

systems



# **HALF YEARLY REPORT JUNE 2022**

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**ENABLING A DIGITAL TOMORROW**

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## CONSOLIDATED FINANCIAL STATEMENTS



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## COMPANY INFORMATION

### Board of Directors

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

### Audit Committee

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

### Human Resource & Compensation Committee

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

### Chief Financial Officer

Ms. Roohi Khan

### Company Secretary

Mr. Saad Hasan Aslam

### External Auditors

A. F Ferguson & Co.  
Chartered Accountants

### Internal Auditors

Uzair Hammad Faisal & Co.

### Legal Advisors

Hassan & Hassan Advocates  
Ahmed & Pansota

### Tax Advisors

Zulfiqar Ahmad & Co.  
Chartered Accountants

A. F Ferguson & Co.  
Chartered Accountants

### Banks

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

### Share Registrar

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

### Registered Address

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

## DIRECTOR'S REPORT

On behalf of the Board of Directors, we are pleased to present the Standalone and Consolidated Financial Statements for the six months ended 30th June 2022.

### FINANCIAL RESULTS

#### Unconsolidated:

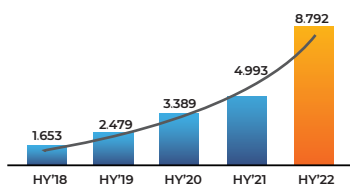
During period under review, standalone revenue grew 76% over same period last year from Rs. 4,992.57 million to Rs. 8,791.85 million. As a consequence gross profit and operating profit are up 60% and 53% respectively, delivering a leveraged operating performance for the company. Additionally, continued devaluation of the Pak Rupee resulted in an exchange gain of Rs 664.67 million compared to the loss in June 2021 of Rs. 32.59 million increasing net profit by 107%, from Rs.1,349.60 million to Rs. 2,792.16 million. Basic and diluted earnings per share both increased by 104% in line with profit for the period. The growth in revenue net of the impact of exchange gain is 48%.

The increase in revenue has been contributed to by all regions.

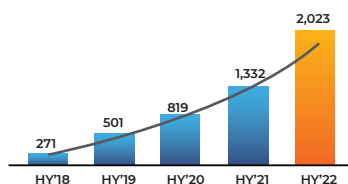
Key Financial Highlights - Unconsolidated			
Particulars	June-22 (unaudited)	June-21 (unaudited)	Change
	Rs.	Rs.	%
Revenue	8,791,854,416	4,992,569,613	76%
Gross Profit	2,835,226,671	1,768,117,233	60%
Operating profit	2,023,289,539	1,322,380,598	53%
Profit for the period	2,792,160,432	1,349,600,262	107%
Earnings per share (basic)	10.05	4.92	104%
Earnings per share (diluted)	10.00	4.89	104%

Other Income - Unconsolidated		
Particulars	June-22 (unaudited)	June-21 (unaudited)
	Rs.	Rs.
Other Income	348,401,808	126,679,308
Exchange Gain / (Loss)	664,672,534	(32,592,781)
	1,013,074,342	94,086,527

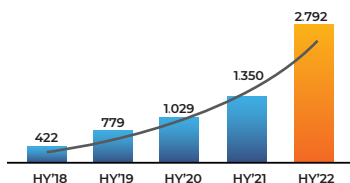
**UNCONSOLIDATED-REVENUE**  
(PKR MILLION) CAGR 52 %



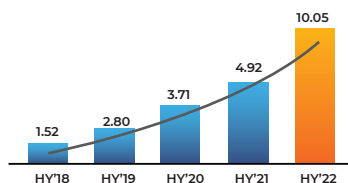
**UNCONSOLIDATED-OPERATING PROFIT**  
(PKR MILLION) CAGR 65 %



**UNCONSOLIDATED-NET PROFIT**  
(PKR MILLION) CAGR 60 %



**UNCONSOLIDATED-EPS - BASIC (RESTATED)**  
(PKR MILLION) CAGR 60 %



## Consolidated:

In line with the unconsolidated results, the consolidated revenue grew by 75% from Rs. 6,548.07 million to Rs. 11,463.24 million. Gross profit and operating profit increasing 63% and 56% respectively. Net profit for the period of Rs. 2,965.43 million is 96% higher than the same period last year, including the Rs. 664.67 million exchange gain. Basic and diluted earnings per share both increased by 88% in line with profit for the period. Eliminating the currency impact, revenue is up by 47% in US dollar terms.

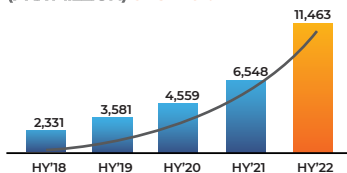
### Key Financial Highlights - Consolidated

Particulars	June-22 (unaudited)	June-21 (unaudited)	Change
	Rs.	Rs.	%
Revenue	11,463,245,291	6,548,070,790	75%
Gross Profit	3,654,446,776	2,244,488,960	63%
Operating profit	2,383,281,352	1,532,439,618	56%
Profit for the period	2,965,437,224	1,514,702,776	96%
Earnings per share (basic)	10.67	5.67	88%
Earnings per share (diluted)	10.62	5.64	88%

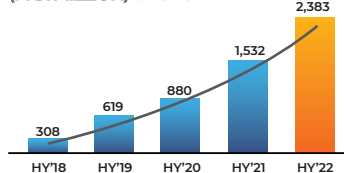
### Other Income - Consolidated

Particulars	June-22 (unaudited)	June-21 (unaudited)
	Rs.	Rs.
Other Income	316,972,820	116,708,600
Exchange Gain / (Loss)	664,672,534	(41,670,694)
	981,645,354	75,037,906

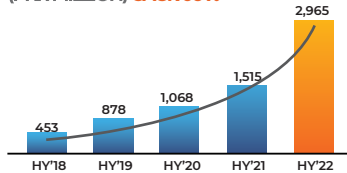
### CONSOLIDATED-REVENUE (PKR MILLION) CAGR 49%



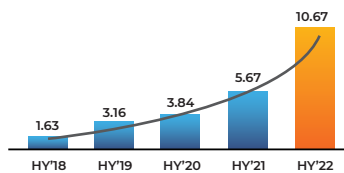
### CONSOLIDATED-OPERATING PROFIT (PKR MILLION) CAGR 67%



### CONSOLIDATED-NET PROFIT (PKR MILLION) CAGR 60%



### CONSOLIDATED-EPS - BASIC (RESTATED) (PKR MILLION) CAGR 60%



## Performance by Segment (Standalone):

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

	North America		Europe		Middle East		Pakistan		Total	
	Un-audited Six Months Ended June 30		Un-audited Six Months Ended June 30		Un-audited Six Months Ended June 30		Un-audited Six Months Ended June 30		Un-audited Six Months Ended June 30	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue	4,335,209,703	2,828,930,612	711,124,060	488,806,166	2,004,213,786	638,723,437	1,741,306,867	1,036,109,398	8,791,854,416	4,992,569,613
Cost of revenue	(2,805,698,757)	(1,719,834,781)	(380,016,153)	(306,213,395)	(1,315,732,092)	(399,313,821)	(1,455,180,743)	(799,090,383)	(5,956,827,745)	(3,224,452,380)
Gross profit	1,529,510,946	1,109,095,831	331,107,907	182,592,771	688,481,694	239,409,616	286,126,124	237,019,015	2,835,226,671	1,768,117,233
Distribution expenses	(14,470,398)	(8,494,499)	(1,833,973)	(1,467,750)	(2,982,657)	(4,576,635)	(102,045,988)	(62,620,042)	(121,333,010)	(77,758,926)
Administrative expenses	(450,257,616)	(253,366,755)	(41,430,449)	(43,778,816)	(152,130,602)	(52,791,938)	(48,505,457)	(35,092,944)	(892,324,124)	(385,030,453)
Profit before taxation and unallocated income and expenses	(464,728,007)	(261,861,254)	(43,264,422)	(45,246,566)	(155,113,259)	(57,368,573)	(150,551,446)	(97,712,986)	(813,657,134)	(462,189,379)
Unallocated income and expenses	1,064,782,939	847,234,577	287,843,485	137,346,205	533,368,435	182,041,043	135,574,678	139,306,029	2,021,569,537	1,305,927,854
Unallocated income and expenses:										
Reversals of impairment losses on financial assets									1,720,002	16,452,744
Other income									348,401,808	126,679,308
Exchange gain / (loss)									664,672,534	(32,592,781)
Finance cost									(79,124,114)	(35,783,430)
Profit before taxation									935,670,230	74,755,841
Taxation									2,957,239,767	1,380,683,695
Profit for the period									(165,079,335)	(31,083,433)
									2,792,160,432	1,349,600,262

## Key Financial Ratios

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

Ratio Description	Standalone		Consolidated	
	Six months ended 30th June		Six months ended 30th June	
	2022	2021	2022	2021
Gross Profit Margin (%)	32%	35%	32%	34%
Operating Margin (%)	23%	26%	21%	23%
EBITDA Margin (%)	37%	34%	30%	29%
Pre-tax Margin (%)	34%	28%	27%	24%
Net Profit Margin (%)	32%	27%	26%	23%
Assets turnover (%)	48%	42%	53%	49%
Return on Equity (%)	22%	16%	20%	16%
Current ratio	2.48	2.78	2.64	2.78
Quick Ratio	2.30	2.42	2.32	2.32
Debtor Turnover (Days)	112	104	96	91
Debt:Equity (Ratio)	30:70	25:75	25:75	25:75
Interest Cover (Times)	41	48	41	40

## Future Outlook

- Following the acquisition of NDC tech, the management of Systems and NdcTech have collaborated and have been integrating the various functions and teams of the two companies, post-completion. The Company believes that the combined strengths will create a good opportunity for it to be the tech leader in the financial sector. Moreover, for sustainable growth and to leverage group strength and experience, the Company has integrated all shared services functions such as Sales, HR, Admin, Facilities, Finance, Marketing, and IT/Infosec. Full group support including the availability of additional resources and access to group experiences and assets will act as a catalyst for the combined growth and improved market access enabling the Company to strengthen the relationship with Temenos and financial sector technology partners in the relevant markets.
- The Company in line with its aspirations to accelerate growth has acquired an entity, Treehouse (TH) in GCC market. The Company expects to have synergies as TH has similar work in the Microsoft space. The founders/leaders of TH have been retained, and the Company will leverage their experience, and given them expanded responsibilities to grow the business beyond its current capacity. The company believes that leveraging the leadership will help both accelerate expansion of the business. The Company continues to actively explore inorganic growth opportunities which can complement and supplement the existing business and help in the growth of both exports as well as niche business opportunities.
- Systems Arabia which was incorporated in October 2021 is now fully operational and has secured multi-year contracts with Saudi businesses. This aligns the Company with Saudi Vision 2030 from the Technology and digitization perspective. The Company envisages opportunities for the Company to grow in the financial, telecommunications, and public sectors, which has been the core strength of its product and services offer. Saudi will be a growth market for the Company.
- The GCC region has not been impacted by inflation and economic slowdown and there is sustained demand and growth in the region. Over the years, the UAE subsidiary has grown and will remain a key contributor to the business as the Company has signed key strategic accounts with a diversified portfolio and growth opportunities that are expected to provide the Company with recurring revenue and a better planning mechanism for future growth.
- As part of the strategy to expand in new markets, Systems South Africa is made operational from July. The Company sees the growth opportunity to expand business in the continent.
- For the ASEAN region, Systems Singapore has been incorporated and the Company has initiated commercial activity and is exploring locking commercial deals. The Company has also decided to invest more in the Australian market to accelerate business growth.
- In line with Company's strategy to focus more on IT consulting in all markets with the US and Europe at the forefront, the Company expects this growth to continue because of the relevance of the various service domains and technology stack the Company is targeting.

- To sustain the hyper-growth mode, the Company is investing and hiring resources proactively and striving towards a future-ready pool of resources by training, re-skilling, and upskilling of the existing resource pool. The Company has started various programs which will act as a catalyst for growth in the supply; ITM is one such program where the Company is recruiting and training people from non-computer science degrees with the first pilot program of 200 admissions. The Company is positive that the targeted and custom-designed curriculum, based on the skill set the Company needs for future growth, will create the pipeline for its growing need for human resource. In addition, the Company has developed a program called TechLift, in partnership with Pakistan Software Export Board (PSEB), it will be executed in collaboration with Pakistan Software Houses Association (P@SHA) and 21 other IT Companies. This program will focus on training and development of the required technology skill set. The Company has also developed stronger academia linkages to ensure that the curriculum is in line with the market requirements and produces employable talent ready to enter the market.
- Since the Company is witnessing robust growth in the GCC region, the Egypt center has been operationalized.. This will help overcome the language barrier in the region and increase supply to match the demand. The Company will continue to explore the option to open development centers in other countries to cater to its future expansion plans.
- E-Processing Systems (EPS) has recently secured funding of \$11 million for its OneLoad Project from Sarmayacar and Sharooq Partners. With the help of this funding and strategic collaboration with regulated financial partners and banks, the micro-retailer base has been consistently growing. The new product offering with the EMI License is on the verge of launch which will help in the expansion of financial products which the Company sees as a value accretive opportunity for EP Systems. EP Systems now has a seasoned and experienced Board where the board members have been the key contributors to other fintech companies in the region. Their expertise will not only help design the business strategy but will also take the business to the next level.
- The Company's other associate, Jugnu launched its Buy Now, Pay Later (BNPL) solution for SME retailers earlier this year after securing \$22.5 million of funding in series-A from SARY (MENA-based B2B e-commerce giant). The business of Jugnu is firmly on a growth trajectory with best in class unit economics in their type of business.

