



systems

THIRD QUARTER REPORT SEPTEMBER

2023

Innovating for a better tommorow

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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 Member

Chief Financial Officer

Ms. Roohi Khan

Company Secretary

Mr. Ali Ahmed Iftikhar

Head of Internal Audit

Mr. Salman Naveed

Internal Auditors

Uzair Hammad Faisal & Co.

External Auditors

A. F Ferguson & Co.
Chartered Accountants

Legal Advisors

Hassan & Hassan Advocates
Ahmed & Pansota

Tax Advisors

A. F Ferguson & Co.
Chartered Accountants

Banks

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

Share Registrar

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 month period ended 30th September 2023.

FINANCIAL RESULTS

Unconsolidated:

During period under review, standalone revenue grew 56% over same period last year from Rs. 14,798.18 million to Rs. 23,075.54 million. Consequently, Gross profit and Operating profit are 41% and 39% higher than SPLY (same period last year) respectively. Margins remain under stress due to significant inflationary pressures in the domestic market, partially eased by continued devaluation of the Pak Rupee resulting in a revaluation gain of Rs 2,386.23 million compared to the gain in September 2022 of Rs. 1,172.07 million increasing net profit by 40%, from Rs. 4,816.21 million to Rs. 6,730.02 million in this period. Basic and diluted earnings per share increased by 33% in line with profit for the period. The growth in revenue, net of the impact of exchange gain, is 11%.

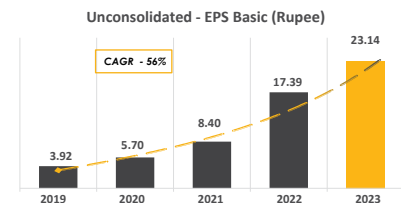
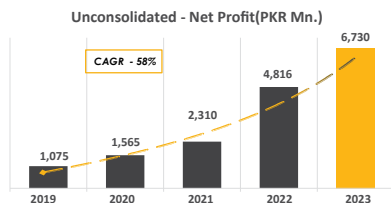
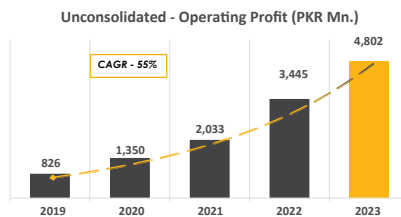
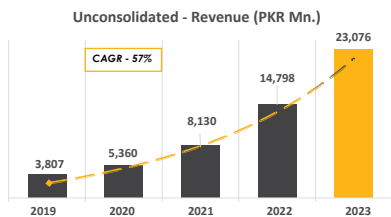
Key Financial Highlights - Unconsolidated

Particulars	Sept-23 (unaudited)	Sept-22 (unaudited)	Change
	Rs.	Rs.	
Revenue	23,075,540,270	14,798,176,063	56
Gross Profit	6,820,989,993	4,820,606,142	41
Operating profit	4,802,075,600	3,444,773,702	39
Profit for the period	6,730,022,690	4,816,210,876	40
Earnings before Interest, Tax & Depreciation*	5,346,396,485	3,766,825,546	42
Earnings per share (basic)	23.14	17.39	33
Earnings per share (diluted)	22.96	17.29	33

*Earnings represent operating profit

Other Income - Unconsolidated

Particulars	Sept-23 (unaudited)	Sept-22 (unaudited)
	Rs.	Rs.
Other Income	371,680,351	593,097,838
Exchange Gain / (Loss)	2,386,235,698	1,172,076,353
	2,757,916,049	1,765,174,191



Consolidated:

In line with the unconsolidated results, consolidated revenue grew by 85% from Rs. 20,144.84 million to Rs. 37,333.78 million versus SPLY.

Gross profit and operating profit increased 59% and 35% respectively. Investment in subsidiaries along with inflationary cost pressures in the domestic market negatively impacted margins, however, optimization of revenue and focus on costs positively impacted margins quarter over quarter. Net profit for the period at Rs. 7,146.811 million is 40% higher than SPLY, including the Rs. 2,638.43 million exchange gain. Basic and diluted earnings per share both increased by 33% in line with profit for the period. Eliminating the currency impact, revenue is up by 39% in US dollar terms.

During the year ended December 31, 2022, the management had acquired 9% stake in the fastest growing fashion e-commerce brand of Pakistan, JOMO, as a strategic investment. However, considering the economic downturn in the country and delay in anticipated funding resulting in deteriorating liquidity and financial performance of the brand, the management believes that the carrying value of investment amounting to Rs 154.46 million does not truly reflect its fair value. Hence the management, in the interest of prudence has taken requisite impairment of the investment.

The Company was absorbing a share of loss from its investment in Retailistan which had been adversely impacting margins. Since it has neutralized the cost of the investment, no further adverse impact on profitability is expected.

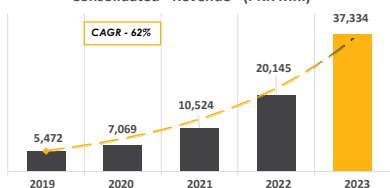
Key Financial Highlights - Consolidated

Particulars	Sept-23 (unaudited)	Sept-22 (unaudited)	Change %
	Rs.	Rs.	
Revenue	37,333,785,801	20,144,848,895	85
Gross Profit	10,113,691,688	6,359,038,789	59
Operating profit	5,467,065,736	4,044,865,076	35
Earnings before Interest, Tax & Depreciation	6,780,711,963	4,390,961,602	54
Profit for the period	7,146,811,803	5,115,712,436	40
Earnings per share (basic)	24.57	18.47	33
Earnings per share (diluted)	24.38	18.37	33

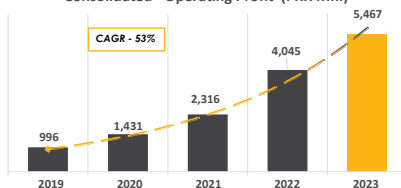
Other Income - Consolidated

Particulars	Sept-23 (unaudited)	Sept-22 (unaudited)
	Rs.	Rs.
Other Income	378,543,030	556,308,320
Exchange Gain / (Loss)	2,638,436,427	1,178,886,010
	3,016,979,457	1,735,194,330

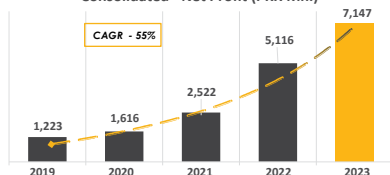
Consolidated - Revenue - (PKR Mn.)



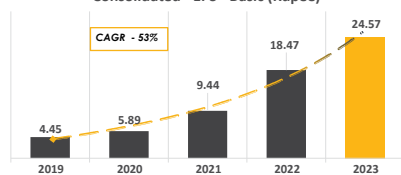
Consolidated - Operating Profit (PKR Mn.)



Consolidated - Net Profit (PKR Mn.)



Consolidated - EPS - Basic (Rupee)



PERFORMANCE BY SEGMENT – VERTICAL AND GEOGRAPHICAL – CONSOLIDATED:

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

Shifting toward industry verticals prompts the Company to reevaluate deployment of its global resources in alignment with the specific needs and growth potential of each vertical. Consequently the Company will strategically allocate its resources, such as talent, technology and investments to effectively capitalize on growth opportunities within each sector. This dynamic resource allocation supports the Company's overarching strategy of maximizing growth and efficiency.

Although the Company will continue to use both geographical and vertical segments, the four primary segments will revolve around industry verticals, reflecting the company's strategic shift:

- **Banking, Financial Services & Insurance (BFSI):** This segment likely includes activities related to banking, financial services, and insurance. The newly acquired segment of Temenos is included here.
- **Retail & CPG (Consumer Packaged Goods):** This segment encompasses retail operations and consumer goods.
- **Telco (Telecommunications):** This segment involves telecommunications services and technologies.
- **Others:** This catch-all category may include any remaining segments which are not material enough to be reported individually.

	BFSI		Telco		Technology		Retail & CPG		Others		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Rupees												
Revenue - net	1,281,788,304	5,200,029,979	7,718,176,285	3,541,750,000	5,407,239,715	3,222,892,703	4,067,480,068	3,360,339,090	8,859,101,451	4,819,777,134	37,333,785,801	20,144,848,895
Cost of sales	(8,178,899,352)	(3,813,652,283)	(5,203,463,963)	(2,647,023,874)	(3,598,331,918)	(2,048,566,789)	(2,636,633,630)	(2,000,568,866)	(8,871,765,052)	(3,477,351,450)	(22,220,094,113)	(13,785,810,305)
Gross profit	2,102,888,952	(1,586,466,586)	2,514,712,302	894,826,326	1,818,907,797	1,174,325,914	1,430,846,439	1,359,770,224	2,187,336,400	1,342,655,541	10,113,691,688	6,359,038,589
Distribution expenses	(355,727,731)	(114,504,523)	(286,793,174)	(87,905,896)	(209,217,994)	(71,488,766)	(124,457,569)	(57,851,999)	(312,071,657)	(119,505,076)	(1,288,267,525)	(451,256,260)
Administrative expenses	(80,012,331)	(418,205,000)	(605,982,285)	(255,872,526)	(588,028,673)	(293,341,100)	(385,277,955)	(126,222,240)	(885,001,043)	(484,578,077)	(2,975,301,467)	(1,766,220,088)
Profit / (loss) before taxation and unallocated income and expenses	1,056,740,662	(530,708,013)	(392,775,439)	(343,779,421)	(807,246,067)	(354,025,522)	(509,734,724)	(384,074,235)	(997,072,700)	(684,083,354)	(4,263,568,932)	(2,217,476,348)
Other operating expenses	1,005,148,689	1,055,757,873	1,721,936,884	550,046,904	1,011,651,739	821,490,000	921,111,714	975,895,976	1,190,263,699	738,572,488	5,958,122,696	3,188,524,441
Other income (excluding exchange gain)											(383,056,966)	(56,677,355)
Exchange (loss) / gain											378,543,030	556,308,320
Share of loss from associates											2,638,436,427	1,178,886,070
Finance cost											(284,050,620)	(231,370,469)
Profit before taxation											(653,875,388)	(53,393,257)
Taxation											7,546,118,186	5,395,295,680
Profit after taxation											(199,307,382)	(279,583,243)
											7,346,811,804	5,115,712,436

The geographical segment analysis includes export sales of approximately 82% with the MEA region leading the growth. Aggressive investments in subsidiaries are creating pressure on margins, however, the Company is proactively engaged on realigning resources and optimizing costs to improve profitability. Moreover, the Management has reassessed customer classification and has reclassified in respective geographies where required.

	North America		Europe		Middle East & Africa		Asia Pacific		Pakistan		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Nine months ended September		Nine months ended September		Nine months ended September		Nine months ended September		Nine months ended September		Nine months ended September	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Rupees												
Revenue - net	9,180,326,957	6,852,073,414	1,398,585,225	1,022,476,826	19,239,209,117	8,361,754,204	785,642,470	197,734,030	6,730,022,032	3,710,800,421	37,333,785,801	20,144,848,895
Cost of sales	(5,714,215,099)	(4,313,461,765)	(849,407,906)	(553,861,953)	(14,006,372,513)	(5,735,039,661)	(5,114,009,311)	(129,214,523)	(6,138,689,291)	(3,054,232,204)	(27,220,094,113)	(13,785,810,305)
Gross profit	3,466,111,856	2,538,611,649	549,177,319	468,614,873	5,232,836,604	2,626,724,543	274,233,159	68,519,507	591,332,741	656,568,217	10,113,691,688	6,359,038,589
Distribution expenses	(16,099,366)	(16,830,789)	(2,558,693)	(1,870,088)	(9,846,619,293)	(263,396,048)	(41,354,525)	(6,228,633)	(281,635,647)	(162,930,702)	(1,288,267,525)	(451,256,260)
Administrative expenses	(1,078,385,142)	(743,660,761)	(563,865,425)	(372,178,675)	(15,044,650,963)	(801,449,690)	(57,961,279)	(16,920,590)	(181,248,657)	(125,092,092)	(2,975,301,467)	(1,766,220,088)
Profit / (loss) before taxation and unallocated income and expenses	2,371,647,357	1,712,712,784	392,933,201	394,566,110	2,782,166,346	1,562,878,816	174,927,355	43,302,316	128,448,436	368,582,417	5,850,122,696	4,141,562,441
Other operating expenses											(383,056,966)	(56,677,355)
Other income (excluding exchange gain)											378,543,030	556,308,320
Exchange (loss) / gain											2,638,436,427	1,178,886,070
Share of loss from associates											(284,050,620)	(231,370,469)
Finance cost											(653,875,388)	(53,393,257)
Profit before taxation											7,546,118,186	5,395,295,680
Taxation											(199,307,382)	(279,583,243)
Profit after taxation											7,346,811,804	5,115,712,436

KEY FINANCIAL RATIOS

Though impacted by inflationary cost pressures, all profitability ratios are in the same range for the standalone financials. The Company has been able to achieve the aggressive growth and expansion by making significant investments in infrastructure, resources and business development in new markets, building capability for the future. Following the Company's investment in the acquisition of an IP for the Temenos last year, the amortization of the IP has impacted profitability margins during the period under review. However, the EBITDA margins are in the same range. The current and quick ratios are reflective of the strong liquidity position of the Company, which can be directly linked with improved debtor management and is aligned with the Company's investment strategy.

