

systems

QUARTER REPORT MARCH

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2024



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Company Information

Board of Directors

Mr. Aezaz Hussain Chairman	Non-executive
Mr. Asif Peer CEO and Managing Director	Executive
Mr. Arshad Masood Director	Non-executive
Mr. Zubyr Soomro Director	Independent
Mr. Omar Saeed Director	Independent
Ms. Maheen Rahman Director	Independent
Ms. Romana Abdullah Director	Independent

Audit Committee

Mr. Zubyr Soomro Chairman
Ms. Maheen Rahman Member
Ms. Romana Abdullah Member

Human Resource & Compensation Committee

Mr. Omar Saeed Chairman
Ms. Maheen Rahman Member
Mr. Arshad Masood Member

Chief Financial Officer

Ms. Roohi Khan

Company Secretary

Mr. Ali Ahmed Iftikhar

Head of Internal Audit

Mr. Salman Naveed

Internal Auditors

Uzair Hammad Faisal & Co.

External Auditors

A. F Ferguson & Co.
Chartered Accountants

Legal Advisors

Hassan & Hassan Advocates
Ahmed & Pansota

Tax Advisors

A. F Ferguson & Co.
Chartered Accountants

Banks

Habib Metropolitan Bank Limited
United Bank Limited
Standard Chartered Bank (Pak Limited)
MCB Bank Limited
Faysal Bank Limited
Bank Alfalah Limited
Bank Islami Limited
Allied Bank Limited
Meezan Bank Limited
Finja Pvt Limited
Habib Bank Limited

Share Registrar

Central Depository Company
CDC House, 99-B, Block B,
S.M.C.H.S., Main Shahra-e-Faisal,
Karachi – 74400.
Tel: (92-21) 111-111-500 Fax: (92-21)
34326034

Registered Address

Systems Limited
E-1, Sehjpal Near DHA Phase -VIII
(Ex.-Air Avenue), Lahore Cantt
T: +92 42 111-797-836
F: +92 42 3 636 8857

DIRECTOR'S REPORT

On behalf of the Board of Directors we are pleased to present the Standalone and Consolidated Financial Statements for the three months ended 31st March 2024.

FINANCIAL RESULTS

Unconsolidated:

During period under review, standalone revenue grew by 33% over same period last year from Rs. 6,872.86 million to Rs. 9,158.51 million. Gross profit and operating profit increased by 14% and 9% respectively, delivering a leveraged operating performance for the company. Moreover, as a consequence of rupee appreciation, net profit for the period has been impacted by an exchange loss of Rs 207.64 million compared to the Rs. 2,241.08 million exchange gain in March 2023 decreasing net profit by 66%, from 3,639.53 million to Rs. 1,235.21 million. Normalizing the impact of currency fluctuation, the net profit showed increase of 3% from same period last year. It is important to note that a Re 1 change in average USD/PKR rate results in a ~1% change in the gross margins. Since the rupee has appreciated against the dollar in Q1, the Company did not get the leverage on the wage inflation which has impacted the bottom line. However, the business continues to grow, and revenue has increased by 24% in USD terms.

Similarly Basic and diluted earnings per share increased by 3% after excluding the effect of currency devaluation.

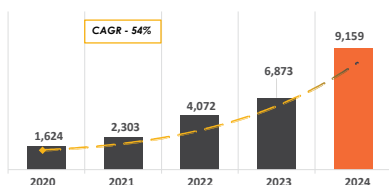
Key Financial Highlights - Unconsolidated

Particulars	March-24 (unaudited)	March-23 (unaudited)	Change
	Rs.	Rs.	%
Revenue	9,158,510,410	6,872,859,904	33
Gross Profit	2,198,128,065	1,930,352,358	14
Operating profit	1,549,968,808	1,425,198,745	9
Profit for the period	1,235,208,767	3,639,526,603	-66
Earnings per share (basic)	4.24	12.53	-66
Earnings per share (diluted)	4.21	12.42	-66

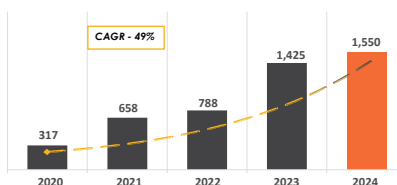
Other Income - Unconsolidated

Particulars	March-24 (unaudited)	March-23 (unaudited)
	Rs.	Rs.
Other Income	92,652,852	171,719,143
Exchange Gain / (Loss)	(207,641,701)	2,241,087,691
	(114,988,849)	2,412,806,834

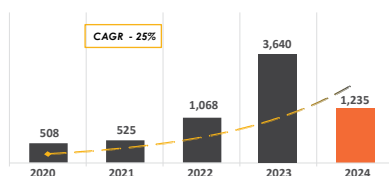
Unconsolidated - Revenue (PKR Mn.)



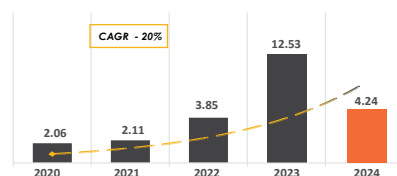
Unconsolidated - Operating Profit (PKR Mn.)



Unconsolidated - Net Profit (PKR Mn.)



Unconsolidated - EPS Basic (Rupee per share)



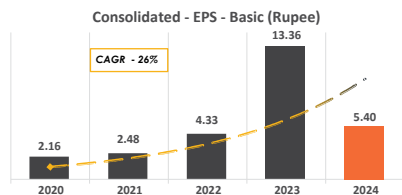
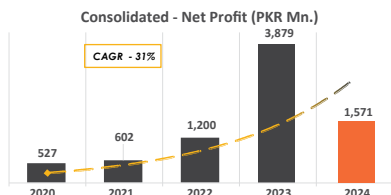
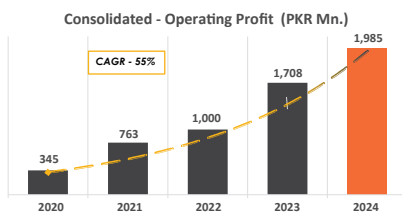
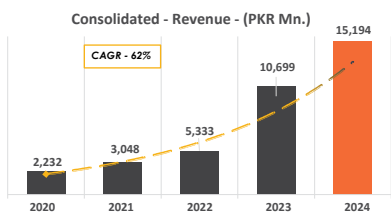
Consolidated:

During the three months period ended 31st March 2024, consolidated revenue grew by 42% from Rs. 10,698.74 million to Rs. 15,194.40 million. Gross profit and operating profit increased by 26% and 16% respectively. Net profit for the period decreased by 59% from Rs. 3,879.43 million to Rs. 1,571.22 million due to exchange loss against a considerably high exchange gain recorded in last year. Normalizing the impact of currency devaluation profit after tax showed increase of 16% from same period last year. Wage inflation adjustment has significantly offset the revenue growth.

Basic and diluted earnings per share increased by 5% after normalizing the impact of currency devaluation.

Key Financial Highlights - Consolidated				
Particulars	March-24 (unaudited)		March-23 (unaudited)	
	Rs.		Rs.	%
Revenue	15,194,400,478		10,698,739,254	42
Gross Profit	3,503,913,183		2,790,357,274	26
Operating profit	1,984,833,661		1,707,539,790	16
Profit for the period	1,571,215,967		3,879,427,062	-59
Earnings per share (basic)	5.39		13.36	-60
Earnings per share (diluted)	5.36		13.24	-59

Other Income - Consolidated				
Particulars	March-24 (unaudited)		March-23 (unaudited)	
	Rs.		Rs.	
Other Income	112,658,495		172,075,576	
Exchange Gain / (Loss)	(169,212,358)		2,380,253,731	
	(56,553,863)		2,552,329,307	



PERFORMANCE BY SEGMENT – BY VERTICAL AND BY GEOGRAPHY

All vertical segments are aggressively growing, and the Company expects the margins to rationalize towards the latter half of the year.

	BFSI		Telco		Technology		Retail & CPG		Others		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Three months ended		Three months ended		Three months ended		Three months ended		Three months ended		Three months ended	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue - net	4,392,671,604	3,243,898,803	3,346,535,472	2,244,099,003	1,980,610,795	1,503,714,594	1,673,236,181	1,187,741,877	3,801,444,526	2,519,374,978	15,194,400,478	10,698,739,254
Cost of sales	(3,880,464,909)	(2,811,680,348)	(2,436,231,849)	(1,548,651,531)	(1,324,876,403)	(1,008,100,705)	(1,216,197,874)	(668,125,241)	(2,830,714,770)	(1,872,011,151)	(11,696,487,296)	(7,202,381,950)
Gross profit	512,106,694	432,119,455	910,303,623	695,647,471	655,732,392	495,613,889	456,940,307	519,612,636	970,730,266	647,363,827	3,505,913,183	2,790,357,274
Distribution expenses	(121,407,987)	(105,147,162)	(90,855,968)	(72,741,846)	(34,611,648)	(48,742,491)	(47,843,013)	(38,500,323)	(138,394,678)	(81,864,840)	(432,645,961)	(346,796,663)
Administrative expenses	(230,170,825)	(238,008,995)	(232,627,969)	(104,656,976)	(88,820,179)	(110,332,520)	(121,988,890)	(87,148,555)	(429,347,870)	(194,854,886)	(1,107,752,233)	(785,001,931)
Profit / (loss) before taxation and unallocated income and expenses	158,775,222	88,963,298	586,820,887	436,248,648	532,600,569	336,538,874	288,411,404	393,963,758	402,988,107	300,844,101	1,963,815,389	1,638,658,681
Other operating expenses											21,318,272	48,981,110
Other income (excluding exchange gain)											112,668,495	172,075,576
Exchange (loss) / gain											(169,213,358)	2,380,253,731
Share of loss from associates											(26,369,826)	(110,440,765)
Finance cost											(48,293,356)	(157,004,402)
Profit before taxation											1,788,616,490	3,992,423,931
Taxation											(188,400,623)	(112,996,869)
Profit after taxation											1,571,216,967	3,879,427,061

The geographical segment analysis shows robust growth across all four segments. European and MEA segment is bouncing back showing an encouraging dollarized growth. The Company is rationalizing Pakistan segment as well by improving the quality of revenue bringing efficiencies and optimizing costs to improve the profitability in this segment as well. With the strategic actions that the Company is taking, the profitability across all segments is expected to show a positive trend towards later half of the year. Export sales of the Company are now roughly around 87% of total sales in line with Company's strategy to grow exports.

	North America		Europe		Middle East & Africa		Asia Pacific		Pakistan		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue - net	3,275,730,366	2,722,968,712	736,106,586	346,371,068	8,660,147,366	5,022,205,516	473,612,922	243,821,228	2,048,803,239	2,363,372,730	15,194,400,478	10,698,739,254
Cost of sales	(2,260,391,867)	(1,743,160,535)	(488,640,912)	(258,282,404)	(6,877,115,052)	(3,614,751,455)	(322,995,319)	(157,801,956)	(2,041,344,146)	(2,134,379,630)	(11,696,487,296)	(7,908,381,980)
Gross profit	1,015,338,498	979,808,177	247,465,674	88,088,664	2,083,032,314	1,407,454,061	186,617,603	86,019,271	7,499,093	228,993,100	3,505,913,183	2,790,357,274
Distribution expenses	(7,239,916)	(4,830,042)	(1,634,897)	(815,034)	(615,614,133)	(236,699,790)	(64,630,318)	(26,007,477)	(63,745,289)	(78,639,319)	(432,645,961)	(346,796,663)
Administrative expenses	(264,614,365)	(256,741,296)	(89,897,238)	(45,130,810)	(652,762,852)	(346,601,056)	(33,637,082)	(29,651,649)	(65,090,836)	(107,871,071)	(1,107,752,233)	(785,001,931)
Profit / (loss) before taxation and unallocated income and expenses	741,253,218	719,226,919	195,853,519	42,342,820	1,115,285,499	824,252,213	62,450,193	30,360,145	(141,267,841)	42,376,424	1,963,815,389	1,638,658,681
Other operating expenses											21,318,272	48,981,110
Other income (excluding exchange gain)											112,668,495	172,075,576
Exchange (loss) / gain											(169,213,358)	2,380,253,731
Share of loss from associates											(26,369,826)	(110,440,765)
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Taxation											(188,400,623)	(112,996,869)
Profit after taxation											1,571,216,967	3,879,427,061

KEY FINANCIAL RATIOS

The decline in profitability ratios has been explained above. The sharp reduction in all net profitability-based ratios is due to the impact of unreasonably high exchange gain in Q1 2023. The high current and quick ratio is reflective of strong liquidity position of the Company, which can be directly linked with improved debtor management and is aligned with Company's investment strategy.

