

systems

Half Year Report June 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

Audit Committee

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

Human Resource & Compensation Committee

Mr. Asif Jooma Chairman
Mr. Omar Saeed Member
Ms. Romana Abdullah Member
Mr. Arshad Masood Director

Chief Financial Officer

Ms. Roohi Khan

Company Secretary

Mr. Saad Hasan Aslam

External Auditors

Ernst & Young Ford Rhodes
Chartered Accountants
Lahore

Internal Auditors

Uzair Hammad Faisal & Co.

Legal Advisors

Hassan & Hassan Advocates
Ahmed & Pansota

Tax Advisors

Zulfiqar Ahmad & Co.
Chartered Accountants

Banks

Habib Metropolitan Bank Limited
United Bank Limited
Standard Chartered Bank (Pak Limited)
MCB Bank Limited
Faysal Bank Limited
Bank Alfalah Limited
Bank Islami Limited

Share Registrar

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

Registered Address

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

SYSTEMS LIMITED AND TECHVISTA SECURE A SPOT AMONG THE TOP 1% GLOBAL MICROSOFT PARTNERS; BAG THE MICROSOFT BUSINESS APPLICATIONS 2021/2022 INNER CIRCLE AWARD

On a yearly basis, Microsoft acknowledges its partners that have achieved excellence by offering disruptive, agile and robust technology solutions which are based on the powerful Microsoft Dynamics 365 and Azure capabilities.

Systems Limited and Techvista are honored to be inducted into this elite cohort of Microsoft's most strategic Business Applications partners, alongside other leading names in the global IT arena. As members of the coveted Inner Circle, Systems Limited and Techvista are invited to the Inner Circle Summit next year. The companies will also have the opportunity to engage in monthly interactions with Business Application executives and benefit from the Executive Sponsor program.



It is an incredible success to have made it to the 1% of global Technology Partner for the Microsoft Business Applications.

Aezaz Hussain

Upon the acknowledgment of this honor, **Mr. Aezaz Hussain, Founder & Chairman of Systems Limited**, said, "We're truly honored to receive this recognition by Microsoft. Not only has it elevated our stature as the leading technology company out of Pakistan, but also further solidified our commitment to continue to innovate and play our part in empowering businesses and society to effectively navigate this new era of change."

Expressing his immense gratitude for this achievement, **Asif Peer, CEO & Managing Director at Systems Limited** said, "The exclusivity of the membership is a result of our relentless hard work and commitment towards business excellence. This strategic platform upholds the sanctity of the business community, thriving to achieve technological brilliance for our joint customers. This achievement would not have been possible without the collective efforts of our team, stakeholders, partners, clients, and Microsoft for recognizing our potential."

Commenting on this ground-breaking achievement, **Khurram Majeed, General Manager of Techvista** said, "This is real success of Techvista, that in such a short span of time, they were able to get into the elite club of Microsoft Business Applications 2021/2022 Partners. This Inner Circle membership is built on continuous efforts and our deep-rooted relationship with Microsoft. This relationship, deep technology insights, and our empathy for our customers have helped us in empowering success for our customers and partners. I would like to dedicate this great achievement to our customers for their unyielding trust in us, dedicated employees, and reliable business partners at Microsoft."

The **Systems Group of Companies** has maintained a solid track record of providing industry-specific Microsoft-based solutions and services to digitally transform businesses all across the globe. This prestigious recognition speaks volumes about the effort the Group invests to unlock unparalleled value from the entire Microsoft technology ecosystem. This new partnership will help us realize our vision of digital-led empowerment for businesses across all sectors and industries.

DIRECTOR'S REPORT

On behalf of the Board of Directors we are pleased to present the Standalone and Consolidated Financial Statements for the six months ended 30th June 2021.

FINANCIAL RESULTS

Unconsolidated:

During period under review, standalone revenue grew by 47% over same period last year from Rs. 3,388.59 million to Rs. 4,992.56 million. Gross profit and operating profit increased by 53% and 61% respectively, delivering a leveraged operating performance for the company. However, as a consequence of currency fluctuations, net profit for the period has been diluted by an exchange loss of Rs 32.59 million with the net increase of 31% achieved from 1,029.35 million to Rs. 1,349.60 million. Basic and diluted earnings per share both increased by 30% in line with profit for the period.

The increase in revenue has been contributed by all regions. Cost optimization and efficient working capital management translated into higher operating profits.

Key Financial Highlights - Unconsolidated			
Particulars	June-21 (unaudited)	June-20 (unaudited)	Change
	Rs.	Rs.	%
Revenue	4,992,569,613	3,388,593,868	47%
Gross Profit	1,768,117,233	1,158,233,418	53%
Operating profit	1,322,380,598	819,158,438	61%
Profit for the period	1,349,600,262	1,029,356,666	31%
Earnings per share (basic)	9.83	7.55	30%
Earnings per share (diluted)	9.72	7.50	30%

Other Income - Unconsolidated		
Particulars	June-21 (unaudited)	June-20 (unaudited)
	Rs.	Rs.
Other Income	126,679,308	82,380,877
Exchange Gain / (Loss)	(32,592,781)	169,798,056
	94,086,527	252,178,933

Consolidated:

During the six months for the period ended 30th June 2021, consolidated revenue grew by 44% from Rs. 4,559.37 million to Rs. 6,458.07 million. Gross profit and operating profit increased by 57% and 74% respectively. Net profit for the period increased by 42% from 1,067.66 million to Rs. 1,514.70 million with Rs. 416.7 million in exchange loss. Basic and diluted earnings per share increased by 43% and 42% respectively, in line with profit for the period.

Key Financial Highlights - Consolidated			
Particulars	June-21 (unaudited)	June-20 (unaudited)	Change
	Rs.	Rs.	%
Revenue	6,548,070,790	4,559,370,645	44%
Gross Profit	2,244,488,960	1,428,370,576	57%
Operating profit	1,532,439,617	879,947,380	74%
Profit for the period	1,514,702,776	1,067,663,846	42%
Earnings per share (basic)	11.34	7.92	43%
Earnings per share (diluted)	11.21	7.87	42%

Other Income - Consolidated		
Particulars	June-21 (unaudited)	June-20 (unaudited)
	Rs.	Rs.
Other Income	116,708,600	67,603,991
Exchange Gain / (Loss)	(41,670,694)	168,129,097
	75,037,906	235,733,088

Performance by Segment (Standalone):

The segment analysis shows robust growth across all four segments, with the North American and European Regions leading the trend. Export sales of the Company are roughly 80% of total sales, with the Company's target being to further increase the exports component in coming years. Diversification into new regions and new markets will support this objective.

	North America		Europe		Middle East		Pakistan		Total	
	Un-audited Six Months Ended 30 June		Un-audited Six Months Ended 30 June		Un-audited Six Months Ended 30 June		Un-audited Six Months Ended 30 June		Un-audited Six Months Ended 30 June	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees)									
Revenue from contracts with customers - net	2,828,930,612	1,901,489,749	488,806,166	446,304,271	638,723,437	302,064,113	1,036,109,398	738,735,735	4,992,569,613	3,388,593,868
Cost of revenue	(1,719,834,781)	(1,111,716,776)	(306,213,395)	(262,573,237)	(399,313,821)	(243,321,075)	(799,090,383)	(612,749,362)	(3,224,452,380)	(2,230,360,450)
Gross profit	1,109,095,831	789,772,973	182,592,771	183,731,034	239,409,616	58,743,038	237,019,015	125,986,373	1,768,117,233	1,158,233,418
Distribution expenses	(8,494,499)	(7,006,601)	(1,467,750)	(1,644,540)	(4,576,635)	(3,501,136)	(62,620,042)	(46,153,535)	(77,158,926)	(58,305,812)
Administrative expenses	(253,366,755)	(170,762,335)	(43,778,816)	(40,080,132)	(52,791,938)	(28,007,633)	(35,092,944)	(25,037,543)	(385,030,453)	(263,887,643)
Profit before taxation and	(261,861,254)	(177,768,936)	(45,246,566)	(41,724,672)	(57,368,573)	(31,508,769)	(97,712,986)	(71,191,078)	(462,189,379)	(322,193,455)
Unallocated income and expenses	847,234,577	612,004,037	137,346,205	142,006,362	182,041,043	27,234,269	139,306,029	54,795,295	1,305,927,854	836,039,963
Unallocated income and expenses:										
Other operating expenses									16,452,744	(16,881,525)
Other income									94,086,527	252,178,933
Finance costs									(35,783,430)	(20,875,977)
									74,755,841	214,421,431
Profit before taxation									1,380,683,695	1,050,461,394
Taxation									(31,083,433)	(21,104,728)
Profit for the period									1,349,600,262	1,029,356,666

Key Financial Ratios:

There has been positive movement in the Company's key financial ratios. All profitability ratios are showing a positive trend for both the standalone and consolidated financials. The high current and quick ratio is reflective of strong liquidity position of the Company, which can be directly linked with improved debtor management.

Ratio Description	Standalone		Consolidated	
	Six months ended 30 June	2021	Six months ended 30 June	2020
Gross Profit Margin (%)	35%	34%	34%	31%
EBITDA Margin (%)	31%	38%	27%	29%
Pre-tax Margin (%)	28%	31%	24%	24%
Operating Profit Margin (%)	26%	24%	23%	19%
Net Profit Margin (%)	27%	30%	23%	23%
Assets turnover (%)	42%	34%	60%	40%
Equity multiplier (%)	112%	136%	146%	144%
Return on Equity (%)	13%	14%	20%	13%
Current ratio	2.78	3.49	2.78	3.06
Quick Ratio	2.42	3.09	2.32	2.66
Debtor Turnover (Days)	104	158	90	119
Debt to Equity (Ratio)	26:74	17:83	26:74	20:80
Interest Cover (Times)	43	62	36	55

FUTURE OUTLOOK

- Robust demand and opportunity continue to be in the digital space globally in line with company's strategic expansion in the areas of Digital and Business transformation (largely Digital Commerce, Enterprise Resource Planning (ERP), Customer Relationship Management (CRM)) along with Cloud and Data. The Company is continuing to heavily invest and expand in these core competencies.
- The Company started a new business unit, Digital Infrastructure Services (DIS), earlier this year to address the heavy demand in Infrastructure, Cloud and Security Services. Along with domestic customers, the Company has successfully added logos globally as well and sees an opportunity of growth in this segment.
- Earlier this year, the Company had entered into a partnership agreement with SAP, in view of the opportunities in the domestic, Middle East and other markets. The Company has signed customers for SAP projects locally. The Company is targeting to expand in the domestic market in the first phase. Subsequently these offerings will be taken to the regional markets.

- The company continues to see growth in all three international regions as well as the domestic market. As offshoring has become more acceptable, this has increased an overall demand in the IT industry and IT exports from Pakistan have grown by over 47% in last 12 months and the industry is targeting the same growth for the next fiscal year. In line with this, the Company's exports also grew by 49% as compared to last year. The company is expecting a further increase in exports business as it establishes presence in Saudi Arabia and Qatar to expand further in the Middle East.
- In the North American market, the company's investment in business solutions and products continues to add new clients. With the company's service offerings for defined industry verticals, the company sees lifetime value from the customers and the new customer acquisitions are expected to result in growth and expansion in this region.
- The Company continues to see more opportunity in Europe for skilled offshore resources.
- With the allocation of higher IT budget by the Government this year, the Government has approved many digital initiatives. This opens more opportunities for the company in the domestic market in public sector.
- As part of M&A strategy, the Company has invested \$3m in Retailistan (Pvt) Limited (RPL), a start-up focused on digitization of retail supply chain in Pakistan. This investment is aimed at enhancing the presence in the digital retail landscape in the country and it complements EP Systems. Combined, these will provide the Company an access to potential synergies in technologies and access to digital mapping of the retail universe. Retailistan Subsidiary Jugnu has a huge opportunity as the B2B supply chain is a hot space now. The Company is actively exploring other startups and M&A opportunities.
- To meet the increasing demand, the Company has added about 500 individuals to its resource pool in this quarter which includes 200 fresh graduates as well, who will undergo strenuous training for the next four to six months. The Company is also investing heavily in training programs to train tier 2 and tier 3 resources.
- OneLoad is now one of the most recognized ecommerce platforms for provision of digital services with 40,000 plus retailers across Pakistan. The company has embarked on building eight regional sales hubs around the country to effectively target new retail signups and scale up its distribution reach. The Company has seen exponential growth in financial services mainly cash-ins in the Q2 of 2021, other use cases like cash-out are being integrated with partners and are expected to augment the growth of financial services of the Company going forward. Further teams are engaged on the various aspects of Pilot readiness for its new e-wallet business under the State Bank of Pakistan's Electronic Money Institution (EMI) Regulations. This will open new avenues for the company.