Ratio Description	Standalone		Consolidated	
	2023	2022	2023	2022
Gross Profit Margin (%)	29.6%	32.6%	27.1%	31.6%
Operating Margin (%)	20.8%	23.3%	14.6%	20.1%
EBITDA Margin (%)	23.2%	25.5%	18.2%	21.8%
Pre-tax Margin (%)	30.6%	34.3%	20.2%	26.8%
Net Profit Margin (%)	29.2%	32.5%	19.1%	25.4%
Assets turnover (%)	74.1%	71.0%	84.9%	90.0%
Return on Equity (%)	26.0%	33.0%	23.9%	24.0%
Current ratio	2.49	2.71	2.05	1.79
Quick Ratio	2.13	2.49	1.38	1.48
Debtor Turnover (Days)	151	110	102	107
Debt: Equity (Ratio)	14:86	27:73	12:88	19:81
Interest Cover (Times)	16.6	42.1	14.5	38.4

FUTURE OUTLOOK

- In line with robust global demand on AI transformations, the Company is investing heavily in building AI competency by building and developing a resource pool. The Company is also developing AI offerings for the BFS, Telco and Retail/CPG verticals.
- The GCC region has not been impacted by inflation and economic slowdown and there is sustained demand and growth in the region. The UAE subsidiary is now a key contributor to the overall business. Contracts with key strategic accounts and a diversified portfolio present growth opportunities that are expected to provide the Company with recurring revenue going forward. Systems Arabia has also secured multi-year contracts with Saudi businesses and is fully aligned with Saudi Vision 2030 from the technology and digitization transformation in the Kingdom. 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.
- The Company has signed a couple of strategic customers in the UK market and is foreseeing further potential. In line with the 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 seeing an encouraging pipeline in these regions.
- Over the past couple of years, the Company has made significant investments in expanding into new markets and geographies. The Company is now working on maximizing the return on those investments in the current geographies. The Company has strengthened industry focus in all the markets and is strengthening the team to maximize offerings to the markets based on the assets and references that the Company has developed in these industry verticals. For existing business, the Company is creating depth through consultative selling and growing existing accounts by cross selling and upselling various offers. The Company is focusing on innovation and productizing the services by creating accelerators, frameworks, solutions/repeated assets and templates in the specific industry verticals to penetrate in the existing markets.
- To sustain its growth mode, the Company is investing in human resource through new hiring 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 last quarter and is aggressively working on the training and development of resources to fuel future growth. The Company is also investing in the strategic leadership in the appropriate industry verticals and markets.
- The Company is continuing to evaluate various M&A opportunities outside of Pakistan, which will further strengthen our future growth trajectory.

ACKNOWLEDGEMENT

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
26 October 2023

مستقبل کا حاکم

- عالمی سطح پر مصنوعی ذہانت یعنی آئی آرٹیفیشل انٹیلیجنس کی بروہتی ہوئی مانگ کے پیش نظر کھپنی اس شعبہ میں اپنی قابلیت کو بڑھانے کیلئے وسائل کی ایک کھپ کی تعمیر کے ذریعے وسیع پیمانے پر سرمایہ کاری کر رہی ہے۔
- جی سی آر بیجی مہنگائی اور معاشی سست روی سے متاثر نہیں ہوا ہے اور اس ریجن میں طلب اور ترقی پائیدار بنیادوں پر قائم ہے۔ متحدہ عرب امارات کا ذیلی ادارہ اب مجموعی کاروبار میں بنیادی شراکت دار ہے۔ بنیادی حکمت عملی اور متنوع پورٹ فولیو کے ساتھ کئے جانے والے معاہدہ جات ترقی کے مواقع پیش کرتے ہیں اور توقع کی جاتی ہے کہ کھپنی کی آمدن میں مسلسل اضافہ ہوتا جائیگا۔ سٹرمعرب نے سعودی کاروباری اداروں کے ساتھ کئی سالہ معاہدے بھی کئے ہیں اور ملک میں ٹیکنالوجی اور ڈیجیٹلائزیشن کی تہدیلی کے سعودی ویژن 2030ء کے ساتھ مکمل طور پر ہم آہنگ ہے۔ کھپنی کے ایس اے کے مالیاتی، ٹیلی کمیونیکیشن، اور پبلک سیکٹر اداروں میں کھپنی کیلئے ترقی کے مواقع کا تصور کرتی ہے، جو اس کی خدمات کی پیشکش کی بنیادی طاقت رہی ہے۔
- کھپنی نے برطانیہ کی مارکیٹ میں چند اسٹریٹجک صارفین سے معاہدہ کیا ہے اور مزید امکانات کا اندازہ لگا رہی ہے۔ کھپنی کی حکمت عملی کے مطابق ترجیحی بنیادوں پر امریکہ اور یورپ کے ساتھ تمام مارکیٹوں میں آئی آرٹیفیشل ذہانت پر زیادہ توجہ مرکوز کی جارہی ہے، کھپنی کو توقع ہے کہ مختلف سروس ڈومینز اور ٹیکنالوجی اسٹیک کی مطابقت کی وجہ سے یہ ترقی جاری رہے گی۔ کھپنی ان خطوں میں ایک حوصلہ افزا مواقع دیکھ رہی ہے۔
- گزشتہ چند سالوں میں، کھپنی نے نئی منڈیوں اور جغرافیوں میں توسیع کیلئے اہم سرمایہ کاری کی ہے۔ کھپنی اب موجودہ جغرافیوں میں سرمایہ کاری پر زیادہ سے زیادہ منافع حاصل کرنے پر کام کر رہی ہے۔ کھپنی نے تمام مارکیٹوں میں صنعت پر توجہ مرکوز کیا ہے اور ان اثاثوں اور حوالہ جات کی بنیاد پر مارکیٹوں میں پیشکش کو زیادہ سے زیادہ کرنے کیلئے ٹیم کو مضبوط بنا رہی ہے جو کھپنی نے ان صنعتی عمودی حصوں میں تیار کئے ہیں۔ موجودہ کاروبار کیلئے، کھپنی مشاورتی فروخت کے ذریعے گہرائی پیدا کر رہی ہے اور مختلف پیشکشوں کو کراس سیلنگ اور اپ سیل کر کے موجودہ اکاؤنٹس کو بڑھا رہی ہے۔
- کھپنی تیز ترقی حکمت عملی کی تکمیل، فریم ورک کی تیاری، سلوشن پیش کرنے/ اور مخصوص صنعتی شعبوں میں اثاثوں اور انجمنوں کو دوہراتے ہوئے موجود مارکیٹوں میں رسائی پر توجہ مرکوز کئے ہوئے ہے۔
- کھپنی ترقی کی رفتار کو برقرار رکھنے کیلئے نہ صرف نئی افرادی قوت پر سرمایہ کاری کر رہی ہے بلکہ موجودہ انسانی وسائل کی تربیت، مہارتوں کی تجدید کاری اور بہتری کے ساتھ مستقبل میں ہر چیلنج سے نمٹنے کیلئے وسائل بھی تیار کر رہی ہے۔ کھپنی نے پچھلی سہ ماہی میں 300 سے زیادہ سافٹ ویئر انجینئرز کی خدمات حاصل کی ہیں اور مستقبل کی ترقی کو فروغ دینے کیلئے وسائل کی تربیت اور ترقی پر سنجیدہ اور ہنگامی بنیادوں پر کام کر رہی ہے۔ کھپنی مناسب صنعتی شعبوں اور مارکیٹوں میں اسٹریٹجک قیادت پر بھی سرمایہ کاری کر رہی ہے۔ کھپنی مستقبل میں ترقی کی رفتار کو مزید تیز اور مضبوط بنانے کیلئے پاکستان سے باہر مختلف اہم اینڈ اے مواقعوں کا جائزہ کو برقرار رکھے ہوئے ہے۔

اعترافات

بورڈ کھپنی کے معزز صارفین، بینکرز اور دیگر سٹیک ہولڈرز کی تعاون کا تہ دل سے شکر گزار ہے۔ بورڈ کھپنی کے تمام ملازمین کی شانہ و زحمت اور لگن کو سراہتا ہے۔

حسب اہتمام بورڈ



آصف پیر

چیف ایگزیکٹو آفیسر

مورخہ 26 اکتوبر 2023ء

کینی جغرافیائی اور اشتراک شعبوں کا استعمال جاری رکھے گی کینی کی حکمت عملی میں تبدیلی کے عکاس صنعتی اشتراکیت کے ارد گرد جاری بنیادی شعبے گھومیں گے۔

- بینکنگ، فنانس، سروسز اینڈ انشورنس (بی ایف ایس آئی): اس حصے میں بینکنگ، فنانس سروسز، اور انشورنس سے متعلق سرگرمیاں شامل ہیں۔ نیا حاصل کیا جائے والا ایٹمیٹوز بیکمنٹ اسی میں شامل ہے۔
- ریشیل اور سی بی جی (سارف بیکینج ایشیا): یہ بیکمنٹ ریشیل آر بیٹیز اور سارف ایشیا، جو محیط ہے۔
- ٹیلیکو (ٹیلی کمیونیکیشن): اس بیکمنٹ میں ٹیلی کمیونیکیشن سے متعلق خدمات اور ٹیکنالوجیز شامل ہیں۔
- دیگر: اس میں وہ تمام بنیاتی بیکمنٹس شامل ہو سکتے ہیں جو انفرادی طور پر بیان کرنے کیلئے کافی سمجھے جاتے ہیں۔

	BPSI		Telco		Technology		Retail & CPG		Others		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Revenue - net	1,281,788,304	5,200,095,979	7,718,176,265	35,417,950,000	5,407,239,713	3,222,886,703	4,067,480,068	3,360,339,080	8,859,101,451	4,878,777,134	37,333,785,801	20,144,848,895
Cost of sales	(9,119,899,952)	(3,618,629,293)	(5,203,483,963)	(2,647,623,674)	(9,588,331,916)	(2,045,566,780)	(2,836,833,830)	(2,000,568,866)	(6,871,785,092)	(3,477,121,492)	(27,220,094,113)	(13,785,810,105)
Gross profit	2,161,888,252	1,581,466,686	2,514,712,302	993,326,326	1,819,907,797	1,177,319,922	1,430,646,439	1,359,770,215	2,107,316,400	1,342,655,641	10,113,691,688	6,359,038,790
Distribution expenses	(355,277,310)	(114,504,527)	(286,783,174)	(87,905,496)	(2,029,217,994)	(71,488,768)	(124,457,568)	(7,785,199)	(3,120,718,971)	(119,505,076)	(1,988,267,252)	(451,256,260)
Administrative expenses	(803,012,338)	(48,209,090)	(995,882,263)	(305,871,536)	(998,228,878)	(293,341,953)	(389,277,959)	(269,222,400)	(886,001,848)	(484,978,077)	(2,975,301,467)	(1,766,220,688)
Profit / (loss) before taxation and unallocated income and expenses	1,005,148,669	1,055,751,073	1,241,931,864	950,946,904	1,011,661,730	921,490,000	1,056,734,726	1,084,074,239	(997,022,700)	(604,083,154)	(4,283,588,932)	(2,217,476,348)
Other operating expenses											(883,058,960)	(96,697,305)
Other income (excluding exchange gain)											378,543,030	556,309,320
Exchange (loss) / gain											2,638,436,427	1,178,886,010
Share of loss from associates											(284,050,820)	(2,317,046)
Finance cost											(83,307,389)	(53,393,257)
Profits before taxation											7,546,119,186	5,395,295,680
Taxation											(199,307,262)	(279,583,243)
Profit after taxation											7,346,811,924	5,115,712,436

جغرافیائی بیکمنٹ کے تجربے میں تقریباً 82 فیصد کی برآمدی فروخت شامل ہے جس میں اہم ایس ای رینج ترقی کی راہ پر گامزن ہے۔ ذیلی اداروں میں تیزی سے سرمایہ کاری مارجن پر دباؤ ڈال رہی ہے، تاہم کینی اپنے وسائل کو دوبارہ ترتیب دینے اور منافع کو بہتر بنانے کیلئے لاگت کو بہتر بنانے میں فعال طور پر مصروف عمل ہے۔ مزید یہ کہ انتظامیہ کی جانب سے صارفین کی درجہ بندی کا دوبارہ سے جائزہ لیا گیا ہے اور جہاں ضرورت ہو متعلقہ ٹھنڈوں میں دوبارہ درجہ بندی کی ہے۔

