

The background of the cover features a low-angle photograph of a modern building with a mix of concrete and glass facades. Large, semi-transparent orange geometric shapes are overlaid on the image, creating a dynamic, architectural feel. The word "systems" is positioned in the upper left corner.

systems

FIRST QUARTER REPORT MARCH 2023

Innovating for a better tomorrow

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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. Shabbar Zaidi Director	Independent
Mr. Omar Saeed Director	Independent
Mr. Asif Jooma Director	Independent
Ms. Romana Abdullah Director	Independent

Audit Committee

Mr. Shabbar Zaidi Chairman
Mr. Asif Jooma Member
Ms. Romana Abdullah Member

Human Resource & Compensation Committee

Mr. Asif Jooma Chairman
Mr. Omar Saeed Member
Ms. Romana Abdullah 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

THK Associates (Private) Limited
Plot no 32-C, Jami
Commercial, Street 2 DHA Phase
VII, Karachi.
T: +92 (21) 111 000 332
F: +92 (21) 35310187

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 2023.

FINANCIAL RESULTS

Unconsolidated:

During the period under review, standalone revenue grew by 69% over the same period last year from Rs. 4,071.64 million to Rs. 6,872.85 million. Gross profit and operating profit increased by 57% and 81% respectively, delivering a leveraged operating performance for the company. Moreover, as a consequence of the devaluation of the Pak Rupee during the period under review, net profit for the period has been positively impacted by an exchange gain of Rs 2,241.08 million compared to Rs. 149.60 million gains in March 2022 increasing net profit by 241%, from Rs. 1,068.04 million to Rs. 3,639.52 million. Basic and diluted earnings per share (EPS) increased by 225% and 223% in line with profit for the period. Revenue growth is 16% in US\$ compared to Q1 2022. The increase in revenue has been contributed by all regions.

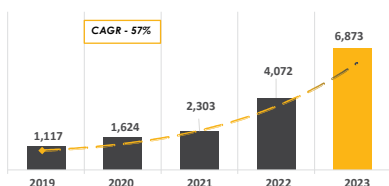
Key Financial Highlights - Unconsolidated

Particulars	March-23 (unaudited)	March-22 (unaudited)	Change
	Rs.	Rs.	%
Revenue	6,872,859,904	4,071,647,076	69%
Gross Profit	1,930,352,358	1,225,899,493	57%
Operating profit	1,425,198,745	787,809,914	81%
Profit for the period	3,639,526,603	1,068,048,427	241%
Earnings per share (basic)	12.53	3.85 (restated)	225%
Earnings per share (diluted)	12.42	3.84 (restated)	223%

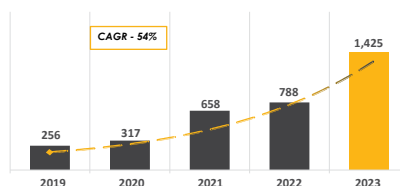
Other Income - Unconsolidated

Particulars	March-23 (unaudited)	March-22 (unaudited)
	Rs.	Rs.
Other Income	171,719,143	185,141,899
Exchange Gain / (Loss)	2,241,087,691	149,603,801
	2,412,806,834	334,745,700

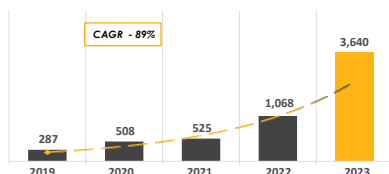
Unconsolidated - Revenue (PKR Mn.)



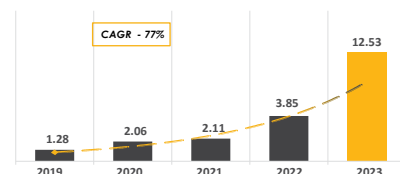
Unconsolidated - Operating Profit (PKR Mn.)



Unconsolidated - Net Profit (PKR Mn.)



Unconsolidated - EPS Basic (Rupee per share)



Consolidated:

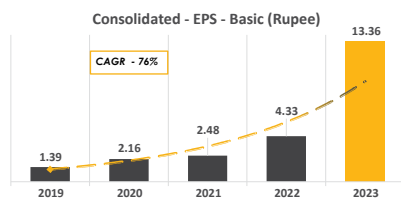
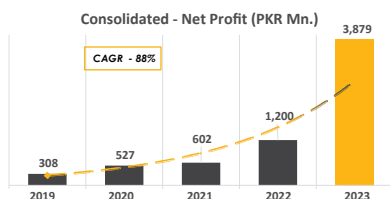
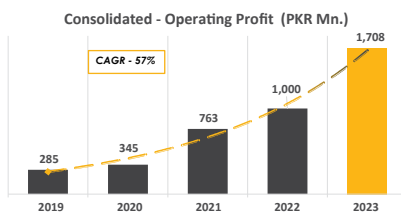
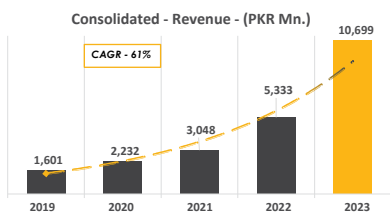
During the three-month period ended 31st March 2023, consolidated revenue grew by 101% from Rs. 5,332.81 million to Rs. 10,698.74 million. Gross profit and operating profit increased by 75% and 71% respectively. Net profit for the period increased by 223% from Rs. 1,200.41 million to Rs. 3,879.42 million with Rs. 2,380.25 million being contributed by exchange gain. Basic and diluted earnings per share increased by 208% and 207% in line with profit for the period. Revenue growth is 38% in US\$ compared to Q1 2022.

Key Financial Highlights - Consolidated

Particulars	March-23 (unaudited)	March-22 (unaudited)	Change
	Rs.	Rs.	%
Revenue	10,698,739,254	5,332,814,910	101%
Gross Profit	2,790,357,274	1,598,534,151	75%
Operating profit	1,707,539,790	1,000,012,251	71%
Profit for the period	3,879,427,062	1,200,416,611	223%
Earnings per share (basic)	13.36	4.33 (restated)	208%
Earnings per share (diluted)	13.24	4.31 (restated)	207%

Other Income - Consolidated

Particulars	March-23 (unaudited)	March-22 (unaudited)
	Rs.	Rs.
Other Income	172,075,576	185,293,773
Exchange Gain / (Loss)	2,380,253,731	149,096,745
	2,552,329,307	334,390,518



Performance by Segment (Consolidated):

Segment analysis is prepared based on customer geographical location. From this quarter, Asia Pacific has become material enough to be reclassified as a separate segment. The segment analysis shows robust growth across all geographies, with the Middle East Region leading the trend. The export sales of the Company are roughly 86% of services revenue excluding passthrough cost of trading.

Pakistan segment has about half of the contracts denominated in USD hedging the company from devaluation. This year, the Company is working on strengthening the existing markets.

	North America Un-audited		Europe Un-audited		Middle East & Africa Un-audited		Asia Pacific Un-audited		Pakistan & Others Un-audited		Total Un-audited	
	Three months ended March		Three months ended March		Three months ended March		Three months ended March		Three months ended March		Three months ended March	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Rupees in millions												
Revenue - net	2,723	2,099	346	298	5,022	2,110	244	19	2,363	806	10,699	5,333
Cost of sales	1,743	1,391	258	227	3,615	1,438	158	12	2,134	667	7,908	3,734
Gross profit	980	708	88	72	1,407	672	86	7	229	139	2,790	1,599
Distribution expenses	5	25	1	3	237	58	26	0	79	41	347	128
Administrative expenses	256	188	45	15	347	183	30	3	108	45	785	434
Profit / (loss) before taxation and unallocated income and expenses	261	213	46	18	583	241	56	3	187	86	1,132	562
Unallocated income and expenses:												
Reversals of impairment losses / (impairment losses) on financial assets											49	(37)
Other income (excluding exchange gain)											172	185
Exchange (loss) / gain											2,380	149
Share of loss from associates											(110)	(75)
Finance cost											(157)	(33)
Profit before taxation											3,992	1,227
Taxation											(113)	(27)
Profit after taxation											3,879	1,200

FUTURE OUTLOOK

- The Company continues to build on the strategic advantage of BFS and Telco verticals in the new geographies. The Company believes that the economic environment is expected to remain stable in MEA and other key geographies during 2023 and the Company can capitalize on the opportunities available in these markets.
- The Company has entered into a few multiyear and multiscale deals with renowned banks in the MEA region promising a reasonable revenue trajectory for 2023 and beyond.
- The Company entered APAC region in 2022 with service offerings in line with the market demand. The team has successfully closed a couple of good deals and continues to build a healthy sales pipeline. The Company has received a positive response from the market and sees an opportunity to grow and scale in that market.
- The Company has ventured into the African region last year and continues to get traction, not just in South Africa but also in East and West Africa and has developed a strong pipeline.
- The Company is witnessing slower growth in Europe and the US in the first half of the year, which is expected to improve in the second half.
- The Company made an investment in SAP last year and achieved the first objective of building a solid team and developing solid references in the domestic market by doing multiple implementations and upgrades. The Company has obtained varied levels of experience in all SAP modules. The next goal is to get the business outside of Pakistan using these skilled resources and the references that the Company has cultivated by delivering successful projects in the domestic market. The investment is done and the Company expects a return on investment around the second half of the year.
- The domestic market is going to be challenging this year due to high inflation and lower rates. The Company continues to build capability through domestic projects and prepare resources for export contracts. However profitability has been challenged as the rupee has depreciated considerably and the rates have not been revised. The domestic market profitability is under stress and the Company expects to improve this by signing new deals at better margins.
- The Company expects to continue the momentum in the MEA region especially in KSA where the Company sees a healthy pipeline.
- The Company continues to evaluate businesses that are aligned with the strategy, structure and culture of the Company.

