

systems

HALF YEAR REPORT JUNE

Innovating for a
better tomorrow

2024



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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. Zubyr Soomro Director	Independent
Mr. Omar Saeed Director	Independent
Ms. Maheen Rahman Director	Independent
Ms. Romana Abdullah Director	Independent

Audit Committee

Mr. Zubyr Soomro Chairman
Ms. Maheen Rahman Member
Ms. Romana Abdullah Member

Human Resource & Compensation Committee

Mr. Omar Saeed Chairman
Ms. Maheen Rahman Member
Mr. Arshad Masood Member

Chief Financial Officer

Ms. Roohi Khan

Company Secretary

Mr. Ali Ahmed Iftikhar

Head of Internal Audit

Mr. Salman Naveed

Internal Auditors

Uzair Hammad Faisal & Co.

External Auditors

A. F Ferguson & Co.
Chartered Accountants

Legal Advisors

Hassan & Hassan Advocates
Ahmed & Pansota

Tax Advisors

A. F Ferguson & Co.
Chartered Accountants

Banks

Habib Metropolitan Bank Limited
United Bank Limited
Standard Chartered Bank (Pak Limited)
MCB Bank Limited
Faysal Bank Limited
Bank Alfalah Limited
Bank Islami Limited
Allied Bank Limited
Meezan Bank Limited
Finja Pvt Limited
Habib Bank Limited

Share Registrar

Central Depository Company
CDC House, 99-B, Block B,
S.M.C.H.S., Main Shahra-e-Faisal,
Karachi – 74400.
Tel: (92-21) 111-111-500 Fax: (92-21)
34326034

Registered Address

Systems Limited
E-1, Sehjpal Near DHA Phase -VIII
(Ex.-Air Avenue), Lahore Cantt
T: +92 42 111-797-836
F: +92 42 3 636 8857

DIRECTOR'S REPORT

On behalf of the Board of Directors we are pleased to present the Standalone and Consolidated Financial Statements for the six months ended 30th JUNE 2024.

FINANCIAL RESULTS

Unconsolidated:

During period under review, standalone revenue grew by 27% over same period last year from Rs. 14,210.45 million to Rs. 18,050.94 million. Gross profit increased by 5% whereas operating profit decreased by 4%, mainly due to higher inflationary costs. Moreover, as a consequence of rupee appreciation, net profit for the period has been impacted by an exchange loss of Rs 221.87 million compared to the Rs. 2,355.52 million exchange gain in June 2023 decreasing net profit by 49%, from 4,821.90 million to Rs. 2,456.56 million. Normalizing the impact of currency fluctuation, the net profit showed increase of 9% from same period last year. Since the rupee has appreciated against the dollar in HY, the Company did not get the leverage on the wage inflation which has impacted the bottom line. However, the business continues to grow, and revenue has increased by 24% in USD terms.

Similarly Basic and diluted earnings per share increased by 8% and 9% respectively after excluding the effect of currency fluctuation.

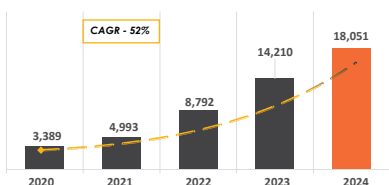
Key Financial Highlights - Unconsolidated

Particulars	June-24 (unaudited)	June-23 (unaudited)	Change	
	Rs.	Rs.	%	
Revenue	18,050,942,510	14,210,447,645	27	
Gross Profit	4,219,071,020	4,011,486,229	5	
Operating profit	2,598,995,936	2,707,023,072	-4	
Profit for the period	2,456,560,818	4,821,907,671	-49	
Earnings per share (basic)	8.42	16.59	-49	
Earnings per share (diluted)	8.37	16.45	-49	

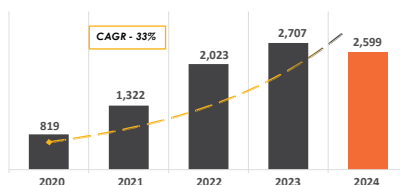
Other Income - Unconsolidated

Particulars	June-24 (unaudited)	June-23 (unaudited)
	Rs.	Rs.
Other Income	473,938,899	290,685,500
Exchange Gain / (Loss)	(221,869,415)	2,355,516,203
	252,069,484	2,646,201,703

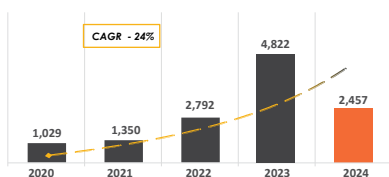
Unconsolidated - Revenue (PKR Mn.)



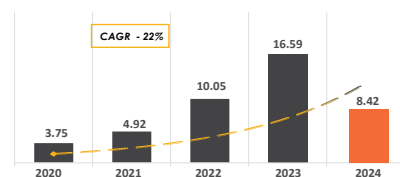
Unconsolidated - Operating Profit (PKR Mn.)



Unconsolidated - Net Profit (PKR Mn.)



Unconsolidated - EPS Basic (Rupee per share)



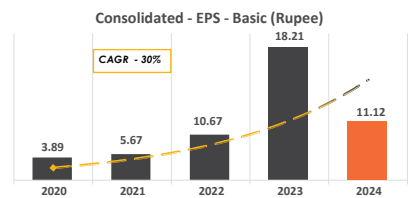
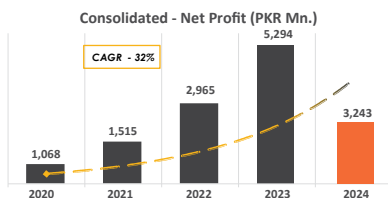
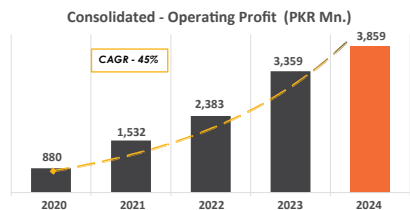
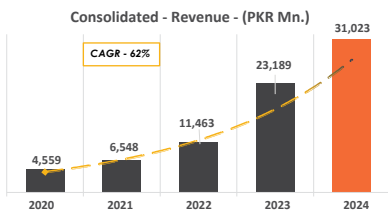
Consolidated:

During the Six months period ended 30th June 2024, consolidated revenue grew by 34% from Rs. 23,189.16 million to Rs. 31,023.36 million. Gross profit and operating profit increased by 12% and 15% respectively. Net profit for the period decreased by 39% from Rs. 5,293.86 million to Rs. 3,243.32 million due to exchange loss against a considerably high exchange gain recorded in last year. Normalizing the impact of currency fluctuation, profit after tax showed increase of 25% from same period last year. Wage inflation adjustment has significantly offset the revenue growth.

Basic and diluted earnings per share increased by 25% after normalizing the impact of currency fluctuation.

Key Financial Highlights - Consolidated				
Particulars	June-24 (unaudited)		June-23 (unaudited)	
	Rs.		Rs.	%
Revenue	31,023,362,819		23,189,163,398	34
Gross Profit	6,982,986,740		6,258,627,331	12
Operating profit	3,859,263,668		3,358,986,012	15
Profit for the period	3,243,319,328		5,293,861,360	-39
Earnings per share (basic)	11.12		18.21	-39
Earnings per share (diluted)	11.06		18.05	-39

Other Income - Consolidated				
Particulars	June-24 (unaudited)		June-23 (unaudited)	
	Rs.		Rs.	
Other Income	318,089,709		291,649,051	
Exchange Gain / (Loss)	(203,558,907)		2,546,637,780	
	114,530,802		2,838,286,831	



PERFORMANCE BY SEGMENT – BY VERTICAL AND BY GEOGRAPHY

All vertical segments are aggressively growing, and the Company expects the margins to rationalize towards the latter half of the year.

	BFSI		Telco		Technology		Retail & CPD		Others		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue - net	9,196,443,744	7,115,123,374	6,939,853,338	4,744,066,695	4,009,622,311	3,358,334,341	3,829,337,242	2,976,692,829	7,191,206,183	5,394,745,159	31,623,342,819	23,189,163,398
Cost of sales	7,976,670,780	5,939,782,914	5,130,783,947	3,309,244,730	2,846,967,867	1,663,492,552	2,699,416,912	1,725,714,281	6,386,216,983	4,771,301,956	24,640,376,078	18,939,536,087
Gross profit	1,180,372,865	1,584,340,460	1,799,069,391	1,434,821,965	1,134,614,444	1,705,041,800	1,129,920,330	800,978,567	1,782,989,220	683,444,593	6,982,966,740	6,250,627,331
Distribution expenses	205,397,662	252,321,663	210,695,736	180,640,686	117,994,491	147,230,300	139,846,216	40,221,022	200,199,687	215,004,057	874,032,663	835,417,629
Administrative expenses	688,738,065	526,049,158	621,626,625	389,236,793	292,271,005	257,862,607	346,398,265	189,253,533	485,892,685	402,161,009	2,164,970,484	1,843,693,101
Profit / (loss) before taxation and imputed income and expenses	714,637,138	778,961,852	776,746,989	145,918,379	419,366,496	606,199,398	486,244,481	298,464,565	886,992,852	617,199,586	3,693,903,997	2,879,119,730
Other operating expenses	466,207,248	606,579,633	1,026,680,039	864,885,933	724,248,634	1,199,846,580	639,699,249	622,524,012	1,666,897,166	66,278,927	3,543,983,724	3,573,510,602
Other income (excluding exchange gain)											(84,720,066)	(220,530,990)
Exchange (loss) / gain											218,089,799	291,660,051
Share of loss from associates											(203,558,907)	2,546,637,780
Finance cost											(38,369,932)	(22,495,692)
Profit before taxation and levy											(27,995,149)	(408,141,675)
Levy											3,448,329,379	5,565,636,476
Profit before taxation											(19,677,382)	(245,780,443)
Taxation											3,326,651,997	5,319,854,433
Profit after taxation											3,306,974,615	(25,984,073)

The geographical segment analysis shows robust growth across all four segments. European and MEA segment is bouncing back showing an encouraging dollarized growth. The Company is rationalizing Pakistan segment as well by improving the quality of revenue bringing efficiencies and optimizing costs to improve the profitability in this segment as well. With the strategic actions that the Company is taking, the profitability across all segments is expected to show a positive trend towards latter half of the year. Export sales of the Company are now roughly around 87% of total sales in line with Company's strategy to grow exports.

	North America		Europe		Middle East & Africa		Asia Pacific		Pakistan & Others		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Six months ended June	Six months ended June	Six months ended June	Six months ended June	Six months ended June	Six months ended June	Six months ended June	Six months ended June	Six months ended June	Six months ended June	Six months ended June	Six months ended June
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue - net	6,719,264,191	5,667,064,964	1,466,245,012	723,568,076	17,854,793,328	12,152,112,769	1,987,684,019	553,402,917	3,896,476,269	4,093,014,654	31,623,342,819	23,189,163,398
Cost of sales	4,662,114,918	3,752,856,996	968,382,317	523,738,445	13,807,683,664	8,304,861,409	719,386,917	391,704,589	3,983,408,263	3,957,354,629	24,640,376,078	18,939,536,067
Gross profit	2,157,149,274	1,914,207,968	496,862,695	199,809,632	4,047,709,664	3,847,251,377	368,197,102	161,698,329	(86,931,994)	135,660,026	6,982,966,740	6,250,627,331
Distribution expenses	26,672,689	14,510,230	6,379,120	1,852,659	623,395,303	597,597,489	102,783,695	48,907,611	116,602,399	172,549,639	874,032,663	835,417,629
Administrative expenses	665,827,166	653,597,064	118,499,943	93,264,943	1,199,686,673	809,648,472	95,123,872	39,537,047	185,936,851	244,245,569	2,164,970,484	1,843,693,101
Profit / (loss) before taxation and imputed income and expenses	661,199,255	668,507,294	123,875,063	101,117,603	1,823,291,876	1,428,245,361	197,907,967	68,444,658	302,739,244	416,795,208	3,639,903,997	2,879,119,729
Other operating expenses	1,665,900,019	1,245,700,674	372,967,632	89,662,024	2,224,427,768	2,443,005,415	170,289,638	73,253,670	(89,671,240)	(261,155,161)	3,543,983,724	3,573,510,602
Other income (excluding exchange gain)											(84,720,066)	(220,530,990)
Exchange (loss) / gain											218,089,799	291,660,051
Share of loss from associates											(203,558,907)	2,546,637,780
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Profit after taxation											3,306,974,615	(25,984,073)

KEY FINANCIAL RATIOS

The decline in profitability ratios has been explained above. The sharp reduction in all net profitability-based ratios is due to the impact of unreasonably high exchange gain in Q1 2023. The high current and quick ratio is reflective of strong liquidity position of the Company, which can be directly linked with improved debtor management and is aligned with Company's investment strategy.