ACKNOWLEDGEMENT

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

On behalf of the Board



Asif Peer
Chief Executive Officer
Date: 25 August 2021
Lahore

- مقامی، مشرق وسطیٰ اور دیگر ماریکیٹوں میں مواقع کو دیکھتے ہوئے کمپنی نے اس سال کے شروع میں SAP کے ساتھ شراکت داری کا معاہدہ کیا۔ کمپنی نے مقامی طور پر SAP مضمونوں کیلئے کسٹمر ڈکوسٹائن کیا ہے۔ پہلے مرحلے پر کمپنی کا ہدف مقامی ماریکیٹ میں توسیع ہے۔ اس کے بعد ان پیشکشوں کو علاقائی ماریکیٹوں میں لے جایا جائے گا۔
- کمپنی ان تمام تینوں بین الاقوامی خطوں کے ساتھ ساتھ مقامی ماریکیٹ میں مسلسل ترقی دیکھ رہی ہے۔ آف ٹھونگ کے زیادہ قابل قبول ہونے کی بدولت پاکستان سے آئی ٹی انڈسٹری اور آئی ٹی ایکسپورٹس کی مجموعی طلب بڑھی ہے اور اس میں پچھلے 12 ماہ کے اندر 47% سے زائد اضافہ ہوا ہے اور انڈسٹری اگلے مالی سال کیلئے اسی ترقی کو ہدف بنا رہی ہے۔ اس کے مطابق کمپنی کی برآمدات میں بھی گزشتہ سال کے مقابلے میں 49% اضافہ ہوا ہے۔ کمپنی برآمدات کے کاروبار میں مزید اضافے کی توقع رکھتی ہے کیونکہ یہ سعودی عرب اور قطر میں اپنی موجودگی کے ذریعے مشرق وسطیٰ کے خطے کو مزید وسعت دے رہی ہے۔
- نئے کلائنٹ شامل کرنے کیلئے شمالی امریکہ کی ماریکیٹ میں کاروباری حل اور مصنوعات میں کمپنی کی سرمایہ کاری جاری ہے۔ واضح انڈسٹری ورکنگز کیلئے کمپنی کی طرف سے خدمات کی پیشکشوں کے ساتھ کمپنی کسٹمرز سے لائف ٹائم ویلیو دیکھ رہی ہے اور نئے صارفین کے حصول سے اس خطے میں ترقی اور توسیع کی توقع ہے۔
- کمپنی یورپی ماریکیٹ میں بہتر نمٹاؤ شروع کرنا کیلئے مسلسل نئے مواقع دیکھ رہی ہے۔
- حکومت کی جانب سے اس سال زیادہ آئی ٹی بجٹ مختص کرنے کے ساتھ حکومت نے نئی ڈیجیٹل اقدامات کی منظوری دے دی ہے۔ اس سے کمپنی کو مقامی ماریکیٹ میں بلیک سیکٹر کے اندر مزید مواقع ملیں گے۔
- ایم اینڈ اے حکمت عملی کے ایک جزو کے طور پر، کمپنی نے خاص طور پر پاکستان میں ریٹیل پلانٹی چین کی ڈیجیٹل ٹرانزیشن کیلئے ایک نئے سٹارٹ اپ، ریٹیل سائن (پرائیویٹ) لمیٹڈ (آر پی ایل) میں 3 ملین ڈالر کی سرمایہ کاری کی ہے۔ اس سرمایہ کاری کا مقصد ملک میں ڈیجیٹل ریٹیل کے شعبے میں اپنی موجودگی کو بڑھانا ہے اور ریڈی پی سسٹمز کی تکمیل کرتی ہے۔ اس سے کمپنی کو مجموعی طور پر ریٹیل اور بیوروں میں کم از کم 100 ملین ڈالر کی ڈیجیٹل میپنگ تک رسائی حاصل ہوگی۔ ریٹیل سائن کی ذیلی کمپنی جٹو کیلئے بڑا موقع ہے کیونکہ یہ ٹی ٹی پلانٹی میں اب بڑی گہما گہمی ہے۔ کمپنی فعال انداز میں دیگر سٹارٹ اپس اور ایم اینڈ اے کے مواقع ڈھونڈ رہی ہے۔
- بڑھتی ہوئی مانگ کو پورا کرنے کیلئے کمپنی نے اس سرمایہ میں تقریباً 500 افراد کو اپنے ریسورس پول میں شامل کیا ہے جن میں 200 نئے گریجویٹس بھی شامل ہیں، جنہیں اگلے چار سے چھ ماہ تک کڑی تربیت دی جائے گی۔ کمپنی ترقیاتی پروگراموں میں بھی ہماری سرمایہ کاری کر رہی ہے تاکہ درجہ 2 اور درجہ 3 کے ریسورسز کو تربیت دی جاسکے۔
- وٹکو ڈیپورے پاکستان میں 40,000 سے زائد ریٹیلرز کے ساتھ ڈیجیٹل خدمات کی فراہمی کیلئے سب سے زیادہ جانا مانا ایک کامرس پلیٹ فارم ہے۔ کمپنی نے نئے ریٹیل سائنز کو موثر طریقے سے ہدف بنانے اور اپنی ڈسٹری بیوٹن کی رسائی کو بڑھانے کیلئے ملک بھر میں آٹھ علاقائی ہبلز مراکز کا آغاز کیا ہے۔ کمپنی نے 2021 کی دوسری سرمایہ میں مالیاتی خدمات خاص طور پر کیش انز میں تیزی سے اضافہ دیکھا ہے، دیگر استعمال کے معاملات جیسے کیش آؤٹ شراکت داروں کے ساتھ مل رہے ہیں اور امید ہے کہ اس سے کمپنی کی مالیاتی خدمات کی بڑھوتی میں اضافہ ہوگا۔ سٹیٹ بینک آف پاکستان کے ایکٹیوٹیکسٹ (ای ایم آئی) قوانین کے تحت اس کے نئے ای واٹ کاروبار کیلئے پائلٹ کی تیاری کے مختلف پہلوؤں کیلئے مزید ٹیمیں بروئے کار لائی گئی ہیں۔ اس سے کمپنی کیلئے نئی راہیں کھلیں گی۔

اعتراف

بورڈ اس موقع پر کمپنی کے قابل قدر کسٹمرز، پیئرز اور دیگر متعلقین کے تعاون اور معاونت کیلئے شکر گزار ہے۔ بودہ کیلئے کمپنی کے تمام ملازمین کی محنت اور لگن بڑی قابل تعریف ہے۔

حسب الحکم بورڈ



آصف بیبر

چیف ایگزیکٹو آفیسر

مورخہ: 25 اگست 2021ء

سیگنٹ کی کارکردگی - آزادانہ

سیگنٹ کا تجزیہ چاروں سیگمنٹس میں زبردست نمونہ دکھاتا ہے، جس میں شمالی امریکہ اور یورپی علاقے سب سے آگے رہے۔ کمپنی کی ایک سپورٹ سیکلز فروخت کا لگ بھگ 80% ہے، کمپنی کا ہدف ہے کہ آنے والے برسوں میں برآمدات کے ضمن میں مزید اضافہ کیا جائے۔ نئے خطوں اور نئی مارکیٹوں میں تنوع اس مقصد کے حصول میں معاون ہوگا۔

مردیہ لین مین		عمومی امریکہ		یورپ		شرقی ایشیائی		پاکستان		عمومی	
نیز آڈٹ شدہ		نیز آڈٹ شدہ		نیز آڈٹ شدہ		نیز آڈٹ شدہ		نیز آڈٹ شدہ		نیز آڈٹ شدہ	
30 جون کو ختم ہونے والے 6 ماہ		30 جون کو ختم ہونے والے 6 ماہ		30 جون کو ختم ہونے والے 6 ماہ		30 جون کو ختم ہونے والے 6 ماہ		30 جون کو ختم ہونے والے 6 ماہ		30 جون کو ختم ہونے والے 6 ماہ	
2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
3,388,593,868	4,992,569,613	738,735,735	1,036,109,398	302,064,113	638,723,437	446,304,271	488,806,166	1,901,489,749	2,828,930,612		
(2,230,360,450)	(3,224,452,380)	(612,749,362)	(799,090,383)	(243,321,075)	(399,313,821)	(262,573,237)	(306,213,395)	(1,111,716,776)	(1,719,834,781)		
1,158,233,418	1,768,117,233	125,986,373	237,019,015	58,743,038	239,409,616	183,731,034	182,592,771	789,772,973	1,109,095,831		
(58,305,812)	(77,158,926)	(46,153,535)	(62,620,042)	(3,501,136)	(4,576,635)	(1,644,540)	(1,467,750)	(7,006,601)	(8,494,499)		
(263,887,643)	(385,030,453)	(25,037,543)	(35,092,944)	(28,007,633)	(52,791,938)	(40,080,132)	(43,778,816)	(170,762,335)	(253,366,755)		
(322,193,455)	(462,189,379)	(71,910,781)	(97,712,986)	(31,508,769)	(57,368,573)	(41,724,672)	(45,246,566)	(177,768,936)	(261,861,254)		
836,039,963	1,305,927,854	54,795,295	139,306,029	27,234,269	182,041,043	142,006,362	137,346,205	612,004,037	847,234,577		
(16,881,525)	16,452,744										
252,178,933	94,086,527										
(20,875,977)	(35,783,430)										
214,421,431	74,755,841										
1,050,461,394	1,380,683,695										
(21,104,728)	(31,083,433)										
1,029,356,666	1,349,600,262										

تجزیہ آئی اور فراہمات:
 دیگر آپریشنز اور فراہمات
 دیگر آئی اور فراہمات کے ساتھ ساتھ
 فراہمات کی آمد
 گیس سے تعلق
 اس سے تعلق

اہم مالیاتی تناسب

کمپنی کے اہم مالیاتی تناسب میں مثبت پیشرفت ہوئی ہے۔ تمام کلیدی منفعت کے تناسب آزادانہ اور منظم مالیات میں مثبت رجحان دکھائے ہیں۔ اعلیٰ موجودہ اور فوری تناسب کمپنی کی مضبوط رقیبی حالت کی عکاسی کر رہا ہے جس کا براہ راست تعلق قرض داروں کے بہتر نظم و ضبط کے ساتھ ہے۔

متنظم		آزادانہ		تناسب کی تفصیل	
30 جون کو ختم ہونے والے تین ماہ کیلئے		30 جون کو ختم ہونے والے تین ماہ کیلئے			
2020	2021	2020	2021		
31%	34%	34%	35%	مجموعی منافع کا مارجن (%)	
29%	27%	38%	31%	EBITDA مارجن (%)	
24%	24%	31%	28%	قبل از ٹیکس مارجن (%)	
19%	23%	24%	26%	آپریٹنگ مارجن (%)	
23%	23%	30%	27%	خالص منافع کا مارجن (%)	
40%	60%	34%	42%	انٹاؤں کا کاروبار (%)	
144%	146%	136%	112%	ایکویٹی پر ضرب (%)	
13%	20%	14%	13%	ایکویٹی پر ریٹرن (%)	
3.06	2.78	3.49	2.78	موجودہ تناسب	
2.66	2.32	3.09	2.42	فوری تناسب	
119	90	158	104	قرض داروں کا کاروبار (سینے)	
20:80	26:74	17:83	26:74	قرض: ایکویٹی (تناسب)	
55	36	62	43	انٹرسٹ کور (ٹائیز)	