	North America		Europe		Middle East & Africa		Asia Pacific		Pakistan		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Revenue - net	9,180,326,957	6,852,073,414	1,388,585,225	1,022,476,826	19,239,209,117	8,361,764,204	785,642,470	197,734,030	6,730,022,032	3,710,800,421	37,333,785,801	20,144,848,895
Cost of sales	(5,714,216,091)	(4,313,461,765)	(848,407,906)	(553,861,953)	(14,006,372,613)	(5,725,039,661)	(91,409,311)	(29,214,523)	(6,138,689,931)	(3,054,232,204)	(27,220,094,113)	(13,785,810,105)
Gross profit	3,466,111,866	2,538,611,649	540,177,319	468,614,873	5,232,836,604	2,636,724,543	274,233,159	168,519,507	60,332,741	656,568,217	10,113,691,688	6,359,038,790
Distribution expenses	(16,099,368)	(16,830,789)	(2,358,693)	(1,670,089)	(946,619,293)	(263,396,048)	(4,354,528)	(6,228,631)	(28,185,647)	(162,930,702)	(1,988,267,252)	(451,256,260)
Administrative expenses	(1,079,385,142)	(749,628,076)	(53,685,425)	(72,178,875)	(1,504,090,938)	(820,443,680)	(97,951,278)	(18,928,958)	(181,248,937)	(125,095,099)	(2,975,301,467)	(1,766,220,688)
Profit / (loss) before taxation and unallocated income and expenses	2,371,647,257	1,772,174,794	392,933,201	394,566,110	2,782,366,346	1,562,878,815	174,827,355	43,382,336	128,448,436	368,582,417	5,850,122,696	4,141,952,441
Other operating expenses											(893,058,960)	(96,697,305)
Other income (excluding exchange gain)											378,543,030	556,309,320
Exchange (loss) / gain											2,638,436,427	1,178,886,010
Share of loss from associates											(284,050,820)	(2,317,046)
Finance cost											(83,307,389)	(53,393,257)
Profits before taxation											7,546,119,186	5,395,295,680
Taxation											(199,307,262)	(279,583,243)
Profit after taxation											7,346,811,924	5,115,712,436

بنیادی مالیاتی تناسب

مہنگائی کے دباؤ کے باوجود وہ تمام متنازع کے تناسب مجموعی مالیات کے لحاظ سے ایک ہی حد پر کھڑے ہیں۔ کینی نے انفراسٹرکچر، برائیٹن میں وسائل اور کاروباری ترقی اور مستقبل کیلئے استعداد کار کی تعمیر پر سرمایہ کاری کے ذریعے تیزی سے ترقی اور توجیح حاصل کرنے میں کامیاب رہی ہے۔ گزشتہ سال ٹی بی ٹی کیلئے ایک آئی بی کے حصول میں کینی کی سرمایہ کاری کی مالیاتی فرسودگی نے زیر جائزہ مدت کے دوران متنازع کے مارجن کو متاثر کیا۔ تاہم آئی بی آئی ڈی اے مارجن اس حد میں ہیں۔ موجودہ اور فروری تناسب کینی کی مشبوط مالی حیثیت کی عکاسی کرتے ہیں، جنہیں قرض دہندگان کے بہتر انتظام کے ساتھ براہ راست منسلک کیا جاسکتا ہے اور یہ کینی کی سرمایہ کاری کی حکمت عملی کے ساتھ منسلک ہیں۔

متنظم	2022	2023	تیز متنظم	2022	2023	تناسب کی تفصیل
	31.6%	27.1%		32.6%	29.6%	مجموعی منافع کا مارجن %
	20.1%	14.6%		23.3%	20.8%	آپریٹنگ مارجن %
	21.8%	18.2%		25.5%	23.2%	EBITDA مارجن %
	26.8%	20.2%		34.3%	30.6%	قبل از ٹیکس مارجن %
	25.4%	19.1%		32.5%	29.2%	خالص منافع کا مارجن %
	90.0%	84.9%		71.0%	74.1%	اثاثوں کا کاروبار %
	24.0%	23.9%		33.0%	26.0%	ایکویٹی پر پیرٹن %
	1.79	2.05		2.71	2.49	موجودہ تناسب
	1.48	1.38		2.49	2.13	فوری تناسب
	107	102		110	151	قرض داروں کا کاروبار (د)
	19:81	12:88		27:73	14:86	قرض: ایکویٹی (تناسب)
	38.4	14.5		42.1	16.6	انشورنس کو (ٹائیمر)

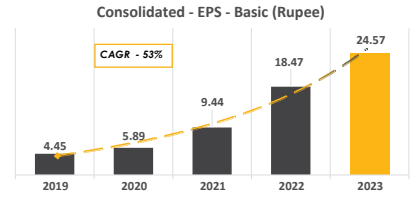
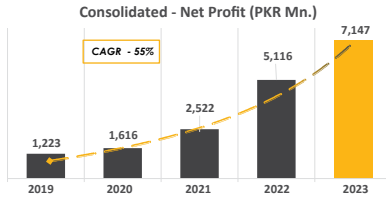
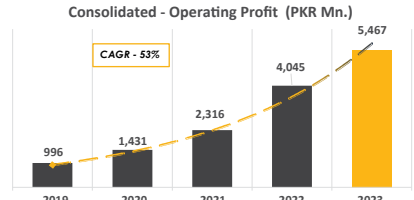
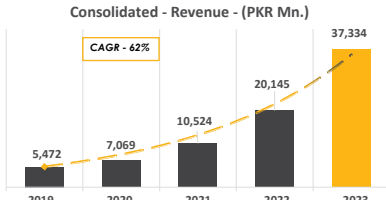
مبلغ 146.81، 7 بلین روپے آیا جو گزشتہ سال کی اسی مدت کے مقابلہ میں 40 فیصد تک اضافہ کی نشاندہی کرتا ہے۔ فی حصص کی بنیاد پر اور تین آمدنی دونوں میں اس مدت کے منافع کے مطابق 33 فیصد اضافہ ہوا۔ کرنی کے اثرات کو ختم کرتے ہوئے، امریکی ڈالر کے لحاظ سے آمدنی میں 39 فیصد اضافہ ہوا ہے۔

31 دسمبر 2022ء کو ختم ہونے والے سال کے دوران، انتظامیہ نے سرمایہ کاری کی ایک حکمت عملی کے طور پر پاکستان میں سب سے تیزی سے بڑھتے ہوئے فیشن ای کامرس برانڈ جو مومیں 9 فیصد شیئرز حاصل کئے تھے، تاہم، ملک میں معاش بد حالی اور متوقع فنڈنگ میں تاخیر کو دیکھتے ہوئے جس کے نتیجے میں برینڈ کی لیکویڈیٹی اور مالیاتی کارکردگی خراب ہوتی ہے، انتظامیہ کا خیال ہے کہ 154.46 بلین روپے کی سرمایہ کاری کی قیمت صحیح معنوں میں اس کی مناسب قیمت کی عکاسی نہیں کرتی۔ اس لئے انتظامیہ نے دانشمندی کے پیش نظر سرمایہ کاری کی مطلوبہ پرنی کو دور کیا ہے۔

کئی ریٹیل سٹائن میں اپنی سرمایہ کاری سے ہونے والے نقصان جو مارجن پر منفی اثرات ڈال رہا تھا کے ازالہ کی مدت میں ایک حصہ برداشت کر رہی تھی۔ لیکن کیونکہ اس نے سرمایہ کاری کی لاگت کو بے اثر کر دیا ہے اس لئے منافع پر مزید منفی اثرات پڑنے کی توقع نہیں ہے۔

تفصیلات	2023 ستمبر (غیر آڈٹ شدہ)	2022 ستمبر (غیر آڈٹ شدہ)	تبدیلی
آمدنی	37,333,785,801	20,144,848,895	85%
جمعی منافع	10,113,691,688	6,359,038,789	59%
آپریٹنگ منافع	5,467,065,736	4,044,865,076	35%
انسٹریٹنگس اور ناقابل استعمال ہونے سے پہلے آمدن	6,780,711,963	4,390,961,602	54%
مدت کے منافع	7,146,811,803	5,115,712,436	40%
کمائی فی شیئر (بنیادی)	24.57	18.47	33%
کمائی فی شیئر (رقیق)	24.38	18.37	33%

تفصیلات	2023 ستمبر (غیر آڈٹ شدہ)	2022 ستمبر (غیر آڈٹ شدہ)
دیگر آمدنی منظم	378,543,030	556,308,320
زر مبادلہ کا فائدہ / (نقصان)	2,638,436,427	1,178,886,010
	3,016,979,457	1,735,194,330



سیلنگٹ کے لحاظ سے عمودی اور جغرافیائی منظم کارکردگی

کمپنی نے ترقیاتی مقاصد کے حصول کے تحت اپنی حکمت عملی کو از سر نو ترتیب دیا اور جغرافیائی حصوں کے ساتھ صنعت کے عمودی شعبوں کی بنیاد پر کارکردگی کی نگرانی کی تاکہ قدر میں اضافہ کرنے والے حصوں پر توجہ مرکوز کی جاسکے۔ اس نے عمودی حصوں میں ٹیکنالوجیز اور سولوشنز کو اس سیلنگٹ کے ذریعے ہم آہنگی حاصل کرنے میں مدد حاصل ہوئی۔ یہ نقطہ کمپنی مختلف شعبوں میں اپنی مہارتوں اور صلاحیتوں کو زیادہ منوثر طریقے سے استعمال کرنے کی ترغیب دینے کے باعث آپریشنل کارکردگی میں اضافہ کا باعث ثابت ہو رہا ہے۔

صنعتی اشتراکیت کی طرف منتقلی نے کمپنی کو ہر شعبہ کی مخصوص ضروریات اور نمونہ صلاحیتوں کے ساتھ صف بندی میں رہتے ہوئے اپنے عالمی وسائل کی تعیناتی کا از سر نو جائزہ لینے پر آمادہ کیا۔ لہذا کمپنی کا قاعدہ حکمت عملی کے تحت اپنے وسائل جیسا کہ ہنر، ٹیکنالوجی اور سرمایہ کاری کو ہر شعبے میں ترقی کے مواقع سے فائدہ اٹھانے کیلئے مختص کر رہی ہے تاکہ کمپنی کے متحرک وسائل مختص کرنے سے ترقی اور کارکردگی کو زیادہ سے زیادہ بہتر بنانے کی حکمت عملی فروغ دیا جاسکے۔

ڈائریکٹرز کی جائزہ رپورٹ - ستمبر 30 2023ء

ہمیں بورڈ آف ڈائریکٹرز کی جانب سے مورخہ 30 ستمبر 2023ء کو ختم ہونے والی 9 ماہ کی مدت کے مجموعی اور منظم مالی بیانات پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

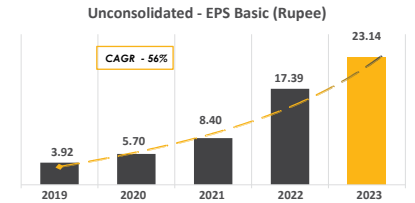
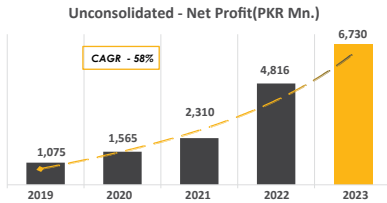
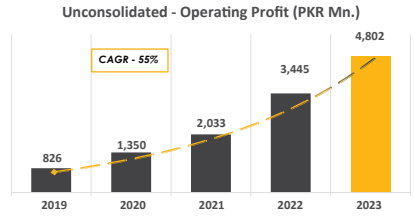
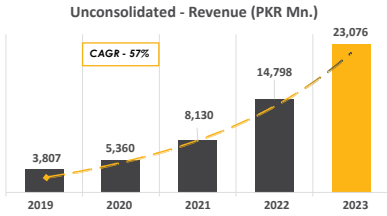
مالی نتائج

غیر منظم

زیر جائزہ مدت کے دوران مجموعی آمدن میں گزشتہ برس کی اسی مدت کے مبلغ 14,798.18 ملین روپے کے مقابلہ میں مبلغ 23,075.54 ملین روپے کے اضافے سے مجموعی آمدن میں 56 فیصد تک اضافہ ہوا ہے۔ لہذا گزشتہ سال کی اسی مدت کے مقابلہ میں مجموعی منافع 41 فیصد بڑھا اور آپریٹنگ منافع 39 فیصد بہتر ہوا۔ مقامی مارکیٹ میں مہنگائی کے نمایاں دباؤ کی وجہ سے نفع تناؤ کا شکار رہا، پاکستان روپے کے قدر میں مسلسل کمی نے بڑی طور پر زری پیدا کی اور اس کے نتیجے میں ستمبر 2022ء میں ہونے والے مبلغ 1,172.07 ملین روپے کے منافع کے مقابلہ میں مبلغ 2,386.23 ملین روپے کا منافع ہوا اور اس مدت میں پیٹ پرافٹ مبلغ 4816.21 ملین روپے سے مبلغ 6,730.02 ملین روپے تک جانے کے باعث 40 فیصد کے اضافہ پر پہنچ گیا۔ فی شیئر کی بنیادی اور ترقی آمدنی میں اس مدت کے منافع کے مطابق 33 فیصد اضافہ ہوا۔ فی آمدنی میں اضافہ تبادلے کے نفع کے اثرات کا خاص 11 فیصد ہے۔

