



2023
ANNUAL REPORT

ANNUAL REPORT 2022-23

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 Single Window initiative led by Pakistan Customs is a pioneering effort designed to revolutionize the efficiency and cost-effectiveness of cross-border business operations. By harnessing the power of digitalization, this initiative seeks to propel Pakistan's international trade into a new era, leaving behind cumbersome paper-based procedures.

At its core, the PSW Company stands as a beacon of innovation. Established as a Public Sector Company under the aegis of Section 42 of the Companies Act, 2017, the PSW Company was brought into existence by Pakistan Customs on the 15th of April, 2020. Notably, its significance has been formally recognized by the Federal Government, which has designated it as the 'Operating Entity' of the PSW system in accordance with the provisions set forth by the PSW Act, 2021.

The PSW envisions a transformative electronic platform that seamlessly integrates diverse stakeholders involved in international trade and transport. This innovative platform provides a unified gateway, allowing all parties to submit standardized information and documentation through a singular point of entry. By doing so, it streamlines the fulfillment of import, export, and transit regulatory prerequisites.

In an endeavor to optimize the advantages of the PSW system for both traders and public sector regulators, a pivotal clause within the PSW Act, 2021, emerges. Section 3(3) of this legislative framework mandates Customs and Other Government Agencies (OGAs) as enumerated in the Act's schedule, to synchronize their respective legal frameworks, regulations, procedures, processes, and information requisites that pertain to the regulation of imports, exports, transit trade, and associated transportation. This harmonization ensures a seamless convergence with the Pakistan Single Window, further enhancing its effectiveness.

The overarching goal of the PSW system is to furnish a comprehensive electronic platform, effectively serving as a singular gateway for all facets of international trade and transportation. Stakeholders engaged in these processes can now submit standardized information and documents via a solitary entry point, seamlessly fulfilling the diverse regulatory requisites for imports, exports, and transit.

In summary, the Single Window initiative spearheaded by Pakistan Customs represents a monumental stride towards expediting trade and simplifying processes. Through digitalization and a commitment to integration, the Pakistan Single Window endeavors to foster an environment where international trade flourishes, unfettered by administrative complexities.

Collaboration – Coordination – Connectivity

PSW works by the 3-C guidelines namely Collaboration, Coordination and Connectivity.

In a world characterized by interdependence and interconnectedness, collaboration has emerged as an essential ingredient for trade success. By forging alliances, aligning regulations, and pooling resources, stakeholders can unlock synergies that amplify the benefits of international trade. As nations and businesses continue to navigate the complexities of a globalized economy, the spirit of collaboration will remain a driving force behind sustainable trade growth and shared prosperity.

Trade coordination entails the strategic alignment and synchronization of efforts among various entities involved in trade-related activities. This collaborative framework encompasses governments, regulatory bodies, trade associations, financial institutions, and businesses, all working in unison to facilitate and expedite cross-border transactions. Through coordination, redundant processes are minimized, bottlenecks are mitigated, and the overall trade ecosystem gains resilience.

Trade connectivity is the lifeline that sustains the intricate web of global commerce. It encompasses a multifaceted framework that facilitates the movement of goods and services across borders, while also enabling the exchange of knowledge, technology, and culture. In an era marked by rapid technological advancements and evolving supply chain dynamics, connectivity plays a pivotal role in shaping the trajectory of international trade.

Board of Directors as on 30th June, 2023

As of 30th June, 2023, the PSW Board comprised of 7 distinguished Members. This assembly includes an Executive Director, 4 Ex-Officio Directors, and 2 Independent Directors, all contributing their expertise to the organization's endeavors. The details of the Board Members along with the Board's Committees are detailed below:

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

Committees of the Board

Audit Committee

- **Mr. Khurram Ijaz (Chairman)**
- **Ms. Ambreen Iftikhar (Member)**

Human Resource/Nomination Committee

- **Mr. Muhammad Anees (Chairman)**
- **Ms. Ambreen Iftikhar (Member)**
- **Syed Shakeel Shah (Member)**

Procurement Committee

- **Mr. Muhammad Usman Qureshi (Chairman)**
- **Mr. Muhammad Anees (Member)**

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) takes immense pleasure in presenting the 4th Directors' Report of the Company. This comprehensive document offers a meticulous overview of the operational and financial achievements of the Company for the fiscal year concluding on 30th June, 2023.

OVERVIEW

Pakistan Single Window (PSW) "the Company" was incorporated as a Public Sector Company under Section 42 of the Companies Act, 2017, on 15th April, 2020, with its head office in Islamabad and operations offices in Karachi. The Company is the notified operating entity for the development, implementation, operationalization and maintenance of Pakistan's National Single Window System, under the provisions of the Pakistan Single Window Act, 2021. The apex body overseeing the performance of the Company is the Governing Council (GC) which is headed by the Finance Minister.

PSW is a transformative national initiative dedicated to delivering seamless and expeditious trade-related services to all stakeholders. Its primary objective is to empower trade and transport participants by facilitating the submission of standardized information and documents through a centralized portal. This single-entry point revolutionizes the import, export, and transit trade processes by efficiently addressing all regulatory requirements.

By leveraging PSW, international trade of Pakistan experiences a significant reduction in both time and costs. The system's innovative approach streamlines operations, ensuring transparency and consistency in all trade-related processes. This not only enhances overall efficiency but also establishes a level playing field for businesses, fostering a fair and competitive trading environment.

PSW stands at the forefront of modernizing trade facilitation, harmonizing processes, and fostering collaboration among various stakeholders. Its cutting-edge technology, combined with a user-friendly interface, empowers traders, importers, exporters, and logistics providers to seamlessly navigate complex trade regulations.

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;

PSW is a game-changing national cause, laying the foundation for a more agile, competitive, and inclusive global trade landscape. Through its commitment to efficiency, transparency, and innovation, PSW sets the benchmark for progressive trade facilitation, benefiting the nation's economy and contributing to the growth of international commerce.

The Phase-II of the PSW System has been launched successfully in June, 2023, in compliance with the timeline committed with the Government of Pakistan. The PSW System currently houses ten (10) Other Government Agencies (OGA) namely Department of Plant Protection (DPP), Animal Quarantine Department (AQD), Federal Seed Certification and Registration Department (FSC&RD), Pakistan Standards and Quality Control Authority (PSQCA), Export Development Fund (EDF), Ministry of Narcotics Control (MoNC), Marine Fisheries Department (MFD), Mercantile Marine Department (MMD), Drug Regulatory Authority of Pakistan (DRAP) and Sindh Excise, Taxation & Narcotics Control Department (SET&NC) along with twenty-nine (29) commercial banks.

PSW's unwavering commitment to its cause is commendable, and its relentless pursuit of its goals has led to significant achievements. Although the journey has not been without challenges, such as difficulties in change management, resistance to change, non-acceptance of reforms, political instability and funding constraints, PSW has demonstrated remarkable resilience and adaptability.

