

24/03/2022

**The General Manager
Pakistan Stock Exchange Limited
Stock Exchange
Building Stock
Exchange Road
Karachi.**

Subject: Addendum to the Annual Report 2021

Dear Sir,

This is with reference to the transmission of Annual Report 2021 uploaded via PUCAR on March 21, 2022. This is to notify that due to the large size of annual report & upload limit of PUCAR, complete annual report could not be uploaded on March 21, 2022. Therefore, the remaining part of the annual report is being uploaded.

For high resolution images, you can download full report from the following link:

<https://www.systemsltd.com/wp-content/uploads/2022/03/Annual-Report-2021.pdf>

Yours Sincerely,



**Saad Hasan
Company Secretary**



Lahore

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systems



Annual Report 2021

Enabling a Digital 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

HUMAN RESOURCE & COMPENSATION COMMITTEE

MR. ASIF JOOMA Chairman
MR. OMAR SAEED Member
MS. ROMANA ABDULLAH Member
MR. ARSHAD MASOOD Director

AUDIT COMMITTEE

MR. SHABBAR ZAIDI Chairman
MR. ASIF JOOMA Member
MS. ROMANA ABDULLAH Member

CHIEF FINANCIAL OFFICER

MS. ROOHI KHAN

INTERNAL AUDITORS

UZAIR HAMMAD FAISAL & CO.

TAX ADVISORS

A.F. FERGUSON & CO
CHARTERED ACCOUNTANTS

EXTERNAL AUDITORS

ERNST & YOUNG FORD RHODES
CHARTERED ACCOUNTANTS LAHORE

LEGAL ADVISORS

HASSAN & HASAN ADVOCATES
AHMAD & PANSOTA

COMPANY SECRETARY

MR. SAAD HASAN ASLAM

SHARE REGISTRAR

THK ASSOCIATES (PRIVATE)
LIMITED PLOT NO 32-C, JAMI
COMMERCIAL, STREET 2
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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

BANKS

HABIB METROPOLITAN BANK LTD
UNITED BANK LIMITED
STANDARD CHARTERED BANK (PAK LTD)
MCB BANK LIMITED
FAYSAL BANK LIMITED
BANK ALFALAH LIMITED

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BOARD OF DIRECTORS



MR. AEZAZ HUSSAIN

CHAIRMAN/NON
EXECUTIVE DIRECTOR

Mr. Aezaz Hussain founded Systems Limited in 1977 as the first software house in Pakistan. His professional acumen provided the overall direction for turnkey computer projects involving systems design, hardware selection and installation, and the planning and management of large-scale industrial projects. Within the organization, he has been responsible for the internal restructuring needed to respond to periodic shifts in the company's strategy.

Mr. Hussain was also involved in the acquisition of Visionet Systems, Inc. in New Jersey, USA in 1997 and he led that organization as CEO till 2008. His main role is the development of enterprise strategy. He was a member of Pakistan's Information Technology Commission, which advised the President of Pakistan on IT-related matters and national policies. He has been a member of a number of committees and advisory bodies set up by the government on Information Technology strategies and on the development of public-sector information systems. He was a founding member and the founding President of Pakistan Software Houses Association (P@SHA). He served as a member of the Economic Advisory Board, Government of Pakistan, the Information Technology Commission of Pakistan, and the Council of Computer Society of Pakistan.

Mr. Asif Peer is currently serving as Chief Executive Officer (CEO) and Managing Director (MD) of Systems Limited, the same company where he began his career as a software developer in 1996, and also serving as a Member of the Board of Directors.

He completed his graduation in Computer Sciences at the National University of Computer and Emerging Sciences (NUCES) in Karachi. He positioned himself in the lead for a job at Systems Limited soon after graduation. He also completed his MBA in Marketing and Finance from the Institute of Business Administration (IBA) in Karachi only a year later. He is associated with Systems Group with more than 25 years in various Senior Management positions executing company growth strategy in line with the vision and mission.

Under his leadership, the company has won several accolades, including Forbes Asia's Best Under a Billion 2021 and 2022, Microsoft Business Applications 2021/2022 Inner Circle award, Pakistan Top IT Export Award, Microsoft Country Partner of the Year, multiple PSEB IT Export Awards since 2016, membership of Microsoft Dynamics President's Club in 2014 and 2015, and many more.

MR. ASIF PEER

CEO & MANAGING DIRECTOR





MR. ARSHAD **MASOOD**

NON EXECUTIVE DIRECTOR

Mr. Arshad Masood started his career with IBM Corporation in the US and held various professional and managerial positions, including Sales Manager. He was a consistent top performer and his primary objective was to enhance customer relationships, protect their revenue base, and identify new revenue opportunities. In 1994, Mr. Arshad Masood founded Visionet Systems, Inc., USA, which was acquired by Systems Limited in 1997.

As founder, Mr. Arshad Masood envisioned and executed a strategy to create a general-purpose consulting and solutions company. As CEO, Mr. Arshad Masood is responsible for long-term strategic planning and providing guidance to operations across the enterprise. He helped Visionet Systems build a strategy and value proposition for products and services in the mortgage industry. Mr. Arshad Masood holds a BSc (Engineering) degree from Engineering University, Lahore, an MSc degree from University of Guelph, Canada, and an MBA degree from Baruch College, New York.

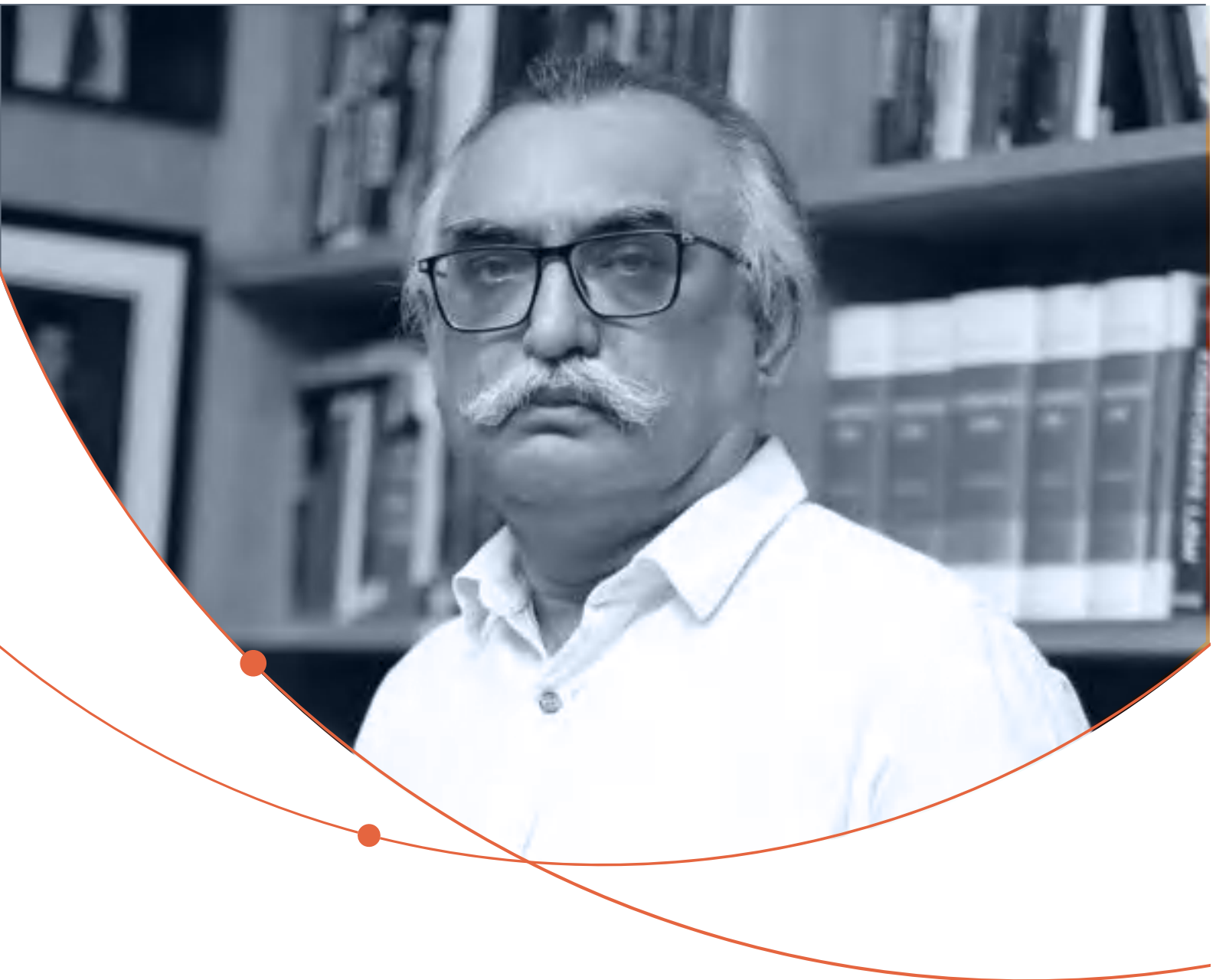
Ms. Romana Abdullah is CEO of Highpoint Ventures (Pvt) Ltd and leads Hopscotch, a kids wear brand she co-founded in 2014. Prior to becoming an entrepreneur, Romana led the strategic planning and transformation functions at MCB Bank and Soneri Bank. Earlier, Romana spent significant time at The Boston Consulting Group (Management Consulting) and Merrill Lynch (Investment Banking) in New York, where she focused on strategic, financial, and operational assignments for Fortune 500 financial services and consumer clients.

Romana is also on the board of Karandaaz, a DFID and Gates Foundation funded company that promotes access to capital for small businesses and digital financial inclusion for individuals in Pakistan. She also mentors young start-ups, incubators, and accelerators in her free time. Romana has a BSc in Financial Engineering from Princeton University and an MBA from the Harvard Business School.

MS. ROMANA ABDULLAH

INDEPENDENT DIRECTOR





MR. SHABBAR ZAIDI

INDEPENDENT DIRECTOR

Mr. Shabbar Zaidi is a graduate with distinction from Hailey college of Commerce , Lahore and a Chartered Accountant. He is Fellow Member of the Institute of Chartered Accountants of Pakistan (FCA).

Mr. Zaidi has served as the Chairman of Federal Board of Revenue, GOP, for the year 2019 - 2020. Previously, Mr. Zaidi also served as Caretaker, Ministry of Finance, Board of Revenue, Excise and Taxation, Government of Sindh. In addition, he has been Territory Senior Partner at AF Ferguson & Co. till 2019. He has also been the Founder Director, Pakistan Institute of Corporate Governance from 2003-2009.

Mr. Zaidi has been involved in extensive interactions with regulatory authorities on domestic and international levels. In addition he has also been part of representation to authorities regarding practical issues and suggested measures and recommendations for reforms.

Further, Mr. Zaidi has also written several books which includes: (a) A journey for clarity – An analysis of some accounting concepts in taxation matters; (b) Pakistan: Not a failed State; (c) Panama Leaks: A Blessing in disguise – Offshore assets of Pakistani Citizens; and (d) Rich people Poor Country – The story of fiscal and foreign exchange policies in Pakistan.

Mr. Omar Saeed graduated with high honors from Brown University and did his Master's in Business Administration from Harvard Business School. Omar has recently been appointed Chief Executive Officer of Service Long March Tyres (Private) Limited, a Joint Venture between Service Industries Limited and Chaoyang Long March Tyre Co., Ltd. Additionally, Omar serves as the Chief Executive Officer of Servis Foundation.

Omar has served as the Chief Executive Officer of Service Industries Limited (SIL) from 2011 to 2018. Under his stewardship, SIL won the highly prestigious Pakistan Stock Exchange Top 25 Companies Award for the years 2011, 2013, 2014 and 2015. Prior to that, Omar was responsible for building Servis into Pakistan's largest footwear retailer, with 500 stores and more than PKR 12 Billion in annual revenues. He founded Ovex Technologies (Private) Limited in 2004, which went on to become one of Pakistan's leading call center companies before the business was sold in 2011. He has served on the Boards of various private and public companies in the past. Omar has also been an adjunct faculty member of LUMS where he taught entrepreneurship.

MR. OMAR **SAEED** INDEPENDENT DIRECTOR





MR. ASIF JOOMA

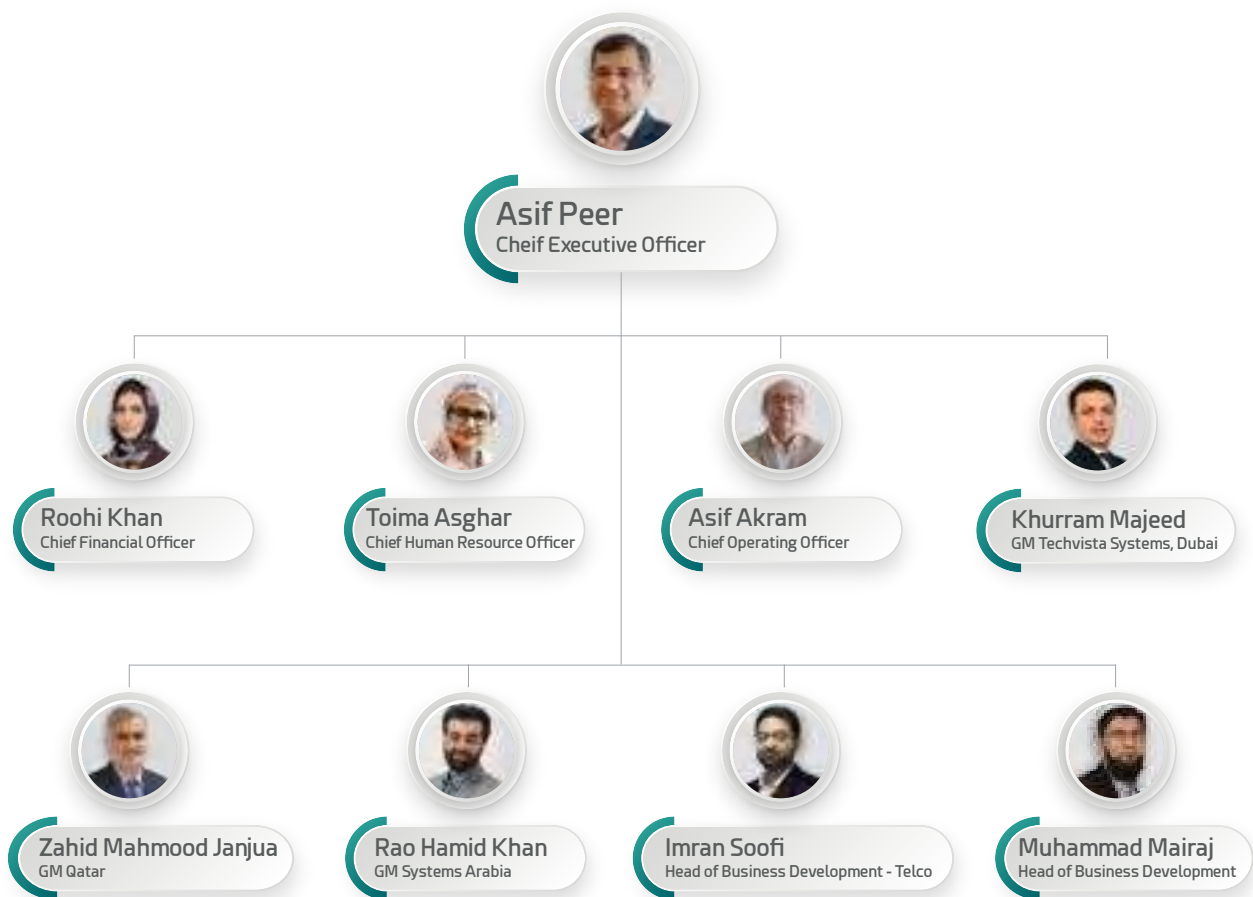
INDEPENDENT DIRECTOR

Mr. Asif Jooma started his career in the corporate sector with ICI Pakistan in 1983 and has over 28 years of extensive experience in senior commercial and leadership roles.

Following early years with ICI Pakistan and subsequently Pakistan PTA Limited, Asif Jooma was appointed Managing Director of Abbott Laboratories Pakistan Limited in 2007. After serving there for nearly six years, he was appointed Chief Executive of ICI Pakistan Limited in February 2013. A Bachelor of Arts in Developmental Economics from Boston University, Mr. Asif has previously served as President, American Business Council (ABC), President of Overseas Investors Chamber of Commerce & Industry (OICCI) and Chairman of Pharma Bureau. He also serves as a Director on NIB Bank Limited, Systems Limited and Board of Investment, Government of Pakistan.

OUR LEADERSHIP

These are the seasoned professionals and industry veterans that lead our organization. Systems Limited is driven by the profound experience and business acumen that these gifted individuals share with us every day.



Mr. Asif Peer is currently serving as Chief Executive Officer (CEO) and Managing Director (MD) of Systems Limited, the same company where he began his career as a software developer in 1996, and also serving as a Member of the Board of Directors.

He completed his graduation in Computer Sciences at the National University of Computer and Emerging Sciences (NUCES) in Karachi. He positioned himself in the lead for a job at Systems Limited soon after graduation. He also completed his MBA in Marketing and Finance from the Institute of Business Administration (IBA) in Karachi only a year later. He is associated with Systems Group with more than 25 years in various Senior Management positions executing company growth strategy in line with the vision and mission.

Under his leadership, the company has won several accolades, including Forbes Asia's Best Under a Billion 2021 and 2022, Microsoft Business Applications 2021/2022 Inner Circle award, Pakistan Top IT Export Award, Microsoft Country Partner of the Year, multiple PSEB IT Export Awards since 2016, membership of Microsoft Dynamics President's Club in 2014 and 2015, and many more.

**ASIF
PEER**
CHIEF EXECUTIVE
OFFICER

Ms. Roohi Khan is currently part of the Business Leadership team and is responsible for the overall financial health and performance of the group.

Acting as a strategic business partner, she is supporting business in delivering sustained growth and maximizing shareholder value. Before joining Systems Limited, she has worked with PwC, PepsiCo and Levi Strauss & Co. Ms. Roohi is a Chartered Accountant from ICAP, with about 20 years of professional experience.

**ROOHI
KHAN**
CHIEF FINANCIAL
OFFICER



**TOIMA
ASGHAR**
CHIEF HUMAN
RESOURCE
OFFICER

Ms. Toima Asghar has been associated with the HR fraternity for approximately two decades and leading the human resource function in large organizations operating in banking, wholesale, broadband, academia, and IT industries.

As an HR strategist, she leads organization's Human Capital function to build a sustainable competitive advantage through its human resource by collaborating with the teams for the right selections and development of the existing talent while focusing on talent management and providing careers to the human resource of the organization.

Mr. Asif Akram is an experienced global management consultant and an information technology professional having over 20 years of experience.

As the COO of Systems Limited, he is responsible for the delivery of Systems services while driving operational excellence, improving efficiency, and building upon Systems Limited's strong foundation for achieving accelerated growth.



**ASIF
AKRAM**
CHIEF OPERATING
OFFICER



**ZAHID
MAHMOOD
JANJUA**
GM QATAR

Mr. Zahid Janjua is an information technology professional with over 25 years of extensive experience.

Over the years, Mr. Zahid has managed multi-million dollar projects, portfolios, and teams. He has a strong technical and managerial background with senior-level international (US) experience and cross-sector exposure. Good strategic vision and ability to implement sophisticated plans with a proven record of accomplishments explicitly supporting business needs are the hallmarks of Mr. Zahid's professional repertoire.

Mr. Khurram Majeed leads the IT Professional Services division for operations in the UAE.

He is responsible for services strategy, delivery, competencies, revenue and earnings growth, liquidity management, and portfolio for enterprise, commercial, and public-sector customers. Through his leadership, he helps customers achieve innovative business technology outcomes through software platforms and integrated smart solutions.



**KHURRAM
MAJEED**
GM TECHVISTA
SYSTEMS,
DUBAI



**RAO
HAMID
KHAN**

GM
SYSTEMS ARABIA

Mr. Rao Hamid has served in the IT industry for over two decades with multinational organizations.

After serving as Application Innovation Services and Telecommunications Industry Leader at companies like IBM and Teradata, he joined Systems Limited as a Chief Commercial Officer and is currently holding the position of General Manager. He currently holds P&L responsibilities for the Domestic Operations for Systems Limited, provides direct management oversight and owns the execution strategy for the domestic business.

Mr. Imran Soofi leads the Telecom business at Systems Limited. By helping our Telco clients globally in solving their business challenges through technology solutions that have a high ROI, optimal TCO and efficient TAT, he is responsible for strategy, revenue and growth of our Telco clients, markets and offerings to ensure long term, profitable and sustainable business development.



**IMRAN
SOOFI**

HEAD OF BUSINESS
DEVELOPMENT
TELCO



M. MAIRAJ
HEAD OF BUSINESS
DEVELOPMENT

Mr. Muhammad Mairaj is responsible for business growth, delivery excellence, customer satisfaction, profit and loss and portfolio management for Banking and Insurance (BFSI), Retail, Utilities, Public-sector and other commercial customers in Pakistan. He is further responsible for on-boarding new partners to extend the reach and amplify the business opportunities.

Through his leadership and experience over two decades, he has played a vital role in transforming the industry specially in BFSI.



CHAIRMAN'S MESSAGE

Creating an organization designed for perpetuity

Dear Shareholders,

I am delighted to present the 2021 annual report. The results exhibit that your company has successfully executed its strategy in these testing times of Covid. Fortunately, despite the difficult economic conditions, the demand for IT services has remained robust and your company has taken advantage of this opportunity. We have grown in revenue, profitability and expanded geographically.

The Covid-19 pandemic has helped strengthen focus on our human resource, and we have dramatically improved our engagement with employee needs for safety and health and facilitating a hybrid work environment. It is heartening to note that despite the challenges of working from home our employees have maintained their productivity.

I am proud that Systems has led with "people first" approach and created employment opportunities as well as career advancement for our resources. In 2021 we have added a net of over 1800 bright minds to the company. Most were selected and successfully onboarded virtually and have become productive. Using the now established work from home opportunity we are working towards improving our gender ratio by offering work from home on full time or part time basis to women.

Your company has grown manifold in the last 5 years and plans to continue this growth level. To do this the management structure has been strengthened. This will allow the company to grow both in revenue and profitability across geographies.

Most importantly the company has maintained our tradition of excellent engineering quality and delivery management, as witnessed by the repeat business and referrals we get from our clients and partners. Client retention has been engine for growth as on average over 80% of our new business every year continues to come from existing clients who are also our best references.

We remain committed to growing our employee ownership by supporting a robust stock option plan. This is for creating an organization designed for perpetuity.

Your company has won several international recognitions both for skill and governance, and I congratulate the management and all members of the Systems family for this excellent performance and wish them and their families a healthy and prosperous 2022.

I am grateful for the able guidance that we have received from our Board and thank them for their commitment and support of the company.

Finally, we thank all our customers worldwide who have given us the opportunity to service their IT needs and continue to do so.

Aezaz Hussain



CEO'S MESSAGE

An exceptional year of transformation,
achievements and exciting new opportunities

Dear Esteemed Shareholders, Investors, Partners, Clients and all Colleagues,

I am thankful to all my colleagues, board members, clients, partners, and shareholders for their trust in the company and leadership. I am pleased to present to you a glimpse of Systems during this crucial and transformative time.

This was a hypergrowth year and the Company has more than doubled the revenue and profitability over two years. This could not have been possible without our leadership and following our core values - Courage, Commitment and Customer Centricity. We focused on our core, and we delivered value to our customers. Their recognition is evident from recurring and numerous business opportunities. So, I want to thank our customers for patronage.

Systems' full-year 2021 revenue was Rs 15.3 billion, a year-over-year growth of 55%, operating margin was 21%. Diluted EPS was Rs 31.96, and free cash flow was Rs 1.4 billion. Systems experienced strong growth from all regions and returned approximately 20% of its earnings to shareholders through share dividend payments.

Systems' performance and achievements received recognition not just locally but globally, by receiving "Forbes Asia Best Under a billion" award second year in a row. The Company also received an award in the "Outstanding Company" category from Asia Money. Microsoft recognized Systems with their InnerCircle award as one of the top Global Technology Partners 2020/2021 for Microsoft Business Application. The Company also received recognition locally from Pakistan Software Houses Association for IT and ITes (P@SHA), Lahore Chambers of Commerce and Industry (LCCI) and Pakistan Stock Exchange (PSX)

We made significant progress in our effort to strengthen the company's position for accelerated revenue growth. We are constantly looking for avenues for our growth and we will continue to give value to our customers, be their trusted partners and problem solvers. We intensified our client-centricity, refined our strategy, developed differentiated capabilities, strategic partnerships, robust delivery, along with disciplined execution and established a itemized cost structure that give us the capability to deliver transformative outcomes for all our stakeholders.

We have complemented our talented teams with the hiring of resources with diverse skillset and experience as well as highly skilled leaders which has lifted the engagement levels of our associates to greater heights. Systems is also nurturing employee ownership in the company which is going to strengthen our leadership for future growth. We are working on many initiatives to make sure that we have ample supply to fulfill the demand that is being created. This has been a transformational year for the IT Industry in Pakistan. We are proud to say that Systems has led the way and created the vibrance in the ecosystem for generating employment by being the leading IT exporter two years in a row. We are working aggressively in upskilling and reskilling because we believe there is a lot of potential. Going forward, the Company has laser focus on customers and technology which is in demand. We are aggressively focusing on the growth journey with this diversification in geographies, technologies and markets with our startups.

This year we also made a strategic investment in Salesflo and Jugnu, the brands owned by Retailistan. This acquisition will open broader avenues and create greater benefit from the revolution taking place in the retail universe of the country and the potential it offers.

As I look ahead, I am more optimistic than ever of the enormous opportunity ahead of us. Technology, especially digital, data and cloud, continue to be at the center of change for large enterprises globally. We believe we are in a new phase of growth propelled by increased commercial momentum, a portfolio focused on faster-growing market and geographic segments, a stronger partner ecosystem, a more robust demand environment, a better cost structure and enhanced government support for the IT sector hyper growth. We are resolved to take Systems as regional industry leader.

Thank you for your support, trust and guidance. Stay Safe and Healthy.

Asif Peer
Chief Executive Officer

DIRECTOR'S REPORT

TO SHARE HOLDERS



THE DIRECTORS OF THE COMPANY TAKE PLEASURE IN PRESENTING THE ANNUAL REPORT OF YOUR COMPANY, TOGETHER WITH THE UNCONSOLIDATED AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021.

GROUP OVERVIEW:

The Company is a public limited company incorporated in Pakistan under the Companies Act, 2017, and listed on the Pakistan Stock Exchange. The Company was incorporated in 1977 and is principally engaged in the business of software development, trading of software and business process outsourcing services.

The Group comprises of Systems Limited (Holding Company) and its subsidiaries – TechVista Systems FZ LLC, SUS (Private) Limited (incorporated for Baluchistan Land record project), Systems Arabia LLC, Systems Venture (Private) Ltd and an associated company - E-Processing Systems B.V.

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

Systems Arabia, a limited liability Company incorporated in Saudia Arabia, is 100% owned subsidiary of Systems Limited. Systems Arabia is engaged in the business of developing software and providing ancillary services.

Systems Ventures (Private) Limited (SV), a private limited company registered under Companies Act 2017, is a 99.98% owned subsidiary of Systems Limited. Systems Venture is established in Pakistan to invest in new ventures, start ups and incubate new ideas. During the year, SV invested Rs. 468 million in Retailistan (Private) Limited acquiring a 20% stake.

Retailistan provides a leading Sales and Distribution Platform called SalesFlo that is trusted by a number of large FMCG manufacturers. It's a SaaS B2B platform that allows stores to place orders directly to manufacturers/wholesalers/authorized distributors on the platform. The platform covers Distribution Management System, Digital Merchandising and Instore Marketing tool, and Data science solutions (Data Analytics). Currently used by around 15,000 distributor agents through FMCGs. Retailistan has a wholly owned subsidiary called Jugnu, which is an online marketplace accessible through a mobile app to enable retailers to buy a variety of products. Jugnu buys from manufacturers and distributors, stores in their warehouses and deliver next day based on orders received from retailers. So it's a B2B E-commerce play.

E-Processing Systems B.V. (EPS), a private limited Company registered in Netherlands, is a 44.60% owned associate of Systems Limited. During the year, the shareholders of E-Processing Systems (Private) Limited, under Paragraph 13B of Chapter 20 of Foreign Exchange Manual, applied to the State Bank of Pakistan (SBP) to incorporate a holding company outside Pakistan. Accordingly, a company named E-Processing Systems B.V. was incorporated in Netherlands and Sytems Limited swapped / mirrored its shares with 179,507 fully paid ordinary shares of equal value at USD 0.01/- each, representing 44.60% shares in E-Processing Systems B.V. EPS is currently engaged in the business of purchase and sale of teleco's airtime and related services. The product of the Company is called OneLoad. The Company is in the process of launching OneZap under E-Money license from State Bank of Pakistan (SBP).

The financial statements of the Company and the Group truly reflect the state of Company's affairs and fair review of their business.

ACTIVITIES:

The Company's revenue comes primarily from Digital Services, Managed Services, Consulting Services, IT outsourcing and Business Process Outsourcing/Contact Center. The Company generates 80% of its revenue from export of Services to various geographies such as North America, Europe and Middle East and about 20% from domestic market. The Company is well diversified into various business verticals such as Telco, Retail, CPG, Pharma, Banking and Public sector. Moreover, the service offerings are also diversified in the form of Data Integrations, Modern Dev App, Cloud and Digital Services, as well as Business Process Outsourcing (BPO) and Omni Channel Contact Center.

FINANCIAL PERFORMANCE OF THE COMPANY AND THE GROUP DURING 2021

UNCONSOLIDATED:

The Company's financial results for FY21 have maintained a strong trajectory. Operating revenues for the year in local currency were Rs. 11,903.5 million showing an above industry growth of 58% over the previous year. Profit after tax for the year was Rs. 3,320.7 million showing a growth of 51%. Gross profit and operating profit increased by 43% and 38% respectively. Since FY17, the Company has delivered a Compounded Annual Growth Rate (CAGR) in revenues of 42%. The revenue growth has been mainly driven by IT services and profitability growth has been driven by demand and growth across all geographies and all verticals. Revenue in USD also showed a growth of 57% and profit growth of 50%.

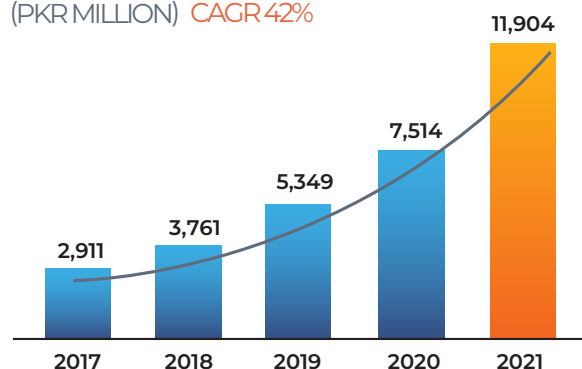
The Company derives 80% of its revenues from Digital services and 20% through Managed services. Successful delivery during the pandemic has strengthened the engagement with clients.

The Company has developed a design studio and engineering garage to provide an engaging customer experience by combining the best of technology and human interaction, in a personal, instant and easy manner.

Unconsolidated			
Particulars	FY 2021	FY 2020	Y/Y
Revenue	11,903,583,911	7,513,766,845	58%
Gross profit	3,991,141,283	2,797,980,818	43%
Operating Profit	2,816,512,795	2,044,597,986	38%
Profit before taxation	3,352,565,630	2,267,329,045	48%
Profit after taxation	3,320,691,476	2,193,914,942	51%
Earnings per share (basic)	24.12	16.05	50%
Earnings per share (diluted)	23.89	15.85	51%

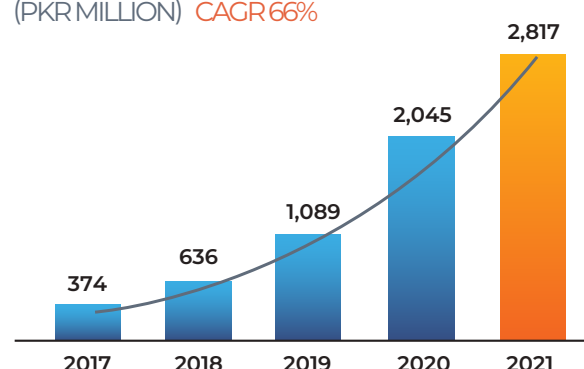
UNCONSOLIDATED - REVENUE

(PKR MILLION) CAGR 42%

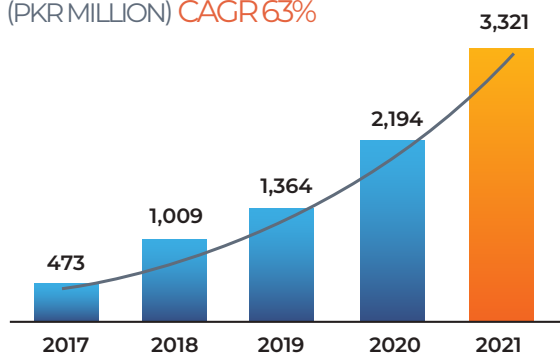


UNCONSOLIDATED - OPERATING PROFIT

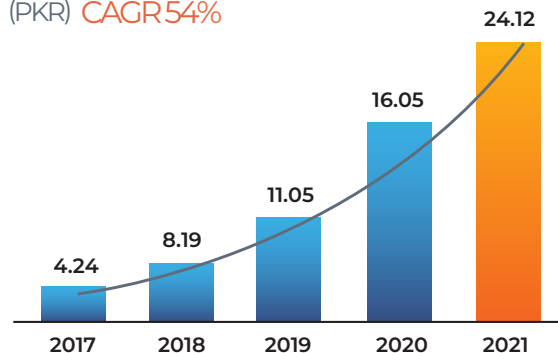
(PKR MILLION) CAGR 66%



UNCONSOLIDATED - NET PROFIT (PKR MILLION) CAGR 63%



UNCONSOLIDATED - EPS-BASIC (PKR) CAGR 54%



CONSOLIDATED:

During year ended 31 December 2021, consolidated revenue grew by 55% from Rs. 9,876.8 million to Rs. 15,304.0 million. Gross profit and operating profit increased by 53% and 50% respectively. Net profit for the period increased by 103% from Rs. 2,164.3 million to Rs. 4,379.6 million which included a one time gain of RS 816.2 million arising from the conversion of EP Systems BV from a subsidiary to an associate. Basic and diluted earnings per share increased by 100% over the same period last year. Revenue growth in USD is 54% and operating profit is 50%.

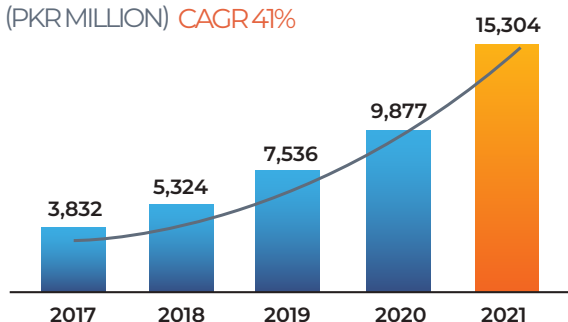
Growth in revenue is contributed by both the Company and its subsidiaries. Majority of the work from our group companies has moved from onsite to offshore.

Consolidated			
Particulars	FY 2021	FY 2020	Y/Y
Revenue	15,304,037,567	9,876,827,710	55%
Gross profit	4,989,671,717	3,257,187,507	53%
Operating Profit	3,169,136,194	2,113,716,697	50%
Gain on disposal of subsidiary*	816,226,748	-	100%
Share of loss from associate**	(83,384,503)	-	100%
Profit before taxation	4,433,603,915	2,282,258,059	94%
Profit after taxation	4,379,659,280	2,164,297,683	103%
Earnings per share (basic)	32.41	16.17	100%
Earnings per share (diluted)	32.10	15.96	101%

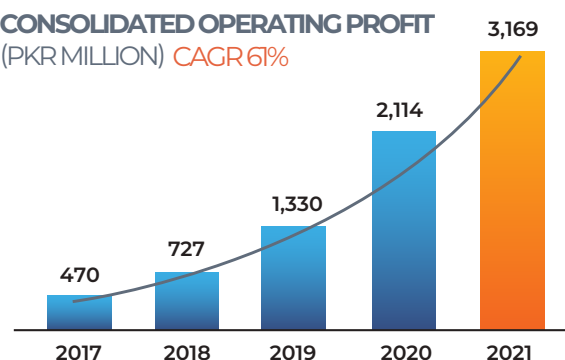
* This one-time gain has been recognized in the consolidated financial statements arising from conversion of E-Processing Systems B.V. from a subsidiary to associate on account of dilution of voting rights resulting from investment of Gates Foundation in irredeemable preference shares.

** The share of loss is coming from Retailistan and proportionate share of loss from EP Systems B.V..

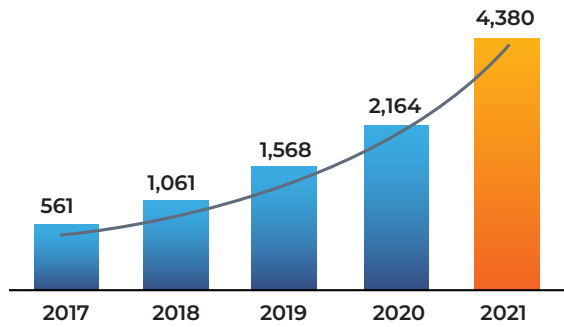
CONSOLIDATED REVENUE (PKR MILLION) CAGR 41%



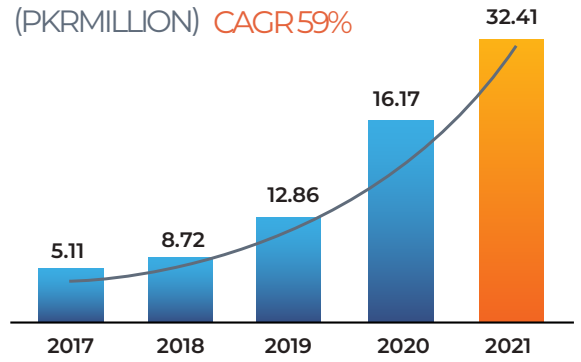
CONSOLIDATED OPERATING PROFIT (PKR MILLION) CAGR 61%



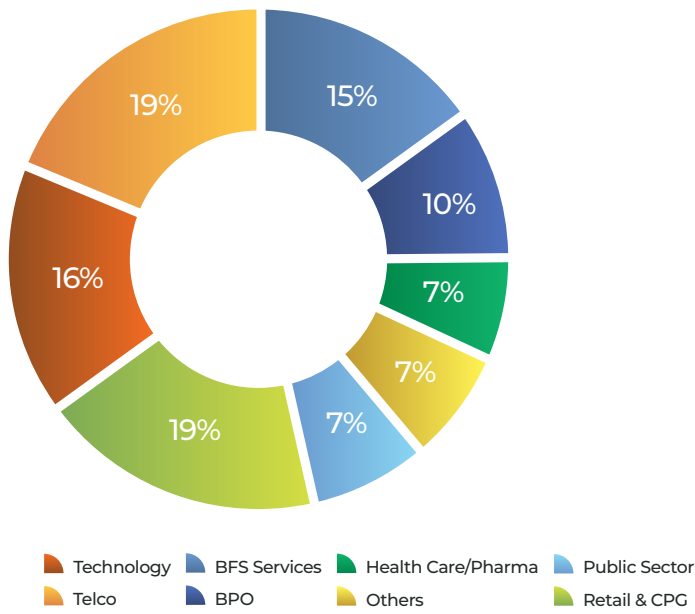
CONSOLIDATED NET PROFIT
(PKR MILLION) CAGR 67%



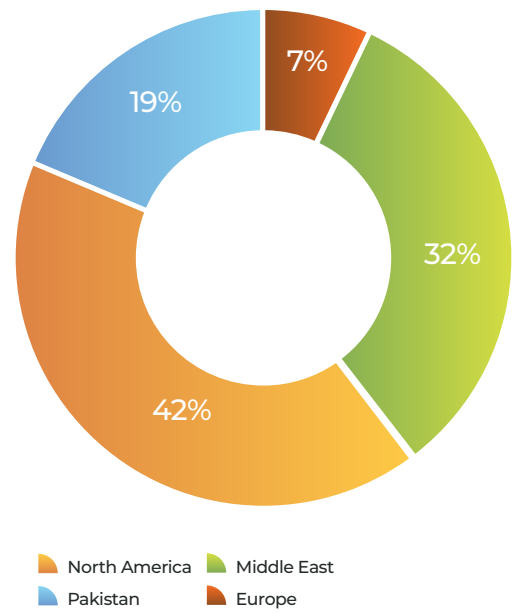
CONSOLIDATED EPS - BASIC
(PKR MILLION) CAGR 59%



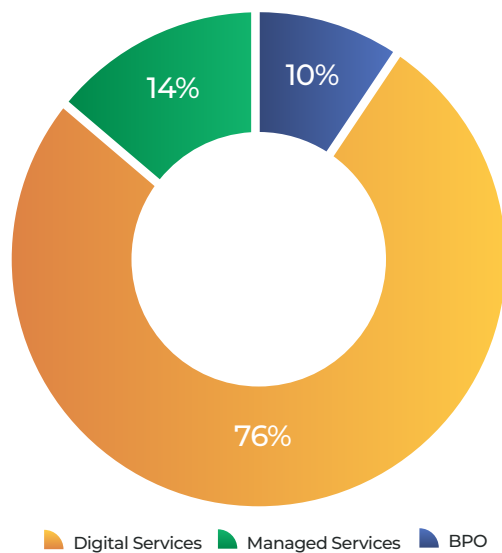
REVENUE BY SECTORS



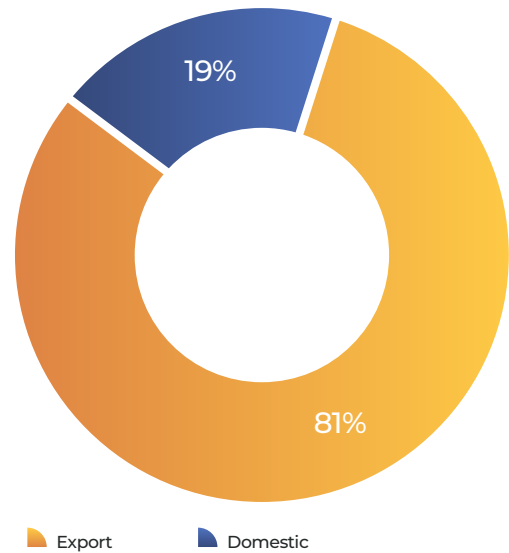
REVENUE BY GEOGRAPHIES



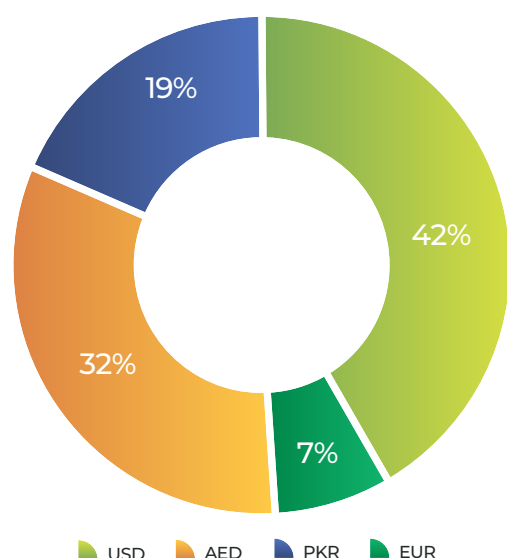
REVENUE QUALITY



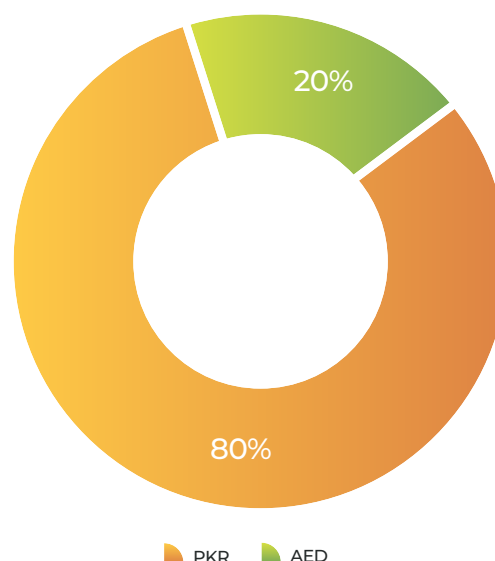
EXPORT CONTRIBUTION



REVENUE BY CURRENCY



COST BY CURRENCY



PERFORMANCE BY SEGMENT – (CONSOLIDATED)

The segment analysis shows a strong growth across all four segments, with Middle East region taking the lead, followed by Pakistan and North America. Export sales of the Company are approximately 80% of total sales, with the Company's target being to further increase the export component going forward. Diversification into new regions and new markets will support this objective as the company is actively looking to expand in newer areas.

During the year, the Company made significant progress in strengthening its position for accelerated revenue growth by intensifying client centricity, refined business strategy and establishing an itemized cost structure that enabled the Company to make further investments in growth.

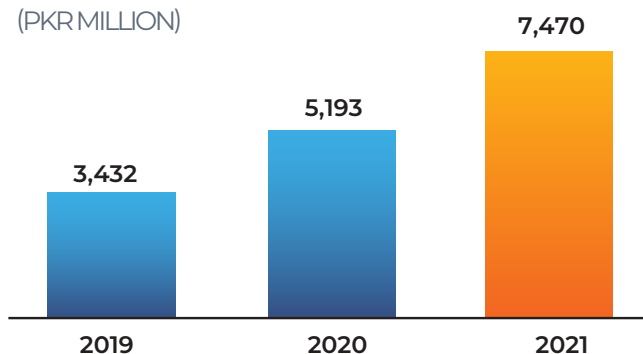
	North America		Europe		Middle East		Pakistan		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	-Rupees-									
Revenue from contracts with customers	6,423,003,195	4,367,846,372	1,047,044,453	825,305,235	4,999,529,027	2,699,811,070	2,834,460,892	1,983,865,033	15,304,037,567	9,876,827,710
Cost of revenue	(3,896,570,096)	(2,392,470,816)	(658,775,716)	(498,779,658)	(3,479,703,994)	(2,218,084,612)	(2,279,316,044)	(1,510,305,117)	(10,314,365,850)	(6,619,640,203)
Gross profit	2,526,433,099	1,975,375,556	388,268,737	326,525,577	1,519,825,033	481,726,458	555,144,848	473,559,916	4,989,671,717	3,257,187,507
Distribution expenses	(22,951,806)	(17,406,721)	(3,642,228)	(4,024,698)	(6,857,599)	(7,462,548)	(352,147,834)	(172,130,762)	(385,600,533)	(201,024,729)
Administrative expenses	(702,630,379)	(324,640,784)	(85,681,292)	(66,340,926)	(500,666,597)	(218,841,511)	(133,084,344)	(112,487,335)	(1,426,803,958)	(722,310,556)
Profit / (loss) before taxation and unallocated income and expenses	1,800,850,914	1,633,328,051	294,202,805	256,159,953	1,012,300,837	255,422,399	69,912,670	188,941,819	3,177,267,226	2,333,852,222
Unallocated income and expenses:										
Other operating expenses									(8,131,032)	(220,135,524)
Other income									653,030,134	235,201,037
Gain on disposal of subsidiary									816,226,748	-
Share of loss of associate									(83,384,503)	-
Finance cost									(121,404,658)	(66,659,676)
Profit before taxation									1,256,336,689	(515,941,633)
Taxation									4,433,603,915	2,282,258,059
Profit for the year									(53,944,635)	(117,960,376)
									4,379,659,280	2,164,297,683

NORTH AMERICA & EUROPE

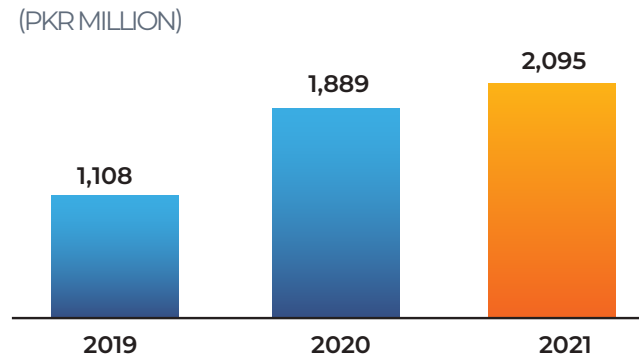
The North American market has been very conducive for the technological skills that the Company has to offer on a global basis and all three service offerings of digital, data and cloud have grown significantly in the market. The Company has invested and created business solutions that helped the group in acquiring new customers during the year and the Company is confident that these new customers will play an anchor role in future recurring revenue for the group.

In Europe, the group has started UK operations in the second quarter of the year under review. The Group was able to secure anchor customers with revenue accruing in the second half of 2021. The Company believes that these customers will continue to generate revenue for the company in 2022 and will be critical for its future growth and strategy. However, the Company has been challenged in the DACH region where due to covid, extensive travel restrictions were imposed for most of the year and travel for business was significantly impacted which resultantly impacted business development and project execution in the region. Moreover, there is a serious resource scarcity in the DACH region. Most companies are language sensitive and the Company was not able to onboard as many local employees as required.

NA & EUROPE - REVENUE
(PKR MILLION)



NA & EUROPE - PROFIT
(PKR MILLION)

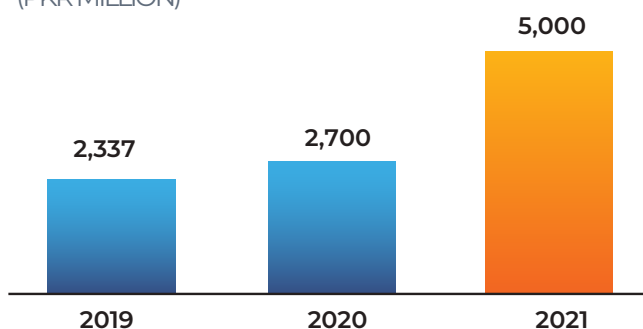


MIDDLE EAST

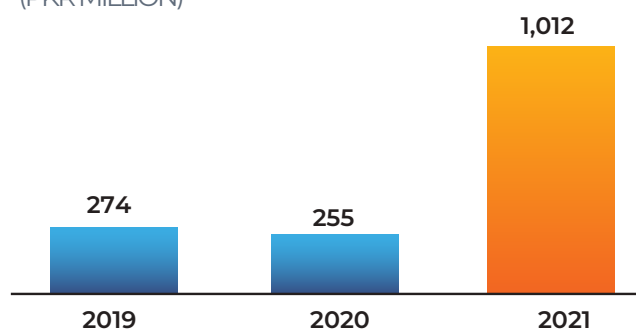
In the Middle Eastern region, the Company experienced a major growth in business through improvement in quality of revenue by increasing offshoring mix over previous years which has resulted in higher profits for the group. The Company also invested in various relevant offerings for the market which helped opening more accounts.

During the year, TVS earned a revenue of AED 101.1 million (2020: AED 58.1 million) and profit of AED 11.1 million (2020: AED 1.8 million) with 18% GP and 11% NP margins.

ME - REVENUE
(PKR MILLION)



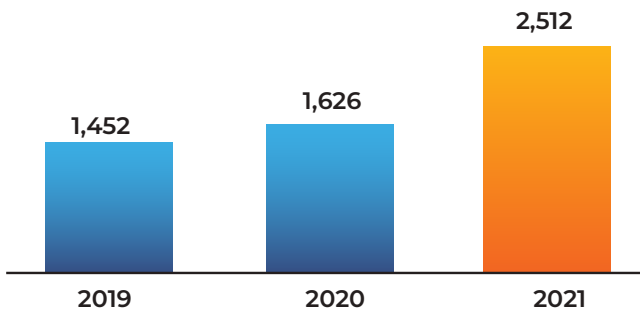
ME - PROFIT
(PKR MILLION)



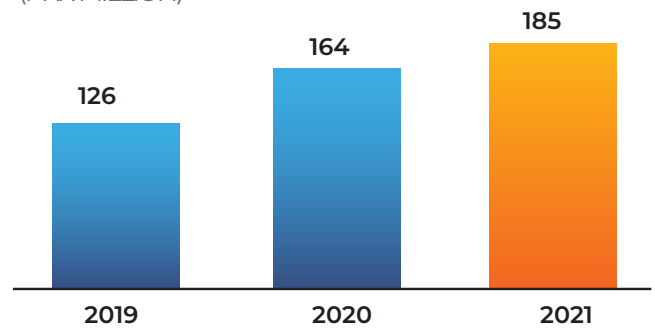
PAKISTAN

The Company has been restrategizing its domestic business as a consequence of which in 2021, it was able to reposition the customer base to private sector large scale enterprises from public sector and SMEs. The Company focused on securing longterm recurring managed service contracts with Teleco and Financial institutions. The Company has significantly reduced BPO in the domestic market.

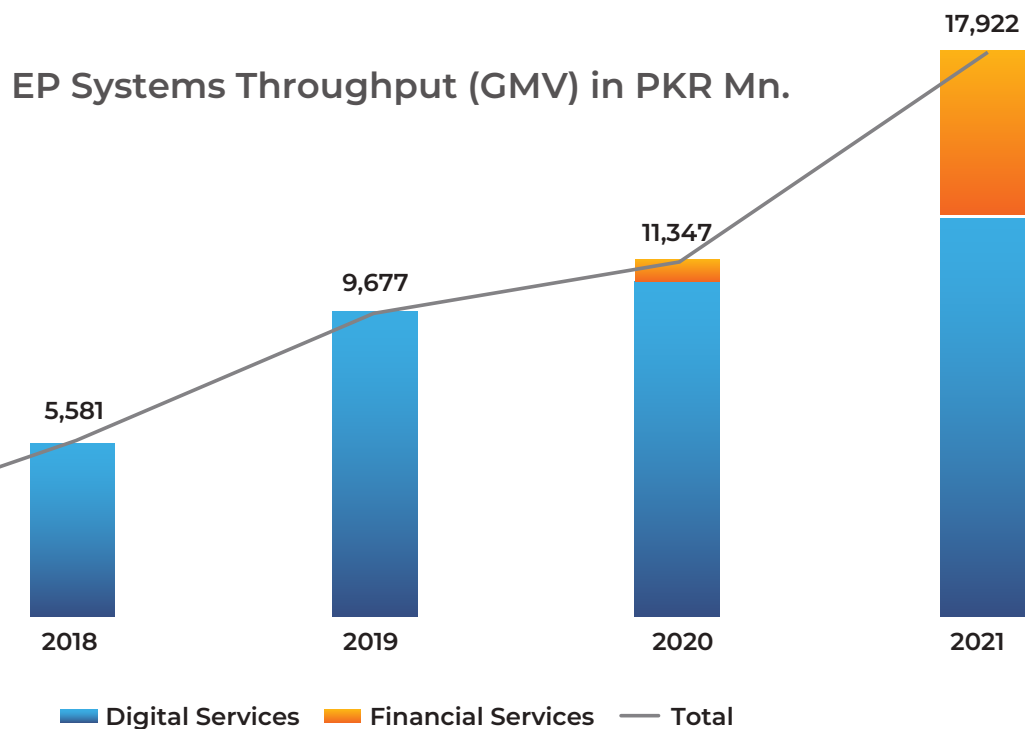
PAKISTAN - REVENUE
(PKR MILLION)



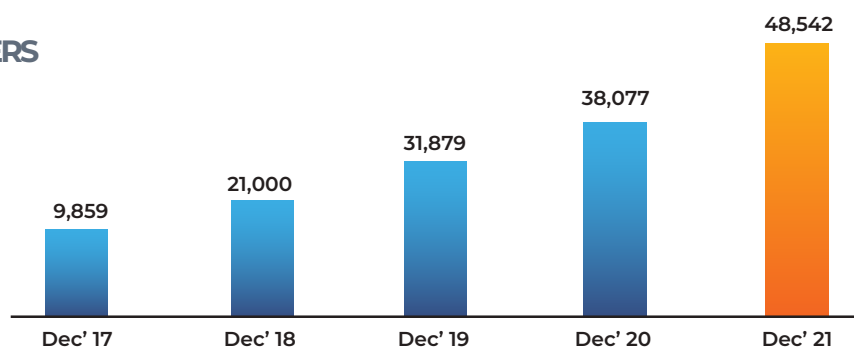
PAKISTAN - PROFIT
(PKR MILLION)



E-Processing Systems B.V. (EPS) has shown consistent growth with total throughput of Rs. 17.9 billion in transaction value for the year as compared to Rs. 12.5 billion in the previous year. During the year, EPS built eight regional sales hubs around the country to effectively target new retail signups and scale up its distribution reach.



EP SYSTEMS ACTIVE RETAILERS



DIVIDEND & APPROPRIATIONS

For the year 2021, the Directors recommend a payment of final cash dividend @ Rs. 5 per share (2020: Rs. 3.5 per share) and a bonus issue of 100% (2020:10%).

The following appropriation on account of dividend was made during the year:

	Un-appropriated profit (PKR)
Balance as at 31 December 2020	5,307,971,413
Total comprehensive income for the year	3,320,691,476
Less:	
Final dividend for the year ended 31 December 2020 at the rate of PKR Rs 3.5 per share	(436,182,919)
Bonus share issue	(124,623,690)
Balance as at 31 December 2021	8,067,856,280

EARNINGS PER SHARE

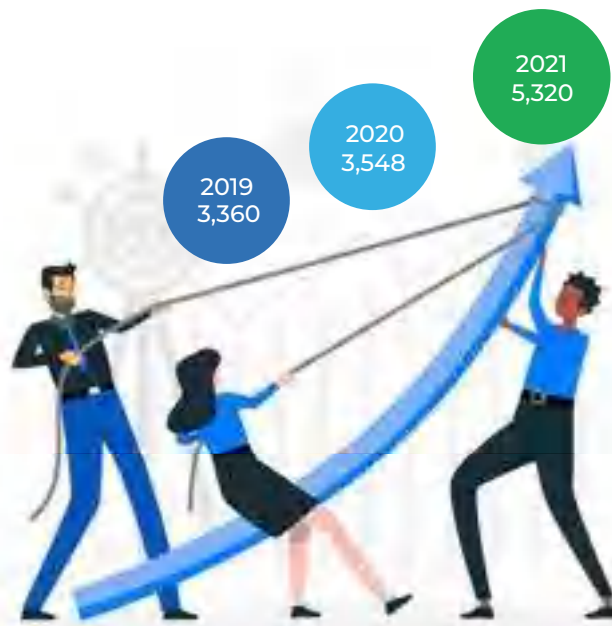
Basic and diluted earnings per share for the year ended 31 December 2021 for the Company are Rs. 24.12 and Rs. 23.89 (31 December 2021: Rs. 16.05 and Rs. 15.85) per share. Similarly, the basic and diluted earnings per share for the Group are Rs 32.41 and Rs. 32.10 (31 December 2020: Rs.16.17 and Rs. 15.96) per share.

PEOPLE'S UPDATE

The Company invested extensively in hiring, training and development of human resource during the year. Net ~ 1826 employees were onboarded during the year. Company's attrition rate for IT employees was 21%, Under the annual Management Trainee Program, 375 fresh graduates were hired during the year.

The Company partnered with Rausing Executive Development Center (REDC), LUMS to establish the SysVisTech Leadership University. This is a customized fast-track intervention designed for the future leaders within the organization, where 77 future leaders have graduated in 3 cohorts. The Company launched Coursera and Cloud Guru to enable sustainable digital learning for the resources. The Company also partnered with other leading institutes in academia like Edge Training Program, Parwaaz PSDF to upskill future talent.

The Company advanced employee recognition and engagement by facilitating multiple events, interventions and platforms to raise the level of engagement with employees. The Company also launched Re-ignite program to offer flexible programs for female professionals who were forced to take career breaks due to their personal circumstances, to enable and empower them to resume careers.



INFRASTRUCTURE

The Company is opening offices in cities where supply is concentrated so that people are not forced to relocate and are able to work out of their base locations. In line with this, Multan and Faisalabad offices are operational. Next year, the Company is targeting Peshawar and Hyderabad.

New office has been leased in Karachi which will accommodate additional 900 by Q2 of 2022.

In Lahore office, BPO is relocating to a new facility in early next year. That will create additional capacity for about 1,000 IT resources in the head office building. Moreover, the Company will start the construction of rear tower in Lahore in the second quarter of 2022 and which will create additional capacity for 600-650 resources. This tower will have a big auditorium as well to conduct inhouse trainings and meeting sessions. The new tower is expected to be operational by early of 2023.

Moreover, the Company will be considering building a parking tower in the current Lahore facility to accommodate about 400+ additional cars.

The Company has rented another office space in Islamabad to accommodate additional 300 resources.

The Company has also obtained a license for acquisition of 4 acres of land in Islamabad Special Technology Zone that has been allocated by the Government.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company continues to take ownership in building, supporting and elevating the community through several initiatives directed in three directions, strategically aligned with organization's sustainable objectives; Education, Health & Climate Change. The company has spent about Rs. 35m in this regard in the financial year.

Education, skill upliftment and youth development remains at the core of the Company's CSR strategy. The aim is to develop the future workforce and improve the literacy by partnering with several institutes for trainings, education, certifications & workshops.

The overall status of health and medical services available to the community is among top corporate social responsibilities. The Company continues to support, aid and help facilitation of healthcare conveniences to the society through collaborations, donations and sponsorships for the cause.

ENVIRONMENT, SOCIAL, GOVERNANCE (ESG)

The Company enhanced the ESG commitment by outlining Systems ESG Vision 2030 to increase the focus in shaping and sharing solutions that serve the business and communities. The Company is compliant with UN sustainability goals and has mapped against the key principles. The Company believes that the happiest people make the happiest customers and people being the integral part of the Company's business, Company is investing significantly in the development and training of the employees and in providing a comfortable work environment for the employees. To protect the planet for future generations, the Company takes Climate Change as a global challenge and aims to support in sustainable development, utilization of resources and awareness.

The Company has taken the following key steps to on the sustainability pillars:

Be kind to the Environment

- Providing clean water and sanitation
- Closely monitored energy consumption

Be kind to the Employees

- Focus on diversity and inclusion
- Focus on employee engagement
- Employee personal growth and development
- Safety first

Giving back to the Society

- Allocation of CSR budget and planned CSR initiatives
- Creating job opportunities

Governance

- Independent Board and its committees promoting GRC
- Responsible tax practices
- Code of conduct/Business ethics
- Cyber security and data privacy

Sustainable Financial Growth

- 5 year revenue CAGR over 35%
- Transparency and value addition

FUTURE OUTLOOK AND PROSPECTS OF PROFIT 2022 Plans

With the changing market dynamics, the Company is dealing with the challenge of having to reinvent the core offerings, processes and systems rapidly and position themselves as 'digitally enabled enterprise'. The current market conditions forced the Company to enhance the competitive edge and optimize cost structures, through implementing / innovating its digital offering and presence. The Company's strategy is to help the customers transform their digital landscape by helping transform their offerings and operations as they ideate, plan and execute on their journey to a digital future. This will enable them to advise and help the customers as they tackle these market conditions, especially in the areas of digitization of processes, migration to cloud-based technologies, workplace transformation, business model transformation, data analytics, enhanced cybersecurity controls and cost structure optimization in IT.

There is a global resource scarcity for the key technologies and domains for the verticals that the Company works in and the Company is heavily focusing in investing in human resource by designing various programs to train, upskill and reskill it's existing workforce into modern technology stack which enables them to design better customer experiences and develop enterprise class products and apps. To achieve this, the Company has partnered with various academic institutions. Vocational training programs have been setup in partnership with many leading training institutions focusing on digital training to tackle the future resource requirements so that the Company can scale the supply capabilities to match the upsurge in the global demand that has been created during the pandemic. Considering rapid and robust growth in the Middle East region and the need to invest in the language agnostic skillset, the Company is planning to open supply center in Egypt. This will not only give a resource pool but addresses the issue of the regional language for growth of markets. In addition to this, the Company is forming various channels where they can recruit resources from anywhere in the world through the subsidiary in UAE.