ACKNOWLEDGEMENT

The Board takes this opportunity to thank the Company's valued customers, bankers and other stakeholders for their corporation 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
27 April 2023

مستقبل کا خاکہ

- کمپنی نے جغرافیوں میں بی ایف ایس اور ٹیلی کام ورکنگ کو باقاعدہ لائحہ عمل کے تحت فائدہ پر استوار کرنا جاری رکھے ہوئے ہے۔ کمپنی کا خیال ہے کہ 2023ء کے دوران ایم ای اے اور دیگر اہم جغرافیوں میں اقتصادی ماحول کے مستحکم رہنے کی امید ہے اور کمپنی ان مارکیٹوں میں دستیاب مواقع سے فائدہ اٹھا سکتی ہے۔
- کمپنی سال 2023ء اور بعد ازاں موزوں آمدن کے ہدف پر ایم ای اے ریجن میں معروف میگوں کھساتھ چند کثیر السال اور کثیر الجہتی معاہدہ جات میں شامل ہو رہی ہے۔
- کمپنی مارکیٹ کی ڈیمانڈ پر خدمات کی فراہمی کیلئے 2022ء میں اے پی سی ریجن میں داخل ہوا۔ ٹیم کامیابی کے ساتھ مختلف معاہدوں کی تکمیل کر چکی ہے اور ایک منافع بخش سبز پائپ لائن کو جاری رکھے ہوئے ہے۔ کمپنی کو مارکیٹ سے مثبت رد عمل موصول ہوا اور کمپنی اس مارکیٹ میں زیادہ ترقی کرنے کے مواقعوں کی توقع کرتی ہے۔
- کمپنی نے گزشتہ سال افریقہ کے خطے میں قدم بھانے شروع کے اور نہ صرف جنوبی افریقہ بلکہ مشرقی اور مغربی افریقہ تک رسائی حاصل کرتے ہوئے ایک مضبوط پائپ لائن تیار کی ہے۔
- کمپنی کو اس سہ ماہی یورپ اور امریکا میں ست روی کا سامنا رہا لیکن امید کی جارہی ہے کہ اگلی سہ ماہی میں بہتری آئیگی۔
- کمپنی نے کثیر الجہتی امور کی انجام دہی اور اگریڈیشن کے ذریعے گزشتہ سال ایس اے پی میں سرمایہ کاری کی اور مقامی مارکیٹ میں ایک مضبوط ٹیم کی تعمیر اور ریفرنسرز استوار کرنے کا اولین ہدف حاصل کیا۔ کمپنی نے تمام ایس اے پی ماڈیولز میں تجربہ کے متنوع درجات کو بخوبی عبور کیا۔ کمپنی کا اگلا ہدف ان مہارت یافتہ وسائل اور ریفرنسرز جنہوں نے مقامی مارکیٹ میں کامیاب پراجیکٹ دینے کا استعمال کرتے ہوئے اپنے دائرہ کار کو بیرون ملک تک توسیع فراہم کرنا ہے۔ یہ سرمایہ کاری کی چابکی ہے اور امید کی جارہی ہے کہ سال کے دوسری نصف کے قریب سودمند نتائج حاصل ہو پائیں گے۔
- مپنگائی میں ہے پناہ اضافہ اور کم نرخوں کی وجہ سے اس سال مقامی مارکیٹ میں ایک چیلنج کی سی صورتحال رہے گی۔ کمپنی مقامی پراجیکٹوں کے ذریعے اپنی استعداد کار میں اضافہ کر رہی ہے اور اپنے ان وسائل کو ایکسپورٹ معاہدوں کیلئے تیار کر رہی ہے۔ تاہم روپے کی قدر میں کافی حد تک کمی اور شرحوں پر نظر ثانی نہ ہونے کی وجہ سے منافع کو چیلنج کا سامنا ہے۔ مقامی مارکیٹ میں منافع پریشان کن ہے اور کمپنی اس صورتحال میں بہتر منافع پر نئے معاہدوں پر دستخط کرنے پر یقین رکھتی ہے۔
- کمپنی ایم ای اے ریجن بالخصوص کے ایس اے جہاں کمپنی نفع بخش کاروباری مواقعوں کی توقع رکھتی ہے میں اپنی کاوشوں کو جاری رکھنے پر یقین رکھتی ہے۔
- کمپنی اپنے کاروبار کا کمپنی کے لائحہ عمل، تبدیلی ڈھانچے اور کچھ کے مطابق جائزہ کے عمل کو جاری رکھے گی۔

اعتراف

کمپنی اپنے قابل قدر صارفین، بینکرز اور دیگر سٹیک ہولڈرز کے بھرتعاون اور مدد کیلئے تہہ دل سے اُن کی شکرگزار ہے۔ بورڈ کمپنی کے تمام ترملاز میں کی انتھک محنت اور لگن کے جذبے کو سراہتا ہے۔

حسب الحکم بورڈ



آصف پیر

چیف ایگزیکٹو آفیسر

مورخہ: 27 اپریل 2023ء

ڈائریکٹر کی جائزہ رپورٹ - سہ ماہی 31 مارچ 2023ء

بورڈ آف ڈائریکٹرز کیلئے 31 مارچ 2023ء کو ختم ہونے والی پہلی سہ ماہی کے مستقل اور منظم مالیاتی گوشوارے پیش کرنا خوش آئند ہے۔

مالی نتائج

غیر منظم

زیر جائزہ مدت کے دوران گزشتہ سال اسی مدت کے 4,071.64 ملین کی مستقل آمدن کے مقابلہ میں 6,872.85 کے حساب سے مستقل آمدن میں 69 فیصد اضافہ ہوا۔ مجموعی منافع اور آپریٹنگ منافع میں بالترتیب 57 فیصد اور 81 فیصد اضافہ ہوا جو کمپنی کی شاندار کارکردگی کا مظہر ہے۔ اس کے علاوہ زیر غور سال کے دوران پاکستانی روپوں کی قدر میں کمی کے نتیجہ میں اس مدت کا خالص منافع مثبت طور پر متاثر ہوا اور مارچ 2023ء کو 149.60 ملین کے منافع کے مقابلہ میں 2,241.08 ملین زرمبادلہ کا منافع حاصل ہوا جس کا مطلب خالص منافع میں 1,068.04 ملین کے مقابلہ میں 3,639.52 ملین کے حساب سے 241 فیصد اضافہ ہے۔ فی حصص بنیادی اور رقیق آمدن میں گزشتہ سال اسی مدت کے مقابلہ میں بالترتیب 225 فیصد اور 223 فیصد اضافہ دیکھنے میں آیا۔ ریونیو گروتھ میں 2022ء کی سہ ماہی کے مقابلہ میں 16 فیصد امریکی ڈالر کا اضافہ ہوا۔ ریونیو میں اضافے کے حوالے سے تمام خطوں کی طرف سے تعاون کیا گیا۔

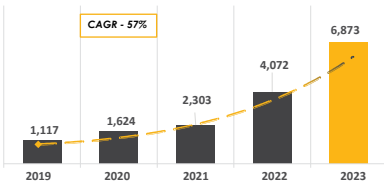
غیر منظم

تفصیلات	مارچ 2023	مارچ 2022	سال بہ سال
آمدنی	6,872,859,904	4,071,647,076	69%
مجموعی منافع	1,930,352,358	1,225,899,493	57%
آپریٹنگ منافع	1,425,198,745	787,809,914	81%
مدت کے منافع	3,639,526,603	1,068,048,427	241%
کمائی فی شیئر (بنیادی)	12.53	3.85 (restated)	225%
کمائی فی شیئر (رقیق)	12.42	3.84 (restated)	223%

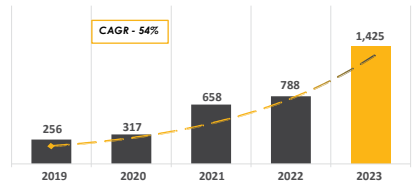
دیگر آمدنی غیر منظم

تفصیلات	مارچ 2023	مارچ 2022
دیگر آمدنی	171,719,143	185,141,899
زرمبادلہ کا فائدہ (نقصان)	2,241,087,691	149,603,801
	2,412,806,834	334,745,700

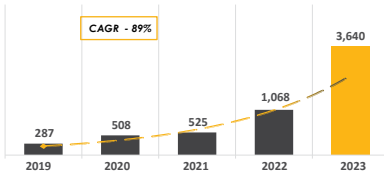
Unconsolidated - Revenue (PKR Mn.)