Embracing change in any organization can be a complex process, and PSW has faced its fair share of hurdles. However, the organization's proactive approach in addressing these issues through effective change management strategies showcases its dedication to continuous improvement.

Moreover, the initial non-acceptance of change among stakeholders served as a valuable learning experience, leading to better communication and engagement strategies. By fostering open dialogues and involving key stakeholders in decision-making processes, PSW has successfully garnered support and buy-in from all relevant parties.

Despite financial constraints, PSW's efficient resource allocation and prudent financial management have enabled it to make remarkable strides in achieving its objectives. The ability to deliver positive outcomes even in resource-constrained environments highlights PSW's commitment to responsible governance and strategic planning.

FINANCIAL HIGHLIGHTS:

Details	2020	2021	2022	2023
Revenue	-	9,263,960	67,624,539	709,018,467
Surplus/(Deficit)	(3,601,122)	(51,015,781)	(178,221,231)	112,513,317
Government Funding Received	-	20,000,000	35,552,615	47,483,738
Sponsor's Loan	-	800,155,359	1,709,397,346	2,197,718,390
Software Development Cost	-	118,519,442	357,151,852	764,927,477

PSW has maintained provident fund in a separate saving bank account, during the year ended 30th June, 2023. It is pertinent to mention that PSW is not reliant on any sort of subsidy or financial support directly from the Government of Pakistan. Sponsor loan is provided by Pakistan Customs which is interest free & payable at the discretion of PSW after generating its own surplus.

As a result of its resilience and determination, PSW has earned the status of a successful State-Owned Enterprise (SOE). This achievement is a testament to the organization's visionary leadership, dedicated workforce, and the unwavering support of its stakeholders.

The Company is moving smoothly towards self-sustainability. There has been a positive change in the operating results of the Company from last year as the Company has reported a surplus over its expenditures this year and there is no outstanding payment with respect to taxes or cess.

Moving forward, PSW remains steadfast in its commitment to driving innovation, fostering excellence, and enhancing trade-related services for the betterment of the nation. It continues to evolve, leveraging its experiences to build a more agile, customer-centric, and future-proof organization.

In conclusion, PSW's journey has been a testament to the power of perseverance and adaptability. By addressing challenges head-on and capitalizing on opportunities for growth, PSW has emerged as a model State-Owned Enterprise, inspiring others with its success story and commitment to national development.

KEY PERFORMANCE INDICATORS (KPI)

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; and
- xii. Establish a monitoring framework for continuous improvement PSW services.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

PSW believes that corporate responsibility plays an important role in maximizing the benefits of international trade and investment in development. To be a powerful complementary component to open global trade, international investment, and economic growth in support of sustainable development, corporate social responsibility is an embedded feature of PSW operations.

The Company's dedication to Corporate Social Responsibility (CSR) is a testament to its commitment to making a positive impact on society. By integrating CSR principles into its operations, the Company not only promotes open global trade and economic growth but also ensures responsible practices that align with global sustainability goals. This holistic approach highlights the Company's vision to be a responsible corporate citizen and a catalyst for positive change.

PSW has aligned its CSR activities in line with the United Nations' Sustainable Development Goals (SDGs). Some of the many CSR initiatives and sustainability initiatives undertaken by the Company are as following:

- 24-hour helpline
To enhance women's participation in cross-border trade through gender responsive trade facilitation measures, PSW launched a dedicated women's helpline.
- Feedback Mechanism for Quality Assurance
PSW has established 2-way communication and continuous information sharing which ensures that each communication is consistent the principles of being visible, accessible, timely, flexible, appropriate and clearly communicated.
- Women's Entrepreneurship Program - Khadijah
To increase female participation in international trade in Pakistan and promote PSW as a platform, we are striving to build the capacity of women entrepreneurs in Pakistan. The Khadijah program aims to increase Pakistani women's participation in international trade by 10% in 3 years.
- Women's awareness, inclusion, and empowerment
PSW has undertaken several awareness initiatives to elevate both general awareness and promotion of female participation in international trade along with female empowerment.
- PSW Training Partnership Program
PSW is offering a unique opportunity for organizations with relevant experience to partner with us and support the training and capacity building of the various stakeholders associated with Pakistan's cross-border trade.

CORPORATE GOVERNANCE

Pakistan Single Window (PSW) being a Public Sector Company operates under the Public Sector Companies (Corporate Governance) Rules, 2013, and the State-Owned Enterprises (Governance and Operations) Act, 2023, 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. Since the inception of the Company, the Board along the Management was committed to comply with all the rules and regulations in true letter and spirit.

Specific statements to comply with the requirements of Corporate Governance Rules are as follows:

- The Board has complied with the relevant principles of corporate governance, and has identified the rules that have not been complied with, the period in which such non-compliance continued, and reasons for such non-compliance;
- The financial statements, prepared by the management, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- There are adequate internal financial controls in place;

- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- The Board recognizes its responsibility to establish and maintain sound system of internal control, which is regularly reviewed and monitored; and
- The appointment of the Chairperson and other Members of the Board and the terms of their appointment along with the remuneration policy adopted are in the best interests of the Company and relevant laws as well as in line with the best practices.

The Board has complied with the relevant provisions of the Public Sector Companies (Corporate Governance) Rules, 2013, Companies Act, 2017, Associations with Charitable and Not for Profit Objects Regulations, 2018, Companies (General Provisions and Forms) Regulations, 2018, Companies Regulations, 2022, along with all conditions provided in the license unless otherwise stated.

The Audit Committee recommended appointing M/s Muniff Ziauddin as the External Auditors of the Company for the year 2023-24.

EXECUTIVE REMUNERATION:

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:

	2023			
	CEO	Directors	Executives	Total
	-----Rupees-----			
Meeting fee	-	2,290,000	-	2,290,000
Managerial remuneration	22,100,004	-	348,482,710	370,582,714
Medical allowance	-	-	7,593,242	7,593,242
Fuel/ conveyance allowance	881,664	-	31,087,033	31,968,697
Connectivity allowance	120,000	-	4,028,635	4,148,635
COLA allowance	-	-	4,242,532	4,242,532
EOBI	15,000	-	1,066,875	1,081,875
Provident fund	1,233,420	-	12,810,390	14,043,810
Leave fair assistance	616,959	-	8,093,997	8,710,956
Leave encashment	605,480	-	8,657,638	9,263,118
Festive allowance	1,841,667	-	26,678,327	28,519,994
	27,414,194	2,290,000	452,741,379	482,445,573
Number of persons	1	6	95	102

HUMAN RESOURCE

The Human Resource (HR) strength reached **183** as on 30th June, 2023.