مستقبل کا خاکہ

- ڈیجیٹل اور برنس ٹرانسفورمیشن (بڑے پیمانے پر ڈیجیٹل کامرس، انٹر پرائز ریورس پلائنگ (ای آر پی)، کسٹمر پلیٹفون شپ، مینجمنٹ (سی آر ایم)) کے علاوہ کلاؤڈ اور ڈیٹا کے شعبوں میں کمپنی اپنی ترقیاتی سرگت عملی کے مطابق عالمی سطح پر ڈیجیٹل پیسٹس میں مسلسل زبردست طلب کا مشاہدہ کر رہی ہے۔ کمپنی بڑے فعال انداز میں ان بنیادی قابلیتوں کی وسعت پر بھاری سرمایہ کاری کر رہی ہے۔
- کمپنی نے اس سال کے آغاز پر ایک نیا ریٹس یونٹ، ڈیجیٹل انفراسٹرکچر سروسز (ڈی آئی ایس) شروع کیا ہے، تاکہ انفراسٹرکچر، کلاؤڈ اور سیکیورٹی سروسز میں بھاری طلب کو پورا کیا جاسکے۔ مقامی صارفین کے ساتھ ساتھ، کمپنی نے عالمی سطح پر بھی لوگوں کو شامل کیا ہے اور اس سیگمنٹ میں ترقی کے مواقع دیکھ رہی ہے۔

ڈائریکٹرز کی جائزہ رپورٹ - 30 جون 2021ء

بورڈ آف ڈائریکٹرز کے ایام پر 30 جون 2021ء کو ختم ہونے والے چھ ماہ کیلئے آزادانہ اور یکجا مالیاتی گوشوارے پیش کرنے پر غور ہے۔

مالی نتائج

غیر منظم

زیر جائزہ مدت کے دوران آزادانہ آمدنی چھپلے سال اسی عرصہ کے مقابلے میں %147 اضافہ کے ساتھ 3,388.59 ملین روپے سے بڑھ کر 4,992.56 ملین روپے ہو گئی۔ مجموعی منافع اور آپریٹنگ منافع میں بالترتیب %53 اور %16 اضافہ ہوا، جس سے کھپنی کیلئے لیور ایجڈ آپریٹنگ پر فارمنس فراہم ہوئی۔ تاہم، کرنسی کے اتار چڑھاؤ کے نتیجے میں، اس مدت کا خالص منافع 32.59 ملین روپے کے ایک پیچھے خسارہ کی وجہ سے کم ہوا لیکن %31 خالص اضافہ کے ساتھ یہ 1,029.35 ملین روپے سے بڑھ کر 1,349.60 ملین روپے ہو گیا۔ اس عرصہ کے دوران منافع اور آپریٹنگ منافع کے مطابق فی شیئر بنیادی اور رقیق آمدنی دونوں میں %30 اضافہ ہوا۔ آمدنی میں اضافہ تمام خطوں نے کیا ہے، آپریٹنگ منافع میں اضافہ لاگت میں اصلاح اور موثر ورکنگ کیپٹل مینجمنٹ کی بدولت ہوا۔

غیر منظم	تفصیلات	جون 2021	جون 2020	سال بہ سال
	آمدنی	4,992,569,613	3,388,593,868	47%
	مجموعی منافع	1,768,117,233	1,158,233,418	53%
	ٹیکس سے پہلے منافع	1,322,380,598	819,158,438	61%
	ٹیکس کے بعد منافع	1,349,600,262	1,029,356,666	31%
	کمائی فی شیئر (بنیادی)	9.83	7.55	30%
	کمائی فی شیئر (رقیق)	9.72	7.50	30%

غیر منظم

غیر منظم	تفصیلات	جون 2021	جون 2020
	دیگر آمدنی	126,679,308	82,380,877
	زرمبادلہ کا فائدہ / (نقصان)	(32,592,781)	169,798,056
		94,086,527	252,178,933

منظم

30 جون 2021ء کو ختم ہونے والے چھ ماہ کے دوران منظم آمدنی %44 اضافہ کے ساتھ 4,559.37 ملین روپے سے بڑھ کر 6,458.07 ملین روپے ہو گئی۔ مجموعی منافع اور آپریٹنگ منافع میں بالترتیب %57 اور %74 اضافہ ہوا۔ زرمبادلہ میں 41.67 ملین روپے خسارہ کے باوجود اس مدت کا خالص منافع %42 کی شرح کے ساتھ 1,067.66 ملین روپے سے بڑھ کر 1,514.70 ملین روپے ہو گیا۔ اس عرصہ کے دوران منافع اور آپریٹنگ منافع کے مطابق فی شیئر بنیادی اور رقیق آمدنی میں بالترتیب %3 اور %14 اضافہ ہوا۔

منظم	تفصیلات	جون 2021	جون 2020	سال بہ سال
	آمدنی	6,548,070,790	24,559,370,645	44%
	مجموعی منافع	2,244,488,960	1,428,370,576	57%
	ٹیکس سے پہلے منافع	1,532,439,617	879,947,380	74%
	ٹیکس کے بعد منافع	1,514,702,776	1,067,663,846	42%
	کمائی فی شیئر (بنیادی)	11.34	7.92	43%
	کمائی فی شیئر (رقیق)	11.21	7.87	42%

منظم

منظم	تفصیلات	جون 2021	جون 2020
	دیگر آمدنی	116,708,600	67,603,991
	زرمبادلہ کا فائدہ / (نقصان)	(41,670,694)	168,129,097
		75,037,906	235,733,088

REVIEW REPORT TO THE MEMBERS

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Systems Limited as at 30 June 2021 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of unconsolidated condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 30 June 2021 and 2020 have not been reviewed as we are required to review only the cumulative figures for the six months period ended 30 June 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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



Chartered Accountants
August 26, 2021
Lahore



SYSTEMS LIMITED
**Standalone
Financial Statements**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at 30 June 2021 (Unaudited)

	Note	Un-audited	Audited
		30 June 2021	31 December 2020
		Rupees	Rupees
ASSETS			
Non-current assets			
Property and equipment	6	1,721,815,754	1,507,959,243
Intangibles		44,632,588	21,345,888
Long term investments	7	272,073,147	272,073,147
Long term deposits		39,987,068	36,127,162
Long term receivable		322,681,511	-
Right-of-use assets		211,077,026	204,396,352
		2,612,267,094	2,041,901,792
Current assets			
Contract assets		775,544,024	533,940,810
Trade debts	8	2,099,580,341	2,438,437,498
Loans, advances and other receivable		408,136,195	205,366,771
Trade deposits and short term prepayments		258,048,134	187,928,945
Interest accrued		7,276,021	38,450,000
Short term investments	9	3,358,597,405	2,644,845,556
Tax refunds due from the Government		182,917,725	166,007,954
Cash and bank balances	10	2,210,639,323	1,577,759,692
		9,300,739,168	7,792,737,226
TOTAL ASSETS		11,913,006,262	9,834,639,018
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 200,000,000 (2020: 200,000,000) ordinary shares of Rs. 10 each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	11	1,380,396,620	1,246,060,140
Capital reserves			
Share premium		714,505,168	614,907,470
Employee compensation reserve		90,958,543	84,747,028
Revenue reserve - Un-appropriated profit		6,096,765,066	5,307,971,413
		8,282,625,397	7,253,686,051
Non-current liabilities			
Long term loan		25,244,367	98,013,227
Long term advances		69,914,376	53,857,626
Lease liabilities		193,021,853	189,409,537
Deferred grant		330,265	8,338,896
		288,510,861	349,619,286
Current liabilities			
Trade and other payables		941,942,393	722,653,295
Unclaimed dividend		9,472,602	7,617,635
Short term borrowings	12	2,050,000,000	1,250,000,000
Contract liabilities		169,198,538	88,669,355
Mark-up accrued on short term borrowings		12,431,680	9,804,346
Current portion of lease liabilities		45,446,413	37,983,731
Current portion of long term loan		101,258,149	100,754,617
Current portion of deferred grant		4,512,125	3,095,996
Current portion of long term advances		7,608,104	10,754,706
		3,341,870,004	2,231,333,681
TOTAL EQUITY AND LIABILITIES		11,913,006,262	9,834,639,018

CONTINGENCIES AND COMMITMENTS

14

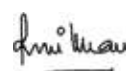
The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

CONDENSED INTERIM PROFIT OR LOSS

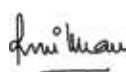
for the six months period ended 30 June 2021 (Unaudited)

Note	Six Months Ended		Three Months Ended		
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	
	Rupees	Rupees	Rupees	Rupees	
Revenue from contracts with customers - net	15	4,992,569,613	3,388,593,868	2,689,577,078	1,764,499,867
Cost of revenue	16	(3,224,452,380)	(2,230,360,450)	(1,752,182,694)	(1,122,557,463)
Gross profit		1,768,117,233	1,158,233,418	937,394,384	641,942,404
Administrative expenses	17	(385,030,453)	(263,887,643)	(209,748,807)	(115,834,432)
Distribution expenses	18	(77,158,926)	(58,305,812)	(44,218,462)	(21,171,174)
Other operating expenses	19	16,452,744	(16,881,525)	(19,186,094)	(2,451,983)
		(445,736,635)	(339,074,980)	(273,153,363)	(139,457,589)
Operating profit		1,322,380,598	819,158,438	664,241,021	502,484,815
Other income	20	94,086,527	252,178,933	194,029,061	41,977,049
Finance costs		(35,783,430)	(20,875,977)	(20,582,754)	(11,493,017)
Profit before taxation		1,380,683,695	1,050,461,394	837,687,328	532,968,847
Taxation		(31,083,433)	(21,104,728)	(13,290,909)	(12,094,031)
Profit for the period		1,349,600,262	1,029,356,666	824,396,419	520,874,816
Earnings per share:			(Restated)		(Restated)
Basic earnings per share	21	9.83	7.55	6.00	3.81
Diluted earnings per share		9.72	7.50	5.95	3.79

The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the six months period ended 30 June 2021 (Unaudited)

	Six Months Ended		Three Months Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Rupees	Rupees	Rupees	Rupees
Profit for the period	1,349,600,262	1,029,356,666	824,396,419	520,874,816
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,349,600,262	1,029,356,666	824,396,419	520,874,816

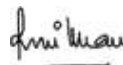
The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the six months period ended 30 June 2021 (Unaudited)

	Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserve	Total
		Share premium	Employee compensation reserve		
Rupees					
Balance as at 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	-	-	-	1,029,356,666	1,029,356,666
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	1,029,356,666	1,029,356,666
Exercise of share options	9,951,690	111,340,142	(52,485,311)	-	68,806,521
Share based payments	-	-	59,651,541	-	59,651,541
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)
Balance as at 30 June 2020	1,245,154,680	623,489,876	83,118,399	4,143,413,137	6,095,176,092
Balance as at 01 January 2021	1,246,060,140	614,907,470	84,747,028	5,307,971,413	7,253,686,051
Profit for the period	-	-	-	1,349,600,262	1,349,600,262
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	1,349,600,262	1,349,600,262
Exercise of Share Options	9,712,790	99,597,698	(38,097,048)	-	71,213,440
Share based payments	-	-	44,308,563	-	44,308,563
10% Bonus shares issued	124,623,690	-	-	(124,623,690)	-
Final dividend for the year ended 31st December 2020 at the rate of Rs.3.5 per share	-	-	-	(436,182,919)	(436,182,919)
Balance as at 30 June 2021	1,380,396,620	714,505,168	90,958,543	6,096,765,066	8,282,625,397

The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

CONDENSED INTERIM CASH FLOW STATEMENT

for the six months period ended 30 June 2021 (Unaudited)

	Note	Six Months Ended	
		30 June	30 June
		2021	2020
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows from operations	23	1,323,450,811	706,125,020
Finance costs paid		(20,862,360)	(11,224,574)
Taxes paid		(53,017,334)	(19,757,159)
		(73,879,694)	(30,981,733)
Net cash flows from operating activities		1,249,571,117	675,143,287
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(360,743,596)	(128,040,192)
Development expenditure		(30,377,355)	(3,695,011)
Proceeds from the disposal of property and equipment		24,828,643	5,075,199
Short term investments - net		(713,751,849)	(1,127,000,000)
Increase in long term investment		-	(100,000)
Increase in advance against purchase of land		-	(27,228,420)
Profit received on short term investment		123,703,600	61,564,879
Profit received on bank deposits		14,721,209	15,231,555
Net cash flows from investing activities		(941,619,348)	(1,204,191,990)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) / increase in long term loan		(78,857,830)	210,000,000
Proceeds from exercise of share options		71,213,440	68,806,526
Increase in short term borrowing		800,000,000	100,000,000
Dividend paid		(434,327,952)	(271,089,037)
Payment of principal portion of lease liabilities		(34,354,900)	(23,152,500)
Increase in long term advances		12,910,148	12,092,118
Net cash flows from financing activities		336,582,906	96,657,107
Net increase / (decrease) in cash and cash equivalents		644,534,675	(432,391,596)
Net foreign exchange difference		(11,655,044)	22,607,062
Cash and cash equivalents at beginning of the period		1,577,759,692	1,095,555,314
Cash and cash equivalents at closing of the period		2,210,639,323	685,770,780

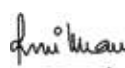
The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

for the six months period ended 30 June 2021 (Unaudited)

1. THE COMPANY AND ITS OPERATIONS

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

2. STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Act; and
- Provisions of and directives issued under the Act.

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

3. BASIS OF PREPARATION

3.1 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2020.