Ratio Description	Standalone		Consolidated	
	Six months ended 30th June	Six months ended 30th June	Six months ended 30th June	Six months ended 30th June
	2024	2023	2024	2023
Gross Profit Margin (%)	24%	28%	23%	26%
Operating Margin (%)	17%	21%	13%	16%
EBITDA Margin (%)	17%	57%	16%	20%
Pre-tax Margin (%)	15%	54%	12%	37%
Net Profit Margin (%)	13%	53%	10%	36%
Assets turnover (%)	25%	22%	30%	24%
Return on Equity (%)	4%	13%	5%	12%
Current ratio	2.95	2.87	2.43	2.18
Quick Ratio	2.36	2.31	1.35	1.45
Debtor Turnover (Days)	185.	185	126	135
Debt:Equity (Ratio)	05:95	08:92	04:96	07:93
Interest Cover (Times)	17.22	13.85	13.38	10.88

FUTURE OUTLOOK

- The company encountered significant inflationary pressures on costs throughout 2023, and these challenges persist into 2024, particularly in the form of wage inflation. Historically, the devaluation of the rupee, typically around 5-8% for Pakistan, has helped offset inflation. However, in 2024, the rupee appreciated against dollar, exacerbating pressure on margins. To address these challenges, the company is implementing measures to optimize costs and develop strategies for revenue growth across all geographical areas. The company anticipates that the results of these measures will begin to manifest in the latter half of the year.
- The Company has a solid backlog and has secured a substantial number of new contracts in all geographies. The Company is actively developing a robust pipeline for the future to support its ambitious growth objectives.
- Given the surge in AI technology and its widespread applications, the Company continues to invest in the technology and in upskilling and reskilling its workforce. Recognizing the immense market potential, the company is addressing the high demand for AI by ensuring adequate training of resources. Additionally, significant investments are being made in developing assets, products, and solutions in the banking AI sector. Besides AI, the Company remains committed to investing in cutting-edge technologies, aligning with the strategic investments of key principals such as Microsoft, Google, Amazon, and Salesforce.
- The Company is actively lobbying with the Government to allow investment in new markets and acquisition of similar businesses that will contribute to the expansion plans of the Company. With the new Government's focus on the IT sector, the Company is hopeful that this will open new doors for business.
- The company intends to persist in pursuing opportunities for inorganic growth, both within Pakistan and on a global scale. It is actively assessing businesses that align with its strategic objectives, organizational structure, and corporate culture.

ACKNOWLEDGEMENT

The Board takes this opportunity to thank the Company's valued customers, bankers and other stakeholders for their cooperation and support. The Board greatly appreciates the hard work and dedication of all the employees of the Company.

On behalf of the Board,



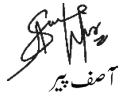
Asif Peer
Chief Executive Officer
29 April 2024

- کمپنی اندرون پاکستان اور عالمی سطح تک غیر نامیاتی نشوونما کے مواقع تلاش کرنے کا ارادہ رکھتی ہے۔ کمپنی کا مقصد بنیادی طور پر ان کاروباری مواقعوں کا فعال طور پر جائزہ لینا ہے جو مربوط مقاصد، تنظیمی ڈھانچے، اور کارپوریٹ کلچر کے مطابق ہوں۔

اعترافات

بورڈ اس موقع پر کمپنی کے قابل قدر صارفین، بینکرز اور دیگر اسٹیک ہولڈرز کی معاونت اور تعاون پر ان کا تہہ دل شکر یہ ادا کرتا ہے۔ بورڈ کمپنی کے تمام ملازمین کی محنت اور لگن کو سراہتا ہے۔

بحکم بورڈ



آصف پیر

چیف ایگزیکٹو آفیسر

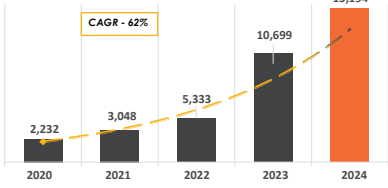
تاریخ: 29 اپریل 2024ء

2024ء	2023ء	2024ء	2023ء	
23%	26%	24%	28%	مجموعی منافع مارجن (فیصد)
13%	16%	17%	21%	آپریٹنگ مارجن (فیصد)
16%	20%	17%	57%	ای بی آئی ٹی ڈی اے مارجن (فیصد)
12%	37%	15%	54%	ٹیکس سے پہلے مارجن (فیصد)
10%	36%	13%	53%	نیٹ پرافٹ مارجن (فیصد)
30%	24%	25%	22%	اثاثوں پر پٹنی کاروبار (فیصد)
5%	12%	4%	13%	ایکیٹی پر پٹن (فیصد)
2.43	2.18	2.95	2.87	تازہ تناسب
1.35	1.45	2.36	2.31	فوری تناسب
126	135	185	185	ڈیپنٹرن اور (ایام)
04:96	07:93	05:95	08:92	ڈیپٹ: ایکوٹی (تناسب)
13.38	10.88	17.22	13.85	انٹرسٹ کوور (ٹائٹنر)

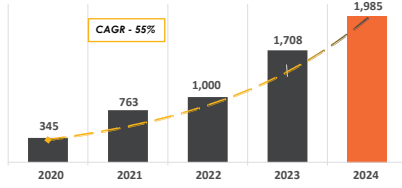
مستقبل کا لاٹھ عمل

- کمپنی کو 2023ء کے دوران اخراجات پر اہم افراط زر کے دباؤ کا سامنا کرنا پڑا، اور یہ چیلنجز خاص طور پر اجرت کی افراط زر کی صورت میں 2024ء تک برقرار رہے۔ تاریخی طور پر، روپے کی قدر میں کمی، عام طور پر پاکستان کیلئے تقریباً 5-8%، نے افراط زر کو کم کرنے میں مدد کی ہے۔ تاہم، 2024ء میں، ڈالر کے مقابلے روپے کی قدر میں اضافہ ہوا، جس سے مارجن پر دباؤ بڑھ گیا۔ ان چیلنجوں سے نمٹنے کیلئے، کمپنی لاگت کو بہتر بنانے اور تمام جغرافیائی علاقوں میں آمدنی میں اضافے کی حکمت عملی تیار کرنے پر اقدامات کر رہی ہے۔ کمپنی نے توقع کیا ہے کہ ان اقدامات کے نتائج سال کے آخری نصف میں ظاہر ہونا شروع ہو جائیں گے۔
- کمپنی کے پاس ٹھوس بیک لاگ ہے اور اس نے تمام جغرافیوں میں کافی تعداد میں نئے معاہدے حاصل کئے ہیں۔ کمپنی اپنے پر جوش ترقی کے مقاصد کو پورا کرنے کے حوالے سے مستقبل کیلئے فعال طور پر ایک مضبوط پائپ لائن تیار کر رہی ہے۔
- مصنوعی ذہانت کی ٹیکنالوجی میں اضافے اور اس کی وسیع اپیلی کیشنز کو دیکھتے ہوئے، کمپنی ٹیکنالوجی، اپنی افرادی قوت میں بہتری اور انہیں دوبارہ ہنرمند بنانے کے حوالے سے سرمایہ کاری جاری رکھے ہوئے ہے۔ مارکیٹ کی بے پناہ صلاحیت کو تسلیم کرتے ہوئے، کمپنی وسائل کی مناسب تربیت کو یقینی بنا کر مصنوعی ذہانت کی اعلیٰ مانگ کو پورا کر رہی ہے۔ مزید برآں، بینکنگ مصنوعی ذہانت سیکٹرز میں اثاثوں، مصنوعات اور عمل تیار کرنے میں اہم سرمایہ کاری کی جا رہی ہے۔ مصنوعی ذہانت کے علاوہ، کمپنی مائیکروسافٹ، گوگل، ایمیزون، اور سیلز فورس جیسے اہم پرنسپلز کی اسٹریٹیجک سرمایہ کاری کے ساتھ ہم آہنگ ہوتے ہوئے جدید ٹیکنالوجیز میں سرمایہ کاری کیلئے پُر عزم ہے۔
- کمپنی نئی منڈیوں میں سرمایہ کاری اور اسے توسیعی نوعیت کے کاروباری مواقعوں کی تلاش کی اجازت کے حصول کیلئے حکومت کے ساتھ فعال طور پر کام کر رہی ہے جو کمپنی کے توسیعی منصوبوں میں حصہ ڈالیں گے۔ آئی ٹی سیکٹرز پر بنی حکومت کی توجہ کے ساتھ، کمپنی کو امید ہے کہ اس سے کاروبار کیلئے نئے دروازے کھلیں گے۔

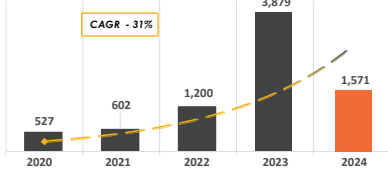
Consolidated - Revenue - (PKR Mn.)



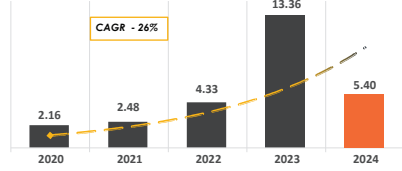
Consolidated - Operating Profit (PKR Mn.)



Consolidated - Net Profit (PKR Mn.)



Consolidated - EPS - Basic (Rupee)



حصہ عمودی اور جغرافیائی لحاظ کارکردگی

تمام عمودی حصے تیزی سے ترقی کر رہے ہیں اور کمپنی توقع کرتی ہے کہ سال کے آخری نصف حصہ تک مارجن معقول ہو جائیں گے۔

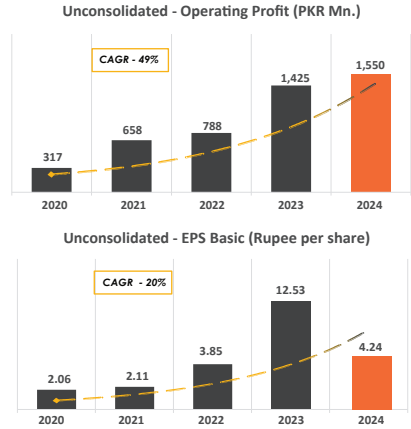
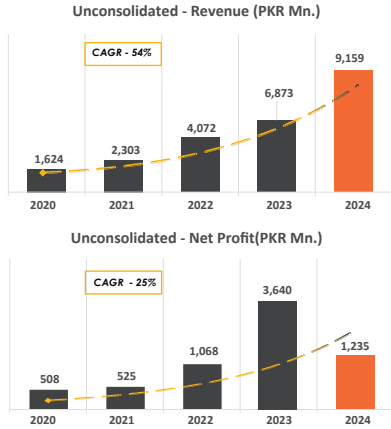
	BFSI		Telco		Technology		Retail & CPG		Others		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Three months ended		Three months ended		Three months ended		Three months ended		Three months ended		Three months ended	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Rupees												
Revenue - net	4,392,671,604	3,243,808,803	3,246,835,472	2,244,099,003	1,990,610,795	1,503,714,594	1,673,238,181	1,187,741,877	3,801,444,626	2,519,374,978	16,194,400,478	10,698,739,254
Cost of sales	(3,890,464,900)	(2,811,699,345)	(2,436,521,949)	(1,548,451,531)	(1,324,978,403)	(1,008,100,709)	(1,218,187,874)	(668,122,241)	(2,820,714,270)	(1,872,011,151)	(11,890,487,298)	(7,698,381,980)
Gross profit	512,106,604	432,119,455	810,303,823	695,647,471	665,732,392	495,613,885	455,050,307	519,612,636	980,730,356	647,363,827	3,603,913,183	2,790,357,274
Distribution expenses	(121,140,797)	(105,147,162)	(80,855,868)	(72,741,848)	(34,611,648)	(48,742,491)	(47,643,013)	(38,500,323)	(138,394,878)	(81,654,840)	(432,645,661)	(346,796,683)
Administrative expenses	(238,170,628)	(238,008,995)	(232,627,689)	(164,656,976)	(88,620,179)	(110,232,520)	(121,986,898)	(87,148,555)	(429,347,678)	(194,854,886)	(1,107,782,233)	(785,001,931)
	(366,311,325)	(343,156,156)	(313,483,577)	(237,398,822)	(123,231,824)	(159,075,011)	(169,634,903)	(125,648,878)	(567,742,556)	(286,510,726)	(1,540,397,794)	(1,131,798,593)
Profit / (loss) before taxation and unallocated income and expenses	165,795,222	88,953,298	88,820,887	458,288,649	832,900,669	338,538,874	285,411,404	393,963,758	402,388,107	380,844,101	1,963,516,389	1,658,558,681
Other operating expenses											21,318,272	48,981,110
Other income (excluding exchange gain)											112,658,495	172,075,578
Exchange (loss) / gain											(189,212,388)	2,380,253,731
Share of loss from associates											(20,368,892)	(110,440,765)
Finance cost											(148,293,356)	(157,004,402)
Profit before taxation	1,759,164,499	3,992,423,531	(188,400,920)	1,116,288,649	654,263,213	62,469,193	30,380,145	(141,367,041)	42,376,624		1,963,516,389	1,658,558,681
Taxation											(188,400,920)	(112,996,869)
Profit after taxation											1,671,215,967	3,679,427,001

