonably certain.

11.2 Commitments

The total development cost committed on software is Rs. 1,295,858,706/- (June 30, 2021 : Rs. 1,653,010,558/-) including Pakistan Customs and Other Government Agencies automation.

The total committed office setup cost to be incurred on furniture and fixture, office and computer equipment is Rs. 16,397,872/- (June 30, 2021: Rs. 72,295,605/-).

	Note	2022	2021
		--------------------Rupees-------------------	
12 Property and equipment			
Operating fixed assets	**12.1**	**68,207,236**	28,623,814
Capital work in progress	**12.2**	**43,896,370**	723,750
		112,103,606	29,347,564

12.1 Operating fixed assets

Particulars	Furniture and Fixtures	Computers and IT Equipment	Leasehold Improvement	Electric Equipment	Total
Cost					
Balance as at July 01, 2020	-	-	-	-	-
Addition during the year	5,357,777	15,512,390	8,195,340	3,821,476	32,886,983
Balance as at July 01, 2021	**5,357,777**	**15,512,390**	**8,195,340**	**3,821,476**	**32,886,983**
Addition during the year	**6,289,050**	**43,625,035**	**2,195,818**	**3,787,830**	**55,897,733**
Balance as at June 30, 2022	**11,646,827**	**59,137,425**	**10,391,158**	**7,609,306**	**88,784,716**
Depreciation					
Balance as at July 01, 2020	-	-	-	-	-
Charge for the year	(483,684)	(2,689,406)	(682,945)	(407,137)	(4,263,172)
Balance as at July 01, 2021	**(483,684)**	**(2,689,403)**	**(682,945)**	**(407,137)**	**(4,263,169)**
Charge for the year	**(1,304,377)**	**(11,565,109)**	**(1,881,357)**	**(1,563,468)**	**(16,314,311)**
Balance as at June 30, 2022	**(1,788,061)**	**(14,254,512)**	**(2,564,302)**	**(1,970,605)**	**(20,577,480)**
Carrying value as at June 30, 2021	4,874,093	12,822,987	7,512,395	3,414,339	28,623,814
Carrying value as at June 30, 2022	**9,858,766**	**44,882,913**	**7,826,856**	**5,638,701**	**68,207,236**
Annual rate of depreciation (%)	20	33	20	33	

		Note	2022	2021
			--------------------Rupees--------------------	
12.1.1	**Allocation of depreciation**			
	Depreciation related to deferred capital grant	**8**	**967,661**	44,724
	Depreciation charged to administrative expenses	**22.3**	**10,065,062**	4,218,445
	Depreciation capitalized in development cost	**14**	**5,281,588**	-
			16,314,311	4,263,169
12.2	**Capital work in process**			
	Balance as at July 01		**723,750**	-
	Additions during the year		**43,172,620**	723,750
	Balance as at June 30		**43,896,370**	723,750

13 Right of use asset

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

	Note	2022	2021
		-------------Rupees--------------	
Cost			
Balance as at July 01		**128,302,391**	-
Additions during the year		**89,358,415**	128,302,391
Balance as at June 30		**217,660,806**	128,302,391
Depreciation			
Balance on July 01		**(7,086,800)**	-
Charge for the year - NTC building	**22.3**	**(19,010,014)**	(6,336,671)
Charge for the year - Bahria complex III	**14**	**(9,001,545)**	(750,129)
Charge for the year - Bahria complex I	**14**	**(11,169,801)**	-
Balance as at June 30		**(46,268,160)**	(7,086,800)
Carrying value as at June 30		**171,392,646**	121,215,591

14 Intangibles

Development cost

	Note	2022	2021
Salaries	**14.1**	**206,311,356**	16,178,128
Services	**14.2**	**59,125,564**	59,125,564
Allowances to Other Government Agencies	**14.3**	**29,095,809**	26,786,298
Rent	**14.4**	**25,541,829**	14,787,141
Development tools	**14.5**	**4,195,914**	892,182
Depreciation on assets	**14.6**	**26,203,064**	750,129
Finance cost related to lease	**14.7**	**6,678,316**	-
		357,151,852	118,519,442

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

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

14.2 This represents salaries paid to employees on payroll of Pakistan Revenue Automation (Pvt) Limited, working for implementation of Pakistan Single Window Programme.

