

systems

Third Quarter Report September 2021

Enabling a
Digital Tomorrow



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COMPANY INFORMATION

Board of Directors

Mr. Aezaz Hussain Chairman	Non-executive
Mr. Asif Peer CEO and Managing Director	Executive
Mr. Arshad Masood Director	Non-executive
Mr. Shabbar Zaidi Director	Independent
Mr. Omar Saeed Director	Independent
Mr. Asif Jooma Director	Independent
Ms. Romana Abdullah Director	Independent

Audit Committee

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

Human Resource & Compensation Committee

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

Chief Financial Officer

Ms. Roohi Khan

Company Secretary

Mr. Saad Hasan Aslam

External Auditors

Ernst & Young Ford Rhodes
Chartered Accountants
Lahore

Internal Auditors

Uzair Hammad Faisal & Co.

Legal Advisors

Hassan & Hassan Advocates
Ahmed & Pansota

Tax Advisors

Zulfiqar Ahmad & Co.
Chartered Accountants

Banks

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

Share Registrar

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

Registered Address

Systems Limited
E-1, Sehjpal Near DHA Phase -VIII
(Ex.-Air Avenue), Lahore Cantt
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 2021.

FINANCIAL RESULTS

Unconsolidated:

During period under review, standalone revenue grew by 52% over same period last year from Rs. 5,360.04 million to Rs. 8,129.54 million. Gross profit and operating profit increased by 45% and 51% respectively, delivering a leveraged operating performance for the company. As a consequence of rupee devaluation, net profit for the period was positively impacted by an exchange gain of Rs 204.99 million (Sep 2020: Rs 145.97 million) increasing net profit by 48%, from 1,565.38 million to Rs. 2,310.42 million. Basic and diluted earnings per share both increased by 47% in line with profit for the period.

All the regions contributed to the increase in revenue during the period under review. Additionally the company is investing aggressively in talent with optimization of other costs to improve working capital management and productivity which helped deliver healthy operating margins.

Key Financial Highlights - Unconsolidated			
Particulars	Sept-21 (unaudited)	Sept-20 (unaudited)	Change
	Rs.	Rs.	%
Revenue	8,129,547,547	5,360,040,459	52%
Gross Profit	2,835,004,958	1,959,357,402	45%
Operating profit	2,033,301,726	1,350,055,838	51%
Profit for the period	2,310,420,941	1,565,389,891	48%
Earnings per share (basic)	16.80	11.46	47%
Earnings per share (diluted)	16.60	11.31	47%

Other Income - Unconsolidated		
Particulars	Sept-21 (unaudited)	Sept-20 (unaudited)
	Rs.	Rs.
Other Income	179,323,478	134,294,131
Exchange Gain / (Loss)	204,986,421	145,975,614
	384,309,899	280,269,745

Consolidated:

During the nine months for the period ended 30th September 2021, consolidated revenue grew by 49% from Rs. 7,068.62 million to Rs. 10,524.24 million. Gross profit and operating profit increased by 52% and 62% respectively. Net profit for the period increased by 56% from Rs. 1,616.26 million to Rs. 2,522.19 million with Rs. 211.32 million in exchange gain. Basic and diluted earnings per share both increased by 58% in line with profit for the period.

Key Financial Highlights - Consolidated			
Particulars	Sept-21 (unaudited)	Sept-20 (unaudited)	Change
	Rs.	Rs.	%
Revenue	10,524,242,502	7,068,619,417	49%
Gross Profit	3,595,897,978	2,367,548,438	52%
Operating profit	2,316,252,955	1,430,607,681	62%
Profit for the period	2,522,198,912	1,616,261,440	56%
Earnings per share (basic)	18.87	11.95	58%
Earnings per share (diluted)	18.65	11.79	58%

Other Income - Consolidated		
Particulars	Sept-21 (unaudited)	Sept-20 (unaudited)
	Rs.	Rs.
Other Income	156,360,992	118,983,783
Exchange Gain / (Loss)	211,328,580	142,543,641
	367,689,572	261,527,424

- The Company has seen an upsurge in the opportunities in the Middle East Region with Expo 2020. The offshore revenue has significantly increased in line with this demand and the Company expects this growth trend to continue following the mind-set shift from onsite to offshore in the Middle East market. Along with its continuing focus on Industry verticals like Banking and Telco sector, the Company is also seeing enhanced opportunities in the Public Sector where it is getting traction.
- The Pakistan Government is expected to be resolutely focused on digitizing the economy in the two years leading up to the general elections, which will present potential opportunities in the public sector, however, the Company will be selective in bidding for public sector projects.
- For sustainable growth, the Company has been very well diversified in terms of industry and regions/countries and targeting the technologies that are in high demand. Diversification in SAP was part of this strategy. The Company expects this diversified portfolio to be an enabler for future growth.
- A Company in Saudi Market has been setup as a wholly owned subsidiary. The core business team has already been engaged and mobilized onsite. The company has succeeded in signing a few projects and sees opportunity in this market.
- E-Processing Systems (EPS), OneLoad, is consistently increasing its retailer base, and is currently working with around 50k retailers as of Sep 2021. The GMV of the company has reached around Rs 13,086 million from Rs 8,995 million over same period last year.

Acknowledement

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

On behalf of the Board



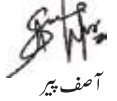
Asif Peer
Chief Executive Officer
Date: 27 October 2021
Lahore

- کینی نے اس سال کے آغاز سے ثانی امریکہ کے علاقے میں مستحکم ترقی کا مشاہدہ کیا ہے اور توقع کرتی ہے کہ کینی جن مختلف سروس ڈویژن اور ٹیکنالوجی سیکٹرز کو ہدف بنا رہی ہے اس کی بنا پر یہ ترقی جاری رہے گی۔ کینی یورپی خطے پر بھی توجہ مرکوز کر رہی ہے۔
- کینی نے ایکسپو 2020 کے ساتھ مشرق وسطیٰ کے خطے میں مواقع میں اضافے کا مشاہدہ کیا ہے۔ اس طلب کے مطابق آف شور ریونیو میں نمایاں اضافہ ہوا ہے اور کینی کو توقع ہے کہ اس سائنس سے آف شور کی طرف ماسٹڈ شفٹ کی وجہ سے ترقی کا یہ رجحان جاری رہے گا۔ مزید برآں، کینی بینکاری اور ٹیکلوگیکل جیسے صنعتی شعبوں پر توجہ مرکوز کئے ہوئے ہے۔ کینی ہبلک سیکٹرز میں بھی ایک موقع دیکھ رہی ہے اور اس کی طرف بڑھ رہی ہے۔
- توقع ہے کہ حکومت پاکستان انتخابات سے قبل ان آخری دو برسوں میں معیشت کو ڈیجیٹل بنانے پر پوری توجہ مرکوز رکھے گی۔ کینی کو ہبلک سیکٹرز میں ایک اچھا موقع دکھائی دے رہا ہے۔ تاہم کینی کو امی منصوبوں کے حوالے سے بہت سلیکیو ہے۔
- پائیدار ترقی کیلئے کینی صنعت اور خطوں اور ممالک کے لحاظ سے بہت اچھی طرح سے متنوع ہے اور ان ٹیکنالوجیز کو ہدف بنا رہی ہے جن کی تمام خطوں میں زیادہ مانگ ہے۔ SAP میں تنوع اس حکمت عملی کا حصہ تھا۔ کینی کو توقع ہے کہ یہ متنوع پورٹ فولیو مستقبل کی ترقی کیلئے کام آئے گا۔
- سعودی مارکیٹ میں ایک ذیلی کینی مملکت کینی کے طور پر قائم کی گئی ہے۔ بنیادی کاروباری ٹیم پہلے ہی روپہ عمل اور متحرک ہو چکی ہے۔ کینی چند منصوبوں پر پہلے ہی دستخط کر چکی ہے اور اس مارکیٹ میں مواقع دیکھ رہی ہے۔
- ای پروسیسنگ سسٹمز (ای پی ایس)، ڈیٹا، اینی ریٹیلر میں مسلسل اضافہ کر رہی ہے اور ستمبر 2021 تک تقریباً پچاس ہزار خوردہ فروشوں کے ساتھ کام کر رہی ہے۔ کینی کو GMV گزشتہ سال کی اسی مدت میں 8,995 ملین روپے سے بڑھ کر تقریباً 13,086 ملین روپے تک پہنچ گیا ہے۔

اعتراف

بورڈ اس موقع پر کینی کے قابل قدر کسٹمرز، بینکرز اور دیگر متعلقین کے تعاون اور حمایت کیلئے شکر گزار ہے۔ بورڈ کینی کے تمام ملازمین کی محنت اور لگن کو بھی بڑی قدر کی نگاہ سے دیکھتا ہے۔

حسب الحکم بورڈ



آصف پیر

چیف ایگزیکٹو آفیسر

مورخہ: 27 اکتوبر 2021ء

سیگنٹ کی کارکردگی - آزادانہ

سیگنٹ کا تجزیہ چاروں سیگمنٹس میں زبردست نمو کو ظاہر کرتا ہے، جس میں شمالی امریکہ اور یورپی علاقے سب سے آگے رہے۔ کمپنی کی ایک سپورٹ سیکلر فروخت کا لگ بھگ 80% ہے، کمپنی کا ہدف ہے کہ نئے والے برسوں میں برآمدات کے ضمن میں مزید اضافہ کیا جائے۔ اس مقصد کے حصول میں معادلت کیلئے کمپنی نے خطوں اور نئی مارکیٹوں میں تنوع پر کام کر رہی ہے۔