In 2022, the Company will be focused on the following:

- **Customer centricity** in order to enhance the customer experience, the Company has changed the structure which will be market focussed, from delivery to sales. This will enable the Company to cross sell and upsell and enhance recurring revenue share from existing customers.
- **Acquisition of new customers** through new and improved solution offerings. The Company is strengthening its relationships with principals and partners.
- **Global expansion:** Targeting to strengthen the recently opened KSA market as the Company expects business opportunities in line with KSA Digital Vision 2030. Moreover, to expand in Asia Pacific region, the Company is considering to open a regional sales office in Singapore. Similarly for the African region, feasibility is being carried out for a regional office in South Africa. The Company believes this will provide future revenue streams in the verticals the Company specializes in.
- **Inorganic growth:** with the current IT friendly policies recently announced by the Government of Pakistan including 100% retention of export remittances and investment directly through Authorised Dealers, the Company is positive that it opens up the opportunities for local and global M&As.

Looking ahead to the year 2022 and beyond, the Company is committed to strengthening the capabilities to accelerate customers' digital transformation journeys and empower their companies to flourish in the digital economy. Company's Digital Transformation Studio (DTS) is a centerpiece of that commitment, bringing together a proprietary platform of tools, assets and expertise in ways that significantly increase delivery speed and overall efficiency, while significantly reducing the costs of what are now considered business-critical transformation projects. DTS has proven to be a distinct advantage during these pandemic times, as more and more customers are prioritizing digital transformation speed while seeking lower cost means of achieving it.

2022 will also bring a continued expansion of Company's presence in high-growth sectors, including High-Tech and Healthcare, and increased investments in the domain expertise and targeted sales and marketing programs to drive both current account and new account opportunities. The Company believes that the integrated plans will enable the Company to grow the revenue in these attractive industries faster than the company average, while simultaneously reducing the revenue concentration in the Banking and Financial Services industry, Telco and Retail.

For EP Systems, the endorsement of innovation and scalability of the company was confirmed by recent investments. The company has received an equity investment from the Bill & Melinda Gates Foundation through its parent company (EPS-BV). This is the first ever investment by Strategic Investment Fund of Gates Foundation in a company with its primary operations in Pakistan. It was followed by the first ever commercial investment by International Finance Corporation (IFC), a member of the World Bank Group, in 2020. EPS is engaged for Pilot readiness for its new e-wallet business under the State Bank of Pakistan's Electronic Money Institution (EMI) Regulations which will enable the Company to issue e-money for digital payments by taking deposits from retailers and customers. EPS is making continuous efforts to enable retailers to effectively serve mass market.

PRINCIPAL RISK AND UNERTAINTIES FACING THE COMPANY

RISK FACTORS

Following are some of the risk factors that may impact our business and financial results:

- **Political risk** – The current global political environment can impact businesses if the situation gets adverse.
- **Risk of Travel advisory** – Investors and buyers will not be able to travel to the country in case of any travel advisory. Though offshoring has increased in the past couple of years, however business travel is still required to onsite centers and travel restrictions will impact business since resources will not be able to visit foreign clients.
- **Pricing Pressures** – In case of demand compression, over supply of capacity could result in a price war, potentially effecting profit margins

CHANGES DURING FINANCIAL YEAR CONCERNING THE NATURE OF THE BUSINESS OF THE COMPANY OR OF ITS SUBSIDIARIES AND JOINT OPERATION

There has been no change in the nature of business of the company or its subsidiaries. The Company has made new investment in Retailistan through Systems Ventures. The Company has also incorporated an entity in Saudi Arabia. EP Pakistan incorporated an entity in Netherlands in line with a circular approved by SBP to mirror shareholding in a foreign entity to attract foreign investment.

MAIN TRENDS AND FACTORS LIKELY TO AFFECT THE FUTURE DEVELOPMENT, PERFORMANCE AND POSITION OF THE COMPANY BUSINESS

Technology is rapidly changing and demands are on the higher side for disruptive technologies. In order to grow at a faster pace, the Company has to scale up and nurture talent. Scaling into relevant technologies will have a significant impact on future performance and position of the Company's business.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The management of Systems Limited as a Group is responsible for the establishment and maintenance of the Company's and the Group's system of internal control in order to identify and manage risks faced by the Group. The system provides reasonable, though not absolute, assurance that:

- ☑ assets are safeguarded against unauthorized use or disposition;
- ☑ proper and reliable accounting records are available for use within the business;
- ☑ adequate control mechanisms have been established within the operational businesses and
- ☑ Internal financial controls deployed within the Company have been satisfactory throughout the year.

CORPORATE GOVERNANCE AND FINANCIAL REPORTING FRAMEWORK

As required by the Code of Corporate Governance, the directors are pleased to confirm that:

- ☑ The financial statements prepared by the management of the Company and the Group, present its state of affairs fairly, the result of its operations, cash flows and changes in equity
- ☑ Proper books of accounts of the Company and each of its subsidiaries have been maintained
- ☑ Appropriately accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment
- ☑ International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and there have been no departures therefrom
- ☑ The system of internal control is sound in design and has been effectively implemented and monitored
- ☑ There are no significant doubts about the Company's ability along with the subsidiaries to continue as a going concern

There has been no material departure from the best practices of corporate governance as detailed in listing regulations

BOARD OF DIRECTORS

The board comprises of seven (7) directors with one (1) female director. During the year, five (5) board meetings were held.

The names of directors and number of meetings attended by each director is as follows:

Board of Directors		
Name of Director	Category	Meetings Attended
Mr. Aezaz Hussain	Non Executive	5
Mr. Asif Peer	Executive	5
Mr. Arshad Masood	Non Executive	5
Ms. Romana Abdullah	Independent	5
Mr. Asif Jooma	Independent	5
Mr. Syed Mohammad Shabbar Zaidi	Independent	5
Mr. Omar Saeed	Independent	4

For TechVista Systems FZ LLC, the directors of the Company are Mr. Asif Peer (CEO & Director), Mr. Arshad Masood, Mr. Aezaz Hussain, and Mr. Jawad Ikram Ullah Khan.

For E-Processing Systems (Private) Limited, the directors of the company are – Mr. Aezaz Hussain, Chairman, Mr. Asif Peer and Mr. Muhammad Yar Hiraj.

For Systems Ventures (Pvt) Limited, the directors of the company are Mr. Asif Peer, Mr. Aezaz Hussain, Mr. Jawad Ikram Ullah Khan and Mr. Arshad Masood.

For SUS (Pvt) Limited, the directors of the company are Mr. Asif Peer and Mr. Asif Naeem.

BOARD COMMITTEES

The Board of Directors has constituted Audit Committee and Human Resource & Compensation Committee.

The names of members of Board Committees and number of meetings attended by each member is as follows:

Audit Committee:

Audit Committee	
Name of Member	Meetings Attended
Mr. Syed Mohammad Shabbar Zaidi	4
Mr. Asif Jooma	4
Ms. Romana Abdullah	3

Human Resource & Compensation Committee:

HRC Committee	
Name of Member	Meetings Attended
Mr. Asif Jooma	2
Mr. Omer Saeed	-
Ms. Romana Abdullah	2
Mr. Arshad Masood	2

POLICY ON NON EXECUTIVE AND INDEPENDENT DIRECTORS' REMUNERATION

All non-executive and independent directors of the Company are entitled to remuneration for attending Board and Committee meetings along with reimbursement of expenses incurred in connection with these meetings.

The remuneration levels are commensurate with the level of responsibility and expertise, to attract and retain experienced and wellqualified directors encouraging value creation for Systems Limited; while ensuring that the compensation packages are not at a level that could be perceived to compromise the independence of non-executive directors. No director is involved in the determination of their own remuneration package.

A director may be paid such extra remuneration as the Board may determine, for serving on any Committee or devoting special attention to the business of the Company or performance of services which, in the opinion of the Board, are outside the scope of statutory duties of a director.

KEY OPERATING AND FINANCIAL DATA

Key operating and financial data for the last six years is annexed with the annual report.

INVESTMENTS OF PROVIDENT FUND

The value of provident fund operated by the Company, based on the un-audited accounts of the fund as on 31 December 2021 amounts to Rs 931.6 million (31 December 2020: PKR 693.6 million)

PATTERN OF SHAREHOLDING

The Pattern of Shareholding as at 31 December 2021 is annexed with the annual report. The shareholding pattern of TechVista Systems FZ LLC, Systems Venture (Pvt) Ltd and SUS (Pvt) Ltd as at 31 December 2021 is enclosed, please refer to page

TRADING BY DIRECTORS, EXECUTIVES AND THEIR SPOUSES AND MINOR CHILDREN

The Company's Directors, executives and their spouses and minor children did not trade in the Company's shares during the year ended 31 December 2021 other than those disclosed on Pakistan Stock Exchange.

REVIEW OF RELATED PARTIES TRANSACTIONS

In compliance with the Code of Corporate Governance and applicable laws and regulations, details of all related party transactions are placed before the Audit Committee and upon recommendation of the Audit Committee, the same are placed before the Board for review and approval. All the directors are required to disclose their interest where such transactions are of interest to them.

QUARTERLY AND ANNUAL FINANCIAL STATEMENTS

The financial statements were duly endorsed by CEO and CFO before approval of the Board. Quarterly financial statements of the Company, along with consolidated financial statements of the Group, were approved, published and circulated to shareholders within one month of the closing date, while Half yearly financial statements of the Company and consolidated financial statements of the Group were reviewed by the external auditors, approved by the Board, published and circulated to shareholders within two months of the closing date.

AUDITORS

EY Ford Rhodes has completed its tenure for the year 2021 and retire at the conclusion of the 45th Annual General Meeting. The Board has recommended the appointment of A.F Ferguson & Co. Chartered Accountants as the external auditors for the financial year ending 31 December 2022.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements of the Company includes the following subsidiaries and associates:

- EP Systems B.V.
- EP Systems (Pvt) Ltd
- Tech Vista Systems FZ LLC
- Systems Ventures (Pvt) Ltd
- SUS (Pvt) Ltd
- Retailistan (Pvt) Ltd
- Systems Arabia for Information Technology

SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the Company and the Group have occurred between the end of the financial year and the date of this report except as disclosed in this report, if any.

ACKNOWLEDGEMENT

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

On behalf of the Board



ASIF PEER
CHIEF EXECUTIVE OFFICER



AEZAZ HUSSAIN
CHAIRMAN

DATE: 10TH MARCH 2022
LAHORE

مالیاتی گوشواراں کا جائزہ لیا، انہیں بورڈ کے ذریعے منظور کیا گیا، شائع کیا گیا اور اختتامی تاریخ کے دو ماہ کے اندر شیئر ہولڈرز کو بھیج دیا گیا۔

آڈیٹرز

ای وائی فورڈ رٹرن ہوڈ نے سال 2021ء کیلئے اپنی میعاد پوری کر لی ہے اور 45 ویں سالانہ اجلاس عام کے اختتام پر ریٹائر ہوئے ہیں۔ اہل ہونے کی بنا پر، انہوں نے خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔

مجموعی مالیاتی گوشوارے

کمپنی کے مجموعی مالیاتی گوشواروں میں اس کے درج ذیل ماتحت ادارے اور ایسوسی ایٹس شامل ہیں:

- ای پی سسٹمز بی وی
- ٹیک و سٹاسٹمز ایف زیڈ ایل ایل سی
- سسٹمز ونچرز (پرائیویٹ) لمیٹڈ
- ایس یو ایس (پرائیویٹ) لمیٹڈ
- ریٹیلستان (پرائیویٹ) لمیٹڈ
- سسٹمز عربیہ ایل ایل سی

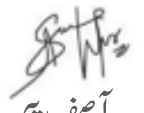
ضمنی واقعات

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے مابین کمپنی اور گروپ کی مالی حیثیت کو متاثر کرنے والی کوئی مادی تبدیلیاں یا وعدے نہیں ہوئے ہیں، ماسوائے اس رپورٹ میں کئے گئے انکشاف کے، اگر کوئی ہے۔

اعتراف

بورڈ اس موقع پر کمپنی اور اس کے ماتحت اداروں کے قابل قدر کسٹمرز، بینکرز اور دیگر متعلقین کے تعاون اور معاونت کیلئے شکریہ ادا کرتا ہے۔ بورڈ انتظامیہ اور گروپ کے تمام ملازمین کی محنت اور لگن کی بڑی قدر کرتا ہے۔

حسب الحکم بورڈ



آصف پیر

چیف ایگزیکٹو آفیسر



اعزاز حسین

چیئر مین

مورخہ: 10 مارچ 2022ء

لاہور

2	محترمہ رومانہ عبداللہ
2	جناب ارشد مسعود

نان ایگزیکٹو اور آزاد ڈائریکٹرز کی معاوضہ پالیسی

کمپنی کے تمام نان ایگزیکٹو اور آزاد ڈائریکٹرز ان میٹنگز کے سلسلے میں ہونے والے اخراجات کی وصولی کے ساتھ ساتھ بورڈ اور کمیٹی کے اجلاسوں میں شرکت کیلئے معاوضہ کے حقدار ہیں۔

معاوضہ کی سطحیں ذمہ داری اور مہارت کی سطح کے مطابق ہیں، تاکہ سسٹمز لمیٹڈ کیلئے قدر پیدا کرنے کی حوصلہ افزائی کرنے والے تجربہ کار اور اہل ڈائریکٹرز کو راغب کیا اور برقرار رکھا جاسکے؛ اس بات کو یقینی بناتے ہوئے کہ معاوضے کے پیکیج اس سطح پر نہ ہوں جسے نان ایگزیکٹو ڈائریکٹرز کی آزادی پر سبھوتہ تصور کیا جاسکتا ہو۔ کوئی بھی ڈائریکٹر اپنے ذاتی معاوضہ پیکیج کے تعین میں ملوث نہیں ہے۔

کسی ڈائریکٹر کو کسی کمیٹی میں خدمات انجام دینے یا کمپنی کے کاروبار پر خصوصی توجہ دینے یا خدمات کی کارکردگی، جو کہ بورڈ کی رائے میں، ڈائریکٹر کے قانونی فرائض کے دائرے سے باہر ہو، کیلئے اتنا اضافی معاوضہ ادا کیا جاسکتا ہے جتنا کہ بورڈ اس کیلئے تعین کرتا ہے۔

کلیدی آپریٹنگ اور مالی اعداد و شمار

پچھلے چھ سالوں کے کلیدی آپریٹنگ اور مالی اعداد و شمار سالانہ رپورٹ کے ساتھ منسلک ہیں۔

پرائیڈنٹ فنڈ کی سرمایہ کاری

کمپنی کے ذریعے چلائے جانے والے پرائیڈنٹ فنڈ کی مالیت، فنڈ کے غیر آڈٹ شدہ کھاتوں کی بنیاد پر 31 دسمبر 2021ء کو 949.1 ملین روپے ہے (31 دسمبر 2020ء: 693.6 ملین روپے)۔

شیئر ہولڈنگ کا نمونہ

شیئر ہولڈنگ کا نمونہ بمطابق 31 دسمبر 2021ء سالانہ رپورٹ کے ساتھ منسلک ہے۔ ٹیک و سٹاسٹمز ایف زیڈ، ایل ایل سی، سسٹمز ونچرز (پرائیویٹ) لمیٹڈ اور ایس یو ایس (پرائیویٹ) لمیٹڈ کے شیئر ہولڈنگ کا نمونہ بمطابق 31 دسمبر 2021ء منسلک ہے، براہ کرم صفحہ دیکھئے۔

ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں کے ذریعے ٹریڈنگ

کمپنی کے ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں نے 31 دسمبر 2021ء کو تم ہوئے سال کے دوران کمپنی کے شیئرز میں کوئی ٹریڈنگ نہیں کی ماسوائے اس کے جسے پاکستان سٹاک ایکسچینج میں ظاہر کیا گیا ہے۔

متعلقہ فریقین کے لین دین کا جائزہ

کوڈ آف کارپوریٹ گورننس اور قابل اطلاق قوانین و ضوابط کی تعمیل میں، تمام متعلقہ فریقوں کے لین دین کی تفصیلات آڈٹ کمیٹی کے سامنے رکھی جاتی ہیں اور آڈٹ کمیٹی کی سفارش پر، انہیں جائزہ اور منظوری کیلئے بورڈ کے سامنے پیش کیا جاتا ہے۔ تمام ڈائریکٹرز کو اپنی دلچسپی ظاہر کرنے کی ضرورت ہے جہاں اس طرح کے لین دین ان کے مفاد میں ہیں۔

سہ ماہی اور سالانہ مالیاتی گوشوارے

بورڈ کی منظوری سے قبل سی ای او، اور سی ایف او نے مالیاتی گوشواروں کی توثیق کی۔ کمپنی کے سہ ماہی مالیاتی گوشواروں کے ساتھ ساتھ گروپ کے مجموعی مالیاتی گوشوارے، منظور کئے گئے، شائع کئے گئے اور اختتامی تاریخ کے ایک ماہ کے اندر شیئر ہولڈرز کو بھیج دیئے گئے، جبکہ ایکسٹرنل آڈیٹرز نے کمپنی کے نصف سالانہ مالیاتی گوشواروں اور گروپ کے مجموعی

- ✓ کمپنی کے ساتھ ساتھ اس کے ماتحت اداروں کی کاروبار کو جاری رکھنے کی صلاحیت کے بارے میں کوئی نمایاں شکوک و شبہات نہیں ہیں
- ✓ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی انحراف نہیں ہے جیسا کہ لسٹنگ ریگولیشنز میں تفصیل درج ہے

بورڈ آف ڈائریکٹرز

بورڈ ایک خاتون ڈائریکٹر سمیت سات (7) ڈائریکٹرز پر مشتمل ہے، سال کے دوران، پانچ (5) بورڈ میٹنگز منعقد ہوئیں۔
ڈائریکٹرز کے نام اور ہر ڈائریکٹر کی میٹنگز میں شرکت کی تعداد حسب ذیل ہے:

بورڈ آف ڈائریکٹرز		
ڈائریکٹر کا نام	کیٹگری	میٹنگز میں شمولیت
جناب اعزاز حسین	نان ایگزیکٹیو	5
جناب آصف پیر	ایگزیکٹیو	5
جناب ارشد مسعود	نان ایگزیکٹیو	5
محترمہ رومانہ عبداللہ	آزاد	5
جناب آصف جوما	آزاد	5
جناب سید محمد شہزیدی	آزاد	5
جناب عمر سعید	آزاد	4

ٹیک و سٹراسٹرمز ایف زیڈ، ایل ایل سی کیلئے، جناب آصف پیر (سی ای او اینڈ ڈائریکٹر)، جناب ارشد مسعود، جناب اعزاز حسین، اور جناب جواد اکرام اللہ خان کمپنی کے ڈائریکٹرز ہیں۔

ای پروسیڈنگ سٹرمز (پرائیویٹ) لمیٹڈ کیلئے، کمپنی کے ڈائریکٹرز ہیں - جناب اعزاز حسین، چیئرمین، جناب آصف پیر اور جناب محمد یار ہراج سٹرمز ونچرز (پرائیویٹ) لمیٹڈ کیلئے جناب آصف پیر، جناب اعزاز حسین، جناب جواد اکرام اللہ خان اور جناب ارشد مسعود کمپنی کے ڈائریکٹرز ہیں۔
ایس یو ایس (پرائیویٹ) لمیٹڈ کیلئے جناب آصف پیر اور جناب آصف نعیم کمپنی کے ڈائریکٹرز ہیں۔

بورڈ کمیٹیاں

بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی اور، انسانی وسائل اور معاوضہ کمیٹی تشکیل دی ہے۔
بورڈ کمیٹیوں کے ممبرز کے نام اور ہر ممبر کی میٹنگز میں شرکت کی تعداد حسب ذیل ہے:

آڈٹ کمیٹی	
ممبر کا نام	میٹنگز میں شمولیت
جناب سید محمد شہزیدی	4
جناب آصف جوما	4
محترمہ رومانہ عبداللہ	3

انسانی وسائل اور معاوضہ کمیٹی	
ممبر کا نام	میٹنگز میں شمولیت
جناب آصف جوما	2
جناب عمر سعید	-

کمپنی کو درپیش بنیادی خطرات اور غیر یقینی صورتحال

خطرے کے عوامل

خطرہ کے درج ذیل عوامل ہمارے کاروبار اور مالی نتائج کو متاثر کر سکتے ہیں:

- سیاسی خطرہ- اگر صورت حال زیادہ خراب ہو جاتی ہے تو موجودہ سیاسی ماحول کاروبار پر اثر انداز ہو سکتا ہے۔
- آمدنی کی عدم مساوات- پاکستان میں آمدنی کی شدید عدم مساوات کا خطرہ سماجی بے سکونی کا باعث بن سکتا ہے اور یہ غیر ملکی کسٹمرز اور سرمایہ کاروں کی دلچسپی کو متاثر کرے گا۔
- ٹریڈ ایڈوائزی کا خطرہ- کسی ٹریڈ ایڈوائزی کی صورت میں سرمایہ کار اور خریدار اس ملک کا سفر نہیں کر سکیں گے۔ چونکہ کمپنی خدمات کا کاروبار کرتی ہے اور بہت سا کام آف شور ہو رہا ہے، تاہم پھر بھی سفری پابندیوں سے کاروبار متاثر ہوگا کیونکہ لوگ غیر ملکی کلائنٹس سے ملاقات نہیں کر پائیں گے۔
- قیمتوں کا دباؤ- طلب میں غیر متوقع کمی کی صورت میں باصلاحیت لوگوں کی فراوانی ہوگی لیکن طلب کم ہوگی۔ اس کے نتیجے میں قیمتوں کی جنگ شروع ہو جائے گی، اور اس سے منافع کے مارجن پر برا اثر پڑے گا۔
- کرنسی کا خطرہ- اس سال کرنسی کے مستحکم ہونے کی توقع ہے اور کمپنی کو اس خطے میں کرنسی کا زیادہ خطرہ نظر نہیں آ رہا۔
- ملکی خطرہ- کمپنی ڈیجیٹل پاکستان کیلئے پوری طرح تیار ہے لیکن حالیہ پیش گوئیوں کے مطابق ملک کرنٹ اکاؤنٹ خسارے اور سیاسی بحران کی طرف جا رہا ہے۔

مالی سال کے دوران کمپنی یا اس کے ذیلی اداروں اور جوائنٹ آپریشن کے کاروبار کی نوعیت سے متعلق تبدیلیاں

کمپنی یا اس کے ذیلی اداروں کے کاروبار کی نوعیت میں کوئی تبدیلی نہیں آئی ہے۔ کمپنی نے سسٹمز و سٹریٹجی کے ذریعے ریٹیل پاکستان میں نئی سرمایہ کاری کی ہے۔ کمپنی نے سعودی عرب میں بھی ایک ادارہ قائم کیا ہے۔ ای پی پاکستان نے غیر ملکی سرمایہ کاروں کو راغب کرنے کیلئے غیر ملکی ادارے میں شیئر ہولڈنگ کی عکاسی کیلئے سیٹ بینک آف پاکستان کے منظور کردہ سرکلر کے مطابق نیدر لینڈ میں ایک ادارہ قائم کیا ہے۔

کمپنی کے کاروبار کی پوزیشن، کارکردگی اور مستقبل کی ترقی پر اثر انداز ہونے والے بنیادی رجحانات اور عوامل

ٹیکنالوجی تیزی سے بدل رہی ہے اور خلل ڈالنے والی ٹیکنالوجی کی طلب بلندی کی طرف گامزن ہے۔ تیز رفتاری سے ترقی کرنے کیلئے کمپنی کو اپنا ٹیلنٹ بڑھانا اور پروان چڑھانا ہوگا۔ متعلقہ ٹیکنالوجی میں پیشرفت سے کمپنی کے کاروبار کی پوزیشن اور مستقبل کی کارکردگی پر نمایاں اثر پڑے گا۔

اندرونی مالیاتی کنٹرول کی قابلیت

ایک گروپ کی حیثیت سے گروپ کو درپیش خطرات کی نشاندہی اور انتظام کیلئے سسٹمز لمیٹڈ کی انتظامیہ کمپنی اور گروپ کے اندرونی کنٹرول کے سسٹم کے قیام اور دیکھ بھال کیلئے ذمہ دار ہے۔ یہ سسٹم اگرچہ مطلق نہیں، لیکن معقول یقین دہانی کراتا ہے کہ:

- ✓ غیر مجاز استعمال یا برتاؤ کے خلاف اثاثوں کی حفاظت کی جاتی ہے؛
- ✓ کاروبار کے اندر استعمال کیلئے درست اور قابل اعتماد اکاؤنٹنگ ریکارڈ دستیاب ہیں؛
- ✓ آپریشنل بزنسز کے اندر مناسب کنٹرول میکانزم قائم کیا گیا ہے اور
- ✓ کمپنی کے اندر لگائے گئے انٹرنل کنٹرول پورے سال کے دوران تسلی بخش رہے ہیں۔

کارپوریٹ گورننس اور مالی رپورٹنگ کا ڈھانچہ

جیسا کہ کوڈ آف کارپوریٹ گورننس کی ضرورت ہے، ڈائریکٹرز کو اس بات کی تصدیق کرتے ہوئے خوشی ہے کہ:

- ✓ کمپنی اور گروپ کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے اس کی صورتحال، اس کی کاروائیوں کے نتائج، نقد بہاؤ اور ایکویٹی میں بدلاؤ کو منصفانہ طور پر پیش کرتے ہیں
- ✓ کمپنی اور اس کے ہر ایک ذیلی ادارے کے اکاؤنٹس کی درست کتابیں برقرار رکھی گئی ہیں
- ✓ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو کی گئی ہیں اور اکاؤنٹ کے تخمینے معقول اور محتاط فیصلے پر مبنی ہیں
- ✓ مالیاتی گوشواروں کی تیاری میں انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز پر، جیسا کہ پاکستان میں قابل اطلاق ہیں، عمل کیا گیا ہے اور ان سے کوئی انحراف نہیں کیا گیا
- ✓ اندرونی کنٹرول کا نظام بناوٹ میں محفوظ ہے اور اس کو موثر انداز میں نافذ اور نگرانی کی جا رہی ہے

کنڈیشنز سے نمٹتے ہیں، خاص طور پر پروسیسز کی ڈیجیٹائزیشن، کلاؤڈ میڈیکینا لوجیز پر منتقلی، کام کی جگہ کی تبدیلی، کاروباری ماڈل کی تبدیلی، ڈیٹا اینالٹکس، بہتر سائبر سیورٹی کنٹرولز کے شعبے اور آئی ٹی میں لاگت کے ڈھانچے کی اصلاح۔

جن ورٹیکلز میں کمپنی کام کرتی ہے ان میں کلیدی ۱۰ لوجیز اور ڈومینز کیلئے عالمی وسائل کی کمی ہے۔ کمپنی موجودہ افرادی قوت کو جدید ٹیکنالوجی سٹیک میں تربیت دینے اور انہیں اور بھی زیادہ ہنرمند بنانے کیلئے مختلف پروگراموں کو ڈیزائن کر کے انسانی وسائل میں سرمایہ کاری پر بہت زیادہ توجہ مرکوز کر رہی ہے، جو انہیں کمپنی کی بہتر خدمت کو ڈیزائن کرنے اور انٹرپرائز کی سطح کی پروڈکٹس اور ایپس تیار کرنے کے قابل بناتی ہے۔ اس مقصد کے حصول کیلئے کمپنی نے مختلف تعلیمی اداروں کے ساتھ شراکت داری کی ہے۔ مستقبل کے وسائل کی ضروریات سے نمٹنے کیلئے ڈیجیٹل تربیت پر توجہ مرکوز کرنے والے بہت سے سرکردہ تربیتی اداروں کے ساتھ شراکت داری میں پیشہ ورانہ تربیتی پروگرام ترتیب دیئے گئے ہیں تاکہ کمپنی عالمی طلب میں اضافے کو پورا کرنے کیلئے سپلائی کی صلاحیتوں کو بڑھا سके جو باہمی مرض اور حالیہ سیاسی بحران کے دوران پیدا ہوئی ہے۔ مشرق وسطیٰ کے علاقے میں تیز رفتاری اور مستحکم ترقی اور زبان کی علمی مہارتوں میں سرمایہ کاری کی ضرورت کو مد نظر رکھتے ہوئے کمپنی مصر میں سپلائی سنٹر کھولنے کا منصوبہ بنا رہی ہے۔ اس سے نہ صرف ریورس پول ملگا بلکہ مارکیٹوں کی ترقی کیلئے علاقائی زبان کے مسئلے کا حل بھی مل جائے گا۔ اس کے علاوہ کمپنی مختلف چینلز بشمول دے رہی ہے جہاں وہ متحدہ عرب امارات میں اپنے ماتحت ادارے کے ذریعے دنیا میں کہیں سے بھی وسائل بھرتی کر سکتی ہے۔

2022ء میں کمپنی مندرجہ ذیل امور پر توجہ مرکوز کرے گی:

- کمپنی کی مرکزیت: کمپنی کو بہتر خدمات فراہم کرنے کیلئے کمپنی نے اس ڈھانچے کو تبدیل کیا جو لیوری سے لے کر بیلز تک مارکیٹ پر مرکوز ہوگا۔ اس سے کمپنی کو موجودہ صارفین سے لگا تار آنے والے ریونیو سٹریٹجی کو کراس سیل اور اپ سیل کرنے میں مدد ملے گی۔
 - نئے کمپنیوں کا حصول نئے اور بہتر حل کی پیشکشوں کے ذریعے۔ کمپنی پرنسپلز اور پارٹنرز کے ساتھ اپنے تعلقات مضبوط کر رہی ہے۔
 - عالمی توسیع: حال ہی میں کھولی گئی سعودی عرب کی مارکیٹ کو مستحکم کرنے کا ہدف بنانا کیونکہ کمپنی کے ایس اے ڈیجیٹل ویزن 2030 کے مطابق کاروباری مواقع کی توقع رکھتی ہے۔ مزید برآں ایشیا پیسیفک خطے میں توسیع کیلئے کمپنی سنگاپور میں ایک علاقائی سیلز آفس کھولنے پر غور کر رہی ہے۔ اسی طرح افریقی خطے کیلئے جنوبی افریقہ میں علاقائی دفتر کے امکانات کا جائزہ لیا جا رہا ہے۔ کمپنی کا خیال ہے کہ یہ مستقبل میں ان ورٹیکلز میں آمدنی کا وسیلہ بنے گا جن میں کمپنی مہارت رکھتی ہے۔
 - غیر نامیاتی ترقی: حکومت پاکستان کی جانب سے حال ہی میں اعلان کردہ موجودہ آئی ٹی فرینڈلی پالیسیوں کے ساتھ، بشمول برآمدی ترسیلات زر کو 100 فیصد برقرار رکھنا اور بااختیار ڈیولپرز کے ذریعے براہ راست سرمایہ کاری، کمپنی کو پوری امید ہے کہ اس سے مقامی اور عالمی M&As کیلئے نئے مواقع کھلیں گے۔
- آگے سال 2022ء اور اس سے ماوراء دیکھتے ہوئے کمپنی کمپنی کے ڈیجیٹل تبدیلی کے سفر کو تیز کرنے کیلئے صلاحیتوں کو مستحکم کرنے اور ان کی کمپنیوں کو ڈیجیٹل معیشت میں پنپنے کیلئے بااختیار بنانے میں پرعزم ہے۔ کمپنی کا ڈیجیٹل ٹرانسفورمیشن سٹوڈیو (ڈی ٹی ایس) اس عزم کا مرکز ہے، جس میں آلات، اثاثوں اور مہارتوں کو ایک ملکیتی پلیٹ فارم پر ان طریقوں سے اکٹھا کیا گیا ہے جو تربیل کی رفتار اور مجموعی کارکردگی کو نمایاں طور پر بڑھاتے ہیں، جبکہ ان اخراجات کو نمایاں طور پر کم کرتے ہیں جنہیں اب کاروباری لحاظ سے اہم ٹرانسفورمیشن منصوبے سمجھا جاتا ہے۔ اس وبائی دور میں ڈی ٹی ایس ایک نمایاں فائدہ ثابت ہوا ہے، کیونکہ زیادہ سے زیادہ کمپنیوں نے ڈیجیٹل تبدیلی کی رفتار کو تیز دے رہے ہیں جبکہ اسے حاصل کرنے کیلئے کم لاگت کے ذرائع تلاش کر رہے ہیں۔

سال 2022ء ہائی ٹیک اور ہائی ٹیک سیکٹرز سمیت اعلیٰ ترقی کے شعبوں میں کمپنی کی موجودگی کی مسلسل توسیع اور ڈیویژنوں کی مہارتوں اور ہدف شدہ سیلز اور مارکیٹنگ پروگراموں میں سرمایہ کاری میں اضافہ کرے گا تاکہ کرنٹ اکاؤنٹ اور نئے اکاؤنٹ کے مواقع دونوں کو آگے بڑھایا جاسکے۔ کمپنی کا ماننا ہے کہ مربوط منصوبے کمپنی کو ان پرکشش صنعتوں میں آمدنی کو اوسط سے زیادہ تیزی سے بڑھانے کے قابل بنائیں گے، جبکہ ساتھ ہی ساتھ بینکنگ اور مالیاتی خدمات کی صنعت، ٹیکلو اور ریٹیل میں آمدنی کے ارتکاز کو کم کریں گے۔

ای پی سٹمز کیلئے کمپنی کی جدت اور توسیع پذیری کی تصدیق حالیہ سرمایہ کاری سے ہوئی۔ کمپنی نے اپنی بیزنس کمپنی (ای پی ایس-بی وی) کے ذریعے بل اینڈ ملینڈ ایگٹس فاؤنڈیشن سے ایکویٹی سرمایہ کاری حاصل کی ہے۔ ایگٹس فاؤنڈیشن کے سٹریٹجک انوٹمنٹ فنڈ کی جانب سے پاکستان میں اپنے بنیادی آپریشنز والی کمپنی میں پہلی سرمایہ کاری ہے۔ اس سے قبل 2020ء میں انٹرنیشنل فنانس کارپوریشن (آئی ایف سی) کی طرف سے پہلی تجارتی سرمایہ کاری کی گئی، جو کہ ورلڈ بینک گروپ کی ایک رکن ہے۔ ای پی ایس سٹیٹ بینک آف پاکستان کے الیکٹرونک منی ٹیوشن (ای ایم آئی) ریگولیشنز کے تحت اپنے نئے ای والٹ کاروبار کیلئے پائلٹ تیاری کیلئے مصروف عمل ہے جو کمپنی کو ریٹیل زاور کمپنیوں سے ڈپازٹ لے کر ڈیجیٹل ادائیگیوں کیلئے ای منی جاری کرنے کے قابل بنائے گا۔ ای پی ایس ریٹیلرز کو موثر طریقے سے بڑے پیمانے پر مارکیٹ کی خدمت کے قابل بنانے کیلئے لگا تار کوششیں کر رہی ہے۔

انوائرنمنٹ، سوشل، گورننس (ای ایس جی)

کمپنی نے سسٹمز ایس جی ویژن 2030 کا خاکہ بنا کر ای ایس جی عزم کو بڑھایا تاکہ کاروبار اور کمیونٹی کی خدمت کرنے والے حل کی تشکیل اور اشتراک پر توجہ مرکوز کی جاسکے۔ کمپنی اقوام متحدہ کے پائیداری کے اہداف کے مطابق اور کلیدی اصولوں پر عمل پیرا ہے۔ کمپنی کا ماننا ہے کہ خوش ترین لوگ سب سے زیادہ خوش گاہک بناتے ہیں اور لوگ کمپنی کے کاروبار کا لازمی حصہ ہوتے ہیں، کمپنی ملازمین کی ترقی اور تربیت اور ملازمین کیلئے کام کا آرام دہ ماحول فراہم کرنے میں نمایاں سرمایہ کاری کر رہی ہے۔ آنے والی نسلوں کیلئے کرہ ارض کے تحفظ کیلئے کمپنی موسمیاتی تبدیلی کو ایک عالمی چیلنج سمجھتی ہے اور اس کا مقصد پائیدار ترقی، وسائل کے استعمال اور آگاہی میں تعاون کرنا ہے۔ کمپنی نے پائیداری کے ستونوں پر درج ذیل کلیدی اقدامات کئے ہیں:

ماحول کے ساتھ حسن سلوک کریں

- صاف پانی اور صفائی ستھرائی کی فراہمی۔
- توانائی کی کھپت کی قریب سے نگرانی کی گئی۔

ملازمین کے ساتھ حسن سلوک کریں

- تنوع اور شمولیت پر توجہ۔
- ملازمین کی مصروفیت پر توجہ۔
- ملازمین کی ذاتی بڑھوتری اور ترقی۔
- سب سے پہلے حفاظت۔

سماج کو واپس دینا

- سی ایس آر بجٹ مختص کرنا اور منصوبہ بندی ایس آر اقدامات۔
- ملازمت کے مواقع پیدا کرنا۔

گورننس

- جی آر سی کو فروغ دینے والا آزاد بورڈ اور اس کی کمیٹیاں۔
- ذمہ دارانہ ٹیکس کے طریقے۔
- ضابطہ اخلاق / کاروباری اخلاقیات۔
- سائبر سیورٹی اور ڈیٹا کی رازداری۔

پائیدار مالیاتی نمو

- 5 سال کی آمدنی سی ایس آر 50% سے زائد۔
- شفافیت اور قدر میں اضافہ۔

مستقبل کا خاکہ اور منافع کے امکانات

2022ء کے منصوبے

بدلتی ہوئی مارکیٹ ڈائنامکس کے ساتھ کمپنی بنیادی پیشکشوں، پروسیجر اور سسٹمز کو تیزی سے بہتر بنانے اور خود کو "ڈیجیٹل طور پر فعال انٹر پرائز" کے طور پر پوزیشن میں لانے کے چیلنج سے نمٹ رہی ہے۔ مارکیٹ کے موجودہ حالات نے کمپنی کو اپنی ڈیجیٹل پیشکش اور موجودگی کے نفاذ/اختراع کے ذریعے مسابقتی برتری کو بڑھانے اور لاگت کے ڈھانچے کو بہتر بنانے پر مجبور کیا ہے۔ کمپنی کی حکمت عملی یہ ہے کہ پیشکشوں اور آپریشنز کو تبدیل کرنے میں مدد کر کے کسٹمرز کو ان کے ڈیجیٹل منظر نامے کو تبدیل کرنے میں مدد کی جائے جیسا کہ وہ اپنے ڈیجیٹل مستقبل کے سفر پر سوچتے، منصوبہ بناتے اور اس پر عمل کرتے ہیں۔ اس سے وہ کسٹمرز کو مشورہ دینے اور ان کی مدد کرنے کے قابل ہوں گے جیسا کہ وہ ان مارکیٹ

فی شیئر آمدنی

کمپنی کیلئے 31 دسمبر 2021ء کو ختم ہونے والے سال کیلئے فی شیئر بنیادی اور قریبی آمدنی 24.12 روپے اور 23.89 روپے ہے (31 دسمبر 2020ء: 16.05 روپے اور 15.85 روپے)۔ اسی طرح گروپ کیلئے فی شیئر بنیادی اور قریبی آمدنی 32.41 روپے اور 32.10 روپے ہے (31 دسمبر 2020ء: 16.17 روپے اور 15.96 روپے)۔

لوگوں کی تازہ کاری

کمپنی نے اس سال بھرتی، تربیت اور انسانی وسائل کی ترقی میں بڑے پیمانے پر سرمایہ کاری کی۔ سال کے دوران کل 1826 ملازمین کو بھرتی کیا گیا۔ آئی ٹی ملازمین کیلئے کمپنی سے اخلاء کی شرح 21% تھی، سال کے دوران سالانہ مینجمنٹ ٹرینی پروگرام کے تحت 375 نئے گریجویٹس کی خدمات حاصل کی گئیں۔ کمپنی نے SysVisTech لیڈر شپ یونیورسٹی کے قیام کیلئے لہزہ آرائی ڈی سی کے ساتھ شراکت کی۔ یہ ایک کسٹومائزڈ فاسٹ ٹریک مداحلت ہے جو آرگنائزیشن کے اندر مستقبل کے لیڈرز کیلئے ڈیزائن کی گئی ہے، جہاں مستقبل کے 77 لیڈرز 3 گروہوں میں گریجویٹیشن کر چکے ہیں۔ کمپنی نے وسائل کو پائیدار ڈیجیٹل لرننگ کے قابل بنانے کیلئے کورسز اور کلاؤڈ گروڈ آغاز کیا۔ کمپنی نے مستقبل کے ٹیلنٹ کو بہتر بنانے کیلئے تعلیمی شعبے میں دیگر سرکردہ اداروں جیسے ایچ ٹریڈنگ پروگرام اور پرواز پی ایس ڈی ایف کے ساتھ بھی شراکت داری کی۔

کمپنی نے ملازمین کی بڑھتی ہوئی مصروفیت کی سطح کو یقینی بنانے کیلئے متعدد ایونٹس، مداحلتوں اور پلیٹ فارمز کو سہولت فراہم کر کے ملازمین کی حوصلہ افزائی اور مشغولیت کو آگے بڑھایا۔ کمپنی نے ان خواتین پروفیشنلز کو یکجا پروگرامز پیش کرنے کیلئے Re-ignite پروگرام بھی شروع کیا جو اپنے ذاتی حالات کی وجہ سے کیریئر میں وقفہ لینے پر مجبور تھیں، تاکہ انہیں دوبارہ کیریئر شروع کرنے کے قابل اور بااختیار بنایا جاسکے۔

انفراسٹرکچر

کمپنی ان شہروں میں دفاتر کھول رہی ہے جہاں سپلائی مرکوز ہے تاکہ لوگ نقل مکانی پر مجبور نہ ہوں اور اپنے بنیادی جگہوں پر رہتے ہوئے کام کرنے کے قابل ہوں۔ اس سلسلے میں ملتان اور فیصل آباد میں دفاتر کام کر رہے ہیں۔ اگلے سال کمپنی پشاور اور حیدرآباد کو ہدف بنا رہی ہے۔ کراچی میں نیو دفاتر لیز پر لیا گیا ہے جس میں اگلے سال کی پہلی سہ ماہی تک مزید 900 افراد کی گنجائش ہوگی۔ لاہور آفس میں بی پی پی او اگلے سال کے شروع میں ایک نئی جگہ پر منتقل ہو رہا ہے۔ اس سے ہیڈ آفس کی عمارت میں تقریباً 1000 پی ایس ریسورسز کیلئے اضافی استعداد پیدا ہوگی۔ مزید برآں کمپنی 2022 کی پہلی سہ ماہی میں لاہور میں عقیقی ٹاور کی تعمیر شروع کرے گی اور اس سے 650-600 وسائل کیلئے اضافی صلاحیت پیدا ہوگی۔ اس ٹاور میں اندرون خانہ تربیت اور مینٹنگ سیشنز کیلئے ایک بڑا آڈیٹوریم بھی ہوگا۔ توقع ہے کہ نیا ٹاور 2022 کے اختتام تک کام کرنا شروع کر دے گا۔ مزید برآں کمپنی لاہور کی موجودہ سہولت میں تقریباً 400 سے زائد اضافی گاڑیوں کو ایڈجسٹ کرنے کیلئے ایک پارکنگ ٹاور بنانے پر غور کرے گی۔ کمپنی نے مزید 300 افراد کو ایڈجسٹ کرنے کیلئے اسلام آباد آفس میں اضافی جگہ کرایہ پر حاصل کی ہے۔ کمپنی نے اسلام آباد میں پیش ٹیکنالوجی زون میں 14 ایکڑ اراضی کے حصول کا لائسنس بھی حاصل کر لیا ہے جو حکومت کی طرف سے مختص کی گئی ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی حکمت عملی کے مطابق آرگنائزیشن کے پائیدار مقاصد سے پوری طرح ہم آہنگ تین سمتوں: تعلیم، صحت اور موسمیاتی تبدیلی، میں متعدد اقدامات کے ذریعے کمیونٹی کی تعمیر، حمایت اور سربلندی میں اپنی ذمہ داریوں کو جاری رکھے ہوئے ہے۔ کمپنی نے اس سلسلے میں مالی سال کے دوران 35 ملین روپے خرچ کئے ہیں۔ تعلیم، ہنرمندی اور نوجوانوں کی ترقی کو کمپنی کی سی ایس آر حکمت عملی میں مرکزی حیثیت حاصل ہے۔ اس کا مقصد تربیت، تعلیم، سرٹیفیکیشن اور ورکشاپس کیلئے متعدد اداروں کے ساتھ شراکت داری کر کے مستقبل کی افرادی قوت کو تیار کرنا اور خواندگی کو بہتر بنانا ہے۔ کمیونٹی کو دستیاب صحت اور طبی خدمات کی مجموعی حیثیت اعلیٰ کارپوریٹ سماجی ذمہ داریوں میں شامل ہے۔ کمپنی اس مقصد کیلئے تعاون، عطیات اور کفالت کے ذریعے معاشرے کو صحت کی دیکھ بھال کی سہولیات فراہم کرنے میں معاونت اور مدد کرتی رہتی ہے۔

یورپ میں گروپ نے اس سال کی دوسری سہ ماہی میں یو کے آپریشنز شروع کئے۔ گروپ اینٹیکسٹرز کو محفوظ بنانے میں کامیاب رہا اور 2021ء کے دوسرے نصف حصے میں ریونیو جمع ہونا شروع ہو گیا۔ کمپنی کا خیال ہے کہ یہ کسٹمز 2022ء میں کمپنی کیلئے ریونیو لاتے رہیں گے اور یہ ترقی اور حکمت عملی کیلئے اہم ہیں۔ تاہم کمپنی DACH کے علاقے میں جدوجہد کر رہی ہے جہاں کوویڈ کی وجہ سے سال کے بیشتر حصے میں سفری پابندیاں عائد رہیں اور کاروبار کیلئے سفر کرنے کا عمل نمایاں طور پر کم ہوا جس کے نتیجے میں خطے میں کاروباری ترقی اور منصوبے پر عمل درآمد متاثر ہوا۔ مزید یہ کہ ڈی اے سی ایچ کے علاقے میں رییسورس کی شدید کمی ہے۔ علاقے کی زیادہ تر کمپنیاں زبان کیلئے حساس ہیں اور کمپنی ضرورت کے مطابق مقامی ملازمین کو بروئے کار لانے میں کامیاب نہ ہو سکی۔

اعداد و شمار پاکستانی روپے ملین میں

مشرق وسطیٰ

مشرق وسطیٰ کے علاقے میں کمپنی نے گزشتہ برسوں کے مقابلے میں آفشورنگ مگس میں اضافہ کر کے آمدنی کے معیار میں بہتری کے ذریعے کاروبار میں بڑی ترقی حاصل کی جس کے نتیجے میں گروپ کیلئے زیادہ منافع حاصل ہوا۔ کمپنی نے مارکیٹ کیلئے مختلف متعلقہ پیشکشوں میں بھی سرمایہ کاری کی جس سے مزید کاروبار کھولنے میں مدد ملی۔ سال کے دوران ٹی وی ایس نے 101.1 ملین درہم ریونیو کمایا (2020ء میں 58.1 ملین درہم) اور 18% جی پی اور 11% این پی مارجنز کے ساتھ 11.1 ملین درہم منافع ہوا (2020ء میں 1.8 ملین درہم)۔

اعداد و شمار پاکستانی روپے ملین میں

پاکستان

کمپنی مقامی طور پر کاروبار کو دوبارہ ترتیب دے رہی ہے اور 2021ء میں ریونیو کو پبلک سیکٹر اور SMEs سے پرائیویٹ سیکٹر کی بڑی انٹراپرائز میں لانے میں کامیاب رہی۔ کمپنی نے ٹیکلو اور مالیاتی اداروں کے ساتھ طویل مدتی اعدادی میٹریٹسروس کے معاہدوں کو حاصل کرنے پر توجہ مرکوز کئے رکھی۔ نیز کمپنی نے مقامی مارکیٹ میں بی پی او کو نمایاں طور پر کم کیا ہے۔

اعداد و شمار پاکستانی روپے ملین میں

ای پروسیڈنگ سسٹمز بی۔وی۔ (ای پی ایس) نے لین دین کی قدر میں پچھلے سال کے 12.5 بلین روپے کے مقابلے میں 17.9 بلین روپے کی کل تھرو پٹ کے ساتھ مسلسل ترقی ظاہر کی ہے۔ سال کے دوران ای پی ایس نے ملک بھر میں آٹھ علاقائی سیلز ہب بنائے تاکہ نئے ریٹیل سائن اپس کو موثر طریقے سے ہدف بنایا جاسکے اور ڈسٹری بیوشن کی رسائی کو بڑھایا جاسکے۔

منافع اور تخصیص

ڈائریکٹرز نے حتمی نقد منافع بحساب 3.5 روپے فی شیئر ادا کرنے کی سفارش کی ہے (2019: 2.25 فی شیئر)۔

سال کے دوران منافع کی مد میں درج ذیل تخصیص کی گئی۔

غیر مختص شدہ منافع (پاکستانی روپے)

5,307,971,413

31 دسمبر 2020ء کو بقایا

3,320,691,476

سال کیلئے کل مجموعی آمدنی

(436,182,919)

کمی: 31 دسمبر 2020ء کو ختم ہونے والے سال کیلئے حتمی نقد منافع بحساب 35 روپے فی شیئر

(124,623,690)

کمی: بونص شیئر ایٹو

8,067,856,280

31 دسمبر 2021ء کو بقایا

سال 2021ء کیلئے، ڈائریکٹرز نے حتمی نقد منافع بحساب ---- روپے فی شیئر (2020: 3.5 فی شیئر) اور % --- کے بونص ایٹو کی سفارش کی ہے۔

50%	2,113,716,697	3,169,136,194	آپریٹنگ منافع
100%	-	816,226,748	ماتحت ادارہ کے ڈسپوزل پر فائدہ*
100%	-	(83,384,503)	ایسوسی ایٹ سے نقصان کا حصہ**
94%	2,282,258,059	4,433,603,915	ٹیکس سے پہلے منافع
103%	2,164,297,683	4,379,659,280	ٹیکس کے بعد منافع
100%	16.17	32.41	کمائی فی شیئر (بنیادی)
101%	15.96	32.10	کمائی فی شیئر (رتیق)

* اس یک وقتی فائدہ کو ای پروسیڈنگ سسٹمز پی۔وی۔ کو ایک ذیلی کمپنی سے تبدیل کرنے سے پیدا ہونے والے متفقہ مالیاتی گوشواروں میں تسلیم کیا گیا ہے جو ٹیکس فاؤنڈیشن کی ناقابل تلافی ترجیحی حصص میں سرمایہ کاری کے نتیجے میں ووٹنگ کے حقوق میں کمی کی وجہ سے ہے۔

** نقصان کا حصہ ریٹیلستان سے آرہا ہے اور نقصان کا متناسب حصہ ای پی سسٹمز پی۔وی۔ سے۔

سیگمنٹ کی کارکردگی - (یکجا)

سیگمنٹ کا تجزیہ چاروں سیگمنٹس میں بہترین ترقی کو ظاہر کرتا ہے، جس میں مشرق وسطیٰ کا علاقہ سب سے آگے رہا، اس کے پیچھے پاکستان اور پھر شمالی امریکہ۔ کمپنی کی برآمدی فروخت کل فروخت کا تقریباً 80% ہے، آنے والے برسوں میں برآمدات کے جزو کو مزید بڑھانا کمپنی کا ہدف ہے۔ نئے علاقوں اور نئی مارکیٹوں میں تنوع اس مقصد کے حصول میں معاون ہوگا کیونکہ کمپنی فعال انداز میں نئے علاقوں میں توسیع کیلئے کوشاں ہے۔

سال کے دوران کمپنی نے آمدنی میں تیزی سے اضافہ کیلئے کمپنی کی پوزیشن کو مضبوط بنانے میں اہم پیشرفت کی ہے۔ کمپنی نے کلائنٹ کی مرکزیت کو تیز کیا، کاروباری حکمت عملی کو بہتر بنایا اور لاگت کا صحتمند ڈھانچہ قائم کیا جس نے کمپنی کو ترقی میں مزید سرمایہ کاری کرنے کے قابل بنایا۔

کل میزان		پاکستان		مشرق وسطیٰ		یورپ		شمالی امریکہ	
2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
روپے									
9,876,827,710	15,304,037,567	1,983,865,033	2,834,460,892	2,699,811,070	4,999,529,027	825,305,235	1,047,044,453	4,367,846,372	6,423,003,195
(6,619,640,203)	(10,314,365,850)	(1,510,305,117)	(2,279,316,044)	(2,218,084,612)	(3,479,703,994)	(498,779,658)	(658,775,716)	(2,392,470,816)	(3,896,570,096)
3,257,187,507	4,989,671,717	473,559,916	555,144,848	481,726,458	1,519,825,033	326,525,577	388,268,737	1,975,375,556	2,526,433,099
(201,024,729)	(385,600,533)	(172,130,762)	(352,147,834)	(7,462,548)	(6,857,599)	(4,024,698)	(3,643,294)	(17,406,721)	(22,951,806)
(722,310,556)	(1,410,453,699)	(112,487,335)	(133,084,340)	(218,841,511)	(484,316,342)	(66,340,926)	(90,422,638)	(324,640,784)	(702,630,379)
(923,335,285)	(1,796,054,232)	(248,618,097)	(485,232,174)	(226,304,059)	(491,173,941)	(70,365,624)	(94,065,932)	(342,047,505)	(725,582,185)
2,333,852,222	3,193,617,485	188,941,819	69,912,674	255,422,399	1,028,651,092	256,159,953	294,202,805	1,633,328,051	1,800,850,914
(220,135,524)	(8,131,032)								
235,201,037	653,030,134								
	816,226,748								
	(83,384,503)								
(66,659,676)	(121,404,658)								
(51,594,163)	1,256,336,689								
2,282,258,059	4,433,603,915								
(117,960,376)	(53,944,635)								
2,164,297,683	4,379,659,280								

فیکس آؤٹ اور اخراجات:
دیگر آپریٹنگ اخراجات
دیگر آمدنی
ماتحت ادارہ کے ڈسپوزل پر فائدہ
ایسوسی ایٹ سے نقصان کا حصہ
فیکس کی لاگت
ٹیکس سے قبل منافع
ٹیکس
سال کیلئے منافع

شمالی امریکہ اور یورپ

شمالی امریکہ کی مارکیٹ ان تکنیکی مہارتوں کیلئے بہت سازگار رہی ہے جو کمپنی کو عالمی سطح پر پیش کرنی ہیں اور مارکیٹ میں ڈیجیٹل، ڈیٹا اور کلاؤڈ کی تینوں خدمات کی پیشکش میں نمایاں اضافہ ہوا ہے۔ کمپنی نے سرمایہ کاری کر کے ایسے کاروباری حل تخلیق کئے ہیں جنہوں نے گروپ کو سال کے دوران نئے کسٹمرز حاصل کرنے میں مدد فراہم کی اور کمپنی کو یقین ہے کہ یہ نئے کسٹمرز مستقبل میں گروپ کیلئے بار بار ہونے والی آمدنی میں مرکزی کردار ادا کریں گے۔

وس آڈٹ سوسٹنگ (بی پی او) اور اومنی چینل کونٹیکٹ سنٹر کی صورت میں متنوع خدمات پیش کرتی ہے۔

202ء کے دوران کمپنی اور گروپ کی مالی کارکردگی

غیر منظم

لی سال 21 کیلئے کمپنی کے مالیاتی نتائج خوش کن رہے۔ سال کیلئے آپریٹنگ ریونیوز مقامی کرنسی میں 11,903.8 ملین روپے تھے جو کہ گزشتہ سال کے مقابلے میں صنعت سے لا 58% کی ترقی کو ظاہر کرتا ہے۔ سال کی کل آمدنی 3,320.7 ملین روپے تھی جو 51% کی شرح نمو ظاہر کرتی ہے۔ مجموعی منافع اور آپریٹنگ منافع میں بالترتیب 43% اور 38% کا اضافہ ہوا۔ مالی سال 17 سے کمپنی نے آمدنی میں 42% کی ایک مرکب سالانہ ترقی کی شرح (CAGR) فراہم کی ہے۔ آمدنی میں اضافہ بنیادی طور پر آئی ٹی خدمات کے ذریعے ہوا ہے اور منافع میں اضافہ تمام جغرافیائی خطوں اور تمام ورٹیکلز میں مانگ اور نمو کی وجہ سے ہوا ہے۔

لی کیلئے کرنسی کی قدر میں کمی کا اثر پچھلے سال کے 81.8 ملین روپے کے مقابلے میں 334.5 ملین روپے ہے۔ تاہم امریکی ڈالر میں بھی آمدنی نے 57% کی ترقی اور منافع میں 50% اضافہ دکھایا۔

بیکٹیل سروسز سے 80% کے آئی ٹی ریونیوز اور میچڈ سروسز کے ذریعے 20% ریونیوز کے ساتھ کمپنی تبدیلی کے اقدامات اور اپنے صارفین کے ڈیجیٹل کو اپنانے میں گہرائی سے حری ہوئی ہے۔ وبائی مرض نے ان مصروفیات کی رفتار کو تیز کر دیا اور سیکٹرم کے تمام کاروباری اداروں نے اپنے انتہائی اہم ڈیجیٹل اقدامات کے ساتھ کمپنی پر بھروسہ کیا۔ یہ امر عث مسرت ہے کہ کمپنی کسٹمرز کے بہترین اطمینان کے ساتھ یہ منصوبے کامیابی سے فراہم کرنے کے قابل رہی جو موجودہ کسٹمرز سے ترقی کی عکاسی کرتی ہے۔ کمپنی نے ڈیزائن سٹوڈیو اور انجینئرنگ گیراج تیار کیا ہے تاکہ پرسنل، فوری اور آسان طریقے سے بہترین ٹیکنالوجی اور انسانی تعامل کو یکجا کر کے کسٹمرز کو انتہائی پرکشش تجربے سے چار کیا جاسکے۔

غیر منظم

تفصیلات	مالی سال 2021	مالی سال 2020	سال بہ سال
مدنی	11,903,583,911	7,513,766,845	58%
مجموعی منافع	3,991,141,283	2,797,980,818	43%
پریٹنگ منافع	2,816,512,795	2,044,597,986	38%
ٹیکس سے پہلے منافع	3,352,565,630	2,267,329,045	48%
ٹیکس کے بعد منافع	3,320,691,476	2,193,914,942	51%
کمائی فی شیئر (بنیادی)	24.12	16.05	50%
کمائی فی شیئر (رقیق)	23.89	15.85	51%

منظم

3 دسمبر 2021ء کو ختم ہونے والے سال کے دوران مجموعی آمدنی 55% اضافے کے ساتھ 9,876.8 ملین روپے سے بڑھ کر 15,304.0 ملین روپے ہو گئی۔ مجموعی منافع اور پریٹنگ منافع میں بالترتیب 53% اور 50% اضافہ ہوا۔ سال کیلئے منظم بنیادوں پر اکیچینج منافع پچھلے سال کے 81.8% ملین روپے کے مقابلے میں بڑھ کر 334.4 ملین روپے رہا۔ اس مدت کیلئے خالص منافع 103% اضافہ کے ساتھ 2,164.3 ملین روپے سے بڑھ کر 4,379.6 ملین روپے ہو گیا۔ گزشتہ سال کی اسی مدت کے مقابلے میں فی شیئر بنیادی اور رقیق آمدنی میں 100% اضافہ ہوا۔ امریکی ڈالر میں آمدنی میں اضافہ 54% فیصد ہے اور آپریٹنگ منافع 50% ہے۔

منظم

تفصیلات	مالی سال 2021	مالی سال 2020	سال بہ سال
مدنی	15,304,037,567	9,876,827,710	55%
مجموعی منافع	4,989,671,717	3,257,187,507	53%

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز 2021ء

کمپنی کے ڈائریکٹرز کو مورخہ 31 دسمبر 2021ء کو ختم ہونے والے سال کے غیر منظم اور منظم مالیاتی گوشواروں کے ساتھ آپ کی کمپنی کی سالانہ رپورٹ پیش کرنے پر خوشی ہے۔

گروپ کا جائزہ:

کمپنیز ایکٹ، 2017 کے تحت یہ کمپنی پاکستان کی ایک پبلک لمیٹڈ اور پاکستان سٹاک ایکسچینج کی لسٹڈ کمپنی ہے۔ کمپنی 1977ء میں قائم کی گئی اور یہ بنیادی طور پر سوفٹ ویئر ڈیولپمنٹ، سوفٹ ویئر کی ٹریڈنگ اور بزنس پروسس آؤٹ سورسنگ سروسز کا کاروبار کرتی ہے۔

یہ گروپ سسٹمز لمیٹڈ (ہولڈنگ کمپنی) اور اس کی ماتحت کمپنیوں - ٹیک و سٹاسٹمز ایف زیڈ ایل ایل سی، ایس یو ایس (پرائیویٹ) لمیٹڈ (بلوچستان لینڈ ریکارڈ پروجیکٹ کیلئے بنائی گئی)، سسٹمز عریبیہ ایل ایل سی، سسٹمز ونچر (پرائیویٹ) لمیٹڈ اور ایک ایسوسی ایٹڈ کمپنی - ای پروسیڈنگ سسٹمز بی۔وی۔ پر مشتمل ہے۔

ٹیک و سٹاسٹمز ایف زیڈ، ایل ایل سی (ٹی وی ایس)، ڈی ٹیکنالوجی اینڈ میڈیا فری زون اتھارٹی میں ایک لمیٹڈ ایبلٹی کمپنی، سسٹمز لمیٹڈ کی 100% ملکیتی ماتحت کمپنی ہے۔ ٹی وی ایس سوفٹ ویئر ڈیولپمنٹ اور ذیلی خدمات فراہم کرنے میں مصروف عمل ہے۔

سسٹمز عریبیہ سعودی عرب میں قائم کی گئی ایک لمیٹڈ ایبلٹی کمپنی اور سسٹمز لمیٹڈ کی 100% ملکیتی ماتحت کمپنی ہے۔ سسٹمز عریبیہ سوفٹ ویئر تیار کرنے اور ذیلی خدمات فراہم کرنے کے کاروبار میں مصروف ہے۔

سسٹمز ونچر (پرائیویٹ) لمیٹڈ (ایس وی)، کمپنیز ایکٹ 2017 کے تحت رجسٹرڈ ایک پرائیویٹ لمیٹڈ، اور سسٹمز لمیٹڈ کی 99.98% ملکیتی ماتحت کمپنی ہے۔ سسٹمز ونچر پاکستان میں نئے منصوبوں میں سرمایہ کاری کرنے، سٹارٹ اپس اور نئے آئیڈیاز کو فروغ دینے کیلئے قائم کی گئی ہے۔ سال کے دوران، ایس وی نے ریٹیلستان (پرائیویٹ) لمیٹڈ میں 468 ملین روپے کی سرمایہ کاری کر کے 20% حصص حاصل کئے۔

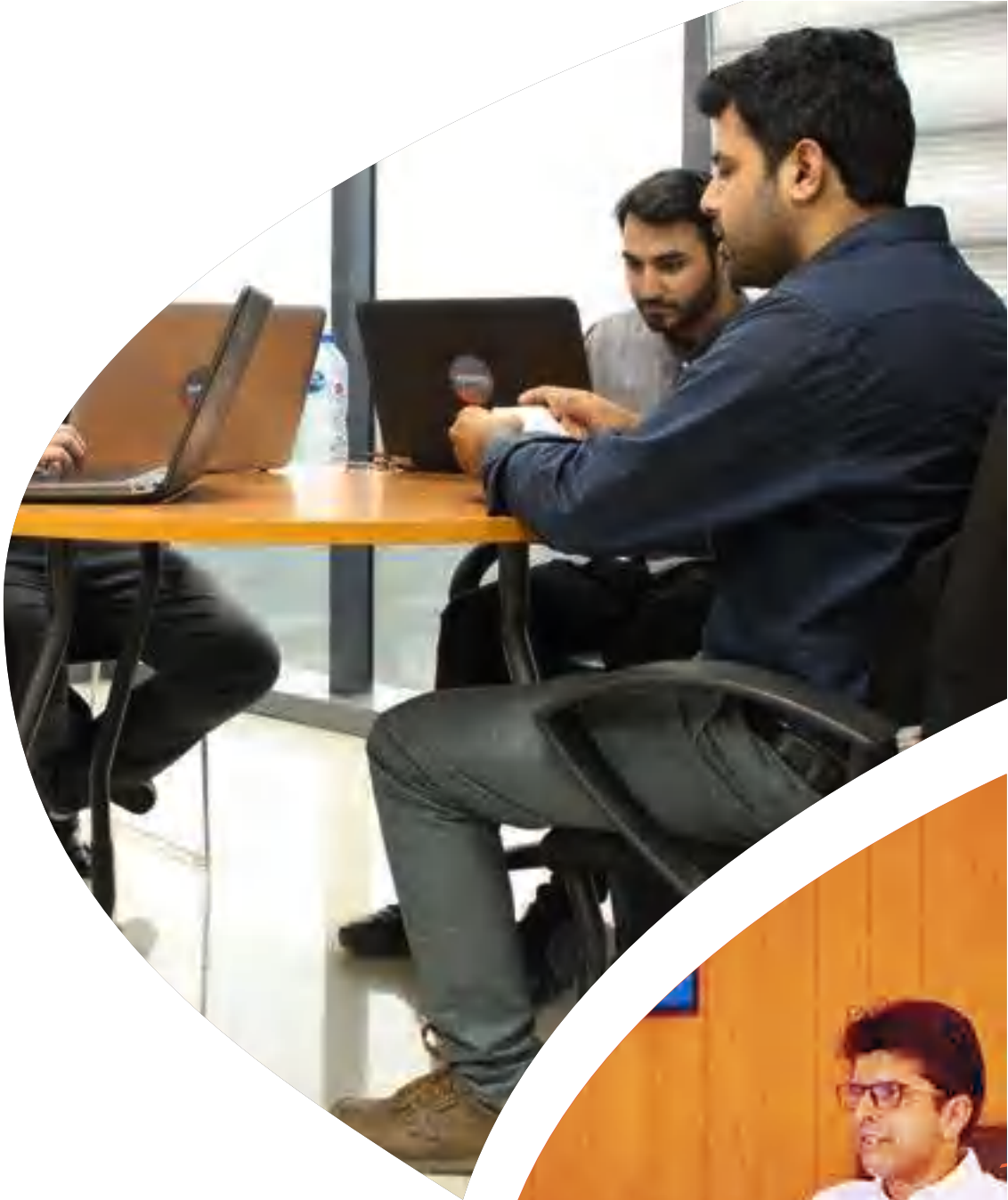
ریٹیلستان سیلز فلو کے نام سے ایک سرکردہ سیلز اینڈ ڈسٹری بیوشن پلیٹ فارم فراہم کرتی ہے جسے کئی بڑے ایف ایم سی جی مینوفیکچررز کا اعتماد حاصل ہے۔ یہ ایک SaaS بی2بی پلیٹ فارم ہے جو سٹورز کو پلیٹ فارم پر مینوفیکچررز اور سیلز/بااختیار ڈسٹری بیوٹرز کو براہ راست آرڈر دینے کی سہولت فراہم کرتا ہے۔ یہ پلیٹ فارم ڈسٹری بیوشن مینجمنٹ سسٹم، ڈیجیٹل مارچنڈائزنگ اینڈ انسٹور مارکیٹ ٹول، اور ڈیٹا سائنس سلیوشنز (ڈیٹا اینالیٹکس) کا احاطہ کرتا ہے۔ فی الحال FMCGs کے ذریعے اسے تقریباً 15,000 ڈسٹری بیوٹرز ایجنٹس استعمال کر رہے ہیں۔ ریٹیلستان کے پاس جگنو کے نام سے ایک مکمل ملکیتی ماتحت کمپنی ہے، جو کہ ایک آن لائن مارکیٹ پلیس ہے اور ایک موبائل ایپ کے ذریعے اس تک پہنچا جاسکتا ہے تاکہ ریٹیلرز کو مختلف قسم کی مصنوعات خریدنے کے قابل بنایا جاسکے۔ جگنو مینوفیکچررز اور ڈسٹری بیوٹرز سے مال خریدتی ہے، اسے اپنے گوداموں میں سٹور کرتی ہے اور ریٹیلرز کی طرف سے ملنے والے آرڈرز کی بنیاد پر اگلے دن ڈیلیور کر دیتی ہے۔ یعنی یہ ایک بی2بی ای کامرس پلے ہے۔

ای پروسیڈنگ سسٹمز بی۔وی۔ (ای پی ایس)، نیدرلینڈز میں رجسٹرڈ ایک پرائیویٹ لمیٹڈ کمپنی ہے، یہ سسٹمز لمیٹڈ کی 44.60% ملکیتی ایسوسی ایٹ ہے۔ سال کے دوران، ای پروسیڈنگ سسٹمز (پرائیویٹ) لمیٹڈ کے شیئر ہولڈرز نے، فارن ایکسچینج مینوبل کے باب 20 کے پیراگراف 13B کے تحت، پاکستان سے باہر ایک ہولڈنگ کمپنی قائم کرنے کیلئے سیٹھ بینک آف پاکستان (ایس بی پی) کو درخواست دی۔ اس کے مطابق ای پروسیڈنگ سسٹمز بی۔وی۔ کے نام سے نیدرلینڈز میں ایک کمپنی قائم کی گئی اور ای پروسیڈنگ سسٹمز (پرائیویٹ) لمیٹڈ کے شیئر ہولڈرز نے اپنے شیئرز کو 179,507 مکمل طور پر ادا شدہ عام شیئرز کی 0.01 امریکی ڈالر فی شیئر مساوی مالیت کے ساتھ تبدیل کیا جو کہ ای پروسیڈنگ سسٹمز بی۔وی۔ میں 44.60% شیئرز کی نمائندگی کرتے ہیں۔ ای پی ایس فی الحال ٹیکلو کے ایئر ٹائم اور متعلقہ خدمات کی خرید و فروخت کا کاروبار کرتی ہے۔ کمپنی کی پروڈکٹ کا نام ونلوڈ (OneLoad) ہے۔ کمپنی سیٹھ بینک آف پاکستان (ایس بی پی) سے ای سی لائسنس کے تحت ون زیپ (OneZap) لانچ کرنے کے عمل میں ہے۔ کمپنی اور گروپ کے مالیاتی گوشوارے کمپنی کے معاملات کی حقیقی عکاسی اور اس کے کاروبار کا منصفانہ جائزہ پیش کرتے ہیں۔

سرگرمیاں

کمپنی کو بنیادی طور پر ڈیجیٹل سروسز، مینوفیکچررز، کنسلٹنگ سروسز، آئی ٹی آؤٹ سورسنگ اور بزنس پروسس آؤٹ سورسنگ/کونٹیکٹ سینٹرز سے آمدنی ہوتی ہے کمپنی کو 80% آمدنی مختلف جغرافیائی خطوں جیسے شمالی امریکہ، یورپ اور مشرق وسطیٰ میں اپنی خدمات کی برآمد سے اور تقریباً 20% مقامی مارکیٹ سے حاصل ہوتی ہے۔ کمپنی مختلف کاروباری شعبوں جیسے ٹیکلو، ریٹیل، پی سی جی، فارما، بینکاری اور پبلک سیکٹر میں پھیلی ہوئی ہے۔ مزید برآں یہ ڈیٹا انٹلیجنس، ماڈرن ڈیولپمنٹ، کلاؤڈ اور ڈیجیٹل سروسز کے ساتھ ساتھ بزنس

ABOUT US



FOR THE PAST

45+ YEARS,

Systems Limited, Pakistan's leading global IT services provider, has empowered customers to achieve digital-led business transformation in every industry, creating long-lasting value across a wide spectrum. With no plans of slowing down, in fiscal 2021, we curated, implemented, and managed solutions around digital, data, and cloud to serve our global clientele in ways optimized for today's challenging digital economy. Our consulting, technology, outsourcing, and next-generation digital services empowered clients in 4 continents to create and execute strategies for complete transformation.

