

systems



FIRST QUARTER REPORT MARCH 2022

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

A. F Ferguson & Co.
Chartered Accountants

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
T: +92 42 111-797-836
F: +92 42 3 636 8857

DIRECTOR'S REPORT

The Directors of the Company take pleasure in presenting the Quarterly Report of your Company, together with the Unconsolidated and Consolidated financial statements for the quarter ended 31 March 2022.

FINANCIAL RESULTS

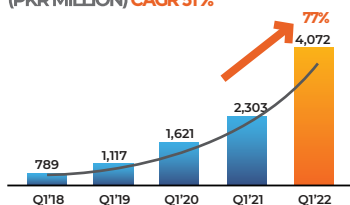
Unconsolidated:

During period under review, standalone revenue grew by 77% over same period last year from Rs. 2,302.99 million to Rs. 4,071.64 million. Gross profit and operating profit increased by 48% and 20% respectively, delivering a robust operating performance for the company. Moreover, as a consequence of currency fluctuations, net profit for the period has been positively impacted by an exchange gain of Rs 149.60 million compared to the loss in March 2021 of Rs 152.05 million increasing net profit by 103%, from 525.20 million to Rs. 1,068.04 million. Basic and diluted earnings per share both increased by 83% in line with profit for the period. In USD terms, revenue and profit grew by 55% and 78% respectively.

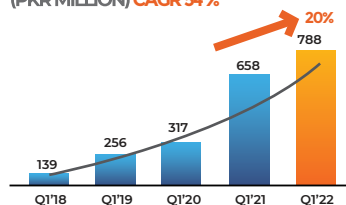
The increase in revenue has been contributed to by all regions. The Company continues to invest aggressively in talent whilst optimizing other costs and efficient working capital management that have bolstered operating margins.

Key Financial Highlights - Unconsolidated			
Particulars	March-22 (unaudited)	March-21 (unaudited)	Change
	Rs.	Rs.	%
Revenue	4,071,647,076	2,302,992,535	77%
Gross Profit	1,225,899,493	830,722,849	48%
Operating profit	787,809,914	658,139,577	20%
Earnings before Interest, tax and depreciation allowance	881,503,555	719,299,422	23%
Profit for the period	1,068,048,427	525,203,843	103%
Earnings per share (basic)	7.71	4.21	83%
Earnings per share (diluted)	7.68	4.21	82%

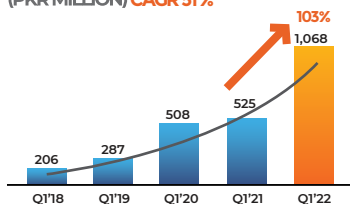
UNCONSOLIDATED-REVENUE
(PKR MILLION) CAGR 51%



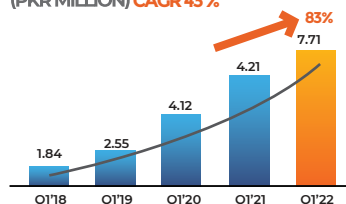
UNCONSOLIDATED-OPERATING PROFIT
(PKR MILLION) CAGR 54%



UNCONSOLIDATED-NET PROFIT
(PKR MILLION) CAGR 51%



UNCONSOLIDATED-EPS - BASIC
(PKR MILLION) CAGR 43%



Consolidated:

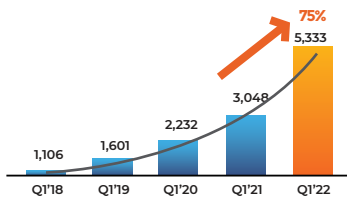
During the three months period ended 31st March 2022, consolidated revenue grew by 75% from Rs. 3,047.76 million to Rs. 5,332.82 million. Gross profit and operating profit increased by 50% and 31% respectively. Net profit for the period increased by 99% from Rs. 604.86 million to Rs. 1,200.41 million with Rs. 149.09 million in exchange gain. Basic and diluted earnings per share both increased by 75% in line with profit for the period. In USD terms, revenue and profit grew by 53% and 74% respectively.

Key Financial Highlights - Consolidated

Particulars	March-22 (unaudited)	March-21 (unaudited)	Change	
	Rs.	Rs.		%
Revenue	5,332,814,910	3,047,767,393		75%
Gross Profit	1,598,534,151	1,065,921,360		50%
Operating profit	1,000,012,251	763,102,744		31%
Earnings before Interest, tax and depreciation allowance	1,100,501,748	825,967,367		33%
Profit for the period	1,200,416,612	601,869,238		99%
Earnings per share (basic)	8.66	4.96		75%
Earnings per share (diluted)	8.63	4.96		74%

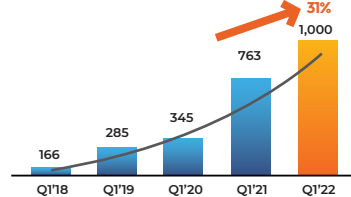
CONSOLIDATED-REVENUE

(PKR MILLION) CAGR 48%



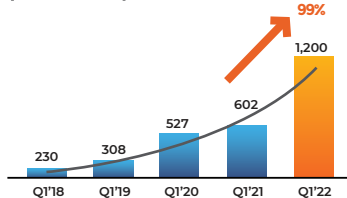
CONSOLIDATED-OPERATING PROFIT

(PKR MILLION) CAGR 57%



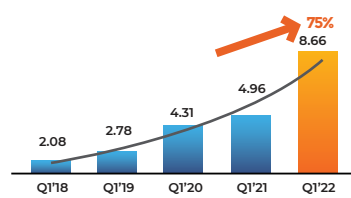
CONSOLIDATED-NET PROFIT

(PKR MILLION) CAGR 51%



CONSOLIDATED-EPS - BASIC

(PKR MILLION) CAGR 43%



Performance by Segment (Consolidated):

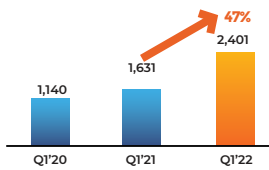
The segment analysis shows robust growth across all four segments, with the North American and Middle East Regions leading the trend. Export sales of the Company are roughly 80% of total sales, with the Company's target being to further increase the exports component in coming years. The Company is working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

	North America		Europe		Middle East		Pakistan		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue - net	2,102,583,005	1,368,757,808	298,459,099	261,612,224	2,138,464,768	909,012,415	793,308,038	508,384,946	5,332,814,910	3,047,767,393
Cost of sales	(1,386,940,751)	(780,151,333)	(204,652,136)	(154,980,097)	(1,490,486,497)	(653,050,741)	(652,801,373)	(393,663,802)	(3,734,280,759)	(1,881,846,033)
Gross profit	716,442,254	588,606,475	93,806,962	106,632,127	647,978,271	255,961,674	140,506,665	114,721,144	1,598,534,151	1,065,921,360
Distribution expenses	(25,166,974)	(4,096,284)	(2,796,330)	(782,927)	(58,178,655)	(24,484,988)	(414,709,980)	(47,303,245)	(127,612,939)	(76,667,444)
Administrative expenses	(88,124,508)	(112,927,226)	(15,253,338)	(21,953,908)	(86,421,733)	(74,351,179)	(44,513,905)	(33,398,639)	(434,323,364)	(242,260,943)
Profit / (loss) before taxation and unallocated income and expenses	503,150,773	471,582,905	75,557,293	84,265,292	403,387,883	157,125,507	54,521,880	34,019,270	1,036,597,828	746,992,973
Other operating expenses									(36,585,577)	16,109,771
Other income (excluding exchange gain)									85,293,773	49,076,159
Exchange (loss) / gain									149,096,745	(164,960,192)
Share of loss of Associate									(74,323,548)	
Finance cost									(32,841,008)	(20,960,052)
Profit before taxation									1,227,024,213	626,258,659
Taxation									(26,607,601)	(24,389,421)
Profit after taxation									1,200,416,612	601,869,238

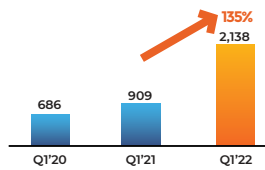
Quarterly Comparison

Revenue Growth-PKR

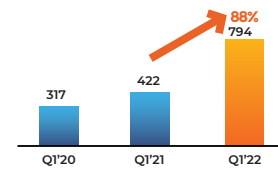
North America/Europe
CAGR-45%



Middle East
CAGR-77%

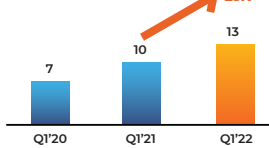


Pakistan
CAGR-58%

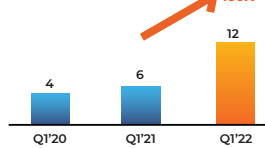


Revenue Growth-USD

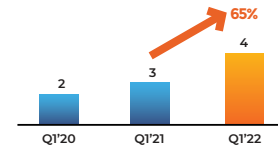
North America/Europe
CAGR-36%



Middle East
CAGR-66%



Pakistan
CAGR-49%



Future Outlook

To maintain its growth momentum, the Company is aggressively pursuing inorganic growth opportunities which will complement the Company's offerings in the same sectors, industries or technologies. The company is working on many opportunities and shortlisted a few target companies to evaluate further. These potential targets will help the Company with customer acquisition, market segmentation, new service offerings and product offerings.

The Company supply center in Egypt is in its final stages and the Company has already started recruiting resources for the unit. This will not only give a resource pool but also address the issue of the regional language proficiency required for the regional growth of markets. In addition to this, the Company is forming various channels where they can recruit resources globally through its subsidiary in UAE.

