

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to all the members of Systems Limited (the “**Company**”) that 47<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on the 19<sup>th</sup> of April, 2024 at 11 am, in-person and through video-link to transact the following business:

### **Ordinary Business:**

1. To confirm the minutes of the last Extraordinary General Meeting held on 26<sup>th</sup> December 2023.
2. To, receive, consider and adopt the Audited Accounts of the Company for the year ended 31 December 2023 together with the Board of Directors’ and Auditors’ report thereon.
3. To approve and declare cash dividend @ 60 % i.e. PKR 6 per share, for the year ended 31 December 2023.
4. To appoint Auditors and fix their remuneration for the year ending 31 December 2024. The Board of Directors upon recommendation of Audit Committee has recommended A.F. Ferguson and Co., being eligible for appointment as auditors of the Company for the year ending 31 December 2024.

### **Special Business**

5. To consider and, if thought fit, pass, with or without modification, the following special resolution in terms of Section 199 of Companies Act, 2017, (a) for renewal of loan to SUS Joint Venture (Private) Limited, a subsidiary of the Company, of Rs. 50 million; (b) renewal of loan and guarantee in UUS Joint Venture (Private) Limited, an associated company of the Company, of Rs. 200 million; (c) renewal of loan in E-Processing Systems (Private) Limited, an associate of the Company, of Rs. 340 million.

**“Resolved that** Systems Limited (the “**Company**”) shall renew the loan extended to its subsidiary and associated companies, (a) SUS Joint Venture (Private) Limited in the form of loan Rs. 50 million; (b) UUS Joint Venture (Private) Limited, an associated company of the Company, of Rs. 200 million; (c) E-Processing Systems (Private) Limited, an associate of the Company, of Rs. 340 million, on the terms and conditions to be contained in the agreement to be executed between the Company and Associated Company in terms of Section 199 of Companies Act, 2017.

**“Resolved further that** Mr. Muhammad Asif Peer, the Chief Executive of the Company and Ms. Roohi Khan, the Chief Financial Officer of the Company (the “Authorized Officers”), be and are hereby empowered and authorized to undertake, execute and implement all the decisions in respect of the transaction and to take and do and/or cause to be taken or done any/all necessary acts, deeds and things, and to take any or all necessary actions which are or may be necessary, incidental and/or consequential to give effect to the aforesaid resolution, including signing and execution of documents and agreements and to complete all necessary legal formalities and to file all necessary documents as may be necessary or incidental for the purposes of implementing the aforesaid resolution”.

**Other Business:**

6. Any other Business with the permission of the Chair.

By Order of the Board

**Ali Ahmed Iftikhar**  
Company Secretary

**29<sup>th</sup> March, 2024**  
**Lahore**

**NOTES:**

1. The Share Transfer books of the Company will be closed from 08<sup>th</sup> April 2024 to 19<sup>th</sup> April 2024 (both days inclusive). Transfer received at the address of. M/s CDC Share Registrar Services Limited situated at CDC House, 99-B, Block B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi – 74400, Pakistan at the close of business on 05<sup>th</sup> April 2024 will be treated in time for the purpose of above entitlement to the transferees.

2. Online participation in the Annual General Meeting:

Shareholders who wish to participate in the Annual General Meeting online are advised to register with the Company on or before 10:45 a.m., April 19<sup>rd</sup>, 2024, by completing the registration process through the following link: (<https://systems ltd.zoom.us/meeting/register/tZwoceiurD0iHdwb8Gl-caHIzo2COIcYJzPu>).

Login facility will open thirty minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.

a) Shareholders will be encouraged to participate in the AGM to consolidate their attendance and participation through proxies.

3. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote in his/her place. Proxies completed in all respect, in order to be effective, must be received at the Registered Office of the Company not less than forty-eight (48) hours before the time of meeting.

4. Pursuant to the directive of the Securities & Exchange Commission of Pakistan, CNIC numbers of shareholders are mandatorily required to be mentioned on Dividend Warrants. Shareholders are, therefore, requested to submit a copy of their CNIC (if not already provided) to the Company Share Registrar, M/s CDC House, 99-B, Block B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi – 74400, Pakistan. Pakistan.

