

systems

THIRD QUARTER REPORT SEPTEMBER

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

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 nine months ended 30th September 2024.

FINANCIAL RESULTS

Unconsolidated:

During nine months periods ended 30 September 2024, standalone revenue grew by 21% over same period last year from Rs. 23,075.54 million to Rs. 27,923.94 million. Gross profit decreased by 1% whereas operating profit decreased by 10%, mainly due to higher inflationary costs and lower average exchange rate. However, the Company has started seeing improvement in margins resulting from optimization of costs and improving efficiency. As a consequence of rupee appreciation, net profit for the period has been impacted by an exchange loss of Rs 210.35 million compared to the Rs. 2,386.23 million exchange gain in September 2023 decreasing net profit by 38%, from 6,730.02 million to Rs. 4,196.67 million. Since the rupee has appreciated against the dollar in this period, 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 21% in USD terms.

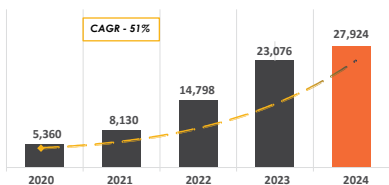
Key Financial Highlights - Unconsolidated

Particulars	Sept-24 (unaudited)	Sept-23 (unaudited)	Change	
	Rs.	Rs.		%
Revenue	27,923,948,435	23,075,540,270		21
Gross Profit	7,131,924,355	7,213,652,077		-1
Operating profit	4,321,215,190	4,802,075,600		-10
Profit for the period	4,196,672,056	6,730,022,690		-38
Earnings per share (basic)	14.33	23.14		-38
Earnings per share (diluted)	14.25	22.96		-38

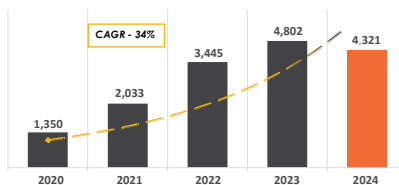
Other Income - Unconsolidated

Particulars	Sept-24 (unaudited)	Sept-23 (unaudited)
	Rs.	Rs.
Other Income	639,054,140	371,680,351
Exchange Gain / (Loss)	(210,354,458)	2,386,235,698
	428,699,682	2,757,916,049

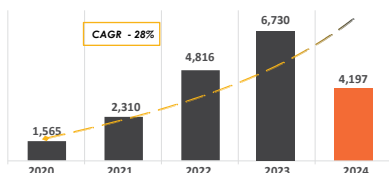
Unconsolidated - Revenue (PKR Mn.)



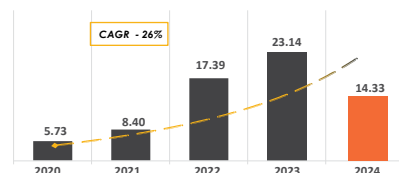
Unconsolidated - Operating Profit (PKR Mn.)



Unconsolidated - Net Profit (PKR Mn.)



Unconsolidated - EPS Basic (Rupee per share)



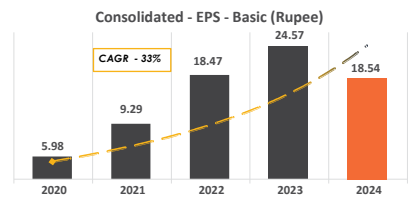
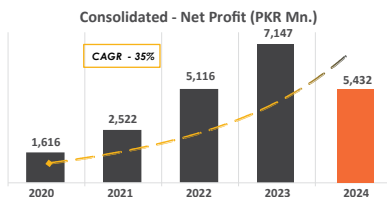
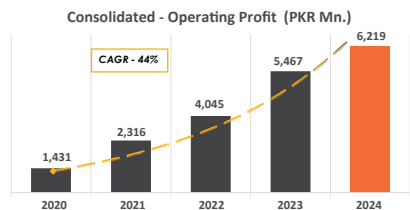
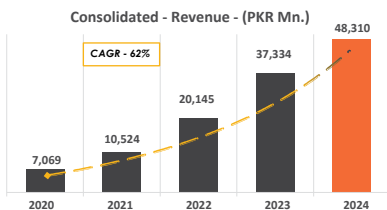
Consolidated:

During the nine months period ended 30th September 2024, consolidated revenue grew by 29% from Rs. 37,333.78 million to Rs. 48,309.67 million. Gross profit and operating profit increased by 10% and 14% respectively. Net profit for the period decreased by 24% from Rs. 7,146.81 million to Rs. 5,431.82 million due to exchange loss against a considerably high exchange gain recorded in last year and also higher taxes with effective tax rate increasing to 10% vs 5% last year as UAE taxation is applicable from this year. Normalizing the impact of currency fluctuation, profit after tax showed increase of 20% from same period last year. Wage inflation adjustment has significantly offset the revenue growth.

Basic and diluted earnings per share increased by 20% after normalizing the impact of currency fluctuation.

Key Financial Highlights - Consolidated				
Particulars	Sept-24 (unaudited)		Sept-23 (unaudited)	
	Rs.		Rs.	%
Revenue	48,309,676,979		37,333,785,801	29
Gross Profit	11,510,119,690		10,484,114,036	10
Operating profit	6,219,114,795		5,467,065,736	14
Profit for the period	5,431,829,219		7,146,811,803	-24
Earnings per share (basic)	18.54		24.57	-25
Earnings per share (diluted)	18.44		24.38	-24

Other Income - Consolidated		
Particulars	Sept-24 (unaudited)	
	Rs.	Rs.
Other Income	696,769,864	378,543,030
Exchange Gain / (Loss)	(396,414,465)	2,638,436,427
	300,355,399	3,016,979,457



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		Folio		Technology		Retail & CPD		Others		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue - net	14,482,697,421	11,281,788,304	10,929,369,038	7,718,176,205	9,884,611,216	6,407,239,713	6,787,865,769	4,087,480,068	11,214,693,461	8,895,101,451	48,309,674,978	37,333,785,801
Cost of sales	(12,036,388,671)	(8,979,059,645)	(6,067,283,755)	(5,135,447,768)	(4,266,029,185)	(3,545,080,779)	(3,897,902,151)	(2,600,789,085)	(6,829,953,821)	(6,593,094,488)	(36,799,567,288)	(26,849,671,765)
Gross profit	2,446,308,750	2,302,728,659	2,861,685,283	2,582,728,437	1,618,482,031	1,862,558,934	1,889,963,618	1,486,690,983	2,684,740,674	2,302,006,963	11,610,110,690	10,484,114,036
Distribution expenses	(447,426,509)	(407,848,805)	(337,388,151)	(322,450,009)	(191,670,797)	(234,198,484)	(178,676,866)	(143,249,343)	(346,289,837)	(350,208,365)	(1,491,449,821)	(1,460,735,306)
Administrative expenses	(1,028,694,696)	(991,012,331)	(776,449,730)	(929,862,296)	(418,906,631)	(698,028,673)	(471,986,915)	(285,271,165)	(796,834,893)	(695,091,043)	(3,492,164,468)	(2,976,391,467)
Research & development expenses	(13,829,000)	(89,718,833)	(56,510,890)	(32,586,760)	(19,416,797)	(22,870,067)	(17,781,691)	(17,053,071)	(13,670,233)	(37,133,836)	(220,177,701)	(197,934,567)
Levy	(1,160,639,114)	(1,299,579,989)	(1,180,348,891)	(860,791,634)	(616,173,162)	(854,897,204)	(607,624,090)	(545,976,269)	(1,156,974,873)	(1,076,143,264)	(6,143,961,930)	(4,633,991,340)
Profit / (loss) before taxation and unallocated income and expenses	844,169,636	1,005,149,690	1,710,736,392	1,721,536,863	999,306,863	1,011,667,730	1,281,979,468	921,111,714	1,529,945,401	1,190,263,699	6,366,137,760	5,850,122,696
Other operating expenses									(147,022,966)	(383,056,960)		(383,056,960)
Other income (excluding exchange gain)									696,769,864	378,843,030		378,843,030
Exchange (loss) / gain									(396,414,466)	2,638,436,427		2,638,436,427
Share of loss from associates									(56,309,982)	(284,590,620)		(284,590,620)
Finance cost									(384,601,227)	(653,876,388)		(653,876,388)
Profit before taxation and Levy									6,076,599,016	7,546,119,198		7,546,119,198
Levy									(335,529,159)	(355,184,947)		(355,184,947)
Profit before taxation									5,743,069,887	7,190,935,139		7,190,935,139
Taxation									(111,240,669)	(144,923,835)		(144,923,835)
Profit after taxation									5,631,829,218	7,046,011,303		7,046,011,303

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		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Nine months ended September		Nine months ended September		Nine months ended September		Nine months ended September		Nine months ended September		Nine months ended September	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue - net	10,389,288,619	9,180,326,957	2,113,647,503	1,398,585,225	27,854,460,718	19,239,209,117	1,755,816,336	785,642,470	6,096,483,901	6,730,022,032	48,309,674,978	37,333,785,801
Cost of sales	(6,969,658,628)	(5,573,823,209)	(1,370,242,480)	(827,901,659)	(21,278,676,312)	(13,897,241,742)	(1,145,480,935)	(496,669,824)	(6,035,999,933)	(6,054,035,330)	(36,799,567,288)	(26,849,671,765)
Gross profit	3,419,629,991	3,606,503,748	743,405,023	570,683,566	6,575,784,406	5,341,967,375	610,335,401	288,972,646	2,060,483,968	2,675,986,702	11,610,110,690	10,484,114,036
Distribution expenses	(217,463,661)	(81,471,366)	(43,976,418)	(12,872,855)	(896,762,899)	(997,434,911)	(146,917,621)	(48,217,615)	(44,795,712)	(321,058,328)	(1,491,449,821)	(1,460,735,306)
Administrative expenses	(687,628,697)	(1,078,365,142)	(177,872,397)	(153,685,425)	(2,062,898,390)	(1,504,050,963)	(66,992,389)	(57,951,279)	(22,464,467)	(181,248,657)	(3,432,354,408)	(2,976,391,467)
Research & development expenses	(83,346,397)	(75,019,850)	(18,707,631)	(11,492,085)	(83,797,399)	(58,315,153)	(7,928,968)	(7,876,197)	(36,408,347)	(45,231,283)	(220,177,701)	(197,934,567)
Levy	(1,198,207,214)	(1,234,866,360)	(440,160,446)	(177,790,365)	(1,125,448,516)	(2,559,801,027)	(221,436,777)	(114,045,291)	(188,666,516)	(447,538,268)	(6,143,961,930)	(4,633,991,340)
Profit / (loss) before taxation and unallocated income and expenses	2,221,452,617	2,971,647,358	503,254,577	392,633,201	3,650,336,880	2,762,166,348	388,886,226	174,927,355	(297,802,547)	128,448,434	6,366,137,760	5,850,122,696
Other operating expenses									(147,022,966)	(383,056,960)		(383,056,960)
Other income (excluding exchange gain)									696,769,864	378,843,030		378,843,030
Exchange (loss) / gain									(396,414,466)	2,638,436,427		2,638,436,427
Share of loss from associates									(56,309,982)	(284,590,620)		(284,590,620)
Finance cost									(384,601,227)	(653,876,388)		(653,876,388)
Profit before taxation and Levy									6,076,599,016	7,546,119,198		7,546,119,198
Levy									(335,529,159)	(355,184,947)		(355,184,947)
Profit before taxation									5,743,069,887	7,190,935,139		7,190,935,139
Taxation									(111,240,669)	(144,923,835)		(144,923,835)
Profit after taxation									5,631,829,218	7,046,011,303		7,046,011,303

KEY FINANCIAL RATIOS

The decline in profitability ratios is due to the impact of unusually high exchange gain in same period last year.