With the increasing interest rates in the US, the BPO business especially the Mortgage segment is getting adversely impacted. However, the IT business is gaining strength with the regional expansion and aggressive growth strategy that the Company has been implementing over the years, strengthening capability, diversifying in different industry verticals, focusing primarily on Telco and BFSI, working on new technologies and investing heavily on resource development. Though the market for skilled resource remains scarce, the company maintains its competitive edge through leveraging its internal pool of human resource.

The recently opened KSA market is up and running and the Company expects business opportunities in line with KSA's Digital Vision 2030. Moreover, to expand in the Asia Pacific region, a regional sales office in Singapore has been incorporated. The Company believes this will provide future revenue streams in the verticals the Company specializes in.

For EP Systems (EPS), the endorsement of innovation and scalability of the company was confirmed by recent investments and safe notes. The company received an equity investment from the Bill & Melinda Gates Foundation towards the end of 2021. EPS is engaged for Pilot readiness for its new e-wallet business under the State Bank of Pakistan's Electronic Money Institution (EMI) Regulations which will enable the Company to issue e-money for digital payments by taking deposits from retailers and customers. EPS is making continuous efforts to enable retailers to effectively serve the mass market.

Acknowledgements

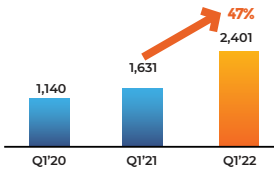
The Board takes this opportunity to thank the Company's valued customers, bankers and other stakeholders for their corporation and support. The Board greatly appreciates the hard work and dedication of all the employees of the Company.

On behalf of the Board

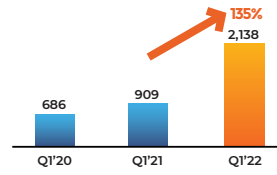
Asif Peer
Chief Executive Officer
Date: 27 April 2021
Lahore

Revenue Growth-PKR

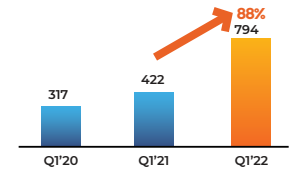
North America/Europe
CAGR-45%



Middle East
CAGR-77%

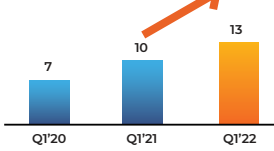


Pakistan
CAGR-58%

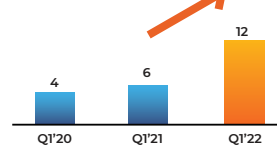


Revenue Growth-USD

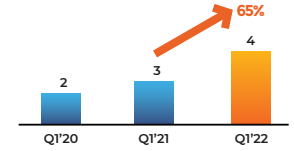
North America/Europe
CAGR-36%



Middle East
CAGR-66%



Pakistan
CAGR-49%



مستقبل کا خاکہ

اپنی ترقی کی رفتار کو برقرار رکھنے کیلئے، کمپنی جارحانہ طور پر غیر نامیاتی بڑھوتری کے مواقع تلاش کر رہی ہے جو انہیں شعبوں، مصنوعات اور ٹیکنالوجیز میں کمپنی کی پیشکشوں کی تکمیل کرے گی۔ کمپنی ان موقعوں سے فائدہ اٹھانے پر کام کر رہی ہے اور مزید جانچ کیلئے اس نے چند ٹارگٹ کمپنیوں کو شارٹ لسٹ کیا ہے۔ یہ ممکنہ اہداف کمپنی کو گاہک کے حصول، مارکیٹ کی درجہ بندی، نئی خدمات اور مصنوعات کی پیشکش میں معاونت کریں گے۔

مصر میں کمپنی کا پسلائی سنراپنے آخری مراحل میں ہے اور کمپنی نے ایفٹ کیلئے وسائل کی بھرتی بھی شروع کر دی ہے۔ اس سے نہ صرف ریورس پول ملے گا بلکہ اس سے علاقائی مارکیٹوں کی ترقی کیلئے ضروری علاقائی زبان کی مہارت کا مسئلہ بھی حل ہو جائے گا۔ اس کے علاوہ کمپنی مختلف جھیلر بھی تشکیل دے رہی ہے جہاں وہ متحدہ عرب امارات میں اپنی ذیلی کمپنی کے ذریعے عالمی سطح پر وسائل بھرتی کر سکتی ہے۔

امریکہ میں بڑھتی ہوئی شرح سود کے ساتھ ہی پی او کاروبار خاص طور پر گروئی کا شعبہ بری طرح متاثر ہو رہا ہے۔ تاہم علاقائی توسیع اور جارحانہ ترقی کی حکمت عملی، جسے کمپنی کئی سالوں سے لاگو کرنے میں لگی ہوئی ہے، استعداد کو بڑھانے، مختلف انڈسٹری ورٹیکلز میں تنوع پیدا کرنے، ہیلکو اور بی ایف ایس آئی پر بنیادی توجہ مرکوز کرنے، نئی ٹیکنالوجیز پر کام کرنے اور ریورس ڈیولپمنٹ پر بھاری سرمایہ کاری کے ساتھ آئی ٹی کا کاروبار مضحکم ہو رہا ہے۔ اگرچہ مارکیٹ میں ہنرمند وسائل کی اب بھی کمی ہے، لیکن کمپنی اپنے انسانی وسائل کے انٹزل پول سے فائدہ اٹھاتے ہوئی اپنی مسابقتی برتری کو برقرار رکھے ہوئے ہے۔

سعودی عرب میں حال ہی میں کھولی گئی مارکیٹ مکمل ہو کر کام شروع کر چکی ہے اور کمپنی سعودی عرب کے ڈیجیٹل ویزن 2030 کے مطابق کاروباری مواقع کی توقع رکھتی ہے۔ مزید برآں ایٹیا پیٹک شپٹ میں توسیع کیلئے سگاپور میں ایک علاقائی ہیڈ آفس قائم کیا گیا ہے۔ کمپنی کا ماننا ہے کہ یہ مستقبل میں ان ورٹیکلز میں آمدنی کا وسیلہ بنے گا جن میں کمپنی مہارت رکھتی ہے۔

ای پی سسٹمز کیلئے کمپنی کی جدت اور توسیع پذیری کی تصدیق حالیہ سرمایہ کاری اور محفوظ نوٹوں سے ہوئی۔ کمپنی نے 2021 کے اختتام پر اپریل اینڈ ملینڈ گیس فاؤنڈیشن سے ایک بی بی سرمایہ کاری حاصل کی۔ ای پی ایس سٹیٹ بینک آف پاکستان کے ایکٹروٹک مٹی انسٹیٹیوشن (ای ایم آئی) ریگولیشنز کے تحت اپنے نئے ای وائلٹ کاروبار کیلئے پائلٹ تیاری کیلئے صرف عمل ہے جو کمپنی کو ریٹیلر ز اور سسٹمز سے ڈپازٹ لے کر ڈیجیٹل ادائیگیوں کیلئے ای مٹی جاری کرنے کے قابل بنائے گا۔ ای پی ایس ریٹیلر ڈکوموٹریٹ سے بڑے پیمانے پر مارکیٹ کی خدمت کے قابل بنانے کیلئے گاہک تارکوشیں کر رہی ہے۔

اعتراف

بورڈ اس موقع پر کمپنی کے قابل قدر کسٹرز، بینکرز اور دیگر متعلقین کے تعاون اور معاونت کیلئے شکر گزار ہے۔ بورڈ کمپنی کے تمام ملازمین کی محنت اور لگن کو خراج تحسین پیش کرتا ہے۔

حسب اہم بورڈ

آصف بیبر

چیف ایگزیکٹو آفیسر

مورخہ: 27 اپریل 2022ء

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

کمپنی کے ڈائریکٹرز کو مورخہ 31 مارچ 2022ء کو ختم ہونے تین ماہ کے غیر منظم اور منظم مالیاتی گوشواروں کے ساتھ آپ کی کمپنی کی سہ ماہی رپورٹ پیش کرنے پر خوشی ہے۔

مالی نتائج

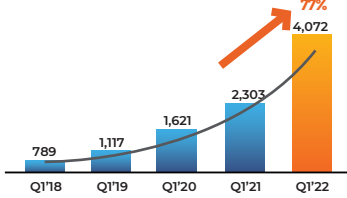
غیر منظم

زیر جائزہ مدت کے دوران آزاد آمدنی پچھلے سال اسی عرصہ کے مقابلے میں 77% اضافہ کے ساتھ 2,302.99 ملین روپے سے بڑھ کر 4,071.64 ملین روپے ہو گئی۔ مجموعی منافع اور آپریٹنگ منافع میں بالترتیب 48% اور 20% اضافہ ہوا، جس سے کمپنی کیلئے مضبوط آپریٹنگ پرفارمنس فراہم ہوئی۔ مزید برآں، کرنسی کے اتار چڑھاؤ کے نتیجے میں، اس مدت کے خالص منافع پر 149.60 ملین روپے کے ایکسیج گین کی وجہ سے مثبت اثر پڑا، اور یہ مارچ 2021 کے 152.05 ملین خسارے کے برعکس 103% اضافے کے ساتھ 525.20 ملین روپے سے بڑھ کر 1,068.04 ملین روپے ہو گیا۔ اس عرصہ کے دوران منافع کے مطابق فی شیئر بنیادی اور قریبی آمدنی دونوں میں 83% اضافہ ہوا۔ امریکی ڈالر کے حساب سے، آمدنی اور منافع میں بالترتیب 55% اور 78% اضافہ ہوا۔

