

systems



# THIRD QUARTER REPORT SEPTEMBER 2022

ENABLING A DIGITAL TOMORROW

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## CONSOLIDATED FINANCIAL STATEMENTS



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## COMPANY INFORMATION

### Board of Directors

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

### Audit Committee

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

### Human Resource & Compensation Committee

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

### Chief Financial Officer

Ms. Roohi Khan

### Company Secretary

Mr. Saad Hasan Aslam

### External Auditors

A. F Ferguson & Co.  
Chartered Accountants

### Internal Auditors

Uzair Hammad Faisal & Co.

### Legal Advisors

Hassan & Hassan Advocates  
Ahmed & Pansota

### Tax Advisors

Zulfiqar Ahmad & Co.  
Chartered Accountants

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  
Finca Microfinance Bank 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 2022.

### FINANCIAL RESULTS

#### Unconsolidated:

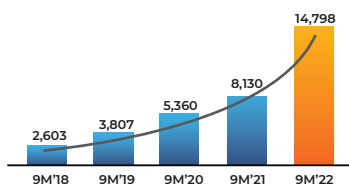
During period under review, standalone revenue grew 82% over same period last year from Rs. 8,129.54 million to Rs. 14,798.17 million with some one-off trading revenue in this quarter. As a consequence, Gross profit and Operating profit are 70% and 69% higher respectively, delivering a leveraged operating performance for the company. Additionally, continued devaluation of the Pak Rupee resulted in an exchange gain of Rs 1,172.07 million compared to the gain in September 2021 of Rs 204.98 million increasing Net profit by 108%, from Rs. 2,310.42 million to Rs. 4,816.21 million. Basic and diluted earnings per share both increased by 107% in line with profit for the period. The growth in revenue net of the impact of exchange gain is 45%.

The increase in revenue has been contributed to by all regions, however, Middle East takes the lead.

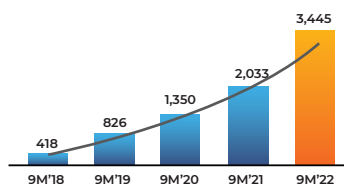
Key Financial Highlights - Unconsolidated			
Particulars	Sept-22 (unaudited)	Sept-21 (unaudited)	Change
	Rs.	Rs.	%
Revenue	14,798,176,063	8,129,547,547	82%
Gross Profit	4,820,606,142	2,835,004,958	70%
Operating profit	3,444,773,702	2,033,301,726	69%
Profit for the period	4,816,210,876	2,310,420,941	108%
Earnings per share (basic)	17.39	8.40	107%
Earnings per share (diluted)	17.29	8.35	107%

Other Income - Unconsolidated		
Particulars	Sept-22 (unaudited)	Sept-21 (unaudited)
	Rs.	Rs.
Other Income	593,097,838	179,323,478
Exchange Gain / (Loss)	1,172,076,353	204,986,421
	1,765,174,191	384,309,899

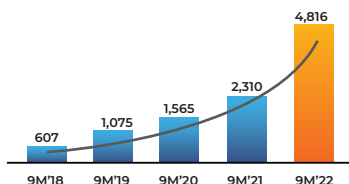
**UNCONSOLIDATED-REVENUE**  
(PKR MILLION) CAGR 54%



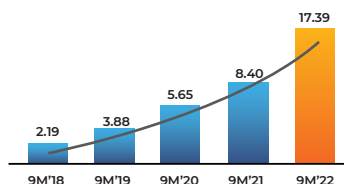
**UNCONSOLIDATED-OPERATING PROFIT**  
(PKR MILLION) CAGR 69%



**UNCONSOLIDATED-NET PROFIT**  
(PKR MILLION) CAGR 68%



**UNCONSOLIDATED-EPS - BASIC**  
(PKR MILLION) CAGR 68%



## Consolidated:

In line with the unconsolidated results, the consolidated revenue grew by 91% from Rs. 10,524.24 million to Rs. 20,144.84 million. Since the financials of both the newly acquired entities, the NDCTech and Treehouse were consolidated wef July 1,2022, the impact of this is Rs 895.35 million in the revenue.

Gross profit and operating profit increased 77% and 75% respectively. Net profit for the period is Rs. 5,115.71 million is 103% higher than the same period last year, including the Rs. 1,178.89 million exchange gain. Basic and diluted earnings per share both increased by 96% in line with profit for the period. Eliminating the currency impact, revenue is up by 53% in US dollar terms.

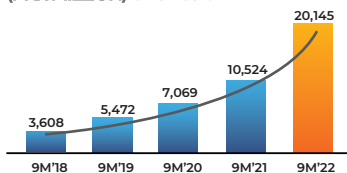
### Key Financial Highlights - Consolidated

Particulars	Sept-22 (unaudited)	Sept-21 (unaudited)	Change
	Rs.	Rs.	%
Revenue	20,144,848,895	10,524,242,502	91%
Gross Profit	6,359,038,789	3,595,897,978	77%
Operating profit	4,044,865,076	2,316,252,955	75%
Profit for the period	5,115,712,436	2,522,198,912	103%
Earnings per share (basic)	18.47	9.44	96%
Earnings per share (diluted)	18.37	9.38	96%

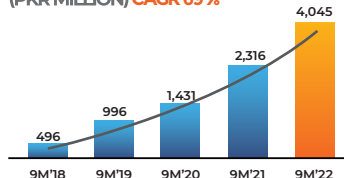
### Other Income - Consolidated

Particulars	Sept-22 (unaudited)	Sept-21 (unaudited)
	Rs.	Rs.
Other Income	556,308,320	156,360,992
Exchange Gain / (Loss)	1,178,886,010	211,328,580
	1,735,194,330	367,689,572

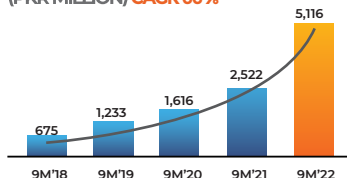
#### CONSOLIDATED-REVENUE (PKR MILLION) CAGR 53%



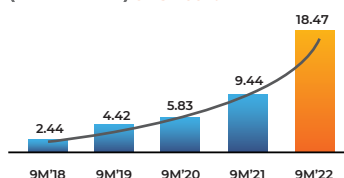
#### CONSOLIDATED-OPERATING PROFIT (PKR MILLION) CAGR 69%



#### CONSOLIDATED-NET PROFIT (PKR MILLION) CAGR 66%



#### CONSOLIDATED-EPS - BASIC (PKR MILLION) CAGR 66%



## Performance by Segment - Consolidated:

The segment analysis shows robust growth across all four geographies, with the Middle East Regions outperforming the other regions. Europe region includes one off revenue against services provided during the period. Export sales of the Company are roughly 80% of total sales, with the Company's target being to further increase the export component going forward. The Company is working on diversifying into new regions and new markets to support this objective.

	North America		Europe		Middle East		Pakistan		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Nine months ended	2021	Nine months ended	2021	Nine months ended	2021	Nine months ended	2021	Nine months ended	2021
Revenue - net	6,852,073,414	4,539,113,348	1,022,476,826	760,125,973	8,559,498,234	3,226,143,467	3,710,800,421	1,998,859,714	20,144,848,895	10,524,242,502
Cost of sales	4,313,461,765	2,743,361,686	553,861,953	493,564,103	5,864,254,184	2,172,646,731	3,054,232,204	1,518,772,003	13,785,810,106	6,928,344,523
Gross profit	2,538,611,650	1,795,751,662	468,614,873	266,561,870	2,695,244,050	1,053,496,736	656,568,216	480,087,710	6,359,038,789	3,595,897,979
Distribution expenses	16,830,789	28,192,339	1,870,088	4,721,127	269,624,681	88,077,597	162,930,702	267,202,089	451,256,260	388,193,152
Administrative expenses	749,608,077	422,888,503	72,178,675	70,817,472	819,378,238	231,235,495	125,055,098	122,039,888	1,766,220,088	846,981,359
Profit / (Loss) before taxation and unallocated income and expenses	766,438,866	451,080,842	74,048,763	75,538,599	1,089,002,919	319,313,092	287,985,801	389,241,978	2,217,476,348	1,235,174,510
	1,772,172,784	1,344,670,821	394,566,110	191,023,271	1,606,241,131	734,183,644	368,582,416	90,845,733	4,141,562,442	2,360,723,468
Other operating expenses									(96,697,365)	(44,470,513)
Other income (including exchange gain)									556,308,320	156,360,992
Exchange (loss) / gain									1,178,886,010	211,328,580
Share of loss from associates									(231,370,469)	(16,123,495)
Finance cost									(153,393,257)	(76,335,750)
Profit before taxation									5,395,295,679	2,591,483,282
Taxation									(279,583,243)	(69,284,371)
Profit after taxation									5,115,712,436	2,522,198,912

## Key Financial Ratios

All profitability ratios are maintained in the same range for both the standalone and consolidated financials. The current and quick ratio's are reflective of strong liquidity position of the Company, which can be directly linked with improved debtor management and is aligned with Company's investment strategy.

Ratio Description	Standalone		Consolidated	
	Nine months ended 30th Sept		Nine months ended 30th Sept	
	2022	2021	2022	2021
Gross Profit Margin (%)	33%	35%	32%	34%
Operating Margin (%)	23%	25%	20%	22%
EBITDA Margin (%)	25%	28%	21%	24%
Pre-tax Margin (%)	34%	29%	27%	25%
Net Profit Margin (%)	33%	28%	25%	24%
Assets turnover (%)	71%	60%	90%	70%
Return on Equity (%)	33%	25%	24%	25%
Current ratio	2.71	2.96	1.79	2.91
Quick Ratio	2.49	2.50	1.48	2.41
Debtor Turnover (Days)	110	118	107	96
Debt:Equity (Ratio)	27:73	24:76	19:81	26:74
Interest Cover (Times)	42	46	38	38

## Future Outlook

- Following the acquisition of NDCTech in July, the management of Systems and NdcTech have collaborated to integrate various support functions and teams of the two companies. The Company is working to strengthen the relationship with Temenos and financial sector technology partners in the relevant markets. The Company is also aligning a vertical strategy to cross sell and upsell to the existing core banking customers and vice versa.
- The GCC region has not been impacted by inflation and economic slowdown and there is sustained demand and growth in the region. UAE subsidiary has become a key contributor to the business as the Company has signed key strategic accounts with a diversified portfolio and growth opportunities that are expected to provide the Company with recurring revenue for future growth. Systems Arabia has also secured multi-year contracts with Saudi businesses and is fully aligned with Saudi Vision 2030 from the technology and digitization perspective. The Company envisages opportunities for the Company to grow in the financial, telecommunications, and public sector entities of KSA, which has been the core strength of its service offerings.
- In the US market, the high margin Mortgage business which was a major contributor to BPO revenue in the past, has seen a constant decline over the past year owing to the increase in interest rates. However, the Company has been able to successfully absorb the impact of this challenge through increased focus on the IT business. In line with Company's strategy to focus more on IT consulting in all markets with the US and Europe at the forefront, the Company expects this growth to continue due to the relevance of the various service domains and technology stack the Company is targeting.
- The Company is locking most of its domestic contracts in USD, thereby increasing dollar based revenue for the company and hedging the foreign currency risk.

- To sustain the hyper-growth mode, the Company is investing and hiring resources proactively and striving towards a future-ready pool of resources by training, re-skilling, and upskilling of the existing resource pool. The Company has hired over 300 software engineers in this quarter and is aggressively working on the training and development of resources to fuel future growth and have a cost-effective HR pool. Various training programs that the Company initiated at the start of the year like IT Mustaqbil and TechLift, are on track to create the pipeline for its growing need for human resource. The Company has also developed stronger academia linkages to ensure that the curriculum is in line with the market requirements and produces employable talent ready to enter the market.
- With the strategic collaboration with Sarmayacar and Sharooq Partners, E-Processing Systems (EPS) is deepening its penetration of the micro-retailer base. The new product offering with the EMI License, is on the verge of launch. EP Systems management team is growing and it has the support of a Fintech conversant board and advisors. Their expertise will not only help fine tune the business strategy but will also take the business to the next level.
- The Company's other associate, Jugnu launched its Buy Now, Pay Later (BNPL) solution for SME retailers earlier this year after securing \$22.5 million of funding in series-A from SARY (MENA-based B2B e-commerce giant). The business of Jugnu is firmly on a growth trajectory with best in class unit economics in their type of business.