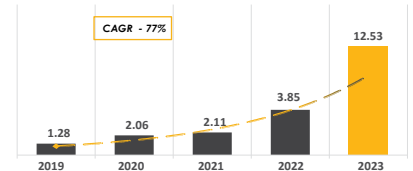
Unconsolidated - Operating Profit (PKR Mn.)



Unconsolidated - Net Profit (PKR Mn.)



Unconsolidated - EPS Basic (Rupee per share)



منظم

سہ ماہی 31 مارچ 2023ء کو ختم ہونے والی سہ ماہی کے دوران منظم آمدن میں 5,332.81 ملین سے 10,698.74 ملین کے حساب سے 101 فیصد تک اضافہ ہوا۔ مجموعی منافع میں بالترتیب 75 فیصد اور 71 فیصد تک اضافہ ہوا۔ اس مدت کے دوران خالص منافع میں 1,200.41 ملین سے 3,879.42 ملین کا اضافہ ہوا جس میں 2,380.25 ملین شمولیت زرمبادلہ سے حاصل ہوئی۔ بنیادی اور رقیق آمدن میں گزشتہ برس کے 208 فیصد کے مقابلہ میں 207 فیصد کا اضافہ ہوا۔ سال 2022ء کی پہلی سہ ماہی کے مقابلہ میں ریونیو گروتھ 38 فیصد امریکی ڈالر رہی۔



SYSTEMS LIMITED **STANDALONE** **FINANCIAL** **STATEMENTS**

CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT MARCH 31, 2023

		Un-audited 31 March 2023	Audited 31 December 2022
	Note		
ASSETS			Rupees
Non-current assets			
Property and equipment	5	2,765,566,897	2,763,406,669
Right-of-use assets		626,095,945	512,738,929
Intangibles		10,971,584	13,503,017
Long term investments	6	6,755,507,500	6,739,908,701
Long term loans		335,981,799	298,036,906
Deferred employee benefits		128,746,148	86,938,319
Long term deposits		39,922,172	34,749,904
Deferred taxation - net		13,465,206	13,465,206
		10,676,257,251	10,462,747,651
Current assets			
Contract assets		1,100,583,479	1,029,444,687
Trade debts	7	13,780,690,674	8,818,580,572
Loans, advances and other receivables		696,257,402	976,727,988
Current portion of deferred employee benefits		41,970,853	29,892,702
Trade deposits and short term prepayments		655,597,021	327,193,963
Interest accrued		4,679,389	1,521,649
Tax refunds due from the Government		153,439,640	172,923,163
Short term investments	8	3,166,349,829	4,430,978,169
Cash and bank balances	9	1,425,881,450	588,569,946
		21,025,449,737	16,375,832,839
TOTAL ASSETS		31,701,706,988	26,838,580,490
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 400,000,000 (2022: 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	2,904,076,989	2,904,076,989
Capital reserves		5,065,684,459	4,994,930,422
Revenue reserve - Unappropriated profit		15,922,955,750	12,283,429,147
		23,892,717,198	20,182,436,558
Non-current liabilities			
Long term advances		8,724,189	6,767,044
Lease liabilities		579,651,477	454,684,688
		588,375,666	461,451,732
Current liabilities			
Trade and other payables	11	3,189,300,416	2,694,812,394
Unclaimed dividend		13,536,152	13,536,152
Contract liabilities		300,344,375	263,944,365
Short term borrowings		3,550,000,000	3,050,000,000
Accrued mark-up on borrowings		82,700,897	82,126,318
Current portion of lease liabilities		82,771,585	87,038,575
Current portion of long term advances		1,960,699	3,234,396
		7,220,614,124	6,194,692,200
TOTAL EQUITY AND LIABILITIES		31,701,706,988	26,838,580,490

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 PROFIT OR LOSS (UN-AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

		Three Months Ended	
		March 31,	March 31,
		2023	2022
		Rupees	
	Note		
Revenue from contracts with customers - net		6,872,859,904	4,071,647,076
Cost of revenue		(4,942,507,546)	(2,845,747,583)
Gross profit		1,930,352,358	1,225,899,493
Administrative expenses		(462,880,102)	(338,963,077)
Distribution expenses		(63,171,233)	(70,349,052)
Impairment losses on financial assets		20,897,722	(28,777,450)
		(505,153,613)	(438,089,579)
Operating profit		1,425,198,745	787,809,914
Other income	13	2,412,806,834	334,745,700
Finance costs		(102,928,479)	(29,543,315)
Profit before taxation		3,735,077,100	1,093,012,299
Taxation		(95,550,497)	(24,963,872)
Profit for the period		3,639,526,603	1,068,048,427
Earnings per share:			(Restated)
Basic earnings per share	14	12.53	3.85
Diluted earnings per share		12.42	3.84

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 (UN-AUDITED)**
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

	Three Months Ended	
	March 31, 2023	March 31, 2022
	Rupees	
Profit for the period	3,639,526,603	1,068,048,427
Other comprehensive income:		
<i>Items that may be reclassified to profit or loss</i>	-	-
<i>Items that will not be reclassified to profit or loss</i>	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the period	3,639,526,603	1,068,048,427

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 CHANGES IN EQUITY (UN-AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

	Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserve		Total
		Share premium	Employee compensation reserve	Unappropriated profit		
(Rupees)						
Balance as at December 31, 2021 (audited)	1,384,989,120	820,263,357	200,220,759	8,067,856,280		10,473,329,516
Profit for the period	-	-	-	1,068,048,427		1,068,048,427
Other comprehensive income	-	-	-	-		-
Total comprehensive income	-	-	-	1,068,048,427		1,068,048,427
Share based payments	-	-	63,166,118	-		63,166,118
Exercise of share options	6,836,870	89,660,469	(44,986,605)	-		51,510,734
Balance as at March 31, 2022 (un-audited)	1,391,825,990	909,923,826	218,400,272	9,135,904,707		11,656,054,795
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	-	-	-	-		-
Balance as at March 31, 2023 (un-audited)	2,904,076,989	4,671,279,664	70,754,037	3,639,526,603		3,639,526,603
				-		70,754,037
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

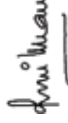
The annexed notes from 1 to 21 form an integral part of these condensed unconsolidated interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

		Three Months Ended	
		March 31,	March 31,
		2023	2022
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows from operations	15	(695,030,811)	352,057,683
Finance costs paid		(82,202,439)	(15,728,115)
Taxes paid		(76,066,974)	(46,613,931)
		(158,269,413)	(62,342,046)
Net cash generated from operating activities		(853,300,224)	289,715,637
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(130,420,376)	(542,848,486)
Proceeds from the disposal of property and equipment		13,711,449	215,274,992
Short term investments - net		1,264,628,340	498,066,415
Increase in long term investment		-	(241,974,031)
Increase in long term deposits		(5,172,268)	107,464,228
Profit received on short term investment		125,943,460	87,288,554
Profit received on bank deposits		9,735,282	9,971,017
Net cash used in investing activities		1,278,425,887	133,242,689
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease)/ Increase in long term loan		(37,944,893)	(25,874,348)
Proceeds from exercise of share options		-	51,510,734
Increase in short term borrowing		500,000,004	-
Payments in respect of leases		(50,552,718)	9,357,106
(Decrease) / Increase in long term advances		683,448	(73,085,997)
Net cash generated from financing activities		412,185,841	(38,092,505)
Net (decrease) / increase in cash and cash equivalents		837,311,504	384,865,821
Cash and cash equivalents at beginning of the period		588,569,946	1,652,613,846
Cash and cash equivalents at end of the period		1,425,881,450	2,037,479,667

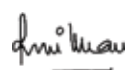
The annexed notes from 1 to 21 form an integral part of these condensed unconsolidated interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

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, Sehgal 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, 2022.

- 2.3 These financial statements are the separate 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, Systems International IT Pte. Ltd, Systems APAC for Information Technology Pte. Ltd, SYS Egypt for Information Technology Services, SUS-JV (Private) Limited, National Data Consultant (Private) Limited and Systems Africa for Information Technologies Pty. Ltd. 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, 2022.

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, 2023, 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, 2023 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, 2022.

4.1 Taxation

The provision for taxation for the three months ended March 31, 2023 has been made using the tax rate that would be applicable to expected total annual earnings.