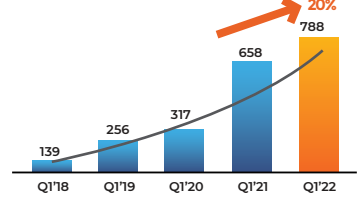
آمدنی میں اضافہ میں تمام خطوں نے حصہ لیا ہے۔ کمپنی ٹیکنالوجی میں جارحانہ سرمایہ کاری کو جاری رکھے ہوئے ہے جبکہ دیگر اخراجات اور موثر ورکنگ کیپٹل مینجمنٹ کو بہتر بناری ہے جس سے آپریٹنگ مارجن کو تقویت ملی ہے۔

سال بہ سال	مارچ 2021	مارچ 2022	غیر منظم تفصیلات
77%	2,302,992,535	4,071,647,076	آمدنی
48%	830,722,849	1,225,899,493	مجموعی منافع
20%	658,139,577	787,809,914	آپریٹنگ منافع
23%	719,299,422	881,503,555	ٹیکس سے پہلے منافع
103%	525,203,843	1,068,048,427	ٹیکس کے بعد منافع
83%	4.21	7.71	کمپنی فی شیئر (بنیادی)
82%	4.21	7.68	کمپنی فی شیئر (رقیق)

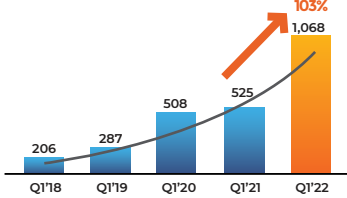
UNCONSOLIDATED-REVENUE (PKR MILLION) CAGR 51 %



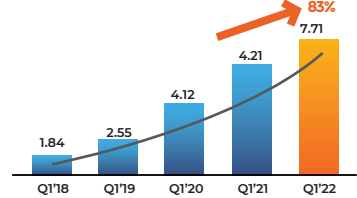
UNCONSOLIDATED-OPERATING PROFIT (PKR MILLION) CAGR 54 %



UNCONSOLIDATED-NET PROFIT (PKR MILLION) CAGR 51 %



UNCONSOLIDATED-EPS - BASIC (PKR MILLION) CAGR 43 %





SYSTEMS LIMITED

STANDALONE FINANCIAL STATEMENTS

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at 31 March 2022 (Unaudited)

		Un-audited 31 March 2022 Rupees	Audited 31 December 2021 Rupees
ASSETS	Note		
Non-current assets			
Property and equipment	6	2,315,544,835	2,006,791,106
Intangibles		21,072,986	23,717,704
Long term investments	7	1,573,107,709	1,331,133,678
Long term deposits		33,829,877	141,294,105
Right-of-use assets		269,564,248	288,981,476
Long term loans		230,977,385	36,796,454
Deferred employee benefits		48,434,079	10,344,054
Deferred taxation - net		75,060,282	75,060,282
Total non-current assets		4,567,591,401	3,914,118,859
Current assets			
Contract assets		297,574,589	333,597,502
Trade debts	8	3,935,854,975	3,445,521,825
Loans and advances - considered good	9	638,737,828	538,568,661
Current portion of deferred employee benefits		14,155,339	2,890,139
Trade deposits and short term prepayments		410,276,939	248,588,820
Interest accrued		38,098,053	30,922,102
Short term investments	10	4,368,610,497	4,866,676,912
Tax refunds due from the Government		229,025,521	207,375,462
Cash and bank balances	11	2,037,479,667	1,652,613,846
Total current assets		11,969,813,408	11,326,755,269
TOTAL ASSETS		16,537,404,809	15,240,874,128
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 400,000,000 (2021: 400,000,000) ordinary shares of Rs. 10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid up share capital	12	1,391,825,990	1,384,989,120
Capital reserves		1,128,324,098	1,020,484,116
Unappropriated profit		9,135,904,707	8,067,856,280
Total shareholders' equity		11,656,054,795	10,473,329,516
Non-current liabilities			
Long term advances		5,124,401	81,111,314
Lease liabilities		224,833,963	238,881,185
		229,958,364	319,992,499
Current liabilities			
Trade and other payables	14	1,540,557,374	1,162,101,750
Unclaimed dividend		9,226,244	9,226,244
Short term borrowings		2,750,000,000	2,750,000,000
Contract liabilities		208,929,954	378,374,906
Mark-up accrued on short term borrowings		13,828,902	13,702
Current portion of lease liabilities		66,182,294	62,195,197
Current portion of long term loan		51,915,599	76,816,085
Current portion of deferred grant		985,131	1,958,993
Current portion of long term advances		9,766,152	6,865,236
Total current liabilities		4,651,391,650	4,447,552,113
TOTAL EQUITY AND LIABILITIES		16,537,404,809	15,240,874,128
Contingencies and commitments	16		

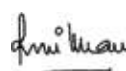
The annexed notes, from 1 to 24, form an integral part of these unconsolidated condensed interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

CONDENSED INTERIM PROFIT OR LOSS

for the three months period ended 31 March 2022 (Unaudited)

	Note	Three Months Ended	
		31 March 2022	31 March 2021
		Rupees	Rupees
Revenue from contracts with customers - net		4,071,647,076	2,302,992,535
Cost of revenue		2,845,747,583	1,472,269,686
Gross profit		1,225,899,493	830,722,849
Distribution expenses		70,349,052	32,940,464
Administrative expenses		338,963,077	175,281,646
Other operating expenses		28,777,450	(35,638,838)
		438,089,579	172,583,272
Operating profit		787,809,914	658,139,577
Other income	17	334,745,700	(99,942,534)
Finance costs		29,543,315	15,200,676
Profit before taxation		1,093,012,299	542,996,367
Taxation		24,963,872	17,792,524
Profit for the period		1,068,048,427	525,203,843
Earnings per share:			
Basic earnings per share	18	7.71	4.21
Diluted earnings per share		7.68	4.21

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


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the three months period ended 31 March 2022 (Unaudited)

	Three Months Ended	
	31 March	31 March
	2022	2021
	Rupees	Rupees
Profit for the period	1,068,048,427	525,203,843
Other comprehensive income	-	-
Total comprehensive income for the period	1,068,048,427	525,203,843

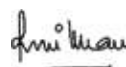
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(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the three months period ended 31 March 2022. (Unaudited)

	Issued, subscribed and paid up share capital	Capital reserves		Revenue reserve		Total
		Share capital premium	Employee compensation reserve	Unappropriated profit		
----- Rupees -----						
Balance as at 31 December 2020 - (Audited)	1,246,060,140	614,907,470	84,747,028	5,307,971,413		7,253,686,051
Exercise of Share Options	176,760	7,709,564	-	-		7,886,324
Share based payments	-	-	19,343,871	-		19,343,871
Final dividend @ Rs.3.5 per share for the year ended 31st December 2020	-	-	-	(436,182,919)		(436,182,919)
Total comprehensive income for the period	-	-	-	525,203,843		525,203,843
Balance as at 31 March 2021 - (Unaudited)	1,246,236,900	622,617,034	104,090,899	5,396,992,337		7,369,937,170
Balance as at 31 December 2021 - (Audited)	1,384,989,120	820,263,357	200,220,759	8,067,856,280		10,473,329,516
Exercise of Share Options	6,836,870	89,660,469	(44,986,605)	-		5,1510,734
Share based payments	-	-	63,166,118	-		63,166,118
Total comprehensive income for the period	-	-	-	1,068,048,427		1,068,048,427
Balance as at 31 March 2022 - (Unaudited)	1,391,825,990	909,923,826	218,400,272	9,135,904,707		11,656,054,795

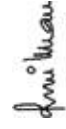
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(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

CONDENSED INTERIM CASH FLOW STATEMENT

for the three months period ended 31 March 2022 (Unaudited)

	Note	Three months ended	
		31 March	31 March
		2022	2021
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash generated from / (used in) operations	20	352,057,683	249,639,362
Finance costs paid		(15,728,115)	(23,854,166)
Taxes paid		(46,613,931)	(107,539)
		(62,342,046)	(23,961,705)
Net cash flows generated from / (used in) operating activities		289,715,637	225,677,657
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(542,848,486)	(65,884,537)
Proceeds from the disposal of property and equipment		215,274,992	17,505,740
(Purchase) / disposal of short term investments - net		498,066,415	701,759,296
Increase in long term deposits		107,464,228	(1,343,215)
Increase in long term investment		(241,974,031)	-
Profit received on short term investment		87,288,554	74,213,342
Profit received on bank deposits		9,971,017	5,406,529
Net cash flows used in investing activities		133,242,689	731,657,155
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in long term loan		(25,874,348)	(51,466,795)
Proceeds from exercise of share options		51,510,734	7,886,324
Increase in lease liabilities - net		9,357,106	2,778,006
Increase / (decrease) in long term advances		(73,085,997)	15,426,848
Net cash flows generated from financing activities		(38,092,505)	(25,375,617)
Net increase / (decrease) in cash and cash equivalents		384,865,821	931,959,195
Cash and cash equivalents at beginning of the period		1,652,613,846	1,577,759,692
Cash and cash equivalents at closing of the period		2,037,479,667	2,509,718,887

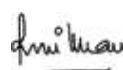
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(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

for the three months period ended 31 March 2022 (Unaudited)

1. THE COMPANY AND ITS OPERATIONS

- 1.1 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 (formerly Karachi, Islamabad and Lahore Stock Exchanges). 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 Road, Near DHA Phase VIII (Ex-Air Avenue), Lahore.

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 Standard Board (IASB) as notified under the Companies Act, 2017 (the Act) have been followed.
- Provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

- 2.2 These unconsolidated condensed interim financial statements are un-audited and are being submitted to shareholders, as required by Section 237 of the Act and the Listed Companies (Code of Corporate Governance) Regulations 2019.

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 2021. The comparative Statement of Financial Position is extracted from the annual financial statements, as of 31 December 2021, whereas the Statement of Profit or Loss, the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity are extracted from the un-audited condensed interim financial statements for the period ended 31 March 2021.