5. The Government of Pakistan through Finance Act, 2017 made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding Tax on the amount of dividend paid by the companies/banks. These tax rates are as follows:

**Lahore**

Systems Campus  
Software Technology Park  
E-1, Sehjpal Near DHA Phase-VIII  
(Ex-Air Avenue), Lahore Cantt, Pakistan.  
UAN: 042 111 SYSTEMS (797 836)

**Karachi**

E-5, Central Commercial Area,  
Shaheed-e-Millat Road,  
Karachi, Pakistan.  
T: +92 42 34549385-87  
F: +92 42 34549389

**Dubai**

TechVista Systems FZ-LLC  
Office 1905, Regal Tower  
Business Bay,  
Dubai, UAE.  
T: + 9714 369 3525  
F: + 9714 456 3761

- (a) For filers of income tax returns 15%
- (b) For non-filers of income tax returns 30%

To enable the Company to make tax deduction on the amount of cash dividend @15% instead of 30% all shareholders whose names are not entered into the Active Tax- payers list (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date of payment of the cash dividend, otherwise tax on their cash dividend will be deducted @30% instead of 15%.

The joint shareholders are requested to provide shareholding proportions of principal shareholders & joint shareholders as withholding tax will be determined separately on Filer/Non-filer status based on their shareholding proportions otherwise it will be assumed that shares are equally held.

The Corporate shareholders having CDC account are required to have their National Tax Number (NTN) updated with their respective participants, whereas physical shareholders should send a copy of their NTN Certificate to the Company or Company's Share Registrar, M/s. THK Associates (Pvt.) Limited. The shareholders while sending NTN or NTN Certificate, as the case may be, must quote Company name and their respective folio numbers.

- 6. SECP through its notification SRO 787(1) /2014 dated September 8, 2014 has allowed the circulations of Audited Financial Statement along with Notice of Annual General Meeting to the Members through e-mail. Therefore, all members of the Company who wish to receive soft copy of Annual Report are requested to send their e-mail addresses. The consent form for electronic transmission can be downloaded from the Company Website: [www.systemsltd.com](http://www.systemsltd.com) Audited financial statements & reports are being placed on the aforesaid website.
- 7. To facilitate the resident companies, the Securities Exchange Commission of Pakistan, through its S.R.O. 389 (I)/2023, dated 21st March, 2023, has authorized the dissemination of annual audited financial statements, encompassing balance sheets, profit and loss accounts, auditor's reports, directors' reports, and other relevant financial information, to its members via QR-enabled codes and weblinks. The Annual Report of the Company for the year ended 31<sup>st</sup> December 2023, will be available on the Company Website: [www.systemsltd.com](http://www.systemsltd.com) through the following QR enabled code:



8. The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan (“SECP”), wherein, SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Systems Limited (the “Company”) will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming Annual General Meeting to be held on 19<sup>th</sup> April 2024, at 11.00 AM, in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

9. In compliance with requirements of Companies Act, 2017 and Companies (Distribution of Dividends) Regulation, 2017, the Bank has withheld dividend of those shareholders who have not yet provided correct and complete bank account details including valid IBAN of their own bank accounts.

In order to receive cash dividend(s) withheld by the Bank as stated above, shareholders are requested to contact Bank’s Share Registrar at the above given address or Participant / Investor Account Services of Central Depository Company of Pakistan (as the case may be) along with legible copy of their respective valid CNIC and provide their complete and correct bank account details including valid IBAN.

10. In compliance of Section 244 of the companies Act 2017, the Company has already requested through individual letters to shareholders who have not yet claimed their outstanding cash dividends/ bonus shares, Shareholders are once again requested to lodge their claims for cash dividends, right /bonus shares kept with the Share Registrar and Transfer Agent of the Bank. On the address given above.

11. In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated 5 April 2013 has advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favor of e-dividend by providing dividend mandate form duly filled in and signed.

12. **Procedure for E – Voting:**

- (a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business of 05<sup>th</sup> April 2024.
- (b) The web address, login details, will be communicated to members via email. The security codes will be communicated to members through SMS from web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- (c) Identity of the Members intending to cast vote through e-Voting shall be authenticated through electronic signature or authentication for login.
- (d) E-Voting lines will start from 15<sup>th</sup> April 2024, 09:00 a.m. and shall close on 18<sup>th</sup> April 2024 at 5:00 p.m. Members can cast their votes any time in this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

13. **Procedure for Voting Through Postal Ballot:**

The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company's registered address E-1, Sehjpal Road, Near DHA Phase-8 (Ex-Air Avenue), Lahore or email at [corporate@systemsltd.com](mailto:corporate@systemsltd.com) one day before the Annual General Meeting on 18<sup>th</sup> April 2024, during working hours. The signature on the ballot paper shall match with the signature on CNIC.