Ratio Description	Standalone		Consolidated	
	Six months ended 30th June	Six months ended 30th June	Six months ended 30th June	Six months ended 30th June
	2024	2023	2024	2023
Gross Profit Margin (%)	23.4%	28.2%	22.5%	27.0%
Operating Margin (%)	14.4%	19.0%	12.4%	14.5%
EBITDA Margin (%)	17.3%	21.6%	15.2%	18.0%
Pre-tax Margin (%)	13.7%	33.8%	10.7%	22.9%
Net Profit Margin (%)	13.6%	33.9%	10.5%	22.8%
Assets turnover (%)	49.3%	47.2%	59.7%	56.2%
Return on Equity (%)	8.5%	20.2%	9.6%	18.8%
Current ratio	3.07	2.87	2.18	2.18
Quick Ratio	2.46	2.41	1.33	1.45
Debtor Turnover (Days)	178	149	130	100
Debt:Equity (Ratio)	04:96	08:92	08:92	07:93
Interest Cover (Times)	15.33	9.07	13.44	8.23

FUTURE OUTLOOK

- Since billing is primarily based on man-days, seasonality significantly impacts revenue due to lost billing during public holidays. Q2 saw a notable reduction in billable days, with two major religious holidays occurring in the same quarter. However, Q3 is expected to be a full working quarter with 5% more billable days, providing the Company with consistent billing opportunities and improved revenue.
- The Company continues to invest in markets where significant opportunities are identified. This investment is driving aggressive growth in these regions. Although 90% of the Company's business is conducted in USD to hedge currency risk and the exchange rate has remained stable, but the rising inflation is putting pressure on margins despite the robust growth. Optimization and rationalization of costs and efficiencies will help release this pressure in the second half.
- The Company continues to maintain a strong backlog for the upcoming quarters, coupled with a robust pipeline that is well-positioned to support future growth. This solid foundation is expected to drive consistent performance in the coming periods.
- The introduction of the new State Bank of Pakistan (SBP) investment policy, which addresses foreign exchange regulations, is expected to attract long-term investors. This policy not only strengthens the Company's financial stability but also opens up opportunities for inorganic growth through mergers and acquisitions, enhancing its competitive edge.
- In line with technological advancements, the Company is actively working on transitioning towards providing AI as a Service. This strategic shift is aimed at capitalizing on the growing demand for AI-driven solutions, positioning the Company at the forefront of innovation in its industry.
- In terms of regional performance, the European market has shown stable growth, while the US market, which had historically been flat, has recently begun contributing positively to the group's overall growth. This diversification in geographic revenue streams enhances the Company's resilience and growth prospects.
- The Middle East segment continues to be a key driver of growth for the Company. A strategic focus on the development and maturity of enterprise customers in this region is central to the Company's business model, with significant efforts directed towards scaling operations and deepening market penetration.
- While the Company has seen an increase in exports, it has strategically reduced its focus on the domestic market. However, contracts within Pakistan that were previously eroding profitability are nearing completion, which is expected to lead to improved segment profitability by the end of the year.
- The Company's recent success in signing numerous banking and financial services (BFS) customers is poised to significantly boost the return on investment (ROI) from its NDC. This strategic alignment underscores the Company's commitment to leveraging its infrastructure to deliver enhanced value to its clients.
- Employee retention has improved notably following the implementation of a new retention policy. This initiative has successfully reduced turnover, ensuring that the Company retains key talent, which is essential for sustaining its growth trajectory.
- Additionally, the launch of the Global Shared Services initiative has been a strategic success. Pakistan, with its advantages in labor arbitrage, talent availability, and language proficiency, is ideally positioned for this service offering. The Company has received positive feedback from existing customers, further validating the potential of this initiative.
- Finally, the Company's Egypt delivery center has more than doubled in size, establishing itself as a strong Business Continuity Planning (BCP) center. In just two years, it has not only secured profitable contracts in the local market but has also transitioned into a profit center, demonstrating the Company's ability to effectively expand and capitalize on new opportunities.

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
28 August 2024

- کاروبار کا انحصار کیونکہ ایام کار پر ہوتا ہے لہذا تمام تعطیلات کے دوران نقصان اٹھانا پڑتا ہے۔ اسی سہ ماہی میں مذہبی تہواروں کے دوران تعطیل کی وجہ سے کیوٹیو میں قابل ذکر کمی دیکھی گئی۔ تاہم کیوٹھری کی سہ ماہی کے دوران کیوٹیو غیر معمولی تعطیل نہ ہونے کے باعث نہ صرف کام کا تسلسل جاری رہنے بلکہ 5 فیصد اضافی کام کے ساتھ کمپنی کے آمدن میں خاطر خواہ اضافہ کی توقع بھی کی جارہی ہے۔
- کمپنی اُن منڈیوں میں سرمایہ کاری جاری رکھے ہوئے ہے جہاں بہتر کاروبار کے شاندار موقعے ہم دستیاب ہیں۔ یہ سرمایہ کاری ان خطوں میں نموی شرح کو بہتر بناتی ہے۔ اگرچہ روپے کے خطرات سے بچنے کیلئے کمپنی کا 90% کاروبار یو ایس ڈی میں کیا جاتا ہے اور شرح مبادلہ مستحکم ہے لیکن اس کے باوجود بڑھتی ہوئی افراط زر مضبوط ترقی کے باوجود مارجن پر دباؤ ڈال رہی ہے۔ لاگت اور کارکردگی کی اصلاح اور توازن سے دوسرے نصف کے دوران اس دباؤ کو ختم کرنے میں مدد ملے گی۔
- کمپنی فعال طور پر مزید ترقی کیلئے معاون ایک مضبوط پائپ لائن کیساتھ آئندہ سہ ماہیوں کیلئے ایک ٹھوس بیک لاگ کی حامل ہے۔ اس ٹھوس بنیاد سے آئندہ ادوار میں مسلسل کارکردگی کی توقع کی جارہی ہے۔
- سٹیٹ بینک آف پاکستان کی نئی سرمایہ کاری کی پالیسی جو کہ غیر ملکی زرمبادلہ کی ریگولیشنز کے بارے میں ہے، کے متعارف ہونے سے طویل المیاد سرمایہ کاروں کو تقویت ملے گی۔ یہ پالیسی نہ صرف کمپنی کے مالی استحکام کو مضبوط کرے گی بلکہ انضمام اور حصول کے ذریعے سابقہ برتری کو بڑھا کر غیر نامیاتی ترقی کے مواقع بھی کھولے گی۔
- ٹیکنالوجی میں جدت کے باعث کمپنی نے آئی بی این مصنوعی ذہانت کو بطور سروس فراہم کرنے کی راہ پر گامزن ہے۔ اس لائحہ عمل پر ترقی پزیر تبدیلی کا مقصد ریلے آئی بی این مصنوعی ذہانت کے تحت سلسلہ یعنی مسائل کے حل کی بڑھتی ہوئی مانگ سے فائدہ اٹھاتے ہوئے صنعت میں جدت طرازی کے میدان میں آگے بڑھنا اور اپنا مقام پیدا کرنا ہے۔
- علاقائی کارکردگی کے لحاظ سے یورپین مارکیٹ میں مستحکم نمود دیکھنے میں آئی ہے جبکہ یو ایس مارکیٹ جو کہ تاریخی طور پر ہمواریت کا شکار تھی نے حال ہی میں گروپ کی مجموعی نمونہ میں اپنے ایک مثبت کردار کا مظاہرہ کیا ہے۔ جغرافیائی آمدن کے تناظر میں یہ تنوع نے کمپنی کی یک آواز ترقی کے امکانات میں اضافہ کیا ہے۔
- مشرق وسطیٰ کا شعبہ کمپنی کیلئے بنیادی نمونہ کا باعث ہے۔ اس رجن کے اندر ترقی پر جامع طور پر توجہ اور انٹرنیشنل صارفین کی ترقی اور پختگی اسکیمنگ آپریشنز اور مارکیٹ تک رسائی کے سلسلے میں اہم کوششوں کے ذریعے کمپنی کے کاروباری ماڈل میں مرکزی حیثیت کی حامل ہے۔
- کمپنی کی ایک پیڈسٹس میں اضافہ نے مقامی مارکیٹ پر توجہ کو کم کیا ہے۔ تاہم پاکستان میں کئے جانے والے ایسے معاہدہ جات جو پہلے منافع کو کم کر رہے تھے تکمیل کے قریب ہیں جس کی وجہ سے سال کے آخر تک اس شعبہ کے منافع میں بہتری آنے کی امید کی جاتی ہے۔
- کمپنی کی جانب سے حال ہی میں متعدد بینکنگ اور مالیاتی سروسز (ایف ایس ای) صارفین کے ساتھ کئے جانے والے معاہدوں پر دستخط اس کے این ڈی بی کی جانب سے ریٹرن آن انوٹمنٹ کو نمایاں طور پر بڑھانے کیلئے تیار ہے۔ یہ جامع صاف بندی صارفین کو بہتر قیمت کی فراہمی یقینی بنانے کیلئے اپنے بنیادی ڈھانچے سے استفادہ حاصل کرنے کیلئے کمپنی کے عزم پر واضح کرتی ہے۔
- نئی ریشٹن پالیسی کو اختیار کرنے سے ایپلائی ریشٹن میں خاطر خواہ اضافہ ہوا ہے۔ اس اہم اقدام نے اس امر کو یقینی بناتے ہوئے کہ کمپنی اُن کلیدی صلاحیتوں کو ترقی کی رفتار کو برقرار رکھنے کیلئے ناگزیر ہیں، کو برقرار رکھنے کے کامیابی سے نرن اور کو کم کیا ہے۔
- مزید برآں یہ کہ عالمی مشترکہ خدمات کے اقدام کا آغاز ایک مربوط کامیابی کی بنیاد بنا ہے۔ پاکستان افرادی قوت، ٹیلنٹ کی دستیابی اور ڈھانچے پر مہارتوں کے فائدہ کے ساتھ ان خدمات کیلئے مثالی حیثیت رکھتا ہے۔ کمپنی کو موجودہ صارفین کی طرف سے مثبت فیڈ بیک اس اقدام کی صلاحیت کو مزید تقویت دیتا ہے۔
- آخر کار کمپنی کا مصری ڈیوری سنٹر ایک مضبوط بزنس کا نئی نیٹنگ پلاننگ (بی سی بی) سنٹر کو بطور پراپے حجم کے لحاظ سے دو گنا ہو گیا ہے۔ یہ صرف دو سالوں میں ہی نہ صرف مقامی مارکیٹ میں فائدہ مند معاہدہ جات حاصل کرنے میں کامیاب رہا بلکہ یہ ایک منافع بخش مرکز میں بھی تبدیل ہو گیا ہے۔

اعترافات

بورڈ اس موقع پر کمپنی کے قابل قدر صارفین، بینکرز اور دیگر سٹیک ہولڈرز کی معاونت اور تعاون پر اُن کا تہ دل شکر یہ ادا کرتا ہے۔ بورڈ کمپنی کے تمام ملازمین کی محنت اور لگن کو سراہتا ہے۔

بحکم بورڈ



آصف ہیر

چیف ایگزیکٹو آفیسر

تاریخ: 28 اگست 2024ء

	BFSI		Telco		Technology		Retail & CPG		Others		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue - net	9,196,443,744	7,115,123,374	6,809,853,338	4,744,066,695	4,000,822,311	3,358,234,341	8,252,337,242	2,976,602,829	7,191,206,183	5,394,745,159	31,823,362,819	23,189,163,398
Cost of sales	7,876,070,780	5,930,782,314	5,130,783,847	3,309,244,730	2,845,907,887	1,663,482,252	2,699,416,812	1,729,714,291	6,386,216,983	4,711,301,956	24,640,376,078	18,930,536,087
Gross profit	1,180,372,965	1,584,340,460	1,739,069,391	1,434,821,965	1,154,914,424	1,705,041,859	1,126,920,730	800,978,567	1,782,989,220	683,444,593	6,982,986,740	6,258,627,311
Distribution expenses	205,397,662	252,321,663	210,695,736	180,640,586	117,984,491	147,230,300	139,846,216	40,221,022	200,199,667	215,004,057	874,032,663	835,417,629
Administrative expenses	498,788,045	526,040,135	521,643,626	389,236,793	292,271,005	257,862,607	346,398,265	199,254,533	485,992,695	402,161,009	1,664,076,484	1,843,693,101
Profit / (loss) before taxation and	714,657,707	778,981,852	732,629,381	149,938,378	419,366,496	606,139,368	488,246,481	298,464,565	686,992,852	617,159,586	3,028,903,907	2,679,110,730
Manufacturing income and expenses	466,207,245	626,579,633	1,026,660,039	864,885,933	724,248,934	1,199,845,900	639,690,249	622,524,012	1,666,897,166	66,278,927	3,543,983,724	3,573,510,602
Other operating expenses											(84,720,066)	(220,530,990)
Other income (excluding exchange gain)											218,089,709	291,649,051
Exchange (loss) / gain											(203,558,907)	2,548,637,780
Share of loss from associates											(26,346,932)	(223,456,692)
Finance cost											(227,095,140)	(408,141,675)
Profit before taxation and levy											3,446,329,379	5,365,635,476
Levy											(119,677,282)	(245,780,043)
Profit before taxation											3,326,652,097	5,119,855,433
Taxation											(85,332,669)	(25,994,073)
Profit after taxation											3,241,319,428	5,093,861,360

جنرالی فنانس ہیکل کے تحت چاروں حصوں میں بہترین پوزیشنز کی کوٹھار کرتا ہے۔ یورپ اور ایشیا کے اہم حصوں کو دوبارہ فعال ہو رہا ہے جس سے حوصلہ افزاء ذرائع کی شرح نمو کی توقع کی جاسکتی ہے۔ کمپنی پاکستان کی حصہ کو بھی مقبول بنا رہی ہے اور اس کے ساتھ ساتھ اس حصہ میں منافع کو بہتر بنانے کیلئے یونیورسٹی کے ذریعے لائسنس کو بہتر بنا رہی ہے۔ کمپنی کی جانب سے نئے جانے والے منظم اور مربوط اقدامات کے ساتھ تمام طبقات کے اندر منافع میں سال کے آخر کے نصف میں مثبت رجحان کی توقع ہے۔ کمپنی کی برآمدات کو بڑھانے کی حکمت عملی کے مطابق پم پی کی برآمدی فروخت میں کل فروخت کا تقریباً 87% ہے۔

	North America		Europe		Middle East & Africa		Asia Pacific		Pakistan & Others		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Six months ended June	Six months ended June	Six months ended June	Six months ended June	Six months ended June	Six months ended June	Six months ended June	Six months ended June	Six months ended June	Six months ended June	Six months ended June	Six months ended June
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue - net	6,719,264,191	5,667,064,964	1,485,245,012	723,568,076	17,854,793,328	12,152,112,786	1,087,584,019	553,402,917	3,896,476,269	4,093,014,654	31,823,362,819	23,189,163,398
Cost of sales	4,862,114,918	3,752,856,956	968,382,317	523,758,445	13,807,683,664	8,304,861,409	719,386,917	391,704,589	3,983,408,263	3,957,354,628	24,640,376,078	18,930,536,087
Gross profit	2,157,149,274	1,914,207,968	496,862,695	199,809,632	4,047,109,664	3,847,251,377	368,197,102	161,698,329	(86,931,994)	135,660,026	6,982,986,740	6,258,627,311
Distribution expenses	28,672,089	14,510,230	5,379,120	1,852,659	623,395,303	597,597,489	102,783,899	48,907,811	116,862,399	172,549,639	874,032,663	835,417,629
Administrative expenses	665,827,166	653,997,054	118,495,343	99,294,949	1,199,896,873	896,643,472	96,123,872	39,537,247	185,936,851	244,245,569	2,164,076,484	1,843,693,101
Profit / (loss) before taxation and	891,199,256	668,507,294	123,876,063	101,117,508	1,823,281,876	1,404,245,961	197,907,567	88,444,858	302,739,246	416,795,208	3,028,903,907	2,679,110,728
Manufacturing income and expenses	1,565,980,019	1,263,760,614	372,987,632	98,692,024	2,224,427,768	2,443,005,415	170,289,635	73,253,610	(89,811,240)	(281,155,161)	3,543,983,724	3,573,510,602
Other operating expenses											(84,720,066)	(220,530,990)
Other income (excluding exchange gain)											318,089,709	291,649,051
Exchange (loss) / gain											(203,558,907)	2,548,637,780
Share of loss from associates											(26,346,932)	(223,456,692)
Finance cost											(227,095,140)	(408,141,675)
Profit before taxation											3,446,329,379	5,365,635,476
Levy											(119,677,282)	(245,780,043)
Profit before taxation											3,326,652,097	5,119,855,433
Taxation											(85,332,669)	(25,994,073)
Profit after taxation											3,241,319,428	5,093,861,360