غیر منظم	2023 ستمبر (غیر آڈٹ شدہ)	2022 ستمبر (غیر آڈٹ شدہ)	تبدیلی
آمدنی	23,075,540,270	14,798,176,063	56%
مجموعی منافع	6,820,989,993	4,820,606,142	41%
آپریٹنگ منافع	4,802,075,600	3,444,773,702	39%
مدت کے منافع	6,730,022,690	4,816,210,876	40%
انٹرسٹ ٹیکس اور ناقابل استعمال ہونے سے پہلے آمدن	5,346,396,485	3,766,825,546	42%
کمائی فی شیئر (بنیادی)	23.14	17.39	33%
کمائی فی شیئر (رقیقی)	22.96	17.29	33%

دیگر آمدنی غیر منظم	2023 ستمبر (غیر آڈٹ شدہ)	2022 ستمبر (غیر آڈٹ شدہ)
دیگر آمدنی	371,680,351	593,097,838
زرمبادلہ کا فائدہ (انقصان)	2,386,235,698	1,172,076,353
	2,757,916,049	1,765,174,191



منظم

غیر منظم نتائج کے مطابق گزشتہ سال اسی مدت کے مقابلہ میں مبلغ مجموعی منافع کی شرح میں مبلغ 20,144.84 ملین روپے سے مبلغ 37,333.78 ملین روپے کے اضافہ کے ساتھ 85 فیصد تک اضافہ ہوا۔ گراس پرافٹ اور آپریٹنگ پرافٹ میں بالترتیب 59 فیصد اور 35 کا اضافہ ہوا۔ گھریلو مارکیٹ میں افراط زر کی لاگت کے دباؤ نے ذیلی اداروں میں سرمایہ کاری کے مارجن کو منفی طور پر متاثر کیا، تاہم آمدنی میں اصلاحات اور لاگت پر توجہ مرکوز رکھنے سے ہمارے دورانیہ مارجن میں مثبت طور پر بہتری آئی۔ اس مدت کا نیٹ منافع مبلغ 2,638.43 ملین روپے کے زرمبادلہ کی شمولیت کے ساتھ



SYSTEMS LIMITED
STANDALONE
FINANCIAL
STATEMENTS

CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2023

	Note	Un-audited September 30 2023	Audited December 31, 2022
ASSETS			
Rupees			
Non-current assets			
Property and equipment	5	3,370,284,467	2,763,406,669
Intangibles		5,908,718	13,503,017
Long term investments	6	8,224,390,947	6,739,908,701
Right-of-use assets		549,831,692	512,738,929
Long term loans		483,810,890	298,036,906
Deferred employee benefits		243,541,482	86,938,319
Long term deposits		41,486,884	34,749,904
Deferred taxation - net		26,241,687	13,465,206
		12,945,496,767	10,462,747,651
Current assets			
Contract assets - unsecured		2,064,786,636	1,029,444,687
Trade debts - unsecured	7	13,678,891,958	8,818,580,572
Loans, advances and other receivables		1,848,668,274	976,727,988
Current portion of deferred employee benefits		21,661,535	29,892,702
Trade deposits and short term prepayments		1,077,924,841	327,193,963
Income tax refunds due from the Government		105,357,021	172,923,163
Short term investments	8	884,908,759	4,430,978,169
Interest accrued		7,325,076	1,521,649
Cash and bank balances		2,818,406,508	588,569,946
		22,507,930,608	16,375,832,839
TOTAL ASSETS		35,453,427,375	26,838,580,490
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
400,000,000 (December 31, 2022: 400,000,000) ordinary shares of Rs 10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid-up share capital		2,912,836,989	2,904,076,989
Capital reserves		5,395,585,304	4,994,930,422
Revenue reserve: Un-appropriated profit		17,558,183,337	12,283,429,147
		25,866,605,630	20,182,436,558
Non-current liabilities			
Long term advances		11,992,860	6,767,044
Lease liabilities		526,910,414	454,684,688
		538,903,274	461,451,732
Current liabilities			
Trade and other payables		5,211,219,168	2,694,812,394
Unclaimed dividend		20,569,910	13,536,152
Contract liabilities		119,215,150	263,944,365
Short term borrowings - secured	9	3,530,000,000	3,050,000,000
Accrued mark-up on borrowings		84,142,659	82,126,318
Current portion of long term advances		-	3,234,396
Current portion of lease liabilities		82,771,584	87,038,575
		9,047,918,471	6,194,692,200
TOTAL EQUITY AND LIABILITIES		35,453,427,375	26,838,580,490
CONTINGENCIES AND COMMITMENTS			
	10		

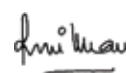
The annexed notes 1 to 20 form an integral part of these condensed unconsolidated interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF
PROFIT OR LOSS (UN-AUDITED)**
FOR THE NINE MONTHS AND THREE MONTHS PERIODS ENDED SEPTEMBER 30, 2023

	Note	Nine Months Ended		Three Months Ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Rupees					
Revenue from contracts with customers - net		23,075,540,270	14,798,176,063	8,865,092,625	6,006,321,647
Cost of revenue		(16,254,550,277)	(9,977,569,921)	(6,055,588,861)	(4,020,942,176)
Gross profit		6,820,989,993	4,820,606,142	2,809,503,764	1,985,379,471
Selling and distribution expenses		(267,137,208)	(183,735,682)	(110,484,612)	(62,402,672)
Administrative expenses		(1,629,843,677)	(1,141,370,488)	(605,267,496)	(449,046,364)
Impairment losses on financial assets		(121,933,508)	(50,726,270)	1,300,872	(52,446,272)
		(2,018,914,393)	(1,375,832,440)	(714,451,236)	(563,895,308)
Operating profit		4,802,075,600	3,444,773,702	2,095,052,528	1,421,484,163
Other income	11	2,757,916,049	1,765,174,191	111,714,346	752,099,849
Finance costs		(487,561,393)	(131,414,801)	(189,247,850)	(52,290,687)
Profit before taxation		7,072,430,256	5,078,533,092	2,017,519,024	2,121,293,325
Taxation		(342,407,566)	(262,322,216)	(109,404,005)	(97,242,881)
Profit for the year		6,730,022,690	4,816,210,876	1,908,115,019	2,024,050,444
Earnings per share	12				
-Basic		23.14	17.39	6.55	7.27
-Diluted		22.96	17.29	6.50	7.22

The annexed notes 1 to 20 form an integral part of these condensed unconsolidated interim financial statements.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)**
FOR THE NINE MONTHS AND THREE MONTHS PERIODS ENDED SEPTEMBER 30, 2023

	Nine months ended		Three months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	Rupees			
Profit for the period	6,730,022,690	4,816,210,876	1,908,115,019	2,024,050,444
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>	-	-	-	-
	-	-	-	-
Total comprehensive income for the period	6,730,022,690	4,816,210,876	1,908,115,019	2,024,050,444

The annexed notes 1 to 20 form an integral part of these condensed unconsolidated interim financial statements.


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	Issued, subscribed and paid-up share capital	Capital reserves		Shares to be issued	Revenue reserve		Total equity
		Share premium	Employee compensation reserve		Un-appropriated profit		
Rupees							
Balance as at December 31, 2021 (audited)	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	-	-	-	-	-	-	-
Transactions with owners							
Exercise of share options	7,236,870	47,320,377	(57,382,207)	-	-	-	(2,824,960)
Share based payments	-	-	136,661,832	-	-	-	136,661,832
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	(695,913,000)	-	3,908,636,725
Final dividend for the year ended December 31, 2021 at the rate of Rs 5 per share	1,399,062,870	3,837,732,102	79,279,625	118,225,000	(2,087,739,000)	-	3,346,560,597
Balance as at September 30, 2022 (unaudited)	2,784,051,990	4,657,995,459	279,500,384	118,225,000	10,796,328,156	-	18,636,100,989
Balance as at December 31, 2022 (audited)	2,904,076,989	4,671,279,664	323,650,758	-	12,263,429,147	-	20,182,436,558
Profit for the period	-	-	-	-	6,730,022,690	-	6,730,022,690
Other comprehensive income	-	-	-	-	-	-	-
Transactions with owners							
Exercise of share options	8,760,000	180,576,770	(70,648,696)	-	-	-	118,688,074
Share based payments	-	-	315,133,832	-	-	-	315,133,832
Forfeited share options	-	-	(24,407,024)	-	-	-	(24,407,024)
Final dividend for the year ended December 31, 2022 at the rate of Rs 5 per share	8,760,000	180,576,770	220,078,112	-	(1,455,268,500)	-	(1,455,268,500)
Balance as at September 30, 2023 (unaudited)	2,912,836,989	4,851,856,434	543,728,870	-	17,558,183,337	-	25,866,605,630

The annexed notes 1 to 20 form an integral part of these condensed unconsolidated interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	Note	Nine Months Ended	
		September 30, 2023	September 30, 2022
CASH GENERATED FROM OPERATIONS			
		Rupees	
Cash generated from operations	14	2,455,245,689	751,799,887
Finance costs paid		(485,545,052)	(90,301,678)
Taxes paid		(287,617,905)	(196,712,034)
		(773,162,957)	(287,013,712)
Net cash generated from operating activities		1,682,082,732	464,786,175
INVESTING ACTIVITIES			
Purchase of property and equipment		(1,053,182,899)	(1,050,669,853)
Sale proceeds from disposal of property and equipment		26,014,940	237,194,797
Short term investments - net		3,546,069,410	(331,266,528)
Increase in long term investment		(1,407,183,000)	(517,467,919)
Decrease in long term investment		-	93,459,284
Profit received on bank deposits		43,309,520	28,554,829
Profit received on short term investment		212,484,541	365,667,292
Interest received on loan to related parties		33,136,071	-
Net cash generated from / (used in) investing activities		1,400,648,583	(1,174,528,098)
FINANCING ACTIVITIES			
(Decrease)/ Increase in short term borrowings		480,000,000	1,200,000,000
Decrease / (Increase) in long term loan		-	(52,385,575)
Proceeds from exercise of share options		118,688,074	53,156,008
Payments in respect of leases		(91,457,911)	7,243,086
(Decrease) / Increase in long term advances		1,991,420	(77,035,858)
Dividend paid		(1,448,234,742)	(688,812,707)
Net cash (used in) / generated from financing activities		(939,013,159)	442,164,954
Net increase / (decrease) in cash and cash equivalents		2,143,718,156	(267,576,969)
Net foreign exchange difference		86,118,406	-
Cash and cash equivalents at beginning of the period		588,569,946	1,652,613,846
Cash and cash equivalents at end of the period		2,818,406,508	1,385,036,877

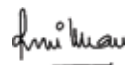
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(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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, hardware and business process outsourcing services. The registered office of the Company is situated at E-1, Sehjpal Road, Near DHA Phase-VIII (Ex-Air Avenue), Lahore Cantt.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

- 2.2 These condensed unconsolidated interim financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2022.
- 2.3 These condensed unconsolidated interim financial statements are the separate condensed unconsolidated interim financial statements of the Company in which investments in the subsidiary companies namely TechVista Systems FZ-LLC, Systems Ventures (Private) Limited, TechVista Information Technology W.L.L., Systems Arabia for Information Technology, SYS Egypt for Information Technology Services, SUS-JV (Private) Limited, National Data Consultant (Private) Limited, Systems Africa for Information Technologies Pty. Ltd. and System Holdings (Private) Limited and associated company namely E-Processing Systems B.V have been accounted for at cost less accumulated impairment losses, if any.
- 2.4 These condensed unconsolidated interim financial statements have been prepared under the historical cost convention and are presented in Pak rupee, which is also the functional currency of the Company.

3. 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, 2022.

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

Certain standards, amendments and interpretations to International Financial Reporting Standards ('IFRS') are effective for accounting periods beginning on January 1, 2023, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed unconsolidated interim financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 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 unconsolidated interim financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Company for the year ended December 31, 2022, 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, 2023 has been made using the tax rate that would be applicable to expected total annual earnings.