14.3 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.

14.4 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.

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

14.6 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.

14.7 This includes finance cost of lease liabilities related to Bahria complex I and Bahria complex III.

		Note	2022	2021
			-------------Rupees------------	
15	**Long term deposits**			
	Security deposits - leases		**11,223,690**	4,595,200
	Security deposits - others		**1,412,500**	1,100,560
			12,636,190	5,695,760

		Note	2022	2021
			--------------Rupees---------------	
16	**Advances, prepayments and receivables**			
	Unsecured - considered good			
	Advances to supplier		**3,893,518**	31,454,968
	Prepayments	**16.1**	**23,641,406**	215,610
	Advance tax		**2,093,725**	221,502
	Other receivables	**16.2**	**25,622,854**	2,377
			55,251,503	31,894,457

16.1 This represents costs of prepaid rent for lease of Regus office Karachi for the period of July 2022 to September 2022 and prepaid health insurance for the period of July 2022 to April 2023.

16.2 This includes amount receivable from Pakistan Customs amounting to Rs.17,762,379/- (2021: Nil) and from National Bank of Pakistan against profit of term deposit receipts amounting to Rs7,666,475/- (2021: Nil).

17 Short term investment

Investments in term deposit receipts	**17.1**	**300,000,000**	-
		300,000,000	-

17.1 The amount is invested in National Bank of Pakistan @10.25% per annum for the period of 3 months matured on June 30, 2022. The amount is not received till the end of financial year.

18 Cash and bank balances

Cash in hand		**118,070**	158,030
Cash at bank			
-Current accounts		**238,210,805**	637,299,430
-Saving account	**17.1**	**510,224,579**	-
		748,553,454	637,457,460

18.1 The saving account earned interest at rates ranging from 6% to 9% per annum (2021: Nil)

	Note	2022 Rupees	2021 Rupees
19 Income from operations			
Subscription fee		**37,154,500**	64,000
Single declaration fee		**4,600,500**	-
		41,755,000	64,000
20 Other income			
Profit from saving accounts		**3,803,287**	-
Profit from investment		**15,893,833**	-
Other income	**20.1**	**1,392,300**	74,855
		21,089,420	74,855

20.1 The amount includes forfeited deposit of a contractor who did not fulfill the obligation as per terms of the contract.

21 Operating expenses			
Salaries, allowances and other benefits	**21.1**	**50,580,059**	-
Training and capacity building		**8,372,865**	61,250
Legal and professional charges		**8,656,555**	8,856,783
Third party services		**11,809,435**	-
Consultancy expenses		**2,305,897**	-
Subscription and licenses		**7,691,664**	421,035
Fee and penalties		**2,924**	25,136
Recruitment expenses		**252,000**	508,200
Office supplies		**5,290,889**	2,123,709
Entertainment expenses		**1,118,300**	178,430
Printing and stationery		**2,060,515**	591,926
Travelling and conveyance		**7,958,870**	275,439
Courier and postage		**398,084**	16,225
Tendering cost		**1,063,501**	1,315,059
Commission charges		**742,569**	-
Repair and maintenance		**-**	288,893
Others		**34,540**	1,280
		108,338,667	14,663,365