جغرافیائی حصہ کا تجزیہ چاروں حصوں میں بہترین بڑھوتری کو ظاہر کرتا ہے۔ یورپ اور ایشیا کے حصہ دار بہت زیادہ فعال ہو رہے ہیں جس سے حوصلہ افزاء ڈالر شرح ٹھیک ہو سکتی ہے۔ کمپنی پاکستانی حصہ کو بھی معقول بنا رہی ہے اور اس کے ساتھ ساتھ اس حصہ میں منافع کو بہتر بنانے کیلئے ریونیو کے معیار کی بہتری کے ذریعے لاگت کو بہتر بنا رہی ہے۔ کمپنی کی جانب سے کئے جانے والے منظم اور مربوط اقدامات کے ساتھ، تمام طبقات کے اندر منافع میں سال کے آخر کے نصف میں مثبت رجحان کی توقع ہے۔ کمپنی کی برآمدات کو بڑھانے کی حکمت عملی کے مطابق کمپنی کی برآمدی فروخت کل فروخت کا تقریباً 87% ہے۔

	North America		Europe		Middle East & Africa		Asia Pacific		Pakistan		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Rupees												
Revenue - net	3,275,730,366	2,722,968,712	736,166,586	346,371,068	8,660,147,366	5,022,205,516	473,612,922	243,921,228	2,048,803,239	2,363,372,730	15,194,400,478	10,698,739,254
Cost of sales	(2,260,391,867)	(1,743,166,535)	(488,640,192)	(258,282,404)	(6,877,118,052)	(3,614,751,455)	(322,995,319)	(157,801,856)	(2,041,344,148)	(2,134,379,630)	(11,890,487,298)	(7,908,381,980)
Gross profit	1,015,338,498	979,802,177	247,466,674	88,088,664	2,083,029,314	1,407,454,061	150,617,603	86,119,372	7,498,093	228,993,100	3,603,913,183	2,790,357,274
Distribution expenses	(7,230,916)	(4,835,042)	(1,624,897)	(1,010,034)	(315,814,133)	(236,699,790)	(84,830,218)	(26,007,477)	(53,746,298)	(78,639,101)	(432,645,661)	(346,796,683)
Administrative expenses	(84,614,989)	(25,741,250)	(88,987,286)	(45,101,010)	(582,862,862)	(348,501,058)	(83,537,892)	(29,581,549)	(86,086,898)	(107,977,157)	(1,107,782,233)	(785,001,931)
	(274,946,281)	(290,576,290)	(61,582,183)	(46,745,944)	(967,778,144)	(683,200,848)	(168,368,110)	(55,589,027)	(149,833,196)	(188,616,758)	(1,540,397,794)	(1,131,798,593)
Profit / (loss) before taxation and unallocated income and expenses	741,293,211	719,226,879	185,883,619	42,342,620	1,116,288,649	654,263,213	62,469,193	30,380,145	(141,367,041)	42,376,624	1,963,516,389	1,658,558,681
Other operating expenses											21,318,272	48,981,110
Other income (excluding exchange gain)											112,658,495	172,075,578
Exchange (loss) / gain											(189,212,388)	2,380,253,731
Share of loss from associates											(20,368,892)	(110,440,765)
Finance cost											(148,293,356)	(157,004,402)
Profit before taxation	1,759,164,499	3,992,423,531	(188,400,920)	1,116,288,649	654,263,213	62,469,193	30,380,145	(141,367,041)	42,376,624		1,963,516,389	1,658,558,681
Taxation											(188,400,920)	(112,996,869)
Profit after taxation											1,671,215,967	3,679,427,001

بنیادی مالیاتی تناسب

منافع کے تناسب میں کمی کی وضاحت اوپر کی جا چکی ہے۔ خالص منافع پر مبنی تمام تناسب میں تیزی سے کمی کی بنیادی وجہ کیوں 2023ء میں غیر معقول حد تک زیادہ زرمبادلہ کے اثرات ہیں۔ اعلیٰ، موجودہ اور نووری تناسب کمپنی کی مضبوط پوزیشن کو ظاہر کرتا ہے جس کو براہ راست قرض دہندگان کے بہتر انتظام کے ساتھ جوڑا جا سکتا ہے اور کمپنی کی سرمایہ کاری کی حکمت عملی سے ہم آہنگ ہے۔



منظم

31 مارچ 2024 کو ختم ہونے والی تین ماہ کی مدت کے دوران مجموعی آمدن (10,698.74 ملین روپے سے 15,194.40 ملین روپے) کے لحاظ سے 42 فیصد بڑھی ہے۔ مجموعی منافع اور آپریٹنگ منافع میں بالترتیب 26% اور 16% کا اضافہ ہوا۔ زیر غور مدت میں ایکسچینج نقصان کی وجہ سے گزشتہ سال میں ریکارڈ کئے گئے کافی زیادہ زرمبادلہ کے نفع کے مقابلے میں خالص منافع 59% (3,879.43 ملین روپے سے 1,571.22 ملین روپے) کم ہوا۔ ٹیکس کے بعد روپے کی قدر میں کمی کے منافع کے اثرات کو معمول پر لانے سے پچھلے سال کی مدت کے مقابلے میں 16% اضافہ ہوا۔ اُجرتوں میں افراط زر کی ایڈجسٹمنٹ نے آمدنی میں اضافے کو نمایاں طور پر پورا کیا ہے۔

روپے کی قدر میں کمی کے اثرات کو معمول پر لانے کے بعد فی حصص کی بنیادی اور رقیب آمدنی میں 5% کا اضافہ ہوا۔

منظم

تفصیلات	24- مارچ (غیر آڈٹ)	23- مارچ (غیر آڈٹ)	تبدیلی
ریونیو	15,194,400,478	10,698,739,254	42%
مجموعی منافع	3,503,913,183	2,790,357,274	26%
آپریٹنگ منافع	1,984,833,661	1,707,539,790	16%
زیر غور مدت کا منافع	1,571,215,967	3,879,427,062	-59%
فی حصص آمدن (بنیادی)	5.39	13.36	-60%
فی حصص آمدن (رقیق)	5.36	13.24	-59%

دیگر آمدن - منظم

تفصیلات	24- مارچ (غیر آڈٹ)	23- مارچ (غیر آڈٹ)
دیگر آمدن	112,658,495	172,075,576
ایکسچینج حاصل / (نقصان)	(169,212,358)	2,380,253,731
	(56,553,863)	2,552,329,307

ڈائریکٹرز کی نظر ثانی رپورٹ مورخہ 31 مارچ 2024ء

ہمارے لئے بورڈ آف ڈائریکٹرز کی جانب سے مورخہ 31 مارچ 2024ء کو ختم ہونے والی سہ ماہی مدت کے منظم اور غیر منظم مالی بیانات پیش کرنا باعث مسرت ہے۔

مالیاتی نتائج

غیر منظم:

زیر غور مدت کے دوران منظم آمدن میں 33% اضافہ ہوا اور گزشتہ سال اسی مدت میں ہونے والی منظم آمدن 6,872.86 ملین روپے کے مقابلہ میں اس مدت میں 9,158.51 ملین روپے کی منظم آمدن موصول ہوئی۔ مجموعی منافع اور آپریٹنگ منافع میں بالترتیب 14% اور 9% کے اضافے نے کمپنی کی آپریٹنگ کارکردگی کو جلا بخشی۔ اس کے علاوہ روپے کی قدر میں اضافے کے نتیجے میں زیر غور سال کا نیٹ پرافٹ 2023ء میں ہونے والے 2,241.08 ملین روپے کے تبادلہء حاصل کے مقابلہ میں 207.64 ملین روپے کے تبادلہء نقصان کی وجہ سے متاثر ہوا اور اس وجہ سے خالص منافع میں 3,639.53 ملین روپے سے 1,235.21 ملین روپے کے حساب سے 66% تک کمی واقع ہوئی۔ روپے کے اتار چڑھاؤ کے اثرات کو معمول پر لاتے ہوئے، خالص منافع میں پچھلے سال کی اسی مدت کے مقابلہ میں 3% تک اضافہ ہوا۔ یہاں نوٹ کرنا ضروری ہے کہ اوسط یو ایس ڈی/پی کے آر کی شرح میں ایک روپے کی تبدیلی کے نتیجے میں مجموعی مارجن میں 1% کی تبدیلی ہے۔ کیونکہ ڈالر کے مقابلہ میں روپے کی قدر بڑھی جس کی وجہ سے کمپنی کو اجرت کی افراط زر پر قاعدہ نہیں ہوا اور اس امر نے خطہء زیریں کو متاثر کیا۔ تاہم کاروبار میں اضافہ جاری ہے اور آمدن میں یو ایس ڈی کے لحاظ سے 24% اضافہ ہوا ہے۔

اسی طرح روپے کی قدر میں کمی کے اثرات کو چھوڑ کر فی حصص کی بنیادی اور رقیق آمدن میں 3% اضافہ ہوا۔

بنیادی مالیاتی شہ سرخیاں - غیر منظم			
تفصیلات	24- مارچ (غیر آڈٹ)	23- مارچ (غیر آڈٹ)	تبدیلی
ریونیو	9,158,510,410	6,872,859,904	33%
مجموعی منافع	2,198,128,065	1,930,352,358	14%
آپریٹنگ منافع	1,549,968,808	1,425,198,745	9%
زیر غور مدت کا منافع	1,235,208,767	3,639,526,603	-66%
فی حصص آمدن (بنیادی)	4.24	12.53	-66%
فی حصص آمدن (رقیق)	4.21	12.42	-66%

دیگر آمدن - غیر منظم			
تفصیلات	24- مارچ (غیر آڈٹ)	23- مارچ (غیر آڈٹ)	
دیگر آمدن	92,652,852	171,719,143	
یکسچینج حاصل/ (نقصان)	(207,641,701)	2,241,087,691	
	(114,988,849)	2,412,806,834	

Systems Limited Standalone Financial Statements



**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024 (UN-AUDITED)**

	Three Months Ended	
	31 March	31 March
	Note	2023
	2024	2023
	Rupees	Rupees
Revenue from contracts with customers - net	9,158,510,410	6,872,859,904
Cost of revenue	(6,960,382,345)	(4,942,507,546)
Gross profit	2,198,128,065	1,930,352,358
Administrative expenses	(544,619,372)	(462,880,102)
Distribution expenses	(102,516,370)	(63,171,233)
Impairment losses on financial assets	-	20,897,722
Other operating expenses	(1,023,515)	-
	(648,159,257)	(505,153,613)
Operating profit	1,549,968,808	1,425,198,745
Other income	13 (114,988,849)	2,412,806,834
Finance cost	(89,990,594)	(102,928,479)
Profit before taxation	1,344,989,365	3,735,077,100
Taxation	(109,780,598)	(95,550,497)
Profit for the period	1,235,208,767	3,639,526,603
Earnings per share:		
Basic earnings per share	14 4.24	12.53
Diluted earnings per share	4.21	12.42

The annexed notes from 1 to 21 form an integral part of these condensed unconsolidated interim financial statements.

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024 (UN-AUDITED)**

	Note	Un-audited	Audited
		31 March	31 December
		2024	2023
ASSETS		Rupees	Rupees
Non-current assets			
Property and equipment	5	3,524,009,720	3,509,622,717
Right-of-use assets		472,121,318	510,157,034
Intangibles		865,895	3,377,286
Long term investments	6	8,132,563,675	8,112,953,916
Long term loans		528,345,079	528,345,079
Deferred employee benefits		182,065,727	182,065,727
Long term deposits		48,007,498	71,792,327
Deferred taxation - net		35,651,933	36,096,850
		12,923,630,845	12,954,410,936
Current assets			
Contract assets		1,663,718,062	1,856,838,544
Trade debts	7	17,565,407,051	16,198,145,227
Loans, advances and other receivables		2,724,905,084	2,164,085,964
Current portion of deferred employee benefits		73,873,218	67,157,471
Trade deposits and short term prepayments		415,347,578	356,576,667
Interest accrued		10,961,000	3,096,777
Tax refunds due from the Government		107,333,901	115,592,551
Short term investments	8	255,496,084	1,159,419,112
Cash and bank balances	9	2,270,402,624	1,441,973,473
		25,087,444,602	23,362,885,786
TOTAL ASSETS		38,011,075,447	36,317,296,722
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
400,000,000 (2023: 400,000,000) ordinary shares of Rs. 10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid-up share capital	10	2,915,033,989	2,914,213,989
Capital reserves		5,528,017,702	5,411,992,547
Revenue reserve - Unappropriated profit		20,622,529,905	19,387,321,138
		29,065,581,596	27,713,527,674
Non-current liabilities			
Long term advances		8,008,622	4,281,065
Lease liabilities		428,745,666	449,798,210
		436,754,288	454,079,275
Current liabilities			
Trade and other payables	11	6,630,345,607	5,700,927,809
Unclaimed dividend		18,659,407	18,659,407
Contract liabilities		262,459,439	76,108,859
Short term borrowings		1,419,000,004	2,119,000,000
Accrued mark-up on borrowings		56,451,711	96,093,532
Current portion of lease liabilities		121,823,395	130,504,923
Current portion of long term advances		-	8,395,243
		8,508,739,563	8,149,689,773
TOTAL EQUITY AND LIABILITIES		38,011,075,447	36,317,296,722

CONTINGENCIES AND COMMITMENTS

12

The annexed notes from 1 to 21 form an integral part of these condensed unconsolidated interim financial statements.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024 (UN-AUDITED)**

	Three Months Ended	
	March 31 2024	March 31 2023
	Rupees	Rupees
Profit for the period	1,235,208,767	3,639,526,603
Other comprehensive income:		
Items that may be reclassified to profit or loss	-	-
Items that will not be reclassified to profit or loss	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the period	1,235,208,767	3,639,526,603

The annexed notes from 1 to 21 form an integral part of these condensed unconsolidated interim financial statements.