### Acknowledement

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

On behalf of the Board,



Asif Peer  
Chief Executive Officer  
25 August 2022

- باہر گرگھ موڈ کو برقرار رکھنے کیلئے، کمپنی فعال انداز میں وسائل کی بھرتی پر سرمایہ کاری کر رہی ہے اور موجودہ وسائل کے پُل کی تربیت، مہارت اور اپ سکیلنگ کے ذریعے مستقبل کے تقاضوں کے مطابق ریسورس پُل تیار کرنے کی کوشش کر رہی ہے۔ کمپنی نے مختلف پروگرام شروع کئے ہیں جو کہ سپلائی میں بڑھوتری کیلئے کپالسٹ کا کام کریں گے۔ آئی ٹی ایم ایک ایسا پروگرام ہے جہاں کمپنی 200 داخلوں کے پہلے پائلٹ پروگرام کے ساتھ ان لوگوں کو بھرتی کر کے تربیت دے رہی ہے جن کے پاس کمپیوٹر سائنس کی ڈگری نہیں ہے۔ کمپنی پر عزم ہے کہ اسے مستقبل میں ترقی کیلئے درکار ہنرمندی کی بنیاد پر جینی ٹارگنڈ اور کسٹمزڈ پیرا انڈر نصاب سے انسانی وسائل کی بڑھتی ہوئی ضروریات کو پورا کرنے کا ذریعہ میسر آئے گا۔ اس کے علاوہ کمپنی نے پاکستان سوفٹ ویئر اکیڈمی پورٹ (پی ایس ای ٹی) کے اشتراک سے TechLift کے نام سے ایک پروگرام تیار کیا ہے، اسے پاکستان سوفٹ ویئر باؤنڈری ایسوسی ایشن اور 21 دیگر آئی ٹی کمپنیوں کے ساتھ مل کر عمل میں لایا جائے گا۔ یہ پروگرام ٹیکنالوجی میں مطلوبہ مہارت کی تربیت اور ترقی پر مرکوز ہوگا۔ کمپنی نے اس بات کو یقینی بنانے کیلئے مضبوط تعلیمی روابط قائم کئے ہیں کہ نصاب، مارکیٹ کی ضروریات کے مطابق ہو اور اس سے ایسا ہنر پیدا کیا جائے جو روزگار کے قابل اور مارکیٹ میں آنے کیلئے پوری طرح تیار ہو۔
- چونکہ کمپنی نئی سی سی کے علاقے میں زبردست ترقی کا مشاہدہ کر رہی ہے اس لئے مصر میں مرکز کو فعال بنادیا گیا ہے۔ اس سے خطے میں زبان کی رکاوٹ پر قابو پانے اور طلبہ کے مطابق رسد بڑھانے میں مدد ملے گی۔ کمپنی اپنے مستقبل کے توسیعی منصوبوں کو پورا کرنے کیلئے دیگر ممالک میں ترقیاتی مراکز کھولنے کے امکان کی جھجک جاری رکھے گی۔
- ای پروسیڈنگ سسٹمز (ای پی ایس) نے حال ہی میں ”سرمایہ کار“ اور ”شروک“ پائمنرز سے اپنے وکلوڈ پروجیکٹ کیلئے 11 ملین ڈالر کی فنڈنگ حاصل کی ہے۔ اس فنڈنگ اور ریگولیٹو فیصل پائمنرز اور بینکوں کے ساتھ حکمت عملی کے اشتراک کی مدد سے مائیکرو فنانس میں لگاتار بڑھ رہی ہے۔ نئی پروڈکٹ آفرنگ ای ایم آئی لائسنس کے ساتھ لالچ کے دہانے پر ہے جو فنانس پر ڈکنس کی توسیع میں مدد کرے گی جسے کمپنی ای پی سسٹمز کیلئے ایک قابل قدر موقع کے طور پر دیکھتی ہے۔ ای پی سسٹمز کے پاس ایک کہنہ مشق اور تجربہ کار بورڈ ہے جس کے بورڈ ممبرز خطے کی دیگر فنٹیک کمپنیوں میں اہم شراکت دار رہے ہیں۔ ان کی مہارت نہ صرف کاروباری حکمت عملی کو ڈیزائن کرنے میں مدد کرے گی بلکہ کاروبار کو اگلے درجے تک لے جائے گی۔
- کمپنی کی دوسری ایسوسی ایت، جگنوئے SARY (MENA-based) ٹی ٹی ای کامرس و پوائنٹ کمپنی (سے سریز اسے میں 22.5 ملین ڈالر فنڈ حاصل کرنے کے بعد ایس ایم ای ری شیلڈز کیلئے اپنا ”بائی ٹاؤ، پے لیئر“ (BNPL) حل شروع کیا ہے۔ جگنو کا کاروبار اپنی نوعیت کے کاروبار میں اپنے طبقہ میں بہترین پوائنٹ اکائمنس کے ساتھ بڑی تیزی سے ترقی کی راہ پر گامزن ہے۔

## اعتراف

بورڈ اس موقع پر کمپنی کے قابل قدر کسٹمرز، بینکرز اور دیگر متعلقین کے تعاون اور معاونت کیلئے شکریہ ادا کرتا ہے۔ بورڈ کمپنی کے تمام ملازمین کی محنت اور لگن کو خراج تحسین پیش کرتا ہے۔

حسب اہم بورڈ



آصف ہیرا

چیف ایگزیکٹو آفیسر

مورخہ: 25 اگست 2022ء

## اہم مالیاتی تناسب

منافع کے تمام تناسب آزادانہ اور منظم مالیات دونوں کیلئے ایک ہی حد میں برقرار ہیں۔ اعلیٰ موجودہ اور فوری تناسب کمپنی کی مضبوط ریاضیاتی حالت کی عکاسی کرتا ہے جس کا براہ راست تعلق قرض داروں کے بہتر نظم و نسق کے ساتھ ہے اور کمپنی کی سرمایہ کاری کی حکمت عملی سے ہم آہنگ ہے۔

تناسب کی تفصیل	آزادانہ	منظم
30 جون 2022 کو ختم ہونے والے	30 جون 2021 کو ختم ہونے والے	30 جون 2022 کو ختم ہونے والے
مجموعی منافع کا کارجن (%)	32%	2021 34%
آپریٹنگ مارجن (%)	23%	2022 23%
EBITDA مارجن (%)	37%	29%
قبل از ٹیکس مارجن (%)	34%	24%
خالص منافع کا کارجن (%)	32%	23%
اثاثوں کا کاروبار (%)	48%	49%
ایکویٹی پر ریزرو (%)	22%	16%
موجودہ تناسب	2.48	2.78
فوری تناسب	2.30	2.32
قرض داروں کا کاروبار (دن)	112	91
قرض: ایکویٹی (تناسب)	30:70	25:75
انٹرست کور (ٹائیز)	41	40

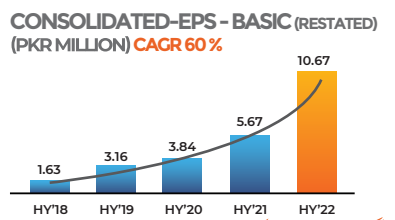
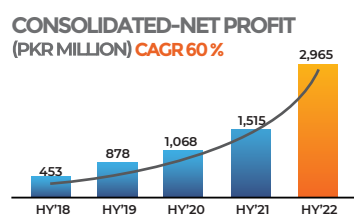
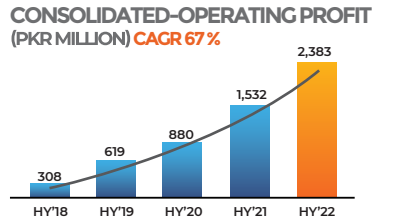
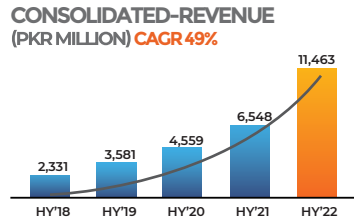
## مستقبل کا خاکہ

- این ڈی ٹی سی ٹیک کے حصول کے بعد، سسٹمز NdcTech کی انتظامیہ نے باہمی اشتراک کیا ہے اور پیمائش کے بعد دونوں کمپنیوں کے مختلف فنکشنز اور ٹیموں کو مربوط کر رہی ہیں۔ کمپنی کا ماننا ہے کہ مشترکہ طاقتیں اس کیلئے مالیاتی شعبے میں ٹیک کیلبر کرنے کا بہترین موقع پیدا کریں گی۔ مزید برآں، پائیدار ترقی اور گروپ کی طاقت اور تجربے سے فائدہ اٹھانے کیلئے، کمپنی نے تمام مشترکہ خدمات جیسے سٹور، انیج آراء ایڈمن، سہولیات، مالیات، مارکیٹنگ اور آئی ٹی / انفوسیک کو مربوط کیا ہے۔ گروپ کی مکمل معاونت بشمول اضافی وسائل کی دستیابی اور گروپ کے تجربات اور اثاثوں کے سہارا کی سہولت کے تحت ترقی اور مارکیٹ تک بہتر پہنچ کیلئے ایک کلاسٹ کام کرے گی جو کمپنی کو تعلقات مارکیٹوں میں ٹیمیں اور مالیاتی شعبے کے ٹیکنالوجی پارٹنرز کے ساتھ تعلقات کو مضبوط کرنے کے قابل بنائے گی۔
- کمپنی نے ترقی کو تیز کرنے کی اپنی خواہشات کے مطابق بی بی سی مارکیٹ میں ایک ادارے بڑی ہاؤس (ٹی ایچ) کو حاصل کر لیا ہے۔ کمپنی کو ہم آہنگیوں کی توقع ہے کیونکہ مائیکروسوفٹ بیس میں ٹی ایچ کے پاس اسی طرح کا کام ہے۔ کمپنی نے ٹی ایچ کے بانیوں / رہنماؤں کو برقرار رکھا ہے، اور ان کے تجربات سے فائدہ اٹھانے کی، اور انہیں کاروبار کو اس کی موجودہ صلاحیت سے آگے بڑھانے کیلئے پیسج ترقی دہاؤں دی ہیں۔ کمپنی کا ماننا ہے کہ قیادت کا فائدہ اٹھانے سے کاروبار کے پھیلاؤ کو تیز کرنے میں مدد ملے گی۔ کمپنی غیر نامیاتی ترقی کے مواقع کو فعال طور پر تلاش کرنے کا عمل جاری رکھے ہوئے ہے جو موجودہ کاروبار کی پیمائش اور اس میں اضافہ کر سکتی ہے اور برآمدات کے ساتھ ساتھ تجارتی مواقع کی ترقی میں مددگار ہو سکتی ہے۔
- سسٹمز عربیہ جسے اکتوبر 2021ء میں قائم کیا گیا تھا اب پوری طرح کام کر رہی ہے اور اس نے سعودی کاروباری اداروں کے ساتھ کئی سالہ معاہدے کر لئے ہیں۔ اس سے ٹیکنالوجی اور ڈیجیٹلائزیشن کے نقطہ نظر سے کمپنی کو سعودی ویزن 2030 کے ساتھ ہم آہنگی ملے گی۔ کمپنی اسے فنانس، ٹیلی کمیونیکیشن اور عوامی شعبوں میں کمپنی کیلئے ترقی کا موقع تصور کرتی ہے، جو اس کی مصنوعات اور خدمات کی پیمائش کی بنیادی طاقت رہی ہے۔ سعودی عرب کمپنی کیلئے ترقی کی مارکیٹ ہوگی۔
- جی بی سی خطہ افراز اور معاشی ستردی سے متاثر نہیں ہوا ہے اور خطے میں طلب اور ترقی برقرار ہے۔ کئی برسوں سے یو ایس ای کی ذیلی کمپنی ترقی کر چکی ہے اور کاروبار میں اہم شراکت دار رہے گی کیونکہ کمپنی نے متنوع پورٹ فولیو اور ترقی کے مواقع کے ساتھ گلوبل سٹریٹجک اکاؤنٹس سائنس کئے ہیں جن سے کمپنی کو لگاتار مدد ملی اور مستقبل میں ترقی کیلئے بہتر منصوبہ بندی کا طریقہ کار ملنے کی توقع ہے۔
- نئی مارکیٹوں میں پھیلاؤ کی حکمت عملی کے ایک حصے کے طور پر سسٹمز ساؤتھ افریقہ کو جو لائیو سے فعال بنادیا گیا ہے۔ کمپنی کو اس براعظم میں کاروبار کو بڑھانے کیلئے ترقی کے مواقع نظر آتے ہیں۔
- ASEAN خطے کیلئے سسٹمز سنگا پورہ قائم کی گئی ہے اور کمپنی نے تجارتی سرگرمیاں شروع کر دی ہیں اور کاروبار باری سودوں کو لاکھ کرنے کی تلاش میں ہے۔ کمپنی نے کاروباری ترقی کو تیز کرنے کیلئے آسٹریلیا میں مارکیٹ میں مزید سرمایہ کاری کرنے کا بھی فیصلہ کیا ہے۔
- سب سے پہلے امریکا اور یورپ کے ساتھ تمام مارکیٹوں میں آئی ٹی کنسلٹنگ پریزایدہ کو تیسرے کو ذکر کرنے کی کمپنی کی حکمت عملی کے مطابق، کمپنی کو توقع ہے کہ خدمات کے مختلف شعبوں اور ٹیکنالوجی سیکٹر، جس کو کمپنی ہدف بنا رہی ہے، سے مطابقت کی بدولت یہ ترقی جاری رہے گی۔

فیئر منسٹر منیج کے مطابق منظم آمدنی 75% اضافہ کے ساتھ 6,458.07 ملین روپے سے بڑھ کر 11,463.24 ملین روپے ہو گئی۔ مجموعی منافع اور آپریٹنگ منافع میں بااثر تیبہ 63% اور 56% اضافہ ہوا۔ اس عرصہ کیلئے زرمبادلہ سے حاصل ہونے والے 664.67 ملین روپے سمیت 2,965.43 ملین روپے کا خاص منافع پچھلے سال اسی عرصہ کے مقابلے میں 96% زیادہ ہے۔ اس عرصہ کے دوران منافع کے مطابق فی فیئر بنیادی اور رتیقی آمدنی دونوں میں 88% اضافہ ہوا۔ کرنسی کے اثرات کو ختم کرتے ہوئے ماہر کی ذرا کے لحاظ سے آمدنی میں 47% اضافہ ہوا۔

منظّم	جولن 2022	جولن 2021	سال پ سال
آمدنی	11,463,245,291	6,548,070,790	75%
مجموعی منافع	3,654,446,776	2,244,488,960	63%
آپریٹنگ منافع	2,383,281,352	1,532,439,618	56%
مدت کے منافع	2,965,437,224	1,514,702,776	96%
کما کی فی شیئر (بنیادی)	10.67	5.67	88%
کما کی فی شیئر (رتیقی)	10.62	5.64	88%

دیگر آمدنی منظم	جولن 2022	جولن 2021
دیگر آمدنی	316,972,820	116,708,600
زرمبادلہ کا فائدہ/( نقصان)	664,672,534	(41,670,694)
	981,645,354	75,037,906