	Note	Un-audited September 30, 2023	Audited December 31, 2022
(Rupees)			
5. PROPERTY AND EQUIPMENT			
Operating fixed assets	(5.1)	3,339,644,423	2,519,968,031
Capital work in progress	(5.2)	30,640,044	325,856,321
		3,370,284,467	2,845,824,352
5.1 Operating fixed assets			
Opening balance - net book value		2,519,968,031	1,983,978,164
Additions during the period / year - cost	(5.1.1)	1,265,981,493	1,155,030,152
		3,785,949,524	3,139,008,316
Less:			
Disposals during the period / year - net book value	(5.1.2)	(23,083,238)	(187,860,383)
Depreciation during the period / year		(423,221,863)	(431,179,902)
		3,339,644,423	2,519,968,031
5.1.1 Additions during the period / year			
Freehold land		-	198,196,635
Building		160,120,890	3,497,401
Computers		498,953,464	433,077,128
Computer equipment and installations		313,866,880	142,980,116
Other equipment and installations		106,591,160	121,515,708
Generators and transformer		24,724,627	36,222,623
Furniture and fittings		90,417,097	92,229,569
Vehicles		3,029,490	15,982,920
Office equipment		17,731,500	5,070,017
Leasehold building improvements		50,546,385	106,258,035
		1,265,981,493	1,155,030,152

Cost	Accumulated Depreciation	Net book value
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5.1.2 Disposals during the period / year

(Rupees)

September 30, 2023: (Un-audited)

Computers	24,210,232	7,640,733	16,569,499
Computer equipment and installations	6,751,600	1,193,649	5,557,951
Furniture and fittings	425,541	127,335	298,206
Vehicles	3,586,850	2,929,268	657,582
	34,974,223	11,890,985	23,083,238

December 31, 2022: (Audited)

Building on freehold land	4,214,000	-	4,214,000
Computers	46,462,287	15,586,654	30,875,633
Computer equipment and installations	8,554,948	7,140,094	1,414,854
Other equipment and installations	2,401,587	1,692,846	708,741
Furniture and fittings	5,087,477	1,883,992	3,203,485
Vehicles	242,775,540	95,359,344	147,416,196
Office equipment	32,994	5,520	27,474
	309,528,833	121,668,450	187,860,383

5.2 Capital work in progress

Note

	Un-audited September 30, 2023	Audited December 31, 2022
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(Rupees)

Civil Works

Balance at the beginning of the period / year	243,438,638	22,812,942
Additions during the period / year	77,898,237	244,466,048
Advance against purchase of property & equipment	-	82,417,683
Transfer to operating fixed assets during the period / year	(290,696,831)	(106,258,035)
	30,640,044	243,438,638

6. LONG TERM INVESTMENTS

Investment in subsidiaries - at cost - unquoted:

Tech Vista Systems FZ-LLC	(6.1)	343,119,550	343,119,550
Systems Ventures (Private) Limited	(6.2)	721,100,000	721,100,000
TechVista Information Technology W.L.L.	(6.3)	144,568,884	144,568,884
Systems Arabia for Information Technology	(6.4)	-	-
SYS Egypt for Information Technology Services	(6.5)	113,125,000	113,125,000
Systems Africa for Information Technologies (Pty.) Ltd	(6.6)	-	-
National Data Consultant (Private) Limited	(6.7)	4,254,636,725	4,254,636,725
SUS - JV (Private) Limited	(6.8)	94,990	94,990
Systems Holdings (Private) Limited	(6.9)	-	-
		5,576,645,149	5,576,645,149
Advance against issuance of shares	(6.10)	2,225,191,000	818,009,000
Share options issued to employees of subsidiaries		147,659,971	70,360,725
Subscription money payable		4,394,600	4,393,600
		7,953,890,720	6,469,408,474

Investment In associate - at cost - unquoted

E-Processing Systems B.V.	(6.11)	270,500,227	270,500,227
		8,224,390,947	6,739,908,701

- 6.1 This represents 7,400 fully paid ordinary shares of AED 1,000/- each, representing 100% (December 31, 2022: 7,400 fully paid ordinary shares of AED 1,000/- each, representing 100%) shares in the Company's subsidiary, TechVista Systems FZ- LLC, a company set up in Dubai Technology and Media Free Zone Authority engaged in providing a host of services including enterprise application integration and software development.
- 6.2 This represents 72,100,000 fully paid ordinary shares of Rs 10/- each, representing 100% (December 31, 2022: 72,100,000 fully paid shares of Rs. 10/- each, representing 100%) share in Company's subsidiary, Systems Ventures (Private) Limited, a company set up in Pakistan to invest in new ventures, start ups and incubate new ideas.
- 6.3 Techvista Information Technology W.L.L. ('TVSQ') is a limited liability company incorporated in the State of Qatar. The Company owns 34% (December 31, 2022: 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.
- 6.4 This represents 2,500 ordinary shares of SAR 10/- each, representing 100% (December 31, 2022: 2,500 ordinary shares of SAR 10/- each, representing 100%) shares in Company's subsidiary, Systems Arabia for Information Technology, a company setup in Saudi Arabia for providing IT related services. As of reporting date, no payment has been made against its share capital.
- 6.5 This represents 4,950 ordinary shares of USD 100/- each, representing 99% (December 31, 2022: 4,950 ordinary shares of USD 100/- each, representing 99%) shares in the Company's subsidiary, SYS Egypt for Information Technology Services, a limited liability company incorporated in the Arab Republic of Egypt on May 29, 2022, for the purpose of sale of software services and trading software licenses in the Middle East and North Africa region.
- 6.6 This represents 100 ordinary shares of South African Rand 1/- each, representing 100% (December 31, 2022: 100 ordinary shares of South African Rand 1/- each, representing 100%) shares in the Company's subsidiary, Systems Africa for Information Technologies (Pty.) Ltd., a limited liability company incorporated in the Republic of South Africa on July 28, 2022, for the purpose of sale of software services and trading software licenses in the region. As of reporting date, no payment has been made against its share capital.
- 6.7 This represents 500,000 fully paid ordinary shares of Rs 10/- each, representing 100% (December 31, 2022: 500,000 fully paid ordinary shares of Rs 10/- each, representing 100%) shares in the Company's subsidiary, National Data Consultant (Private) Limited, which were acquired by the Company on July 05, 2022 through the share purchase agreement. NdcTech is a company setup in Pakistan engaged in core and digital banking implementation services, having rich clients in Pakistan, Middle East, Africa and Asia Pacific region.
- 6.8 This represents 9,499 full paid ordinary shares of Rs 10/- each, representing 94.99% (December 31, 2022: 9,499 full paid ordinary shares of Rs 10/- each, representing 94.99%) shares in Company's subsidiary, SUS JV (Private) Limited, a company set up in Pakistan for the Balochistan Land Revenue Management Information System project. The project is related to digitization of land records and development of a web-based management information system.
- 6.9 This represents 100 ordinary shares of Rs. 10/- each, representing 100% (December 31, 2022: Nil) shares in the Company's subsidiary, Systems Holdings (Private) Limited, a limited liability company incorporated in Pakistan on April 14, 2023, for the purpose of establishing and running data processing centers, computer centers, software development centers and to provide consultancy and data processing software development services. As of reporting date, no payment has been made against its share capital.
- 6.10 This represents the advances provided to following entities against issuance of shares:

	Note	Un-audited	Audited
		September 30, 2023	December 31, 2022
		(Rupees)	
To subsidiaries			
- Systems International IT Pte. Ltd.	(6.10.1)	-	818,009,000
- Systems Ventures (Private) Limited	(6.10.1) & (6.10.2)	2,225,191,000	-
		2,225,191,000	-

- 6.10.1 Systems International IT 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 was a wholly owned subsidiary of Systems Limited, incorporated on May 11, 2022. This represented an advance of USD 3.7 million, amounting to Rs 818.01 million, against which 5,002,890 shares had been issued on January 19, 2023 in the name of Systems Limited.

However, on April 25 2023, the Company entered into an arrangement with its wholly owned subsidiary; Systems Ventures (Private) Limited 'SVPL' for transfer of 5,002,890 shares of Systems International IT Pte Ltd to SVPL. Thereafter, Systems International IT Pte. Ltd. is a wholly owned subsidiary of SVPL whereas the Company continues to be the ultimate parent company. The Company is to receive shares of equivalent value of its cost of investment in Systems International IT Pte. Ltd. from SVPL.

- 6.10.2** This includes an amount of USD 4.9 million, amounting to Rs 1,427.18 million, (December 31, 2022: Nil) paid to Systems International IT Pte. Ltd. on behalf of SVPL. The Company is to receive shares from SVPL of equivalent value of its payment to Systems International IT Pte. Ltd.
- 6.11** This represents 179,507 fully paid ordinary shares at USD 0.01/- each representing 44.60% shares (December 31, 2022: 179,507 fully paid ordinary shares at USD 0.01/- each representing 44.60% shares) in E-Processing Systems B.V, a company setup in Netherlands.

	Note	Un-audited	Audited
		September 30, 2023	December 31, 2022
(Rupees)			
7. TRADE DEBTS - UNSECURED			
Export		12,213,033,225	7,317,008,915
Local		1,785,681,543	1,734,547,353
		13,998,714,768	9,051,556,268
Less: Allowance for expected credit losses		(319,822,810)	(232,975,696)
		13,678,891,958	8,818,580,572
8. SHORT TERM INVESTMENTS			
At fair value through profit or loss			
- Mutual fund units		602,908,759	4,253,978,169
At amortized Cost			
- Term deposits receipts (TDRs)		282,000,000	177,000,000
		884,908,759	4,430,978,169
9. SHORT TERM BORROWINGS - SECURED			
MCB Bank Limited	(9.1)	1,000,000,000	850,000,000
Habib Metropolitan Bank Limited		1,400,000,000	1,400,000,000
Habib Bank Limited	(9.2)	570,000,000	200,000,000
Meezan Bank Limited		-	100,000,000
Faysal Bank Limited		-	200,000,000
Allied Bank Limited	(9.3)	560,000,000	300,000,000
		3,530,000,000	3,050,000,000

- 9.1** This increase represents export refinance of Rs 400 million availed against aggregate sanctioned limit of Rs 1,400 million. The rate of mark up is SBP rate plus 0.5%. These borrowings are secured against first pari passu charge over current assets of the Company with 25% margin and first exclusive hypothecation and equitable mortgage charge over plant, machinery, furniture, fixtures and land.
- 9.2** This increase represents export refinance of Rs 370 million availed against aggregate sanctioned limit of Rs 700 million. The rate of mark up is SBP rate plus 0.5%. These borrowings are secured against first pari passu charge over current assets of the Company with 25% margin.
- 9.3** This increase represents export refinance of Rs 500 million availed against aggregate sanctioned limit of Rs 800 million. The rate of mark up is SBP rate plus 0.5%. These borrowings are secured against first pari passu charge over present and future current assets of the Company with 25% margin.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

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

10.2 Commitments

- 10.2.1** Guarantees issued by the financial institutions on behalf of the Company amount to Rs. 482.69 million (December 31, 2022: Rs 433.35 million). This includes guarantees of Rs 77.38 million (December 31, 2022: Rs 77.38 million) given on behalf of UUS Joint Venture (Private) Limited, a joint operation of the Company.
- 10.2.2** 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, 2022: Rs 100 million). Guarantees issued by the Company on behalf of National Data Consultant (Private) Limited to Bank Al Habib Limited amount to Rs 134 million (December 31, 2022: Rs 134 million).

	Un- Audited		Un- Audited	
	Nine months ended		Three months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Rupees				
11. Other Income				
Income from financial assets:				
Profit on deposit accounts	43,309,521	28,554,829	16,792,563	7,242,521
Profit on short term investments	213,985,944	398,304,315	18,877,072	192,824,512
Exchange gain	2,386,235,698	1,172,076,353	30,719,495	507,403,819
Effect of discounting of long term loans	64,037,098	-	25,360,907	-
Interest on loan to subsidiaries	37,438,094	40,552,351	12,164,652	9,186,999
Income from non-financial assets:				
Gain on disposal of property and equipment	2,931,702	82,844,151	3,619,855	3,079,146
Others	9,977,992	42,842,192	4,179,802	32,362,852
	2,757,916,049	1,765,174,191	111,714,346	752,099,849
12. EARNINGS PER SHARE				
Profit for the period (rupees)	6,730,022,690	4,816,210,876	1,908,115,019	2,024,050,444
Weighted-average number of ordinary shares outstanding during the period	290,900,898	276,972,750	291,281,501	278,373,677
Basic (rupees)	23.14	17.39	6.55	7.27
Diluted earnings per share:				
Profit for the period (rupees)	6,730,022,690	4,816,210,876	1,908,115,019	2,024,050,444
Weighted-average number of ordinary shares - basic	290,900,898	276,972,750	291,281,501	278,373,677
Effect of share options	2,280,588	1,588,619	2,227,577	1,846,953
	293,181,486	278,561,369	293,509,078	280,220,630
Diluted (rupees)	22.96	17.29	6.50	7.22