### 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 all the employees of the Company.

On behalf of the Board,



Asif Peer  
Chief Executive Officer  
25 October 2022

- یو ایس مارکیٹ میں موزوں منافع کا حامل مورگنچ کاروبار جو ماضی میں پی پی او کے ریویو میں بنیادی شمولیت کا حامل تھا گزشتہ سال انٹرسٹ ریش میں مسلسل اضافہ کے وجہ سے شدید کمی کا شکار رہا۔ تاہم کمپنی نے آئی ٹی کاروبار پر توجہ مرکوز کرتے ہوئے اس چیلنج کے اثرات کو کامیابی کیساتھ نبھایا ہے۔ کمپنی کی تمام مارکیٹوں مع بالخصوص یو ایس اور یورپ میں آئی ٹی کنسلٹنگ پر زیادہ توجہ مرکوز کرنے کی حکمت عملی کے مطابق کمپنی کی توقع ہے کہ مختلف سروں ڈویژن اور ٹیکنالوجی کے اسٹیک کی مطابقت کی وجہ سے یہ ترقی جاری رہے گی۔
- کمپنی اپنے زیادہ تر ڈومیسٹک کنٹریکٹس یو ایس ڈی کے تحت کر رہی ہے جس سے ڈالر کی بنیاد پر کمپنی کی آمدن میں اضافہ ہو رہا ہے اور غیر ملکی کرنسی کے ریسک سے بھی بچا جا رہا ہے۔
- ترقی کے اسی پیمانے کو برقرار رکھنے کیلئے کمپنی فعال طور پر انسانی وسائل پر سرمایہ کاری اور ان کی تعیناتی کے علاوہ ان کی تربیت، مہارتوں کی تجدید، اور موجودہ انسانی وسائل کی مہارتوں میں اضافے کیساتھ درخشاں مستقبل کی جانب کوشاں ہے۔ کمپنی نے اس سہ ماہی میں 300 سے زیادہ سرفٹ ویئر انجینئرز کو تعینات کیا اور مستقبل میں ترقی کے فروغ، موثر لاگت پر مبنی ایچ آر پول بنانے کیلئے دل جمعی سے کام کر رہی ہے۔ مختلف تربیتی پروگرام جو کمپنی نے سال کے آغاز میں شروع کیے جیسے آئی ٹی مستقبل اور ٹیک لائف، انسانی وسائل کی بڑھتی ہوئی ضرورت کو پورا کرنے میں مددگار ثابت ہوں گے۔ کمپنی نے مضبوط ایڈمیٹریٹو اسٹوار کے ساتھ ساتھ نصاب کو مارکیٹ کی ضرورت کے مطابق بنایا جاسکے اور ایسے ٹیلنٹ کو پیدا کیا جاسکے جو مارکیٹ میں کام کرنے کیلئے ہر لحاظ سے تیار ہوں۔
- سرمایہ کار اور شوق پائیزز کے مربوط اشتراک کیساتھ ای پراسیڈنگ سسٹم (ای پی ایس) اپنی رسائی کو مائیکروسٹریکٹری کی بنیاد پر استوار کر رہا ہے۔ ای ایم آئی لائسنس کی سہولت کیساتھ نئی پراڈکٹ نمائش کے دہانے پر ہے۔ ای پی ای سسٹم ٹینٹ ٹیم آگے بڑھ رہی ہے اور اسے فن ٹیک کنورسٹ بورڈ اور ایڈوائز کی سپورٹ بھی حاصل ہے۔ ان کی مہارتیں نہ صرف کاروباری بہتری میں اہم کردار کی حامل ہوگی بلکہ یہ کاروبار کو افین کی بلند یوں تک لیجانے میں کلیدی کردار بھی ادا کریگی۔
- کمپنی کے دیگر ایبوسٹی ایٹس جگنو نے اس سال کے آغاز میں ایس آے آر اے (ایم ای این اے بیڈ ٹی ٹی پی ای) کا مرس جاسٹ) کی جانب سے \$2.5 بلین فنڈز کی وصولی کے بعد اچھی خرید، بعد میں ادا کروٹیں بائی ناؤ، پے لیئر (بی این پی ایل) سلوشن برائے ایس ایم ای ریٹیلرز کا آغاز کیا۔ جگنو کا کاروبار اپنی کاروباری نوعیت کے لحاظ سے بہترین کلاس یونٹ آکنامکس کیساتھ تیزی سے ترقی کی راہ پر گامزن ہے۔

## اعتراف

بورڈ اپنے معزز صارفین، ہیکرز، اور دیگر اسٹیک ہولڈرز کے تعاون اور سپورٹ پر ان کا تہہ دل سے شکور ہے۔ بورڈ کمپنی کے تمام ملازمین کی انتھک محنت اور عزم کی حوصلہ افزائی کرتا ہے۔

حسب الحکم بورڈ



آصف علی

چیف ایگزیکٹو آفیسر

مورخہ: 25 اکتوبر 2022ء



مراٹھ		پنجاب		شرقی اقلیت		پاکستان		کشمیر		مجموعی	
نمبر 30 ستمبر 2022ء		نمبر 30 ستمبر 2021ء		نمبر 30 ستمبر 2022ء		نمبر 30 ستمبر 2021ء		نمبر 30 ستمبر 2022ء		نمبر 30 ستمبر 2021ء	
10,524,242,502	20,144,848,895	1,998,859,714	3,710,800,421	3,226,143,467	8,559,498,234	760,125,973	1,022,476,826	4,539,113,348	6,852,073,414		
6,928,344,523	13,785,810,106	1,518,772,003	3,054,232,204	2,172,646,731	5,864,254,184	493,564,103	553,861,953	2,743,361,686	4,313,461,765		
3,595,897,979	6,359,038,789	480,087,710	656,568,216	1,053,496,736	2,695,244,050	266,561,870	468,614,873	1,795,751,662	2,538,611,650		
388,193,152	451,256,260	267,202,089	162,930,702	88,077,597	269,624,681	4,721,127	1,870,088	28,192,339	16,830,789		
846,901,329	1,762,220,088	122,039,888	125,955,098	231,235,495	813,378,238	70,817,472	721,786,075	422,888,503	748,608,077		
1,235,174,510	2,217,476,348	389,241,978	287,985,801	319,313,092	1,089,002,919	75,538,599	74,048,763	451,080,842	766,438,866		
2,360,723,468	4,141,562,442	90,845,733	368,582,416	734,183,644	1,606,241,131	191,023,271	394,566,110	1,344,670,821	1,772,172,784		
(44,470,513)	(96,697,365)										
156,360,992	556,308,320										
211,328,580	1,178,886,010										
(16,123,495)	(231,370,469)										
(76,335,750)	(153,393,257)										
2,591,463,282	5,395,295,679										
(69,284,371)	(279,583,243)										
2,522,198,912	5,115,712,436										

## اہم مالیاتی تناسب

منافع کے تمام تناسب آزاد اور منظم مالیات دونوں کیلئے ایک ہی حد میں برقرار رہیں گی۔ اعلیٰ موجودہ اور فوری تناسب کمپنی کی مضبوط ریٹینیو حالت کی عکاسی کرتا ہے جس کا براہ راست تعلق قرض داروں کے بہتر منظم ہونے کی توقع کے ساتھ ہے اور کمپنی کی سرمایہ کاری کی حکمت عملی سے ہم آہنگ ہے۔

تناسب کی تفصیل		آزادانہ	
		30 ستمبر 2022ء	
مجموعی منافع کا مارجن (%)	33%	34%	2021
آپریٹنگ مارجن (%)	23%	22%	2021
EBITDA مارجن (%)	25%	24%	2021
عملی ازبیکس مارجن (%)	34%	25%	2021
خالص منافع کا مارجن (%)	33%	24%	2021
ائٹاؤٹس کا کاروبار (%)	71%	70%	2021
ایکویٹی پر ریزرو (%)	33%	25%	2021
موجودہ تناسب	2.71	2.91	2021
فوری تناسب	2.49	2.41	2021
قرض داروں کا کاروبار (دن)	110	96	2021
قرض: ایکویٹی (تناسب)	73:23	74:26	2021
انٹرسٹ کور (ٹائیز)	42	38	2021

## مستقبل کا خاکہ

- جولائی میں این بی ڈی سی ٹیک کے استحباب کے تحت نظام اور این ڈی سی ٹیک کی انتظامیہ نے مختلف امدادی امور اور دونوں کمپنیوں کی ٹیڈوں کو مربوط کرنے کیلئے باہمی اشتراک کیا ہے۔ کمپنی کمپنیوں اور متعلقہ مارکیٹ میں فیٹل سیکٹر ٹیکنالوجی پارٹنرز کے مابین مضبوط تعلقات استوار کرنے کیلئے کام کر رہی ہے۔ کمپنی موجودہ لوہے کی ٹیکنالوجی صارفین اور دیگر کیلئے ایک منظم حکمت عملی ترمیم سے رہی ہے۔
- جی ای سی خطہ افراط زر اور معاشی سست روی سے متاثر نہیں ہوا ہے اور خطے میں طلب اور ترقی برقرار ہے۔ یو ای سی کی ذیلی کمپنی کاروبار میں کلیدی شراکت دار بن گئی ہے کیونکہ کمپنی نے متنوع پورٹ فولیو اور ترقی کے مواقع کیلئے کلیدی اسٹریٹجک اکاؤنٹس پر دستخط کئے ہیں جن سے کمپنی کو مستقبل کی ترقی کیلئے مسلسل آمدن فراہم کرنے کی اُمید ہے۔ سٹریٹجی سے سٹریٹجی کے کاروباری اداروں کیساتھ تیسرا سال معاہدہ جات کر کے ہیں اور یہ ٹیکنالوجی کے علاوہ ڈیجیٹل تناظر میں سعودی ویزن 2030 کے ساتھ مکمل طور پر ہم آہنگی ہے۔ کمپنی فیٹل، ٹیلی کمیونیکیشنز، اور کے ایس اے کے پیبلک سیکٹر اداروں جو اپنی خدمات پیش کرنے کی بنیادی صلاحیتوں کے حامل ہیں میں ترقی کرنے کے مکمل تصور رکھتی ہے۔

غیر منظم نتائج کے مطابق منظم آمدنی %91 اضافہ کیے ساتھ 10,524.24 ملین روپے سے بڑھ کر 20,144.84 ملین روپے ہو گئی۔ چونکہ دونوں نئے اداروں یعنی این ڈی سی ٹی ای سی ایچ اور ٹری ہاؤس کی آمدن کو مورخہ یکم جولائی 2022 سے یکجا کر دیا گیا تھا اس لئے اس وجہ سے ریونیو میں 895.35 ملین کے اثرات مرتب ہوئے۔

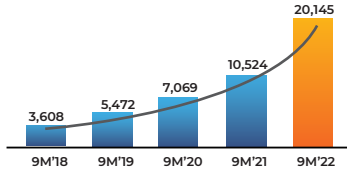
مجموعی منافع اور آپریٹنگ منافع میں بالترتیب %77 اور %75 اضافہ دیکھنے میں آیا۔ گزشتہ سال اسی عرصہ کے مقابلہ میں اس مدت کا خالص منافع 5,115.71 ملین بشمول 1,178.89 ملین زرمبادلہ منافع کیے ساتھ %103 رہا۔ اس عرصہ کے دوران منافع کے مطابق فیشریز بنیادی اور دقیق آمدنی دونوں میں %96 اضافہ ہوا اگر کسی کے اثرات کو ختم کرتے ہوئے امریکی ڈالر کے لحاظ سے آمدنی میں %53 اضافہ ہوا۔

منظم	تفصیلات	ستمبر 2022	ستمبر 2021	سال پیمانی
آمدنی		20,144,848,895	10,524,242,502	91%
مجموعی منافع		6,359,038,789	3,595,897,978	77%
آپریٹنگ منافع		4,044,865,076	2,316,252,955	75%
مدت کے منافع		5,115,712,436	2,522,198,912	103%
کماٹی فی شیئر (بنیادی)		18.47	9.44	96%
کماٹی فی شیئر (رتقین)		18.37	9.38	96%

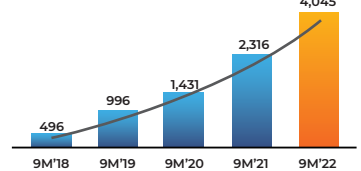
  

دیگر آمدنی منظم	تفصیلات	ستمبر 2022	ستمبر 2021
دیگر آمدنی		556,308,320	156,360,992
زرمبادلہ کا فائدہ (تقصان)		1,178,886,010	211,328,580
		1,735,194,330	367,689,572