## سیگنٹ کی کارکردگی - (منظم)

سیگنٹ کا تجزیہ چاروں سیگمنٹس میں زبردست نمو کو ظاہر کرتا ہے، جس میں مالی امریکہ اور مشرق وسطیٰ کے علاقے سب سے آگے رہے۔ اس مدت کے دوران ایک بااثر اہم کی جانے والی خدمات کی وجہ سے یورپ کے خطے میں اضافہ ہوا۔ کینیڈا کی ایک سپورٹ بیلنس فروخت کا لگ بھگ 80% ہے، کینیڈا ہدف سے کہ آنے والے برسوں میں برآمدات کے ضمن میں مزید اضافہ کیا جائے۔ کینیڈا اس مقصد کے حصول کیلئے علاقوں اور بین الاقوامی بین الاقوامی میں متوجہ پیدا کرنے پر کام کر رہی ہے۔

کلی مجموعہ	پاکستان	مشرق وسطیٰ	یورپ	مالی امریکہ
تیرا آٹھ	تیرا آٹھ	تیرا آٹھ	تیرا آٹھ	تیرا آٹھ
30 جولن 2022	30 جولن 2022	30 جولن 2022	30 جولن 2022	30 جولن 2022
4,992,569,613	8,791,654,416	1,036,109,398	1,741,306,867	638,723,437
(3,224,452,380)	(5,956,627,745)	(799,090,383)	(1,455,180,743)	(399,313,821)
1,768,117,233	2,835,226,671	237,019,015	286,126,124	239,409,616
(77,158,926)	(121,333,010)	(62,620,042)	(457,635)	(2,982,657)
(385,030,453)	(692,324,124)	(35,092,944)	(48,505,457)	(52,791,938)
(462,189,379)	(813,657,134)	(97,712,986)	(150,551,446)	(57,368,573)
1,305,927,854	2,021,569,537	139,306,029	135,574,678	182,041,043
533,368,435	287,843,485	137,348,205	287,843,485	847,234,577
1,064,782,939				
16,452,744	1,720,002			
126,679,308	348,401,808			
(32,592,781)	664,672,534			
(35,783,430)	(79,124,114)			
74,755,841	935,670,230			
1,380,683,695	2,957,239,767			
(31,083,433)	(165,079,935)			
1,349,600,262	2,792,160,432			

## ڈائریکٹر کی جائزہ رپورٹ - 30 جون 2022ء

بورڈ آف ڈائریکٹرز کے ایما پر ہمیں 30 جون 2022ء کو ختم ہوئے چھ ماہ کیلئے آزادانہ ریویو کیا مالیاتی گوشوارے پیش کرنے پر خوشی ہے۔

### مالی نتائج

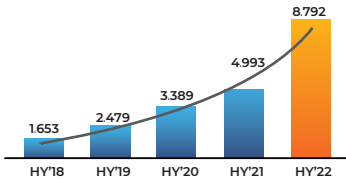
#### غیر منظم

زیر جائزہ مدت کے دوران آزاد آمدنی پچھلے سال اسی عرصہ کے مقابلے میں 176% اضافہ کے ساتھ 4,992.57 ملین روپے سے بڑھ کر 8,791.85 ملین روپے ہو گئی۔ اس کے نتیجے میں مجموعی منافع اور آپریٹنگ منافع میں باترتیب 60% اور 53% اضافہ ہوا، جس سے کمپنی کیلئے لیوریجڈ آپریٹنگ پرفارمنس فراہم ہوئی۔ مزید برآں، پاکستانی روپے کی قدر میں مسلسل کمی کے نتیجے میں جون 2021ء کے 32.59 ملین روپے کے خسارہ کے برعکس زرمبادلہ 664.67 ملین روپے کا منافع ہوا اور خالص منافع 107% اضافہ کے ساتھ 1,349.60 ملین روپے سے بڑھ کر 2,792.16 ملین روپے ہو گیا۔ اس عرصہ کے دوران منافع کے مطابق فی شیئر بنیادی اور رقیق آمدنی دونوں میں 104% اضافہ ہوا۔ زرمبادلہ سے ہونے والے فائدہ کے اثر کے بغیر خالص آمدنی میں اضافہ 48% رہا۔ آمدنی میں اضافے میں تمام خطوں نے حصہ لیا ہے۔

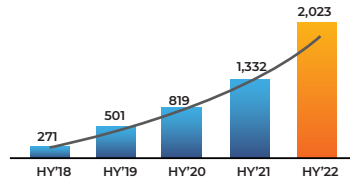
غیر منظم	جون 2022	جون 2021	سال بر سال
تخصیصات	8,791,854,416	4,992,569,613	76%
آمدنی	2,835,226,671	1,768,117,233	60%
مجموعی منافع	2,023,289,539	1,322,380,598	53%
آپریٹنگ منافع	2,792,160,432	1,349,600,262	107%
مدت کے منافع	10.05	4.92	104%
کمائی فی شیئر (بنیادی)	10.00	4.89	104%
کمائی فی شیئر (رقیق)			

دیگر آمدنی غیر منظم	جون 2022	جون 2021
تخصیصات	348,401,808	126,679,308
دیگر آمدنی	664,672,534	(32,592,781)
زرمبادلہ کا فائدہ (نقصان)	1,013,074,342	94,086,527

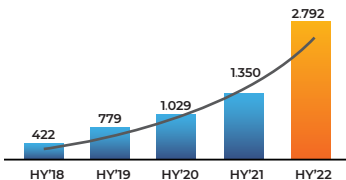
#### UNCONSOLIDATED-REVENUE (PKR MILLION) CAGR 52 %



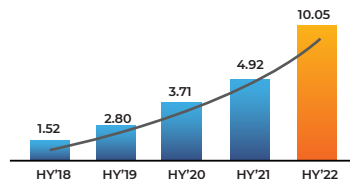
#### UNCONSOLIDATED-OPERATING PROFIT (PKR MILLION) CAGR 65 %



#### UNCONSOLIDATED-NET PROFIT (PKR MILLION) CAGR 60 %



#### UNCONSOLIDATED-EPS - BASIC (RESTATED) (PKR MILLION) CAGR 60 %





## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SYSTEMS LIMITED

### Report on review of Condensed Unconsolidated Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed unconsolidated interim statement of financial position of Systems Limited as at June 30, 2022 and the related condensed unconsolidated interim statement of profit or loss, condensed unconsolidated interim statement of comprehensive income, condensed unconsolidated interim statement of changes in equity, and condensed unconsolidated interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed unconsolidated interim statement of profit or loss and condensed unconsolidated interim statement of comprehensive income for the three-month periods ended June 30, 2022 and June 30, 2021 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended June 30, 2022.

#### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

#### Other Matter

These condensed unconsolidated interim financial statements of the Company for the six months ended June 30, 2021 and the annual financial statements of the Company for the year ended December 31, 2021 were reviewed and audited by another firm of Chartered Accountants who vide their reports dated August 26, 2021 and March 19, 2022 expressed an unmodified conclusion and unmodified opinion thereon respectively.

The engagement partner on the audit resulting in this independent auditor's report is Asad Aleem Mirza.

A.F. Ferguson & Co.,  
Chartered Accountants

Lahore

Date: August 29, 2022

UDIN:RR2022101283860WhwvL



SYSTEMS LIMITED

# STANDALONE FINANCIAL STATEMENTS

# CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

as at 30 June 2022 (Unaudited)

		Un-audited 30 June 2022	Audited 31 December 2021
		Rupees	
<b>ASSETS</b>	<b>Note</b>		
<b>Non-current assets</b>			
Property and equipment	5	2,632,074,754	2,006,791,106
Right-of-use assets		596,864,740	288,981,476
Intangibles		18,541,547	23,717,704
Long term investments	6	1,563,523,379	1,331,133,678
Long term loans		233,399,988	36,796,454
Deferred employee benefits		69,308,125	10,344,054
Long term deposits		74,915,009	141,294,105
Deferred taxation - net		51,952,243	75,060,282
		5,240,579,785	3,914,118,859
<b>Current assets</b>			
Contract assets		445,204,642	333,597,502
Trade debts	7	4,990,183,528	3,445,521,825
Loans, advances and other receivables		814,482,777	538,568,661
Current portion of deferred employee benefits		23,483,393	2,890,139
Trade deposits and short term prepayments		330,809,915	248,588,820
Interest accrued		48,316,520	30,922,102
Tax refunds due from the Government		178,425,946	207,375,462
Short term investments	8	5,651,863,264	4,866,676,912
Cash and bank balances	9	728,947,166	1,652,613,846
		13,211,717,151	11,326,755,269
<b>TOTAL ASSETS</b>		<b>18,452,296,936</b>	<b>15,240,874,128</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital 400,000,000 (2021: 400,000,000) ordinary shares of Rs 10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid-up share capital	10	2,783,651,990	1,384,989,120
Capital reserves		1,078,597,407	1,020,484,116
Revenue reserve - Unappropriated profit		8,772,277,712	8,067,856,280
		12,634,527,109	10,473,329,516
<b>Non-current liabilities</b>			
Long term advances		8,026,095	81,111,314
Lease liabilities		491,664,730	238,881,185
		499,690,825	319,992,499
<b>Current liabilities</b>			
Trade and other payables	11	1,214,768,810	1,162,101,750
Unclaimed dividend		16,326,537	9,226,244
Contract liabilities		329,162,146	378,374,906
Short term borrowings	12	3,550,000,000	2,750,000,000
Accrued mark-up on borrowings		32,402,744	13,702
Current portion of lease liabilities		119,129,108	62,195,197
Current portion of long term loan		52,820,886	76,816,085
Current portion of deferred grant		330,266	1,958,993
Current portion of long term advances		3,138,505	6,865,236
		5,318,079,002	4,447,552,113
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,452,296,936</b>	<b>15,240,874,128</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>13</b>		

The annexed notes from 1 to 28 form an integral part of these condensed unconsolidated interim financial statements.

(CHAIRMAN)

(CHIEF EXECUTIVE OFFICER)

(CHIEF FINANCIAL OFFICER)

# CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

for the six months and three months period ended 30 June 2022 (Unaudited)

		Six Months Ended		Three Months Ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Note		Rupees			
Revenue from contracts with customers - net	14	8,791,854,416	4,992,569,613	4,720,207,340	2,689,577,078
Cost of revenue	15	(5,956,627,745)	(3,224,452,380)	(3,110,880,162)	(1,752,182,694)
<b>Gross profit</b>		<b>2,835,226,671</b>	<b>1,768,117,233</b>	<b>1,609,327,178</b>	<b>937,394,384</b>
Administrative expenses	16	(692,324,124)	(385,030,453)	(353,361,047)	(209,748,807)
Distribution expenses	17	(121,333,010)	(77,158,926)	(50,983,958)	(44,218,462)
Reversals of impairment losses / (impairment losses) on financial assets		1,720,002	16,452,744	30,497,452	(19,186,094)
<b>Operating profit</b>		<b>2,023,289,539</b>	<b>1,322,380,598</b>	<b>1,235,479,625</b>	<b>664,241,021</b>
Other income	18	1,013,074,342	94,086,527	678,328,642	194,029,061
Finance costs		(79,124,114)	(35,783,430)	(49,580,799)	(20,582,754)
<b>Profit before taxation</b>		<b>2,957,239,767</b>	<b>1,380,683,695</b>	<b>1,864,227,468</b>	<b>837,687,328</b>
Taxation		(165,079,335)	(31,083,433)	(140,115,463)	(13,290,909)
<b>Profit for the period</b>		<b>2,792,160,432</b>	<b>1,349,600,262</b>	<b>1,724,112,005</b>	<b>824,396,419</b>
			(Restated)		(Restated)
<b>Earnings per share:</b>					
Basic earnings per share		10.05	4.92	6.19	3.00
Diluted earnings per share		10.00	4.89	6.16	2.99

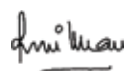
The annexed notes from 1 to 28 form an integral part of these condensed unconsolidated interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

# CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the six months and three months period ended 30 June 2022 (Unaudited)

	Six Months Ended		Three Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	Rupees			
Profit for the period	2,792,160,432	1,349,600,262	1,724,112,005	824,396,419
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified to profit or loss</i>	-	-	-	-
<i>Items that will not be reclassified to profit or loss</i>	-	-	-	-
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>2,792,160,432</b>	<b>1,349,600,262</b>	<b>1,724,112,005</b>	<b>824,396,419</b>


The annexed notes from 1 to 28 form an integral part of these condensed unconsolidated interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

# **CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY** for the six months period ended 30 June 2022 (Unaudited)

	Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserve		Total
		Share premium	Employee compensation reserve	Unappropriated profit		
(Rupees)						
Balance as at January 1, 2021 (audited)	12,46,060,140	614,907,470	84,747,028	5,307,971,413		7,253,686,051
Profit for the period	-	-	-	1,349,600,262		1,349,600,262
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	1,349,600,262		1,349,600,262
Share based payments	-	-	44,308,563	-		44,308,563
Exercise of share options	9,712,790	99,597,698	(38,097,048)	-		71,213,440
10% Bonus shares issued	124,623,690	-	-	(124,623,690)		-
Final dividend for the year ended December 31, 2020 at the rate of Rs 3.5 per share	-	-	-	(436,182,919)		(436,182,919)
Balance as at June 30, 2021 (un-audited)	1,380,396,620	714,505,168	90,958,543	6,096,765,066		8,282,625,397
Balance as at January 1, 2022 (audited)	1,384,989,120	820,263,357	200,220,759	8,067,856,280		10,473,329,516
Profit for the period	-	-	-	2,792,160,432		2,792,160,432
Other comprehensive income	-	-	-	-		-
Total comprehensive income	-	-	-	2,792,160,432		2,792,160,432
Share based payments	-	-	66,129,847	-		66,129,847
Exercise of Share Options	6,836,870	32,880,376	(40,896,932)	-		(1,179,686)
100% Bonus shares issued	1,391,826,000	-	-	(1,391,826,000)		-
Final dividend for the year ended December 31, 2021 at the rate of Rs 5 per share	-	-	-	(695,913,000)		(695,913,000)
Balance as at June 30, 2022 (un-audited)	2,783,651,990	853,143,733	225,453,674	8,772,277,712		12,634,527,109

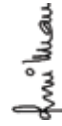
The annexed notes from 1 to 28 form an integral part of these condensed unconsolidated interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

# CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CASH FLOW

for the six months period ended 30 June 2022 (Unaudited)