		Un-audited	Audited
		March 31,	December 31,
Note	2023	2022	
		(Rupees)	

5. PROPERTY AND EQUIPMENT

Operating fixed assets	(5.1)	2,472,374,088	2,519,968,031
Capital work in progress	(5.2)	293,192,809	243,438,638
		2,765,566,897	2,763,406,669

5.1 Operating fixed assets

Opening balance - net book value		2,519,968,031	1,983,978,164
Additions during the period / year - cost	(5.1.1)	80,612,590	1,155,030,152
		2,600,580,621	3,139,008,316
Less:			
Disposals during the period / year - net book value	(5.1.2)	(13,711,449)	(187,860,383)
Depreciation during the period / year		(114,495,084)	(431,179,902)
Net book value at the end of the period / year		2,472,374,088	2,519,968,031

5.1.1 Additions during the period / year

Land - freehold	-	198,196,635
Building on freehold land	-	3,497,401
Computers	44,221,222	433,077,128
Computer equipment and installations	27,994,087	142,980,116
Other equipment and installations	-	121,515,708
Generators and transformer	6,347,496	36,222,623
Furniture and fittings	2,021,885	92,229,569
Vehicles	-	15,982,920
Office equipment	27,900	5,070,017
Leasehold building improvements	-	106,258,035
	80,612,590	1,155,030,152

5.12 Disposals during the period / year - Net Book Value	Note	Un-audited	Audited
		March 31,	December 31,
		2023	2022
		(Rupees)	
Land - freehold		-	-
Building on freehold land		-	4,214,000
Computers		9,039,711	30,875,633
Computer equipment and installations		4,671,739	1,414,854
Other equipment and installations		-	708,741
Generators and transformer		-	-
Furniture and fittings		-	3,203,485
Vehicles		-	147,416,196
Office equipment		-	27,474
Leasehold Building - Improvements		-	-
		13,711,450	187,860,383

5.2 Capital work in progress

Balance at the beginning of the period / year	243,438,638	22,812,942
Additions during the period / year	49,754,171	244,466,048
Transfer to operating fixed assets during the period / year	-	(106,258,035)
Advance against purchase of property and equipment	-	82,417,683
Balance at the end of the period / year	293,192,809	243,438,638

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.L.L.	(6.4)	144,568,884	144,568,884
Systems Arabia for Information Technology	(6.5)	-	-
Systems International IT Pte. Ltd	(6.6)	818,009,000	-
National Data Consultants (Pvt.) Limited	(6.7)	4,254,636,725	4,254,636,725
SYS Egypt for Information Technology Services	(6.8)	113,125,000	113,125,000
Systems Africa for Information Technologies Pty. Ltd	(6.9)	-	-
		6,394,654,149	5,576,645,149
Advance against issuance of shares		-	818,009,000
Share options issued to employees of subsidiaries	(6.10)	85,959,524	70,360,725
Subscription money payable	(6.11)	4,393,600	4,393,600
		90,353,124	6,469,408,474
Investment in associate - at cost - unquoted			
E-Processing Systems B.V.		270,500,227	270,500,227
		6,755,507,500	6,739,908,701

- 6.1 This represents 7,400 fully paid ordinary shares of AED 1,000/- each, representing 100% (December 31, 2022: 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, 2022: 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% (2022: 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, 2022: 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% (2022: 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** Systems International IT Pte. Ltd. is a limited liability company incorporated in the Republic of Singapore, for the purpose of investment collaborations outside Pakistan. The company is a wholly owned subsidiary of Systems Limited with authorized share capital of SGD 1. As of reporting date, no investment has been transferred in this entity.
- 6.7** This represents 500,000 fully paid ordinary shares of Rs 10/- each, representing 100% (2022: 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.
- 6.8** This represents 4,950 ordinary shares of USD 10/- each, representing 99% (2022: Nil) 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
- 6.9** This represents 100 ordinary shares of South African Rand 1/- each, representing 100% (2022: 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.
- 6.10** This represents the share options issued to employees of the following subsidiaries:

	Un-audited	Audited
	March 31,	December 31,
	2023	2022
	(Rupees)	
- Tech Vista Systems FZ-LLC	59,888,082	49,503,566
- TechVista Information Technology W.L.L.	185,735	148,588
- Systems Arabia for Information Technology	6,395,882	5,116,706
- National Data Consultant (Private) Limited	19,489,825	15,591,865
	85,959,524	70,360,725

		Un-audited	Audited	
		March 31,	December 31,	
	Note	2023	2022	
		(Rupees)		
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.L.L.	3,294,600	3,294,600	
		4,393,600	4,393,600	
7.	TRADE DEBTS - UNSECURED			
	Export	11,640,088,988	7,317,008,915	
	Local	2,352,679,660	1,734,547,353	
	(7.1)	13,992,768,648	9,051,556,268	
	Less: Allowance for expected credit losses	(212,077,974)	(232,975,696)	
		13,780,690,674	8,818,580,572	
7.1	These include receivables from the following related parties:			
	Visionet Systems Incorporation -USA	3,344,950,934	2,692,127,293	
	Visionet Systems - UK	785,035,418	504,899,105	
	Visionet Deutschland GMBH - Germany	344,475,665	465,287,639	
	TechVista Systems FZ - LLC - UAE	4,898,865,815	2,328,593,386	
	TreeHouse Consultancy LLC	177,823,021	142,824,582	
	TechVista Information Technology W.L.L. - Qatar	1,074,130,256	742,614,072	
	Systems Arabia for Information Technology	517,501,629	192,758,513	
	Systems Africa	10,320,653	-	
	Systems APAC	2,339,288	-	
	National Data Consultants (Private) Limited	104,691,574	-	
	Jomo Technologies (Private) Limited	17,808,608	17,273,107	
	Khaadi Pakistan (SMC-Private) Limited	47,121,245	17,063,245	
	Karandaaz Pakistan	100,000	650,000	
	National Bank of Pakistan	13,000,376	26,837,747	
		11,338,164,482	7,130,928,689	
8.	SHORT TERM INVESTMENTS			
	At fair value through profit or loss			
	- Mutual fund units	(8.1)	2,889,349,829	4,253,978,169
	At amortized Cost			
	- Term deposits receipts (TDRs)	(8.2)	277,000,000	177,000,000
			3,166,349,829	4,430,978,169

		Un-audited	Audited
		March 31,	December 31,
Note		2023	2022
		(Rupees)	
8.1	The details of investments in mutual funds are as follows:		
	UBL Al-Ameen Asset Islamic Allocation Fund	133,570	131,669
	UBL Al-Ameen Islamic Cash Plan-I	-	303,886,879
	UBL Al-Ameen Islamic Cash Fund	3,711	3,856
	Alfalsh Islamic Rozana Amdani Fund	-	303,774,456
	HBL Asset Islamic Money Market Fund	1,429,049,796	938,895,542
	Lakson Money Market Fund	-	200,677,493
	Meezan Balanced Fund	76,197	76,060
	Meezan Islamic Income Fund	44,624	43,119
	Meezan Rozana Amdani Fund	-	303,690,833
	Meezan Paidar Munafa Plan	-	1,042,420,000
	NBP Daily Dividend Fund	-	305,329,170
	MCB Al-hamra Islamic Money Market Fund	266,078,558	488,442,573
	ABL Islamic Cash Fund	-	303,729,530
	ABL Islamic Income Fund	397,369	385,685
	Faysal Islamic Cash Fund	1,193,566,004	62,491,304
		2,889,349,829	4,253,978,169

8.2	The details of investments in TDRs are as follows:	(8.2.1)	
	Habib Metropolitan Bank Limited	250,000,000	150,000,000
	Habib Bank Limited	27,000,000	27,000,000
		277,000,000	177,000,000

8.2.1 These carry markup at rates ranging from 15.4% to 18.5% (December 31, 2022: 7.5% to 14.5%) per annum.

9 CASH AND BANK BALANCES

Cash in hand		838,774	358,525
Cheques in hand		-	12,000,000
Cash at bank:			
Local currency:			
Current accounts		247,456,527	232,479,687
Savings accounts	(9.1)	281,087,095	234,830,734
		528,543,622	467,310,421
Foreign currency - current accounts		896,499,054	108,901,000
		1,425,881,450	588,569,946

9.1 These carry markup at rates ranging from 11% to 14.5% (December 31, 2022: 3.5% to 14.5%) per annum.

10. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	Un-audited	Audited	Un-audited	Audited
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
	No of Shares		(Rupees)	
Ordinary shares of Rs 10/- each				
- fully paid in cash	115,718,876	115,718,876	1,157,188,759	1,157,188,759
- 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
	290,407,699	290,407,699	2,904,076,989	2,904,076,989
	Un-audited	Audited	Un-audited	Audited
	2023	2022	2023	2022
	(No of Shares)		(Rupees)	
10.1 Reconciliation of issued, subscribed and paid-up share capital:				
Balance as at January 01	290,407,699	138,498,912	2,904,076,989	1,384,989,120
Stock options exercised	-	903,687	-	9,036,870
Bonus shares issued	-	139,182,600	-	1,391,826,000
Shares issued for acquisition of National Data Consultant (Private) Limited		11,822,500		118,225,000
Balance as at March 31 / December 31	290,407,699	290,407,699	2,904,076,989	2,904,076,990

	Un-audited	Audited
	March 31, 2023	December 31, 2022
	Note	2022
	(Rupees)	
Creditors	111,155,147	137,133,280
Accrued liabilities	1,657,245,335	1,381,580,162
Withholding income tax payable	136,101,157	87,697,992
Subscription money payable	5,786,460	5,786,460
Payable to related parties	1,049,643,211	1,033,889,429
Sales tax payable	92,960,342	48,725,071
Provident fund payable	136,408,764	-
	3,189,300,416	2,694,812,394

11. TRADE AND OTHER PAYABLES

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, 2022: Rs 433.35 million). This includes guarantees of Rs 77.38 million (December 31, 2022: 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, 2021: 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, 2022: 134 million).