مردہ پیشہ میں	عالمی امریکہ	یورپ	شرقی ایشیائی	پاکستان	عالمی امریکہ
نیز آڈٹ شدہ	نیز آڈٹ شدہ	نیز آڈٹ شدہ	نیز آڈٹ شدہ	نیز آڈٹ شدہ	نیز آڈٹ شدہ
30 ستمبر کو ختم ہونے والے 9 ماہ	30 ستمبر کو ختم ہونے والے 9 ماہ	30 ستمبر کو ختم ہونے والے 9 ماہ	30 ستمبر کو ختم ہونے والے 9 ماہ	30 ستمبر کو ختم ہونے والے 9 ماہ	30 ستمبر کو ختم ہونے والے 9 ماہ
2020	2021	2020	2021	2020	2021
5,360,040,459	8,129,547,547	1,130,044,278	1,649,577,931	503,938,090	1,180,730,295
(3,400,683,057)	(5,294,542,589)	(923,578,657)	(1,327,241,984)	(408,434,616)	(730,374,816)
1,959,357,402	2,835,004,958	206,465,621	322,335,947	95,503,474	450,355,479
(89,623,257)	(129,643,480)	(70,700,449)	(90,942,029)	(5,572,576)	(5,787,985)
(450,033,968)	(641,176,591)	(45,003,397)	(64,117,659)	(58,504,416)	(83,352,957)
(539,657,225)	(770,820,071)	(115,703,846)	(155,059,688)	(64,076,992)	(89,140,942)
1,419,700,177	2,064,184,887	90,761,775	167,278,259	31,426,482	361,214,537
(69,644,339)	(30,883,161)				
134,234,131	179,323,478				
145,975,614	204,986,421				
(32,163,555)	(57,314,737)				
178,461,851	296,112,001				
1,598,162,028	2,360,296,888				
(32,772,137)	(49,875,947)				
1,565,389,891	2,310,420,941				

تجزیاتی آمدنی اور اخراجات
 دیگر آپریٹنگ اخراجات
 دیگر آمدنی اور اخراجات کے ساتھ ساتھ
 فنانسنگ کی آمد
 ٹیکس سے قبل منافع
 ٹیکس
 اس امر سے قبل منافع

اہم مالیاتی تناسب

کمپنی کے اہم مالیاتی تناسب میں مثبت پیشرفت ہوئی ہے۔ تمام کلیدی منفعت کے تناسب آزادانہ اور منظم مالیات میں مثبت رجحان دکھائے ہیں۔ اعلیٰ موجودہ اور فوری تناسب کمپنی کی مضبوط ریاضتی حالت کی عکاسی کرتا ہے، جس کا براہ راست تعلق قرض داروں کے بہتر نظم و نسق کے ساتھ ہے اور یہ کمپنی کی سرمایہ کاری کی حکمت عملی سے ہم آہنگ ہے۔

تناسب کی تفصیل	آزادانہ	منظم
	30 ستمبر کو ختم ہونے والے 9 ماہ کیلئے	30 ستمبر کو ختم ہونے والے 9 ماہ کیلئے
	2020	2021
مجموعی منافع کا مارجن (%)	37%	34%
آپریٹنگ مارجن (%)	25%	22%
EBITDA مارجن (%)	33%	27%
قبل از ٹیکس مارجن (%)	30%	25%
خالص منافع کا مارجن (%)	29%	24%
انٹاؤں کا کاروبار (%)	59%	86%
ایکویٹی پر ریٹرن (%)	23%	30%
موجودہ تناسب	3.57	2.91
فوری تناسب	3.14	2.41
قرض داروں کا کاروبار (سینے)	136	102
قرض: ایکویٹی (تناسب)	19:81	23:77
انٹرسٹ کور (ٹائیز)	56	38

مستقبل کا خاکہ

- کمپنی جن شعبوں میں کام کر رہی ان میں عالمی سطح پر ٹیلڈس کی کمی ہے جو کہ ڈیجیٹل، ڈیٹا اور کلاؤڈ ہیں۔ کمپنی جارحانہ انداز میں طلب کے مطابق بھرتی، ایپ سیکیٹیگ اور ری سیکیٹیگ کر رہی ہے۔ کمپنی نے اس سہ ماہی میں تقریباً 400 فٹنیشن ریکریٹوشن کو بھی شامل کیا ہے۔ نئے بھرتی کئے گئے افراد کی موبائل طریقے سے تربیت کی جارہی ہے جس سے وہ اگلے سال تک پوری طرح تیار ہو جائیں گے۔ بھرتی کی جارحانہ حکمت عملی کے مطابق کمپنی لاہور، کراچی اور اسلام آباد کے علاوہ دیگر شہروں میں بھی موزوں ٹیلڈس کو رغب کر رہی ہے۔ ملتان شہر میں نیڈیٹر پیپلے ہی کام کر رہا ہے۔ مزید برآں، کمپنی اپنے ترقی کے منصوبوں کے مطابق مستقبل میں ٹیلڈس کی فراہمی کیلئے تعلیمی اور پیشہ وارانہ تربیت کے اداروں کے ساتھ مل کر کام کر رہی ہے۔

ڈائریکٹر کی جائزہ رپورٹ - 30 ستمبر 2021ء

بورڈ آف ڈائریکٹرز کے ایما پر ہمیں 30 ستمبر 2021ء کو ختم ہونے والے 9 ماہ کیلئے آزادانہ اور سنجیدگی سے پیش کرنے پر خوشی ہے۔

مالی نتائج

غیر منظم

زیر جائزہ مدت کے دوران آزاد آمدنی پچھلے سال اسی عرصہ کے مقابلے میں 52% اضافہ کے ساتھ 5,360.04 ملین روپے سے بڑھ کر 8,129.54 ملین روپے ہو گئی۔ مجموعی منافع اور آپریٹنگ منافع میں بالترتیب 45% اور 15% اضافہ ہوا، جس سے کھپنی کیلئے لیور پیجڈ آپریٹنگ پر فارمنس فراہم ہوئی۔ مزید برآں، کرنسی کے آثار چڑھاؤ کے نتیجے میں، اس مدت کے خالص منافع پر 204.99 ملین روپے (ستمبر 2020 میں 145.97 ملین) کے آپریٹنگ گین کی بدولت پر مثبت اثر پڑا، اور خالص منافع 48% اضافہ کے ساتھ 1,565.38 ملین روپے سے بڑھ کر 2,310.42 ملین روپے ہو گیا۔ اس عرصہ کے مطابق فی شیئر بنیادی اور رقیق آمدنی دونوں میں 47% اضافہ ہوا۔

مخصوصات میں اضافہ کرنے میں تمام خطوں نے اپنا کردار ادا کیا۔ کھپنی دیگر اخراجات کی اصلاح کے ساتھ ٹیلڈٹ میں جارحانہ سرمایہ کاری کر رہی ہے اور موٹر ورلگ کیپٹل مینجمنٹ نے زحمت مندا آپریٹنگ مارجن حاصل کرنے میں مدد کی ہے۔

غیر منظم	ستمبر 2021	ستمبر 2020	سال ہر سال
آمدنی	8,129,547,547	5,360,040,459	52%
مجموعی منافع	2,835,004,958	1,959,357,402	45%
ٹیکس سے پہلے منافع	2,033,301,726	1,350,055,838	51%
ٹیکس کے بعد منافع	2,310,420,941	1,565,389,891	48%
کمائی فی شیئر (بنیادی)	16.80	11.46	47%
کمائی فی شیئر (رقیق)	16.60	11.31	47%

غیر منظم

دیگر آمدنی	ستمبر 2021	ستمبر 2020
تفصیلات		
دیگر آمدنی	179,323,478	134,294,131
زرمبادلہ کا فائدہ / نقصان	204,986,421	145,975,614
	384,309,899	280,269,745

منظم

30 ستمبر 2021ء کو ختم ہونے والے 9 ماہ کے دوران منظم آمدنی 49% اضافہ کے ساتھ 7,068.62 ملین روپے سے بڑھ کر 10,524.24 ملین روپے ہو گئی۔ مجموعی منافع اور آپریٹنگ منافع میں بالترتیب 52% اور 62% اضافہ ہوا۔ 211.32 ملین روپے آپریٹنگ گین کے ساتھ اس مدت کا خالص منافع 56% کی شرح کے ساتھ 1,616.26 ملین روپے سے بڑھ کر 2,522.19 ملین روپے ہو گیا۔ اس عرصہ کے دوران منافع کے مطابق فی شیئر بنیادی اور رقیق آمدنی دونوں میں 58% اضافہ ہوا۔

منظم	ستمبر 2021	ستمبر 2020	سال ہر سال
آمدنی	10,524,242,502	7,068,619,417	49%
مجموعی منافع	3,595,897,978	2,367,548,438	52%
ٹیکس سے پہلے منافع	2,316,252,955	1,430,607,681	62%
ٹیکس کے بعد منافع	2,522,198,912	1,616,261,440	56%
کمائی فی شیئر (بنیادی)	18.87	11.95	58%
کمائی فی شیئر (رقیق)	18.65	11.79	58%

منظم

دیگر آمدنی	ستمبر 2021	ستمبر 2020
تفصیلات		
دیگر آمدنی	156,360,992	118,983,783
زرمبادلہ کا فائدہ / نقصان	211,328,580	142,543,641
	367,689,572	261,527,424



SYSTEMS LIMITED
**Standalone
Financial Statements**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at 30 September 2021 (Unaudited)