We tailor our unique strategy and broad expertise to impact leading enterprises channel a personalized experience to accelerate, operate efficiently, and allow them to be responsive and proactive in real-time. Other than successfully maintaining operations in the US, UK, EU, and the Middle East, we recently expanded our global footprint to KSA and have opened a delivery office in Egypt. By embracing the power of continuous innovation, we synergize long-lasting value for our clients, people, shareholders, partners, and communities.

**ALL IN ALL, THE COMPANY IS GEARED TO SUPPORT CUSTOMERS
IN THEIR DIGITAL TRANSFORMATION JOURNEYS**



OUR VALUE PROPOSITION



DIGITAL DATA

Pureplay in the digital data and cloud space



EMERGING TECHNOLOGIES

Organized by competencies and delivering business and technical solutions in emerging technologies.



GROWTH

Rapid revenue growth and industry leading margins



EMPLOYEE OWNERSHIP

Employee-ownership and experienced Leadership team



GLOBAL PRESENCE

Global presence, leveraging our core engineering strength, to improve and accelerate digital transformation, to generate additional revenue streams and improve customer retention



CONSULTING

Best-in-class business strategy consultants to propel your enterprise performance to greater levels.



RECURRING REVENUE

A portion of our revenue comes from our dedicated recurring customers



INSIGHT DRIVEN

We use the power of research, customer outreach and data/analytics to uncover insights that lead to transformational change



DOMAIN EXPERTISE

Focused on retail, financials, operations, sales, marketing, customer service, field service, project service for consumer products and services

DELIVERING ON THE PROMISE OF DIGITAL TRANSFORMATION, LEVERAGING OUR CORE VALUES

INTEGRITY

Embody dependability, honesty, and transparency

INNOVATION

Act courageously, experiment and make bold decisions

DEDICATION

Commit to tirelessly deliver precision and perfection

VISION

As an institution, Systems Limited is committed to being the leader of technology-enabled services in region through our thought leadership, sustained service delivery excellence, customer-focused employees, and long-standing relationships with clients, partners, and vendors. We aim to continuously innovate, enhance our service offerings, achieve superior financial results, and increase value to our clients and trusted shareholders. These unwavering expectations provide the foundation of our commitment to those with whom we interact.

MISSION

Systems Limited is dedicated to providing the highest quality business solutions and IT and IT-enabled services to our clients and business partners. We aim to be number-one service provider through our battle-tested methodologies, optimized processes, future-proof frameworks, and customer-focused resources.

ELEVATING OUR VISIBILITY, TRANSCENDING GEOGRAPHIES*



*Customers (Direct or through associates)

OUR JOURNEY OF MANY FIRSTS

1977 – PRESENT: DRIVING DIGITAL VALUE FOR 45+ YEARS.

1977

- Founded as the first software of Pakistan

1997

- Launched operations in the US. Worked with high profile clients from Fortune 500

2003

- Diversified in mortgage, apparel & soft goods industry. Grew customer base in the US.

2015

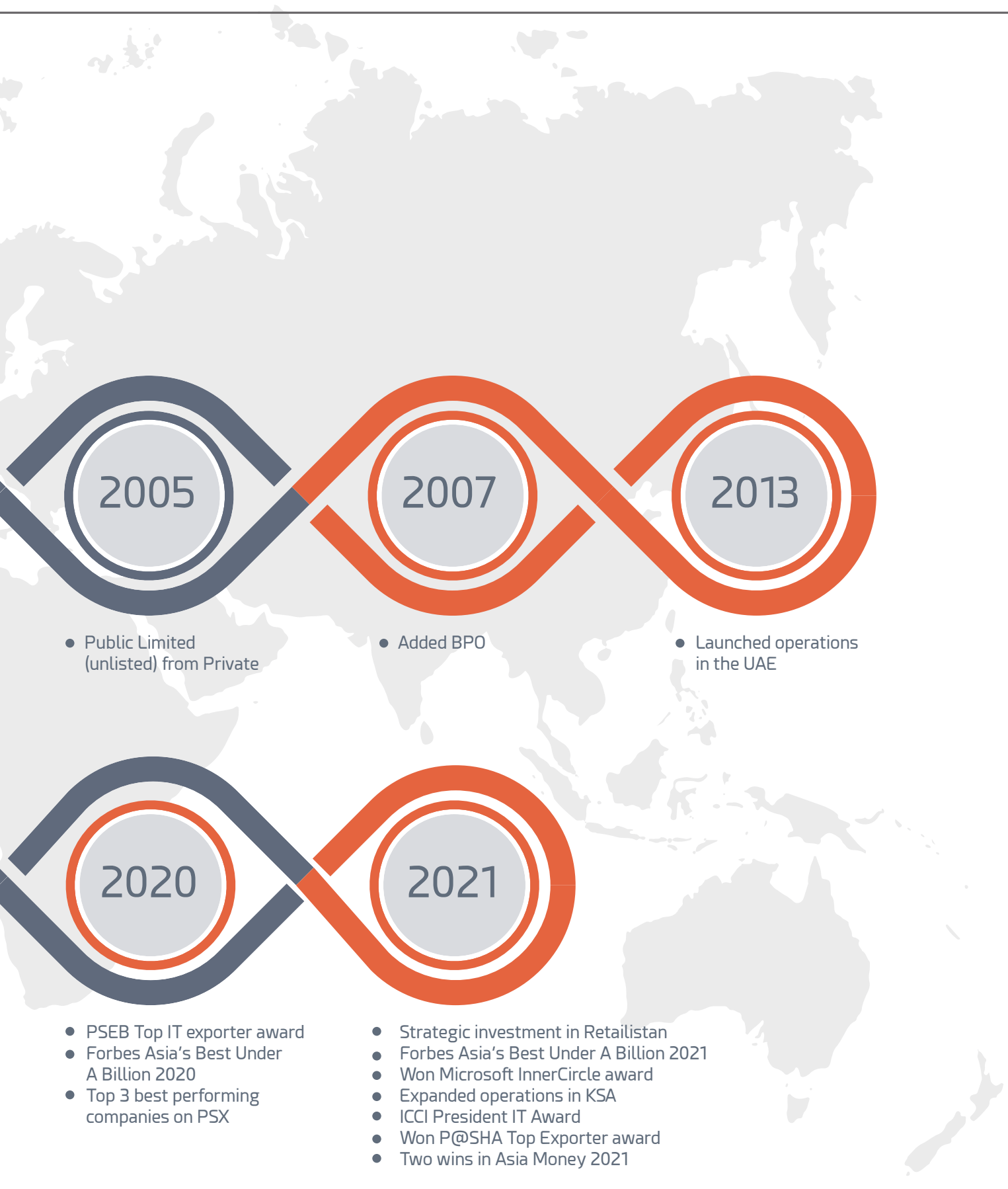
- Listed on PSX
- Launched OneLoad
- Diversified in digital services for financial inclusion

2018

- Won the Microsoft Partner of the Year
- Recorded Rs. 1bn in profitability

2019

- IFC investment in EP Systems
- E-Money License secured by EP
- Launched Systems Ventures



2005

- Public Limited (unlisted) from Private

2007

- Added BPO

2013

- Launched operations in the UAE

2020

- PSEB Top IT exporter award
- Forbes Asia's Best Under A Billion 2020
- Top 3 best performing companies on PSX

2021

- Strategic investment in Retailistan
- Forbes Asia's Best Under A Billion 2021
- Won Microsoft InnerCircle award
- Expanded operations in KSA
- ICCI President IT Award
- Won P@SHA Top Exporter award
- Two wins in Asia Money 2021

BUILDING A FOUNDATION OF INNOVATION WITH OUR CORE CAPABILITIES

Regardless of which industry vertical we serve or technical facet we operate in, we are not confined to a single area of expertise and consistently deliver business value in a few key aspects.

CONSULTING

We help you create a clear digital strategy that optimizes your path to comprehensive, technology-led business success.

IMPLEMENTATION

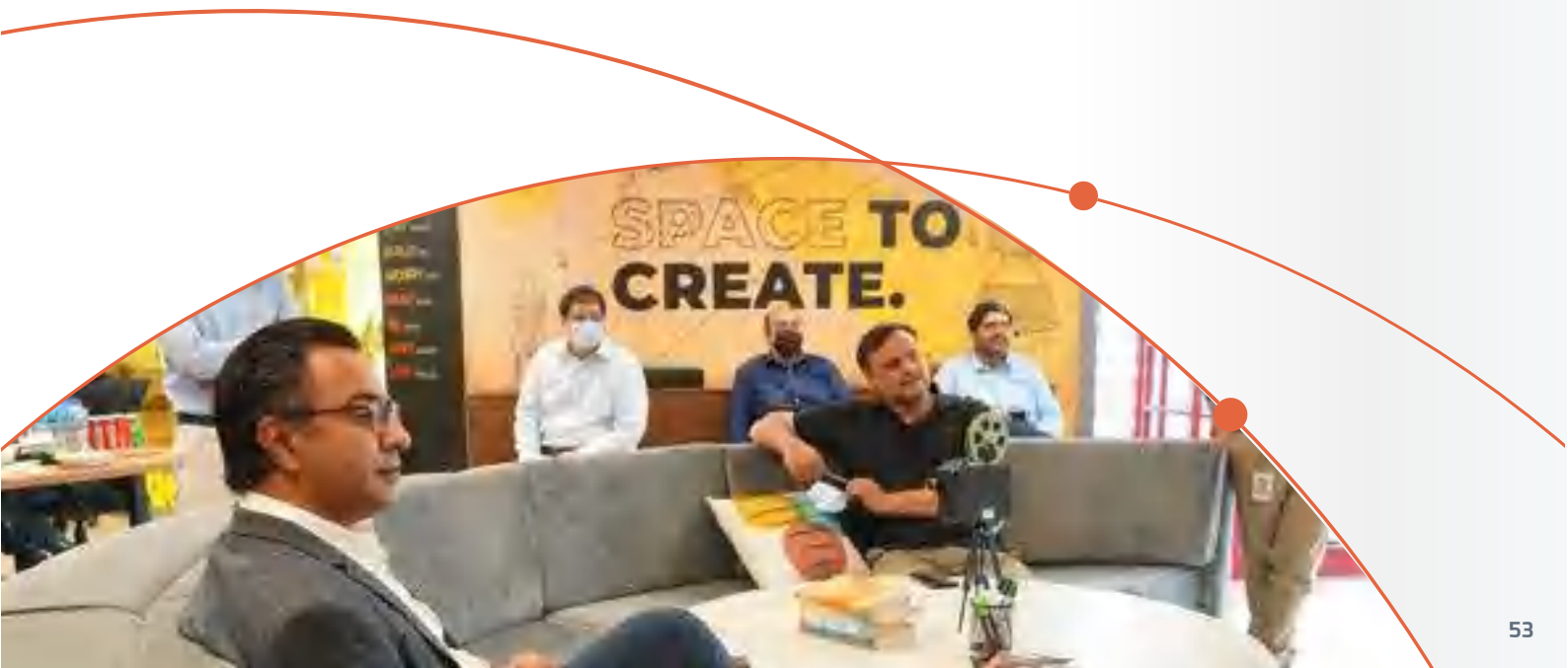
Our expertise spans all major technologies and business functions, empowering us to deliver comprehensive business solutions.

MANAGED SERVICES

Our global Managed Services team secures your digital investment with 24x7 monitoring, maintenance, and end-to-end support.

BPO & CONTACT CENTER

Our trained and experienced BPO teams and contact center professionals deliver an instant boost to your workforce with on-time, high-quality results.





AWARDS & RECOGNITION



Only Pakistani IT company to win two times in a row



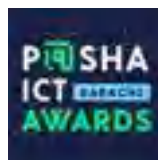
Among top global technology partners for Microsoft Business Applications



Top New Partner and Service Excellence Award 2021



Two awards in most outstanding company category

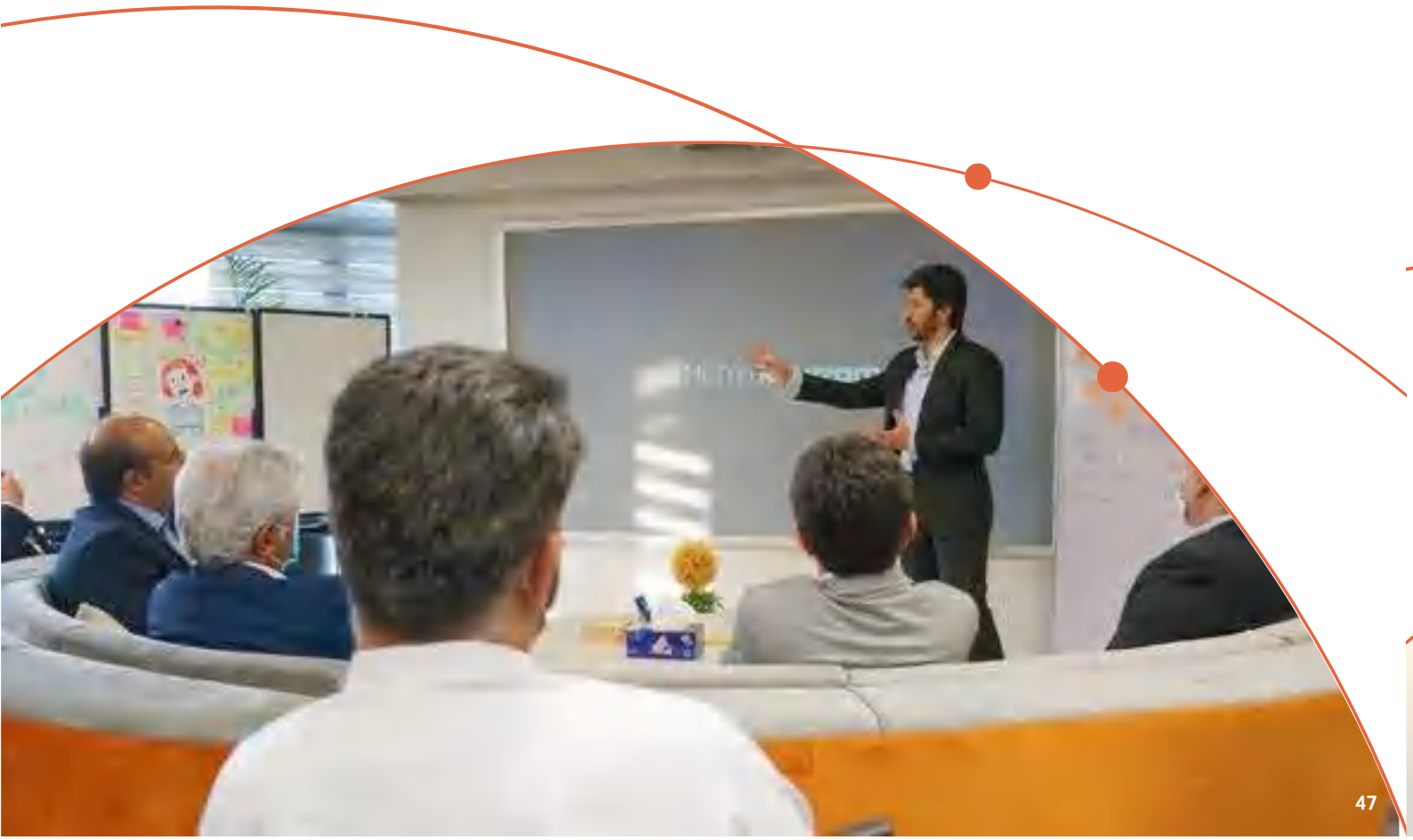
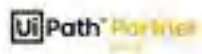
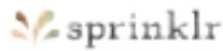


Winner in top exporter category



The first IT company to win the LCCI President IT award

PARTNERSHIPS & ALLIANCES



WHAT WE DO

- Ecommerce Tech
- Mobile Dev
- Customer Experience
- + Tools & Accelerator
- + Strong Alliance
- + Industry Focus – Retail / CPG

- Data on Cloud
- Big Data
- Data Science, AI/ML
- Analytics
- Automation
- + Tools & Accelerator
- + x- Industry Focus

- Infrastructure
- Information Security
- Network
- + Tools & Accelerator
- + Strong Alliance
- + x- Industry

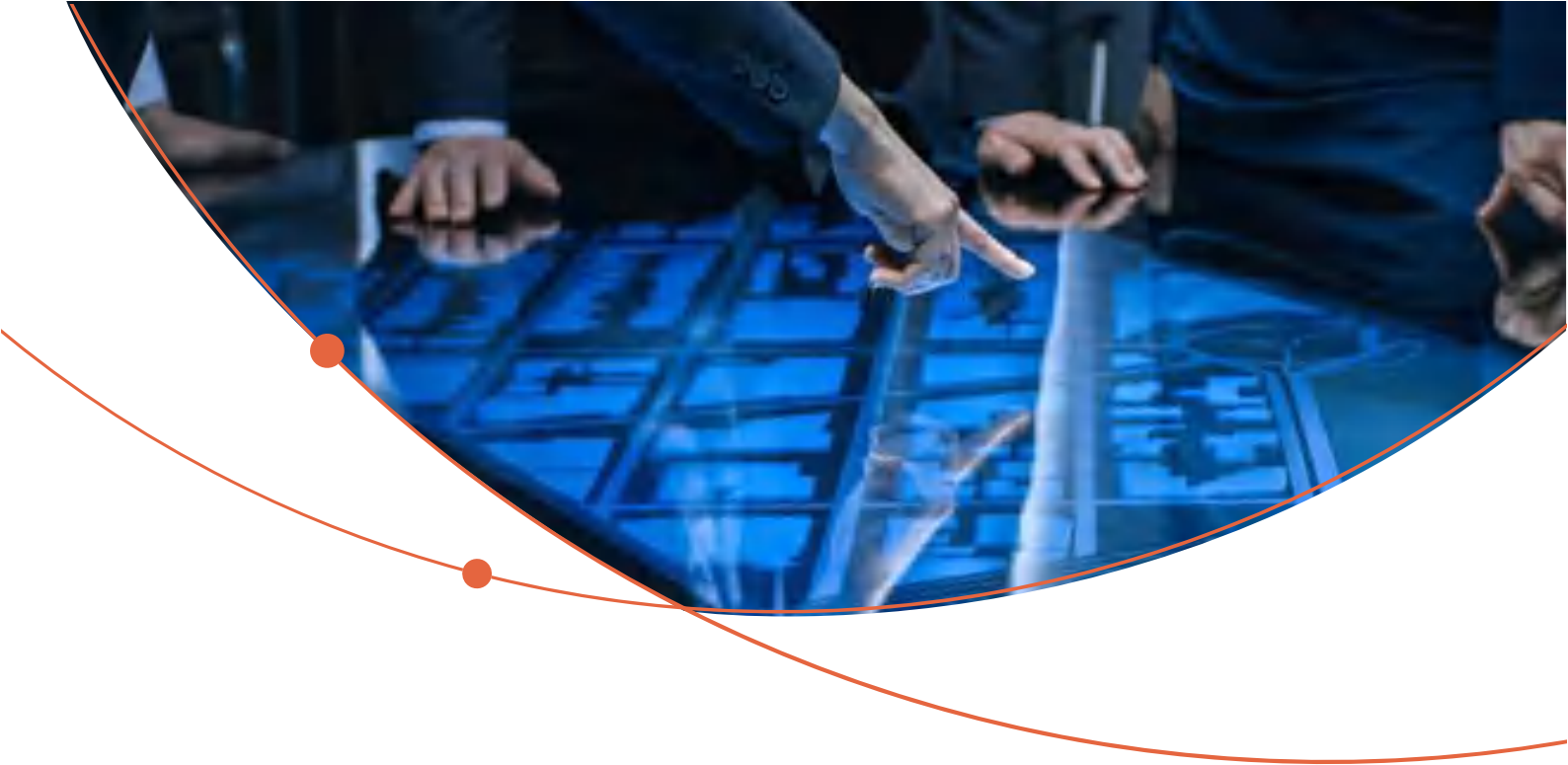
- Workspace Services
- Cloud Ops & Migration
- Cloud App & Integration
- + Tool & Accelerator
- + Multi Cloud expertise
- + x-Industry



Products & Solutions

Key Alliances





TECHNOLOGY OFFERINGS

As a technology and vendor agnostic company, we offer the following suite of services:

DIGITAL TRANSFORMATION

Digital Commerce

Revolutionize digital assets and business strategies through unique commerce experiences

Integration frameworks

Robust information architecture and real-time insights

ERP & CRM

Unified cloud solutions for business growth and agility

IT infrastructure

Complete technology development, management, and support

Customer experience

Transform through innovative, technology-enabled, and user-friendly services

Portals and mobility

Maximize accessibility and power of technology

Technology services

Customized solutions and services to help customers achieve their technology goals

CLOUD

Cloud services

Our global Managed Services team secures your digital investment with 24x7 monitoring, maintenance, and end-to-end support.

DATA

Digital analytics

Transform business data into valuable, actionable insights

Data management

Technology consulting, performance benchmarking & data ops

Technology strategy

Optimize and improve data processing pipelines

BPO

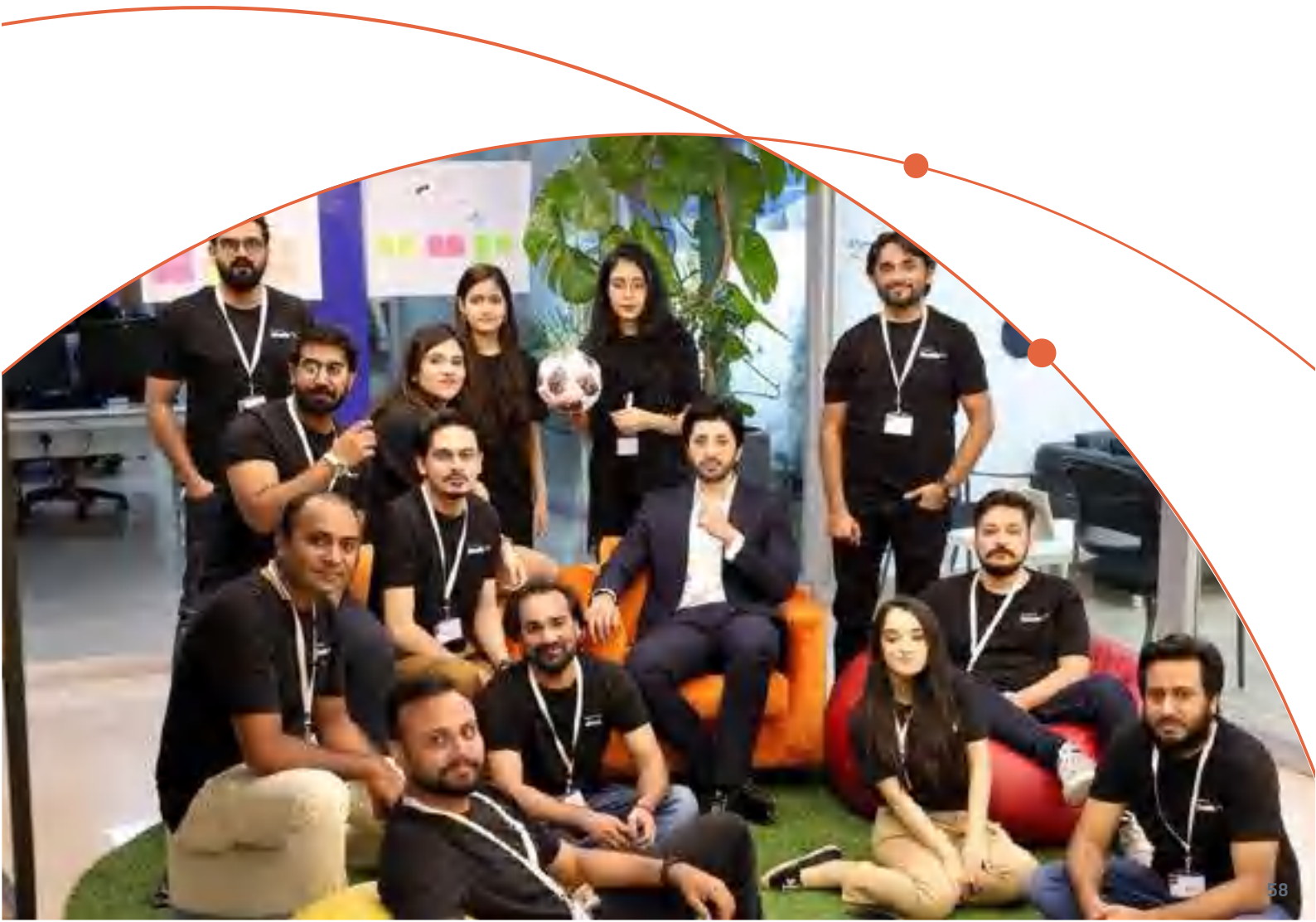
BPO & Contact Center

Demystify cloud adoption and unlock unlimited opportunities

OPENED DOORS TO INNOVATION

"With Studio 77, we aim to introduce a creative atmosphere where our driven and motivated team has the right tools and technology at its disposal to bring its breakthrough ideas to fruition. What you see today is the result of multiple brainstorming sessions, meticulous planning, and tireless commitment by our team to make sure that every nook and corner of Studio 77 screams innovation and creativity - something that Systems has become synonymous with."

Asif Akram – COO, Systems Limited





LOOKING AHEAD

ENERGIZED FOR A PURPOSEFUL TOMORROW

Right technology in capable hands is a striking force that can be used for true digital transformation. Guided by data and informed by analytics, we are equipped with the right enterprise-class expertise to address the need and challenges of time, and accelerate positive change.

TRENDS: GLOBAL DIGITAL TRANSFORMATION HAS GAINED MOMENTUM

With a myriad of IT trends, the current global pandemic has made complete digital transformation an imperative for businesses across the globe. By 2024, organizations will be forced to speed up their digital transformation business plans by at least 5 years.

Source: Gartner, Newsroom, 2021

By 2023, 40% of I&O teams will leverage AI-augmented automation in large enterprises.

Source: Gartner, Gartner Predicts the Future of AI Technologies

By 2023, blockchain will support the global tracking and movement of \$2 trillion of services and goods.

Source: Gartner, Blockchain Technology: What's Ahead?

By 2023, direct digital transformation investment is expected to grow \$7 trillion as companies become digital-at-scale future enterprises.

Source: ICD, FutureScape

PAKISTAN HAS BECOME A CYNOSURE FOR IT SERVICES



CONNECTIVITY AND COMMUNICATIONN

- **90%** population with broadband coverage
- **7** international internet cables + terrestrial connectivity with China (digital silk road)
- Full internet redundancy with latest PEACE submarine cable



ECOSYSTEM

- **20** technology parks
- **3RD** largest number of freelancers
- Hundreds of startups
- Multiple Incubation centers
- Special Technology Zones provides numerous benefits for companies to setup and operate out of Pakistan



BUSINESS INCENTIVES

- Zero Income Tax – On IT exports till June 2025
- Equity – **100% EQUITY** allowed for foreign investors
- Repatriation – **100% REPATRIATION** of dividend allowed to foreign IT investors

**SYSTEMS LIMITED WAS GRANTED A ZONE
ENTERPRISE LICENSE SPECIAL TECHNOLOGY ZONES
AUTHORITY (STZA) BY PRIME MINISTER MR. IMRAN KHAN**



KEY FINANCIAL & BUSINESS HIGHLIGHTS



SYSTEMS AT A GLANCE

EMPLOYEE METRICS

~ **1800**

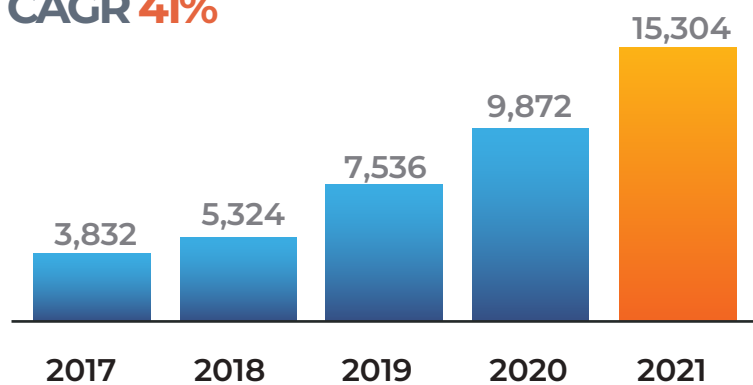
Net addition of IT professionals during the year

50%

Net YoY addition



REVENUE TRAJECTORY (PKR MILLION) CAGR **41%**



2019

IFC investment in EP Systems
Launched Systems Ventures

2020

Forbes under a Billion
PSEB Top IT Exporter

2021

Investment in Retailistan
Bill & Malinda Gates Investment
Systems Arabia Incorporation

GROUP FINANCIALS AT A GLANCE

PKR 15.3 BN

FY'21 REVENUE

41%

CAGR REVENUE
GROWTH

55%

YOY REVENUE
GROWTH

65%*

YOY PAT
GROWTH

5,320

TOTAL EMPLOYEES
AS AT
DECEMBER 31 2021

33%

FY'21 GROSS
PROFIT MARGIN

29%

FY'21 NET
PROFIT MARGIN

21%

FY'21 OPERATING
PROFIT MARGIN

26%

FY'21 EBITDA MARGIN

267

FY'21 TOTAL ACTIVE
CUSTOMERS SERVED

17

CUSTOMERS WITH
OVER \$1MN REVENUE

115

DAYS SALES
OUTSTANDING

PKR 32.41

FY'21 EARNINGS
PER SHARE

35%

FY'21 RETURN ON
CAPITAL EMPLOYED

36%

FY'21 RETURN
ON EQUITY

PKR 7.8 BN

CASH & EQUIVALENTS

PKR 2.4 BN

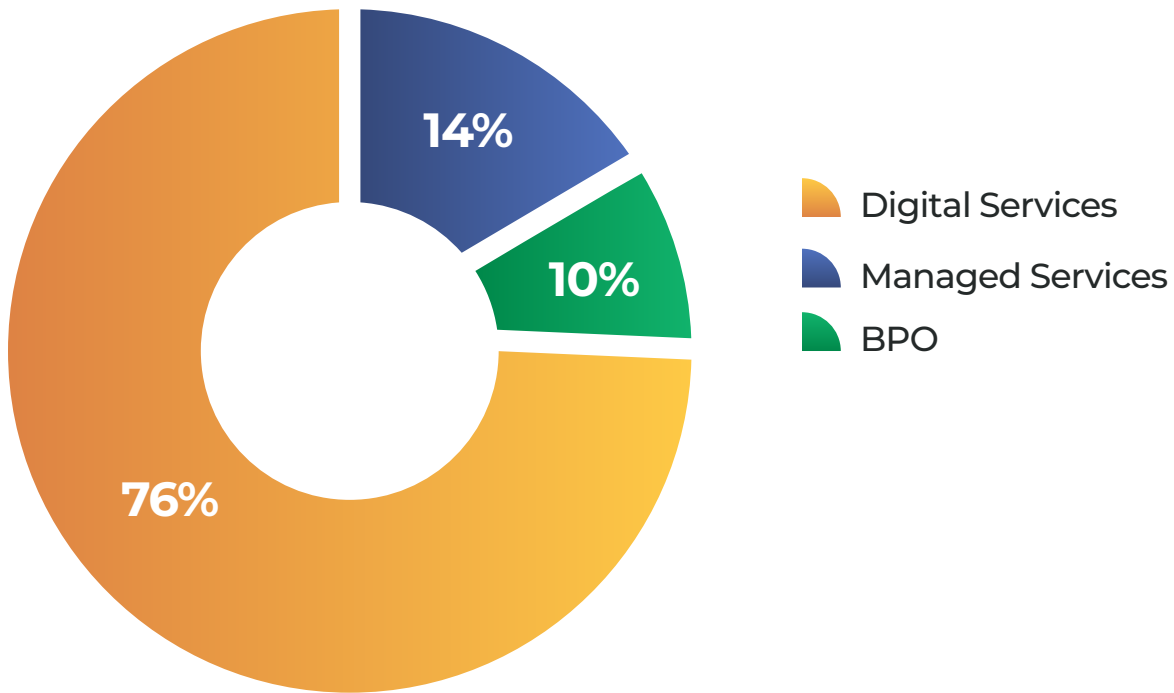
FY'21 CASH FLOWS
FROM OPERATIONS

PKR 1.4 BN

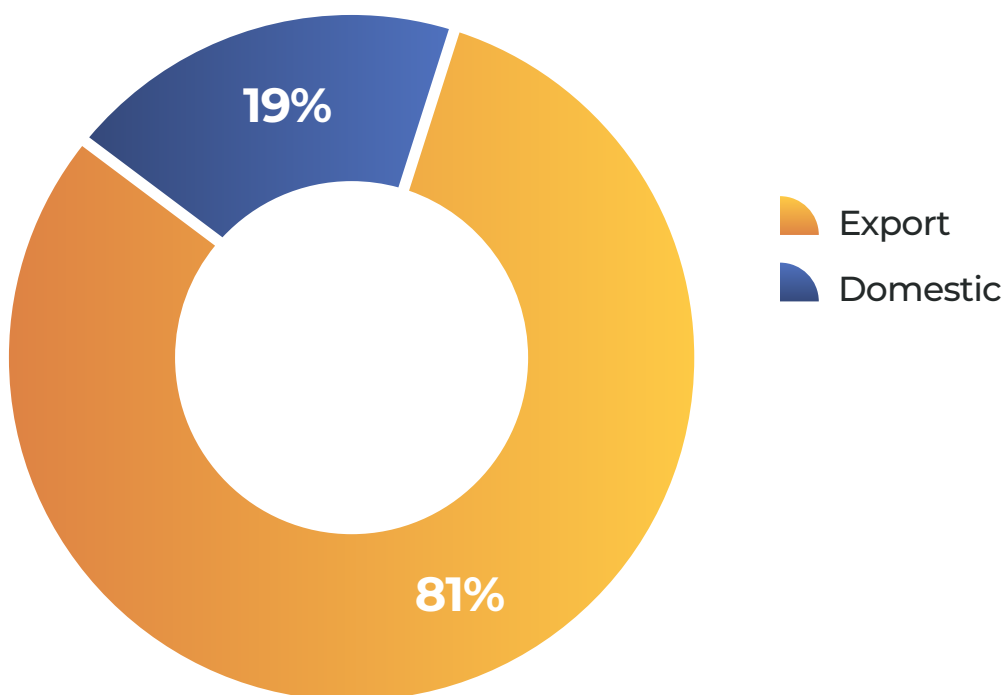
FY'21 FREE
CASH FLOWS

*Normalized for one off FV adjustment on dilution of control in subsidiary

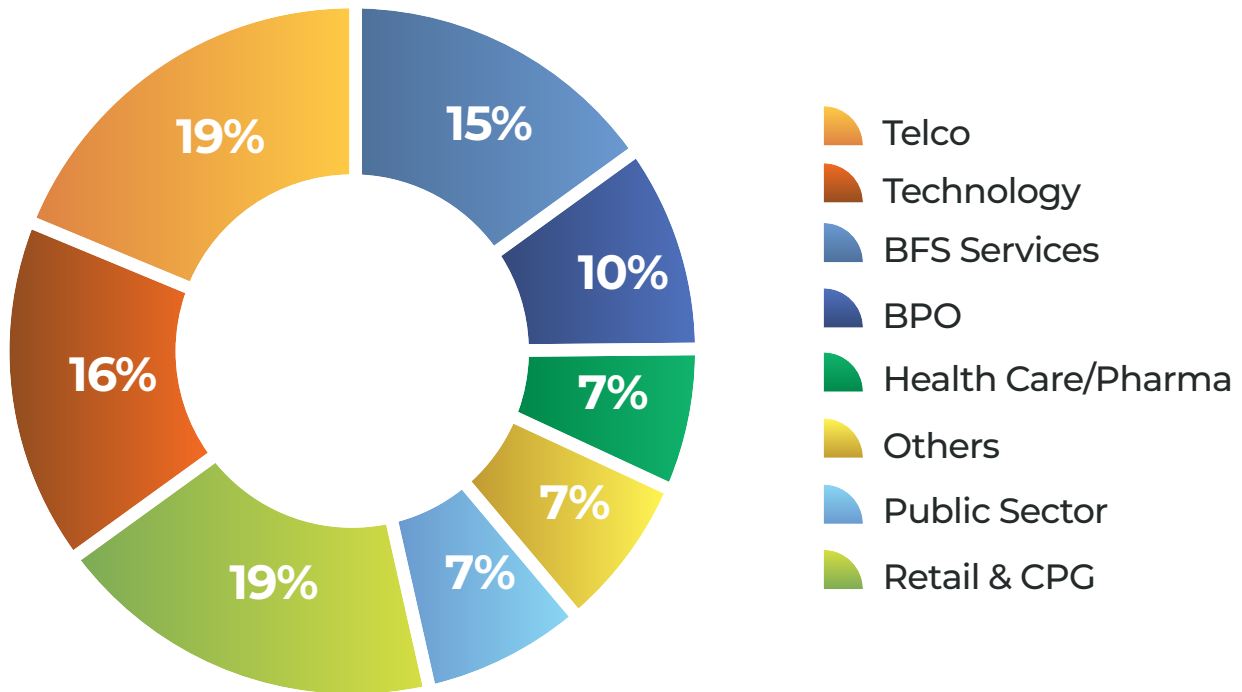
REVENUE BY SERVICE OFFERING 2021



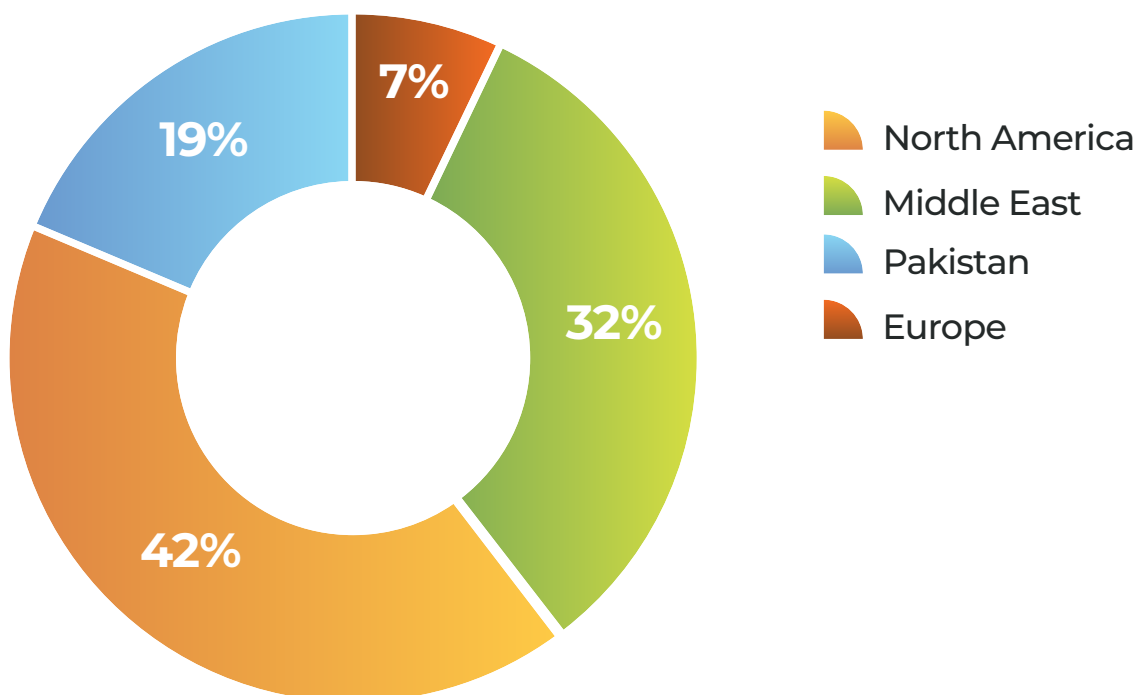
REVENUE EXPORT DOMESTIC MIX 2021



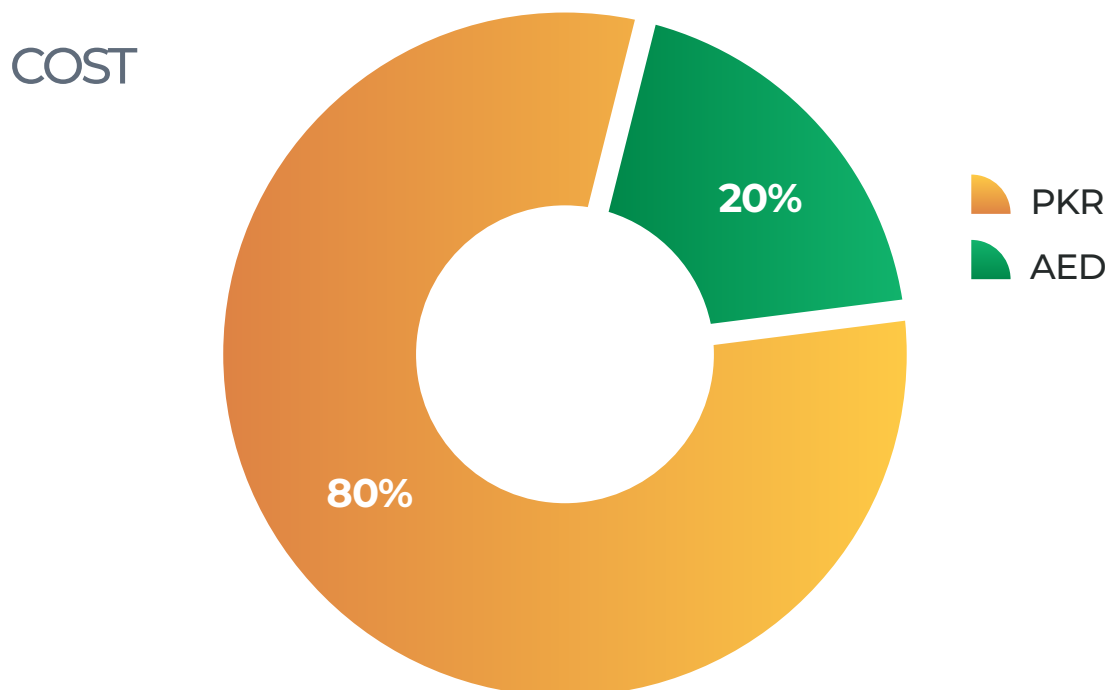
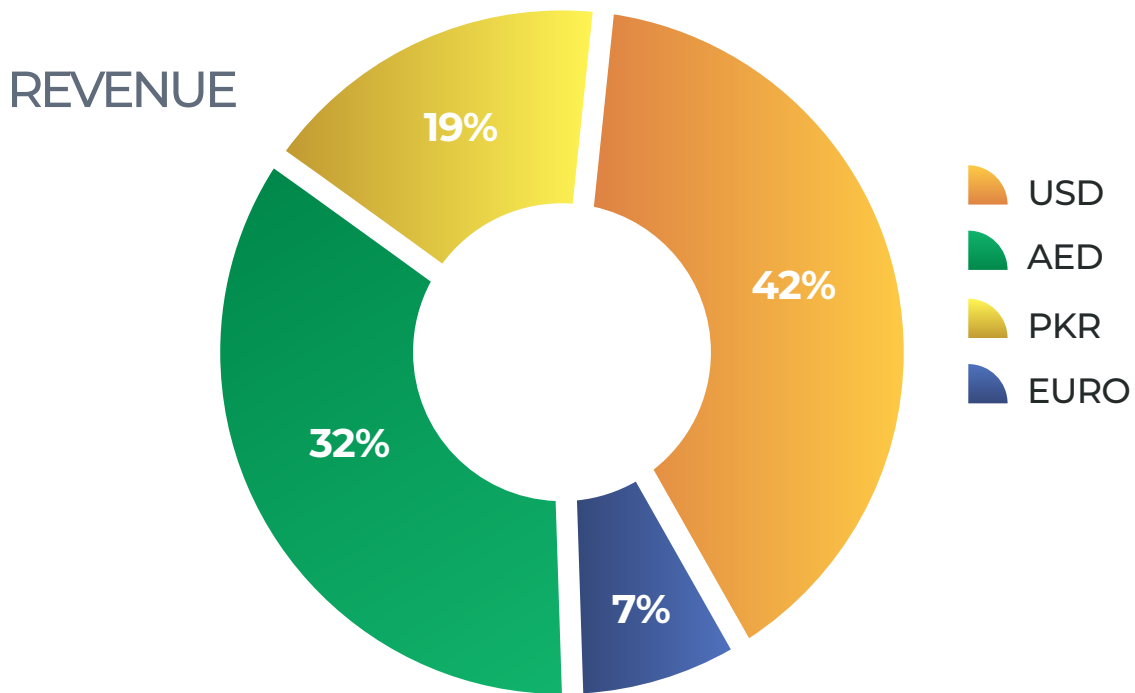
REVENUE BY SECTORS 2021



REVENUE BY GEOGRAPHIES

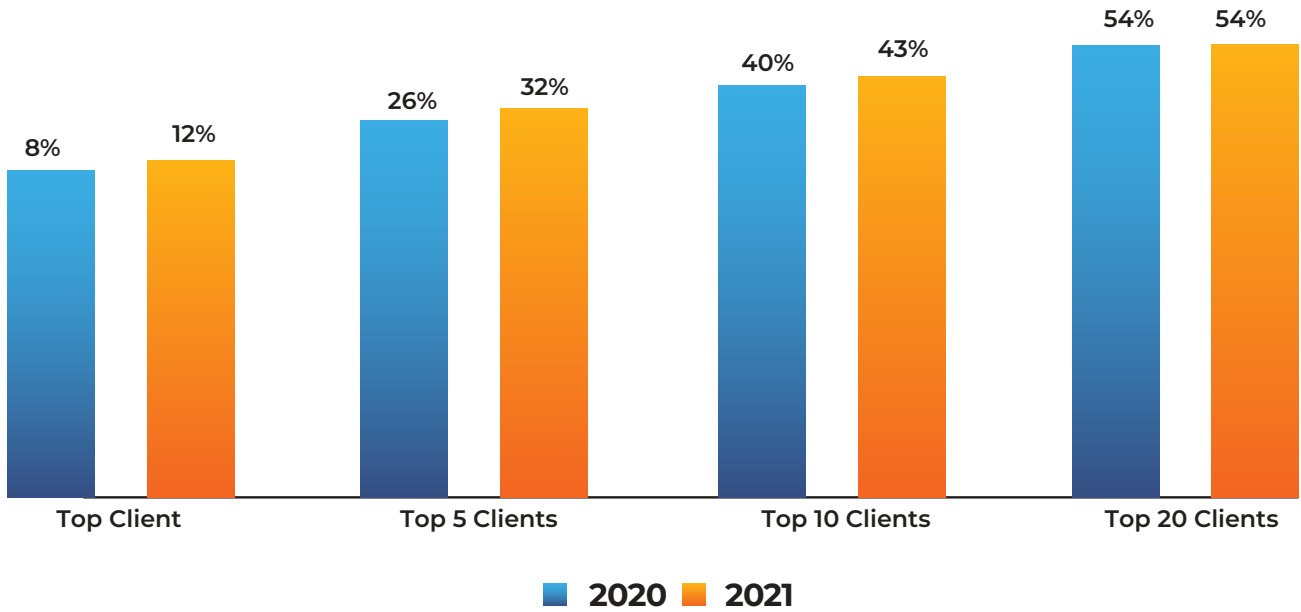


REVENUE AND COST MIX BY CURRENCY

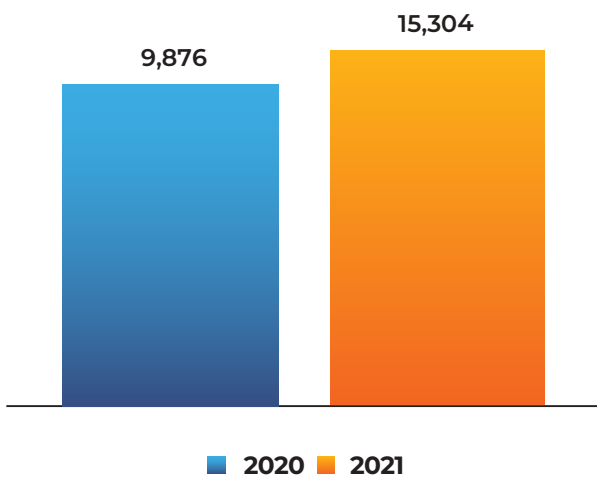


CLIENT COMPOSITION

CLIENT CONTRIBUTION TO REVENUE



TOTAL REVENUE



CLIENT METRICS

	2020	2021
\$10m + clients	-	1
\$5m + clients	-	2
\$3m + clients	2	5
\$1m + clients	12	17
\$500k + clients	25	38

KEY FINANCIAL HIGHLIGHTS

PROFIT AND LOSS SUMMARY FOR THE LAST SIX YEARS (AMOUNTS IN PKR)

STANDALONE

	2021 Rupees	2020 Rupees	2019 Rupees	2018 Rupees	2017 Rupees	2016 Rupees
Revenue	11,903,583,911	7,513,766,845	5,348,568,742	3,761,155,759	2,910,800,003	2,680,323,531
Cost of revenue	(7,912,442,628)	(4,715,786,027)	(3,572,188,527)	(2,582,618,930)	(2,048,691,935)	(1,884,619,823)
Gross profit	3,991,141,283	2,797,980,818	1,776,380,215	1,178,536,829	862,108,068	797,485,299
Distribution expenses	(188,926,692)	(118,794,068)	(99,693,155)	(46,585,985)	(113,712,935)	(37,287,199)
Administrative expenses	(981,346,043)	(499,848,346)	(448,471,106)	(377,384,516)	(286,947,433)	(251,448,903)
Other operating expenses	(4,355,753)	(134,740,418)	(139,025,203)	(118,366,982)	(87,722,400)	(30,979,960)
	(1,174,628,488)	(753,382,832)	(687,189,464)	(542,337,483)	(488,382,768)	(321,497,653)
Operating profit	2,816,512,795	2,044,597,986	1,089,190,751	636,199,346	373,725,300	475,987,646
Other income	620,344,533	272,645,254	342,646,042	437,742,627	118,416,151	33,145,436
Finance costs	(84,291,698)	(49,914,195)	(39,164,417)	(18,834,198)	(10,709,009)	(3,213,088)
Profit before taxation	3,352,565,630	2,267,329,045	1,392,672,376	1,055,107,775	481,432,442	505,919,994
Taxation	(31,874,154)	(73,414,103)	(28,540,667)	(45,624,604)	(8,056,404)	9,159,952
Profit after taxation	3,320,691,476	2,193,914,942	1,364,131,709	1,009,483,171	473,376,038	515,079,946

CONSOLIDATED

	2021 Rupees	2020 Rupees	2019 Rupees	2018 Rupees	2017 Rupees	2016 Rupees
Revenue	15,304,037,567	9,876,827,710	7,535,648,069	5,323,922,442	3,832,429,037	3,112,102,038
Cost of revenue	(10,314,365,850)	(6,619,640,203)	(5,166,301,606)	(3,795,122,571)	(2,683,690,637)	(2,224,313,068)
Gross profit	4,989,671,717	3,257,187,507	2,369,346,463	1,528,799,871	1,148,738,400	887,788,970
Distribution expenses	(385,600,533)	(201,024,729)	(178,002,387)	(90,539,319)	(58,938,644)	(45,977,663)
Administrative expenses	(1,426,803,958)	(722,310,556)	(698,066,995)	(572,629,509)	(484,005,420)	(354,208,651)
Other operating expenses	(8,131,032)	(220,135,525)	(163,532,016)	(138,347,792)	(135,834,095)	(38,329,724)
	(1,820,535,523)	(1,143,470,810)	(1,039,601,398)	(801,516,620)	(678,778,159)	(440,295,205)
Operating profit	3,169,136,194	2,113,716,697	1,329,745,065	727,283,251	469,960,241	449,272,932
Other income	653,030,132	235,201,038	318,491,575	408,460,653	114,980,509	28,939,571
FV adjustment on dilution of control in subsidiary	816,226,748	-	-	-	-	-
Finance costs	(121,404,658)	(66,659,676)	(47,022,121)	(27,073,044)	(15,786,491)	(5,497,692)
Share of loss of Associate	(83,384,503)	-	-	-	-	-
Profit before taxation	4,433,603,913	2,282,258,059	1,601,214,519	1,108,670,860	569,154,259	472,714,811
Taxation	(53,944,635)	(117,960,376)	(33,281,698)	(47,387,580)	(8,435,716)	8,499,658
Profit after taxation	4,379,659,278	2,164,297,683	1,567,932,821	1,061,283,280	560,718,543	481,214,469

DUPONT ANALYSIS

2021						
Profit	3,320,691,476	Revenue	11,903,583,911	Total assets	15,240,874,128	ROE
Revenue	11,903,583,911	Total assets	15,240,874,128	Equity	10,473,329,516	
Profit margin	28%	Assets turnover	78%	Equity multiplier	146%	

2020						
Profit	2,193,914,942	Revenue	7,513,766,845	Total assets	9,834,639,018	ROE
Revenue	7,513,766,845	Total assets	9,834,639,018	Equity	7,253,686,051	
Profit margin	29%	Assets turnover	76%	Equity multiplier	136%	

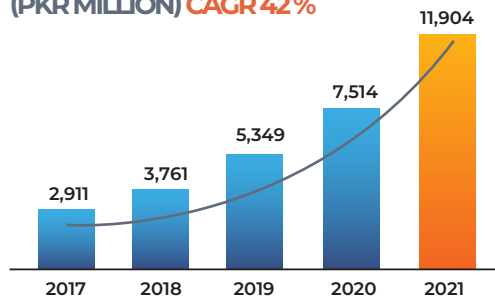
KEY RATIOS

	Standalone					
	2021	2020	2019	2018	2017	2016
Profitability Ratios						
Gross Profit ratio	34%	37%	33%	31%	30%	30%
Net Profit Ratio	28%	29%	26%	27%	16%	19%
Return on Equity	32%	30%	26%	25%	15%	18%
Return on Capital Employed	32%	30%	27%	26%	15%	17%
Return on Assets	22%	22%	20%	20%	12%	16%
Capital Structure						
Debt to equity	0.27	0.20	0.13	0.11	0.06	-
Interest Coverage	33.41	40.96	27.81	33.78	34.90	148.14
Liquidity Ratios						
Current ratio	2.55	3.49	3.54	4.21	4.59	10.04
Quick Ratio	1.52	1.98	1.54	0.97	1.27	2.01
Cash to Current Liabilities	0.37	0.71	0.81	0.44	0.73	0.74
Investment						
EPS Basic	24.12	16.05	11.05	8.19	4.24	4.64
EPS Diluted	23.89	15.85	10.95	8.16	4.23	4.61
P/E	31.50	26.12	11.25	13.42	17.43	18.23
Dividend Payout	20%	20%	20%	24%	41%	40%
Break-up value per share	75.85	58.21	42.23	36.35	28.72	26.26

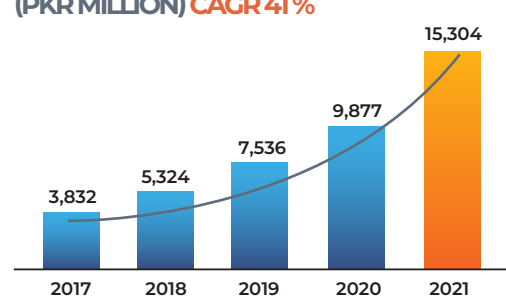
	Consolidated					
	2021	2020	2019	2018	2017	2016
Profitability Ratios						
Gross Profit ratio	33%	33%	31%	29%	30%	29%
Net Profit Ratio	29%	22%	21%	20%	15%	15%
Return on Equity	36%	28%	28%	25%	17%	17%
Return on Capital Employed	35%	26%	27%	25%	17%	17%
Capital Structure						
Debt to equity	0.23	0.21	0.12	0.11	0.07	-
Interest Coverage	26.10	31.71	28.28	26.86	29.77	81.72
Liquidity Ratios						
Current ratio	2.52	3.06	3.29	3.48	3.91	8.16
Quick Ratio	1.47	1.96	1.62	1.18	1.44	2.04
Cash to Current Liabilities	0.54	0.96	0.90	0.65	0.94	0.94
Investment						
EPS Basic	32.41	16.17	12.86	8.72	5.11	4.39
EPS Diluted	32.10	17.53	12.75	8.69	5.10	4.36
Break-up value per share	87.36	64.01	44.76	37.15	28.84	25.21

FINANCIAL ANALYSIS

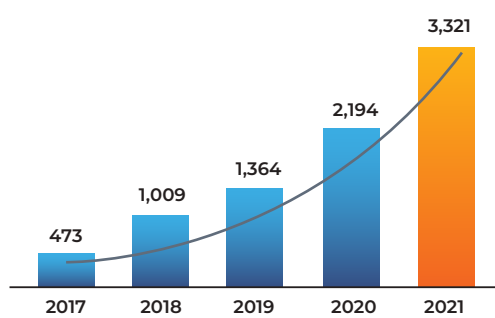
UNCONSOLIDATED REVENUE
(PKR MILLION) **CAGR 42%**



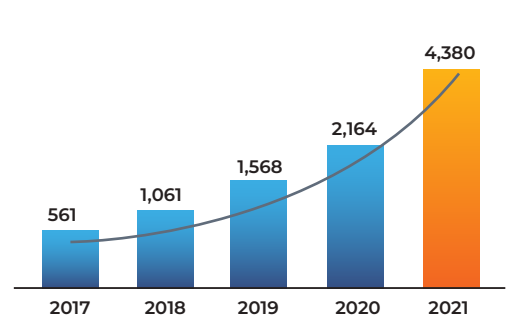
CONSOLIDATED REVENUE
(PKR MILLION) **CAGR 41%**



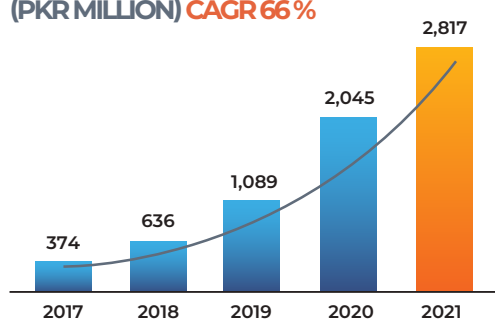
UNCONSOLIDATED NET PROFIT
(PKR MILLION) **CAGR 63%**



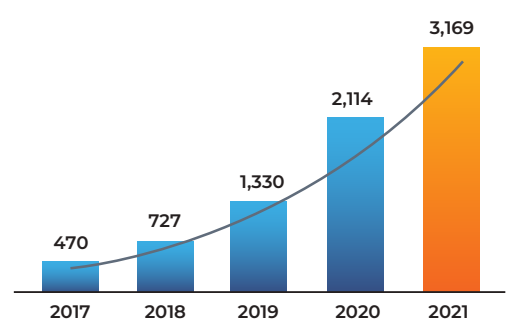
CONSOLIDATED NET PROFIT
(PKR MILLION) **CAGR 67%**



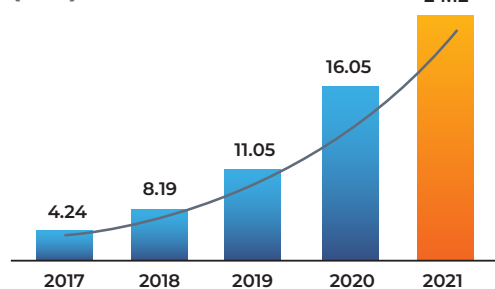
UNCONSOLIDATED OPERATING PROFIT
(PKR MILLION) **CAGR 66%**



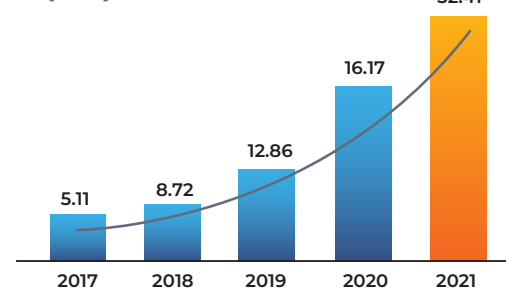
CONSOLIDATED OPERATING PROFIT
(PKR MILLION) **CAGR 61%**



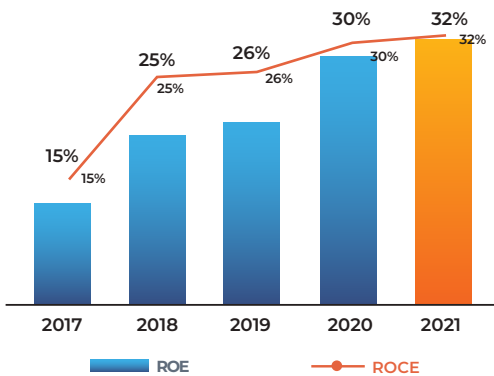
UNCONSOLIDATED - EPS - BASIC
(PKR) **CAGR 54%**



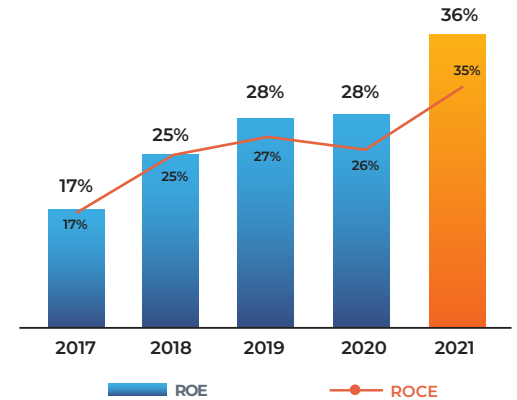
CONSOLIDATED - EPS - BASIC
(PKR) **CAGR 59%**



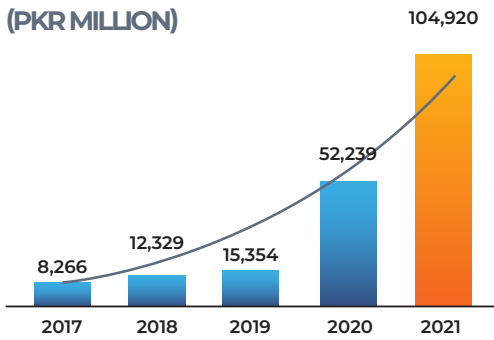
UNCONSOLIDATED - ROE & ROCE



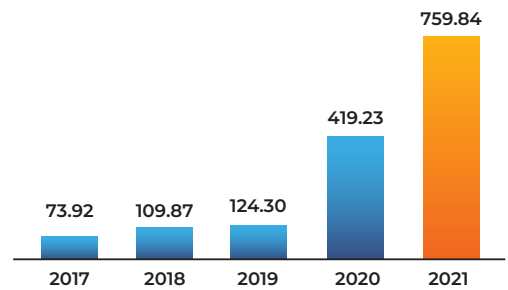
CONSOLIDATED - ROE & ROCE



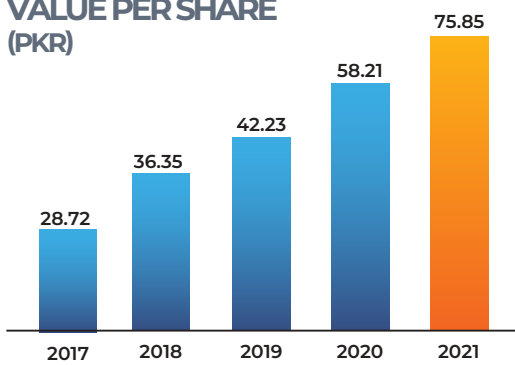
MARKET CAPITALIZATION (PKR MILLION)



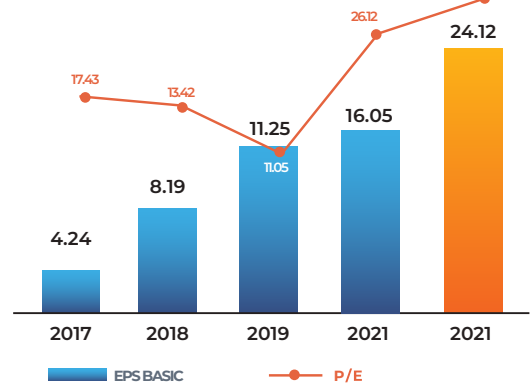
CLOSING SHARE PRICE (PKR)



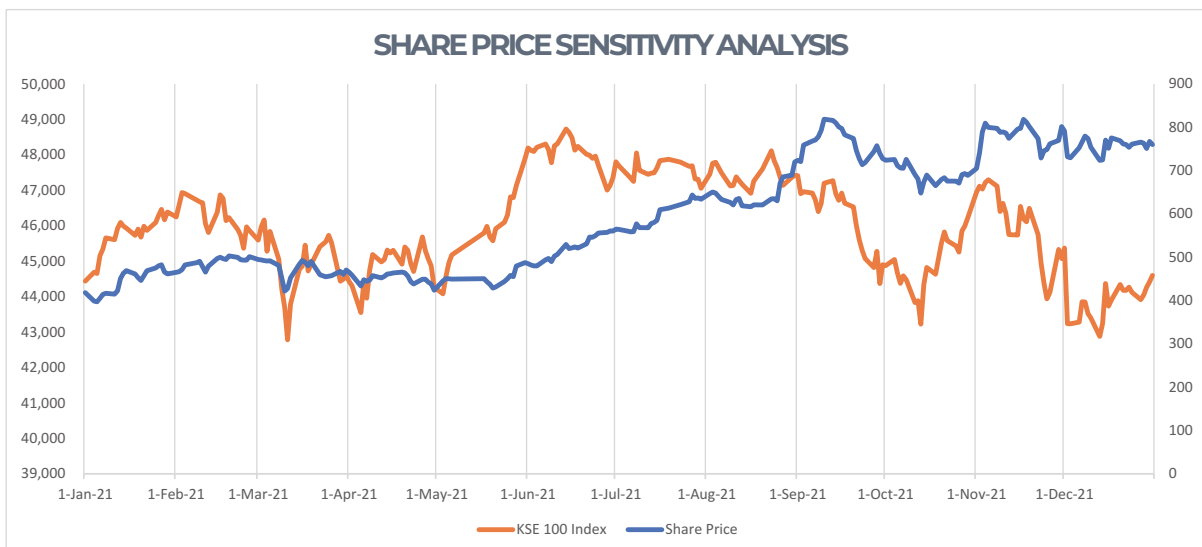
UNCONSOLIDATED BREAK - UP VALUE PER SHARE (PKR)



UNCONSOLIDATED BASIC EPS & P/E RATIO (PKR)



SHARE PRICE SENSITIVITY ANALYSIS





SOCIAL PRESENCE

Progressing with our collective global digital vision, we curated strategic campaigns and took multiple customer and employee-first initiatives. It solidified our brand positioning locally and globally.