The Company has nine (09) departments as tabulated below:

Departments	Led By	Strength
Chief Executive's Secretariat	Chief Executive Officer	2
Finance & Procurement	Chief Financial Officer	11
Human Resource & Administration	Head of HR & Admin	10
Corporate Affairs	Company Secretary	3
Internal Audit	Chief Internal Auditor	3
Marketing & Communication	Head of Marketing & Communication	7
Operations & Strategy	Chief Strategy & Operations Officer	26
Domain Management	Chief Domain Officer	32
Information Technology	Chief Technology Officer	89

BOARD OF DIRECTORS

The Board comprised of seven (07) Directors as on 30th June, 2023, including the Chief Executive Officer (CEO). The details of the Board Members along with the Board's Committees are detailed below:

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

COMMITTEES OF THE BOARD

Audit Committee

- **Mr. Khurram Ijaz (Chairman)**
- **Ms. Ambreen Iftikhar (Member)**

Human Resource (HR) Committee

- Mr. Muhammad Anees (Chairman)
- Ms. Ambreen Iftikhar (Member)
- Syed Shakeel Shah (Member)

Procurement Committee

- Mr. Muhammad Usman Qureshi (Chairman)
- Mr. Muhammad Anees (Member)

A total of four (04) Board Meetings were held during the year ended 30th June, 2023. The list of Directors along with the attendance for the Board & Committee Meetings held during the year is tabulated below:

Name of Director	Board		Audit Committee			Human Resource/Nomination Committee			Procurement Committee		
	Meetings	Attendance	Member	Meetings	Attendance	Member	Meetings	Attendance	Member	Meetings	Attendance
Mr. Muhammad Anees	4	3				.	4	2	.	2	2
Mr. Syed Aftab Haider	4	4									
Mr. Mukarram Jah Ansari	4	4				.	1	0			
Ms. Ambreen Iftikhar	4	4	.	5	5	.	3	3			
Mr. Muhammad Usman Qureshi	4	0							.	2	2
Mr. Khurram Ijaz	4	4	.	5	5						
Mr. Syed Shakeel Shah	2	2				.	2	2			
Mr. Muhammad Imran Khan	2	2				.	1	1			
Mr. Muhammad Saleem	0	0				.	1	1			

Notes:

1. Mr. Imran Khan was appointed as Director w.e.f. 25 August, 2022, in place of Mr. Muhammad Saleem
2. Ms. Ambreen Iftikhar joined as a Director w.e.f. 29 August, 2022.
3. Mr. Syed Shakeel Shah was appointed as Director w.e.f. 1 December, 2022, in place of Mr. Muhammad Imran Khan.



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.

OPERATIONS AND FUTURE PROSPECTS

PSW's integration with the China Single Window is progressing as planned and is expected to be finalized soon. While most of PSW's projects are on track, there are a few that are facing delays and some that are currently at risk. Notably, the Airport Community System (ACS) is facing challenges beyond PSW's control, putting its progress in jeopardy. The development of the Port Community System (PCS) is going as planned, which shall lead to its timely completion.

PSW established a Digital Transformation Office (DTO) within the Operations and Strategy department that has achieved a significant milestone by establishing a robust Customer Relationship Management (CRM) function, which includes the implementation of a cutting-edge call center. The DTO unit centralizes project and program management, aligns with PSW GC and C-Suite directives, standardizes processes, and enhances project management capabilities for higher success rates. It focuses on strategic initiatives and uses a holistic approach to achieve PSW's objectives while maintaining excellence and efficiency. In line with Pakistan Customs vision the WeBOC Transformation is in progress to design, develop and implement a new and modernize Customs Management System (CMS) by using of cutting-edge technology. PSW is committed to delivering high-capacity, secure, and robust data, network, and infrastructure services, through its Hardware Infrastructure unit with a primary aim of facilitating seamless trade activities and providing a 99.9% uptime guarantee.

The Company has a robust Business Continuity Plan (BCP) in place that entails the procedures to be followed in case of disasters and any sort of hindrance in business to mitigate risks related to the loss and theft of data.

PSW has started implementing the Enterprise Resource Planner (ERP) within the Company while the process for procuring the primary data center is near completion. The Company has also established a robust data security policy to ensure the safeguarding of sensitive data. In this regard, the Strategy & Operations department is tasked ensuring the enterprise security of Pakistan Single Window's assets, information, and data.

Looking ahead to the 2023-24 fiscal year, PSW will actively collaborate with the Special Technology Zones Authority (STZA) to integrate the PSW System with STZA's One Window Portal. Additionally, Phase-II of the Drug Regulatory Authority of Pakistan (DRAP) project will be completed, introducing several new features to enhance the existing module.

Furthermore, PSW is actively pursuing integration with key stakeholders such as the Trade Development Authority of Pakistan (TDAP), the Provincial Revenue Authorities, and the Pakistan Tobacco Board (PTB). Additionally, plans are in place for the rollout of Phase-II of the Port Community System (PCS). These initiatives underscore PSW's commitment to streamlining processes and enhancing efficiency in various sectors.

ACKNOWLEDGEMENT

We would like to highlight the support rendered by all our stakeholders and in this respect, we would pay tribute to the professionalism and concerted efforts of Company's management and employees in implementing the Board strategies. We are grateful to the continuous support and guidance extended by the Ministry of Finance, Federal Board of Revenue, Pakistan Customs and other departments of the Federal Government.

On behalf of the Board,



Chief Executive Officer

24th October, 2023



Director



KEY FINANCIAL DATA

The Key financial data for the year ended 30th June, 2023, is tabulated in the succeeding pages of the Annual Report of the Company.

**PAKISTAN SINGLE WINDOW
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023**

	Note	2023	2022
		-----Rupees-----	
FUNDS AND LIABILITIES			
Funds			
Funds (As per statement of changes in funds)		(119,324,817)	(231,838,134)
Loan from sponsor	5	2,197,718,390	1,709,397,346
		2,078,393,573	1,477,559,212
Non current liabilities			
Lease liabilities	6	97,428,088	143,846,764
Deferred grant	7	-	-
Deferred capital grant	8	82,471,254	41,646,730
Deferred liabilities	9	47,926,068	15,108,278
		227,825,410	200,601,772
Current liabilities			
Current portion of lease liabilities	6	41,086,871	36,445,565
Creditors, accrued and other liabilities	10	88,241,734	41,883,609
Provision for taxation	11	23,088,616	599,093
		152,417,221	78,928,267
Contingencies and commitments	12	-	-
TOTAL FUNDS & LIABILITIES		2,458,636,204	1,757,089,251

ASSETS

Non-current assets

Property and equipment	13	184,724,159	112,103,606
Right of use asset	14	118,937,198	171,392,646
Intangibles	15	764,927,477	357,151,852
Long term deposits	16	10,425,434	12,636,190
		1,079,014,268	653,284,294