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

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

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended 31 December 2020.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Company for the year ended 31 December 2020.

		Un-audited 30 June 2021	Audited 31 December 2020
	Note	----- (Rupees) -----	
6. PROPERTY AND EQUIPMENT			
Operating fixed assets	(6.1)	1,681,431,080	1,507,212,971
Capital work in progress	(6.2)	40,384,674	746,272
		1,721,815,754	1,507,959,243
6.1 OPERATING FIXED ASSETS - OWNED			
Opening balance - net book value		1,507,212,971	1,392,619,772
Additions during the period / year - cost	(6.1.1)	321,105,194	341,404,904
		1,828,318,165	1,734,024,676
Less:			
Disposals during the period / year	(6.1.2)	(15,701,393)	(13,992,901)
Depreciation during the period / year		(131,185,692)	(212,818,804)
Net book value at the end of the period / year		1,681,431,080	1,507,212,971
6.1.1 Additions during the period/year-cost			
Land - freehold		-	48,760,578
Building		9,746,917	6,841,345
Computer equipment and installations		203,423,071	107,336,746
Other equipment and installations		2,736,301	16,360,054
Machinery		5,490,057	44,113,920
Furniture and fittings		5,896,126	18,802,046
Vehicles		89,187,990	72,958,264
Office equipment		448,268	1,660,795
Leasehold building improvements		4,176,464	24,571,156
		321,105,194	341,404,904
6.1.2 Disposals during the period / year			
		Cost	Accumulated Depreciation
		----- (Rupees) -----	
30 June 2021:			Net book value
Computer equipment and installations		535,133	(233,823)
Other equipment and installations		99,421	(99,421)
Furniture and fittings		427,730	(343,945)
Vehicles		25,757,562	(10,441,264)
		26,819,846	(11,118,453)
31 December 2020:			
Computer and equipment		13,745,539	(12,996,155)
Other equipment and installations		44,300	(44,300)
Furniture and fittings		57,675	(18,845)
Vehicles		22,846,025	(9,641,338)
		36,693,539	(22,700,638)
	Note	Un-audited 30 June 2021	Audited 31 December 2020
		----- (Rupees) -----	
6.2 CAPITAL WORK IN PROGRESS			
Balance at the beginning of the period / year		746,272	24,025,244
Additions during the period / year		40,384,674	13,251,015
Transfer to operating fixed assets during the period / year		(746,272)	(36,529,987)
Balance at the end of the period / year	(6.2.1)	40,384,674	746,272
6.2.1	This represent the civil and construction work carried out in Multan office.		
7. LONG TERM INVESTMENTS			
Investment in Subsidiaries - at cost - unquoted:			
E - Processing Systems (Private) Limited 179,507 (2020: 179,507) fully paid ordinary shares of Rs. 10/- each	(7.1)	270,500,227	270,500,227
Tech Vista Systems FZ-LLC 50 (2020: 50) fully paid ordinary shares of AED 1000/- each	(7.2)	1,377,950	1,377,950
SUS-JV (Private) Limited 9,499 (2020: 9,499) fully paid ordinary shares of Rs. 10/- each	(7.3)	94,990	94,990
Systems Venture (Private) Limited 9,998 (2020: 9,998) fully paid ordinary shares of Rs.10/- each	(7.4)	99,980	99,980
		272,073,147	272,073,147

- 7.1 This represents 44.60% (31 December 2020: 44.60%) share in Company's subsidiary E-Processing Systems (Private) Limited, a company engaged in the business of purchase and sale of airtime and related services in Pakistan. As per the management assessment, the control over the entity lies with the Company.
- 7.2 This represents 100% (31 December 2020: 100%) share in 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 and has been registered as a limited liability company on 03 April 2013.
- 7.3 This represents 94.99% (31 December 2020: 94.99%) share 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.
- 7.4 This represents 99.98% (31 December 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.

		Un-audited 30 June 2021	Audited 31 December 2020
	Note	----- (Rupees) -----	
8. TRADE DEBTS - unsecured			
Export	(8.1)	1,441,072,852	2,080,448,006
Local		853,999,955	589,763,256
		2,295,072,807	2,670,211,262
Less: Allowance for expected credit losses		(195,492,466)	(231,773,764)
		2,099,580,341	2,438,437,498
8.1 These include receivables from the following related parties:			
Visionet Systems Incorporation - USA		921,432,808	1,100,980,956
TechVista Systems FZ - LLC - UAE		429,182,082	762,502,394
Visionet Deutschland GMBH - Germany		5,525,115	18,539,554
TechVista Pty Limited - Australia		8,026,995	8,434,440
TechVista Information Technology - Qatar		28,357,200	116,804,309
		1,392,524,200	2,007,261,653
		Un-audited 30 June 2021	Audited 31 December 2020
	Note	----- (Rupees) -----	
9. SHORT TERM INVESTMENTS			
Fair value through profit or loss			
- Mutual fund units	(9.1)	2,483,597,405	559,845,556
Amortized Cost			
- Term deposits receipts (TDRs)	(9.2)	875,000,000	2,085,000,000
		3,358,597,405	2,644,845,556
9.1 The details of investments in mutual funds are as follows:			
UBL Al-Ameen Asset Islamic Allocation Fund		105,984,295	51,952,710
Alfalah GHP Islamic Income Fund		77,744,744	51,291,201
HBL Asset Islamic Allocation Fund		53,126,549	51,444,992
Lakson Islamic Tactical Fund		105,870,722	52,449,350
Meezan Balanced Fund		104,506,676	100,590,950
Meezan Islamic Income Fund		51,564,477	50,337,808
NBP Islamic Sarmaya Izafa Fund		314,360,953	201,778,545
MCB Al Hamra Islamic money market fund		253,437,261	-
NBP Islamic Daily dividend Fund		394,240,413	-
Meezan Islamic Fund		156,342,653	-
Meezan Rozana Amdani Fund		352,888,062	-
HBL Islamic Money Market Fund		25,000,000	-
UBL Al-Ameen Islamic Cash Plan		50,008,503	-
NBP Islamic Stock Fund		87,159,812	-
NBP Islamic Income Fund		50,616,658	-
ABL Islamic Stock Fund		50,709,507	-
ABL Islamic Cash Fund		50,008,070	-
Faysal Islamic Cash Fund		200,028,050	-
		2,483,597,405	559,845,556

	Note	Un-audited	Audited
		30 June 2021	31 December 2020
----- (Rupees) -----			
9.2 The details of investments in TDRs are as follow:			
Faysal Bank Limited		-	400,000,000
Habib Metropolitan Bank Limited		850,000,000	1,660,000,000
Habib Bank Limited		25,000,000	25,000,000
	(9.2.1)	875,000,000	2,085,000,000

9.2.1 This represents TDRs carrying markup at rates ranging from 6% to 12.75% (31 December 2020: 6% to 12.75%) per annum.

10. CASH AND BANK BALANCES

Cash in hand		709,577	917,983
Cash at bank:			
Local currency:			
Current accounts		681,614,796	508,414,734
Saving accounts	(10.1)	1,288,350,999	395,180,848
		1,969,965,795	903,595,582
Foreign currency - current accounts		239,963,951	673,246,127
		2,210,639,323	1,577,759,692

10.1 These carry interest rate of 4.10% to 5.5% (31 December 2020: 3.10% to 11.50%) per annum.

11. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	----- No of Shares -----		----- (Rupees) -----	
Ordinary shares of Rs. 10/- each fully paid in cash	114,355,939	113,384,660	1,143,559,390	1,133,846,600
Ordinary shares of Rs. 10/- each fully paid up as bonus shares	23,683,723	11,221,354	236,837,230	112,213,540
	138,039,662	124,606,014	1,380,396,620	1,246,060,140

11.1 Reconciliation of issued, subscribed and paid-up share capital:

	Un-audited 2021	Audited 2020	Un-audited 2021	Audited 2020
	----- (No of Shares) -----		----- (Rupees) -----	
Balance as at 1st January	124,606,014	123,520,299	1,246,060,140	1,235,202,990
Stock options exercised	971,279	1,085,715	9,712,790	10,857,150
Bonus shares issued	12,462,369	-	124,623,690	-
Balance as at 30 June / 31 December	138,039,662	124,606,014	1,380,396,620	1,246,060,140

12. SHORT TERM BORROWINGS

	Note	Un-audited	Audited
		30 June 2021	31 December 2020
----- (Rupees) -----			
MCB Bank Limited	(12.1)	650,000,000	550,000,000
Habib Metropolitan Bank Limited	(12.2)	1,400,000,000	700,000,000
		2,050,000,000	1,250,000,000

12.1 This represents export re-finance (ERF) availed against aggregate sanctioned limit of Rs. 800 (31 December 2020: Rs. 800) million. The rate of mark up is SBP rate plus 0.5% (31 December 2020: SBP rate plus 0.5%) per annum. These borrowings are secured against Rs. 97.5 million cash margin, 1st pari passu of Rs. 1,327.66 million over the current assets and Rs. 1,066.67 million hypothecation and equitable mortgage charge over property and equipment.

12.2 This represents export re-finance (ERF) availed against aggregate sanctioned limit of Rs. 1,400 (31 December 2020: Rs. 700) million. The rate of mark up is SBP rate plus 0.5% (31 December 2020: SBP rate plus 1%). These borrowings are secured against Rs. 2,150 million pari passu hypothecation charge over current assets and Rs. 305.99 million equitable mortgage over 153.59 marla of the Company's land.