Ratio Description	Standalone		Consolidated	
	Nine months ended 30th Sept		Nine months ended 30th Sept	
	2024	2023	2024	2023
Gross Profit Margin (%)	25.5%	31.3%	23.8%	28.1%
Operating Margin (%)	15.4%	20.8%	12.9%	14.6%
EBITDA Margin (%)	17.9%	23.2%	15.40%	18.2%
Pre-tax Margin (%)	16.2%	30.6%	12.6%	20.2%
Net Profit Margin (%)	15.0%	29.2%	11.2%	19.1%
Assets turnover (%)	73.1%	74.1%	93.1%	84.9%
Return on Equity (%)	13.6%	26.0%	14.9%	23.9%
Current ratio	3.48	2.49	2.56	2.05
Quick Ratio	2.75	2.13	1.53	1.38
Debtor Turnover (Days)	190	151	130	102
Debt:Equity (Ratio)	04:96	14:86	05:95	12:88
Interest Cover (Times)	21.15	16.60	16.17	14.50

FUTURE OUTLOOK

- The Company continues to invest in markets with significant growth potential, driving aggressive expansion in these regions. While 90% of the Company's business is conducted in USD to mitigate currency risk, and the exchange rate has remained stable and the Company is expecting it be in the same range in foreseeable future, rising inflation is exerting pressure on margins despite the strong growth. To counteract the impact on margins, the Company is actively optimizing and rationalizing costs, improving efficiencies, and negotiating rates when renewing old contracts. The results of these efforts have started to reflect in this quarter and are expected to continue going forward.
- With a solid pipeline in place and a strong backlog for the upcoming quarters, the Company is well-positioned to sustain future growth. This foundation is expected to ensure consistent performance in the periods ahead.
- Leveraging its strong regional presence, the Company has formed strategic partnerships with major players like Microsoft, signing agreements that are expected to generate new leads, accounts, and offerings. This presence has also attracted additional partners, opening up more business opportunities. Since much of the Company's business is partner-led, it is actively collaborating with other partners beyond Microsoft.
- The Company is strategically transitioning towards offering AI as a Service, aligning with technological advancements. This move aims to capitalize on the increasing demand for AI-driven solutions and position the Company as a leader in industry innovation. The Company is building accelerators for specific industries like BFSI, Pharma and will use these as references.
- The Company's geographic diversification continues to strengthen its resilience and growth prospects. The European market has shown stable growth, while the previously flat US market has begun contributing positively and the Company is expecting similar momentum in 2025 as well. The Middle East remains a key growth driver, with a focus on expanding enterprise customers and deepening market penetration. Meanwhile, the Company has strategically reduced its focus on the domestic market, with unprofitable contracts in Pakistan nearing completion, expected to improve segment profitability by year-end. Additionally, an increase in exports has further bolstered overall performance.

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,



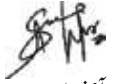
Asif Peer
Chief Executive Officer
21 October 2024

- 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 عمومی شرح کو بہتر بنا رہی 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۔ اس کو ششوں کے نتائج اس سہ ماہی میں نظر آنا شروع ہو گئے ہیں اور مستقبل میں بھی جاری رہنے کی توقع ہے۔
- 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 جا رہی ہے۔
- علاقائی سطح پر اپنی مضبوط ساکھ کا فائدہ اٹھاتے ہوئے کمپنی نے مائیکروسافٹ جیسے بڑے برانڈ کے ساتھ لائحہ عمل پر مبنی شراکت داری قائم کی ہے اور ایسے معاہدہ جات پر دستخط کئے ہیں جن سے نئے روابط، اکاؤنٹس اور پیشکشوں کی توقع کی جا رہی ہے۔ اس فعالیت نے اضافی شراکت داروں کو بھی اپنی طرف متوجہ کیا ہے جس سے مزید کاروباری مواقع میسر آئیں گے۔ چونکہ کمپنی کا زیادہ تر کاروبار پائٹرز کی زیر قیادت ہے اس لئے مائیکروسافٹ کے علاوہ دیگر شراکت داروں کے ساتھ فعال طور پر تعاون کر رہا ہے۔
- ٹیکنالوجی میں جدت کے باعث کمپنی آئی یعنی مصنوعی ذہانت کو بطور سرس فراہم کرنے کی راہ پر گامزن ہے۔ اس لائحہ عمل پر مبنی تبدیلی کا مقصد آئی یعنی مصنوعی ذہانت کے تحت سلوشنز 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۔ کمپنی مخصوص صنعت جیسا کہ بی ایف ایس آئی فارما کے ساتھ مضبوط روابط استوار کر رہی ہے۔
- کمپنی کا جغرافیائی تنوع ترقی کے امکانات کو مستحکم بناتا ہے۔ یورپی کی مارکیٹ میں پائیدار ترقی دیکھنے میں آئی ہے اور امریکی مارکیٹ جو غیر فعال تھی نے اب مثبت کردار ادا کرنا شروع کر دیا ہے اور یہ کہ توقع کی جا رہی ہے کہ یہ رفتار 2025ء میں بھی جاری رہے گی۔ مشرق وسطیٰ انٹرنیشنل پر انٹرنیشنل کو بڑھانے اور مارکیٹ تک رسائی کو مضبوط بنانے پر توجہ مرکوز کرتے ہوئے ایک اہم محرک کی حیثیت کا حامل ہے۔ اسی اثناء میں کمپنی نے حکمت عملی کے ساتھ مقامی مارکیٹ پر اپنی توجہ کم کر دی ہے، پاکستان میں غیر منافع بخش معاہدے تکمیل کے قریب ہیں جس سے سال کے آخر تک علاقائی سطح پر منافع میں بہتری کی توقع ہے۔ مزید یہ کہ برآمدات میں اضافے نے مجموعی کارکردگی کو مزید تقویت بخشی ہے۔

اعترافات

بورڈ اس موقع پر کمپنی کے قابل قدر صارفین، بینکرز اور دیگر اسٹیک 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 بچر

چیف ایگزیکٹو آفیسر

تاریخ: 21 اکتوبر 2024ء

	BFI		Falco		Technology		Retail & CPD		Others		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Nine months ended 30 September 2023		Nine months ended 30 September 2022		Nine months ended 30 September 2023		Nine months ended 30 September 2022		Nine months ended 30 September 2023		Nine months ended 30 September 2022	
	Rupees											
Revenue - net	14,482,697,421	11,281,788,304	10,929,369,038	7,718,176,265	8,884,611,216	4,407,239,713	6,787,265,789	4,087,480,068	11,219,693,661	8,895,101,451	48,309,876,979	37,333,785,801
Cost of sales	(12,034,388,671)	(8,970,059,645)	(6,887,283,755)	(5,135,447,768)	(4,266,029,185)	(3,545,080,779)	(3,897,902,151)	(2,600,780,085)	(8,629,953,827)	(6,953,094,488)	(36,799,567,288)	(26,849,671,765)
Gross profit	2,448,308,750	2,302,728,659	2,041,085,283	2,582,728,497	1,618,582,031	7,868,558,934	1,889,363,638	1,486,700,983	2,589,740,834	2,305,406,963	11,510,310,691	10,484,114,036
Distribution expenses	(447,428,509)	(407,848,805)	(337,388,151)	(322,450,009)	(191,670,797)	(234,198,484)	(178,676,868)	(143,249,043)	(246,289,937)	(350,308,365)	(1,491,449,821)	(1,460,755,306)
Administrative expenses	(6,928,694,696)	(901,012,231)	(776,449,736)	(929,982,294)	(418,006,637)	(698,028,673)	(471,198,618)	(285,271,164)	(776,534,983)	(695,011,043)	(3,432,364,468)	(2,976,301,671)
Research and development expenses	(138,929,000)	(89,718,833)	(56,510,989)	(32,568,760)	(18,415,797)	(22,670,067)	(17,781,691)	(17,053,071)	(13,670,233)	(37,133,836)	(250,177,911)	(197,504,567)
Finance cost	(1,610,038,114)	(1,293,579,989)	(1,186,348,951)	(860,791,634)	(618,176,162)	(854,897,204)	(607,624,090)	(545,976,269)	(1,156,794,673)	(1,076,143,264)	(5,143,961,930)	(4,633,991,340)
Profit / (loss) before taxation and unallocated income and expenses	844,169,636	1,005,146,690	1,110,736,392	1,721,536,863	999,306,863	1,011,967,730	1,281,978,468	921,115,714	1,529,845,401	1,190,263,699	6,366,137,760	5,850,122,696
Other operating expenses											(147,022,866)	(383,056,960)
Other income (excluding exchange gain)											696,769,864	378,543,030
Exchange (loss) / gain											(396,414,466)	2,638,436,427
Share of loss from associates											(56,389,882)	(284,050,620)
Finance cost											(284,501,227)	(653,876,388)
Profit before taxation and Levy											6,078,599,015	7,046,119,186
Levy											(338,529,128)	(358,519,139)
Profit before taxation											5,740,069,887	7,190,635,139
Taxation											(311,240,669)	(44,123,335)
Profit after taxation											5,428,829,219	7,146,511,804