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024 (UN-AUDITED)**

	Issued subscribed and paid-up share capital	Capital reserves		Revenue reserve Unappropriated profit	Total
		Share premium	Employee compensation reserve (Rupees)		
Balance as at December 31, 2022 (audited)	2,904,076,989	4,671,279,664	323,650,758	12,283,429,147	20,182,436,558
Profit for the period	-	-	-	3,639,526,603	3,639,526,603
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	3,639,526,603	3,639,526,603
Share based payments	-	-	70,754,037	-	70,754,037
Exercise of share options	-	-	-	-	-
Balance as at March 31, 2023 (un-audited)	2,904,076,989	4,671,279,664	394,404,795	15,922,955,750	23,892,717,198
Balance as at December 31, 2023 (audited)	2,914,213,989	4,904,476,367	507,516,180	19,387,321,138	27,718,527,674
Profit for the period	-	-	-	1,235,208,767	1,235,208,767
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	1,235,208,767	1,235,208,767
Share based payments	820,000	-	101,232,969	-	101,232,969
Exercise of Share Options	-	36,878,810	(22,086,624)	-	15,612,186
Balance as at March 31, 2024 (un-audited)	2,915,033,989	4,941,355,177	586,662,525	20,622,529,905	29,065,581,596

The annexed notes from 1 to 21 form an integral part of these condensed unconsolidated interim financial statements.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024 (UN-AUDITED)**

	Three Months Ended	
	March 31	March 31
	Note	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash flows from operations	15	(695,030,811)
Finance costs paid	(109,233,201)	(82,202,439)
Taxes paid	(101,077,031)	(76,066,974)
	(210,310,232)	(158,269,413)
Net cash generated from operating activities	789,593,810	(853,300,224)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(206,843,913)	(130,420,376)
Proceeds from the disposal of property and equipment	13,391,643	13,711,449
Short term investments - net	903,923,028	1,264,628,340
Decrease in long term deposits	23,784,829	(5,172,268)
Profit received on short term investment	21,375,617	125,943,460
Profit received on bank deposits	16,974,090	9,735,282
Net cash used in investing activities	772,605,294	1,278,425,887
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease)/ Increase in long term loan	-	(37,944,893)
Proceeds from exercise of share options	15,612,186	-
Decrease in short term borrowing	(699,999,996)	500,000,004
Payments in respect of leases	(44,714,457)	(50,552,718)
(Decrease) / Increase in long term advances	(4,667,686)	683,448
Net cash generated from financing activities	(733,769,953)	412,185,841
Net (decrease) / increase in cash and cash equivalents	828,429,151	837,311,504
Cash and cash equivalents at beginning of the period	1,441,973,473	588,569,946
Cash and cash equivalents at end of the period	2,270,402,624	1,425,881,450

The annexed notes from 1 to 21 form an integral part of these condensed unconsolidated interim financial statements.

NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Systems Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Act, 2017 and is listed on the Pakistan Stock Exchange. The Company is principally engaged in the business of software development, trading of software and business process outsourcing services. The registered office of the Company is situated at E-1, Sehjpal Road, Near DHA Phase-VIII (Ex-Air Avenue), Lahore Cantt.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standard (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act) ; and
- Provisions of and directives issued under the Act.

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

- 2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2023.

- 2.3 These financial statements are the separate unconsolidated financial statements of the Company, in which investments in the subsidiary companies namely TechVista Systems FZ- LLC, Systems Ventures (Private) Limited, TechVista Information Technology W.L.L, Systems Arabia for Information Technology, SYS Egypt for Information Technology Services, SUS-JV (Private) Limited, National Data Consultant (Private) Limited, Systems Africa for Information Technologies Pty. Ltd. and Systems Holdings (Private) Limited and associated company namely E-Processing Systems B.V have been accounted for at cost less accumulated impairment losses, if any.

- 2.4 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention and are presented in Pak rupee, which is also the functional currency of the Company. The figures have been rounded off to the nearest rupees, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed unconsolidated interim financial statements are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended December 31, 2023.

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

Certain standards, amendments and interpretations to International Financial Reporting Standards (IFRS) are effective for accounting periods beginning on January 1, 2024, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unconsolidated condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Company for the year ended December 31, 2023.

4.1 Taxation

The provision for taxation for the three months ended March 31, 2024 has been made using the tax rate that would be applicable to expected total annual earning

	Note	Un-audited	Audited
		March 31,	December 31,
		2024	2023
5. PROPERTY AND EQUIPMENT		(Rupees)	(Rupees)
Operating fixed assets	(5.1)	3,524,009,720	3,509,622,717
Capital work in progress		-	-
		3,524,009,720	3,509,622,717
5.1			
Operating fixed assets			
Opening balance - net book value		3,509,622,717	2,519,968,031
Additions during the period / year - cost	(5.1)	206,843,913	1,647,837,657
		3,716,466,630	4,167,805,688
Less:			
Disposals during the period / year - net book value	(5.12)	(8,848,050)	(28,372,578)
Depreciation during the period / year		(183,608,860)	(629,810,393)
		3,524,009,720	3,509,622,717
5.1.1			
Additions during the period / year			
Land - freehold		-	-
Building on freehold land		-	160,120,890
Computers		172,192,694	750,001,007
Computer equipment and installations		12,929,390	406,294,033
Other equipment and installations		1,534,000	110,163,624
Generators and transformer		-	24,723,737
Furniture and fittings		4,881,299	122,579,968
Vehicles		14,900,000	18,080,710
Office equipment		406,530	4,218,725
Leasehold building improvements		-	51,654,963
		206,843,913	1,647,837,657
5.1.2			
Disposals during the period / year - Net Book Value			
Land - freehold		-	-
Building on freehold land		-	-
Computers		4,458,688	22,563,393
Computer equipment and installations		3,295,940	2,131,461
Other equipment and installations		-	2,687,040
Generators and transformer		-	-
Furniture and fittings		-	311,877
Vehicles		1,093,422	657,582
Office equipment		-	21,225
Leasehold Building - Improvements		-	-
		8,848,050	28,372,578
6. LONG TERM INVESTMENTS			
Investment in subsidiaries - at cost - unquoted:			
Tech Vista Systems FZ-LLC	(6.1)	343,119,550	343,119,550
SUS-JV (Private) Limited	(6.2)	94,990	94,990
Systems Ventures (Private) Limited	(6.3)	721,100,000	721,100,000
TechVista Information Technology W.LL.	(6.4)	144,568,884	144,568,884
Systems Arabia for Information Technology	(6.5)	-	-
National Data Consultants (Pvt.) Limited	(6.6)	4,254,636,725	4,254,636,725
SYS Egypt for Information Technology Services	(6.7)	113,125,000	113,125,000
Systems Africa for Information Technologies Pty. Ltd	(6.8)	-	-
Systems Holdings (Private) Limited	(6.9)	-	-
		5,576,645,149	5,576,645,149
Advance against issuance of shares		2,225,191,000	2,225,191,000
Share options issued to employees of subsidiaries	(6.10)	124,786,938	105,174,753
Subscription money payable	(6.11)	4,393,600	4,396,026
		2,354,371,538	2,334,761,779
Investment In associate - at cost - unquoted			
E-Processing Systems B.V.		201,546,988	201,546,988
		8,132,563,675	8,112,953,916

- 6.1 This represents 7,400 fully paid ordinary shares of AED 1,000/- each, representing 100% (December 31, 2023: 7,400 fully paid ordinary shares of AED 1,000/- each, representing 100%) shares in the Company's subsidiary, TechVista Systems FZ- LLC, a company set up in Dubai Technology and Media Free Zone Authority engaged in providing a host of services including enterprise application integration and software development.
- 6.2 This represents 9,499 fully paid ordinary shares of Rs. 10/- each, representing 94.99% (December 31, 2023: 94.99%) shares in Company's joint venture, SUS JV (Private) Limited, a company set up in Pakistan for the Balochistan Land Revenue Management Information System project. The project is related to digitization of land records and development of a web-based management information system.
- 6.3 This represents 72,109,998 fully paid ordinary shares of Rs. 10/- each, representing 100% (2023: 72,109,998 fully paid shares of Rs. 10/- each, representing 100%) share in Company's subsidiary, Systems Ventures (Private) Limited, a company set up in Pakistan to invest in new ventures, start ups and incubate new ideas.
- 6.4 Techvista Information Technology W.L.L (TVSQ) is a limited liability company incorporated in the State of Qatar. The Company owns 34% (December 31, 2023: 34%) share capital in TVSQ. Pursuant to the agreement entered with the remaining shareholders of TVSQ on February 27, 2022 the Company has obtained all control and management of TVSQ.
- 6.5 This represents 2,500 ordinary shares of SAR 10/- each, representing 100% (2023: 2,500 ordinary shares of SAR 10/- each, representing 100%) shares in Company's subsidiary, Systems Arabia for Information Technology, a company setup in Saudi Arabia for providing IT related services. As of reporting date, no payment has been made against its share capital.
- 6.6 This represents 500,000 fully paid ordinary shares of Rs 10/- each, representing 100% (2023: 500,000 fully paid ordinary shares of Rs 10/- each) shares in the Company's subsidiary, National Data Consultant (Private) Limited (NdcTech). NdcTech is a company setup in Pakistan engaged in core and digital banking implementation services, having rich clients in Pakistan, Middle East, Africa and Asia Pacific region.
- 6.7 This represents 4,950 ordinary shares of USD 10/- each, representing 99% (2023: 4,950 ordinary shares of USD 10/- each) shares in the Company's subsidiary, SYS Egypt for Information Technology Services, a limited liability company incorporated in the Arab Republic of Egypt for the purpose of sale of software services and trading software licenses in the Middle East and North Africa region
- 6.8 This represents 100 ordinary shares of South African Rand 1/- each, representing 100% (2023: 100 ordinary shares at 1/- each) shares in the Company's subsidiary, Systems Africa for Information Technologies (Pty) Ltd, a limited liability company incorporated in the Republic of South Africa for the purpose of sale of software services and trading software licenses in the region.
- 6.9 This represents 100 ordinary shares of Rs.10/- each, representing 100% (2023: 100) shares in the Company's subsidiary, Systems Holdings (Private) Limited, a limited liability company incorporated in Pakistan on April 14, 2023, for the purpose of establishing and running data processing centers, computer centers, software development centers and to provide consultancy and data processing software development services. As of reporting date, no payment has been made against its share capital.
- 6.10 This represents the share options issued to employees of the following subsidiaries:

	Un-audited	Audited
	March 31,	December 31,
	2024	2023
	(Rupees)	(Rupees)
- Tech Vista Systems FZ-LLC	80,095,441	67,433,233
- TechVista Information Technology W.LL	1,732,952	1,297,730
- Systems Arabia for Information Technology	18,425,927	15,077,525
- National Data Consultant (Private) Limited	16,948,850	16,948,850
- SYS Egypt for Information Technology Services	988,675	723,277
- Systems APAC for Info Tech PTE Ltd	4,617,744	2,247,585
- Systems Africa for Information Technologies (Pty.) Ltd.	1,977,349	1,446,553
	124,786,938	105,174,753
6.11 This represents subscription money payable in respect of the following subsidiaries:		
- Systems Arabia for Information Technology	1,099,000	1,099,000
- TechVista Information Technology W.LL	3,294,600	3,294,600
- Systems Holdings (Private) Limited	1,000	1,000
- Systems Africa for Information Technologies (Pty.) Ltd.	1,426	1,426
	4,396,026	4,396,026

		Un-audited March 31,	Audited December 31,
	Note	2024	2023
		(Rupees)	(Rupees)
7. TRADE DEBTS – UNSECURED			
Export		15,392,142,841	14,248,389,307
Local		2,400,100,999	2,176,592,717
	(7.1)	17,792,243,840	16,424,982,024
Less: Allowance for expected credit losses		(226,836,789)	(226,836,797)
		17,565,407,051	16,198,145,227
7.1	These include receivables from the following related parties:		
	Visionet Systems Incorporation – USA	2,111,233,512	2,651,891,528
	Visionet Deutschland GmbH	196,433,987	–
	Visionet EMEA Limited	630,939,261	390,886,703
	AtClose LLC	146,675,163	121,612,567
	PartnerLinQ Incorporation	422,408,907	308,546,855
	Visionet Canada Incorporation	9,681,971	7,259,319
	Systems APAC Pte. Ltd	547,839,677	349,757,125
	Systems Africa for Information Technologies	119,166,063	116,804,648
	Systems Australia for Information Technology PTY LTD.	55,338,705	16,155,437
	National Data Consultancy FZE	1,612,327,989	1,271,147,190
	TechVista Systems FZ-LLC	5,624,939,787	5,364,560,103
	TechVista Information Technology WLL	1,312,567,394	1,353,615,093
	Systems Arabia for Information Technology	1,813,609,639	1,289,359,236
	TreeHouse Consultancy LLC	181,611,846	184,028,982
	Systems Egypt for Information technology	9,298,266	–
		14,794,072,167	13,425,624,786
8. SHORT TERM INVESTMENTS			
At fair value through profit or loss			
– Mutual fund units		496,084	877,419,112
At amortized Cost			
– Term deposits receipts (TDRs)	(8.1)	255,000,000	282,000,000
		255,496,084	1,159,419,112
8.1	These carry markup at rates ranging from 19.25% to 20.05% (December 31, 2023: 15.4% to 19.5%) per annum.		
9. CASH AND BANK BALANCES			
Cash in hand		1,294,840	175,643
Cheques in hand		–	134,644,245
Cash at bank			
Local currency:			
Current accounts		686,754,496	240,483,300
Savings accounts	(9.1)	1,453,980,752	895,008,939
		2,140,735,248	1,135,492,239
Foreign currency – current accounts		128,372,536	171,661,346
		2,270,402,624	1,441,973,473
9.1	These carry markup at rates ranging from 16.80 % to 20.50% (December 31, 2023: 6.88 to 20.51%) per annum.		

10. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	Un-audited	Audited	Un-audited	Audited
	March 31,	December 31	March 31	December 31
	2024	2023	2024	2023
	No of Shares		(Rupees)	
Ordinary shares of Rs 10/- each				
- fully paid in cash	116,814,576	116,732,576	1,168,145,759	1,167,325,759
- paid up as bonus shares	162,866,323	162,866,323	1,628,663,230	1,628,663,230
- consideration other than cash	11,822,500	11,822,500	118,225,000	118,225,000
	291,503,399	291,421,399	2,915,033,989	2,914,213,989
10.1	Reconciliation of issued, subscribed and paid-up share capital:			
Balance as at January 01	291,421,399	290,407,699	2,914,213,989	2,904,076,989
Stock options exercised	82,000	1,013,700	820,000	10,137,000
Balance as at March 31 / December 31	291,503,399	291,421,399	2,915,033,989	2,914,213,989

	Un-audited	Audited
	March 31,	December 31,
	2024	2023
	(Rupees)	
11. TRADE AND OTHER PAYABLES		
Creditors	166,281,363	104,039,999
Accrued liabilities	2,545,915,110	2,344,843,898
Withholding income tax payable	321,461,486	227,038,001
Subscription money payable	5,786,460	5,788,983
Payable to related parties	3,280,349,835	2,775,733,986
Sales tax payable	135,747,491	74,004,982
Provident fund payable	174,803,862	169,477,960
	6,630,345,607	5,700,927,809

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There is no significant change in the contingencies since the date of preceding published annual financial statements.

12.2 Commitments

12.2.1 Guarantees issued by the financial institutions on behalf of the Company amount to Rs. 403.26 million (December 31, 2023: Rs 403.26 million). This includes guarantees of Rs 77.38 million (December 31, 2023: Rs 77.38 million) given on behalf of UUS Joint Venture (Private) Limited, a joint operation of the Company.

12.2.2 Guarantees issued by the Company on behalf of E-Processing Systems (Private) Limited to National Bank of Pakistan amount to Rs 100 million (December 31, 2023: Rs 100 million). Guarantees issued by the Company on behalf of National Data Consultant (Private) Limited to Bank Al Habib Limited amount to Rs 134 million (December 31, 2023: 134 million).

Un-audited

Three Months Ended

March 31 **March 31**

2024 **2023**

13. OTHER INCOME

Income from financial assets

Profit on deposit accounts	16,974,090	9,735,282
Profit on short term investments	20,505,146	125,097,729
Exchange gain / (loss)	(207,641,701)	2,241,087,691
Effect of discounting of long term loans	31,231,606	19,168,673
Interest on loan to subsidiaries/associates	13,217,540	4,003,491

Income from non financial assets

Gain on disposal of property and equipment	4,543,593	-
Others	6,180,877	13,713,968

	(114,988,849)	2,412,806,834
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14. EARNINGS PER SHARE

Profit for the period (rupees)	1,235,208,767	3,639,526,603
--------------------------------	---------------	---------------

Weighted-average number of ordinary shares outstanding during the period	291,458,755	290,407,699
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Basic (rupees)	4.24	12.53
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Diluted earnings per share:

Profit for the period (rupees)	1,235,208,767	3,639,526,603
--------------------------------	---------------	---------------

Weighted-average number of Ordinary shares - basic	291,458,755	290,407,699
--	-------------	-------------

Effect of share options	1,749,625	2,678,649
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	293,208,380	293,086,348
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Diluted (rupees)	4.21	12.42
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15. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	1,344,989,365	3,735,077,100
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Adjustments for:

Depreciation on property and equipment	183,608,860	114,548,699
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Depreciation of right-of-use asset	37,744,035	37,744,035
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Amortization of intangibles	2,511,391	2,531,433
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Impairment losses on financial assets	1,023,515	(20,897,722)
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Share based payment expense	80,978,887	55,155,238
-----------------------------	------------	------------

Finance costs	72,950,466	82,777,014
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Lease interest charged	17,040,128	20,151,465
------------------------	------------	------------

Exchange (gain) / loss	207,641,701	(2,241,087,691)
------------------------	-------------	-----------------

Gain on short term investments	(20,505,146)	(125,097,729)
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Profit on bank deposits	(16,974,090)	(9,735,282)
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Interest on loan to subsidiaries	(13,217,519)	(4,003,470)
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Gain on disposal of property and equipment	(4,543,593)	-
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	548,258,635	(2,087,914,010)
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Profit before working capital changes Effect on cash flow due to working capital changes	1,893,248,000	1,647,163,090
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(Increase) / decrease in current assets:

Contract Assets - net	379,471,062	(34,738,782)
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Trade debts	(1,575,927,040)	(2,700,124,689)
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Loans, advances and other receivables	(560,819,120)	280,470,586
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Employee interest free loan	(6,715,747)	(53,885,980)
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Trade deposits and short term prepayments	(58,770,911)	(328,403,058)
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	(1,822,761,756)	(2,836,681,923)
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Increase in current liabilities:

Trade and other payables	929,417,798	494,488,022
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	929,417,798	494,488,022
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Net cash flows from operations	999,904,042	(695,030,811)
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16. TRANSACTIONS WITH RELATED PARTIES

Related parties comprises of subsidiaries, associated companies, staff retirement fund, directors and key management personnel. The transactions with related parties are made under mutually agreed terms and conditions other than transactions with key management personnel which are carried under of the terms of employment. Transactions with related parties are as follows:

Related party	Relationship	Nature of transactions	Un-audited	
			Three Months Ended	
			March 31, 2024 (Rupees)	March 31, 2023 (Rupees)
E-Processing Systems (Private) Limited	Associate	Disbursement of loan	10,610,939	14,091,632
		Repayments from the party against advance	(12,500,000)	(15,126,703)
		Interest income	13,217,540	10,751,592
TechVista Systems FZ - LLC - UAE	Subsidiary	Revenue	1,738,638,622	1,206,416,823
		Expenses incurred by the party on behalf of the Company	(158,306,308)	(581,385,296)
SUS - JV (Private) Limited	Subsidiary	Disbursements against loan	-	5,646,987
		Repayments from the party against loan	-	-
Systems Venture (Private) Limited	Subsidiary	Interest Income	-	-
		Disbursements against loan	-	-
Visionet Systems Incorporation - USA	Associate	Interest Income	-	-
		Revenue	2,546,165,163	2,401,355,229
Visionet Systems - UK	Associate	Expenses incurred on behalf of the party	(14,597,506)	(23,689,319)
		Revenue	251,711,384	210,093,290
Visionet Deutschland GMBH - Germany	Associate	Expenses incurred on behalf of the party	1,822,990	3,850,274
		Revenue	175,329,850	140,765,935
Visionet Canada	Associate	Expenses incurred on behalf of the party	1,452,482	14,291,070
		Revenue	6,965,373	-
PartnerLinQ Inc.	Associate	Revenue	357,303,413	-
		Expenses incurred on behalf of the party	370,142	-
National Data Consultants FZE	Subsidiary	Revenue	360,371,263	-
		Expenses incurred on behalf of the party	30,433,790	-
Systems Australia Pty Limited	Sub - subsidiary	Revenue	14,835,235	966,446
		Expenses incurred on behalf of the party	1,061,650	-
TreeHouse Consultancy LLC	Sub - subsidiary	Revenue	-	30,820,631
		Expenses incurred on behalf of the party	(3,663,709)	13,214,960
TechVista Information Technology W.LL Qatar	Associate	Revenue	169,761,793	134,826,687
		Expenses incurred on behalf of the party	(3,663,709)	13,214,960
Staff retirement funds	Staff retirement fund	Contributions	342,305,214	434,948,185
		Revenue	581,010,075	246,959,963
Systems Arabia for Information Technology	Subsidiary	Expenses incurred on behalf of the party	70,771,737	17,976,538
		Revenue	203,776,800	-
Systems APAC Pte. Ltd	Subsidiary	Expenses incurred on behalf of the party	11,681,211	-
		Revenue	-	103,628,228
Systems International IT Pte. Ltd	Subsidiary	Expenses incurred on behalf of the party	-	6,468,776
		Revenue	9,344,519	-
SYS Misr for Information Technology Services	Subsidiary	Expenses incurred on behalf of the party	211,831	1,068,513
		Revenue	3,934,873	10,167,913
Systems Africa for information technology	Subsidiary	Expenses incurred on behalf of the party	713,150	3,133,982
		Expenses incurred on behalf of the party	193,568,204	189,313,181
National Data Consultants (Pvt) Ltd	Subsidiary			

17. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with those disclosed in the preceding annual audited financial statements for the year ended December 31, 2023

17.1 Fair values of financial assets and liabilities

The carrying values of other financial assets and financial liabilities reflected in these unconsolidated condensed interim financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

		Un-audited	
		March 31, 2024	
	At fair value through profit or loss	At amortized cost	Total
(Rupees)			
17.2 Financial instruments by categories			
Financial assets			
Long term loans	-	528,345,079	528,345,079
Long term deposits	-	48,007,498	48,007,498
Contract Assets	-	1,663,718,062	1,663,718,062
Trade debts	-	17,565,407,051	17,565,407,051
Loans, advances and other receivable	-	2,724,905,084	2,724,905,084
Security deposits	-	160,192,923	160,192,923
Interest accrued	-	10,961,000	10,961,000
Short term investments	496,084	255,000,000	255,496,084
Cash and bank balances	-	2,270,402,624	2,270,402,624
	496,084	25,226,939,321	25,227,435,405
Financial liabilities			
Lease liabilities	-	550,569,061	550,569,061
Mark-up accrued on short term borrowings	-	56,451,711	56,451,711
Long term loan	-	-	-
Short term borrowings	-	1,419,000,004	1,419,000,004
Unclaimed dividend	-	18,659,407	18,659,407
Trade and other payables	-	6,630,345,607	6,630,345,607
	-	8,675,025,790	8,675,025,790
		Audited	
		December 31, 2023	
	At fair value through profit or loss	At amortized cost	Total
(Rupees)			
Financial liabilities			
Long term loans	-	712,111,946	712,111,946
Long term deposits	-	194,415,504	194,415,504
Contract assets	-	1,856,838,544	1,856,838,544
Loans, advances and other receivable	-	239,828,941	239,828,941
Trade debts	-	16,198,145,227	16,198,145,227
Security deposits	-	1,452,856,881	1,452,856,881
Interest accrued	-	3,096,777	3,096,777
Short term investments	877,419,112	282,000,000	1,159,419,112
Cash and bank balances	-	1,441,973,473	1,441,973,473
	877,419,112	22,381,267,293	23,258,686,405
Financial liabilities			
Lease liabilities	-	580,303,133	580,303,133
Mark-up accrued on short term borrowings	-	5,626,922,827	5,626,922,827
Long term loan	-	-	-
Short term borrowings	-	18,659,407	18,659,407
Unclaimed dividend	-	2,119,000,000	2,119,000,000
Trade and other payables	-	96,093,532	96,093,532
	-	8,440,978,899	8,440,978,899

18. Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable either, directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

	Level 1	Level 2	Level 3	Total
	(Rupees)			
As at March 31, 2024 (Un-audited)				
Fair value through profit and loss				
- Mutual Fund units	-	-	-	-
As at December 31, 2023 (Audited)				
Fair value through profit and loss				
- Mutual Fund units	877,419,112			877,419,112

19. DATE OF AUTHORIZATION FOR ISSUE

These condensed unconsolidated interim financial statements were authorized for issue on 29 April 2024 by the Board of Directors of the Company.