		Six Months Ended	
	Note	June 30, 2022	June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		Rupees	
Net cash flows from operations	22	1,050,893,088	1,323,450,811
Finance costs paid		(22,737,632)	(20,862,360)
Taxes paid		(106,650,863)	(53,017,334)
		(129,388,495)	(73,879,694)
Net cash generated from operating activities		921,504,593	1,249,571,117
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(968,099,701)	(360,743,596)
Development expenditure		-	(30,377,355)
Proceeds from the disposal of property and equipment		42,513,751	24,828,643
Short term investments - net		(580,428,353)	(661,156,239)
Loans paid to employees		(222,239,457)	-
Increase in long term investment		(232,389,701)	-
Profit received on short term investment		22,239,424	71,107,990
Profit received on bank deposits		20,402,941	14,721,209
Net cash used in investing activities		(1,918,001,096)	(941,619,348)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in long term loan		(26,644,112)	(78,857,830)
Proceeds from exercise of share options		51,510,734	71,213,440
Increase in short term borrowing		800,000,000	800,000,000
Dividend paid		(688,812,707)	(434,327,952)
Payments in respect of leases		(63,088,320)	(34,354,900)
(Decrease) / Increase in long term advances		(3,616,252)	12,910,148
Net cash generated from financing activities		69,349,343	336,582,906
Net (decrease) / increase in cash and cash equivalents		(927,147,160)	644,534,675
Net foreign exchange difference		30,480,480	(11,655,044)
Cash and cash equivalents at beginning of the period		1,652,613,846	1,577,759,692
Cash and cash equivalents at end of the period		755,947,166	2,210,639,323


The annexed notes from 1 to 28 form an integral part of these condensed unconsolidated interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

# NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months and three months period ended 30 June 2022 (Unaudited)

## 1. THE COMPANY AND ITS OPERATIONS

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

## 2. BASIS OF PREPARATION

### 2.1 STATEMENT OF COMPLIANCE

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

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

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

- 2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2021.
- 2.3 These condensed unconsolidated interim financial statements are the separate condensed unconsolidated interim financial statements of the Company in which investments in the subsidiary companies namely TechVista Systems FZ - LLC, SUS JV (Private) Limited, Systems Arabia for Information Technology, Systems APAC for Information Technology Pte. Ltd, Systems International IT Pte. Ltd., Techvista Information Technology W.L.L., Systems Ventures (Private) Limited, SYS Egypt for Information Technology Services and associated company namely E-Processing Systems B.V. have been accounted for at cost less accumulated impairment losses, if any.
- 2.4 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention and are presented in Pak rupee, which is also the functional currency of the Company. The figures have been rounded off to the nearest rupees, unless otherwise stated.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed unconsolidated interim financial statements are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended December 31, 2021.

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

Certain standards, amendments and interpretations to International Financial Reporting Standards ('IFRS') are effective for accounting periods beginning on January 1, 2022, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Company for the year ended December 31, 2021, except for estimate of provision for taxation as referred to in note 4.1

##### 4.1 Taxation

The provision for taxation for the six months and three months ended June 30, 2022 has been made using the tax rate that would be applicable to expected total annual earnings.

	Note	Un-audited June 30, 2022	Audited December 31, 2021
		(Rupees)	
<b>5. PROPERTY AND EQUIPMENT</b>			
Operating fixed assets	(5.1)	2,570,767,048	1,983,978,164
Capital work in progress	(5.2)	61,307,706	22,812,942
		<b>2,632,074,754</b>	<b>2,006,791,106</b>
<b>5.1 Operating fixed assets</b>			
Opening balance - net book value		1,983,978,164	1,507,212,971
Additions during the period / year - cost	(5.1.1)	934,894,341	789,500,228
		<b>2,918,872,505</b>	<b>2,296,713,199</b>
Less:			
Disposals during the period / year - net book value	(5.1.2)	(148,573,159)	(23,350,950)
Depreciation during the period / year		(199,532,298)	(289,384,085)
<b>Net book value at the end of the period / year</b>		<b>2,570,767,048</b>	<b>1,983,978,164</b>
<b>5.1.1 Additions during the period / year</b>			
Freehold land		180,650,028	-
Building		2,221,582	33,410,848
Computers		413,270,668	460,718,771
Computer equipment and installations		32,009,747	80,568,271
Other equipment and installations		109,840,062	21,007,777
Generators and transformer		36,047,123	6,606,088
Furniture and fittings		80,494,135	19,189,693
Vehicles		15,724,920	134,603,300
Office equipment		2,844,854	712,810
Leasehold building improvements		61,791,222	32,682,670
		<b>934,894,341</b>	<b>789,500,228</b>

## 5.1.2 Disposals during the period / year

	Cost	Accumulated Depreciation	Net book value
	(Rupees)		
<b>June 30, 2022: (Un-audited)</b>			
Computers	7,137,684	(5,362,445)	1,775,239
Computer equipment and installations	8,244,037	(6,971,453)	1,272,584
Other equipment and installations	2,401,587	(1,692,846)	708,741
Vehicles	230,324,233	(85,535,112)	144,789,121
Office equipment	32,994	(5,520)	27,474
	<b>248,140,535</b>	<b>(99,567,376)</b>	<b>148,573,159</b>
<b>December 31, 2021: (Audited)</b>			
Computers	9,344,255	(8,742,507)	601,748
Computer equipment and installations	1,656,054	(1,194,585)	461,469
Furniture and fittings	427,730	(343,945)	83,785
Vehicles	48,530,780	(26,326,832)	22,203,948
Office equipment	99,421	(99,421)	-
	<b>60,058,240</b>	<b>(36,707,290)</b>	<b>23,350,950</b>

## 5.2 Capital work in progress

	Note	Un-audited June 30, 2022	Audited December 31, 2021
		(Rupees)	
Balance at the beginning of the period / year		22,812,942	746,272
Additions during the period / year		74,178,685	31,578,703
Transfer to operating fixed assets during the period / year		(35,683,921)	(9,512,033)
Balance at the end of the period / year		<b>61,307,706</b>	<b>22,812,942</b>

## 6. LONG TERM INVESTMENTS

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

Tech Vista Systems FZ-LLC	(6.1)	342,083,022	1,377,950
SUS-JV (Private) Limited	(6.2)	94,990	94,990
Systems Ventures (Private) Limited	(6.3)	721,099,980	99,980
TechVista Information Technology W.L.L.	(6.4)	144,568,892	-
Systems Arabia for Information Technology	(6.5)	-	-
Systems International IT Pte. Ltd.	(6.6)	-	-
Systems APAC for Information Technology Pte. Ltd.	(6.7)	-	-
SYS Egypt for Information Technology Services	(6.8)	-	-
		<b>1,207,846,884</b>	<b>1,572,920</b>
<b>Advance against issuance of shares</b>	<b>(6.9)</b>	<b>85,176,268</b>	<b>1,059,060,531</b>
		<b>1,293,023,152</b>	<b>1,060,633,451</b>
<b>Investment In associate - at cost - unquoted</b>			
E-Processing Systems B.V.		270,500,227	270,500,227
		<b>1,563,523,379</b>	<b>1,331,133,678</b>

- 6.1 This represents 7,400 fully paid ordinary shares of AED 1,000/- each, representing 100% (December 31, 2021: 50 fully paid ordinary shares of AED 1,000/- each, representing 100%) shares in the Company's subsidiary, TechVista Systems FZ- LLC, a company set up in Dubai Technology and Media Free Zone Authority engaged in providing a host of services including enterprise application integration and software development.
- 6.2 This represents 9,499 fully paid ordinary shares of Rs. 10/- each, representing 94.99% (December 31, 2021: 94.99%) shares in Company's joint venture, SUS JV (Private) Limited, a company set up in Pakistan for the Balochistan Land Revenue Management Information System project. The project is related to digitization of land records and development of a web-based management information system.
- 6.3 This represents 72,109,998 fully paid ordinary shares of Rs. 10/- each, representing 99.99% (2021: 9,998 fully paid shares of Rs. 10/- each, representing 99.98%) share in Company's subsidiary, Systems Ventures (Private) Limited, a company set up in Pakistan to invest in new ventures, start ups and incubate new ideas.
- 6.4 Techvista Information Technology W.L.L. ('TVSQ') is a limited liability company incorporated in the State of Qatar. The Company owns 34% (December 31, 2021: 34%) share capital in TVSQ. Pursuant to the agreement entered with the remaining shareholders of TVSQ on February 27, 2022 the Company has obtained all control and management of TVSQ.
- 6.5 During the year ended December 31, 2021, Systems Arabia for Information Technology, a wholly owned subsidiary was incorporated in Saudi Arabia. As of reporting date, no investment has been transferred in this entity.
- 6.6 Systems International IT Pte. Ltd. is a limited liability company incorporated in the Republic of Singapore, for the purpose of investment collaborations outside Pakistan. The company is a wholly owned subsidiary of Systems Limited with authorized share capital of SGD 1. As of reporting date, no investment has been transferred in this entity.
- 6.7 Systems APAC for Information Technology Pte. Ltd. is a limited liability company incorporated in the Republic of Singapore, for the purpose of sale of software services and trading software licenses in the Asia Pacific region. The company is a wholly owned subsidiary of Systems Limited with authorized share capital of SGD 1. As of reporting date, no investment has been transferred in this entity.
- 6.8 SYS Egypt for Information Technology Services is a limited liability company incorporated in the Arab Republic of Egypt, for the purpose of sale of software services and trading software licenses in the Middle East and North Africa region. The company is a wholly owned subsidiary of Systems Limited with authorized share capital of US\$ 500,000. As of reporting date, no investment has been transferred in this entity.
- 6.9 This represents advances provided to the following entities against issuance of shares:

	Un-audited June 30, 2022	Audited December 31, 2021
Note	(Rupees)	
<i>To subsidiaries</i>		
- TechVista Systems FZ- LLC	85,176,268	425,881,340
- Systems Ventures (Private) Limited	-	488,610,295
<i>To associated undertaking</i>		
- TechVista Information Technology W.L.L.	-	144,568,896
	<b>85,176,268</b>	<b>1,059,060,531</b>
<b>7. TRADE DEBTS - UNSECURED</b>		
Export	4,045,476,742	2,581,300,038
Local	1,201,340,973	1,146,212,451
(7.1)	<b>5,246,817,715</b>	<b>3,727,512,489</b>
Less: Allowance for expected credit losses	(256,634,187)	(281,990,664)
	<b>4,990,183,528</b>	<b>3,445,521,825</b>

		Un-audited	Audited
		June 30,	December 31,
		2022	2021
Note		(Rupees)	
7.1	These include receivables from the following related parties:		
	Visionet Systems Incorporation -USA	2,141,125,323	1,759,296,163
	Visionet Systems - UK	223,803,383	19,515,971
	TechVista Systems FZ - LLC - UAE	644,181,341	257,539,780
	Visionet Deutschland GMBH - Germany	225,749,273	109,174,344
	TechVista Pty Limited - Australia	13,122,386	10,484,352
	TechVista Information Technology W.L.L - Qatar	452,491,128	337,110,422
	Systems Arabia for Information Technology	37,358,399	-
	Jomo Technologies (Private) Limited	8,056,312	-
		3,745,887,545	2,493,121,032
8.	<b>SHORT TERM INVESTMENTS</b>		
	<b>At fair value through profit or loss</b>		
	- Mutual fund units (8.1)	5,524,863,264	4,199,676,912
	<b>At amortized Cost</b>		
	- Term deposits receipts (TDRs) (8.2)	127,000,000	667,000,000
		5,651,863,264	4,866,676,912
8.1	The details of investments in mutual funds are as follows:		
	UBL Al-Ameen Asset Islamic Allocation Fund	-	107,656,212
	UBL Al-Ameen Islamic Cash Plan-I	157,301,313	307,889,806
	Alfalah GHP Islamic Income Fund	510,158,757	131,098,915
	HBL Asset Islamic Allocation Fund	-	52,976,195
	HBL Asset Islamic Money Market Fund	329,730,241	25,864,345
	Lakson Islamic Tactical Fund	-	99,843,707
	Lakson Money Market Fund	-	101,159,394
	Meezan Balanced Fund	-	103,600,318
	Meezan Islamic Income Fund	-	53,502,393
	Meezan Islamic Fund	-	151,731,025
	Meezan Rozana Amdani Fund	802,581,249	621,489,473
	NBP Islamic Sarmaya Izafa Fund	-	312,138,444
	NBP Daily Dividend Fund	-	613,531,130
	NBP Islamic Stock Fund	-	83,246,347
	NBP Islamic Income Fund	-	52,548,599
	MCB Al-hamra Islamic Money Market Fund	-	467,949,478
	ABL Islamic Stock Fund	-	47,314,269
	ABL Islamic Cash Fund	2,012,513,858	257,844,525
	ABL Islamic Income Fund	-	50,835,310
	Faysal Islamic Cash Fund	709,150,984	557,457,027
	Al Habib Islamic cash fund	1,003,426,862	-
		5,524,863,264	4,199,676,912
8.2	The details of investments in TDRs are as follows:		
	Habib Metropolitan Bank Limited (8.2.1)	100,000,000	650,000,000
	Habib Bank Limited (8.2.2)	27,000,000	17,000,000
		(8.2.3) 127,000,000	667,000,000
8.2.1	These TDRs are pledged against export re-finance facility availed from Habib Metropolitan Bank Limited.		
8.2.2	The TDRs in Habib Bank Limited of Rs 27 million are included in cash and cash equivalents.		
8.2.3	These carry markup at rates ranging from 7.5% to 13.5% (December 31, 2021: 6.45% to 12.75%) per annum.		

		Un-audited	Audited
	Note	June 30, 2022	December 31, 2021
(Rupees)			
9. CASH AND BANK BALANCES			
Cash in hand		1,082,240	946,078
Cash at bank:			
Local currency:			
Current accounts	(9.1)	288,109,249	519,563,949
Savings accounts		394,379,758	1,028,037,473
		682,489,007	1,547,601,422
Foreign currency - current accounts		45,375,919	104,066,346
		728,947,166	1,652,613,846

9.1 These carry markup at rates ranging from 6.5% to 12.26% (December 31, 2021: 4.12% to 6.28%) per annum.

9.2 Cash at bank amounting to Rs 150 million (December 31, 2021: Rs 150 million) has been placed as lien against export refinance obtained from MCB Bank Limited and it is classified as deposits in 'Trade deposits and short term prepayments'.