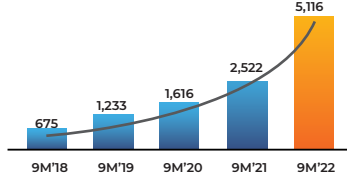
### CONSOLIDATED-REVENUE (PKR MILLION) CAGR 53%



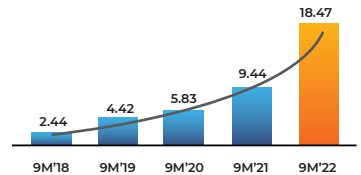
### CONSOLIDATED-OPERATING PROFIT (PKR MILLION) CAGR 69%



### CONSOLIDATED-NET PROFIT (PKR MILLION) CAGR 66%



### CONSOLIDATED-EPS - BASIC (PKR MILLION) CAGR 66%



### سیگمنٹ کی کارکردگی - منظم

سیگمنٹ کا تجزیہ چاروں جیوگرافکس میں زبردست مجموعی طور پر کرتے ہوئے مشرق وسطیٰ کو سب سے آگے بناتا ہے۔ اس عرصہ کے دوران یورپ کے ریجن نے خدمات کی فراہمی کی مدد میں اپنا بھرپور حصہ ڈالا ہے۔ کمپنی کی برآمدی فروخت کا تقریباً %80 ہے، کمپنی کا ہدف ہے کہ آگے بڑھتے ہوئے برآمدات کو مزید بڑھایا جائے۔ کمپنی نئے علاقوں اور مارکیٹوں تک توسیع پر کام کر رہی ہے۔

## ڈائریکٹرز کی جائزہ رپورٹ - 30 ستمبر 2022ء

بورڈ آف ڈائریکٹرز کے ایما پر ہمیں 30 ستمبر 2022ء کو ختم ہوئے نو ماہ کیلئے آزادانہ اور یکجا مالیاتی گوشوارے پیش کرنے پر خوشی ہے۔

### مالی نتائج

#### غیر منظم

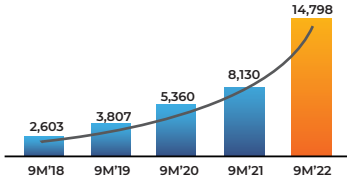
زیر جائزہ مدت کے دوران آزادانہ آمدنی پچھلے سال اسی عرصہ کے مقابلے میں 82% اضافہ کے ساتھ 8,129.547 ملین روپے سے بڑھ کر 14,798.176 ملین روپے ہو گئی۔ اس کے نتیجے میں مجموعی منافع اور آپریٹنگ منافع میں بالترتیب 70% اور 69% اضافہ ہوا، جس سے کمپنی کیلئے لیورڈیجڈ آپریٹنگ پرفارمنس فراہم ہوئی۔ مزید برآں، پاکستانی روپے کی قدر میں مسلسل کمی کے نتیجے میں ستمبر 2021ء کے 204.98 ملین روپے کے منافع کے برعکس زرمبادلہ سے 1,172.07 ملین روپے کا منافع ہوا اور خالص منافع 108% اضافہ کے ساتھ 2,310.420 ملین روپے بڑھ کر 4,816.210 ملین روپے ہو گیا۔ اس عرصہ کے دوران منافع کے مطابق فی شیئر بنیادی اور ریٹرن آئیڈیوں میں 107% اضافہ ہوا۔ زرمبادلہ سے ہونے والے فائدہ کے اثر کے بغیر خالص آمدنی میں اضافہ 45% رہا۔

آمدنی کے اضافے میں تمام خطوں نے حصہ لیا ہے تاہم مشرق وسطیٰ نے اس سلسلے میں لیڈ کیا۔

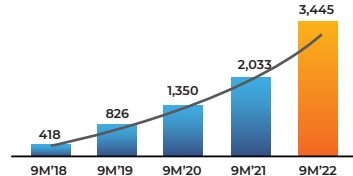
تفصیلات	ستمبر 2022	ستمبر 2021	سال بہ سال
آمدنی	14,798,176,063	8,129,547,547	82%
مجموعی منافع	4,820,606,142	2,835,004,958	70%
آپریٹنگ منافع	3,444,773,702	2,033,301,726	69%
مدت کے منافع	4,816,210,876	2,310,420,941	108%
کمائی فی شیئر (بنیادی)	17.39	8.40	107%
کمائی فی شیئر (ریٹرن)	17.29	8.35	107%

تفصیلات	ستمبر 2022	ستمبر 2021
دیگر آمدنی غیر منظم	593,097,838	179,323,478
زرمبادلہ کا فائدہ (انقصان)	1,172,076,353	204,986,421
	1,765,174,191	384,309,899

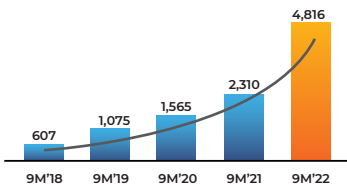
#### UNCONSOLIDATED-REVENUE (PKR MILLION) CAGR 54 %



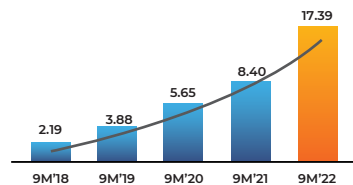
#### UNCONSOLIDATED-OPERATING PROFIT (PKR MILLION) CAGR 69 %



#### UNCONSOLIDATED-NET PROFIT (PKR MILLION) CAGR 68 %



#### UNCONSOLIDATED-EPS - BASIC (PKR MILLION) CAGR 68 %





SYSTEMS LIMITED

# STANDALONE FINANCIAL STATEMENTS

# CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

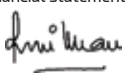
as at 30 September 2022 (Unaudited)

	Note	Un-audited	Audited
		30 September 2022	31 December 2021
<b>ASSETS</b>		<b>Rupees</b>	
<b>Non-current assets</b>			
Property and equipment	5	2,588,763,094	2,006,791,106
Right-of-use assets		504,509,336	288,981,476
Intangibles		16,016,225	23,717,704
Long term investments	6	5,757,238,322	1,331,133,678
Long term loans		316,203,123	36,796,454
Deferred employee benefits		108,622,053	10,344,054
Long term deposits		47,834,821	141,294,105
Deferred taxation - net		51,952,243	75,060,282
		9,391,139,217	3,914,118,859
<b>Current assets</b>			
Contract assets		856,821,488	333,597,502
Trade debts	7	6,888,164,409	3,445,521,825
Loans, advances and other receivables		680,102,304	538,568,661
Current portion of deferred employee benefits		2,750,240	2,890,139
Trade deposits and short term prepayments		362,550,018	248,588,820
Interest accrued		63,555,979	30,922,102
Tax refunds due from the Government		164,873,319	207,375,462
Short term investments	8	5,197,943,440	4,866,676,912
Cash and bank balances	9	1,385,036,877	1,652,613,846
		15,601,798,074	11,326,755,269
<b>TOTAL ASSETS</b>		<b>24,992,937,291</b>	<b>15,240,874,128</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital 400,000,000 (2021: 400,000,000) ordinary shares of Rs 10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid-up share capital	10	2,784,051,990	1,384,989,120
Capital reserves		4,937,495,843	1,020,484,116
Shares to be issued		118,225,000	-
Revenue reserve - Unappropriated profit		10,796,328,156	8,067,856,280
		18,636,100,989	10,473,329,516
<b>Non-current liabilities</b>			
Long term advances		9,317,992	81,111,314
Lease liabilities		506,288,453	238,881,185
		515,606,445	319,992,499
<b>Current liabilities</b>			
Trade and other payables	11	1,633,536,345	1,162,101,750
Unclaimed dividend		16,326,537	9,226,244
Contract liabilities		154,669,072	378,374,906
Short term borrowings		3,950,000,000	2,750,000,000
Accrued mark-up on borrowings		41,126,825	13,702
Current portion of lease liabilities		17,558,875	62,195,197
Current portion of long term loan		26,389,503	76,816,085
Current portion of deferred grant		-	1,958,993
Current portion of long term advances		1,622,700	6,865,236
		5,841,229,857	4,447,552,113
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,992,937,291</b>	<b>15,240,874,128</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
12			

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

  
(CHAIRMAN)

  
(CHIEF EXECUTIVE OFFICER)

  
(CHIEF FINANCIAL OFFICER)

# CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

for the nine months and three months period ended 30 September 2022 (Unaudited)

	Note	Nine Months Ended		Three Months Ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Rupees					
Revenue from contracts with customers - net		14,798,176,063	8,129,547,547	6,006,321,647	3,136,977,934
Cost of revenue		(9,977,569,921)	(5,294,542,589)	(4,020,942,176)	(2,070,090,209)
<b>Gross profit</b>		<b>4,820,606,142</b>	<b>2,835,004,958</b>	<b>1,985,379,471</b>	<b>1,066,887,725</b>
Administrative expenses		(1,141,370,488)	(641,176,591)	(449,046,364)	(256,146,138)
Distribution expenses		(183,735,682)	(129,643,480)	(62,402,672)	(52,484,554)
Impairment losses on financial assets		(50,726,270)	(30,883,161)	(52,446,272)	(47,335,905)
<b>Operating profit</b>		<b>3,444,773,702</b>	<b>2,033,301,726</b>	<b>1,421,484,163</b>	<b>710,921,128</b>
Other income	13	1,765,174,191	384,309,899	752,099,849	290,223,372
Finance costs		(131,414,801)	(57,314,737)	(52,290,687)	(21,531,307)
<b>Profit before taxation</b>		<b>5,078,533,092</b>	<b>2,360,296,888</b>	<b>2,121,293,325</b>	<b>979,613,193</b>
Taxation		(262,322,216)	(49,875,947)	(97,242,881)	(18,792,514)
<b>Profit for the period</b>		<b>4,816,210,876</b>	<b>2,310,420,941</b>	<b>2,024,050,444</b>	<b>960,820,679</b>
(Restated)					
<b>Earnings per share:</b>					
Basic earnings per share	14	17.39	8.40	7.27	3.48
Diluted earnings per share		17.29	8.35	7.22	3.47

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

  
(CHAIRMAN)

  
(CHIEF EXECUTIVE OFFICER)

  
(CHIEF FINANCIAL OFFICER)

# CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the nine months and three months period ended 30 September 2022 (Unaudited)

	Nine Months Ended		Three Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	Rupees			
Profit for the period	4,816,210,876	2,310,420,941	2,024,050,444	960,820,679
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified to profit or loss</i>	-	-	-	-
<i>Items that will not be reclassified to profit or loss</i>	-	-	-	-
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>4,816,210,876</b>	<b>2,310,420,941</b>	<b>2,024,050,444</b>	<b>960,820,679</b>

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

  
(CHAIRMAN)

  
(CHIEF EXECUTIVE OFFICER)

  
(CHIEF FINANCIAL OFFICER)

## CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the nine months period ended 30 September 2022 (Unaudited)

	Issued, subscribed and paid-up share capital	Capital reserves		Shares to be issued	Revenue reserve		Total
		Share premium	Employee compensation reserve		Unappropriated profit		
(Rupees)							
<b>Balance as at December 31, 2020 (audited)</b>	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	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	2,310,420,941	-	2,310,420,941
Share based payments	-	-	81,255,650	-	-	-	81,255,650
Exercise of share options	10,097,790	103,549,389	(38,615,414)	-	-	-	75,031,765
10% Bonus shares issued	124,623,690	-	-	-	(124,623,690)	-	-
Final dividend for the year ended December 31, 2020 at the rate of Rs 3.5 per share	-	-	-	-	(436,182,919)	-	(436,182,919)
<b>Balance as at September 30, 2021 (un-audited)</b>	1,380,761,620	718,456,859	127,387,264	-	7,057,585,745	-	9,284,211,488
<b>Balance as at December 31, 2021 (audited)</b>	1,384,989,120	820,263,357	200,220,759	-	8,067,856,280	-	10,473,329,516
Profit for the period	-	-	-	-	4,816,210,876	-	4,816,210,876
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	4,816,210,876	-	4,816,210,876
Share based payments	-	-	136,661,832	-	-	-	136,661,832
Exercise of Share Options	7,236,870	47,320,377	(57,382,207)	-	-	-	(2,824,960)
100% Bonus shares issued	1,391,826,000	-	-	-	(1,391,826,000)	-	-
Acquisition of National Data Consultants (Pvt.) Limited	-	3,790,411,725	-	118,225,000	-	-	3,908,636,725
Final dividend for the year ended December 31, 2021 at the rate of Rs 5 per share	-	-	-	-	(695,913,000)	-	(695,913,000)
<b>Balance as at September 30, 2022 (un-audited)</b>	2,784,051,990	4,657,995,459	279,500,384	118,225,000	10,796,328,156	-	18,636,100,989