DIGITAL AT A GLANCE

 **52%** increase in content marketing with total reach of **1.6 Million**

Launched **Systems Arabia's website**, highlighting our services and expertise curated to leap businesses into a digital tomorrow in the KSA market

Combined earned media value of our PR activities and campaigns of **2021 was PKR 20 Million**

200k plus followers on LinkedIn

 **60.4%** increase in people visiting Systems Limited's website online

Launched **Systems Ventures' website**, which is a Systems Limited's subsidiary with an aim to partner with companies that leverage technology to disrupt the normal and make history.

Featured in top **300+** print and digital publications



LEADING THE WAY TO GLOBAL DIGITAL EXCELLENCE



HYPERAUTOMATION: MOVING BUSINESSES BEYOND RPA

Organized an interactive and insightful session on exploring processes and use cases of hyperautomation for businesses, particularly in the banking and financial services industry.

DRIVE BUSINESS VALUE USING ADVANCED ANALYTICS

Hosted an engaging event where business professionals from numerous vices came and learned how to drive business value using advanced analytics.



XCELERATE – A DIGITAL TRANSFORMATION JOURNEY

Organized the largest digital transformation event where IT executives and business leaders cracked the code of cost-effective and seamless digital transformation.

OPTIMIZE OMNICHANNEL FULFILLMENT WITH DISTRIBUTED ORDER MANAGEMENT (DOM)

Held a talk on improved and optimized order fulfillment through Microsoft's Distributed Order Management system.

AIAD VIRTUAL WORKSHOP – JORDAN

Microsoft and Systems Limited brought another "App in a Day" Workshop to learn how to develop a custom app without having any coding skills.



PROJECT TRACKING USING EARNED VALUE METHOD

A virtual training session on how to objectively measure your project progress and performance using Microsoft Project.

GITEX TECHNOLOGY WEEK – DUBAI (TVS)

Techvista was part of the largest technology week GITEX in Dubai as a Microsoft technology partner.



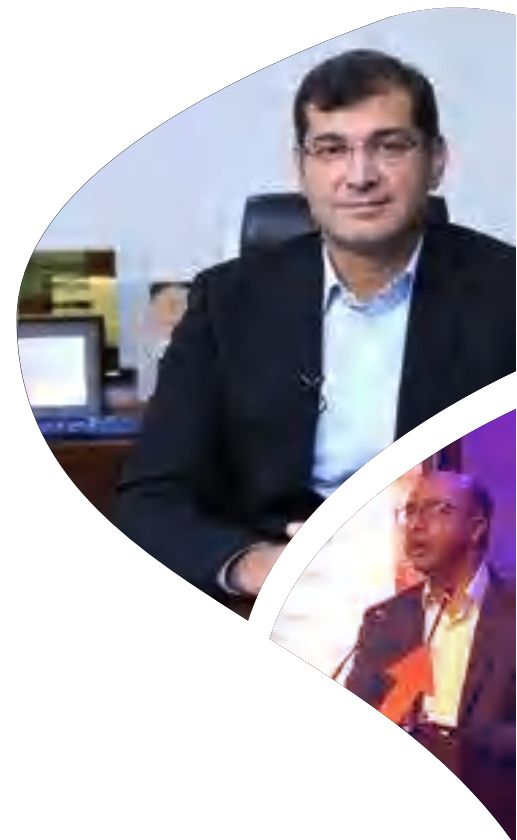
MIGRATING WINDOWS WORKLOAD TO AWS

Organized an interactive session that focused on exploring the benefits of migrating Windows workloads and making Windows applications faster, secure, and reliable.

THOUGHT LEADERS

We proudly positioned Systems' senior management as key opinion leaders in the tech world and promoted thought leadership. We generated positive and meaningful conversations around the brand and created a favorable perception of Systems in our audience's minds, along with a deeper level of trust and authenticity.

Systems Limited's thought leaders, **Asif Peer, CEO and MD at Systems Limited, Asif Akram, COO at Systems Limited,** and other senior management personnel engaged with the audience on different media platforms, be it digital or conventional. The conversation was focused on the digital landscape of Pakistan, the pressing need to transform digitally, and the imperativeness of bridging the gap between academia and the IT industry.



PEOPLE & CULTURE





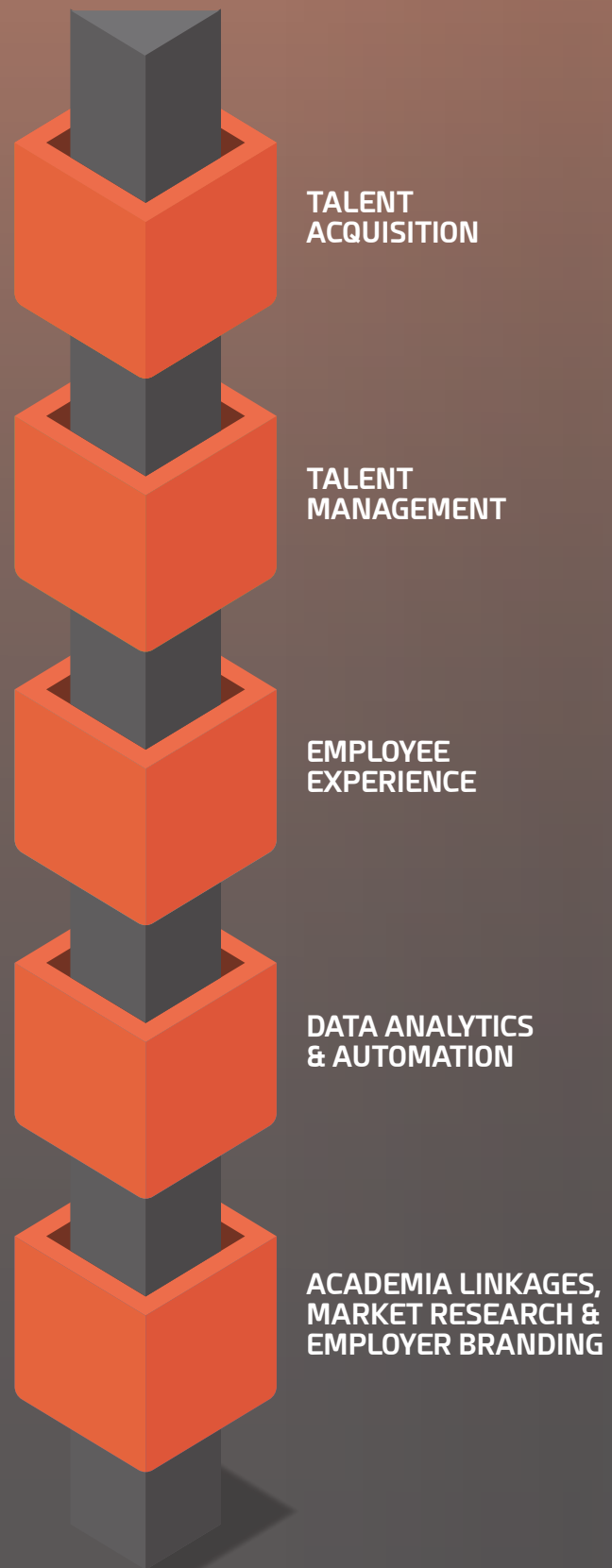
TOIMA ASGHAR

CHIEF HUMAN RESOURCES OFFICER, SYSTEMS LIMITED

Throughout this year, our people across Systems Limited have shown tremendous growth, adaptability and resilience. The trajectory of internal and external growth has been remarkable. Our people strategy was focused around new dynamics and functions like business partnering, academia linkages and employer branding to streamline performance delivery, bring in more efficiency and enhance employee experience. Education, Health and Climate Change were the highlights of Corporate Social Responsibility initiatives this year to enable society for sustainability, development and growth. We are looking forward to much more exciting times in the years to come.

TOIMA ASGHAR
CHIEF HUMAN RESOURCES OFFICER

HUMAN CAPITAL'S STRATEGIC PILLARS



DEVELOPING THE TALENT AND RESHAPING CAREERS

THROUGH TALENT MANAGEMENT AND OD INTERVENTIONS

The continuous effort to develop & manage the best of talent acquired, there were thousands of man hours invested in learning & development with wholistic focus on technical, functional and soft skills interventions.

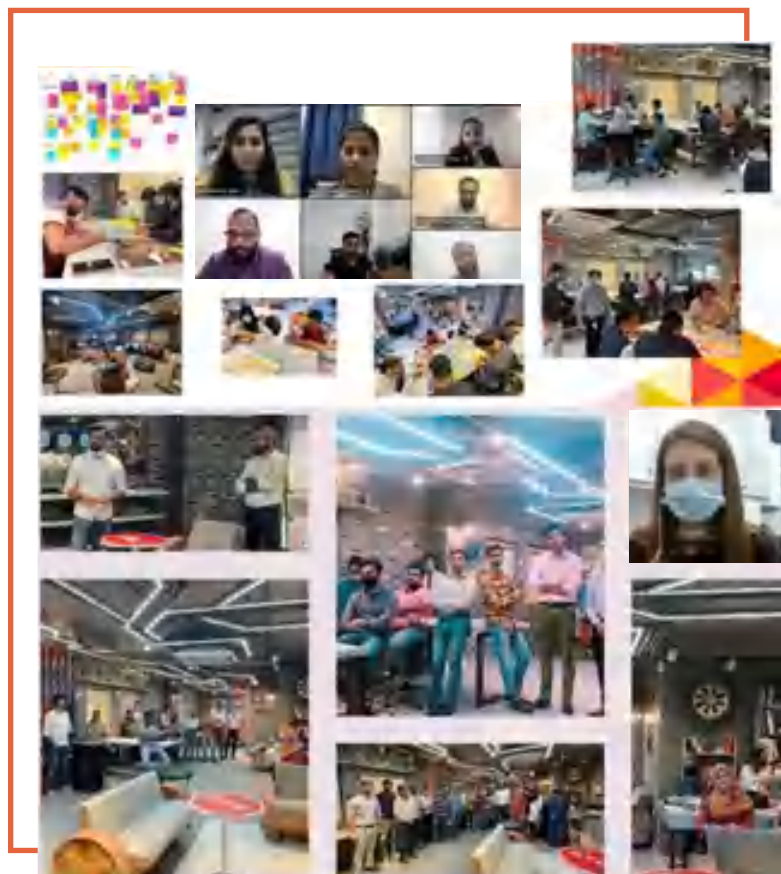
7463
LEARNING HOURS

174
SESSIONS

128
TRAININGS

375
MANAGEMENT TRAINEE OFFICERS HIRED

3050
EMPLOYEES ONBOARD



LEARNING RALLY SOFT SKILLS INTERVENTIONS

A series of softskill and behavioural trainings were facilitated to develop our talent based on futuristic skills, enhancing their team building, people management, emotional quotient & negotiations.

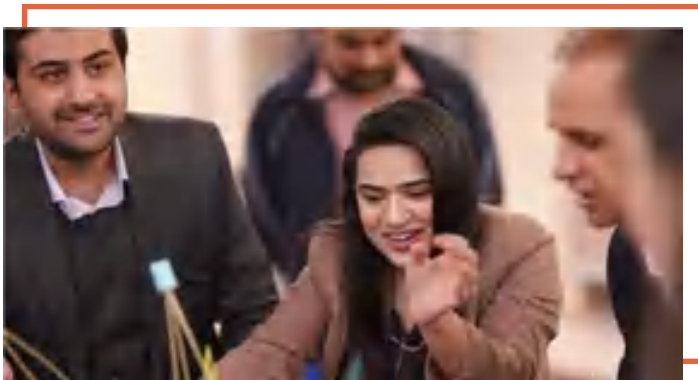
HOUSE OF LEARNING TECHNICAL TRAINING

Plethora of virtual and classroom technical trainings were organized this year to uplift the learning patterns of our people, based on various technologies to upkeep with the transformations.

VALUE BASED TRAINING

35+ Values based learning interventions were facilitated to create cohesion and alignment between behaviors, skills and organizational direction.

DEDICATION | INNOVATION | INTEGRITY



LUMS SYSVISTECH LEADERSHIP UNIVERSITY

Systems Group partnered with REDC LUMS to establish the SysVisTech Leadership University. One of it's kind, a customized fast-tracked intervention designed for the executives that have the capacity to contribute strategically and lead the organization in future.

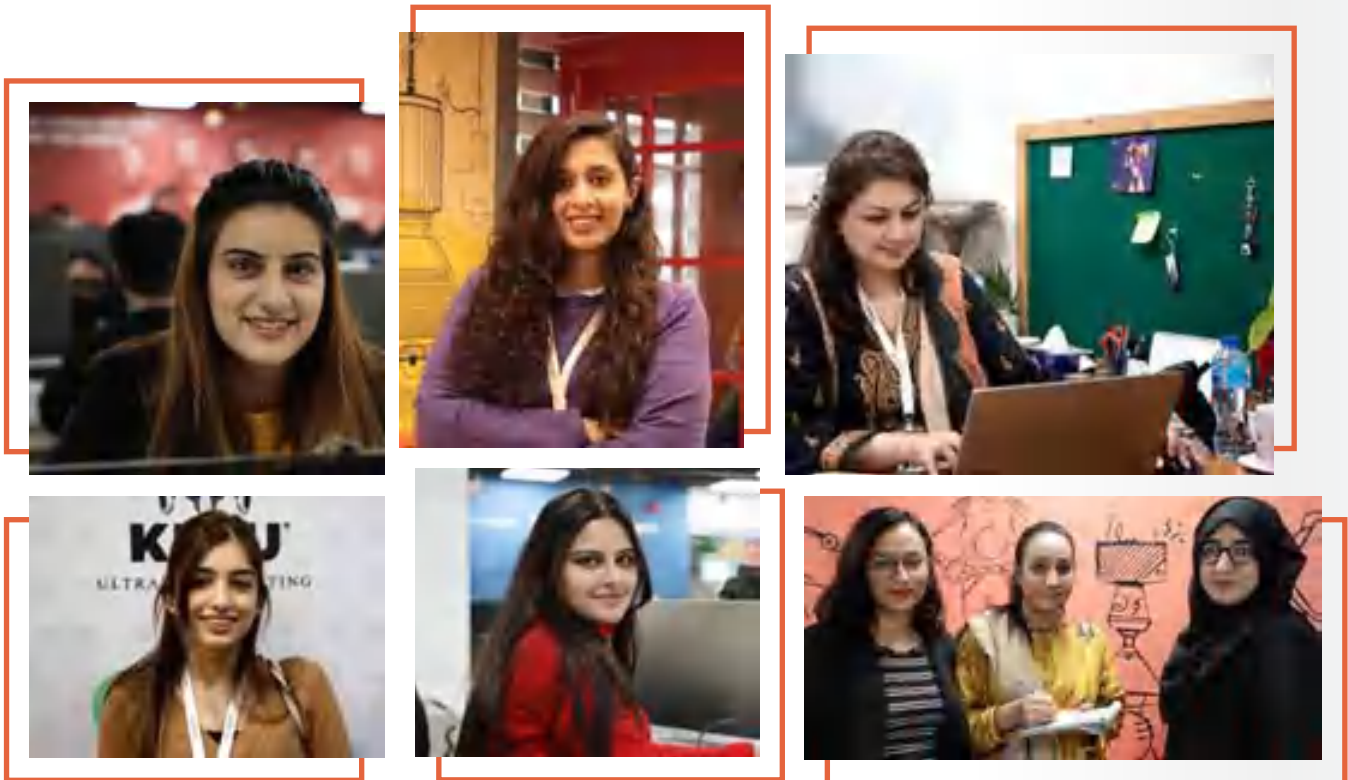


REIGNITE

DEVELOPING AND EMPOWERING WOMEN THROUGH CAPACITY BUILDING INITIATIVES

Reignite a women centric project designed to acquire, elevate, develop and empower women talent. It has been designed to provide unmatched facilities and opportunities to welcome women with career breaks to take charge of their professional careers, develop our existing women workforce to flourish their corporate career with unmatched development & growth initiatives, eased working hours, a professional environment where they feel safe, honored and valued. It will enable professional women with passion, talent and zeal to learn the changing dynamics of corporate world over the past times & develop their expertise with amazing opportunities at Systems Ltd.

The wholistic framework of this project is not limited to hire women with career breaks, rather it is for professional development, grooming, enablement and empowerment of women in Technological world. This project covers different aspects of women empowerment, development and growth.



Breaking the Glass Ceiling:

Women at Systems Limited, have been constantly proving to have successful Career path and ensure taking a step forward and upward to break glass ceiling specially in Technology Industry. Having a diverse workforce, where our gender diversity is 14% which has women representation from diversified background, education, experience and social responsibility roles. We, at Systems Limited have provided our talent to explore the professional avenues to excel and break the glass ceiling. This can be significantly viewed at women leadership representation in our C-Suite. From C-Suite to frontline workforce, all women are empowered equally. We have enabled majority of our workforce to take lead in their respective work domains, leading to their inter functional and international mobility based on their achievements and aspirations.

Hybrid Working Model:

We have introduced Hybrid working model to provide provision and capacity to our female talent, aid in providing sustainable career and growth along with wellmanaged worklife balance. This initiative has enabled many of our resources to work remotely, fulfilling their family duties and keeping their growth at their pace. This working model has enabled us to attract, retain and develop amazing talent in past year.

Secure and Comfortable Environment:

With acquiring and developing women talent, comes the responsibility to providing secure and comfortable working environment; hence, Systems Limited has ensured in every possible way to provide the comfortable yet dynamic environment to work and flourish, along with strict policies and procedures to govern the compliance. Alongside, to ensure the safety of our female workforce working in various working hours to commute through safe and secure official transportation.

Welcoming Women with Career Breaks:

As an initiative and inclusive part of Reignite Project, Systems Limited initiated campaign to welcome the wonder women to rejoin the corporate world which was given a break due to their personal commitments with family, study or other social responsibilities. This campaign has been designed and deployed to create awareness, attract and develop the pool of talented women on career breaks. They will be hired and professionally developed to bridge the gap created during the break and enable their inbuilt talent to reignite. The campaign has successfully made it's reach to more than 60k collectively and engaged 2000 social media users, where all the engaged participants appreciated and applauded the initiative. There are certain hirings and onboardings ongoing under the project.

EDGE TRAINING PROGRAM

Systems Limited launched one of its kind-training programs to elevate the skill set of our youth. This is an open program for the general public along with our employees to upskill future talent.



PARWAAZ PSDF

Systems Limited joined hands with Parwaaz PSDF to upskill the youth of Pakistan. We are proud to announce the first batch offering Java Full Stack Developer Course has been completed and around 15 resources have graduated.



DIGITAL LEARNING

To uplift existing patterns of learning, various digital learning methods were introduced to enable our talent for their skills upliftment & career development.



BRANDING THE ENTIRETY OF EMPLOYEE EXPERIENCES

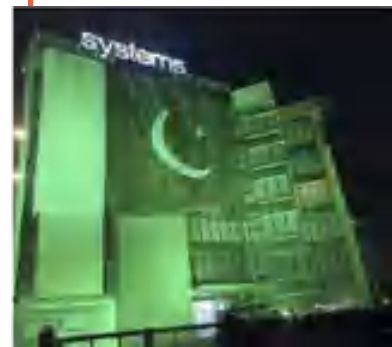
Human Capital Division introduced Employer Branding Unit in 2021, a function dedicated to uplift the softer image of Systems Limited, engage employees and simultaneously brand organizational initiatives related to the people via corporate communication channels and PR activities. The second half of the year was very crucial in uplifting the brand value of Systems Limited on Employer Rating Sites such as Glassdoor which experienced a positive rating shift from

3.4 in May up to 4.1 in December

Multiple posting methods were utilized to engage

employees with 95% positive comments with an
average engagement rate of 10,000

Some of the major projects were Multan Office Launch, PKR 100 billion Nationwide Celebration, Management Trainee Officers' Batches, Fresh Graduates Week, EDGE Program, Breast Cancer Awareness Week, CEO talks on nationwide several platforms focusing on youth uplifting and contribution towards growth of IT in Pakistan, Reignite-our women centric program, and much more.





ENRICHING EMPLOYEE EXPERIENCES

EMPLOYEE RETREATS

Systems Limited hosted Engagement Retreats across Pakistan to cherish our success with our people. The days were jam-packed with engaging group activities, games and celebrations to ensure maximum employee engagement.



CEO TALKS

CEO Talks were facilitated among all levels of employees and CEO Asif Peer to eliminate any communication barrier and promote open communication culture.



TOWN HALLS & LEADERSHIP CONNECT

To ensure both way communication among leadership and employees we arranged 50+ sessions from Management Connect, CEO Talks, Senior Global Connectivity, and Human Resource Business Partners connect.

INDEPENDANCE DAY CELEBRATIONS

Systems Limited celebrated Independence day with full zeal and festivities. It brings us together as a nation under the one flag, reminding everyone of the idea: Unity, Faith, and Discipline.



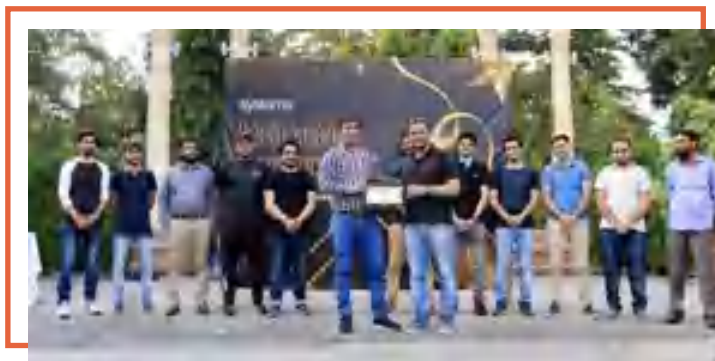
WOMEN'S DAY CELEBRATION

Celebrated International Women's day by recognizing and appreciating the social, economic, cultural and corporate achievements of women. On this platform, Systems Limited's women workforce together pledged to create a collaborative, safer and dynamic workplace for all women around.



EMPLOYEE RECOGNITION

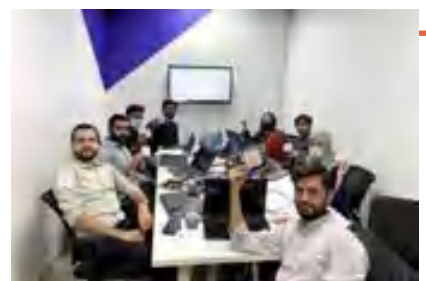
To recognize the substantial contribution that resources are making, employee recognition activities were conducted. The efforts and dedication of team members were appreciated and applauded across the country through several platforms.





BREAST CANCER AWARENESS

Under the employee wellbeing initiatives, we had collaborated with Shaukat Khanum Memorial Hospital to spread awareness among our teams for their well-being and the women in their families.



HYBRID WORK MODEL

Encouraged employees to make the most of the hybrid work model by managing their work aligned with their teams, where their overall wellbeing and wellness are the focus.



UPSKILLING AND RESKILLING THE YOUTH

BY BRIDGING ACADEMIA LINKAGES

Industrial and academic linkages are considered as a major collaborative effort on the part of academia and industry, sharing their knowledge, skills, and resources to accomplish mutually compatible goals of training and development of students, innovation, and commercialization.

FORMAL COLLABORATIONS

Systems Limited has signed MOUs for training and development of students with NUCES-FAST – Chiniot/Faisalabad Campus and NUCES-FAST – Karachi Campus. Under these collaborations, we are developing future talent that will serve the industry in its true spirits.



MOU WITH FAST - KARACHI

Naureen Anwar, SVP - Special Projects, Ovais Khan, SVP – Integration Frameworks and Adeel Ahmed Chatha, Manager – Industrial and Academia Linkages discussed various avenues of collaboration and roadmap for their execution with Prof. Dr. Muhammad Atif Tahir, Director and Faculty FAST Karachi Campus.

MOU WITH FAST CHINIOT/ FAISALABAD

Toima Asghar, CHRO, Mr. Faisal Tajammal, SVP – Cloud Application Development and Maintenance and Adeel Ahmed Chatha, Manager – Industrial and Academia Linkages discussed various prospects of collaboration with Dr. Shahzad Sarfraz, Director – FAST CFD and Faculty for creating synergies by offering scholarships, trainings and workshops to the students.

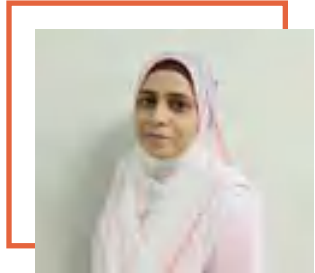


INCLUSION IN UNIVERSITIES' INDUSTRIAL ADVISORY BOARDS

To guide universities for curriculum enhancement and introduce upcoming technologies in the curriculum to fulfill the industry's future talent needs, Systems Limited's Leaders have joined Industrial Advisory Boards of Various Universities.



Faisal Tajammal - SVP Cloud Application and Development has joined the **Industrial Advisory Board of FAST Chiniot/Faisalabad.**



Naureen Anwar - SVP Special Projects has joined the **Industrial Advisory Board of FAST Karachi.**



Habib Ahmad - SVP Data Analytics and Artificial Intelligence has joined the **Industrial Advisory Board of FAST Peshawar.**



SESSIONS/WORKSHOPS AT UNIVERSITIES

In order to provide industrial perspective and disseminate technical knowledge among students, Systems Limited Experts conducted following sessions at universities:

Khurram Safdar
VP/Head of Customer Experience

Session on Digital Customer Experience and Design Thinking at ITU.



Toima Asghar
CHRO

Session on Impact of Covid 19, Role of Communication for Effective Organization and Opportunities and Challenges for Graduates at LSE.



Ovais Khan
SVP - Integration Frameworks

Session on Career Orientation and enabling youth for future at FAST Karachi.





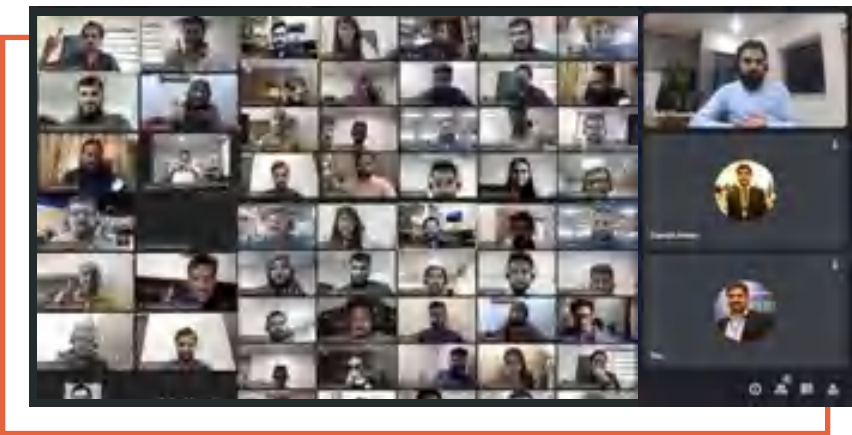
Naureen Anwar
SVP - Special Projects

Chaudhry Sohail
Head of Data Science

Raheel Siddiqui
VP - Project Management

Faraz Rafique
VP - Infosec

Career Mentoring Sessions with 2021 freshers at FAST Karachi.



Adil Sikander
AVP – HCD

Virtual career talk on upcoming Information Security related career opportunities globally, required market skills and technology trends at NUST.

Umer Imtiaz
Managing Consultant

Session on specific industry insights, job market trends and employers' expectations at NUST.



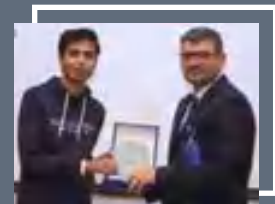
Workshop on Amazon Web Services at University of Lahore.



Nabeel Hamid
Managing Consultant



Mirza Hamad Uddin
Managing Consultant



Faizan Siddiqui
Junior Consultant

GIVING BACK TO THE SOCIETY

OUR CORPORATE SOCIAL RESPONSIBILITY

EDUCATION INITIATIVES

Systems Limited believes in providing educational opportunities for children in order to enable them to significantly contribute to their families and society in various aspects and fields, thus creating a stable and stimulating community.



SECONDARY SCHOOL WITH TCF @ BUREWALA

Systems Limited believes in providing education to the children with humble backgrounds. In order to provide fair opportunity to these children Systems Limited is building a secondary school for The Citizen Foundation in Burewala, Punjab on the direction of Mr. Asif Peer, CEO and MD Systems Limited. It will help the children in Burewala and surrounding areas to fulfill their dream to pursue education.

MILLION SMILES FOUNDATION

Under this project, Systems Limited is supporting Million Smiles Foundation through sponsorship of 500+ students studying in their educational institutes at Neelum and Kashmir Valley.



EDUCATION TRUST NASRA SCHOOL

Systems Limited has sponsored 50 brilliant students studying in Nasra School Karachi by bearing their complete educational expenses for the whole year. Systems Limited has also provided laptops for the computer lab of Nasra School.

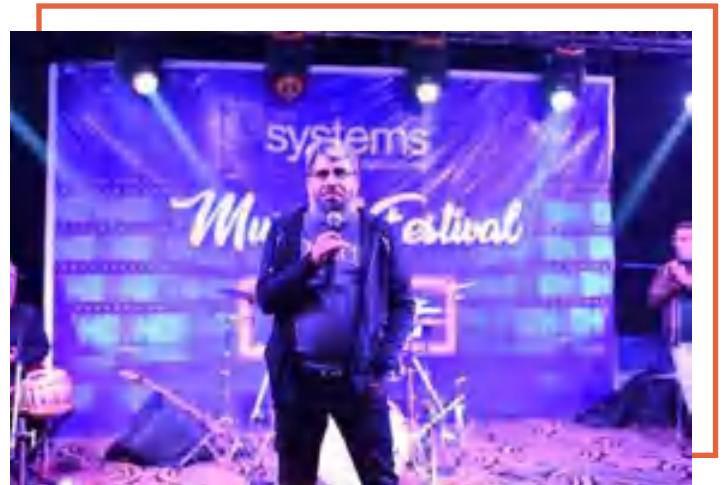
HEALTH, ZERO HUNGER, AND CLIMATE ACTION INITIATIVES

Systems Limited cares about the society. In order to provide better health facilities, reducing hunger and positive climate action, Systems Limited is financially supporting Shalimar hospital, Jinnah Hospital Lahore, Shaukat Khanum Hospital, Ghurki Hospital, Fatimid Foundation, The Patients Behbud Society (PBS) – Agha Khan University Hospital, Jinnah Hospital Karachi, Al Mustafa Welfare Society and Ansar Burney Trust.



SYSTEMS RECREATIONAL CLUB

The Systems Recreational Club (SRC) despite the Pandemic engaged with the employees and ensured that there were continuous positive activities in order to uplift the spirits. The club operates to provide entertainment throughout the year. Last year's activities include a Musical Night, Systems Olympics, Eidi Distribution, Winter Hoodies and various Facebook Competitions.



SAFETY AND HEALTH FIRST

- Provided signed SLD forms to resources so that they don't face any inconveniences on their way to work.

Covid 19 awareness sessions were held across the organization.

- Work from Home effectiveness sessions were conducted with all competencies.
- Recapturing the Perspective sessions Covid 19 repercussions and future outlook.



CODE OF CONDUCT

Systems Limited is truly committed to the highest standards of ethics and integrity when working with different stakeholders every day. We rely on our "Employee Code of Conduct" in order to guide and align our behaviors while we make business decisions. The principles stated in our "Employee Code of Conduct" apply to all aspects of our business. It outlines our values and supports our commitment to ethical and honest conduct and compliance with all laws, rules and regulations; and our company policies, procedures and standards.

Systems Limited holds all employees responsible for carrying out and monitoring compliance with this commitment. If any employee becomes aware of any violation of a legal or ethical obligation, or any unfair or improper treatment of personnel related to the company, they must immediately report the matter to the Human Resources Department so that it can be investigated right away. In this manner, we can take all necessary steps to investigate any potential violations of our policy and can take appropriate action to correct any violations or incorrect perceptions that are found to exist.

CONFLICT OF INTEREST POLICY

Our employees are expected to devote their best efforts and attention to the performance of their jobs. They are expected to use good judgment and adhere to high ethical standards and avoid situations that create potential conflict between the employee's personal interests and the interests of the Company. The conflict of interest exists when the employee's loyalties or actions are divided between the Company's interests and to those of another, such as, competitors, suppliers or customers.

Dedication to the company and ensuring that all possible issues that may be considered conflicts of interest are avoided at all costs by employees and they make sure that they refrain from engaging with people who may be a red flag in that aspect as well.

As we treat our employees as our ultimate assets , we at Systems Limited require the utmost commitment of all our employees.

WHISTLE BLOWER POLICY

Systems Limited is committed to creating and maintaining a culture of openness within the organization so that employees feel encouraged and confident to raise any concerns relating to suspected misconduct at an early stage.

The objective of this policy is to deal with situations where an individual (the whistleblower) raises a concern about a risk, malpractice or wrongdoing that affects employees, the company or public/society's interest without any fear of retribution and retaliation such as fear for the loss of job, discrimination, victimization, harassment etc. about any fraudulent, immoral, unethical or malicious activities, which are against the policy or may have an adverse impact on the business or goodwill.

This policy encourages that all improper, unethical or inappropriate behavior to be identified and challenged at all levels of the organization and to provides clear procedures for the reporting of such matters. It also provides assurance that all disclosures will be taken seriously, treated as confidential, managed without fear of retaliation and in an unbiased manner.

The policy applies to all permanent employees, contractual employees, vendors, customers, third party contractors or consultants of Systems Limited.





SUSTAINABILITY FRAMEWORK

WHAT DOES SUSTAINABILITY MEAN FOR US



BE KIND WITH THE ENVIRONMENT

Key Indicators:

- Reduced electricity costs by moving data centres to cloud
- Controlled e-waste by donating laptops and computers
- Policy to reduce printing and use digital media as much as possible
- Raising employee awareness to control water wastage and electricity



ENSURE SUSTAINABLE FINANCIAL GROWTH

Key Indicators:

- 55% increase in revenue
- 53% increase in gross profit
- 100% increase in EPS
- 36% Return on Equity
- Consistent dividend payout ratio
- Continuous development in products and services



GIVING BACK TO THE SOCIETY

Key Indicators:

- Setup schools for underprivileged children
- Donations to Hospitals
- Donation of laptops and computers to schools and universities
- Created Dost fund to provide financial support in case of any emergency



BE KIND TO EMPLOYEES

Key Indicators:

- Creating decent work space and sustainable income for 5,000+ employees
- Work from home policy to provide flexibility
- Spending huge amount on trainings & certifications
- Provided COVID-19 Vaccinations



GOVERNANCE

Key Indicators:

- Independent Board & its committees
- Promoting GRC
- Responsible Tax Practices
- Code of Conduct / Business Ethics
- Related Party Transactions
- Cybersecurity and Data privacy



POLICIES & PROCESSES COVERING SUSTAINABILITY AREAS

	Be kind to Environment	Be kind to employees	Giving back to the society	Governance	Sustainable financial growth
Sustainability Areas	Clean Water and Sanitation Energy Consumption Carbon Emissions	Diversity & inclusion Employee engagement Safety First Employee personal growth and development	CSR initiatives Adding value to economy by creating job opportunities	Independent Board & its committees promoting GRC Responsible tax practices Code of Conduct/Business Ethics Related party transactions Cybersecurity and Data privacy	Financial & Operational Shareholders Transparency & Value Addition
Policies, Rules & Guidelnes					
Policies	Code of Conduct, Internal Audit Policy, Code of Corporate Governance 2019, Procurement Policy, Environmental Policy, Information Security Policies, HR Policy, Health & Safety Policy, Whistle Blowing Policy				
Processes	Internal and external audits (1, 2), Governance, risk and compliance management (2,3), Sourcing to pay (4), Supplier self assessment (4), Environmental management process (EMS) ISO14001 (4, 5, 6), ISO27001 (3), SOC 1 & SOC 2 (3), Information and cyber security audits and assessments (3), HR processes (1, 7, 8), Employee engagement survey (8))				



SUSTAINABILITY PILLARS

BE KIND TO ENVIRONMENT

Be kind to the Environment is an overall team effort to ensure that our company has minimum impact on environment. As part of these efforts, Systems aims to develop an ecosystem where all stakeholders work in a collaborative approach towards honoring the Earth's physical limits and ensuring operations are conducted within the defined parameters developed to reduce our environmental footprint.

	2021	2020
Printing & Advertising Cost Per Employee	1,914	1,984
Energy Consumption Cost Per Employee	12,628	17,600



BE KIND TO EMPLOYEES

At Systems, we aim to create a collaborative and safe work environment that ensures openness, flexibility, stimulate creativity, job satisfaction, and the well-being of all our Systemers and their families. From this holistic approach, the benefits linked to compensation are no longer separated from other benefits and experiences; resultantly, Systems aims to conduct recreational activities and support professional growth which is key in motivating employees leading to a sustainable competitive edge and ultimately wellbeing of our employees.

	2021	2020
No. of Employees	5,320	3,548
Male to Female Ratio	86:14	90:10
Female Employees on Senior Management Positions	11	11
Employee Insurance Cost	44 MN	32 MN

	2021
No. of Training sessions	174
Spent on Trainings & Certifications	26 MN



GIVING BACK TO THE SOCIETY

At Systems, our values ensure that growing exponentially means that company has to give back to the society. COVID-19 has resulted in a paradigm shift where more people want to enter into the realm of IT world and explore opportunities. As a result, numerous initiatives were undertaken to give the society the necessary skills and technical knowledge. We believe in the importance of education as an engine for the development and growth of countries, and we believe that technology is a key tool to guarantee inclusive and equitable access to quality education.

	2021	2020
Management Trainee Officers Hired	375	50
Laptops' Donations	115	45

COLLABORATIVE AGREEMENTS WITH
EDUCATIONAL INSTITUETS

FAST HABIB UNIVERSITY



GOVERNANCE

Growing exponentially brings challenges to meet requirements of all regulators impacting our operations. At Systems we have a comprehensive framework to ensure that our operations are in line with the applicable laws & regulations. We have established independent Audit Committee and have adopted internationally accepted control frameworks to align all our operational, financial and compliance matters, prevent financial leakages, ensure confidentiality & data privacy and improve overall governance.

Audit Committee Meetings	4
Board Meetings	5
Remuneration Committee Meetings	2

ISO CERTIFICATIONS

- ISO 27000
- ISO 9001
- ISO 20001
- ISO 18295



SUSTAINABLE FINANCIAL GROWTH









Systems believes that the future belongs to organizations who are forward looking, ensure constant evolution, adapt the strength of their culture, expand globally for its business, and are empowered by the potential of new technologies. Systems aims to make a paradigm shift in how a company operates and ensure consistent growth with value addition to its shareholders.








FINANCIAL GROWTH HIGHLIGHTS







	2021	2020
Revenue (PKR MILLION)	15,304	9,877
Profit After Tax (PKR MILLION)	4,380	2,164
Gross Profit Margin	33%	33%
Net Profit Margin	29%	22%
Return on Equity	36%	28%
Dividend Payout	20%	20%
P/E Ratio	31.50	26.12
Breakup Value Per Share (PKR)	75.85	58.21



ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) REPORTING FRAMEWORK

ESG					
SDG Target	Aim	Status 2021	Performance Indicator	Quantitative Impact	UN sustainability goals
Be kind to Environment					
Efficient waste management	Reduce, reuse and recycle to minimize waste, including e-waste.	<ul style="list-style-type: none"> - Increased emphasis on paper-less operations - Placement of separate recycle bins for paper, plastic & others at office premises - Emphasis on using double side printing whenever practical. - Using more cloud services thus reducing investment in on-premises data centers reducing our waste further. - Implementation of password control on use of printers to further reduce printing. 	Paper consumption tracking Repair & maintenance of printers	PKR 1,914 cost per employee in 2021	
Clean Water and Sanitation	Reduce our water footprint and enhance water availability in the communities where we operate.	<ul style="list-style-type: none"> - Emphasis on using less water in the form of 'save water' signs in the rest rooms - Collecting and using water from air conditioning in non drinking activities like watering plants. 	Water Consumptions reduced		 
Energy Consumption	Reduce our energy consumption	<ul style="list-style-type: none"> - Hybrid working model. An efficient mix of working from office and working from home, thus reducing energy consumption - Greater emphasis by the administrative team towards installation of energy efficient equipments like led lights. 	<ul style="list-style-type: none"> - Tracking electricity consumption - Monitoring diesel consumption in generators 	PKR 12,628 cost per employee	
Carbon Emissions	Reduce green house gas emissions	SL gas emissions are tested by a third party SGS and the report indicates that the CO2 emissions are at acceptable industry standards. Further, noise test is also conducted for generators which is also as per standards.	Third party carbon emission report by SGS independent auditor	N/A	
Be kind to Employees					
Diversity & inclusion	Creating a gender-diverse workforce.	<ul style="list-style-type: none"> - Providing a gender equal place to work to prevent inequalities and promoting inclusion of all genders in all departments. - Female director nomination on our Board of Directors & C-levels - Harrassment policy in place - Hiring specially-abled employees 	<ul style="list-style-type: none"> - Ratio of male to female employees - No. of specially-abled employees - Female employees on grade 1A, 1, 2A, 2, 3A - No. of incidents of harrassment - Dedicated shuttle service for female employees 		 
Employee engagement	Ensuring fulfilling careers for our employees.	Creating decent work and stable income for thousands of people.	Gather data for activities		

ESG					
SDG Target	Aim	Status 2021	Performance Indicator	Quantitative Impact	UN sustainability goals
Be kind to Employees					
Safety First	Creating a safe working environment for our employees and the environment as whole	<ul style="list-style-type: none"> - Installation and maintenance for fire extinguishers throughout the premises - Trainings and drills to ensure that the workforce is prepared to tackle emergency situations - Installation of electricity safety equipments like miniature circuit breakers, fuses etc. - Temperature checks on entry to employee premises along with placement of multiple hand sanitizers across all the floors. - All employees have health and life insurance - Policy to wear facemask at all times in office premises. 	<ul style="list-style-type: none"> - Zero injuries /accidents reported - No incident of fire during the last three years 	Insurance increased from PKR 32M in 2020 to PKR 44M in 2021	 
Employee personal growth and development	To improve technical skills of resources to ensure competitive edge and familiarisation with new disruptive technologies	<ul style="list-style-type: none"> - Annual resourcewise training calendar approved by HRCC - Policy for cost reimbursements for technical/professional certifications. 	128 Trainings conducted	2021: PKR 26M spent on trainings and certifications	
Giving back to the society					
CSR initiatives	<ul style="list-style-type: none"> - Increase donations to schools hospitals and other charity organizations - Helping employees in times of difficulty - Collaborating universities to improve talent 	<ul style="list-style-type: none"> - Significant increase in donations to schools and charity organizations - Donated laptops to Ali Institute, - MOU signed with FAST and ITU - DOST FUND established to help employees in times of difficulty 	<ul style="list-style-type: none"> - Donations in terms of monetary units and assets - Agreements with universities and educational institutes 	Refer Financials	 
Adding value to economy by creating job opportunities	Create sustainable job opportunities for fresh graduates and experience employees adding value to the economy	- Significant hiring conducted during the FY 2021	2021: 275 new hires 2020: 50 new hires	N/A	
Governance					
Independent Board & its committees promoting GRC	Ensuring that the board committees are autonomous and consist of individuals who have relevant knowledge/experience	Company currently has Audit and Remuneration committee consisting of individuals having relevant knowledge/experience.	<ul style="list-style-type: none"> - Audit Report on code of corporate governance - Quarterly internal audit performed 	N/A	

ESG					
SDG Target	Aim	Status 2021	Performance Indicator	Quantitative Impact	UN sustainability goals
Governance					
Responsible tax practices	Ensure that the company is duly discharging its tax liability	<ul style="list-style-type: none"> - Ensuring that the company is working with vendors and suppliers who are registered with tax authorities and also responsible tax citizens - Engaging good tax consultants to ensure that the company is compliant with the tax laws 	<ul style="list-style-type: none"> - Reduce tax notices and penalties - Procurement policy in place to ensure transparency and competitive bidding 		
Code of Conduct/ Business Ethics	To ensure that our business and employees act with honesty and integrity.	<ul style="list-style-type: none"> - The company has a code of conduct which covers Conflicts of interest, ethical conduct at workplace - The company has implemented a complete policy and mechanism of Whistleblowing. 	No cases reported	N/A	
Related party transactions	Disclose all the related party transactions to ensure compliance with the applicable laws.	All related party disclosures are made in quarterly and annual accounts of the company.	<ul style="list-style-type: none"> - Quarterly approval of related party transactions by Audit Committee & the Board - Audit report on compliance with code of corporate governance and there is no non-compliance. 		
Cybersecurity and Data privacy	Ensure the safety of stakeholder data.	The Company is certified under ISO-27000 which is inline with the ITIL best practice framework over IT controls and information retention. Further, the company is following NIST security protocols for the protection of data related to all stakeholders.	<p>The company is certified with the following:</p> <ul style="list-style-type: none"> - ISO 27000 - ISO 9001 - ISO 20001 - ISO 18295 <p>Further, the company also have independent SOC1 and SOC 2 reports.</p> <ul style="list-style-type: none"> - Zero incident of breach of security protocols - The company has invested in IBM SIEM 	N/A	
Sustainable Financial Growth					
Stakeholder Value addition	Ensure sustainable financial growth	<ul style="list-style-type: none"> - 47% increase in revenue - 53% increase in gross profit - 30% increase in EPS - 31% return on equity - Consistent dividend payout ratio - Continuous development in products and services 	<ul style="list-style-type: none"> - Revenue growth - Profitability growth - Dividend payouts 	Respective reported results	
	Transparent reporting to shareholders and addressing any grievances	<ul style="list-style-type: none"> - All results and material facts are timely disclosed on PSX and SECP to ensure transparency - To address shareholders concerns a dedicated email for investors have been established 	<ul style="list-style-type: none"> - No Penalties/notices from PSX and SECP for non-disclosure 	N/A	

STAKEHOLDERS ENGAGEMENT

Systems engage all its stakeholders through both structured and occasional dialogue and interactions. Our stakeholders comprise of employees, customers, business partners, regulators, government and wider society.