13. OPERATING SEGMENT INFORMATION

Geographical segments

For management purposes, the company 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 condensed interim 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	
	Un-audited Six Months Ended 30 June		Un-audited Six Months Ended 30 June		Un-audited Six Months Ended 30 June		Un-audited Six Months Ended 30 June		Un-audited Six Months Ended 30 June	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees)									
Revenue from contracts with customers - net	2,828,930,612	1,901,489,749	488,806,166	446,304,271	638,723,437	302,064,113	1,036,109,398	738,735,735	4,992,569,613	3,388,593,868
Cost of revenue	(1,719,834,781)	(1,111,716,776)	(306,213,395)	(262,573,237)	(399,319,821)	(243,321,075)	(799,090,383)	(612,749,362)	(3,224,452,380)	(2,230,360,450)
Gross profit	1,109,095,831	789,772,973	182,592,771	183,731,034	239,403,616	58,743,038	237,019,015	125,986,373	1,768,117,233	1,158,233,418
Distribution expenses	(8,494,499)	(7,006,601)	(1,467,750)	(1,644,540)	(4,576,635)	(3,501,136)	(62,620,042)	(46,153,535)	(77,158,926)	(58,305,812)
Administrative expenses	(259,366,755)	(170,762,335)	(43,778,816)	(40,080,132)	(52,791,938)	(28,007,633)	(35,092,944)	(25,037,543)	(385,030,453)	(263,687,643)
Profit before taxation and	(261,861,254)	(177,768,936)	(45,246,566)	(41,724,672)	(57,368,573)	(31,508,769)	(97,712,966)	(71,191,078)	(462,189,379)	(322,193,455)
Unallocated income and expenses	847,234,577	612,004,037	137,346,205	142,006,362	182,041,043	27,234,269	139,306,029	54,795,295	1,305,927,854	836,039,963
Unallocated income and expenses:										
Other operating expenses									16,452,744	(16,881,525)
Other income									94,086,527	252,178,933
Finance costs									(95,783,430)	(20,875,977)
Profit before taxation									74,755,841	214,421,431
Taxation									1,380,683,695	1,050,461,394
Profit for the period									(31,083,433)	(21,104,728)
									1,349,600,262	1,029,356,666

13.1 Allocation of assets and liabilities

	North America		Europe		Middle East		Pakistan		Total	
	Un-audited 30 June 2021	Audited 31 December 2020	Un-audited 30 June 2021	Audited 31 December 2020	Un-audited 30 June 2021	Audited 31 December 2020	Un-audited 30 June 2021	Audited 31 December 2020	Un-audited 30 June 2021	Audited 31 December 2020
	(Rupees)									
Segment operating assets										
Property and equipment	-	-	-	-	-	-	1,721,815,754	1,507,959,243	1,721,815,754	1,507,959,243
Intangibles	-	-	-	-	-	-	44,632,588	21,345,888	44,632,588	21,345,888
Right-of-use assets	-	-	-	-	-	-	211,077,026	204,396,352	211,077,026	204,396,352
Long term investments	-	-	-	-	-	-	272,073,147	272,073,147	272,073,147	272,073,147
Long term receivable	-	-	-	-	322,681,511	-	-	-	322,681,511	-
Long term deposits	-	-	-	-	-	-	39,987,068	36,127,162	39,987,068	36,127,162
Contract assets	-	173,483,632	173,483,632	192,018,321	271,119,594	177,720,960	330,940,798	164,201,529	775,544,024	533,940,810
Trade debts	926,503,760	1,100,980,956	13,954,919	20,255,836	480,619,054	875,614,023	678,502,608	441,566,683	2,099,580,341	2,438,437,498
Loans and advances	-	-	-	-	-	-	408,136,195	205,366,771	408,136,195	205,366,771
Trade deposits and short term prepayments	-	-	-	-	-	-	258,048,134	187,928,945	258,048,134	187,928,945
Interest accrued	-	-	-	-	-	-	7,276,021	38,450,000	7,276,021	38,450,000
Short term investments	-	-	-	-	-	-	3,358,597,405	2,644,845,556	3,358,597,405	2,644,845,556
Tax refunds due from government	-	-	-	-	-	-	182,917,725	166,007,954	182,917,725	166,007,954
Cash and bank balances	-	-	-	-	-	-	2,210,639,323	1,577,759,692	2,210,639,323	1,577,759,692
Total operating assets	926,503,760	1,100,980,956	187,438,551	212,274,157	1,074,420,159	1,053,334,983	9,724,643,792	7,468,048,922	11,913,006,262	9,834,639,018
Segment operating liabilities										
Long-term loan	-	-	-	-	-	-	25,244,367	98,013,227	25,244,367	98,013,227
Deferred grant	-	-	-	-	-	-	330,265	8,338,896	330,265	8,338,896
Long term advances	-	-	-	-	-	-	69,914,376	53,857,626	69,914,376	53,857,626
Lease liabilities	-	-	-	-	-	-	193,021,853	189,409,537	193,021,853	189,409,537
Trade and other payables	-	-	-	-	-	-	951,414,995	730,270,930	951,414,995	730,270,930
Contract liabilities	-	-	-	-	-	-	169,198,538	88,669,355	169,198,538	88,669,355
Mark-up accrued on short term borrowings	-	-	-	-	-	-	12,431,680	9,804,346	12,431,680	9,804,346
Short term borrowings	-	-	-	-	-	-	2,050,000,000	1,250,000,000	2,050,000,000	1,250,000,000
Current portion of long-term loan	-	-	-	-	-	-	101,258,149	100,754,617	101,258,149	100,754,617
Current portion of deferred grant	-	-	-	-	-	-	4,512,125	3,095,996	4,512,125	3,095,996
Current portion of lease liabilities	-	-	-	-	-	-	45,446,413	37,983,731	45,446,413	37,983,731
Current portion of long term advances	-	-	-	-	-	-	7,608,104	10,754,706	7,608,104	10,754,706
Total operating liabilities	-	-	-	-	-	-	3,630,380,865	2,580,952,967	3,630,380,865	2,580,952,967

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

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

14.2 Commitments:

Guarantees issued by the financial institutions on behalf of the Company amount to Rs. 258.56 million (31 December 2020: Rs. 201.90 million). This includes guarantees of Rs 2.72 million (31 December 2020: Rs. 2.72 million) given on behalf of Joint Operation.

15. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

15.1 Disaggregated Revenue Information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

15.1.1 Type of goods or services:	Un-audited Six Months Ended 30 June 2021		
	Export	Local	Total
	(Rupees)		
Outsourcing services	716,848,203	68,480,749	785,328,952
Software trading	17,157,033	249,645,357	266,802,390
Software implementation	3,222,453,662	791,395,339	4,013,849,001
Less: Sales tax	-	(73,410,730)	(73,410,730)
Total revenue from contracts with customers	3,956,458,898	1,036,110,715	4,992,569,613

Type of goods or services:	Un-audited Six Months Ended 30 June 2020		
	Export	Local	Total
	(Rupees)		
Outsourcing services	605,223,898	97,911,655	703,135,553
Software trading	23,929,715	261,850,876	285,780,591
Software implementation	2,020,704,520	448,522,106	2,469,226,626
Less: Sales tax	-	(69,548,902)	(69,548,902)
Total revenue from contracts with customers	2,649,858,133	738,735,735	3,388,593,868

Type of goods or services:	Un-audited Three Months Ended 30 June 2021		
	Export	Local	Total
	(Rupees)		
Outsourcing services	334,175,134	38,256,047	372,431,181
Software trading	8,728,326	191,406,863	200,135,189
Software implementation	1,716,864,705	447,295,775	2,164,160,480
Less: Sales tax	-	(47,149,772)	(47,149,772)
Total revenue from contracts with customers	2,059,768,165	629,808,913	2,689,577,078

Type of goods or services:	Un-audited Three Months Ended 30 June 2020		
	Export	Local	Total
	(Rupees)		
Outsourcing services	324,977,281	56,253,020	381,230,301
Software trading	12,040,441	91,443,243	103,483,684
Software implementation	1,008,815,646	303,623,851	1,312,439,497
Less: Sales tax	-	(32,653,615)	(32,653,615)
Total revenue from contracts with customers	1,345,833,368	418,666,499	1,764,499,867

15.1.2 Timing of revenue recognition	Un-audited Six Months Ended 30 June 2021		
	Export	Local	Total
	(Rupees)		
Goods and services transferred at a point in time	17,157,033	233,127,723	250,284,756
Goods and services transferred over time	3,939,301,865	802,981,679	4,742,283,544
Total revenue from contracts with customers	3,956,458,898	1,036,109,402	4,992,568,300

Timing of revenue recognition	Un-audited Six Months Ended 30 June 2020		
	Export	Local	Total
	(Rupees)		
Goods and services transferred at a point in time	23,929,715	239,105,088	263,034,803
Goods and services transferred over time	2,625,928,418	499,630,647	3,125,559,065
Total revenue from contracts with customers	2,649,858,133	738,735,735	3,388,593,868

	Note	Un-audited		Un-audited	
		Six Months Ended		Three Months Ended	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
----- (Rupees) -----					
16. COST OF REVENUE					
Salaries, allowances and amenities		2,613,942,549	1,663,652,716	1,389,629,455	860,060,694
Purchase of software		232,694,003	229,296,298	175,278,562	90,687,601
Technical consultancy		77,273,984	41,113,016	25,928,031	33,103,516
Printing and stationery		440,200	935,842	313,819	122,992
Computer supplies		10,297,873	7,197,206	5,087,899	3,882,880
Rent, rates and taxes		2,477,862	1,335,710	1,432,581	1,086,350
Electricity, gas and water		26,179,360	20,521,403	15,475,328	10,472,626
Traveling and conveyance		24,249,261	83,403,808	9,686,781	27,706,729
Repair and maintenance		2,440,844	4,499,205	1,430,137	1,931,497
Postage, telephone and telegrams		36,661,043	35,214,727	19,119,602	18,190,551
Vehicle running and maintenance		19,600,291	11,451,871	11,189,523	4,992,464
Fee and subscriptions		33,851,547	22,746,612	17,825,514	15,197,400
Insurance		3,847,087	1,750,653	2,042,130	881,258
Depreciation		112,087,934	81,517,873	62,268,736	43,981,984
Amortization		6,100,964	9,804,165	3,770,375	5,892,076
Depreciation of right-of-use asset		22,307,578	15,919,345	11,704,221	4,366,845
		3,224,452,380	2,230,360,450	1,752,182,694	1,122,557,463
17. ADMINISTRATIVE EXPENSES					
Salaries, allowances and amenities		245,178,905	188,737,884	132,908,903	81,036,014
Printing and stationery		3,479,991	1,169,193	2,076,115	665,035
Computer supplies		9,041,602	7,077,861	3,537,405	2,030,166
Rent, rates and taxes		7,694,500	5,720,691	3,664,378	1,954,782
Electricity, gas and water		6,283,459	3,439,341	3,552,354	1,710,533
Traveling and conveyance		4,751,781	4,639,882	2,063,816	1,889,718
Repair and maintenance		21,199,691	9,144,387	16,466,935	4,582,027
Postage, telephone and telegrams		8,575,638	6,831,869	5,312,862	3,096,869
Vehicle running and maintenance		4,612,513	3,588,971	2,953,243	1,440,857
Legal and professional		9,671,508	2,181,291	3,604,661	1,602,043
Auditors' remuneration		1,757,817	1,320,000	1,017,250	660,000
Entertainment		201,266	1,603,603	(425,941)	605,006
Donations		13,360,050	1,403,600	5,460,050	1,001,200
Fee and subscriptions		25,824,400	8,528,580	13,670,475	4,875,509
Insurance		1,229,409	2,325,741	692,729	1,128,309
Hiring cost		418,123	161,832	340,624	42,833
Newspapers, books and periodicals		70,345	96,200	26,940	-
Depreciation		15,501,804	11,945,214	8,955,607	6,239,329
Amortization		929,267	1,675,925	573,465	697,096
Others		1,261,311	803,848	715,785	-
Depreciation of right-of-use asset		3,987,073	1,491,730	2,581,151	577,106
		385,030,453	263,887,643	209,748,807	115,834,432
18. DISTRIBUTION EXPENSES					
Salaries, allowances and amenities		66,085,450	49,254,974	38,012,663	18,388,104
Printing and stationery		30,480	327,520	-	5,300
Computer supplies		108,837	74,486	47,649	29,562
Electricity, gas and water		297,342	692,961	156,837	273,262
Traveling and conveyance		1,528,245	2,906,692	668,045	522,653
Repair and maintenance		295,412	57,917	72,888	9,596
Postage, telephone and telegrams		362,093	403,920	199,157	159,926
Vehicle running and maintenance		975,902	655,663	688,606	284,452
Insurance		210,234	239,683	105,301	128,684
Fee and subscriptions		2,850,128	407,437	1,599,523	327,091
Shows, seminars and advertising		3,142,066	1,866,456	1,918,589	450,000
Depreciation		1,048,223	1,074,022	611,585	483,937
Amortization		60,424	147,895	39,011	57,178
Depreciation of right-of-use asset		164,090	196,186	98,608	51,429
		77,158,926	58,305,812	44,218,462	21,171,174
19. OTHER OPERATING EXPENSES	(19.1)	(16,452,744)	16,881,525	19,186,094	2,451,983
19.1 These represent the allowance for expected credit losses against trade debts and contract assets.					
20. OTHER INCOME					
Income from financial assets					
Profit on deposit accounts		14,721,209	15,231,555	9,315,080	7,697,621
Profit on short term investments		92,529,622	51,014,416	58,515,450	20,931,763
Exchange (loss) / gain		(32,592,781)	169,798,056	119,466,069	2,242,773
Interest on loan to subsidiaries		9,970,708	14,776,886	5,992,271	10,759,109
Income from non financial assets					
Gain on disposal of property and equipment		9,127,250	1,202,591	410,072	65,105
Others		330,519	155,429	330,519	280,678
		94,086,527	252,178,933	194,029,461	41,977,049