13. OTHER INCOME

	Un-audited Three Months Ended	
	March 31, 2023	March 31, 2022
Income from financial assets		
Profit on deposit accounts	9,735,282	9,971,017
Profit on short term investments	125,097,729	87,237,701
Exchange gain / (loss)	2,241,087,691	149,603,801
Effect of discounting of long term loans	19,168,673	-
Interest on loan to subsidiaries	4,003,491	3,689,252
Income from non financial assets		
Gain on disposal of property and equipment	-	72,229,161
Others	13,713,968	12,014,768
	2,412,806,834	334,745,700

14. EARNINGS PER SHARE

	Un-audited Three Months Ended	
	March 31, 2022	March 31, 2021 (Restated)
Profit for the period (rupees)	3,639,526,603	1,068,048,427
Weighted-average number of ordinary shares outstanding during the period	290,407,699	277,104,172
Basic (rupees)	12.53	3.85
Diluted earnings per share:		
Profit for the period (rupees)	3,639,526,603	1,068,048,427
Weighted-average number of Ordinary shares - basic	290,407,699	277,104,172
Effect of share options	2,678,649	1,157,238
	293,086,348	278,261,410
Diluted (rupees)	12.42	3.84

14.1 The weighted average number of ordinary shares of 2022 has been restated in accordance with the requirements of IAS 33 'Earnings per share' due to issuance of 139,182,600 bonus shares in 2022.

15. CASH FLOWS FROM OPERATING ACTIVITIES

	Un-audited	
	Three Months Ended	
	March 31, 2023	March 31, 2022
	(Rupees)	
Profit before taxation	3,735,077,100	1,093,012,299
Adjustments for:		
Depreciation on property and equipment	114,548,699	91,048,926
Depreciation of right-of-use asset	37,744,035	-
Amortization of intangibles	2,531,433	2,644,725
Impairment losses on financial assets	(20,897,722)	28,777,450
Share based payment expense	55,155,238	63,166,118
Finance costs	82,777,014	29,543,315
Lease interest charged	20,151,465	-
Interest Accrued	-	(15,704,020)
Exchange (gain) / loss	(2,241,087,691)	(149,603,801)
Gain on short term investments	(125,097,729)	(87,237,701)
Profit on bank deposits	(9,735,282)	(9,971,017)
Interest on loan to subsidiaries	(4,003,470)	-
Gain on disposal of property and equipment	-	(72,229,161)
	(2,087,914,010)	(119,565,166)
Profit before working capital changes	1,647,163,090	973,447,133
Effect on cash flow due to working capital changes		
<i>(Increase) / decrease in current assets:</i>		
Contract Assets - net	(34,738,782)	(133,422,039)
Trade debts	(2,700,124,689)	(369,506,799)
Loans, advances and other receivables	280,470,586	(343,705,323)
Employee interest free loan	(53,885,980)	-
Trade deposits and short term prepayments	(328,403,058)	(153,210,821)
	(2,836,681,923)	(999,844,982)
<i>Increase in current liabilities:</i>		
Trade and other payables	494,488,022	378,455,532
	494,488,022	378,455,532
Net cash flows from operations	(695,030,811)	352,057,683

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, 2023	March 31, 2022
			(Rupees)	
E-Processing Systems (Private) Limited	Associate	Disbursement of loan	14,091,632	413,106,276
Repayments from the party against advance		(15,126,703)	(263,474,869)	
Interest income		10,751,592	13,531,198	
TechVista Systems FZ - LLC - UAE	Subsidiary	Sales	1,206,416,823	896,667,961
Expenses incurred by the party on behalf of the Company		(581,385,296)	(193,773,259)	
SUS - JV (Private) Limited	Subsidiary	Disbursements against loan	5,646,987	59,694,696
Repayments from the party against loan		-	(41,672,931)	
Interest Income		-	-	
Systems Venture (Private) Limited	Subsidiary	Disbursements against loan	-	(481,524,000)
Interest Income		-	9,572,635	
Visionet Systems Incorporation - USA	Associate	Sales	2,401,355,229	4,483,438,306
Expenses incurred on behalf of the party		(23,689,319)	(10,002,668)	
Visionet Systems - UK	Associate	Sales	210,093,290	31,573,076
Expenses incurred on behalf of the party		3,850,274	-	
Visionet Deutschland GMBH - Germany	Associate	Sales	140,765,935	717,649,544
Expenses incurred on behalf of the party		14,291,070	-	
TechVista Pty Limited - Australia	Sub - subsidiary	Sales	966,446	4,330,120
TreeHouse Consultancy LLC	Sub - subsidiary	Sales	30,820,631	-
TechVista Information Technology W.L.L. - Qatar	Associate	Sales	134,826,687	146,406,330
Expenses incurred on behalf of the party		13,214,960	-	
Staff retirement funds	Staff retirement fund	Contributions	434,948,185	219,784,548
Systems Arabia for Information Technology	Subsidiary	Sales	246,959,963	-
Expenses incurred on behalf of the party		17,976,538	-	
Jomo Technologies (Private) Limited	Associate	Sales	-	-
Systems APAC Pte. Ltd	Subsidiary	Expenses incurred on behalf of the party	-	-
Systems International IT Pte. Ltd	Subsidiary	Revenue	103,628,228	-
Expenses incurred on behalf of the party		6,468,776	-	
SYS Misr for Information Technology Services	Subsidiary	Expenses incurred on behalf of the party	1,068,513	-
Systems Africa	Subsidiary	Revenue	10,167,913	-
Expenses incurred on behalf of the party		3,133,982	-	
National Data Consultants (Pvt) Ltd	Subsidiary	Expenses incurred on behalf of the party	189,313,181	-

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, 2022

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, 2023		
At fair value through profit or loss	At amortized cost	Total

(Rupees)

17.2 Financial instruments by categories

Financial assets

Long term loans	-	335,981,799	335,981,799
Long term deposits	-	39,922,172	39,922,172
Contract Assets	-	1,100,583,479	1,100,583,479
Trade debts	-	13,780,690,674	13,780,690,674
Loans, advances and other receivable	-	696,257,402	696,257,402
Security deposits	-	160,192,923	160,192,923
Interest accrued	-	4,679,389	4,679,389
Short term investments	2,889,349,829	277,000,000	3,166,349,829
Cash and bank balances	-	1,425,881,450	1,425,881,450
	2,889,349,829	17,821,189,288	20,710,539,117

Financial liabilities

Lease liabilities	-	662,423,062	662,423,062
Mark-up accrued on short term borrowings	-	82,700,893	82,700,893
Long term loan	-	-	-
Short term borrowings	-	3,550,000,004	3,550,000,004
Unclaimed dividend	-	13,536,152	13,536,152
Trade and other payables	-	3,189,300,416	3,189,300,416
	-	7,497,960,527	6,835,537,465

Audited December 31, 2022		
At fair value through profit or loss	At amortized cost	Total

(Rupees)

Financial assets

Long term loans	-	298,036,906	298,036,906
Long term deposits	-	34,749,904	34,749,904
Contract assets	-	1,029,444,687	1,029,444,687
Loans, advances and other receivable	-	976,727,988	976,727,988
Trade debts	-	8,818,580,572	8,818,580,572
Security deposits	-	158,523,500	158,523,500
Interest accrued	-	1,521,649	1,521,649
Short term investments	4,253,978,169	177,000,000	4,430,978,169
Cash and bank balances	-	588,569,946	588,569,946
	4,253,978,169	12,083,155,152	16,337,133,321

Financial liabilities

Lease liabilities	-	541,723,263	541,723,263
Mark-up accrued on short term borrowings	-	82,126,318	82,126,318
Long term loan	-	-	-
Short term borrowings	-	3,050,000,000	3,050,000,000
Unclaimed dividend	-	13,536,152	13,536,152
Trade and other payables	-	2,694,812,394	2,694,812,394
	-	6,382,198,127	6,382,198,127

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, 2023 (Un-audited)				
Fair value through profit and loss				
- Mutual Fund units	2,889,349,829	-	-	2,889,349,829
As at December 31, 2022 (Audited)				
Fair value through profit and loss				
- Mutual Fund units	4,253,978,169	-	-	4,253,978,169

19. DATE OF AUTHORIZATION FOR ISSUE

These condensed unconsolidated interim financial statements were authorized for issue on 27th April 2023 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.