13. TRANSACTIONS WITH RELATED PARTIES

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

Undertaking	Relation	Basis of relationship	Nature of transaction	Un-audited	
				Nine Months Ended	
				September 30, 2023	September 30, 2022
(Rupees)					
TechVista Systems FZ- LLC	Subsidiary	Wholly owned	Revenue	4,125,481,293	2,348,709,137
			Expenses incurred on behalf of the party by the Company	21,455,907	17,926,542
			Expenses incurred on behalf of the Company by the party	386,370,924	794,179,903
			Share options issued to employees of the subsidiary	62,829,188	-
			Consultancy fee by the party	76,248,274	-
			Payment of licenses made by the party on behalf of the Company	522,198,044	-
E Processing Systems (Private) Limited.	Associated company	Wholly owned by Associate: E-Processing Systems B.V.	Expense incurred on behalf of party	26,904,891	78,940,595
			Repayments from the party against advance	75,878,219	(78,826,660)
			Finance income on loan	37,801,421	21,792,462
			Property and equipment sold to the party during the period	4,420,480	-
SUS-JV (Private) Limited.	Subsidiary	94.99% owned subsidiary	Disbursement against loan	23,119,191	12,319,845
			Receipts against loan	32,204,112	17,538,016
			Finance income on loan	691,261	1,400,383
Visionet Systems Incorporation - USA	Associated company	Common shareholding of directors	Revenue	8,533,540,136	6,851,506,619
			Expenses incurred on behalf of the party by the Company	83,304,386	64,595,337
			Expenses incurred on behalf of the Company by the party	117,139,530	-
Visionet Deutschland GMBH	Associated company	Common shareholding of directors	Revenue	484,201,669	605,029,870
			Expenses incurred on behalf of the party by the Company	16,642,829	17,700,423
Systems Ventures (Private) Limited	Subsidiary	Wholly owned	Expenses incurred on behalf of the party by the Company	3,375,489	1,523,980
			Advance given to the party for issuance of shares	-	241,000,000
			Ownership interest in Systems International IT Pte. Ltd. transferred to the party	818,009,000	-
			Payment made on behalf of the party to Systems International IT Pte. Ltd.	1,407,182,000	-
TechVista Systems Pty. Ltd.	Sub-Subsidiary	Wholly owned by subsidiary: TechVista Systems FZ LLC	Revenue	8,244,806	5,086,602
			Expenses incurred on behalf of the party by the Company	7,553,171	-
Systems Limited Employees' Provident Fund	Staff retirement fund	Staff retirement fund	Contribution	690,915,227	444,044,717
			Payments made on behalf of the party by the Company	550,159,260	-
TechVista Information Technology W.L.L.	Subsidiary	Management Control	Revenue	439,988,588	294,864,184
			Share options issued to employees of the subsidiary	1,194,616	10,720,281
			Expenses incurred on behalf of the party by the Company	42,359,704	30,221,479
			Expenses incurred on behalf of the Company by the party	39,219,181	-

Undertaking	Relation	Basis of relationship	Nature of transaction	Un-audited	
				Nine Months Ended	
				September 30, 2023	September 30, 2022
				(Rupees)	
Visionet EMEA Limited	Associated company	Common shareholding of directors	Revenue	618,548,411	331,089,029
			Expenses incurred on behalf of the party by the Company	2,827,147	6,020,230
			Expenses incurred on behalf of the Company by the party	117,723	-
National Data Consultant (Private) Limited	Subsidiary	Wholly owned	Share options issued to employees of the subsidiary	5,796,246	-
			Expenses incurred on behalf of the party by the Company	693,303,337	-
			Expenses incurred on behalf of the Company by the party	398,500	-
Systems Arabia for Information Technology	Subsidiary	Wholly owned	Revenue	902,548,993	68,458,081
			Share options issued to employees of the subsidiary	6,001,514	-
			Expenses incurred on behalf of the party by the Company	46,317,691	121,139,088
			Expenses incurred on behalf of the Company by the party	89,860,796	-
Treehouse Consultancy LLC	Sub-Subsidiary	Wholly owned by subsidiary: TechVista Systems FZ LLC	Revenue	37,620,739	24,760,708
Systems Africa for Information Technologies Pty. Ltd.	Subsidiary	Wholly owned	Revenue	95,771,407	-
			Expenses incurred on behalf of the party by the Company	5,196,452	1,124,663
			Share options issued to employees	786,810	-
Systems APAC for Information Technology Pte. Ltd.	Sub-Subsidiary	Wholly owned by sub-subsidiary: Systems International IT Pte. Ltd.	Revenue	157,746,376	-
			Expenses incurred on behalf of the party by the Company	15,574,458	2,178,333
Systems International IT Pte. Ltd.	Subsidiary	Wholly owned by subsidiary: Systems Ventures (Private) Limited	Advance given to the party for issuance of shares	-	818,009,000
			Expenses incurred on behalf of the party by the Company	1,025,730	2,201,436
SYS Egypt for Information Technology Services	Subsidiary	Wholly owned	Expenses incurred on behalf of the party by the Company	2,869,427	11,238,044
			Expenses incurred on behalf of Company by the party	1,284,806	-
			Advance against services	-	51,110,875
			Share options issued to employees of the subsidiary	492,560	-
National Data Consultancy FZE	Sub-Subsidiary	Wholly owned by sub-subsidiary: Systems International IT Pte. Ltd.	Revenue	822,223,475	-

	Note	Un-audited	
		Nine Months Ended	
		September 30, 2023	September 30, 2022
		(Rupees)	
14. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		7,072,430,256	5,078,533,092
Adjustments for:			
Depreciation of property and equipment	(5.1)	423,221,863	314,347,219
Depreciation of right-of-use asset		113,504,723	-
Amortization of intangibles		7,594,299	7,704,625
Share based payment expense		136,128,316	136,661,832
- Contract assets - unsecured		13,730,425	-
- Trade debts - unsecured		108,203,083	50,726,270
Finance costs		487,561,393	131,414,801
Exchange gain		(2,386,235,698)	(1,172,076,353)
Profit on short term investments		(213,985,944)	(398,304,315)
Profit on bank deposits		(43,309,521)	(28,554,829)
Interest on loan to related parties		(37,438,094)	-
Loss / (Gain) on disposal of property and equipment		(2,931,702)	(82,844,151)
		(1,393,956,857)	(1,040,924,901)
		5,678,473,399	4,037,608,191
Working capital changes			
Long term deposits		(6,736,980)	-
Contract Assets - unsecured		(1,049,072,374)	(746,929,820)
Trade debts - unsecured		(2,582,278,771)	(2,377,273,469)
Loans paid to employees - net		(334,145,980)	-
Advances and other receivables		(871,940,286)	(519,078,412)
Trade deposits and short term prepayments		(750,730,878)	(113,961,198)
Trade and other payables		2,516,406,774	471,434,595
Contract liabilities		(144,729,215)	-
		(3,223,227,710)	(3,285,808,304)
Cash generated from operations		2,455,245,689	751,799,887

15. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with those disclosed in the preceding annual audited financial statements for the year ended December 31, 2022.

15.1 Fair values of financial assets and liabilities

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

15.2 Financial instruments by categories

Un-audited September 30, 2023		
At fair value through profit or loss	At amortized cost	Total

(Rupees)

Financial assets

Interest free loans to employees	-	483,810,890	483,810,890
Contract assets - unsecured	-	2,064,786,636	2,064,786,636
Trade debts - unsecured	-	13,678,891,958	13,678,891,958
Trade deposits	-	41,486,884	41,486,884
Loans advances & other receivables	-	1,848,668,274	1,848,668,274
Short term investments	602,908,759	282,000,000	884,908,759
Interest accrued	-	7,325,076	7,325,076
Cash and bank balances	-	2,818,406,508	2,818,406,508
	602,908,759	21,225,376,226	21,828,284,985

Financial liabilities

Lease liabilities	-	609,681,998	2,750,000,000
Mark-up accrued on short term borrowings	-	84,142,659	13,702
Short term borrowings - secured	-	3,530,000,000	3,530,000,000
Unclaimed dividend	-	20,569,910	20,569,910
Trade and other payables	-	5,211,219,168	5,211,219,168
	-	9,455,613,735	8,761,802,780

Audited December 31, 2022		
At fair value through profit or loss	At amortized cost	Total

(Rupees)

Financial assets

Interest free loans to employees	-	398,150,748	398,150,748
Contract assets - unsecured	-	1,029,444,687	1,029,444,687
Trade debts - unsecured	-	8,818,580,572	8,818,580,572
Trade deposits	-	220,083,140	220,083,140
Loans to related parties	-	275,965,677	275,965,677
Other receivables	-	497,638,045	497,638,045
Short term investments	4,253,978,169	177,000,000	4,430,978,169
Interest accrued	-	1,521,649	1,521,649
Cash and bank balances	-	588,569,946	588,569,946
	4,253,978,169	12,006,954,464	16,260,932,633

Financial liabilities

Lease liabilities	-	541,723,263	13,702
Mark-up accrued on short term borrowings	-	1,606,411,434	76,816,085
Short term borrowings - secured	-	3,050,000,000	2,750,000,000
Unclaimed dividend	-	13,536,152	9,226,244
Trade and other payables	-	82,126,318	1,162,101,750
	-	5,293,797,167	3,998,157,781

16. Fair value hierarchy

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

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

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

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

	Level 1	Level 2	Level 3	Total
(Rupees)				
As at September 30, 2023 (Un-audited)				
Fair value through profit and loss				
- Mutual Fund units	-	602,908,759	-	602,908,759
As at December 31, 2022 (Audited)				
Fair value through profit and loss				
- Mutual Fund units	-	4,253,978,169	-	4,253,978,169

17. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There are no subsequent events subsequent to the reporting date.

18. DATE OF AUTHORIZATION FOR ISSUE

These condensed unconsolidated interim financial statements were authorized for issue on 26 October 2023 by the Board of Directors of the Company.

19. CORRESPONDING FIGURES

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

20. GENERAL

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


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)



SYSTEMS LIMITED
CONSOLIDATED
FINANCIAL
STATEMENTS

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023 (UNAUDITED)

	Note	Unaudited 30 September 2023	Audited 31 December 2022
ASSETS			
Rupees			
Non-current assets			
Property and equipment	6	3,632,237,271	2,942,599,349
Intangible		8,515,593,762	7,963,673,553
Long term investments		103,995,936	243,023,912
Investment in Associates		680,483,695	951,034,316
Right-of-use asset		616,790,150	580,144,739
Long term loans		483,810,890	298,036,906
Deferred taxation - net		26,241,687	12,157,378
Deferred employee benefits		243,541,482	86,938,319
Long term receivable - unsecured		1,145,204,040	909,097,001
Long term deposits		68,505,366	63,844,710
		15,516,404,281	14,050,550,183
Current assets			
Contract assets		6,520,720,910	2,591,990,933
Trade debts	7	10,780,823,668	8,494,847,010
Current portion of long term receivable - unsecured		154,156,501	194,200,634
Loans, advances and other receivables		4,726,366,130	1,434,826,075
Trade deposits and short term prepayments		4,364,391,023	1,094,819,779
Interest accrued		7,969,049	1,521,649
Short term investments	8	2,060,158,759	4,430,978,169
Tax refunds due from the Government		205,892,886	187,443,226
Current portion of deferred employee benefits		21,661,535	29,892,702
Cash and bank balances		5,871,474,926	5,814,496,232
		34,713,615,387	24,275,016,409
TOTAL ASSETS		50,230,019,668	38,325,566,592
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
400,000,000 (2022: 400,000,000) ordinary shares of Rs. 10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid up share capital		2,912,836,990	2,904,076,990
Capital and reserves		7,827,513,493	5,917,212,743
Unappropriated profits		19,796,429,574	14,104,886,266
		30,536,780,057	22,926,175,999
Non-controlling interest		2,584,780	2,103,542
		30,539,364,836	22,928,279,541
Non-current liabilities			
Long term advances		38,275,226	6,767,044
Lease Liability		526,910,414	491,701,794
Other long term liability - unsecured		1,924,224,043	1,040,158,349
Provision for gratuity		580,436,473	455,978,209
		3,069,846,155	1,994,605,396
Current liabilities			
Trade and other payables		7,905,333,200	5,937,289,453
Unclaimed Dividend		20,569,910	13,536,152
Contract Liability		4,140,485,193	3,025,704,894
Mark-up accrued on short term borrowings		84,635,752	83,638,647
Short term borrowings		3,530,000,000	3,110,000,000
Current Portion of lease liability		140,040,753	112,996,863
Current portion of other long term liability		799,743,869	1,116,281,250
Current portion of long term advances		-	3,234,396
		16,620,808,677	13,402,681,655
TOTAL EQUITY & LIABILITIES		50,230,019,668	38,325,566,592
CONTINGENCIES AND COMMITMENTS			
	10		


(CHAIRMAN)


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)

CONSOLIDATED CONDENSED INTERIM PROFIT OR LOSS ACCOUNT

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023 (UNAUDITED)