		Un-audited 30 September 2021 Rupees	Audited 31 December 2020 Rupees
ASSETS			
Non-current assets			
Property and equipment	6	1,786,557,610	1,507,959,243
Intangibles		39,381,824	21,345,888
Long term investments	7	272,073,147	272,073,147
Long term deposits		31,627,487	36,127,162
Right-of-use assets		196,743,784	204,396,352
		2,326,383,852	2,041,901,792
Current assets			
Contract assets		1,105,910,244	533,940,810
Trade debts	8	3,192,698,575	2,438,437,498
Loans, advances and other receivable		882,785,286	205,366,771
Trade deposits and short term prepayments		420,328,063	187,928,945
Interest accrued		17,449,780	38,450,000
Short term investments	9	3,969,141,899	2,644,845,556
Tax refunds due from the Government		190,418,454	166,007,954
Cash and bank balances	10	1,394,452,391	1,577,759,692
		11,173,184,692	7,792,737,226
TOTAL ASSETS		13,499,568,544	9,834,639,018
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 200,000,000 (2020: 200,000,000) ordinary shares of Rs. 10 each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	11	1,380,781,620	1,246,060,140
Capital reserves			
Share premium		718,456,859	614,907,470
Employee compensation reserve		127,387,264	84,747,028
Revenue reserve - Un-appropriated profit		7,057,585,745	5,307,971,413
		9,284,211,488	7,253,686,051
Non-current liabilities			
Long term loan		250,000,000	98,013,227
Long term advances		9,265,978	53,857,626
Lease liabilities		178,990,151	189,409,537
Deferred grant		-	8,338,896
		438,256,129	349,619,286
Current liabilities			
Trade and other payables		1,001,225,359	722,653,295
Unclaimed dividend		12,191,230	7,617,635
Short term borrowings	12	2,250,000,000	1,250,000,000
Contract liabilities		271,382,318	88,669,355
Mark-up accrued on short term borrowings		11,455,026	9,804,346
Current portion of lease liabilities		49,424,077	37,983,731
Current portion of long term loan		101,813,026	100,754,617
Current portion of deferred grant		3,246,526	3,095,996
Current portion of long term advances		76,363,365	10,754,706
		3,777,100,927	2,231,333,681
TOTAL EQUITY AND LIABILITIES		13,499,568,544	9,834,639,018

CONTINGENCIES AND COMMITMENTS

14

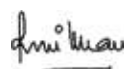
The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

CONDENSED INTERIM PROFIT OR LOSS

for the nine months period ended 30 September 2021 (Unaudited)

Note	Nine Months Ended		Three Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers - net	8,129,547,547	5,360,040,459	3,136,977,934	1,971,446,591
Cost of revenue	5,294,542,589	3,400,683,057	2,070,090,209	1,170,322,607
Gross profit	2,835,004,958	1,959,357,402	1,066,887,725	801,123,984
Administrative expenses	641,176,591	450,033,968	256,146,138	186,146,325
Distribution expenses	129,643,480	89,623,257	52,484,554	31,317,445
Other operating expenses	30,883,161	69,644,339	47,335,905	52,762,814
	801,703,232	609,301,564	355,966,597	270,226,584
Operating profit	2,033,301,726	1,350,055,838	710,921,128	530,897,400
Other income	384,309,899	280,269,745	290,223,372	28,090,812
Finance costs	57,314,737	32,163,555	21,531,307	11,287,578
Profit before taxation	2,360,296,888	1,598,162,028	979,613,193	547,700,634
Taxation	49,875,947	32,772,137	18,792,514	11,667,409
Profit for the period	2,310,420,941	1,565,389,891	960,820,679	536,033,225
		(Restated)		(Restated)
Earnings per share:				
Basic earnings per share	16.80	11.46	6.96	3.91
Diluted earnings per share	16.60	11.31	6.84	3.85

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the nine months period ended 30 September 2021 (Unaudited)

	Nine Months Ended		Three Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	Rupees	Rupees	Rupees	Rupees
Profit for the period	2,310,420,941	1,565,389,891	960,820,679	536,033,225
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	2,310,420,941	1,565,389,891	960,820,679	536,033,225

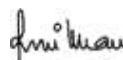
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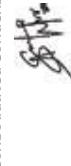
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the nine months period ended 30 September 2021 (Unaudited)

	Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserve	Total
		Share premium	Employee compensation reserve		
Rupees					
Balance as at 01 January 2020	1,235,202,990	512,149,734	78,970,025	3,390,143,582	5,216,466,331
Profit for the period	-	-	-	1,565,389,891	1,565,389,891
Total comprehensive income	-	-	-	1,565,389,891	-
Other comprehensive income	10,857,150	-	-	-	1,565,389,891
Exercise of share options	-	128,085,183	(65,831,861)	-	73,110,472
Share based payments	-	-	188,485,474	-	188,485,474
Forfeited share options	-	-	(3,017,856)	1,833,713	(1,184,143)
Final dividend for the year ended 31 December 2019 at the rate of Rs.2.25 per share	-	-	-	(277,920,824)	(277,920,824)
Balance as at 30 September 2020	1,245,060,140	640,234,917	198,605,782	4,679,446,362	6,764,347,201
Balance as at 01 January 2021	1,246,060,140	614,907,470	84,747,028	5,307,971,413	7,253,686,051
Profit for the period	-	-	-	2,310,420,941	2,310,420,941
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	2,310,420,941	-
Exercise of Share Options	10,097,790	103,549,389	(38,615,414)	-	75,031,765
Share based payments	-	-	81,255,650	-	81,255,650
10% Bonus shares issued	124,623,690	-	-	(124,623,690)	-
Final dividend for the year ended 31st December 2020 at the rate of Rs.3.5 per share	-	-	-	(436,182,919)	(436,182,919)
Balance as at 30 September 2021	1,380,781,620	718,456,859	127,387,264	7,057,585,745	9,284,211,488

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

CONDENSED INTERIM CASH FLOW STATEMENT

for the nine months period ended 30 September 2021 (Unaudited)

		Nine Months Ended	
		30 September	30 September
Note		2021	2020
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
	Net cash flows from operations	18 793,359,725	1,266,168,463
	Finance costs paid	(55,664,057)	(34,977,136)
	Taxes paid	(74,286,447)	(53,638,196)
		(129,950,504)	(88,615,332)
	Net cash flows from operating activities	663,409,221	1,177,553,131
CASH FLOWS FROM INVESTING ACTIVITIES			
	Purchase of property and equipment	(499,857,748)	(217,612,356)
	Development expenditure	(30,377,216)	(3,677,392)
	Proceeds from the disposal of property and equipment	25,204,807	9,104,458
	Short term investments - net	(1,324,296,343)	(1,655,000,000)
	Increase in long term investment	-	(99,998)
	Decrease in long term deposits	4,499,675	15,291,229
	Profit received on short term investment	147,317,188	60,514,852
	Profit received on bank deposits	20,475,887	19,059,986
	Net cash flows from investing activities	(1,657,033,750)	(1,772,419,221)
CASH FLOWS FROM FINANCING ACTIVITIES			
	(Decrease) / increase in long term loan	144,856,816	211,279,640
	Proceeds from exercise of share options	75,031,765	71,926,329
	Increase in short term borrowing	1,000,000,000	600,000,000
	Dividend paid	(431,609,324)	(278,648,712)
	Payment of principal portion of lease liabilities	1,020,960	5,864,750
	Increase in long term advances	21,017,011	16,868,262
	Net cash flows from financing activities	810,317,228	627,290,269
	Net increase / (decrease) in cash and cash equivalents	(183,307,301)	32,424,179
	Cash and cash equivalents at beginning of the period	1,577,759,692	1,095,555,314
	Cash and cash equivalents at closing of the period	1,394,452,391	1,127,979,493

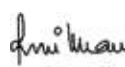
The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

for the nine months period ended 30 September 2021 (Unaudited)

1. THE COMPANY AND ITS OPERATIONS

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

2. STATEMENT OF COMPLIANCE

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

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

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

3. BASIS OF PREPARATION

- 3.1 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2020.
- 3.2 These unconsolidated condensed interim financial statements are the separate unconsolidated condensed interim financial statements of the Company in which investments in the subsidiary companies namely E-Processing Systems (Private) Limited, TechVista Systems FZ - LLC, SUS JV (Private) Limited and Systems Ventures (Private) Limited have been accounted for at cost less accumulated impairment losses, if any.
- 3.3 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention and are presented in Pak rupee, which is also the functional currency of the Company. The figures have been rounded off to the nearest rupees, unless otherwise stated.

4. SIGNIFICANT ACCOUNTING POLICIES

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

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

	Note	Un-audited	Audited
		30 September 2021	31 December 2020
----- (Rupees) -----			
6. PROPERTY AND EQUIPMENT			
Operating fixed assets	(6.1)	1,777,791,849	1,507,212,971
Capital work in progress	(6.2)	8,765,761	746,272
		1,786,557,610	1,507,959,243
6.1 OPERATING FIXED ASSETS - OWNED			
Opening balance - net book value		1,507,212,971	1,392,619,772
Additions during the period / year - cost	(6.1.1)	499,490,827	341,404,904
		2,006,703,798	1,734,024,676
Less:			
Disposals during the period / year	(6.1.2)	(16,148,536)	(13,992,901)
Depreciation during the period / year		(212,763,413)	(212,818,804)
Net book value at the end of the period / year		1,777,791,849	1,507,212,971
6.1.1 Additions during the period/year-cost			
Land - freehold		4,214,000	48,760,578
Building		9,740,482	6,841,345
Computer equipment and installations		340,700,454	107,336,746
Other equipment and installations		6,129,363	16,360,054
Machinery		5,746,088	44,113,920
Furniture and fittings		9,580,268	18,802,046
Vehicles		118,620,270	72,958,264
Office equipment		583,438	1,660,795
Leasehold building improvements		4,176,464	24,571,156
		499,490,827	341,404,904
6.1.2 Disposals during the period / year			
		Cost	Accumulated Depreciation
			Net book value
		----- (Rupees) -----	
30 September 2021:			
Computer equipment and installations		7,410,441	(6,661,988)
Other equipment and installations		99,421	(99,421)
Furniture and fittings		427,730	(343,945)
Vehicles		25,757,562	(10,441,264)
		33,695,154	(17,546,618)
31 December 2020:			
Computer and equipment		13,745,539	(12,996,155)
Other equipment and installations		44,300	(44,300)
Furniture and fittings		57,675	(18,845)
Vehicles		22,846,025	(9,641,338)
		36,693,539	(22,700,638)
		Un-audited	Audited
		30 September 2021	31 December 2020
----- (Rupees) -----			
6.2 CAPITAL WORK IN PROGRESS			
Balance at the beginning of the period / year		746,272	24,025,244
Additions during the period / year		8,765,761	13,251,015
Transfer to operating fixed assets during the period / year		(746,272)	(36,529,987)
Balance at the end of the period / year	(6.2.1)	8,765,761	746,272
6.2.1	This represent the civil and construction work carried out in Multan office.		
7. LONG TERM INVESTMENTS			
Investment in Subsidiaries - at cost - unquoted:			
E - Processing Systems (Private) Limited 179,507 (2020: 179,507) fully paid ordinary shares of Rs. 10/- each	(7.1)	270,500,227	270,500,227
Tech Vista Systems FZ-LLC 50 (2020: 50) fully paid ordinary shares of AED 1000/- each	(7.2)	1,377,950	1,377,950
SUS-JV (Private) Limited 9,499 (2020: 9,499) fully paid ordinary shares of Rs. 10/- each	(7.3)	94,990	94,990
Systems Venture (Private) Limited 9,998 (2020: 9,998) fully paid ordinary shares of Rs.10/- each	(7.4)	99,980	99,980
		272,073,147	272,073,147