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

- 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.

4. 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 2021.

5. ACCOUNTING ESTIMATES AND JUDGMENTS

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 2021.

	Note	Un-audited 31 March 2022	Audited 31 December 2021
----- (Rupees) -----			
6. PROPERTY AND EQUIPMENT			
Operating fixed assets	(6.1)	2,274,890,081	1,983,978,164
Capital work in progress	(6.2)	40,654,754	22,812,942
		2,315,544,835	2,006,791,106
6.1 OPERATING FIXED ASSETS - OWNED			
Opening balance - net book value		1,983,978,164	1,507,212,971
Additions during the period / year - cost	(6.1.1)	525,006,674	789,500,228
		2,508,984,838	2,296,713,199
Less:			
Disposals during the period / year	(6.1.2)	(143,045,831)	(23,350,950)
Depreciation during the period / year		(91,048,926)	(289,384,085)
Book value at the end of the period / year		2,274,890,081	1,983,978,164
6.1.1 Additions during the period/year-cost			
Building		-	33,410,848
Computer equipment and installations		435,635,950	541,287,042
Other equipment and installations		39,744,947	21,007,777
Machinery		32,164,173	6,606,088
Furniture and fittings		310,640	19,189,693
Vehicles		12,607,000	134,603,300
Office equipment		1,185,564	712,810
Leasehold Building Improvements		3,358,400	32,682,670
		525,006,674	789,500,228
6.1.2 Disposals during the period / year			
		Cost	Accumulated Depreciation
			Written Down Value
----- (Rupees) -----			
31 March 2022:			
Computer equipment and installations		5,527,225	3,681,161
Other equipment and installations		608,400	-
Vehicles		220,569,231	79,977,864
		226,704,856	83,659,025
			143,045,831
		Cost	Accumulated Depreciation
			Written Down Value
----- (Rupees) -----			
31 December 2021:			
Computer and equipment	11,000,309	(9,937,092)	1,063,217
Office equipment	99,421	(99,421)	-
Furniture and fittings	427,730	(343,945)	83,785
Vehicles	48,530,780	(26,326,832)	22,203,948
	60,058,240	(36,707,290)	23,350,950

6.2 CAPITAL WORK IN PROGRESS	Note	Un-audited	Audited
		31 March 2022	31 December 2021
		----- (Rupees) -----	
Balance at the beginning of the period / year		22,812,942	746,272
Additions during the period / year		17,841,812	31,578,703
Transfer to operating fixed assets during the period / year		-	(9,512,033)
Balance at the end of the period / year		40,654,754	22,812,942

7. LONG TERM INVESTMENTS	Note	Un-audited	Audited
		31 March 2022	31 December 2021
		----- (Rupees) -----	
Investment in Subsidiaries - at cost - unquoted:			
Tech Vista Systems FZ-LLC 7400 (2021: 50) fully paid ordinary shares of AED 1000/- each	(7.1)	427,259,290	1,377,950
SUS-JV (Private) Limited 9,499 (2021: 9,499) fully paid ordinary shares of Rs. 10/- each	(7.2)	94,990	94,990
Systems Venture (Private) Limited 9,998 (2021: 9,998) fully paid ordinary shares of Rs.10/- each	(7.3)	99,980	99,980
Advance against issuance of shares	(7.4)	875,153,222	1,059,060,527
		1,302,607,482	1,060,633,451
Investment in Associate - at cost - unquoted:			
E - Processing Systems (Private) Limited		270,500,227	270,500,227
		1,573,107,709	1,331,133,678

7.1 This represents 100% (2021: 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.

7.2 This represents 94.99% (2021: 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.

7.3 This represents 99.98% (2021: 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.

7.4 This represent the advances provided to following:

	31 March	31 December
	2022	2021
To subsidiaries:		
- TechVista Systems FZ- LLC	-	425,881,340
-Systems Ventures (Pvt) Limited	730,584,330	488,610,295
- TechVista Information Technology - Qatar (TVS Qatar)	144,568,892	
To associate undertaking:		
TechVista Information Technology - Qatar (TVS Qatar)	-	144,568,892
	875,153,222	1,059,060,527

8. TRADE DEBTS - unsecured

Export	(8.1)	3,343,884,349	2,581,300,038
Local		893,961,290	1,146,212,451
		4,237,845,639	3,727,512,489
Less: Allowance for expected credit losses		(301,990,664)	(281,990,664)
		3,935,854,975	3,445,521,825

8.1 This includes receivables from related parties i.e. Visionet Systems Incorporation (USA), Visionet UK, Visionet Deutschland GMBH, Tech Vista Systems FZ-LLC (Dubai), TechVista PTY Limited Australia, and Techvista Information Technology (Qatar) amounting to Rs. 1,993.86 million (2021: Rs 1,759.29 million), Rs. 114.11 million (2021: Rs. 19.51 million), Rs. 313.60 million (2021: Rs. 109.17 million), Rs. 404.76 million (2021: Rs. 257.54 million), Rs. 11.17 million (2021: Rs. 10.48 million), and Rs. 395.30 million (2021: 337.11 million) respectively.

	Note	Un-audited 31 March 2022	Audited 31 December 2021
----- (Rupees) -----			
Current maturity pf long term loans			8,506,365
Advances to employees - considered good			
Against salary		14,965,624	10,589,878
Against expenses		20,717,248	15,175,902
		35,682,872	25,765,780
Advances to suppliers - Against goods		259,330,684	200,912,496
		295,013,556	226,678,276
Loans to related parties	(9.1)	296,873,172	665,188,379
Elimination on account of joint venture	(9.2)	(614,218)	(378,154,612)
		296,258,954	287,033,767
Other receivable	(9.3)	47,465,318	16,350,255
		638,737,828	538,568,663

9.1 This includes loan amounting to Rs. 282.41 (2021: Rs. 281.82) million and Rs. 11.68 (2021: 5.22) million provided to E-Processing Systems (Private) Limited and SUS JV (Private) Limited respectively for meeting working capital requirements. This amount is unsecured and is subject to interest at one-year KIBOR (2021: one-year KIBOR) on the outstanding loan balance at the end of each month.

9.2 This represents loan provided to UUS Joint Venture (Private) Limited for meeting working capital requirements. This amount is unsecured and is subject to interest at one-month KIBOR (2021: one-year KIBOR) on the outstanding loan balance at the end of each month.

9.3 This includes receivable from related parties, Systems Arabia for information technology and Systems Misr, on account of incorporation expenses paid by the Company on its behalf.

10. SHORT TERM INVESTMENTS

Fair value through profit or loss

- Mutual fund units	(10.1)	3,891,610,497	4,199,676,912
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Amortized Cost

- Term deposits receipts (TDRs)	(10.2)	477,000,000	667,000,000
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		4,368,610,497	4,866,676,912
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10.1 The details of investments in mutual funds are as follows:

UBL Al-Ameen Asset Islamic Allocation Fund		108,671,046	107,656,212
UBL Al-Ameen Asset Islamic cash plan I		466,997,923	307,889,806
Alfalah GHP Islamic Income Fund		-	131,098,915
HBL Asset Islamic Allocation Fund		53,009,727	52,976,195
HBL Asset Islamic money market fund		26,385,533	25,864,345
Lakson Islamic Tactical Fund		99,573,999	99,843,741
Lakson money market Fund		103,524,838	101,159,394
Meezan Balanced Fund		103,879,644	103,600,318
Meezan Islamic Income Fund		-	53,502,393
Meezan Islamic Fund		151,330,400	151,731,025
Meezan Rozana Amdani Fund (Mraf)		634,530,167	621,489,473
NBP Islamic Sarmaya Izafa Fund		310,666,173	312,138,444
NBP Islamic Daily dividend Fund		-	613,531,130
NBP Islamic Stock Fund		81,573,645	83,246,347
NBP Islamic income Fund		-	52,548,599
MCB Al Hamra Islamic money market fund		477,769,595	467,949,478
ABL Islamic stock fund		46,738,863	47,314,269
ABL Islamic cash fund		263,242,403	257,844,525
ABL Islamic income Fund		-	50,835,310
Faysal Islamic cash Fund		690,370,844	557,457,027
Faysal Halal Amdani Fund		273,345,697	-
		3,891,610,497	4,199,676,946

10.2 The details of investments in TDRs are as follow:

(10.2.1)

Faysal Bank Limited		-	-
Habib Metropolitan Bank Limited		450,000,000	650,000,000
Habib Bank Limited		27,000,000	17,000,000
		477,000,000	667,000,000

10.2.1 This represents TDRs carrying markup at rates ranging from 8.68% to 9.5% (2021: 6.45% to 12.75%) per annum.

11. CASH AND BANK BALANCES

Cash in hand		1,711,510	946,078
Cash at bank:			
Local currency:			
Current accounts		483,761,929	781,725,231
Saving accounts	(11.1)	1,211,371,980	765,876,191
		1,695,133,909	1,547,601,422
Foreign currency - current accounts		340,634,248	104,066,346
		2,037,479,667	1,652,613,846

11.1 These carry interest rate of 6% to 8.5% (2021: 4.12% to 6.28%) per annum.

12. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	-----No of Shares-----		-----Rupees-----	
Ordinary shares of Rs. 10/- each fully paid in cash	115,498,876	114,815,189	1,154,988,760	1,148,151,890
Ordinary shares of Rs. 10/- each fully paid up as bonus shares	23,683,723	23,683,723	236,837,230	236,837,230
	139,182,599	138,498,912	1,391,825,990	1,384,989,120
12.1 Reconciliation of issued, subscribed and paid-up share capital:				
Balance as at 1st January	138,498,912	124,606,014	1,384,989,120	1,246,060,140
Stock options exercised	683,687	12,462,369	6,836,870	12,462,369
Bonus shares issued		1,430,529	-	14,305,290
	139,182,599	138,498,912	1,391,825,990	1,384,989,120

13. LONG TERM LOAN

		Un-audited 31 March 2021	Audited 31 December 2021
		----- (Rupees) -----	
MCB Bank Limited	(13.1)	50,566,086	67,081,559
Add: Unwinding of interest		1,349,513	9,734,526
		51,915,599	76,816,085
Less: current portion		(51,915,599)	(76,816,085)
		-	-

- 13.1 This represents loan of Rs. 210 million obtained under Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concerns (the Scheme) offered by State Bank of Pakistan to mitigate the effect of COVID-19 on employment in Pakistan. The facility has an aggregate sanctioned limit of Rs. 315 million. It carries mark-up at SBP rate plus 1% per annum and is secured against a pari passu charge of Rs. 1,326.7 million over the present and future current assets of the Company and 1st exclusive equitable mortgage and hypothecation charge of Rs. 1,066.7 million over the non current assets of the Company. The loan is repayable in equal quarterly installments commencing September 26, 2020 and ending December 26, 2022. The two tranches of loan were initially recognized at amortized cost using effective interest rate of 7.94% and 7.25% (3-month KIBOR) respectively. The difference between cash received and present value of cash outflows upon initial recognition has been recognized as deferred grant.