During the year Systems have conducted both formal and informal conversations with suppliers, business partners, customers, investors and regulators as part of our daily operations. A summary of our engagements with stakeholders along with medium used is described below;



Stakeholders	Expectation	Modes of Engagement
Clients	Business Value & Innovation	Client Visits and Meetings Customer Surveys Social Media
People	Career Opportunities, Health & Safety, Learning & Development	HR Survey - Intranet portals - SRC Club Bulletin Boards - Blogs - Retreats
Investors	Profitable Growth, Sustainability & Transparent Reporting	Investor Briefings & Calls - Company Website Annual General Meeting - PSX Announcements Print & Digital Media - Social Media
Suppliers & Alliance Partners	Long term partnerships	Financial Reports - Collaboration Conferences - Social Media
Community CSR Engagements Partnerships with NGOs	Education & Environment	Volunteer Initiatives i.e. Donations
Government & Regulatory Bodies	Compliance & reporting	SECP Filings - PSX Filings - External Reports Interactions with statutory bodies like PESSI, FBR Tax returns filing



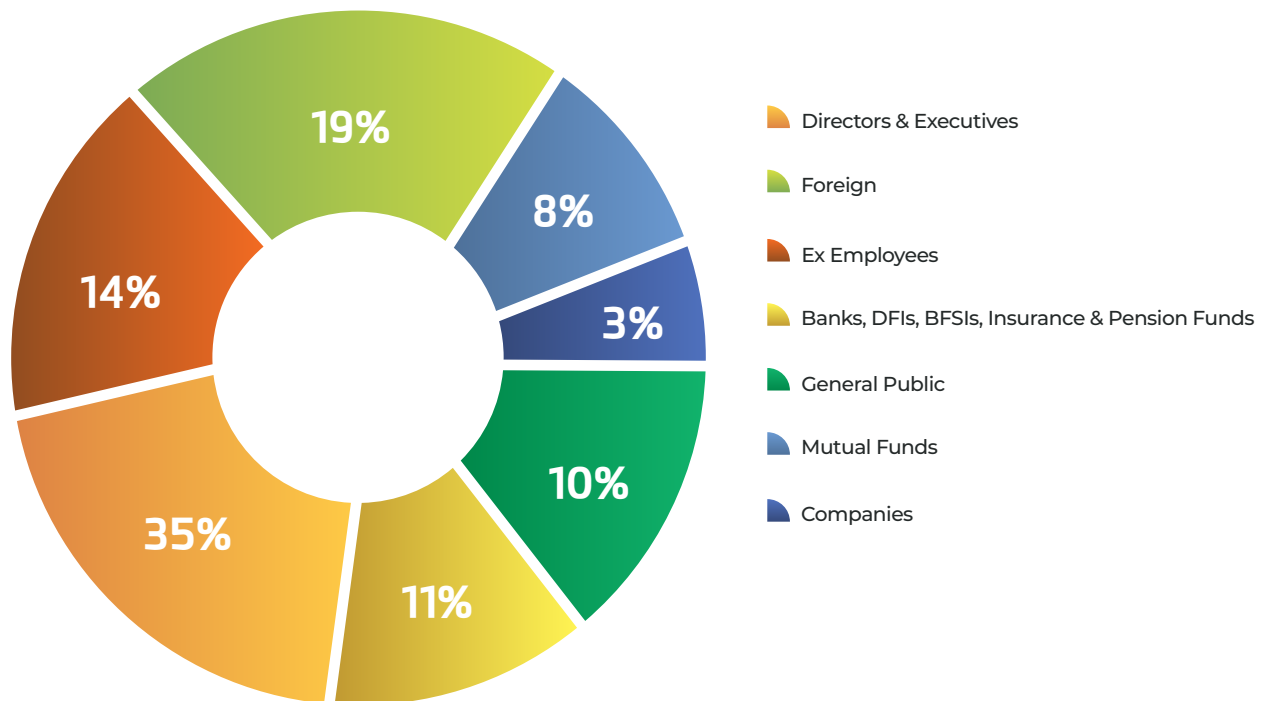
SHARE HOLDER'S KEY INFORMATION

EQUITY & SHAREHOLDING INFORMATION

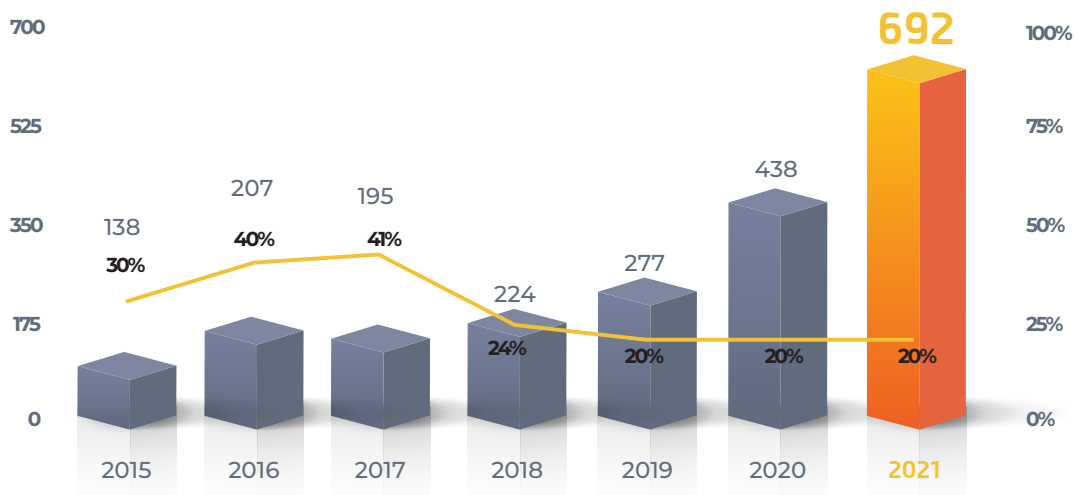
Equity & Stock Information

Authorized Capital	4,000,000,000
Number Of Shares	400,000,000
Par Value	PKR 10
Type Of Shares	COMMON

SHAREHOLDING BREAKUP



DIVIDEND PAYOUT (PKR MILLION)



PATTERN OF SHAREHOLDING - SYSTEMS LIMITED

The Shareholding in the Company as at 31 December 2021 is as follows:

Shareholder Category	Number of Shareholders	Shareholding Breakup	Number of Shares
Companies	40	3%	3,863,910
Directors	11	34%	46,347,580
Executives	33	1%	1,729,286
Banks, DFIs, BFSIs, Insurance & Pension funds	126	11%	15,115,662
Foreign	36	19%	26,031,032
General Public	2801	10%	14,136,777
Mutual Funds	113	8%	10,826,224
Ex-Employees	23	14%	20,027,692
Total	3,183	100%	138,078,168

Pattern of Shareholding for the year 31 December 2021

Number of Shareholders	Shareholding		Total Shares Held
	From	To	
1118	1	100	45,985
531	101	500	138,805
679	501	1,000	460,996
394	1,001	5,000	906,300
126	5,001	10,000	935,493
58	10,001	15,000	740,714
32	15,001	20,000	557,291
28	20,001	25,000	626,143
17	25,001	30,000	468,132
17	30,001	35,000	551,172
9	35,001	40,000	339,244
14	40,001	45,000	589,807
10	45,001	50,000	476,066
7	50,001	55,000	367,277
8	55,001	60,000	464,853
8	60,001	65,000	497,160
9	65,001	70,000	615,687
3	70,001	75,000	216,575
3	75,001	80,000	238,000
3	80,001	85,000	249,663
3	85,001	90,000	267,050
2	95,001	100,000	194,582
4	100,001	105,000	411,901
1	105,001	110,000	108,867
1	110,001	115,000	113,295
4	115,001	120,000	464,623
1	120,001	125,000	124,495
3	125,001	130,000	382,382
1	130,001	135,000	133,100
1	135,001	140,000	138,670
2	140,001	145,000	285,700
3	145,001	150,000	447,900
1	155,001	160,000	156,680
1	160,001	165,000	164,200
2	170,001	175,000	346,183
1	175,001	180,000	180,000
2	185,001	190,000	372,410
4	195,001	200,000	794,365
1	200,001	205,000	202,854
1	215,001	220,000	215,195
1	220,001	225,000	223,900
1	230,001	235,000	230,533
1	235,001	240,000	239,910
2	250,001	255,000	502,800

Number of Shareholders	Shareholding		Total Shares Held
	From	To	
3	260,001	265,000	784,747
1	265,001	270,000	267,500
1	280,001	285,000	283,475
1	290,001	295,000	292,551
1	295,001	300,000	299,855
3	305,001	310,000	923,795
1	315,001	320,000	317,884
1	335,001	340,000	337,558
1	350,001	355,000	351,555
1	365,001	370,000	366,080
1	370,001	375,000	374,299
1	375,001	380,000	375,865
1	380,001	385,000	382,736
2	395,001	400,000	797,050
1	435,001	440,000	438,458
1	440,001	445,000	444,438
1	460,001	465,000	461,323
1	485,001	490,000	486,981
1	495,001	500,000	500,000
2	520,001	525,000	1,044,095
1	545,001	550,000	550,000
1	605,001	610,000	609,170
1	610,001	615,000	614,910
1	650,001	655,000	650,760
1	720,001	725,000	723,531
1	740,001	745,000	740,665
1	795,001	800,000	799,987
1	810,001	815,000	812,688
1	855,001	860,000	856,893
1	865,001	870,000	868,236
1	885,001	890,000	888,796
1	1,030,001	1,035,000	1,034,785
1	1,075,001	1,080,000	1,076,896
1	1,140,001	1,145,000	1,142,677
1	1,225,001	1,230,000	1,228,961
1	1,345,001	1,350,000	1,349,376
1	1,385,001	1,390,000	1,388,359
1	1,440,001	1,445,000	1,443,818
1	1,460,001	1,465,000	1,464,416
1	1,660,001	1,665,000	1,661,000
1	1,755,001	1,760,000	1,757,421
1	1,795,001	1,800,000	1,797,667
1	1,870,001	1,875,000	1,873,602
1	1,895,001	1,900,000	1,898,749
1	1,970,001	1,975,000	1,973,897
1	1,995,001	2,000,000	2,000,000
1	2,130,001	2,135,000	2,134,324
1	2,275,001	2,280,000	2,275,560
1	2,730,001	2,735,000	2,734,181
1	3,800,001	3,805,000	3,804,827
1	4,725,001	4,730,000	4,726,468
1	4,910,001	4,915,000	4,913,360
1	5,065,001	5,070,000	5,067,519
1	5,735,001	5,740,000	5,740,000
1	6,050,001	6,055,000	6,053,890
1	7,285,001	7,290,000	7,288,129
1	8,590,001	8,650,000	8,649,884
1	8,685,001	8,690,000	8,688,093
1	19,130,001	19,180,000	19,176,540
3183		Company Total	138,078,163

1. MUTUAL FUNDS

Information of shareholding as at 31 December 2020 as required under Code of Corporate Governance is as follows

Name	Number of Shares Held	Percentage%
BAWA SECURITIES (PVT) LTD. - MF	500	0.00%
ARIF HABIB LIMITED - MF	0	0.00%
SERVICE PROVIDENT FUND TRUST	0	0.00%
BERGER PAINTS EMPLOYEES GRATUITY FUND	0	0.00%
CDC-TRUSTEE FAYSAL ISLAMIC SAVINGS GROWTH FUND - MSF	0	0.00%
CDC - TRUSTEE UBL DEDICATED EQUITY FUND	35	0.00%
PAKISTAN HUMAN DEVELOPMENT FUND	91	0.00%
ESSITY PAKISTAN LIMITED EMPLOYEES PROVIDENT FUND	260	0.00%
HRSG OUTSOURCING (PVT) LIMITED EMPLOYEES GRATUITY FUND	300	0.00%
CDC - TRUSTEE HBL MULTI - ASSET FUND	300	0.00%
TRUSTEES OF KARACHI SHERATON HOTEL EMPLOYEES PROVIDENT FUND	325	0.00%
TRUSTEES OF MAGNUS INVESTMENT ADVISORS LTD. EMPL. PROV. FUND	550	0.00%
THAL LIMITED EMPLOYEES RETIREMENT BENEFIT FUND	1,165	0.00%
MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND	1,200	0.00%
CDC - TRUSTEE HBL ISLAMIC EQUITY FUND	1,246	0.00%
HILAL GROUP EMPLOYEES PROVIDENT FUND	1,300	0.00%
SUI SOUTHERN GAS EXECUTIVE STAFF PROVIDENT FUND	1,420	0.00%
ONTEX PAKISTAN (PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	1,500	0.00%
CDC - TRUSTEE ASKARI ASSET ALLOCATION FUND	1,500	0.00%
TRUSTEE ABL ASSET MANAGEMENT CO LTD-STAFF PROVIDENT FUND	1,500	0.00%
CDC - TRUSTEE FIRST HABIB ASSET ALLOCATION FUND	1,500	0.00%
HRSG OUTSOURCING (PVT) LIMITED EMPLOYEES PROVIDENT FUND	2,000	0.00%
NISHAT CHUNIAN LIMITED EMPLOYEES PROVIDENT FUND	2,100	0.00%
BRISTOL-MYERS SQUIBB PAK (PVT) LTD EMP PROV FUND	2,175	0.00%
ONTEX PAKISTAN (PRIVATE) LIMITED EMPLOYEES GRATUITY FUND	2,200	0.00%
MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND	2,300	0.00%
TRUSTEE PAK. PETROLEUM EXEC. STAFF PEN. FUND DC CONVENTIONAL	2,400	0.00%
TRUSTEE PAKISTAN PETROLEUM NON EXECUTIVE STAFF GRATUITY FUND	2,700	0.00%
CDC - TRUSTEE AGPF EQUITY SUB-FUND	3,087	0.00%
THE CRESCENT TEXTILE MILLS LTD EMPLOYEES PROVIDENT FUND	3,110	0.00%
TRUSTEES PAKISTAN PETROLEUM EXECUTIVE STAFF GRATUITY FUND	3,400	0.00%
CDC-TRUSTEE NITPF EQUITY SUB-FUND	3,500	0.00%
HPSL PROVIDENT FUND	3,500	0.00%
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	3,600	0.00%
TRUSTEE PAKISTAN PETROLEUM JUNIOR PROVIDENT FUND	4,000	0.00%
KHAADI (SMC-PVT.) LIMITED EMPLOYEES PROVIDENT FUND	4,500	0.00%
CDC - TRUSTEE HBL PF EQUITY SUB FUND	4,500	0.00%
TRUSTEE PAKISTAN PETROLEUM SENIOR PROVIDENT FUND	4,500	0.00%
TRUSTEE-THE KOT ADDU POWER CO. LTD. EMPLOYEES PROVIDENT FUND	4,730	0.00%
CDC - TRUSTEE NIT PAKISTAN GATEWAY EXCHANGE TRADED FUND	4,740	0.00%
ENGRO FERTILIZERS LIMITED NON-MPT EMPLOYEES GRATUITY FUND	5,435	0.00%
CDC - TRUSTEE FIRST HABIB STOCK FUND	5,460	0.00%
CDC - TRUSTEE AGIPF EQUITY SUB-FUND	5,490	0.00%
KOT ADDU POWER COMPANY LIMITED EMPLOYEES PROVIDENT FUND	5,800	0.00%
SEDCO CAPITAL GBL FUNDS - SC GBL EME MKTS EQT PASSIVE FUND	5,900	0.00%
N. U. A. SECURITIES (PRIVATE) LIMITED - MF	5,989	0.00%
CDC - TRUSTEE JS LARGE CAP. FUND	6,161	0.00%
CDC-TRUSTEE NITIPF EQUITY SUB-FUND	6,500	0.00%
NOVARTIS PHARMA PAKISTAN LIMITED EMPLOYEES GRATUITY FUND	7,322	0.01%
CDC - TRUSTEE NIT ASSET ALLOCATION FUND	7,500	0.01%
CDC - TRUSTEE APF-EQUITY SUB FUND	7,550	0.01%
CDC-TRUSTEE FIRST HABIB ISLAMIC STOCK FUND	7,600	0.01%
BYCO PETROLEUM PAKISTAN LIMITED EMPLOYEES PROVIDENT FUND	7,961	0.01%
CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	8,000	0.01%
CDC - TRUSTEE HBL IPF EQUITY SUB FUND	8,410	0.01%
HRSG OUTSOURCING (PVT) LIMITED EMPLOYEES GRATUITY FUND	8,800	0.01%
ADAMJEE LIFE ASSURANCE COMPANY LTD. EMPLOYEES GRATUITY FUND	9,200	0.01%
CDC - TRUSTEE APIF - EQUITY SUB FUND	10,000	0.01%
CDC - TRUSTEE UBL ASSET ALLOCATION FUND	10,320	0.01%
THAL LIMITED EMPLOYEES PROVIDENT FUND	11,362	0.01%
HPSL GRATUITY FUND	11,800	0.01%
CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	14,264	0.01%
GHANI GLASS LIMITED EMPLOYEES PROVIDENT FUND	14,300	0.01%
CDC - TRUSTEE HBL - STOCK FUND	14,786	0.01%

Name	Number of Shares Held	Percentage%
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	15,000	0.01%
TRUSTEE-THE KOT ADDU POWER CO. LTD. EMPLOYEES PENSION FUND	17,050	0.01%
CDC-TRUSTEE HBL ISLAMIC STOCK FUND	18,210	0.01%
CDC - TRUSTEE AKD INDEX TRACKER FUND	20,605	0.01%
HRSO OUTSOURCING (PVT) LIMITED EMPLOYEES PROVIDENT FUND	22,200	0.02%
CDC-TRUSTEE ALHAMRA ISLAMIC PENSION FUND - EQUITY SUB FUND	23,000	0.02%
ROBECO CAPITAL GROWTH FUNDS	23,000	0.02%
FAUJI FERTILIZER BIN QASIM LIMITED PROVIDENT FUND	23,700	0.02%
CDC - TRUSTEE ALFALAH GHP VALUE FUND	24,775	0.02%
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	26,130	0.02%
WELLCOME PAKISTAN LIMITED PROVIDENT FUND	29,065	0.02%
CDC - TRUSTEE PICIC INVESTMENT FUND	31,300	0.02%
CDC - TRUSTEE LAKSON TACTICAL FUND	35,890	0.03%
TRUSTEE PAK TOBACCO CO LTD EMPLOYEES GRATUITY FUND(1383-4)	39,000	0.03%
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	40,420	0.03%
CDC - TRUSTEE HBL EQUITY FUND	40,500	0.03%
CDC - TRUSTEE PICIC GROWTH FUND	41,300	0.03%
CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	43,050	0.03%
CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND	43,265	0.03%
MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	44,500	0.03%
CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	45,457	0.03%
CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	50,870	0.04%
CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	51,550	0.04%
CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	55,000	0.04%
CDC - TRUSTEE NBP SARMAYA IZAFI FUND	62,525	0.05%
CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	62,630	0.05%
CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	64,055	0.05%
CDC - TRUSTEE NBP BALANCED FUND	65,370	0.05%
CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	70,000	0.05%
CDC - TRUSTEE ALFALAH GHP STOCK FUND	95,982	0.07%
AZIMUT PAKISTAN EQUITY FUND (OEIC) PLC	84,550	0.06%
CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	113,295	0.08%
CDC - TRUSTEE ATLAS STOCK MARKET FUND	115,600	0.08%
CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	116,155	0.08%
CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	126,847	0.09%
CDC - TRUSTEE MEEZAN BALANCED FUND	128,615	0.09%
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	144,300	0.10%
CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND	147,900	0.11%
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	187,238	0.14%
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	198,840	0.14%
CDC - TRUSTEE MEEZAN ISLAMIC FUND	2,275,560	1.65%
CDC - TRUSTEE LAKSON EQUITY FUND	230,533	0.17%
CDC - TRUSTEE KSE MEEZAN INDEX FUND	263,602	0.19%
CDC - TRUSTEE NBP STOCK FUND	1,443,818	1.05%
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	283,475	0.21%
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	308,061	0.22%
CDC - TRUSTEE FAYSAL ISLAMIC DEDICATED EQUITY FUND	799,987	0.58%
CDC - TRUSTEE NBP ISLAMIC STOCK FUND	520,805	0.38%
CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFI FUND	399,960	0.29%
CDC - TRUSTEE FAYSAL STOCK FUND	382,736	0.28%
CDC - TRUSTEE ABL STOCK FUND	375,865	0.27%
CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	317,884	0.23%
CDC - TRUSTEE MEEZAN TAHAFUZZ PENSION FUND - EQUITY SUB FUND	351,555	0.25%
	10,826,224	7.84%

2. DIRECTORS, SPOUSES AND THEIR CHILDREN

Name	Number of Shares	Percentage%
MUHAMMAD ARSHAD MASOOD	19,176,540	13.89%
AEZAZ HUSSAIN IRRV GRANTOR TR	8,688,093	6.29%
AIZAZ HUSSAIN	8,649,884	6.26%
ROMANA ABDULLAH	605	0.00%
SYED MUHAMMAD SHABBAR ZAIDI	608	0.00%
ASIF JOOMA	663	0.00%
OMER SAEED	1,100	0.00%
DR. NEELAM HUSSAIN	115,083	0.08%
RIAZ HUSSAIN	292,551	0.21%
MOHAMMAD ASIF PEER	9,422,453	6.82%
	46,347,580	33.57%

3. EX-EMPLOYEES	20,027,692	14.50%
4. EXECUTIVES	1,729,286	1.25%
5. PUBLIC SECTOR COMPANIES & CORPORATIONS	3,863,910	2.80%
6. BANKS, DFIS AND NBFIS, INSURANCE COMPANIES, MODARBAS AND PENSION FUNDS	15,115,662	10.95%

7. FOREIGN COMPANIES

Name	Number of Shares Held	Percentage%
ACADIAN FRONTIER MARKETS EQUITY FUND	24,800	0.02%
EATON VANCE TRT CO CM TRT FD-PARMTC STR EME MKT EQT CM TRT F	14,700	0.01%
EATON VANCE COLLECTIVE INV TRT FOR EMP BENEFIT PLANS	16,600	0.01%
KYKLOS CAPITAL PARTNERS LP	20,900	0.02%
SPDR S&P EMERGING MARKETS SMALL CAP ETF	30,141	0.02%
T. ROWE PRICE GLOBAL ALLOCATION FUND INC.	31,900	0.02%
DEUTSCHE BANK SUISSE S.A	33,110	0.02%
RUSSELL INVESTMENTS EMERGING MARKETS EQUITY POOL	56,800	0.04%
LAERERNES PENSION FORSIKRINGSAKTIESELSKAB	64,400	0.05%
ASIAN GROWTH CUBS ETF	79,500	0.06%
RENAISSANCE SECURITIES (CYPRUS) LIMITED	105,000	0.08%
SILK INVEST NEW HORIZONS FRONTIER FUND	126,920	0.09%
ARISTEA SICAV NEW FRONTIERS EQUITY FUND	138,670	0.10%
THE FAR EAST VALUE MASTER FUND LIMITED	141,400	0.10%
J.P. MORGAN SECURITIES PLC	198,400	0.14%
FRONTIER MARKET OPPORTUNITIES MASTER FUND, LP	200,000	0.14%
GLOBAL X FUNDS-GLOBAL X MSCI PAKISTAN ETF	223,900	0.16%
RWC FRONTIER MARKETS EQUITY MASTER FUND LIMITED	239,910	0.17%
RUSS INV TR CO COMM EMP BEN FNDS TR	250,300	0.18%
ISHARES MSCI FRONTIER 100 ETF	252,500	0.18%
MCKINLEY CAPITAL MEASA FUND OEIC LIMITED	366,080	0.27%
ASHMORE EMERGING MARKETS FRONTIER EQUITY FUND	397,090	0.29%
FOURTON SILKKITIE ASIA EQUITY INVESTMENT FUND	500,000	0.36%
T. ROWE PRICE FUNDS SICAV - FRONTIER MKTS EQ F[000912600018]	523,290	0.38%
COMPASS ASIA PARTNERS L.P	550,000	0.40%
ASHMORE SICAV EMERGING MARKET FRONTIER EQUITY FUND	609,170	0.44%
EFG HERMES OMAN LLC	614,910	0.45%
PEDDER STREET ASIA ABSOLUTE RETURN MASTER FUND LIMITED	650,760	0.47%
COELI SICAV I - FRONTIER MARKETS FUND	856,893	0.62%
CONSILIUM EXTENDED OPPORTUNITIES FUND LP	1,076,896	0.78%
DUET EM FRONTIER FUND LIMITED	1,464,416	1.06%
AL MEHWAR COMMERCIAL INVESTMENTS LLC	1,797,667	1.30%
EVLI EMERGING FRONTIER FUND	2,000,000	1.45%
EAST CAPITAL	2,734,181	1.98%
GREYHOUND ASIA FUND LIMITED	4,726,468	3.42%
TUNDRA SUSTAINABLE FRONTIER FUND	4,913,360	3.56%
	26,031,032	18.85%

8. GENERAL PUBLIC/OTHERS	14,136,777	10.24%
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9-SHAREHOLDING FIVE PERCENT OR MORE VOTING RIGHTS

Name	Number of Shares Held	Percentage%
MUHAMMAD ARSHAD MASOOD	19,176,540	13.89%
AEZAZ HUSSAIN IRRV GRANTOR TR	8,688,093	6.29%
AIZAZ HUSSAIN	8,649,884	6.26%
MUHAMMAD ASIF PEER	9,422,453	6.82%
	51,990,860	37.65%

PATTERN OF SHAREHOLDING - GROUP COMPANIES

The Shareholding in the Company as at 31 December 2021 is as follows:

TechVista Systems FZ-LLC

The Shareholding in the Company as at 31 December 2021 is as follows:

	Number of Shareholders	Number of Shares Held	Percentage of Holding
Directors and their spouses and minor children	-	-	-
Associated Companies, undertakings and related parties	1	50	100%
Banks, DFIs and NBFIs	-	-	-
Insurance Companies	-	-	-
Modarbas and Mutual Funds	-	-	-
General Public	-	-	-
Joint Stock Companies	-	-	-
Others	-	-	-
	1	50	100%

Systems Ventures (Pvt) Limited

The Shareholding in the Company as at 31 December 2021 is as follows:

	Number of Shareholders	Number of Shares Held	Percentage of Holding
Directors and their spouses and minor children	-	-	-
Associated Companies, undertakings and related parties	1	9,998	99.98%
Banks, DFIs and NBFIs	-	-	-
Insurance Companies	-	-	-
Modarbas and Mutual Funds	-	-	-
General Public	-	-	-
Joint Stock Companies	-	-	-
Others	2	2	0.02%
	3	10,000	100%

SUS PVT LIMITED

The Shareholding in the Company as at 31 December 2021 is as follows:

	Number of Shareholders	Number of Shares Held	Percentage of Holding
Directors and their spouses and minor children	-	-	-
Associated Companies, undertakings and related parties	1	9,499	94.99%
Banks, DFIs and NBFIs	-	-	-
Insurance Companies	-	-	-
Modarbas and Mutual Funds	-	-	-
General Public	-	-	-
Joint Stock Companies	-	-	-
Others	1	501	5.01%
	2	10,000	100%

NOTICE OF ANNUAL GENERAL MEETING



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to all the members of Systems Limited (the "Company") that 45th Annual General Meeting of the Company is scheduled to be held on the 11th of April, 2022 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 23rd December 2021.
2. To, receive, consider and adopt the Audited Accounts of the Company for the year ended 31 December 2021 together with the Board of Directors' and Auditors' report thereon.
3. To approve and declare cash dividend @ 50 % i.e. PKR 5/ per share, for the year ended 31 December 2021.
4. To approve and declare Bonus Shares in the proportion of 1 share(s) for every 1 share(s) held i.e. 100%, for the year ended 31 December 2021.
5. To appoint Auditors and fix their remuneration for the year ending 31 December 2022. The Board of Directors upon recommendation of Audit Committee has recommended A.F Ferguson & Co. Chartered Accountants being eligible for appointment as auditors of the Company for the year ending 31 December 2022.

SPECIAL BUSINESS

6. 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".

7. To consider and, if thought fit, pass, with or without modification, the following special resolution in terms of Section 199 of Companies Act, 2017, for the ratification of change of status and subsequent conversion of receivables balance into equity amounting to Rs 144 million and to further approve an equity investment of (\$ 1,000,000) One Million Dollars in its subsidiary, namely, TechVista Information Technology WLL, Qatar.

"Resolved that Systems Limited (the "Company") shall ratify the change of status and subsequent conversion of trade receivable balance into equity investment of Rs 144 million and further equity investment of (\$ 1,000,000) One Million Dollars in its subsidiary, TechVista Information Technology WLL, Qatar, in terms of Section 199 of Companies Act, 2017.

"Resolved further that Mr. Muhammad Asif Peer, the Chief Executive of the Company, Ms. Roohi Khan, the Chief Financial Officer (the "Authorized Officer"), be and is hereby empowered and authorized to undertake, execute and implement all the decisions in respect of the Investment 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".

8. To consider and, if thought fit, pass, with or without modification, the following special resolution, for the shareholders ratification of the incorporated holding company in Netherlands for its associate, E-Processing Systems (Private) Limited, through a special share swap of equal value by-way-of SBP FE Circular No. 1 dated February 10, 2021.

"Resolved that Systems Limited (the "Company") incorporation of the holding company in Netherlands for its associate, E-Processing Systems (Private) Limited through a special share swap of equal value, by-way-of SBP FE Circular No.1 dated February, 2021 is ratified by the shareholders."

"Resolved further that Mr. Muhammad Asif Peer, the Chief Executive, Ms. Roohi Khan, the Chief Financial Officer of the Company (the "Authorized Officer"), be and is hereby empowered and authorized to undertake, execute and implement all the decisions in respect of the Investment 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:

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

By Order of the Board

Saad Hasan Aslam
Company Secretary

21 March, 2022

NOTES:

1. The Share Transfer books of the Company will be closed from 04 April 2022 to 11 April 2022 (both days inclusive). Transfer received at the address of M/s THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500. Pakistan at the close of business on 01 April 2022 will be treated in time for the purpose of above entitlement to the transferees.

2. 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.

3. 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 THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500. Pakistan.

4. The Government of Pakistan through Finance Act, 2019 made certain amendments in 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:

- (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.

5. 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 could be downloaded from the Company Website: www.systemsltd.com Audited financial statements & reports are being placed on the aforesaid website.

6. All the account holders whose registration details are uploaded as per CDC Regulations shall authenticate their identity by showing original CNIC at the time of attending the meeting. In case of corporate entity, a certified copy of resolution of the Board of Directors / valid Power of Attorney having the name and specimen signature of the nominee should be produced at the time of meeting.

7. 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 favour of e-dividend by providing dividend mandate form duly filled in and signed.

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 11 April 2022.

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										
•Disclosures for all types of investments:- (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	Statement of Financial Position – 31 December 2021										
		<table border="1"> <tr> <td>Non-current assets</td> <td>-</td> </tr> <tr> <td>Current assets</td> <td>31,452,279</td> </tr> <tr> <td>Shareholders' equity</td> <td>23,730,191</td> </tr> <tr> <td>Non-current liabilities</td> <td>-</td> </tr> <tr> <td>Current liabilities</td> <td>7,722,088</td> </tr> </table>	Non-current assets	-	Current assets	31,452,279	Shareholders' equity	23,730,191	Non-current liabilities	-	Current liabilities	7,722,088
		Non-current assets	-									
		Current assets	31,452,279									
Shareholders' equity	23,730,191											
Non-current liabilities	-											
Current liabilities	7,722,088											
Profit & Loss A/C – 31 December 2021												
<table border="1"> <tr> <td>Revenue</td> <td>63,021,229</td> </tr> <tr> <td>Cost of revenue</td> <td>37,762,989</td> </tr> <tr> <td>Gross profit</td> <td>25,258,240</td> </tr> <tr> <td>Profit for the year</td> <td>23,224,428</td> </tr> </table>	Revenue	63,021,229	Cost of revenue	37,762,989	Gross profit	25,258,240	Profit for the year	23,224,428				
Revenue	63,021,229											
Cost of revenue	37,762,989											
Gross profit	25,258,240											
Profit for the year	23,224,428											
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										

Ref. No.	Requirement	Relevant Information
(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) General Disclosures		
(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 results 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. Loan shall be granted by Systems Limited.</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
	(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.

Ref. No.	Requirement	Relevant Information
(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 Shariah 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 plus 0.5%.
(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 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; 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										
	• Disclosures for all types of investments:- (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	Statement of Financial Position – 31 December 2021										
		<table border="0"> <tr> <td>Non-current assets</td> <td>-</td> </tr> <tr> <td>Current assets</td> <td>579,757,691</td> </tr> <tr> <td>Shareholders' equity</td> <td>-474,279,979</td> </tr> <tr> <td>Non-current liabilities</td> <td>-</td> </tr> <tr> <td>Current liabilities</td> <td>1,054,037,319</td> </tr> </table>	Non-current assets	-	Current assets	579,757,691	Shareholders' equity	-474,279,979	Non-current liabilities	-	Current liabilities	1,054,037,319
		Non-current assets	-									
		Current assets	579,757,691									
Shareholders' equity	-474,279,979											
Non-current liabilities	-											
Current liabilities	1,054,037,319											
Profit & Loss A/C – 31 December 2021												
<table border="0"> <tr> <td>Revenue</td> <td>11,889,214</td> </tr> <tr> <td>Cost of revenue</td> <td>87,244,126</td> </tr> <tr> <td>Gross profit</td> <td>-75,354,912</td> </tr> <tr> <td>Loss for the year</td> <td>-76,603,621</td> </tr> </table>	Revenue	11,889,214	Cost of revenue	87,244,126	Gross profit	-75,354,912	Loss for the year	-76,603,621				
Revenue	11,889,214											
Cost of revenue	87,244,126											
Gross profit	-75,354,912											
Loss for the year	-76,603,621											
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										

Ref. No.	Requirement	Relevant Information
(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) General Disclosures		
(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.
	(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 only received 3 (three) payments and is yet awaiting the remaining 2 (two) 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 increase the loan guarantee limit from Rs. 400,000,000/- (Pakistani Rupees Four Hundred Million only) to Rs. 600,000,000/- (Pakistani Rupees Six Hundred Million only) till such time that the milestones are completed by UUS-JV and the afore-mentioned performance guarantees are released by CAA. 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 Shariah 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 plus 0.5%.

(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; to the associated company or associated undertaking;	Principal: One (1) year from disbursement. Mark-up: Quarterly basis.

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		
	•Disclosures for all types of investments:- (A) Regarding associated company or associated undertaking:-			
i	name of the associated company	E-Processing Systems (Private) Limited		
ii	basis of relationship	39.06% shareholding through EPS-BV/Associate Company/ Common directorship		
iii	earnings per share for the last three years	31 Dec 2021 (Rs.) (504.65)	31 Dec 2020 (Rs.) (223.63)	31 Dec 2019 (Rs.) (152.10)
iv	break-up value per share, based on latest audited financial statements;	Rs. 699.04		
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 2021		
		Non-current assets	274,965,094	
		Current assets	784,466,432	
	Shareholders' equity	281,329,759		
	Non-current liabilities	-		
	Current liabilities	778,101,767		
		Profit & Loss A/C – 31 December 2021		

		Revenue Cost of revenue Gross profit Loss for the year	405,271,026 (222,314,612) 182,956,414 (203,096,321)
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	
Ref. No.	Requirement	Relevant Information	
(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) General Disclosures			
(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 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;	
	(ii) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and	
	(ii) 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;	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;	Mr. Aezaz Hussain, Chairman and Mr. Asif Peer, CEO of Systems Limited are also directors of E-Processing (Private) Limited. 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.
(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>There is no impairment or write-off.</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 Shariah 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
(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.

AGENDA ITEM NO.7

Nature of information required to be disclosed pursuant to The Companies (Investment in Associated Companies or Undertakings) Regulations, 2017, for investment in subsidiary company M/s TechVista Information Technology WLL is as follows:

Ref. No.	Requirement	Relevant Information
•Disclosures for all types of investments:- (A) Regarding associated company or associated undertaking:-		
i	name of the associated company	TechVista Information Technology WLL
ii	basis of relationship	34 % shareholding / Management Control
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 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
vi	(I) description of the project and its history since conceptualization;	N/A
	(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) General Disclosures		
(I)	maximum amount of investment to be made;	Investment in the form of conversion of receivables balance into equity of Rs. 144 million and additional investment to be remitted amounting to USD 1 million. Investment in the form of conversion of receivables balance into equity of Rs. 144 million and additional investment to be remitted amounting to USD 1 million.
(II)	purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	Purpose: To meet working capital requirements of TechVista Information Technology WLL. Benefit: To enhance market share of IT services in the Qatari market.
(iii)	sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-	Equity investment by Systems Limited.
	(I) justification for investment through borrowings;	N/A
	(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;	
(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;	N/A
(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	N/A
(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
(i)	average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	N/A
(i)	rate of interest, mark-up, profit, fees or commission etc to be charged by investing company	N/A
(i)	particulars of collateral or security to be obtained in relation to the proposed investment;	N/A
(i)	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;	N/A

AGENDA ITEM NO.8

The Board of the Company recommends the shareholders to ratify the incorporation of a holding company through its associate, E-Processing Systems (Private) Limited in Netherlands as per the details provided hereunder:

PURPOSE:

In order to facilitate the resident companies (Start-ups and FinTech's), having innovative and/or scalable businesses with a potential for high growth, to raise capital from abroad, State Bank of Pakistan under FE Manual Chapter 20 Rule 13 (b) allows a company to set up a holding company abroad, whereby shareholding of the local company is mirrored in the foreign holding company at equal value.

JUSTIFICATION:

The Company took advantage of the FE Manual Chapter 20 Rule 13 (b) to attract foreign investors, primarily the Gates Foundation and other prospective institutional investors and venture capitalists. Subsequent to the incorporation of the foreign holding company, the Gates Foundation has invested in the foreign holding company.

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:

1. Mr. Aezaz Hussain, Chairman and Mr. Asif Peer, CEO of Systems Limited are also directors of E-Processing (Private) Limited.

2. 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.

SHAREHOLDERS' INFORMATION

REGISTERED OFFICE

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

T: +92 42 111-797-836

F: +92 42 3 636 8857

SHARE REGISTRAR

THK Associates (Private) Limited.

Plot no. 32-C, Jami Commercial, Street 2, DHA Phase VII, Karachi

T: +92 21 111-000-322

F: +92 21 3 531 0187

LISTING ON STOCK EXCHANGES

Ordinary shares of Systems Limited are listed on Pakistan Stock Exchange Limited.

STOCK CODE / SYMBOL

The stock code / symbol for trading in ordinary shares of Systems Limited at Pakistan Stock Exchange in SYS.

STATUTORY COMPLIANCE

During the year, the Company has complied with all applicable provisions, filed all returns/forms and furnished all the relevant particulars as required under the repealed Companies Ordinance, 1984 (Now, Companies Act, 2017) and allied rules, the Securities and Exchange Commission of Pakistan Regulations and the listing requirements.

DIVIDEND

The Board of Directors in their meeting held on 10 March 2022 has proposed a dividend on ordinary shares at Rs. 5.00 per ordinary share and 100% bonus shares issue.

BOOK CLOSURE DATES

Share Transfer Books of the Company will remain closed from 4th April 2022 to 11 April 2022 (both days inclusive).

DIVIDEND REMITTANCE

Ordinary dividend declared and approved at the Annual General Meeting will be paid within the statutory time limit of 15 days.

- (i) For shares held in physical form: to shareholders whose names appear in the Register of Members of the Company after entertaining all requests for transfer of shares lodged with the Company on or before the book closure date.
- (ii) For shares held in electronic form: to shareholders whose names appear in the statement of beneficial ownership furnished by CDC as at end of business on book closure date.

WITHHOLDING OF TAX & ZAKAT ON ORDINARY DIVIDEND

As per the provisions of the Income Tax Ordinance, 2001, income tax is deductible at source by the Company at the rate of 15% in case of filer and 30% in case on non-filer wherever applicable.

Zakat is also deductible at source from the ordinary dividend at the rate of 2.5% of the face value of the share, other than corporate holders or individuals who have provided an undertaking for non-deduction.

DIVIDEND WARRANTS

Cash dividends are paid through dividend warrants addressed to the ordinary shareholders whose names appear in the Register of Shareholders at the date of book closure.

GENERAL MEETINGS & VOTING RIGHTS

Pursuant to section 158 of repealed Companies Ordinance 1984 (now, section 132 of Companies Act, 2017) Systems Limited holds a General Meeting of shareholders at least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all the shareholders at least 21 days before the meeting and also advertised in at least one English and one Urdu newspaper having circulation in Karachi, Lahore and Islamabad. Shareholders having holding of at least 10% of voting rights may also apply to the Board of Directors to call for meeting of shareholders, and if the Board does not take action on such application within 21 days, the shareholders may themselves call the meeting.

All ordinary shares issued by the Company carry equal voting rights. Generally, matters at the general meetings are decided by a show of hands in the first instance. Voting by show of hands operates on the principle of "One Member-One Vote". If majority of shareholders raise their hands in favor of a particular resolution, it is taken as passed, unless a poll is demanded.

Since the fundamental voting principle in the Company is "One Share-One Vote", voting takes place by a poll, if demanded. On a poll being taken, the decision arrived by poll is final, overruling any decision taken on a show of hands.

INVESTOR'S GRIEVANCES

To date none of the investors or shareholders has filed any significant complaint against any service provided by the Company to its shareholders.

PROXIES

Pursuant to section 161 of repealed Companies Ordinance, 1984 (now, section 137 of Companies Act, 2017) and according to the Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at a general meeting of the Company can appoint another member as his/her proxy to attend and vote instead of him/her. Every notice calling a general meeting of the Company contains a statement that a shareholder is entitled to appoint a proxy.

The instrument appointing a proxy (duly signed by the shareholder appointing that proxy) should be deposited at the office of the Company not less than forty-eight hours before the meeting.

SERVICE STANDARDS

Systems Limited has always endeavored to provide investors with prompt services. Listed below are various investor services and the maximum time limits set for their execution:

	For requests received through post	For requests received over the counter
Transfer of shares	30 days after receipt	30 days after receipt
Transmission of shares	30 days after receipt	30 days after receipt
Issue of duplicate share certificates	30 days after receipt	30 days after receipt
Change of address	2 days after receipt	1 day after receipt

Well qualified personnel of the Shares Registrar have been entrusted with the responsibility of ensuring that services are rendered within the set time limits.

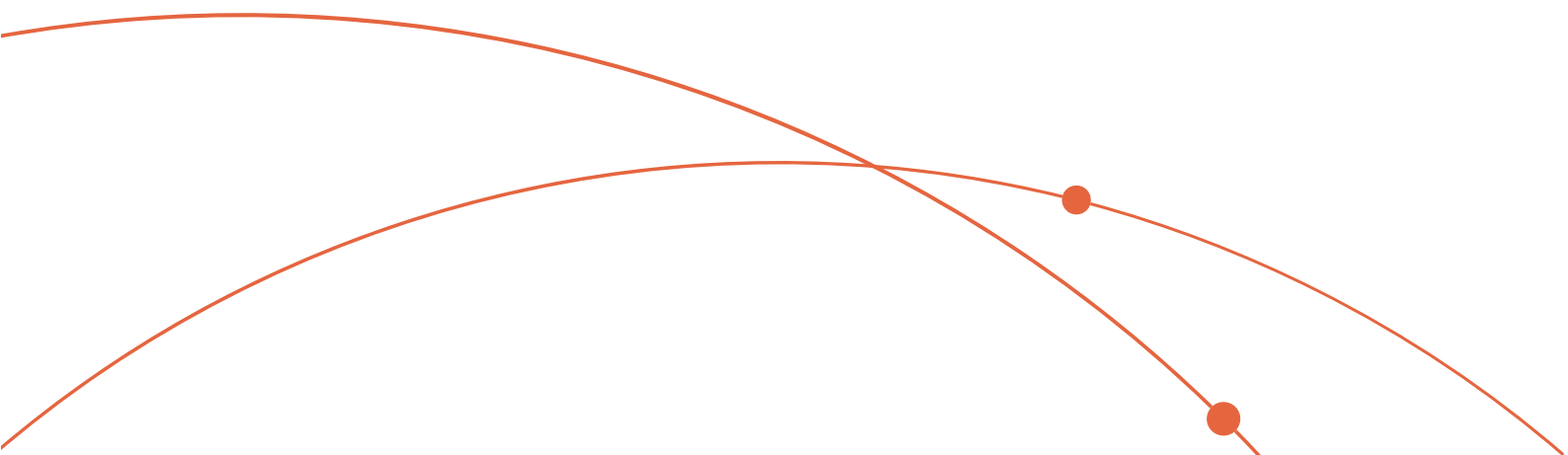
WEB PRESENCE

Updated information regarding the Company can be accessed at its website, www.systemsltd.com. The website contains the latest financial results of the Company together with the Company's profile.

Fundamental knowledge and understanding of financial market is crucial for the general public and lack of financial literacy or capability makes them vulnerable to frauds. SECP recognizes the importance of investor education and therefore initiated this investor education program, called 'JamaPunji', an investor training program, to promote financial literacy in Pakistan.

www.jamapunji.pk





CORPORATE GOVERNANCE

BOARD OF DIRECTORS & CORPORATE GOVERNANCE



ANNUAL EVALUATION OF THE BOARD & COMMITTEES

Board self-evaluation mechanisms facilitate the Board of Directors in evaluating and assessing its performance and ability to provide strategic leadership and oversight to the senior management of the Company. Accordingly, Questionnaires have been developed based on relevant criteria such as effectiveness, accountability, planning, leadership and strategy formulation by the Board and also its committees. Directors are asked to fill out these self-evaluation questionnaire which focuses on their participation and satisfaction with the different proceedings of the Board and their individual role as a member.

EQUAL TREATMENT OF SHAREHOLDERS

Systems limited provides every shareholder the right to attend or authorize to attend the AGM of the company.

Objective	Management response
Shares and voting rights	Each shareholder or his/her authorized representative are authorized to attend AGMs and vote independently. Proxy forms are available on company's website as well as distributed with notice of AGM.
Notices of AGM	All notices of AGM are published in Urdu & English in newspaper and simultaneously uploaded on company's website 21 days prior to the AGM.
Commitment to minority shareholders	The company is committed to creating value for minority shareholders and acting in their best interests through consistent dividend payments, transparent reporting and strong corporate governance.
Investor relations	The company has maintained a dedicated investor relations email as per applicable laws and regulations and all investor matters are directly & promptly addressed via this email.

BOD'S RESPONSIBILITIES

In 2021, Systems Limited BOD has actively complied with all the applicable laws and regulations to ensure value addition of the shareholders. Some key responsibilities of the Board are as follow:

- Monitoring the effectiveness of the company's governance practices and overall corporate strategy for the company is prepared, adopted and reviewed as and when deemed appropriate by the Board.
- Adequate systems and controls are in place for identification and redressal of grievances arising from unethical practices.
- A system of sound internal control is established, which is effectively implemented and maintained at all levels within the company; and
- A formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and of its committees.
- Ensuring that significant policies along with their dates of approval or updating is maintained by the company.

AUDIT COMMITTEE RESPONSIBILITIES

In 2021, Systems Limited Audit Committee has actively supported the Board in all material aspects and has fulfilled its responsibilities as per the applicable laws and regulations. Some key responsibilities of the Audit Committee are as follows:

- Review of internal controls of the company to ensure safeguard the company's assets;
- Review of annual and interim financial statements of the company, prior to their approval by the Board.
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary)
- Review of management letter issued by external auditors and management's response thereto;
- Ensuring coordination between the internal and external auditors of the company;
- Review of the scope and extent of internal audit; audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;
- Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- Monitoring compliance with these Regulations and identification of significant violations thereof;
- Recommend to the Board the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the Regulations.

HUMAN RESOURCE AND COMPENSATION COMMITTEE RESPONSIBILITIES

- Recommendation to the Board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management)
- Recommending human resource management policies to the Board.
- Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of senior management
- Consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SYSTEMS LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

WE HAVE REVIEWED THE ENCLOSED STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (THE REGULATIONS) PREPARED BY THE BOARD OF DIRECTORS OF SYSTEMS LIMITED (THE COMPANY) FOR THE YEAR ENDED 31 DECEMBER 2021 IN ACCORDANCE WITH THE REQUIREMENTS OF REGULATION 36 OF THE REGULATIONS.

THE RESPONSIBILITY FOR COMPLIANCE WITH THE REGULATIONS IS THAT OF THE BOARD OF DIRECTORS OF THE COMPANY. OUR RESPONSIBILITY IS TO REVIEW WHETHER THE STATEMENT OF COMPLIANCE REFLECTS THE STATUS OF THE COMPANY'S COMPLIANCE WITH THE PROVISIONS OF THE REGULATIONS AND REPORT IF IT DOES NOT AND TO HIGHLIGHT ANY NON-COMPLIANCE WITH THE REQUIREMENTS OF THE REGULATIONS. A REVIEW IS LIMITED PRIMARILY TO INQUIRIES OF THE COMPANY'S PERSONNEL AND REVIEW OF VARIOUS DOCUMENTS PREPARED BY THE COMPANY TO COMPLY WITH THE REGULATIONS.

AS A PART OF OUR AUDIT OF THE FINANCIAL STATEMENTS WE ARE REQUIRED TO OBTAIN AN UNDERSTANDING OF THE ACCOUNTING AND INTERNAL CONTROL SYSTEMS SUFFICIENT TO PLAN THE AUDIT AND DEVELOP AN EFFECTIVE AUDIT APPROACH. WE ARE NOT REQUIRED TO CONSIDER WHETHER THE BOARD OF DIRECTORS' STATEMENT ON INTERNAL CONTROL COVERS ALL RISKS AND CONTROLS OR TO FORM AN OPINION ON THE EFFECTIVENESS OF SUCH INTERNAL CONTROLS, THE COMPANY'S CORPORATE GOVERNANCE PROCEDURES AND RISKS.

THE REGULATIONS REQUIRE THE COMPANY TO PLACE BEFORE THE AUDIT COMMITTEE, AND UPON RECOMMENDATION OF THE AUDIT COMMITTEE, PLACE BEFORE THE BOARD OF DIRECTORS FOR THEIR REVIEW AND APPROVAL, ITS RELATED PARTY TRANSACTIONS. WE ARE ONLY REQUIRED AND HAVE ENSURED COMPLIANCE OF THIS REQUIREMENT TO THE EXTENT OF THE APPROVAL OF THE RELATED PARTY TRANSACTIONS BY THE BOARD OF DIRECTORS UPON RECOMMENDATION OF THE AUDIT COMMITTEE. WE HAVE NOT CARRIED OUT PROCEDURES TO ASSESS AND DETERMINE THE COMPANY'S PROCESS FOR IDENTIFICATION OF RELATED PARTIES AND THAT WHETHER THE RELATED PARTY TRANSACTIONS WERE UNDERTAKEN AT ARM'S LENGTH PRICE OR NOT.

BASED ON OUR REVIEW, NOTHING HAS COME TO OUR ATTENTION WHICH CAUSES US TO BELIEVE THAT THE STATEMENT OF COMPLIANCE DOES NOT APPROPRIATELY REFLECT THE COMPANY'S COMPLIANCE, IN ALL MATERIAL RESPECTS, WITH THE REQUIREMENTS CONTAINED IN THE REGULATIONS AS APPLICABLE TO THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2021.

A handwritten signature in black ink, appearing to be 'EY' followed by a stylized flourish.

CHARTERED ACCOUNTANTS
LAHORE:
19 MARCH 2022

STATEMENT OF COMPLIANCE

with the Code of Corporate Governance

The company has complied with the requirements of the Regulations in the following manner:-

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven (7) as per the following:

- a. Male: **six (6)**
- b. Female: **one (1)**

2. The composition of the Board is as follows: a. Male:

- i. Independent Directors: **four (4)**
- ii. Other Non-executive Director: **two (2)**
- iii. Executive Directors: **one (1)**
- iv. Female directors: **one (1)**

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. The Board has arranged Directors' Training program for the following:

- i. Mr. Asif Jooma
- ii. Mr. Arshad Masood
- iii. Mr. Muhammad Asif Peer
- iv. Mr. Aezaz Hussain
- v. Ms. Romana Abdullah
- vi. Mr. Omar Saeed
- vii. Mr. Shabbar Zaidi

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below.

a. Audit Committee:

- | | |
|--------------------------|-----------------|
| i. Mr. Shabbar Zaidi | Chairman |
| ii. Mr. Asif Jooma | Member |
| iii. Ms. Romana Abdullah | Member |

b. HR and Remuneration Committee:

- | | |
|-------------------------|-----------------|
| i. Mr. Asif Jooma | Chairman |
| ii. Mr. Arshad Masood | Member |
| iii. Mr. Omar Saeed | Member |
| iv. Ms. Romana Abdullah | Member |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

- | | |
|-----------------------------------|------------------|
| a. Audit Committee: | Quarterly |
| b. HR and Remuneration Committee: | Meetings |

15. The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):



MR. AEZAZ HUSSAIN
CHAIRMAN



SYSTEMS LIMITED

STANDALONE FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To The Members Of Systems Limited

Report on the audit of the unconsolidated financial statements

Opinion

We have audited the annexed unconsolidated financial statements of Systems Limited (the Company), which comprise the unconsolidated statement of financial position as at 31 December 2021, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key Audit Matter	How the matter was addressed in our audit
<p>1. Revenue recognition</p> <p>The Company's revenue is derived from multiple revenue streams, as referred to in Note 27 to the accompanying unconsolidated financial statements, including outsourcing services for business processes and various IT services, and software sale in the form of short term and long-term projects.</p>	<p>Our audit procedures, amongst others, included:</p> <ul style="list-style-type: none"> ● Obtaining an understanding and evaluating the appropriateness of the Company's revenue recognition policies including those relating to assessment of performance obligations and compliance of those policies with applicable accounting standards;

Key Audit Matter	How the matter was addressed in our audit
<p>The Company's revenue is derived from multiple revenue streams, as referred to in Note 27 to the accompanying unconsolidated financial statements, including outsourcing services for business processes and various IT services, and software sale in the form of short term and long-term projects.</p>	<ul style="list-style-type: none"> ● Obtaining an understanding of and testing the design and operating effectiveness of controls over the revenue recognition process; ● Selecting a sample of revenue transactions recognized during the year and performing substantive procedures which include verification of supporting documentation along with evaluation of the management basis used in determining the performance obligations in accordance with accounting policy; <p>Performing substantive procedures on related party revenue transactions including reviewing compliance of contractual terms with the Companies (Related Party Transactions and Maintenance of Related Records) Regulations 2018;</p> <ul style="list-style-type: none"> ● Performing substantive analytical procedures including monthly trend analysis of revenue by comparing the trends with our understanding of the business and external economic environment; ● Comparing, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; and ● Assessing the adequacy of disclosures made in respect of accounting policy, revenue recognized, and related party revenue transactions entered into during the year.

Information Other than the unconsolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the unconsolidated financial statements and our auditor's report thereon. Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

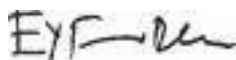
From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Sajjad Hussain Gill.



Chartered Accountants
Lahore:19 March 2022

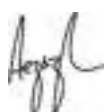
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
Non-current assets			
Property and equipment	4	2,006,791,106	1,507,959,243
Intangibles	5	23,717,704	21,345,888
Long term investments	6	1,331,133,678	272,073,147
Right-of-use assets	7	288,981,476	204,396,352
Long term loans	8	36,796,454	-
Deferred employee benefits		10,344,054	-
Long term deposits	9	141,294,105	36,127,162
Deferred taxation - net	34	75,060,282	-
		3,914,118,859	2,041,901,792
Current assets			
Contract assets	10	333,597,502	533,940,810
Trade debts	11	3,445,521,825	2,438,437,498
Loans, advances and other receivable	12	538,568,661	205,366,771
Current portion of deferred employee benefits		2,890,139	-
Trade deposits and short term prepayments	13	248,588,820	187,928,945
Interest accrued	14	30,922,102	38,450,000
Short term investments	15	4,866,676,912	2,644,845,556
Tax refunds due from the Government	16	207,375,462	166,007,954
Cash and bank balances	17	1,652,613,846	1,577,759,692
		11,326,755,269	7,792,737,226
TOTAL ASSETS		15,240,874,128	9,834,639,018
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 400,000,000 (2020: 200,000,000) ordinary shares of Rs. 10/- each		4,000,000,000	2,000,000,000
Issued, subscribed and paid-up share capital	18	1,384,989,120	1,246,060,140
Capital reserves	19	1,020,484,116	699,654,498
Revenue reserve: Un-appropriated profit		8,067,856,280	5,307,971,413
		10,473,329,516	7,253,686,051
Non-current liabilities			
Long term advances	20	81,111,314	53,857,626
Long term loan	21	-	98,013,227
Deferred grant		-	8,338,896
Lease liabilities	22	238,881,185	189,409,537
		319,992,499	349,619,286
Current liabilities			
Trade and other payables	23	1,162,101,750	722,653,295
Unclaimed dividend		9,226,244	7,617,635
Contract liabilities	24	378,374,906	88,669,355
Short term borrowings	25	2,750,000,000	1,250,000,000
Accrued mark-up on borrowings		13,702	9,804,346
Current portion of long term loan	21	76,816,085	100,754,617
Current portion of deferred grant		1,958,993	3,095,996
Current portion of lease liabilities	22	62,195,197	37,983,731
Current portion of long term advances		6,865,236	10,754,706
		4,447,552,113	2,231,333,681
TOTAL EQUITY AND LIABILITIES		15,240,874,128	9,834,639,018

CONTINGENCIES AND COMMITMENTS

26

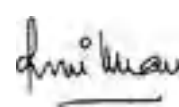
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(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)

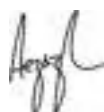


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UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 Rupees	2020 Rupees
Revenue from contracts with customers - net	27	11,903,583,911	7,513,766,845
Cost of revenue	28	(7,912,442,628)	(4,715,786,027)
		<u>3,991,141,283</u>	<u>2,797,980,818</u>
Gross profit			
Selling and distribution expenses	29	(188,926,692)	(118,654,595)
Administrative expenses	30	(981,346,043)	(499,987,819)
Other operating expenses	31	(4,355,753)	(134,740,418)
		<u>(1,174,628,488)</u>	<u>(753,382,832)</u>
Operating profit		<u>2,816,512,795</u>	<u>2,044,597,986</u>
Other income	32	620,344,533	272,645,254
Finance costs	33	(84,291,698)	(49,914,195)
Profit before taxation		<u>3,352,565,630</u>	<u>2,267,329,045</u>
Taxation	34	(31,874,154)	(73,414,103)
Profit for the year		<u>3,320,691,476</u>	<u>2,193,914,942</u>
Earnings per share			(Restated)
Basic earnings per share	38	<u>24.12</u>	<u>16.05</u>
Diluted earnings per share	38	<u>23.89</u>	<u>15.85</u>

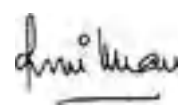
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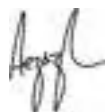


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UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 Rupees	2020 Rupees
Profit for the year	3,320,691,476	2,193,914,942
Other comprehensive income	-	-
Total comprehensive income for the year	3,320,691,476	2,193,914,942

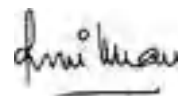
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UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserve	Total equity
		Share premium	Employee compensation reserve	Un-appropriated profit	
----- Rupees					
Balance as on 01 January 2020	1,235,202,990	512,149,734	78,970,025	3,390,143,582	5,216,466,331
Profit for the period	-	-	-	2,193,914,942	2,193,914,942
Other comprehensive income	-	-	-	-	-
Transactions with owners					
Exercise of share options	10,857,150	102,757,736	(38,330,430)	-	75,284,456
Share based payments	-	-	47,125,289	-	47,125,289
Forfeited share options	-	-	(3,017,856)	1,833,713	(1,184,143)
Final dividend for the year ended 31 December 2019 at the rate of Rs. 2.25 per share	-	-	-	(277,920,824)	(277,920,824)
	<u>10,857,150</u>	<u>102,757,736</u>	<u>5,777,003</u>	<u>(276,087,111)</u>	<u>(156,695,222)</u>
Balance as on 31 December 2020	1,246,060,140	614,907,470	84,747,028	5,307,971,413	7,253,686,051
Profit for the period	-	-	-	3,320,691,476	3,320,691,476
Other comprehensive income	-	-	-	-	-
Transactions with owners					
Exercise of share options	14,305,290	205,355,887	(113,923,684)	-	105,737,493
Share based payments	-	-	229,493,849	-	229,493,849
Deferred tax on share based payments	-	-	29,344,233	-	29,344,233
Forfeited share options	-	-	(29,440,667)	-	(29,440,667)
10% Bonus shares issued	124,623,690	-	-	(124,623,690)	-
Final dividend for the year ended 31 December 2020 at the rate of Rs. 3.5 per share	-	-	-	(436,182,919)	(436,182,919)
	<u>138,928,980</u>	<u>205,355,887</u>	<u>115,473,731</u>	<u>(560,806,609)</u>	<u>(101,048,011)</u>
Balance as at 31 December 2021	1,384,989,120	820,263,357	200,220,759	8,067,856,280	10,473,329,516

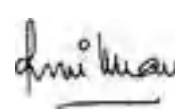
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UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 Rupees	2020 Rupees
Operating activities		3,352,565,630	2,267,329,045
Profit before taxation			
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation on property and equipment	4.3	289,384,085	212,818,804
Depreciation on right-of-use asset	7.1	47,762,423	40,471,141
Amortization of intangibles		16,779,370	20,988,822
Exchange gain on translation of export debts	32	(334,461,103)	(55,134,623)
Other Income (other than exchange gain and unrealized gain)	32	(170,676,591)	(183,929,404)
Unrealized gain on investments classified as fair value through profit or loss	32	(115,206,839)	(7,343,304)
Share based payment expense		229,397,415	45,941,146
Software under development written off		11,226,032	-
Allowance for ECLs / provision for doubtful debts:			
- contract assets	31	17,546,844	9,812,284
- trade debts	31	(30,110,275)	119,039,124
Tax receivables written off		-	5,889,010
Bad debts - written off	31	16,919,184	-
Finance costs	33	84,291,698	49,914,195
		62,852,243	258,467,195
Working capital changes			
Contract Assets		196,026,336	(127,624,174)
Trade debts		(971,833,619)	(711,439,121)
Loans, advances and other receivable		(310,682,618)	144,997,314
Trade deposits and short term prepayments		(60,659,875)	(55,995,111)
Trade and other payables		410,277,253	173,665,685
Contract Liabilities		289,705,551	(15,485,624)
		(447,166,972)	(591,881,031)
		(2,968,250,901)	1,933,915,209
Finance costs paid		(91,354,191)	(24,732,884)
Taxes paid		(119,130,742)	(38,336,368)
Increase in long term advances		23,364,218	24,523,395
Net cash generated from operating activities		2,781,130,186	1,895,369,352
Investing activities			
Purchase of property and equipment		(811,566,898)	(290,033,960)
Development expenditures		(30,377,218)	(3,677,392)
Sale proceeds from disposal of property and equipment		39,955,227	17,305,636
Short term investments - net		(2,106,624,518)	(1,857,502,251)
Increase in long term loan		(49,480,031)	-
Increase in long term investment		(1,059,060,531)	(99,980)
Dividend income		17,701,867	2,502,253
Profit received on deposit accounts		27,785,398	25,119,146
Profit received on short term investments		92,988,031	94,201,454
Increase / (decrease) in long term deposits		(108,458,365)	15,812,635
Net cash used in investing activities		(3,987,137,038)	(1,996,372,459)
Financing activities			
Increase in short term borrowings		1,500,000,000	600,000,000
(Decrease) / increase in long term loan		(134,155,808)	210,000,000
Proceeds from exercise of share options		105,737,493	75,284,456
Payment of principal portion of lease liabilities		(55,317,983)	(50,135,594)
Dividend paid		(434,574,310)	(278,648,714)
Net cash generated from financing activities		981,689,392	556,500,148
(Decrease) / increase in cash and cash equivalents		(224,317,460)	455,497,041
Net foreign exchange difference		299,171,614	26,707,337
Cash and cash equivalents at the beginning of the year		1,577,759,692	1,095,555,314
Cash and cash equivalents at the end of year	17	1,652,613,846	1,577,759,692

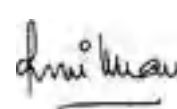
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(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. CORPORATE INFORMATION

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

These financial statements are the separate financial statements of the Company, in which investments in the subsidiary companies namely TechVista Systems FZ- LLC, SUS JV (Private) Limited and Systems Ventures (Private) Limited and associated company namely E-Processing Systems B.V have been accounted for at cost less accumulated impairment losses, if any.

1.1

Geographical location and addresses of major business units of the Company are as under:

Business Units	Geographical Location	Address
Head Office Lahore	Lahore	E-1, Sehjpal, Near DHA Phase-VIII (Ex-Air Avenue), Cantt.
Regional Office	Karachi	E-5, Central Commercial Area, Shaheed-e-Millat Road, Karachi
Regional Office	Islamabad	Plot No. 21, 1st Floor Fazeelat Arcade, Sector G-11 Markaz, Islamabad
Regional Office	Multan	Plot No. 842/23 near Northern Bypass Chowk, Bosan Road, Multan
Regional Office	Faisalabad	Jahal Khanewal, Main East Canal Road, Old Ehsan Yousaf Mill, Ali Fatima Science College near Faisal hospital, Faisalabad.
BPO Office	Lahore	Commercial building Plaza No 1, Block -CCA, Phase 8C, DHA Lahore Cantt

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

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 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 Basis of preparation

These unconsolidated financial statements have been prepared under the historical cost convention except, as otherwise stated in these unconsolidated financial statements.

2.3 Functional and presentation currency

Items included in the unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. These unconsolidated financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

The Company's significant accounting policies are stated in Note 3. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide

an understanding of the policies the management considers critical because of their complexity, judgment of estimation involved in their application and their impact on these unconsolidated financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving higher degree of judgments or complexity or areas where assumptions and estimates are significant to the unconsolidated financial statements are as follows:

2.4.1 Provision for taxation (Note 3.3)

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its views on items of material nature are in accordance with law, the amounts are shown as contingent liabilities.

2.4.2 Useful lives and residual values of property and equipment and intangibles (Note 3.4)

The Company reviews the useful lives of property and equipment and intangibles at each reporting date. Any change in estimates in future years might affect the carrying amounts of respective items of property and equipment with a corresponding effect on the depreciation / amortization charge and impairment.

2.4.3 Expected credit losses (Note 3.10.1)

The Company uses a provision matrix to calculate Expected Credit Losses (ECLs) for trade debts and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, and customer type).

The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information which includes forecast economic conditions. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

2.4.4 Revenue recognition (Note 3.16)

2.4.4.1 Identification of distinct performance obligations

For contracts with multiple components to be delivered, the Company applies judgement to determine performance obligations which are distinct; or not distinct, which are aggregated with other performance obligations until a bundle is identified that is distinct.

2.4.4.2 Estimating stand-alone selling prices of performance obligations

The Company determines stand-alone selling prices of all performance obligations in a bundled contract, which include sale of license, implementation, support, warranty and training. The total transaction price is allocated to all distinct performance obligations based on estimated cost of completion, plus target margin on each of the performance obligations.

2.4.4.3 Stage of completion

The Company determines stage of completion on the basis of cost incurred to date as a percentage of total estimated cost to deliver the performance obligations.

2.4.5 Determining the lease term of contracts with renewal options (Note 3.21)

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an

option to terminate the lease, if it is reasonably certain not to be exercised. The Company has the option, under some of its leases to lease the assets for an additional term. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew i.e. it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

2.4.6 Provisions (Note 3.13)

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

2.4.7 Share based payment

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Company measures the fair value of equity-settled transactions with employees at the grant date using a Black-Scholes Model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 18.2.5.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of unconsolidated financial statements of the Company are consistent with previous year except as described in Note 3.1, below:

3.1 Changes in accounting policies and disclosures resulting from amendments in standards during the year

The Company has adopted the following amendments of IFRS which became effective for the current year:

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS-16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The adoption of the above amendments to accounting standards did not have any material effect on the financial statement.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Company has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

3.2 Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When the Company undertakes its activities under joint operations, the Company as a joint operator recognizes in relation to its interest in a joint operation:

Its assets, including its share of any assets held jointly;

Its liabilities, including its share of any liabilities incurred jointly;

Its revenue from the sale of its share of the output arising from the joint operation;

Its share of the revenue from the sale of the output by the joint operation; and

Its expenses, including its share of any expenses incurred jointly

The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses. When Company transacts with a joint operation in which a Company is a joint operator, the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognized in the Company's standalone financial statements only to the extent of other parties' interests in the joint operation. When Company transacts with a joint operation in which Company is a joint operator, the Company does not recognize its share of the gains and losses until it resells those assets to a third party.

The Company has interest in joint operation UUS Joint Venture (Private) Limited, a Company set up specifically for executing multi-year contract "Package 04A – Airport Information Management System (AIMS)", a turnkey project for New Islamabad International Airport by Pakistan Civil Aviation Authority.

3.3 Taxation

3.3.1 Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments framed during the year for such years.

3.3.2 Deferred

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

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the unconsolidated statement of profit or loss, except in the case of items credited or charged to other comprehensive income in which case it is included in other comprehensive income.

3.3.3 Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- When receivables and payables are stated with the amount of sales tax included the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the unconsolidated statement of financial position.

3.4 Property and equipment

3.4.1 Operating fixed assets

Property and equipment are stated at cost less accumulated depreciation and any identified impairment loss except for freehold land which is stated at historic cost. Cost of operating fixed assets consist of purchase cost, borrowing cost pertaining to construction period and directly attributable cost of bringing the asset to working condition. Subsequent costs are included in the assets carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to unconsolidated statement of profit or loss during the period in which they are incurred.

Depreciation on property and equipment is charged to income by applying straight line method on pro rata basis so as to write off the historical cost of the assets over their estimated useful lives at the rates given in Note 4.1. Depreciation charge commences from the month in which the asset is available for use and continues until the month of disposal.

The assets residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Profit or loss on disposal of operating fixed assets represented by the difference between the sale proceeds and the carrying amount of the asset is included in income.

3.4.2 Capital work-in-progress

Capital work in progress represents expenditure on property and equipment which are in the course of construction and installation. Transfers are made to relevant property and equipment category as and when assets are available for use.

Capital work-in-progress is stated at cost less identified impairment loss, if any.

3.5 Intangibles

Intangible assets acquired from the market are carried at cost less accumulated amortization and any impairment losses.

Expenditure on research (or the research phase of an internal project) is recognized as an expense in the period in which it is incurred;

Development costs incurred on specific projects are capitalized when all the following conditions are satisfied:

- Completion of the intangible asset is technically feasible so that it will be available for use or sale.
- The Company intends to complete the intangible asset and use or sell it.
- The Company has the ability to use or sell the intangible asset.
- Intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The Company's ability to measure reliably the expenditure attributable to the intangible asset during its development.

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by the management. Development costs not meeting the criteria for capitalization are expensed as incurred.

After initial recognition, internally generated intangible assets are carried at cost less accumulated amortization

and impairment losses, if any. These are amortized using straight line method at the rate given in Note 5. Full month amortization on additions is charged in the month of acquisition and no amortization is charged in month of disposal.

The Company assesses at each reporting date whether there is any indication that intangible assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in unconsolidated statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

3.6 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in unconsolidated statement of profit or loss.

Impairment loss recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.7 Staff benefits

The Company has the following plans for its employees:

3.7.1 Provident fund

The Company operates a funded recognized provident fund contribution plan which covers all permanent employees. Equal contributions are made on monthly basis both by the Company and the employees at 10% of basic pay.

3.7.2 Employees' share option scheme

The Company operates an equity settled share based Employees Stock Option Scheme. The compensation committee of the Board of Directors of the Company evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period subject to fulfillment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price determined on the date of grant of options.

At the grant date of share options to the employees, the Company initially recognizes employee compensation expense with corresponding credit to equity as employee compensation reserve at the fair value of option at the grant date. The fair value of options determined at the grant date is recognized as an employee compensation expense on a straight line basis over the vesting period. Fair value of options is arrived at using Black Scholes pricing model.

When share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (nominal value) and share premium.

3.8 Investments

The management determines the classification of its investments at the time of purchase depending on the Company's business model for managing the financial assets and their contractual cash flow characteristics. Investments intended to be held for less than twelve months from the statement of financial position date or to be sold to raise operating capital are included in current assets, all other investments are classified as non-current assets. (Refer to Note 3.16 for detailed policy of classification, initial and subsequent measurement.)

3.8.1 Investments in equity instruments of subsidiaries and associates

Investments in subsidiaries and associates where the Company has significant influence are measured at cost in the Company's separate financial statements in accordance with IAS-27 'Consolidated and separate financial statements'.

The Company is required to publish consolidated financial statements along with its separate financial statements, in accordance with the requirements of IFRS 10 Consolidated Financial Statements and IAS 27 'Consolidated and separate financial statements'. Investments in associates, in the consolidated financial statements, are being accounted for using the equity method.

3.9 Foreign currency transactions

Assets and liabilities in foreign currencies are translated into Pak Rupees at the rate of exchange prevailing at the reporting date. Transactions during the year are converted into Pak Rupees at the exchange rate prevailing at the date of such transaction. All exchange differences are charged to unconsolidated statement of profit or loss.

3.10 Trade debts

Trade debts from local customers are stated at amortized cost less expected credit losses while foreign debtors are stated at translated amount by applying exchange rate applicable on the reporting date.

3.10.1 Expected credit losses

Expected credit losses are calculated as a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the Company in accordance with the contract and cash flows that the Company expects to receive). (Refer to note 3.18.4 for detailed policy for impairment of financial assets)

3.11 Advances and deposits

These are recognized at nominal amount which is fair value of considerations to be received in future.