جنرالیٹی حصہ کا تجزیہ چاروں حصوں میں بہترین پرفارمنس کو ظاہر کرتا ہے۔ یو پی اور ایم ای اے کا حصہ دوبارہ فعال ہو رہا ہے جس سے حوصلہ افزا ہذا ابراہیم شرمنی کو توقع کی جاسکتی ہے۔ کینی پانستان حصہ کو بھی متوقع بنا رہی ہے اور اس کے ساتھ ساتھ اس حصہ میں منافع کو بہتر بنانے کے لیے ریونیو کے معیار کی بہتری کے ذریعے لاگت کو بہتر بنا رہی ہے۔ کینی کی جانب سے کئے جانے والے منظم اور مربوط اقدامات کے ساتھ، تمام سطحات کے اندر منافع میں سال کے آخر کے نصف میں مثبت رجحان کی توقع ہے۔ کینی کی برآمدات کو بڑھانے کی حکمت عملی کے مطابق کینی کی برآمدی فروخت کی فروخت کا تقریباً 87% ہے۔

	North America		Europe		Middle East & Africa		Asia Pacific		Pakistan		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Nine months ended September 2023		Nine months ended September 2022		Nine months ended September 2023		Nine months ended September 2022		Nine months ended September 2023		Nine months ended September 2022	
	Rupees											
Revenue - net	10,389,288,619	9,180,328,957	2,113,647,503	1,398,985,325	27,864,460,718	19,239,209,117	1,758,163,336	785,842,470	6,096,463,961	6,730,022,032	48,309,876,979	37,333,785,801
Cost of sales	(6,989,588,628)	(5,573,823,209)	(1,370,242,480)	(827,901,659)	(21,276,675,312)	(13,897,241,742)	(1,145,480,935)	(496,669,824)	(6,035,599,933)	(6,054,035,330)	(36,799,567,288)	(26,849,671,765)
Gross profit	3,419,729,991	3,606,505,748	743,405,024	570,683,666	6,675,785,406	5,341,967,375	610,335,402	288,972,646	60,863,968	675,986,702	11,510,310,691	10,484,114,036
Distribution expenses	(217,403,061)	(81,471,358)	(43,570,418)	(12,572,855)	(988,762,899)	(997,434,911)	(146,917,821)	(46,217,815)	(84,795,712)	(321,058,328)	(1,491,449,821)	(1,460,755,307)
Administrative expenses	(887,828,837)	(1,078,365,142)	(177,872,397)	(133,685,425)	(2,062,996,398)	(1,504,050,963)	(86,892,389)	(57,951,279)	(227,462,467)	(181,246,687)	(3,432,364,468)	(2,976,301,671)
Research & development expenses	(93,346,337)	(75,019,850)	(19,707,631)	(11,492,065)	(63,737,399)	(62,966,399)	(15,315,153)	(7,828,968)	(36,468,347)	(65,231,283)	(220,177,701)	(197,504,567)
Finance cost	(1,198,277,274)	(1,234,856,390)	(240,150,446)	(177,750,365)	(3,128,448,618)	(2,559,801,027)	(221,439,177)	(114,045,291)	(338,666,616)	(547,538,268)	(5,143,961,930)	(4,633,991,340)
Profit / (loss) before taxation and unallocated income and expenses	2,221,462,617	2,371,647,358	503,294,577	392,933,201	3,550,336,890	2,782,166,348	388,896,225	174,927,355	(297,892,547)	128,448,434	6,366,137,760	5,850,122,696
Other operating expenses											(147,022,866)	(383,056,960)
Other income (excluding exchange gain)											696,769,864	378,543,030
Exchange (loss) / gain											(396,414,466)	2,638,436,427
Share of loss from associates											(56,389,882)	(284,050,620)
Finance cost											(284,501,227)	(653,876,388)
Profit before taxation and Levy											6,078,599,015	7,046,119,186
Levy											(338,529,128)	(358,519,139)
Profit before taxation											5,740,069,887	7,190,635,139
Taxation											(311,240,669)	(44,123,335)
Profit after taxation											5,428,829,219	7,146,511,804

بنیادی مالیاتی تناسب

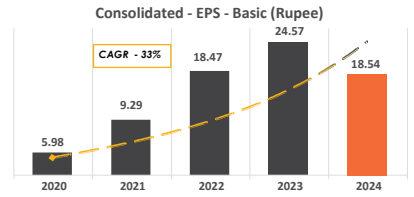
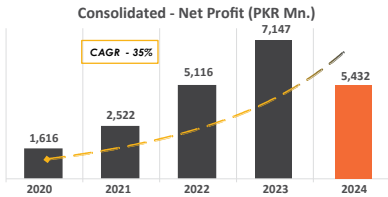
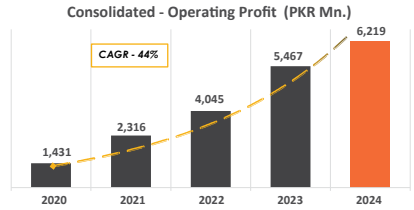
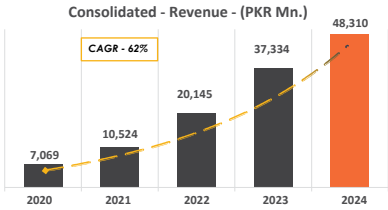
منافع کے تناسب میں کمی کی وضاحت اوپر کی جاسکتی ہے۔ خالص منافع پڑھنی تمام تناسب میں تیزی سے کمی گذشتہ سال کی اسی مدت میں غیر معمولی طور پر زیادہ زرمبادلہ حاصل کرنے کے اثرات کی وجہ سے ہے۔

منظّم		غیر منظّم		تناسب کی وضاحت	
30 ستمبر تک 9 ماہ		30 ستمبر تک 9 ماہ			
2023	2024	2023	2024		
28.1%	23.8%	31.3%	25.5%	مجموعی منافع مارجن (فیصد)	
14.6%	12.9%	20.8%	15.4%	آپریٹنگ مارجن (فیصد)	
18.2%	15.40%	23.2%	17.9%	ای بی آئی ڈی اے مارجن (فیصد)	
20.2%	12.6%	30.6%	16.2%	لیگس سے پہلے مارجن (فیصد)	
19.1%	11.2%	29.2%	15.0%	نیٹ پرافٹ مارجن (فیصد)	
84.9%	93.1%	74.1%	73.1%	اثاثوں پر پڑنی کاروبار (فیصد)	
23.9%	14.9%	26.0%	13.6%	ایکویٹی پر بیٹرن (فیصد)	
2.05	2.56	2.49	3.48	تازہ تناسب	
1.38	1.53	2.13	2.75	فوری تناسب	
102	130	151	190	ڈیٹیزٹرن اور (ایام)	
12:88	05:95	14:86	04:96	ڈیٹ: ایکویٹی (تناسب)	
14.50	16.17	16.60	21.15	اسٹریٹس کوورڈ (ٹائمٹر)	

مورخہ 30 ستمبر 2024 کو ختم ہونے والی 9 ماہ کی مدت کے دوران منظم آمدن (37,333.78 ملین روپے سے 48,309.67 ملین روپے) کے لحاظ سے 29 فیصد بڑھی ہے۔ مجموعی منافع اور آپریٹنگ منافع میں بالترتیب 10% اور 14% کا اضافہ ہوا۔ زیر غور مدت میں ایکسیجٹ فنڈز کی وجہ سے گزشتہ سال میں ریکارڈ کئے گئے زرمبادلہ کے نفع اور بوائے ای کے زیادہ ٹیکسوں کے ساتھ منٹو ٹیکس کی شرح جو کہ گزشتہ برس 5% تھی 10% ہونے کی وجہ سے منافع 24% (7,146.81 ملین روپے سے 5,431.82 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 20% اضافہ ہوا۔ ابر توں 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 قیں آمدنی میں 20% کا اضافہ ہوا۔

بنیادی مالیاتی سرخیاں - منظم			
تفصیلات	24 ستمبر (غیر آڈٹ شدہ) روپے	23 ستمبر (غیر آڈٹ شدہ) روپے	تبدیلی %
ریونیو	48,309,676,979	37,333,785,801	29
مجموعی منافع	11,510,119,690	10,484,114,036	10
آپریٹنگ منافع	6,219,114,795	5,467,065,736	14
زیر غور مدت کا منافع	5,431,829,219	7,146,811,803	-24
فی حصص آمدن (بنیادی)	18.54	24.57	-25
فی حصص آمدن (رقیق)	18.44	24.38	-24

دیگر آمدن - منظم			
تفصیلات	24 ستمبر (غیر آڈٹ شدہ) روپے	23 ستمبر (غیر آڈٹ شدہ) روپے	
دیگر آمدن	696,769,864	378,543,030	
ایکسیجٹ حاصل / (نقصان)	(396,414,465)	2,638,436,427	
	300,355,399	3,016,979,457	



کارکردگی بالحاظ شعبہ - برطانیہ عمومی و جغرافیائی

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

ڈائریکٹرز کی نظر ثانی رپورٹ مورخہ 30 ستمبر 2024ء

ہمارے لئے بورڈ آف ڈائریکٹرز کی جانب سے مورخہ 30 ستمبر 2024ء کو ختم ہونے والے 9 ماہ کی مدت کے منظم اور غیر منظم مالی بیانات پیش کرنا باعث مسرت ہے۔

مالیاتی نتائج

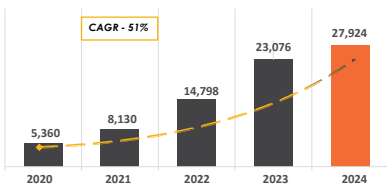
غیر منظم:

مورخہ 30 ستمبر 2024ء کو ختم ہونے والے 9 ماہ کی مدت کے دوران غیر منظم آمدن میں 21% اضافہ ہوا اور گزشتہ سال اسی مدت میں ہونے والی غیر منظم آمدن 23,075.54 ملین روپے کے مقابلہ میں اس مدت میں 27,923.94 ملین روپے کی آمدن موصول ہوئی۔ بنیادی طور پر مہنگائی میں اضافے اور ایکسیج ریٹ میں اوسطاً کمی کے باعث مجموعی منافع میں 1 فیصد کمی جبکہ آپریٹنگ منافع میں 10% کمی ہوئی۔ تاہم کئی لاگت میں اصلاحات اور بہتر کارکردگی کی بنیاد پر منافع میں بہتری دیکھی ہے۔ مزید یہ کہ روپے کی قدر میں اضافہ کے نتیجے میں زیرنور سال کینیٹ پرافٹ جو ستمبر 2023ء میں ہونے والے 2,386.23 ملین روپے کے تبادلہء حاصل کے مقابلہ میں 2,110.35 ملین روپے کے تبادلہء نقصان کی وجہ سے متاثر ہوا اور اس وجہ سے خالص منافع میں 6,730.02 ملین روپے سے 4,196.67 ملین روپے کے حساب سے 38% تک کمی واقع ہوئی۔ ڈالر کے مقابلہ میں روپے کی قدر بڑھی جس کی وجہ سے کئی کوالیٹی اجرت کی افراط زر پر فائدہ نہیں ہوا اور اس امر نے خطہء زیریں کو متاثر کیا۔ تاہم کاروبار میں اضافہ جاری ہے اور آمدن میں یو ایس ڈی کے لحاظ سے 21% اضافہ ہوا ہے۔