- 7.1 This represents 44.60% (31 December 2020: 44.60%) share in Company's subsidiary E-Processing Systems (Private) Limited, a company engaged in the business of purchase and sale of airtime and related services in Pakistan. As per the management assessment, the control over the entity lies with the Company.
- 7.2 This represents 100% (31 December 2020: 100%) share in Company's subsidiary, TechVista Systems FZ- LLC, a company set up in Dubai Technology and Media Free Zone Authority engaged in providing a host of services including enterprise application integration and software development and has been registered as a limited liability company on 03 April 2013.
- 7.3 This represents 94.99% (31 December 2020: 94.99%) share in Company's subsidiary, SUS JV (Private) Limited, a company set up in Pakistan for the Balochistan Land Revenue Management Information System project. The project is related to digitization of land records and development of a web-based management information system.
- 7.4 This represents 99.98% (31 December 2020: 99.98%) share in Company's subsidiary, Systems Ventures (Private) Limited, a company set up in Pakistan to invest in new ventures, start-ups and incubate new ideas.

		Un-audited 30 September	Audited 31 December
	Note	2021	2020
----- (Rupees) -----			
8. TRADE DEBTS - unsecured			
Export	(8.1)	2,708,529,604	2,080,448,006
Local		737,122,100	589,763,256
		3,445,651,704	2,670,211,262
Less: Allowance for expected credit losses		(252,953,129)	(231,773,764)
		3,192,698,575	2,438,437,498
8.1	These include receivables from the following related parties:		
	Visionet Systems Incorporation - USA	1,774,068,732	1,100,980,956
	TechVista Systems FZ - LLC - UAE	329,790,051	762,502,394
	Visionet Deutschland GMBH - Germany	131,365,941	18,539,554
	TechVista Pty Limited - Australia	9,817,421	8,434,440
	TechVista Information Technology - Qatar	444,457,304	116,804,309
		2,689,499,449	2,007,261,653
		Un-audited 30 September	Audited 31 December
	Note	2021	2020
----- (Rupees) -----			
9. SHORT TERM INVESTMENTS			
Fair value through profit or loss			
- Mutual fund units	(9.1)	3,502,141,899	559,845,556
Amortized Cost			
- Term deposits receipts (TDRs)	(9.2)	467,000,000	2,085,000,000
		3,969,141,899	2,644,845,556
9.1	The details of investments in mutual funds are as follows:		
	UBL Al-Ameen Asset Islamic Allocation Fund	106,192,803	51,952,710
	Alfalsh GHP Islamic Income Fund	79,292,815	51,291,201
	HBL Asset Islamic Allocation Fund	53,051,395	51,444,992
	Lakson Islamic Tactical Fund	102,767,426	52,449,350
	Meezan Balanced Fund	103,294,543	100,590,950
	Meezan Islamic Income Fund	52,653,065	50,337,808
	NBP Islamic Sarmaya Izafa Fund	309,742,947	201,778,545
	MCB Al Hamra Islamic money market fund	459,992,315	-
	NBP Islamic Daily dividend Fund	603,369,667	-
	Meezan Islamic Fund	152,117,589	-
	Meezan Rozana Amdani Fund	561,791,229	-
	HBL Islamic Money Market Fund	25,424,594	-
	UBL Al-Ameen Islamic Cash Plan	253,489,612	-
	NBP Islamic Stock Fund	83,181,328	-
	NBP Islamic Income Fund	51,511,356	-
	ABL Islamic Stock Fund	47,420,536	-
	ABL Islamic Cash Fund	253,537,729	-
	Faysal Islamic Cash Fund	203,310,950	-
		3,502,141,899	559,845,556

	Note	Un-audited	Audited
		30 September 2021	31 December 2020
----- (Rupees) -----			
9.2	The details of investments in TDRs are as follow:		
	Faysal Bank Limited	-	400,000,000
	Habib Metropolitan Bank Limited	450,000,000	1,660,000,000
	Habib Bank Limited	17,000,000	25,000,000
	(9.2.1)	467,000,000	2,085,000,000

9.2.1 This represents TDRs carrying markup at rates ranging from 6.40% to 12.75% (31 December 2020: 6% to 12.75%) per annum.

10. CASH AND BANK BALANCES

Cash in hand		810,570	917,983
Cash at bank:			
Local currency:			
Current accounts		759,748,331	508,414,734
Saving accounts	(10.1)	87,743,060	395,180,848
		847,491,391	903,595,582
Foreign currency - current accounts		546,150,430	673,246,127
		1,394,452,391	1,577,759,692

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

11. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	----- No of Shares -----		----- (Rupees) -----	
Ordinary shares of Rs. 10/- each fully paid in cash	114,394,439	113,384,660	1,143,944,390	1,133,846,600
Ordinary shares of Rs. 10/- each fully paid up as bonus shares	23,683,723	11,221,354	236,837,230	112,213,540
	138,078,162	124,606,014	1,380,781,620	1,246,060,140

11.1 Reconciliation of issued, subscribed and paid-up share capital:	Un-audited	Audited	Un-audited	Audited
	2021	2020	2021	2020
	----- (No of Shares) -----		----- (Rupees) -----	
Balance as at 1st January	124,606,014	123,520,299	1,246,060,140	1,235,202,990
Stock options exercised	1,009,779	1,085,715	10,097,790	10,857,150
Bonus shares issued	12,462,369	-	124,623,690	-
Balance as at 30 June / 31 December	138,078,162	124,606,014	1,380,781,620	1,246,060,140

12. SHORT TERM BORROWINGS	Note	Un-audited	Audited
		30 September 2021	31 December 2020
----- (Rupees) -----			
MCB Bank Limited	(12.1)	850,000,000	550,000,000
Habib Metropolitan Bank Limited	(12.2)	1,400,000,000	700,000,000
		2,250,000,000	1,250,000,000

12.1 This represents export re-finance (ERF) availed against aggregate sanctioned limit of Rs. 1 billion (31 December 2020: Rs. 800 million). The rate of mark up is SBP rate plus 0.5% (31 December 2020: SBP rate plus 0.5%) per annum. These borrowings are secured against Rs. 120 million cash margin, 1st pari passu of Rs. 1,344 million over the current assets and Rs. 1,066.67 million hypothecation and equitable mortgage charge over property and equipment.

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

13. OPERATING SEGMENT INFORMATION

Geographical segments

For management purposes, the company is organized into business units based on their geographical areas and has four reportable operating segments as follows:

North America
Europe
Middle East
Pakistan

No other operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its operating segments separately for the purpose of performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the unconsolidated condensed interim financial statements.

	North America		Europe		Middle East		Pakistan		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Sales	4,539,113,348	3,032,291,926	760,125,973	693,766,165	1,180,730,295	503,938,090	1,649,577,931	1,130,044,278	8,129,547,547	5,360,040,459
Cost of sales	(2,743,361,686)	(1,663,228,391)	(493,564,103)	(405,441,393)	(730,374,816)	(408,434,616)	(1,327,241,984)	(923,578,657)	(5,294,542,589)	(3,400,683,057)
Gross profit	1,795,751,662	1,369,063,535	266,561,870	288,324,772	450,355,479	95,503,474	322,335,947	206,465,621	2,835,004,958	1,959,357,402
Distribution expenses	(28,192,339)	(10,864,511)	(4,721,127)	(2,485,721)	(5,787,985)	(5,572,576)	(90,942,029)	(70,700,449)	(129,643,480)	(89,623,257)
Administrative expenses	(422,888,503)	(282,005,389)	(70,817,472)	(64,520,766)	(83,352,957)	(58,504,416)	(64,117,659)	(45,003,397)	(641,176,591)	(450,033,968)
Profit before taxation and	(451,080,842)	(292,869,900)	(75,538,599)	(67,006,487)	(89,140,942)	(6,407,692)	(155,059,688)	(115,703,846)	(770,820,071)	(539,657,225)
Unallocated income and expenses	1,344,670,820	1,076,193,635	191,023,271	221,318,285	36,1214,537	31,426,482	167,276,259	90,761,775	2,064,184,887	1,419,700,177
Unallocated income and expenses:										
Other operating expenses									(30,883,161)	(69,644,339)
Other income excluding exchange gain									179,323,478	134,294,131
Exchange gain									204,986,421	145,975,614
Finance cost									(57,314,737)	(32,163,555)
Profit before taxation									296,112,001	178,467,851
Taxation									(2,360,296,888)	(1,598,162,028)
Profit for the period									(49,875,947)	(32,772,137)
									2,310,420,941	1,565,389,891

