

28 April 2021

The General Manager
Pakistan Stock Exchange
Stock Exchange Building
Stock Exchange Road
Karachi

Subject: **FINANCIAL RESULTS FOR THE 1st QUARTER ENDED 31 MARCH 2021**

Dear Sir,

We have to inform you that the Board of Directors of the Company in their meeting dated: 27 April 2021 through video-link have approved the financial statements for the 1st Quarter ended 31 March 2021 and recommend the following:

DIVIDEND

Nil.

BONUS SHARES

Nil.

FINANCIAL RESULTS

Financial results of the Company are attached hereto as **Annexure – A** and **Annexure B**.

PERFORMANCE OVERVIEW

The Company (Standalone):

During this Quarter, standalone revenue grew by 42% from Rs. 1,624.09 million to Rs. 2,302.99 million. Gross profit and operating profit increased by 61% and 108% respectively. Despite a foreign exchange loss of Rs 152.08 million recorded in this quarter at the closing exchange rate of Rs 152.5/\$ and exchange gain of Rs 167.5 million recorded



Lahore

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in the same quarter last year, the net profit for the period is still showing a 3% growth from 508.48 million to Rs. 525.20 million. Basic and diluted earnings per share both increased by 2% in line with operating profit and profit for the period. It is important to note that the company showed a 43% growth in dollars as well.

The Group (Consolidated):

During quarter ended 31st March 2021, consolidated revenue grew by 37% from Rs. 2,231.85 million to Rs. 3,047.76 million. Gross profit and operating profit increased by 64% and 121% respectively. Net profit for the period increased by 14% from 526.80 million to Rs. 601.86 million with Rs 164.96 million in exchange loss in this quarter while an exchange gain of Rs 165.9 million was recorded in the same quarter last year. Basic and diluted earnings per share increased by 15% and 16% respectively, in line with operating profit and profit for the period. The revenue growth in dollars for consolidated accounts is 38%.

The Quarterly Report of the Company for the period ended 31 March 2021 will be transmitted through PUCARS separately, within the specified time.

For and on behalf of Systems Limited

Saad Hasan Aslam
Company Secretary

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SYSTEMS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31 MARCH 2021

		Un-audited 31 March 2021 Rupees	Audited 31 December 2020 Rupees
ASSETS	Note		
Non-current assets			
Property and equipment	6	1,506,602,465	1,507,959,243
Intangibles		18,638,794	21,345,888
Long term investments	7	272,073,147	272,073,147
Long term deposits		37,470,377	36,127,162
Right-of-use assets		222,608,126	204,396,352
Total non-current assets		2,057,392,909	2,041,901,792
Current assets			
Contract assets		573,878,425	533,940,810
Trade debts	8	2,496,842,379	2,438,437,498
Loans and advances - considered good	9	487,721,684	205,366,771
Trade deposits and short term prepayments		263,263,956	187,928,945
Interest accrued		2,229,267	38,450,000
Short term investments	10	1,943,086,260	2,644,845,556
Tax refunds due from the Government		148,322,969	166,007,954
Cash and bank balances	11	2,509,718,887	1,577,759,692
Total current assets		8,425,063,827	7,792,737,226
TOTAL ASSETS		10,482,456,736	9,834,639,018
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 200,000,000 (2020: 200,000,000) ordinary shares of Rs. 10 each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	12	1,246,236,900	1,246,060,140
Capital reserves		726,707,933	699,654,498
Unappropriated profit		5,396,992,337	5,307,971,413
Total shareholders' equity		7,369,937,170	7,253,686,051
Non-current liabilities			
Long term loan	13	53,091,621	98,013,227
Long term advances		74,549,847	53,857,626
Lease liabilities		204,466,349	189,409,537
Deferred grant		1,796,300	8,338,896
		333,904,117	349,619,286
Current liabilities			
Trade and other payables	14	792,316,683	722,653,295
Unclaimed dividend		443,800,554	7,617,635
Short term borrowings		1,250,000,000	1,250,000,000
Contract liabilities		138,092,594	88,669,355
Mark-up accrued on short term borrowings		1,150,856	9,804,346
Current portion of lease liabilities		43,917,409	37,983,731
Current portion of long term loan		96,774,019	100,754,617
Current portion of deferred grant		7,074,001	3,095,996
Current portion of long term advances		5,489,333	10,754,706
Total current liabilities		2,778,615,449	2,231,333,681
TOTAL EQUITY AND LIABILITIES		10,482,456,736	9,834,639,018
Contingencies and commitments	16		

The annexed notes, from 1 to 24, form an integral part of these unconsolidated condensed interim financial statements.