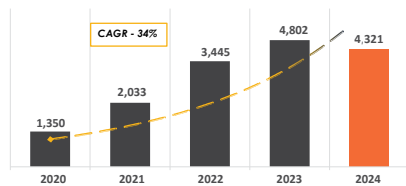
بنیادی مالیاتی شہرہ خیاں - غیر منظم			
تفصیلات	24 ستمبر (غیر آڈٹ شدہ) روپے	23 ستمبر (غیر آڈٹ شدہ) روپے	تبدیلی %
ریونیو	27,923,948,435	23,075,540,270	21
مجموعی منافع	7,131,924,355	7,213,652,077	-1
آپریٹنگ منافع	4,321,215,190	4,802,075,600	-10
زیرنور مدت کا منافع	4,196,672,056	6,730,022,690	-38
فی حصص آمدن (بنیادی)	14.33	23.14	-38
فی حصص آمدن (رقیق)	14.25	22.96	-38

دیگر آمدن - غیر منظم			
تفصیلات	24 ستمبر (غیر آڈٹ شدہ) روپے	23 ستمبر (غیر آڈٹ شدہ) روپے	تبدیلی %
دیگر آمدن	639,054,140	371,680,351	72
ایکسیج حاصل / نقصان	(210,354,458)	2,386,235,698	-1122
	428,699,682	2,757,916,049	-104

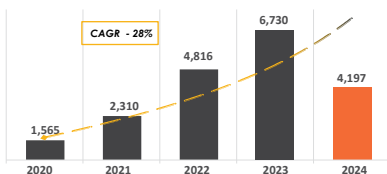
Unconsolidated - Revenue (PKR Mn.)



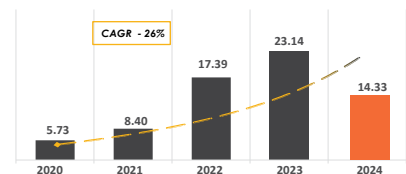
Unconsolidated - Operating Profit (PKR Mn.)



Unconsolidated - Net Profit (PKR Mn.)



Unconsolidated - EPS Basic (Rupee per share)



Systems Limited Standalone Financial Statements



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

	Note	Un-audited September 30 2024	Audited December 31, 2023
ASSETS		Rupees	Rupees
Non-current assets			
Property and equipment	5	3,414,876,975	3,509,622,717
Intangibles		-	3,377,286
Long term investments	6	8,198,809,826	8,112,953,916
Right-of-use assets		396,852,361	510,157,034
Long term loans		615,838,987	528,345,079
Deferred employee benefits		214,158,748	182,065,727
Long term deposits		41,537,295	71,792,327
Deferred taxation - net		26,027,317	36,096,850
		12,908,101,509	12,954,410,936
Current assets			
Contract assets - unsecured		2,058,791,046	1,856,838,544
Trade debts - unsecured	7	17,361,564,434	16,198,145,227
Loans, advances and other receivables		3,203,594,048	2,164,085,964
Current portion of deferred employee benefits		87,369,642	67,157,471
Trade deposits and short term prepayments		307,987,494	356,576,667
Income tax refunds due from the Government		26,042,375	115,592,551
Derivative financial instruments		6,534,275	-
Short term investments	8	2,764,952,521	1,159,419,112
Interest accrued		31,802,152	3,096,777
Cash and bank balances		1,292,460,532	1,441,973,473
		27,141,098,519	23,362,885,786
TOTAL ASSETS		40,049,200,028	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		2,923,816,489	2,914,213,989
Capital reserves		5,974,281,518	5,411,992,547
Revenue reserve: Un-appropriated profit		21,834,972,794	19,387,321,138
		30,733,070,801	27,713,527,674
Non-current liabilities			
Long term advances		-	4,281,065
Lease liabilities		333,186,136	449,798,210
		333,186,136	454,079,275
Current liabilities			
Trade and other payables		7,122,204,203	5,700,927,809
Unclaimed dividend		30,322,411	18,659,407
Contract liabilities		309,742,304	76,108,859
Short term borrowings - secured	9	1,354,540,375	2,119,000,000
Accrued mark-up on borrowings		8,276,888	96,093,532
Current portion of long term advances		4,974,881	8,395,243
Current portion of lease liabilities		152,882,029	130,504,923
		8,982,943,091	8,149,689,773
TOTAL EQUITY AND LIABILITIES		40,049,200,028	36,317,296,722

CONTINGENCIES AND COMMITMENTS

10

The annexed notes 1 to 20 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 NINE MONTHS AND THREE MONTHS PERIODS ENDED SEPTEMBER 30, 2024**

	Note	Nine Months Ended		Three Months Ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
		Rupees			
			(Restated)		(Restated)
Revenue from contracts with customers - net		27,923,948,435	23,075,540,270	9,873,005,925	8,865,092,625
Cost of revenue		(20,792,024,080)	(15,861,888,193)	(7,251,325,354)	(5,893,290,099)
Gross profit		7,131,924,355	7,213,652,077	2,621,680,571	2,971,802,526
Selling and distribution expenses		(554,362,217)	(444,379,138)	(181,090,413)	(168,559,994)
Administrative expenses		(1,786,281,667)	(1,647,329,264)	(633,950,565)	(622,753,083)
Research & development expenses		(223,783,744)	(197,934,567)	(75,268,613)	(86,737,793)
Impairment losses on financial assets		(246,281,537)	(121,933,508)	(9,151,726)	1,300,872
		(2,810,709,165)	(2,411,576,477)	(899,461,317)	(876,749,998)
Operating profit		4,321,215,190	4,802,075,600	1,722,219,254	2,095,052,528
Other income	11	428,699,682	2,757,916,049	176,630,198	111,714,346
Finance costs		(203,504,453)	(487,561,393)	(33,984,759)	(189,247,850)
Profit before taxation and levy		4,546,410,419	7,072,430,256	1,864,864,693	2,017,519,024
Levy		(335,529,128)	(355,184,047)	(120,613,753)	(109,404,005)
Profit before taxation		4,210,881,291	6,717,246,209	1,744,250,940	1,908,115,019
Taxation		(14,209,235)	12,776,481	(4,139,702)	-
Profit for the year		4,196,672,056	6,730,022,690	1,740,111,238	1,908,115,019
Earnings per share	12				
-Basic		14.33	23.14	5.95	6.55
-Diluted		14.25	22.96	5.93	6.50

The annexed notes 1 to 20 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 NINE MONTHS AND THREE MONTHS PERIODS ENDED SEPTEMBER 30, 2024**

	Nine months ended		Three months ended	
	September 30,	September 30,	September 30,	September 30,
	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees
Profit for the period	4,196,672,056	6,730,022,690	1,740,111,238	1,908,115,019
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	4,196,672,056	6,730,022,690	1,740,111,238	1,908,115,019

The annexed notes 1 to 20 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 NINE MONTHS PERIOD ENDED SEPTEMBER 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 December 31, 2022 (audited)	2,904,076,989	4,671,279,664	323,650,758	12,283,429,147	20,182,436,558
Profit for the period	-	-	-	6,730,022,690	6,730,022,690
Other comprehensive income	-	-	-	-	-

Transactions with owners

Exercise of share options	8,760,000	180,576,770	(70,648,696)	-	118,688,074
Share based payments	-	-	315,133,832	-	315,133,832
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	-	-	-	(1,455,268,500)	(1,455,268,500)
	8,760,000	180,576,770	220,078,112	(1,455,268,500)	(1,045,853,618)

Balance as at September 30, 2023 (unaudited)	2,912,836,989	4,851,856,434	543,728,870	17,558,183,337	25,866,605,630
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Balance as at December 31, 2023 (audited)	2,914,213,989	4,904,476,367	507,516,180	19,387,321,138	27,713,527,674
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Profit for the period	-	-	-	4,196,672,056	4,196,672,056
Other comprehensive income	-	-	-	-	-

Transactions with owners

Exercise of share options	9,602,500	354,768,040	(166,245,617)	-	198,124,923
Share based payments	-	-	408,770,788	-	408,770,788
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)
	9,602,500	354,768,040	207,520,931	(1,749,020,400)	(1,177,128,929)

Balance as at September 30, 2024 (unaudited)	2,923,816,489	5,259,244,407	715,037,111	21,834,972,794	30,733,070,801
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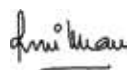
The annexed notes 1 to 20 form an integral part of these condensed unconsolidated interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

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

	Note	Nine Months Ended	
		September 30, 2024	September 30, 2023
		Rupees	Rupees
CASH GENERATED FROM OPERATIONS			
Cash generated from operations	14	4,641,196,866	2,455,245,689
Finance costs paid		(291,321,097)	(485,545,052)
Taxes paid		(250,118,654)	(287,617,905)
		(541,439,751)	(773,162,957)
Net cash generated from operating activities		4,099,757,115	1,682,082,732
INVESTING ACTIVITIES			
Purchase of property and equipment		(509,706,304)	(1,053,182,899)
Sale proceeds from disposal of property and equipment		48,938,462	26,014,940
Short term investments - net		(1,605,533,409)	3,546,069,410
Increase in long term investment		-	(1,407,183,000)
Profit received on bank deposits		59,103,697	43,309,520
Profit received on short term investment		191,870,163	212,484,541
Interest received on loan to related parties		13,444,549	33,136,071
Net cash generated from / (used in) investing activities		(1,801,882,842)	1,400,648,583
FINANCING ACTIVITIES			
(Decrease)/ Increase in short term borrowings		(764,459,625)	480,000,000
Proceeds from exercise of share options		198,124,923	118,688,074
Payments in respect of leases		(95,270,230)	(91,457,911)
(Decrease) / Increase in long term advances		(7,701,427)	1,991,420
Dividend paid		(1,737,357,396)	(1,448,234,742)
Net cash (used in) / generated from financing activities		(2,406,663,755)	(939,013,159)
Net increase / (decrease) in cash and cash equivalents		(108,789,482)	2,143,718,156
Net foreign exchange difference		(40,723,459)	86,118,406
Cash and cash equivalents at beginning of the period		1,441,973,473	588,569,946
Cash and cash equivalents at end of the period		1,292,460,532	2,818,406,508

The annexed notes 1 to 20 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 NINE MONTHS AND THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

1. THE COMPANY AND ITS OPERATIONS

1.1 Systems Limited ('the Company') is a public limited Company incorporated in Pakistan under the Companies Act, 2017 ('the Act') and is listed on the Pakistan Stock Exchange. The Company is principally engaged in the business of software development, 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., Sys information Technology Malaysia SDN. BHD, Sys Bahrain for information Technology W.L.L 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 year

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.