20. CORRESPONDING FIGURES

Corresponding figures have been re-arranged or re-classified where necessary for the purpose of comparison, however no significant re-classification or re-arrangements have been made in these condensed unconsolidated interim financial statements.

21. GENERAL

Figures have been rounded off to the nearest rupees, unless otherwise stated.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

Systems Limited Consolidated Financial Statements



CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024 (UNAUDITED)

ASSETS	Note	Unaudited	Audited
		31 March	31 December
		2024	2023
		Rupees	Rupees
Non-current assets			
Property and equipment	6	3,761,250,222	3,740,581,192
Intangible		10,028,640,268	10,511,603,969
Long term investments	7	100,499,513	101,886,235
Investment in Associates		262,089,772	282,459,724
Right-of-use asset		575,410,629	652,229,054
Long term loans		528,345,079	528,345,079
Deferred taxation - net		35,651,933	-
Deferred employee benefits		182,065,727	182,065,727
Long term receivable - unsecured		876,834,532	886,067,903
Long term deposits		184,035,564	265,508,795
		16,534,823,239	17,150,747,678
Current assets			
Contract assets		10,239,681,846	7,960,461,635
Trade debts	8	11,104,041,471	12,706,815,283
Current portion of long term receivable - unsecured		290,881,476	298,167,633
Loans, advances and other receivables		1,052,923,359	1,819,993,202
Trade deposits and short term prepayments		3,471,638,119	1,060,427,214
Interest accrued		25,505,885	3,096,777
Short term investments	9	1,399,474,184	1,594,725,452
Tax refunds due from the Government		115,311,345	21,768,471
Current portion of deferred employee benefits		73,873,218	67,157,471
Cash and bank balances	10	6,599,587,843	7,982,850,983
		34,372,918,746	33,515,464,121
TOTAL ASSETS		50,907,741,984	50,666,211,799
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
400,000,000 (2023: 400,000,000) ordinary shares of Rs. 10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid up share capital	11	2,915,033,989	2,914,213,989
Capital and reserves		8,162,837,331	8,076,144,012
Unappropriated profits		22,910,029,878	21,338,813,911
		33,987,901,198	32,329,171,912
Non-controlling interest		2,459,499	2,447,154
		33,990,360,698	32,331,619,066
Non-current liabilities			
Long term advances		8,008,622	4,281,065
Long term loan		-	-
Lease Liability		428,745,666	551,237,073
Deferred grant		-	-
Other long term liability - unsecured		1,819,520,908	1,818,407,518
Deferred taxation - net		-	117,775,797
Provision for gratuity		512,834,725	474,227,448
		2,769,109,922	2,965,928,901
Current liabilities			
Trade and other payables	12	6,648,608,037	7,291,830,942
Unclaimed Dividend		18,659,407	18,659,407
Contract Liability		4,778,946,316	4,637,734,357
Mark-up accrued on short term borrowings		56,451,711	96,586,682
Short term borrowings		1,419,000,004	2,119,000,000
Current Portion of lease liability		241,254,097	190,062,090
Current portion of other long term liability		985,351,794	1,006,395,111
Current Portion of long term loan		-	-
Current Portion of deferred grant		-	-
Current portion of long term advances		-	8,395,243
		14,148,271,366	15,368,663,832
TOTAL EQUITY & LIABILITIES		50,907,741,984	50,666,211,799

CONTINGENCIES AND COMMITMENTS

14

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

**CONSOLIDATED CONDENSED INTERIM PROFIT OR LOSS ACCOUNT
FOR THE THREE MONTHS ENDED 31 MARCH 2024 (UNAUDITED)**

	Unaudited		Audited
	31 March		31 March
	NOTE	2024	2023
		Rupees	Rupees
Revenue from contract with customers - net		15,194,400,478	10,698,739,254
Cost of sales		11,690,487,295	7,908,381,980
Gross profit		3,503,913,183	2,790,357,274
Distribution expenses		432,645,561	346,796,663
Administrative expenses		1,107,752,233	785,001,931
Other operating expenses		(21,318,272)	(48,981,110)
		1,519,079,522	1,082,817,484
Operating profit		1,984,833,661	1,707,539,790
Other income	15	(56,553,863)	2,552,329,307
Share of loss from associate		20,369,952	110,440,765
Finance cost		148,293,356	157,004,402
Profit before taxation		1,759,616,490	3,992,423,931
Taxation		188,400,523	112,996,869
Profit after taxation		1,571,215,967	3,879,427,062
Attributable to:			
Equity holders of the parent		1,571,203,622	3,879,278,370
Non-controlling interest		12,345	148,692
		1,571,215,967	3,879,427,062
Earnings per share:			
Basic earnings per share	16	5.39	13.36
Diluted earnings per share		5.36	13.24

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2024 (UNAUDITED)**

	Three Months Ended	
	31 March	31 March
	2024	2023
	Rupees	Rupees
Profit for the period	1,571,215,967	3,879,427,062
Other comprehensive income		
Exchange difference on translation of foreign operations	(29,331,836)	542,870,098
Total comprehensive income for the period	1,541,884,131	4,422,297,160
Attributable to:		
Equity holders of the parent	1,541,871,786	4,422,148,468
Non-controlling interest	12,345	148,692
	1,541,884,131	4,422,297,160

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

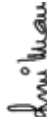
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2024 (UNAUDITED)

	Issued, subscribed and paid-up share capital	Capital reserves			Revenue reserve		Total equity attributable to shareholders of parent company	Non-controlling interest	Total
		Share premium	Employee compensation reserve	Foreign currency translation reserve	Unappropriated profit				
				-----	-----	-----			
Balance as at December 31, 2022 (audited)	2,904,076,989	4,671,279,598	323,650,758	922,282,387	14,104,886,266	22,926,175,999	2,103,542	22,928,279,541	
Total comprehensive income for the period	-	-	-	-	3,879,427,062	3,879,427,062	148,692	3,879,575,754	
Revenue reserve of subsidiary	-	-	-	-	-	-	-	-	
Other comprehensive income for the year	-	-	-	542,870,098	-	542,870,098	-	542,870,098	
Exercise of share options	-	-	-	-	-	-	-	-	
Share based payments	-	-	70,754,037	-	-	70,754,037	-	70,754,037	
Balance as at March 31, 2023 (un-audited)	2,904,076,989	4,671,279,598	394,404,795	1,465,152,485	17,984,313,328	27,419,227,196	2,252,234	27,421,479,430	
Balance as at December 31, 2023 (audited)	2,914,213,989	4,904,476,301	507,516,180	2,664,151,531	21,338,813,911	32,329,171,912	2,447,154	32,331,619,066	
Total comprehensive income for the period	-	-	-	-	1,571,215,967	1,571,215,967	12,345	1,571,228,312	
Other comprehensive income for the year	-	-	-	(29,331,836)	-	(29,331,836)	-	(29,331,836)	
Revenue reserve of subsidiary	-	-	-	-	-	-	-	-	
Exercise of Share Options	820,000	36,878,810	(22,086,624)	-	-	15,612,186	-	15,612,186	
Share based payments	-	-	101,232,969	-	-	101,232,969	-	101,232,969	
Balance as at March 31, 2024 (un-audited)	2,915,033,989	4,941,355,111	586,662,525	2,634,819,695	22,910,029,878	33,987,901,198	2,459,499	33,990,360,698	

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2024 (UNAUDITED)**

	Three Months Ended	
	31 March	31 March
	NOTE	2023
	2024	2023
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash flows from/(used in) operations	18 (27,180,677)	(1,303,298,961)
Finance costs paid	(150,193,462)	(155,275,409)
Gratuity paid	(28,794,869)	(217,607,865)
Taxes paid	(435,371,127)	(177,785,122)
	(614,359,459)	(550,668,396)
Net cash flows from/(used in) operating activities	(641,540,136)	(1,853,967,357)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(249,277,011)	(163,293,553)
Development expenditure	-	(60,000,000)
Proceeds from the disposal of property and equipment	13,391,643	13,711,450
Decrease in long term deposits	81,473,231	23,653,963
Disposal / investment of short term investments - net	195,251,268	1,264,628,340
Profit received on short term investment	21,375,617	125,943,460
Profit received on bank deposits	36,979,733	10,091,715
Net cash flows used in/from investing activities	99,194,481	1,214,735,375
Proceeds from exercise of share options	15,612,186	-
Decrease in short term borrowings	(699,999,996)	566,065,620
Increase /Decrease in long term loan	-	(37,944,893)
Increase in Lease Liability	(84,011,958)	(51,138,685)
Increase in long term advances	(4,667,686)	253,223,558
Net cash flows used in financing activities	(773,067,454)	730,205,600
Net (decrease) in cash and cash equivalents	(1,315,413,108)	90,973,617
Effect of exchange translation reserve	(67,850,032)	134,444,068
Cash and cash equivalents at beginning of the period	7,982,850,983	5,814,496,232
Cash and cash equivalents at closing of the period	6,599,587,843	6,039,913,917

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

SYSTEMS LIMITED SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 31 MARCH 2024 (UNAUDITED)

1. THE GROUP AND ITS OPERATIONS

1.1 Holding company

The Company is a public limited Company incorporated in Pakistan under the repealed Companies Ordinance 1984 (now Companies Act 2017), and is listed on the Pakistan Stock Exchange. The Company is principally engaged in the business of software development, trading of software and business process outsourcing services. The head office of the Company is situated at E-1, Sehjpal Near DHA Phase-VIII (Ex-Air Avenue), Lahore Cantt.

1.2 Subsidiary and sub-subsidiary Companies

1.2.1 TechVista Systems FZ - LLC, a limited liability Company incorporated in Dubai Technology and Media Free Zone Authority, is a 100% (2023: 100%) owned subsidiary of Systems Limited, Pakistan. The Company is engaged in the business of developing software and providing ancillary services.

1.2.2 TechVista Systems LLC is a limited liability company registered in the Emirate of Dubai under Federal Law No. 2 of 2015, is 100% (2023: 100%) controlled by TechVista Systems FZ-LLC. The Company is licensed as a software house.

1.2.3 TechVista Manpower LLC (TechVista MP LLC), a sole establishment, duly licensed by Dubai Economic Department, under license No. 800123, is 100% (2023: 100%) controlled by TechVista Systems FZ-LLC.

1.2.4 SUS JV (Private) Limited, a private limited company registered under the Companies Act, 2017 is a 95% (2023: 95%) owned subsidiary of Systems Limited. The Company is set up for the Balochistan Land Revenue Management Information Systems project. The project is related to digitization of land records and development of a web-based management information system.

1.2.5 Systems Ventures (Private) Limited, a private limited Company registered under the Companies Act, 2017, incorporated on 11 November 2019, is a 100% (2023: 100%) owned subsidiary of Systems Limited. The Company aims to invest in new ventures, start-ups and incubate new ideas.

1.2.6 Systems Australia (formerly TechVista Systems Pty Ltd), is a 100% (2023: 100%) owned subsidiary of TechVista Systems FZ LLC and was incorporated in December 2014 in Australia with the paid up share capital of AUD 1.

1.2.7 Systems Arabia for Information Technology, is a wholly owned subsidiary of Systems Limited and was incorporated in December 2022. The Company has been setup in Saudi Arabia to provide IT services. As of reporting date, no payment has been made against its share capital.

1.2.8 SYS Egypt for Information Technology Services, a limited liability company, was incorporated in the Arab Republic of Egypt on May 29, 2022, for the purpose of sale of software services and trading software licenses in the Middle East and North Africa region. The company is a wholly owned subsidiary of the Systems Limited

1.2.9 Systems Africa for Information Technologies Pty. Ltd., a limited liability company was incorporated in the Republic of South Africa on July 28, 2022, for the purpose of sale of software services and trading software licenses in the region. The company is wholly owned subsidiary of the Systems Limited.

1.2.10 National Data Consultant (Private) Limited (NdcTech'). NdcTech is a company setup in Pakistan engaged in core and digital banking implementation services, having rich clients in Pakistan, Middle East, Africa and Asia Pacific region.

1.2.11 During the year, TechVista Systems FZ- LLC acquired 100% stake in Treehouse Consultancy LLC in Dubai. Treehouse Consultancy LLC is a wholly owned subsidiary of TechVista Systems FZ- LLC in Dubai.

1.2.12 Systems International IT Pte. Ltd. a limited liability company was incorporated in the Republic of Singapore on May 11, 2022, for the purpose of sale of software services and trading software licenses in the Asia Pacific region. The company is a wholly owned subsidiary of Systems Limited.

1.2.13 Systems APAC for Information Technology Pte. Ltd., a limited liability company was incorporated in the Republic of Singapore for the purpose of sale of software services and trading software licenses in the Asia Pacific region. The Company is a wholly owned subsidiary of Systems International IT Pte Ltd. with authorized share capital of SGD 1.