The comparative figures for the year ended 31 December 2022 are audited and will be approved by the members in the 46th Annual General Meeting of the Company which will be held on 23 May 2023.

21. GENERAL

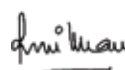
Figures have been rounded off to the nearest rupees, unless otherwise stated.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)



SYSTEMS LIMITED **CONSOLIDATED** **FINANCIAL** **STATEMENTS**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

	Note	Unaudited 31 March 2023 Rupees	Audited 31 December 2022 Rupees
ASSETS			
Non-current assets			
Property and equipment	6	2,997,859,302	2,942,599,349
Intangible		8,247,246,841	7,963,673,553
Long term investments	7	243,023,912	243,023,912
Investment in Associates		839,240,754	951,034,316
Right-of-use asset		702,677,192	580,144,739
Long term loans		335,981,799	298,036,906
Deferred taxation - net		13,465,206	12,157,378
Deferred employee benefits		128,746,148	86,938,319
Long term receivable - unsecured		1,154,891,432	909,097,001
Long term deposits		40,190,747	63,844,710
		14,703,323,333	14,050,550,183
Current assets			
Contract assets		4,769,292,024	2,591,990,933
Trade debts	8	12,658,136,164	8,494,847,010
Current portion of long term receivable - unsecured		249,280,274	194,200,634
Loans, advances and other receivables		1,994,003,850	1,434,826,075
Trade deposits and short term prepayments		1,904,499,281	1,094,819,779
Interest accrued		4,679,389	1,521,649
Short term investments	9	3,166,349,829	4,430,978,169
Tax refunds due from the Government		250,923,651	187,443,226
Current portion of deferred employee benefits		41,970,853	29,892,702
Cash and bank balances	10	6,039,913,916	5,814,496,232
		31,079,049,230	24,275,016,409
TOTAL ASSETS		45,782,372,563	38,325,566,592
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 400,000,000 (2022: 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	2,904,076,990	2,904,076,990
Capital and reserves		6,530,836,878	5,917,212,743
Unappropriated profits		17,984,313,328	14,104,886,266
		27,419,227,196	22,926,175,999
Non-controlling interest		2,252,234	2,103,542
		27,421,479,431	22,928,279,541
Non-current liabilities			
Long term advances		261,264,299	6,767,044
Lease Liability		579,651,477	491,701,794
Other long term liability - unsecured		1,320,770,923	1,040,158,349
Provision for gratuity		316,800,473	455,978,209
		2,478,487,173	1,994,605,396
Current liabilities			
Trade and other payables	12	6,409,286,768	5,937,289,453
Unclaimed Dividend		13,536,152	13,536,152
Contract Liability		4,160,113,730	3,025,704,894
Mark-up accrued on short term borrowings		85,367,639	83,638,647
Short term borrowings		3,676,065,620	3,110,000,000
Current Portion of lease liability		154,336,449	112,996,863
Current portion of other long term liability		1,381,738,903	1,116,281,250
Current portion of long term advances		1,960,699	3,234,396
		15,882,405,961	13,402,681,655
TOTAL EQUITY & LIABILITIES		45,782,372,563	38,325,566,592
CONTINGENCIES AND COMMITMENTS			

14

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


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(CHIEF FINANCIAL OFFICER)

CONSOLIDATED CONDENSED INTERIM PROFIT OR LOSS ACCOUNT

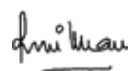
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

	Note	Three Months Ended	
		31 March 2023 Rupees	31 March 2022 Rupees
Revenue from contract with customers - net		10,698,739,254	5,332,814,910
Cost of sales		7,908,381,980	3,734,280,759
Gross profit		2,790,357,274	1,598,534,151
Distribution expenses		346,796,663	127,612,939
Administrative expenses		785,001,931	434,323,384
Reversals of impairment losses / (impairment losses) on financial assets		(48,981,110)	36,585,577
		1,082,817,484	598,521,900
Operating profit		1,707,539,790	1,000,012,251
Other income	15	2,552,329,307	334,390,518
Share of loss from associate		110,440,765	74,537,549
Finance cost		157,004,402	32,841,008
Profit before taxation		3,992,423,931	1,227,024,212
Taxation		112,996,869	26,607,601
Profit after taxation		3,879,427,062	1,200,416,611
Attributable to:			
Equity holders of the parent		3,879,278,370	1,200,398,013
Non-controlling interest		148,692	18,598
		3,879,427,062	1,200,416,611
Earnings per share:			Restated
Basic earnings per share	16	13.36	4.33
Diluted earnings per share		13.24	4.31

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


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CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

	Three Months Ended	
	31 March	31 March
	2023	2022
	Rupees	Rupees
Profit for the period	3,879,427,062	1,200,416,611
Other comprehensive income		
Exchange difference on translation of foreign operations	542,870,098	91,666,284
Total comprehensive income for the period	4,422,297,160	1,292,082,895
Attributable to:		
Equity holders of the parent	4,422,148,468	1,292,064,298
Non-controlling interest	148,692	18,598
	4,422,297,160	1,292,082,896

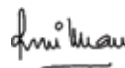
The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.



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CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

	Issued, subscribed and paid up share capital	Capital reserve		Foreign currency translation reserve	Revenue reserve		Total equity attributable to shareholders of parent company	Non-controlling interest	Total
		Share capital premium	Employee compensation reserve		Unappropriated profit				
-----Rupees-----									
Balance as at 31st December 2021 (Audited)	1,384,989,120	820,263,291	200,220,759	127,825,350	9,528,306,407		12,061,604,927	1,169,928	12,062,774,855
Total comprehensive income for the period	-	-	-	-	1,200,398,013		1,200,398,013	6,495,838	1,206,893,851
Revenue reserve of subsidiary					86,961,614		86,961,614	-	86,961,614
Other comprehensive income for the year	-	-	-	91,666,284	-		91,666,284	-	91,666,284
Exercise of share options	6,836,870	89,660,469	(44,986,605)	-	-		515,107,34	-	515,107,34
Share based payments	-	-	63,166,118	-	-		63,166,118	-	63,166,118
Balance as at 31 March 2022 (Un-audited)	1,391,825,990	909,923,760	218,400,272	219,491,634	10,815,666,034		13,555,307,690	7,665,766	13,562,973,456
Balance as at 31st December 2022 (Audited)	2,904,076,990	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
Other comprehensive income for the year	-	-	-	542,870,098	-		542,870,098	-	542,870,098
Share based payments	-	-	70,754,037	-	-		70,754,037	-	70,754,037
Balance as at 31 March 2023 (Un-audited)	2,904,076,990	4,671,279,598	394,404,795	1,465,152,485	17,984,313,328		27,419,227,196	2,252,234	27,421,479,431

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

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CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

	Note	Three Months Ended	
		31 March	31 March
		2023	2022
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows from/(used in) operations	18	(1,303,298,961)	(403,624,917)
Finance costs paid		(155,275,409)	(19,025,808)
Gratuity paid		(217,607,865)	(3,320,607)
Taxes paid		(177,785,122)	(48,191,659)
		(550,668,396)	(70,538,074)
Net cash flows from/(used in) operating activities		(1,853,967,358)	(474,162,991)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(163,293,553)	(559,512,197)
Development expenditure		(60,000,000)	-
Proceeds from the disposal of property and equipment		13,711,450	215,274,992
(Increase) / Decrease in long term deposits		23,653,963	107,464,228
Disposal / investment of short term investments - net		1,264,628,340	498,066,415
Revenue reserve of subsidiary		-	86,961,614
Increase in long term investment		-	(19,448,578)
Profit received on short term investment		125,943,460	87,621,584
Profit received on bank deposits		10,091,715	10,122,891
Net cash flows used in/from investing activities		1,214,735,375	426,550,949
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		-	51,510,734
Increase in short term borrowings		566,065,620	370,047
Increase /Decrease in long term loan		(37,944,893)	(25,874,349)
Increase in Lease Liability		(51,138,685)	9,357,168
Increase in long term advances		253,223,558	(68,420,579)
Net cash flows used in financing activities		730,205,600	(33,056,979)
Net (decrease) in cash and cash equivalents		90,973,617	(80,669,021)
Effect of exchange translation reserve		134,444,068	91,666,284
Cash and cash equivalents at beginning of the period		5,814,496,232	2,978,863,741
Cash and cash equivalents at closing of the period		6,039,913,916	2,989,861,004

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



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

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

- 12.1 TechVista Systems FZ - LLC, a limited liability Company incorporated in Dubai Technology and Media Free Zone Authority, is a 100% (2022: 100%) owned subsidiary of Systems Limited, Pakistan. The Company is engaged in the business of developing software and providing ancillary services.
- 12.2 TechVista Systems LLC is a limited liability company registered in the Emirate of Dubai under Federal Law No. 2 of 2015, is 100% (2022: 100%) controlled by TechVista Systems FZ-LLC. The Company is licensed as a software house.
- 12.3 TechVista Manpower LLC (TechVista MP LLC), a sole establishment, duly licensed by Dubai Economic Department, under License No. 800123, is 100% (2022: 100%) controlled by TechVista Systems FZ-LLC.
- 12.4 SUS JV (Private) Limited, a private limited company registered under the Companies Act, 2017 is a 95% (2022: 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.
- 12.5 Systems Ventures (Private) Limited, a private limited Company registered under the Companies Act, 2017, incorporated on 11 November 2019, is a 100% (2022: 100%) owned subsidiary of Systems Limited. The Company aims to invest in new ventures, start-ups and incubate new ideas.
- 12.6 Systems Australia (formerly TechVista Systems Pty Ltd), is a 100% (2022: 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.
- 12.7 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.
- 12.8 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.
- 12.9 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.
- 12.10 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.
- 12.11 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.
- 12.12 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.
- 12.13 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.
- 12.14 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.
- 12.15 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.
- 12.16 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.