3.1.2 During the current period, the management has also reclassified research & development cost which was previously classified under cost of sales. The management now considers this as a key function for future business expansion.

3.1.3 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 nine months and three months ended September 30, 2024 has been made using the tax rate that would be applicable to expected total annual earnings.

	Note	Un-audited September 30, 2024	Audited December 31, 2023
		Rupees	Rupees
5. PROPERTY AND EQUIPMENT			
Operating fixed assets	(5.1)	3,408,416,060	3,509,622,717
Capital work in progress	(5.2)	6,460,915	-
		3,414,876,975	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)	503,245,389	1,647,837,657
		4,012,868,106	4,167,805,688
Less:			
Disposals during the period / year - net book value	(5.1.2)	(36,818,795)	(28,372,578)
Depreciation during the period / year		(567,633,251)	(629,810,393)
		3,408,416,060	3,509,622,717

	Un-audited September 30,	Audited December 31,
Note	2024	2023
	Rupees	Rupees
5.1.1 Additions during the period / year		
Building	-	160,120,890
Computers	353,480,672	750,001,007
Computer equipment and installations	47,940,902	406,294,033
Other equipment and installations	33,352,010	110,163,624
Generators and transformer	-	24,723,737
Furniture and fittings	5,859,120	122,579,968
Vehicles	60,118,200	18,080,710
Office equipment	1,363,490	4,218,725
Leasehold building improvements	1,130,995	51,654,963
	503,245,389	1,647,837,657

	Cost	Accumulated Depreciation (Rupees)	Net book value
5.1.2 Disposals during the period / year			
September 30, 2024: (Un-audited)			
Computers	49,764,065	22,297,255	27,466,810
Computer equipment and installations	28,171,061	24,803,183	3,367,878
Furniture and fittings	145,519	141,006	4,513
Vehicles	23,761,700	17,782,106	5,979,594
	101,842,345	65,023,550	36,818,795
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

	Un-audited September 30,	Audited December 31,
Note	2024	2023
	Rupees	Rupees
5.2 Capital work in progress		
Civil Works		
Balance at the beginning of the period / year	-	161,020,955
Additions during the period / year	-	115,360,238
Advance against purchase of property & equipment	6,460,915	-
Transfer to operating fixed assets during the period / year	-	(276,381,193)
	6,460,915	-

		Un-audited September 30,	Audited December 31,
	Note	2024	2023
		Rupees	Rupees
6. LONG TERM INVESTMENTS			
Investment in subsidiaries - at cost - unquoted:			
Tech Vista 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		2,225,191,000	2,225,191,000
Share options issued to employees of subsidiaries		191,030,663	105,174,753
Subscription money payable		4,396,026	4,396,026
		7,997,262,838	7,911,406,928
Investment In associate - at cost - unquoted			
E-Processing Systems B.V.	(6.11)	201,546,988	201,546,988
		8,198,809,826	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 September 30, 2024	Audited December 31, 2023
		Rupees	Rupees
7. TRADE DEBTS - UNSECURED			
Export		13,983,663,966	14,248,389,307
Local		3,637,177,177	2,176,592,717
		17,620,841,143	16,424,982,024
Less: Allowance for expected credit losses		(259,276,709)	(226,836,797)
		17,361,564,434	16,198,145,227
8. SHORT TERM INVESTMENTS			
At fair value through profit or loss			
- Mutual fund units		2,509,952,521	877,419,112
At amortized Cost			
- Term deposits receipts (TDRs)		255,000,000	282,000,000
		2,764,952,521	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
		-	2,119,000,000
Export Refinance (ERF)			
Habib Metropolitan Bank Limited	(9.2)	999,999,620	-
Habib Bank Limited	(9.3)	179,999,999	-
Bank Al-Habib Limited	(9.4)	174,540,752	-
		1,354,540,371	-

- 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.
- 9.4 This represents Export Finance scheme (EFS) availed against the aggregate sanctioned limit of Rs 500 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. 707.37 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).

	Un- Audited		Un- Audited	
	Nine months ended		Three months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	Rupees	Rupees	Rupees	Rupees
11. Other Income				
Income from financial assets:				
Profit on deposit accounts	59,103,698	43,309,521	15,970,714	16,792,563
Profit on short term investments	192,416,362	213,985,944	104,531,808	18,877,072
Exchange gain	(210,354,458)	2,386,235,698	11,514,957	30,719,495
Gain on derivative instrument	6,534,275	-	622,417	-
Effect of discounting of long term loans	91,974,919	64,037,098	28,670,482	25,360,907
Interest on loan to subsidiaries	268,363,655	37,438,094	11,125,137	12,164,652
Income from non-financial assets:				
Gain on disposal of property and equipment	12,119,667	2,931,702	1,101,058	3,619,855
Others	8,541,564	9,977,992	3,093,625	4,179,802
	428,699,682	2,757,916,049	176,630,198	111,714,346
12. EARNINGS PER SHARE				
Profit for the period (rupees)	4,196,672,056	6,730,022,690	1,740,111,238	1,908,115,019
Weighted-average number of ordinary shares outstanding during the period	292,922,781	290,900,898	292,348,476	291,281,501
Basic (rupees)	14.33	23.14	5.95	6.55
Diluted earnings per share:				
Profit for the period (rupees)	4,196,672,056	6,730,022,690	1,740,111,238	1,908,115,019
Weighted-average number of ordinary shares - basic	292,922,781	290,900,898	292,348,476	291,281,501
Effect of share options	1,595,756	2,280,588	1,048,454	2,227,577
	294,518,537	293,181,486	293,396,930	293,509,078
Diluted (rupees)	14.25	22.96	5.93	6.50

13. 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	
				Nine Months Ended	
				September 30, 2024	September 30, 2023
				Rupees	Rupees
TechVista Systems FZ- LLC	Subsidiary	Wholly owned	Revenue	5,158,584,076	4,125,481,293
			Expenses incurred on behalf of the party by the Company	189,659,948	21,455,907
			Expenses incurred on behalf of the Company by the party	1,121,089,650	386,370,924
			Share options issued to employees of the subsidiary	50,835,707	62,829,188
			Consultancy fee by the party	-	76,248,274
			Payment of licenses made by the party on behalf of the Company	-	522,198,044
E Processing Systems (Private) Limited.	Associated company	Wholly owned by Associate: E-Processing Systems B.V.	Disbursement against loan	12,036,872	26,904,891
			Receipts against loan	38,171,895	75,878,219
			Finance income on loan	36,980,878	37,801,421
			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	40,031,414	23,119,191
			Receipts against loan	43,602,550	32,204,112
			Finance income on loan	658,533	691,261
Visionet Systems Incorporation - USA	Associated company	Common shareholding of directors	Revenue	8,514,425,804	8,533,540,136
			Expenses incurred on behalf of the party by the Company	222,500,666	83,304,386
			Expenses incurred on behalf of the Company by the party	138,566,201	117,139,530
Visionet Canada	Associate	Common shareholding of directors	Revenue	6,360,687	-
Atclose	Associate	Common shareholding of directors	Revenue	310,280,397	-
PartnerLinQ Inc.	Associate	Common shareholding of directors	Revenue	1,095,771,262	-
			Expenses incurred on behalf of the party by	6,529,078	
Visionet Deutschland GMBH	Associated company	Common shareholding of directors	Revenue	593,314,983	484,201,669
			Expenses incurred on behalf of the party by the Company	4,849,451	16,642,829
Systems Ventures (Private) Limited	Subsidiary	Wholly owned	Expenses incurred on behalf of the party by the Company	2,241,515	3,375,489
			Interest income recorded from the party	231,382,777	
			Advance given to the party for issuance of shares		-
			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
TechVista Systems Pty. Ltd.	Sub-Subsidiary	Wholly owned by subsidiary: TechVista Systems FZ LLC	Revenue	58,579,406	8,244,806
			Expenses incurred on behalf of the party by the Company	28,250,902	7,553,171
			Expenses incurred on behalf of the Company by the party	86,919	-
Systems Limited Employees' Provident Fund	Staff retirement fund	Staff retirement fund	Contribution	1,043,133,878	690,915,227
			Payments made on behalf of the party by the Company	325,692,122	550,159,260
TechVista Information Technology W.L.L.	Subsidiary	Management Control	Revenue	544,714,358	439,988,588
			Share options issued to employees of the subsidiary	1,713,837	1,194,616
			Expenses incurred on behalf of the party by the Company	21,719,440	42,359,704
			Expenses incurred on behalf of the Company by the party	15,286,976	39,219,181
Visionet EMEA Limited	Associated company	Common shareholding of directors	Revenue	674,629,012	618,548,411