21. EARNINGS PER SHARE

	Un-audited		Un-audited	
	Six Months Ended		Three Months Ended	
	30 June 2021	30 June 2020 (Restated)	30 June 2021	30 June 2020 (Restated)
Basic earnings per share:	(Rupees)			
Profit for the period	1,349,600,262	1,029,356,666	824,396,419	520,874,816
Weighted-average number of ordinary shares outstanding during the period	137,278,308	136,325,375	137,473,788	136,752,081
Basic - in Rupees	9.83	7.55	6.00	3.81
Diluted earnings per share:				
Profit for the period	1,349,600,262	1,029,356,666	824,396,419	520,874,816
Weighted-average number of Ordinary shares (basic)	137,278,308	136,325,375	137,473,788	136,752,081
Effect of share options	1,563,491	870,712	1,136,653	793,268
	138,841,799	137,196,087	138,610,441	137,545,349
Diluted - in Rupees	9.72	7.50	5.95	3.79

21.1 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.

22. TRANSACTIONS WITH RELATED PARTIES

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

Related party	Relationship	Nature of transactions	Un-audited	
			Six Months Ended	
			30 June	
			2021	2020
			(Rupees)	
		Disbursements against loan	(169,946,528)	(61,030,621)
E-Processing Systems (Private) Limited	Subsidiary	Receipts against loan	58,921,211	-
		Interest income	8,212,174	12,081,710
		Sales	453,132,012	292,978,284
TechVista Systems FZ - LLC - UAE	Subsidiary	Assets and Licenses Purchased	(120,264,022)	89,402,317
		Disbursements against loan	-	(21,131,588)
SUS - JV (Private) Limited	Subsidiary	Receipts against loan	23,320,520	35,000,000
		Interest Income	-	2,056,280
		Disbursements against loan	(80,020,000)	-
Systems Venture (Private) Limited	Subsidiary	Interest Income	1,691,923	-
		Sales	2,782,515,001	1,859,613,253
Visionet Systems Incorporation -USA	Associate	Out of pocket expenses	(7,953,600)	1,706,600
Visionet Systems - UK	Associate	Sales	330,120	-
Visionet Deutschland GMBH - Germany	Associate	Sales	444,745,121	346,662,917
TechVista Pty Limited - Australia	Subsidiary	Sales	2,872,800	2,545,824
TechVista Information Technology - Qatar	Associate	Sales	102,203,146	35,260,098
Key management personnel	Employees	Salaries and other benefits	312,792,007	166,265,376
Directors	Directors	Fee	1,750,000	1,900,000
Staff retirement funds	Staff retirement fund	Contributions	60,791,456	51,987,331

23. CASH FLOWS FROM OPERATING ACTIVITIES

	Un-audited	
	Six Months Ended	
	30 June	
	2021	2020
	----- (Rupees) -----	
Profit before taxation	1,380,683,695	1,050,461,394
Adjustments for:		
Depreciation on property and equipment	131,185,692	98,268,037
Depreciation of right-of-use asset	26,455,489	18,232,542
Amortization of intangibles	7,090,655	11,696,599
Allowance for expected credit losses	(16,452,744)	16,881,525
Share based payment expense	44,308,563	56,633,684
Finance costs	35,783,430	20,875,977
Exchange loss / (gain) on translation of export debts	32,592,780	(169,798,056)
Profit on short term investments	(92,529,621)	(51,014,416)
Profit on bank deposits	(14,721,209)	(15,231,555)
Interest on loan to subsidiaries	(10,301,227)	(14,932,315)
Gain on disposal of property and equipment	(9,127,250)	(1,202,591)
	134,284,558	(29,590,569)
Profit before working capital changes	1,514,968,253	1,020,870,825
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Long term deposits	(3,859,906)	4,052,285
Long term receivable	(322,681,511)	
Contract Assets	(241,603,214)	(142,980,691)
Trade debts	334,372,164	(141,071,620)
Loans and Advances	(192,468,197)	(59,676,242)
Trade deposits and short term prepayments	(70,119,189)	(18,452,319)
	(496,359,853)	(358,128,587)
(Decrease) / increase in current liabilities:		
Trade and other payables	224,313,228	48,190,382
Contract liabilities	80,529,183	(4,807,600)
	(191,517,442)	(314,745,805)
Net cash flows from operations	1,323,450,811	706,125,020

24. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with those disclosed in the preceding annual audited financial statements for the year ended 31 December 2020.

24.1 Fair values of financial assets and liabilities

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

24.2 Financial instruments by categories

	Un-audited		
	30 June 2021		
	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Total
	----- (Rupees) -----		
Assets as per statement of financial position			
Long term deposits	-	39,987,068	39,987,068
Contract Assets	-	775,544,024	775,544,024
Loans, advances and other receivable	-	408,136,195	408,136,195
Trade debts	-	2,099,580,341	2,099,580,341
Security deposits	-	202,868,993	202,868,993
Interest accrued	-	7,276,021	7,276,021
Short term investments	2,483,597,405	875,000,000	3,358,597,405
Cash and bank balances	-	2,210,639,323	2,210,639,323
	2,483,597,405	6,619,031,965	9,102,629,370

Audited 31 December 2020		
Financial assets at fair value through profit or loss	Financial assets at amortized cost	Total
(Rupees)		
Long term deposits	- 36,127,162	36,127,162
Contract assets	- 533,940,810	533,940,810
Loans and advances	- 205,366,771	205,366,771
Trade debts	- 2,438,437,498	2,438,437,498
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	7,047,657,207
		7,607,502,763

Liabilities as per statement of financial position	Un-audited 30 June 2021	Audited 31 December 2020
	Financial liabilities at amortized cost	Financial liabilities at amortized cost
	Rupees	Rupees
Mark-up accrued on short term borrowings	12,431,680	9,804,346
Long term loan	126,502,516	198,767,844
Short term borrowings	2,050,000,000	1,250,000,000
Unclaimed dividend	9,472,602	7,617,635
Trade and other payables	941,942,393	722,653,295
Lease liabilities	238,468,266	227,393,268
	3,378,817,457	2,416,236,388

25. Fair value hierarchy

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

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

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

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

	Level 1	Level 2	Level 3	Total
(Rupees)				
As at 30 June 2021				
Fair value through profit and loss				
- Mutual Fund units	2,483,597,405	-	-	2,483,597,405
As at 31 December 2020				
Fair value through profit and loss				
- Mutual Fund units	559,845,556	-	-	559,845,556

26. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 25 August 2021 by the Board of Directors of the Company.

27. CORRESPONDING FIGURES

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

28. GENERAL

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


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

The background is a solid blue color with several faint, light-blue geometric and network-like patterns. On the right side, there is a complex network diagram consisting of interconnected nodes and lines. On the left side, there are several overlapping triangles and a hexagonal shape with some internal lines. The overall aesthetic is modern and technical.

SYSTEMS LIMITED
Consolidated
Financial Statements

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at 30 June 2021 (Unaudited)

		Unaudited 30 June 2021	Audited 31 December 2020
	Note	Rupees	Rupees
ASSETS			
Non-current assets			
Property and equipment	6	1,740,988,372	1,518,666,515
Intangible		259,610,152	204,249,277
Long term deposits		48,328,893	40,133,162
Long term receivable		322,681,511	-
Right-of-use asset		211,077,026	204,396,352
		2,582,685,954	1,967,445,306
Current assets			
Contract assets		684,165,537	642,780,081
Trade debts	7	2,591,589,949	2,372,716,741
Loans and advances		102,656,546	95,913,324
Trade deposits and short term prepayments		914,879,034	438,473,348
Interest accrued		4,088,408	38,450,000
Other receivables		48,892,087	118,222,637
Short term investments	8	3,358,597,405	2,644,845,556
Tax refunds due from the Government		189,229,154	171,975,691
Cash and bank balances	9	2,973,648,401	2,985,104,566
		10,867,746,521	9,508,481,944
TOTAL ASSETS		13,450,432,475	11,475,927,250
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 200,000,000 (2020: 200,000,000) ordinary shares of Rs. 10 each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	10	1,380,396,620	1,246,060,140
Capital and reserves		1,085,206,849	956,611,816
Unappropriated profits		6,622,872,311	5,626,952,295
		9,088,475,780	7,829,624,251
Non-controlling interest			
		104,365,226	146,389,075
		9,192,841,006	7,976,013,326
Non-current liabilities			
Long term advances		69,914,376	53,857,626
Long term loan		25,244,367	98,013,227
Lease Liability		193,021,853	189,409,537
Deferred grant		330,265	8,338,896
Provision for gratuity		60,392,686	47,599,384
		348,903,547	397,218,670
Current liabilities			
Trade and other payables		1,307,139,915	1,186,129,984
Unclaimed Dividend		9,472,602	7,617,635
Contract Liability		175,226,732	297,554,223
Mark-up accrued on short term borrowings		14,023,882	9,804,362
Short term borrowings	11	2,244,000,000	1,449,000,000
Current Portion of lease liability		45,446,413	37,983,731
Current Portion of long term loan		101,258,149	100,754,617
Current Portion of deferred grant		4,512,125	3,095,996
Current portion of long term advances		7,608,105	10,754,706
		3,908,687,923	3,102,695,254
TOTAL EQUITY & LIABILITIES		13,450,432,475	11,475,927,250
CONTINGENCIES AND COMMITMENTS			

13

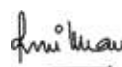
The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

CONSOLIDATED CONDENSED INTERIM PROFIT OR LOSS

for the six months period ended 30 June 2021 (Unaudited)

	Note	Six Months Ended		Three Months Ended	
		30 June 2021 Rupees	30 June 2020 Rupees	30 June 2021 Rupees	30 June 2020 Rupees
Revenue from contract with customers - net		6,548,070,790	4,559,370,645	3,500,303,397	2,327,520,037
Cost of sales		4,303,581,830	3,131,000,069	2,321,735,797	1,548,821,011
Gross profit		2,244,488,960	1,428,370,576	1,178,567,600	778,699,026
Distribution expenses		211,290,243	105,594,843	134,622,799	25,121,025
Administrative expenses		512,889,839	413,850,583	270,628,896	195,259,938
Other operating expenses		(12,130,739)	28,977,770	3,979,032	23,839,529
		712,049,344	548,423,196	409,230,727	244,220,492
Operating profit		1,532,439,617	879,947,380	769,336,874	534,478,534
Other income	14	75,037,906	235,733,088	190,921,939	33,075,801
Finance cost		48,590,288	24,279,452	27,630,236	13,082,299
Profit before taxation		1,558,887,235	1,091,401,017	932,628,577	554,472,036
Taxation		44,184,459	23,737,171	19,795,038	13,616,466
Profit after taxation		1,514,702,776	1,067,663,846	912,833,539	540,855,570
Attributable to:					
Equity holders of the parent		1,556,726,625	1,079,608,688	938,992,565	546,997,871
Non-controlling interest		(42,023,849)	(11,944,843)	(26,159,027)	(6,142,302)
		1,514,702,776	1,067,663,846	912,833,538	540,855,570
Earnings per share:			Restated		Restated
Basic earnings per share	15	11.34	7.92	6.83	4.00
Diluted earnings per share		11.21	7.87	6.77	3.98

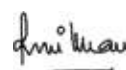
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CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the six months period ended 30 June 2021 (Unaudited)

	Six Months Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	Rupees	Rupees	Rupees	Rupees
Profit for the period	1,514,702,776	1,067,663,846	912,833,538	540,855,570
Other comprehensive income				
Exchange difference on translation of foreign operations	22,785,820	35,091,194	45,714,261	3,870,931
Total comprehensive income for the period	1,537,488,596	1,102,755,040	958,547,799	544,726,501
Attributable to:				
Equity holders of the parent	1,579,512,445	1,114,699,883	984,706,826	550,868,803
Non-controlling interest	(42,023,849)	(11,944,843)	(26,159,027)	(6,142,302)
	1,537,488,596	1,102,755,040	958,547,799	544,726,501

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.