Note	Nine Months Ended		Three Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
-----Rupees-----				
Revenue from contract with customers - net	37,333,785,801	20,144,848,895	14,144,622,403	8,681,603,604
Cost of sales	27,220,094,113	13,785,810,105	10,289,558,046	5,977,011,590
Gross profit	10,113,691,688	6,359,038,789	3,855,064,357	2,704,592,014
Distribution expenses	1,288,267,525	451,256,260	452,849,897	186,329,915
Administrative expenses	2,975,301,467	1,766,220,088	1,131,608,366	780,420,239
Impairment losses on financial assets	383,056,960	96,697,365	162,526,370	76,258,136
	4,646,625,952	2,314,173,713	1,746,984,633	1,043,008,290
Operating profit	5,467,065,736	4,044,865,076	2,108,079,724	1,661,583,724
Other income	3,016,979,457	1,735,194,330	178,692,626	753,548,976
Share of loss from associate	284,050,620	231,370,469	60,554,928	82,277,736
Finance cost	653,875,388	153,393,257	245,733,713	69,040,018
Profit before taxation	7,546,119,186	5,395,295,679	1,980,483,710	2,263,814,945
Taxation	399,307,382	279,583,243	127,533,266	113,539,733
Profit after taxation	7,146,811,803	5,115,712,436	1,852,950,443	2,150,275,212
Attributable to:				
Equity holders of the parent	7,146,330,566	5,115,843,867	1,852,800,331	2,150,433,259
Non-controlling interest	481,238	(131,431)	150,113	(158,047)
	7,146,811,803	5,115,712,436	1,852,950,443	2,150,275,212
Earnings per share:				
Basic earnings per share	12 24.57	18.47	6.36	7.72
Diluted earnings per share	24.38	18.37	6.31	7.67

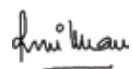
The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



(CHAIRMAN)



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(CHIEF FINANCIAL OFFICER)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023 (UNAUDITED)

	Nine Months Ended		Three Months Ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	-----Rupees-----			
Profit for the period	7,146,811,803	5,115,712,436	1,852,950,443	2,150,275,212
Other comprehensive income				
Exchange difference on translation of foreign operations	1,509,645,934	448,418,217	-	174,539,827
Total comprehensive income for the period	8,656,457,737	5,564,130,653	1,852,950,443	2,324,815,039
Attributable to:				
Equity holders of the parent	8,655,976,499	5,564,262,084	1,852,800,331	2,324,973,086
Non-controlling interest	481,238	(131,431)	150,113	(158,047)
	8,656,457,737	5,564,130,653	1,852,950,443	2,324,815,039

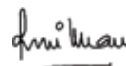
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CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023 (UNAUDITED)

	Issued, subscribed and paid up share capital	Shares to be issued	Capital 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	Foreign currency translation reserve	Unappropriated profit			
Balance as at 31 December 2021 (Audited)	1,384,989,120	-	820,263,321	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
Revenue reserve of subsidiary	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	1,391,826,000	-	-	-	-	448,418,217	(1,391,826,000)	448,418,217	-	448,418,217
Bonus issue at 100%	7,236,670	-	47,320,443	(57,382,207)	-	-	(1,391,826,000)	(2,824,894)	-	(2,824,894)
Exercise of share options	-	118,225,000	37,90,411,725	-	-	-	-	3,908,636,725	-	3,908,636,725
Acquisition of National Data Consultants (Pvt.) Limited	-	-	-	136,661,832	-	-	-	136,661,832	-	136,661,832
Share based payments	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2022 (Un-audited)	2,784,051,990	118,225,000	4,857,995,459	279,500,384	-	576,243,567	12,556,411,274	20,972,427,674	10,38,497	20,973,466,171
Balance as at 31st December 2022 (Audited)	2,904,076,990	-	4,671,279,598	323,650,758	-	922,282,387	14,104,886,266	22,926,175,999	2,103,542	22,928,279,541
Total comprehensive income for the period	-	-	-	-	-	-	7,146,811,803	7,146,811,803	481,238	7,147,293,041
Other comprehensive income for the year	-	-	-	-	-	15,09,645,934	-	15,09,645,934	-	15,09,645,934
Forfeiture of employee stock options	-	-	-	(24,407,024)	-	-	-	(24,407,024)	-	(24,407,024)
Final Dividend @ Rs. 5 per share for the year ended 31 December 2022	-	-	-	-	-	-	(1,455,268,495)	(1,455,268,495)	-	(1,455,268,495)
Exercise of Share Options	8,760,000	-	180,576,704	(70,648,696)	-	-	-	118,668,008	-	118,668,008
Share based payments	-	-	-	315,193,832	-	-	-	315,193,832	-	315,193,832
Balance as at 30 September 2023 (Un-audited)	2,912,836,990	-	4,851,856,302	543,728,870	-	2,431,928,321	19,796,429,574	30,536,780,057	2,584,780	30,539,364,836

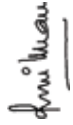
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(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023 (UNAUDITED)

	Note	Nine Months Ended	
		30 September	30 September
		2023	2022
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows from/(used in) operations	14	717,528,974	2,032,277,148
Finance costs paid		(613,320,388)	(125,875,154)
Gratuity paid		(100,205,030)	(13,691,467)
Taxes paid		(431,841,351)	(285,657,406)
		(1,145,366,769)	(425,224,027)
Net cash flows from/(used in) operating activities		(427,837,795)	1,607,053,120
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(1,168,986,545)	(1,170,627,928)
Proceeds from the disposal of property and equipment		25,357,358	237,194,797
(Increase) / Decrease in long term deposits		(4,660,656)	47,252,804
Disposal / (investment) of short term investments - net		2,370,819,410	(331,266,528)
Investment in subsidiary		-	(1,242,873,991)
Increase in long term investment		(15,440,936)	(93,986,104)
Profit received on short term investment		212,357,632	402,357,893
Interest received on loan from related parties		37,438,093	-
Profit received on bank deposits		45,353,113	29,787,234
Net cash flows used in/from investing activities		1,502,237,468	(2,122,161,823)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		118,688,008	53,156,008
Increase in short term borrowings		420,000,000	1,200,000,000
(Decrease) in long term loan		(185,773,984)	(52,385,598)
(Decrease) in Lease Liability		(127,455,519)	7,243,150
Dividend paid		(1,462,302,253)	(688,812,707)
Increase in long term advances		28,273,786	140,692,427
Net cash flows used in financing activities		(1,208,569,962)	659,893,280
Net (decrease) in cash and cash equivalents		(134,170,289)	144,784,577
Net foreign currency exchange difference		191,148,983	448,418,217
Cash and cash equivalents at beginning of the period		5,814,496,232	2,978,863,741
Cash and cash equivalents at closing of the period		5,871,474,926	3,572,066,535


The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 30 September 2023 (UNAUDITED)

1. THE GROUP AND ITS OPERATIONS

1.1 Holding company

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

1.2 Subsidiary and sub-subsidiary Companies

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

- 1.2.15** National Data Consultancy FZE, is a limited liability company in Dubai, for the purpose of sale of software services and trading software licenses in the region. The Company is a wholly owned subsidiary of Systems International IT Pte Ltd. with authorized share capital of AED 150,000.
- 1.2.16** Techvista Information Technology W.L.L. ('TVSQ'), a limited liability company was incorporated in the State of Qatar on February 27, 2022. The Holding Company has 100% control and management of TVSQ.
- 1.2.17** Techvista Systems East Africa Limited, a limited liability company was incorporated in Kenya on 24th May 2023. The company is a wholly owned subsidiary of Systems International IT Pte Ltd.
- 1.2.18** Systems Holdings (Pvt) Limited is private company incorporated in Pakistan on 13 April 2023. The company is a wholly owned subsidiary of Systems Limited.
- 1.2.19** SYS Bahrain for Information Technology W.L.L, a limited liability company was incorporated in Bahrain on 15 February 2023. The company is a wholly owned subsidiary of Systems International IT Pte Ltd.

1.3 Associated Companies

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

E-Processing Systems B.V, a private limited Company, incorporated on October 08, 2021 in Netherlands, is a 44.60% (2022: 44.60%) owned associate of Systems Limited which is primarily aimed at attracting foreign investment. The results of E-Processing Systems B.V. have been accounted for using the equity method of accounting in these consolidated financial statements using consistent accounting policies of the Holding Company.

2. STATEMENT OF COMPLIANCE

- 2.1** This consolidated condensed interim financial information of the Group for the nine months period ended 30 September 2023 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 2022.

3.1 Consolidated financial statements

This consolidated condensed interim financial information comprises the financial information of Systems Limited and its subsidiaries, here-in-after referred to as "the Group".

3.2 Basis of measurement

This consolidated condensed interim financial information has been prepared under the historical cost convention.

4. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Group for the year ended 31 December 2022.

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 2022.

	Note	Unaudited 30 September 2023	Audited 31 December 2022
		----- (Rupees) -----	
6. PROPERTY AND EQUIPMENT			
Operating fixed assets	6.1	3,601,597,227	2,699,160,711
Capital work in progress	6.2	30,640,044	243,438,638
		3,632,237,271	2,942,599,349
6.1 Operating fixed assets:			
Opening balance - net book value		2,699,160,711	2,028,987,092
Additions during the period / year - cost	6.1.1	1,381,785,139	1,259,220,479
Acquisition of subsidiary		-	70,878,437
		4,080,945,850	3,359,086,008
Less:			
Disposals during the period / year	6.1.2	22,425,656	188,183,810
Depreciation during the period / year		456,922,967	471,741,487
Book value at the end of the period / year		3,601,597,227	2,699,160,711
6.1.1 Additions during the period / year-cost			
Land		-	198,196,635
Building		160,120,890	3,497,401
Computers		595,677,218	451,285,599
Computer equipment and installations		313,866,880	165,835,329
Other equipment and installations		106,591,160	119,986,658
Generator		24,724,627	36,222,623
Furniture and fittings		90,417,097	114,213,394
Vehicles		3,029,490	15,982,920
Office equipment		17,731,500	5,173,932
Leasehold Improvements		50,546,385	108,912,405
Capital work in progress		-	-
Exchange gain / (loss)		19,079,892	39,913,583
		1,381,785,139	1,259,220,479
6.1.2 Disposals during the period / year - WDV			
Building on freehold land		-	4,214,000
Computers		16,569,499	30,875,633
Computer equipment and installations		5,557,951	1,671,326
Other equipment and installations		-	708,741
Furniture and fittings		298,206	3,270,440
Vehicles		-	147,416,196
Office equipment		-	27,474
		22,425,656	188,183,810
6.2 CAPITAL WORK IN PROGRESS			
Civil works	6.2.1	30,640,044	161,020,955
Advance against purchase of property and equipment		-	82,417,683
		30,640,044	243,438,638
6.2.1 Balance at the beginning of the period / year		243,438,638	22,812,942
Additions during the period / year		77,898,237	244,466,048
Advance against purchase of property & equipment		-	82,417,683
Transfer to operating fixed assets during the period / year		(290,696,831)	(106,258,035)
Balance at the end of the period / year		30,640,044	243,438,638
7. TRADE DEBTS			
Considered good - unsecured			
Export		8,752,763,077	6,879,808,724
Local		2,235,406,507	1,975,980,356
		10,988,169,584	8,855,789,080
Less: Allowance for expected credit losses		(207,345,916)	(360,942,070)
		10,780,823,668	8,494,847,010
8. SHORT TERM INVESTMENTS			
Fair value through profit and loss			
- Mutual fund units		602,908,759	4,253,978,169
Amortized cost			
- Term deposit receipts (TDRs)		1,457,250,000	177,000,000
		2,060,158,759	4,430,978,169

9. OPERATING SEGMENT INFORMATION

9.1 Vertical Segments

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

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

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

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

	BFSI		Telco		Technology		Retail & CPG		Others		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Nine months ended 30 September 2023	2022	Nine months ended 30 September 2023	2022	Nine months ended 30 September 2023	2022	Nine months ended 30 September 2023	2022	Nine months ended 30 September 2023	2022	Nine months ended 30 September 2023	2022
Revenue - net	11,281,788,304	5,200,095,979	7,718,176,265	3,541,750,000	5,407,239,713	3,222,886,703	4,067,480,088	3,360,339,080	8,859,101,451	4,819,777,134	37,333,785,801	20,144,848,895
Cost of sales	(9,119,899,552)	(3,616,629,293)	(5,203,463,963)	(2,647,592,674)	(3,589,331,916)	(2,046,566,780)	(2,636,663,630)	(2,000,568,866)	(6,671,765,052)	(3,477,151,492)	(27,220,094,113)	(13,785,810,105)
Gross profit	2,161,888,752	1,583,466,686	2,514,712,302	893,826,326	1,818,907,797	1,176,319,922	1,430,816,458	1,359,770,215	2,187,336,400	1,342,625,641	10,113,691,688	6,359,038,789
Distribution expenses	(355,727,731)	(114,584,623)	(266,793,374)	(87,905,085)	(209,217,394)	(111,669,766)	(194,457,569)	(57,851,939)	(312,071,651)	(119,556,076)	(1,289,267,529)	(451,256,260)
Administrative expenses	(1,156,740,062)	(530,769,613)	(792,775,499)	(343,739,421)	(807,248,067)	(333,823,922)	(509,734,724)	(336,074,239)	(957,072,700)	(464,576,941)	(4,863,566,992)	(1,159,228,032)
Profit / (loss) before taxation and taxes	1,055,148,889	1,055,757,073	1,721,936,864	550,046,930	1,011,661,730	821,490,000	921,111,714	975,695,976	1,190,263,699	738,572,488	5,850,122,696	4,141,562,441
Other operating expenses									(383,056,960)		(383,056,960)	(96,697,365)
Other income (excluding exchange gain)									37,854,930		37,854,930	556,308,320
Exchange (loss) / gain									2,638,436,427		117,886,010	117,886,010
Share of loss from associates									(284,050,620)		(21,130,469)	(21,130,469)
Finance cost									(653,875,388)		(553,399,257)	(553,399,257)
Profit before taxation									7,546,119,186		5,395,295,680	5,395,295,680
Taxation									(999,307,382)		(719,583,243)	(719,583,243)
Profit after taxation									7,146,811,804		5,157,624,958	5,157,624,958