Current assets

Advances, prepayments and other receivables	17	125,810,896	55,251,503
Short term investments	18	-	300,000,000
Cash and bank balances	19	1,253,811,040	748,553,454
		1,379,621,936	1,103,804,957

TOTAL ASSETS

2,458,636,204 **1,757,089,251**

The annexed notes from 1 - 31 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, 2023

	Note	<u>2023</u>	<u>2022</u>
		-----	-----Rupees-----
		-----	-----
INCOME			
Amortization of grant	7	5,433,729	3,812,458
Deferred capital grant	8	1,225,485	967,661
Income from operations	20	502,113,100	41,755,000
Other income	21	<u>200,246,153</u>	<u>21,089,420</u>
		709,018,467	67,624,539
EXPENDITURE			
Operating expenses	22	328,613,909	108,338,667
Administrative expenses	23	237,076,449	128,403,663
Amortization of deferred capital grant	8	1,225,485	967,661
Finance cost	24	6,560,443	7,536,686
		573,476,286	245,246,677
Surplus / (Deficit) before tax		135,542,181	(177,622,138)
Taxation	25	(23,028,864)	(599,093)
Surplus / (Deficit) for the year		<u><u>112,513,317</u></u>	<u><u>(178,221,231)</u></u>

The annexed notes from 1 - 31 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

PAKISTAN SINGLE WINDOW
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

Note	2023	2022
	-----Rupees-----	
Surplus / (Deficit) for the year	112,513,317	(178,221,231)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	112,513,317	(178,221,231)

The annexed notes from 1 - 31 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, 2023

	Funds	Sponsor's Loan	Total
	-----Rupees-----		
Balance as on July 01, 2021	(53,616,903)	800,155,359	746,538,456
Deficit for the year	(178,221,231)	-	(178,221,231)
Other comprehensive loss for the year	-	-	-
Loan from sponsors received during the year	-	909,241,987	909,241,987
<hr/>			
Balance as on June 30, 2022	(231,838,134)	1,709,397,346	1,477,559,212
<hr/>			
Balance as on July 01, 2022	(231,838,134)	1,709,397,346	1,477,559,212
Surplus for the year	112,513,317	-	112,513,317
Other comprehensive income for the year	-	-	-
Loan from sponsors received during the year	-	488,321,044	488,321,044
<hr/>			
Balance as on June 30, 2023	(119,324,817)	2,197,718,390	2,078,393,573

The annexed notes from 1 - 31 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, 2023

	2023	2022
	-----Rupees-----	
Note		
A) Cash flows from operating activities		
Surplus / (Deficit) before tax	135,542,181	(177,622,138)
Adjustment of non-cash / non-operating activities		
Depreciation on property and equipment	13.1.1 16,487,269	10,065,062
Depreciation on right of use asset	14 15,974,067	19,010,014
Provident fund contribution	9 36,240,420	15,508,680
Amortization of deferred capital grant/deferred grant	8 1,225,485	4,780,119
Finance cost	24 6,560,443	7,536,686
Deficit before working capital changes	212,029,865	(120,721,577)
Changes in working capital		
Increase in advances, prepayments and other receivables	(70,559,393)	(23,357,046)
Increase/(decrease) in creditors, accrued and other liabilities	46,358,125	(16,299,678)
	(24,201,268)	(39,656,724)
Cash used in operations	187,828,597	(160,378,301)
Deferred liabilities paid	9 (5,243,436)	(946,520)
Lease rentals paid	(46,617,397)	(49,354,610)
Finance cost paid	24 (46,796)	(15,799)

Net cash used in operating activities	<u>135,920,968</u>	<u>(210,695,230)</u>
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B) Cash flows from investing activities

Acquisition of property and equipment	13.1	(49,674,233)	(55,897,733)
Capital expenditure incurred on intangibles	15	(347,778,977)	(213,179,475)
Long term deposits	16	2,210,756	(6,940,430)
Short term investment	17	300,000,000	(300,000,000)
Capital expenditure on work in progress assets	13.2	(65,791,981)	(43,172,620)
Deferred grant paid	7	-	(661)
Deferred capital grant received	8	42,050,009	31,740,157
Net cash used in investing activities		<u>(118,984,426)</u>	<u>(587,450,762)</u>

C) Cash flows from financing activities

Loan from sponsors received	<u>488,321,044</u>	<u>909,241,987</u>
Net cash generated from financing activities	<u>488,321,044</u>	<u>909,241,987</u>

RECONCILIATION OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the beginning of the year	748,553,454	637,457,460
A) Cash flows from operating activities	135,920,968	(210,695,230)
B) Cash flows from investing activities	(118,984,426)	(587,450,762)
C) Cash flows from financing activities	<u>488,321,044</u>	<u>909,241,987</u>
Cash and cash equivalents at the end of the year	19	<u>748,553,454</u>

The annexed notes from 1 - 31 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, 2023

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 April 13, 2021, and in so far as relevant to the intent and objects of this Act, it was necessary to establish a separate entity, thus Pakistan Single Window (PSW) became the operating entity of the project owned by the Government of Pakistan, through its lead agency, Pakistan Customs.

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

Location	Purpose
2nd Floor, NTC Building, Sector G-5/2 Islamabad Urban Islamabad Capital Territory (I.C.T.).	Registered office/ Head office
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, 2022, 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)
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
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	January 1, 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	January 1, 2024
Non-current Liabilities with Covenants (Amendments to IAS 1)	January 1, 2024
Lack of Exchangeability (Amendments to IAS 21)	January 1, 2025

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

There are two components of intangible assets:

- In-house developed intangible assets
- Intangible assets acquired from market

(i) In-house developed intangible assets

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

(ii) Intangible assets acquired from market

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

4.3 Long term deposits

Long term deposits 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:

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

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

4.4.1 Grants

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

4.4.2 Other income

Other income is recognized in the period it relates to.

4.5 Loan from sponsor

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

4.6 Creditors, accrued and other liabilities

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

4.7 Related party transactions

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

4.8 Cash and cash equivalents

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

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

4.18 Financial Instrument – 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 condition are subsequently measured at amortized

- 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 FVTP (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 as fair value and transaction cost are expensed in the statement of profit and 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 and loss and other comprehensive income in the period in which year 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 asset 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 asset that can be readily estimated.

	Note	2023 -----Rupees----- -----	2022
5	Loan from sponsor		
Balance as at July 01		1,709,397,346	800,155,359
Loan from sponsor received during the year		488,321,044	909,241,987
Balance as at June 30	5.1	2,197,718,390	1,709,397,346

- 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, which is outside the normal course of business.

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 three 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 ||| Karachi and Bahria complex | Karachi offices respectively. The lessee's incremental borrowing rate (KIBOR) was applied to the lease liabilities. The lease rentals are payable quarterly in advance for Karachi offices and semi annually in advance for Islamabad office.