بنیادی مالیاتی تناسب

منافع کے تناسب میں کمی کی وضاحت اوپر کی جا چکی ہے۔ خاص منافع پر مبنی تمام تناسب میں تیزی سے کمی کی بنیادی وجہ Q1 2023 میں غیر مقبول حد تک زیادہ زرمبادلہ کے اثرات ہیں۔ عملی، موجودہ اور فوری تناسب کمپنی کی مضبوط پوزیشن کو ظاہر کرتا ہے جس کو براہ راست قرض دہندگان کے بہتر انتظام کے ساتھ جوڑا جاسکتا ہے اور کمپنی کی سرمایہ کاری کی حکمت عملی سے ہم آہنگ ہے۔

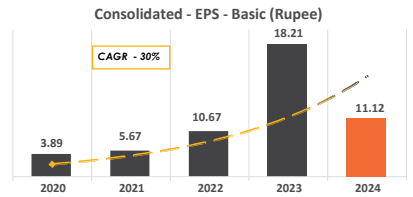
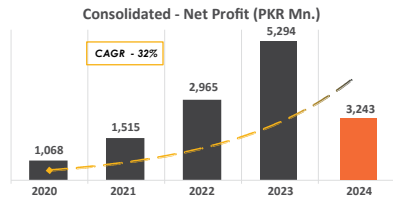
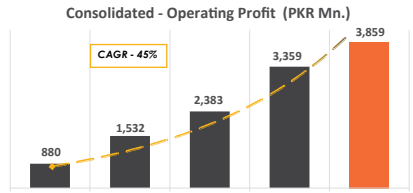
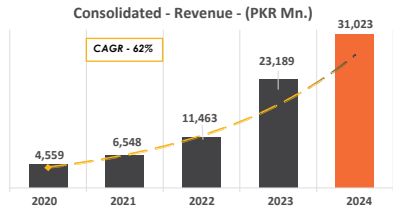
	منظم	غیر منظم	منظم	غیر منظم
	2023	2024	2023	2024
مجموع منافع مارجن (فیصد)	27.0%	22.5%	28.2%	23.4%
آپریٹنگ مارجن (فیصد)	14.5%	12.4%	19.0%	14.4%
ای بی آئی ڈی ڈی اے مارجن (فیصد)	18.0%	15.2%	21.6%	17.3%
لیگس سے پہلے مارجن (فیصد)	22.9%	10.7%	33.8%	13.7%
نیٹ پرائٹ مارجن (فیصد)	22.8%	10.5%	33.9%	13.6%
ائٹاٹوں پر مبنی کاروبار (فیصد)	56.2%	59.7%	47.2%	49.3%
ایکویٹی پر ریٹرن (فیصد)	18.8%	9.6%	20.2%	8.5%
تازہ تناسب	2.18	2.18	2.87	3.07
فوری تناسب	1.45	1.33	2.41	2.46
ڈیویڈنڈ اور اوور (ایام)	100	130	149	178
ڈیٹ: ایکویٹی (تناسب)	07:93	08:92	08:92	04:96
انٹرنلٹ کوور (ٹائمٹر)	8.23	13.44	9.07	15.33

30 جون 2024 کو ختم ہونے والی چھ ماہ کی مدت کے دوران منظم آمدن (23,189.16 ملین روپے سے 31,023.36 ملین روپے) کے لحاظ سے 34 فیصد بڑھی ہے۔ مجموعی منافع اور آپریٹنگ منافع میں بالترتیب 12% اور 15% کا اضافہ ہوا۔ زیر غور مدت میں ایکسیج نفعان کی وجہ سے گزشتہ سال میں ریکارڈ کئے گئے ہوشربازرمبادلہ کے نفع کے مقابلے میں خاص منافع 39% (5,293.86 ملین روپے سے 3,243.32 ملین روپے) کم ہوا۔ ٹیکس کے بعد روپے کی قدر میں کمی کے منافع کے اثرات کو معمول پر لانے سے پچھلے سال کی مدت کے مقابلے میں 25% اضافہ ہوا۔ اہم ترین اثرات میں افراط زر کی ایڈجسٹمنٹ نے آمدنی میں اضافے کو نمایاں طور پر پورا کیا ہے۔

روپے کی قدر میں کمی کے اثرات کو معمول پر لانے کے بعد فی حصص کی بنیادی اور رقیں آمدنی میں 25% کا اضافہ ہوا۔

بنیادی مالیاتی شرحیں - منظم			
تفصیلات	24- جون (نہر آؤٹ) روپے	23- جون (نہر آؤٹ) روپے	تبدیلی %
ریونیو	31,023,362,819	23,189,163,398	34
مجموعی منافع	6,982,986,740	6,258,627,331	12
آپریٹنگ منافع	3,859,263,668	3,358,986,012	15
زیر غور مدت کا منافع	3,243,319,328	5,293,861,360	-39
فی حصص آمدن (بنیادی)	11.12	18.21	-39
فی حصص آمدن (رقیق)	11.06	18.05	-39

دیگر آمدن - منظم			
تفصیلات	24- جون (نہر آؤٹ) روپے	23- جون (نہر آؤٹ) روپے	
دیگر آمدن	318,089,709	291,649,051	
یکسیج نفع حاصل / نفعان	(203,558,907)	2,546,637,780	
	114,530,802	2,838,286,831	



کارکردگی بالکل اچھی رہی۔ برصغیر میں مجموعی و معجزاتی

تمام عمومی حصے تیزی سے ترقی کر رہے ہیں اور کمپنی توقع کرتی ہے کہ سال کے آخری نصف حصہ تک مارجن معقول ہو جائیں گے۔

ڈائریکٹرز کی نظر ثانی رپورٹ مورخہ 30 جون 2024ء

ہمارے لئے بورڈ آف ڈائریکٹرز کی جانب سے مورخہ 30 جون 2024ء کو ختم ہونے والے 6 ماہ کی مدت کے منظم اور غیر منظم مالی بیانات پیش کرنا باعث مسرت ہے۔

مالیاتی نتائج غیر منظم:

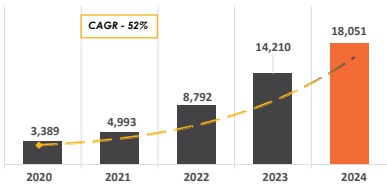
زیر غور مدت کے دوران منظم آمدن میں 27% اضافہ ہوا اور گزشتہ سال اسی مدت میں ہونے والی منظم آمدن 14,210.45 ملین روپے کے مقابلہ میں اس مدت میں 18,050.94 ملین روپے کی منظم آمدن موصول ہوئی۔ بنیادی طور پر مجموعی منافع میں 5 فیصد اضافہ ہوا اور آپریٹنگ منافع میں مہنگائی کی وجہ سے 4 فیصد کمی ہوئی۔ اس کے علاوہ روپے کی قدر میں اضافہ کے نتیجے میں زیر غور سال کا نیٹ پرافٹ جون 2023ء میں ہونے والے 2,355.52 ملین روپے کے مقابلہ میں 2,707.023 ملین روپے کے متبادلہ حاصل کے متبادلہ میں 221.87 ملین روپے کے متبادلہ نقصان کی وجہ سے متاثر ہوا اور اس وجہ سے خالص منافع میں 4,821.90 ملین روپے سے 2,456.56 ملین روپے کے حساب سے 49% تک کمی واقع ہوئی۔ روپے کے اتار چڑھاؤ کے اثرات کو معمول پر لاتے ہوئے، خالص منافع میں ہچکچے سال کی اسی مدت کے مقابلہ میں 9% تک اضافہ ہوا۔ HY میں ڈالر کے مقابلہ میں روپے کی قدر بڑھی جس کی وجہ سے کمپنی کو اجرت کی افراط زر پر فائدہ نہیں ہوا اور اس نے آمدن کو متاثر کیا۔ تاہم کاروبار میں اضافہ جاری ہے اور آمدن میں یو ایس ڈی کے لحاظ سے 24% اضافہ ہوا ہے۔

اسی طرح روپے کی قدر میں کمی کے اثرات کو چھوڑ کر فی حصص کی بنیادی اور رقیب آمدن میں 8% سے 9% تک کا اضافہ ہوا۔

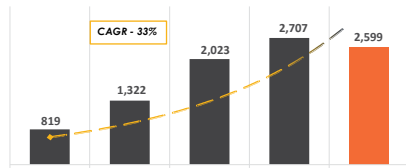
بنیادی مالیاتی شرحیں - غیر منظم			
تفصیلات	24- جون (غیر آڈٹ) روپے	23- جون (غیر آڈٹ) روپے	تبدیلی %
ریونیٹ	18,050,942,510	14,210,447,645	27
مجموعی منافع	4,219,071,020	4,011,486,229	5
آپریٹنگ منافع	2,598,995,936	2,707,023,072	-4
زیر غور مدت کا منافع	2,456,560,818	4,821,907,671	-49
فی حصص آمدن (بنیادی)	8.42	16.59	-49
فی حصص آمدن (رقیق)	8.37	16.45	-49

دیگر آمدن - غیر منظم			
تفصیلات	24- جون (غیر آڈٹ) روپے	23- جون (غیر آڈٹ) روپے	
دیگر آمدن	473,938,899	290,685,500	
ایکٹیوٹیج حاصل (نقصان)	(221,869,415)	2,355,516,203	
	252,069,484	2,646,201,703	

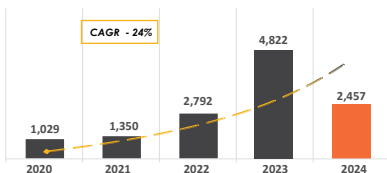
Unconsolidated - Revenue (PKR Mn.)



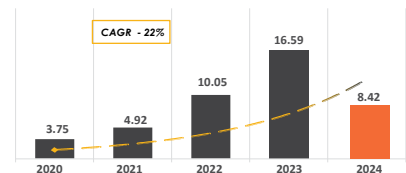
Unconsolidated - Operating Profit (PKR Mn.)



Unconsolidated - Net Profit (PKR Mn.)



Unconsolidated - EPS Basic (Rupee per share)





**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF SYSTEMS LIMITED
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

INTRODUCTION

We have reviewed the accompanying condensed unconsolidated interim statement of financial position of Systems Limited as at June 30, 2024 and the related condensed unconsolidated interim statement of profit or loss, condensed unconsolidated interim statement of comprehensive income, condensed unconsolidated interim statement of changes in equity, and condensed unconsolidated interim statement of cash flows, and notes to the 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 this interim financial statements in accordance with 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 the condensed unconsolidated interim statement of profit or loss and condensed unconsolidated interim statement of comprehensive income for the three-month period ended June 30, 2024 and June 30, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended June 30, 2024.

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 is 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 Asad Aleem Mirza.

A.F. Ferguson & Co.
Chartered Accountants
Lahore

Date: August 29, 2024

UDIN: RR202410128bIWwIHNaZ

Systems Limited Standalone Financial Statements



**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT JUNE 30, 2024**

	Note	Un-audited June 30, 2024	Audited December 31, 2023
		Rupees	Rupees
ASSETS			
Non-current assets			
Property and equipment	5	3,565,759,074	3,509,622,717
Intangibles		-	3,377,286
Long term investments	6	8,166,248,765	8,112,953,916
Right-of-use assets		434,965,725	510,157,034
Long term loans		592,387,131	528,345,079
Deferred employee benefits		211,875,448	182,065,727
Long term deposits		73,963,315	71,792,327
Deferred taxation - net		26,027,317	36,096,850
		13,071,226,773	12,954,410,936
Current assets			
Contract assets - unsecured		1,745,228,167	1,856,838,544
Trade debts - unsecured	7	15,620,896,415	16,198,145,227
Loans, advances and other receivables		2,468,671,352	2,164,085,964
Current portion of deferred employee benefits		79,472,505	67,157,471
Trade deposits and short term prepayments		293,678,159	356,576,667
Income tax refunds due from government		131,950,180	115,592,551
Derivative financial instruments		5,911,858	-
Short term investments	8	1,890,514,144	1,159,419,112
Interest accrued		2,517,472	3,096,777
Cash and bank balances		1,672,390,542	1,441,973,473
		23,911,030,794	23,362,885,786
TOTAL ASSETS		36,982,257,567	36,317,296,722
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 400,000,000 (December 31, 2023: 400,000,000) ordinary shares of Rs 10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid-up share capital		2,922,183,989	2,914,213,989
Capital reserves		5,798,881,991	5,411,992,547
Revenue reserve: Un-appropriated profit		20,094,861,556	19,387,321,138
		28,815,927,536	27,713,527,674
Non-current liabilities			
Long term advances		697,645	4,281,065
Lease liabilities		373,400,531	449,798,210
		374,098,176	454,079,275
Current liabilities			
Trade and other payables		6,230,209,597	5,700,927,809
Unclaimed dividend		30,322,411	18,659,407
Contract liabilities		266,253,295	76,108,859
Short term borrowings - secured	9	1,079,999,785	2,119,000,000
Accrued mark-up on borrowings		35,193,889	96,093,532
Current portion of long term advances		3,949,606	8,395,243
Current portion of lease liabilities		146,303,272	130,504,923
		7,792,231,855	8,149,689,773
TOTAL EQUITY AND LIABILITIES		36,982,257,567	36,317,296,722
CONTINGENCIES AND COMMITMENTS			
	10		

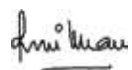
The annexed notes 1 to 22 form an integral part of these condensed unconsolidated interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIODS ENDED JUNE 30, 2024**

	Note	Six Months Ended		Three Months Ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		Rupees	Rupees (Restated)	Rupees	Rupees (Restated)
Revenue from contracts with customers - net	11	18,050,942,510	14,210,447,645	8,892,432,100	7,337,587,741
Cost of revenue		(13,831,871,490)	(10,198,961,416)	(6,871,489,145)	(5,256,453,870)
Gross profit		4,219,071,020	4,011,486,229	2,020,942,955	2,081,133,871
Selling and distribution expenses		(242,906,759)	(156,652,596)	(140,390,389)	(93,481,363)
Administrative expenses		(1,140,038,514)	(1,024,576,181)	(594,395,627)	(561,696,079)
Impairment losses on financial assets		(237,129,811)	(123,234,380)	(237,129,811)	(144,132,102)
		(1,620,075,084)	(1,304,463,157)	(971,915,827)	(799,309,544)
Operating profit		2,598,995,936	2,707,023,072	1,049,027,128	1,281,824,327
Other income	12	252,069,484	2,646,201,703	367,058,333	233,394,869
Finance costs		(169,519,894)	(298,313,543)	(79,529,100)	(195,385,064)
Profit before taxation and levy		2,681,545,726	5,054,911,232	1,336,556,361	1,319,834,132
Levy	13	(214,915,375)	(245,780,043)	(105,134,777)	(150,229,546)
Profit before taxation		2,466,630,351	4,809,131,189	1,231,421,584	1,169,604,586
Taxation		(10,069,533)	12,776,482	(10,069,533)	12,776,482
Profit for the year		2,456,560,818	4,821,907,671	1,221,352,051	1,182,381,068
Earnings per share	14				
-Basic		8.42	16.59	4.19	4.06
-Diluted		8.37	16.45	4.16	4.03