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



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)



# CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CASH FLOW

for the nine months period ended 30 September 2022 (Unaudited)

	Note	Nine Months Ended	
		September 30, 2022	September 30, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Rupees			
Net cash flows from operations	17	751,799,887	793,359,725
Finance costs paid		(90,301,678)	(55,664,057)
Taxes paid		(196,712,034)	(74,286,447)
<b>Net cash generated from operating activities</b>		<b>464,786,175</b>	<b>663,409,221</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(1,050,669,853)	(499,857,748)
Development expenditure		-	(30,377,216)
Proceeds from the disposal of property and equipment		237,194,797	25,204,807
Short term investments - net		(331,266,528)	(1,324,296,343)
Increase in long term investment		(517,467,919)	-
Decrease in long term deposits		93,459,284	4,499,675
Profit received on short term investment		365,667,292	147,317,188
Profit received on bank deposits		28,554,829	20,475,887
<b>Net cash used in investing activities</b>		<b>(1,174,528,098)</b>	<b>(1,657,033,750)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Decrease)/ Increase in long term loan		(52,385,575)	144,856,816
Proceeds from exercise of share options		53,156,008	75,031,765
Increase in short term borrowing		1,200,000,000	1,000,000,000
Dividend paid		(688,812,707)	(431,609,324)
Payments in respect of leases		7,243,086	1,020,960
(Decrease) / Increase in long term advances		(77,035,858)	21,017,011
<b>Net cash generated from financing activities</b>		<b>442,164,954</b>	<b>810,317,228</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(267,576,969)</b>	<b>(183,307,301)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>1,652,613,846</b>	<b>1,577,759,692</b>
<b>Cash and cash equivalents at end of the period</b>		<b>1,385,036,877</b>	<b>1,394,452,391</b>

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

  
(CHAIRMAN)

  
(CHIEF EXECUTIVE OFFICER)

  
(CHIEF FINANCIAL OFFICER)

# NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the nine months and three months period ended 30 September 2022 (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. 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 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 December 31, 2021.

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, SUS JV (Private) Limited, Systems Arabia for Information Technology, Systems APAC for Information Technology Pte. Ltd., Systems International IT Pte. Ltd., Techvista Information Technology W.L.L., Systems Ventures (Private) Limited, SYS Misr for Information Technology Services, National Data Consultants (Pvt.) 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 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.

## 3. SIGNIFICANT 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, 2021.

### 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, 2022, 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 interim financial statements.

### 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 January 1, 2023 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 interim financial statements.

#### 4. 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 December 31, 2021, 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, 2022 has been made using the tax rate that would be applicable to expected total annual earnings.

	Note	Un-audited September 30, 2022	Audited December 31, 2021
(Rupees)			
<b>5. PROPERTY AND EQUIPMENT</b>			
Operating fixed assets	(5.1)	2,528,896,053	1,983,978,164
Capital work in progress	(5.2)	59,867,041	22,812,942
		<b>2,588,763,094</b>	<b>2,006,791,106</b>
<b>5.1 Operating fixed assets</b>			
Opening balance - net book value		1,983,978,164	1,507,212,971
Additions during the period / year - cost	(5.1.1)	1,013,615,754	789,500,228
		<b>2,997,593,918</b>	<b>2,296,713,199</b>
Less:			
Disposals during the period / year - net book value	(5.1.2)	(154,350,646)	(23,350,950)
Depreciation during the period / year		(314,347,219)	(289,384,085)
<b>Net book value at the end of the period / year</b>		<b>2,528,896,053</b>	<b>1,983,978,164</b>
<b>5.1.1 Additions during the period / year</b>			
Freehold land		192,322,111	-
Building		3,497,401	33,410,848
Computers		436,991,408	460,718,771
Computer equipment and installations		45,571,107	80,568,271
Other equipment and installations		117,366,925	21,007,777
Generators and transformer		36,047,123	6,606,088
Furniture and fittings		83,198,561	19,189,693
Vehicles		15,744,920	134,603,300
Office equipment		3,292,743	712,810
Leasehold building improvements		79,583,455	32,682,670
		<b>1,013,615,754</b>	<b>789,500,228</b>

## 5.1.2 Disposals during the period / year

	Cost	Accumulated Depreciation	Net book value
	(Rupees)		
<b>September 30, 2022: (Un-audited)</b>			
Computers	17,340,074	(15,451,262)	1,888,812
Computer equipment and installations	8,395,049	(7,055,526)	1,339,523
Other equipment and installations	7,489,064	(3,576,838)	3,912,226
Vehicles	230,324,232	(83,141,621)	147,182,611
Office equipment	32,994	(5,520)	27,474
	<b>263,581,413</b>	<b>(109,230,767)</b>	<b>154,350,646</b>
<b>December 31, 2021: (Audited)</b>			
Computers	9,344,255	(8,742,507)	601,748
Computer equipment and installations	1,656,054	(1,194,585)	461,469
Furniture and fittings	427,730	(343,945)	83,785
Vehicles	48,530,780	(26,326,832)	22,203,948
Office equipment	99,421	(99,421)	-
	<b>60,058,240</b>	<b>(36,707,290)</b>	<b>23,350,950</b>

## 5.2 Capital work in progress

Note	Un-audited	Audited
	September 30, 2022	December 31, 2021
	(Rupees)	
Balance at the beginning of the period / year	22,812,942	746,272
Additions during the period / year	108,791,096	31,578,703
Transfer to operating fixed assets during the period / year	(71,736,997)	(9,512,033)
<b>Balance at the end of the period / year</b>	<b>59,867,041</b>	<b>22,812,942</b>

## 6. LONG TERM INVESTMENTS

### Investment in subsidiaries - at cost - unquoted:

Tech Vista Systems FZ-LLC	(6.1)	360,865,420	1,377,950
SUS-JV (Private) Limited	(6.2)	94,990	94,990
Systems Ventures (Private) Limited	(6.3)	721,099,980	99,980
TechVista Information Technology W.L.L.	(6.4)	144,963,592	-
Systems Arabia for Information Technology	(6.5)	5,077,388	-
Systems International IT Pte. Ltd.	(6.6)	-	-
Systems APAC for Information Technology Pte. Ltd.	(6.7)	-	-
National Data Consultants (Pvt) Limited	(6.8)	4,254,636,725	-
SYS Misr for Information Technology Services	(6.9)	-	-
Systems Africa for Information Technologies Pty. Ltd	(6.10)	-	-
		<b>5,486,738,095</b>	1,572,920
<b>Advance against issuance of shares</b>	<b>(6.11)</b>	-	1,059,060,531
		<b>5,486,738,095</b>	<b>1,060,633,451</b>
<b>Investment In associate - at cost - unquoted</b>			
E-Processing Systems B.V.		270,500,227	270,500,227
		<b>5,757,238,322</b>	<b>1,331,133,678</b>

- 6.1 This represents 7,400 fully paid ordinary shares of AED 1,000/- each, representing 100% (December 31, 2021: 50 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.
- 6.2 This represents 9,499 fully paid ordinary shares of Rs. 10/- each, representing 94.99% (December 31, 2021: 94.99%) shares in Company's joint venture, 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.
- 6.3 This represents 72,109,998 fully paid ordinary shares of Rs. 10/- each, representing 99.99% (2021: 9,998 fully paid shares of Rs. 10/- each, representing 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.
- 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, 2021: 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 During the year ended December 31, 2021, Systems Arabia for Information Technology, a wholly owned subsidiary was incorporated in Saudi Arabia. It is single member limited liability company owned by the Company. It has been formed for the purpose of sale of software services and trading software licenses in the Kingdom of Saudi Arabia.
- 6.6 Systems International IT Pte. Ltd. is a limited liability company incorporated in the Republic of Singapore, for the purpose of investment collaborations outside Pakistan. The company is a wholly owned subsidiary of Systems Limited with authorized share capital of SGD 1. As of reporting date, no investment has been transferred in this entity.
- 6.7 Systems APAC for Information Technology Pte. Ltd. is a limited liability company 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 Limited with authorized share capital of SGD 1. As of reporting date, no investment has been transferred in this entity.
- 6.8 National Data Consultants (Pvt) Limited "NdcTech" is a leading core and digital banking implementation service provider and has a rich set of clients in Pakistan, Middle East, Africa and Asia Pacific region. NdcTech is a regional partner of Temenos, which has over 3,000 financial institutions across the globe, including 41 of the world's top 50 banks. Temenos is recognized by renowned firms such as Gartner, Forrester, IBS Intelligence, Everest Group and Fintech Futures as a Leader in their respective quadrants.  
On 5th July 2022, the Company acquired 100% voting shares of National Data Consultants (Pvt.) Ltd. against a net consideration of:  
-PKR 346 million in cash  
-118 million shares of the Company
- As of the balance sheet date, there is no material adjustment required to the carrying amount stated in financial statements.
- 6.9 SYS Misr for Information Technology Services is a limited liability company incorporated in the Arab Republic of Egypt, 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 Systems Limited with authorized share capital of US\$ 500,000. As of reporting date, no investment has been transferred in this entity.
- 6.10 Systems Africa for Information Technologies Pty. Ltd is a limited liability company incorporated in the Republic of South Africa, 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 Systems Limited with share capital of R100. As of reporting date, no investment has been transferred in this entity.
- 6.11 This represents advances provided to the following entities against issuance of shares:

	Note	Un-audited	Audited
		September 30,	December 31,
		2022	2021
		(Rupees)	
<i>To subsidiaries</i>			
- TechVista Systems FZ- LLC		-	425,881,340
- Systems Ventures (Private) Limited		-	488,610,295
<i>To associated undertaking</i>			
- TechVista Information Technology W.L.L.		-	144,568,896
		-	1,059,060,531

	Note	Un-audited	Audited
		September 30, 2022	December 31, 2021
		(Rupees)	
<b>7. TRADE DEBTS - UNSECURED</b>			
Export		5,955,670,684	2,581,300,038
Local		1,208,837,967	1,146,212,451
	(7.1)	7,164,508,651	3,727,512,489
Less: Allowance for expected credit losses		(276,344,242)	(281,990,664)
		<b>6,888,164,409</b>	<b>3,445,521,825</b>
<b>7.1</b> These include receivables from the following related parties:			
Visionet Systems Incorporation -USA		2,692,148,989	1,759,296,163
Visionet Systems - UK		366,786,486	19,515,971
TechVista Systems FZ - LLC - UAE		1,432,404,466	257,539,780
TreeHouse Consultancy LLC		25,052,397	-
Visionet Deutschland GMBH - Germany		363,268,005	109,174,344
TechVista Pty Limited - Australia		15,023,646	10,484,352
TechVista Information Technology W.L.L. - Qatar		666,272,322	337,110,422
Systems Arabia for Information Technology		86,606,406	-
Jomo Technologies (Private) Limited		10,507,829	-
<b>8. SHORT TERM INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
- Mutual fund units	(8.1)	5,070,943,440	4,199,676,912
<b>At amortized Cost</b>			
- Term deposits receipts (TDRs)	(8.2)	127,000,000	667,000,000
		<b>5,197,943,440</b>	<b>4,866,676,912</b>
<b>8.1</b> The details of investments in mutual funds are as follows:			
UBL Al-Ameen Asset Islamic Allocation Fund		-	107,656,212
UBL Al-Ameen Islamic Cash Plan-I		-	307,889,806
Alfalalah GHP Islamic Income Fund		-	131,098,915
Alfalalah Islamic Rozana Amdani Fund		709,546,511	-
HBL Asset Islamic Allocation Fund		-	52,976,195
HBL Asset Islamic Money Market Fund		954,961,203	25,864,345
Lakson Islamic Tactical Fund		-	99,843,707
Lakson Money Market Fund		-	101,159,394
Meezan Balanced Fund		-	103,600,318
Meezan Islamic Income Fund		-	53,502,393
Meezan Islamic Fund		-	151,731,025
Meezan Rozana Amdani Fund		-	621,489,473
Meezan Paidar Munafa Plan		1,007,240,000	-
NBP Islamic Sarmaya Izafa Fund		-	312,138,444
NBP Daily Dividend Fund		-	613,531,130
NBP Islamic Stock Fund		-	83,246,347
NBP Islamic Income Fund		-	52,548,599
MCB Al-hamra Islamic Money Market Fund		844,477,642	467,949,478
ABL Islamic Stock Fund		-	47,314,269
ABL Islamic Cash Fund		518,147,172	257,844,525
ABL Islamic Income Fund		-	50,835,310
Faysal Islamic Cash Fund		1,036,570,912	557,457,027
Al Habib Islamic cash fund		-	-
		<b>5,070,943,440</b>	<b>4,199,676,912</b>