14. TRADE AND OTHER PAYABLES

Creditors	384,448,131	102,408,920
Accrued liabilities	997,444,609	933,261,347
Withholding income tax payable	67,951,953	41,565,074
Provident fund payable	90,712,681	67,671,516
Sales tax payable	-	17,194,897
	1,540,557,374	1,162,101,754

15. 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 consolidated financial statements.

	North America		Europe		Middle East		Pakistan		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees									
Sales	2,102,583,005	1,368,757,808	298,459,099	261,612,224	883,254,172	263,833,387	787,350,799	408,789,116	4,071,647,076	2,302,992,535
Cost of sales	(1,386,140,751)	(780,151,393)	(204,852,138)	(154,980,087)	(607,710,933)	(204,200,318)	(647,943,761)	(332,937,878)	(2,845,747,583)	(1,472,269,686)
Gross profit	716,442,254	588,606,415	93,606,961	106,632,127	275,543,239	59,633,069	140,307,038	75,851,238	1,225,899,493	830,722,849
Distribution expenses	(25,166,974)	(4,096,284)	(2,796,330)	(782,927)	(1,633,698)	(2,416,960)	(40,752,050)	(25,644,293)	(70,349,052)	(32,940,464)
Administrative expenses	(188,124,508)	(112,927,226)	(15,253,338)	(21,583,908)	(91,520,031)	(24,995,163)	(44,065,200)	(15,775,349)	(338,963,077)	(175,281,646)
Profit / (loss) before taxation and	(213,291,482)	(117,023,510)	(18,049,668)	(22,366,835)	(93,153,729)	(27,412,123)	(84,817,250)	(41,419,642)	(408,312,129)	(208,222,110)
Unallocated income and expenses	503,150,772	471,582,905	75,557,293	84,265,282	182,389,510	32,220,946	55,489,788	34,431,596	816,587,364	622,500,739
Unallocated income and expenses:										
Other operating expenses									(28,777,450)	35,638,838
Other income (excluding exchange gain)									185,141,899	52,116,316
Exchange (loss) / gain									149,603,801	(162,058,850)
Finance cost									(29,543,315)	(15,200,676)
Profit before taxation									276,424,935	(79,504,372)
Taxation									1,093,012,299	542,996,367
Profit for the period									1,069,048,427	525,203,843

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

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

16.2 Commitments:

Guarantees issued by the financial institutions on behalf of the Company amount to Rs. 127.33 million (2021: Rs. 329.11 million).

Guarantees issued by the Company on behalf of E Processing Systems (Pvt.) Limited to National Bank of Pakistan amounts to Rs. 100 million.

17. OTHER OPERATING INCOME

Income from financial assets:

	Three Months Ended	
	Un-audited 31 March 2022	Un-audited 31 March 2021
	----- (Rupees) -----	
Profit on deposit accounts	9,971,017	5,406,529
Gain on short term investments	87,237,701	34,014,172
Exchange gain	149,603,801	(152,058,850)
Interest on loan to subsidiaries	3,689,252	3,978,437
	250,501,771	(108,659,712)

Income from non-financial assets:

Gain on disposal of property and equipment	72,229,161	8,717,178
Others	12,014,768	-
	84,243,929	8,717,178

334,745,700	(99,942,534)
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18. EARNINGS PER SHARE

Basic earnings per share:

	Three Months Ended	
	31 March 2022	31 March 2021
Profit for the period	1,068,048,427	525,203,843
Weighted-average number of ordinary shares outstanding during the period	138,552,086	124,619,966
Basic - in Rupees	7.71	4.21

Diluted earnings per share:

Profit for the period	1,068,048,427	525,203,843
Weighted-average number of Ordinary shares (basic)	138,552,086	124,619,966
Effect of share options	578,619	14,826
	139,130,705	124,634,792
Diluted - in Rupees	7.68	4.21

19. TRANSACTIONS WITH RELATED PARTIES

Related parties comprises of associated companies, staff retirement fund, directors and key management personnel. Transactions with related parties other than remuneration and benefits to key management personnel under the terms of their employment, are as follows:

Related party	Relationship	Nature of transactions	Un-audited	
			Three Months Ended	
			31 March	
			2022	2021
----- Rupees -----				
E-Processing Systems (Pvt.) Ltd.	Associate	Loan	23,695,822	103,846,096
		Interest income	7,218,143	3,652,599
Tech Vista Systems FZ - LLC - UAE	Subsidiary	Sales	690,641,574	181,855,337
		Licenses and assets purchased	(149,556,290)	(30,280,767)
Visionet Systems Incorporation -USA	Associate	Sales	1,866,689,407	1,339,580,775
		Licenses and assets purchased	1,978,067	4,201,118
SUS (Pvt) Ltd	Subsidiary	Loan	6,461,113	8,028,204
		Interest Income	210,125	567,802
Visionet Deutschland GMBH	Associate	Sales	191,664,747	242,642,338
Visionet UK	Associate	Sales	82,206,617	-
Systems Venture (Pvt) Ltd	Subsidiary	Advance against issue of share capital	241,974,035	80,020,000
Techvista Pty Ltd - Australia	Associate	Sales	1,554,680	1,445,880
Tech Vista Information Technology Qatar	Subsidiary	Sales	77,783,197	53,949,918
Jomo Private Limited	Associate	Sales	3,034,239	-
Systems Arabia for Information Technology	Subsidiary	Sales	73,702,212	-
		Reimbursement of Incorporation expenses	28,687,967	-
Staff retirement funds		Contributions	284,807,660	60,791,456
Profit before taxation			1,093,012,299	542,996,367
Adjustments for:				
Depreciation on property and equipment			91,048,926	58,452,753
Amortization of intangibles			2,644,725	2,707,804
Allowance for expected credit losses			-	(35,638,838)
Bad debts - written off			28,777,450	-
Share based payment expense			63,166,118	19,343,871
Finance costs			29,543,315	15,200,676
Exchange loss / gain - net			(149,603,801)	152,058,850
Interest Accrued			(15,704,020)	(3,978,437)
Profit on bank deposits			(9,971,017)	(5,406,529)
Gain on short term investments			(87,237,701)	(34,014,172)
Gain on disposal of property and equipment			(72,229,161)	(8,717,178)
			(119,565,166)	160,008,800
Profit before working capital changes			973,447,133	703,005,167

Effect on cash flow due to working capital changes

(Increase) / decrease in current assets:

Contract Assets - net	(133,422,039)	9,485,624
Trade debts	(369,506,799)	(174,824,893)
Advances	(343,705,323)	(282,354,913)
Trade deposits and short term prepayments	(153,210,821)	(75,335,011)
	(999,844,982)	(523,029,193)

(Decrease) / increase in current liabilities:

Trade and other payables	378,455,532	69,663,388
	(621,389,450)	(453,365,805)

Net cash (used in) / generated from operations

	352,057,683	249,639,362
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21. FINANCIAL RISK MANAGEMENT**21.1 Financial risk factors**

There is no change in the Company's objectives, policies, procedures for measuring and managing the financial risks including capital management risk, since the preceding annual financial year ended 31 December 2021.

21.2 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 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

- During the three months period ended 31 March 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

31 March 2022			
Financial Assets at fair value through P&L	Loans and receivables	Held to maturity	Total

Financial instruments by categories:

Financial assets as per balance sheet

	----- (Rupees) -----			
Long term deposits	-	33,829,877	-	33,829,877
Contract Assets	-	297,574,589	-	297,574,589
Loans and advances	-	638,737,828	-	638,737,828
Trade debts	-	3,935,854,975	-	3,935,854,975
Interest accrued	-	38,098,053	-	38,098,053
Short term investments	3,891,610,497	477,000,000	-	4,368,610,497
Cash and bank balances	-	2,037,479,667	-	2,037,479,667
	3,891,610,497	7,458,574,989	-	11,350,185,486

31 December 2021			
Financial Assets at fair value through P&L	Financial Assets at amortized cost	Held to maturity	Total

Financial assets as per balance sheet

----- (Rupees) -----				
Long term Loans	-	36,796,454	-	36,796,454
Long term deposits	-	141,294,105	-	141,294,105
Contract Assets	-	-	-	-
Trade debts	-	3,445,521,825	-	3,445,521,825
Loans and advances	-	538,568,661	-	538,568,661
Security deposits	-	158,523,500	-	158,523,500
Interest accrued	-	30,922,102	-	30,922,102
Short term investments	4,199,676,912	667,000,000	-	4,866,676,912
Cash and bank balances	-	1,652,613,846	-	1,652,613,846
	4,199,676,912	6,671,240,493	-	10,870,917,405

	31 March 2022	31 December 2021
	Financial Liabilities at amortized cost Rupees	Financial Liabilities at amortized cost Rupees
Financial liabilities as per balance sheet		
Mark-up accrued on short term borrowings	13,828,902	13,702
Long term loan	51,915,599	76,816,085
Short term borrowings	2,750,000,000	2,750,000,000
Unclaimed dividend	9,226,244	9,226,244
Trade and other payables	1,540,557,374	1,162,101,754
Lease liabilities	291,016,257	301,076,382
	4,656,544,376	4,299,234,167

22. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 27th April 2022 by the Board of Directors of the Company.