3.12 Trade and other payables

Liabilities for trade and other payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

3.13 Provisions and contingencies

Provisions are recognized in the unconsolidated statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

3.14 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to unconsolidated statement of profit or loss over the expected useful life of the asset,

based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

3.15 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chief Executive include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditures.

For management purposes, the Systems Limited is organized into business units based on their geographical areas and has four reportable operating segments namely, North America, Europe, Middle East and Pakistan. No operating segments have been aggregated to form the above reportable operating segments.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the unconsolidated financial statements.

3.16 Revenue recognition

Revenue recognized in any period is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. For contracts with multiple components to be delivered, management applies judgement to consider whether those promised goods and services are: (i) distinct – to be accounted for as separate performance obligations; (ii) not distinct – to be combined with other promised goods or services until a bundle is identified that is distinct; or (iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

At contract inception the total transaction price is estimated, which is allocated to the identified performance obligations in proportion to their relative standalone selling prices and revenue is recognized when (or as) those performance obligations are satisfied.

For each performance obligation, the Company determines if revenue will be recognized over time or at a point in time. Where the Company recognizes revenue over time this is due to any of the following reasons: (i) the Company performing and the customer simultaneously receiving and consuming the benefits provided over the life of the contract, (ii) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (iii) the Company's performance creates an asset with no alternative use, and the Company has an enforceable right to payment for performance completed to date.

For each performance obligation to be recognized over time, the Company applies a revenue recognition method that faithfully depicts the Company's performance in transferring control of the goods or services to the customer. The Company applies the relevant input method consistently to similar performance obligations in other contracts. If performance obligations in a contract do not meet the over time criteria, the Company recognizes revenue at a point in time.

Changes in estimates of measures of progress of performance obligations satisfied over time are recognized on a cumulative catch-up basis, which recognizes in the current period the cumulative effect of any changes on current and prior periods based on a performance obligation's percentage of completion.

The Company disaggregates revenue from contracts with customers by contract type, geographical markets and timing of revenue recognition, as management believes this best depicts how the nature, amount, timing and uncertainty of the Company's revenue and cash flows are affected by economic factors. The revenue recognition policy relevant to each contract type is as below:

3.16.1 Software implementation

The Company makes judgments in determining whether the software implementation and software license are distinct and thus separate performance obligations or part of the bundle and thus a single performance obligation

depending upon the level of customization involved and other key factors surrounding each contract. Revenue is recognized at a point in time or over time as appropriate.

For contracts where revenue will be recognized over time, the company uses input method for measuring Percentage of Completion (PoC) by taking into account the cost incurred to date as a percentage of total budgeted cost.

The Company has assessed that maintenance and support is a performance obligation that can be considered capable of being distinct and separately identifiable in a contract. These recurring services are substantially the same as the nature of the promise is for the Company to 'stand ready' to perform maintenance and support when required by the customer. Time-based measure of progress is used for such services since it best reflects the Company's efforts in satisfying the performance obligation.

3.16.2 Outsourcing services

Outsourcing services include business process outsourcing services (BPO) and IT services. Revenue is recognized under each category as below:

a) BPO services

The performance obligation of the Company is to perform the various business activities outsourced by the customers. Revenue is recognized over time on the basis of activities performed, as the customer simultaneously receives and consumes the benefits provided by the Company's performance.

b) IT services

The performance obligation of the Company is to make available the resources to perform various IT services as per the requirement of the customer. Resource efforts are controlled by the customer and revenue is recognized over time on the basis of hours of resources made available to the customer, as the customer simultaneously receives and consumes the benefits provided by the Company's performance.

3.16.3 Software Trading

Software trading represents the sale of software licenses and revenue is recognized at the point in time when obligations under the terms of the contract with the customer are satisfied; generally this occurs when the license is delivered to the customer.

3.16.5 Contract Assets

A contract asset is initially recognized for revenue earned because the receipt of consideration is conditional on successful completion of the milestones as per contract. Upon completion of the milestone and acceptance by the customer, the amount recognized as contract assets is reclassified to trade debts.

3.16.6 Contract Liabilities

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the related goods or services are transferred. Contract liabilities are recognized as revenue as and when performance obligations are delivered under the contract.

3.17 Other income

Profit on deposit account and gain on short term investments and other income is recognized using effective interest rate.

Unrealized gains / (losses) arising on revaluation of securities classified as "fair value through profit or loss" are included in unconsolidated statement of profit or loss in the period in which they arise.

3.18 Financial instruments - Initial recognition and subsequent measurement

3.18.1 Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortized cost or cost as the case may be.

Classification

Classification of financial assets

3.18.2

The Company classifies its financial instruments in the following categories:

3.18.2.1

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortized cost.

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

3.18.2.2

- at fair value through profit and loss ("FVTPL"), or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Subsequent measurement

3.18.3

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income/(loss).

ii) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus transaction costs, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the unconsolidated statement of profit or loss. Realized and unrealized gains and losses arising from

changes in the fair value of the financial assets and liabilities held at FVTPL are included in the unconsolidated statement of profit or loss in the period in which they arise.

Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

3.18.4 Impairment of financial assets

The Company recognizes loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost at an amount equal to life time ECLs except for the following, which are measured at 12 month ECLs:

- bank balances for which credit risk (the risk of default occurring over the expected life of the financial instrument) has not increased since inception.

- other short term loans and receivables that have not demonstrated any increase in credit risk since inception.

Loss allowance for trade debts are always measured at an amount equal to life time ECLs. Life time ECLs are the ECLs that result from all possible defaults events over the expected life of a financial instrument. 12 month ECLs are portion of ECLs that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the Company in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

3.18.5 Derecognition

i) Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in unconsolidated statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to unconsolidated statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to equity.

ii) Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the unconsolidated statement of profit or loss and other comprehensive income.

3.18.6 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if the Company has legally enforceable right to offset the recognized amounts and the Company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

3.19 Finance costs

Finance cost is charged to unconsolidated statement of profit or loss in the year in which it is incurred.

3.20 Cash and cash equivalents

Cash and cash equivalents are stated in the statement of financial position at amortized cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand, cheques / demand draft in hand and deposits in the bank.

3.21 Leases

3.21.1 Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

3.21.2 Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

3.22 Dividends and appropriation reserves

Dividends and other appropriation to reserves are recognized in the financial statements in the period in which these are approved. However, if they are approved after the reporting period but before the unconsolidated financial statements are authorized for issue, they are disclosed in the notes to the unconsolidated financial statements.

3.23 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjustment) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.24 Standards, Interpretations and Amendments to Approved Accounting Standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

IFRS 17 Insurance Contracts

"In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:"

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company expects that the adoption of the above improvements to the standards will have no material effect on the Company's financial statements, in the period of initial application.

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard

IASB effective date
(Annual periods
beginning on or after)

IFRS 1 - First-time Adoption of International Financial Reporting Standards

01 January 2004

IFRS 17 - Insurance Contracts

01 January 2023

The Company expects that the adoption of the above standards will have no material effect on the Company's financial statements, in the period of initial application.

4. PROPERTY AND EQUIPMENT

Note

2021
Rupees2020
Rupees

Operating fixed assets

(4.1)

1,983,978,164

1,507,212,971

Capital work in progress

(4.2)

22,812,942

746,272

2,006,791,106

1,507,959,243

4.1 Operating fixed assets

DESCRIPTION	2021									
	Cost				Accumulated Depreciation				Net book value as at 31 December	Rate (%)
	As at 01 January	Additions / Transfers	Disposals	As at 31 December	As at 01 January	Depreciation charge for the year	Disposals	As at 31 December		
	Rupees									
Land - free hold	394,038,279	-	-	394,038,279	-	-	-	-	394,038,279	-
Building on freehold land	542,724,710	33,410,848	-	576,135,558	41,573,379	13,797,715	-	55,371,094	520,764,464	2.5
Computers	464,305,686	460,718,771	(9,344,255)	915,680,202	317,365,099	126,485,131	(8,742,507)	435,107,723	480,572,479	33
Computer equipment and installations	87,570,364	80,568,271	(1,656,054)	166,482,581	59,937,974	25,773,728	(1,194,585)	84,517,117	81,965,464	33
Other equipment and installations	132,698,680	21,007,777	-	153,706,457	62,296,390	26,090,206	(99,421)	88,287,175	65,419,282	20
Generators and transformer	93,928,893	6,606,088	-	100,534,981	23,406,375	9,377,043	-	32,783,418	67,751,563	10
Furniture and fittings	125,839,699	19,189,693	(427,730)	144,601,662	61,860,732	9,298,120	(343,945)	70,814,907	73,786,755	10
Vehicles	266,360,97	134,603,300	(48,530,780)	352,433,498	94,925,566	62,850,467	(26,326,832)	131,449,201	220,984,297	20
Office equipment	45,000,297	712,810	(99,421)	45,613,686	18,647,574	4,100,512	-	22,748,086	22,865,600	10
Leasehold Building - Improvements	44,690,755	32,682,670	-	77,373,425	9,932,281	11,611,163	-	21,543,444	55,829,981	24.5
	2,197,158,341	789,500,228	(60,058,240)	2,926,600,329	689,945,370	289,384,085	(36,707,290)	942,622,165	1,983,978,164	

DESCRIPTION	2020									
	Cost				Accumulated Depreciation				Net book value as at 31 December	Rate (%)
	As at 01 January	Additions / Transfers	Disposals	As at 31 December	As at 01 January	Depreciation charge for the year	Disposals	As at 31 December		
	Rupees									
Land - free hold	345,277,701	48,760,578	-	394,038,279	-	-	-	-	394,038,279	-
Building on freehold land	535,883,365	6,841,345	-	542,724,710	28,052,455	13,520,924	-	41,573,379	501,151,331	2.5
Computers	381,501,427	92,893,278	(10,089,019)	464,305,686	241,319,171	85,430,005	(9,384,077)	317,365,099	146,940,587	33
Computer equipment and installations	76,783,416	14,443,468	(3,656,520)	87,570,364	44,848,208	18,701,844	(3,612,078)	59,937,974	27,632,390	33
Other equipment and installations	116,382,926	16,360,054	(44,300)	132,698,680	39,820,228	22,520,462	(44,300)	62,296,390	70,402,290	20
Generators and transformer	49,814,973	44,113,920	-	93,928,893	16,667,174	6,739,201	-	23,406,375	70,522,518	10
Furniture and fittings	107,095,328	18,802,046	(57,675)	125,839,699	53,769,222	8,110,355	(18,845)	61,860,732	63,978,967	10
Vehicles	216,248,739	72,958,264	(22,846,025)	266,360,978	57,615,853	46,951,051	(9,641,338)	94,925,566	171,435,412	20
Office equipment	43,339,502	1,660,795	-	45,000,297	14,541,931	4,105,643	-	18,647,574	26,352,723	10
Leasehold Building - Improvements	20,119,599	24,571,156	-	44,690,755	3,192,962	6,739,319	-	9,932,281	34,758,474	24.5
	1,892,446,976	341,404,904	(36,693,539)	2,197,158,341	499,827,204	212,818,804	(22,700,637)	689,945,370	1,507,212,971	

4.1.1 The cost of operating fixed assets include assets amounting to Rs. 367.43 (2020: Rs. 293.7) million with nil book value.

4.1.2 Immovable fixed assets include freehold Land and Building situated at E-1, Sehjpal, Near DHA Phase-VIII (Ex-Air Avenue), Lahore Cantt. Total area of land is 18.17 kanals.

4.2	Capital work in progress	Note	2021 Rupees	2020 Rupees
	Civil work		22,812,942	-
	Advance against purchase of computers		-	746,272
		(4.2.1)	22,812,942	746,272
4.2.1	The following is the movement in capital work-in-progress during the year:			
	Balance at the beginning of the year		746,272	24,025,244
	Additions during the year		31,578,703	13,251,015
	Transfer to operating fixed assets		(9,512,033)	(36,529,987)
	Balance at the end of the year	(4.2.2)	22,812,942	746,272
4.2.2	This represents the ongoing civil work in various offices of the Company.			
4.3	Depreciation charge for the year has been allocated as follows:			
	Cost of revenue	(28)	244,257,655	182,934,914
	Selling and distribution expenses	(29)	3,181,372	2,285,163
	Administrative expenses	(30)	41,945,058	27,598,727
			289,384,085	212,818,804

4.4 Disposal of property and equipment

Details of disposed assets which had a net book value of Rs. 500,000 or more, are as follows:

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyer
Vehicles							Employees
Toyota Corolla Altis	3,403,000	-	3,403,000	3,403,000	-	Company policy	Riaz Ahmad
Honda Civic	2,727,500	(1,318,287)	1,409,213	2,727,480	1,318,267	Company policy	Moh. Umar Hayat
Toyota Corolla Altis	2,676,220	(87,237)	2,588,983	2,503,020	(85,963)	Company policy	Usman Younas
Honda City	2,518,330	(292,749)	2,225,581	2,320,000	94,419	Company policy	Mehwish Sarwar
Honda City	2,330,510	(815,681)	1,514,829	2,279,000	764,171	Company policy	Asif Sajjad
Honda City	1,949,000	(779,594)	1,169,406	1,251,892	82,486	Company policy	Muh. Masud Akram
Corolla Grande	1,876,780	(781,997)	1,094,783	1,803,000	708,217	Company policy	Saad Usmani
Honda City	1,865,300	(715,026)	1,150,274	1,661,593	511,319	Company policy	Yasir Mahmood
Aggregate of items of property and equipment with individual book value below Rs. 500,000	40,711,600	(31,916,719)	8,794,881	22,006,242	13,211,361		
2021	60,058,240	(36,707,290)	23,350,950	39,955,227	16,604,277		

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyer
Vehicles							Employees
Honda City	1,641,600	(684,000)	957,600	1,553,000	595,400	Company policy	Ahmed Azmat
Honda City	2,315,000	(347,247)	1,967,753	1,563,821	(403,932)	Company policy	Syed Saud Akhter
Honda City	1,924,000	(513,071)	1,410,929	1,923,996	513,067	Company policy	Samar Abbas
Toyota Altis 18	2,420,250	(369,673)	2,050,577	2,315,000	264,423	Company policy	Syed Afzal Nizam
Honda Civic 18	2,467,230	(249,202)	2,218,028	2,157,166	(60,862)	Company policy	Muh. Wajhe Ullah
Toyota Corolla GLI	2,558,000	(85,266)	2,472,734	2,565,000	92,266	Negotiation	Third party Pak Auto Workshop
Aggregate of items of property and equipment with individual book value below Rs. 500,000	23,367,459	(20,452,179)	2,915,280	5,227,653	2,312,373		
2020	36,693,539	(22,700,638)	13,992,901	17,305,636	3,312,735		

5.	INTANGIBLES	Note	2021 Rupees	2020 Rupees
	Computer software and licenses	(5.1)	23,717,704	10,119,856
	Software under development		-	11,226,032
			23,717,704	21,345,888

5.1 Computer software and licenses

2021										
Particulars	Cost as at 01 January	Additions	Disposals	Cost as at 31 December	Accumulated amortization as at 01 January	Amortization charge for the year	Disposals	Accumulated amortization as at 31 December	Book value as at 31 December	Rate (%)
-----Rupees-----										
Computer software and licenses	163,008,023	30,377,218	-	193,385,241	152,888,167	16,779,370	-	169,667,537	23,717,704	33%

2020										
Particulars	Cost as at 01 January	Additions	Disposals	Cost as at 31 December	Accumulated amortization as at 01 January	Amortization charge for the year	Disposals	Accumulated amortization as at 31 December	Book value as at 31 December	Rate (%)
-----Rupees-----										
Computer software and licenses	163,008,023	-	-	163,008,023	131,899,345	20,988,822	-	152,888,167	10,119,856	33%

5.2 The cost of the intangibles include assets amounting to Rs. 159.60 million (2020: Rs. 130 million) with nil book value.

5.3 Amortization charge for the year has been allocated as follows:	Note	2021 Rupees	2020 Rupees
Cost of revenue	(28)	14,696,490	17,672,598
Selling and distribution expenses	(29)	125,969	255,061
Administrative expenses	(30)	1,956,911	3,061,163
		16,779,370	20,988,822

6. LONG TERM INVESTMENTS	Note	2021 Rupees	2020 Rupees
Investment In subsidiaries - at cost - unquoted			
E-Processing Systems (Private) Limited	(6.1)	-	270,500,227
TechVista Systems FZ- LLC	(6.2)	1,377,950	1,377,950
Systems Ventures (Private) Limited	(6.3)	99,980	99,980
SUS-JV (Private) Limited	(6.4)	94,990	94,990
		1,572,920	272,073,147
Advance against issuance of shares	(6.5)	1,059,060,531	-
		1,060,633,451	272,073,147
Investment In associate - at cost - unquoted			
E-Processing Systems B.V.	(6.1)	270,500,227	-
		1,331,133,678	272,073,147

6.1 During the year, the shareholders of E-Processing Systems (Private) Limited, under Paragraph 13B of Chapter 20 of Foreign Exchange Manual, applied to the State Bank of Pakistan (SBP) to incorporate a holding company outside Pakistan. The application was acknowledged by the SBP vide its letter no. SBPHOK-EPD-INVTCR-MBL-82659 dated March 26, 2021 and Meezan Bank Limited (MBL) was appointed as authorized dealer in this regard.

Accordingly, a company named E-Processing Systems B.V. was incorporated in Netherlands and the company swapped / mirrored their shares with 179,507 fully paid ordinary shares of equal value at USD 0.01/-each, representing 44.60% shares in E-Processing Systems B.V. However, during the year Bill & Melinda Gates Foundation has made an investment of USD 2 million in irredeemable preference shares carrying 11.33% voting rights in E-Processing Systems B.V. The resultant dilution of voting rights has led to loss of control of the Company over E-Processing Systems B.V.

6.2 This represents 50 fully paid ordinary shares of AED 1,000/- each, representing 100% (2020: 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.

6.3 This represents 9,998 fully paid ordinary shares of Rs. 10/- each, representing 99.98% (2020: 99.98%) 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 This represents 9,499 full paid ordinary shares of Rs. 10/- each, representing 94.99% (2020: 94.99%) shares in Company's subsidiary, 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.

6.5	This represent the advances provided to following entities against issuance of shares:	Note	2021 Rupees	2020 Rupees
	To subsidiaries:			
	- TechVista Systems FZ- LLC		425,881,340	-
	- Systems Ventures (Private) Limited	(6.5.1)	488,610,295	-
	To associated undertaking			
	- TechVista Information Technology - Qatar (TVS Qatar)	(6.5.1)	144,568,896	-
			1,059,060,531	-

6.5.1 The interest has been charged at the rate of one year KIBOR in accordance with the requirement of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

6.6 During the year, Systems Arabia for Information Technology, a wholly owned subsidiary was incorporated in Saudi Arabia. As of reporting date, no investment has been transferred in that entity, however the incorporation expense of this subsidiary were born by the Company as disclosed in Note 12.3.

7. RIGHT-OF-USE ASSETS

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the year:

	Note	2021 Rupees	2020 Rupees
As at 01 January		204,396,352	145,860,345
Additions		132,347,547	99,007,148
Depreciation expense	(7.1)	(47,762,423)	(40,471,141)
As at 31 December		288,981,476	204,396,352

7.1	The depreciation charge for the year on right-of-use assets has been allocated as follows:	Note	2021 Rupees	2020 Rupees
	Cost of revenue	(28)	11,324,118	15,379,034
	Selling and distribution expenses	(29)	4,114,002	2,832,980
	Administrative expenses	(30)	32,324,303	22,259,128
			47,762,423	40,471,142

8. LONG TERM LOANS

Considered good - secured

Due from executives	(8.1)	36,796,45	-
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8.1	Due from executives	Motor Vehicle	Other Loans	Total	Total
	Undiscounted amount paid	52,883,000	6,000,000	58,883,000	-
	Deferred employee benefits	(12,864,750)	(688,547)	(13,553,297)	-
	Fair value of long term loans	40,018,250	5,311,453	45,329,703	-
	Unwinding of discount	465,828	84,788	550,616	-
	Repayments	(577,500)	-	(577,500)	-
		39,906,578	5,396,241	45,302,819	-
	Receivable within one year	6,387,013	2,119,352	(8,506,365)	-
		33,519,565	3,276,889	36,796,454	-
	Outstanding for period:				
	- less than three years but over one year			18,417,710	-
	- more than three years			18,378,745	-
				36,796,455	-

- 8.2 These interest free loans are repayable between 18 to 60 months and are granted to the executives of the Company, in accordance with their terms of employment. These are secured against post dated cheques. In accordance with IFRS 9-Financial instruments, these loans were initially recognized at fair value using effective interest rates ranging from 9.54% to 11.97%. The difference between cash paid and present value of cash inflows upon initial recognition has been recognized as deferred employee benefits.

9. LONG TERM DEPOSITS	Note	2021 Rupees	2020 Rupees
Lease buildings			
Undiscounted amount paid		9,000,000	-
Effect of discounting		(3,346,450)	-
Fair vale of long term deposits		5,653,550	-
Unwinding of discount		55,028	-
Balance as at 31 December		5,708,578	
Others			
Utilities and other deposits		135,585,527	36,127,162
		141,294,105	36,127,162

10. CONTRACT ASSETS - UNSECURED	Note	2021 Rupees	2020 Rupees
Unbilled revenue	(10.1)	269,843,450	481,344,379
Retention money		63,754,052	52,596,431
		333,597,502	533,940,810

10.1 Unbilled revenue	Note	2021 Rupees	2020 Rupees
Export	(10.1.1)	8,922,950	374,294,987
Local		283,152,957	192,062,180
		292,075,907	566,357,167
Less: Allowance for ECL	(10.1.3)	(22,232,457)	(85,012,788)
	(10.1.4)	269,843,450	481,344,379

- 10.1.1 This includes amount not yet billed to related parties, Visionet Deutschland GMBH, TechVista Systems FZ - LLC and Visionet - UK amounting to Rs. 1.32 million (2020: 187.61), Nil (2020: Rs. 177.72) million and Rs. 4.95 (2020: Rs. Nil) million, respectively. Aging analysis of these balance is as follows:

	2021 Rupees		
	VISIONET DEUTSCHLAND GMBH	" TECH VISTA SYSTEMS FZ-LLC - UAE "	VISIONET - UK
- Not more than three months	1,319,204	-	4,944,629
- More than three months but not more than six months	-	-	-
- More than six months but not more than twelve months	-	-	-
- More than twelve months	-	-	-
	1,319,204	-	4,944,629
	2020 Rupees		
	VISIONET DEUTSCHLAND GMBH	" TECH VISTA SYSTEMS FZ-LLC - UAE "	VISIONET - UK
- Not more than three months	135,801,761	171,932,162	-
- More than three months but not more than six months	47,873,522	5,788,798	-
- More than six months but not more than twelve months	3,932,960	-	-
- More than twelve months	-	-	-
	187,608,243	177,720,960	-

10.1.2 The maximum aggregate amount outstanding by reference to month-end balances was as follows:

	2021 Rupees	2020 Rupees
Visionet Deutschland GMBH	364,294,404	275,359,167
Tech Vista Systems FZ-LLC - UAE	446,699,415	332,591,864
Visionet - UK	65,474,644	-

10.1.3 Allowance for ECL

As at 01 January	85,012,788	75,200,504
Expense / (recovery) for the year - net	17,546,844	9,812,284
Transferred to allowance for ECL against debtors	(80,327,175)	-
As at 31 December	22,232,457	85,012,788

10.1.4 These represent unbilled debtors arising due to recognition of revenue upon delivery of performance obligations as per contract on the basis of percentage of completion as per IFRS 15 - Revenue from Contracts with Customers.

11. TRADE DEBTS

	Note	2021 Rupees	2020 Rupees
Export	(11.1)	2,581,300,038	2,080,448,006
Local		1,146,212,451	589,763,256
		3,727,512,489	2,670,211,262
Less: Allowance for ECL	(11.3)	(281,990,664)	(231,773,764)
		3,445,521,825	2,438,437,498

11.1 These include unsecured receivables from related parties against outsourcing services. As per contracts with related parties, billing terms range from monthly to quarterly basis and payment is generally due within 30 days from the date of billing. Detail of related party balances along with aging analysis of the amounts is as follows:

	2021					
	Rupees					
	VISIONET SYSTEMS INCORPORATION - USA	VISIONET - UK	TECHVISTA SYSTEMS FZ-LLC - UAE	VISIONET DEUTSCHLAND GMBH	TECHVISTA PTY LIMITED AUSTRALIA	TECHVISTA INFORMATION TECHNOLOGY QATAR
- WITHIN 30 DAYS	680,082,110	19,515,971	257,539,780	109,174,344	510,640	13,436,530
- 31 - 90 DAYS	1,079,214,053	-	-	-	1,021,280	27,612,876
- 91 - 270 DAYS	-	-	-	-	3,063,840	129,665,276
- 271 - 365 DAYS	-	-	-	-	2,042,560	82,882,517
- ABOVE 365 DAYS	-	-	-	-	3,846,032	83,513,223
	1,759,296,163	19,515,971	257,539,780	109,174,344	10,484,352	337,110,422

	2020					
	Rupees					
	VISIONET SYSTEMS INCORPORATION - USA	VISIONET - UK	TECHVISTA SYSTEMS FZ-LLC - UAE	VISIONET DEUTSCHLAND GMBH	TECHVISTA PTY LIMITED AUSTRALIA	TECHVISTA INFORMATION TECHNOLOGY QATAR
- WITHIN 30 DAYS	491,534,869	-	29,400,937	18,539,554	981,040	12,267,153
- 31 - 90 DAYS	609,446,087	-	136,200,281	-	490,520	23,001,230
- 91 - 270 DAYS	-	-	173,150,257	-	2,943,120	49,359,049
- 271 - 365 DAYS	-	-	387,726,671	-	1,962,079	23,106,667
- ABOVE 365 DAYS	-	-	36,024,248	-	2,057,681	9,070,210
	1,100,980,956	-	762,502,394	18,539,554	8,434,440	116,804,309

11.2	The maximum aggregate amount outstanding by reference to month-end balances was as follows:	Note	2021 Rupees	2020 Rupees
	Visionet Systems Incorporation - USA		2,415,544,828	1,354,441,348
	Visionet Deutschland GMBH		293,166,527	18,539,554
	TechVista Systems FZ-LLC - UAE		829,780,295	979,278,668
	TechVista Pty Limited - Australia		10,484,352	8,434,440
	TechVista Information Technology - Qatar		481,679,317	113,964,932
			4,030,655,319	2,474,658,942

11.3	Allowance for ECL		2021 Rupees	2020 Rupees
	As at 01 January		231,773,764	135,106,696
	Addition during the year		50,216,900	119,039,124
	Transferred from provision for ECL against contract assets		80,327,175	-
	Expense for the year		130,544,075	119,039,124
	Balances written off during the year		(80,327,175)	(22,372,056)
	As at 31 December	(11.3.1)	281,990,664	231,773,764

11.3.1 These include allowance for ECLs against receivables from related party, TechVista Systems FZ - LLC (Dubai) and TechVista Information Technology (Qatar) amounting to Nil (2020: Rs. 26.65) million and Rs. 51.35 million (2020: 54.20) respectively.

12.	LOANS, ADVANCES AND OTHER RECEIVABLE	Note	2021 Rupees	2020 Rupees
	Current maturity of long term loans	(8.1)	8,506,365	-
	Advances to staff against:			
	salary		10,589,878	11,473,122
	expenses		15,175,902	3,061,469
			25,765,780	14,534,591
	Advances to suppliers - against goods		200,912,496	49,224,901
			226,678,276	63,759,492
	Loans to related parties		665,188,379	441,909,846
	Elimination on account of Joint Operation	(12.1)	(378,154,612)	(300,431,067)
		(12.2)	287,033,767	141,478,779
	Other receivables:			
	Systems Ventures (Private) Limited		-	128,500
	Systems Arabia for Information Technology	(12.3)	16,350,255	-
			538,568,663	205,366,771

12.1 This represents loan provided to UUS Joint Venture (Private) Limited for meeting working capital requirements. This amount is unsecured and carries interest at one-year KIBOR on the outstanding loan balance at the end of each month.

12.2	This includes loans provided to the following related parties:	Note	2021 Rupees	2020 Rupees
	E-Processing Systems (Private) Limited	(12.2.1)	281,815,594	118,158,259
	SUS JV (Private) Limited	(12.2.2)	5,218,171	23,320,520
			287,033,765	141,478,779

12.2.1 This carries mark-up at one-month KIBOR on the outstanding loan balance at the end of each month.

12.2.2 This carries mark-up at one-year KIBOR on the outstanding loan balance at the end of each month.

12.2.3	The maximum aggregate amount outstanding by reference to month-end balances was as follows:		2021	2020
			Rupees	Rupees
	E-Processing Systems (Private) Limited		277,012,459	212,510,336
	SUS JV (Private) Limited		39,940,608	48,291,083
			316,953,067	260,801,419

12.3 This represents receivable from related party, Systems Arabia for information technology, on account of incorporation expenses paid by the Company on its behalf.

13.	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		2021	2020
			Rupees	Rupees
	Security deposits		158,523,500	132,575,274
	Prepayments		90,065,320	55,353,671
			248,588,820	187,928,945

14.	INTEREST ACCRUED		2021	2020
			Rupees	Rupees
	Systems ventures (Private) Limited		19,803,225	-
	Techvista Systems for Information Technology - Qatar		8,986,046	-
	Term deposit receipts (TDRs)		2,130,816	38,450,000
	Saving account		2,015	-
			30,922,102	38,450,000

15.	SHORT TERM INVESTMENTS	Note	2021	2020
			Rupees	Rupees
	Fair value through profit or loss			
	- Mutual fund units	(15.1)	4,199,676,912	559,845,556
	Amortized cost			
	- Term deposit receipts (TDRs)	(15.2)	667,000,000	2,085,000,000
			4,866,676,912	2,644,845,556

15.1 The details of investments in mutual funds are as follows:

UBL Al-Ameen Asset Islamic Allocation Fund	107,656,212	51,952,710
Number of units : 837,046 (2020: 409,056)		
UBL Al-Ameen Islamic Cash Plan-I	307,889,806	-
Number of units : 3,078,898 (2020: Nil)		
Alfalah GHP Islamic Income Fund	131,098,915	51,291,201
Number of units : 1,282,006 (2020: 502,485)		
HBL Asset Islamic Allocation Fund	52,976,195	51,444,992
Number of units : 470,298 (2020: 460,820)		
HBL Asset Islamic Money Market Fund	25,864,345	-
Number of units : 255,641 (2020: Nil)		
Lakson Islamic Tactical Fund	99,843,741	52,449,350
Number of units : 1,089,870 (2020: 534,122)		
Lakson Money Market Fund	101,159,394	-
Number of units : 1,000,224 (2020: Nil)		
Meezan Balanced Fund	103,600,318	100,590,950
Number of units : 6,450,950 (2020: 6,450,950)		
Meezan Islamic Income Fund	53,502,393	50,337,808
Number of units : 1,001,921 (2020 : 944,653)		
Meezan Islamic Fund	151,731,025	-
Number of units : 2,466,902 (2020: Nil)		

Meezan Rozana Amdani Fund	621,489,473	-
Number of units : 12,429,789 (2020 : Nil)		
NBP Islamic Sarmaya Izafa Fund	312,138,444	201,778,545
Number of units : 18,802,954 (2020: 12,352,453)		
NBP Daily Dividend Fund	613,531,130	-
Number of units : 61,353,113 (2020: Nil)		
NBP Islamic Stock Fund	83,246,347	-
Number of units : 6,844,116 (2020: Nil)		
NBP Islamic Income Fund	52,548,599	-
Number of units : 5,054,791 (2020: Nil)		
MCB Al-hamra Islamic Money Market Fund	467,949,478	-
Number of units : 4,702,537 (2020: Nil)		
ABL Islamic Stock Fund	47,314,269	-
Number of units : 3,125,509 (2020: Nil)		
ABL Islamic Cash Fund	257,844,525	-
Number of units : 25,784,452 (2020: Nil)		
ABL Islamic Income Fund	50,835,310	-
Number of units : 4,800,630 (2020: Nil)		
Faysal Islamic Cash Fund	557,457,027	-
Number of units : 5,574,570 (2020: Nil)		
	4,199,676,946	559,845,556

15.2	The details of investments in TDRs are as follows:	Note	2021 Rupees	2020 Rupees
	Faysal Bank Limited		-	400,000,000
	Habib Metropolitan Bank Limited		650,000,000	1,660,000,000
	Habib Bank Limited		17,000,000	25,000,000
		(15.2.1)	667,000,000	2,085,000,000

15.2.1 These carry markup at rates ranging from 6.45% to 12.75% (2020: 6% to 12.75%) per annum.

16.	TAX REFUNDS DUE FROM THE GOVERNMENT	Note	2021 Rupees	2020 Rupees
	Income tax - net		207,375,462	166,007,954

17.	CASH AND BANK BALANCES	Note	2021 Rupees	2020 Rupees
	Cash in hand		946,078	917,983
	Balances with banks:			
	Local currency:			
	Current accounts		781,725,231	508,414,734
	Saving accounts	(17.1)	765,876,191	395,180,848
			1,547,601,422	903,595,582
	Foreign currency - current accounts		104,066,346	673,246,127
			1,652,613,846	1,577,759,692

17.1 These carry markup at the rate of 4.12% to 6.28% (2020: 3.10% to 11.50%) per annum.

18. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2021 (Number of shares)	2020		2021 Rupees	2020 Rupees
114,815,189	113,384,660	"Ordinary shares of Rs. 10/- each fully paid in cash"	1,148,151,890	1,133,846,600
23,683,723	11,221,354	"Ordinary shares of Rs. 10/- each fully paid up as bonus shares"	236,837,230	112,213,540
138,498,912	124,606,014		1,384,989,120	1,246,060,140

18.1 Reconciliation of ordinary shares

2021 (Number of shares)	2020		2021 Rupees	2020 Rupees
124,606,014	123,520,299	Balance at 01 January	1,246,060,140	1,235,202,990
12,462,369	-	Bonus shares issued	124,623,690	-
1,430,529	1,085,715	Stock options exercised	14,305,290	10,857,150
138,498,912	124,606,014	Balance at 31 December	1,384,989,120	1,246,060,140

19. CAPITAL RESERVES

	Note	2021 Rupees	2020 Rupees
Share premium reserve	(19.1)	820,263,357	614,907,470
Employee compensation reserve	(19.2)	200,220,759	84,747,028
		1,020,484,116	699,654,498

19.1 This reserve shall be utilized only for the purpose as specified in section 81(2) of the Companies Act, 2017.

19.2 This represents balance amount after exercise of share options by the employees under the Employee Stock Option Scheme approved by the SECP. According to the scheme, 100% options become exercisable after completion of vesting period from the date of grant. The options have a vesting period of 2 years and an exercise period of 3 years from the date the option is vested.

19.2.1 The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the year:

	2021		2020	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	Rupees	Number	Rupees	Number
Outstanding at 01 January	83.84	2,653,622	77.46	2,479,946
Granted during the year				
- stock options awarded in January	-	-	75.34	1,529,034
- stock options awarded in March	346.19	735,835	-	-
- stock options awarded in July	-	-	122.23	200,000
- stock options awarded in September	497.21	207,500	-	-
Bonus issue adjustment during the year ¹	133.75	336,928		
Forfeited share options	75.34	(550,000)	72.34	(469,643)
Exercised during the year:				
- stock options awarded in 2017 ²	-	-	62.58	(316,831)
- stock options awarded in 2018 ³	72.13	(17,676)	72.13	(768,884)
- stock options awarded in 2019 ⁴	73.34	(992,103)	-	-
- stock options awarded in 2020 ⁵	75.34	(420,750)	-	-
Outstanding at 31 December	244.85	1,953,356	83.84	2,653,622
Vested and exercisable at 31 December	73.33	716,687	72.13	17,676

1. Additional options were awarded to scheme participants as a result of the March 2021 bonus issue. Options were awarded such that the overall value of options available were unchanged by the bonus issue.
2. The weighted average share price at the date of the exercise of these options was nil (2020: Rs. 96.32).
3. The weighted average share price at the date of the exercise of these options was Rs. 479.91 (2020: Rs. 183.84)
4. The weighted average share price at the date of the exercise of these options was Rs. 461.40.
5. The weighted average share price at the date of the exercise of these options was Rs. 759.84.

- 19.2.2** The weighted average remaining contractual life for the share options outstanding as at 31 December 2021 is 3.71 years (2020: 3.80 years).
- 19.2.3** The weighted average fair value of options granted during the year was Rs. 277.67 (2020: Rs. 67.72)
- 19.2.4** The range of exercise prices for options outstanding at the end of the year is Rs.346.19 to Rs.497.21 (2020: Rs.72.13 to Rs.122.23)
- 19.2.5** The following table lists the inputs to the model used for the plan for the years ended 31 December 2021 and 2020, respectively:

	2021	2020
Dividend yield	2%	2%
Expected volatility	42% - 43%	32% - 40%
Risk-free interest rate	8.29% & 8.90%	7.30% & 7.80%
Expected life of share options (years)	2.2	2.1
Weighted average share price	Rs. 538.58	Rs. 132.47
Model used	Black Scholes	Black Scholes

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

	Note	2021 Rupees	2020 Rupees
20. LONG TERM ADVANCES	(20.1)	81,111,314	53,857,626

20.1 These represent advances received from staff and will be adjusted as per Company's car policy against sale of vehicles.

	Note	2021 Rupees	2020 Rupees
21. LONG TERM LOAN			
MCB Bank Limited		67,081,559	190,641,884
Add: Unwinding of interest		9,734,526	8,125,960
	(21.1)	76,816,085	198,767,844
Less: Current portion		(76,816,085)	(100,754,617)
		-	98,013,227

21.1 This represents loan of Rs. 210 million obtained under Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concerns (the Scheme) offered by State Bank of Pakistan to mitigate the effect of COVID-19 on employment in Pakistan. The facility has an aggregate sanctioned limit of Rs. 315 million. It carries mark-up at SBP rate plus 1% per annum and is secured against a pari passu charge of Rs. 1,344 million over the present and future current assets of the Company and 1st exclusive equitable mortgage and hypothecation charge of Rs. 1,066.7 million over the non current assets of the Company. The loan is repayable in equal quarterly installments commencing September 26, 2020 and ending December 26, 2022. The two tranches of loan were initially recognized at fair value in accordance with IFRS 9 - Financial instruments using effective interest rate of 7.94% and 7.25% (3-month KIBOR) respectively. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

	2021 Rupees	2020 Rupees
22. LEASE LIABILITIES		
Present value of lease rentals	301,076,382	227,393,268
Less: Current portion shown under current liabilities	(62,195,197)	(37,983,731)
	238,881,185	189,409,537

	Lease Rentals	Finance cost for future periods 2021 -----Rupees-----	Principal outstanding
Not later than one year	92,277,870	30,082,673	62,195,197
Later than one year but not later than five years	232,671,588	48,983,267	183,688,321
Later than five years	64,044,200	8,851,336	55,192,864
	388,993,658	87,917,276	301,076,382

	Lease Rentals	Finance cost for future periods 2020 -----Rupees-----	Principal outstanding
Not later than one year	58,298,375	20,314,644	37,983,731
Later than one year but not later than five years	169,649,601	41,165,952	128,483,649
Later than five years	69,530,724	8,604,836	60,925,888
	297,478,700	70,085,432	227,393,268

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2021 Rupees	2020 Rupees
As at 01 January	227,393,268	158,473,516
Additions	129,001,097	99,007,148
Accretion of interest	23,001,123	20,048,198
Payments	(78,319,106)	(50,135,594)
As at 31 December	301,076,382	227,393,268

Salient features of the leases are as follows:	2021	2020
Discounting rate	8.07% - 12.41%	7.32% - 12.16%
Period of lease	36-120 months	60-120 months

22.1 Amount recognized in statement of profit or loss:

The following are the amounts recognized in profit or loss:

Interest expense on lease liabilities	23,001,123	20,048,198
Expenses relating to short term leases	31,905,278	10,435,720
Total amount recognized in profit or loss	54,906,401	30,483,918

22.2 Cash outflow for leases

The Company had total cash outflows for leases of Rs.95.33 million in 2021 (2020: Rs. 65.14 million). The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. 190.01 million in 2021 (2020: Rs. 99.01 million).

23. TRADE AND OTHER PAYABLES

	Note	2021 Rupees	2020 Rupees
Creditors		102,408,920	46,025,945
Accrued liabilities		933,261,347	614,762,540
Provident fund contribution payable	(23.1)	67,671,516	32,276,041
Withholding income tax payable		41,565,074	27,454,129
Sales tax payable		17,194,897	2,134,640
	(23.2)	1,162,101,754	722,653,295

23.1 All investments out of provident fund have been made in the collective investment schemes, listed equity and listed debt securities in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

23.2 These are non-interest bearing and are normally settled on terms of between 30 and 60 days.

	Note	2021 Rupees	2020 Rupees
24. CONTRACT LIABILITIES	(24.1)	378,374,906	88,669,355

24.1 These represent mobilization advances received from the customers against professional / software development services, licenses, license support services and other fees.

25. SHORT TERM BORROWINGS	Note	2021 Rupees	2020 Rupees
MCB Bank Limited	(25.1)	850,000,000	550,000,000
Habib Metropolitan Bank Limited	(25.2)	1,400,000,000	700,000,000
Habib Bank Limited	(25.3)	200,000,000	-
Meezan Bank Limited	(25.4)	100,000,000	-
Faysal Bank Limited	(25.5)	200,000,000	-
		2,750,000,000	1,250,000,000

- 25.1** This represents export re-finance (ERF) availed against aggregate sanctioned limit of Rs. 1,000 (2020: Rs. 800) million. The rate of mark up is SBP rate plus 0.5% (2020: SBP rate plus 0.5%) per annum. These borrowings are secured against Rs. 150 million cash margin, 1st pari passu charge of Rs. 1,344 million over the current assets and hypothecation and equitable mortgage charge of Rs. 1,066.67 million over plant and machinery and 203 marla of land at Sehjpal near DHA Phase VIII (ex-Air Avenue Eden City), respectively.
- 25.2** This represents islamic export re-finance (IERF) availed against aggregate sanctioned limit of Rs. 1,400 (2020: Rs. 700) million. The rate of mark up is SBP rate plus 0.5% (2020: SBP rate plus 1%). These borrowings are secured against first pari passu hypothecation charge of Rs. 2,150 million over current assets and equitable mortgage of Rs. 305.99 million over 153.59 marla of land at Sehjpal near DHA Phase VIII (ex-Air Avenue Eden City).
- 25.3** This represents export re-finance (ERF) availed against aggregate sanctioned limit of Rs. 700 million. The rate of mark up is SBP rate plus 0.5%. These borrowings are secured against first pari passu hypothecation charge over current assets of the Company.
- 25.4** This represents islamic export re-finance (IERF) availed against aggregate sanctioned limit of Rs. 100 million. The rate of mark up is SBP rate plus 1%. These borrowings are secured against first pari passu hypothecation charge over current assets of the Company.
- 25.5** This represents islamic export re-finance (IERF) availed against aggregate sanctioned limit of Rs. 300 million. The rate of mark up is SBP rate plus 0.5%. These borrowings are secured against first pari passu hypothecation charge over current assets of the Company.

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

Income tax

26.1.1 Tax Year 2017 – under section 161

The Deputy Commissioner Inland Revenue (the "DCIR") issued order under section 161(1A) of the Income Tax Ordinance, 2001 (the "Ordinance") for the tax year 2017 whereby tax amounting to Rs. 6.53 million for non-deduction of withholding tax was levied. The Company preferred an appeal before Commissioner Inland Revenue (Appeals) [the "CIR(A)"], which is decided against the Company. Being aggrieved, the Company filed an appeal before the Appellate Tribunal Inland Revenue (the "ATIR"), which is pending adjudication. The management expects a favorable outcome in this regard.

26.1.2 Tax Year 2016 - Clause 94 part IV of Second Schedule

The Company filed an undertaking pursuant clause 94 part IV of Second Schedule to the Ordinance, thereby opting out of minimum tax on services under section 153(1)(b) of the Ordinance in respect of Tax Year 2016. The Additional Commissioner Inland Revenue ("Addl. CIR") declined to accept the undertaking against which the Company preferred an appeal before CIR(A), which has been upheld by the CIR(A). The appeal effect / reassessment may result in tax liability of Rs. 30.25 million. Being aggrieved, the Company has filed an appeal before the ATIR, which is pending adjudication. The management expects a favorable outcome in this regard.

26.1.3 Tax Year 2014 - under section 122(5A)

The Addl. CIR issued order under section 122(5A) of the Ordinance for tax year 2014, on the basis of wrong proration of expenses, capital gain etc. and created demand of Rs. 48.59 million. The company preferred an appeal against the order, before the CIR(A) who decided the case in favor of the company. However, the tax department has filed second appeal before the ATIR, which is pending adjudication. The management expects a favorable outcome in this regard.

26.1.4 Tax Year 2012 – under section 122(5A)

The Assistant Commissioner Inland Revenue ("ACIR") issued an order under section 122(5A) of the Ordinance for tax year 2012, on the basis of wrong proration of expenses, others etc. and created demand of Rs. 18.46 million. The company preferred an appeal before the CIR(A) against the impugned order which is partially decided in favor of the Company. Being aggrieved, the Company filed an appeal before the learned ATIR, which is pending adjudication. The management expects a favorable outcome in this regard.

Sales tax**26.1.5 Tax Period from January 2016 to December 2016**

26.2 The Company was selected for Sales Tax Audit through computer ballot for the tax period January 2016 to December 2016 and on the basis of audit proceedings, the DCIR passed order No. 3 dated 30 July 2020 under section 11(2) of the Sales Tax Act, 1990 on various issues including suppression of sales, non-chargeability of sales tax on advance from customers, other income, late filing of sales tax returns etc. and created impugned sales tax demand amounting to Rs. 655.84 million. Being aggrieved, the Company preferred an appeal before the CIR(A), which is pending adjudication.

26.3 During the year, the CIR appeal vide order no. 12 dated January 29, 2021 has annulled the demand of PKR 651 million with the direction to reassess the matters and quashed the demand to the tune of PKR 441,297. Further the CIR appeals has confirmed the balance demand of PKR 3.70 million against which company has preferred an appeal before ATIR.

Commitments

Guarantees issued by the financial institutions on behalf of the Company amount to Rs. 329.11 (2020: Rs. 201.90) million. This includes guarantees of Nil (2020: Rs. 2.72) million given on behalf of Joint Operation.

Guarantees issued by the Company on behalf of E-Processing Systems (Private) Limited to National Bank of Pakistan amounts to Rs. 100 million.

27. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET**27.1 Disaggregated Revenue Information**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Type of goods or services	Note	2021		Total
		Export	Local ----- Rupees -----	
Outsourcing services:				
Business process outsourcing		1,308,686,007	153,119,202	1,461,805,209
IT services		8,058,685,862	1,681,590,693	9,740,276,555
Software trading		37,508,432	652,577,352	690,085,784
Software implementation		48,457,482	156,409,952	204,867,434
Less: Sales tax	(27.11)		(193,451,071)	(193,451,071)
Total revenue from contracts with customers		9,453,337,783	2,450,246,128	11,903,583,911
Timing of revenue recognition - net				
Goods and services transferred at a point in time		37,508,432	604,642,328	642,150,760
Goods and services transferred over time		9,415,829,351	1,845,603,800	11,261,433,151
Total revenue from contracts with customers		9,453,337,783	2,450,246,128	11,903,583,911

Type of goods or services	Note	2020		
		Export	Local	Total
----- Rupees -----				
Outsourcing services:				
Business process outsourcing		1,373,041,005	161,502,986	1,534,543,991
IT services		4,475,873,923	928,497,428	5,404,371,351
Software trading		40,822,932	452,429,638	493,252,570
Software implementation		39,625,379	179,151,688	218,777,067
Less: Sales tax	(27.1.1)	-	(137,178,134)	(137,178,134)
Total revenue from contracts with customers		5,929,363,239	1,584,403,606	7,513,766,845
Timing of revenue recognition - net				
Goods and services transferred at a point in time		40,822,932.00	416,379,386	457,202,318
Goods and services transferred over time		5,888,540,307	1,168,024,219	7,056,564,527
Total revenue from contracts with customers		5,929,363,239	1,584,403,606	7,513,766,845

27.1.1 This represents sales tax chargeable under Provincial and Federal Sales tax laws on revenue as defined under relevant laws.

27.1.2 The disaggregated revenue information based on the geographical location has been presented in note 35 to these unconsolidated financial statements.

	Note	2021 Rupees	2020 Rupees
27.2 Contract balancets	(27.2.1)	88,669,355	69,232,960

27.2.1 These represent the amount of revenue recognized from amounts included in contract liabilities at the beginning of the year.

27.3 Transaction prices of remaining performance obligations

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December is as follows:

	2021 Rupees	2020 Rupees
Within one year	242,251,119	244,931,576

The Company makes sales against credit terms. In case of credit sales, payment is generally due within 30 days from the date of billing to the customer.

28. COST OF REVENUE

	Note	2021 Rupees	2020 Rupees
Salaries, allowances and amenities	(28.1)	6,335,353,240	3,624,911,038
Purchase of software		651,666,539	416,643,420
Technical consultancy		195,553,955	97,711,401
Printing and stationery		961,945	1,265,643
Computer supplies		26,029,198	20,773,210
Rent, rates and taxes		19,951,985	6,973,665
Electricity, gas and water		58,404,300	46,485,491
Traveling and conveyance		99,080,734	98,828,578
Repair and maintenance		8,801,423	11,411,745
Postage, telephone and telegrams		80,473,114	71,239,278
Vehicle running and maintenance		49,583,559	23,679,765
Entertainment		(3,016,450)	26,417,190
Fee and subscriptions		110,463,875	48,262,588
Insurance		8,856,948	5,196,469
Depreciation	(4.3)	244,257,655	182,934,914
Amortization	(5.3)	14,696,490	17,672,598
Depreciation of right-of-use asset	(7.1)	11,324,118	15,379,034
		7,912,442,628	4,715,786,027

28.1 This includes employees retirement benefit expense amounting to Rs. 299.39 (2020: Rs. 158.39) million.

29. SELLING AND DISTRIBUTION EXPENSES

	Note	2021 Rupees	2020 Rupees
Salaries, allowances and amenities	(29.1)	157,928,605	97,871,121
Printing and stationery		71,139	370,579
Computer supplies		445,724	100,314
Electricity, gas and water		558,288	1,107,445
Traveling and conveyance		7,589,229	3,869,378
Repair and maintenance		769,685	950,833
Postage, telephone and telegrams		855,845	754,222
Vehicle running and maintenance		2,449,329	1,355,995
Entertainment		801,622	489,967
Insurance		497,100	524,075
Fee and subscriptions		4,579,494	2,896,029
Shows, seminars and advertising		4,959,289	2,991,433
Depreciation	(4.3)	3,181,372	2,285,163
Amortization	(5.3)	125,969	255,061
Depreciation of right-of-use asset	(7.1)	4,114,002	2,832,980
		188,926,692	118,654,595

29.1 This includes employees retirement benefit expense amounting to Rs. 5.23 (2020: Rs. 3.37) million.

30. ADMINISTRATIVE EXPENSES

	Note	2021 Rupees	2020 Rupees
Salaries, allowances and amenities	(30.1)	616,374,246	294,014,822
Printing and stationery		9,559,075	4,644,150
Computer supplies		20,715,308	17,497,725
Rent, rates and taxes		15,645,057	6,973,665
Electricity, gas and water		14,432,603	7,941,458
Traveling and conveyance		19,162,451	9,107,370
Repair and maintenance		46,538,141	30,730,868
Postage, telephone and telegrams		21,263,912	14,525,877
Vehicle running and maintenance		13,166,019	7,246,096
Legal and professional		15,604,324	21,819,112
Auditors' remuneration	(30.2)	4,948,291	4,553,038
Entertainment		5,851,157	3,740,825
Donations		31,532,050	2,203,600
Fee and subscriptions		63,226,057	17,489,241
Insurance		3,114,847	3,594,708
Hiring cost		580,873	432,830
Newspapers, books and periodicals		369,494	137,713
Depreciation	(4.3)	41,945,058	27,598,727
Amortization	(5.3)	1,956,911	3,061,163
Others		3,035,866	415,703
Depreciation of right-of-use asset	(7.1)	32,324,303	22,259,128
		981,346,043	499,987,819

30.1 This includes employees retirement benefit expense amounting to Rs. 22.20 (2020: Rs. 15.27) million.

30.2 Auditors' remuneration

	Note	2021 Rupees	2020 Rupees
Statutory audit fee		2,650,000	1,907,747
Half yearly review and other certifications		1,954,291	1,478,906
Sales tax advisory		-	942,500
Out-of-pocket		344,000	223,885
		4,948,291	4,553,038

31. OTHER OPERATING EXPENSES

	Note	2021 Rupees	2020 Rupees
Allowance for ECLs			
- Contract assets	(10.1.3)	17,546,844	9,812,284
- Trade debts	(11.3)	(30,110,275)	119,039,124
Contract assets and bad debts written off		16,919,184	-
Tax receivables written off		-	5,889,010
		4,355,753	134,740,418

32. OTHER INCOME

	Note	2021 Rupees	2020 Rupees
Income from financial assets:			
Profit on deposit accounts		27,787,413	25,119,146
Profit on term deposit receipts		56,668,847	130,159,502
Dividend income		17,701,867	2,502,253
Unrealized gain on investments classified as fair value through profit or loss		115,206,839	7,343,304
Exchange gain		334,461,103	81,841,960
Interest on loan to subsidiaries		40,988,515	21,501,786
Interest on loan to associated undertaking		8,986,046	-
Effect of discounting of long term loans		550,616	-
Effect of discounting of long term security deposits		55,028	-
		602,406,274	268,467,951
Income from non-financial assets:			
Gain on disposal of property and equipment	(4.4)	16,604,277	3,312,735
Others		1,333,982	864,568
		17,938,259	4,177,303
		620,344,533	272,645,254

33. FINANCE COSTS

Markup on guarantee commission		1,375,107	1,257,218
Markup on borrowings		55,612,529	25,781,337
Bank charges		4,302,939	2,827,442
Lease interest		23,001,123	20,048,198
		84,291,698	49,914,195

34. TAXATION**Statement of profit or loss**

Current Income tax:			
- Current income tax charge	(34.1)&(34.2)	79,825,985	61,886,727
- Adjustments in respect of current income tax of previous year		(2,235,782)	11,527,376
		77,590,203	73,414,103
Deferred tax	(34.3)	(45,716,049)	-
- Relating to origination and reversal of temporary differences			-
Income tax expense reported in statement of profit or loss		31,874,154	

Amounts recognized directly in equity

Deferred tax on share based payment		(29,344,233)	
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34.1 This represents tax chargeable under Normal Tax Regime on local sale of software and services. The income of the Company from export of software is subject to tax credit at the rate of 100% under section 65F to the Income Tax Ordinance, 2001.

34.2	Reconciliation of tax charge for the year:	Note	2021 Rupees	2020 Rupees
	Profit before taxation		-	2,267,329,045
	Tax on profit		-	657,525,423
	Tax effect of exempt income		-	(589,840,311)
	Tax effect of prior year adjustment		-	11,527,376
	Tax effect of adjustment of carried forward business losses		-	(18,650,702)
	Tax effect of business loss of Joint Operation		-	17,023,597
	Others		-	(4,429,995)
			-	73,155,388

Reconciliation between accounting profit and tax expense for the current year is meaningless in view of the minimum tax under section 153 of Income Tax Ordinance, 2001.

34.3	Deferred tax	Note	2021 Rupees	2020 Rupees
	Taxable temporary differences			
	Depreciation on property and equipment		(23,252,416)	(22,361,343)
	Right-of-use asset		(17,353,576)	(12,387,186)
			(40,605,992)	(34,748,529)
	Deductible temporary differences			
	Lease liabilities		18,079,885	13,780,885
	Provision for doubtful debts		16,817,222	13,874,283
	Provision for contract assets		1,335,077	5,152,094
	Employee compensation reserve		38,382,745	1,941,267
	Accelerated tax depreciation and amortization		10,578,374	-
	Minimum tax		30,472,971	-
			115,666,274	34,748,529
			75,060,282	-

35. OPERATING SEGMENT INFORMATION

Geographical segments

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

- North America
- Europe
- Middle East
- Pakistan

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 operating profit or loss and is measured consistently with operating profit or loss in the unconsolidated financial statements.

	North America		Europe		Middle East		Pakistan		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Rupees									
Revenue from contracts with customers	6,423,003,195	4,367,846,372	1,047,044,453	825,305,235	1,983,290,135	725,170,596	2,450,246,128	1,595,444,642	11,903,583,911	7,513,766,845
Cost of revenue	(3,891,570,096)	(2,392,470,816)	(658,775,716)	(498,779,658)	(1,292,250,853)	(572,919,574)	(2,069,845,963)	(1,251,615,979)	(7,912,442,628)	(4,715,786,027)
Gross profit	2,531,433,099	1,975,375,556	388,268,737	326,525,577	691,039,282	152,251,022	380,400,165	343,828,663	3,991,141,283	2,797,980,818
Selling and distribution expenses	(22,951,806)	(17,406,721)	(3,643,294)	(4,024,698)	(6,857,599)	(7,462,548)	(155,473,993)	(89,900,101)	(188,926,692)	(118,794,068)
Administrative expenses	(702,630,379)	(324,640,784)	(90,422,638)	(66,340,926)	(127,574,986)	(59,381,802)	(60,718,040)	(49,484,834)	(981,346,043)	(499,848,346)
Profit / (loss) before taxation and unallocated income and expenses	1,805,850,914	1,633,328,051	294,202,805	256,159,953	556,606,697	85,406,672	164,208,132	204,443,728	2,820,868,548	2,179,338,404
Unallocated income and expenses:										
Other operating expenses									(4,355,753)	(134,740,418)
Other income									620,344,533	272,645,254
Finance costs									(84,291,698)	(49,914,195)
									531,697,082	87,990,641
Profit before taxation									3,352,565,630	2,267,329,045
Taxation									(31,874,154)	(73,414,103)
Profit for the year									3,320,691,476	2,193,914,942

35.1 Allocation of assets and liabilities

	North America		Europe		Middle East		Pakistan		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Rupees									
Segment operating assets										
Property and equipment	-	-	-	-	-	-	2,006,791,106	1,507,959,243	2,006,791,106	1,507,959,243
Intangibles	-	-	-	-	-	-	23,717,704	21,345,888	23,717,704	21,345,888
Long term investments	-	-	-	-	-	-	1,331,133,678	272,073,147	1,331,133,678	272,073,147
Right-of-use assets	-	-	-	-	-	-	288,981,476	204,396,352	288,981,476	204,396,352
Long term loan	-	-	-	-	-	-	36,796,454	-	36,796,454	-
Deferred employee benefits	-	-	-	-	-	-	10,344,054	-	10,344,054	-
Long term deposits	-	-	-	-	-	-	141,294,105	36,127,162	141,294,105	36,127,162
Deferred taxation - net	-	-	-	-	-	-	75,060,282	-	75,060,282	-
Contract assets	-	-	6,263,833	192,018,321	-	177,720,960	327,333,669	164,201,529	333,597,502	533,940,810
Trade debts	1,759,296,163	1,100,980,956	128,690,315	20,255,836	560,642,988	875,614,023	996,892,359	441,586,683	3,445,521,825	2,438,437,498
Loans, advances and other receivables	-	-	-	-	-	-	538,568,661	205,366,771	538,568,661	205,366,771
Trade deposits and short term prepayments	-	-	-	-	-	-	248,588,820	187,928,945	248,588,820	187,928,945
Current portion of deferred employee benefits	-	-	-	-	-	-	2,890,139	-	2,890,139	-
Interest accrued	-	-	-	-	-	-	30,922,102	38,450,000	30,922,102	38,450,000
Short term investments	-	-	-	-	-	-	4,866,676,912	2,644,845,556	4,866,676,912	2,644,845,556
Tax refunds due from government	-	-	-	-	-	-	207,375,462	166,007,954	207,375,462	166,007,954
Cash and bank balances	-	-	-	-	-	-	1,652,613,846	1,577,759,692	1,652,613,846	1,577,759,692
Total operating assets	1,759,296,163	1,100,980,956	134,954,148	212,274,157	560,642,988	1,053,334,983	12,785,980,829	7,468,048,922	15,240,874,128	9,834,639,018

	North America		Europe		Middle East		Pakistan		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Rupees									
Segment operating liabilities										
Long term advances	-	-	-	-	-	-	81,111,314	53,857,626	81,111,314	53,857,626
Lease liabilities	-	-	-	-	-	-	238,881,185	189,409,537	238,881,185	189,409,537
Long term loan	-	-	-	-	-	-	98,013,227	-	98,013,227	-
Deferred grant	-	-	-	-	-	-	8,338,896	-	8,338,896	-
Trade and other payables	-	-	-	-	-	-	1,171,327,994	730,270,930	1,171,327,994	730,270,930
Contract liabilities	-	-	-	-	-	-	378,374,906	88,669,355	378,374,906	88,669,355
Mark-up accrued on short term borrowings	-	-	-	-	-	-	13,702	9,804,346	13,702	9,804,346
Short term borrowings	-	-	-	-	-	-	2,750,000,000	1,250,000,000	2,750,000,000	1,250,000,000
Current portion of lease liabilities	-	-	-	-	-	-	62,195,197	37,983,731	62,195,197	37,983,731
Current portion of long term loan	-	-	-	-	-	-	76,816,085	100,754,617	76,816,085	100,754,617
Current portion of deferred grant	-	-	-	-	-	-	1,958,993	3,095,996	1,958,993	3,095,996
Current portion of long term advances	-	-	-	-	-	-	6,865,236	10,754,706	6,865,236	10,754,706
Total operating liabilities	-	-	-	-	-	-	4,767,544,612	2,580,952,967	4,767,544,612	2,580,952,967

36. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise subsidiaries, associated companies, companies in which directors are interested, staff retirement funds and directors and key management personnel (Note 34). Amounts due from and to related parties are shown under respective notes to the financial statements. Other significant transactions with related parties are as follows:

Undertaking	Relation	Basis of relationship	Nature of transaction	2021	2020
				Rupees	Rupees
TechVista Systems FZ- LLC - UAE	Subsidiary	Wholly owned	Revenue	1,519,050,434	571,955,582
			Reimbursement Licenses and assets purchased	337,995,640	108,692,945
E Processing Systems (Private) Limited.	Associate*	Wholly owned by associate: E Processing Systems B.V.	Advance against issue of share capital	425,881,340	-
			Disbursements against loan	(480,753,783)	(65,058,415)
			Receipts against loan	337,091,497	117,526,509
			Interest income	19,271,608	19,036,663
S US-JV (Private) Limited.	Subsidiary	95% owned subsidiary	Disbursements against loan	(29,373,068)	(34,100,235)
			Receipts against loan	48,441,521	37,051,227
			Interest income	1,263,749	2,419,253
Visionet Systems Incorporation - USA	Associate*	Common directorship	Revenue	6,446,986,130	4,270,475,128
			Out of pocket expenses	15,089,316	27,419,070
Visionet Deutschland GMBH	Associate*	Common directorship	Revenue	941,411,512	650,852,370
			Out of pocket expenses	732,584	-
Systems Arabia for Information Technology	Subsidiary	Wholly owned	Incorporation expenses	16,350,255	-
Systems Ventures (Private) Limited	Subsidiary	Wholly owned	Advance against issue of share capital	488,610,295	-
TechVista Pty Limited - Australia	Subsidiary	Wholly owned by subsidiary: Techvista Systems FZ LLC	Revenue	5,860,680	5,391,955
Staff retirement fund			Contribution	326,813,846	177,022,960
TechVista Information Technology - Qatar	Associate*	Common directorship	Revenue	182,168,993	95,176,466
			Advance against issue of share capital	144,568,896	-
VSI UK	Associate*	Common directorship	Revenue	82,520,056	-

*This has the same meaning as defined in section 2(4) of the Companies Act 2017.