1.2.14 NDC Tech APAC Pte. Ltd., is a limited liability company, for the purpose of sale of software services and trading software licenses in the Asia Pacific region. The Company is a wholly owned subsidiary of Systems International IT Pte Ltd. with authorized share capital of SGD 100.

- 1.2.15** National Data Consultancy FZE, is a limited liability company in Dubai, for the purpose of sale of software services and trading software licenses in the region. The Company is a wholly owned subsidiary of Systems International IT Pte Ltd. with authorized share capital of AED 150,000.
- 1.2.16** Techvista Information Technology W.L.L (TVSQ), a limited liability company was incorporated in the State of Qatar on February 27, 2022. The Holding Company has 100% control and management of TVSQ.
- 1.2.17** Sys Bahrain for information Technology W.L.L, is a 100% (2023: Nil) owned subsidiary of Systems International IT Pte. Ltd. incorporated in February 2023 as a limited liability Company for the purpose of software publishing, computer consultancy and computer facilities management activities in the Kingdom of Bahrain.
- 1.2.18** Systems Holdings (Private) Limited, is a 100% (2023: Nil) owned subsidiary of Systems Limited incorporated in April 2023, as a Company limited by shares.
- 1.2.19** TechVista Systems East Africa Limited is a 100% (2023: Nil) owned subsidiary of Systems International IT Pte Ltd., incorporated in Kenya for providing consultancy and data processing software development services and to run data processing centers, computer centers, software development centers and offices.
- 1.2.20** Sys information Technology Malaysia SDN. BHD. is a 100% (2023: Nil) owned subsidiary of Systems International IT Pte. Ltd. incorporated in Malaysia.
- 1.2.21** Systems for information Technology QFZ LLC, is a 100% (2023: Nil) owned subsidiary of Systems International IT Pte. Ltd. incorporated in Qatar.

1.3 Associated Companies

SalesFlo (Private) Limited (formerly Retailistan (Private) Limited), a private limited Company registered under the Companies Act, 2017 and incorporated on January 28, 2015, is a 20% (2021: nil) owned associate of Systems Limited which provides services of software designing, development, implementation, maintenance, testing and benchmarking, and to provide internet/web-based applications. The Group acquired interest in SalesFlo (Private) Limited (formerly Retailistan (Private) Limited) on July 19, 2021 through its wholly owned subsidiary, Systems Ventures (Private) Limited. Accordingly, the results of SalesFlo (Private) Limited (formerly Retailistan (Private) Limited) have been accounted for using the equity method of accounting in these consolidated financial statements using consistent accounting policies of the Holding Company.

E-Processing Systems B.V, a private limited Company, incorporated on October 08, 2021 in Netherlands, is a 30.9% (2023: 30.9%) owned associate of Systems Limited which is primarily aimed at attracting foreign investment. The results of E-Processing Systems B.V. have been accounted for using the equity method of accounting in these consolidated financial statements using consistent accounting policies of the Holding Company.

2. STATEMENT OF COMPLIANCE

- 2.1** This consolidated condensed interim financial information of the Group for the period ended 31 March 2024 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.
- 2.2** This interim financial information is un-audited and is being submitted to shareholders, as required by section 237 of the Companies Act, 2017.

3. BASIS OF PREPARATION

This consolidated condensed interim financial information is not audited and has been prepared in condensed form and does not include all the information as is required to be provided in full set of annual financial statements. This condensed interim consolidated financial information should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2023.

3.1 Consolidated financial statements

This consolidated condensed interim financial information comprises the financial information of Systems Limited and its subsidiaries, here-in-after referred to as "the Group".

3.2 Basis of measurement

This consolidated condensed interim financial information has been prepared under the historical cost convention.

4. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Group for the year ended 31 December 2023.

5. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended 31 December 2023.

	NOTE	Unaudited	Audited
		31 March	31 December
		2024	2023
		Rupees	Rupees
6. PROPERTY AND EQUIPMENT			
Operating fixed assets	(7.1)	3,761,250,222	3,740,581,192
Capital work in progress	(7.2)	-	-
		3,761,250,222	3,740,581,192
6.1 Operating fixed assets:			
Opening balance - net book value		3,740,581,192	2,699,160,711
Additions during the period / year - cost	6.1.1	249,277,011	1,786,368,287
Acquisition of subsidiary		-	-
		3,989,858,203	4,485,528,998
Less:			
Disposals during the period / year	6.1.2	8,848,050	34,173,128
Depreciation during the period / year		200,843,709	718,070,542
Exchange differences		(18,916,222)	7,295,864
		3,761,250,222	3,740,581,192
6.1.1 Additions during the period / year - cost			
Land		-	-
Building		-	160,120,890
Computers		202,283,785	855,933,606
Computer equipment and installations		25,271,397	416,996,325
Other equipment and installations		1,534,000	110,673,686
Generator		-	24,723,737
Furniture and fittings		4,881,299	143,662,315
Vehicles		14,900,000	18,080,710
Office equipment		406,530	4,522,055
Leasehold Improvements		-	51,654,963
		249,277,011	1,786,368,287
6.1.2 Disposals during the period / year - WDV			
Building on freehold land		-	-
Computers		4,458,688	24,906,828
Computer equipment and installations		3,295,940	2,170,791
Other equipment and installations		-	4,751,600
Furniture and fittings		-	1,657,594
Vehicles		1,093,422	657,582
Office equipment		-	28,733
		8,848,050	34,173,128
6.2 CAPITAL WORK IN PROGRESS			
Civil works	6.2.1	132,171,854	-
Advance against purchase of property and equipment		-	-
		132,171,854	-
6.2.1 Balance at the beginning of the period / year			
Additions during the period / year		132,171,854	115,360,238
Transfer to operating fixed assets during the period / year		-	(276,381,193)
		132,171,854	-

7.	Long Term Investments	NOTE	Unaudited	Audited
			31 March	31 December
			2024	2023
			Rupees	Rupees
	Jugnu Private Limited		-	-
	B2B Holdings (Private) Limited		100,499,513	101,886,235
	Jomo Technologies (Private) Limited		-	-
			100,499,513	101,886,235
8.	TRADE DEBTS			
	Considered good - unsecured			
	Export	(8.1)	8,676,059,007	10,338,403,980
	Local		2,677,448,779	2,645,877,618
			11,353,507,786	12,984,281,598
	Less: Allowance for expected credit losses		(249,466,315)	(277,466,315)
			11,104,041,471	12,706,815,283
8.1	This includes receivables from related parties which are as follows:			
	Visionet Systems Incorporation - USA		3,344,950,934	2,715,270,955
	Visionet Systems - UK		785,035,418	411,163,625
	"Visionet Deutschland GMBH - Germany"		344,475,665	-
	AtClose LLC		-	121,612,567
	PartnerLinQ Incorporation		-	308,546,855
	Visionet Canada Incorporation		-	7,259,319
9.	SHORT TERM INVESTMENTS			
	Fair value through profit and loss			
	- Mutual fund units		496,084	877,419,112
	Amortized cost			
	- Term deposit receipts (TDRs)	(9.1)	1,398,978,100	717,306,340
			1,399,474,184	1,594,725,452
9.1	These carry markup at rates ranging from 19.25% to 20.05% (December 31, 2023: 4.7% to 19.5%) per annum			
10.	CASH AND BANK BALANCES			
	Cash in hand		1,294,840	175,643
	Cheques in hand		-	134,644,245
	Cash at bank:			
	Local currency:			
	Current accounts		5,015,439,590	466,797,419
	Deposit accounts	(10.1)	1,454,480,876	993,354,328
			6,469,920,467	1,460,151,747
	Foreign currency - current accounts		128,372,536	6,387,879,348
			6,599,587,843	7,982,850,983
10.1	These carry markup at rates ranging from 16.80% to 20.50% (December 31, 2023: 6.88 to 22.06%) per annum.			

11. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	-----No of Shares-----			
"Ordinary shares of Rs. 10/- fully paid in cash"	116,814,576	116,732,576	1,168,145,759	1,167,325,759
"Ordinary shares of Rs. 10/- each fully paid up as bonus shares"	162,866,323	162,866,323	1,628,663,230	1,628,663,230
Ordinary shares of Rs 10/- each issued for consideration otherwise than cash	11,822,500	11,822,500	118,225,000	118,225,000
Ordinary shares of Rs. 10/-	291,503,399	291,421,399	2,915,033,989	2,914,213,989
11.1	Reconciliation of issued, subscribed and paid-up share capital:			
Balance as at 1st January	291,421,399	290,407,699	2,914,213,989	2,904,076,989
Stock options exercised	82,000	1,013,700	820,000	10,137,000
Balance as at 31 March 2023	291,503,399	291,421,399	2,915,033,989	2,914,213,989

	Unaudited		Audited	
	31 March		31 December	
	2024		2023	
12. TRADE AND OTHER PAYABLES				
Creditors	1,133,537,626		1,556,571,557	
Accrued liabilities	4,526,526,742		5,062,593,834	
Provident fund payable	174,803,862		169,477,960	
Withholding income tax payable	435,720,091		264,964,295	
Sales tax payables	372,233,257		174,661,404	
Subscription money payable	5,786,460		5,788,983	
Provision for onerous contracts	-		57,772,909	
	6,648,608,037		7,291,830,942	

13. OPERATING SEGMENT INFORMATION

13.1. Vertical Segments

The Group has realigned its strategy for growth and has started monitoring performance based on industry verticals along with geographical segments. This helps to capture synergies through the cross-selling of technologies and solutions across different verticals. This approach allows the Group to leverage its expertise and capabilities more effectively across various sectors, increasing operational efficiency.

The Group can also better understand its competitive footprint within each vertical, identifying areas where it can capitalize on its strengths. Moreover, the emphasis on industry verticals highlights the importance of expanding within sectors that offer higher margins, indicating a strategic approach to revenue generation and profitability.

The Group will continue to use geographical segments as well in addition to vertical segments. However, the five primary segments now revolve around industry verticals, reflecting the Group's strategic shift:

- Banking Financial Services & Insurance (BFSI): This segment includes activities related to banking, financial services, and insurance.
- Retail & CPG (Consumer Packaged Goods): This segment encompasses retail operations and consumer goods.
- Technology: This segment includes technology-related solutions, products and services.
- Telco (Telecommunications): This segment involves telecommunications services and technologies.
- Others: This catch-all category remaining segments that don't fall into the specific verticals mentioned above.

	BFSI		Telco		Technology		Retail & CPG		Others		Total	
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue - net	4,392,574,504	3,343,808,803	3,346,535,477	2,244,095,003	1,890,610,795	1,500,714,594	4,673,238,181	1,187,741,877	3,891,444,536	2,519,374,678	15,184,400,478	10,889,739,254
Cost of sales	(3,180,464,900)	(2,436,231,849)	(2,436,231,849)	(1,548,451,533)	(1,324,876,403)	(1,008,107,709)	(1,124,817,874)	(668,129,241)	(2,830,714,270)	(1,872,011,151)	(11,680,487,296)	(7,908,381,980)
Gross profit	512,109,604	432,119,455	910,303,623	695,643,471	665,732,392	492,613,985	455,400,307	519,612,636	970,730,266	647,363,827	3,503,913,183	2,790,357,274
Distribution expenses	(121,440,787)	(105,147,162)	(90,885,669)	(72,741,848)	(84,611,645)	(49,742,491)	(47,843,013)	(33,000,323)	(138,394,978)	(81,664,840)	(432,645,661)	(346,796,663)
Administrative expenses	(235,770,625)	(238,008,995)	(232,627,969)	(194,656,976)	(88,620,179)	(110,332,520)	(121,985,890)	(97,148,355)	(429,347,570)	(154,854,585)	(1,077,523,233)	(785,001,391)
Profit before taxation	155,795,222	88,963,298	586,820,087	459,248,649	532,590,669	339,538,874	28,5411,404	393,863,769	402,988,107	380,844,101	1,983,516,389	1,659,558,681
Unaudited income and expenses												
Other operating expenses											24,518,292	48,684,110
Other income (excluding exchange gain)											12,685,405	172,075,576
Share of loss from associates											(169,212,398)	2,380,253,731
Finance cost											(20,369,952)	(110,440,765)
Profit before taxation											1,759,616,490	3,992,423,931
Taxation											(168,400,629)	(123,956,869)
Profit after taxation											1,571,215,867	3,879,427,061

13.2 Geographical segments

The geographical segments of the Group comprise of the following:

	North America		Europe		Middle East & Africa		Asia Pacific		Pakistan		Total	
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue - net	3,278,730,366	2,722,968,712	736,106,696	346,371,068	8,660,147,386	5,022,205,516	473,612,922	243,321,228	2,048,803,239	2,383,372,730	15,184,400,478	10,689,739,254
Cost of sales	(2,260,397,687)	(1,743,166,335)	(483,640,912)	(239,282,404)	(6,577,115,052)	(3,614,751,495)	(322,961,950)	(157,801,950)	(2,041,344,146)	(2,139,379,630)	(11,690,487,296)	(7,908,381,980)
Gross profit	1,018,332,679	979,802,377	247,465,674	88,088,664	2,083,032,334	1,407,454,061	160,617,603	86,019,271	7,499,088	228,993,100	3,503,913,183	2,790,357,274
Distribution expenses	(7,230,916)	(4,835,042)	(1,624,897)	(615,034)	(316,514,133)	(238,699,790)	(64,830,319)	(26,007,477)	(83,746,298)	(78,639,319)	(432,645,661)	(346,796,663)
Administrative expenses	(268,814,365)	(255,741,256)	(69,887,285)	(45,101,910)	(652,262,682)	(346,501,058)	(33,837,092)	(29,651,649)	(95,000,836)	(107,977,157)	(1,107,752,233)	(785,001,391)
Profit before taxation	(724,045,291)	(260,776,299)	(61,882,165)	(43,745,944)	(867,776,614)	(583,200,848)	(88,167,410)	(65,659,127)	(148,236,134)	(186,616,476)	(1,540,397,794)	(1,131,738,993)
Profit/(loss) before taxation and un-audited income and expenses	741,293,218	719,229,979	185,883,519	42,342,920	1,116,265,699	824,253,213	62,450,193	30,800,145	(141,387,041)	42,376,624	1,983,516,389	1,659,558,681
Other operating expenses											24,518,292	48,684,110
Other income (excluding exchange gain)											12,685,405	172,075,576
Exchange loss/(gain)											112,659,878	1,075,576
Share of loss from associates											(169,212,389)	2,380,253,731
Finance cost											(20,369,952)	(110,440,765)
Profit before taxation											1,759,616,490	3,992,423,931
Taxation											(168,400,629)	(123,956,869)
Profit after taxation											1,571,215,867	3,879,427,061

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There is no significant change in the contingencies since the date of preceding published annual financial statements.