The annexed notes 1 to 22 form an integral part of these condensed unconsolidated interim financial statements.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIODS ENDED JUNE 30, 2024**

	Six months ended		Three months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	Rupees	Rupees	Rupees	Rupees
Profit after taxation	2,456,560,818	4,821,907,671	1,221,352,051	1,182,381,068
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>	-	-	-	-
Total comprehensive income for the period	2,456,560,818	4,821,907,671	1,221,352,051	1,182,381,068

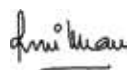
The annexed notes 1 to 22 form an integral part of these condensed unconsolidated interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserve	Total equity
	Share premium	Employee compensation reserve	Un- appropriated profit	

Rupees

Balance as at January 01, 2023 (audited)	2,904,076,989	4,671,279,664	323,650,758	12,283,429,147	20,182,436,558
Profit for the period	-	-	-	4,821,907,671	4,821,907,671
Other comprehensive income	-	-	-	-	-

Transactions with owners

Exercise of share options	8,710,000	178,693,271	(69,580,696)	-	117,822,575
Share based payments	-	-	191,716,770	-	191,716,770
Forfeited share options	-	-	(24,407,024)	-	(24,407,024)
Final dividend for the year ended December 31, 2022 at the rate of Rs 5 per share	-	-	-	(1,455,268,495)	(1,455,268,495)
	8,710,000	178,693,271	97,729,050	(1,455,268,495)	(1,170,136,174)

Balance as at June 30, 2023 (unaudited)	2,912,786,989	4,849,972,935	421,379,808	15,650,068,323	23,834,208,055
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Balance as at January 01, 2024 (audited)	2,914,213,989	4,904,476,367	507,516,180	19,387,321,138	27,713,527,674
Profit for the period	-	-	-	2,456,560,818	2,456,560,818
Other comprehensive income	-	-	-	-	-

Transactions with owners

Exercise of share options	7,970,000	265,993,770	(90,429,885)	-	183,533,885
Share based payments	-	-	246,329,799	-	246,329,799
Forfeited share options	-	-	(35,004,240)	-	(35,004,240)
Final dividend for the year ended December 31, 2023 at the rate of Rs 6 per share	-	-	-	(1,749,020,400)	(1,749,020,400)
	7,970,000	265,993,770	120,895,674	(1,749,020,400)	(1,354,160,956)

Balance as at June 30, 2024 (unaudited)	2,922,183,989	5,170,470,137	628,411,854	20,094,861,556	28,815,927,536
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The annexed notes 1 to 22 form an integral part of these condensed unconsolidated interim financial statements.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

	Note	Six Months Ended	
		June 30, 2024	June 30, 2023
CASH GENERATED FROM OPERATIONS		Rupees	Rupees
Cash generated from operations	16	4,370,656,332	2,023,415,644
Finance costs paid		(197,216,233)	(149,882,857)
Taxes and levy paid		(231,273,004)	(247,738,133)
(Decrease) / increase in long term advances		(8,029,057)	4,601,292
		(436,518,294)	(393,019,698)
Net cash generated from operating activities		3,934,138,038	1,630,395,946
INVESTING ACTIVITIES			
Purchase of property and equipment		(446,062,732)	(938,212,138)
Sale proceeds from disposal of property and equipment		27,022,345	19,155,848
Short term investments - net		(675,992,682)	4,215,710,870
Long term investment - net		-	(1,407,183,000)
Profit received on deposit accounts		43,132,984	26,516,957
Profit received on short term investments		25,790,402	32,649,187
Interest income received from subsidiaries and associated undertakings		13,444,549	25,273,442
Net cash generated (used in) / from investing activities		(1,012,665,134)	1,973,911,166
FINANCING ACTIVITIES			
Disbursements against short term borrowings		1,979,999,320	1,270,000,000
Repayment of short term borrowings		(3,018,999,535)	-
Proceeds from exercise of share options		183,533,885	117,822,575
Payments in respect of leases		(93,802,434)	(95,559,599)
Dividend paid		(1,739,719,554)	(1,435,119,523)
Net cash used in financing activities		(2,688,988,318)	(142,856,547)
Net increase in cash and cash equivalents		232,484,586	3,461,450,565
Net foreign exchange difference		(2,067,517)	57,237,530
Cash and cash equivalents at the beginning of the period		1,441,973,473	588,569,946
Cash and cash equivalents at the end of the period		1,672,390,542	4,107,258,041

The annexed notes 1 to 22 form an integral part of these condensed unconsolidated interim financial statements.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED JUNE 30, 2024

1. THE COMPANY AND ITS OPERATIONS

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, software and hardware trading 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. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These condensed unconsolidated 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.

2.2 These condensed unconsolidated interim financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2023.

2.3 These condensed unconsolidated interim financial statements are the separate condensed unconsolidated interim financial statements of the Company in which investments in the subsidiary companies namely TechVista Systems FZ- LLC, Systems Ventures (Private) Limited, TechVista Information Technology W.L.L., Systems Arabia for Information Technology, SYS Egypt for Information Technology Services, SUS-JV (Private) Limited, National Data Consultant (Private) Limited, Systems Africa for Information Technologies Pty. Ltd. and System Holdings (Private) Limited and associated company namely E-Processing Systems B.V have been accounted for at cost less accumulated impairment losses, if any.

2.4 These condensed unconsolidated 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.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed unconsolidated interim financial statements are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended December 31, 2023, except as disclosed in note 3.1 to the condensed unconsolidated interim financial statements.

3.1 Standards, amendments and interpretations to approved accounting standards that are effective in current

Certain standards, amendments and interpretations to International Financial Reporting Standards ('IFRS') are effective for accounting periods beginning on January 1, 2024, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed unconsolidated interim financial statements, except as follows:

3.1.1 During the current period, the Institute of Chartered Accountants of Pakistan ('ICAP') has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12, Application Guidance on Accounting for Minimum Taxes and Final Taxes' ('the Guidance'). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to designate the amount calculated on gross amount of revenue or other basis (such as receipts or other values etc. as provided in law) as a levy within the scope of IFRIC 21/IAS 37. Any excess over the amount designated as a levy is then recognised as current income tax expense falling under the scope of IAS 12.

The Company has accounted for the effects of this change in accounting policy retrospectively under 'IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors' and the corresponding figures have been restated in this condensed unconsolidated interim financial statements. The effects of restatement is as follows:

		Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	Note	(Rupees)		
Effect on condensed unconsolidated interim statement of profit or loss				
For the six-months period ended				
June 30, 2024 (Un-audited)				
Levy	13	-	(214,915,375)	(214,915,375)
Profit before taxation		2,681,545,726	(214,915,375)	2,466,630,351
Taxation		(224,984,908)	214,915,375	(10,069,533)
Profit for the year		2,456,560,818	-	2,456,560,818
For the six-months period ended				
June 30, 2023 (Un-audited)				
Levy	13	-	(245,780,043)	(245,780,043)
Profit before taxation		5,054,911,232	(245,780,043)	4,809,131,189
Taxation		(233,003,561)	245,780,043	12,776,482
Profit for the year		4,821,907,671	-	4,821,907,671

The related changes to the condensed unconsolidated interim financial statement of cash flows with respect to the amount of profit before income tax have been made as well.

3.1.2 Derivative financial instruments

Derivatives are only used for economic hedging purposes as a forward cover against the Company's specified export receipts, and not as speculative investments. Derivatives are initially recognised at cost on the date a derivative contract is entered and they are subsequently remeasured to their fair value using level 2 valuation techniques at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of item being hedged. The company has not designated any derivative instrument as hedging instrument. These are presented as current assets or liabilities to the extent these are expected to be settled within 12 months after the end of reporting period. Changes in fair value of any derivative instrument are recognised immediately in the statement of profit or loss and are included in other operating expenses / income.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed unconsolidated interim financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Company for the year ended December 31, 2023, except for estimate of provision for taxation as referred to in note 4.1.

4.1 Taxation

The provision for taxation for the six months and three months ended June 30, 2024 has been made using the tax rate that would be applicable to expected total annual earnings.

	Note	Un-audited June 30, 2024 (Rupees)	Audited December 31, 2023 (Rupees)
5. PROPERTY AND EQUIPMENT			
Operating fixed assets	5.1	3,553,994,701	3,509,622,717
Capital work in progress	5.2	11,764,373	-
		3,565,759,074	3,509,622,717
5.1 Operating fixed assets			
Opening balance - net book value		3,509,622,717	2,519,968,031
Additions during the period / year - cost	5.1.1	435,333,025	1,647,837,657
		3,944,955,742	4,167,805,688
Less:			
Disposals during the period / year - net book value	5.1.2	(16,003,736)	(28,372,578)
Depreciation during the period / year		(374,957,305)	(629,810,393)
Net book value at the end of the period / year		3,553,994,701	3,509,622,717
5.1.1 Additions during the period / year			
Building		-	160,120,890
Computers		326,678,338	750,001,007
Computer equipment and installations		27,891,910	406,294,033
Other equipment and installations		-	110,163,624
Generators and transformer		13,193,700	24,723,737
Furniture and fittings		5,601,589	122,579,968
Vehicles		60,043,200	18,080,710
Office equipment		793,290	4,218,725
Leasehold building improvements		1,130,998	51,654,963
		435,333,025	1,647,837,657

	Cost	Accumulated Depreciation	Net book value
5.1.2 Disposals during the period / year			
June 30, 2024: (Un-audited)		(Rupees)	
Computers	22,606,194	15,667,802	6,938,392
Computer equipment and installations	25,274,366	20,227,760	5,046,606
Furniture and fittings	145,519	141,006	4,513
Vehicles	18,131,700	14,117,475	4,014,225
	66,157,779	50,154,043	16,003,736
	Cost	Accumulated Depreciation	Net book value
		(Rupees)	
December 31, 2023: (Audited)			
Computers	38,186,587	15,623,194	22,563,393
Computer equipment and installations	6,852,557	4,721,096	2,131,461
Other equipment and installations	7,145,542	4,458,502	2,687,040
Furniture and fittings	695,677	383,800	311,877
Vehicles	3,586,850	2,929,268	657,582
Office equipment	36,298	15,073	21,225
	56,503,511	28,130,933	28,372,578
	Note	Un-audited June 30, 2024	Audited December 31, 2023
5.2 Capital work in progress		(Rupees)	(Rupees)
Civil Works			
Balance at the beginning of the period / year		-	161,020,955
Additions during the period / year		-	115,360,238
Transfer to operating fixed assets during the period / year		-	(276,381,193)
		-	-
Advance against purchase of property and equipment		11,764,373	-
		11,764,373	-
6. LONG TERM INVESTMENTS			
Investment in subsidiaries - unquoted:			
TechVista Systems FZ-LLC	6.2	343,119,550	343,119,550
Systems Ventures (Private) Limited	6.3	721,100,000	721,100,000
TechVista Information Technology W.L.L.	6.4	144,568,884	144,568,884
Systems Arabia for Information Technology	6.5	-	-
SYS Egypt for Information Technology Services	6.6	113,125,000	113,125,000
Systems Africa for Information Technologies (Pty.) Ltd	6.7	-	-
National Data Consultant (Private) Limited	6.8	4,254,636,725	4,254,636,725
SUS - JV (Private) Limited	6.9	94,990	94,990
Systems Holdings (Private) Limited	6.10	-	-
		5,576,645,149	5,576,645,149
Advance against issuance of shares - Systems Ventures (Private) Limited		2,225,191,000	2,225,191,000
Share options issued to employees of subsidiaries		158,469,602	105,174,753
Subscription money payable		4,396,026	4,396,026
		7,964,701,777	7,911,406,928
Investment in associate - unquoted			
E-Processing Systems B.V.	6.11	201,546,988	201,546,988
		8,166,248,765	8,112,953,916