13.1 Allocation of assets and liabilities

	North America		Europe		Middle East		Pakistan		Total	
	Un-audited 30 September 2021	Audited 31 December 2020	Un-audited 30 September 2021	Audited 31 December 2020	Un-audited 30 September 2021	Audited 31 December 2020	Un-audited 30 September 2021	Audited 31 December 2020	Un-audited 30 September 2021	Audited 31 December 2020
	(Rupees)									
Segment operating assets										
Property and equipment	-	-	-	-	-	-	1,786,557,610	1,507,959,243	1,786,557,610	1,507,959,243
Intangibles	-	-	-	-	-	-	39,381,824	21,345,888	39,381,824	21,345,888
Right-of-use assets	-	-	-	-	-	-	196,743,784	204,396,352	196,743,784	204,396,352
Long term investments	-	-	-	-	-	-	272,073,147	272,073,147	272,073,147	272,073,147
Long term deposits	-	-	-	-	-	-	31,627,487	36,127,162	31,627,487	36,127,162
Contract assets	-	-	63,597,599	192,018,321	446,837,077	177,720,960	578,435,568	164,201,529	1,088,870,244	533,940,810
Trade debts	1,774,068,732	1,100,980,956	131,365,941	20,255,836	761,679,296	875,614,023	525,584,606	441,586,683	3,192,698,575	2,438,437,498
Loans and advances	-	-	-	-	-	-	882,785,286	205,366,771	882,785,286	205,366,771
Trade deposits and short term prepayments	-	-	-	-	-	-	420,328,063	187,928,945	420,328,063	187,928,945
Interest accrued	-	-	-	-	-	-	17,449,780	38,450,000	17,449,780	38,450,000
Short term investments	-	-	-	-	-	-	3,969,141,899	2,644,845,556	3,969,141,899	2,644,845,556
Tax refunds due from government	-	-	-	-	-	-	190,418,454	166,007,954	190,418,454	166,007,954
Cash and bank balances	-	-	-	-	-	-	1,394,452,391	1,577,759,692	1,394,452,391	1,577,759,692
Total operating assets	1,774,068,732	1,100,980,956	194,963,540	212,274,157	1,208,516,373	1,053,334,983	10,304,979,899	7,468,048,922	13,482,528,544	9,834,639,018
Segment operating liabilities										
Long-term loan	-	-	-	-	-	-	250,000,000	98,013,227	250,000,000	98,013,227
Deferred grant	-	-	-	-	-	-	-	8,338,896	-	8,338,896
Long term advances	-	-	-	-	-	-	9,265,978	53,857,626	9,265,978	53,857,626
Lease liabilities	-	-	-	-	-	-	178,990,151	189,409,537	178,990,151	189,409,537
Trade and other payables	-	-	-	-	-	-	996,376,589	730,270,930	996,376,589	730,270,930
Contract liabilities	-	-	160,251,976	-	-	-	111,130,342	88,669,355	271,382,318	88,669,355
Mark-up accrued on short term borrowings	-	-	-	-	-	-	11,455,026	9,804,346	11,455,026	9,804,346
Short term borrowings	-	-	-	-	-	-	2,250,000,000	1,250,000,000	2,250,000,000	1,250,000,000
Current portion of long-term loan	-	-	-	-	-	-	101,813,026	100,754,617	101,813,026	100,754,617
Current portion of deferred grant	-	-	-	-	-	-	3,246,526	3,095,996	3,246,526	3,095,996
Current portion of lease liabilities	-	-	-	-	-	-	49,424,077	37,983,731	49,424,077	37,983,731
Current portion of long term advances	-	-	-	-	-	-	76,363,365	10,754,706	76,363,365	10,754,706
Total operating liabilities	-	-	160,251,976	-	-	-	4,038,065,080	2,580,952,967	4,198,317,056	2,580,952,967

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

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

14.2 Commitments:

Guarantees issued by the financial institutions on behalf of the Company amount to Rs. 127.9 million (31 December 2020: Rs. 201.90 million). This includes guarantees of Rs 2.72 million (31 December 2020: Rs. 2.72 million) given on behalf of Joint Operation.

15. OTHER INCOME	Un-audited		Un-audited	
	Nine Months Ended		Three Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	----- (Rupees) -----			
Income from financial assets				
Profit on deposit accounts	20,475,887	19,059,986	5,754,678	3,828,431
Profit on short term investments	126,316,968	95,707,872	33,787,346	43,410,669
Exchange (loss) / gain	204,986,421	145,975,614	237,579,202	(23,823,386)
Interest on loan to subsidiaries	23,103,833	15,487,924	13,133,125	2,758,503
Income from non financial assets				
Gain on disposal of property and equipment	9,056,271	2,945,742	(70,979)	1,743,151
Others	370,519	1,092,607	40,000	173,444
	384,309,899	280,269,745	290,223,372	28,090,812

16. EARNINGS PER SHARE	Un-audited		Un-audited	
	Nine Months Ended		Three Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	----- (Rupees) -----			
		(Restated)		(Restated)
Basic earnings per share:				
Profit for the period	2,310,420,941	1,565,389,891	960,820,679	536,033,225
Weighted-average number of ordinary shares outstanding during the period	137,545,397	136,559,959	138,076,470	137,024,654
Basic - in Rupees	16.80	11.46	6.96	3.91
Diluted earnings per share:				
Profit for the period	2,310,420,941	1,565,389,891	960,820,679	536,033,225
Weighted-average number of Ordinary shares (basic)	137,545,397	136,559,959	138,076,470	137,024,654
Effect of share options	1,627,694	1,828,994	2,317,456	2,208,177
	139,173,091	138,388,953	140,393,926	139,232,831
Diluted - in Rupees	16.60	11.31	6.84	3.85

16.1 The weighted average number of ordinary shares of 2020 has been restated in accordance with the requirements of IAS 33 due to issuance of 12,462,369 bonus shares in 2021.

17. TRANSACTIONS WITH RELATED PARTIES

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

Related party	Relationship	Nature of transactions	Un-audited	
			Nine Months Ended	
			30 September	
			2021	2020
----- (Rupees) -----				
E-Processing Systems (Private) Limited	Subsidiary	Loan - net	(149,631,407)	(62,548,004)
		Interest income	13,531,198	11,341,026
TechVista Systems FZ - LLC - UAE	Subsidiary	Sales	896,667,961	399,690,302
		Assets and Licenses purchased	(193,773,259)	53,442,610
SUS - JV (Private) Limited	Subsidiary	Loan - net	18,021,765	20,530,173
		Interest Income	-	2,056,280

Related party	Relationship	Nature of transactions	Un-audited	
			Nine Months Ended	
			30 September	
			2021	2020
			----- (Rupees) -----	
Systems Venture (Private) Limited	Subsidiary	Disbursements against loan	(481,524,000)	-
		Interest Income	9,572,635	-
Visionet Systems Incorporation -USA	Associate	Sales	4,483,438,306	2,965,011,927
		Out of pocket expenses	(10,002,668)	11,862,918
Visionet Systems - UK	Associate	Sales	31,573,076	-
Visionet Deutschland GMBH - Germany	Associate	Sales	717,649,544	550,949,267
TechVista Pty Limited - Australia	Subsidiary	Sales	4,330,120	3,981,104
TechVista Information Technology - Qatar	Associate	Sales	146,406,330	61,775,754
Key management personnel	Employees	Salaries and other benefits	463,461,202	369,432,726
Staff retirement funds	Staff retirement fund	Contributions	219,784,548	131,347,272

18. CASH FLOWS FROM OPERATING ACTIVITIES

	Un-audited	
	Nine Months Ended	
	30 September	
	2021	2020
----- (Rupees) -----		
Profit before taxation	2,360,296,888	1,598,162,028
Adjustments for:		
Depreciation on property and equipment	212,763,413	153,921,493
Amortization of intangibles	12,341,280	16,825,501
Allowance for expected credit losses	30,883,161	69,644,339
Share based payment expense	81,255,650	188,485,474
Finance costs	57,314,737	32,163,555
Exchange loss / (gain) on translation of export debts	(204,986,421)	(145,975,614)
Profit on short term investments	(126,316,968)	(95,707,872)
Profit on bank deposits	(20,475,887)	(19,059,986)
Gain on disposal of property and equipment	(9,056,271)	(2,945,742)
	33,722,694	197,351,148
Profit before working capital changes	2,394,019,582	1,795,513,176
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Contract Assets	(389,256,471)	(155,026,085)
Trade debts	(580,157,817)	(402,253,969)
Loans and Advances	(677,418,515)	(4,970,111)
Trade deposits and short term prepayments	(232,399,118)	(22,285,233)
	(1,879,231,921)	(584,535,398)
(Decrease) / increase in current liabilities:		
Trade and other payables	278,572,064	55,190,685
	(1,600,659,857)	(529,344,713)
Net cash flows from operations	793,359,725	1,266,168,463

19. FINANCIAL RISK MANAGEMENT

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

19.1 Fair values of financial assets and liabilities

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

19.2 Financial instruments by categories

Un-audited 30 September 2021		
Financial assets at fair value through profit or loss	Financial assets at amortized cost	Total
----- (Rupees) -----		
Long term deposits	31,627,487	31,627,487
Contract Assets	1,105,910,244	1,105,910,244
Loans, advances and other receivable	882,785,286	882,785,286
Trade debts	3,192,698,575	3,192,698,575
Security deposits	339,939,469	339,939,469
Interest accrued	17,449,780	17,449,780
Short term investments	3,502,141,899	3,969,141,899
Cash and bank balances	1,394,452,391	1,394,452,391
	3,502,141,899	7,431,863,232
		10,934,005,131

Assets as per statement of financial position

Audited 31 December 2020		
Financial assets at fair value through profit or loss	Financial assets at amortized cost	Total
----- (Rupees) -----		
Long term deposits	36,127,162	36,127,162
Contract assets	533,940,810	533,940,810
Loans and advances	205,366,771	205,366,771
Trade debts	2,438,437,498	2,438,437,498
Security deposits	132,575,274	132,575,274
Interest accrued	38,450,000	38,450,000
Short term investments	559,845,556	2,085,000,000
Cash and bank balances	1,577,759,692	1,577,759,692
	559,845,556	7,047,657,207
		7,607,502,763

Assets as per statement of financial position

Un-audited 30 September 2021	Audited 31 December 2020
Rupees	Rupees
Financial liabilities at amortized cost	Financial liabilities at amortized cost
11,455,026	9,804,346
351,813,026	198,767,844
2,250,000,000	1,250,000,000
12,191,230	7,617,635
1,001,225,359	722,653,295
228,414,228	227,393,268
3,855,098,869	2,416,236,388

Liabilities as per statement of financial position

Mark-up accrued on short term borrowings
Long term loan
Short term borrowings
Unclaimed dividend
Trade and other payables
Lease liabilities

20. Fair value hierarchy

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

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

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

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

	Level 1	Level 2	Level 3	Total
	(Rupees)			
As at 30 September 2021				
Fair value through profit and loss				
- Mutual Fund units	3,502,141,899	-	-	3,502,141,899
As at 31 December 2020				
Fair value through profit and loss				
- Mutual Fund units	559,845,556	-	-	559,845,556

21. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 27 October 2021 by the Board of Directors of the Company.