Note	2023	2022
	-----Rupees----- ---	
Balance as at July 01	180,292,329	126,089,321
Addition to lease liability	-	89,358,415
Adjustment	(12,972,890)	-
Finance cost accrued	3,810,795	1,898,390
Principal paid during the year	(32,615,275)	(37,053,797)
	138,514,959	180,292,329
Current portion of lease liabilities	(41,086,871)	(36,445,565)
Balance as at June 30	97,428,088	143,846,764

8 Deferred capital grant

Balance as at July 01		41,646,730	10,874,234
Transferred from deferred grants	7	42,050,009	31,740,157
Amortization charge for the year representing depreciation on related items of operating fixed assets	12.1.1	(769,368)	(967,661)
Deferred capital grant - others		(456,117)	-
Balance as at June 30		82,471,254	41,646,730

9 Deferred liabilities

Balance as at July 01		15,108,278	546,118
Employee contribution during the year		18,120,210	7,754,340
Employer contribution during the year		18,120,210	7,754,340
Interest for the year		1,820,806	-
Final settlement during the year		(5,243,436)	(946,520)
Balance as at June 30	9.1	47,926,068	15,108,278

9.1 This amount pertains to unapproved provident fund maintained in a separate saving bank account in compliance of section 218 od Companies Act 2017 where equal contribution were made by employee and employer @8.33% of their basic salary.

10 Creditors, accrued and other liabilities

Creditors		43,957,579	26,113,210
Accrued expenses		24,127,714	4,569,198
Withholding income tax payable		14,328,292	8,285,187
Withholding sales tax payable		95,247	547,913
Audit fee payable		98,600	98,600
Guarantee deposits payable		5,222,384	1,546,279
Other liabilities		411,918	723,222
		<u>88,241,734</u>	<u>41,883,609</u>

11 Provision for taxation

Balance as at July 01	599,093	-
Charge for the year	23,028,864	599,093
Adjusted during the year	(539,341)	-
Balance as at June 30	23,088,616	599,093

12 Contingencies and commitments

12.1 Contingencies

The company has made contraventions of the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter "CGR Rules 2013") till the financial year 2021-22, later during the year 2022-23 management has complied with all other rules of CGR Rules 2013 except requirement of one-third independent directors in board, the consequence of which is a penalty 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.

12.2 Commitments

The total development cost committed on software is Rs. 888,402,607/- (June 30, 2022 : Rs. 1,295,858,706/-) including Pakistan Customs and Other Government Agencies automation.

	Note	2023	2022
		-----Rupees-----	
		--	
13 Property and equipment			
Operating fixed assets	13.1	184,724,159	68,207,236
Capital work in progress	13.2	-	43,896,370
		<u>184,724,159</u>	<u>112,103,606</u>

13.1 Operating fixed assets

Particulars	Furniture and Fixtures	Computers and IT Equipment	Leasehold Improvement	Electric Equipment	Total
Cost					
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 July 01, 2022	11,646,827	59,137,425	10,391,158	7,609,306	88,784,716
Addition during the year	14,903,300	20,856,361	109,733,509	13,914,572	159,407,742
Balance as at June 30, 2023	26,550,127	79,993,786	120,124,667	21,523,878	248,192,458
Depreciation					
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 July 01, 2022	(1,788,061)	(14,254,512)	(2,564,302)	(1,970,605)	(20,577,480)

Charge for the year	(4,568,880)	(23,349,263)	(9,393,800)	(5,578,876)	(42,890,819)
Balance as at June 30, 2023	(6,356,941)	(37,603,775)	(11,958,102)	(7,549,481)	(63,468,299)
Carrying value as at June 30, 2022	9,858,766	44,882,913	7,826,856	5,638,701	68,207,236
Carrying value as at June 30, 2023	20,193,186	42,390,011	108,166,565	13,974,397	184,724,159
Annual rate of depreciation (%)	20	33	20	33	

13.1.1 Allocation of depreciation

Depreciation related to deferred capital grant	8	769,368	967,661
Depreciation charged to admin expenses	23.3	16,487,269	10,065,062
Depreciation capitalized in development cost	15	<u>25,634,182</u>	<u>5,281,588</u>
		42,890,819	16,314,311

13.2 Capital work in process

Balance as at July 01		43,896,370	723,750
Additions during the year		65,791,981	43,172,620
Transfer during the year		<u>(109,688,351)</u>	<u>-</u>
Balance as at June 30		<u>-</u>	<u>43,896,370</u>

14 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:

Cost	Note	2023	2022
		-----Rupees-----	
Balance as at July 01		217,660,806	128,302,391
Additions during the year		-	89,358,415
Adjustment/Modification		(13,269,208)	-
Balance as at June 30		204,391,598	217,660,806
Depreciation			
Balance as at July 01		(46,268,160)	(7,086,800)
Charge for the year – NTC Building	23.3	(15,974,067)	(19,010,014)
Charge for the year – Bahria complex III	15	(9,001,547)	(9,001,545)
Charge for the year – Bahria complex I	15	(14,210,626)	(11,169,801)
Balance as at June 30		(85,454,400)	(46,268,160)
Carrying value as at June 30		118,937,198	171,392,646

15 Intangibles

Development cost

Balance as at July 01		357,151,852	118,519,442
Salaries for the year	15.1	325,460,229	190,133,228
Allowances to OGAs for the year	15.2	2,020,645	2,309,511
Rent for the year	15.3	7,484,460	10,754,688
Development tools for the year	15.4	12,813,643	3,303,732
Depreciation on assets for the year	15.5	48,846,356	25,452,935
Finance cost related to lease for the year	15.6	11,150,292	6,678,316
Addition during the year		407,775,625	238,632,410
Balance as at June 30		764,927,477	357,151,852

The company is internally generating software for the implementation of Pakistan Single Window Programme, which is in development phase and after completion of software it will have indefinite life. The following expenditures incurred on the development of software:

- 15.1** This represents salaries paid to IT employees of the company, working on the internally generated software.
- 15.2** This represents allowances paid to Other Government Agencies, which are capitalized to development cost, as they are part of implementation of the Pakistan Single Window Programme.
- 15.3** This represents rent expenses related to Bahria Complex III Karachi Office, Bahria Complex I Karachi Office and Regus office for temporary space availability to development team which has been vacated during the year.
- 15.4** This includes cost of Microsoft 365 Business Basic, Dot Access, Clickup Tools and Development Tools purchased online.
- 15.5** 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.
- 15.6** This includes finance cost of lease liabilities related to Bahria Complex I and Bahria Complex III.