	Note	Un-audited	Audited
		September 30,	December 31,
		2022	2021
(Rupees)			
8.2 The details of investments in TDRs are as follows:	(8.2.1)		
Habib Metropolitan Bank Limited		100,000,000	650,000,000
Habib Bank Limited		27,000,000	17,000,000
		<b>127,000,000</b>	<b>667,000,000</b>

8.2.1 These carry markup at rates ranging from 7.5% to 14.5% (December 31, 2021: 6.45% to 12.75%) per annum.

## 9. CASH AND BANK BALANCES

Cash in hand		1,212,991	946,078
Cash at bank:			
Local currency:			
Current accounts		292,618,402	519,563,949
Savings accounts	(9.1)	625,498,200	1,028,037,473
		918,116,602	1,547,601,422
Foreign currency - current accounts		465,707,284	104,066,346
		<b>1,385,036,877</b>	<b>1,652,613,846</b>

9.1 These carry markup at rates ranging from 6.5% to 13.5% (December 31, 2021: 4.12% to 6.28%) per annum.

## 10. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	Un-audited	Audited	Un-audited	Audited
	September 31, 2022	December 31, 2021	September 31, 2022	December 31, 2021
	No of Shares		(Rupees)	
Ordinary shares of Rs 10/- each				
- fully paid in cash	115,538,876	114,815,189	1,155,388,760	1,148,151,890
- paid up as bonus shares	162,866,323	23,683,723	1,628,663,230	236,837,230
	<b>278,405,199</b>	<b>138,498,912</b>	<b>2,784,051,990</b>	<b>1,384,989,120</b>

	Un-audited	Audited	Un-audited	Audited
	2022	2021	2022	2021
<b>10.1 Reconciliation of issued, subscribed and paid-up share capital:</b>	(No of Shares)		(Rupees)	
Balance as at January 01	138,498,912	124,606,014	1,384,989,120	1,246,060,140
Stock options exercised	723,687	1,430,529	7,236,870	14,305,290
Bonus shares issued	139,182,600	12,462,369	1,391,826,000	124,623,690
<b>Balance as at September 30 / December 31</b>	<b>278,405,199</b>	<b>138,498,912</b>	<b>2,784,051,990</b>	<b>1,384,989,120</b>

	Note	Un-audited	Audited
		September 30, 2022	December 31, 2021
<b>11. TRADE AND OTHER PAYABLES</b>		(Rupees)	
Creditors		120,294,412	102,408,916
Accrued liabilities		1,312,107,538	933,261,347
Withholding income tax payable		88,629,398	41,565,074
Provident fund payable		93,837,945	67,671,516
Sales tax payable		18,667,052	17,194,897
		<b>1,633,536,345</b>	<b>1,162,101,750</b>

## 12. CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

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

#### Tax Year 2016 - under section 122/177

The Deputy Commissioner Inland Revenue ('DCIR') issued a show cause notice under section 122 on the basis of audit of undertaking filed under clause 94 part IV of Second Schedule to the Income tax ordinance, 2001 (the 'Ordinance'), which was duly replied by the Company. Consequently, the DCIR passed an order dated June 30, 2022 under section 122/177 of the Ordinance and has raised the income tax demand of Rs 29 million on issue of proration of certain expenses. The management of the Company has filed an appeal before the Commissioner Inland Revenue (Appeals) and based on the view of its legal counsel, expects a favorable outcome in this regard.

### 12.2 Commitments

**12.2.1** Guarantees issued by the financial institutions on behalf of the Company amount to Rs. 313.94 million (December 31, 2021: Rs 329.11 million). This includes guarantees of Rs 77.38 million (December 31, 2021: Rs 77.38 million) given on behalf of UUS Joint Venture (Private) Limited, a joint operation of the Company.

**12.2.2** Guarantees issued by the Company on behalf of E-Processing Systems (Private) Limited to National Bank of Pakistan amount to Rs 100 million (December 31, 2021: Rs 100 million).



### 13. OTHER INCOME

	Un-audited		Un-audited	
	Nine Months Ended		Three Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
<b>Income from financial assets</b>				
Profit on deposit accounts	28,554,829	20,475,887	7,242,521	5,754,678
Profit on short term investments	398,304,315	126,316,968	192,824,512	33,787,346
Exchange gain / (loss)	1,172,076,353	204,986,421	507,403,819	237,579,202
Interest on loan to subsidiaries	40,552,351	23,103,833	9,186,999	13,133,125
<b>Income from non financial assets</b>				
Gain on disposal of property and equipment	82,844,151	9,056,271	3,079,146	(70,979)
Others	42,842,192	370,519	32,362,852	40,000
	<b>1,765,174,191</b>	<b>384,309,899</b>	<b>752,099,849</b>	<b>290,223,372</b>

### 14. EARNINGS PER SHARE

	Un-audited		Un-audited	
	Nine Months Ended		Three Months Ended	
	September 30, 2022	September 30, 2021 (Restated)	September 30, 2022	September 30, 2021 (Restated)
Profit for the period (rupees)	4,816,210,876	2,310,420,941	2,024,050,444	960,820,679
Weighted-average number of ordinary shares outstanding during the period	276,972,750	275,090,794	278,373,677	276,152,940
Basic (rupees)	17.39	8.40	7.27	3.48
<b>Diluted earnings per share:</b>				
Profit for the period (rupees)	4,816,210,876	2,310,420,941	2,024,050,444	960,820,679
Weighted-average number of Ordinary shares - basic	276,972,750	275,090,794	278,373,677	276,152,940
Effect of share options	1,588,619	1,563,491	1,846,953	1,136,653
	<b>278,561,369</b>	<b>276,654,285</b>	<b>280,220,630</b>	<b>277,289,593</b>
Diluted (rupees)	17.29	8.35	7.22	3.47

15. OPERATING SEGMENT INFORMATION

Geographical segments

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

- North America
- Europe
- Middle East
- Pakistan

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

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

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

	North America		Europe		Middle East		Pakistan		Total	
	Un-audited Nine Months Ended September 30	2021	Un-audited Nine Months Ended September 30	2021	Un-audited Nine Months Ended September 30	2021	Un-audited Nine Months Ended September 30	2021	Un-audited Nine Months Ended September 30	2021
Revenue	6,852,073,414	4,539,113,348	1,022,476,826	760,125,973	3,534,546,669	1,180,730,295	3,389,079,154	16,495,777,931	14,798,176,063	8,129,547,547
Cost of revenue	(4,313,461,765)	(2,743,361,686)	(553,861,953)	(493,564,103)	(2,223,398,246)	(730,374,816)	(2,886,647,958)	(1,327,241,984)	(9,977,569,921)	(5,294,542,589)
Gross profit	2,538,611,649	1,795,751,662	468,614,873	266,561,870	1,311,148,423	450,355,479	502,231,196	322,335,947	4,820,606,142	2,835,004,958
Distribution expenses	(16,830,789)	(28,192,339)	(18,700,088)	(4,721,127)	(7,316,505)	(5,787,985)	(157,718,301)	(90,942,029)	(183,735,682)	(129,643,480)
Administrative expenses	(749,608,077)	(422,888,503)	(72,178,675)	(70,817,472)	(222,567,245)	(83,352,957)	(97,016,491)	(64,117,659)	(1,141,370,488)	(641,176,591)
Profit before taxation and unallocated income and expenses	(786,438,866)	(451,080,842)	(74,048,763)	(7,538,599)	(229,883,750)	(89,140,942)	(254,734,792)	(155,059,688)	(1,925,106,170)	(770,820,071)
	1,772,172,783	1,344,670,820	394,566,110	191,023,271	1,081,264,673	361,214,537	247,496,404	167,276,259	3,495,499,972	2,064,184,887
Unallocated income and expenses:										
Impairment losses on financial assets									(50,726,270)	(30,883,161)
Other income									593,097,836	179,323,478
Exchange gain / (loss)									1,172,076,353	204,986,421
Finance cost									(171,414,801)	(57,314,737)
Profit before taxation									1,583,033,120	296,112,001
Taxation									5,078,533,092	2,360,296,888
Profit for the period									4,816,210,876	2,310,420,841

## 16. TRANSACTIONS WITH RELATED PARTIES

Related parties comprises of subsidiaries, 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	
			September 30, 2022	September 30, 2021
			(Rupees)	
E-Processing Systems (Private) Limited	Associate	Expense incurred on behalf of party	78,940,595	413,106,276
		Repayments from the party against advance	(78,826,660)	(263,474,869)
		Interest income	21,792,462	13,531,198
TechVista Systems FZ - LLC - UAE	Subsidiary	Sales	2,348,709,137	896,667,961
		Expenses incurred by the party on behalf of the Company	(794,179,903)	(193,773,259)
SUS - JV (Private) Limited	Subsidiary	Expense incurred on behalf of party	17,926,542	-
		Disbursements against loan	-	59,694,696
		Repayments from the party against loan	(17,538,016)	(41,672,931)
		Interest Income	1,400,383	-
Systems Venture (Private) Limited	Subsidiary	Disbursements against loan	-	(481,524,000)
		Interest Income	-	9,572,635
		Advance against issue of share capital	241,000,000	-
		Expenses incurred on behalf of the party	1,523,980	-
Visionet Systems Incorporation - USA	Associate	Sales	6,851,506,619	4,483,438,306
		Expenses incurred on behalf of the party	64,595,337	(10,002,668)
Visionet Systems - UK	Associate	Sales	331,089,029	31,573,076
		Expenses incurred on behalf of the party	6,020,230	-
Visionet Deutschland GMBH - Germany	Associate	Sales	605,029,870	717,649,544
		Expenses incurred on behalf of the party	17,700,423	-
TechVista Pty Limited - Australia	Sub - subsidiary	Sales	5,086,602	4,330,120
TreeHouse Consultancy LLC	Sub - subsidiary	Sales	24,760,708	-
TechVista Information Technology W.L.L - Qatar	Associate	Sales	294,864,184	146,406,330
		Expenses incurred on behalf of the party	30,221,479	-
Key management personnel	Employees	Salaries and other benefits	618,274,543	463,461,202
Directors	Directors	Fee	4,200,000	2,150,000
Staff retirement funds	Staff retirement fund	Contributions	444,044,717	219,784,548
Systems Arabia for Information Technology	Subsidiary	Sales	68,458,081	-
		Expenses incurred on behalf of the party	121,139,088	-
Jomo Technologies (Private) Limited	Associate	Sales	16,007,284	-
Systems APAC Pte. Ltd	Subsidiary	Expenses incurred on behalf of the party	2,178,333	-
Systems International IT Pte. Ltd	Subsidiary	Expenses incurred on behalf of the party	2,201,436	-
SYS Misr for Information Technology Services	Subsidiary	Expenses incurred on behalf of the party	11,238,044	-
National Data Consultants (Private) Limited	Subsidiary	Expenses incurred on behalf of the party	24,855,813	-

## 17. CASH FLOWS FROM OPERATING ACTIVITIES

	Un-audited	
	Nine Months Ended	
	September 30, 2022	September 30, 2021
	(Rupees)	
Profit before taxation	5,078,533,092	2,360,296,888
Adjustments for:		
Depreciation on property and equipment	314,347,219	212,763,413
Amortization of intangibles	7,704,625	12,341,280
Impairment losses on financial assets	50,726,270	30,883,161
Share based payment expense	136,661,832	81,255,650
Finance costs	131,414,801	57,314,737
Exchange (gain) / loss	(1,172,076,353)	(204,986,421)
Profit on short term investments	(398,304,315)	(126,316,968)
Profit on bank deposits	(28,554,829)	(20,475,887)
Gain on disposal of property and equipment	(82,844,151)	(9,056,271)
	(1,040,924,901)	33,722,694
<b>Profit before working capital changes</b>	<b>4,037,608,191</b>	<b>2,394,019,582</b>
<b>Effect on cash flow due to working capital changes</b>		
<i>(Increase) / decrease in current assets:</i>		
Contract Assets - net	(746,929,820)	(389,256,471)
Trade debts	(2,377,273,469)	(580,157,817)
Loans, advances and other receivables	(519,078,412)	(677,418,515)
Trade deposits and short term prepayments	(113,961,198)	(232,399,118)
	(3,757,242,899)	(1,879,231,921)
<i>Increase in current liabilities:</i>		
Trade and other payables	471,434,595	278,572,064
	471,434,595	278,572,064
<b>Net cash flows from operations</b>	<b>751,799,887</b>	<b>793,359,725</b>