23. CORRESPONDING FIGURES

Corresponding figures have been re-arranged or re-classified where necessary for the purpose of comparison, however no significant re-classification or re-arrangements have been made except for distribution expenses between operating segments of the company based on the revised allocation basis in these unconsolidated condensed interim financial statements.

24. GENERAL

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


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)



SYSTEMS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at 31 March 2022 (Unaudited)

		Unaudited 31 March 2022	Audited 31 December 2021
	Note	Rupees	Rupees
ASSETS			
Non-current assets			
Property and equipment	6	2,370,421,618	2,051,800,034
Intangible		21,072,986	23,717,704
Long term deposits		33,829,877	141,294,105
Long term investments	7	238,555,023	144,568,896
Long term loans		230,977,385	36,796,454
Right-of-use asset		269,564,248	288,981,475
Investment in associates		1,199,472,185	1,274,009,734
Deferred taxation - net		75,060,282	75,060,282
Deferred employee benefits		48,434,079	10,344,054
		4,487,387,683	4,046,572,738
Current assets			
Contract assets		457,288,269	727,944,400
Trade debts	8	4,352,517,084	4,125,928,299
Loans and advances	9	662,631,893	734,667,764
Trade deposits and short term prepayments		1,386,772,568	323,149,962
Interest accrued		17,212,293	11,118,877
Short term investments	10	4,368,610,497	4,866,676,912
Tax refunds due from the Government		235,291,057	213,640,998
Current portion of deferred employee benefits		14,155,339	2,890,139
Cash and bank balances	11	2,989,861,004	2,978,863,741
		14,484,340,004	13,984,881,092
TOTAL ASSETS		18,971,727,687	18,031,453,830
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 400,000,000 (2021: 400,000,000) ordinary shares of Rs. 10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid up share capital	12	1,391,825,990	1,384,989,120
Capital and reserves		1,347,815,666	1,148,309,400
Unappropriated profits		10,815,666,034	9,528,306,407
		13,555,307,691	12,061,604,927
Non-controlling interest		7,665,766	1,169,928
		13,562,973,457	12,062,774,855
Non-current liabilities			
Long term advances		9,789,819	81,111,314
Lease Liability		224,833,963	238,881,185
Provision for gratuity		113,298,100	94,865,412
		347,921,882	414,857,911
Current liabilities			
Trade and other payables	13	1,652,307,394	1,706,609,735
Unclaimed Dividend		9,226,309	9,226,244
Contract Liability		506,250,454	940,135,872
Mark-up accrued on short term borrowings		13,828,902	13,702
Short term borrowings		2,750,370,113	2,750,000,000
Current Portion of lease liability		66,182,295	62,195,197
Current Portion of long term loan		51,915,598	76,816,085
Current Portion of deferred grant		985,131	1,958,993
Current portion of long term advances		9,766,152	6,865,236
		5,060,832,348	5,553,821,064
TOTAL EQUITY & LIABILITIES		18,971,727,687	18,031,453,830
CONTINGENCIES AND COMMITMENTS			
	15		

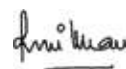
The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

CONSOLIDATED CONDENSED INTERIM PROFIT OR LOSS

for the three months period ended 31 March 2022 (Unaudited)

	Note	Three Months Ended	
		31 March 2022 Rupees	31 March 2021 Rupees
Revenue from contract with customers - net		5,332,814,910	3,047,767,393
Cost of sales		3,734,280,759	1,981,846,033
Gross profit		<u>1,598,534,151</u>	<u>1,065,921,360</u>
Distribution expenses		127,612,939	76,667,444
Administrative expenses		434,323,384	242,260,943
Other operating expenses		36,585,577	(16,109,771)
		<u>598,521,900</u>	<u>302,818,616</u>
Operating profit		1,000,012,251	763,102,744
Other income	16	334,390,518	(115,884,033)
Share of loss from associate		74,537,549	-
Finance cost		32,841,008	20,960,052
Profit before taxation		<u>1,227,024,212</u>	<u>626,258,659</u>
Taxation		26,607,601	24,389,421
Profit after taxation		1,200,416,612	601,869,238
Attributable to:			
Equity holders of the parent		1,200,398,013	617,734,060
Non-controlling interest		18,598	(15,864,822)
		1,200,416,612	601,869,239
Earnings per share:			
Basic earnings per share	17	<u>8.66</u>	<u>4.96</u>
Diluted earnings per share		<u>8.63</u>	<u>4.96</u>

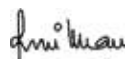
The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the three months period ended 31 March 2022 (Unaudited)

	Three Months Ended	
	31 March 2022	31 March 2021
	Rupees	Rupees
Profit for the period	1,200,416,612	601,869,238
Other comprehensive income		
Exchange difference on translation of foreign operations	91,666,284	(22,928,441)
Total comprehensive income for the period	1,292,082,896	578,940,797
Attributable to:		
Equity holders of the parent	1,292,064,298	594,805,619
Non-controlling interest	18,598	(15,864,822)
	1,292,082,896	578,940,797

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the three months period ended 31 March 2022 (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 2020 (Audited)	1,246,060,140	614,907,403	84,747,028	197,609,706	59,347,679	5,626,952,295	7,829,624,251	146,389,075	7,976,013,326	
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	-	-	-	-	-	617,734,060	617,734,060	(15,864,822)	601,869,238	
Other comprehensive income for the year	-	-	-	-	(22,928,441)	-	(22,928,441)	-	(22,928,441)	
Exercise of Share Options	176,760	7,709,564	-	-	-	-	7,886,324	-	7,886,324	
Share based payments	-	-	19,343,871	-	-	-	19,343,871	-	19,343,871	
Balance as at 31 March 2021 (Un-audited)	1,246,236,900	622,616,967	104,090,899	197,609,706	36,419,238	5,808,508,436	8,015,477,146	130,524,253	8,146,001,399	
Balance as at 31st December 2021 (Audited)	1,384,989,120	820,263,291	200,220,759	-	127,825,350	9,528,306,407	12,061,604,927	1,169,928	12,062,774,855	
Total comprehensive income for the period	-	-	-	-	-	1,200,398,013	1,200,398,013	6,495,838	1,206,893,852	
Revenue reserve of subsidiary	-	-	-	-	-	86,961,614	86,961,614	-	86,961,614	
Other comprehensive income for the year	-	-	-	-	91,666,284	-	91,666,284	-	91,666,284	
Exercise of Share Options	6,836,870	89,660,469	(44,986,605)	-	-	-	51,510,734	-	51,510,734	
Share based payments	-	-	63,166,118	-	-	-	63,166,118	-	63,166,118	
Balance as at 31 March 2022 (Un-audited)	1,391,825,990	909,923,760	218,400,272	-	219,491,634	10,815,666,034	13,555,307,691	7,665,766	13,562,973,457	

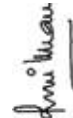
The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

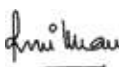
for the three months period ended 31 March 2022 (Unaudited)

	Note	Three Months Ended	
		31 March 2022	31 March 2021
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows from/(used in) operations	19	(403,558,917)	(255,834,658)
Finance costs paid		(19,025,808)	(28,502,799)
Gratuity paid		(3,320,607)	(2,694,274)
Taxes paid		(48,257,660)	(10,059,885)
		(70,604,074)	(41,256,958)
Net cash flows from/(used in) operating activities		(474,162,991)	(297,091,616)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(559,512,197)	(70,456,973)
Development expenditure		-	(19,295,068)
Long term investments		(19,448,578)	-
Proceeds from the disposal of property and equipment		215,274,992	17,505,740
(Increase) / Decrease in long term deposits		107,464,228	(5,547,406)
Disposal of short term investments - net		498,066,415	701,759,296
Revenue reserve of subsidiary		86,961,614	-
Profit received on short term investment		87,621,584	71,622,657
Profit received on bank deposits		10,122,891	5,406,529
Net cash flows used in/from investing activities		426,550,928	700,994,776
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		51,510,734	7,886,324
Decrease in short term borrowings		370,047	(119,773,926)
Decrease in long term loan		(25,874,349)	(51,466,795)
Increase in Lease Liability		9,357,104	2,778,717
Increase in long term advances		(68,420,579)	15,426,848
Net cash flows used in financing activities		(33,056,978)	(145,148,832)
Net (decrease) in cash and cash equivalents		(80,669,021)	258,754,327
Effect of exchange translation reserve		91,666,284	(22,928,441)
Cash and cash equivalents at beginning of the period		2,978,863,741	2,985,104,566
Cash and cash equivalents at closing of the period		2,989,861,004	3,220,930,452

The annexed notes from 1 to 23 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 three months period ended 31 March 2022 (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, Sehgal 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.

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.