22. CORRESPONDING FIGURES

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

23. GENERAL

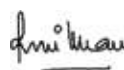
23.1 Figures have been rounded off to the nearest rupees, unless otherwise stated.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)



SYSTEMS LIMITED
**Consolidated
Financial Statements**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at 30 September 2021 (Unaudited)

		Unaudited 30 September 2021	Audited 31 December 2020
	Note	Rupees	Rupees
ASSETS			
Non-current assets			
Property and equipment	6	1,839,969,594	1,518,666,515
Intangible		269,124,565	204,249,277
Long term deposits		52,199,439	40,133,162
Long term investment	7	451,876,505	-
Right-of-use asset		196,743,784	204,396,352
		2,809,913,888	1,967,445,306
Current assets			
Contract assets		794,411,035	642,780,081
Trade debts	8	3,953,725,308	2,372,716,741
Loans and advances		136,658,383	95,913,324
Trade deposits and short term prepayments		1,105,641,059	438,473,348
Interest accrued		4,385,607	38,450,000
Other receivables		16,358,367	118,222,637
Short term investments	9	3,969,141,899	2,644,845,556
Tax refunds due from the Government		199,464,703	171,975,691
Cash and bank balances	10	2,011,080,303	2,985,104,566
		12,190,866,663	9,508,481,944
TOTAL ASSETS		15,000,780,551	11,475,927,250
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 200,000,000 (2020: 200,000,000) ordinary shares of Rs. 10 each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	11	1,380,781,620	1,246,060,140
Capital and reserves		1,179,196,175	956,611,816
Unappropriated profits		7,662,023,120	5,626,952,295
		10,222,000,915	7,829,624,251
Non-controlling interest		72,710,553	146,389,075
		10,294,711,468	7,976,013,326
Non-current liabilities			
Long term advances		9,265,978	53,857,626
Long term loan		250,000,000	98,013,227
Lease Liability		178,990,151	189,409,537
Deferred grant		-	8,338,896
Provision for gratuity		79,177,107	47,599,384
		517,433,236	397,218,670
Current liabilities			
Trade and other payables		1,374,610,420	1,186,129,984
Unclaimed Dividend		12,191,230	7,617,635
Contract Liability		275,913,912	297,554,223
Mark-up accrued on short term borrowings		6,073,292	9,804,362
Short term borrowings	12	2,289,000,000	1,449,000,000
Current Portion of lease liability		49,424,077	37,983,731
Current Portion of long term loan		101,813,026	100,754,617
Current Portion of deferred grant		3,246,526	3,095,996
Current portion of long term advances		76,363,365	10,754,706
		4,188,635,848	3,102,695,254
TOTAL EQUITY & LIABILITIES		15,000,780,551	11,475,927,250
CONTINGENCIES AND COMMITMENTS	14		

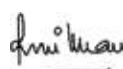
The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

CONSOLIDATED CONDENSED INTERIM PROFIT OR LOSS

for the nine months period ended 30 September 2021 (Unaudited)

	Note	Nine Months Ended		Three Months Ended	
		30 September 2021	30 September 2020	30 September 2021	30 September 2020
		Rupees	Rupees	Rupees	Rupees
Revenue from contract with customers - net		10,524,242,502	7,068,619,417	3,976,171,712	2,509,248,772
Cost of sales		6,928,344,524	4,701,070,979	2,624,762,694	1,570,070,910
Gross profit		3,595,897,978	2,367,548,438	1,351,409,018	939,177,862
Distribution expenses		388,193,152	207,267,839	176,902,909	101,672,996
Administrative expenses		846,981,359	627,870,233	334,091,519	214,019,650
Other operating expenses		44,470,513	101,802,684	56,601,252	72,824,914
		1,279,645,023	936,940,757	567,595,680	388,517,561
Operating profit		2,316,252,955	1,430,607,681	783,813,338	550,660,301
Other income	15	367,689,572	261,527,424	292,651,666	25,794,336
Finance cost		76,335,750	39,267,609	27,745,462	14,988,157
Share of loss of Associate		16,123,495	-	16,123,495	-
Profit before taxation		2,591,483,283	1,652,867,496	1,032,596,048	561,466,480
Taxation		69,284,371	36,606,056	25,099,912	12,868,885
Profit after taxation		2,522,198,912	1,616,261,440	1,007,496,136	548,597,595
Attributable to:					
Equity holders of the parent		2,595,877,434	1,631,331,971	1,039,150,809	551,723,283
Non-controlling interest		(73,678,522)	(15,070,530)	(31,654,673)	(3,125,687)
		2,522,198,912	1,616,261,440	1,007,496,136	548,597,595
Earnings per share:			Restated		Restated
Basic earnings per share	16	18.87	11.95	7.53	4.03
Diluted earnings per share		18.65	11.79	7.40	3.96

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the nine months period ended 30 September 2021 (Unaudited)

	Nine Months Ended		Three Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	Rupees	Rupees	Rupees	Rupees
Profit for the period	2,522,198,912	1,616,261,440	1,007,496,136	548,597,595
Other comprehensive income				
Exchange difference on translation of foreign operations	76,394,734	30,378,338	53,608,914	(4,712,856)
Total comprehensive income for the period	2,598,593,646	1,646,639,779	1,061,105,050	543,884,739
Attributable to:				
Equity holders of the parent	2,672,272,168	1,661,710,309	1,092,759,723	547,010,426
Non-controlling interest	(73,678,522)	(15,070,530)	(31,654,673)	(3,125,687)
	2,598,593,646	1,646,639,779	1,061,105,050	543,884,740

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the nine months period ended 30 September 2021 (Unaudited)

	Issued, subscribed and paid up share capital	Capital reserve			Foreign currency translation reserve	Revenue reserve		Total equity attributable to shareholders of parent company	Non-controlling interest	Total
		Share capital premium	Employee compensation reserve	Gain on dilution of interest		Unappropriated profit				
Balance as at 31st December 2019 (Audited)	1,235,202,990	512,149,734	78,970,025	-	Rupees-	49,242,756	3,674,024,548	5,549,590,053	(20,655,613)	5,528,934,440
Total comprehensive income for the period	-	-	-	-	-	-	1,631,331,971	1,631,331,971	(15,070,530)	1,616,261,440
Other comprehensive income for the year	-	-	-	-	-	30,378,338	-	30,378,338	-	30,378,338
Further issuance of share capital	-	-	-	-	-	-	-	-	410,002,618	410,002,618
Final Dividend @ Rs. 2.25 per share for the year ended 31 December 2019	-	-	-	-	-	-	(277,920,824)	(277,920,824)	-	(277,920,824)
Exercise of share options	10,857,150	128,085,183	(65,831,861)	-	-	-	73,110,472	73,110,472	-	73,110,472
Share based payments	-	-	188,485,474	-	-	-	188,485,474	188,485,474	-	188,485,474
Forfeited Share Options	-	-	(3,017,856)	-	-	-	(1,184,143)	(1,184,143)	-	(1,184,143)
Balance as at 30 September 2020 (Un-audited)	1,246,060,140	640,234,917	198,605,782	-	79,621,094	5,029,269,408	7,193,791,341	7,193,791,341	374,276,475	7,568,067,816
Balance as at 31st December 2020 (Audited)	1,246,060,140	614,907,403	84,747,028	197,609,706	59,347,679	5,626,952,295	7,829,624,251	7,829,624,251	146,388,075	7,976,013,326
Final Dividend @ Rs. 3.5 per share for the year ended 31 December 2020	-	-	-	-	-	-	(436,182,919)	(436,182,919)	-	(436,182,919)
Bonus issue at 10%	124,623,690	-	-	-	-	-	(12,462,690)	(12,462,690)	-	-
Total comprehensive income for the period	-	-	-	-	-	-	2,595,877,434	2,595,877,434	(73,678,522)	2,522,198,912
Other comprehensive income for the year	-	-	-	-	-	-	76,394,734	76,394,734	-	76,394,734
Exercise of Share Options	10,097,790	103,549,389	(38,615,414)	-	76,394,734	-	75,031,765	75,031,765	-	75,031,765
Share based payments	-	-	81,255,650	-	-	-	81,255,650	81,255,650	-	81,255,650
Balance as at 30 September 2021 (Un-audited)	1,380,781,620	718,456,782	127,387,264	197,609,706	135,742,413	7,662,023,120	10,222,000,915	10,222,000,915	72,710,553	10,294,711,468