Undertaking	Relation	Basis of relationship	Nature of transaction	Un-audited	
				Nine Months Ended	
				September 30, 2024	September 30, 2023
				Rupees	Rupees
			Expenses incurred on behalf of the party by the Company	64,132,470	2,827,147
			Expenses incurred on behalf of the party by the Company	7,242,526	117,723
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	408,029,019	693,303,337
			Expenses incurred on behalf of the Company by the party	-	398,500
Systems Arabia for Information Technology	Subsidiary	Wholly owned	Revenue	1,903,394,948	902,548,993
			Share options issued to employees of the subsidiary	18,631,858	6,001,514
			Expenses incurred on behalf of the party by the Company	270,342,418	46,317,691
			Expenses incurred on behalf of the Company by the party	11,946,502	89,860,796
Treehouse Consultancy LLC	Sub-Subsidiary	Wholly owned by subsidiary: TechVista Systems FZ LLC	Revenue	-	37,620,739
Sys Bahrain for Information	Sub-Subsidiary	Wholly owned by sub-sub-sidiary: Systems International IT Pte. Ltd.	Revenue	77,166,374	-
			Expenses incurred on behalf of the party by the company	14,278,154	-
Sys Information Technology Malaysia SDN BHD.	Sub-Subsidiary	Wholly owned by sub-sub-sidiary: Systems International IT Pte. Ltd.	Revenue	5,205,214	-
Systems Africa for Information Technologies Pty. Ltd.	Subsidiary	Wholly owned	Revenue	3,828,293	95,771,407
			Expenses incurred on behalf of the party by the Company	2,056,978	5,196,452
			Share options issued to employees	1,583,663	786,810
Systems APAC for Information Technology Pte. Ltd.	Sub-Subsidiary	Wholly owned by sub-sub-sidiary: Systems International IT Pte. Ltd.	Revenue	655,204,360	157,746,376
			Expenses incurred on behalf of the party by the Company	46,322,786	15,574,458
			Share options issued to employees of the subsidiary	11,314,338	-
			Expenses incurred on behalf of the Company by the party	128,076,566	-
Systems International IT Pte. Ltd.	Subsidiary	Wholly owned by subsidiary: Systems Ventures (Private) Limited	Advance given to the party for issuance of shares	-	-
			Expenses incurred on behalf of the party by the Company	-	1,025,730
SYS Egypt for Information Technology Services	Subsidiary	Wholly owned	Revenue	26,277,243	-
			Expenses incurred on behalf of the party by the Company	2,171,971	2,869,427
			Expenses incurred on behalf of Company by the party	3,622,168	1,284,806
			Share options issued to employees of the subsidiary	1,776,507	492,560
National Data Consultancy FZE	Sub-Subsidiary	Wholly owned by sub-sub-sidiary: Systems International IT Pte. Ltd.	Revenue	739,614,560	822,223,475
			Expenses incurred on behalf of the party by the company	77,912,074	-

		Un-audited	
		Nine Months Ended	
		September 30,	September 30,
Note		2024	2023
		(Rupees)	
14.	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before taxation	4,546,410,419	7,072,430,256
	Adjustments for:		
	Depreciation of property and equipment (5.1)	567,633,251	423,221,863
	Depreciation of right-of-use asset	114,339,935	113,504,723
	Amortization of intangibles	3,377,286	7,594,299
	Share based payment expense	202,054,728	136,128,316
	Impairment loss / (Reversal of impairment loss) on financial assets		
	- Contract assets - unsecured	-	13,730,425
	- Trade debts - unsecured	244,061,537	108,203,083
	Security deposits written off	2,220,000	-
	Finance costs	203,504,453	487,561,393
	Effect of discounting of long term loans	(91,974,919)	-
	Exchange (gain) / loss	210,354,458	(2,386,235,698)
	Gain on derivative financial instruments	(6,534,275)	-
	Profit on short term investments	(192,416,362)	(213,985,944)
	Profit on bank deposits	(59,103,698)	(43,309,521)
	Interest on loan to related parties	(268,363,655)	(37,438,094)
	Loss / (Gain) on disposal of property and equipment	(12,119,667)	(2,931,702)
		917,033,072	(1,393,956,857)
		5,463,443,491	5,678,473,399
	Working capital changes		
	Long term deposits	30,255,032	(6,736,980)
	Contract Assets - unsecured	(201,952,502)	(1,049,072,374)
	Trade debts - unsecured	(1,577,111,743)	(2,582,278,771)
	Loans paid to employees - net	(47,824,181)	(334,145,980)
	Advances and other receivables	(729,112,243)	(871,940,286)
	Trade deposits and short term prepayments	48,589,173	(750,730,878)
	Trade and other payables	1,421,276,394	2,516,406,774
	Contract liabilities	233,633,445	(144,729,215)
		(822,246,625)	(3,223,227,710)
	Cash generated from operations	4,641,196,866	2,455,245,689

15. 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.

15.1 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.

15.2 Financial instruments by categories

Financial assets

Un-audited September 30, 2024		
At fair value through profit or loss	At amortized cost	Total
(Rupees)		
Interest free loans to employees	615,838,987	615,838,987
Contract assets - unsecured	2,058,791,046	2,058,791,046
Trade debts - unsecured	17,361,564,434	17,361,564,434
Trade deposits	41,537,295	41,537,295
Loans advances & other receivables	3,203,594,048	3,203,594,048
Short term investments	2,509,952,521	2,764,952,521
Interest accrued	31,802,152	31,802,152
Cash and bank balances	1,292,460,532	1,292,460,532
	2,509,952,521	24,860,588,494
		27,370,541,015

Financial liabilities

Lease liabilities	486,068,165	2,750,000,000
Mark-up accrued on short term borrowings	8,276,888	13,702
Short term borrowings - secured	1,354,540,375	1,354,540,375
Unclaimed dividend	30,322,411	30,322,411
Trade and other payables	7,122,204,203	7,122,204,203
	9,001,412,042	8,507,080,691

Financial assets

Audited December 31, 2023		
At fair value through profit or loss	At amortized cost	Total
(Rupees)		
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	1,159,419,112
Interest accrued	3,096,777	3,096,777
Cash and bank balances	1,441,973,473	1,441,973,473
	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	5,626,922,827	5,626,922,827
Short term borrowings - secured	18,659,407	18,659,407
Unclaimed dividend	2,119,000,000	2,119,000,000
Trade and other payables	96,093,532	96,093,532
	8,440,978,899	8,440,978,899

16. 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 September 30, 2024 (Un-audited)				
Fair value through profit and loss				
- Mutual Fund units	-	602,908,759	-	602,908,759
As at December 31, 2023 (Audited)				
Fair value through profit and loss				
- Mutual Fund units	877,419,112	-	-	877,419,112

17. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There are no subsequent events subsequent to the reporting date.

18. DATE OF AUTHORIZATION FOR ISSUE

These condensed unconsolidated interim financial statements were authorized for issue on 21 October 2024 by the Board of Directors of the Company.

19. CORRESPONDING FIGURES

A new expense category, 'Research & Development,' has been introduced in the statement of profit and loss. Previously, these costs were classified under 'Cost of Revenue.' Accordingly, the comparative figures have been restated to reflect this reclassification, ensuring consistency in presentation and better alignment with the current reporting structure.

There is no other major reclassification except from the above mentioned in these interim financial statements.

20. 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



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

	Note	Unaudited 30 September 2024 Rupees	Audited 31 December 2023 Rupees
ASSETS			
Non-current assets			
Property and equipment	6	3,657,543,945	3,740,581,192
Intangible		9,981,926,167	10,511,603,969
Long term investments		101,076,588	101,886,235
Investment in Associates		226,089,772	282,459,724
Right-of-use asset		470,942,540	652,229,054
Long term loans		615,838,987	528,345,079
Deferred employee benefits		214,158,748	182,065,727
Long term receivable - unsecured		889,338,259	886,067,903
Long term deposits		41,537,295	265,508,795
		16,198,452,302	17,150,747,678
Current assets			
Contract assets		10,309,260,117	7,960,461,635
Trade debts	7	14,865,266,882	12,706,815,283
Current portion of long term receivable - unsecured		347,753,824	298,167,633
Loans, advances and other receivables		1,438,869,792	1,819,993,202
Trade deposits and short term prepayments		2,601,399,884	1,060,427,214
Interest accrued		31,802,152	3,096,777
Short term investments	8	2,764,952,521	1,594,725,452
Derivative financial instruments		6,534,275	-
Tax refunds due from the Government		70,650,400	21,768,471
Current portion of deferred employee benefits		87,369,642	67,157,471
Cash and bank balances		4,413,330,405	7,982,850,983
		36,937,189,894	33,515,464,121
TOTAL ASSETS		53,135,642,196	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		2,923,816,489	2,914,213,989
Capital and reserves		8,495,161,774	8,076,144,012
Unappropriated profits		25,021,622,730	21,338,813,911
		36,440,600,993	32,329,171,912
Non-controlling interest		2,489,595	2,447,154
		36,443,090,588	32,331,619,066
Non-current liabilities			
Long term advances		16,869,616	4,281,065
Lease Liability		333,186,136	551,237,073
Other long term liability - unsecured		1,312,088,640	1,818,407,518
Deferred taxation - net		-	117,775,797
Provision for gratuity		610,073,217	474,227,448
		2,272,217,608	2,965,928,901
Current liabilities			
Trade and other payables		8,748,017,910	7,291,830,942
Unclaimed Dividend		30,322,411	18,659,407
Contract Liability		3,038,449,265	4,637,734,357
Mark-up accrued on short term borrowings		8,770,038	96,586,682
Short term borrowings		1,830,731,960	2,119,000,000
Current Portion of lease liability		243,318,054	190,062,090
Current portion of other long term liability		515,749,482	1,006,395,111
Current portion of long term advances		4,974,881	8,395,243
		14,420,334,001	15,368,663,832
TOTAL EQUITY & LIABILITIES		53,135,642,196	50,666,211,799
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

**CONSOLIDATED CONDENSED INTERIM PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIODS ENDED SEPTEMBER 30, 2024**

Note	Nine Months Ended		Three Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2024	2023	2024	2023
	Rupees	Rupees (Restated)	Rupees	Rupees (Restated)
Revenue from contract with customers - net	48,309,676,979	37,333,785,801	17,286,314,160	14,144,622,403
Cost of sales	36,799,557,288	26,849,671,765	12,907,113,960	10,149,499,020
Gross profit	11,510,119,690	10,484,114,036	4,379,200,199	3,995,123,383
Distribution expenses	1,491,449,820	1,460,755,306	617,417,217	506,171,130
Administrative expenses	3,432,354,408	2,975,301,467	1,267,384,004	1,131,608,366
Research & development expenses	220,177,701	197,934,567	72,244,951	86,737,793
Impairment losses on financial assets	147,022,966	383,056,960	62,302,901	162,526,370
	5,291,004,895	5,017,048,300	2,019,349,073	1,887,043,659
Operating profit	6,219,114,795	5,467,065,736	2,359,851,126	2,108,079,724
Other income	300,355,399	3,016,979,457	185,824,597	178,692,626
Share of loss from associate	56,369,952	284,050,620	18,000,000	60,554,928
Finance cost	384,501,227	653,875,388	97,406,087	245,733,713
Profit before taxation and levy	6,078,599,016	7,546,119,186	2,430,269,637	1,980,483,710
Levy	335,529,128	355,184,047	15,851,746	140,268,672
Profit before taxation	5,743,069,888	7,190,935,139	2,414,417,891	1,840,215,038
Taxation	311,240,669	44,123,335	225,908,000	(12,735,406)
Profit after taxation	5,431,829,219	7,146,811,803	2,188,509,891	1,852,950,443
Attributable to:				
Equity holders of the parent	5,431,786,778	7,146,330,566	2,188,480,345	1,852,800,331
Non-controlling interest	42,441	481,238	29,545	150,113
	5,431,829,219	7,146,811,803	2,188,509,890	1,852,950,443
Earnings per share:				
Basic earnings per share	12 18.54	24.57	7.49	6.36
Diluted earnings per share	18.44	24.38	7.46	6.31