21.1 Salaries, allowances and other benefits includes provident fund contribution paid by the employer.

21.2 This amount represents security and call center for customer care charges

22 Administrative expenses

Salaries, allowances and other benefits	**22.1**	**80,192,585**	20,269,812
Directors' fee	**22.2**	**3,055,000**	1,633,257
Rent expense		**-**	11,717,500
Boarding and lodging		**5,909,581**	33,000
Vehicle fuel		**-**	17,390
Depreciation expense	**22.3**	**29,075,076**	10,555,116
Insurance expenses		**2,538,895**	-
Repair and maintenance		**575,395**	-
Utilities		**5,972,374**	1,160,135
Auditors' remuneration	**22.4**	**194,800**	116,600
Others		**889,957**	66,392
		128,403,663	45,569,202

22.1 Salaries, allowances and other benefits includes provident fund contribution paid by the employer amounting to Rs. 7,754,340/- (2021: Rs. 273,059/-)

22.2 It represents meeting fee paid to chief executive and directors for the financial year.

	Note	**2022**	2021
		Rupees	Rupees
22.3 Depreciation expense			
Depreciation on property and equipment	**12.1**	**10,065,062**	4,218,445
Depreciation on right of use asset - NTC building	**13**	**19,010,014**	6,336,671
		29,075,076	10,555,116
22.4 Auditors' remuneration			
Audit fee		**98,600**	98,600
Review fee		**87,200**	-
Out of pocket expenses		**9,000**	18,000
		194,800	116,600
23 Finance cost			
Bank charges		**15,799**	2,450
Finance charges	**23.1**	**7,520,887**	-
		7,536,686	2,450

23.1 It represents finance charges related to lease liability of NTC Islamabad office.

24 **Taxation**

	Note		
Current tax		**599,093**	-
Deferred tax	**24.1**	**-**	-
		599,093	-

24.1 Deferred tax asset for the financial years 2022 and 2021 has not been recognized as it is not probable that the entity will have sufficient taxable profits in future against which these deductible temporary differences can be utilized.

25 **Financial Instrument and related disclosures**

25.1 **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.

(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:

		2022	2021
		--------------------Rupees--------------------	
Long term deposits	15	**12,636,190**	5,695,760
Advances, prepayments and other receivables	16	**55,251,503**	31,894,457
Short term investments	17	**300,000,000**	-
Bank balances	18	**748,435,384**	637,299,430
		1,116,323,077	674,889,647

The table below shows the bank balances including term deposits held with some major counterparties at the balance sheet date:

Bank Name	Rating			2022	2021
	Short term	Long term	Agency	--------------Rupees--------------	
Habib Bank Limited	A-1+	AAA	VIS	**533,974,223**	-
National Bank Limited	A-1+	AAA	PACRA	**514,461,161**	637,299,430
				1,048,435,384	637,299,430

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.

Contractual maturity of financial liabilities as at June 30, 2022

	Carrying amount	Within one year	From one to five years	More than five years
Lease liability	**180,292,329**	**36,445,565**	**143,846,764**	-
Creditors, accrued and other liabilities	**41,883,609**	**41,883,609**	**-**	-

Contractual maturity of financial liabilities as at June 30, 2021

	Carrying amount	Within one year	From one to five years	More than five years
Lease liability	126,089,321	29,191,140	96,898,181	-
Creditors, accrued and other liabilities	60,081,484	60,081,484	-	-

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

		At Amortized Cost	
		2022	2021
	Note	----------Rupees----------	
Long term deposits	**15**	**12,636,190**	5,695,760
Advance to suppliers	**16**	**3,893,518**	31,473,719
Prepayments	**16**	**23,641,406**	199,236
Advance tax	**16**	**2,093,725**	221,502
Other receivables	**16**	**25,622,854**	2,377
Cash and bank balances	**18**	**748,553,454**	637,457,460

Financial liabilities as per statement of financial position

Lease liability	**6**	**180,292,329**	126,089,321
Deferred grant	**7**	**-**	661
Deferred capital grant	**8**	**41,646,730**	10,874,234
Creditors	**10**	**26,113,210**	54,423,432
Accrued expenses	**10**	**4,569,198**	5,141,726
Withholding income tax payable	**10**	**8,285,187**	150,962
Withholding sales tax payable	**10**	**547,913**	168,164
Audit fee payable	**10**	**98,600**	197,200
Guarantee deposits payable	**10**	**1,546,279**	-
Other liabilities	**10**	**723,222**	-
Provision for taxation	**24**	**599,093**	-

26 Related parties transaction and balances

26.1 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. Remuneration of chief executive, directors and key management personnel's are disclosed in note 27.