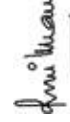
The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

for the nine months period ended 30 September 2021 (Unaudited)

		Nine Months Ended	
		30 September 2021	30 September 2020
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
	Note		
Net cash flows from/(used in) operations	18	722,808,263	1,307,679,007
Finance costs paid		(80,066,820)	(42,081,190)
Gratuity paid		(15,831,975)	(2,954,478)
Taxes paid		(96,773,383)	(87,924,406)
		(192,672,178)	(132,960,074)
Net cash flows from/(used in) operating activities		530,136,085	1,174,718,932
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(559,062,179)	(221,297,023)
Development expenditure		(83,858,877)	(36,135,594)
Proceeds from the disposal of property and equipment		27,901,550	9,104,458
(Increase) / Decrease in long term deposits		(12,066,277)	10,725,551
Disposal of short term investments - net		(1,324,296,343)	(1,655,000,000)
Increase in long term investment		(468,000,000)	-
Profit received on short term investment		160,381,361	62,571,133
Profit received on bank deposits		20,475,887	19,059,986
Net cash flows used in/from investing activities		(2,238,524,878)	(1,810,971,489)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		75,031,765	71,926,329
Further issuance of share capital - EP		-	410,002,618
Increase in short term borrowings		840,000,000	578,000,000
Decrease in long term loan		144,856,816	211,279,640
Dividend paid		(431,609,325)	(278,648,714)
Increase in Lease Liability		8,673,529	(12,623,046)
Increase in long term advances		21,017,011	15,084,310
Net cash flows used in financing activities		657,969,796	995,021,137
Net (decrease) in cash and cash equivalents		(1,050,418,997)	358,768,580
Effect of exchange translation reserve		76,394,734	30,378,338
Cash and cash equivalents at beginning of the period		2,985,104,566	1,516,152,353
Cash and cash equivalents at closing of the period		2,011,080,303	1,905,299,272

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

for the nine months period ended 30 September 2021 (Unaudited)

1. THE GROUP AND ITS OPERATIONS

Holding company

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

Subsidiary Company

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

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

TechVista Manpower LLC (TechVista MP LLC), a Sole Establishment, duly licensed by Dubai Economic Department, under License No. 800123, is 100% controlled by TechVista Systems FZ-LLC.

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

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

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

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

Associate Company

Retailistan (Pvt.) Limited (RPL), was incorporated on 28 January 2015 as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017). The principal business activity of RPL is to provide the services of software designing, development, implementation, maintenance, testing and benchmarking, and to provide internet/web based applications. The Company currently holds 20% shares in RPL.

2. STATEMENT OF COMPLIANCE

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

3. BASIS OF PREPARATION

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

3.1 Consolidated financial statements

This consolidated condensed interim financial information comprises the financial information of Systems Limited and its subsidiaries, 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 2020.

5. ACCOUNTING ESTIMATES AND JUDGMENTS

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

	Note	Unaudited 30 September 2021	Audited 31 December 2020
----- (Rupees) -----			
6. PROPERTY AND EQUIPMENT			
Operating fixed assets	(6.1)	1,831,203,833	1,517,920,243
Capital work in progress	(6.2)	8,765,761	746,272
		1,839,969,594	1,518,666,515
6.1 Operating fixed assets:			
Opening balance - net book value		1,517,920,243	1,408,439,738
Additions during the period / year - cost	6.11	551,042,690	346,684,624
		2,068,962,933	1,755,124,362
Less:			
Disposals during the period / year	6.12	18,845,279	14,867,801
Depreciation during the period / year		218,913,820	222,336,318
Book value at the end of the period / year		1,831,203,833	1,517,920,243
6.1.1 Additions during the period / year-cost			
Land		4,214,000	48,760,578
Building		9,740,482	6,841,345
Computer equipment and installations		358,743,978	111,626,559
Other equipment and installations		6,129,363	16,360,054
Generator		5,746,088	44,113,920
Furniture and fittings		9,580,268	19,261,360
Vehicles		151,552,381	72,958,264
Office equipment		583,438	1,700,467
Leasehold Improvements		4,176,464	24,571,156
Exchange gain / (loss)		576,228	490,921
		551,042,690	346,684,624
6.1.2 Disposals during the period / year			
		Cost	Accumulated Depreciation
			Written Down Value
30 September 2021			
Computer equipment and installations		7,410,441	(6,661,988)
Other equipment and installations		99,421	(99,421)
Furniture and fittings		2,529,480	(343,945)
Vehicles		25,757,562	(10,441,264)
Office equipment		1,030,230	(351,452)
		36,827,134	(17,898,070)
31 December 2020			
Computer equipment and installations	15,752,413	14,149,993	1,602,420
Other equipment and installations	44,300	44,300	-
Furniture and fittings	57,675	18,845	38,830
Vehicles	22,846,025	9,641,338	13,204,687
Office equipment	24,244	2,380	21,864
	38,724,657	23,856,856	14,867,801
6.2 CAPITAL WORK IN PROGRESS			
		Unaudited 30 September 2021	Audited 31 December 2020
----- (Rupees) -----			
Balance at the beginning of the period / year		746,272	24,025,244
Additions during the period / year		8,765,761	13,251,015
Transfer to operating fixed assets during the period / year		(746,272)	(36,529,987)
Balance at the end of the period / year		8,765,761	746,272
7 LONG TERM INVESTMENTS			
Investment in Associate:			
Retailistan (Private) Limited	(7.1)	451,876,505	-
7.1 This represents 20% (31 December 2020: 0%) share in Company's associate Retailistan (Private) Limited, a company engaged in the business to provide the services of software designing, development, implementation, maintenance, testing and benchmarking, and to provide internet/web based applications.			

		Unaudited 30 September 2021	Audited 31 December 2020
		----- (Rupees) -----	
8. TRADE DEBTS	Note		
Considered good - unsecured			
Export	(8.1)	3,183,164,402	1,979,840,352
Local		1,109,967,016	677,703,491
		4,293,131,418	2,657,543,843
Less: Allowance for expected credit losses		(339,406,043)	(284,827,102)
		3,953,725,308	2,372,716,741
8.1	This includes receivables from related parties i.e. Visionet Systems Incorporation (USA), Visionet Deutschland GMBH, and Techvista Information Technology (Qatar) amounting to Rs. 1,774.06 million (2020: Rs 1,100.98 million), Rs. 131.36 million (Rs. 18.54 million) and Rs. 444.45 million (2020: 116.80 million) respectively.		
9. SHORT TERM INVESTMENTS			
Fair value through profit and loss			
- Mutual fund units	(9.1)	3,502,141,899	559,845,556
Amortized cost	(9.2)		
- Term deposit receipts (TDRs)		467,000,000	2,085,000,000
		3,969,141,899	2,644,845,556
9.1	The details of investment in mutual funds are as follows:		
	UBL Al-Ameen Asset Islamic Allocation Fund	106,192,803	51,952,710
	Alfalah GHP Islamic Income Fund	79,292,815	51,291,201
	HBL Asset Islamic Allocation Fund	53,051,395	51,444,992
	Lakson Islamic Tactical Fund	102,767,426	52,449,350
	Meezan Balanced Fund	103,294,543	100,590,950
	Meezan Islamic Income Fund	52,653,065	50,337,808
	NBP Islamic Sarmaya Izafa Fund	309,742,947	201,778,545
	MCB Al Hamra Islamic money market fund	459,992,315	-
	NBP Islamic Daily dividend Fund	603,369,667	-
	Meezan Islamic Fund	152,117,589	-
	Meezan Rozana Amdani Fund	561,791,229	-
	HBL Islamic Money Market Fund	25,424,594	-
	UBL Al-Ameen Islamic Cash Plan	253,489,612	-
	NBP Islamic Stock Fund	83,181,328	-
	NBP Islamic Income Fund	51,511,356	-
	ABL Islamic Stock Fund	47,420,536	-
	ABL Islamic Cash Fund	253,537,729	-
	Faysal Islamic Cash Fund	203,310,950	-
		3,502,141,899	559,845,556
9.2	The details of investments in TDRs are as follows:		
	Faysal Bank Limited	-	400,000,000
	Habib Metropolitan Bank	450,000,000	1,660,000,000
	Habib Bank Limited	17,000,000	25,000,000
		467,000,000	2,085,000,000
9.2.1			
9.2.1	This represents TDRs carrying markup at rates ranging from 6.40% to 12.75% (31 December 2020: 6% to 12.75%) per annum.		
10. CASH AND BANK BALANCES			
Cash in hand		810,570	917,983
Cash at bank:			
Local currency:			
Current accounts		1,320,761,238	1,211,562,880
Deposit accounts	(10.1)	119,323,098	766,496,179
		1,440,084,336	1,978,059,059
Foreign currency - current accounts		570,185,397	1,006,127,524
		2,011,080,303	2,985,104,566
10.1	These carry interest rate of 4.10% to 5.5% (31 December 2020: 3.10% to 11.50%) per annum.		

11. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Unaudited Audited
----- (Rupees) -----

	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	-----No of Shares-----		-----Rupees-----	
Ordinary shares of Rs. 10/-fully paid in cash	114,394,439	113,384,660	1,143,944,390	1,133,846,600
Ordinary shares of Rs. 10/- each fully paid up as bonus shares	23,683,723	11,221,354	236,837,230	112,213,540
Ordinary shares of Rs. 10/-	138,078,162	124,606,014	1,380,781,620	1,246,060,140

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

Balance as at 1st January	124,606,014	123,520,299	1,246,060,140	1,235,202,990
Stock options exercised	1,009,779	1,085,715	10,097,790	10,857,150
Bonus shares issued	12,462,369	-	124,623,690	-
Balance as at 30 June / 31 December	138,078,162	124,606,014	1,380,781,620	1,246,060,140

12. Short Term Borrowings

MCB Bank Limited	12.1	850,000,000	550,000,000
Habib Metropolitan Bank Limited	12.2	1,400,000,000	700,000,000
National Bank of Pakistan	12.3	39,000,000	39,000,000
Meezan Bank Limited	12.4	-	160,000,000
		2,289,000,000	1,449,000,000

12.1 This represents export re-finance (ERF) availed against aggregate sanctioned limit of Rs. 1 billion (31 December 2020: Rs. 800 million). The rate of mark up is SBP rate plus 0.5% (31 December 2020: SBP rate plus 0.5%) per annum. These borrowings are secured against Rs. 120 million cash margin, 1st pari passu of Rs. 1,344 million over the current assets and Rs. 1,066.67 million hypothecation and equitable mortgage charge over property and equipment.