## 18. 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, 2021.

### 18.1 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.

Un-audited September 30, 2022		
At fair value through profit or loss	At amortized cost	Total

(Rupees)

## 18.2 Financial instruments by categories

**Financial assets**

Long term loans	-	316,203,123	316,203,123
Long term deposits	-	47,834,821	47,834,821
Contract Assets	-	856,821,488	856,821,488
Trade debts	-	6,888,164,409	6,888,164,409
Loans, advances and other receivable	-	680,102,304	680,102,304
Security deposits	-	160,192,923	160,192,923
Interest accrued	-	63,555,979	63,555,979
Short term investments	5,070,943,440	127,000,000	5,197,943,440
Cash and bank balances	-	1,385,036,877	1,385,036,877
	<b>5,070,943,440</b>	<b>10,524,911,924</b>	<b>15,595,855,364</b>

**Financial liabilities**

Lease liabilities	-	523,847,328	523,847,328
Mark-up accrued on short term borrowings	-	41,126,825	41,126,825
Long term loan	-	26,389,503	26,389,503
Short term borrowings	-	3,950,000,000	3,950,000,000
Unclaimed dividend	-	16,326,537	16,326,537
Trade and other payables	-	1,633,536,345	1,633,536,345
	-	<b>6,191,226,538</b>	<b>5,667,379,210</b>

Audited December 31, 2021		
At fair value through profit or loss	At amortized cost	Total

(Rupees)

**Financial assets**

Long term loans	-	36,796,454	36,796,454
Long term deposits	-	141,294,105	141,294,105
Contract assets	-	333,597,502	333,597,502
Loans, advances and other receivable	-	538,568,661	538,568,661
Trade debts	-	3,445,521,825	3,445,521,825
Security deposits	-	158,523,500	158,523,500
Interest accrued	-	30,922,102	30,922,102
Short term investments	4,199,676,912	667,000,000	4,866,676,912
Cash and bank balances	-	1,652,613,846	1,652,613,846
	<b>4,199,676,912</b>	<b>7,004,837,995</b>	<b>11,204,514,907</b>

**Financial liabilities**

Lease liabilities	-	301,076,382	301,076,382
Mark-up accrued on short term borrowings	-	13,702	13,702
Long term loan	-	76,816,085	76,816,085
Short term borrowings	-	2,750,000,000	2,750,000,000
Unclaimed dividend	-	9,226,244	9,226,244
Trade and other payables	-	1,162,101,750	1,162,101,750
	-	<b>4,299,234,163</b>	<b>4,299,234,163</b>

## 19. 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)			
<b>As at September 30, 2022 (Un-audited)</b>				
Fair value through profit and loss				
- Mutual Fund units	5,070,943,440	-	-	5,070,943,440
<b>As at December 31, 2021 (Audited)</b>				
Fair value through profit and loss				
- Mutual Fund units	4,199,676,912	-	-	4,199,676,912

## 20. DATE OF AUTHORIZATION FOR ISSUE

These condensed unconsolidated interim financial statements were authorized for issue on 25 October 2022 by the Board of Directors of the Company.

## 21. CORRESPONDING FIGURES

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

	Rupees
- Cash at bank balance in local currency accounts classified as 'Current accounts' now classified as 'Savings accounts'	262,161,282

## 22. GENERAL

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

  
(CHAIRMAN)

  
(CHIEF EXECUTIVE OFFICER)

  
(CHIEF FINANCIAL OFFICER)



**SYSTEMS LIMITED**

# **CONSOLIDATED FINANCIAL STATEMENTS**

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

as at 30 September 2022 (Unaudited)

		Unaudited 30 September 2022	Audited 31 December 2021
	Note	Rupees	Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	7	2,729,685,415	2,051,800,034
Intangible		6,927,923,795	23,717,704
Long term investments	8	238,555,000	144,568,896
Investment in Associates		1,042,639,288	1,274,009,734
Right-of-use asset		504,509,336	288,981,475
Long term loans		316,203,123	36,796,454
Deferred taxation - net		51,952,243	75,060,282
Deferred employee benefits		108,622,053	10,344,054
Long term deposits		94,041,301	141,294,105
		<b>12,014,131,554</b>	<b>4,046,572,738</b>
<b>Current assets</b>			
Contract assets		2,209,469,804	727,944,400
Trade debts	9	8,721,040,747	4,125,928,299
Loans, advances and other receivables		764,229,273	734,667,764
Trade deposits and short term prepayments		1,589,542,933	323,149,962
Interest accrued		7,065,299	11,118,877
Short term investments	10	5,197,943,440	4,866,676,912
Tax refunds due from the Government		242,823,201	213,640,998
Current portion of deferred employee benefits		167,565,943	2,890,139
Cash and bank balances	11	3,572,066,534	2,978,863,741
		<b>22,471,747,174</b>	<b>13,984,881,092</b>
<b>TOTAL ASSETS</b>		<b>34,485,878,728</b>	<b>18,031,453,830</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital 400,000,000 (2021: 400,000,000) ordinary shares of Rs. 10 each		<b>4,000,000,000</b>	4,000,000,000
Issued, subscribed and paid up share capital	12	2,784,051,990	1,384,989,120
Capital and reserves		5,513,739,410	1,148,309,400
Shares to be issued		118,225,000	-
Unappropriated profits		12,556,411,274	9,528,306,407
		<b>20,972,427,674</b>	<b>12,061,604,927</b>
<b>Non-controlling interest</b>		<b>1,038,497</b>	1,169,928
		<b>20,973,466,171</b>	<b>12,062,774,855</b>
<b>Non-current liabilities</b>			
Long term advances		227,046,277	81,111,314
Lease Liability		506,288,453	238,881,185
Provision for gratuity		176,157,327	94,865,412
		<b>909,492,057</b>	<b>414,857,911</b>
<b>Current liabilities</b>			
Trade and other payables	13	6,355,425,952	1,706,609,735
Unclaimed Dividend		16,326,537	9,226,244
Contract Liability		2,208,065,129	940,135,872
Mark-up accrued on short term borrowings		27,531,805	13,702
Short term borrowings		3,950,000,000	2,750,000,000
Current Portion of lease liability		17,558,875	62,195,197
Current Portion of long term loan		26,389,503	76,816,085
Current Portion of deferred grant		-	1,958,993
Current portion of long term advances		1,622,700	6,865,236
		<b>12,602,920,501</b>	<b>5,553,821,064</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>34,485,878,728</b>	<b>18,031,453,830</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			

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

  
(CHAIRMAN)

  
(CHIEF EXECUTIVE OFFICER)

  
(CHIEF FINANCIAL OFFICER)



# CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

for the nine months period ended 30 September 2022 (Unaudited)

Note	Nine Months Ended		Three Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	Rupees	Rupees	Rupees	Rupees
Revenue from contract with customers - net	20,144,848,895	10,524,242,502	8,681,603,604	3,976,171,712
Cost of sales	13,785,810,105	6,928,344,524	5,977,011,590	2,624,762,694
Gross profit	6,359,038,789	3,595,897,978	2,704,592,014	1,351,409,018
Distribution expenses	451,256,260	388,193,152	186,329,915	176,902,909
Administrative expenses	1,766,220,088	846,981,359	780,420,239	334,091,519
Other operating expenses	96,697,365	44,470,513	76,258,136	56,601,252
	2,314,173,713	1,279,645,023	1,043,008,290	567,595,680
Operating profit	4,044,865,076	2,316,252,955	1,661,583,724	783,813,338
Other income	1,735,194,330	367,689,572	753,548,976	292,651,666
Share of loss from associate	231,370,469	16,123,495	82,277,736	16,123,495
Finance cost	153,393,257	76,335,750	69,040,018	27,745,462
Profit before taxation	5,395,295,679	2,591,483,283	2,263,814,945	1,032,596,047
Taxation	279,583,243	69,284,371	113,539,733	25,099,912
Profit after taxation	5,115,712,436	2,522,198,912	2,150,275,212	1,007,496,135
Attributable to:				
Equity holders of the parent	5,115,843,867	2,595,877,434	2,150,433,259	1,039,150,809
Non-controlling interest	(131,431)	(73,678,522)	(158,047)	(31,654,673)
	5,115,712,436	2,522,198,912	2,150,275,212	1,007,496,137
Earnings per share:		Restated		Restated
Basic earnings per share	17 18.47	9.44	7.72	3.76
Diluted earnings per share	18.37	9.38	7.67	3.75

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

  
(CHAIRMAN)

  
(CHIEF EXECUTIVE OFFICER)

  
(CHIEF FINANCIAL OFFICER)

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the nine months period ended 30 September 2022 (Unaudited)

	Nine Months Ended		Three Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	Rupees	Rupees	Rupees	Rupees
Profit for the period	5,115,712,436	2,522,198,912	2,150,275,212	1,007,496,135
Other comprehensive income				
Exchange difference on translation of foreign operations	448,418,217	76,394,734	174,539,827	53,608,914
<b>Total comprehensive income for the period</b>	<b>5,564,130,653</b>	<b>2,598,593,646</b>	<b>2,324,815,039</b>	<b>1,061,105,049</b>
<b>Attributable to:</b>				
Equity holders of the parent	5,564,262,084	2,672,272,168	2,324,973,086	1,092,759,723
Non-controlling interest	(131,431)	(73,678,522)	(158,047)	(31,654,673)
	<b>5,564,130,653</b>	<b>2,598,593,646</b>	<b>2,324,815,039</b>	<b>1,061,105,050</b>

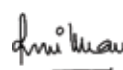
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(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the nine months period ended 30 September 2022 (Unaudited)

	Issued, subscribed and paid up share capital	Shares to be issued	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					
<b>Balance as at 31st December 2020 (Audited)</b>	1,246,060,140	-	614,907,403	847,47,028	187,609,706	59,347,679	5,626,952,295	7,829,624,251	146,398,075	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 @ 10%	124,623,690	-	-	-	-	-	(124,623,690)	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	2,595,877,434	2,595,877,434	(7,367,8522)	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	-	10,354,9389	(8,8615,414)	-	-	75,031,765	75,031,765	-	75,031,765
Share based payments	-	-	-	81,255,650	-	-	-	81,255,650	-	81,255,650
<b>Balance as at 30 September 2021 (Un-audited)</b>	1,380,781,620	-	718,956,792	127,387,264	187,609,706	135,742,413	7,662,023,120	10,222,000,915	72,710,553	10,294,711,468
<b>Balance as at 31st December 2021 (Audited)</b>	1,384,989,120	-	820,263,291	200,220,759	-	127,825,350	9,528,306,407	12,061,604,927	1,169,928	12,062,774,855
Final Dividend @ Rs. 5 per share for the year ended 31 December 2021	-	-	-	-	-	-	(695,913,000)	(695,913,000)	-	(695,913,000)
Total comprehensive income for the period	-	-	-	-	-	-	5,115,843,867	5,115,843,867	(131,431)	5,115,712,436
Other comprehensive income for the year	-	-	-	-	-	448,418,217	-	448,418,217	-	448,418,217
Exercise of Share Options	7,236,870	-	47,320,443	(57,382,207)	-	-	-	(2,824,894)	-	(2,824,894)
Acquisition of National Data Consultants (Pvt) Limited	-	118,225,000	3,790,411,725	-	-	-	-	3,908,636,725	-	3,908,636,725
Share based payments	-	-	-	136,661,832	-	-	-	136,661,832	-	136,661,832
<b>Balance as at 30 September 2022 (Un-audited)</b>	2,784,051,890	118,225,000	4,657,995,459	279,500,384	-	576,243,567	12,556,411,274	20,972,427,674	1,038,497	20,973,466,171

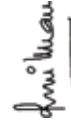
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(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

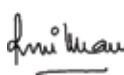
for the nine months period ended 30 September 2022 (Unaudited)