For the convenience of the Members, ballot paper is annexed to this notice and the same is also available on the Company's website at [www.systemsltd.com](http://www.systemsltd.com) for download.

**Scrutinizer**

In accordance with the Regulation 11 of the Regulations, the Board of the Company has appointed M/s Junaidy Shoaib Asad, Chartered Accountants, a QCR rated audit firm, to act as the Scrutinizer of the Company for the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

<b>Systems Limited</b>	
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**POSTAL BALLOT PAPER**

for voting through post for the Special Business at the Annual General Meeting to be held on 19th April 2024, at 11:00 a.m. at E-1, Sehjpal Near DHA Phase-VIII, (Ex-Air Avenue), Lahore Cantt, Lahore.  
**Phone: +92-42- 111-797-836 Website: www.systemsltd.com.**

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, corporation, and federal Government)	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

**Resolution For Agenda Item No. 5**

To consider and, if thought fit, pass, with or without modification, the following special resolution in terms of Section 199 of Companies Act, 2017, (a) for renewal of loan to SUS Joint Venture (Private) Limited, a subsidiary of the Company, of Rs. 50 million; (b) renewal of loan and guarantee in UUS Joint Venture (Private) Limited, an associated company of the Company, of Rs. 200 million; (c) renewal of loan in E-Processing Systems (Private) Limited, an associate of the Company, of Rs. 340 million.

“Resolved that Systems Limited (the “Company”) shall renew the loan extended to its subsidiary and associated companies, (a) SUS Joint Venture (Private) Limited in the form of loan Rs. 50 million; (b) UUS Joint Venture (Private) Limited, an associated company of the Company, of Rs. 200 million; (c) E-Processing Systems (Private) Limited, an associate of the Company, of Rs. 340 million, on the terms and conditions to be contained in the agreement to be executed between the Company and Associated Company in terms of Section 199 of Companies Act, 2017.

“Resolved further that Mr. Muhammad Asif Peer, the Chief Executive of the Company and Ms. Roohi Khan, the Chief Financial Officer of the Company (the “Authorized Officers”), be and are hereby empowered and authorized to undertake, execute and implement all the decisions in respect of the transaction and to take and do and/or cause to be taken or done any/all necessary acts, deeds and things, and to take any or all necessary actions which are or may be necessary, incidental and/or consequential to give effect to the aforesaid resolution, including signing and execution of documents and agreements and to complete all necessary legal formalities and to file all necessary documents as may be necessary or incidental for the purposes of implementing the aforesaid resolution”.

**Instructions For Poll**

1. Please indicate your vote by ticking (√) the relevant box.
2. In case if both the boxes are marked as (√), you poll shall be treated as **“Rejected”**.

I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (√) mark in the appropriate box below;

Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
<b><u>Resolution For Agenda Item No. 5</u></b>		

1. Dully filled ballot paper should be sent to the Chairman of Systems Limited at E-1, Sehjpal Near DHA Phase-VIII, (Ex-Air Avenue), Lahore Cantt, Lahore or e-mail at **corporate@systemsltd.com**
2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Ballot paper should reach the Chairman within business hours by or before 18th April 2024. Any postal Ballot received after this date, will not be considered for voting.

4. Signature on ballot paper should match with signature on CNIC/ Passport. (In case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.
7. Ballot Paper form has also been placed on the website of the Company at: **www.systemsltd.com**. Members may download the Ballot paper from the website or use an original/photocopy published in newspapers.

\_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_ **Shareholder / Proxy holder Signature/Authorized Signatory**

(In case of corporate entity, please affix company stamp)



**Statement under Section 134 (3) of the Companies Act, 2017**

This statement set out the material facts concerning the special business to be transacted at the annual general meeting of the Company to be held on 19 April 2024.