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

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

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

OPERATING SEGMENT INFORMATION

Geographical segments

For management purposes, the Group is organized into business units based on their geographical areas and has four reportable operating segments as follows:

North America
Europe
Middle East
Pakistan

No other operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its operating segments separately for the purpose of performance assessment. Segment performance is evaluated based on profit or loss.

*Pakistan includes Systems Limited's domestic business and E-Processing Systems (Pvt.) Limited.

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

	North America			Europe			Middle East			*Pakistan			Total		
	Un-audited			Un-audited			Un-audited			Un-audited			Un-audited		
	2021	2020	2020	2021	2020	2020	2021	2020	2020	2021	2020	2021	2020	2020	
Revenue --net	4,539,113,348	3,032,291,926	760,125,973	693,766,165	3,226,143,467	1,930,608,367	1,998,859,714	1,411,952,859	10,524,242,502	7,068,619,417					
Cost of sales	(2,743,361,686)	(1,663,228,391)	(493,564,103)	(405,441,393)	(2,172,646,731)	(1,530,273,033)	(1,518,772,003)	(1,102,128,162)	(6,928,344,523)	(4,701,070,979)					
Gross profit	1,795,751,662	1,369,063,535	266,561,870	288,324,772	1,053,496,736	400,335,334	480,087,710	309,824,797	3,595,897,979	2,367,548,438					
Distribution expenses	(28,192,339)	(10,864,511)	(4,721,127)	(2,485,721)	(68,077,597)	(58,054,587)	(287,202,089)	(135,863,020)	(388,193,152)	(207,267,839)					
Administrative expenses	(422,888,503)	(282,005,389)	(70,817,472)	(64,520,766)	(231,235,495)	(186,460,130)	(122,039,888)	(94,883,948)	(846,981,359)	(627,870,233)					
Profit / (loss) before taxation and unallocated income and expenses	(45,108,042)	(292,869,900)	(75,538,599)	(67,006,487)	(318,313,092)	(244,514,718)	(389,241,978)	(230,746,968)	(1,235,174,510)	(835,138,073)					
Other operating expenses	1,344,670,821	1,076,193,635	191,023,271	221,318,285	734,183,644	155,820,616	90,845,733	79,077,829	2,360,723,468	1,532,410,365					
Exchange (loss) / gain									(44,470,513)	(101,802,684)					
Finance cost									156,360,992	118,983,783					
Share of loss from associate									211,328,580	142,543,641					
Profit before taxation									(76,335,750)	(39,267,609)					
Taxation									(16,123,495)	-					
Profit after taxation									2,591,483,283	1,652,867,496					
									(69,284,371)	(36,606,056)					
									2,522,198,912	1,616,261,440					

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

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

14.2 Commitments:

Guarantees issued by the financial institutions on behalf of the Group amount to Rs. 127.9 million (31 December 2020: Rs. 20190 million). This includes guarantees of Rs 2.72 million (31 December 2020: Rs. 2.72 million) given on behalf of Joint Operation.

15. Other Income

Income from financial assets:

	Nine Months Ended 30 September		Three Months Ended 30 September	
	2021 Un-audited	2020 Un-audited	2021 Un-audited	2020 Un-audited
Profit on deposit accounts	20,475,887	19,237,562	5,754,678	3,828,431
Gain on short term investments	126,316,968	95,707,872	33,787,346	43,410,669
Exchange gain / (loss)	211,328,580	142,543,641	252,999,274	(23,361,359)
	358,121,435	257,489,075	292,541,298	23,877,741

Income from non-financial assets:

Gain on disposal of property & equipment	9,056,271	2,945,742	(70,979)	1,743,151
Others	511,866	1,092,607	181,347	173,444
	9,568,137	4,038,349	110,368	1,916,595
	367,689,572	261,527,424	292,651,666	25,794,336

16. EARNINGS PER SHARE

	Nine Months Ended 30 September		Three Months Ended 30 September	
	2021 Un-audited	2020 Un-audited	2021 Un-audited	2020 Un-audited
Basic earnings per share		(Restated)		(Restated)
Profit for the period attributable to equity holder of parent	2,595,877,434	1,631,331,971	1,039,150,809	551,723,283
Weighted average number of ordinary shares in issue during the period	137,545,397	136,559,959	138,076,470	137,024,654
Basic - in Rupees	18.87	11.95	7.53	4.03
Diluted earnings per share				
Profit for the period attributable to equity holder of parent	2,595,877,434	1,631,331,971	1,039,150,809	551,723,283
Weighted-average number of ordinary shares (basic)	137,545,397	136,559,959	138,076,470	137,024,654
Effect of share options	1,627,694	1,828,994	2,317,456	2,208,177
	139,173,091	138,388,953	140,393,926	139,232,831
Diluted - in Rupees	18.65	11.79	7.40	3.96

17. 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	
			2021	2020
			----- Rupees -----	
Visionet Systems Incorporation - USA	Common Directorship	Sales Reimbursement of expenses	4,483,438,306 (10,002,668)	2,965,011,927 11,862,918
Visionet Systems - UK	Associate	Sales	31,573,076	-
Visionet Deutschland GMBH - Germany	Associate	Sales	717,649,544	550,949,267
Techvista Information Technology, Qatar	Associate	Sales Reimbursement of expenses	146,406,330 -	155,873,064 6,015,132

Undertaking	Relation	Nature of transactions	Unaudited	
			Nine Months Ended	
			2021	2020
			----- Rupees -----	
Retailistan (Private) Limited	Associate	Long term investment	451,876,505	-
Staff retirement funds	Associate	Contribution	219,784,548	131,347,272
18. CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation			2,591,483,283	1,652,867,496
Adjustments of reconcile profit before tax to meet cash flows:				
Depreciation on property and equipment			218,913,820	160,586,243
Amortization of intangible assets			18,983,589	19,350,277
Allowance for expected credit loss			44,470,513	101,802,684
Share based payment expense			81,255,650	188,485,474
Finance cost			76,335,750	39,267,609
Gratuity expense			47,409,698	21,142,762
Share of loss of associate			16,123,495	-
Exchange loss / (gain) on translation of export receivables			(211,328,580)	(142,543,641)
Gain on disposal of property and equipment			(9,056,271)	(2,945,742)
Gain on short term investments			(126,316,968)	(95,707,872)
Profit on bank deposits			(20,475,887)	(19,059,986)
			136,314,808	270,377,808
Profit before working capital changes			2,727,798,091	1,923,245,304
Effect on cash flow due to working capital changes				
(Increase) / decrease in current assets:				
Contract assets - Net			(173,271,265)	(210,748,449)
Trade debts			(1,414,150,499)	(290,676,912)
Loans and advances			(40,745,059)	75,210,842
Other receivables			101,864,270	24,948,368
Trade deposits and short term prepayments			(667,167,711)	(327,808,317)
			(2,193,470,264)	(729,074,468)
(Decrease) / increase in current liabilities:				
Trade and other payables			188,480,436	113,508,171
			(2,004,989,828)	(615,566,297)
Net cash flows from operations			722,808,263	1,307,679,007

19. FINANCIAL RISK MANAGEMENT

19.1 Financial risk factors

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

19.2 Fair values of financial assets and liabilities

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

Fair value hierarchy

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

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

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

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

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

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

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

19.3 Financial instruments by categories

30 September 2021		
Financial Assets at fair value through P&L	Financial Assets at amortized cost	Total
----- (Rupees) -----		
Financial assets as per balance sheet		
Long term deposits	52,199,439	52,199,439
Contract assets	794,411,035	794,411,035
Trade debts	3,953,725,308	3,953,725,308
Loans and advances	136,658,383	136,658,383
Security deposits	380,246,302	380,246,302
Interest accrued	4,385,607	4,385,607
Short term investments	3,502,141,899	4,670,000,000
Cash and bank balances	-	2,011,080,303
	3,502,141,899	7,799,706,377
		11,301,848,276

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

Financial assets as per balance sheet

Long term deposits	40,133,162	40,133,162
Contract assets	642,780,081	642,780,081
Trade debts	2,372,716,741	2,372,716,741
Loans and advances	95,913,324	95,913,324
Security deposits	347,689,182	347,689,182
Interest accrued	38,450,000	38,450,000
Other receivables	118,222,637	118,222,637
Short term investments	559,845,556	2,644,845,556
Cash and bank balances	-	2,985,104,566
	559,845,556	8,726,009,693
		9,285,855,249

30 September 2021 31 December 2020

Financial Liabilities

at amortized cost

----- (Rupees) -----

Financial liabilities as per balance sheet

Long term loan	351,813,026	198,767,844
Lease liabilities	228,414,228	227,393,268
Markup accrued on short term borrowing	6,073,292	9,804,362
Short term borrowing	2,289,000,000	1,449,000,000
Trade and other payables	1,374,610,420	1,186,129,984
	4,351,723,992	3,071,095,458

20. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issuance on 27 October 2021 by the Board of Directors of the Group.

21. CORRESPONDING FIGURES

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

22. GENERAL

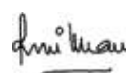
22.1 Figures have been rounded off to the nearest rupee unless otherwise stated.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)










(CHIEF FINANCIAL OFFICER)










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