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

	Un-audited	Audited	Un-audited	Audited
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
No of Shares		(Rupees)		
Ordinary shares of Rs 10/- each				
- fully paid in cash	115,498,876	114,815,189	1,154,988,760	1,148,151,890
- paid up as bonus shares	162,866,323	23,683,723	1,628,663,230	236,837,230
	278,365,199	138,498,912	2,783,651,990	1,384,989,120
	Un-audited	Audited	Un-audited	Audited
	2022	2021	2022	2021
(No of Shares)		(Rupees)		
10.1 Reconciliation of issued, subscribed and paid-up share capital:				
Balance as at January 01	138,498,912	124,606,014	1,384,989,120	1,246,060,140
Stock options exercised	683,687	1,430,529	6,836,870	14,305,290
Bonus shares issued	139,182,600	12,462,369	1,391,826,000	124,623,690
Balance as at June 30 / December 31	278,365,199	138,498,912	2,783,651,990	1,384,989,120

	Note	Un-audited	Audited
		June 30,	December 31,
		2022	2021
<b>11. TRADE AND OTHER PAYABLES</b>		<b>(Rupees)</b>	
Creditors		65,202,105	102,408,916
Accrued liabilities		1,059,973,945	933,261,347
Withholding income tax payable		31,085,680	41,565,074
Provident fund payable		24,427,252	67,671,516
Sales tax payable		34,079,828	17,194,897
		<b>1,214,768,810</b>	<b>1,162,101,750</b>
<b>12. SHORT TERM BORROWINGS</b>			
MCB Bank Limited		850,000,000	850,000,000
Habib Metropolitan Bank Limited		1,400,000,000	1,400,000,000
Habib Bank Limited	(12.1)	700,000,000	200,000,000
Meezan Bank Limited		100,000,000	100,000,000
Faysal Bank Limited		200,000,000	200,000,000
Allied Bank Limited	(12.2)	300,000,000	-
		<b>3,550,000,000</b>	<b>2,750,000,000</b>

**12.1** This increase represents Export Finance Scheme (EFS) of Rs 500 million availed against aggregate sanctioned limit of Rs 500 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.

**12.2** This represents Export Refinance-II (ERF-II) availed against aggregate sanctioned limit of Rs 300 million. The rate of mark up is SBP rate plus 0.5%. These borrowings are secured against first pari passu hypothecation charge over current assets of the Company with 25% margin.

### 13. CONTINGENCIES AND COMMITMENTS

#### 13.1 Contingencies

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

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

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

#### 13.2 Commitments

**13.2.1** Guarantees issued by the financial institutions on behalf of the Company amount to Rs. 422.06 million (December 31, 2021: Rs 329.11 million). This includes guarantees of Rs 77.38 million (December 31, 2021: Rs 77.38 million) given on behalf of UUS Joint Venture (Private) Limited, a joint operation of the Company.

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

**13.2.3** The Company has commitments in respect of short-term lease rentals against properties of Rs 24.30 million (December 31, 2021: Rs 24.36 million).

## 14. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

### 14.1 Disaggregated Revenue Information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

#### 14.1.1 Type of goods or services:

Outsourcing services	528,515,061	92,173,628	620,688,689
Software and hardware trading	24,053,400	429,355,806	453,409,206
Software implementation	6,497,979,072	1,350,026,374	7,848,005,446
Less: Sales tax	-	(130,248,925)	(130,248,925)
Total revenue from contracts with customers	7,050,547,533	1,741,306,883	8,791,854,416

#### Type of goods or services:

Outsourcing services	716,848,203	68,480,749	785,328,952
Software and hardware trading	17,157,033	249,645,357	266,802,390
Software implementation	3,222,453,662	791,395,339	4,013,849,001
Less: Sales tax	-	(73,410,730)	(73,410,730)
Total revenue from contracts with customers	3,956,458,898	1,036,110,715	4,992,569,613

#### Type of goods or services:

Outsourcing services	282,765,434	44,346,139	327,111,573
Software and hardware trading	13,599,450	308,866,670	322,466,120
Software implementation	3,443,985,269	708,920,347	4,152,905,616
Less: Sales tax	-	(82,275,969)	(82,275,969)
Total revenue from contracts with customers	3,740,350,153	979,857,187	4,720,207,340

#### Type of goods or services:

Outsourcing services	334,175,134	38,256,047	372,431,181
Software and hardware trading	8,728,326	191,406,863	200,135,189
Software implementation	1,716,864,705	447,295,775	2,164,160,480
Less: Sales tax	-	(47,149,772)	(47,149,772)
Total revenue from contracts with customers	2,059,768,165	629,808,913	2,689,577,078

Un-audited Six Months Ended June 30, 2022		
Export	Local	Total

#### 14.12 Timing of revenue recognition

	(Rupees)		
Goods and services transferred at a point in time	24,053,124	399,772,741	423,825,865
Goods and services transferred over time	7,026,494,425	1,341,534,126	8,368,028,551
<b>Total revenue from contracts with customers</b>	<b>7,050,547,549</b>	<b>1,741,306,867</b>	<b>8,791,854,416</b>

Un-audited Six Months Ended June 30, 2021		
Export	Local	Total

(Rupees)

#### Timing of revenue recognition

Goods and services transferred at a point in time	17,157,033	233,127,723	250,284,756
Goods and services transferred over time	3,939,301,865	802,981,679	4,742,283,544
<b>Total revenue from contracts with customers</b>	<b>3,956,458,898</b>	<b>1,036,109,402</b>	<b>4,992,568,300</b>

#### 15. COST OF REVENUE

Un-audited Six Months Ended		Un-audited Three Months Ended	
June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021

(Rupees)

Salaries, allowances and amenities	4,849,029,450	2,613,942,549	2,425,722,072	1,389,629,455
Purchase of software and hardware	383,328,789	232,694,003	265,096,103	175,278,562
Technical consultancy	117,298,825	77,273,984	56,368,448	25,928,031
Printing and stationery	556,484	440,200	259,671	313,819
Computer supplies	9,437,398	10,297,873	3,082,131	5,087,899
Rent, rates and taxes	8,266,830	2,477,862	4,934,628	1,432,581
Electricity, gas and water	38,693,716	26,179,360	23,916,505	15,475,328
Traveling and conveyance	99,664,864	24,249,261	53,191,873	9,686,781
Repair and maintenance	52,327,868	2,440,844	52,232,735	1,430,137
Postage, telephone and telegrams	59,005,789	36,661,043	32,438,392	19,119,602
Vehicle running and maintenance	60,502,871	19,600,291	39,046,456	11,189,523
Fee and subscriptions	97,044,595	33,851,547	53,015,427	17,825,514
Insurance	3,430,317	3,847,087	1,714,249	2,042,130
Depreciation	131,293,077	112,087,934	67,129,087	62,268,736
Amortization	4,596,615	6,100,964	2,230,884	3,770,375
Depreciation of right-of-use asset	36,929,263	22,307,578	26,703,951	11,704,221
Entertainment	1,738,821	-	1,738,821	-
Office supplies	3,482,173	-	2,058,729	-
<b>Total</b>	<b>5,956,627,745</b>	<b>3,224,452,380</b>	<b>3,110,880,162</b>	<b>1,752,182,694</b>

## 16. ADMINISTRATIVE EXPENSES

	Un-audited		Un-audited	
	Six Months Ended		Three Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees)			
Salaries, allowances and amenities	378,440,743	245,178,905	164,619,971	132,908,903
Printing and stationery	6,822,609	3,479,991	3,311,010	2,076,115
Computer supplies	7,669,898	9,041,602	935,860	3,537,405
Rent, rates and taxes	25,553,228	7,694,500	16,427,245	3,664,378
Electricity, gas and water	10,357,748	6,283,459	5,673,165	3,552,354
Traveling and conveyance	17,248,611	4,751,781	8,692,600	2,063,816
Repair and maintenance	23,220,332	21,199,691	19,625,381	16,466,935
Postage, telephone and telegrams	15,538,998	8,575,638	9,205,206	5,312,862
Vehicle running and maintenance	16,201,157	4,612,513	10,114,341	2,953,243
Legal and professional	42,279,482	9,671,508	31,678,969	3,604,661
Auditors' remuneration	4,249,327	1,757,817	2,003,175	1,017,250
Entertainment	2,084,165	201,266	(267,451)	(425,941)
Donations	14,905,392	13,360,050	7,688,392	5,460,050
Fee and subscriptions	42,713,767	25,824,400	23,838,747	13,670,475
Insurance	1,592,043	1,229,409	808,465	692,729
Hiring cost	-	418,123	-	340,624
Newspapers, books and periodicals	-	70,345	-	26,940
Depreciation	66,405,209	15,501,804	41,352,122	8,955,607
Depreciation of right-of-use asset	14,123,708	3,987,073	4,996,450	2,581,151
Amortization	542,501	929,267	282,193	573,465
Others	2,375,206	1,261,311	2,375,206	715,785
	692,324,124	385,030,453	353,361,047	209,748,807

## 17. DISTRIBUTION EXPENSES

	Un-audited		Un-audited	
	Six Months Ended		Three Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees)			
Salaries, allowances and amenities	79,934,450	66,085,450	35,510,502	38,012,663
Printing and stationery	329,462	30,480	51,933	-
Computer supplies	368,891	108,837	242,789	47,649
Electricity, gas and water	463,579	297,342	284,993	156,837
Traveling and conveyance	5,110,539	1,528,245	2,834,224	668,045
Repair and maintenance	-	295,412	-	72,888
Postage, telephone and telegrams	1,232,067	362,093	317,915	199,157
Vehicle running and maintenance	2,059,158	975,902	1,259,214	688,606
Insurance	116,219	210,234	48,609	105,301
Fee and subscriptions	7,516,784	2,850,128	6,681,768	1,599,523
Shows, seminars and advertising	21,571,626	3,142,066	2,699,008	1,918,589
Depreciation	1,834,012	1,048,223	852,572	611,585
Amortization	40,165	60,424	21,479	39,011
Depreciation of right-of-use asset	213,080	164,090	148,423	98,608
Entertainment	542,978	-	30,529	-
	121,333,010	77,158,926	50,983,958	44,218,462

## 18. OTHER INCOME

	Un-audited		Un-audited	
	Six Months Ended		Three Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees)			
<b>Income from financial assets</b>				
Profit on deposit accounts	21,312,308	14,721,209	11,341,291	9,315,080
Profit on short term investments	205,479,803	92,529,622	118,242,102	58,515,450
Exchange gain / (loss)	664,672,534	(32,592,781)	515,068,733	119,466,069
Interest on loan to subsidiaries	31,365,352	9,970,708	27,676,100	5,992,271
<b>Income from non financial assets</b>				
Gain on disposal of property and equipment	79,765,005	9,127,250	7,535,844	410,072
Others	10,479,340	330,519	(1,535,428)	330,519
	<b>1,013,074,342</b>	<b>94,086,527</b>	<b>678,328,642</b>	<b>194,029,461</b>

## 19. EARNINGS PER SHARE

	Un-audited		Un-audited	
	Six Months Ended		Three Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		(Restated)		(Restated)
Profit for the period (rupees)	2,792,160,432	1,349,600,262	1,724,112,005	824,396,419
Weighted-average number of ordinary shares outstanding during the period	277,798,607	274,556,616	278,365,199	274,947,576
Basic (rupees)	10.05	4.92	6.19	3.00
<b>Diluted earnings per share:</b>				
Profit for the period (rupees)	2,792,160,432	1,349,600,262	1,724,112,005	824,396,419
Weighted-average number of Ordinary shares - basic	277,798,607	274,556,616	278,365,199	274,947,576
Effect of share options	1,475,541	1,563,491	1,695,989	1,136,653
	<b>279,274,148</b>	<b>276,120,107</b>	<b>280,061,188</b>	<b>276,084,229</b>
Diluted (rupees)	10.00	4.89	6.16	2.99

19.1 The weighted average number of ordinary shares of 2021 has been restated in accordance with the requirements of IAS 33 'Earnings per share' due to issuance of 139,182,600 bonus shares in 2022.

## 20. OPERATING SEGMENT INFORMATION

### Geographical segments

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

North America  
Europe  
Middle East  
Pakistan

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

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

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

	North America		Europe		Middle East		Pakistan		Total	
	Un-audited Six Months Ended June 30		Un-audited Six Months Ended June 30		Un-audited Six Months Ended June 30		Un-audited Six Months Ended June 30		Un-audited Six Months Ended June 30	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue	4,335,209,703	2,828,930,612	711,124,060	488,806,166	2,004,213,786	638,723,437	1,741,306,867	1,036,109,398	8,791,854,416	4,992,569,613
Cost of revenue	(2,805,698,757)	(1,719,834,781)	(380,016,153)	(306,213,395)	(1,315,732,092)	(399,313,821)	(1,455,180,743)	(799,090,383)	(5,956,627,745)	(3,224,452,380)
<b>Gross profit</b>	<b>1,529,510,946</b>	<b>1,109,095,831</b>	<b>331,107,907</b>	<b>182,592,771</b>	<b>688,481,694</b>	<b>239,409,616</b>	<b>286,126,124</b>	<b>237,019,015</b>	<b>2,835,226,671</b>	<b>1,768,117,233</b>
Distribution expenses	(14,470,391)	(8,494,499)	(1,833,973)	(1,467,750)	(2,982,657)	(4,576,635)	(102,045,989)	(62,620,042)	(121,333,010)	(77,158,926)
Administrative expenses	(450,257,616)	(253,366,755)	(41,430,449)	(43,778,816)	(152,130,602)	(52,791,938)	(48,505,457)	(35,092,944)	(692,324,124)	(385,030,453)
	(464,728,007)	(261,861,254)	(43,264,422)	(45,246,566)	(155,113,259)	(57,368,573)	(150,551,446)	(97,712,986)	(813,657,134)	(462,189,379)
<b>Profit before taxation and unallocated income and expenses</b>	<b>1,064,782,939</b>	<b>847,234,577</b>	<b>287,843,485</b>	<b>137,346,205</b>	<b>533,368,435</b>	<b>182,041,043</b>	<b>135,574,678</b>	<b>139,306,029</b>	<b>2,021,569,537</b>	<b>1,305,927,854</b>
<b>Unallocated income and expenses:</b>										
Reversals of impairment losses on financial assets										
Other income									1,720,002	16,452,744
Exchange gain / (loss)									348,401,808	126,679,308
Finance cost									664,672,534	(32,592,781)
									(79,124,114)	(35,783,430)
									935,670,230	74,755,841
Profit before taxation									2,957,239,767	1,380,683,695
Taxation									(165,079,335)	(31,083,433)
<b>Profit for the period</b>									<b>2,792,160,432</b>	<b>1,349,600,262</b>