- 6.1** The shareholders of the Company and Systems Ventures (Private) Limited ("SVPL") in their extra ordinary general meetings held on September 18, 2023 approved a Scheme of Compromises, Arrangement and Reconstruction (the "Scheme"). As required under the Companies Act 2017, the Scheme was submitted with the Honorable Lahore High Court (the "Court") for their approval and sanction of the Scheme. Consequently, the Court through its Order dated December 20, 2023, sanctioned the Scheme. The scheme stipulates the separation of ownership interests in TechVista Systems FZ- LLC, Systems Africa for Information Technologies (Pty.) Ltd., SYS Egypt for Information Technology Services and Systems Arabia for Information Technology (the "Transferred Assets") from the Company and the merger, amalgamation and transfer to, and vesting in SVPL of the same. SVPL may at its discretion hold the Transferred Assets directly or through any nominee being its wholly owned subsidiary. SVPL shall allot and issue 66,860,284 fully paid up ordinary shares of Rs 10 each to the Company for the transferred assets. These condensed unconsolidated interim financial statements do not include the impact of the Scheme as the Company is still in the process of obtaining approvals of the change of shareholding from the respective corporate regulators as of the reporting date and the effect of this restructuring will be recognized in the financial statements of the company after the legal ownership of the afore mentioned entities is transferred to SVPL.
- 6.2** This represents 7,400 fully paid ordinary shares of AED 1,000/- each, representing 100% (December 31, 2023: 7,400 fully paid ordinary shares of AED 1,000/- each, representing 100%) shares in the Company's subsidiary, TechVista Systems FZ-LLC, a company set up in Dubai Technology and Media Free Zone Authority engaged in providing a host of services including enterprise application integration and software development.
- 6.3** This represents 72,100,000 fully paid ordinary shares of Rs 10/- each, representing 100% (December 31, 2023: 72,100,000 fully paid shares of Rs. 10/- each, representing 100%) share in Company's subsidiary, Systems Ventures (Private) Limited, a company set up in Pakistan to invest in new ventures, start ups and incubate new ideas.
- 6.4** Techvista Information Technology W.L.L. ("TVSQ") is a limited liability company incorporated in the State of Qatar. The Company owns 34% (December 31, 2023: 34%) share capital in TVSQ. Pursuant to the agreement entered with the remaining shareholders of TVSQ on February 27, 2022, the Company has obtained all control and management of TVSQ.
- 6.5** This represents 2,500 ordinary shares of SAR 10/- each, representing 100% (December 31, 2023: 2,500 ordinary shares of SAR 10/- each, representing 100%) shares in Company's subsidiary, Systems Arabia for Information Technology, a company setup in Saudi Arabia for providing IT related services. As of reporting date, no payment has been made against its share capital.
- 6.6** This represents 5,000 ordinary shares of USD 100/- each, representing 100% (December 31, 2023: 5,000 ordinary shares of USD 100/- each, representing 100%) shares in the Company's subsidiary, SYS Egypt for Information Technology Services, a limited liability company incorporated in the Arab Republic of Egypt on May 29, 2022, for the purpose of sale of software services and trading software licenses in the Middle East and North Africa region.
- 6.7** This represents 100 ordinary shares of South African Rand 1/- each, representing 100% (December 31, 2023: 100 ordinary shares of South African Rand 1/- each, representing 100%) shares in the Company's subsidiary, Systems Africa for Information Technologies (Pty.) Ltd., a limited liability company incorporated in the Republic of South Africa on July 28, 2022, for the purpose of sale of software services and trading software licenses in the region. As of reporting date, no payment has been made against its share capital.
- 6.8** This represents 500,000 fully paid ordinary shares of Rs 10/- each, representing 100% (December 31, 2023: 500,000 fully paid ordinary shares of Rs 10/- each, representing 100%) shares in the Company's subsidiary, National Data Consultant (Private) Limited, which were acquired by the Company on July 05, 2022 through the share purchase agreement. NdcTech is a company setup in Pakistan engaged in core and digital banking implementation services, having rich clients in Pakistan, Middle East, Africa and Asia Pacific region.
- 6.9** This represents 9,499 full paid ordinary shares of Rs 10/- each, representing 94.99% (December 31, 2023: 9,499 full paid ordinary shares of Rs 10/- each, representing 94.99%) shares in Company's subsidiary, SUS JV (Private) Limited, a company set up in Pakistan for the Balochistan Land Revenue Management Information System project. The project is related to digitization of land records and development of a web-based management information system.
- 6.10** This represents 100 ordinary shares of Rs 10/- each, representing 100% (December 31, 2023: 100 ordinary shares of Rs. 10/- each, representing 100%) shares in the Company's subsidiary, Systems Holdings (Private) Limited, a limited liability company incorporated in Pakistan on April 14, 2023, for the purpose of establishing and running data processing centers, computer centers, software development centers and to provide consultancy and data processing software development services. As of reporting date, no payment has been made against its share capital.

- 6.11 This represents 179,507 fully paid ordinary shares at USD 0.01/- each representing 30.9% shares (December 31, 2023: 179,507 fully paid ordinary shares at USD 0.01/- each representing 30.9% shares) in E-Processing Systems B.V ("EPBV"), a company setup in Netherlands. An accumulated impairment of Rs 68.95 million (December 31, 2023: Rs 68.95 million) has been recorded against the cost of investment of Rs 270.50 million (December 31, 2023: Rs 270.50 million).

	Note	Un-audited June 30, 2024 (Rupees)	Audited December 31, 2023 (Rupees)
7. TRADE DEBTS - UNSECURED			
Export		14,090,702,524	14,248,389,307
Local		1,789,850,820	2,176,592,717
		15,880,553,344	16,424,982,024
Less: Allowance for ECL		(259,856,929)	(226,836,797)
		15,620,696,415	16,198,145,227
8. SHORT TERM INVESTMENTS			
Fair value through profit or loss			
- Mutual fund units		1,635,514,144	877,419,112
Amortized cost			
- Term deposits receipts (TDRs)		255,000,000	282,000,000
		1,890,514,144	1,159,419,112
9. SHORT TERM BORROWINGS - SECURED			
Export Refinance (ERF)			
MCB Bank Limited	9.1	-	400,000,000
Habib Metropolitan Bank Limited	9.1	-	1,400,000,000
Habib Bank Limited	9.1	-	319,000,000
Export Finance Scheme (EFS)			
Habib Metropolitan Bank Limited	9.2	899,999,785	-
Habib Bank Limited	9.3	180,000,000	-
		1,079,999,785	2,119,000,000

- 9.1 This represented the export refinance borrowings amounting (ERF) to Rs. 2,119 million availed from various banks in the last year. The rate of mark up was SBP rate plus 0.5%. These borrowings were secured against first pari passu charge over current assets of the Company with 25% margin and first exclusive hypothecation and equitable mortgage charge over plant, machinery, furniture, fixtures and land. The Company has repaid all ERF borrowings during the period and the ERF facility remains unutilized as at period end.

- 9.2 This represents islamic export finance scheme (IEFS) obtained against aggregate sanctioned limit of Rs 2,000 million during the period. The rate of mark up is SBP rate which is 3% per annum. These borrowings were secured against first pari passu hypothecation charge of Rs 2,150 million over current assets.

- 9.3 This represents Export Finance scheme (EFS) availed against the aggregate sanctioned limit of Rs 700 million. The rate of markup is SBP rate which is 3% per annum. These borrowings are secured against the first pari passu hypothecation charge over the Company's current assets with a 25% margin.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

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

10.2 Commitments

- 10.2.1 Guarantees issued by the financial institutions on behalf of the Company amount to Rs.408.43 million (December 31, 2023: Rs 524.65 million). This includes guarantees of Rs 77.38 million (December 31, 2023: Rs 77.38 million) given on behalf of UUS Joint Venture (Private) Limited, a joint operation of the Company.

- 10.2.2 The Company has commitments in respect of short-term lease rentals against properties of Rs 30.26 million (December 31, 2023: Rs 29.07 million).

11.1.2 Timing of revenue recognition

Un-audited Six Months Ended June 30, 2024			
Export	Local	Total	
(Rupees)			
Goods and services transferred at a point in time	95,172,490	759,024,579	854,197,069
Goods and services transferred over time	14,628,861,394	2,567,884,047	17,196,745,441
Total revenue from contracts with customers	14,724,033,884	3,326,908,626	18,050,942,510

Un-audited Six Months Ended June 30, 2023		
Export	Local	Total
(Rupees)		

Timing of revenue recognition

Goods and services transferred at a point in time	82,010,067	1,020,234,294	1,102,244,361
Goods and services transferred over time	11,238,544,783	1,869,658,501	13,108,203,284
Total revenue from contracts with customers	11,320,554,850	2,889,892,795	14,210,447,645

Un-audited Three Months Ended June 30, 2024			
Export	Local	Total	
(Rupees)			
Goods and services transferred at a point in time	47,607,377	348,413,902	396,021,279
Goods and services transferred over time	7,317,678,899	1,178,731,922	8,496,410,821
Total revenue from contracts with customers	7,365,286,276	1,527,145,824	8,892,432,100

Timing of revenue recognition

Goods and services transferred at a point in time	69,797,305	207,888,397	277,685,702
Goods and services transferred over time	5,942,710,885	1,117,191,154	7,059,902,039
Total revenue from contracts with customers	6,012,508,190	1,325,079,551	7,337,587,741

Un-audited Three Months Ended June 30, 2023		
Export	Local	Total
(Rupees)		

Timing of revenue recognition

Goods and services transferred at a point in time	69,797,305	207,888,397	277,685,702
Goods and services transferred over time	5,942,710,885	1,117,191,154	7,059,902,039
Total revenue from contracts with customers	6,012,508,190	1,325,079,551	7,337,587,741

	Un-Audited Six months ended		Un-Audited Three months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
12. Other Income	(Rupees)			
Profit on deposit accounts	43,132,984	26,516,958	26,158,894	16,781,676
Profit on short term investments	87,884,554	195,108,872	67,379,408	70,011,143
Exchange (loss) / gain	(221,869,415)	2,355,516,203	(14,227,714)	114,428,512
Gain on derivative financial instruments	5,911,858	-	5,911,858	-
Effect of discounting of long term loans	63,304,437	38,676,191	32,072,831	19,507,518
Interest income from subsidiaries and associated undertakings	257,238,518	25,273,442	244,020,978	21,269,951
Gain / (loss) on disposal of property and equipment.	11,018,609	(688,153)	6,475,016	(688,153)
Others	5,447,939	5,798,190	(732,938)	(7,915,778)
	252,069,484	2,646,201,703	367,058,333	233,394,869

	Note	Un- Audited Six months ended		Un- Audited Three months ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		(Rupees)			
13. Levy					
Final Tax	13.1	(36,189,643)	(33,012,420)	(17,703,666)	(20,178,371)
Minimum tax	13.2	(143,495,284)	(182,023,971)	(70,196,675)	(111,259,556)
Super Tax	13.3	(35,230,448)	(30,743,652)	(17,234,436)	(18,791,619)
		(214,915,375)	(245,780,043)	(105,134,777)	(150,229,546)

13.1 This represents portion of final tax paid under section 154 of the Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

13.2 This represents portion of minimum tax paid under various sections of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

13.3 This represents portion of super tax recognized under section 4C of the Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

	Un-audited Six Months Ended		Un-audited Three Months Ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
14. EARNINGS PER SHARE	(Rupees)			
Profit for the period	2,456,560,818	4,821,907,671	1,221,352,051	1,182,381,068
	(Number of shares)			
Weighted-average number of ordinary shares outstanding during the period	291,607,694	290,709,544	291,828,674	291,093,259
Basic earnings per share (Rupees)	8.42	16.59	4.19	4.06
	(Rupees)			
Diluted earnings per share:				
Profit for the period	2,456,560,818	4,821,907,671	1,221,352,051	1,182,381,068
	(Number of shares)			
Weighted-average number of ordinary shares - basic	291,607,694	290,709,544	291,828,674	291,093,259
Effect of share options	1,763,865	2,481,887	1,668,640	1,960,584
Weighted average number of ordinary shares - diluted	293,371,559	293,191,431	293,497,314	293,053,843
Diluted earnings per share (Rupees)	8.37	16.45	4.16	4.03

15. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise subsidiaries, associated companies, companies in which directors are interested, staff retirement funds, key management personnel and directors. All transactions with related parties have been carried out on mutually agreed terms and conditions. Transactions with related parties are as follows:

Undertaking	Relation	Basis of relationship	Nature of transaction	Un-audited	
				Six Months Ended	
				June 30, 2024	June 30, 2023
TechVista Systems FZ- LLC	Subsidiary	Wholly owned	Revenue	3,378,552,285	2,606,679,859
			Expenses incurred on behalf of the party by the Company	126,575,285	18,123,463
			Expenses incurred on behalf of the Company by the party	402,229,769	284,740,954
			Share options issued to employees of the subsidiary	32,021,165	43,043,708
			Consultancy fee by the party	89,794,672	60,108,726
			Payment of licenses made by the party on behalf of the Company	46,393,886	312,636,456
E Processing Systems (Private) Limited.	Associated company	Wholly owned by Associate: E-Processing Systems B.V.	Disbursements against loan	10,799,494	24,672,524
			Receipts against loan	28,075,817	50,878,219
			Finance income on loan	25,855,741	24,582,181
			Property and equipment sold to the party during the period	-	4,420,480
SUS-JV (Private) Limited.	Subsidiary	94.99% owned subsidiary	Disbursement against loan	22,501,240	14,178,652
			Receipts against loan	26,072,376	16,102,056
			Finance income on loan	658,533	691,261
Visionet Systems Incorporation - USA	Associated company	Common shareholding of directors	Revenue	5,384,926,239	5,520,962,738
			Expenses incurred on behalf of the party by the Company	111,809,464	58,885,050
			Expenses incurred on behalf of the Company by the party	100,912,809	98,796,204
Visionet Deutschland GMBH	Associated company	Common shareholding of directors	Revenue	383,301,604	303,011,160
			Expenses incurred on behalf of the party by the Company	2,882,303	14,270,521
Systems Ventures (Private) Limited	Subsidiary	Wholly owned	Expenses incurred on behalf of the party by the Company	2,234,963	1,454,078
			Interest income recorded from the party	231,382,777	-
			Ownership interest in Systems International IT Pte. Ltd. transferred to the party	-	818,009,000
			Payment made on behalf of the party to Systems International IT Pte. Ltd.	-	1,407,182,000
			Revenue	32,505,466	4,245,950
Systems Australia for Information Technology Pty Limited	Sub-Subsidiary	Wholly owned by subsidiary: TechVista Systems FZ LLC	Expenses incurred on behalf of the party by the Company	26,898,942	2,667,959
			Expenses incurred on behalf of the Company by the party	86,919	-
			Contribution	689,287,775	441,749,494
Systems Limited Employees' Provident Fund	Staff retirement fund	Staff retirement fund	Payments made on behalf of the party by the Company	283,794,748	429,074,703
			Revenue	347,203,772	271,068,190
TechVista Information Technology W.L.L.	Subsidiary	Management Control	Share options issued to employees of the subsidiary	1,137,729	912,283
			Expenses incurred on behalf of the party by the Company	12,371,546	39,902,960
			Expenses incurred on behalf of the Company by the party	4,005,354	6,774,641
			Revenue	461,027,711	413,293,531
			Consultancy fee by the party	56,436,847	-
Visionet EMEA Limited	Associated company	Common shareholding of directors	Expenses incurred on behalf of the party by the Company	6,387,545	117,723
			Expenses incurred on behalf of the Company by the party	-	2,223,247