**Agenda Item No.6 (a)**

Nature of information required to be disclosed pursuant to The Companies (Investment in Associated Companies or Undertaking) Regulations, 2017, for investment in associated company M/S SUS Joint Venture (Pvt.) Limited is as follows:

Ref. No.	Requirement	Relevant Information																						
<ul style="list-style-type: none"> <li><b><u>Disclosures for all types of investments:-</u></b></li> </ul>																								
(A) Regarding associated company or associated undertaking:-																								
i	name of the associated company	SUS Joint Venture (Private) Limited																						
ii	basis of relationship	95 % shareholding / Common directorship																						
iii	earnings per share for the last three years	N/A																						
iv	break-up value per share, based on latest audited financial statements;	N/A																						
v	financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements; and	<table border="1"> <tr> <td colspan="2">Statement of Financial Position – 31 December 2023</td> </tr> <tr> <td>Non-current assets</td> <td align="right">-</td> </tr> <tr> <td>Current assets</td> <td align="right">56,181,807</td> </tr> <tr> <td>Shareholders' equity</td> <td align="right">49,274,709</td> </tr> <tr> <td>Non-current liabilities</td> <td align="right">-</td> </tr> <tr> <td>Current liabilities</td> <td align="right">6,907,098</td> </tr> <tr> <td colspan="2">Profit &amp; Loss A/C – 31 December 2023</td> </tr> <tr> <td>Revenue</td> <td align="right">43,249,793</td> </tr> <tr> <td>Cost of revenue</td> <td align="right">31,850,359</td> </tr> <tr> <td>Gross profit</td> <td align="right">11,399,434</td> </tr> <tr> <td>Profit for the year</td> <td align="right">6,872,235</td> </tr> </table>	Statement of Financial Position – 31 December 2023		Non-current assets	-	Current assets	56,181,807	Shareholders' equity	49,274,709	Non-current liabilities	-	Current liabilities	6,907,098	Profit & Loss A/C – 31 December 2023		Revenue	43,249,793	Cost of revenue	31,850,359	Gross profit	11,399,434	Profit for the year	6,872,235
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vi	in case of investment in relation to a project of associated company or associated undertaking that has not commenced	N/A																						

Ref. No.	Requirement	Relevant Information
	operations, following further information, namely,-	
(I)	description of the project and its history since conceptualization;	
(II)	starting date and expected date of completion of work;	
(III)	time by which such project shall become commercially operational;	
(IV)	expected time by which the project shall start paying return on investment; and	
(V)	funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	
<b>(B) General Disclosures</b>		
(i)	maximum amount of investment to be made;	Investment in the form of loan of Rs. 50 million
(ii)	purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	<p>Purpose: To meet working capital requirements of SUS Joint Venture (Private) Limited.</p> <p>Benefit: The completion of project will result in distribution of profits by SUS Joint Venture (Pvt.) Limited to Systems Limited.</p> <p>Period of Investment: The period of investment shall be one (1) year.</p>
(iii)	sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-	Loan shall be granted by Systems Limited.
(I)	justification for investment through borrowings;	SUS Joint Venture (Private) Limited is only a special purpose vehicle for executing LRMIS project awarded to SUS Joint Venture (Private) Limited

Ref. No.	Requirement	Relevant Information
	(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and	N/A
	(III) cost benefit analysis;	N/A
(iv)	salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	None. Agreement shall be executed in line with section 199 of Companies Act, 2017 and resolution of shareholders to be passed in annual general meeting.
(v)	direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Mr. Asif Peer, CEO of Systems Limited is also member and director in SUS Joint Venture (Pvt.) Limited.
(vi)	in case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	There is no impairment or write-off.
(vii)	any other important details necessary for the members to understand the transaction;	N/A
In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made,-		
(i)	category-wise amount of investment;	N/A
(ii)	average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	Average borrowing cost of investing company is SBP rate.
(iii)	rate of interest, mark-up, profit, fees or commission etc to be charged by investing company	Higher of KIBOR or borrowing cost of investing company in line with section 199 of Companies Act 2017.
(iv)	particulars of collateral or security to be obtained in relation to the proposed investment;	N/A
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact	N/A

Ref. No.	Requirement	Relevant Information
	along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	
(vi)	repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking;	Principal: One (1) year from disbursement. Mark-up: Quarterly basis.

### Agenda Item No.6 (b)

Nature of information required to be disclosed pursuant to The Companies (Investment in Associated Companies or Undertaking) Regulations, 2017, for investment in associated company M/S UUS Joint Venture (Pvt.) Limited is as follows:

Ref. No.	Requirement	Relevant Information																				
	<ul style="list-style-type: none"> <li><b>Disclosures for all types of investments:-</b></li> </ul>																					
	(A) Regarding associated company or associated undertaking:-																					
i	name of the associated company	UUS Joint Venture (Private) Limited																				
ii	basis of relationship	49.99 % shareholding / Common directorship																				
iii	earnings per share for the last three years	N/A																				
iv	break-up value per share, based on latest audited financial statements;	N/A																				
v	financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements; and	<table border="1"> <thead> <tr> <th colspan="2">Statement of Financial Position – 31 December 2023</th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td>-</td> </tr> <tr> <td>Current assets</td> <td>272,745,360</td> </tr> <tr> <td>Shareholders' equity</td> <td>(213,291,260)</td> </tr> <tr> <td>Non-current liabilities</td> <td>-</td> </tr> <tr> <td>Current liabilities</td> <td>486,036,620</td> </tr> <tr> <th colspan="2">Profit &amp; Loss A/C – 31 December 2023</th> </tr> <tr> <td>Revenue</td> <td>14,152,532</td> </tr> <tr> <td>Cost of revenue</td> <td>23,189,615</td> </tr> <tr> <td>Gross profit</td> <td>(9,037,083)</td> </tr> </tbody> </table>	Statement of Financial Position – 31 December 2023		Non-current assets	-	Current assets	272,745,360	Shareholders' equity	(213,291,260)	Non-current liabilities	-	Current liabilities	486,036,620	Profit & Loss A/C – 31 December 2023		Revenue	14,152,532	Cost of revenue	23,189,615	Gross profit	(9,037,083)
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Ref. No.	Requirement	Relevant Information	
		Loss for the year	(48,678,401)
vi	in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-	N/A	
	(I) description of the project and its history since conceptualization;		
	(II) starting date and expected date of completion of work;		
	(III) time by which such project shall become commercially operational;		
	(IV) expected time by which the project shall start paying return on investment; and		
(V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;			
<b>(B) General Disclosures</b>			
(i)	maximum amount of investment to be made;	Rs. 200 million	
(ii)	purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	<p>Purpose: To meet working capital requirements of UUS Joint Venture (Private) Limited and to give guarantee to Pakistan Civil Aviation Authority.</p> <p>Benefit: The completion of project will results in distribution of profits by UUS Joint Venture (Pvt.) Limited to Systems Limited.</p> <p>Period of Investment: The period of investment shall be one (1) year.</p>	
(iii)	sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-	Loan shall be from own funds while guarantee shall be issued by the banker of Systems Limited.	

Ref. No.	Requirement	Relevant Information
	(I) justification for investment through borrowings;	UUS Joint Venture (Private) Limited is only a special purpose vehicle for executing Pakistan Civil Aviation Authority (PCAA) project awarded to consortium of Systems Limited and Beijing UniStrong Science & Technology Co. It is Systems Limited liability to issue guarantee to (PCAA).
	(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and	Building
	(III) cost benefit analysis;	N/A
(iv)	salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	None. Agreement shall be executed in line with section 199 of Companies Act, 2017 and resolution of shareholders to be passed in annual general meeting.
(v)	direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Mr. Asif Peer, CEO of Systems Limited is also member and director in UUS Joint Venture (Pvt.) Limited.
(vi)	in case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	Under the terms of the Project Agreement executed between UUS-JV and Civil Aviation Authority (“CAA”), UUS-JV was entitled to 5 (five) payments in total for the provision of services against the decided milestones. Till date, UUS-JV has received 4 (Four) payments and 01 remaining partial and is yet awaiting the remaining for balance payments from the CAA against outstanding milestones. After the completion of the said milestones, CAA shall release the performance guarantees provided for the Project. In order to meet the working capital requirements for the remaining milestones / stages of the Project, the Company wishes to renew Rs. 200 million. .There is no impairment or write-off.
(vii)	any other important details necessary for the members to understand the transaction;	N/A

Ref. No.	Requirement	Relevant Information
In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made,-		
(i)	category-wise amount of investment;	N/A
(ii)	average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	ERF loan: Average borrowing cost of investing company is SBP rate.
(iii)	rate of interest, mark-up, profit, fees or commission etc to be charged by investing company	Higher of KIBOR or borrowing cost of investing company in line with section 199 of companies act 2017.
(iv)	particulars of collateral or security to be obtained in relation to the proposed investment;	Unsecured
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	N/A
(vi)	repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking;	Principal: One (1) year from disbursement.