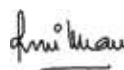
The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE
INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIODS ENDED SEPTEMBER 30, 2024**

	Nine Months Ended		Three Months Ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees
Profit for the period	5,431,829,219	7,146,811,803	2,188,509,891	1,852,950,443
Other comprehensive income				
Exchange difference on translation of foreign operations	(143,271,209)	1,509,645,934	206,846,470	424,983,614
Total comprehensive income for the period	5,288,558,010	8,656,457,737	2,395,356,360	2,277,934,057
Attributable to:				
Equity holders of the parent	5,288,515,569	8,655,976,499	2,395,326,816	2,277,783,944
Non-controlling interest	42,441	481,238	29,545	150,113
	5,288,558,010	8,656,457,737	2,395,356,360	2,277,934,057

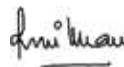
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(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

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

	Issued, subscribed and paid up share capital	Capital reserve			Revenue reserve		Non-controlling interest	Total
		Share capital premium	Employee compensation reserve	Foreign currency translation reserve	Unappropriated profit	Total equity attributable to shareholders of parent company		
-Rupees-								
Balance as at 31 December 2022 (Audited)	2,904,076,990	4,671,279,598	323,650,758	922,282,387	14,104,886,266	22,926,175,999	2,103,542	22,928,279,541
Total comprehensive income for the period	-	-	-	-	7,146,811,803	7,146,811,803	481,238	7,147,293,041
Other comprehensive income for the year	-	-	-	-	1,509,645,934	1,509,645,934	-	1,509,645,934
Forfeiture of employee stock options	-	-	(24,407,024)	(24,407,024)	-	(24,407,024)	-	(24,407,024)
Final Dividend @ Rs. 5 per share for the year ended 31 December 2022	-	-	-	-	(1,455,268,495)	(1,455,268,495)	-	(1,455,268,495)
Exercise of Share Options	8,760,000	180,576,704	(70,648,696)	-	-	118,668,008	-	118,668,008
Share based payments	-	-	315,133,832	-	-	315,133,832	-	315,133,832
Balance as at 30 September 2023 (Un-audited)	2,912,836,990	4,851,856,302	543,728,870	2,431,928,321	19,796,429,574	30,536,780,057	2,584,780	30,539,364,836
-US Dollars-								
Balance as at 31st December 2023 (Audited)	2,914,213,989	4,904,476,301	507,516,180	2,664,151,531	21,338,813,911	32,329,171,912	2,447,154	32,331,619,066
Total comprehensive income for the period	-	-	-	-	5,431,829,219	5,431,829,219	42,441	5,431,871,660
Other comprehensive income for the year	-	-	-	(143,271,209)	-	(143,271,209)	-	(143,271,209)
Forfeiture of employee stock options	-	-	(35,004,240)	(35,004,240)	-	(35,004,240)	-	(35,004,240)
Final Dividend @ Rs. 6 per share for the year ended 31 December 2023	-	-	-	-	(1,749,020,400)	(1,749,020,400)	-	(1,749,020,400)
Exercise of Share Options	9,602,500	354,768,040	(166,245,617)	-	-	198,124,923	-	198,124,923
Share based payments	-	-	408,770,788	-	-	408,770,788	-	408,770,788
Balance as at 30 September 2024 (Un-audited)	2,923,816,489	5,259,244,341	715,037,111	2,620,880,322	25,021,622,730	36,440,600,993	2,489,595	36,443,090,688

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

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

	Note	Nine Months Ended	
		30 September 2024	30 September 2023
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows from/(used in) operations	14	1,902,649,706	717,528,974
Finance costs paid		(472,317,871)	(613,320,388)
Gratuity paid		(60,901,755)	(100,205,030)
Taxes paid		(813,427,523)	(431,841,351)
		(1,346,647,150)	(1,145,366,769)
Net cash flows from/(used in) operating activities		556,002,557	(427,837,795)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(626,478,019)	(1,168,986,545)
Development expenditure		(686,885,148)	567,528,313
Proceeds from the disposal of property and equipment		49,604,187	25,357,358
(Increase) / Decrease in long term deposits		223,971,500	(4,660,656)
Disposal / (investment) of short term investments - net		(1,170,227,069)	2,370,819,410
Increase in long term investment		-	(15,440,936)
Profit received on short term investment		194,083,670	212,357,632
Interest received on loan from related parties		13,444,549	37,438,093
Profit received on bank deposits		86,446,738	45,353,113
Net cash flows used in/from investing activities		(1,916,039,592)	2,069,765,782
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		198,124,923	118,688,008
Increase / (Decrease) in short term borrowings		(288,268,040)	420,000,000
(Decrease) in long term loan		(87,493,908)	(185,773,984)
(Decrease) in Lease Liability		(134,421,397)	(127,455,519)
Dividend paid		(1,760,683,404)	(1,462,302,253)
Increase in long term advances		9,168,189	28,273,786
Net cash flows used in financing activities		(2,063,573,637)	(1,208,569,962)
Net (decrease) in cash and cash equivalents		(3,423,610,672)	(134,170,289)
Net foreign currency exchange difference		(145,909,907)	191,148,983
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		4,413,330,405	5,871,474,926

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED SEPTEMBER 30, 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 QFZ 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 nine months period ended 30 September 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, hereinafter 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 September 2024	Audited 31 December 2023
		Rupees	Rupees
6. PROPERTY AND EQUIPMENT			
Operating fixed assets	6.1	3,651,083,030	3,740,581,192
Capital work in progress	6.2	6,460,915	-
		3,657,543,945	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	620,017,104	1,786,368,287
		4,360,598,296	4,485,528,998
Less:			
Disposals during the period / year	6.1.2	37,484,520	34,173,128
Depreciation during the period / year		656,720,523	718,070,542
Exchange differences		(15,310,223)	7,295,864
Book value at the end of the period / year		3,651,083,030	3,740,581,192
6.1.1 Additions during the period / year-cost			
Land		-	-
Building		-	160,120,890
Computers		430,923,027	855,933,606
Computer equipment and installations		58,654,327	416,996,325
Other equipment and installations		33,352,010	110,673,686
Generator		-	24,723,737
Furniture and fittings		10,321,192	143,662,315
Vehicles		84,272,064	18,080,710
Office equipment		1,363,490	4,522,055
Leasehold Improvements		1,130,995	51,654,963
Capital work in progress		-	-
		620,017,104	1,786,368,287
6.1.2 Disposals during the period / year - WDV			
Computers		28,132,535	24,906,828
Computer equipment and installations		3,367,878	2,170,791
Other equipment and installations		-	4,751,600
Furniture and fittings		4,513	1,657,594
Vehicles		5,979,594	657,582
Office equipment		-	28,733
		37,484,520	34,173,128
6.2 CAPITAL WORK IN PROGRESS			
Advance against purchase of property and equipment	6.2.1	6,460,915	-
		6,460,915	-
6.2.1 Balance at the beginning of the period / year			
Balance at the beginning of the period / year		-	161,020,955
Additions during the period / year		-	115,360,238
Advance against purchase of property & equipment		6,460,915	-
Transfer to operating fixed assets during the period / year		-	(276,381,193)
Balance at the end of the period / year		6,460,915	-
7. TRADE DEBTS			
Considered good - unsecured			
Export		11,247,164,122	10,338,403,980
Local		3,950,934,179	2,645,877,618
		15,198,098,301	12,984,281,598
Less: Allowance for expected credit losses		(332,831,419)	(277,466,315)
		14,865,266,882	12,706,815,283
8. SHORT TERM INVESTMENTS			
Fair value through profit and loss			
- Mutual fund units		2,509,952,521	877,419,112
Amortized cost			
- Term deposit receipts (TDRs)		255,000,000	717,306,340
		2,764,952,521	1,594,725,452

9. OPERATING SEGMENT INFORMATION

9.1

Vertical Segments

The Group is segmented by 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 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 focuses on software, IT services, and digital solutions.
- Telecom (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		Retail & CPG		Technology		Telecom		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	14,496,987,421	11,281,788,304	10,925,389,038	7,718,170,265	5,884,811,210	5,407,239,713	5,787,965,709	4,007,460,089	8,659,101,451	48,309,676,978	37,333,785,801	37,333,785,801
Cost of sales	(2,454,288,749)	(2,302,729,859)	(2,884,103,233)	(2,632,729,497)	(1,618,482,025)	(1,893,558,034)	(1,899,803,769)	(1,469,690,993)	(2,263,406,963)	(11,550,119,939)	(10,436,114,659)	(10,436,114,659)
Gross profit	(447,425,699)	(407,848,895)	(337,388,181)	(322,450,609)	(181,670,707)	(234,198,464)	(178,676,886)	(143,249,043)	(363,008,386)	(1,491,449,821)	(1,460,755,390)	(1,460,755,390)
Distribution expenses	(1,029,684,605)	(811,012,331)	(776,449,370)	(955,956,265)	(418,668,687)	(590,028,679)	(411,996,413)	(395,271,195)	(796,934,993)	(3,479,354,408)	(2,979,301,487)	(2,979,301,487)
Administrative expenses	(1,810,938,114)	(1,297,579,899)	(1,150,348,891)	(860,791,654)	(619,175,162)	(854,837,284)	(601,624,696)	(545,579,269)	(1,186,794,673)	(5,143,981,939)	(4,633,981,340)	(4,633,981,340)
Research and development expenses	844,189,638	1,005,148,890	1,710,746,392	1,721,936,863	999,306,863	1,010,681,730	1,281,979,468	921,111,714	1,529,845,401	1,190,265,699	5,850,122,896	5,850,122,896
Profit/(loss) before taxation and unallocated income and expenses	147,002,669	186,769,864	386,784,864	378,543,030	(386,414,669)	2,638,438,427	(386,414,669)	(284,050,620)	(655,875,389)	6,743,069,887	7,146,811,803	7,146,811,803
Other operating expenses	(147,002,669)	(186,769,864)	(386,784,864)	(378,543,030)	(386,414,669)	2,638,438,427	(386,414,669)	(284,050,620)	(655,875,389)	6,743,069,887	7,146,811,803	7,146,811,803
Exchange (loss)/ gain												
Share of loss from associates												
Finance cost												
Profit before taxation and Levy												
Profit before taxation												
Taxation												
Profit after taxation												