				Un-audited	
				Six Months Ended	
Undertaking	Relation	Basis of relationship	Nature of transaction	June 30,	June 30,
				2024	2023
National Data Consultant (Private) Limited	Subsidiary	Wholly owned	Share options issued to employees of the subsidiary	-	5,796,246
			Expenses incurred on behalf of the party by the Company	323,278,881	467,992,322
			Expenses incurred on behalf of the Company by the party	-	398,500
Systems Arabia for Information Technology	Subsidiary	Wholly owned	Revenue	1,213,578,016	532,169,023
			Share options issued to employees of the subsidiary	10,873,842	3,303,168
			Expenses incurred on behalf of the party by the Company	171,057,665	34,633,021
			Expenses incurred on behalf of the Company by the party	11,676,807	62,952,395
Treehouse Consultancy LLC	Sub-Subsidiary	Wholly owned by subsidiary; TechVista Systems FZ LLC	Revenue	-	35,530,128
Systems Africa for Information Technologies Pty. Ltd.	Subsidiary	Wholly owned	Revenue	4,327,079	47,572,729
			Expenses incurred on behalf of the party by the Company	2,056,978	2,503,022
			Share options issued to employees of the subsidiary	1,052,866	198,312
Systems APAC for Information Technology Pte. Ltd.	Sub-Subsidiary	Wholly owned by sub-subsidiary; Systems International IT Pte. Ltd.	Revenue	412,496,994	31,178,368
			Expenses incurred on behalf of the party by the Company	21,974,088	8,469,181
			Share options issued to employees of the subsidiary	7,216,692	-
			Expenses incurred on behalf of the Company by the party	64,771,372	-
Systems International IT Pte. Ltd.	Sub-Subsidiary	Wholly owned by subsidiary; Systems Ventures (Private) Limited	Expenses incurred on behalf of the party by the Company	-	1,002,242
SYS Egypt for Information Technology Services	Subsidiary	Wholly owned	Revenue	16,984,542	-
			Expenses incurred on behalf of the party by the Company	2,063,176	392,845
			Expenses incurred on behalf of Company by the party	584,430	1,284,806
			Share options issued to employees of the subsidiary	992,553	198,312
National Data Consultancy FZE	Sub-Subsidiary	Wholly owned by sub-subsidiary; Systems International IT Pte. Ltd.	Revenue	621,672,366	415,953,584
			Expenses incurred on behalf of the party by the company	57,870,703	-
Visionet Canada Inc.	Associate	Common shareholding of directors	Revenue	3,936,788	-
AIclose	Associate	Common shareholding of directors	Revenue	310,280,676	-
PartnerLinQ, Inc.	Associate	Common shareholding of directors	Revenue	708,739,874	-
			Expenses incurred on behalf of the party by the company	4,870,725	-
Key management personnel		Employees	Salaries and other benefits	1,413,225,310	948,966,958
Directors		Directors	Fee	2,900,000	3,200,000

**Un-audited
Six Months Ended**

	Note	June 30, 2024 (Rupees)	June 30, 2023 (Rupees)
16. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,466,630,351	4,809,131,189
Adjustments for:			
Levy		214,915,375	245,780,043
Depreciation of property and equipment	5.1	374,957,305	248,786,093
Depreciation of right-of-use asset		76,226,571	75,504,968
Amortization of intangibles		3,377,286	5,062,866
Amortization of deferred employee benefits		68,106,062	27,763,485
Share based payment expense		158,030,710	51,769,062
Impairment loss on financial assets			
- Contract assets - unsecured		-	23,584,680
- Trade debts - unsecured		50,058,068	99,649,700
- Other receivables		187,071,743	-
Security deposits written off		1,359,940	171,033
Finance costs		169,519,694	298,313,543
Effect of discounting of long term loans		(63,304,436)	(38,399,860)
Exchange Loss / (gain)	12	221,869,415	(2,355,516,203)
Gain on derivative financial instruments	12	(5,911,858)	-
Profit on short term investments	12	(87,884,554)	(195,108,872)
Profit on bank deposits	12	(43,132,984)	(26,516,958)
Interest income from related parties	12	(257,238,518)	(25,273,442)
(Gain) / loss on disposal of property and equipment	12	(11,018,609)	688,153
		1,057,001,210	(1,563,741,709)
		3,523,631,561	3,245,389,480
Working capital changes			
Increase in long term deposits		(2,170,988)	(40,590,809)
Decrease / (increase) in contract assets - unsecured		111,610,377	(465,511,957)
Decrease / (increase) in trade debts - unsecured		283,781,841	(1,031,254,228)
Increase in loans paid to employees - net		(94,086,015)	(247,717,860)
Increase in advances and other receivables		(257,207,514)	(387,842,407)
Decrease / (increase) in trade deposits and short term prepayments		62,898,508	(453,197,663)
Increase in trade and other payables		552,054,126	1,414,020,945
Increase / (decrease) in contract liabilities		190,144,436	(9,879,857)
		847,024,771	(1,221,973,836)
Cash generated from operations		4,370,656,332	2,023,415,644

17. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with those disclosed in the preceding annual audited financial statements for the year ended December 31, 2023.

17.1 Fair values of financial assets and liabilities

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

17.2 Financial instruments by categories

Un-audited June 30, 2024		
At fair value through profit or loss	At amortized cost	Total
(Rupees)		
Financial assets		
Interest free loans to employees	- 791,561,184	791,561,184
Contract assets - unsecured	- 1,745,228,167	1,745,228,167
Trade debts - unsecured	- 15,620,696,415	15,620,696,415
Trade deposits	- 210,806,263	210,806,263
Loans to related parties	- 257,177,309	257,177,309
Other receivables	- 1,766,064,266	1,766,064,266
Short term investments	1,635,514,144	255,000,000
Interest accrued	- 2,517,472	1,890,514,144
Cash and bank balances	- 1,672,390,542	2,517,472
	1,635,514,144	22,321,441,618
		23,956,955,762
Financial liabilities		
Lease liabilities	- 519,703,803	519,703,803
Mark-up accrued on short term borrowings	- 35,193,889	35,193,889
Short term borrowings - secured	- 1,079,999,785	1,079,999,785
Unclaimed dividend	- 30,322,411	30,322,411
Trade and other payables	- 6,145,766,087	6,145,766,087
	- 7,810,985,975	7,810,985,975

Audited December 31, 2023		
At fair value through profit or loss	At amortized cost	Total
(Rupees)		
Financial assets		
Interest free loans to employees	- 712,111,946	712,111,946
Contract assets - unsecured	- 1,856,838,544	1,856,838,544
Trade debts - unsecured	- 16,198,145,227	16,198,145,227
Trade deposits	- 194,415,504	194,415,504
Loans to related parties	- 239,828,941	239,828,941
Other receivables	- 1,452,856,881	1,452,856,881
Short term investments	877,419,112	282,000,000
Interest accrued	- 3,096,777	1,159,419,112
Cash and bank balances	- 1,441,973,473	3,096,777
	877,419,112	22,381,267,293
		23,258,686,405
Financial liabilities		
Lease liabilities	- 580,303,133	580,303,133
Mark-up accrued on short term borrowings	- 96,093,532	96,093,532
Short term borrowings - secured	- 2,119,000,000	2,119,000,000
Unclaimed dividend	- 18,659,407	18,659,407
Trade and other payables	- 5,626,922,827	5,626,922,827
	- 8,440,978,899	8,440,978,899

18. Fair value hierarchy

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

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

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

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

	Level 1	Level 2	Level 3	Total
	(Rupees)			
As at June 30, 2024 (Un-audited)				
Fair value through profit and loss				
- Mutual Fund units	1,633,428,978	-	-	1,633,428,978
- Derivative Financial Instruments	-	5,911,858	-	5,911,858
As at December 31, 2023 (Audited)				
Fair value through profit and loss				
- Mutual Fund units	877,419,112	-	-	877,419,112
- Derivative Financial Instruments	-	-	-	-

19. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There are no subsequent events subsequent to the reporting date.

20. DATE OF AUTHORIZATION FOR ISSUE

These condensed unconsolidated interim financial statements were authorized for issue on 28 August 2024 by the Board of Directors of the Company.

21. CORRESPONDING FIGURES

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

22. GENERAL

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


CHAIRMAN


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

Systems Limited Consolidated Financial Statements



CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT JUNE 30, 2024

		Unaudited 30 June 2024	Audited 31 December 2023
	Note	Rupees	Rupees
ASSETS			
Non-current assets			
Property and equipment	6	3,801,950,699	3,740,581,192
Intangible		10,162,628,158	10,511,603,969
Long term investments	7	101,886,235	101,886,235
Investment in Associates		244,089,772	282,459,724
Right-of-use asset		521,497,834	652,229,054
Long term loans		592,387,131	528,345,079
Deferred employee benefits		211,875,446	182,065,727
Long term receivable - unsecured		882,856,983	886,067,903
Long term deposits		197,765,887	265,508,795
		16,716,938,145	17,150,747,678
Current assets			
Contract assets - unsecured		10,474,195,727	7,960,461,635
Trade debts - unsecured	8	13,524,129,236	12,706,815,283
Current portion of long term receivable - unsecured		331,108,512	298,167,633
Loans, advances and other receivables		1,262,084,817	1,819,993,202
Derivative financial instruments		5,911,858	-
Trade deposits and short term prepayments		1,989,321,872	1,060,427,214
Interest accrued		2,517,472	3,096,777
Short term investments	9	1,898,899,444	1,594,725,452
Income tax refunds due from the government		145,148,950	21,768,471
Current portion of deferred employee benefits		79,472,505	67,157,471
Cash and bank balances		6,875,800,324	7,982,850,983
		36,588,590,518	33,515,464,121
TOTAL ASSETS		53,305,528,663	50,666,211,799
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 400,000,000 (2023: 400,000,000) ordinary shares of Rs. 10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid up share capital		2,922,183,989	2,914,213,989
Capital and reserves		8,112,915,711	8,076,144,012
Unappropriated profits		22,833,112,839	21,338,813,911
		33,868,212,540	32,329,171,912
Non-controlling interest		2,460,050	2,447,154
		33,870,672,589	32,331,619,066

	Unaudited 30 June 2024	Audited 31 December 2023
Note	2024	2023
	Rupees	Rupees
Non-current liabilities		
Long term advances	19,702,437	4,281,065
Lease Liability	373,400,531	551,237,073
Other long term liability - unsecured	1,735,445,396	1,818,407,518
Deferred taxation - net	-	117,775,797
Provision for gratuity	559,062,288	474,227,448
	2,887,610,652	2,965,928,901
Current liabilities		
Trade and other payables	9,809,090,883	7,291,830,942
Unclaimed Dividend	30,322,411	18,659,407
Contract Liability	3,908,861,707	4,637,734,357
Mark-up accrued on short term borrowings	35,193,889	96,586,682
Short term borrowings	2,819,750,567	2,119,000,000
Current Portion of lease liability	264,626,040	190,062,090
Current portion of other long term liability	75,450,320	1,006,395,111
Current portion of long term advances	3,949,606	8,395,243
	16,747,245,423	15,368,663,832
TOTAL EQUITY & LIABILITIES	53,305,528,663	50,666,211,799

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The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.


[CHAIRMAN]


[CHIEF EXECUTIVE OFFICER]


[CHIEF FINANCIAL OFFICER]

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2024**

	Note	Six Months Ended		Three Months Ended	
		June 30,	June 30,	June 30,	June 30,
		2024	2023	2024	2023
		Rupees	Rupees (Restated)	Rupees	Rupees (Restated)
Revenue from contract with customers - net		31,023,362,819	23,189,163,398	15,828,962,341	12,490,424,144
Cost of sales		24,040,376,078	16,930,536,067	12,349,888,783	9,022,154,087
Gross profit		6,982,986,740	6,258,627,331	3,479,073,557	3,468,270,057
Distribution expenses		874,032,603	835,417,628	441,387,042	488,620,965
Administrative expenses		2,164,970,404	1,843,693,101	1,057,218,171	1,058,691,170
Impairment losses on financial assets	12	84,720,065	220,530,590	106,038,337	269,511,700
		3,123,723,072	2,899,641,319	1,604,643,550	1,816,823,834
Operating profit		3,859,263,668	3,358,986,012	1,874,430,008	1,651,446,222
Other income	13	114,530,802	2,838,286,831	171,084,666	285,957,523
Share of loss from associate		38,369,952	223,495,692	18,000,000	113,054,927
Finance cost		287,095,140	408,141,675	138,801,785	251,137,273
Profit before taxation and levy		3,648,329,379	5,565,635,476	1,888,712,889	1,573,211,545
Levy		319,677,382	245,780,043	173,264,784	150,229,546
Profit before taxation		3,328,651,997	5,319,855,433	1,715,448,105	1,422,981,999
Taxation		85,332,669	25,994,073	43,344,744	8,547,701
Profit after taxation		3,243,319,328	5,293,861,360	1,672,103,361	1,414,434,297
Attributable to:					
Equity holders of the parent		3,243,306,433	5,293,530,235	1,672,102,811	1,414,251,865
Non-controlling interest		12,896	331,125	550	182,433
		3,243,319,328	5,293,861,360	1,672,103,361	1,414,434,298
Earnings per share:	14				
Basic earnings per share		11.12	18.21	5.73	4.86
Diluted earnings per share		11.06	18.05	5.70	4.83

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE
INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2024**

	Six Months Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees
Profit for the period	3,243,319,328	5,293,861,360	1,672,103,361	1,414,434,297
Other comprehensive income				
Exchange difference on translation of foreign operations	(350,117,679)	1,084,662,320	(320,785,843)	541,792,222
Total comprehensive income for the period	2,893,201,650	6,378,523,680	1,351,317,518	1,956,226,519
Attributable to:				
Equity holders of the parent	2,893,188,754	6,378,192,555	1,351,316,968	1,956,044,087
Non-controlling interest	12,896	331,125	550	182,433
	2,893,201,650	6,378,523,680	1,351,317,518	1,956,226,519

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

	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	Employee compensation reserve	Unappropriated profit						
Balance as at 31 December 2022 (Audited)	2,90,40,76,989	4,67,12,79,598	323,65,07,658	922,282,387	14,10,4,886,266	22,92,6,175,988	2,103,542	22,928,279,541		22,928,279,541
Total comprehensive income for the period	-	-	-	-	5,293,861,360	5,294,192,485	331,125	5,294,192,485		108,4,682,320
Other comprehensive income for the year	-	-	-	1,084,662,320	-	(24,407,024)	-	1,084,662,320		(24,407,024)
Forfeiture of employee stock options	-	-	(24,407,024)	-	-	(1,455,268,495)	-	(1,455,268,495)		117,822,509
Final Dividend @ Rs. 5 per share for the year ended 31 December 2022	-	-	-	-	-	-	-	-		191,716,770
Exercise of Share Options	8,710,000	178,693,205	(69,580,696)	-	-	-	-	117,822,509		28,134,563,438
Share based payments	-	-	191,716,770	-	-	-	-	191,716,770		2,434,667
Balance as at 30 June 2023 (Un-audited)	2,99,27,86,989	4,84,99,72,803	421,37,9,808	2,006,844,707	17,943,479,131	28,134,563,438	2,434,667	28,136,998,106		32,331,619,066
Balance as at 31st December 2023 (Audited)	2,94,21,6,989	4,90,4,476,301	507,516,160	2,66,4,15,131	21,33,8,613,911	32,293,71,912	2,447,154	32,293,71,912		3,243,332,224
Total comprehensive income for the period	-	-	-	-	3,243,319,328	3,243,319,328	12,896	3,243,319,328		(350,117,679)
Other comprehensive income for the year	-	-	-	(350,117,679)	-	(35,004,240)	-	(350,117,679)		(1,748,020,400)
Forfeiture of employee stock options	-	-	(35,004,240)	-	-	(1748,020,400)	-	(1,748,020,400)		183,633,619
Final Dividend @ Rs. 6 per share for the year ended 31 December 2023	-	-	-	-	-	-	-	-		248,328,799
Exercise of Share Options	7,970,000	285,983,704	(90,429,886)	-	-	-	-	183,633,619		2,460,050
Share based payments	-	-	248,328,799	-	-	-	-	248,328,799		33,868,212,540
Balance as at 30 June 2024 (Un-audited)	2,92,21,83,989	5,17,0,470,005	628,41,854	2,314,033,952	22,86,312,899	33,868,212,540	2,460,050	33,870,672,589		