36.1 Details of the Company's subsidiaries and associated companies incorporated outside Pakistan are as follows:

Name of Company	Details			
	Country of incorporation	Registered Address	Basis of Association	Percentage of shareholding
Systems Arabia for Information Technology	Kingdom of Saudi Arabia	Anas Ibn Malik Road, Al Malqa, Riyadh	Subsidiary	100%
TechVista Systems FZ LLC	UAE	TechVista Systems LLC, Office 603, 6th Floor, Exchange Tower, Business Bay, Dubai, UAE	Subsidiary	100%
TechVista Systems LLC	UAE	TechVista Systems LLC, Office 603, 6th Floor, Exchange Tower, Business Bay, Dubai, UAE	Sub-Subsidiary	-
TechVista Systems MP LLC	UAE	TechVista Systems LLC, Office 603, 6th Floor, Exchange Tower, Business Bay, Dubai, UAE	Sub-Subsidiary	-

Name of Company	Details			
	Country of incorporation	Registered Address	Basis of Association	Percentage of shareholding
TechVista Pty Limited	Australia	G Seat 3', 30 Cowper Street, Parramatta NSW 2150	Sub-Subsidiary	-
Visionet Systems Inc.	USA	Cedarbrook Corporate Center, 4 Cedarbrook Drive, Bldg. B Cranbury, NJ 08512-3641	Associate	-
VSI UK	UK	Wellington Way, Brooklands Business Park, Weybridge, Surrey KT13 0TT, GB	Associate	-
Visionet Deutschland GMBH	Germany	Maximilian street 13, 80539, Munchen, Germany	Associate	-
E-Processing Systems B.V.	Netherlands	Edvard Munchweg 14 B, 1328 MA Almere	Associate	44.6%
TechVista Information Technology	Qatar	TechVista IT WILL, Head Office Palm Towers B, Floor 41, Westbay, Doha, Qatar	Associate	-

37. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for the year for remuneration including certain benefits to the Chief Executive Officer, Directors and Executives of the Company are as follows :

Note	Chief Executive Officer		Non Executive Directors		Other Executives	
	2021	2020	2021	2020	2021	2020
Number of persons	1	1	(Nos)		987	510
	Rupees					
Managerial remuneration	42,504,000	36,960,000	-	-	3,205,380,557	1,561,614,937
Retirement benefits	1,416,800	1,232,000	-	-	170,381,448	97,024,229
Bonus	-	-	-	-	140,565,309	49,680,471
Fees	(37.2)	-	2,950,000	2,850,000	-	-
	43,920,800	38,192,000	2,950,000	2,850,000	3,516,327,314	1,708,319,637

37.1 In addition to the above remuneration, the Chief Executive Officer and certain executives are also provided with company maintained cars, free medical and mobile phone facilities in accordance with their entitlement.

37.2 Fees represent the amounts paid to Non Executive Directors for attending meetings of the Board and its sub-committees.

37.3 During the year, the Chief Executive Officer and Other Executives were granted 291,319 (2020: 570,034) and 7,256,000 (2020: 1,159,000) share options respectively, which have a vesting period of two years. Further, the impact of benefits available to the Chief Executive Officer and other executives recognized by the Company on account of share-based payment plans aggregated to Rs. 40.97 (2020: Rs. 25.37) million and Rs. 149.26 (2020: Rs. 21.76) million, respectively.

37.4 During the current year, certain executives of the Company exercised stock option under employee stock option scheme according to which 1,430,529 (2020: 1,085,715) shares were issued to them.

38. EARNINGS PER SHARE - BASIC AND DILUTED

Earnings per share are calculated by dividing the net profit for the year by weighted average number of shares outstanding during the year as follows:

38.1 Basic earnings per share	2021	2020
	----- Rupees -----	
Profit for the year	3,320,691,476	2,193,914,942
	(Number of shares)	
Weighted-average number of ordinary shares outstanding during the year	137,671,924	(Restated) 136,684,282
Basic earnings per share (Rupees)	24.12	16.05
38.2 Diluted earnings per share	2021	2020
	----- Rupees -----	
Profit for the year	3,320,691,476	2,193,914,942
	(Number of shares)	
Weighted average number of ordinary shares (basic)	137,671,924	(Restated) 136,684,282
Effect of share options	1,337,439	1,763,819
Weighted average number of ordinary shares - diluted	139,009,363	138,448,101
Diluted earnings per share (Rupees)	23.89	15.85

38.3 The weighted average number of ordinary shares of 2020 has been restated in accordance with the requirements of IAS 33 due to issuance of 12,462,369 bonus shares in 2021

39. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

39.1 Risk management framework

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

39.2 Market risk**(a) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Monetary items, including financial assets and financial liabilities, denominated in currency other than functional currency of the Company are periodically restated to Pak rupee equivalent and the associated gain or loss is taken to the profit and loss account.

The following analysis demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant, of the Company's profit before tax.

	Changes in Rate	Effect on profit before tax	Effect on profit before tax
		2021	2020
Receivables - USD	+1	11,452,636	16,925,091
	-1	(11,452,636)	(16,925,091)
Receivables - AUD	+1	82,127	68,406
	-1	(82,127)	(68,406)
Receivables - AED	+1	5,436,190	16,925,091
	-1	(5,436,190)	(16,925,091)
Receivables - QAR	+1	9,838,221	2,577,809
	-1	(9,838,221)	(2,577,809)
Receivables - GBP	+1	82,190	-
	-1	(82,190)	-
Receivables - EUR	+1	548,174	166
	-1	(548,174)	(166)
Bank balance - USD	+1	(502,141)	4,213,054
	-1	502,141	(4,213,054)
Reporting date rate:			
USD		176.5	159.8
AUD		128.8	123.3
AED		48.1	43.5
QAR		48.5	43.9
GBP		238.3	218.5
EUR		199.6	196.6

(b) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company mitigates its risk against the exposure by focusing on short-term investment and maintaining adequate bank balances.

At the statement of financial position, the interest rate profile of the Company's interest-bearing financial instruments was:

	2021	2020
Fixed rate instruments	Rupees	Rupees
Financial assets		
Short term investments	667,000,000	2,644,845,556
Bank balances - deposit accounts	765,876,191	395,180,848
	1,432,876,191	3,040,026,404
Floating rate instruments		
Financial liabilities		
Long term loan	76,816,085	198,767,844
Short term borrowings	2,750,000,000	1,250,000,000
	4,259,692,276	4,488,794,248

FAIR VALUE SENSITIVITY ANALYSIS FOR FIXED RATE INSTRUMENTS

As at 31 December 2020, had there been increase / decrease in fixed interest rates by 100 basis points, with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 14.33 million (2020: Rs. 30.40 million).

CASH FLOW SENSITIVITY ANALYSIS FOR VARIABLE RATE INSTRUMENTS

As at 31 December 2020, had there been increase / decrease in SBP rate by 100 basis points, with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 28.26 million (2020: Rs. 14.49 million).

(c) OTHER PRICE RISK

Other price risk is the risk of changes in the fair value of investment in mutual funds as a result of changes in the levels of net asset value of units held by the Company. As at 31 December 2020, had there been increase / decrease in net asset value by 1%, with all other variables held constant, the profit before tax for the year would have been higher / lower by Rs. 166.41 (2020: Rs. 5.09) million .

39.3 CREDIT RISK

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual third party. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes allowance for ECLs against those balances considered doubtful of recovery. Outstanding customer receivables are regularly monitored.

The credit risk on liquid funds is limited because the counter parties are banks and mutual funds with reasonably high credit ratings. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties and subscribers in case of trade debts.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2021	2020
	Rupees	Rupees
Long term loans	36,796,454	-
Trade debts	3,445,521,825	2,438,437,498
Trade deposits	299,817,605	168,702,436
Advances to employees against salaries	10,589,878	11,473,122
Loans to related parties	287,033,765	141,478,779
Interest accrued	30,922,102	38,450,000
Short term investment	4,866,676,912	2,644,845,556
Bank balances	1,651,667,768	1,576,841,709
	10,592,229,855	7,020,229,100
The aging of trade debts at the reporting date is:		
0 - 120 days	3,148,498,882	1,781,637,800
121 - 365 days	552,363,899	819,766,010
Above one year	189,360,506	68,807,452
	3,727,512,489	2,670,211,262
Expected credit losses	(281,990,664)	(231,773,764)
	3,445,521,825	2,438,437,498

As at year end, 47.29% of trade debts (2020: 75%) were represented by five customers (2020: five customers) amounting to Rs. 2,498.52 (2020: Rs. 2,003.57) million. The management believes that the Company is not exposed to customer concentration risk as these customers are related parties of the Company.

The Company has applied the IFRS's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate. The table below shows the bank balances and investments held with some major counterparties at the reporting date:

Banks	Short term	Rating		2021	2020
		Long term	Agency	----- Rupees -----	
Habib Metropolitan Bank	A1+	AA+	PACRA	451,415,485	863,170,613
Bank Islami Pakistan Limited	A1	A+	PACRA	7,694,419	7,694,420
Banks	Short term	Rating		2021	2020
		Long term	Agency	----- Rupees -----	
United Bank Limited	A1+	AAA	JCR-VIS	25,835,178	24,677,388
Faysal Bank	A1+	AA	PACRA	260,965,910	215,497,769
Standard Chartered Bank	A1+	AAA	PACRA	271,893,689	42,394,856
Finca Microfinance Bank	A1	A	PACRA	8,507,280	-
Meezan Bank	A1+	AAA	JCR-VIS	203,613,721	2,998,384
Bank Alfalah Limited	A1+	AA+	PACRA	19,188,691	22,018,363
Habib Bank Limited	A1+	AAA	JCR-VIS	120,128,538	4,598,296
MCB Bank Limited	A1+	AAA	PACRA	178,858,982	587,739,620
				1,548,103,914	1,576,843,729
Mutual Funds					
HBL Asset Management Limited	Not Available	AM2	PACRA	78,840,540	51,444,992
Al-Meezan Asset Management Limited	Not Available	AM1	PACRA	930,323,209	150,928,758
NBP Fund Management Limited	Not Available	AM1	PACRA	1,061,464,520	201,778,545
MCB Arif Habeeb Saving and investment	Not Available	AM1	PACRA	467,949,478	-
ABL Asset Management Company Limited	Not Available	AM22++	PACRA	355,994,104	-
Alfalah GHP Investment Management Limited	Not Available	AM2+	PACRA	131,098,915	51,291,201
Lakson Investments Limited	Not Available	AM2+	PACRA	201,003,101	52,449,350
UBL Fund Managers Limited	Not Available	AM1	JCR-VIS	415,546,018	51,952,710
Faysal Asset Management Limited	Not Available	AM2+	JCR-VIS	557,457,027	-
				4,199,676,912	559,845,556

39.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The following are the contractual maturities of financial liabilities:

The following are the contractual maturities of financial liabilities as at 31 December 2021:

	Carrying amount	Contractual cash flows	Less than one year	One to five years	More than five years
----- Rupees -----					
Long term loan	76,816,085	76,816,085	76,816,085	-	-
Lease Liabilities	301,076,382	301,076,382	62,195,197	183,688,321	55,192,864
Trade and other payables	1,144,906,853	1,144,906,853	1,144,906,853	-	-
Short term borrowings	2,750,000,000	2,750,000,000	2,750,000,000	-	-
Mark-up accrued on short term borrowings	13,702	13,702	13,702	-	-
	4,272,813,022	4,272,813,022	4,033,931,837	183,688,321	55,192,864

The following are the contractual maturities of financial liabilities as at 31 December 2020:

Long term loan	198,767,844	198,767,844	100,754,617	98,013,227	-
Lease Liabilities	227,393,268	227,393,268	37,983,731	128,483,649	60,925,888
Trade and other payables	720,518,655	720,518,655	720,518,655	-	-
Short term borrowings	1,250,000,000	1,250,000,000	1,250,000,000	-	-
Mark-up accrued on short term borrowings	9,804,346	9,804,346	9,804,346	-	-
	2,406,484,113	2,406,484,113	2,119,061,349	226,496,876	60,925,888

39.5 Fair values of financial assets and liabilities

Fair value of available-for-sale financial assets is derived from quoted market prices in active markets, if available.

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

39.6 Financial instruments by categories

	2021		
	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Total
	Rupees	Rupees	Rupees
Assets as per statement of financial position			
Long term loan	-	36,796,454	36,796,456
Long term deposits	-	141,294,105	141,294,105
Trade debts	-	3,445,521,825	3,445,521,825
Loans, advances and other receivable	-	538,568,661	538,568,661
Security deposits	-	158,523,500	158,523,500
Interest accrued	-	30,922,102	30,922,102
Short term investments	4,199,676,912	667,000,000	4,866,676,912
Cash and bank balances	-	1,652,613,846	1,652,613,846
	4,199,676,912	6,671,240,493	10,870,917,405
	2020		
	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Total
	Rupees	Rupees	Rupees
Long term deposits	-	36,127,162	36,127,162
Trade debts	-	2,438,437,498	2,438,437,498
Loans, advances and other receivable	-	205,366,771	205,366,771
Security deposits	-	132,575,274	132,575,274
Interest accrued	-	38,450,000	38,450,000
Short term investments	559,845,556	2,085,000,000	2,644,845,556
Cash and bank balances	-	1,577,759,692	1,577,759,692
	559,845,556	6,513,716,397	7,073,561,953

	2021	2020
	Financial liabilities at amortized cost	Financial liabilities at amortized cost
	Rupees	Rupees
Liabilities as per statement of financial position		
Long term loan	76,816,085	198,767,844
Lease liabilities	301,076,382	227,393,268
Mark-up accrued on short term borrowings	13,702	9,804,346
Short term borrowings	2,750,000,000	1,250,000,000
Unclaimed dividend	9,226,244	7,617,635
Trade and other payables	1,162,101,754	722,653,295
	4,299,234,163	2,416,236,388

39.7 Fair Value Hierarchy

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values. The table below analyses financial instruments carried at fair value by valuation method. The different level have been defined as follows:

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.

	Fair value measurement using			Total
	Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
As at 31 December 2021	----- Rupees -----			
Fair value through profit and loss				
- Mutual Fund units	-	4,199,676,912	-	4,199,676,912
As at 31 December 2020				
Fair value through profit and loss				
- Mutual Fund units	-	559,845,556	-	559,845,556

39.8 Changes In Liabilities Arising From Financing Activities

	Long term loan	Lease liabilities	Total
31 December 2021	----- Rupees -----		
Opening balance	198,767,844	227,393,268	426,161,112
Addition in Leases	-	129,001,097	129,001,097
Cash flows - net	(131,686,285)	(78,319,106)	(210,005,391)
Finance cost	9,734,526	23,001,123	32,735,649
Closing balance	76,816,085	301,076,382	377,892,467
31 December 2020	----- Rupees -----		
Opening balance	-	158,473,516	158,473,516
Addition in Leases	193,896,685	99,007,148	292,903,833
Cash flows - net	-	(50,135,594)	(50,135,594)
Finance cost	4,871,159	20,048,198	24,919,357
Closing balance	198,767,844	227,393,268	426,161,112

39.9 Capital risk management

The Company's policy is to safeguard the Company's ability to remain as a going concern and ensure a strong capital base in order to maintain investors', creditors' and market's confidence and to sustain future development of the business. The Board of Directors monitors the returns on capital, which the Company defines as net operating income divided by total shareholders' equity. The Company's objectives when managing:

- a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- b) to provide an adequate return to shareholders by pricing products.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares.

Consistent with the industry norms, the Company monitors its capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total capital plus net debt. Net debt is calculated as total borrowings as shown in the statement of financial position less cash and cash equivalent. Total capital is calculated as 'equity' as shown in the statement of financial position.

The debt-to-equity ratio as of 31 December is as follows:

	2021	2020
	Rupees	Rupees
Long term loan - Note 19	76,816,085	198,767,844
Lease Liabilities - Note 20	301,076,382	227,393,268
Trade and other payables - Note 21	1,162,101,750	722,653,295
Short term borrowing - Note 23	2,750,000,000	1,250,000,000
Mark up accrued on borrowings	13,702	9,804,346
	4,290,007,919	2,408,618,753
Less: Cash and cash equivalents	(1,652,613,846)	(1,577,759,692)
Net debt	2,637,394,073	830,859,061
Total capital	10,473,329,516	7,253,686,051
Capital and net debt	13,110,723,589	8,084,545,112
Capital gearing ratio	20%	10%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2021 and 2020.

39.10 Shariah Screening Disclosure

	2021		2020	
	Conventional	Shariah compliant	Conventional	Shariah compliant
Long term borrowing	76,816,085	-	198,767,844	-
Short term borrowing	1,050,000,000	1,700,000,000	550,000,000	700,000,000
Short term investments	768,159,394	4,098,517,546	2,085,000,000	559,845,557
Cash and bank balances	1,337,739,830	211,308,141	1,567,066,779	10,692,805
Other income	-	-	-	-
- Profit on deposit accounts	84,242,115	121,766	157,259,592	33,696
- Profit on term deposit receipts	56,668,847	-	130,159,502	-
- Unrealized gain on investments	-	115,206,839	-	7,343,304
- Dividend income	-	17,701,867	-	2,502,253
Mark-up paid	26,144,910	36,602,684	25,781,337	-

40. NUMBER OF EMPLOYEES	2021	2020
Regular	3,891	2,102
Contractual	1,177	1,259
	5,068	3,361
Average number of employees during the year are as follows:		
Regular	3,012	1,837
Contractual	1,150	1,308
	4,162	3,145

41. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on 10 March 2022 have proposed a final cash dividend for the year ended 31 December 2021 of Rs. 5 (2020: Rs. 3.5) per share and bonus issue of 100% (2020: 10%) for approval of the members at the Annual General Meeting to be held on 11 April 2022. These financial statements for the year ended 31 December 2021 do not include the effect of these appropriations.

42. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorized for issue on 10 March 2022 by the Board of Directors of the Company.

43. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for better and fair presentation. However, no significant re-arrangement / reclassifications have been made in these unconsolidated financial statements.

43. GENERAL

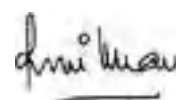
Figures have been rounded off to the nearest of rupees, unless otherwise stated.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)



SYSTEMS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To The Members Of Systems Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the annexed consolidated financial statements of Systems Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of consolidated financial position of the Group as at 31 December 2021 and its consolidated financial performance and its consolidated cash flows for the year ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan / The Institute of Cost and Management Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key Audit Matter	How the matter was addressed in our audit
<p>1. Revenue recognition</p> <p>The Group's revenue is derived from multiple revenue streams, as referred to in Note 27 to the accompanying consolidated financial statements, including outsourcing services for business processes and various IT services, and software sale in the form of short term and long-term projects.</p> <p>Revenue is recognized based on performance obligations as mentioned in Note 3.13 to the accompanying consolidated financial statements, which requires significant judgement in relation to assessment of performance obligations given the diversity in types of the Group's revenue contracts and the nature of services provided.</p>	<p>Our audit procedures, amongst others, included:</p> <ul style="list-style-type: none"> ● Obtaining an understanding and evaluating the appropriateness of the Group's revenue recognition policies including those relating to assessment of performance obligations and compliance of those policies with applicable accounting standards; ● Obtaining an understanding of and testing the design and operating effectiveness of controls over the revenue recognition process; ● Selecting a sample of revenue transactions recognized during the year and performing substantive procedures which include verification of supporting documentation along with evaluation of the management basis used in determining the performance obligations in accordance with accounting policy;

Key Audit Matter	How the matter was addressed in our audit
<p>Further, as referred to in Note 37 to the accompanying consolidated financial statements, a significant portion of the Group's revenue transactions is with related parties. Due to complexity of accounting for multiple revenue streams and the significance of related party transactions to the Group's revenue, we have identified revenue recognition as a key audit matter.</p>	<p>Our audit procedures, amongst others, included:</p> <ul style="list-style-type: none"> ● Performing substantive procedures on related party revenue transactions including reviewing compliance of contractual terms with the Companies (Related Party Transactions and Maintenance of Related Records) Regulations 2018; ● Performing substantive analytical procedures including monthly trend analysis of revenue by comparing the trends with our understanding of the business and external economic environment; ● Comparing, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; and ● Assessing the adequacy of disclosures made in respect of accounting policy, revenue recognized, and related party revenue transactions entered into during the year.
<p>2. Loss of control of subsidiary due to dilution of interest</p>	
<p>As mentioned in Note 1.2.5 of accompanying consolidated financial statements, during the year, E-Processing Systems (Private) Limited, subsidiary of the Group, has been de-consolidated due to loss of control based on revised shareholding structure and related agreements.</p> <p>In consideration of loss of control, the Group received shares of E-Processing Systems B.V., a Company registered in Netherland, which is now an associate of the Group. The management calculated fair value of this equity interest using conversion price agreed in shareholders' agreement, as observable input. Accordingly, fair value adjustment on loss of control in subsidiary amounting to Rs. 816 million was recorded, as mentioned in Note 33 to the accompanying consolidated financial statements.</p> <p>Due to the significance of this transaction to the Group's consolidated financial statements, and management judgement involved in the estimation of fair value of consideration received, we have identified this as a key audit matter.</p>	<p>Our audit procedures, amongst others, included:</p> <ul style="list-style-type: none"> ● Reviewing the underlying documentation including incorporation documents of E-Processing Systems B.V. and shareholders agreements, to obtain an understanding of the arrangement; ● Evaluating whether the assessment of loss of control and the accounting treatment is appropriate as per guidance of applicable accounting standards; ● Reviewing the fair value methodology with related inputs used in calculation of fair value of consideration received i.e. equity interest in E-Processing Systems B.V.; ● Testing for appropriateness and mathematical accuracy and reperforming the calculation of fair value adjustment on loss of control in subsidiary; ● Reviewing and testing the application of equity method of accounting for initial recognition and subsequent measurement of investment in associate; and ● Assessing the adequacy of disclosure made in the consolidated financial statements in respect of the transaction.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

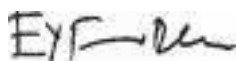
As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. The engagement partner on the audit resulting in this independent auditor's report is Sajjad Hussain Gill.



Chartered Accountants
Lahore: 19 March 2022

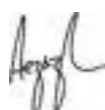
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
Non-current assets			
Property and equipment	4	2,051,800,034	1,518,666,515
Intangibles	5	23,717,704	204,249,277
Long term investments	6	144,568,896	-
Investment in associates	7	1,274,009,734	-
Right-of-use asset	8	288,981,475	204,396,352
Long term loans	9	36,796,454	-
Deferred taxation - net	35	75,060,282	-
Deferred employee benefits		10,344,054	-
Long term deposits	10	141,294,105	40,133,162
		4,046,572,738	1,967,445,306
Current assets			
Contract assets	11	727,944,400	642,780,081
Trade debts	12	4,125,928,299	2,372,716,741
Loans, advances and other receivables	13	734,667,764	214,135,961
Trade deposits and short term prepayments	14	323,149,962	438,473,348
Interest accrued		11,118,877	38,450,000
Short term investments	15	4,866,676,912	2,644,845,556
Tax refunds due from the government	16	213,640,998	171,975,691
Current portion of deferred employee benefits		2,890,139	-
Cash and bank balances	17	2,978,863,741	2,985,104,566
		13,984,881,092	9,508,481,944
TOTAL ASSETS		18,031,453,830	11,475,927,250
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 400,000,000 (2020: 200,000,000) ordinary shares of Rs. 10/- each		4,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	18	1,384,989,120	1,246,060,140
Capital reserves	19	1,148,309,400	956,611,816
Revenue reserve - unappropriated profit		9,528,306,407	5,626,952,295
		12,061,604,927	7,829,624,251
Non-controlling interest		1,169,928	146,389,075
		12,062,774,855	7,976,013,326
Non-current liabilities			
Long term advances	20	81,111,314	53,857,626
Long term loan	21	-	98,013,227
Lease liabilities	22	238,881,185	189,409,537
Provision for gratuity		94,865,412	47,599,384
Deferred grant		-	8,338,896
		414,857,911	397,218,670
Current liabilities			
Trade and other payables	23	1,706,609,735	1,186,129,984
Unclaimed dividend		9,226,244	7,617,635
Contract liabilities	24	940,135,872	297,554,223
Short term borrowings	25	2,750,000,000	1,449,000,000
Mark-up accrued on short term borrowings		13,702	9,804,362
Current portion of long term advances		6,865,236	10,754,706
Current portion of long term loan		76,816,085	100,754,617
Current portion of lease liabilities		62,195,197	37,983,731
Current portion of deferred grant		1,958,993	3,095,996
		5,553,821,064	3,102,695,254
TOTAL EQUITY AND LIABILITIES		18,031,453,830	11,475,927,250

CONTINGENCIES AND COMMITMENTS

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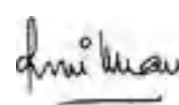
The annexed notes, from 1 to 47, form an integral part of these consolidated financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)

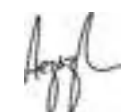


(CHIEF FINANCIAL OFFICER)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 Rupees	2020 Rupees
Revenue from contracts with customers - net	27	15,304,037,567	9,876,827,710
Cost of revenue	28	(10,314,365,850)	(6,619,640,203)
Gross profit		4,989,671,717	3,257,187,507
Selling and distribution expenses	29	(385,600,533)	(201,024,729)
Administrative expenses	30	(1,426,803,958)	(722,310,556)
Other operating expenses	31	(8,131,032)	(220,135,525)
		(1,820,535,523)	(1,143,470,810)
Operating profit		3,169,136,194	2,113,716,697
Other income	32	653,030,134	235,201,038
Fair value adjustment on dilution of control in subsidiary	33	816,226,748	-
Share of loss from associate	7	(83,384,503)	-
Finance costs	34	(121,404,658)	(66,659,676)
Profit before taxation		4,433,603,915	2,282,258,059
Taxation	35	(53,944,635)	(117,960,376)
Profit for the year		4,379,659,280	2,164,297,683
Attributable to:			
Equity holders of the parent		4,462,160,721	2,209,645,930
Non-controlling interest		(82,501,441)	(45,348,247)
		4,379,659,280	2,164,297,683
Earnings per share			(Restated)
Basic earnings per share	39	<u>32.41</u>	<u>16.17</u>
Diluted earnings per share	39	<u>32.10</u>	<u>15.96</u>

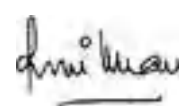
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(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 Rupees	2020 Rupees
Profit for the year		4,379,659,280	2,164,297,683
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operation		68,477,671	10,104,923
Total comprehensive income for the year		4,448,136,951	2,174,402,606
Attributable to:			
Equity holders of the parent		4,530,638,392	2,219,750,853
Non-controlling interest		(82,501,441)	(45,348,247)
		4,448,136,951	2,174,402,606

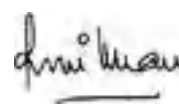
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(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Issued, subscribed and paid-up share capital	Capital reserves				Revenue reserve	Total equity attributable to shareholders of Holding Company	Non controlling interest	Total equity
		Share premium	Employee compensation reserve	Gain on dilution of interest	Foreign currency translation reserve	Un-appropriated profit			
Rupees									
Balance as on 01 January 2020	1,235,202,990	512,149,734	78,970,025	-	49,242,756	3,674,024,548	5,549,590,053	(20,655,613)	5,528,934,440
Profit for the period	-	-	-	-	-	2,209,645,930	2,209,645,930	(45,348,247)	2,164,297,683
Other comprehensive income	-	-	-	-	10,104,923	-	10,104,923	-	10,104,923
Total comprehensive income for the year	-	-	-	-	10,104,923	2,209,645,930	2,219,750,853	(45,348,247)	2,174,402,606
Revenue reserve of subsidiary	-	-	-	-	-	19,368,928	19,368,928	-	19,368,928
Transactions with owners									
"Final dividend for the year ended 31 December 2019 at the rate of Rs. 2.25 per share"	-	-	-	-	-	(277,920,824)	(277,920,824)	-	(277,920,824)
Exercise of share options	10,857,150	102,757,669	(38,330,430)	-	-	-	75,284,389	-	75,284,389
Issuance of shares at premium	-	-	-	-	-	-	-	212,392,935	212,392,935
Forfeited share options	-	-	(3,017,856)	-	-	1,833,713	(1,184,143)	-	(1,184,143)
Share based payments	-	-	47,125,289	-	-	-	47,125,289	-	47,125,289
Gain on dilution of interest	-	-	-	197,609,706	-	-	197,609,706	-	197,609,706
	10,857,150	102,757,669	5,777,003	197,609,706	-	(276,087,111)	40,914,417	212,392,935	253,307,352
Balance as on 31 December 2020	1,246,060,140	614,907,403	84,747,028	197,609,706	59,347,679	5,626,952,295	7,829,624,251	146,389,075	7,976,013,326
Profit for the year	-	-	-	-	-	4,462,160,721	4,462,160,721	-	4,462,160,721
Other comprehensive income	-	-	-	-	68,477,671	-	68,477,671	(82,501,441)	(14,023,770)
Total comprehensive income for the year	-	-	-	-	68,477,671	4,462,160,721	4,530,638,392	(82,501,441)	4,448,136,951
Transactions with owners									
"Final dividend for the year ended 31 December 2020 at the rate of Rs. 3.50 per share"	-	-	-	-	-	(436,182,919)	(436,182,919)	-	(436,182,919)
Exercise of share options	14,305,290	205,355,888	(113,923,684)	-	-	-	105,737,494	-	105,737,494
Issuance of shares at premium	-	-	-	-	-	-	-	-	-
Forfeited share options	-	-	(29,440,667)	-	-	-	(29,440,667)	-	(29,440,667)
Share based payments	-	-	229,493,849	-	-	-	229,493,849	-	229,493,849
Deferred tax on share based payments	-	-	29,344,233	-	-	-	29,344,233	-	29,344,233
Bonus issue @ 10%	124,623,690	-	-	-	-	(124,623,690)	-	-	-
Disposal of interest in subsidiary	-	-	-	(197,609,706)	-	-	(197,609,706)	(62,717,706)	(260,327,412)
	138,928,980	205,355,888	115,473,731	(197,609,706)	-	(560,806,609)	(298,657,716)	(62,717,706)	(361,375,422)
Balance as at 31 December 2021	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

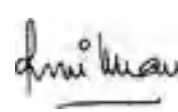
The annexed notes, from 1 to 47, form an integral part of these consolidated financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)

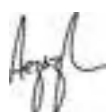


(CHIEF FINANCIAL OFFICER)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40	2,674,337,920	2,466,896,526
Finance costs paid		(123,929,309)	(41,681,085)
Gratuity paid		(1,606,769)	(6,323,733)
Taxes paid		(146,529,113)	(74,261,306)
		(272,065,191)	(122,266,124)
Cash flows from operating activities		2,402,272,729	2,344,630,402
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(874,862,827)	(323,406,939)
Decrease in advance against purchase of land		-	28,750,000
Development expenditures		(78,628,144)	(46,632,375)
Sale proceeds from disposal of property and equipment		41,291,088	18,180,536
Short term investments - net		(2,221,831,356)	(1,864,845,556)
Investment in associates		(468,000,000)	-
Profit received on short term investments		199,206,809	101,544,758
Revenue reserve of subsidiary		-	19,368,928
Net outflow from dilution of interest in subsidiary		(72,622,760)	-
Increase in long term deposits		(119,385,583)	14,812,635
Cash used in investing activities		(3,594,832,773)	(2,052,228,013)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		105,737,494	75,284,389
Proceeds from issuance of shares		-	410,002,641
Dividend paid		(434,574,310)	(278,648,714)
Long term Loan		(131,427,658)	210,202,736
Short term borrowing		1,610,059,787	777,000,000
Payment of principal portion of lease liabilities		(55,317,983)	(50,135,594)
Increase in long term advances		23,364,218	22,739,443
Cash flows from financing activities		1,117,841,548	1,166,444,901
Increase in cash and cash equivalents		(74,718,496)	1,458,847,290
Net foreign exchange difference		68,477,671	10,104,923
Cash and cash equivalents at the beginning of the year		2,985,104,566	1,516,152,353
Cash and cash equivalents at the end of year		2,978,863,741	2,985,104,566

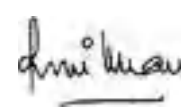
The annexed notes, from 1 to 47, form an integral part of these consolidated financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. CORPORATE INFORMATION

1.1 Holding Company

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

1.2 Subsidiary Companies

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

1.2.2 TechVista Systems LLC is a Limited Liability Company registered in the Emirate of Dubai under Federal Law No. 2 of 2015, is 100% controlled by TechVista Systems FZ-LLC. The Company is licensed as a software house.

1.2.3 "TechVista Manpower LLC (TechVista MP LLC) , a Sole Establishment, duly licensed by Dubai Economic Department, under License No. 800123, is 100% controlled by TechVista Systems FZ-LLC."

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

1.2.5 "E-Processing Systems (Private) Limited, a private limited Company registered under the Companies Act, 2017 incorporated on 06 February 2013, was previously a 44.60% (2020: 44.60%) owned subsidiary of Systems Limited. During the year, the shareholders of E-Processing Systems (Private) Limited, under Paragraph 13B of Chapter 20 of Foreign Exchange Manual, applied to the State Bank of Pakistan (SBP) to incorporate a holding company outside Pakistan. The application was acknowledged by the SBP vide its letter no. SBPHOK-EPD-INVTCR-MBL-82659 dated March 26, 2021 and Meezan Bank Limited (MBL) was appointed as authorized dealer in this regard. Accordingly, a company named E-Processing Systems B.V. was incorporated in Netherlands. On 25 October 2021, the Holding Company swapped / mirrored its shares with 179,507 fully paid ordinary shares of equal value at USD 0.01/- each, representing 44.60% shares in E-Processing Systems B.V.

During the year, Bill & Melinda Gates Foundation has made an investment of USD 2 million in irredeemable preference shares carrying 11.33% voting rights in E-Processing Systems B.V. The resultant dilution of voting rights has led to loss of control of the Company over E-Processing Systems B.V., which is now an associate of the Holding Company.

The results of E-Processing Systems (Private) Limited have been consolidated till 25 October 2021, based on management accounts using consistent accounting policies."

1.2.6 Systems Venture (Private) Limited, a private limited Company registered under the Companies Act, 2017 incorporated on 11 November 2019, is a 99.98% (2020: 99.98%) owned subsidiary of Systems Limited. The Company aims to invest in new ventures, start-ups and incubate new ideas.

1.2.7 TechVista Systems Pvt Ltd, is a fully owned subsidiary of Techvista Systems FZ LLC and was incorporated in December 2014 in Australia with the paid up share capital of AUD 1.

1.2.8 During the year, Systems Arabia for Information Technology, a wholly owned subsidiary has been incorporated in Saudi Arabia. As of reporting date, no investment has been transferred in that entity.

1.3 Geographical location and addresses of major business units of the Group are as under:

Business Units	Geographical Location	Address
Head Office Systems Limited	Lahore	E-1, Sehjpal, Near DHA Phase-VIII (Ex-Air Avenue), Lahore Cantt.
Dubai Office TechVista Systems FZ LLC	Dubai	TechVista Systems FZ LLC, Unit 105, Building 11, Dubai Internet City, Dubai Creative Clusters Authority, Dubai, United Arab Emirates.
Dubai Office TechVista Systems LLC	Dubai	TechVista Systems LLC, Office 1905, Regal Tower Business Bay, Dubai, UAE
Dubai Office TechVista MP LLC	Dubai	TechVista Systems MP LLC, Office 603, 6th Floor, Exchange Tower, Business Bay, Dubai, UAE
Systems Venture (Pvt) Ltd.	Lahore	E-1, Sehjpal, Near DHA Phase-VIII (Ex-Air Avenue), Lahore Cantt.
TechVista Pvt Limited	Australia	G Seat 3', 30 Cowper Street, Parramatta NSW 2150
Systems Arabia for Information Technology	Kingdom of Saudi Arabia	Anas Ibn Malik Road, Al Malqa, Riyadh

Geographical Location and address of the E-processing Systems (private) Limited and SUS (private) Limited is same as of the Holding Company.

1.4 Associated Companies**1.4.1 Retailistan (Private) Limited**

Retailistan (Private) Limited, a private limited Company registered under the Companies Act, 2017 incorporated on 28 January 2015, is a 20% (2020: 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 Retailistan (Private) Limited on 19 July 2021 through its wholly owned subsidiary, Systems Ventures (Private) Limited. Accordingly, the results of Retailistan (Private) Limited have been accounted for using the equity method of accounting in these consolidated financial statements.

1.4.2 E-Processing Systems B.V.

E-Processing Systems B.V, a private limited Company, incorporated on 08 October 2021 in Netherlands, is a 44.60% (2020: nil) owned associate of Systems Limited which is primarily aimed at attracting foreign investment (Refer to Note 1.2.5). The results of E-Processing Systems B.V. have been accounted for using the equity method of accounting in these consolidated financial statements on the basis of management accounts using consistent accounting policies of the Holding Company.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

2.1 Statement of compliance

These consolidated 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 Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act) ; and
- Provisions and directives issued under the Act.

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

2.2 Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention.

2.3 Principles of consolidation

The consolidated financial statements include the financial statements of Systems Limited and its subsidiary companies, here-in-after referred to as "the Group".

2.3.1 Subsidiaries

A Company is a subsidiary, if an entity (the Holding Company) directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

Subsidiaries are consolidated from the date on which the Holding Company obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies.

All inter-Company balances, transactions and unrealized gains and losses resulting from inter-Company transactions and dividends are eliminated in full.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary companies' shareholders' equity in the consolidated financial statements.

2.3.2 Non-controlling interest

Non-controlling interest is that part of net results of operations and of net assets of the subsidiaries which are not owned by the Group either directly or indirectly. Non-controlling interest is presented as a separate item in the consolidated financial statements. The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Disposals to non-controlling interest result in gains and losses for the Group and are recorded in the consolidated statement of changes in equity.

2.3.3 Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.4 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. The consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

2.5 Use of estimates and judgments

The Group's significant accounting policies are stated in Note 3. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment of estimation involved in their application and their impact on these consolidated financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving higher degree of judgments or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

2.5.1 Provision for taxation (Note 3.3)

The Group takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Group's view differs from the view taken by the income tax department at the assessment stage and where the Group considers that its views on items of material nature are in accordance with law, the amounts are shown as contingent liabilities.

2.5.2 Useful life and residual values of property and equipment (Note 3.4)

The Group reviews the useful lives of property and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of respective items of property and equipment with a corresponding effect on the depreciation charge and impairment.

2.5.3 Expected credit losses (Note 3.9.1)

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, and customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information which includes forecast economic conditions. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

2.5.4 Revenue recognition (Note 3.13)

2.5.4.1 Identification of distinct performance obligations

For contracts with multiple components to be delivered, the Group applies judgement to determine performance obligations which are distinct; or not distinct, which are aggregated with other performance obligations until a 'bundle is identified that is distinct.

2.5.4.2 Estimating stand-alone selling prices of performance obligations

The Group determines stand-alone selling prices of all performance obligations in a bundled contract, which include sale of license, implementation, support, warranty and training. The total transaction price is allocated to all distinct performance obligations based on estimated cost of completion, plus target margin on each of the performance obligations.

2.5.4.3 Stage of completion

The Group determines stage of completion on the basis of cost incurred to date as a percentage of total estimated cost to deliver the performance obligations.

2.5.5 Determining the lease term of contracts with renewal options (Note 3.17)

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for an additional term. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew i.e. it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

2.5.6 Provisions (Note 3.12)

A provision is recognized in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

2.5.7 Share based payment

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Company measures the fair value of equity-settled transactions with employees at the grant date using a Black Scholes Model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 19.2.5.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of consolidated financial statements of the Group are consistent with previous year except as described in Note 3.1, below:

3.1 New, amended standards and interpretations which became effective

The Group has adopted the following accounting standards, amendments and interpretations of IFRSs which became effective for the current year and had material impact on the accounting policies and financial statements:

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS-16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The adoption of the above amendments to accounting standards did not have any material effect on the financial statement.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

3.2 Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When the Group undertakes its activities under joint operations, the Group as a joint operator recognizes in relation to its interest in a joint operation:

Its assets, including its share of any assets held jointly;

Its liabilities, including its share of any liabilities incurred jointly;

Its revenue from the sale of its share of the output arising from the joint operation;

Its share of the revenue from the sale of the output by the joint operation; and

Its expenses, including its share of any expenses incurred jointly

"The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When Group transacts with a joint operation in which a Group is a joint operator, the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognized in the Group's financial statements only to the extent of other parties' interests in the joint operation.

When Group transacts with a joint operation in which Group is a joint operator, the Group does not recognize its share of the gains and losses until it resells those assets to a third party.

The Group has interest in joint operation UUS Joint Venture (Private) Limited, a Group set up specifically for executing multi-year contract "Package 04A – Airport Information Management System (AIMS)", a turnkey project for New Islamabad International Airport by Pakistan Civil Aviation Authority.

3.3 Taxation

3.3.1 Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to be applied to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments framed during the year for such years.

3.3.2 Deferred

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

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the Statement of profit or loss, except in the case of items credited or charged to other comprehensive income in which case it is included in other comprehensive income.

3.3.3 Sales Tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- When receivables and payables are stated with the amount of sales tax included the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the unconsolidated statement of financial position.

3.4 Property and equipment

3.4.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at historic cost. Cost of operating fixed assets consists of purchase cost, borrowing cost pertaining to construction period and directly attributable cost of bringing the asset to working condition. Subsequent costs are included in the assets' carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to consolidated Statement of profit or loss during the period in which they are incurred.

Depreciation on property and equipment is charged to income by applying straight line method on pro-rata basis so as to write off the historical cost of the assets over their estimated useful lives at the rates given in Note 4. Depreciation charge commences from the month in which the asset is available for use and continues until the month of disposal.

The assets residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Profit or loss on disposal of operating fixed assets represented by the difference between the sale proceeds and the carrying amount of the asset is included in income.

3.4.2 Capital work-in-progress

Capital work in progress represents expenditure on property and equipment which are in the course of construction and installation. Transfers are made to relevant property and equipment category as and when assets are available for use.

Capital work-in-progress is stated at cost less identified impairment loss, if any.

3.5 Intangibles

Intangible assets acquired from the market are carried at cost less accumulated amortization and any impairment losses.

Expenditure on research (or the research phase of an internal project) is recognized as an expense in the period in which it is incurred;

Development costs incurred on specific projects are capitalized when all the following conditions are satisfied:

- Completion of the intangible asset is technically feasible so that it will be available for use or sale.
- The Group intends to complete the intangible asset and use or sell it.
- The Group has the ability to use or sell the intangible asset.
- Intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The Group's ability to measure reliably the expenditure attributable to the intangible asset during its development.

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by the management. Development costs not meeting the criteria for capitalization are expensed as incurred.

After initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and impairment losses, if any. These are amortized using straight line method at the rate given in note 5. Full month amortization on additions is charged in the month of acquisition and no amortization is charged in month of disposal.

The Group assesses at each reporting date whether there is any indication that intangible assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in consolidated Statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

3.6 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash generating unit, or CGU").

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in consolidated Statement of profit or loss.

Impairment loss recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.7 Staff benefits

The Group has the following plans for its employees:

3.7.1 Provident fund

The Holding Company operates a funded recognized provident fund contribution plan which covers all its permanent employees. Equal contributions are made on monthly basis both by the Holding Group and the employees at 10% of basic pay.

3.7.2 Employees' share option scheme

The Holding Company operates an equity settled share based Employees Stock Option Scheme. The compensation committee of the Board of Directors of the Company evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period subject to fulfillment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price determined on the date of grant of options.

At the grant date of share options to the employees, the Holding Company initially recognizes employee compensation expense with corresponding credit to equity as employee compensation reserve at the fair value of option at the grant date. The fair value of options determined at the grant date is recognized as an employee compensation expense on a straight line basis over the vesting period. Fair value of options is arrived at using Black Scholes pricing model

When share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (nominal value) and share premium.

3.7.3 Gratuity

Provision is made for TechVista (the "Subsidiary") employees' end of service benefits in accordance with the UAE Federal labor laws.

3.8 Foreign currency transactions

Assets and liabilities in foreign currencies are translated into Pak Rupees at the rate of exchange prevailing at the reporting date. Transactions during the year are converted into Rupees at the exchange rate prevailing at the date of such transaction. All exchange differences are charged to consolidated Statement of profit or loss.

On consolidation, the assets and liabilities of foreign operations are translated into Pak Rupees at the rate of exchange prevailing at the reporting date and their Statement of profit or loss are translated at average rates prevailing during the year. The exchange differences arising on translation for consolidation are recognized in consolidated other comprehensive income. On disposal of a foreign operation, the component of consolidated other comprehensive income relating to that particular foreign operation is recognized in consolidated Statement of profit or loss.

3.9 Trade debts

Trade debts from local customers are stated at amortized cost less expected credit losses while foreign debtors are stated at translated amount by applying exchange rate applicable on the reporting date.

3.9.1 Expected credit losses

Expected credit losses are calculated as a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the Group in accordance with the contract and cash flows that the Group expects to receive). (Refer to note 3.14.4 for detailed policy for impairment of financial assets).

3.10 Advances, deposits and other receivables

These are recognized at nominal amount which is fair value, if considerations to be received in future.

3.11 Trade and other payables

Liabilities for trade and other payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

3.12 Provisions and contingencies

Provisions are recognized in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

3.13 Revenue recognition

Revenue recognized in any period is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. For contracts with multiple components to be delivered, management applies judgement to consider whether those promised goods and services are: (i) distinct – to be accounted for as separate performance obligations; (ii) not distinct – to be combined with other promised goods or services until a bundle is identified that is distinct; or (iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

At contract inception the total transaction price is estimated, which is allocated to the identified performance obligations in proportion to their relative standalone selling prices and revenue is recognized when (or as) those performance obligations are satisfied.

For each performance obligation, the Group determines if revenue will be recognized over time or at a point in time. Where the Group recognizes revenue over time this is due to any of the following reasons: (i) the Group performing and the customer simultaneously receiving and consuming the benefits provided over the life of the contract, (ii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (iii) the Group's performance creates an asset with no alternative use, and the Group has an enforceable right to payment for performance completed to date.

For each performance obligation to be recognized over time, the Group applies a revenue recognition method that faithfully depicts the Group's performance in transferring control of the goods or services to the customer. The Group applies the relevant input method consistently to similar performance obligations in other contracts. If performance obligations in a contract do not meet the over time criteria, the Group recognizes revenue at a point in time.

Changes in estimates of measures of progress of performance obligations satisfied over time are recognized on a cumulative catch-up basis, which recognizes in the current period the cumulative effect of any changes on current and prior periods based on a performance obligation's percentage of completion.

The Group disaggregates revenue from contracts with customers by contract type, geographical markets and timing of revenue recognition, as management believes this best depicts how the nature, amount, timing and uncertainty of the Company's revenue and cash flows are affected by economic factors. The revenue recognition policy relevant to each contract type is as below:

3.13.1 Software implementation

The Group makes judgments in determining whether the software implementation and software license are distinct and thus separate performance obligations or part of the bundle and thus a single performance obligation depending upon the level of customization involved and other key factors surrounding each contract. Revenue is recognized at a point in time or over time as appropriate.

For contracts where revenue will be recognized over time, the company uses input method for measuring Percentage of Completion (PoC) by taking into account the cost incurred to date as a percentage of total budgeted cost.

3.13.2 Outsourcing services

Outsourcing services include business process outsourcing services (BPO) and IT services. Revenue is recognized under each category as below:

a) BPO services

The performance obligation of the Group is to perform the various business activities outsourced by the customers. Revenue is recognized over time on the basis of activities performed, as the customer simultaneously receives and consumes the benefits provided by the Group's performance.

b) IT Services

The performance obligation of the Group is to make available the resources to perform various IT services as per the requirement of the customer. Resource efforts are controlled by the customer and revenue is recognized over time on the basis of hours of resources made available to the customer, as the customer simultaneously receives and consumes the benefits provided by the Group's performance.

3.13.3 Software Trading

Software trading represents the sale of software licenses and revenue is recognized at the point in time when obligations under the terms of the contract with the customer are satisfied; generally this occurs when the license is delivered to the customer.

3.13.4 Sale and purchase of air time and related services

Revenue is measured at fair value of the consideration received or receivable and represents amount received and receivable from the sale of air time and related services in normal course of business, net of discounts, if any. Revenue from sale of air time is recognized when air time is transferred to customers.

3.13.5 Contract Assets

A contract asset is initially recognized for revenue earned because the receipt of consideration is conditional on successful completion of the milestones as per contract. Upon completion of the milestone and acceptance by the customer, the amount recognized as contract assets is reclassified to trade debts.

3.13.6 Contract Liabilities

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the related goods or services are transferred. Contract liabilities are recognized as revenue as and when performance obligations are delivered under the contract.

3.14 Other income

Profit on deposit account and gain on short term investments and other income is recognized using effective interest rate method.

Unrealized gains / (losses) arising on revaluation of securities classified as "fair value through profit or loss" are included in consolidated statement of profit or loss in the period in which they arise.

3.15 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to consolidated statement of profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

3.16 Financial instruments - Initial recognition and subsequent measurement

3.16.1 Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortized cost or cost as the case may be.

3.16.2 Classification

3.16.2.1 Classification of financial assets

The Group classifies its financial instruments in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortized cost.

The Group determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Group's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

3.16.2.2 Classification of financial liabilities

The Group classifies its financial liabilities in the following categories:

- at fair value through profit and loss ("FVTPL"), or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Group has opted to measure them at FVTPL.

3.16.3 Subsequent measurement

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income / (loss).

ii) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Group's own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

3.16.4 Impairment of financial assets

The Group recognizes loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost at an amount equal to life time ECLs except for the following, which are measured at 12 month ECLs:

- bank balances for whom credit risk (the risk of default occurring over the expected life of the financial instrument has not increased since the inception.)
- other short term loans and receivables that have not demonstrated any increase in credit risk since inception.

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs. Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12 month ECLs are portion of ECLs that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the Group in accordance with the contract and cash flows that the Group expects to receive).

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

3.16.5 Derecognition

i) Financial assets

The Group derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve.

ii) Financial liabilities

The Group derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss and other comprehensive income.

3.16.6 Offsetting of financial assets and liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Group has legal enforceable right to set off the recognized amount and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

3.17 Finance costs

Finance cost is charged to consolidated statement of profit or loss in the year in which it is incurred.

3.18 Cash and cash equivalents

Cash and cash equivalents are stated in the consolidated statement of financial position at cost. For the purpose of the consolidated cash flow statement, cash and cash equivalents are comprised of cash in hand, cheques/demand drafts in hand and deposits in the bank.

3.19 Leases

3.19.1 Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets

includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

3.19.2 Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

3.20 Dividends and appropriation reserves

Dividends and other appropriation to reserves are recognized in the financial statements in the period in which these are approved. However, if they are approved after the reporting period but before the financial statements are authorized for issue, they are disclosed in the notes to the financial statements.

3.21 Earnings per share

The Group presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjustment) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.22 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chief Executive include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditures.

For management purposes, the Systems Limited is organized into business units based on their geographical areas and has four reportable operating segments namely, North America, Europe, Middle East and Pakistan. No operating segments have been aggregated to form the above reportable operating segments.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the unconsolidated financial statements.

3.23 Standards, Interpretations and Amendments to Published Approved Accounting Standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

IFRS 17 Insurance Contracts

"In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:"

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept

of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company expects that the adoption of the above improvements to the standards will have no material effect on the Company's financial statements, in the period of initial application.

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard	Effective Date IASB effective date (Annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 July 2004
IFRS 17 - Insurance Contracts	01 January 2023

The Company expects that the adoption of the above standards will have no material effect on the Company's financial statements, in the period of initial application.

4. PROPERTY AND EQUIPMENT

	Note	2021 Rupees	2020 Rupees
Operating fixed assets	(4.1)	2,028,987,092	1,517,920,243
Capital work in progress	(4.2)	22,812,942	746,272
		2,051,800,034	1,518,666,515

4.1 Operating fixed assets

DESCRIPTION	2021						2021						Net book value as at 31 December	Rate (%)
	As at 01 January	Additions / Transfers	Disposals	Disposal of subsidiary	Exchange difference	As at 31 December	As at 01 January	Depreciation charge for the year	Disposals	Disposal of subsidiary	Exchange difference	As at 31 December		
	Rupees													
Land - free hold	394,038,279	-	-	-	-	394,038,279	-	-	-	-	-	-	394,038,279	-
Building	542,724,710	33,410,848	-	-	-	576,135,558	41,573,379	13,797,715	-	-	-	55,371,094	520,764,464	2.5
Computers and mobile sets	464,306,404	460,718,771	(9,643,653)	-	-	915,680,202	317,365,457	126,485,131	(8,742,507)	-	-	435,108,081	480,273,441	33
Computer equipment and installations	112,034,139	105,683,842	(1,656,054)	(20,520,905)	2,514,642	198,055,664	77,322,927	34,129,420	(1,419,895)	(10,190,578)	1,437,276	101,279,150	96,776,514	33
Other equipment and installations	132,698,680	21,007,777	-	-	-	153,706,457	62,296,390	26,090,206	(99,421)	-	-	88,287,175	65,419,282	20
Generators	93,928,893	6,606,088	-	-	-	100,534,981	23,406,375	9,377,043	-	-	-	32,783,418	67,751,563	10
Furniture and fittings	132,004,372	19,451,442	(2,377,400)	-	526,867	149,605,281	64,701,371	10,195,999	(1,213,408)	-	297,458	73,981,420	75,623,861	10
Vehicles	281,853,054	163,785,826	(48,530,780)	-	3,591,107	400,699,207	110,417,642	65,282,400	(26,326,832)	-	1,776,699	151,149,909	249,549,298	20
Office equipment	45,906,832	734,279	(755,227)	-	51,288	45,937,172	19,250,052	4,165,994	(474,240)	-	34,955	22,976,761	22,960,411	10
Leasehold Improvements	44,690,755	32,682,670	-	-	-	77,373,425	9,932,283	11,611,163	-	-	-	21,543,446	55,829,979	24.5
	2,244,186,118	844,081,543	(62,963,114)	(20,520,905)	6,683,904	3,011,467,546	726,265,876	301,135,071	(38,276,303)	(10,190,578)	3,546,388	982,480,454	2,028,987,092	

DESCRIPTION	2021						2021						Net book value as at 31 December	Rate (%)
	As at 01 January	Additions / Transfers	Disposals	Disposal of subsidiary	Exchange difference	As at 31 December	As at 01 January	Depreciation charge for the year	Disposals	Disposal of subsidiary	Exchange difference	As at 31 December		
	Rupees													
Land - free hold	345,277,701	48,760,578	-	-	-	394,038,279	-	-	-	-	-	-	394,038,279	-
Building	535,883,365	6,841,345	-	-	-	542,724,710	28,052,455	13,520,924	-	-	-	41,573,379	501,151,331	2.5
Computers and mobile sets	381,501,813	92,893,636	(10,089,045)	-	-	464,306,404	241,319,530	85,430,005	(9,384,078)	-	-	317,365,457	146,940,947	33
Computer equipment and installations	98,531,692	18,732,923	(5,663,368)	-	432,892	112,034,139	57,596,086	24,294,618	(4,765,916)	-	198,139	77,322,927	34,711,212	33
Other equipment and installations	116,382,926	16,360,054	(44,300)	-	-	132,698,680	39,820,228	22,520,462	(44,300)	-	-	62,296,390	70,402,290	20
Generators	49,814,973	44,113,920	-	-	-	93,928,893	16,667,174	6,740,821	-	(1,620)	-	23,406,375	70,522,518	10
Furniture and fittings	112,647,514	19,261,360	(57,675)	-	153,173	132,004,372	55,369,867	9,324,098	(18,845)	-	26,251	64,701,371	67,303,001	10
Vehicles	231,304,821	72,958,264	(22,846,025)	-	435,994	281,853,054	70,242,930	49,492,483	(9,641,338)	-	323,567	110,417,642	171,435,412	20
Office equipment	44,205,779	1,700,467	(24,244)	-	24,830	45,906,832	14,969,213	4,273,588	(2,380)	-	9,631	19,250,052	26,656,780	10
Leasehold Improvements	20,119,599	24,571,156	-	-	-	44,690,755	3,192,964	6,739,319	-	-	-	9,932,283	34,758,472	24.5
	1,935,670,183	346,193,703	(38,724,657)		1,046,889	2,244,186,118	527,230,447	222,336,318	(23,856,857)	-	555,968	726,265,876	1,517,920,242	

4.1.1 The cost of owned assets include assets amounting to Rs. 402 (2020: Rs. 319.5) million with nil book value.

4.1.2 Immovable fixed assets include freehold Land and Building situated at E-1, Sehjpal, Near DHA Phase-VIII (Ex-Air Avenue), Lahore Cantt. Total area of land is 18.17 kanals.

4.2	Capital work in progress	Note	2021 Rupees	2020 Rupees
	Civil work		22,812,942	-
	Advance against purchase of computers		-	746,272
		(4.2.1)	22,812,942	746,272

4.2.1 The following is the movement in capital work-in-progress during the year:

Balance at the beginning of the year		746,272	24,025,244
Additions during the year		31,578,703	13,251,015
Transfer to operating fixed assets		(9,512,033)	(36,529,987)
Balance at the end of the year	(4.2.2)	22,812,942	746,272

4.2.2 This represents the ongoing civil work in various offices of the Company.

4.3 Depreciation charge for the year has been allocated as follows:

Cost of revenue	(28)	244,257,655	182,934,914
Selling and distribution expenses	(29)	3,181,372	2,383,210
Administrative expenses	(30)	53,085,685	36,709,628
		301,135,071	222,336,318

4.4 Disposal of property and equipment

Details of disposed assets which had a net book value of Rs. 500,000 or more, are as follows:

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyer
Vehicles							Employees
Toyota Corolla Altis	3,403,000	-	3,403,000	3,403,000	-	Company policy	Riaz Ahmad
Honda Civic	2,727,500	(1,318,287)	1,409,213	2,727,480	1,318,267	Company policy	Moh. Umar Hayat
Toyota Corolla Altis	2,676,220	(87,237)	2,588,983	2,503,020	(85,963)	Company policy	Usman Younas
Honda City	2,518,330	(292,749)	2,225,581	2,320,000	94,419	Company policy	Mehwish Sarwar
Honda City	2,330,510	(815,681)	1,514,829	2,279,000	764,171	Company policy	Asif Sajjad
Honda City	1,949,000	(779,594)	1,169,406	1,251,892	82,486	Company policy	Muh. Masud Akram
Corolla Grande	1,876,780	(781,997)	1,094,783	1,803,000	708,217	Company policy	Saad Usmani
Honda City	1,865,300	(715,026)	1,150,274	1,661,593	511,319	Company policy	Yasir Mahmood
Aggregate of items of property and equipment with individual book value below Rs. 500,000	43,616,474	(33,485,732)	10,130,742	23,342,103	13,211,361		
2021	62,963,114	(38,276,303)	24,686,811	41,291,088	16,604,277		

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyer
Vehicles							Employees
Honda City	1,641,600	684,000	957,600	2,014,998	1,057,398	Group Policy	Ahmed Azmat
Honda City	2,315,000	347,247	1,967,753	2,511,000	543,247	Group Policy	Syed Saud Akhter
Honda City	1,924,000	513,071	1,410,929	1,778,985	368,056	Group Policy	Samar Abbas
Toyota Altis 18	2,420,250	369,673	2,050,577	2,279,000	228,423	Group Policy	Syed Afzal Nizam
Honda Civic 18	2,467,230	249,202	2,218,028	1,930,970	(287,058)	Group Policy	Muh. Wajhe Ullah
Honda Civic	2,558,000	85,266	2,472,734	1,868,386	(604,348)	Negotiation	Pak Auto Workshop
Aggregate of items of property and equipment with individual book value below Rs. 500,000	25,398,577	21,608,397	3,790,180	5,797,197	2,007,017		
2020	38,724,657	23,856,856	14,867,801	18,180,536	3,312,735		

5. INTANGIBLES	Note	2021 Rupees	2020 Rupees
Computer software and licenses	(5.1)	23,717,704	148,588,633
Software under development		-	55,660,644
		23,717,704	204,249,277

5.1 Computer software and licenses

2021												
Particulars	Cost as at 01 January	Additions	Disposals	Disposal of subsidiary	Cost as at 31 December	Accumulated amortization as at 01 January	Amortization charge for the year	Disposals	Disposal of subsidiary	Accumulated amortization as at 31 December	Book value as at 31 December	Rate (%)
-----Rupees-----												
Computer software and licenses	325,817,444	86,920,705	-	(219,352,908)	193,385,241	177,228,811	23,779,036	-	(31,340,310)	169,667,537	23,717,704	33%

2020												
Particulars	Cost as at 01 January	Additions	Disposals	Disposal of subsidiary	Cost as at 31 December	Accumulated amortization as at 01 January	Amortization charge for the year	Disposals	Disposal of subsidiary	Accumulated amortization as at 31 December	Book value as at 31 December	Rate (%)
-----Rupees-----												
Computer software and licenses	325,817,444	86,920,705	-	-	325,817,444	148,099,517	29,129,294	-	-	177,228,811	148,588,633	33%

5.2 The cost of the intangibles include assets amounting to Rs. 159.6 million (2020: Rs. 130 million) with nil book value.

5.3 Amortization charge for the year has been allocated as follows:	Note	2021 Rupees	2020 Rupees
Cost of revenue	(28)	21,696,156	24,917,618
Selling and distribution expenses	(29)	125,969	255,061
Administrative expenses	(30)	1,956,911	3,956,615
		23,779,036	29,129,294

6. LONG TERM INVESTMENTS	Note	2021 Rupees	2020 Rupees
Investment in Techvista Information Technology - Qatar - at cost			
Advance against issuance of shares	(6.1)	144,568,896	-

6.1 The interest has been charged at the rate of one year KIBOR in accordance with the requirement of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

7. INVESTMENT IN ASSOCIATES	Note	2021 Rupees	2020 Rupees
Retailistan (Private) Limited 146,820 fully paid ordinary shares of Rs 10/- each	(7.1)	408,270,412	-
E-Processing Systems B.V. 179,507 fully paid ordinary shares of USD 0.01/- each	(7.2)	865,739,322	-
		1,274,009,734	-

7.1	Retailistan (Private) Limited	Note	2021 Rupees	2020 Rupees
	Cost of investment		468,000,000	-
	Share of total comprehensive loss	(7.11)	(59,729,588)	-
			408,270,412	-

7.1.1	Share of total comprehensive loss	Note	2021 Rupees	2020 Rupees
	Share of loss		(59,788,122)	-
	Share of other comprehensive income		58,534	-
			(59,729,588)	-

7.1.2 Summarised financial information

Set out below is the summarized financial statement information of Retailistan (Private) Limited which is accounted for using equity method:

	Note	2021 Rupees	2020 Rupees
Non-current assets		50,454,996	-
Current assets		762,783,400	-
Non-current liabilities		(3,593,191)	-
Current liabilities		(266,849,045)	-
		542,796,160	-
Advance against equity		(346,018,266)	-
Effect of pro-ration		32,468,312	-
		229,246,206	-
Group share in equity - 20%		45,849,241	-
Goodwill		362,421,171	-
Group carrying amount of the investment		408,270,412	-
		2021 Rupees	2020 Rupees
Revenue		2,455,923,427	-
Cost of sales		(2,236,230,596)	-
Operating expenses		(173,600,234)	-
Administrative expenses		(195,708,429)	-
Selling and distribution expenses		(95,420,065)	-
Research expenses		(83,680,010)	-
Finance costs		(1,150,310)	-
Other income		10,484,452	-
Loss before tax		(319,381,765)	-
Taxation		(12,027,158)	-
		(331,408,923)	-
Effect of pro-ration		32,468,312	-
Loss for the year		(298,940,611)	-
Other comprehensive income		292,671	-
Total comprehensive loss		(298,647,940)	-
		2021 Rupees	2020 Rupees
Group share of loss		(59,788,122)	-
Group share of other comprehensive income		58,534	-
Group share of total comprehensive loss		(59,729,588)	-

The associate had no contingent liabilities or capital commitments as at 31 December 2021.