## 201 Allocation of assets and liabilities

	North America		Europe		Middle East		Pakistan		Total	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
(Rupees)										
<b>Segment operating assets</b>										
Property and equipment	-	-	-	-	-	-	2,632,074,754	2,006,791,106	2,632,074,754	2,006,791,106
Intangibles	-	-	-	-	-	-	18,541,547	23,717,704	18,541,547	23,717,704
Long term investments	-	-	-	-	-	-	1,563,523,379	1,331,133,678	1,563,523,379	1,331,133,678
Right-of-use assets	-	-	-	-	-	-	596,864,740	288,981,476	596,864,740	288,981,476
Long term loan	-	-	-	-	-	-	233,399,988	36,796,454	233,399,988	36,796,454
Deferred employee benefits	-	-	-	-	-	-	69,308,125	10,344,054	69,308,125	10,344,054
Long term deposits	-	-	-	-	-	-	74,915,009	141,294,105	74,915,009	141,294,105
Deferred taxation - net	-	-	-	-	-	-	51,952,243	75,060,282	51,952,243	75,060,282
Contract assets	-	-	4,944,629	6,263,833	86,944,342	-	353,315,671	327,333,669	445,204,642	333,597,502
Trade debts	2,141,125,323	1,759,296,163	449,552,856	128,690,315	1,454,798,757	560,642,988	944,706,792	998,692,359	4,990,183,528	3,445,521,825
Loans, advances and other receivables	30,834,969	-	11,561,123	-	160,249,706	-	611,836,979	538,568,661	814,482,777	538,568,661
Trade deposits and short term prepayments	-	-	-	-	-	-	330,809,915	248,588,820	330,809,915	248,588,820
Current portion of deferred employee benefits	-	-	-	-	-	-	23,483,393	2,890,139	23,483,393	2,890,139
Interest accrued	-	-	-	-	-	-	48,316,520	30,922,102	48,316,520	30,922,102
Short term investments	-	-	-	-	-	-	5,651,863,264	4,866,676,912	5,651,863,264	4,866,676,912
Tax refunds due from government	-	-	-	-	-	-	178,425,946	207,375,462	178,425,946	207,375,462
Cash and bank balances	-	-	-	-	-	-	728,947,166	1,652,613,846	728,947,166	1,652,613,846
<b>Total operating assets</b>	<b>2,171,960,292</b>	<b>1,759,296,163</b>	<b>466,058,408</b>	<b>134,954,148</b>	<b>1,701,992,805</b>	<b>560,642,988</b>	<b>14,112,285,431</b>	<b>12,785,980,829</b>	<b>18,452,296,936</b>	<b>15,240,874,128</b>
<b>Segment operating liabilities</b>										
Long term advances	-	-	-	-	-	-	8,026,095	8,111,134	8,026,095	8,111,134
Lease liabilities	-	-	-	-	-	-	491,664,730	238,881,185	491,664,730	238,881,185
Trade and other payables	-	-	-	-	-	-	1,214,768,810	1,162,101,750	1,214,768,810	1,162,101,750
Unclaimed dividend	-	-	-	-	-	-	16,326,537	9,226,244	16,326,537	9,226,244
Contract liabilities	-	-	41,951,439	-	103,767,703	-	183,443,004	378,374,906	329,162,146	378,374,906
Mark-up accrued on short term borrowings	-	-	-	-	-	-	32,402,744	13,702	32,402,744	13,702
Short term borrowings	-	-	-	-	-	-	3,550,000,000	2,750,000,000	3,550,000,000	2,750,000,000
Current portion of lease liabilities	-	-	-	-	-	-	119,129,108	62,195,197	119,129,108	62,195,197
Current portion of long term loan	-	-	-	-	-	-	52,820,886	76,816,085	52,820,886	76,816,085
Current portion of deferred grant	-	-	-	-	-	-	330,266	1,958,993	330,266	1,958,993
Current portion of long term advances	-	-	-	-	-	-	3,198,505	6,865,236	3,198,505	6,865,236
<b>Total operating liabilities</b>	<b>-</b>	<b>-</b>	<b>41,951,439</b>	<b>-</b>	<b>103,767,703</b>	<b>-</b>	<b>5,672,050,685</b>	<b>4,767,544,612</b>	<b>5,817,759,827</b>	<b>4,767,544,612</b>

## 21. TRANSACTIONS WITH RELATED PARTIES

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

Related party	Relationship	Nature of transactions	Un-audited	
			Six Months Ended	
			June 30,	June 30,
			2022	2021
(Rupees)				
E-Processing Systems (Private) Limited	Associate	Expense incurred on behalf of party	71,302,858	169,946,528
		Repayments from the party against advance	(68,112,374)	(58,921,211)
		Interest income	16,252,649	8,212,174
TechVista Systems FZ - LLC - UAE	Subsidiary	Sales	1,453,615,106	453,132,012
		Expenses incurred by the party on behalf of the Company and other related parties	(532,514,650)	(120,264,022)
SUS - JV (Private) Limited	Subsidiary	Expense incurred on behalf of party	12,319,845	-
		Repayments from the party against loan	(17,538,016)	23,320,520
		Interest Income	1,263,749	-
Systems Venture (Private) Limited	Subsidiary	Disbursements against loan	-	(80,020,000)
		Interest Income	-	1,691,923
		Advance against issue of share capital	241,000,000	-
		Expenses incurred on behalf of the party	1,515,860	-
Visionet Systems Incorporation - USA	Associate	Sales	4,332,948,264	2,782,515,001
		Expenses incurred on behalf of the party	31,294,954	(7,953,600)
Visionet Systems - UK	Associate	Sales	199,886,724	330,120
		Expenses incurred on behalf of the party	4,094,930	-
Visionet Deutschland GMBH - Germany	Associate	Sales	481,306,151	444,745,121
		Expenses incurred on behalf of the party	9,630,277	-
TechVista Pty Limited - Australia	Sub - subsidiary	Sales	-	2,872,800
TechVista Information Technology W.L.L. - Qatar	Associate	Sales	156,808,106	102,203,146
		Expenses incurred on behalf of the party	10,720,281	-
Key management personnel	Employees	Salaries and other benefits	489,814,355	312,792,007
Directors	Directors	Fee	2,700,000	1,750,000
Staff retirement funds	Staff retirement fund	Contributions	286,913,861	60,791,456
Systems Arabia for Information Technology	Subsidiary	Sales	41,334,925	-
		Expenses incurred on behalf of the party	124,961,002	-
Jomo Technologies (Private) Limited	Associate	Sales	9,088,158	-
Systems APAC Pte. Ltd	Subsidiary	Expenses incurred on behalf of the party	1,124,663	-
Systems International IT Pte. Ltd	Subsidiary	Expenses incurred on behalf of the party	1,193,639	-
SYS Egypt for Information Technology Services	Subsidiary	Expenses incurred on behalf of the party	8,796,073	-
		Advance against services	51,100,875	-

## 22. CASH FLOWS FROM OPERATING ACTIVITIES

	Un-audited	
	Six Months Ended	
	June 30, 2022	June 30, 2021
	(Rupees)	
Profit before taxation	2,957,239,767	1,380,683,695
Adjustments for:		
Depreciation on property and equipment	199,532,298	131,185,692
Depreciation of right-of-use asset	51,266,051	26,455,489
Amortization of intangibles	5,179,281	7,090,655
Reversals of impairment losses on financial assets	(1,720,002)	(16,452,744)
Share based payment expense	66,129,847	44,308,563
Finance costs	79,124,114	35,783,430
Amortization of deferred employee benefits	7,627,197	-
Finance income on loans to employees	(13,461,233)	-
Exchange (gain) / loss	(664,672,534)	32,592,780
Profit on short term investments	(205,479,803)	(92,529,621)
Profit on bank deposits	(21,312,308)	(14,721,209)
Interest on loan to subsidiaries	(31,365,352)	(10,301,227)
Gain on disposal of property and equipment	(79,765,005)	(9,127,250)
	(608,917,449)	134,284,558
<b>Profit before working capital changes</b>	<b>2,348,322,318</b>	<b>1,514,968,253</b>
<b>Effect on cash flow due to working capital changes</b>		
<i>(Increase) / decrease in current assets:</i>		
Long term deposits	84,516,589	(3,859,906)
Long term receivable	-	(322,681,511)
Contract Assets	(139,065,426)	(241,603,214)
Trade debts	(944,510,341)	334,372,164
Loans, advances and other receivables	(197,381,003)	(192,468,197)
Trade deposits and short term prepayments	(82,221,095)	(70,119,189)
	(1,278,661,276)	(496,359,853)
<i>Increase in current liabilities:</i>		
Trade and other payables	30,444,806	224,313,228
Contract liabilities	(49,212,760)	80,529,183
	(18,767,954)	304,842,411
<b>Net cash flows from operations</b>	<b>1,050,893,088</b>	<b>1,323,450,811</b>

## 23. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with those disclosed in the preceding annual audited financial statements for the year ended December 31, 2021.

### 23.1 Fair values of financial assets and liabilities

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

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

(Rupees)

## 23.2 Financial instruments by categories

### Financial assets

Long term loans	-	233,399,988	233,399,988
Long term deposits	-	74,915,009	74,915,009
Contract Assets	-	445,204,642	445,204,642
Trade debts	-	4,990,183,528	4,990,183,528
Loans, advances and other receivable	-	814,482,777	814,482,777
Security deposits	-	221,784,769	221,784,769
Interest accrued	-	48,316,520	48,316,520
Short term investments	5,524,863,264	127,000,000	5,651,863,264
Cash and bank balances	-	728,947,166	728,947,166
	5,524,863,264	7,684,234,399	13,209,097,663

### Financial liabilities

Lease liabilities	-	610,793,838	2,750,000,000
Mark-up accrued on short term borrowings	-	32,402,744	13,702
Long term loan	-	52,820,886	52,820,886
Short term borrowings	-	3,550,000,000	3,550,000,000
Unclaimed dividend	-	16,326,537	16,326,537
Trade and other payables	-	1,214,768,810	1,214,768,810
	-	5,477,112,815	4,833,929,935

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

(Rupees)

### Financial assets

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

### Financial liabilities

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

## 24. Fair value hierarchy

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

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

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

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

	Level 1	Level 2	Level 3	Total
	(Rupees)			
<b>As at June 30, 2022 (Un-audited)</b>				
Fair value through profit and loss				
- Mutual Fund units	5,524,863,264	-	-	5,524,863,264
<b>As at December 31, 2021 (Audited)</b>				
Fair value through profit and loss				
- Mutual Fund units	4,199,676,912	-	-	4,199,676,912

## 25. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Company entered into a share purchase agreement with the shareholders of National Data Consultants (Private) Limited ('NdcTech'), for the purchase of 100% shares of NdcTech. NdcTech has been a leading core and digital banking implementation service provider for the past 22 years and has a rich set of clients in Pakistan, Middle East, Africa and Asia Pacific region. The process of acquisition including conditions precedent are not completed as at June 30, 2022, therefore, this has no impact on the condensed unconsolidated interim financial statements.

## 26. DATE OF AUTHORIZATION FOR ISSUE

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

## 27. CORRESPONDING FIGURES

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

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

## 28. 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 June 2022 (Unaudited)

		Unaudited 30 June 2022 Rupees	Audited 31 December 2021 Rupees
<b>ASSETS</b>	<b>Note</b>		
<b>Non-current assets</b>			
Property and equipment	6	2,691,702,620	2,051,800,034
Intangible		18,541,547	23,717,704
Long term investments	7	238,555,000	144,568,896
Investment in Associates	8	1,124,917,000	1,274,009,734
Right-of-use asset		596,864,740	288,981,475
Long term loans		233,399,988	36,796,454
Deferred taxation - net		51,952,243	75,060,282
Deferred employee benefits		69,308,125	10,344,054
Long term deposits		125,929,228	141,294,105
		<b>5,151,170,491</b>	<b>4,046,572,738</b>
<b>Current assets</b>			
Contract assets		731,239,606	727,944,400
Trade debts	9	5,326,048,532	4,125,928,299
Loans, advances and other receivables		642,078,128	734,667,764
Trade deposits and short term prepayments		1,092,194,772	323,149,962
Interest accrued		2,153,661	11,118,877
Short term investments	10	5,651,863,264	4,866,676,912
Tax refunds due from the Government		185,250,544	213,640,998
Current portion of deferred employee benefits		23,483,393	2,890,139
Cash and bank balances	11	2,881,056,510	2,978,863,741
		<b>16,535,368,410</b>	<b>13,984,881,092</b>
<b>TOTAL ASSETS</b>		<b>21,686,538,901</b>	<b>18,031,453,830</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital			
400,000,000 (2021: 400,000,000) ordinary shares of Rs. 10 each		<b>4,000,000,000</b>	<b>4,000,000,000</b>
Issued, subscribed and paid up share capital	12	2,783,651,990	1,384,989,120
Capital and reserves		1,480,301,147	1,148,309,400
Unappropriated profits		10,507,169,830	9,528,306,407
		<b>14,771,122,966</b>	<b>12,061,604,927</b>
<b>Non-controlling interest</b>		<b>1,196,544</b>	<b>1,169,928</b>
		<b>14,772,319,510</b>	<b>12,062,774,855</b>
<b>Non-current liabilities</b>			
Long term advances		8,026,095	81,111,314
Lease Liability		491,664,730	238,881,185
Provision for gratuity		139,965,505	94,865,412
		<b>639,656,330</b>	<b>414,857,911</b>
<b>Current liabilities</b>			
Trade and other payables		1,521,877,828	1,706,609,735
Unclaimed Dividend		16,326,537	9,226,244
Contract Liability		976,083,794	940,135,872
Mark-up accrued on short term borrowings		34,856,137	13,702
Short term borrowings	13	3,550,000,000	2,750,000,000
Current Portion of lease liability		119,129,108	62,195,197
Current Portion of long term loan		52,820,886	76,816,085
Current Portion of deferred grant		330,266	1,958,993
Current portion of long term advances		3,138,505	6,865,236
		<b>6,274,563,061</b>	<b>5,553,821,064</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>21,686,538,901</b>	<b>18,031,453,830</b>

## CONTINGENCIES AND COMMITMENTS

15

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

(CHAIRMAN)

(CHIEF EXECUTIVE OFFICER)

(CHIEF FINANCIAL OFFICER)

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

for the six months period ended 30 June 2022 (Unaudited)