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

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(CHAIRMAN)

S. N. S.

(CHIEF EXECUTIVE OFFICER)

Ami Kumar

(CHIEF FINANCIAL OFFICER)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Note	Six Months Ended	
		30 June	30 June
		2024	2023
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows from/(used in) operations	16	2,130,889,700	(569,188,430)
Finance costs paid		(348,487,933)	(285,449,198)
Gratuity paid		(88,554,241)	(22,973,447)
Taxes paid		(646,186,327)	(403,618,943)
		(1,083,208,501)	(712,041,587)
Net cash flows from/(used in) operating activities		1,067,481,198	(1,281,230,017)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(517,662,278)	(1,061,600,351)
Development expenditure		(223,052,000)	-
Proceeds from the disposal of property and equipment		27,022,345	19,155,848
(Increase) / Decrease in long term deposits		67,742,908	(38,514,485)
Disposal / investment of short term investments - net		(304,173,992)	4,048,274,847
Increase in long term investment		-	(103,425,972)
Profit received on short term investment		88,444,496	193,490,425
Interest received on loan from related parties		25,855,740	25,273,441
Profit received on bank deposits		71,520,677	27,480,508
Net cash flows used in/from investing activities		(784,302,104)	3,110,134,261
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		183,533,819	117,822,509
Increase / (Decrease) in short term borrowings		500,750,567	1,270,000,000
Increase / (Decrease) in long term loan		8,332,454	(168,110,146)
Increase in Lease Liability - Net		(157,574,286)	(87,489,195)
Dividend paid		(1,760,683,404)	(1,475,417,467)
Increase in long term advances		10,975,735	29,456,626
Net cash flows used in financing activities		(1,214,665,115)	(313,737,674)
Net (decrease) in cash and cash equivalents		(911,486,020)	1,515,166,571
Net foreign currency exchange difference		(195,564,638)	289,382,394
Cash and cash equivalents at beginning of the period		7,982,850,983	5,814,496,232
Cash and cash equivalents at closing of the period		6,875,800,324	7,619,045,197

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED 30 June 2024

1. THE GROUP AND ITS OPERATIONS

1.1 Holding company

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

1.2 Subsidiary and sub-subsidiary Companies

- 1.2.1** TechVista Systems FZ - LLC, a limited liability Company incorporated in Dubai Technology and Media Free Zone Authority, is a 100% (2023: 100%) owned subsidiary of Systems Limited, Pakistan. The Company is engaged in the business of developing software and providing ancillary services.
- 1.2.2** TechVista Systems LLC is a limited liability company registered in the Emirate of Dubai under Federal Law No. 2 of 2015, is 100% (2023: 100%) controlled by TechVista Systems FZ-LLC. The Company is licensed as a software house.
- 1.2.3** TechVista Manpower LLC (TechVista MP LLC), a sole establishment, duly licensed by Dubai Economic Department, under License No. 800123, is 100% (2023: 100%) controlled by TechVista Systems FZ-LLC.
- 1.2.4** SUS JV (Private) Limited, a private limited company registered under the Companies Act, 2017 is a 95% (2023: 95%) owned subsidiary of Systems Limited. The Company is set up for the Balochistan Land Revenue Management Information Systems project. The project is related to digitization of land records and development of a web-based management information system.
- 1.2.5** Systems Ventures (Private) Limited, a private limited Company registered under the Companies Act, 2017, incorporated on 11 November 2019, is a 100% (2023: 100%) owned subsidiary of Systems Limited. The Company aims to invest in new ventures, start-ups and incubate new ideas.
- 1.2.6** Systems Australia (formerly TechVista Systems Pty Ltd), is a 100% (2023: 100%) owned subsidiary of Techvista Systems FZ LLC and was incorporated in December 2014 in Australia with the paid up share capital of AUD 1.
- 1.2.7** Systems Arabia for Information Technology, is a wholly owned subsidiary of Systems Limited and was incorporated in December 2022. The Company has been setup in Saudi Arabia to provide IT services. As of reporting date, no payment has been made against its share capital.
- 1.2.8** SYS Egypt for Information Technology Services, a limited liability company, was incorporated in the Arab Republic of Egypt on May 29, 2022, for the purpose of sale of software services and trading software licenses in the Middle East and North Africa region. The company is a wholly owned subsidiary of the Systems Limited.
- 1.2.9** Systems Africa for Information Technologies Pty. Ltd., a limited liability company was incorporated in the Republic of South Africa on July 28, 2022, for the purpose of sale of software services and trading software licenses in the region. The company is wholly owned subsidiary of the Systems Limited.
- 1.2.10** National Data Consultant (Private) Limited ('NdcTech'). NdcTech is a company setup in Pakistan engaged in core and digital banking implementation services, having rich clients in Pakistan, Middle East, Africa and Asia Pacific region.
- 1.2.11** Treehouse Consultancy LLC is a 100% (2023: 100%) owned subsidiary of TechVista Systems FZ - LLC in Dubai and was acquired in July 2022.
- 1.2.12** Systems International IT Pte. Ltd., a limited liability company was incorporated in the Republic of Singapore on May 11, 2022, for the purpose of sale of software services and trading software licenses in the Asia Pacific region. The company is a wholly owned subsidiary of Systems Limited.
- 1.2.13** Systems APAC for Information Technology Pte. Ltd., a limited liability company was incorporated in the Republic of Singapore for the purpose of sale of software services and trading software licenses in the Asia Pacific region. The Company is a wholly owned subsidiary of Systems International IT Pte Ltd. with authorized share capital of SGD 1.
- 1.2.14** NDC Tech APAC Pte. Ltd., is a limited liability company, for the purpose of sale of software services and trading software licenses in the Asia Pacific region. The Company is a wholly owned subsidiary of Systems International IT Pte Ltd. with authorized share capital of SGD 100.

- 1.2.15** National Data Consultancy FZE, is a limited liability company in Dubai, for the purpose of sale of software services and trading software licenses in the region. The Company is a wholly owned subsidiary of Systems International IT Pte Ltd. with authorized share capital of AED 150,000.
- 1.2.16** Techvista Information Technology W.L.L. ("TVSQ"), a limited liability company was incorporated in the State of Qatar on February 27, 2022. The Holding Company has 100% control and management of TVSQ.
- 1.2.17** Techvista Systems East Africa Limited, a limited liability company was incorporated in Kenya on 24th May 2023. The company is a wholly owned subsidiary of Systems International IT Pte Ltd.
- 1.2.18** Systems Holdings (Pvt) Limited is private company incorporated in Pakistan on 13 April 2023. The company is a wholly owned subsidiary of Systems Limited.
- 1.2.19** Sys Bahrain for information Technology W.L.L, is a 100% (2023: Nil) owned subsidiary of Systems International IT Pte. Ltd. incorporated in February 2023 as a limited liability Company for the purpose of software publishing, computer consultancy and computer facilities management activities in the Kingdom of Bahrain.
- 1.2.20** Sys information Technology Malaysia SDN. BHD. is a 100% (2023: Nil) owned subsidiary of Systems International IT Pte. Ltd. incorporated in Malaysia.
- 1.2.21** Systems for information Technology QZF LLC, is a 100% (2023: Nil) owned subsidiary of Systems International IT Pte. Ltd. incorporated in Qatar.

1.3 Associated Companies

SalesFlo (Private) Limited (formerly Retailistan (Private) Limited), a private limited Company registered under the Companies Act, 2017 and incorporated on January 28, 2015, is a 20% (2023: 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 SalesFlo (Private) Limited (formerly Retailistan (Private) Limited) on July 19, 2021 through its wholly owned subsidiary, Systems Ventures (Private) Limited. Accordingly, the results of SalesFlo (Private) Limited (formerly Retailistan (Private) Limited) have been accounted for using the equity method of accounting in these consolidated financial statements using consistent accounting policies of the Holding Company.

E-Processing Systems B.V, a private limited Company, incorporated on October 08, 2021 in Netherlands, is a 30.9% (2023: 30.9%) owned associate of Systems Limited which is primarily aimed at attracting foreign investment. The results of E-Processing Systems B.V. have been accounted for using the equity method of accounting in these consolidated financial statements using consistent accounting policies of the Holding Company.

2. STATEMENT OF COMPLIANCE

- 2.1** This consolidated condensed interim financial information of the Group for the six months period ended 30 June 2024 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 2023.

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 2023.

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 2023.

	Note	Unaudited 30 June 2024 Rupees	Audited 31 December 2023 Rupees
6. PROPERTY AND EQUIPMENT			
Operating fixed assets	6.1	3,790,186,326	3,740,581,192
Capital work in progress	6.2	11,764,373	-
		3,801,950,699	3,740,581,192
6.1 Operating fixed assets:			
Opening balance - net book value		3,740,581,192	2,699,160,711
Additions during the period / year - cost	6.1.1	517,662,278	1,786,368,287
		4,258,243,470	4,485,528,998
Less:			
Disposals during the period / year	6.1.2	16,003,736	34,173,128
Depreciation during the period / year		433,650,271	718,070,542
Exchange differences		(18,403,137)	7,295,864
Book value at the end of the period / year		3,790,186,326	3,740,581,192
6.1.1 Additions during the period / year-cost			
Building		-	160,120,890
Computers		378,553,473	855,933,606
Computer equipment and installations		30,261,498	416,996,325
Other equipment and installations		-	110,673,686
Generator		13,193,700	24,723,737
Furniture and fittings		9,441,260	143,662,315
Vehicles		84,288,059	18,080,710
Office equipment		793,290	4,522,055
Leasehold Improvements		1,130,998	51,654,963
		517,662,278	1,786,368,287
6.1.2 Disposals during the period / year - WDV			
Computers		6,938,392	24,906,828
Computer equipment and installations		5,046,606	2,170,791
Other equipment and installations		-	4,751,600
Generators and transformer		4,014,225	-
Furniture and fittings		4,513	1,657,594
Vehicles		-	657,582
Office equipment		-	28,733
		16,003,736	34,173,128
6.2 CAPITAL WORK IN PROGRESS			
Civil works	6.2.1	-	-
Advance against purchase of property and equipment		11,764,373	-
		11,764,373	-
6.2.1			
Balance at the beginning of the period / year		-	161,020,955
Additions during the period / year		-	115,360,238
Transfer to operating fixed assets during the period / year		-	(276,381,193)
Balance at the end of the period / year		-	-
7. Long Term Investments			
Advance against issuance of shares			
B2B Holdings (Private) Limited	7.1	101,886,235	101,886,235
7.1 This represents amount invested by the Group amounting to Rs 101.9 million against the right to purchase preference shares of B2B Holdings (Private) Limited through simple agreement for future equity. In case of any future equity financing by B2B Holdings (Private) Limited, the safe note will automatically be converted into preference shares. This is carried at cost, is unsecured and carries no interest.			
8. TRADE DEBTS			
Considered good - unsecured			
Export		11,553,999,684	10,338,403,980
Local		2,450,053,472	2,645,877,618
		14,004,053,156	12,984,281,598
Less: Allowance for expected credit losses		(479,923,919)	(277,466,315)
		13,524,129,236	12,706,815,283
9. SHORT TERM INVESTMENTS			
Fair value through profit and loss			
- Mutual fund units		1,643,899,444	877,419,112
Amortized cost			
- Term deposit receipts (TDRs)		255,000,000	717,306,340
		1,898,899,444	1,594,725,452

10. OPERATING SEGMENT INFORMATION

The Group has realigned its strategy for growth and has started monitoring performance based on industry verticals along with geographical segments. This helps to capture synergies through the cross-selling of technologies and solutions across different verticals. This approach allows the Group to leverage its expertise and capabilities more effectively across various sectors, increasing operational efficiency.

The Group can also better understand its competitive footprint within each vertical, identifying areas where it can capitalize on its strengths. Moreover, the emphasis on industry verticals highlights the importance of expanding within sectors that offer higher margins, indicating a strategic approach to revenue generation and profitability.

The Group will continue to use geographical segments as well in addition to vertical segments. However, the five primary segments now revolve around industry verticals, reflecting the Group's strategic shift:

- Banking Financial Services & Insurance (BFSI): This segment includes activities related to banking, financial services, and insurance.
- Retail & CPG (Consumer Packaged Goods): This segment encompasses retail operations and consumer goods.
- Technology: This segment includes technology-related solutions, products and services.
- Telco (Telecommunications): This segment involves telecommunications services and technologies.
- Others: This catch-all category remaining segments that don't fall into the specific verticals mentioned above.