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

16	Long term deposits		
	Security deposits - leases	8,250,534	11,223,690
	Security deposits - others	2,174,900	1,412,500
		<u>10,425,434</u>	<u>12,636,190</u>
		2023	2022
	Note	-----Rupees-----	

17	Advances, prepayments and receivables		
	Unsecured - considered good		
	Advances to supplier and staff	5,633,087	3,893,518
	Prepayments	42,015,341	23,641,406
	Advance tax	16,980,793	2,093,725
	Other receivables	61,181,675	25,622,854
		<u>125,810,896</u>	<u>55,251,503</u>
17.1	This represents costs of prepaid insurance.		
17.2	Other receivables		
	Pakistan customs (related party)	55,362,028	17,762,379
	Miscellaneous	5,819,647	7,860,475
		<u>61,181,675</u>	<u>25,622,854</u>
17.2.1	This amount represent receivable from Pakistan Custom against reimbursement of expenses.		
17.2.2	This includes receivable from 1 Link against services provided to customers.		
18	Short term investment		
	Investments in term deposit receipts	-	300,000,000
		<u>-</u>	<u>300,000,000</u>
18.1	(2022) This represent TDR for 3 months invested in National Bank of Pakistan @10.75% which will be matured on June 30,2022.		

19 Cash and bank balances

Cash in hand		278,621	118,070
Cash at bank			
-Current accounts		824,767,485	238,210,805
-Saving accounts	19.1	<u>428,764,934</u>	<u>510,224,579</u>
		<u>1,253,811,040</u>	<u>748,553,454</u>

19.1 The Saving accounts earned interest at rates ranging from 10% to 19.5% per annum (2022: 6% to 9% per annum)

	Note	<u>2023</u>	<u>2022</u>
		Rupees	Rupees
20			
Income from operations			
Upfront fee		10,555,000	37,154,500
Single declaration fee		<u>491,558,100</u>	<u>4,600,500</u>
		<u>502,113,100</u>	<u>41,755,000</u>
21			
Other income			
Profit from saving accounts		53,047,808	3,803,287
Profit from investment		41,998,354	15,893,833
Other income		<u>105,199,991</u>	<u>1,392,300</u>
		<u>200,246,153</u>	<u>21,089,420</u>

22 Operating expenses

Salaries, allowances and other benefits	22.1	182,697,152	50,580,059
Training and capacity building		13,614,457	3,813,313
Media management		16,607,498	4,559,552
Legal and professional charges		11,848,271	8,656,555
Third party services	22.2	28,145,482	11,809,435
Consultancy expenses		24,801,579	2,305,897
Subscription and licenses		10,834,389	7,691,664
Fee and penalties		-	2,924
Recruitment expenses		2,435,955	252,000
Office supplies		7,634,938	5,290,889
Entertainment expenses		1,055,701	1,118,300
Printing and stationery		2,148,734	2,060,515
Travelling and conveyance		23,035,622	7,958,870
Courier and postage		671,047	398,084
Tendering cost		999,307	1,063,501
Commission charges		2,083,777	742,569
Others		-	34,540
		<u>328,613,909</u>	<u>108,338,667</u>

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

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

23 Administrative expenses

Salaries, allowances and other benefits	23.1	132,788,966	80,192,585
Directors' fee	23.2	2,290,000	3,055,000
Boarding and lodging		11,963,840	5,909,581
Depreciation expense	23.3	32,461,336	29,075,076
Insurance expenses		42,313,484	2,538,895
Repair and maintenance		541,539	575,395
Utilities		13,434,536	5,972,374
Auditors' remuneration	23.4	292,995	194,800
Others		989,753	889,957
		<u>237,076,449</u>	<u>128,403,663</u>

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

23.2 It represents meeting fee paid to directors.

	Note	2023 Rupees	2022 Rupees
23.3 Depreciation expense			
Depreciation on property and equipment	13.1.1	16,487,269	10,065,062
Depreciation on right of use asset - NTC building	14	15,974,067	19,010,014
		<u>32,461,336</u>	<u>29,075,076</u>

23.4 Auditors' remuneration

Audit fee	98,600	98,600
Review fee	87,000	87,200

Out of pocket expenses		107,395	9,000
		<u>292,995</u>	<u>194,800</u>

24 Finance cost

Bank charges		46,796	15,799
Finance charges	24.1	<u>6,513,647</u>	<u>7,520,887</u>
		<u>6,560,443</u>	<u>7,536,686</u>

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

25 Taxation

Current tax			
-for the year		23,088,616	599,093
-for the prior year		(59,752)	-
Deferred tax	25.1	<u>-</u>	<u>-</u>
		<u>23,028,864</u>	<u>599,093</u>

25.1 Deferred tax asset for the financial years 2023 and 2022 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.

25.1.1 Deferred tax asset

The net balance of unrecognized deferred tax is in respect of the following differences :

Temporary differences		19,864,486	24,014,458
Business tax losses		<u>17,417,442</u>	<u>69,778,034</u>
		<u>37,281,928</u>	<u>93,792,492</u>

25.2 Relationship between tax expense and tax on accounting profit:

Surplus / (Deficit) before tax	<u>135,542,181</u>	<u>(177,622,138)</u>
Tax on accounting profit using rate of tax 29% (2022:29%)	39,307,232	-
Effect of:		
Tax effect of admissible/inadmissible determining tax expense		
Tax effect on temporary differences	(8,023,759)	-
Tax pertaining to prior year	(59,752)	-
Tax effect of minimum tax	-	599,093
Previous tax losses	(13,746,527)	-
Tax effect of Alternative Corporate Tax	5,551,670	-
	<u>23,028,864</u>	<u>599,093</u>

26 Financial instrument and related disclosures

26.1 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 transaction 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 rates.

(b) Credit Risk

Credit risk represent 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.

		<u>2023</u>	<u>2022</u>
		-----Rupees-----	
Long term deposits	16	10,425,434	12,636,190
Other receivables	17	61,181,675	55,251,503
Short term investments	18	-	300,000,000
Bank balances	19	<u>1,253,532,419</u>	<u>748,435,384</u>
		<u>1,325,139,528</u>	<u>1,116,323,077</u>

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

Bank Name	Rating			2023	2022
	Short term	Long term	Agency	-----Rupees-----	
Habib Bank Limited	A-1+	AAA	VIS	681,370,882	533,974,223
National Bank Limited	A-1+	AAA	PACRA	521,476,525	214,461,161
Meezan Bank Limited	A-1+	AAA	VIS	50,685,012	-
				<u>1,253,532,419</u>	<u>748,435,384</u>

Due to Board's good business relationship 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.