Systems Arabia for Information Technology, a wholly owned subsidiary has been incorporated in Saudi Arabia. The company is engaged in the business of developing software and providing IT related services

During the period, TechVista Qatar for Information Technology, has been incorporated in Qatar with 34% owned subsidiary of Systems Limited. The Holding Company has full management control on the operations of the subsidiary.

During the period, Systems APAC for Information Technology PTE. LTD., a wholly owned subsidiary has been incorporated in Singapore. As of reporting date, no investment has been transferred in that entity.

Associated Companies

Retailistan (Private) Limited, a private limited Company registered under the Companies Act, 2017 incorporated on 28 January 2015, is a 20% (2021: 20%) owned associate of Systems Limited which provides services of software designing, development, implementation, maintenance, testing and benchmarking, and to provide internet/web-based applications. The Group acquired interest in Retailistan (Private) Limited on 19 July 2021 through its wholly owned subsidiary, Systems Ventures (Private) Limited. Accordingly, the results of Retailistan (Private) Limited have been accounted for using the equity method of accounting in these consolidated financial statements.

E-Processing Systems B.V, a private limited Company, incorporated on 08 October 2021 in Netherlands, is a 44.60% (2020: 44.60%) owned associate of Systems Limited which is primarily aimed at attracting foreign investment (Refer to Note 1.2.5). The results of E-Processing Systems B.V. have been accounted for using the equity method of accounting in these consolidated financial statements on the basis of management accounts using consistent accounting policies of the Holding Company

2. STATEMENT OF COMPLIANCE

2.1 This consolidated condensed interim financial information of the Group for the period ended 31 March 2022 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 2021.

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 2021.

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 2021.

	Note	Unaudited 31 March 2022	Audited 31 December 2021	
----- (Rupees) -----				
6. PROPERTY AND EQUIPMENT				
Operating fixed assets	(6.1)	2,329,766,864	2,028,987,092	
Capital work in progress	(6.2)	40,654,754	22,812,942	
		2,370,421,618	2,051,800,034	
6.1 Operating fixed assets:				
Opening balance - net book value		2,028,987,092	1,517,920,242	
Additions during the period / year - cost	6.1.1	541,781,847	844,081,543	
Exchange gain difference		-111,462	3,137,516	
		2,570,657,477	2,365,139,301	
Less:				
Disposals during the period / year	6.1.2	143,045,831	35,017,138	
Depreciation during the period / year		97,844,782	301,135,071	
Book value at the end of the period / year		2,329,766,864	2,028,987,092	
6.1.1 Additions during the period / year-cost				
Building		-	33,410,848	
Computer equipment and installations		450,048,323	566,402,613	
Other equipment and installations		39,744,947	21,007,777	
Generator		32,164,173	6,606,088	
Furniture and fittings		310,640	19,451,442	
Vehicles		14,969,800	163,785,826	
Office equipment		1,185,564	734,279	
Leasehold improvements		3,358,400	32,682,670	
Capital work in progress		-	-	
		541,781,847	844,081,543	
6.1.2 Disposals during the period / year				
		Cost	Accumulated Depreciation	Written Down Value
31 March 2021				
Computer equipment and installations		5,527,225	3,681,161	1,846,064
Other equipment and installations		608,400	-	608,400
Vehicles		220,569,231	79,977,864	140,591,367
		226,704,856	83,659,025	143,045,831
31 December 2021				
Computer equipment and installations		11,299,707	10,162,402	1,137,305
Other equipment and installations		0	99,421	(99,421)
Furniture and fittings		2,377,400	1,213,408	1,163,992
Vehicles		48,530,780	26,326,832	22,203,948
Office equipment		755,227	474,240	280,987
Disposal of Subsidiary		20,520,905	10,190,578	10,330,327
		83,484,019	48,466,881	35,017,138
6.2 CAPITAL WORK IN PROGRESS				
		Unaudited 31 March 2022	Audited 31 December 2021	
----- (Rupees) -----				
Balance at the beginning of the period / year		22,812,942	746,272	
Additions during the period / year		17,841,812	31,578,703	
Transfer to operating fixed assets during the period / year		-	(9,512,033)	
Balance at the end of the period / year		40,654,754	22,812,942	
7. Long Term Investments				
7.1 Investment in Associates				
		31 March 2022	31 December 2021	
----- (Rupees) -----				
Retailstan (Private) Limited	7.1	349,072,575	408,270,412	
146,820 fully paid ordinary shares of Rs 10/- each				
E-Processing Systems B.V.	7.1.2	850,399,610	865,739,322	
179,507 fully paid ordinary shares of USD 0.01/- each				
		1,199,472,185	1,274,009,734	

7.1.1 Retailistan (Private) Limited		31 March 2022	31 December 2021
		----- (Rupees) -----	
Cost of investment		408,270,412	468,000,000
Share of total comprehensive loss		(59,197,837)	(59,729,588)
		349,072,575	408,270,412
7.1.2 E-Processing Systems B.V.		31 March 2022	31 December 2021
		----- (Rupees) -----	
Cost of investment		865,739,322	889,335,703
Share of total comprehensive loss		(15,339,712)	(23,596,381)
		850,399,610	865,739,322
		88,555,023	-
This represent advances issued to the following entities for issuance of shares			
- Jugnu Tech Private Limited		88,555,023	-
7.3 At fair value through OCI (FVOCI) Unquoted:			
- Jomo Technologies (Private) Limited	7.3.1	150,000,000	-
7.3.1 This represents the Group's investment in 25,000,000 (2021: 0) unquoted ordinary shares of M/s Jomo Technologies (Private) Limited.			
		Unaudited 31 March 2022	Audited 31 December 2021
		----- (Rupees) -----	
8. TRADE DEBTS	Note		
Considered good - unsecured			
Export	(8.1)	3,746,692,569	3,300,582,378
Local		907,815,179	1,160,066,340
		4,654,507,748	4,460,648,718
Less: Allowance for expected credit losses		301,990,664	334,720,419
		4,352,517,084	4,125,928,299
8.1 This includes receivables from related parties i.e. Visionet Systems Incorporation (USA), Visionet Deutschland GMBH and Visionet-UK amounting to Rs. 1,993.86 million (2021: Rs 1,766.44 million), Rs. 313.60 (2021: 109.17 million) and Rs.114.11 (2021: 19.51 million) respectively.			
9. LOANS AND ADVANCES - considered good			
Current maturity of long term loans		-	8,506,365
Advances to staff:			
Against salary		25,172,094	10,589,878
Against expenses		20,717,248	52,546,952
		45,889,342	71,643,195
Advances to suppliers - Against goods		259,330,684	381,026,858
		305,220,025	452,670,053
Loans to related parties	(9.1)	310,560,767	659,970,206
Elimination on account of joint venture		(614,218)	(378,154,612)
Other receivable		47,465,318	182,117
		662,631,893	734,667,764
9.1 This represents loan provided to UUS Joint Venture (Private) Limited for meeting working capital requirements. This amount is unsecured and is subject to interest at one-year KIBOR (2021: one-year KIBOR) on the outstanding loan balance at the end of each month.			
		Unaudited 31 March 2022	Audited 31 December 2021
		----- (Rupees) -----	
10. SHORT TERM INVESTMENTS			
Fair value through profit and loss			
- Mutual fund units	(10.1)	3,891,610,497	4,199,676,912
Amortized cost			
- Term deposit receipts (TDRs)	(10.2)	477,000,000	667,000,000
		4,368,610,497	4,866,676,912

	Unaudited 31 March 2022	Audited 31 December 2021
	----- (Rupees) -----	
10.1		
The details of investment in mutual funds are as follows:		
UBL Al- Ameen Asset Islamic Allocation Fund	108,671,046	107,656,212
UBL Al- Ameen Asset Islamic cash plan I	466,997,923	307,889,806
Alfalah GHP Islamic Income Fund	-	131,098,915
HBL Asset Islamic Allocation Fund	53,009,727	52,976,195
HBL Asset Islamic money market fund	26,385,533	25,864,345
Lakson Islamic Tactical Fund	99,573,999	99,843,707
Lakson money market Fund	103,524,838	101,159,394
Meezan Balanced Fund	103,879,644	103,600,318
Meezan Islamic Income Fund	-	53,502,393
Meezan Islamic Fund	151,330,400	151,731,025
Meezan rozana amdani Fund	634,530,167	621,489,473
NBP Islamic Sarmaya Izafa Fund	310,666,173	312,138,444
NBP Islamic Daily dividend Fund	-	613,531,130
NBP Islamic Stock Fund	81,573,645	83,246,347
NBP Islamic income Fund	-	52,548,599
MCB Al Hamra Islamic money market fund	477,769,595	467,949,478
ABL Islamic stock fund	46,738,863	47,314,269
ABL Islamic cash fund	263,242,403	257,844,525
ABL Islamic income Fund	-	50,835,310
Faysal Islamic cash Fund	690,370,844	557,457,027
Faysal Halal Amdani Fund	273,345,697	-
	3,891,610,497	4,199,676,912

10.2		
The details of investments in TDRs are as follows:		
Habib Metropolitan Bank	450,000,000	650,000,000
Habib Bank Limited	27,000,000	17,000,000
	10.2.1	477,000,000
		667,000,000

10.2.1 This represents TDRs carrying markup at rates ranging from 8.68% to 9.5% (2021: 6.45% to 12.75%) per annum.

11. CASH AND BANK BALANCES

Cash in hand		1,711,510	946,078
Cash at bank:			
Local currency:			
Current accounts		1,420,220,366	1,636,860,527
Deposit accounts	(111)	1,227,294,880	1,236,990,790
		2,647,515,246	2,873,851,317
Foreign currency - current accounts		340,634,248	104,066,346
		2,989,861,004	2,978,863,741