14.2 Commitments:

14.2.1 Guarantees issued by the financial institutions on behalf of the Group amount to Rs. 534.84 million (December 31, 2023: Rs 534.84 million). This includes guarantees of Rs 77.38 million (December 31, 2023: Rs 77.38 million) given on behalf of UUS Joint Venture (Private) Limited, a joint operation of the Group.

14.2.1 The Group has issued Performance Guarantee to National Bank of Pakistan Hong Kong against services contract amount USD 13,950 (2023: USD 13,950) and National Bank of Pakistan Kingdom of Saudi Arabia against services contract USD 25,000 (2023: 25,000).

14.2.2 Guarantees issued by the Holding Company on behalf of E-Processing Systems (Private) Limited to National Bank of Pakistan amount to Rs 100 million (2023: Rs 100 million). Guarantees issued by the Holding Company on behalf of National Data Consultant (Private) Limited to Bank Al Habib Limited amount to Rs 134 million (2023: 134 million).

14.2.3 The Group has received credit facilities from banks to issue advance payment guarantees, performance guarantees and bid bonds for securing IT and software related projects upto a limit of AED 20 million. The credit facilities are secured against the margin account balance kept by the bank along with a counter guarantee collateral value of AED 20 million.

		Unaudited	Audited
		31 March	31 December
		2024	2023
		Rupees	Rupees
14.2.4	The Group's commitments in respect of ijarah lease are as follows		
	Not later than one year	30,857,743	30,857,743
	Later than one year and not later than five year	80,890,142	80,890,142
		111,747,885	111,747,885

		Unaudited	Unaudited
		31 March	31 March
		2024	2023
		Rupees	Rupees
15.	Other Income		
	Income from financial assets:		
	Profit on deposit accounts	36,979,733	10,091,715
	Profit on short term investments	20,505,146	125,097,729
	Exchange gain / (loss)	(169,212,358)	2,380,253,731
	Interest on loan to associates	13,217,540	4,003,491
	Effect of discounting of long term loans	31,231,606	19,168,673
		(67,278,333)	2,538,615,339
	Income from non-financial assets:		
	Gain on disposal of property & equipment	4,543,593	-
	Others	6,180,877	13,713,968
		10,724,470	13,713,968
		(56,553,863)	2,552,329,307

	Un-audited	Un-audited
	Three Months Ended	
	31 March	
	2024	2023
16. EARNINGS PER SHARE		
Basic earnings per share		
Profit for the period attributable to equity holder of parent	1,571,203,622	3,879,278,370
Weighted average number of ordinary shares in issue during the period	291,458,755	290,407,699
Basic - in Rupees	5.39	13.36
Diluted earnings per share		
Profit for the period attributable to equity holder of parent	1,571,203,622	3,879,278,370
Weighted-average number of ordinary shares (basic)	291,458,755	290,407,699
Effect of share options	1,749,625	2,678,649
	293,208,380	293,086,348
Diluted - in Rupees	5.36	13.24

17. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, staff retirement fund, directors, key management personnel and also close members of the family of all the aforementioned related parties. The holding company in normal course of business carries out transactions with related parties. Transactions with related parties other than remuneration and benefits to key management personnel under the terms of their employment, are as follows:

Undertaking	Relation	Nature of transactions	Unaudited	
			Three Months Ended	
			31 March	
			2024	2023
			Rupees	Rupees
Visionet Systems Incorporation - USA	Common Directorship	Sales	2,587,080,187	2,401,355,229
		Expenses incurred on behalf of the party	(14,597,506)	(23,689,319)
Visionet Systems - UK	Associate	Sales	269,414,302	210,093,290
		Expenses incurred on behalf of the party	1,822,990	3,850,274
"Visionet Deutschland GMBH - Germany"	Associate	Sales	179,070,563	140,765,935
		Expenses incurred on behalf of the party	1,452,482	17,700,423
Visionet Canada	Associate	Sales	6,965,373	-
PartnerLinQ Inc.	Associate	Sales	357,303,413	-
		Expenses incurred on behalf of the party	370,142	-
E-Processing Systems (Private) Limited	Associate	Disbursement of loan	10,610,939	14,091,632
		Receipts against advance	(12,500,000)	(15,126,703)
		Interest income	13,217,540	10,751,592
Staff retirement funds	Associate	Contribution	342,305,214	434,948,185

Unaudited

Three Months Ended

31 March **31 March**

2024 **2023**

18. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	1,759,616,490	3,992,423,931
Adjustments of reconcile profit before tax to meet cash flows:		
Depreciation on property and equipment	200,843,709	144,829,221
Depreciation on right-of-use asset	51,296,119	37,744,036
Amortization of intangible assets	154,276,811	214,759,242
Allowance for expected credit loss	(21,318,272)	(48,981,110)
Share based payment expense	101,232,969	70,754,037
Lease interest	38,234,864	20,151,465
Finance cost	110,058,491	136,852,937
Gratuity expense	65,401,157	76,429,141
Share of loss of associate	20,369,952	110,440,765
Interest on loan to subsidiaries	(13,217,540)	(4,003,491)
Exchange loss / (gain) on translation of export receivables	169,212,358	(2,380,253,731)
Gain on disposal of property and equipment	(4,543,593)	-
Gain on short term investments	(20,505,146)	(125,097,729)
Profit on bank deposits	(36,979,733)	(10,091,715)
	814,362,147	(1,756,466,933)

Profit before working capital changes	2,573,978,637	2,235,956,998
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Effect on cash flow due to working capital changes

(Increase) / decrease in current assets:

Contract assets - Net	(1,889,964,045)	(2,177,301,091)
Trade debts	1,454,879,726	(1,814,467,884)
Loans, advances and other receivables	767,069,843	(559,177,775)
Long term deposits	81,473,231	23,653,963
Employee interest free loans	(6,715,747)	(53,885,980)
Long term receivable	16,519,528	(300,874,071)
Trade deposits and short term prepayments	(2,411,210,905)	(809,679,502)

	(1,987,948,369)	(5,691,732,339)
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(Decrease) / increase in current liabilities:

Trade and other payables	(643,222,905)	471,997,315
Long term liability	(111,200,000)	546,070,228
Contract Liability	141,211,959	1,134,408,836
	(2,601,159,315)	(3,539,255,960)

Net cash flows from operations	(27,180,677)	(1,303,298,961)
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19. FINANCIAL RISK MANAGEMENT

19.1 Financial risk factors

There is no change in the Group's objectives, policies, procedures for measuring and managing the financial risks including capital management risk, since the preceding annual financial year ended 31 December 2023.

19.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date. Accordingly, detailed disclosure with reference to fair value has not been given in this condensed interim financial information.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable either, directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

- During the three months period ended 31 March 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

19.3 Financial instruments by categories

31 March 2024		
Financial Assets at fair value through P&L	Financial Assets at amortized cost	Total
Rupees		
Financial assets as per balance sheet		
Long term deposits	184,035,564	184,035,564
Contract assets	10,239,681,846	10,239,681,846
Trade debts	11,104,041,471	11,104,041,471
Loans, advances and other receivables	1,052,923,359	1,052,923,359
Security deposits	1,051,718,461	1,051,718,461
Interest accrued	25,505,885	25,505,885
Short term investments	496,084	1,398,978,100
Cash and bank balances	-	6,599,587,843
	496,084	31,656,472,528
		31,656,968,612

31 December 2023		
Financial Assets at fair value through P&L	Financial Assets at amortized cost	Total
Rupees		
Financial assets as per balance sheet		
Long term deposits	1,184,235,536	1,184,235,536
Interest free loans to employees	712,111,946	712,111,946
Contract assets	7,960,461,635	7,960,461,635
Trade debts	12,706,815,283	12,706,815,283
Loans, advances and other receivables	309,103,361	309,103,361
Security deposits	464,132,938	464,132,938
Interest accrued	3,096,777	3,096,777
Short term investments	877,419,112	717,306,340
Cash and bank balances	-	7,982,850,983
	877,419,112	32,040,114,799
		32,917,533,911

**Financial Liabilities
at amortized cost**

	31 March 2024	31 December 2023
	(Rupees)	(Rupees)
Financial liabilities as per balance sheet		
Long term loan	-	3,831,197,740
Lease liabilities	669,999,763	741,299,163
Markup accrued on short term borrowing	56,451,711	96,586,682
Short term borrowing	1,419,000,004	2,119,000,000
Unclaimed Dividend	18,659,407	18,659,407
Trade and other payables	6,648,608,037	7,291,830,942
	8,812,718,922	14,098,573,934

20. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issuance on 29 April 2024 by the Board of Directors of the Group.

21. CORRESPONDING FIGURES

Corresponding figures have been re-arranged or re-classified where necessary for the purpose of comparison, however no significant re-classification or re-arrangements have been made except for classification of reporting segments of the Group.

22. GENERAL

22.1 Figures have been rounded off to the nearest rupee unless otherwise stated.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)
















(CHIEF FINANCIAL OFFICER)



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systems

Pakistan

Lahore (Head Office)

E-1, Sehjpal Near DHA Phase-VIII
(Ex-Air Avenue), Lahore Cantt

Lahore (BPO Office)

Commercial building
Plaza No 1, Block -CCA, Phase 8C,
DHA Lahore Cantt

Karachi

9 B, Sumya Building, Mohammad
Ali Society Muhammad Ali Chs
(Machs), Karachi

Islamabad

Plot No. 21, 1st Floor Fazeelat
Arcade, Sector G-II Markaz,
Islamabad

Amazon Mall, 7th Floor, NH 5, Sector
A DHA Phase II, Islamabad

Multan

Plot No. 842/23 near Northern By -
pass Chowk, Bosan Road,
Multan

Faisalabad

Old Ehsan Yousaf Building,
East Canal Road, Near Jahal
Khanuwana, Faisalabad

Peshawar

3rd Floor, DC Court Building, Near
Post office, Kacheri Gate, 04 Khyber
Rd, Peshawar Cantonment,
Peshawar

UAE

Dubai

Office 603, The Exchange Tower,
Business Bay | P.O. Box: 500497
Dubai, UAE

404, Dubai Hills Business Park
3, Emaar Hills Estate | P.O. box:
500497 Dubai, UAE

Sharjah

P.O Box 42741, Hamriyah Free
Zone, Sharjah, UAE

KSA

Riyadh

3141 Anas ibn Malik Road,
Building B, 2nd Floor,
Al Malqa, Riyadh, Saudi Arabia

Bahrain

Office No. 211 Building No.85 Road
No.1802 Block No 318

Qatar

Doha

Palm Towers, Floor 41
Westbay, Doha, Qatar

South-Africa

Central Office Park No.4, 257 Jean
Avenue, Centurion, 0157, PO Box 7750,
Centurion, South Africa 0046

Australia

Level 16 1 Market Street Sydney NSW
2000, Australia

Singapore

68 Circular Road #02-01, Singapore

30 Cecil Street, #19-08 Prudential
Tower, Singapore 049712

Malaysia

D83A, Menara Suezcap1, KL
Gateway, 59200, Kuala Lumpur

Egypt

Building B 2116, the Smart Village, 28
Kms, Cairo-Alexandria Desert Road,
Giza, Egypt