	Note	Nine Months Ended	
		30 September 2022 Rupees	30 September 2021 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash flows from/(used in) operations	19	2,032,277,148	722,808,263
Finance costs paid		(125,875,154)	(80,066,820)
Gratuity paid		(13,691,467)	(15,831,975)
Taxes paid		(285,657,406)	(96,773,383)
<b>Net cash flows from/(used in) operating activities</b>		<b>1,607,053,120</b>	<b>530,136,085</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(1,170,627,928)	(559,062,179)
Development expenditure		-	(83,858,877)
Proceeds from the disposal of property and equipment		237,194,797	27,901,550
(Increase) / Decrease in long term deposits		47,252,804	(12,066,277)
Disposal of short term investments - net		(331,266,528)	(1,324,296,343)
Investment in subsidiary		(1,242,873,991)	-
Increase in long term investment		(93,986,104)	(468,000,000)
Profit received on short term investment		402,357,893	160,381,361
Profit received on bank deposits		29,787,234	20,475,887
<b>Net cash flows used in/from investing activities</b>		<b>(2,122,161,823)</b>	<b>(2,238,524,878)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from exercise of share options		53,156,008	75,031,765
Increase in short term borrowings		1,200,000,000	840,000,000
Increase /Decrease in long term loan		(52,385,598)	144,856,816
Dividend paid		(688,812,707)	(431,609,325)
Increase in Lease Liability		7,243,150	8,673,529
Increase in long term advances		140,692,427	21,017,011
<b>Net cash flows used in financing activities</b>		<b>659,893,280</b>	<b>657,969,796</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>144,784,577</b>	<b>(1,050,418,997)</b>
<b>Effect of exchange translation reserve</b>		<b>448,418,217</b>	<b>76,394,734</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>2,978,863,741</b>	<b>2,985,104,566</b>
<b>Cash and cash equivalents at closing of the period</b>		<b>3,572,066,535</b>	<b>2,011,080,303</b>

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

  
(CHAIRMAN)

  
(CHIEF EXECUTIVE OFFICER)

  
(CHIEF FINANCIAL OFFICER)

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the nine months period ended 30 September 2022 (Unaudited)

## 1. THE GROUP AND ITS OPERATIONS

### Holding company

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

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

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

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

Techvista Information Technology W.L.L. ("TVSQ") is a limited liability company incorporated in the State of Qatar. The Company owns 34% (December 31, 2021: 34%) share capital in TVSQ. Pursuant to the agreement entered with the remaining shareholders of TVSQ on February 27, 2022 the Holding Company has obtained all control and management of TVSQ.

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

During the year, Systems Misr, a wholly owned subsidiary has been incorporated in Egypt. As of reporting date, no investment has been transferred in that entity.

During the year, Systems International IT Pte. Ltd., a wholly owned subsidiary has been incorporated in Singapore. As of reporting date, no investment has been transferred in that entity.

During the year, wholly owned subsidiary Techvista Systems FZ LLC, has acquired 100% of TreeHouse Consultancy, a high-end IT solutions provider, along with its subsidiaries and associated companies.

During the year, the holding company acquired 100% stake in National Data Consultants (Pvt.) Limited "NdcTech". NdcTech has been a leading core and digital banking implementation service provider for the past 22 years and has a rich set of clients in Pakistan, Middle East, Africa and Asia Pacific region.

During the year, wholly owned subsidiary Systems International IT Pte. Ltd. acquired 100% stake in National Data Consultants FZC (incorporated in UAE) and NDCtech APAC Pte. Ltd. (incorporated in Singapore).

### Associated Companies

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

E-Processing Systems B.V, a private limited Company, incorporated on 08 October 2021 in Netherlands, is a 44.60% (2020: 44.60%) owned associate of Systems Limited which is primarily aimed at attracting foreign investment (Refer to Note 8.12). The results of E-Processing Systems B.V. have been accounted for using the equity method of accounting in these consolidated financial statements on the basis of management accounts using consistent accounting policies of the Holding Company

## 2. STATEMENT OF COMPLIANCE

- 2.1 This consolidated condensed interim financial information of the Group for the period ended 30 September 2022 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.
- 2.2 This interim financial information is un-audited and is being submitted to shareholders, as required by section 237 of the Companies Act, 2017.

## 3. BASIS OF PREPARATION

This consolidated condensed interim financial information is not audited and has been prepared in condensed form and does not include all the information as is required to be provided in full set of annual financial statements. This condensed interim consolidated financial information should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2021.

### 3.1 Consolidated financial statements

This consolidated condensed interim financial information comprises the financial information of Systems Limited and its subsidiaries, 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 2021.

## 5. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended 31 December 2021.

## 6. Acquisition of subsidiaries

- 6.1 On 1st July 2022, Techvista Systems FZ-LLC, a wholly owned subsidiary of the Parent incorporated in the UAE, acquired 100% voting rights of Treehouse Consultancy LLC, a company based in the UAE. The acquisition has been against a net consideration of:

- PKR 160 million in cash
- US\$ 800,000 in cash

As of the balance sheet date, there is no material adjustment required to the carrying amount stated in financial statements. Goodwill recognized on acquisition date is provisional, subject to the completion of Purchase Price Allocation exercise being conducted by the third-party expert. The exercise is expected to be completed within the measurement period allowed under IFRS.

- 6.2 On 5th July 2022, the Group acquired 100% voting shares NDC Group, consisting of the following companies:

- i.National Data Consultants (Pvt.) Ltd., incorporated in Pakistan
- ii.National Data Consultants FZE, incorporated in UAE
- iii.NDCtech APAC Pte. Ltd., incorporated in Singapore

The acquisition of the NDC Group was settled by

- a.PKR 346 million in cash
- b.US\$ 10 million in cash
- c.118 million shares of the Parent Company. The fair value of the equity shares issued was based on the market value of the Parent Company's shares on acquisition date.

Goodwill recognized on acquisition date is provisional, subject to the completion of Purchase Price Allocation exercise being conducted by the third-party expert. The exercise is expected to be completed within the measurement period allowed under IFRS.

	Note	Unaudited 30 September 2022	Audited 31 December 2021
----- (Rupees) -----			
<b>7. PROPERTY AND EQUIPMENT</b>			
Operating fixed assets	7.1	2,669,818,374	2,028,987,092
Capital work in progress	7.2	59,867,041	22,812,942
		<b>2,729,685,415</b>	<b>2,051,800,034</b>
<b>7.1 Operating fixed assets:</b>			
Opening balance - net book value		2,028,987,092	1,517,920,242
Additions during the period / year - cost	7.1.1	1,133,573,829	847,219,059
		<b>3,162,560,921</b>	<b>2,365,139,301</b>
Less:			
Disposals during the period / year	7.1.2	154,350,646	35,017,138
Depreciation during the period / year		338,391,901	301,135,071
Book value at the end of the period / year		<b>2,669,818,374</b>	<b>2,028,987,092</b>
<b>7.1.1 Additions during the period / year-cost</b>			
Land		192,322,111	-
Building		3,497,401	33,410,848
Computer equipment and installations		555,415,188	566,402,613
Other equipment and installations		117,366,925	21,007,777
Generator		39,800,533	6,606,088
Furniture and fittings		96,435,368	19,451,442
Vehicles		23,668,487	163,785,826
Office equipment		12,026,729	734,279
Leasehold Improvements		79,583,455	32,682,670
Exchange gain / (loss)		13,457,632	3,137,516
		<b>1,133,573,829</b>	<b>847,219,059</b>
<b>7.1.2 Disposals during the period / year</b>			
		<b>Cost</b>	<b>Accumulated Depreciation</b>
		<b>Written Down Value</b>	
<b>30 September 2022</b>			
Computer equipment and installations		8,395,049	7,055,526
Computers and mobile sets		17,340,074	15,451,262
Other equipment and installations		7,489,064	3,576,838
Vehicles		230,324,232	83,141,621
Office equipment		32,994	5,520
		<b>263,548,419</b>	<b>109,225,247</b>
<b>31 December 2021</b>			
Computer equipment and installations		11,299,707	10,162,402
Other equipment and installations		-	99,421
Furniture and fittings		2,377,400	1,213,408
Vehicles		48,530,780	26,326,832
Office equipment		755,227	474,240
Disposal of Subsidiary		20,520,905	10,190,578
		<b>83,484,019</b>	<b>48,466,881</b>
			<b>35,017,138</b>
<b>7.2 CAPITAL WORK IN PROGRESS</b>			
		<b>Unaudited 30 September 2022</b>	<b>Audited 31 December 2021</b>
----- (Rupees) -----			
Balance at the beginning of the period / year		22,812,942	746,272
Additions during the period / year		108,791,096	31,578,703
Transfer to operating fixed assets during the period / year		(71,736,997)	(9,512,033)
Balance at the end of the period / year		<b>59,867,041</b>	<b>22,812,942</b>
<b>8. LONG TERM INVESTMENTS</b>			
		<b>30 September 2022</b>	<b>31 December 2021</b>
----- (Rupees) -----			
Jugnu Private Limited		88,555,000	-
Jomo Technologies (Private) Limited		150,000,000	-

		Unaudited 30 September 2022	Audited 31 December 2021
	Note	----- (Rupees) -----	
<b>9. TRADE DEBTS</b>			
<b>Considered good - unsecured</b>			
Export	(9.1)	7,750,509,470	3,300,582,378
Local		<b>1,438,304,015</b>	1,160,066,340
		<b>9,188,813,485</b>	4,460,648,718
Less: Allowance for expected credit losses		<b>(467,772,738)</b>	(334,720,419)
		<b>8,721,040,747</b>	4,125,928,299
<b>9.1</b>	This includes receivables from related parties which are as follows:		
Visionet Systems Incorporation -USA		2,692,148,989	1,766,444,533
Visionet Systems - UK		366,786,486	19,515,971
Visionet Deutschland GMBH - Germany		363,268,005	109,174,344
Jomo Technologies (Private) Limited		10,507,829	-
<b>10. SHORT TERM INVESTMENTS</b>			
<b>Fair value through profit and loss</b>			
- Mutual fund units	(10.1)	5,070,943,440	4,199,676,912
<b>Amortized cost</b>			
- Term deposit receipts (TDRs)	(10.2)	127,000,000	667,000,000
		<b>5,197,943,440</b>	4,866,676,912
<b>10.1</b>	The details of investment in mutual funds are as follows:		
UBL Al- Ameen Asset Islamic Allocation Fund		-	107,656,212
UBL Al-Ameen Islamic Cash Plan		-	307,889,806
Alfalah GHP Islamic Income Fund		-	131,098,915
Alfalah Islamic Rozana Amdani Fund		709,546,511	-
HBL Asset Islamic Allocation Fund		-	52,976,195
HBL Islamic Money Market Fund		954,961,203	25,864,345
Lakson Islamic Tactical Fund		-	99,843,707
Lakson money market Fund		-	101,159,394
Meezan Balanced Fund		-	103,600,318
Meezan Islamic Income Fund		-	53,502,393
Meezan Islamic Fund (Mif)		-	15,173,025
Meezan Rozana Amdani Fund (Mraf)		-	621,489,473
Meezan Paidar Munafa Plan		1,007,240,000	-
NBP Islamic Sarmaya Izafa Fund		-	312,138,444
NBP Islamic Daily dividend Fund		-	613,531,130
NBP Islamic Stock Fund		-	83,246,347
NBP Islamic Income Fund		-	52,548,599
MCB Al Hamra Islamic money market fund		844,477,642	467,949,478
ABL Islamic Stock Fund		-	47,314,269
ABL Islamic Cash Fund		518,147,172	257,844,525
ABL Islamic income Fund		-	50,835,310
Faysal Islamic Cash Fund		1,036,570,912	557,457,027
Al Habib Islamic cash fund		-	-
		<b>5,070,943,440</b>	4,199,676,912
<b>10.2</b>	The details of investments in TDRs are as follows:		
Faysal Bank Limited		-	-
Habib Metropolitan Bank		100,000,000	650,000,000
Habib Bank Limited		27,000,000	17,000,000
	10.2.1	<b>127,000,000</b>	667,000,000
<b>10.2.1</b>	This represents TDRs carrying markup at rates ranging from 7.5% to 14.5% (2021: 6.45% to 12.75%) per annum.		
<b>11. CASH AND BANK BALANCES</b>			
<b>Cash in hand</b>		4,583,883	946,078
<b>Cash at bank:</b>			
Local currency:			
Current accounts		2,457,817,539	1,636,860,527
Deposit accounts	(11.1)	643,957,828	1,236,990,790
		<b>3,101,775,367</b>	2,873,851,317
Foreign currency - current accounts		465,707,284	104,066,346
		<b>3,572,066,534</b>	2,978,863,741
<b>11.1</b>	These carry interest rate of 6.5% to 13.5% (2021: 4.12% to 6.28%) per annum.		