(CHAIRMAN)

(CHIEF EXECUTIVE OFFICER)

(CHIEF FINANCIAL OFFICER)

SYSTEMS LIMITED

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021**

	Note	Three Months Ended	
		31 March 2021	31 March 2020
		Rupees	Rupees
Revenue from contracts with customers - net		2,302,992,535	1,624,094,001
Cost of revenue		1,472,269,686	1,107,802,987
Gross profit		830,722,849	516,291,014
Distribution expenses		32,940,464	37,111,508
Administrative expenses		175,281,646	148,076,341
Other operating expenses		(35,638,838)	14,429,542
		172,583,272	199,617,391
Operating profit		658,139,577	316,673,623
Other income	17	(99,942,534)	210,201,884
Finance costs		15,200,676	9,382,961
Profit before taxation		542,996,367	517,492,546
Taxation		17,792,524	9,010,697
Profit for the period		525,203,843	508,481,849
Earnings per share:			
Basic earnings per share	18	4.21	4.12
Diluted earnings per share		4.21	4.09

The annexed notes, from 1 to 24, form an integral part of these unconsolidated condensed interim financial statements.

(CHAIRMAN)

(CHIEF EXECUTIVE OFFICER)

(CHIEF FINANCIAL OFFICER)

SYSTEMS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021 (UNAUDITED)

		Unaudited 31 March 2021 Rupees	Audited 31 December 2020 Rupees
ASSETS	Note		
Non-current assets			
Property and equipment	6	1,520,177,395	1,518,666,515
Intangible		218,801,422	204,249,277
Long term deposits		45,680,568	40,133,162
Right-of-use asset		222,608,126	204,396,352
		2,007,267,510	1,967,445,306
Current assets			
Contract assets		479,786,916	642,780,081
Trade debts	7	2,700,663,913	2,372,716,741
Loans and advances	8	143,703,012	95,913,324
Trade deposits and short term prepayments		860,734,407	438,473,348
Interest accrued		841,515	38,450,000
Other receivables	9	192,015,806	118,222,637
Short term investments	10	1,943,086,260	2,644,845,556
Tax refunds due from the Government		157,646,155	171,975,691
Cash and bank balances	11	3,220,930,452	2,985,104,566
		9,699,408,436	9,508,481,944
TOTAL ASSETS		11,706,675,946	11,475,927,250
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
200,000,000 (2020: 200,000,000) ordinary shares of Rs. 10 each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	12	1,246,236,900	1,246,060,140
Capital and reserves		960,736,810	956,611,816
Unappropriated profits		5,808,503,436	5,626,952,295
		8,015,477,146	7,829,624,251
Non-controlling interest		130,524,253	146,389,075
		8,146,001,399	7,976,013,326
Non-current liabilities			
Long term advances		74,549,847	53,857,626
Long term loan	13	53,091,621	98,013,227
Lease Liability		204,466,349	189,409,537
Deferred grant		1,796,300	8,338,896
Provision for gratuity		51,406,908	47,599,384
		385,311,025	397,218,670
Current liabilities			
Trade and other payables	14	1,099,660,935	1,186,129,984
Unclaimed Dividend		443,800,554	7,617,635
Contract Liability		147,159,581	297,554,223
Mark-up accrued on short term borrowings		2,261,615	9,804,362
Short term borrowings		1,329,226,074	1,449,000,000
Current Portion of lease liability		43,917,409	37,983,731
Current Portion of long term loan		96,774,019	100,754,617
Current Portion of deferred grant		7,074,001	3,095,996
Current portion of long term advances		5,489,333	10,754,706
		3,175,363,521	3,102,695,254
TOTAL EQUITY & LIABILITIES		11,706,675,946	11,475,927,250
CONTINGENCIES AND COMMITMENTS	16		

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

(CHAIRMAN)

(CHIEF EXECUTIVE OFFICER)

(CHIEF FINANCIAL OFFICER)

SYSTEMS LIMITED
CONSOLIDATED CONDENSED INTERIM PROFIT OR LOSS ACCOUNT
FOR THE THREE MONTHS ENDED 31 MARCH 2021 (UNAUDITED)

		Three Months Ended	
		31 March 2021	31 March 2020
	Note	Rupees	Rupees
Revenue from contract with customers - net		3,047,767,393	2,231,850,608
Cost of sales		1,981,846,033	1,582,179,058
Gross profit		1,065,921,360	649,671,550
Distribution expenses		76,667,444	80,473,818
Administrative expenses		242,260,943	218,590,645
Other operating expenses		(16,109,771)	5,138,241
		302,818,616	304,202,703
Operating profit		763,102,744	345,468,847
Other income	17	(115,884,033)	202,657,287
Finance cost		20,960,052	11,197,153
Profit before taxation		626,258,659	536,928,981
Taxation		24,389,421	10,120,705
Profit after taxation		601,869,238	526,808,276
Attributable to:			
Equity holders of the parent		617,734,060	532,610,817
Non-controlling interest		(15,864,822)	(5,802,541)
		601,869,239	526,808,276
Earnings per share:			
Basic earnings per share	18	4.96	4.31
Diluted earnings per share		4.96	4.28

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

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