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(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the six months period ended 30 June 2021 (Unaudited)

	Issued, subscribed and paid up share capital	Capital reserve			Foreign currency translation reserve	Revenue reserve		Total equity attributable to shareholders of parent company	Non-controlling interest	Total
		Share capital premium	Employee compensation reserve	Gain on dilution of interest		Unappropriated profit				
-----Rupees-----										
Balance as at 31st December 2019 (Audited)	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	
Total comprehensive income for the period	-	-	-	-	-	1,079,608,688	1,079,608,688	(11,944,820)	1,067,663,868	
Other comprehensive income for the year	-	-	-	-	35,091,194	-	35,091,194	-	35,091,194	
Further issuance of share capital	-	-	-	-	-	-	-	410,002,618	410,002,618	
Final Dividend @ Rs. 2.25 per share for the year ended 31 December 2019	9,951,690	111,340,142	(52,485,311)	-	-	(277,920,824)	(277,920,824)	-	(277,920,824)	
Exercise of share options	-	-	59,651,541	-	-	-	68,806,521	-	68,806,521	
Share based payments	-	-	(3,077,856)	-	-	1,833,713	59,651,541	-	59,651,541	
Forfeited Share Options	-	-	-	-	-	-	(1,184,143)	-	(1,184,143)	
Balance as at 30 June 2020 (Un-audited)	1,245,154,680	623,489,876	83,118,999	-	84,333,950	4,477,546,125	6,513,643,030	377,402,185	6,891,045,215	
Balance as at 31st December 2020 (Audited)	12,46,060,140	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	
Final Dividend @ Rs. 3.5 per share for the year ended 31 December 2020	-	-	-	-	-	(436,182,919)	(436,182,919)	-	(436,182,919)	
Total comprehensive income for the period	-	-	-	-	-	1,556,726,625	1,556,726,625	(42,023,849)	1,514,702,776	
Other comprehensive income for the year	-	-	-	-	22,785,820	-	22,785,820	-	22,785,820	
Exercise of Share Options	9,712,790	99,597,698	(38,097,048)	-	-	-	71,213,440	-	71,213,440	
Share based payments	-	-	44,308,563	-	-	-	44,308,563	-	44,308,563	
Balance as at 30 June 2021 (Un-audited)	1,380,396,620	714,505,101	90,958,543	197,609,706	82,133,499	6,622,872,311	9,088,475,780	104,365,226	9,192,841,006	

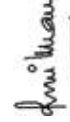
The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

for the six months period ended 30 June 2021 (Unaudited)

	Note	Six Months Ended	
		30 June	30 June
		2021	2020
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows from/(used in) operations	17	709,949,219	556,005,043
Finance costs paid		(44,370,768)	(27,970,434)
Gratuity paid		(14,689,909)	(5,861,026)
Taxes paid		(61,437,922)	(22,883,275)
		(120,498,599)	(56,714,735)
Net cash flows from/(used in) operating activities		589,450,620	499,290,308
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(371,726,453)	(158,925,640)
Development expenditure		(66,521,768)	(24,968,638)
Proceeds from the disposal of property and equipment		24,828,643	5,075,199
(Increase) / Decrease in long term deposits		(8,195,731)	(572,817)
Disposal of short term investments - net		(713,751,849)	(1,127,000,000)
Profit received on short term investment		126,621,213	52,647,135
Profit received on bank deposits		14,721,209	15,231,555
Net cash flows used in/from investing activities		(994,024,735)	(1,238,513,206)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		71,213,440	68,806,526
Further issuance of share capital - EP		-	410,002,641
Decrease in short term borrowings		795,000,000	185,662,655
Decrease in long term loan		(78,857,830)	210,267,544
Dividend paid		(434,327,952)	(271,089,038)
Increase in Lease Liability		4,394,325	4,127,489
Increase in long term advances		12,910,149	10,308,166
Net cash flows used in financing activities		370,332,132	618,085,983
Net (decrease) in cash and cash equivalents		(34,241,984)	(121,136,915)
Effect of exchange translation reserve		22,785,820	35,091,194
Cash and cash equivalents at beginning of the period		2,985,104,566	1,516,152,353
Cash and cash equivalents at closing of the period		2,973,648,402	1,430,106,632

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

for the six months period ended 30 June 2021 (Unaudited)

1. THE GROUP AND ITS OPERATIONS

Holding company

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

Subsidiary Company

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. The Company is engaged in the business of developing software and providing ancillary services.

TechVista Systems FZ LLC has 100% control of TechVista Systems LLC. The Company is a Limited Liability Company registered in the Emirate of Dubai under Federal Law No. 2 of 2015. The Company is licensed as a software house.

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.

TechVista Systems Pty Limited is a fully owned subsidiary of Techvista Systems FZ LLC and was incorporated in December 2014 in Australia with a paid up share capital of AUD 1.

E-Processing Systems (Private) Limited, a private limited Company registered under the repealed Companies Ordinance 1984, (now Companies Act 2017) incorporated on 06 February 2013, is a 44.60% owned subsidiary of Systems Limited. The Company is principally engaged in the business of purchase and sale of airtime and related services.

SUS JV (Private) Limited, a company set up in Pakistan for the Balochistan Land Revenue Management Information System project, is 94.99% owned subsidiary of Systems Limited. The project is related to digitization of land records and development of a web-based management information system.

Systems Ventures (Private) Limited, a private limited company, registered under Companies Act 2017, is a 99.98% owned subsidiary of Systems Limited. The Company has been set-up in Pakistan to invest in new ventures, start-ups and incubate new ideas.

2. STATEMENT OF COMPLIANCE

- 2.1 This consolidated condensed interim financial information of the Group for the period ended 30 June 2021 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.
- 2.2 This interim financial information is un-audited and is being submitted to shareholders, as required by section 237 of the Companies Act, 2017.

3. BASIS OF PREPARATION

This consolidated condensed interim financial information is not audited and has been prepared in condensed form and does not include all the information as is required to be provided in full set of annual financial statements. This condensed interim consolidated financial information should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2020.

3.1 Consolidated financial statements

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

3.2 Basis of measurement

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

4. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Group for the year ended 31 December 2020.

5. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended 31 December 2020.

	Note	Unaudited 30 June 2021	Audited 31 December 2020
		----- (Rupees) -----	
6. PROPERTY AND EQUIPMENT			
Operating fixed assets	(6.1)	1,700,603,698	1,517,920,243
Capital work in progress	(6.2)	40,384,674	746,272
		1,740,988,372	1,518,666,515
6.1 Operating fixed assets:			
Opening balance - net book value		1,517,920,243	1,408,439,738
Additions during the period / year - cost	6.11	332,088,051	346,684,624
		1,850,008,294	1,755,124,362
Less:			
Disposals during the period / year	6.12	15,701,393	14,867,801
Depreciation during the period / year		133,703,202	222,336,318
Book value at the end of the period / year		1,700,603,698	1,517,920,243
6.1.1 Additions during the period / year-cost			
Land		-	48,760,578
Building		9,746,917	6,841,345
Computer equipment and installations		214,506,333	111,626,559
Other equipment and installations		2,736,301	16,360,054
Generator		5,490,057	44,113,920
Furniture and fittings		5,896,126	19,261,360
Vehicles		89,187,990	72,958,264
Office equipment		448,268	1,700,467
Leasehold Improvements		4,176,464	24,571,156
Exchange gain / (loss)		(100,405)	490,921
		332,088,051	346,684,624
6.1.2 Disposals during the period / year			
		Cost	Accumulated Depreciation
		Written Down Value	
30 June 2021			
Computer equipment and installations		535,133	233,823
Other equipment and installations		99,421	99,421
Furniture and fittings		511,515	343,945
Vehicles		25,757,562	10,441,264
		26,903,631	11,118,453
			15,701,393
31 December 2020			
Computer equipment and installations	15,752,413	14,149,993	1,602,420
Other equipment and installations	44,300	44,300	-
Furniture and fittings	57,675	18,845	38,830
Vehicles	22,846,025	9,641,338	13,204,687
Office equipment	24,244	2,380	21,864
	38,724,657	23,856,856	14,867,801
6.2 CAPITAL WORK IN PROGRESS			
		Unaudited 30 June 2021	Audited 31 December 2020
		----- (Rupees) -----	
Balance at the beginning of the period / year		746,272	24,025,244
Additions during the period / year		40,384,674	13,251,015
Transfer to operating fixed assets during the period / year		(746,272)	(36,529,987)
Balance at the end of the period / year		40,384,674	746,272

		Unaudited 30 June 2021	Audited 31 December 2020
		----- (Rupees) -----	
7. TRADE DEBTS	Note		
Considered good - unsecured			
Export	(7.1)	1,705,284,174	1,979,840,352
Local		1,151,963,564	677,703,491
		2,857,247,738	2,657,543,843
Less: Allowance for expected credit losses		265,657,789	284,827,102
		2,591,589,949	2,372,716,741

7.1 This includes receivables from related parties i.e. Visionet Systems Incorporation (USA), Visionet Deutschland GMBH, and Techvista Information Technology (Qatar) amounting to Rs. 929.08 million (2020: Rs 1,109.98 million), Rs. 5.52 million (Rs. 18.54 million) and Rs. 28.35 million (2020: 116.80 million) respectively.

8. SHORT TERM INVESTMENTS

Fair value through profit and loss			
- Mutual fund units	(8.1)	2,483,597,405	559,845,556
Amortized cost	(8.2)		
- Term deposit receipts (TDRs)		875,000,000	2,085,000,000
		3,358,597,405	2,644,845,556
8.1	The details of investment in mutual funds are as follows:		
	UBL Al- Ameen Asset Islamic Allocation Fund	105,984,295	51,952,710
	Alfalah GHP Islamic Income Fund	77,744,744	51,291,201
	HBL Asset Islamic Allocation Fund	53,126,549	51,444,992
	Lakson Islamic Tactical Fund	105,870,722	52,449,350
	Meezan Balanced Fund	104,506,676	100,590,950
	Meezan Islamic Income Fund	51,564,477	50,337,808
	NBP Islamic Sarmaya Izafa Fund	314,360,953	201,778,545
	MCB Al Hamra Islamic money market fund	253,437,261	-
	NBP Islamic Daily dividend Fund	394,240,413	-
	Meezan Islamic Fund (Mif)	156,342,653	-
	Meezan Rozana Amdani Fund (Mraf)	352,888,062	-
	HBL Islamic Money Market Fund	25,000,000	-
	UBL Al-Ameen Islamic Cash Plan	50,008,503	-
	NBP Islamic Stock Fund	87,159,812	-
	NBP Islamic Income Fund	50,616,658	-
	ABL Islamic Stock Fund	50,709,507	-
	ABL Islamic Cash Fund	50,008,070	-
	Faysal Islamic Cash Fund	200,028,050	-
		2,483,597,405	559,845,556
8.2	The details of investments in TDRs are as follows:		
	Faysal Bank Limited	-	400,000,000
	Habib Metropolitan Bank	850,000,000	1,660,000,000
	Habib Bank Limited	25,000,000	25,000,000
		875,000,000	2,085,000,000

8.2.1 This represents TDRs carrying markup at rates ranging from 6% to 12.75% (31 December 2020: 6% to 12.75%) per annum.