9.2 Geographical segments

	North America		Europe		Middle East & Africa		Asia Pacific		Pakistan		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Nine months ended 30 September 2023	2022	Nine months ended 30 September 2023	2022	Nine months ended 30 September 2023	2022	Nine months ended 30 September 2023	2022	Nine months ended 30 September 2023	2022	Nine months ended 30 September 2023	2022
Revenue - net	9,180,326,957	6,852,073,414	1,398,585,225	1,022,476,826	192,392,099,117	8,361,764,204	785,642,470	197,734,030	6,730,022,032	3,710,800,421	37,333,785,801	20,144,848,895
Cost of sales	(5,714,215,091)	(4,313,461,765)	(649,407,906)	(553,861,953)	(14,006,372,613)	(6,735,039,661)	(511,409,311)	(29,214,523)	(6,138,689,291)	(3,054,232,204)	(27,220,094,113)	(13,785,810,105)
Gross profit	3,466,111,866	2,538,611,649	549,177,319	468,614,873	5,232,836,604	2,626,724,543	274,233,159	68,519,507	591,332,741	656,568,217	10,113,691,688	6,359,038,789
Distribution expenses	(16,099,366)	(16,830,789)	(25,58,693)	(187,0,088)	(946,619,293)	(263,396,048)	(41,354,525)	(6,228,633)	(28,693,5,647)	(62,930,702)	(1,288,267,529)	(451,256,260)
Administrative expenses	(1,078,385,142)	(749,608,076)	(153,685,425)	(172,178,675)	(1,504,050,963)	(800,449,680)	(57,951,279)	(18,928,558)	(181,248,651)	(29,715,301,467)	(1,766,220,088)	(1,766,220,088)
Profit / (loss) before taxation and taxes	(1,094,464,509)	(766,438,865)	(156,244,118)	(74,048,763)	(2,450,670,256)	(1,063,845,728)	(99,305,804)	(25,157,191)	(462,884,304)	(287,985,800)	(4,863,568,992)	(2,217,476,348)
Unallocated income and expenses	2,371,647,357	1,772,172,784	392,933,201	394,566,710	2,782,166,348	1,562,877,815	174,927,395	43,362,316	128,448,436	368,582,417	5,850,122,696	4,141,562,441
Other operating expenses											(383,056,960)	(96,697,365)
Other income (excluding exchange gain)											37,854,930	556,308,320
Exchange (loss) / gain											2,638,436,427	117,886,010
Share of loss from associates											(284,050,620)	(21,130,469)
Finance cost											(653,875,388)	(553,399,257)
Profit before taxation											7,546,119,186	5,395,295,680
Taxation											(999,307,382)	(719,583,243)
Profit after taxation											7,146,811,803	5,157,624,958

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

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

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

10.2 Commitments:

- 10.2.1 Guarantees issued by the financial institutions on behalf of the Group amount to Rs. 1,068.57 million (December 31, 2022: Rs. 433.35 million). This includes guarantees of Rs. 77.38 million (December 31, 2022: Rs. 77.38 million) given on behalf of UUS Joint Venture (Private) Limited, a joint operation of the Group.
- 10.2.2 The Group has issued Performance Guarantee to National Bank of Pakistan Hong Kong against services contract amount USD 13,950 (2022: USD 13,950) and National Bank of Pakistan Kingdom of Saudi Arabia against services contract USD 25,000 (2022: 25,000).
- 10.2.3 Guarantees issued by the Group on behalf of E-Processing Systems (Private) Limited to National Bank of Pakistan amount to Rs. 100 million (December 31, 2022: Rs. 100 million). Guarantees issued by the Group on behalf of National Data Consultant (Private) Limited to Bank Al-Habib Limited amount to Rs. 134 million (December 31, 2022: Rs. 134 million).
- 10.2.4 The Group has received credit facilities from banks to issue advance payment guarantees, performance guarantees and bid bonds for securing IT and software related projects upto a limit of AED 20 million. The credit facilities are secured against the margin account balance kept by the bank along with a counter-guarantee collateral value of AED 20 million.

11. Other Income

Income from financial assets:

Profit on deposit accounts
 Profit on short term investments
 Exchange gain / (loss)
 Interest on loan to subsidiaries
 Effect of discounting of long term loans

Income from non-financial assets:

Gain on disposal of property & equipment
 Others

	Nine Months Ended	
	Un-audited 30 September 2023	Un-audited 30 September 2022
	----- (Rupees) -----	
Profit on deposit accounts	45,353,114	29,787,234
Profit on short term investments	218,805,030	398,304,315
Exchange gain / (loss)	2,638,436,427	1,178,886,010
Interest on loan to subsidiaries	37,438,094	-
Effect of discounting of long term loans	64,037,098	-
	3,004,069,763	1,606,977,559
Gain on disposal of property & equipment	2,931,702	82,844,151
Others	9,977,992	45,372,620
	12,909,694	128,216,771
	3,016,979,457	1,735,194,330

12. EARNINGS PER SHARE

Basic earnings per share

Profit for the period attributable to equity holder of parent

Weighted average number of ordinary shares in issue during the period

Basic - in Rupees

Diluted earnings per share

Profit for the period attributable to equity holder of parent

Weighted-average number of ordinary shares (basic)

Effect of share options

Diluted - in Rupees

	7,146,330,566	5,115,843,867
	290,900,898	276,972,750
	24.57	18.47
	7,146,330,566	5,115,843,867
	290,900,898	276,972,750
	2,280,588	1,588,619
	293,181,486	278,561,369
	24.38	18.37

13. TRANSACTIONS WITH RELATED PARTIES

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

Undertaking	Relation	Nature of transactions	Unaudited Nine Months Ended 30 September	
			2023	2022
			----- Rupees -----	
Visionet Systems Incorporation - USA	Common Directorship	Revenue	8,533,540,136	6,851,506,619
		Expenses incurred on behalf of the party	83,304,386	64,595,337
		Expenses incurred on behalf of the Group by the party	117,139,530	-
Visionet Systems - UK	Associate	Revenue	618,548,411	331,089,029
		Expenses incurred on behalf of the party	2,827,147	6,020,230
		Expenses incurred on behalf of the Group by th party	117,723	-
Visionet Deutschland GMBH - Germany	Associate	Revenue	484,201,669	605,029,870
		Expenses incurred on behalf of the party	-	17,700,423
E-Processing Systems (Private) Limited	Associate	Disbursements against loan	26,904,891	78,940,595
		Receipts agains loan	75,878,219	(78,826,660)
		Interest income on loan	37,801,421	21,792,462
		Property & equipment sold	4,420,480	-
Retailistan (Private) Limited	Associate	Long Term Investment	-	88,555,000
		Repayment of safe note	88,555,000	-
Staff retirement funds	Associate	Contribution	690,915,227	444,044,717
		Payments made on behalf of the party by the Company	550,159,260	-

14. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	7,546,119,186	5,395,295,679
Adjustments of reconcile profit before tax to meet cash flows:		
Depreciation on property and equipment	456,922,967	338,391,901
Depreciation on right-of-use asset	113,504,723	-
Amortization of intangible assets	743,218,537	7,704,625
Allowance for expected credit loss	383,056,960	96,697,365
Bad debts - written off	-	-
Share based payment expense	315,133,832	136,661,832
Finance cost	653,875,388	153,393,257
Gratuity expense	224,663,293	94,983,382
Share of loss of associate	284,050,620	231,370,469
Interest on loan to subsidiaries	(37,438,094)	-
Exchange (gain) on translation of export receivables	(2,638,436,427)	(1,178,886,010)
Effect of discounting of long term loans	(64,037,098)	-
Gain on disposal of property and equipment	(2,931,702)	(82,844,151)
Gain on short term investments	(218,805,030)	(398,304,315)
Profit on bank deposits	(45,353,114)	(29,787,234)
	167,424,855	(630,618,878)
Profit before working capital changes	7,713,544,040	4,764,676,801
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Contract assets - Net	(3,928,729,977)	(1,481,525,404)
Trade debts	123,871,722	(3,568,904,771)
Loans, advances and other receivables	(3,291,540,055)	(571,921,981)
Employee interest free loans	(84,334,898)	-
Long term receivable	(196,062,972)	-
Trade deposits and short term prepayments	(3,269,571,244)	(1,266,392,971)
	(10,646,367,425)	(6,888,745,128)
(Decrease) / increase in current liabilities:		
Trade and other payables	1,968,043,747	2,888,416,217
Long term liability	567,528,313	-
Contract Liability	1,114,780,299	1,267,929,257
	(6,996,015,066)	(2,732,399,654)
Net cash flows from operations	717,528,974	2,032,277,148

15. FINANCIAL RISK MANAGEMENT

15.1 Financial risk factors

There is no change in the Group's objectives, policies, procedures for measuring and managing the financial risks including capital management risk, since the preceding annual financial year ended 31 December 2022.

15.2 Fair values of financial assets and liabilities

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

Fair value hierarchy

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

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

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

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

- During the nine months period ended 30 September 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

15.3 Financial instruments by categories

30 September 2023		
Financial Assets at fair value through P&L	Financial Assets at amortized cost	Total
(Rupees)		
Financial assets as per balance sheet		
Long Term Receivable	1,145,204,040	1,145,204,040
Contract assets	6,520,720,910	6,520,720,910
Trade debts	10,780,823,668	10,780,823,668
Loans, advances and other receivables	4,726,366,130	4,726,366,130
Security deposits	4,364,391,023	4,364,391,023
Interest accrued	7,969,049	7,969,049
Short term investments	602,908,759	1,457,250,000
Cash and bank balances	-	5,871,474,926
	602,908,759	34,874,199,747
		35,477,108,506

31 December 2022		
Financial Assets at fair value through P&L	Financial Assets at amortized cost	Total
(Rupees)		
Financial assets as per balance sheet		
Long Term Receivable	1,103,297,635	1,103,297,635
Contract assets	2,591,990,933	2,591,990,933
Trade debts	8,494,847,010	8,494,847,010
Loans, advances and other receivables	820,058,468	820,058,468
Security deposits	570,803,303	570,803,303
Interest accrued	1,521,649	1,521,649
Short term investments	4,253,978,169	177,000,000
Cash and bank balances	-	5,814,496,232
	4,253,978,169	19,574,015,230
		23,827,993,399

	30 September 2023	31 December 2022
	Financial Liabilities at amortized cost (Rupees)	
Financial liabilities as per balance sheet		
Lease liabilities	666,951,167	604,698,657
Markup accrued on short term borrowing	84,635,752	83,638,647
Short term borrowing	3,530,000,000	3,110,000,000
Unclaimed Dividend	20,569,910	13,536,152
Trade and other payables	7,905,333,200	5,937,289,453
	12,207,490,029	9,749,162,909

16. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issuance on 26 Oct 2023 by the Board of Directors of the Group.

17. 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.

18. GENERAL

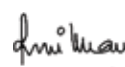
18.1 Figures have been rounded off to the nearest rupee unless otherwise stated.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)

















(CHIEF FINANCIAL OFFICER)



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systems

Pakistan

Lahore (Head Office)

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

Lahore (BPO Office)

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

Karachi

E-5, Central Commercial Area,
Shaheed-e-Millat Road, Karachi

Karachi

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

Islamabad

Plot No. 21, 1st Floor Fazeelat
Arcade, Sector G-11 Markaz,
Islamabad

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

Multan

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

Faisalabad

Jahal Khanewal, Main East
Canal Road, Old Ehsan Yousaf Mill,
Ali Fatima Science College near
Faisal hospital, Faisalabad

Peshawar

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

UAE

Dubai

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

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

Sharjah

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

KSA

Riyadh

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

Qatar

Doha

Palm Towers, Floor 41
Westbay, Doha, Qatar

Egypt

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

South-Africa

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

Australia

Level 16 1 Market Street Sydney NSW
2000, Australia

Singapore

68 Circular Road #02-01, Singapore

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