9.2 Geographical segments

	North America		Europe		Middle East & Africa		Asia Pacific		Pakistan		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	10,389,288,519	9,180,326,957	2,113,647,503	1,398,656,225	27,954,480,718	19,239,209,117	1,755,816,336	785,642,470	6,096,463,901	6,730,022,032	48,309,676,978	37,333,785,801
Cost of sales	(6,969,689,628)	(6,573,823,209)	(1,370,842,480)	(827,301,659)	(21,276,675,312)	(13,897,241,742)	(1,145,480,930)	(496,669,824)	(6,035,689,933)	(6,054,035,330)	(36,799,557,289)	(26,949,671,765)
Gross profit	3,419,729,891	3,606,503,748	743,405,024	570,893,566	6,678,785,406	5,341,967,375	610,335,402	288,972,646	60,883,968	675,986,702	11,510,119,691	10,494,114,036
Distribution expenses	(217,403,061)	(81,471,398)	(43,970,416)	(12,572,855)	(995,762,899)	(697,434,911)	(148,977,621)	(46,217,815)	(84,795,772)	(321,058,328)	(1,491,449,821)	(1,460,755,390)
Administrative expenses	(933,345,357)	(1,010,019,850)	(18,707,631)	(13,362,085)	(2,165,767,389)	(1,596,315,153)	(7,926,968)	(59,476,197)	(36,688,247)	(1,467,934,993)	(2,170,707,700)	(2,170,707,700)
Research & development expenses	(1,198,277,274)	(1,234,856,330)	(240,160,446)	(177,750,365)	(3,128,448,316)	(2,592,801,027)	(2,214,938,177)	(1,14,945,291)	(358,666,516)	(547,539,268)	(5,143,981,939)	(4,633,981,340)
Profit/(loss) before taxation and unallocated income and expenses	2,221,452,617	2,371,647,338	503,354,577	392,833,201	3,550,336,890	2,762,166,348	388,896,225	174,927,355	(297,802,542)	128,448,434	6,386,137,761	5,850,122,896
Other operating expenses	(2,221,452,617)	(2,371,647,338)	(503,354,577)	(392,833,201)	(3,550,336,890)	(2,762,166,348)	(388,896,225)	(174,927,355)	(297,802,542)	128,448,434	(6,386,137,761)	(5,850,122,896)
Other income (excluding exchange gain)												
Share of loss from associates												
Finance cost												
Profit before taxation and Levy												
Profit before taxation												
Taxation												
Profit after taxation												

9.2.1 The group has assessed the classification of each customer in respective geography and made corrections in the above table as a result there will be slight variation when compared with previous reported quarters.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

10.2 Commitments:

- 10.2.1 Guarantees issued by the financial institutions on behalf of the group amount to Rs. 1,068.55 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).
- 10.2.3 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).
- 10.2.4 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).
- 10.2.5 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).

	Nine Months Ended	
	Un-audited 30 September	Un-audited 30 September
	2024	2023
	Rupees	Rupees
11. Other Income		
Income from financial assets:		
Profit on deposit accounts	86,446,739	45,353,114
Profit on short term investments	222,789,044	218,805,030
Exchange gain / (loss)	(396,414,465)	2,638,436,427
Interest on loan to subsidiaries	268,363,655	37,438,094
Gain on derivative financial instrument	6,534,275	-
Effect of discounting of long term loans	91,974,919	64,037,098
	279,694,166	3,004,069,763
Income from non-financial assets:		
Gain on disposal of property & equipment	12,119,667	2,931,702
Others	8,541,565	9,977,992
	20,661,232	12,909,694
	300,355,399	3,016,979,457

	Nine Months Ended		Three months ended	
	30 September		30 September	
	2024	2023	2024	2023
	Un-audited	Un-audited	Un-audited	Un-audited
12. EARNINGS PER SHARE				
Basic earnings per share				
Profit for the period attributable to equity holder of parent	5,431,786,778	7,146,330,566	2,188,480,345	1,852,800,331
Weighted average number of ordinary shares in issue during the period	292,922,781	290,900,898	292,348,476	291,281,501
Basic - in Rupees	18.54	24.57	7.49	6.36
Diluted earnings per share				
Profit for the period attributable to equity holder of parent	5,431,786,778	7,146,330,566	2,188,480,345	1,852,800,331
Weighted-average number of ordinary shares (basic)	292,922,781	290,900,898	292,348,476	291,281,501
Effect of share options	1,595,756	2,280,588	1,048,454	2,227,577
	294,518,537	293,181,486	293,396,930	293,509,078
Diluted - in Rupees	18.44	24.38	7.46	6.31

13. 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 Nine Months Ended 30 September	
			2024 Rupees	2023 Rupees
Visionet Systems Incorporation - USA	Associate	Revenue	8,709,615,088	8,533,540,136
		Expenses incurred on behalf of the party	222,500,666	83,304,386
		Expenses incurred on behalf of the party	138,566,201	117,139,530
Visionet Systems - UK	Associate	Revenue	674,629,012	618,548,411
		Expenses incurred on behalf of the party	64,132,470	2,827,147
		Expenses incurred on behalf of the party	7,242,526	117,723
Visionet Deutschland GMBH - Germany	Associate	Revenue	593,314,983	484,201,669
		Expenses incurred on behalf of the party	4,849,451	16,642,829
Visionet Canada	Associate	Revenue	6,360,687	-
Atclose	Associate	Revenue	310,280,397	-
PartnerLinQ Inc.	Associate	Revenue	1,105,015,040	-
E-Processing Systems (Private) Limited	Associate	Disbursements against loan	12,036,872	26,904,891
		Receipts against loan	38,171,895	75,878,219
		Interest income on loan	36,980,878	37,801,421
		Property & equipment sold	-	4,420,480
Retailistan (Private) Limited	Associate	Long Term Investment	-	-
		Repayment of safe note	-	88,555,000
Staff retirement funds	Associate	Contribution	1,043,133,878	690,915,227
		Payments made on behalf of the party by the Company	325,692,122	550,159,260
			6,078,599,016	7,546,119,186

14. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

Adjustments of reconcile profit before tax to meet cash flows:

Depreciation on property and equipment	656,720,523	456,922,967
Depreciation on right-of-use asset	150,912,938	113,504,723
Amortization of intangible assets	415,013,067	743,218,537
Allowance for expected credit loss	147,022,966	383,056,960
Share based payment expense	373,766,548	315,133,832
Finance cost	384,501,227	653,875,388
Gratuity expense	196,747,524	224,663,293
Share of loss of associate	56,369,952	284,050,620
Interest on loan to subsidiaries	(268,363,655)	(37,438,094)
Gain on derivative financial instruments	(6,534,275)	-
Exchange (gain) on translation of export receivables	396,414,465	(2,638,436,427)
Effect of discounting of long term loans	(91,974,919)	(64,037,098)
Gain on disposal of property and equipment	(12,119,667)	(2,931,702)
Gain on short term investments	(222,789,044)	(218,805,030)
Profit on bank deposits	(86,446,739)	(45,353,114)
	2,089,240,911	167,424,855

Profit before working capital changes	8,167,839,926	7,713,544,040
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Effect on cash flow due to working capital changes

(Increase) / decrease in current assets:

Contract assets - Net	(2,348,798,482)	(3,928,729,977)
Trade debts	(2,701,889,031)	(2,501,815,990)
Loans, advances and other receivables	381,123,410	(665,852,343)
Employee interest free loans	39,669,727	(84,334,898)
Long term receivable	(52,856,614)	(196,062,972)
Trade deposits and short term prepayments	(1,439,341,108)	(3,269,571,244)
	(6,122,092,097)	(10,646,367,425)

(Decrease) / increase in current liabilities:

Trade and other payables	1,456,186,968	1,968,043,747
Contract Liability	(1,599,285,092)	1,114,780,299
	(6,265,190,220)	(7,563,543,379)

Net cash flows from operations	1,902,649,706	7,696,119,847
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15. FINANCIAL RISK MANAGEMENT

15.1 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.

15.2 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 nine months period ended 30 September 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

30 September 2024			
15.3 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		889,338,259	889,338,259
Contract assets		10,309,260,117	10,309,260,117
Trade debts		14,865,266,882	14,865,266,882
Loans, advances and other receivables		1,438,869,792	1,438,869,792
Security deposits		2,601,399,884	2,601,399,884
Interest accrued		31,802,152	31,802,152
Short term investments	2,509,952,521	255,000,000	2,764,952,521
Cash and bank balances	-	4,413,330,405	4,413,330,405
	2,509,952,521	34,804,267,491	37,314,220,012

31 December 2023			
15.3 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		1,184,235,536	1,184,235,536
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
Security deposits		464,132,938	464,132,938
Interest accrued		3,096,777	3,096,777
Other receivables		13,950,526	13,950,526
Short term investments	877,419,112	717,306,340	1,594,725,452
Interest free loans to employees		712,111,946	712,111,946
Cash and bank balances	-	7,982,850,983	7,982,850,983
	877,419,112	32,040,114,799	32,917,533,911

	Financial Liabilities at amortized cost	
	30 September 2024	31 December 2023
	Rupees	Rupees
Financial liabilities as per balance sheet		
Lease liabilities	576,504,190	741,299,163
Other long term liability - unsecured	-	3,831,197,740
Markup accrued on short term borrowing	8,770,038	96,586,682
Short term borrowing	1,830,731,960	2,119,000,000
Unclaimed Dividend	30,322,411	18,659,407
Trade and other payables	8,748,017,910	7,291,830,942
	11,194,346,509	14,098,573,934

16. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There are no subsequent events subsequent to the reporting date.

17. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issuance on 21 October 2024 by the Board of Directors of the Group.

18. CORRESPONDING FIGURES

A new expense category, 'Research & Development,' has been introduced in the statement of profit and loss. Previously, these costs were classified under 'Cost of Revenue.' Accordingly, the comparative figures have been restated to reflect this reclassification, ensuring consistency in presentation and better alignment with the current reporting structure

There is no other major reclassification except from the above mentioned in these interim financial statements.

19. GENERAL

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


CHAIRMAN


(CHIEF EXECUTIVE OFFICER)
















(CHIEF FINANCIAL 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

Daftarkhwan, 4th Floor, 5-A
Constitution Ave, F-5/1 F-5,
Located on Constitution Avenue,
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

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Post office, Kacheri Gate, 04 Khyber
Rd, Peshawar Cantonment,
Peshawar

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No.1802 Block No 318

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