Entity	Relationship	Nature of transactions	2022	2021
			----------Rupees-----------	
Pakistan Customs	Sponsor	Debt received during the year	**909,241,987**	800,155,359
		Reimbursable expenses incurred on behalf of Pakistan Customs	**17,762,379**	-
Public Sector Development Programme - Government of Pakistan	Associate (due to common ownership)	PSDP funds/ grants received during the year	**35,552,615**	20,000,000
		Rent paid on behalf of the company	**-**	24,615,833
Pakistan Revenue Automation (Private) Limited	Associated company (due to common ownership)	Expenses incurred on behalf of the company	**-**	56,422,660
		Expenses incurred, capitalized to intangibles	**-**	80,111,905
		Property and equipment purchased for the company	**-**	31,475,060
		Services received during the year	**37,056,361**	1,926,255

26.2 Balances with related parties

Entity	Relationship	Nature of balance	2022	2021
			----------Rupees-----------	
Pakistan Customs	Sponsor	Sponsor's loan outstanding - Payable	**1,709,397,346**	800,155,359
		Receivable against reimbursement of expenses incurred on behalf of Pakistan Customs	**17,762,379**	-
Public Sector Development Programme - Government of Pakistan	Associate	Restricted grant at year end	**-**	661
Pakistan Revenue Automation (Private) Limited	Associate	Payable against services rendered and reimbursement of expenses incurred on behalf of Pakistan Single Window	**5,674,900**	54,423,432

27 Remuneration of directors, chief executive (CEO) and key management personnel

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

	2022				2021			
	CEO	**Directors**	**Executives**	**Total**	CEO	Directors	Executives	Total
	-----Rupees-----				-----Rupees-----			
Meeting fee	**50,000**	**3,005,000**	**-**	**3,055,000**	100,000	1,533,257	-	1,633,257
Managerial remuneration	**16,160,485**	**-**	**163,826,841**	**179,987,326**	-	-	20,136,323	20,136,323
Medical allowance	**1,822,581**	**-**	**15,354,116**	**17,176,697**	-	-	2,855,068	2,855,068
Fuel/ conveyance allowance	**472,101**	**-**	**10,709,339**	**11,181,440**	-	-	206,246	206,246
Connectivity allowance	**102,903**	**-**	**1,943,621**	**2,046,524**	-	-	38,065	38,065
EOBI	**11,750**	**-**	**435,420**	**447,170**	-	-	21,975	21,975
Provident fund	**648,804**	**-**	**5,219,903**	**5,868,707**	-	-	273,058	273,058
Leave fair assistance	**-**	**-**	**4,025,095**	**4,025,095**	-	-	-	-
Leave encashment	**572,603**	**-**	**4,530,114**	**5,102,717**	-	-	-	-
Festive allowance	**1,197,694**	**-**	**11,459,698**	**12,657,392**	-	-	-	-
	21,038,921	**3,005,000**	**217,504,147**	**241,548,068**	100,000	1,533,257	23,530,735	25,163,992
Number of persons	**1**	**11**	**70**	**82**	1	5	5	11

28 Number of employees

	2022	2021
	Numbers	Numbers
Number of persons employed as on the year end	**135**	59
Average number of persons employed for the year	**97**	8

29 Date of authorization

These financial statements were approved and authorized for issue on 30th September, 2022, by the Board of Directors.

30 General

30.1 Figures have been rounded off to the nearest Pakistani rupee.

30.2 Figures have been reclassified wherever necessary, however, no material reclassification have been made during the year.