7.2	E-Processing Systems B.V.	Note	2021 Rupees	2020 Rupees
	Cost of investment		889,335,703	-
	Share of total comprehensive loss		(23,596,381)	-
			865,739,322	-
7.2.1	Summarised financial information of E-Processing Systems B.V.		2021 Rupees	2020 Rupees
	Set out below is the summarized financial statement information of E-Processing Systems B.V. which is accounted for using equity method:			
	Non-current assets		275,695,034	-
	Current assets		787,300,049	-
	Current liabilities		(431,670,418)	-
	Equity		631,324,665	-
	Preference shares		(350,800,000)	-
			280,524,665	-
	Group share in equity - 44.60%		125,114,001	-
	Goodwill		740,625,321	-
	Group carrying amount of the investment		865,739,322	-
			2021 Rupees	2020 Rupees
	Revenue		84,077,491	-
	Cost of sales		(46,212,542)	-
	Distribution cost		(43,286,482)	-
	Administrative expenses		(42,828,591)	-
	Other income		2,262,902	-
	Finance costs		(6,919,462)	-
	Loss before tax		(52,906,684)	-
	Taxation		-	-
	Loss for the year		(52,906,684)	-
	Other comprehensive income		-	-
	Total comprehensive loss		(52,906,684)	-
	Group share of total comprehensive loss		(23,596,381)	-

8. RIGHT-OF-USE ASSETS

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the year:

	Note	2021 Rupees	2020 Rupees	
As at 1 January		204,396,351	145,860,345	
Additions		132,347,547	99,007,148	
Depreciation expense	(8.1)	(47,762,423)	(40,471,142)	
Balance as at 31 December		288,981,475	204,396,351	
8.1	The depreciation charge for the year on right-of-use assets has been allocated as follows:	Note	2021 Rupees	2020 Rupees
	Cost of revenue	(28)	11,324,118	15,379,034
	Selling and distribution expenses	(29)	4,114,002	2,832,980
	Administrative expenses	(30)	32,324,303	22,259,128
			47,762,423	40,471,142

		2021 Rupees		2020 Rupees	
9.	LONG TERM LOANS				
	Considered good - secured				
	Due from executives	36,796,455		-	
	Due from executives	Motor Vehicle	Other loans	Total	Total
	Undiscounted amount paid	52,883,000	6,000,000	58,883,000	-
	Deferred employee benefits	(12,864,750)	(688,547)	(13,553,297)	-
	Fair value of long term deposits	40,018,250	5,311,453	45,329,703	-
	Unwinding of discount	465,828	84,788	550,616	-
	Repayments	(577,500)	-	(577,500)	-
		39,906,578	5,396,241	45,302,819	-
	Receivable within one year	(6,387,013)	(2,119,351)	(8,506,364)	-
		33,519,565	3,276,890	36,796,455	-
	Outstanding for period:				
	- less than three years but over one year			18,417,710	-
	- more than three years			18,378,745	-
				36,796,455	-

9.1 These interest free loans are repayable between 18 to 60 months and are granted to the executives of the Holding Company, in accordance with their terms of employment. These are secured against post dated cheques. In accordance with IFRS 9 - Financial instruments, these loans were initially recognized at fair value using effective interest rates ranging from 9.54% to 11.97%. The difference between cash paid and present value of cash inflows upon initial recognition has been recognized as deferred employee benefits.

		Note	2021 Rupees	2020 Rupees
10.	LONG TERM DEPOSITS			
	Lease buildings			
	Undiscounted amount paid		9,000,000	-
	Effect of discounting		(3,346,450)	-
	Fair value of long term deposits		5,653,550	-
	Unwinding of discount		55,028	-
	Balance as at 31 December		5,708,578	-
	Others			
	Utilities and other deposits		135,585,527	40,133,162
			141,294,105	40,133,162

		Note	2021 Rupees	2020 Rupees
11.	CONTRACT ASSETS - UNSECURED			
	Unbilled revenue	(11.1)	498,915,123	590,183,650
	Retention money		229,029,277	52,596,431
			727,944,400	642,780,081

		Note	2021 Rupees	2020 Rupees
11.1	Unbilled revenue			
	Export		226,684,179	468,989,680
	Local		294,463,401	210,464,898
			521,147,580	679,454,578
	Less: Allowance for ECL	(11.1.1)	(22,232,457)	(89,270,928)
			498,915,123	590,183,650

	2021	
	Rupees	
	VISIONET DEUTSCHLAND GMBH	VISIONET - UK
- Not more than three months	1,319,204	4,944,629
- More than three months but not more than six months	-	-
- More than six months but not more than twelve months	-	-
- More than twelve months	-	-
	1,319,204	4,944,629

	2020	
	Rupees	
	VISIONET DEUTSCHLAND GMBH	VISIONET - UK
- Not more than three months	135,801,761	-
- More than three months but not more than six months	47,873,522	-
- More than six months but not more than twelve months	3,932,960	-
- More than twelve months	-	-
	187,608,243	-

The maximum aggregate amount outstanding by reference to month-end balances was as follows:

	2021 Rupees	2020 Rupees
Visionet Deutschland GMBH	364,294,404	275,359,167
Visionet - UK	65,474,644	-
11.1.1 Balance as at 01 January	85,012,788	77,137,626
(Recovery) / Expense for the year - net	17,546,844	9,812,284
Balances written off during the year	-	-
Transferred to allowance for ECL against debtors	(80,327,175)	-
Foreign exchange movement	-	2,321,018
Balance as at 31 December	22,232,457	89,270,928

11.1.2 These represent unbilled debtors arising due to recognition of revenue upon delivery of performance obligations as per contract on the basis of percentage of completion as per IFRS 15 - Revenue from contracts with customers.

12. TRADE DEBTS	Note	2021 Rupees	2020 Rupees
Considered good - unsecured:			
Export	(12.1)	3,300,582,378	1,979,840,352
Local		1,160,066,340	677,703,491
		4,460,648,718	2,657,543,843
Less: Allowance for ECL	(12.2)	(334,720,419)	(284,827,102)
		4,125,928,299	2,372,716,741

These include unsecured receivables from related parties against outsourcing services. As per contracts with related parties, billing terms range from monthly to quarterly basis and payment is generally due within 30 days from the date of billing. Detail of related party balances along with aging analysis of the amounts is as follows:

	2021			
	VISIONET SYSTEMS INCORPORATION - USA	VISIONET - UK	VISIONET DEUTSCHLAND GMBH	TECHVISTA INFORMATION TECHNOLOGY QATAR
	Rupees			
- WITHIN 30 DAYS	680,082,110	19,515,971	109,174,344	13,436,530
- 31 - 90 DAYS	1,086,362,423	-	-	27,612,876
- 91 - 270 DAYS	-	-	-	129,665,276
- 271 - 365 DAYS	-	-	-	82,882,517
- ABOVE 365 DAYS	-	-	-	83,513,223
	1,766,444,533	19,515,971	109,174,344	337,110,422

	2020			
	VISIONET SYSTEMS INCORPORATION - USA	VISIONET - UK	VISIONET DEUTSCHLAND GMBH	TECHVISTA INFORMATION TECHNOLOGY QATAR
	-----Rupees-----			
- WITHIN 30 DAYS	491,534,869	-	18,539,554	12,267,153
- 31 - 90 DAYS	609,446,087	-	-	23,001,230
- 91 - 270 DAYS	-	-	-	49,359,049
- 271 - 365 DAYS	-	-	-	23,106,667
- ABOVE 365 DAYS	-	-	-	9,070,210
	1,100,980,956	-	18,539,554	116,804,309

12.1.1 The maximum aggregate amount outstanding by reference to month-end balances was as follows:

	Note	2021 Rupees	2020 Rupees
Visionet Systems Incorporation - USA			
Visionet Deutschland GMBH		2,415,544,828	1,354,441,348
TechVista Information Technology - Qatar		293,166,527	18,539,554
		481,679,317	113,964,932

12.2 Allowance for ECL

Balance as at 01 January		284,827,102	168,209,807
Addition during the year		(26,334,933)	199,362,254
Transferred from provision for ECL against contract assets		80,327,175	-
Reversal of provision for ECL		(121,441,069)	(22,372,056)
Foreign exchange movement		117,342,144	(60,372,903)
Balance as at 31 December	(12.2.1)	334,720,419	284,827,102

12.2.1 These include allowance for ECL against receivables from related party, TechVista Information Technology (Qatar) amounting to Rs. 51.35 million (2020: 54.20 million).

13. LOANS, ADVANCES AND OTHER RECEIVABLE

	Note	2021 Rupees	2020 Rupees
Current maturity of long term loans		8,506,365	-
Advances to staff against:			
salary		10,589,878	11,529,183
expenses		52,546,952	3,061,469
		63,136,830	14,590,652
Advances to suppliers - against goods		381,026,858	81,322,672
		444,163,688	95,913,324
Loans to related parties		659,970,206	300,431,066
Elimination on account of Joint Operation	(13.1)	(378,154,612)	(300,431,066)
	(13.2)	281,815,594	-
Other receivables:			
From related parties			
Visionet Systems Inc.		-	7,742,440
TechVista Information Technology Qatar - related party		-	106,415,131
Visionet Deutschland GMBH		-	993,495
Others		182,117	3,071,571
		734,667,764	214,135,961

13.1 This represents loan provided to UUS Joint Venture (Private) Limited for meeting working capital requirements. This amount is unsecured and carries interest at one-year KIBOR on the outstanding loan balance at the end of each month.

13.2 This represents the loan provided to E-Processing Systems (Private) Limited which carries mark-up at one-month KIBOR on the outstanding loan balance at the end of each month.

14. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		2021 Rupees	2020 Rupees
Security deposits		164,893,714	347,689,182
Prepayments		158,256,248	90,784,166
		323,149,962	438,473,348

15. SHORT TERM INVESTMENTS	Note	2021 Rupees	2020 Rupees
Fair value through profit or loss			
- Mutual fund units	(15.1)	4,199,676,912	559,845,556
Amortized cost			
- Term deposit receipts (TDRs)	(15.2)	667,000,000	2,085,000,000
		4,866,676,912	2,644,845,556

15.1 The details of investments in mutual funds are as follows:

UBL Al-Ameen Asset Islamic Allocation Fund	107,656,212	51,952,710
Number of units : 837,046 (2020: 409,056)		
UBL Al-Ameen Islamic Cash Plan-I	307,889,806	-
Number of units : 3,078,898 (2020: Nil)		
Alfalah GHP Islamic Income Fund	131,098,915	51,291,201
Number of units : 1,282,006 (2020: Nil)		
HBL Asset Islamic Allocation Fund	52,976,195	51,444,992
Number of units : 470,298 (2020: 460,820)		
HBL Asset Islamic Money Market Fund	25,864,345	-
Number of units : 255,641 (2020: Nil)		
Lakson Islamic Tactical Fund	99,843,707	52,449,350
Number of units : 1,089,870 (2020: 534,122)		
Lakson Money Market Fund	101,159,394	-
Number of units : 1,000,224 (2020: Nil)		
Meezan Balanced Fund	103,600,318	100,590,950
Number of units : 6,450,950 (2020: 6,450,950)		
Meezan Islamic Income Fund	53,502,393	50,337,808
Number of units : 1,001,921 (2020 : 944,653)		
Meezan Islamic Fund	151,731,025	-
Number of units : 2,466,902 (2020: Nil)		
Meezan Rozana Amdani Fund	621,489,473	-
Number of units : 12,429,789 (2020 : 944,653)		
NBP Islamic Sarmaya Izafa Fund	312,138,444	201,778,545
Number of units : 18,802,954 (2020: 12,352,453)		
NBP Daily Dividend Fund	613,531,130	-
Number of units : 61,353,113 (2020: Nil)		
NBP Islamic Stock Fund	83,246,347	-
Number of units : 6,844,116 (2020: Nil)		
NBP Islamic Income Fund	52,548,599	-
Number of units : 5,054,791 (2020: Nil)		
MCB Al-hamra Islamic Money Market Fund	467,949,478	-
Number of units : 4,702,537 (2020: Nil)		
ABL Islamic Stock Fund	47,314,269	-
Number of units : 3,125,509 (2020: Nil)		
ABL Islamic Cash Fund	257,844,525	-
Number of units : 25,784,452 (2020: Nil)		
ABL Islamic Income Fund	50,835,310	-
Number of units : 4,800,630 (2020: Nil)		
Faysal Islamic Cash Fund	557,457,027	-
Number of units : 5,574,570 (2020: Nil)		
	4,199,676,912	559,845,556

15.2	The details of investments in TDRs are as follows:	Note	2021 Rupees	2020 Rupees
	Faysal Bank Limited		-	400,000,000
	Habib Metropolitan Bank Limited		650,000,000	1,660,000,000
	Habib Bank Limited		17,000,000	25,000,000
		(15.2.1)	667,000,000	2,085,000,000

15.2.1 These carry markup at rates ranging from 6.45% to 12.75% (2020: 6% to 12.75%) per annum.

16.	TAX REFUNDS DUE FROM THE GOVERNMENT	Note	2021 Rupees	2020 Rupees
	Advance income tax		213,640,998	171,975,691

17.	CASH AND BANK BALANCES	Note	2021 Rupees	2020 Rupees
	Cash in hand		946,078	917,983
	Balances with banks:			
	Local currency:			
	Current accounts		1,636,860,527	1,211,562,880
	Saving accounts	(17.1)&(17.2)	1,236,990,790	766,496,179
			2,873,851,317	1,978,059,059
	Foreign currency - current accounts		104,066,346	1,006,127,524
			2,978,863,741	2,985,104,566

17.1 These carry markup at the rate of 4.12% to 6.18% (2020: 3.1% to 11.50%) per annum.

17.2 These include margin amount of Rs. 458.27 (2020: Rs. 364.63) million held under lien by the banks against guarantees issued by them on behalf of the Group.

18. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2021 (Number of shares)	2020		2021 Rupees	2020 Rupees
114,815,189	113,384,660	"Ordinary shares of Rs. 10/- each fully paid in cash"	1,148,151,890	1,133,846,600
23,683,723	11,221,354	"Ordinary shares of Rs. 10/- each fully paid up as bonus shares"	236,837,230	112,213,540
138,498,912	124,606,014		1,384,989,120	1,246,060,140

18.1 Reconciliation of ordinary shares

2021 (Number of shares)	2020		2021 Rupees	2020 Rupees
124,606,014	123,520,299	Balance at 01 January	1,246,060,140	1,235,202,990
12,462,369	-	Bonus shares issued	124,623,690	-
1,430,529	1,085,715	Stock options exercised	14,305,290	10,857,150
138,498,912	124,606,014	Balance at 31 December	1,384,989,120	1,246,060,140

19. CAPITAL RESERVES

	Note	2021 Rupees	2020 Rupees
Share premium reserve	(19.1)	820,263,291	614,907,403
Employee compensation reserve	(19.2)	200,220,759	84,747,028
Gain on dilution of interest		-	197,609,706
Translation reserve on foreign operations		127,825,350	59,347,679
		1,148,309,400	956,611,816

19.1 This reserve shall be utilized only for the purpose as specified in section 81(2) of the Companies Act, 2017.

19.2 This represents balance amount after exercise of share options by the employees under the Employee Stock Option Scheme approved by the SECP. According to the scheme, 100% options become exercisable after completion of vesting period from the date of grant. The options have a vesting period of 2 years and an exercise period of 3 years from the date the option is vested.

19.2.1 The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the year:

	2021		2020	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	Rupees	Number	Rupees	Number
Outstanding at 01 January	83.84	2,653,622	77.46	2,479,946
Granted during the year				
- stock options awarded in January	-	-	75.34	1,529,034
- stock options awarded in March	346.19	735,835	-	-
- stock options awarded in July	-	-	122.23	200,000
- stock options awarded in September	497.21	207,500	-	-
Bonus issue adjustment during the year ¹	133.75	336,928		
Forfeited share options	75.34	(550,000)	72.34	(469,643)
Exercised during the year:				
- stock options awarded in 2017 ²	-	-	62.58	(316,831)
- stock options awarded in 2018 ³	72.13	(17,676)	72.13	(768,884)
- stock options awarded in 2019 ⁴	73.34	(992,103)	-	-
- stock options awarded in 2020 ⁵	75.34	(420,750)	-	-
Outstanding at 31 December	244.85	1,953,356	83.84	2,653,622
Vested and exercisable at 31 December	73.33	716,687	72.13	17,676

1. Additional options were awarded to scheme participants as a result of the March 2021 bonus issue. Options were awarded such that the overall value of options available were unchanged by the bonus issue.
2. The weighted average share price at the date of the exercise of these options was nil (2020: Rs. 96.32).
3. The weighted average share price at the date of the exercise of these options was Rs. 479.91 (2020: Rs. 183.84)
4. The weighted average share price at the date of the exercise of these options was Rs. 461.40.
5. The weighted average share price at the date of the exercise of these options was Rs. 759.84.

19.2.2 The weighted average remaining contractual life for the share options outstanding as at 31 December 2021 is 3.71 years (2020: 3.80 years).

19.2.3 The weighted average fair value of options granted during the year was Rs. 277.67 (2020: Rs. 67.72)

19.2.4 The range of exercise prices for options outstanding at the end of the year is Rs.346.19 to Rs.497.21 (2020: Rs.72.13 to Rs.122.23)

19.2.5 The following table lists the inputs to the model used for the plan for the years ended 31 December 2021 and 2020, respectively:

	2021 Rupees	2020 Rupees
Dividend yield	2%	2%
Expected volatility	42% - 43%	32% - 40%
Risk-free interest rate	8.29% & 8.90%	7.30% & 7.80%
Expected life of share options (years)	2.2	2.1
Weighted average share price	Rs. 538.58	Rs. 132.47
Model used	Black Scholes	Black Scholes

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

	Note	2021 Rupees	2020 Rupees
20. LONG TERM ADVANCES	(20.1)	81,111,314	53,857,626

20.1 These represent advances received from staff and will be adjusted as per Company's car policy against sale of vehicles.

	Note	2021 Rupees	2020 Rupees
21. LONG TERM LOAN			
MCB Bank Limited		67,081,559	190,641,884
Add: Unwinding of interest		9,734,526	8,125,960
	(21.1)	76,816,085	198,767,844
Less: Current portion		(76,816,085)	(100,754,617)
		-	98,013,227

21.1 This represents loan of Rs. 210 million obtained under Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concerns (the Scheme) offered by State Bank of Pakistan to mitigate the effect of COVID-19 on employment in Pakistan. The facility has an aggregate sanctioned limit of Rs. 315 million. It carries mark-up at SBP rate plus 1% per annum and is secured against a pari passu charge of Rs. 1,344 million over the present and future current assets of the Company and 1st exclusive equitable mortgage and hypothecation charge of Rs. 1,066.7 million over the non current assets of the Company. The loan is repayable in equal quarterly installments commencing September 26, 2020 and ending December 26, 2022. The two tranches of loan were initially recognized at amortized cost using effective interest rate of 7.94% and 7.25% (3-month KIBOR) respectively. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

	2021 Rupees	2020 Rupees
22. LEASE LIABILITIES		
Present value of lease rentals	301,076,382	227,393,268
Less: Current portion shown under current liabilities	(62,195,197)	(37,983,731)
	238,881,185	189,409,537

	Lease Rentals	Finance cost for future periods 2021 -----Rupees-----	Principal outstanding
Not later than one year	92,277,870	30,082,673	62,195,197
Later than one year but not later than five years	232,671,588	48,983,267	183,688,321
Later than five years	64,044,200	8,851,336	55,192,864
	388,993,658	87,917,276	301,076,382

	Lease Rentals	Finance cost for future periods	Principal outstanding
		2020 ----- Rupees-----	
Not later than one year	58,298,375	20,314,644	37,983,731
Later than one year but not later than five years	169,649,601	41,165,952	128,483,649
Later than five years	69,530,724	8,604,836	60,925,888
	297,478,700	70,085,432	227,393,268

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2021 Rupees	2020 Rupees
As at 01 January	227,393,268	158,473,516
Additions	129,001,097	99,007,148
Accretion of interest	23,001,123	20,048,198
Payments	(78,319,106)	(50,135,594)
As at 31 December	301,076,382	227,393,268

Salient features of the leases are as follows:

	2021	2020
Discounting rate	8.07% - 12.41%	7.32% - 12.16%
Period of lease	36-120 months	60-120 months

Amount recognized in statement of profit or loss:

The following are the amounts recognized in profit or loss:

	2021 Rupees	2020 Rupees
Interest expense on lease liabilities	23,001,123	20,048,198
Expenses relating to short term leases	35,637,899	10,435,720
Total amount recognized in profit or loss	58,639,022	30,483,918

Cash outflow for leases

The Company had total cash outflows for leases of Rs.95.33 million in 2021 (2020: Rs. 65.14 million). The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. 190.01 million in 2021 (2020: Rs. 99.01 million).

23. TRADE AND OTHER PAYABLES

	Note	2021 Rupees	2020 Rupees
Creditors		646,916,901	496,582,818
Bills discounted		-	2,063,910
Accrued liabilities		933,261,347	621,170,242
Provident fund contribution payable	(23.1)	67,671,516	32,276,041
Withholding income tax payable		41,565,074	30,774,556
Sales tax payables		17,194,897	2,134,640
Other Payables		-	1,127,777
	(23.2)	1,706,609,735	1,186,129,984

23.1 All investments out of provident fund have been made in the collective investment schemes, listed equity and listed debt securities in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

23.2 These are non-interest bearing and are normally settled on terms of between 30 and 60 days.

	Note	2021 Rupees	2020 Rupees
24. CONTRACT LIABILITIES	(24.1)	940,135,872	297,554,223

24.1 These represent mobilization advances received from the customers against professional / software development services, licenses, license support services and other fees.

25. SHORT TERM BORROWINGS	Note	2021 Rupees	2020 Rupees
MCB Bank Limited	(25.1)	850,000,000	550,000,000
Habib Metropolitan Bank Limited	(25.2)	1,400,000,000	700,000,000
Running Finance Facility-National Bank of Pakistan		-	39,000,000
Meezan Bank Limited	(25.3)	100,000,000	160,000,000
Habib Bank Limited	(25.4)	200,000,000	-
Faysal Bank Limited	(25.5)	200,000,000	-
		2,750,000,000	1,449,000,000

- 25.1** This represents export re-finance (ERF) availed against aggregate sanctioned limit of Rs. 1,000 (2020: Rs. 800) million. The rate of mark up is SBP rate plus 0.5% (2020: SBP rate plus 0.5%) per annum. These borrowings are secured against Rs. 150 million cash margin, 1st pari passu charge of Rs. 1,344 million over the current assets and hypothecation and equitable mortgage charge of Rs. 1,066.67 million over plant and machinery and 203 marla of land at Sehjpal near DHA Phase VIII (ex-Air Avenue Eden City), respectively.
- 25.2** This represents islamic export re-finance (IERF) availed against aggregate sanctioned limit of Rs. 1,400 (2020: Rs. 700) million. The rate of mark up is SBP rate plus 0.5% (2020: SBP rate plus 1%). These borrowings are secured against first pari passu hypothecation charge of Rs. 2,150 million over current assets and equitable mortgage of Rs. 305.99 million over 153.59 marla of land at Sehjpal near DHA Phase VIII (ex-Air Avenue Eden City).
- 25.3** This represents export re-finance (ERF) availed against aggregate sanctioned limit of Rs. 700 million. The rate of mark up is SBP rate plus 0.5%. These borrowings are secured against first pari passu hypothecation charge over current assets of the Company.
- 25.4** This represents islamic export re-finance (IERF) availed against aggregate sanctioned limit of Rs. 100 million. The rate of mark up is SBP rate plus 1%. These borrowings are secured against first pari passu hypothecation charge over current assets of the Company.
- 25.5** This represents islamic export re-finance (IERF) availed against aggregate sanctioned limit of Rs. 300 million. The rate of mark up is SBP rate plus 0.5%. These borrowings are secured against first pari passu hypothecation charge over current assets of the Company.

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies Income tax

26.1.1 Tax Year 2017 – under section 161

The Deputy Commissioner Inland Revenue (the "DCIR") issued order under section 161(1A) of the Income Tax Ordinance, 2001 (the "Ordinance") for the tax year 2017 whereby tax amounting to Rs. 6.53 million for non-deduction of withholding tax was levied. The Company preferred an appeal before Commissioner Inland Revenue (Appeals) [the "CIR(A)"], which is decided against the Company. Being aggrieved, the Company filed an appeal before the Appellate Tribunal Inland Revenue (the "ATIR"), which is pending adjudication. The management expects a favorable outcome in this regard.

26.1.2 Tax Year 2016 - Clause 94 part IV of Second Schedule

Company filed an undertaking pursuant clause 94 part IV of Second Schedule to the Ordinance, thereby opting out of minimum tax on services under section 153(1)(b) of the Ordinance in respect of Tax Year 2016. The Additional Commissioner Inland Revenue ("Addl. CIR") declined to accept the undertaking against which the Company preferred an appeal before CIR(A), which has been upheld by the CIR(A). The appeal effect / reassessment may result in tax liability of Rs. 30.25 million. Being aggrieved, the Company has filed an appeal before the ATIR, which is pending adjudication. The management expects a favorable outcome in this regard.

26.1.3 Tax Year 2014 - under section 122(5A)

The Addl. CIR issued order under section 122(5A) of the Ordinance for tax year 2014, on the basis of wrong proration of expenses, capital gain etc. and created demand of Rs. 48.59 million. The company preferred an appeal against the order, before the CIR(A) who decided the case in favor of the company. However, the tax department has filed second appeal before the ATIR, which is pending adjudication. The management expects a favorable outcome in this regard.

26.1.4 Tax Year 2012 – under section 122(5A)

The Assistant Commissioner Inland Revenue ("ACIR") issued an order under section 122(5A) of the Ordinance for tax year 2012, on the basis of wrong proration of expenses, others etc. and created demand of Rs. 18.46 million. The company preferred an appeal before the CIR(A) against the impugned order which is partially decided in favor of the Company. Being aggrieved, the Company filed an appeal before the learned ATIR, which is pending adjudication. The management expects a favorable outcome in this regard.

26.1.5 Sales tax

26.2 Tax Period from January 2016 to December 2016

The Company was selected for Sales Tax Audit through computer ballot for the tax period January 2016 to December 2016 and on the basis of audit proceedings, the DCIR passed order No. 3 dated 30 July 2020 under section 11(2) of the Sales Tax Act, 1990 on various issues including suppression of sales, non-chargeability of sales tax on advance from customers, other income, late filing of sales tax returns etc. and created impugned sales tax demand amounting to Rs. 655.84 million. Being aggrieved, the Company preferred an appeal before the CIR(A), which is pending adjudication.

During the year, the CIR appeal vide order no. 12 dated January 29, 2021 has annulled the demand of PKR 651 million with the direction to reassess the matters and quashed the demand to the tune of PKR 441,297. Further the CIR appeals has confirmed the balance demand of PKR 3.70 million against which company has preferred an appeal before ATIR.

26.3 Commitments

Guarantees issued by the financial institutions on behalf of the Company amount to Rs. 329.11 (2020: Rs. 201.90) million. This includes guarantees of Nil (2020: Rs. 2.72) million given on behalf of Joint Operation.

Guarantees issued by the Company on behalf of E-Processing Systems (Private) Limited to National Bank of Pakistan amounts to Rs. 100 million.

27. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

Type of goods or services	Note	2021		
		Export	Local	Total
Outsourcing services:				
Business process outsourcing		1,308,686,007	153,119,202	1,461,805,209
IT services		9,381,114,850	1,681,590,693	11,062,705,543
Software trading		343,276,936	652,577,352	995,854,288
Software implementation	(27.11)	1,436,498,882	219,431,181	1,655,930,063
Sale of air-time		-	321,193,535	321,193,535
Less: Sales tax		-	(193,451,071)	(193,451,071)
Total revenue from contracts with customers		12,469,576,675	2,834,460,892	15,304,037,567
Timing of revenue recognition - net				
Goods and services transferred at a point in time		343,276,936	652,577,352	995,854,288
Goods and services transferred over time		12,126,299,739	2,181,883,540	14,308,183,279
Total revenue from contracts with customers		12,469,576,675	2,834,460,892	15,304,037,567
	Note	2020		
Type of goods or services		Export	Local	Total
Outsourcing services:				
Business process outsourcing		1,373,041,005	161,502,986	1,534,543,991
IT services		5,370,923,611	928,497,428	6,299,421,039
Software trading		203,880,450	452,429,638	656,310,088
Software implementation	(27.11)	956,158,647	210,001,553	1,166,160,200
Sale of air-time		-	357,570,526	357,570,526
Less: Sales tax		-	(137,178,134)	(137,178,134)
Total revenue from contracts with customers		7,904,003,713	1,972,823,997	9,876,827,710
Timing of revenue recognition - net				
Goods and services transferred at a point in time		203,880,450	452,429,638	656,310,088
Goods and services transferred over time		7,700,123,263	1,520,394,359	9,220,517,622
Total revenue from contracts with customers		7,904,003,713	1,972,823,997	9,876,827,710

27.1 This represents sales tax chargeable under Provincial and Federal Sales tax laws on revenue as defined under relevant laws.

27.2 The disaggregated revenue information based on the geographical location has been presented in Note 36 to these consolidated financial statements.

	Note	2021 Rupees	2020 Rupees	
27.3	Contract balances	(27.3.1)	297,554,223	53,828,061

27.3.1 These represent the amount of revenue recognized from amounts included in contract liabilities at the beginning of the year.

27.4 Transaction prices of remaining performance obligations

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2021 Rupees	2020 Rupees
Within one year	1,876,222,970	234,262,085
More than one year	938,111,485	702,786,254
	2,814,334,455	937,048,339

The Group makes sales against credit terms. In case of credit sales, payment is generally due within 30 days from the date of billing to the customer.

28. COST OF REVENUE

	Note	2021 Rupees	2020 Rupees
Salaries, allowances and amenities	(28.1)	8,056,133,049	4,571,353,251
Commission paid		164,661,215	202,988,942
E-link connectivity charges		5,046,212	7,100,617
Technical consultancy		394,460,805	680,160,718
Printing and stationery		1,238,695	1,732,581
Computer supplies		26,210,712	20,886,069
Rent, rates and taxes		20,321,985	8,389,411
Electricity, gas and water		58,790,988	47,409,042
Traveling and conveyance		102,879,956	100,839,087
Repair and maintenance		10,088,166	12,405,269
Postage, telephone and telegrams		80,854,746	72,107,402
Vehicle running and maintenance		50,320,193	25,303,832
Entertainment		(2,663,099)	26,756,350
Fee and subscriptions		110,106,917	59,044,261
Insurance		8,877,564	5,201,344
Depreciation	(4.3)	244,868,014	183,243,480
Amortization	(5.3)	21,696,156	24,917,618
Depreciation of right-of-use	(8.1)	11,324,118	15,379,034
Other		12,250,814	13,647,344
		9,377,467,206	6,078,865,652
Purchase of software for trading		936,898,644	540,774,551
		10,314,365,850	6,619,640,203

28.1 This includes employees retirement benefit expense amounting to Rs. 229.39 (2020: Rs. 158.39) million.

29. SELLING AND DISTRIBUTION EXPENSES

	Note	2021 Rupees	2020 Rupees
Salaries, allowances and amenities	(29.1)	316,646,023	122,004,346
Collection charges		37,956,423	57,999,389
Printing and stationery		71,139	370,579
Computer supplies		445,724	100,314
Electricity, gas and water		558,288	1,107,445
Traveling and conveyance		7,589,229	3,869,378
Repair and maintenance		769,685	950,833
Postage, telephone and telegrams		855,845	754,222
Vehicle running and maintenance		2,449,329	1,355,995
Entertainment		801,622	489,967
Insurance		497,100	524,075
Fee and subscriptions		4,579,494	2,896,029
Shows, seminars and advertising		4,959,289	2,991,433
Depreciation	(4.3)	3,181,372	2,383,210
Amortization	(5.3)	125,969	255,061
Depreciation of right-of-use	(8.1)	4,114,002	2,832,980
		385,600,533	201,024,729

29.1 This includes employees retirement benefit expense amounting to Rs. 5.23 (2020: Rs. 3.37) million.

30. ADMINISTRATIVE EXPENSES

	Note	2021 Rupees	2020 Rupees
Salaries, allowances and amenities	(30.1)	964,351,857	427,741,501
Printing and stationery		9,608,807	4,910,958
Computer supplies		23,641,194	17,702,919
Rent, rates and taxes		15,983,646	13,142,381
Electricity, gas and water		19,288,902	15,670,825
Traveling and conveyance		22,645,092	17,862,611
Repair and maintenance		46,614,823	30,813,270
Postage, telephone and telegrams		32,872,907	23,650,878
Vehicle running and maintenance		13,166,019	7,246,096
Legal and professional		66,362,770	57,331,448
Auditors' remuneration	(30.2)	8,641,465	7,048,819
Entertainment		5,995,997	3,863,323
Donations		31,532,050	2,203,600
Fee, subscriptions and training		67,137,551	19,952,059
Insurance		3,220,483	4,441,431
Hiring cost		580,873	432,830
Newspapers, books and periodicals		369,493	137,713
Depreciation	(4.3)	53,085,685	36,709,628
Amortization	(5.3)	1,956,911	3,956,615
Depreciation of right-of-use	(8.1)	32,324,303	22,259,128
Others		7,423,130	5,371,996
		1,426,803,958	722,310,556

30.1 This includes employees retirement benefit expense amounting to Rs. 71.07 (2020: Rs. 42.83) million.

30.2 Auditors' remuneration

	2021 Rupees	2020 Rupees
EY Ford Rhodes:		
- Holding Company - annual audit fee	2,650,000	1,907,747
- Subsidiary / associate - annual audit fee	700,000	501,661
- Half yearly review & other certifications	1,954,291	1,478,906
- Out-of-pocket	394,000	273,885
- Sales tax advisory	-	942,500
	5,698,291	5,104,699
Other firms - annual audit fee relating to subsidiaries	2,943,174	1,944,120
	8,641,465	7,048,819

31. OTHER OPERATING EXPENSES

	Note	2021 Rupees	2020 Rupees
Allowance for ECL			
- Contract assets		17,546,844	9,812,284
- Trade debts		(26,334,933)	199,362,254
Unbilled revenue and bad debts written off		16,919,121	5,071,977
Tax receivables written off		-	5,889,010
		8,131,032	220,135,525

32. OTHER INCOME

	Note	2021 Rupees	2020 Rupees
Income from financial assets:			
Profit on deposit accounts		37,796,978	9,176,716
Profit on term deposit receipts		56,668,847	130,159,502
Dividend income		17,701,867	2,502,253
Unrealized gain on investments classified as fair value through profit or loss		115,206,839	7,343,304
Exchange gain		334,461,103	81,841,960
Effect of discounting of long term loans		550,616	-
Effect of discounting of long term security deposits		55,028	-
Interest on loan to associated undertakings		28,907,587	-
		591,348,865	231,023,735
Income from non-financial assets:			
Gain on disposal of property and equipment		16,604,277	3,312,735
Others		45,076,992	864,568
		61,681,269	4,177,303
		653,030,134	235,201,038

33. FAIR VALUE ADJUSTMENT ON DILUTION OF CONTROL IN SUBSIDIARY

As mentioned in Note 12.5, E-Processing Systems (Private) Limited has been disposed during the year, accordingly, fair value adjustment on dilution of control in subsidiary is calculated as per the following details:

	2021 Rupees
Net assets	
Property and equipment	12,497,423
Intangibles	235,380,681
Long term deposits	18,224,640
Trade debts and other receivables	371,548,493
Short term deposits and prepayments	4,952,523
Tax refunds from Govt.	5,203,122
Cash and bank balances	72,622,760
Trade and other payables	(68,113,173)
Contract Liabilities	(2,559,324)
Short term borrowings	(309,059,787)
Markup Accrued on Loans	(7,266,009)
	333,431,349
Less:	
Fair value of consideration (E-Processing B.V. as an associate)	889,335,703
Gain on dilution of interest	197,609,706
Non controlling interest	62,712,688
Net fair value adjustment on dilution of control in subsidiary	816,226,748

34. FINANCE COSTS

	Note	2021 Rupees	2020 Rupees
Markup on guarantee commission		2,041,777	2,383,653
Markup on short term borrowing		90,402,901	39,661,983
Bank charges		5,958,857	4,565,842
Lease Interest		23,001,123	20,048,198
		121,404,658	66,659,676

35. TAXATION

	Note	2021 Rupees	2020 Rupees
Statement of profit or loss			
Current Income tax:			
- Current income tax charge		88,742,478	90,648,215
- Adjustments in respect of current income tax of previous year		10,918,206	27,312,161
		99,660,684	117,960,376
Deferred tax			
- Relating to origination and reversal of temporary differences		(45,716,049)	-
		53,944,635	117,960,376
Income tax expense reported in statement of profit or loss		53,944,635	117,960,376
Amounts recognized directly in equity			
Deferred tax on share based payment		(29,344,233)	-

35.1 This represents tax chargeable under Normal Tax Regime on local sale of software and services. The income of the Holding Company from export of software is subject to tax credit at the rate of 100% under section 65F to the Income Tax Ordinance, 2001.

35.2 Reconciliation of tax charge for the year

Reconciliation between accounting profit and tax expense for the current year is meaningless in view of the minimum tax under section 153 of Income Tax Ordinance, 2001.

35.3 Deferred tax

	Note	2021 Rupees	2020 Rupees
Taxable temporary differences			
Depreciation on property and equipment		(23,252,416)	(22,361,343)
Right-of-use asset		(17,353,576)	(12,387,186)
		(40,605,992)	(34,748,529)
Deductible temporary differences			
Lease liabilities		18,079,885	13,780,885
Provision for doubtful debts		16,817,222	13,874,283
Provision for contract assets		1,335,077	5,152,094
Employee compensation reserve		38,382,745	1,941,267
Accelerated tax depreciation and amortization		10,578,374	-
Minimum tax		30,472,971	-
		115,666,274	34,748,529
		75,060,282	-

36. OPERATING SEGMENT INFORMATION

Geographical segments

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

- North America - Europe - Middle East - Pakistan

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 operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

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		Pakistan		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Rupees										
Revenue from contracts with customers	6,423,003,195	4,367,846,372	1,047,044,453	825,305,235	4,999,529,027	2,699,811,070	2,834,460,892	1,983,865,033	15,304,037,567	9,876,827,710
Cost of revenue	(3,896,570,096)	(2,392,470,816)	(658,775,716)	(498,779,658)	(3,479,703,994)	(2,218,084,612)	(2,279,316,044)	(1,510,305,117)	(10,314,365,850)	(6,619,640,203)
Gross profit	2,526,433,099	1,975,375,556	388,268,737	326,525,577	1,519,825,033	481,726,458	555,144,848	473,559,916	4,989,671,717	3,257,187,507
Distribution expenses	(22,951,806)	(17,406,721)	(3,643,294)	(4,024,698)	(6,857,599)	(7,462,548)	(352,147,834)	(172,130,762)	(385,600,533)	(201,024,729)
Administrative expenses	(702,630,379)	(324,640,784)	(90,422,638)	(66,340,926)	(500,666,597)	(218,841,511)	(133,084,344)	(112,487,335)	(1,426,803,958)	(722,310,556)
	(725,582,185)	(342,047,505)	(94,065,932)	(70,365,624)	(507,524,196)	(226,304,059)	(485,232,178)	(284,618,097)	(1,812,404,491)	(923,335,285)
	1,800,850,914	1,633,328,051	294,202,805	256,159,953	1,012,300,837	255,422,399	69,912,670	188,941,819	3,177,267,226	2,333,852,222
Unallocated income and expenses:										
Other operating expenses									(8,131,032)	(220,135,524)
Other income									653,030,134	235,201,037
Fair value adjustment on dilution of control in subsidiary									816,226,748	-
Share of loss of associate									(83,384,503)	-
Finance cost									(12,404,658)	(66,659,676)
									1,256,336,689	(51,594,163)
Profit before taxation									4,433,603,915	2,282,258,059
Taxation									(53,944,635)	(117,960,376)
									4,379,659,280	2,164,297,683

36.1 Allocation Of Assets And Liabilities

	North America		Europe		Middle East		Pakistan		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Rupees										
Segment operating assets										
Property and equipment	-	-	-	-	45,008,932	8,216,212	2,006,791,105	1,510,450,304	2,051,800,037	1,518,666,516
Intangibles	-	-	-	-	-	-	23,717,704	204,249,277	23,717,704	204,396,352
Right-of-use assets	-	-	-	-	-	-	288,981,475	204,396,352	288,981,475	-
Long term investments	-	-	-	-	-	-	144,568,896	-	144,568,896	-
Investment in associates	-	-	-	-	-	-	1,274,009,731	-	1,274,009,731	39,496,070
Long term deposits	-	-	-	-	-	-	141,294,105	39,496,070	141,294,105	-
Long term loans	-	-	-	-	-	-	36,796,454	-	36,796,454	-
Deferred taxation	-	-	-	-	-	-	75,060,282	-	75,060,282	-
Deferred employee benefits	-	-	6,263,833	192,018,321	-	-	10,344,054	-	10,344,054	642,780,081
Contract assets	-	-	128,690,315	20,255,836	383,036,454	253,079,192	338,644,113	197,682,568	727,944,400	2,372,716,741
Trade debts	1,766,444,533	1,100,980,956	-	-	1,227,195,573	590,695,553	1,003,597,878	660,784,396	4,125,928,299	95,419,182
Loans, advances and other receivable	-	-	-	-	201,135,157	32,126,945	533,532,607	63,292,237	734,667,764	-
Trade deposits and short term prepayments	-	-	-	-	74,561,142	97,647,869	248,588,820	340,825,478	323,149,962	438,473,347
Interest accrued	-	-	-	-	-	-	11,118,877	38,450,000	11,118,877	119,353,871
Other receivables	-	-	-	-	-	-	-	3,071,571	-	-
Current portion of deferred employee benefits	-	-	-	-	-	-	2,890,139	-	2,890,139	2,644,845,556
Short term investments	-	-	-	-	-	-	4,866,676,912	2,644,845,556	4,866,676,912	171,975,691
Tax refunds due from government	-	-	-	-	-	-	213,640,998	171,975,691	213,640,998	2,985,104,566
Cash and bank balances	-	-	-	-	1,313,408,388	1,013,436,517	1,665,455,353	1,971,668,049	2,978,863,741	-
Total operating assets	1,766,444,533	1,100,980,956	134,954,148	212,274,157	3,244,345,646	2,111,484,588	12,885,709,503	8,051,187,549	18,031,453,830	11,475,927,250
Rupees										
Segment operating liabilities										
Long term advances	-	-	-	-	-	-	81,111,314	53,857,626	81,111,314	53,857,626
Lease liabilities	-	-	-	-	-	-	238,881,185	189,409,537	238,881,185	189,409,537
Long term loan	-	-	-	-	-	-	98,013,227	-	98,013,227	-
Deferred grant	-	-	-	-	-	-	8,338,896	-	8,338,896	-
Trade and other payables	-	-	-	-	544,214,481	441,404,612	1,162,395,254	744,725,372	1,706,609,735	1,186,129,984
Contract liabilities	-	-	-	-	559,442,049	204,626,045	380,693,823	92,928,178	940,135,872	297,554,223
Mark-up accrued on short term borrowings	-	-	-	-	-	-	13,702	9,804,362	13,702	9,804,362
Short term borrowings	-	-	-	-	-	-	2,750,000,000	1,449,000,000	2,750,000,000	1,449,000,000
Unclaimed dividend	-	-	-	-	-	-	9,226,244	7,617,635	9,226,244	7,617,635
Provision for gratuity	-	-	-	-	94,865,412	47,599,384	-	-	94,865,412	47,599,384
Current portion of lease liabilities	-	-	-	-	-	-	62,195,197	37,983,731	62,195,197	37,983,731
Current portion of long term loan	-	-	-	-	-	-	76,816,085	100,754,617	76,816,085	100,754,617
Current portion of deferred grant	-	-	-	-	-	-	1,958,993	3,095,996	1,958,993	3,095,996
Current portion of long term advances	-	-	-	-	-	-	6,865,236	10,754,706	6,865,236	10,754,706
Total operating liabilities	-	-	-	-	1,198,521,942	693,630,041	4,770,157,033	2,806,283,883	5,968,678,975	3,499,913,924

37. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise subsidiary, associated companies, companies in which directors are interested, staff retirement funds and directors and key management personnel (Note 33). Amounts due from and to related parties are shown under respective notes to the consolidated financial statements. Transactions with subsidiaries have been eliminated and other significant transactions with related parties are as follows:

Undertaking	Relation	Nature of transaction	Note	2021	2020
				Rupees	Rupees
E Processing Systems (Private) Limited.	Associate*	Disbursements against loan		(52,296,496)	(34,100,235)
		Receipts against loan		52,000,000	37,051,227
		Interest income		3,951,358	2,419,253
Visionet Systems Incorporation - USA	Associate*	Revenue	(37.1)	6,446,986,130	4,270,475,128
		Reimbursement of expenses		15,089,316	27,419,070
TechVista Information Technology Qatar	Associate*	Revenue	(37.2)	182,168,993	95,176,466
		Advance against issue of shares		144,568,896	-
Visionet Deutschland GMBH	Associate*	Revenue	(37.3)	664,579,940	664,579,940
		Out of pocket expenses		732,584	-
Staff retirement funds		Contribution		326,813,846	177,022,960
VSI UK	Associate*	Revenue	(37.4)	82,520,056	-

*This has the same meaning as defined in section 2(4) of the Companies Act 2017.

37.1 Visionet Systems Incorporation - USA (VSI) is associated company of the Group on the basis of common directorship and incorporated in United States of America (USA). The registered address of VSI is Cedarbrook Corporate Center, 4 Cedarbrook Drive, Bldg. B Cranbury, NJ 08512-3641.

37.2 TechVista Information Technology Qatar is associated company of the Group on the basis of common directorship and incorporated in Qatar. The registered address is Palm Towers, floor 41 Westbay, Doha, Qatar.

37.3 Visionet Duetschland GMBH is associated company of the Group on the basis of common directorship and incorporated in Qatar. The registered address is Maximilian Street 13, 80539, Munchen, Germany.

37.4 Visionet UK is an associated company of the Group on the basis of common directorship and incorporated in United Kingdom. The registered address is Wellington Way, Brooklands Business Park, Weybridge, Surrey KT13 0TT, GB.

38. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the accounts for the year for remuneration including certain benefits to the Chief Executive Officer, Directors and Executives of the Group are as follows:

	Chief Executive Officer		Non Executive Directors		Other Executives	
	2021	2020	2021	2020	2021	2020
Number of persons	1	1	(Nos) 6	6	993	525
	----- Rupees -----					
Managerial remuneration	42,504,000	36,960,000	-	-	3,418,898,734	1,613,369,420
Retirement benefits	1,416,800	1,232,000	-	-	170,381,448	97,181,202
Bonus	47,329,920	27,946,387	-	-	140,565,309	50,131,001
Fees	-	-	2,950,000	2,850,000	-	-
	91,250,720	67,370,387	2,950,000	2,850,000	3,729,845,491	1,760,681,623

38.1 In addition to the above remuneration, the Chief Executive Officer and certain executives are also provided with Group maintained cars, free medical and mobile phone facilities in accordance with their entitlement.

38.2 Fees represent the amounts paid to Non Executive Directors for attending meetings of the Board and its sub-committees.

38.3 During the year, the Chief Executive Officer and Other Executives were granted 291,319 (2020: 570,034) and 725,600 (2020: 1,159,000) share options respectively, which have a vesting period of two years. Further, the impact of benefits available to the Chief Executive and other executives recognized by the Group on account of share-based payment plans aggregated to Rs. 40.97 (2020: Rs. 25.37) million and Rs. 149.26 (2020: Rs. 21.76) million, respectively.

38.4 During the current year, certain executives of the Group exercised stock option under employee stock option scheme according to which 1,430,529 (2020: 1,085,715) shares were issued to them.

39. EARNINGS PER SHARE - BASIC AND DILUTED

Earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of the group by weighted average number of shares outstanding during the year as follows:

39.1 Basic earnings per share	2021	2020
	-----Rupees-----	
Profit for the year	4,462,160,721	2,209,645,930
	(Number of shares)	
	(Restated)	
Weighted-average number of ordinary shares outstanding during the year	137,671,924	136,684,282
Basic earnings per share (Rupees)	32.41	16.17

39.2 Diluted earnings per share	2021	2020
	-----Rupees-----	
Profit for the year	4,462,160,721	2,209,645,930
	(Number of shares)	
	(Restated)	
Weighted average number of ordinary shares (basic)	137,671,924	136,684,282
Effect of share options	1,337,439	1,763,819
Weighted average number of ordinary shares - diluted	139,009,363	138,448,101
Diluted earnings per share (Rupees)	32.10	15.96

39.3 The weighted average number of ordinary shares of 2020 has been restated in accordance with the requirements of IAS 33 due to issuance of 12,462,369 bonus shares in 2021.

40. CASH GENERATED FROM OPERATIONS

	Note	2021	2020
		-----Rupees-----	
Profit before taxation		4,433,603,915	2,282,258,059
Adjustment for:			
Depreciation on property and equipment	(4.3)	301,135,071	222,336,318
Depreciation on right-of-use asset		47,762,423	40,471,141
Amortization of intangibles	(5.3)	23,779,036	29,129,294
Allowance for ECL against contract assets	(31)	17,546,844	9,812,284
Allowance for ECL against trade debts	(31)	(26,334,933)	199,362,254
Bad debts - written off	(31)	16,919,121	5,071,977
Tax receivables written off		-	5,889,010
Provision for gratuity		48,872,797	26,562,211
Finance costs	(34)	121,404,658	66,659,676
Exchange gain on translation of export debts	(32)	(334,461,103)	(81,841,960)
Fair value adjustment on dilution of control in subsidiary		(816,226,748)	-
Share of loss of associates		83,384,503	-
Gain on short term investments	(32)	(56,668,847)	(130,159,502)
Unrealised gain on investments classified as fair value through profit or loss		(115,206,839)	(7,343,304)
Share based payment expense		200,053,182	45,941,146
Gain on disposal of property and equipment		(16,604,277)	(3,312,735)
		<u>3,928,958,803</u>	<u>2,710,835,869</u>
Working capital changes			
(Increase) / Decrease in current assets			
Contract assets - net		(119,630,282)	(80,220,144)
Trade debts		(1,908,532,911)	(741,162,893)
Loans and advances		(570,562,450)	49,326,068
Trade deposits and short term prepayments		110,370,863	(69,704,675)
Other receivables		-	62,598,795
		<u>(2,488,354,780)</u>	<u>(779,162,849)</u>
Increase / (Decrease) in current liabilities			
Increase in trade and other payables		588,592,924	402,092,326
Increase in contract liabilities		645,140,973	133,131,180
		<u>(1,254,620,883)</u>	<u>(243,939,343)</u>
Cash generated from operations		2,674,337,920	2,466,896,526

41. FINANCIAL RISK MANAGEMENT

Financial instruments comprise deposits, unbilled revenue, interest accrued, trade debts, advances to employees against salaries, loans, other receivables, cash and bank balances and short term investments, trade and other payables and mark up accrued on short term borrowings.

The Group has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

The Board of Directors has the overall responsibility for the establishment and oversight of Group's risk management framework. The Board is also responsible for developing and monitoring the Group's risk management policies.

This note represents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and its management of capital.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to changes in market conditions and the Group's activities.

41.1 Market risk

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Monetary items, including financial assets and financial liabilities, denominated in currency other than functional currency of the Group are periodically restated to Pak rupee equivalent and the associated gain or loss is taken to the statement of profit or loss.

The following analysis demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant, of the Group's profit before tax.

	Changes in Rate	Effect on profit before tax	
		2021	2020
Receivables - USD	+1	11,452,636	16,925,091
	-1	(11,452,636)	(16,925,091)
Receivables - AED	+1	5,436,190	16,925,091
	-1	(5,436,190)	(16,925,091)
Receivables - QAR	+1	9,838,221	2,577,809
	-1	(9,838,221)	(2,577,809)
Receivables - GBP	+1	82,190	-
	-1	(82,190)	-
Receivables - EUR	+1	548,174	166
	-1	(548,174)	(166)
Bank balance - USD	+1	(502,141)	4,213,054
Reporting date rate:			
USD		176.50	160.00
AUD		129.00	123.30
AED		48.10	43.50
QAR		48.50	43.90
GBP		238.30	218.50
EUR		199.60	196.60

(b) Other price risk

Other price risk is the risk of changes in the fair value of investment in mutual funds as a result of changes in the levels of net asset value of units held by the Company. As at 31 December 2021, had there been increase / decrease in net asset value by 1%, with all other variables held constant, the profit before tax for the year would have been higher / lower by Rs. 166.41 (2020: Rs. 5.09) million.

The Group is not exposed to other price risk as its investments are fixed with respect to price and maturity.

(c) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no significant long-term interest-bearing assets. The Group's interest rate risk arises from short term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	2021	2020
	Rupees	Rupees
Fixed rate instruments		
Financial assets		
Short term investments	667,000,000	2,644,845,556
Bank balances - deposit accounts	1,236,990,790	766,496,179
	1,903,990,790	3,411,341,735
Floating rate instruments		
Financial liabilities		
Long term loan	76,816,085	198,767,844
Short term borrowings	1,250,000,000	1,250,000,000
	1,326,816,085	1,448,767,844

Fair value sensitivity analysis for fixed rate instruments

As at 31 December 2021, had there been increase / decrease in fixed interest rates by 100 basis points, with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 19.04 million (2020: Rs.17.35 million).

Cash flow sensitivity analysis for variable rate instruments

As at 31 December 2021, had there been increase / decrease in SBP rate by 100 basis points, with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 13.27 million (2020: Rs.1.99 million).

41.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. The Group does not have significant exposure to any individual third party. To reduce exposure to credit risk the Group has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. Outstanding customer receivables are regularly monitored.

The credit risk on liquid funds is limited because the counter parties are banks and mutual funds with reasonably high credit ratings. The Group believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties and subscribers in case of trade debts.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2021	2020
	Rupees	Rupees
Long term loans	36,796,454	-
Trade debts	4,125,928,299	2,372,716,741
Trade deposits	306,187,819	387,822,344
Advances to employees against salaries	10,589,878	11,529,183
Other receivables	-	118,222,637
Interest accrued	11,118,877	38,450,000
Short term investment	667,000,000	2,085,000,000
Bank balances	2,977,917,663	2,984,186,583
	8,135,538,990	7,997,927,488
The aging of trade debts at the reporting date is:		
0 - 120 days	2,373,293,997	2,373,293,997
121 - 365 days	107,033,549	107,033,549
Above one year	177,216,297	177,216,297
	4,460,648,718	2,657,543,843
Allowance for ECL	(334,720,419)	(284,827,102)
	4,125,928,299	2,372,716,741

As at year end, 50% of trade debts (2020: 47%) was represented by four customer amounting to Rs. 2,232.25 (2020: Rs. 1,236.32) million. The management believes that the Group is not exposed to customer concentration risk as this customer is related party of the Group.

Based on past experience and policy of the Group, the management believes that an impairment allowance is necessary in respect of trade receivables past due by one year except if those receivables are recovered subsequent to year end and if management has sufficient grounds to believe that the amounts will be recovered.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate. The table below shows the bank balances and investments held with some major counterparties at the reporting date:

Banks	Short term	Long term	Agency	2021	2020
				----- Rupees -----	
Habib Metropolitan Bank	A1+	AA+	PACRA	568,323,338	2,528,702,856
Bank Islami Pak	A1	A+	PACRA	7,694,419	7,694,420
United Bank Limited	A1+	AAA	JCR-VIS	25,835,178	39,952,998
Faysal Bank	A1+	AA	PACRA	260,965,910	425,165,055
Standard Chartered Bank	A1+	AAA	PACRA	271,893,689	42,394,856
Finca Microfinance Bank	A1	A	PACRA	8,507,280	-
Meezan Bank	A1+	AA+	JCR-VIS	203,613,721	337,436,430
Bank Alfalah Limited	A1+	AA+	PACRA	19,188,691	35,705,625
Habib Bank Limited	A1+	AAA	JCR-VIS	120,128,538	43,746,646
MCB Bank Limited	A1+	AAA	PACRA	178,858,982	588,681,423
NRSP Microfinance Bank	A1	A	PACRA	-	5,552
National Bank of Pakistan	A1+	AAA	PACRA	-	115,418
MCB Bank Dubai	N/A	N/A	N/A	730,379,763	291,289,285
Mobilink Microfinance Bank	A1	A	PACRA	-	8,649
Habib Bank AG Zurich	N/A	N/A	N/A	399,578,021	646,068,677
Habib Bank Limited - UAE	N/A	N/A	N/A	193,025,937	75,201,889
Telenor Microfinance Bank	A1	A+	PACRA	-	7,016,804
				2,987,993,467	5,069,186,583

Mutual Funds	Short term	Long term	Agency	2021	2020
				----- Rupees -----	
HBL Asset Management Limited	Not Available	AM2	PACRA	78,840,540	51,444,992
Al-Meezan Asset Management Limited	Not Available	AM1	PACRA	930,323,209	150,928,758
NBP Fund Management Limited	Not Available	AM1	PACRA	1,061,464,520	201,778,545
MCB Arif Habib Saving and investment	Not Available	AM1	PACRA	467,949,478	-
ABL Asset Management Company Limited	Not Available	AM22++	PACRA	355,994,104	-
Alfalah GHP Investment Management Limited	Not Available	AM2+	PACRA	131,098,915	51,291,201
Lakson Investments Limited	Not Available	AM2+	Not Available	201,003,101	52,449,350
UBL Fund Managers Limited	Not Available	AM1	JCR-VIS	415,546,018	51,952,710
Faysal Asset Management Limited	Not Available	AM2+	JCR-VIS	557,457,027	-
				4,199,676,912	559,845,556

41.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The following are the contractual maturities of financial liabilities:

The following are the contractual maturities of financial liabilities as at 31 December 2021:

	Carrying amount	Contractual cash flows	Less than one year	One to five years	More than five years
	----- Rupees -----				
Long term loan	76,816,085	76,816,085	-	76,816,085	-
Lease Liabilities	301,076,382	301,076,382	62,195,197	183,688,321	55,192,864
Short term borrowings	2,750,000,000	2,750,000,000	2,750,000,000	-	-
Mark-up accrued on short term borrowings	13,702	13,702	13,702	-	-
Trade and other payables	1,706,609,735	1,706,609,735	1,706,609,735	-	-
	4,834,515,904	4,834,515,904	4,518,818,634	260,504,406	55,192,864

The following are the contractual maturities of financial liabilities as at 31 December 2020:

Long term loan	198,767,844	198,767,844	100,754,617	98,013,227	-
Lease Liabilities	227,393,268	227,393,268	37,983,731	128,483,649	60,925,888
Trade and other payables	1,186,129,984	1,186,129,984	1,186,129,984	-	-
Short term borrowings	1,449,000,000	1,449,000,000	1,449,000,000	-	-
Mark-up accrued on short term borrowings	9,804,362	9,804,362	9,804,362	-	-
	3,071,095,458	3,071,095,458	2,783,672,694	226,496,876	60,925,888

41.4 Fair values of financial assets and liabilities

Fair value of available-for-sale financial assets is derived from quoted market prices in active markets, if available.

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

41.5 Financial instruments by categories

	2021		
	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Total
Assets as per statement of financial position	Rupees	Rupees	Rupees
Long term loan	-	36,796,454	36,796,454
Long term deposits	-	141,294,105	141,294,105
Unbilled revenue	-	727,944,400	727,944,400
Trade debts	-	4,125,928,299	4,125,928,299
Loans and advances	-	734,667,764	734,667,764
Security deposits	-	164,893,714	164,893,714
Interest accrued	-	11,118,877	11,118,877
Short term investments	4,199,676,912	667,000,000	4,866,676,912
Cash and bank balances	-	2,978,863,741	2,978,863,741
	4,199,676,912	9,551,710,900	13,751,387,812

	2020		
	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Total
Assets as per statement of financial position	Rupees	Rupees	Rupees
Long term deposits	-	40,133,162	40,133,162
Unbilled revenue	-	642,780,081	642,780,081
Trade debts	-	2,372,716,741	2,372,716,741
Loans and advances	-	214,135,961	214,135,961
Security deposits	-	347,689,182	347,689,182
Interest accrued	-	38,450,000	38,450,000
Short term investments	559,845,556	2,085,000,000	2,644,845,556
Cash and bank balances	-	2,985,104,566	2,985,104,566
	559,845,556	8,726,009,693	9,285,855,249

	2021	2020
	Financial liabilities at amortized cost	Financial liabilities at amortized cost
Liabilities as per statement of financial position	Rupees	Rupees
Long term loan	76,816,085	198,767,844
Lease liabilities	301,076,382	227,393,268
Mark-up accrued on short term borrowings	13,702	9,804,362
Short term borrowings	2,750,000,000	1,449,000,000
Trade and other payables	1,706,609,735	1,186,129,984
	4,834,515,904	3,071,095,458

41.6 Fair value hierarchy

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values. The table below analyses financial instruments carried at fair value by valuation method. The different level have been defined as follows:

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.

	Fair value measurement using			Total
	Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
As at 31 December 2021	----- Rupees -----			
Fair value through profit and loss - Mutual Fund units	-	4,199,676,912	-	4,199,676,912
As at 31 December 2020				
Fair value through profit and loss - Mutual Fund units	-	559,845,556	-	559,845,556

41.7 Capital risk management

The Group's policy is to safeguard the Group's ability to remain as a going concern and ensure a strong capital base in order to maintain investors', creditors' and market's confidence and to sustain future development of the business. The Board of Directors monitors the returns on capital, which the group defines as net operating income divided by total shareholders' equity. The Group's objectives when managing is:

- to safeguard the group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares.

Consistent with the industry norms, the Group monitors its capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the balance sheet less cash and cash equivalent. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt (as defined above).

The debt - to - equity ratio as to 31 December is as follows:

	2021	2020
	Rupees	Rupees
Long term loan - Note 21	76,816,085	198,767,844
Lease Liabilities - Note 22	301,076,382	227,393,268
Trade and other payables - Note 23	1,706,609,735	1,186,129,984
Short term borrowing - Note 25	2,750,000,000	1,449,000,000
Mark up accrued on borrowings	13,702	9,804,362
Less: Cash and cash equivalents	(2,978,863,741)	(2,985,104,566)
Net debt	1,855,652,163	85,990,892
Total capital	12,062,774,855	7,976,013,326
Capital and net debt	13,918,427,018	8,062,004,218
Capital gearing ratio	13.33%	1.07%

42. Changes in liabilities arising from financing activities

	Long term loan	Lease liabilities	Total
31 December 2021			
Opening balance	198,767,844	227,393,268	426,161,112
Additions	-	129,001,097	129,001,097
Cash flows - net	(131,686,285)	(78,319,106)	(210,005,391)
Finance cost	9,734,526	23,001,123	32,735,649
Closing balance	76,816,085	301,076,382	377,892,467
31 December 2020			
Opening balance	-	158,473,516	158,473,516
Additions	193,896,685	99,007,148	292,903,833
Cash flows - net	-	(50,135,594)	(50,135,594)
Finance cost	4,871,159	20,048,198	24,919,357
Closing balance	198,767,844	227,393,268	426,161,112

43. Number Of Employees	2021	2020
Total number of employees at the end of the year were as follows:		
Regular	4,143	2,289
Contractual	1,177	1,259
	5,320	3,548
Average number of employees during the year were as follows:		
Regular	3,239	1,817
Contractual	1,150	1,308
	4,389	3,125

44. SUBSEQUENT EVENTS

- 44.1 The Board of Directors of Holding Company in their meeting held on 10th March 2022 have proposed a final cash dividend for the year ended 31 December 2021 of Rs. 5 (2020: Rs. 3.5) per share and 100% bonus (2020: 10%) issuance for approval of the members at the Annual General Meeting to be held on 11th April 2022. These financial statements for the year ended 31 December 2021 do not include the effect of these appropriations.

45. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 10th March 2022 by the Board of Directors of the Company.

46. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for better and fair presentation. However, no significant re-arrangement / reclassifications have been made in these consolidated financial statements.

47. GENERAL

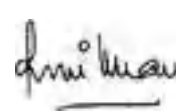
Figures have been rounded off to the nearest of rupees, unless otherwise stated.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

FORM OF PROXY**45th Annual General Meeting**

I/We _____
 son/daughter of _____
 a member of Systems Limited and holder of _____ shares as
 per Registered Folio No. _____ do hereby appoint Mr./Ms. _____
 son/daughter of _____ or failing him/her
 Mr./Ms. _____
 son/daughter of _____
 who is also member of the Company vide Registered Folio No. _____
 as my/our Proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of the
 Company to be held on 11 April 2022 at Systems Limited Office Lahore & through video link

In witness whereof on this _____ day of _____ 2022

WITNESSES:

1. Signature _____
 Name _____
 Address _____
 CNIC _____

Affix Revenue
Stamp

2. Signature _____
 Name _____
 Address _____
 CNIC _____

Member's Signature

NOTES:

1. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote his/her behalf. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.
2. The instrument appointing a proxy should be signed by the member or by his attorney duly authorized in writing. If a member is a corporation, its common seal should be affixed to the instrument.





Pakistan

Lahore (Head Office)

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

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,
Pakistan

Islamabad

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

Multan

Plot No. 842/23 near Northern
Bypass Chowk, Bosan Road, Multan

Faisalabad

1st floor Main East Canal Road, Ali Fatima
Science College, Faisalabad

UAE

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

KSA

Riyadh

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

Qatar

Doha

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Westbay, Doha, Qatar