#### Agenda Item No.6 (c)

Nature of information required to be disclosed pursuant to The Companies (Investment in Associated Companies or Undertaking) Regulations, 2017, for investment in associated company M/S E- Processing Systems (Private) Limited is as follows:

Ref. No.	Requirement	Relevant Information
	<ul style="list-style-type: none"> <li><u>Disclosures for all types of investments:-</u></li> </ul>	

Ref. No.	Requirement	Relevant Information		
1. Regarding associated company or associated undertaking:-				
i	name of the associated company	E-Processing Systems (Private) Limited		
ii	basis of relationship	30.9% shareholding through EPS-BV/Associate Company/ Common directorship		
iii	earnings per share for the last three years	31 Dec 2023 (Rs.)	31 Dec 2022 (Rs.)	31 Dec 2021 (Rs.)
		(1,962.85)	(385.90)	(504.65)
iv	break-up value per share, based on latest audited financial statements;	Rs. 1,653		
v	financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements; and	Statement of Financial Position – 31 December 2023		
		Non-current assets	597,113,075	
		Current assets	590,715,983	
		Shareholders' equity	694,433,829	
		Non-current liabilities	31,711,100	
		Current liabilities	461,684,129	
		Profit & Loss A/C – 31 December 2023		
		Revenue	276,814,979	
		Cost of revenue	151,917,656	
		Gross profit	124,897,323	
		Loss for the year	(824,382,896)	
vi	in case of investment in relation to a project of associated company or associated	N/A		



Ref. No.	Requirement	Relevant Information
	<p>undertaking that has not commenced operations, following further information, namely,-</p> <p>(I) description of the project and its history since conceptualization;</p> <p>(II) starting date and expected date of completion of work;</p> <p>(III) time by which such project shall become commercially operational;</p> <p>(IV) expected time by which the project shall start paying return on investment; and</p>	
	<p>(V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;</p>	
<b>(B) General Disclosures</b>		
(i)	maximum amount of investment to be made;	Rs. 340 million
(ii)	purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	<p>Purpose: To meet increased working capital requirement of E-Processing Systems (Private) Limited arising due to expansion of operations, expected launch of new feature its product OneLoad and a new EMI product.</p> <p>Benefit: The investment would support E-Processing Systems (Private) Limited in smoothly meeting growing working capital requirements due to expansion of operations, launching of new</p>

Ref. No.	Requirement	Relevant Information
		<p>features in its product OneLoad and a new EMI product. Expansion in operations and new features would generate profit for shareholders including investing company.</p> <p>Period of Investment: The period of investment shall be one (1) year with 1 year roll over. convertible into equity at the discretion of the investor.</p>
(iii)	sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-	Own Funds
	(I) justification for investment through borrowings;	N/A
	(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and	
(III) cost benefit analysis;		
(iv)	salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	Agreement is executed in line with section 199 of Companies Act, 2017.
(v)	direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	<p>Mr. Aezaz Hussain, Chairman and Mr. Asif Peer, CEO of Systems Limited are also directors of E-Processing (Private) Limited.</p> <p>Mr. Aezaz Hussain, Chairman, Mr. Arshad Masood, Director and Mr. Asif Peer, CEO of Systems Limited are also member in E-Processing Systems (Private) Limited either directly or through direct relatives.</p>

Ref. No.	Requirement	Relevant Information
(vi)	in case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	<p>With this investment, E-Processing Systems (Private) Limited was able to develop its product OneLoad, launch its commercial operations in 2016 and met its working capital requirements. Since launch of commercial operation, E-Processing Systems (Private) Limited is able to multiply its revenues, number of transactions and number of retailers each month. Currently, OneLoad product is executing 7 million transactions per month while number of retailers using OneLoad product are around 50,000. The company is preparing for pilot operations of EMI.</p> <p>During the year, there was an impairment as disclosed in the financial statements due to notional gain on dilution of interest in 2021. The company is on cost carrying value right now as it was before the gain on dilution.</p>
(vii)	any other important details necessary for the members to understand the transaction;	N/A
In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made,-		
(i)	category-wise amount of investment;	N/A – Single category
(ii)	average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	Average borrowing cost of investing company is SBP plus 0.5% for ERF Loan Facility
(iii)	rate of interest, mark-up, profit, fees or commission etc to be charged by investing company	KIBOR or borrowing cost of company whichever is higher

Ref. No.	Requirement	Relevant Information
(iv)	particulars of collateral or security to be obtained in relation to the proposed investment;	Unsecured
(v)	if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	N/A
(vi)	repayment schedule and terms and conditions of loan or advances to be given to the associated company or associated undertaking.	Principal: One (1) year from disbursement with rollover option of 1 year. Mark-up: Quarterly basis.