9. CASH AND BANK BALANCES

Cash in hand		709,577	917,983
Cash at bank:			
Local currency:			
Current accounts		1,139,575,697	1,211,562,880
Deposit accounts	(9.1)	1,347,896,479	766,496,179
		2,487,472,176	1,978,059,059
Foreign currency - current accounts		485,466,648	1,006,127,524
		2,973,648,401	2,985,104,566

9.1 These carry interest rate of 4.10% to 5.5% (31 December 2020: 3.10% to 11.50%) per annum.

10. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL Unaudited
----- (Rupees) -----
Audited

	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	-----No of Shares-----		-----Rupees-----	
Ordinary shares of Rs. 10/-fully paid in cash	114,355,939	113,384,660	1,143,559,390	1,133,846,600
Ordinary shares of Rs. 10/- each fully paid up as bonus shares	23,683,723	11,221,354	236,837,230	112,213,540
Ordinary shares of Rs. 10/-	138,039,662	124,606,014	1,380,396,620	1,246,060,140

10.1 Reconciliation of issued, subscribed and paid-up share capital:

Balance as at 1st January	124,606,014	123,520,299	1,246,060,140	1,235,202,990
Stock options exercised	971,279	1,085,715	9,712,790	10,857,150
Bonus shares issued	12,462,369	-	124,623,690	-
Balance as at 30 June / 31 December	138,039,662	124,606,014	1,380,396,620	1,246,060,140

11. Short Term Borrowings

MCB Bank Limited	11.1	650,000,000	550,000,000
Habib Metropolitan Bank Limited	11.2	1,400,000,000	700,000,000
National Bank of Pakistan	11.3	39,000,000	39,000,000
Meezan Bank Limited	11.4	155,000,000	160,000,000
		2,244,000,000	1,449,000,000

11.1 This represents export re-finance (ERF) availed against aggregate sanctioned limit of Rs. 800 (31 December 2020: Rs. 800) million. The rate of mark up is SBP rate plus 0.5% (31 December 2020: SBP rate plus 0.5%) per annum. These borrowings are secured against Rs. 97.5 million cash margin, 1st pari passu of Rs. 1,327.66 million over the current assets and Rs. 1,066.67 million hypothecation and equitable mortgage charge over property and equipment of the Holding Company.

11.2 This represents export re-finance (ERF) availed against aggregate sanctioned limit of Rs. 1,400 (31 December 2020: Rs. 700) million. The rate of mark up is SBP rate plus 0.5% (31 December 2020: SBP rate plus 1%). These borrowings are secured against Rs. 2,150 million pari passu hypothecation charge over current assets and Rs. 305.99 million equitable mortgage over 153.59 marla of the Holding Company's land.

11.3 This represents running finance (RF) facility availed from National Bank of Pakistan (NBP) against aggregate sanctioned limit of Rs. 40 million. This carries mark up i-e 3-month KIBOR plus 2.5%. These borrowings are secured against exclusive first charge of Rs.134 million over current assets (including receivables) and fixed assets of the Group, cross-corporate guarantee of the Group.

11.4 This represents mubaraha facility availed from Meezan Bank Limited (MBL) against aggregate sanctioned limit of Rs. 200 million. This carries mark up i-e respective 1-month KIBOR. These borrowings are secured against 110% cash collateral in shape of lien over foreign currency account of Group.

12.

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 profit or loss.

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

	North America		Europe		Middle East		Pakistan		Total		
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		
	Six months ended	2020	Six months ended	2020	Six months ended	2020	Six months ended	2020	Six months ended	2020	
	2021		2021		2021		2021		2021		2021
	Rupees										
Revenue - net	2,828,930,612	1,901,489,749	488,806,166	446,304,271	1,967,914,359	12,76,216,576	1,262,419,653	935,360,049	6,548,070,790	4,559,370,645	
Cost of sales	1,719,834,781	1,111,716,776	306,213,395	262,573,237	1,350,732,496	1,029,619,891	926,801,158	727,090,165	4,303,581,830	3,131,000,069	
Gross profit	1,109,095,831	789,772,973	182,592,771	183,731,034	617,181,864	246,596,685	335,618,495	208,269,883	2,244,488,960	1,428,370,576	
Distribution expenses	8,494,499	7,006,601	1,467,750	1,644,540	53,472,056	4,679,819	147,855,938	92,263,878	211,290,243	105,594,843	
Administrative expenses	253,366,755	170,762,335	43,778,816	40,080,132	145,134,125	141,997,902	70,610,143	61,010,214	512,889,939	413,850,583	
Profit / (loss) before taxation and unallocated income and expenses	261,861,254	177,768,936	45,246,566	41,724,672	198,606,182	146,677,721	218,466,081	153,274,091	724,180,083	519,445,426	
Other operating expenses	847,234,577	612,004,037	137,346,205	142,006,362	418,575,682	99,918,964	117,152,414	54,995,792	1,520,308,877	908,925,150	
Exchange (loss) / gain									12,130,739	(28,977,770)	
Finance cost									116,708,600	67,603,991	
Profit before taxation									(48,590,288)	168,129,097	
Taxation									1,558,887,234	1,091,401,016	
Profit after taxation									(44,184,459)	(23,737,171)	
									1,514,702,775	1,067,663,846	

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

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

13.2 Commitments:

Guarantees issued by the financial institutions on behalf of the Group amount to Rs. 258.56 million (2020: Rs. 251.90 million). This includes guarantees of Rs. 2.72 (2020: 2.72) million given on behalf of Joint Operation.

	Un-audited 30 June 2021	Un-audited 30 June 2020
	----- (Rupees) -----	
Income from financial assets:		
Profit on deposit accounts	14,721,209	15,231,555
Gain on short term investments	92,529,622	51,014,416
Exchange loss	(41,670,694)	168,129,097
	65,580,137	234,375,068
Income from non-financial assets:		
Gain on disposal of property & equipment	9,127,250	1,202,591
Others	330,519	155,429
	9,457,769	1,358,020
	75,037,906	235,733,088

14. Other Income

	Six Months Ended		Three Months Ended	
	30 June		30 June	
	2021 Un-audited	2020 Un-audited	2021 Un-audited	2020 Un-audited
Basic earnings per share		(Restated)		(Restated)
Profit for the period attributable to equity holder of parent	1,556,726,625	1,079,608,688	938,992,565	546,997,871
Weighted average number of ordinary shares in issue during the period	137,278,308	136,325,375	137,473,788	136,752,081
Basic - in Rupees	11.34	7.92	6.83	4.00
Diluted earnings per share				
Profit for the period attributable to equity holder of parent	1,556,726,625	1,079,608,688	938,992,565	546,997,871
Weighted-average number of ordinary shares (basic)	137,278,308	136,325,375	137,473,788	136,752,081
Effect of share options	1,563,491	870,712	1,136,653	793,268
	138,841,799	137,196,087	138,610,441	137,545,349
Diluted - in Rupees	11.21	7.87	6.77	3.98

16. TRANSACTIONS WITH RELATED PARTIES

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

Undertaking	Relation	Nature of transactions	Unaudited Six Months Ended 30 June	
			2021	2020
			----- Rupees -----	
Visionet Systems Incorporation - USA	Common Directorship	Sales Reimbursement of expenses	2,782,515,001	1,859,613,253
			(7,953,600)	1,706,600

Undertaking	Relation	Nature of transactions	Unaudited	
			Six Months Ended	
			2021	2020
			----- Rupees -----	
Visionet Systems - UK	Associate	Sales	330,120	-
Visionet Deutschland GMBH - Germany	Associate	Sales	444,745,121	346,662,917
Techvista Information Technology, Qatar	Associate	Sales	102,203,146	170,775,822
		Reimbursement of Expenses	-	5,780,565
Staff retirement funds	Associate	Contribution	60,791,456	51,987,331
17. CASH FLOWS FROM OPERATING ACTIVITIES				
		Profit before taxation	1,558,887,235	1,091,401,017
Adjustments of reconcile profit before tax to meet cash flows:				
		Depreciation on property and equipment	133,703,202	102,949,554
		Amortization of intangible assets	11,160,893	14,223,664
		Allowance for expected credit loss	(12,130,739)	28,977,770
		Share based payment expense	44,308,563	56,633,685
		Finance cost	48,590,288	24,279,452
		Gratuity expense	27,483,210	36,914,639
		Exchange loss / (gain) on translation of export receivables	39,569,429	(168,308,636)
		Gain on disposal of property and equipment	(9,127,250)	(1,202,591)
		Gain on short term investments	(92,259,621)	(65,946,731)
		Profit on bank deposits	(14,721,209)	(15,231,555)
			176,576,766	13,289,251
		Profit before working capital changes	1,735,464,001	1,104,690,267
Effect on cash flow due to working capital changes				
(Increase) / decrease in current assets:				
		Contract assets - Net	(41,385,456)	(151,017,206)
		Trade debts	(568,993,409)	(11,694,418)
		Loans and advances	(6,743,222)	21,334,029
		Other receivables	69,330,550	4,265,045
		Trade deposits and short term prepayments	(476,405,686)	(322,073,938)
			(1,024,197,223)	(459,186,489)
(Decrease) / increase in current liabilities:				
		Trade and other payables	121,009,931	(31,986,606)
		Contract Liability	(122,327,491)	(57,512,129)
			(1,025,514,782)	(548,685,224)
Net cash flows from operations			709,949,219	556,005,043

18. FINANCIAL RISK MANAGEMENT

18.1 Financial risk factors

There is no change in the Group's objectives, policies, procedures for measuring and managing the financial risks including capital management risk, since the preceding annual financial year ended 31 December 2020.

18.2 Fair values of financial assets and liabilities

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

Fair value hierarchy

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

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

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

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

- There were no financial assets and liabilities measured at fair value as at 30 June 2021.

- During the six months period ended 30 June 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

- There were no financial assets and liabilities measured at fair value as at 31 December 2020.

18.3 Financial instruments by categories

Financial assets as per balance sheet

30 June 2021		
Financial Assets at fair value through P&L	Financial Assets at amortized cost	Total
----- (Rupees) -----		
Long term deposits	48,328,893	48,328,893
Contract assets	684,165,537	684,165,537
Trade debts	2,591,589,949	2,591,589,949
Loans and advances	102,656,546	102,656,546
Security deposits	209,346,250	209,346,250
Interest accrued	4,088,408	4,088,408
Short term investments	2,483,597,405	875,000,000
Cash and bank balances	-	2,973,648,401
	2,483,597,405	7,488,823,983
		9,972,421,388

Financial assets as per balance sheet

31 December 2020		
Financial Assets at fair value through P&L	Financial Assets at amortized cost	Total
----- (Rupees) -----		
Long term deposits	40,133,162	40,133,162
Contract assets	642,780,081	642,780,081
Trade debts	2,372,716,741	2,372,716,741
Loans and advances	95,913,324	95,913,324
Security deposits	347,689,182	347,689,182
Interest accrued	38,450,000	38,450,000
Other receivables	118,222,637	118,222,637
Short term investments	559,845,556	2,085,000,000
Cash and bank balances	-	2,985,104,566
	559,845,556	8,726,009,693
		9,285,855,249

Financial liabilities as per balance sheet

	30 June 2021	31 December 2020
Financial Liabilities at amortized cost		
----- (Rupees) -----		
Long term loan	126,502,516	198,767,844
Lease liabilities	238,468,266	227,393,268
Markup accrued on short term borrowing	14,023,882	9,804,362
Short term borrowing	2,244,000,000	1,449,000,000
Trade and other payables	205,418,463	1,186,129,984
	2,929,671,276	3,071,095,458

19. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issuance on 25 August 2021 by the Board of Directors of the Group.

20. CORRESPONDING FIGURES

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

21. GENERAL

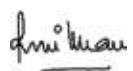
21.1 Figures have been rounded off to the nearest rupee unless otherwise stated.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)










(CHIEF FINANCIAL OFFICER)










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