1.3 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 44.60% (2022: 44.60%) 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 2023 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 2022.

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 2022.

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 2022.

	Note	Unaudited 31 March 2023	Audited 31 December 2022
		----- (Rupees) -----	
6. PROPERTY AND EQUIPMENT			
Operating fixed assets	(7.1)	2,704,666,493	2,699,160,711
Capital work in progress	(7.2)	293,192,809	243,438,638
		2,997,859,302	2,942,599,349
6.1 Operating fixed assets:			
Opening balance - net book value		2,699,160,711	2,028,987,092
Additions during the period / year - cost	6.1.1	164,046,453	1,259,220,479
Acquisition of subsidiary		-	70,878,437
		2,863,207,164	3,359,086,008
Less:			
Disposals during the period / year	6.1.2	13,711,450	188,183,810
Depreciation during the period / year		144,829,221	471,741,487
Book value at the end of the period / year		2,704,666,493	2,699,160,711
6.1.1 Additions during the period / year-cost			
Land		-	198,196,635
Building		-	3,497,401
Computers		76,944,657	451,285,599
Computer equipment and installations		28,039,417	165,835,329
Other equipment and installations		-	119,986,658
Generator		6,347,496	36,222,623
Furniture and fittings		2,021,885	114,213,394
Vehicles		-	15,982,920
Office equipment		185,927	5,173,932
Leasehold Improvements		-	108,912,405
Exchange gain / (loss)		50,507,071	39,913,583
		164,046,453	1,259,220,479
6.1.2 Disposals during the period / year - WDV			
Building on freehold land		-	4,214,000
Computers		9,039,711	30,875,633
Computer equipment and installations		4,671,739	1,671,326
Other equipment and installations		-	708,741
Furniture and fittings		-	3,270,440
Vehicles		-	147,416,196
Office equipment		-	27,474
		13,711,450	188,183,810
6.2 CAPITAL WORK IN PROGRESS			
Civil works	6.2.1	293,192,809	161,020,955
Advance against purchase of property and equipment		-	82,417,683
		293,192,809	243,438,638
6.2.1 Balance at the beginning of the period / year		161,020,955	22,812,942
Additions during the period / year		132,171,854	244,466,048
Transfer to operating fixed assets during the period / year		-	(106,258,035)
Balance at the end of the period / year		293,192,809	161,020,955

7. Long Term Investments

Note	31 March 2023	31 December 2022
	----- (Rupees) -----	

Jugnu Private Limited	88,555,000	88,555,000
Jomo Technologies (Private) Limited	154,468,912	154,468,912

8. TRADE DEBTS

Considered good - unsecured

Export	(8.1)	9,276,970,484	6,879,808,724
Local		3,612,551,414	1,975,980,356

		12,889,521,898	8,855,789,080
Less: Allowance for expected credit losses		(231,385,735)	(360,942,070)

12,658,136,164 8,494,847,010

8.1 This includes receivables from related parties which are as follows:

Visionet Systems Incorporation -USA	3,344,950,934	2,199,002,978
Visionet Systems - UK	785,035,418	428,680,000
Visionet Deutschland GMBH - Germany	344,475,665	233,768,677

9. SHORT TERM INVESTMENTS

Fair value through profit and loss

- Mutual fund units	(9.1)	2,889,349,829	4,253,978,169
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Amortized cost

- Term deposit receipts (TDRs)	(9.2)	277,000,000	177,000,000
		3,166,349,829	4,430,978,169

9.1 The details of investment in mutual funds are as follows:

UBL Al- Ameen Asset Islamic Allocation Fund	133,570	131,669
UBL Al-Ameen Islamic Cash Plan - I	-	303,886,879
UBL Al-Ameen Islamic Cash Fund	3,711	3,856
Alfalsh Islamic Rozana Amdani Fund	-	303,774,456
HBL Asset Islamic Allocation Fund	1,429,049,796	938,895,542
Lakson Islamic Money Market Fund	-	200,677,493
Meezan Balanced Fund	76,197	76,060
Meezan Islamic Income Fund	44,624	43,119
Meezan Rozana Amdani Fund (Mraf)	-	303,690,833
Meezan Paidar Munafa Plan	-	1,042,420,000
NBP Islamic Daily dividend Fund	-	305,329,170
MCB Al Hamra Islamic money market fund	266,078,558	488,442,573
ABL Islamic Cash Fund	-	303,729,530
ABL Islamic income Fund	397,369	385,685
Faysal Islamic Cash Fund	1,193,566,004	62,491,304
	2,889,349,829	4,253,978,169

9.2 The details of investments in TDRs are as follows:

Habib Metropolitan Bank	250,000,000	150,000,000
Habib Bank Limited	27,000,000	27,000,000
	277,000,000	177,000,000

9.2.1 These carry markup at rates ranging from 15.4% to 18.5% (December 31, 2022: 7.5% to 14.5%) per annum.

	Note	31 March 2023	31 December 2022
		----- (Rupees) -----	
10. CASH AND BANK BALANCES			
Cash in hand		4,269,898	2,007,554
Cheques in hand		-	12,000,000
Cash at bank:			
Local currency:			
Current accounts		4,838,993,114	5,440,017,103
Deposit accounts	(10.1)	300,151,850	251,442,738
		5,139,144,964	5,691,459,841
Foreign currency - current accounts		896,499,054	109,028,837
		6,039,913,916	5,814,496,232

10.1 These carry markup at rates ranging from 11% to 14.5% (December 31, 2022: 3.5% to 14.5%) per annum.

11. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	Unaudited		Audited	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	----- No of Shares -----		----- (Rupees) -----	
Ordinary shares of Rs. 10/- fully paid in cash	115,718,876	115,718,876	1,157,188,760	1,157,188,760
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/-	290,407,699	290,407,699	2,904,076,990	2,904,076,990
11.1 Reconciliation of issued, subscribed and paid-up share capital:				
Balance as at 1st January	290,407,699	138,498,912	2,904,076,990	1,384,989,120
Stock options exercised	-	903,687	-	9,036,870
Bonus shares issued	-	139,182,600	-	1,391,826,000
Shares issued for acquisition of National Data Consultant (Private) Limited	-	11,822,500	-	118,225,000
Balance as at 31 March 2023	290,407,699	290,407,699	2,904,076,990	2,904,076,990

12. TRADE AND OTHER PAYABLES

	Unaudited 31 March 2023	Audited 31 December 2022
	----- (Rupees) -----	
Creditors	3,973,462,126	2,609,961,566
Accrued liabilities	1,862,700,042	1,665,131,179
Provident fund payable	136,408,764	3,627
Withholding income tax payable	137,038,394	110,598,690
Visionet Systems Inc. USA	27,648,562	3,959,244
Sales tax payables	272,028,880	120,261,787
Other payables	-	1,427,373,360
	6,409,286,768	5,937,289,453

13. OPERATING SEGMENT INFORMATION

Geographical segments

For management purposes, the Group is organized into business units based on their geographical areas and has five reportable operating segments as follows:

North America
Europe
Middle East & Africa
Asia Pacific
Pakistan & Others

No other operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its operating segments separately for the purpose of performance assessment. Segment performance is evaluated based on profit or loss.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