(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, 2023

	Carrying amount	Within one year	From one to five years	More than five years
Creditors, accrued and other liabilities	88,241,734	88,241,734	-	-

Contractual maturity of financial liabilities as at June 30, 2021

	Carrying amount	Within one year	From one to five years	More than five years
Creditors, accrued and other liabilities	41,883,609	41,883,609	-	-

Fair values of financial assets and liabilities

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

Financial instruments by categories

Financial assets as per statement of financial position

	Note	At Amortized Cost	
		2023	2022
		-----Rupees-----	
Long term deposits	16	10,425,434	12,636,190

Other receivables	17	61,181,675	25,622,854
Cash and bank balances	19	1,253,811,040	748,553,454

Financial liabilities as per statement of financial position

Creditors	10	43,957,579	26,113,210
Audit fee payable	10	98,600	98,600
Guarantee deposits payable	10	5,222,384	1,546,279
Other liabilities	10	411,918	723,222

27 Related parties transaction and balances

27.1 Transactions with related parties

The related party comprises the chief executive/ director, executives and associated undertakings of the company. Further, Pakistan Single Window and it's Lead agency – Pakistan Customs are related party to each other. The company in the normal course of business carried out transactions with related party unless otherwise stated. Remuneration of chief executive, directors and key management personnel's are disclosed in note 28.

Entity	Relationship	Nature of transactions	2023	2022
			-----Rupees-----	
Pakistan Customs	Sponsor	Debt received during the year	488,321,044	909,241,987
		Reimbursable expenses incurred on behalf of Pakistan Customs	105,143,649	17,762,379
Public Sector Development Programme – GOP	Associate (due to common ownership)	PSDP funds/ grants received during the year	47,483,738	35,552,615
Pakistan Revenue Automation (Private) Limited	Associate Company (due to company ownership)	Services received during the year	-	37,056,361

27.2 Balances with related parties

Entity	Relationship	Nature of balance	2023	2022
			-----Rupees-----	
Pakistan Customs	Sponsor	Sponsor's loan outstanding - Payable	2,197,718,390	1,709,397,346
		Receivable against reimbursement of expenses incurred on behalf of Pakistan Customs	37,586,036	17,762,379

Pakistan Revenue Automation (Private) Limited	Associate	Payable against services rendered and reimbursement of expenses incurred on behalf of Pakistan Single Window	-	5,674,900
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27.3 Pakistan Single Window (PSW) has maintained its data center with Pakistan Revenue Automation Private Limited (PRAL) without paying any consideration during the year which is outside the normal course of business.

28 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.

	2023				2022			
	CEO	Directors	Executives	Total	CEO	Directors	Executives	Total
	-----Rupees-----				-----Rupees-----			
Meeting fee	-	2,290,000	-	2,290,000	50,000	3,005,000	-	3,055,000
Managerial remuneration	22,100,004	-	348,482,710	370,582,714	16,160,485	-	163,826,841	179,987,326
Medical allowance	-	-	7,593,242	7,593,242	1,822,581	-	15,354,116	17,176,697
Fuel/ conveyance allowance	881,664	-	31,087,033	31,968,697	472,101	-	10,709,339	11,181,440
Connectivity allowance	120,000	-	4,028,635	4,148,635	102,903	-	1,943,621	2,046,524
COLA allowance	-	-	4,242,532	4,242,532	-	-	-	-
EOBI	15,000	-	1,066,875	1,081,875	11,750	-	435,420	447,170
Provident fund	1,233,420	-	12,810,390	14,043,810	648,804	-	5,219,903	5,868,707
Leave fair assistance	616,959	-	8,093,997	8,710,956	-	-	4,025,095	4,025,095

Leave encashment	605,480	-	8,657,638	9,263,118	572,603	-	4,530,114	5,102,717
Festive allowance	1,841,667	-	26,678,327	28,519,994	1,197,694	-	11,459,698	12,657,392
	<u>27,414,194</u>	<u>2,290,000</u>	<u>452,741,379</u>	<u>482,445,573</u>	<u>21,038,921</u>	<u>3,005,000</u>	<u>217,504,147</u>	<u>241,548,068</u>

Number of persons	1	6	95	102	1	11	70	82
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29 Number of employees

	2023 Numbers	2022 Numbers
Number of persons employed as on the year end	183	135
Average number of persons employed for the year	167	97

30 Date of authorization

These financials statements were approved and authorized for issue on 24th October, 2023 by the board of directors.

31 General

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

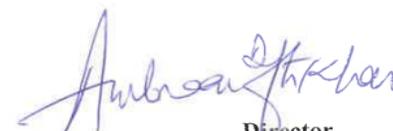
31.2 Figures have been reclassified wherever necessary, however, no material reclassification have been made during the year.



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. Mukarram Jah Ansari	4	4	*	-	-	*	-	-	-	-	-
Mr. Syed Aftab Haider	4	4	-	-	-	-	-	-	-	-	-
Mr. Muhammad Anees	4	3	-	-	-	*	4	2	*	2	2
Ms. Ambreen Iftikhar ¹	4	4	*	5	5	*	3	3	-	-	-
Mr. Muhammad Usman Qureshi	4	0	-	-	-	-	-	-	*	2	2
Mr. Khurram Ijaz	4	4	*	5	5	-	-	-	-	-	-
Mr. Muhammad Saleem	0	0	-	-	-	*	1	1	-	-	-
Mr. Muhammad Imran Khan ²	2	2	-	-	-	*	1	1	-	-	-
Mr. Syed Shakeel Shah ³	2	2	-	-	-	*	2	2	-	-	-

Notes:

1. Ms. Ambreen Iftikhar joined as a Director w.e.f. 29 August 2022;
2. Mr. Imran Khan was appointed as Director w.e.f. 25th August 2022, in place of Mr. Muhammad Saleem; and
3. Mr. Syed Shakeel Shah was appointed as Director w.e.f. 01 December 2022, in place of Mr. Muhammad Imran Khan.

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

SCHEDULE I

[See paragraph 2(1)]

Name of Company: Pakistan Single Window

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

For the year ended: 30th June, 2023

- 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:

S. No.	Provision of the Rules			Rule no.	Y	N
					Tick the relevant box	
1.	The independent Directors meet the criteria of independence, as defined under the Rules.			2(d)	Y	
2.	Category	Names	Appointment Date	3(2)		N
	Independent Directors	<ul style="list-style-type: none"> Muhammad Anees Khurram Ijaz 	<ul style="list-style-type: none"> 15 April, 2023 23 February, 2021 			
	Executive Directors	<ul style="list-style-type: none"> Syed Aftab Haider 	<ul style="list-style-type: none"> 23 August, 2021 			
	Non-Executive Directors	<ul style="list-style-type: none"> Mukarram Jah Ansari Ambreen Iftikhar Syed Shakeel Shah Muhammad Usman Qureshi 	<ul style="list-style-type: none"> 19 July, 2022 29 August, 2022 01 December, 2022 15 October, 2021 			
	The Board has at least one-third of its total members as independent directors. At present the Board includes:					
3.	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.			3(5)	Y	
4.	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.			3(7)	Y	
5.	The Chairman of the Board is working separately from the Chief Executive of the Company.			4(1)	Y	