	BFSI		Telco		Technology		Retail & CPG		Others		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Six months ended 30 June 2024	Six months ended 30 June 2023	Six months ended 30 June 2024	Six months ended 30 June 2023	Six months ended 30 June 2024	Six months ended 30 June 2023	Six months ended 30 June 2024	Six months ended 30 June 2023	Six months ended 30 June 2024	Six months ended 30 June 2023	Six months ended 30 June 2024	Six months ended 30 June 2023
Revenue - net	9,156,443,744	7,115,123,374	6,889,853,338	4,744,066,695	4,000,522,311	3,358,534,341	3,825,337,442	2,576,692,829	7,181,206,183	5,394,746,159	31,023,362,819	23,188,163,398
Cost of sales	7,976,079,790	5,530,782,914	5,130,783,947	3,309,244,793	2,865,007,897	1,653,492,532	2,699,416,612	1,725,714,281	5,388,216,963	4,711,301,566	24,040,376,079	16,930,536,067
Gross profit	1,180,373,954	1,584,340,460	1,759,069,391	1,434,821,902	1,134,814,444	1,705,041,809	1,125,920,730	850,978,567	1,792,989,220	683,444,593	6,982,986,740	6,258,627,331
Distribution expenses	205,397,653	252,231,663	210,595,748	1,80,640,588	117,594,491	147,230,300	133,845,716	40,221,023	203,159,637	215,004,067	874,032,603	835,417,639
Administrative expenses	508,768,045	526,640,153	520,643,626	369,205,793	292,271,005	357,982,607	346,395,868	188,233,533	495,892,465	402,461,009	2,164,970,404	1,843,693,101
Profit / (loss) before taxation and unallocated income and expenses	714,165,707	778,361,822	732,239,361	549,436,379	410,266,406	505,132,809	485,240,481	228,454,555	686,092,052	617,185,066	3,038,003,007	2,670,110,730
	486,207,248	805,977,638	1,026,850,030	884,886,523	724,349,038	1,199,348,902	639,680,249	622,524,012	1,066,897,168	661,279,927	3,843,985,734	3,578,516,602
Other operating expenses											(84,720,065)	(220,530,580)
Other income (excluding exchange gain)											318,089,709	291,648,051
Exchange (loss) / gain											(203,658,907)	2,546,637,780
Share of loss from associates											(38,389,982)	(223,486,692)
Finance cost											(287,095,140)	(605,141,875)
Profit before taxation and levy											3,018,249,399	5,045,780,043
Taxation											(319,627,362)	(545,700,043)
Profit before taxation											3,288,651,988	5,219,855,432
Taxation											(65,332,669)	(25,994,073)
Profit after taxation											3,243,319,328	5,293,861,360

10.2 Geographical segments

	North America		Europe		Middle East & Africa		Asia Pacific		Pakistan & Others		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue - net	6,719,264,191	5,667,064,964	1,465,245,012	723,566,076	17,854,793,328	12,152,112,796	1,087,594,019	553,402,917	3,896,476,269	4,093,014,654	31,023,362,819	23,189,163,398
Cost of sales	4,562,114,918	3,752,856,996	988,382,317	523,758,445	13,807,083,664	8,304,861,409	719,386,917	391,704,589	3,983,408,263	3,957,354,628	24,040,376,078	16,930,536,067
Gross profit	2,157,149,274	1,914,207,968	486,862,695	199,809,632	4,047,709,664	3,847,251,377	368,197,102	161,698,329	(86,331,994)	135,660,026	6,982,986,740	6,258,627,331
Distribution expenses	25,672,089	14,510,230	5,379,120	1,652,659	623,395,303	597,597,469	102,783,695	48,907,611	116,402,395	172,549,639	874,032,603	835,417,629
Administrative expenses	565,527,166	653,997,064	118,495,943	99,264,949	1,199,886,573	806,548,472	95,123,872	39,537,047	185,936,851	244,245,569	2,164,970,404	1,843,693,101
Profit / (loss) before taxation and unallocated income and expenses	591,199,255	668,507,294	123,875,063	101,117,608	1,823,281,876	1,404,245,961	197,907,567	88,444,658	302,739,246	416,795,208	3,039,003,007	2,679,110,728
	1,565,950,019	1,245,700,674	372,987,632	98,692,024	2,224,427,788	2,443,005,415	170,289,635	73,253,670	(389,671,240)	(281,135,181)	3,943,983,734	3,579,516,600
Other operating expenses											(84,720,065)	(220,530,590)
Other income (excluding exchange gain)											318,069,709	291,649,051
Exchange (loss) / gain											(208,568,907)	2,546,637,780
Share of loss from associates											(38,369,952)	(223,495,692)
Finance cost											(287,095,140)	(408,141,675)
Profit before taxation											3,646,329,379	5,565,635,476
Levy											(319,677,382)	(245,760,043)
Profit before taxation											3,326,651,997	5,319,855,433
Taxation											(65,832,669)	(23,994,079)
Profit after taxation											3,243,819,328	5,295,861,350

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

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

11.2 Commitments:

11.2.1 Guarantees issued by the financial institutions on behalf of the group amount to Rs. 419.43 million (December 31, 2023: Rs 524.65 million). This includes guarantees of Rs 77.38 million (December 31, 2023: Rs 77.38 million) given on behalf of UUS Joint Venture (Private) Limited, a joint operation of the Company.

11.2.2 The Company has commitments in respect of short-term lease rentals against properties of Rs 30.26 million (December 31, 2023: Rs 29.07 million).

11.2.3 The Group has issued Performance Guarantee to National Bank of Pakistan Hong Kong against services contract amount USD 13,950 (2023: USD 13,950) and National Bank of Pakistan Kingdom of Saudi Arabia against services contract USD 25,000 (2023: 25,000).

11.2.4 Guarantees issued by the Holding Company on behalf of E-Processing Systems (Private) Limited to National Bank of Pakistan amount to Rs 100 million (2023: Rs 100 million). Guarantees issued by the Holding Company on behalf of National Data Consultant (Private) Limited to Bank Al Habib Limited amount to Rs 134 million (2023: 134 million).

11.2.5 The Group has received credit facilities from banks to issue advance payment guarantees, performance guarantees and bid bonds for securing IT and software related projects upto a limit of AED 32.85 million (2023: AED 32.85 million). The credit facilities are secured against the margin account balance kept by the bank along with a counter guarantee collateral value of AED 32.85 million (2023: AED 32.85 million). The availed amount against these facilities amount to AED 25.98 million (2023: AED 25.98 million).

	Six Months Ended	
	Un-audited 30 June	Un-audited 30 June
	2024	2023
	Rupees	Rupees
12. IMPAIRMENT LOSSES ON FINANCIAL ASSETS		
Expected credit losses on contract assets & trade debtors	84,720,065	66,061,678
Impairment of Jomo investment	-	154,468,912
	84,720,065	220,530,590

13. OTHER INCOME

Income from financial assets:

Profit on deposit accounts	71,501,314	27,480,509
Profit on short term investments	87,884,554	195,108,872
Exchange gain / (loss)	(203,558,907)	2,546,637,780
Gain on derivative financial instruments	5,911,858	-
Effect of discounting of long term receivables	33,624,828	-
Interest on loan to subsidiaries	25,855,741	25,273,442
Effect of discounting of long term loans	72,374,506	38,676,191
	93,593,894	2,833,176,794

Income from non-financial assets:

Gain on disposal of property & equipment	11,018,609	(688,153)
Others	9,918,299	5,798,190
	20,936,908	5,110,037
	114,530,802	2,838,286,831

14. EARNINGS PER SHARE

	Six Months Ended		Three Months Ended	
	30 June		30 June	
	2024	2023	2024	2023
	Un-audited	Un-audited	Un-audited	Un-audited
Basic earnings per share				
Profit for the period attributable to equity holder of parent	3,243,306,433	5,293,530,235	1,672,102,811	1,414,251,865
Weighted average number of ordinary shares in issue during the period	291,607,694	290,709,544	291,828,674	291,093,259
Basic - in Rupees	11.12	18.21	5.73	4.86
Diluted earnings per share				
Profit for the period attributable to equity holder of parent	3,243,306,433	5,293,530,235	1,672,102,811	1,414,251,865
Weighted-average number of ordinary shares (basic)	291,607,694	290,709,544	291,828,674	291,093,259
Effect of share options	1,763,865	2,481,887	1,668,640	1,960,584
	293,371,559	293,191,431	293,497,314	293,053,843
Diluted - in Rupees	11.06	18.05	5.70	4.83

15. 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	
			2024 Rupees	2023 Rupees
		Revenue	5,450,126,994	5,520,962,738
Visionet Systems Incorporation - USA	Associate	Expenses incurred on behalf of the party	111,809,464	58,885,050
		Expenses incurred on behalf of the Group by the party	100,912,809	98,796,204
Visionet Systems - UK	Associate	Revenue	520,904,863	413,293,531
		Consultancy fee by the party	56,436,847	-
		Expenses incurred on behalf of the party	6,387,545	2,223,247
		Expenses incurred on behalf of the Group by the party	-	117,723
Visionet Canada Inc.	Associate	Revenue	3,936,788	-
AtClose	Associate	Revenue	310,280,676	-
PartnerLinQ, Inc.	Associate	Revenue	708,739,874	-
		Expenses incurred on behalf of the party	4,870,725	-
Visionet Deutschland GMBH - Germany	Associate	Revenue	394,431,364	303,011,160
		Expenses incurred on behalf of the party	2,882,303	14,270,521
E-Processing Systems (Private) Limited	Associate	Disbursements against loan	10,799,494	24,672,524
		Receipts against loan	28,075,817	50,878,219
		Interest income on loan	25,855,741	24,582,181
		Property & equipment sold	-	4,420,480
Directors		Fee	2,900,000	3,200,000
Staff retirement funds	Associate	Contribution	689,287,775	441,749,494
		Payments made on behalf of the party by the Company	283,794,748	429,074,703

16. CASH FLOWS FROM OPERATING ACTIVITIES

Unaudited
Six Months Ended

30 June

	2024	2023
	Rupees	Rupees
Profit before taxation	3,648,329,379	5,565,635,476
Adjustments to reconcile profit before tax to meet cash flows:		
Depreciation on property and equipment	433,650,271	308,650,981
Depreciation on right-of-use asset	86,373,296	75,504,968
Amortization of intangible assets	334,970,882	421,879,894
Allowance for expected credit loss	84,720,065	220,530,590
Share based payment expense	211,325,559	51,769,062
Lease interest	98,659,618	39,557,895
Finance cost	188,435,522	368,583,780
Gratuity expense	153,389,081	155,219,172
Share of loss of associate	38,369,952	223,495,692
Interest on loan to associates	(25,855,741)	(25,273,442)
Exchange loss / (gain) on translation of export receivables	203,558,907	(2,546,637,780)
Gain on derivative financial instruments	(5,911,858)	-
Effect of discounting of long term loans	(72,374,506)	(38,676,191)
Effect of discounting of long term receivables	(33,624,828)	-
Gain on disposal of property and equipment	(11,018,609)	688,153
Gain on short term investments	(87,884,554)	(195,108,872)
Profit on bank deposits	(71,501,314)	(27,480,509)
	1,525,281,743	(967,296,607)
Profit before working capital changes	5,173,611,122	4,598,338,869
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Contract assets - Net	(2,513,734,092)	(1,260,722,340)
Trade debts	(1,024,912,202)	175,115,014
Loans, advances and other receivables	557,908,585	13,207,527
Employee interest free loans	(42,124,754)	(51,567,898)
Long term receivable	3,894,870	(202,732,060)
Trade deposits and short term prepayments	(928,894,658)	(2,852,022,616)
	(3,947,862,252)	(4,178,722,374)
(Decrease) / increase in current liabilities:		
Trade and other payables	2,647,720,393	(26,087,756)
Long term liability	(1,013,906,914)	(2,239,344)
Contract liability	(728,872,650)	(960,477,825)
	(3,042,921,422)	(5,167,527,299)
Net cash flows from operations	2,130,689,700	(569,188,430)

17. FINANCIAL RISK MANAGEMENT

17.1 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 2023.

17.2 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 six months period ended 30 June 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

30 June 2024

17.3 Financial instruments by categories

	Financial Assets at fair value through P&L	Financial Assets at amortized cost	Total
	----- (Rupees) -----		
Financial assets as per balance sheet			
Long Term Receivable		1,306,029,629	1,306,029,629
Contract assets		3,852,713,273	3,852,713,273
Trade debts		10,739,307,676	10,739,307,676
Loans, advances and other receivables		1,421,618,548	1,421,618,548
Security deposits		1,076,702,141	1,076,702,141
Interest accrued		3,140,097	3,140,097
Derivative financial instruments	5,911,858	-	5,911,858
Short term investments	1,643,899,444	382,000,000	2,025,899,444
Cash and bank balances	-	7,619,045,197	7,619,045,197
	1,649,811,302	26,400,556,562	28,050,367,864

31 December 2023

	Financial Assets at fair value through P&L	Financial Assets at amortized cost	Total
	----- (Rupees) -----		
Financial assets as per balance sheet			
Long term receivable - unsecured	-	1,184,235,536	1,184,235,536
Interest free loans to employees	-	712,111,946	712,111,946
Contract Assets	-	7,960,461,635	7,960,461,635
Trade debts	-	12,706,815,283	12,706,815,283
Loans to related parties	-	295,152,835	295,152,835
Other receivables	-	13,950,526	13,950,526
Security deposits	-	464,132,938	464,132,938
Interest accrued	-	3,096,777	3,096,777
Short term investments	877,419,112	717,306,340	1,594,725,452
Cash and bank balances	-	7,982,850,983	7,982,850,983
	877,419,112	32,040,114,799	32,917,533,911

30 June 2024

31 December 2023

	Financial Liabilities at amortized cost	
	----- (Rupees) -----	
Financial liabilities as per balance sheet		
Lease liabilities	-	741,299,163
Other long term liability - unsecured	709,346,010	3,831,197,740
Mark-up accrued on short term borrowings	166,773,229	96,586,682
Short term borrowings	4,380,000,000	2,119,000,000
Unclaimed Dividend	33,685,124	18,659,407
Trade and other payables	5,911,201,565	7,291,830,942
	11,201,005,928	14,098,573,934

18. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issuance on 28 August 2024 by the Board of Directors of the Group.

19. CORRESPONDING FIGURES

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

20. GENERAL

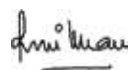
Figures have been rounded off to the nearest rupee unless otherwise stated.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)

















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systems

Pakistan

Lahore (Head Office)

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

Lahore (BPO Office)

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

Karachi

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

Islamabad

Plot No. 21, 1st Floor Fazeelat
Arcade, Sector G-II Markaz,
Islamabad

Amazon Mall, 7th Floor, NH 5, Sector
A DHA Phase II, Islamabad

Multan

Plot No. 842/23 near Northern By-
pass Chowk, Bosan Road,
Multan

Faisalabad

Old Ehsan Yousaf Building,
East Canal Road, Near Jahal
Khanuwana, Faisalabad

Peshawar

3rd Floor, DC Court Building, Near
Post office, Kacheri Gate, 04 Khyber
Rd, Peshawar Cantonment,
Peshawar

UAE

Dubai

Office 603, The Exchange Tower,
Business Bay | P.O. Box: 500497
Dubai, UAE

404, Dubai Hills Business Park
3, Emaar Hills Estate | P.O. box:
500497 Dubai, UAE

Sharjah

P.O Box 42741, Hamriyah Free
Zone, Sharjah, UAE

KSA

Riyadh

3141 Anas ibn Malik Road,
Building B, 2nd Floor,
Al Malqa, Riyadh, Saudi Arabia

Bahrain

Office No. 211 Building No.85 Road
No.1802 Block No 318

Qatar

Doha

Palm Towers, Floor 41
Westbay, Doha, Qatar

South-Africa

Central Office Park No.4, 257 Jean
Avenue, Centurion, 0157, PO Box 7750,
Centurion, South Africa 0046

Australia

Level 16 1 Market Street Sydney NSW
2000, Australia

Singapore

68 Circular Road #02-01, Singapore

30 Cecil Street, #19-08 Prudential
Tower, Singapore 049712

Malaysia

D83A, Menara Suezcap1, KL
Gateway, 59200, Kuala Lumpur

Egypt

Building B 2116, the Smart Village, 28
Kms, Cairo-Alexandria Desert Road,
Giza, Egypt