## 12. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	30 September 2022	31 December 2021	Unaudited	Audited
			30 September 2022	31 December 2021
	-----No of Shares-----		-----Rupees-----	
Ordinary shares of Rs. 10/-fully paid in cash	115,538,876	114,815,189	1,155,388,760	1,148,151,890
Stock options exercised				
Ordinary shares of Rs. 10/- each fully paid up as bonus shares	162,866,323	23,683,723	1,628,663,230	236,837,230
<b>Ordinary shares of Rs. 10/-</b>	<b>278,405,199</b>	<b>138,498,912</b>	<b>2,784,051,990</b>	<b>1,384,989,120</b>

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

Balance as at 1st January	138,498,912	124,606,014	1,384,989,120	1,246,060,140
Stock options exercised	723,687	1,430,529	7,236,870	14,305,290
Bonus shares issued	139,182,600	12,462,369	1,391,826,000	124,623,690
<b>Balance as at 30 September 2022</b>	<b>278,405,199</b>	<b>138,498,912</b>	<b>2,784,051,990</b>	<b>1,384,989,120</b>

## 13. TRADE AND OTHER PAYABLES

	Unaudited	Audited
	30 September 2022	31 December 2021
	----- (Rupees) -----	
Creditors	3,364,053,774	646,916,901
Accrued liabilities	2,467,824,812	933,261,347
Provident fund payable	93,837,945	67,671,516
Withholding income tax payable	241,835,593	41,565,074
Sales/Value Addition tax payable	187,873,827	17,194,897
	<b>6,355,425,952</b>	<b>1,706,609,735</b>

#### 14. OPERATING SEGMENT INFORMATION

##### Geographical segments

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

North America  
Europe  
Middle East  
Pakistan

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

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

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

	North America		Europe		Middle East		Pakistan		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Nine months ended	2021	Nine months ended	2021	Nine months ended	2021	Nine months ended	2021	Nine months ended	2021
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees									
Revenue - net	6,852,073,414	45,39,113,348	1,022,476,826	760,125,973	8,559,498,234	3,226,143,467	3,710,800,421	1,998,859,714	20,144,848,895	10,524,242,502
Cost of sales	4,313,461,765	2,743,361,686	553,861,953	493,564,103	5,864,254,184	2,172,646,731	3,054,232,204	1,518,772,003	13,785,610,106	6,928,344,523
Gross profit	2,538,611,650	1,795,751,662	468,614,873	266,561,870	2,695,244,050	1,053,496,736	656,568,216	480,087,710	6,359,038,789	3,595,897,979
Distribution expenses	16,830,789	28,192,339	1,870,088	4,721,127	269,624,681	88,077,597	162,930,702	26,720,089	451,256,260	388,193,152
Administrative expenses	749,608,077	422,888,503	72,178,675	70,817,472	819,378,238	231,235,495	125,055,098	122,039,888	1,766,220,088	846,981,359
Profit / (loss) before taxation and unallocated income and expenses	1,772,172,784	1,344,670,821	394,566,110	191,023,271	1,606,241,131	734,183,644	368,582,416	90,845,733	4,141,562,442	2,360,723,468
Other operating expenses									(96,697,365)	(44,470,513)
Exchange (loss) / gain									556,308,320	156,360,992
Share of loss from associates									1,178,886,010	211,328,580
Finance cost									(231,370,469)	(16,123,495)
Profit before taxation									(153,393,257)	(76,335,750)
Taxation									5,395,295,679	2,591,483,282
Profit after taxation									(279,563,243)	(69,284,371)
									5,115,712,436	2,522,198,912

## 15. CONTINGENCIES AND COMMITMENTS

### 15.1 Contingencies

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

#### Tax Year 2016 - under section 122/177

The Deputy Commissioner Inland Revenue ('DCIR') issued a show cause notice under section 122 on the basis of audit of undertaking filed under clause 94 part IV of Second Schedule to the Income tax ordinance, 2001 (the 'Ordinance'), which was duly replied by the Holding Company. Consequently, the DCIR passed an order dated June 30, 2022 under section 122/177 of the Ordinance and has raised the income tax demand of Rs 29 million on issue of proration of certain expenses. The management of the Holding Company has filed an appeal before the Commissioner Inland Revenue (Appeals) and based on the view of its legal counsel, expects a favorable outcome in this regard.

### 15.2 Commitments:

Guarantees issued by the financial institutions on behalf of the Group amount to Rs. 534.84 million (December 31, 2021: Rs 329.11 million). This includes guarantees of Rs 77.38 million (December 31, 2021: Rs 77.38 million) given on behalf of UUS Joint Venture (Private) Limited, a joint operation of the Group.

## 16. Other Income

#### Income from financial assets:

Profit on deposit accounts  
Profit on short term investments  
Exchange gain / (loss)

#### Income from non-financial assets:

Gain on disposal of property & equipment  
Others

	Un-audited 30 September 2022	Un-audited 30 September 2021
	(Rupees)	
Profit on deposit accounts	29,787,234	20,475,887
Profit on short term investments	398,304,315	126,316,968
Exchange gain / (loss)	1,178,886,010	211,328,580
	1,606,977,559	358,121,435
Gain on disposal of property & equipment	82,844,151	9,056,271
Others	45,372,620	511,866
	128,216,771	9,568,137
	1,735,194,330	367,689,572

## 17. EARNINGS PER SHARE

	Nine Months Ended		Three Months Ended	
	30 September		30 September	
	2022 Un-audited	2021 Un-audited	2022 Un-audited	2021 Un-audited
<b>Basic earnings per share</b>		(Restated)		(Restated)
Profit for the period attributable to equity holder of parent	5,115,843,867	2,595,877,434	2,150,433,259	1,039,150,809
Weighted average number of ordinary shares in issue during the period	276,972,750	275,090,794	278,373,677	276,152,940
Basic - in Rupees	18.47	9.44	7.72	3.76
<b>Diluted earnings per share</b>				
Profit for the period attributable to equity holder of parent	5,115,843,867	2,595,877,434	2,150,433,259	1,039,150,809
Weighted-average number of ordinary shares (basic)	276,972,750	275,090,794	278,373,677	276,152,940
Effect of share options	1,588,619	1,563,491	1,846,953	1,136,653
	278,561,369	276,654,285	280,220,630	277,289,593
Diluted - in Rupees	18.37	9.38	7.67	3.75

## 18. TRANSACTIONS WITH RELATED PARTIES

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

Undertaking	Relation	Nature of transactions	Unaudited Nine Months Ended 30 September	
			2022	2021
			Rupees	
Visionet Systems Incorporation - USA	Common Directorship	Sales	6,851,506,619	4,483,438,306
		Expenses incurred on behalf of the party	64,595,337	(10,002,668)

Undertaking	Relation	Nature of transactions	Unaudited Nine Months Ended 30 September	
			2022	2021
			Rupees	
Visionet Systems Incorporation - USA	Common Directorship	Sales	6,851,506,619	4,483,438,306
		Expenses incurred on behalf of the party	64,595,337	(10,002,668)
Visionet Systems - UK	Associate	Sales	331,089,029	31,573,076
		Expenses incurred on behalf of the party	6,020,230	-
Visionet Deutschland GMBH - Germany	Associate	Sales	605,029,870	717,649,544
		Expenses incurred on behalf of the party	-	-
E-Processing Systems (Private) Limited	Associate	Expense incurred on behalf of the party	78,940,595	413,106,276
		Receipts against advance Interest income	(78,826,660) 21,792,462	(263,474,869) 13,531,198
Key management personnel	Employees	Salaries and other benefits	1,196,096,072	632,696,092
Retailstan (Private) Limited	Associate	Long Term Investment	88,555,000	451,876,505
Jomo Technologies (Private) Limited	Associate	Sales	16,007,284	-
		Equity Investment	150,000,000	-
Staff retirement funds	Associate	Contribution	444,044,717	219,784,548

## 19. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	5,395,295,679	2,591,483,283
Adjustments of reconcile profit before tax to meet cash flows:		
Depreciation on property and equipment	338,391,901	218,913,820
Amortization of intangible assets	7,704,625	18,983,589
Allowance for expected credit loss	96,697,365	44,470,513
Share based payment expense	136,661,832	81,255,650
Finance cost	153,393,257	76,335,750
Gratuity expense	94,983,382	47,409,698
Share of loss of associate	231,370,469	16,123,495
Exchange loss / (gain) on translation of export receivables	(1,178,886,010)	(211,328,580)
Gain on disposal of property and equipment	(82,844,151)	(9,056,271)
Gain on short term investments	(398,304,315)	(126,316,968)
Profit on bank deposits	(29,787,234)	(20,475,887)
	(630,618,878)	136,314,808
<b>Profit before working capital changes</b>	<b>4,764,676,801</b>	<b>2,727,798,091</b>
<b>Effect on cash flow due to working capital changes</b>		
(Increase) / decrease in current assets:		
Contract assets - Net	(1,481,525,404)	(173,271,265)
Trade debts	(3,568,904,771)	(1,414,150,499)
Loans, advances and other receivables	(571,921,981)	61,119,211
Trade deposits and short term prepayments	(1,266,392,971)	(667,167,711)
	(6,888,745,128)	(2,193,470,264)
(Decrease) / increase in current liabilities:		
Trade and other payables	2,888,416,217	188,480,436
Contract Liability	1,267,929,257	
	(2,732,399,654)	(2,004,989,828)
<b>Net cash flows from operations</b>	<b>2,032,277,148</b>	<b>722,808,263</b>

## 20. FINANCIAL RISK MANAGEMENT

### 20.1 Financial risk factors

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

## 20.2 Fair values of financial assets and liabilities

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

### Fair value hierarchy

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

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

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

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

- During the nine months period ended 30 September 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

## 20.3 Financial instruments by categories

30 September 2022		
Financial Assets at fair value through P&L	Financial Assets at amortized cost	Total
(Rupees)		
Financial assets as per balance sheet		
Long term deposits	94,041,301	94,041,301
Contract assets	2,209,469,804	2,209,469,804
Trade debts	8,721,040,747	8,721,040,747
Loans, advances and other receivables	764,229,273	764,229,273
Security deposits	898,738,240	898,738,240
Interest accrued	7,065,299	7,065,299
Short term investments	5,070,943,440	5,197,943,440
Cash and bank balances	-	3,572,066,534
	<b>5,070,943,440</b>	<b>16,393,651,198</b>
		<b>21,464,594,638</b>

31 December 2021		
Financial Assets at fair value through P&L	Financial Assets at amortized cost	Total
(Rupees)		
Financial assets as per balance sheet		
Long term deposits	141,294,105	141,294,105
Contract assets	727,944,400	727,944,400
Trade debts	4,125,928,299	4,125,928,299
Loans, advances and other receivables	734,667,764	734,667,764
Security deposits	164,893,714	164,893,714
Interest accrued	11,118,877	11,118,877
Short term investments	4,199,676,912	4,866,676,912
Cash and bank balances	-	2,978,863,741
	<b>4,199,676,912</b>	<b>9,551,710,900</b>
		<b>13,751,387,812</b>

30 September 2022	31 December 2021
Financial Liabilities at amortized cost	
(Rupees)	

Financial liabilities as per balance sheet		
Long term loan	-	-
Lease liabilities	523,847,328	301,076,382
Current portion of long term loan	26,389,503	76,816,085
Markup accrued on short term borrowing	27,531,805	13,702
Short term borrowing	3,950,000,000	2,750,000,000
Trade and other payables	6,355,425,952	1,706,609,735
	<b>10,883,194,588</b>	<b>4,834,515,904</b>

## 21. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issuance on 25 October 2022 by the Board of Directors of the Group.

## 22. CORRESPONDING FIGURES

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

## 23. GENERAL

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



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)



















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## Pakistan

### Lahore (Head Office)

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

### Lahore (BPO Office)

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

### Karachi

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Shaheed-e-Millat Road, Karachi, Pakistan

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Plot No. 11-B, Muhammad Ali Society,  
Karachi, Pakistan

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Sector G-11 Markaz, Islamabad, Pakistan

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NH 5, Sector A DHA Phase II,  
Islamabad

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