	Note	Six Months Ended		Three Months Ended	
		30 June 2022 Rupees	30 June 2021 Rupees	30 June 2022 Rupees	30 June 2021 Rupees
Revenue from contract with customers - net		11,463,245,291	6,548,070,790	6,130,430,381	3,500,303,397
Cost of sales		7,808,798,515	4,303,581,830	4,074,517,756	2,321,735,797
Gross profit		3,654,446,776	2,244,488,960	2,055,912,625	1,178,567,600
Distribution expenses		264,926,345	211,290,243	137,313,406	134,622,799
Administrative expenses		985,799,849	512,889,839	551,476,465	270,628,896
Other operating expenses		20,439,229	(12,130,739)	(16,146,348)	3,979,032
		1,271,165,423	712,049,342	672,643,522	409,230,727
Operating profit		2,383,281,352	1,532,439,618	1,383,269,103	769,336,873
Other income	16	981,645,354	75,037,906	647,254,836	190,921,939
Share of loss from associate		149,092,734	-	74,555,185	-
Finance cost		84,353,239	48,590,288	51,512,231	27,630,236
Profit before taxation		3,131,480,734	1,558,887,235	1,904,456,523	932,628,576
Taxation		166,043,510	44,184,459	139,435,909	19,795,038
Profit after taxation		2,965,437,224	1,514,702,776	1,765,020,613	912,833,539
Attributable to:					
Equity holders of the parent		2,965,410,608	1,556,726,625	1,765,012,595	938,992,565
Non-controlling interest		26,616	(42,023,849)	8,018	(26,159,027)
		2,965,437,224	1,514,702,776	1,765,020,613	912,833,539
Earnings per share:			Restated		Restated
Basic earnings per share	17	10.67	5.67	6.34	3.42
Diluted earnings per share		10.62	5.64	6.30	3.40

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the six months period ended 30 June 2022 (Unaudited)

	Six Months Ended		Three Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Rupees	Rupees	Rupees	Rupees
Profit for the period	2,965,437,224	1,514,702,776	1,765,020,612	912,833,539
Other comprehensive income				
Exchange difference on translation of foreign operations	273,878,390	22,785,820	182,212,105	45,714,261
<b>Total comprehensive income for the period</b>	<b>3,239,315,614</b>	<b>1,537,488,596</b>	<b>1,947,232,718</b>	<b>958,547,799</b>
<b>Attributable to:</b>				
Equity holders of the parent	3,239,288,998	1,579,512,445	1,947,224,700	984,706,826
Non-controlling interest	26,616	(42,023,849)	8,018	(26,159,027)
	<b>3,239,315,614</b>	<b>1,537,488,596</b>	<b>1,947,232,718</b>	<b>958,547,799</b>

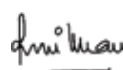
The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

# **CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY** for the six months period ended 30 June 2022 (Unaudited)

	Issued, subscribed and paid up share capital	Capital reserve			Foreign currency translation reserve	Revenue reserve		Total equity attributable to shareholders of parent company	Non-controlling interest	Total
		Share capital premium	Employee compensation reserve	Gain on dilution of interest		Unappropriated profit				
Rupees-----										
Balance as at 31st December 2020 (Audited)	1,246,060,140	614,907,403	84,747,028	197,609,706	59,347,679	5,626,952,295		7,829,624,251	146,389,075	7,976,013,326
Final Dividend @ Rs. 35 per share for the year ended 31 December 2020	-	-	-	-	-	(436,182,919)		(436,182,919)	-	(436,182,919)
Total comprehensive income for the period	-	-	-	-	-	1,556,726,625		1,556,726,625	(42,023,849)	1,514,702,776
Other comprehensive income for the year	-	-	-	-	-	-		-	-	22,785,820
Exercise of share options	9,712,790	99,597,698	(38,097,048)	-	-	-		71,213,440	-	71,213,440
Share based payments	-	-	44,308,563	-	-	-		44,308,563	-	44,308,563
Balance as at 30 June 2021 (Un-audited)	1,255,772,930	714,505,101	90,958,543	197,609,706	82,133,499	6,747,496,001		9,088,475,780	104,365,226	9,192,841,006
Balance as at 31st December 2021 (Audited)	1,384,989,120	820,263,291	200,220,759	-	127,825,350	9,528,306,407		12,061,604,927	1,169,928	12,062,774,855
Final Dividend @ Rs. 5 per share for the year ended 31 December 2021	-	-	-	-	-	(695,913,000)		(695,913,000)	-	(695,913,000)
Total comprehensive income for the period	-	-	-	-	-	2,965,410,608		2,965,410,608	26,616	2,965,437,224
Other comprehensive income for the year	-	-	-	-	273,878,390	-		273,878,390	-	273,878,390
Revenue reserve of subsidiary	-	-	-	-	-	101,191,814		101,191,814	-	101,191,814
Exercise of Share Options	6,836,870	32,880,442	(40,896,932)	-	-	(1,179,620)		(1,179,620)	-	(1,179,620)
Share based payments	-	-	66,129,847	-	-	-		66,129,847	-	66,129,847
Balance as at 30 June 2022 (Un-audited)	2,783,651,990	853,143,733	225,453,674	-	401,703,740	10,507,169,830		14,771,122,966	1,196,544	14,772,319,510

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

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(CHAIRMAN)

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(CHIEF EXECUTIVE OFFICER)

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(CHIEF FINANCIAL OFFICER)

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW

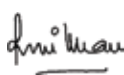
for the six months period ended 30 June 2022 (Unaudited)

	Note	Six Months Ended	
		30 June	30 June
		2022	2021
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash flows from/(used in) operations	19	1,170,630,771	709,949,219
Finance costs paid		(49,510,804)	(44,370,768)
Gratuity paid		(13,408,490)	(14,689,909)
Taxes paid		(114,545,016)	(61,437,922)
<b>Net cash flows from/(used in) operating activities</b>		<b>993,166,460</b>	<b>589,450,620</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(1,001,359,456)	(371,726,453)
Development expenditure		-	(66,521,768)
Proceeds from the disposal of property and equipment		228,338,163	24,828,643
(Increase) / Decrease in long term deposits		15,364,877	(8,195,731)
Disposal of short term investments - net		(758,186,352)	(713,751,849)
Loans paid to employees		(276,160,859)	-
Increase in long term investment		55,106,630	-
Profit received on short term investment		214,445,019	126,621,213
Revenue reserve of subsidiary		101,191,814	-
Profit received on bank deposits		21,312,308	14,721,209
<b>Net cash flows used in/from investing activities</b>		<b>(1,399,947,856)</b>	<b>(994,024,735)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from exercise of share options		51,510,734	71,213,440
Decrease in short term borrowings		800,000,000	795,000,000
Decrease in long term loan		(25,623,926)	(78,857,830)
Dividend paid		(688,812,707)	(434,327,952)
Increase in Lease Liability		1,833,623	4,394,325
Increase in long term advances		(76,811,950)	12,910,149
<b>Net cash flows used in financing activities</b>		<b>62,095,774</b>	<b>370,332,132</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(344,685,622)</b>	<b>(34,241,983)</b>
<b>Effect of exchange translation reserve</b>		<b>273,878,390</b>	<b>22,785,820</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>2,978,863,741</b>	<b>2,985,104,566</b>
<b>Cash and cash equivalents at closing of the period</b>		<b>2,908,056,509</b>	<b>2,973,648,402</b>

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

  
(CHAIRMAN)

  
(CHIEF EXECUTIVE OFFICER)

  
(CHIEF FINANCIAL OFFICER)

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

for the six months period ended 30 June 2022 (Unaudited)

## 1. THE GROUP AND ITS OPERATIONS

### Holding company

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

### Subsidiary Company

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

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

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

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

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

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

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

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

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

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

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

### Associated Companies

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

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

## 2. STATEMENT OF COMPLIANCE

2.1 This consolidated condensed interim financial information of the Group for the period ended 30 June 2022 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

2.2 This interim financial information is un-audited and is being submitted to shareholders, as required by section 237 of the Companies Act, 2017.

## 3. BASIS OF PREPARATION

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

### 3.1 Consolidated financial statements

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

### 3.2 Basis of measurement

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

## 4. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Group for the year ended 31 December 2021.

## 5. ACCOUNTING ESTIMATES AND JUDGMENTS

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

	Note	Unaudited 30 June 2022	Audited 31 December 2021
		----- (Rupees) -----	
<b>6. PROPERTY AND EQUIPMENT</b>			
Operating fixed assets	(6.1)	2,624,222,685	2,028,987,092
Capital work in progress	(6.2)	67,479,935	22,812,942
		2,691,702,620	2,051,800,034
<b>6.1 Operating fixed assets:</b>			
Opening balance - net book value		2,028,987,092	1,517,920,242
Additions during the period / year - cost	6.1.1	956,692,463	847,219,059
		2,985,679,555	2,365,139,301
Less:			
Disposals during the period / year	6.1.2	148,573,158	35,017,138
Depreciation during the period / year		212,883,712	301,135,071
Book value at the end of the period / year		2,624,222,685	2,028,987,092
<b>6.1.1 Additions during the period / year-cost</b>			
Land		180,650,028	-
Building		2,221,582	33,410,848
Computer equipment and installations		463,269,018	566,402,613
Other equipment and installations		109,840,062	21,007,777
Generator		36,047,123	6,606,088
Furniture and fittings		80,549,755	19,451,442
Vehicles		18,353,275	163,785,826
Office equipment		2,844,854	734,279
Leasehold Improvements		61,791,222	32,682,670
Exchange gain / (loss)		1,125,544	3,137,516
		956,692,463	847,219,059
<b>6.1.2 Disposals during the period / year</b>			
	Cost	Accumulated Depreciation	Written Down Value
<b>30 June 2022</b>			
Computer equipment and installations	8,244,037	6,971,453	1,272,584
Computers and mobile sets	7,137,684	5,362,445	1,775,239
Other equipment and installations	2,401,587	1,692,846	708,741
Vehicles	230,324,232	85,535,112	144,789,120
Office equipment	32,994	5,520	27,474
		248,107,540	99,561,856
			148,573,158
<b>31 December 2021</b>			
Computer equipment and installations	11,299,707	10,162,402	1,137,305
Other equipment and installations	0	99,421	(99,421)
Furniture and fittings	2,377,400	1,213,408	1,163,992
Vehicles	48,530,780	26,326,832	22,203,948
Office equipment	755,227	474,240	280,987
Disposal of Subsidiary	20,520,905	10,190,578	10,330,327
		83,484,019	48,466,881
			35,017,138
<b>6.2 CAPITAL WORK IN PROGRESS</b>			
		Unaudited 30 June 2022	Audited 31 December 2021
		----- (Rupees) -----	
Balance at the beginning of the period / year		22,812,942	746,272
Additions during the period / year		80,350,914	31,578,703
Transfer to operating fixed assets during the period / year		(35,683,921)	(9,512,033)
Balance at the end of the period / year		67,479,935	22,812,942
<b>7. Long Term Investments</b>			
		30 June 2022	31 December 2021
		----- (Rupees) -----	
Jugnu Private Limited		88,555,000	-
Jomo Technologies (Private) Limited		150,000,000	-

## 8. Investment in Associates

		30 June 2022	31 December 2021
		----- (Rupees) -----	
<b>Retailistan (Private) Limited</b>	<b>8.1.1</b>	<b>282,736,614</b>	<b>408,270,412</b>
146,820 fully paid ordinary shares of Rs 10/- each			
<b>E-Processing Systems B.V.</b>	<b>8.1.2</b>	<b>842,180,387</b>	<b>865,739,322</b>
179,507 fully paid ordinary shares of USD 0.01/- each			
		<b>1,124,917,000</b>	<b>1,274,009,734</b>
<b>8.1.1 Retailistan (Private) Limited</b>		<b>30 June 2022</b>	<b>31 December 2021</b>
		----- (Rupees) -----	
Cost of investment		<b>408,270,412</b>	<b>468,000,000</b>
Share of total comprehensive loss		<b>(125,533,798)</b>	<b>(59,729,588)</b>
		<b>282,736,614</b>	<b>408,270,412</b>
<b>8.1.2 E-Processing Systems B.V.</b>		<b>30 June 2022</b>	<b>31 December 2021</b>
		----- (Rupees) -----	
Cost of investment		<b>865,739,322</b>	<b>889,335,703</b>
Share of total comprehensive loss		<b>(23,558,935)</b>	<b>(23,596,381)</b>
		<b>842,180,387</b>	<b>865,739,322</b>

## 9. TRADE DEBTS

	Note	30 June 2022	31 December 2021
		----- (Rupees) -----	
<b>Considered good - unsecured</b>			
Export	(9.1)	<b>4,453,917,169</b>	<b>3,300,582,378</b>
Local		<b>1,201,340,973</b>	<b>1,160,066,340</b>
		<b>5,655,258,142</b>	<b>4,460,648,718</b>
Less: Allowance for expected credit losses		<b>(329,209,610)</b>	<b>(334,720,419)</b>
		<b>5,326,048,532</b>	<b>4,125,928,299</b>

### 9.1 This includes receivables from related parties which are as follows:

Visionet Systems Incorporation -USA	<b>2,141,125,323</b>	<b>1,766,444,533</b>
Visionet Systems - UK	<b>223,803,383</b>	<b>19,515,971</b>
Visionet Deutschland GMBH - Germany	<b>225,749,273</b>	<b>109,174,344</b>
Jomo Technologies (Private) Limited	<b>8,056,312</b>	<b>-</b>

## 10. SHORT TERM INVESTMENTS

<b>Fair value through profit and loss</b>			
- Mutual fund units	(10.1)	<b>5,524,863,264</b>	<b>4,199,676,912</b>
<b>Amortized cost</b>			
- Term deposit receipts (TDRs)	(10.2)	<b>127,000,000</b>	<b>667,000,000</b>
		<b>5,651,863,264</b>	<b>4,866,676,912</b>
<b>10.1 The details of investment in mutual funds are as follows:</b>			
UBL Al- Ameen Asset Islamic Allocation Fund		<b>-</b>	<b>107,656,212</b>
UBL Al-Ameen Islamic Cash Plan		<b>157,301,313</b>	<b>307,889,806</b>
Alfalsh GHP Islamic Income Fund		<b>510,158,757</b>	<b>131,098,915</b>
HBL Asset Islamic Allocation Fund		<b>-</b>	<b>52,976,195</b>
HBL Islamic Money Market Fund		<b>329,730,241</b>	<b>25,864,345</b>
Lakson Islamic Tactical Fund		<b>-</b>	<b>99,843,707</b>
Lakson money market Fund		<b>-</b>	<b>101,159,394</b>
Meezan Balanced Fund		<b>-</b>	<b>103,600,318</b>
Meezan Islamic Income Fund		<b>-</b>	<b>53,502,393</b>
Meezan Islamic Fund (Mif)		<b>-</b>	<b>151,731,025</b>
Meezan Rozana Amdani Fund (Mraf)		<b>802,581,249</b>	<b>621,489,473</b>
NBP Islamic Sarmaya Izafa Fund		<b>-</b>	<b>312,138,444</b>
NBP Islamic Daily dividend Fund		<b>-</b>	<b>613,531,130</b>
NBP Islamic Stock Fund		<b>-</b>	<b>83,246,347</b>
NBP Islamic Income Fund		<b>-</b>	<b>52,548,599</b>
MCB Al Hamra Islamic money market fund		<b>-</b>	<b>467,949,478</b>
ABL Islamic Stock Fund		<b>-</b>	<b>47,314,269</b>
ABL Islamic Cash Fund		<b>2,012,513,858</b>	<b>257,844,525</b>
ABL Islamic income Fund		<b>-</b>	<b>50,835,310</b>
Faysal Islamic Cash Fund		<b>709,150,984</b>	<b>557,457,027</b>
Al Habib Islamic cash fund		<b>1,003,426,862</b>	<b>-</b>
		<b>5,524,863,264</b>	<b>4,199,676,912</b>