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. <i>(Not applicable where the chief executive has been nominated by the Government)</i>	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. <i>(Address of website to be indicated: www.psw.gov.pk)</i> The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	(a) Y (b) Y Y	
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	Y	
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b)(ii)	Y	
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the company.	5(5)(b)(vi)	Y	
12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c)(ii)	Y	
13.	The Board has ensured compliance with the law as well as the company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c)(iii)	Y	
14.	The Board has developed a vision or mission statement and corporate strategy of the Company.	5(6)	Y	
15.	The Board has developed significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	Y	

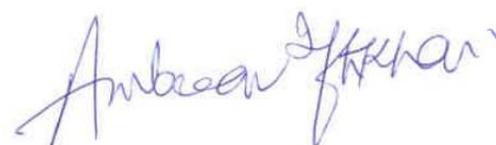
16.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	Y	
17.	The Board has ensured compliance with policy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

23.	(a) The Board has formed the requisite committees, as specified in the Rules.	12	(a) Y																			
	(b) The committees were provided with written terms of reference defining their duties, authority and composition.		(b) Y																			
	(c) The minutes of the meetings of the committees were circulated to all the Board members.		(c) Y																			
	The committees were chaired by the following non-executive directors:																					
	<table border="1"> <thead> <tr> <th>Committee</th> <th>Number of Members</th> <th>Name of Chair</th> </tr> </thead> <tbody> <tr> <td>Audit Committee</td> <td>• 2</td> <td>• Khurram Ijaz</td> </tr> <tr> <td>Risk Management Committee</td> <td>• N/A</td> <td>• N/A</td> </tr> <tr> <td>Human Resources Committee</td> <td>• 3</td> <td>• Muhammad Anees</td> </tr> <tr> <td>Procurement Committee</td> <td>• 2</td> <td>• Muhammad Usman Qureshi</td> </tr> <tr> <td>Nomination Committee</td> <td>• 3</td> <td>• Muhammad Anees</td> </tr> </tbody> </table>		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		
	Committee		Number of Members	Name of Chair																		
	Audit Committee		• 2	• Khurram Ijaz																		
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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, Chief Executive and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the company except those disclosed to the Company.	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																			

31.	The Board has formed an Audit Committee, with defined and written terms of reference, and having the following members:			21 (1) and 21(2)	Y
	Name of member	Categoryⁱ	Professional backgroundⁱⁱ		
	• Khurram Ijaz	Independent Director	Accounts, Finance & Business		
	• Ambreen Iftikhar	Non-Executive Director	Management & Business		
	The Chief Executive and Chairman of the Board are not Members of the Audit Committee.				
32.	(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.			21(3)	(a) Y
	(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.				(b) Y
	(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.				(c) Y
33.	(a) The Board has set up an effective Internal Audit function, which has an Audit Charter, duly approved by the Audit Committee.			22	(a) Y
	(b) The Chief Internal Auditor has requisite qualification and experience prescribed in the Rules.				(b) Y
	The Internal Audit reports have been provided to the external auditors for their review.				Y
34.	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.			23(4)	Y
35.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.			23(5)	Y



Chief Executive Officer



Director

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

SCHEDULE II

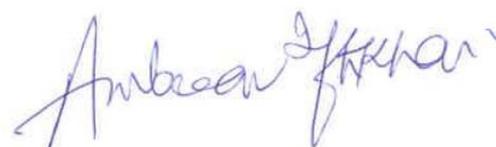
See Paragraph 2(3)

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

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

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


Chief Executive Officer


Director

Review Report to the Members
On statement of Compliance with the Public Sector Companies
(Corporate Governance)

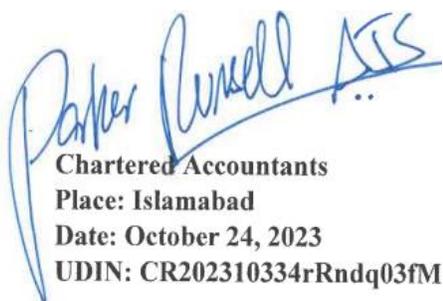
We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) prepared by the Board of Directors of Pakistan Single Window (the "Company") for the year ended June 30, 2023.

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 price or not.

Based on our review, except for the instances mentioned in Schedule-II (Explanation for Non-Compliance), nothing has to 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 on June 30, 2023.


Chartered Accountants
Place: Islamabad
Date: October 24, 2023
UDIN: CR202310334rRndq03fM

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, 2023** 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, 2023** 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 Accounting (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 other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's report thereon

Management is responsible for the other information. The 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 the 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or 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 assess 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 than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal controls.
- Obtain an understanding internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

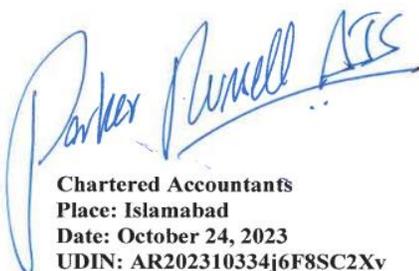
We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

- a) proper books of accounts 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 statements of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, 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**.



Chartered Accountants
Place: Islamabad
Date: October 24, 2023
UDIN: AR202310334j6F8SC2Xv

COMPANY INFORMATION

Registered Office (As on 30th June, 2023)

The registered office of the Company is situated at NTC Headquarters, 2nd Floor, Sector G-5/2, Islamabad, whereas the operational offices are situated at 4th Floor, Bahria Complex – 3 building and at 5th Floor, Bahria Complex – 1 building, M.T. Khan Road, Karachi.

Telephone No: (051) 9245605

Website: www.psw.gov.pk

Banks

- i. National Bank of Pakistan (NBP);
- ii. Habib Bank Limited (HBL);
- iii. Meezan Bank Limited (MBL); and
- iv. Faysal Bank.

Legal Adviser

- i. M/s CKR & Zia.

Auditors

- i. Parker Russell A.J.S.

COMPANY OFFICERS (AS ON 30th June, 2023)

- | | |
|---|------------------------------|
| i. Chief Executive Officer | Syed Aftab Haider |
| ii. Chief Strategy & Operations Officer | Mr. Athar Fahim |
| iii. Company Secretary | Mr. Muhammad Moin Ul Arfeen |
| iv. Chief Internal Auditor | Mr. Khalid Rashid Jhumra |
| v. Chief Financial Officer | Mr. Muhammad Mubashar Bashir |
| vi. Chief Technology Officer | Mr. Azeem Afzal |
| vii. Chief Domain Officer | Mr. Naveed Abbas Memon |
| viii. Chief Human Resource Officer | Syed Sohaib Hassan |
| ix. Head of Marketing & Communication | Ms. Shirin Abbasy |

On behalf of the Board



Chief Executive Officer



PSW

PAKISTAN SINGLE WINDOW



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2nd Floor, NTC headquarters, Sector G-5/2, Islamabad.