11.1 These carry interest rate of 6% to 8.5% (2021: 4.12% to 6.28%) per annum.

12. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	Unaudited 31 March 2022		Audited 31 December 2021	
	----- (Rupees) -----			
	-----No of Shares-----		-----Rupees-----	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Ordinary shares of Rs. 10/-fully paid in cash	115,498,876	114,815,189	1,154,988,760	1,148,151,890
Ordinary shares of Rs. 10/- each fully paid up as bonus shares	23,683,723	23,683,723	236,837,230	236,837,230
Ordinary shares of Rs. 10/-	139,182,599	138,498,912	1,391,825,990	1,384,989,120

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

Balance as at 1st January	138,498,912	124,606,014	1,384,989,120	1,246,060,140
Stock options exercised	683,687	1,430,529	6,836,870	14,305,290
Bonus shares issued	-	12,462,369	-	124,623,690
	139,182,599	138,498,912	1,391,825,990	1,384,989,120

13. TRADE AND OTHER PAYABLES

	Unaudited 31 March 2022		Audited 31 December 2021	
	----- (Rupees) -----			
Creditors	678,478,003		646,916,901	
Accrued liabilities	815,164,757		933,261,347	
Provident fund payable	90,712,681		67,671,516	
Withholding income tax payable	67,951,953		41,565,074	
Sales/Value Addition tax payable	-		17,194,897	
	1,652,307,394		1,706,609,735	

14. 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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue - net	1,368,757,808	2,102,583,005	298,459,099	261,612,224	2,138,464,768	909,012,415	793,308,038	508,384,946	5,332,814,910	3,047,767,393
Cost of sales	(780,151,393)	(1,386,140,751)	(204,852,138)	(154,980,097)	(1,490,486,497)	(653,050,741)	(652,801,373)	(393,663,802)	(3,734,280,759)	(1,981,846,033)
Gross profit	588,606,415	716,442,254	93,606,962	106,632,127	647,978,271	255,961,674	140,506,665	114,721,144	1,598,534,151	1,065,921,360
	—Rupees—									
Distribution expenses	(40,96,284)	(25,166,974)	(2,796,330)	(782,927)	(58,178,655)	(24,484,988)	(41,470,980)	(47,303,245)	(127,612,939)	(76,667,444)
Administrative expenses	(112,927,226)	(186,124,508)	(15,253,338)	(21,583,908)	(186,431,733)	(74,351,179)	(44,513,805)	(33,398,629)	(434,323,384)	(242,260,943)
Profit / (loss) before taxation and unallocated income and expenses	(117,023,510)	(213,291,481)	(18,049,669)	(22,366,835)	(244,610,388)	(98,836,167)	(85,984,785)	(80,701,874)	(561,936,323)	(318,928,387)
	471,582,905	503,150,773	75,557,293	84,265,292	403,367,883	157,125,507	54,521,880	34,019,270	1,036,597,828	746,992,973
Other operating expenses									(36,585,577)	16,109,771
Other income (excluding exchange gain)									185,293,773	49,076,159
Exchange (loss) / gain									149,096,745	(164,960,192)
Share of loss of Associate									(74,537,549)	-
Finance cost									(32,841,008)	(20,960,052)
Profit before taxation									1,227,024,213	626,258,659
Taxation									(26,607,601)	(24,389,421)
Profit after taxation									1,200,416,612	601,869,238

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

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

15.2 Commitments:

Guarantees issued by the financial institutions on behalf of the Group amount to Rs. 127.33 million (2021: Rs. 329.11 million).

Guarantees issued by the Company on behalf of E-Processing Systems (Private) Limited to National Bank of Pakistan amounts to Rs. 100 million.

16. Other Income

Income from financial assets:

	Un-audited 31 March 2022	Un-audited 31 March 2021
Profit on deposit accounts	10,122,891	5,406,529
Gain on short term investments	87,237,701	34,014,172
Exchange Gain	149,096,745	(164,960,192)
	<u>246,457,337</u>	<u>(125,539,491)</u>

Income from non-financial assets:

Gain on disposal of property & equipment	72,229,161	8,717,178
Others	15,704,020	938,280
	<u>87,933,181</u>	<u>9,655,458</u>
	334,390,518	(115,884,033)

17. EARNINGS PER SHARE

Basic earnings per share

	Three Months Ended	
	2022 Un-audited	2021 Un-audited
Profit for the period attributable to equity holder of parent	1,200,398,013	617,734,060
Weighted average number of ordinary shares in issue during the period	138,552,086	124,619,966
Basic - in Rupees	8.66	4.96

Diluted earnings per share

Profit for the period attributable to equity holder of parent	1,200,398,013	617,734,060
Weighted-average number of ordinary shares (basic)	138,552,086	124,619,966
Effect of share options	578,619	14,826
	139,130,705	124,634,792
Diluted - in Rupees	8.63	4.96

18. TRANSACTIONS WITH RELATED PARTIES

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

Undertaking	Relation	Nature of transactions	Unaudited Three Months Ended 31 March	
			2022	2021
			----- Rupees -----	
Visionet Systems Incorporation - USA	Associate	Sales Reimbursement of expenses	1,866,689,407 1,978,067	1,339,580,775 4,201,118
Visionet Systems UK	Associate	Sales	82,206,617	-
Visionet Deutschland GMBH	Associate	Sales	191,664,747	242,642,338
E Processing Systems (Private) Limited	Associate	Disbursements against loan Interest income	23,695,822 7,218,143	103,846,096 3,652,599
Jomo Technologies (Private) Limited	Associate	Sales Advance against issuance of shares	3,034,239 150,000,000	- -
Staff retirement funds		Contribution	284,807,660	60,791,456

19. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	1,227,024,212	626,258,659
Adjustments of reconcile profit before tax to meet cash flows:		
Depreciation on property and equipment	97,844,782	60,157,531
Amortization of intangible assets	2,644,725	4,742,923
Allowance for expected credit loss	36,585,577	(16,109,771)
Share based payment expense	63,166,118	19,343,871
Finance cost	32,841,008	20,960,052
Gratuity expense	21,753,295	6,501,799
Interests accrued	-	-
Exchange loss / (gain) on translation of export receivables	(149,096,745)	164,960,192
Gain on disposal of property and equipment	(72,229,161)	(8,717,178)
Gain on short term investments	(87,237,701)	(34,014,172)
Profit on bank deposits	(10,122,891)	(5,406,529)
	(63,850,994)	212,418,718
Profit before working capital changes	1,163,173,218	838,677,377
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Contract assets - Net	(163,229,287)	12,598,523
Trade debts	(114,077,616)	(476,797,593)
Loans and advances	(171,500,285)	(47,789,688)
Other receivables	-	(73,793,169)
Trade deposits and short term prepayments	(1,063,622,606)	(422,261,059)
	(1,512,429,794)	(1,008,042,986)
(Decrease) / increase in current liabilities:		
Trade and other payables	(54,302,341)	(86,469,049)
	(1,566,732,135)	(1,094,512,035)
Net cash flows from operations	(403,558,917)	(255,834,658)

20. FINANCIAL RISK MANAGEMENT

20.1 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 2021.

20.2 Fair values of financial assets and liabilities

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

Fair value hierarchy

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

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

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

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

- During the three months period ended 31 March 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

20.3 Financial instruments by categories

	31 March 2022		
	Financial Assets at fair value through P&L	Financial Assets at amortized cost	Total
	----- (Rupees) -----		
Financial assets as per balance sheet			
Long term deposits	33,829,877		33,829,877
Contract assets	457,288,269		457,288,269
Trade debts	4,352,517,084		4,352,517,084
Loans and advances	662,631,893		662,631,893
Interest accrued	17,212,293		17,212,293
Other receivable	8,937,050		8,937,050
Short term investments	3,891,610,497	477,000,000	4,368,610,497
Cash and bank balances	-	2,989,861,004	2,989,861,004
	3,891,610,497	8,999,277,469	12,890,887,966

31 December 2021		
Financial Assets at fair value through P&L	Financial Assets at amortized cost	Total
----- (Rupees) -----		

Financial assets as per balance sheet

Long term loans		36,796,454	36,796,454
Long term deposits		141,294,105	141,294,105
Contract assets		727,944,400	727,944,400
Trade debts		4,125,928,299	4,125,928,299
Loans and advances		734,667,764	734,667,764
Security deposits		164,893,714	164,893,714
Interest accrued		11,118,877	11,118,877
Other receivables		-	-
Short term investments	4,199,676,912	667,000,000	4,866,676,912
Cash and bank balances	-	2,978,863,741	2,978,863,741
	4,199,676,912	9,588,507,354	13,788,184,266

	31 March 2022	31 December 2021
	Financial Liabilities at amortized cost	
	----- (Rupees) -----	
Financial liabilities as per balance sheet		
Long term loan	51,915,598	76,816,085
Lease liabilities	291,016,258	301,076,382
Markup accrued on short term borrowing	13,828,902	13,702
Short term borrowing	2,750,370,113	2,750,000,000
Trade and other payables	1,652,307,394	1,706,609,735
	4,759,438,265	4,834,515,904

21. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issuance on 27 April 2022 by the Board of Directors of the Group.

22. CORRESPONDING FIGURES

Corresponding figures have been re-arranged or re-classified where necessary for the purpose of comparison, however no significant re-classification or re-arrangements have been made except for distribution expenses between operating segments of the Group based on the revised allocation basis in these consolidated condensed interim financial statements.

23. GENERAL

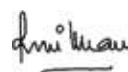
23.1 Figures have been rounded off to the nearest rupee unless otherwise stated.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)

















(CHIEF FINANCIAL OFFICER)



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Lahore (BPO Office)

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