Chief Executive **Chief Financial Officer** **Director**

ATTENDANCE OF THE BOARD & COMMITTEE MEETINGS

Name of Director	Board		Audit Committee			Human Resource/Nomination Committee			Procurement Committee		
	Meetings	Attendance	Member	Meetings	Attendance	Member	Meetings	Attendance	Member	Meetings	Attendance
Mr. Syed Muhammad Tariq Huda	5	2									
Mr. Syed Aftab Haider	3	3									
Mr. Mukarram Jah Ansari	5	3	*	6	6	*	4	4			
Mr. Muhammad Saleem[1]	1	1				*	2	2			
Mr. Gul Rehman[2]	1	1				*	0	0			
Mr. Wajid Ali	3	3							*	1	1
Mr. Muhammad Usman Qureshi[3]	3	2							*	2	2
Mr. Muhammad Ashfaq[4]	2	2							*	0	0
Mr. Muhammad Anees	5	4				*	4	4	*	2	2
Mr. Khurram Ijaz	5	5	*	6	6						

Notes:

1. Mr. Muhammad Saleem was appointed as Director w.e.f. 29 March, 2022, in place of Mr. Gul Rehman
2. Mr. Gul Rehman was appointed as Director w.e.f. 21 December, 2021, in place of Mr. Wajid Ali
3. Mr. Muhammad Usman Qureshi was appointed as Director w.e.f. 15 October, 2021, in place of Mr. Muhammad Ashfaq
4. Mr. Muhammad Ashfaq was appointed as Director w.e.f. 07 April, 2021, in place of Mr. Muhammad Usman Qureshi

KEY PERFORMANCE INDICATORS

The sole objective for establishment of PSW is to create a single electronic platform to efficiently meet requirements of regulation for trade in the country i.e., imports, exports and transit trade while supporting simplification, harmonization, and digitization of related processes to improve ease of doing business and compliance.

The detailed KPIs of the company are as follows:

i. Reduce time, cost, and complexity for cross border trade
ii. Improving and simplifying the regulation process
iii. Increase ease of doing business
iv. Adopt international best practices for trade regulations
v. Develop & continuously update electronic platform for cross border trade
vi. Support government agencies in adopting an Integrated Risk Management approach for efficient enforcement of cross border trade related controls
vii. Record trade data for use by the Government
viii. Comply with commitments under agreement with World Trade Organization
ix. Hire & train Human Resource to operate the electronic platform of PSW
x. Develop Integrated Risk Management System IRMS
xi. Develop Applications for integration of Other Government Agencies with PSW electronic platform
xii. Establish a monitoring framework for continuous improvement PSW services

STATEMENT OF COMPLIANCE WITH PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

<u>SCHEDULE I</u>

[See paragraph 2(1)]

Name of Company: <u>Pakistan Single Window</u>

Name of the Line Ministry: <u>Ministry of Finance</u> (through Pakistan Customs)

For the year ended: <u>30th June, 2022</u>

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>
<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, 2020
• 23 February, 2021</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>• Syed Muhammad Tariq Huda
• Mukarram Jah Ansari
• Muhammad Saleem
• Muhammad Usman Qureshi</td><td>• 21 May, 2020
• 15 April, 2020
• 29 March, 2022
• 15 October, 2021</td></tr>
</table>
The Board has at least one-third of its total members as independent directors. At present the Board includes:</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 times during the year. (b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven 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/half-yearly/quarterly basis* and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	**8 (2)**		**N**
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**	

23.	(a) The Board has formed the requisite committees, as specified in the Rules. (b) The committees were provided with written term 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:	**12**	**(a) Y** **(b) Y** **(c) Y**	

Committee	Number of Members	Name of Chair
Audit Committee	• 2	• Khurram Ijaz
Risk Management Committee	• N/A	• N/A
Human Resources Committee	• 3	• Muhammad Anees
Procurement Committee	• 2	• Muhammad Usman Qureshi
Nomination Committee	• 3	• Muhammad Anees