		Unaudited 30 June 2022	Audited 31 December 2021
		----- (Rupees) -----	
10.2	The details of investments in TDRs are as follows:		
	Faysal Bank Limited	-	-
	Habib Metropolitan Bank	100,000,000	650,000,000
	Habib Bank Limited	27,000,000	17,000,000
		10.2.1	127,000,000
			667,000,000

10.2.1 This represents TDRs carrying markup at rates ranging from 7.5% to 13.5% (2021: 6.45% to 12.75%) per annum.

#### 11. CASH AND BANK BALANCES

Cash in hand		3,763,937	946,078
Cash at bank:			
Local currency:			
Current accounts		2,419,304,152	1,636,860,527
Deposit accounts	(111)	412,612,502	1,236,990,790
		2,831,916,654	2,873,851,317
Foreign currency - current accounts		45,375,919	104,066,346
		2,881,056,510	2,978,863,741

11.1 These carry interest rate of 6.5% to 12.25% (2021: 4.12% to 6.28%) per annum.

11.2 Cash at bank amounting to Rs 150 million (December 31, 2021: Rs 150 million) has been placed as lien against export refinance obtained from MCB Bank Limited and it is classified as deposits in 'Trade deposits and short term prepayments'.

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

		Unaudited 30 June 2022	Audited 31 December 2021
		----- (Rupees) -----	
		30 June 2022	31 December 2021
		-----No of Shares-----	
Ordinary shares of Rs. 10/- fully paid in cash		115,498,876	114,815,189
Stock options exercised			
Ordinary shares of Rs. 10/- each fully paid up as bonus shares		162,866,323	23,683,723
		278,365,199	138,498,912
		2,783,651,990	1,384,989,120

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

Balance as at 1st January	138,498,912	124,606,014	1,384,989,120	1,246,060,140
Stock options exercised	683,687	1,430,529	6,836,870	14,305,290
Bonus shares issued	139,182,600	12,462,369	1,391,826,000	124,623,690
Balance as at 30 June 2022	278,365,199	138,498,912	2,783,651,990	1,384,989,120

#### 13. Short Term Borrowings

MCB Bank Limited		850,000,000	850,000,000
Habib Metropolitan Bank Limited		1,400,000,000	1,400,000,000
Habib Bank Limited	13.1	700,000,000	200,000,000
Meezan Bank Limited		100,000,000	100,000,000
Faysal Bank Limited		200,000,000	200,000,000
Allied Bank Limited	13.2	300,000,000	-
		3,550,000,000	2,750,000,000

13.1 This increase represents Export Finance Scheme (EFS) of Rs 500 million availed against aggregate sanctioned limit of Rs 500 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 Holding Company with 25% margin.

13.2 This represents Export Refinance-II (ERF-II) availed against aggregate sanctioned limit of Rs 300 million. The rate of mark up is SBP rate plus 0.5%. These borrowings are secured against first pari passu hypothecation charge over current assets of the Holding Company with 25% margin.

#### 14. OPERATING SEGMENT INFORMATION

##### Geographical segments

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

North America  
Europe  
Middle East  
Pakistan

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

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

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

	North America			Europe			Middle East			Pakistan			Total	
	Un-audited			Un-audited			Un-audited			Un-audited			Un-audited	
	Six months ended June 30	2021	2022	Six months ended June 30	2021	2022	Six months ended June 30	2021	2022	Six months ended June 30	2021	2022	Six months ended June 30	2021
Rupees														
Revenue - net	4,335,209,703	2,828,930,612	711,124,060	488,806,166	1,967,914,359	1,752,310,299	1,262,419,653			11,463,245,291			6,548,070,790	
Cost of sales	2,805,698,757	1,719,834,781	380,016,153	306,213,395	3,158,561,692	1,350,732,495	926,801,159			7,808,798,515			4,303,581,830	
Gross profit	1,529,510,946	1,109,095,831	331,107,907	182,592,771	1506,039,538	617,181,864	335,618,494			3,654,446,775			2,244,488,960	
Distribution expenses	14,470,391	8,494,499	1,833,973	1,467,750	145,840,653	53,472,056	147,855,938			264,926,345			211,290,243	
Administrative expenses	450,257,616	253,366,755	41,430,449	43,778,816	458,322,295	145,134,125	70,610,143			985,799,849			512,889,839	
Profit / (loss) before taxation and unallocated income and expenses	464,728,007	261,861,254	43,264,422	45,246,566	604,162,948	198,606,182	218,466,081			1,250,726,194			724,180,083	
Other operating expenses														
Other income (excluding exchange gain)														
Exchange (loss) / gain														
Share of loss from associates														
Finance cost														
Profit before taxation														
Taxation														
Profit after taxation														

## 15. CONTINGENCIES AND COMMITMENTS

### 15.1 Contingencies

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

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

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

### 15.2 Commitments:

15.2.1 Guarantees issued by the financial institutions on behalf of the Group amount to Rs. 485.06 million (December 31, 2021: Rs 329.11 million). This includes guarantees of Rs 77.38 million (December 31, 2021: Rs 77.38 million) given on behalf of UUS Joint Venture (Private) Limited, a joint operation of the Group.

15.2.2 The Holding Company has commitments in respect of short-term lease rentals against properties of Rs 24.30 million (December 31, 2021: Rs 24.36 million).

## 16. Other Income

#### Income from financial assets:

Profit on deposit accounts

Profit on short term investments

Exchange gain / (loss)

#### Income from non-financial assets:

Gain on disposal of property & equipment

Others

Un-audited 30 June 2022	Un-audited 30 June 2021
----- (Rupees) -----	
21,312,308	14,721,209
205,479,803	92,529,622
664,672,534	(41,670,694)
891,464,645	65,580,137
79,765,005	9,127,250
10,415,704	330,519
90,180,709	9,457,769
981,645,354	75,037,906

## 17. EARNINGS PER SHARE

	Six Months Ended 30 June		Three Months Ended 30 June	
	2022 Un-audited	2021 Un-audited	2022 Un-audited	2021 Un-audited
<b>Basic earnings per share</b>		(Restated)		(Restated)
Profit for the period attributable to equity holder of parent	2,965,410,608	1,556,726,625	1,765,012,595	938,992,565
Weighted average number of ordinary shares in issue during the period	277,798,607	274,556,616	278,365,199	274,947,576
Basic - in Rupees	10.67	5.67	6.34	3.42
<b>Diluted earnings per share</b>				
Profit for the period attributable to equity holder of parent	2,965,410,608	1,556,726,625	1,765,012,595	938,992,565
Weighted-average number of ordinary shares (basic)	277,798,607	274,556,616	278,365,199	274,947,576
Effect of share options	1,475,541	1,563,491	1,695,989	1,136,653
	279,274,148	276,120,107	280,061,188	276,084,229
Diluted - in Rupees	10.62	5.64	6.30	3.40

## 18. TRANSACTIONS WITH RELATED PARTIES

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

Undertaking	Relation	Nature of transactions	Unaudited Six Months Ended 30 June	
			2022	2021
			----- Rupees -----	
Visionet Systems Incorporation - USA	Common Directorship	Sales	4,332,948,264	2,782,515,001
		Expenses incurred on behalf of the party	31,294,954	(7,953,600)
Visionet Systems - UK	Associate	Sales	199,886,724	330,120
		Expenses incurred on behalf of the party	4,094,930	-
Visionet Deutschland GMBH - Germany	Associate	Sales	481,306,151	444,745,121
		Expenses incurred on behalf of the party	9,630,277	-
E-Processing Systems (Private) Limited	Associate	Expense incurred on behalf of the party	71,302,858	169,946,528
		Receipts against advance	(68,112,374)	(58,921,211)
		Interest income	16,252,649	8,212,174
Key management personnel	Employees	Salaries and other benefits	604,796,743	376,956,517
Jomo Technologies (Private) Limited	Associate	Sales	9,088,158	-
		Equity Investment	150,000,000	-
Staff retirement funds	Associate	Contribution	286,913,861	60,791,456

## 19. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	3,131,480,734	1,558,887,235
Adjustments of reconcile profit before tax to meet cash flows:		
Depreciation on property and equipment	212,883,712	133,703,202
Amortization of intangible assets	5,176,151	11,160,893
Allowance for expected credit loss	20,439,229	(12,130,739)
Share based payment expense	66,129,847	44,308,563
Finance cost	84,353,239	48,590,288
Gratuity expense	58,508,583	27,483,210
Exchange loss / (gain) on translation of export receivables	(664,672,534)	39,569,429
Gain on disposal of property and equipment	(79,765,005)	(9,127,250)
Gain on short term investments	(205,479,803)	(92,259,621)
Profit on bank deposits	(21,312,308)	(14,721,209)
	(523,738,888)	176,576,766
<b>Profit before working capital changes</b>	<b>2,607,741,846</b>	<b>1,735,464,001</b>
<b>Effect on cash flow due to working capital changes</b>		
(Increase) / decrease in current assets:		
Contract assets - Net	(3,295,206)	(41,385,456)
Trade debts	(608,626,692)	(568,993,409)
Loans, advances and other receivables	92,589,636	62,587,329
Trade deposits and short term prepayments	(768,994,827)	(476,405,686)
	(1,288,327,090)	(1,024,197,222)
(Decrease) / increase in current liabilities:		
Trade and other payables	(184,731,907)	121,009,931
Contract Liability	35,947,922	(122,327,491)
	(1,437,111,074)	(1,025,514,782)
<b>Net cash flows from operations</b>	<b>1,170,630,771</b>	<b>709,949,219</b>

## 20. FINANCIAL RISK MANAGEMENT

### 20.1 Financial risk factors

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

### 20.2 Fair values of financial assets and liabilities

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

#### Fair value hierarchy

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

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

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

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

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

### 20.3 Financial instruments by categories

30 June 2022		
Financial Assets at fair value through P&L	Financial Assets at amortized cost	Total
(Rupees)		

#### Financial assets as per balance sheet

Long term deposits	125,929,228	125,929,228
Contract assets	731,239,606	731,239,606
Trade debts	5,326,048,532	5,326,048,532
Loans, advances and other receivables	642,078,128	642,078,128
Security deposits	352,722,067	352,722,067
Interest accrued	2,153,661	2,153,661
Short term investments	5,524,863,264	5,651,863,264
Cash and bank balances	-	2,881,056,510
	5,524,863,264	10,188,227,731
		15,713,090,995

31 December 2021		
Financial Assets at fair value through P&L	Financial Assets at amortized cost	Total
(Rupees)		

#### Financial assets as per balance sheet

Long term deposits	141,294,105	141,294,105
Contract assets	727,944,400	727,944,400
Trade debts	4,125,928,299	4,125,928,299
Loans, advances and other receivables	734,667,764	734,667,764
Security deposits	164,893,714	164,893,714
Interest accrued	11,118,877	11,118,877
Short term investments	4,199,676,912	4,866,676,912
Cash and bank balances	-	2,978,863,741
	4,199,676,912	9,551,710,900
		13,751,387,812

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

#### Financial liabilities as per balance sheet

Long term loan	-	-
Lease liabilities	610,793,838	301,076,382
Current portion of long term loan	52,820,886	76,816,085
Markup accrued on short term borrowing	34,856,137	13,702
Short term borrowing	3,550,000,000	2,750,000,000
Trade and other payables	130,516,678	1,706,609,735
	4,378,987,539	4,834,515,904

## 21. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The parent company through its wholly owned subsidiary Techvista Systems FZ LLC, has entered into a definitive agreement to acquire 100% of TreeHouse Consultancy, a high-end IT solutions provider, along with its subsidiaries and associated companies.

The Company entered into a share purchase agreement with the Shareholders of National Data Consultants (Private) Limited ('NdcTech'), for the purchase of 100% shares of NdcTech. NdcTech has been a leading core and digital banking implementation service provider for the past 22 years and has a rich set of clients in Pakistan, Middle East, Africa and Asia Pacific region.

The Holding Company has entered into a share purchase agreement for acquisition of National Data Consultants FZC (incorporated in UAE) and NDCtech APAC Pte. Ltd. (incorporated in Singapore) through its wholly owned subsidiary Systems International IT Pte. Ltd. The Holding Company shall purchase 100% shares of the both entities through its wholly owned subsidiary.

As the process of acquisition including conditions precedent have not been completed before 30 June 2022, the above transactions are non-adjusting event and have no impact on the Holding Company's consolidated books of accounts for the period ended 30 June 2022.

## 22. DATE OF AUTHORIZATION FOR ISSUE

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

## 23. CORRESPONDING FIGURES

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

## 24. GENERAL

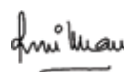
### 24.1 Figures have been rounded off to the nearest rupee unless otherwise stated.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)





















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## Pakistan

### Lahore (Head Office)

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

### Lahore (BPO Office)

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

### Karachi

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

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

### Islamabad

Plot No. 21, 1<sup>st</sup> Floor Fazeelat Arcade,  
Sector G-11 Markaz, Islamabad, Pakistan

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

## UAE

### Dubai

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

## EGYPT

### Cairo

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

## Multan

Plot No. 842/23 near Northern  
Bypass Chowk, Bosan Road, Multan

## Faisalabad

1<sup>st</sup> floor Main East Canal Road, Ali Fatima  
Science College, Faisalabad

## KSA

### Riyadh

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Building B, 2<sup>nd</sup> Floor,  
Al Malqa, Riyadh, Saudi Arabia

## APAC

### Singapore

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Prudential Tower,  
Singapore 049712

## Qatar

### Doha

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Westbay, Doha, Qatar