	North America		Europe		Middle East & Africa		Asia Pacific		Pakistan & Others		Total	
	Un-audited	Three months ended	Un-audited	Three months ended	Un-audited	Three months ended	Un-audited	Three months ended	Un-audited	Three months ended	Un-audited	Three months ended
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Rupees												
Revenue - net	2,722,968,712	2,098,830,045	346,371,068	298,459,099	5,022,205,516	2,110,088,834	243,882,128	19,458,482	2,363,372,730	805,958,450	10,698,739,254	5,332,814,910
Cost of sales	1,743,166,535	1,350,861,233	259,282,404	2,28,612,326	3,614,751,455	1,437,954,225	157,801,956	12,241,721	2,134,379,630	665,611,254	7,908,381,960	3,734,280,759
Gross profit	979,802,177	707,968,811	88,088,664	71,846,774	1,407,454,061	672,134,609	86,019,271	7,216,762	2,233,993,100	139,347,196	2,790,357,274	1,598,534,151
Distribution expenses	4,935,042	25,166,974	615,034	2,796,330	236,698,780	57,830,985	26,007,477	348,789	76,639,319	41,470,975	345,795,562	12,767,938
Administrative expenses	255,741,256	388,124,508	45,130,810	35,253,338	346,500,058	393,369,671	29,651,149	3,062,082	107,977,357	44,519,506	785,001,931	434,323,385
Profit / (loss) before taxation and unallocated income and expenses	260,576,299	213,297,482	45,745,844	18,049,668	583,200,848	241,993,537	55,659,127	3,410,851	186,616,476	85,984,781	1,131,798,593	561,936,323
	719,225,879	494,677,329	42,342,820	53,797,706	824,253,213	430,955,072	30,360,145	3,805,910	42,376,624	53,362,415	1,658,558,682	1,036,597,827
Reversals of impairment losses / (impairment loss) on financial assets											48,981,110	(36,585,577)
Exchange (loss) / gain											17,207,576	85,293,773
Share of loss from associates											2,380,253,731	149,096,745
Profit before taxation											(110,440,765)	(4,537,549)
Taxation											3,192,423,932	1,227,024,201
Profit after taxation											(112,996,869)	(26,607,601)
											3,879,427,062	1,200,416,611

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, 2022: Rs 433.35 million). This includes guarantees of Rs 77.38 million (December 31, 2022: Rs 77.38 million) given on behalf of UUS Joint Venture (Private) Limited, a joint operation of the Group.

14.2.2 The Group has issued Performance Guarantee to National Bank of Pakistan Hong Kong against services contract amount USD 13,950 (2022: USD 13,950) and National Bank of Pakistan Kingdom of Saudi Arabia against services contract USD 25,000 (2022: 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 (2022: 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 (2022: 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.

14.2.4 The Group's commitments in respect of ijarah lease are as follows

Not later than one year

Later than one year and not later than five year

2023
Rupees

2022
Rupees

30,857,743

30,857,743

80,890,142

80,890,142

111,747,885

111,747,885

Un-audited
31 March
2023

Un-audited
31 March
2022

----- (Rupees) -----

15. Other Income

Income from financial assets:

Profit on deposit accounts

Profit on short term investments

Exchange gain / (loss)

Effect of discounting of long term loans

10,091,715

10,122,891

125,097,729

87,237,701

2,380,253,731

149,096,745

19,168,673

-

2,538,615,339

246,457,337

Income from non-financial assets:

Gain on disposal of property & equipment

Others

-

72,229,161

13,713,968

15,704,020

13,713,968

87,933,181

2,552,329,307

334,390,518

16. EARNINGS PER SHARE

Basic earnings per share

Profit for the period attributable to equity holder of parent

Weighted average number of ordinary shares in issue during the period

Basic - in Rupees

Diluted earnings per share

Profit for the period attributable to equity holder of parent

Weighted-average number of ordinary shares (basic)

Effect of share options

Diluted - in Rupees

Three Months Ended

31 March

2023

2022

Un-audited

Un-audited

(Restated)

3,879,278,370

1,200,398,013

290,407,699

277,104,172

13.36

4.33

3,879,278,370

1,200,398,013

290,407,699

277,104,172

2,678,649

1,157,238

293,086,348

278,261,410

13.24

4.31

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	
			2023	2022
			Rupees -----	
Visionet Systems Incorporation - USA	Common Directorship	Sales Expenses incurred on behalf of the party	2,401,355,229 (23,689,319)	4,483,438,306 (10,002,668)
Visionet Systems - UK	Associate	Sales Expenses incurred on behalf of the party	210,093,290 3,850,274	31,573,076 -
Visionet Deutschland GMBH - Germany	Associate	Sales Expenses incurred on behalf of the party	140,765,935 -	717,649,544 -
E-Processing Systems (Private) Limited	Associate	Expense incurred on behalf of the party Receipts against advance Interest income	14,091,632 (15,126,703) 10,751,592	413,106,276 (263,474,869) 13,531,198
Staff retirement funds	Associate	Contribution	434,948,185	219,784,548

18. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	3,992,423,931	1,227,024,212
Adjustments of reconcile profit before tax to meet cash flows:		
Depreciation on property and equipment	144,829,221	97,844,782
Depreciation on right-of-use asset	37,744,036	-
Amortization of intangible assets	214,759,242	2,644,725
Allowance for expected credit loss	(48,981,110)	36,585,577
Share based payment expense	70,754,037	63,166,118
Lease interest	20,151,465	-
Finance cost	136,852,937	32,841,008
Gratuity expense	76,429,141	21,753,295
Share of loss of associate	110,440,765	-
Interest on loan to subsidiaries	(4,003,491)	-
Exchange loss / (gain) on translation of export receivables	(2,380,253,731)	(149,096,745)
Gain on disposal of property and equipment	-	(72,229,161)
Gain on short term investments	(125,097,729)	(87,237,701)
Profit on bank deposits	(10,091,715)	(10,122,891)
	(1,756,466,933)	(63,850,993)
Profit before working capital changes	2,235,956,998	1,163,173,220
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Contract assets - Net	(2,177,301,091)	(163,229,287)
Trade debts	(1,814,467,884)	(114,077,616)
Loans, advances and other receivables	(559,177,775)	(171,500,285)
Long term deposits	23,653,963	-
Employee interest free loans	(53,885,980)	-
Long term receivable	(300,874,071)	-
Trade deposits and short term prepayments	(809,679,502)	(1,063,688,606)
	(5,691,732,339)	(1,512,495,794)
(Decrease) / increase in current liabilities:		
Trade and other payables	471,997,315	(54,302,343)
Long term liability	546,070,228	-
Contract Liability	1,134,408,836	-
	(3,539,255,960)	(1,566,798,137)
Net cash flows from operations	(1,303,298,961)	(403,624,917)

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 2022.

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 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

19.3 Financial instruments by categories

Financial assets as per balance sheet

31 March 2023		
Financial Assets at fair value through P&L	Financial Assets at amortized cost	Total
(Rupees)-----		
Long term deposits	40,190,747	40,190,747
Contract assets	4,769,292,024	4,769,292,024
Trade debts	12,658,136,164	12,658,136,164
Loans, advances and other receivables	1,994,003,850	1,994,003,850
Security deposits	1,069,044,878	1,069,044,878
Interest accrued	4,679,389	4,679,389
Short term investments	277,000,000	3,166,349,829
Cash and bank balances	6,039,913,916	6,039,913,916
2,889,349,829	26,852,260,967	29,741,610,796

Financial assets as per balance sheet

31 December 2022		
Financial Assets at fair value through P&L	Financial Assets at amortized cost	Total
(Rupees)-----		
Long term deposits	63,844,710	63,844,710
Contract assets	2,591,990,933	2,591,990,933
Trade debts	8,494,847,010	8,494,847,010
Loans, advances and other receivables	1,434,826,075	1,434,826,075
Security deposits	164,893,714	164,893,714
Interest accrued	1,521,649	1,521,649
Short term investments	177,000,000	4,430,978,169
Cash and bank balances	5,814,496,232	5,814,496,232
4,253,978,169	18,743,420,323	22,997,398,492

31 March 2023 31 December 2022

Financial liabilities as per balance sheet

Financial Liabilities at amortized cost		
(Rupees)-----		
Long term loan	-	-
Lease liabilities	733,987,926	604,698,657
Current portion of long term loan	-	-
Markup accrued on short term borrowing	85,367,639	83,638,647
Short term borrowing	3,676,065,620	3,110,000,000
Trade and other payables	6,409,286,768	5,937,289,453
10,904,707,953	9,735,626,757	

20. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issuance on 27 April 2023 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.


The comparative figures for the year ended 31 December 2022 are audited and will be approved by the members in the 46th Annual General Meeting of the Company which will be held on 23 May 2023."

22. GENERAL

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


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

NOTES








Lined area for notes, consisting of multiple horizontal lines.










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systems

Pakistan

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(Ex-Air Avenue), Lahore Cantt

Lahore (BPO Office)

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

Karachi

E-5, Central Commercial Area,
Shaheed-e-Millat Road, Karachi

Karachi

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

Islamabad

Plot No. 21, 1st Floor Fazeelat
Arcade, Sector G-11 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

Jahal Khanewal, Main East
Canal Road, Old Ehsan Yousaf Mill,
Ali Fatima Science College near
Faisal hospital, Faisalabad

Peshawar

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Peshawar

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