24.	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.	**13**	**Y**	
25.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	**14**	**Y**	
26.	The company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	**16**	**Y**	
27.	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.	**17**	**Y**	
28.	The directors, CEO 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.	**18**	**Y**	
29.	(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.	**19**	**Y**	
30.	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.	**20**	**Y**	

<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</td></tr>
<tr><td>• Mukarram Jah Ansari</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/Chairman**

EXPLANATION OF NON-COMPLIANCE WITH PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

SCHEDULE I

[See paragraph 2(1)]

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 of the Board had been sent to the Federal Cabinet for approval.	Upon receipt of approval from the Federal Cabinet, the female independent director will be notified to SECP.
2	**8(2)**	The performance evaluation of senior management was recommended by the Human Resource/Nomination Committee in its meeting held on 29th June, 2022, for approval by the Board. However, the Board its 12th meeting held on 30th June, 2022, decided to revert it to the Human Resource/Nomination Committee for further review.	The Performance Evaluation of senior management will be submitted to the Board in the next meeting after review and approval by the Human Resource/Nomination Committee.

Chief Executive Officer **Director/Chairman**

AUDITORS’ REPORT TO THE MEMBERS

INDEPENDENT AUDITORS’ 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**, which comprise the statement of financial position as at **JUNE 30, 2022** 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 significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the 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 **JUNE 30, 2022** and of the deficit, other comprehensive income, the changes in funds 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 (the Code) and we have fulfilled our 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 Auditors’ report thereon

Management is responsible for the other information. He other information comprises the information included in the Director’s report, but does not include the financial statements and our 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, on other information obtained prior to the date of this auditor's report, 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 for such internal control as management determined 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, it has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatement 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and asses the risks of material misstatements 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 that for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- 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 f the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions my 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 significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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, 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 are in agreement with the books of account and returns;

c) investment made, expenditures incurred and guarantees extended during the year were for the purpose of the Company's business; and

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

The engagement partner on the audit resulting in this independent auditors' report is **Muhammad Masood Shahid – FCA**.

Parker Russell AJS

Chartered Accountants
Place: Islamabad
Date: September 30, 2022
UDIN: AR202210334pcmVqzxDr

Review Report to the Members

On statement of Compliance with the Public Sector Companies

(Corporate Governance)

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 (the "Company") for the year ended June 30, 2022.

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 Director's 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 or not.

Based on our review, except for the instances mentioned in Schedule-II (Explanation for Non Compliance), 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 June 30, 2022.

Parker Russell A.J.S

Chartered Accountants
Place: Islamabad
Date: September 30, 2022
UDIN: CR202210334IP9XupMsH

COMPANY INFORMATION

Registered Office (As on 30th June, 2022)

The registered office of the Company is situated at NTC Headquarters, 2nd Floor, Sector G-5/2, Islamabad, whereas the operational office is situated at 4th Floor, Bahria Complex - 3 building, M.T. Khan Road, Karachi.

Telephone No: (051) 9245605
Website: www.psw.gov.pk

Banks

i. National Bank of Pakistan (NBP); and
ii. Habib Bank Limited (HBL).

Legal Adviser

i. M/s CKR & Zia.

Auditors

i. Parker Russell A.J.S.

COMPANY OFFICERS (AS ON 30th JUNE, 2022)

i.	Chief Executive Officer	Syed Aftab Haider
ii.	Company Secretary	Mr. Muhammad Moin Ul Arfeen
iii.	Chief Internal Auditor	Mr. Khalid Rashid Jhumra
iv.	Chief Financial Officer	Mr. Muhammad Mubashar Bashir
v.	Chief Technology Officer	Mr. Azeem Afzal
vi.	Chief Domain Officer	Mr. Naveed Abbas Memon
vii.	Head of HR & Admin	Mr. Salman Bashir

On behalf of the Board

Chief Executive Officer

PSW

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