

**NETSOL Technologies Ltd.**

NETSOL IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. 54792, Pakistan.

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Phone: +92 42 111-44-88-00

Web: www.netsolpk.com

FORM-08**Date: 28/04/2022**

**The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.**

Subject: Transmission of Quarterly Report for the Period Ended March 31, 2022

Dear Sir,

We have to inform you that the Quarterly Report of the Company for the period ended March 31, 2022 have been transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,

SEHRISH

Company Secretary





Financial Statements (Un-Audited)
For The Nine Months Ended

March 31,
2022

Proudly serving the world's top asset finance &
leasing companies with smart software technology

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Company Profile

BOARD OF DIRECTORS

NAEEM ULLAH GHOURI
Chairman/Non-Executive Director

SALIM ULLAH GHOURI
Chief Executive Officer/Executive Director

VASEEM ANVAR
Independent Director

ANWAAR HUSSAIN
Independent Director

ZESHAN AFZAL
Independent Director

HAMNA GHOURI
Non-Executive Director

OMAR SHAHAB GHOURI
Executive Director

AUDIT COMMITTEE

ANWAAR HUSSAIN
Chairman

VASEEM ANVAR
Member

HAMNA GHOURI
Member

CHIEF FINANCIAL OFFICER

BOO-ALI SIDDIQUI

COMPANY SECRETARY

SEHRISH

CHIEF INTERNAL AUDITOR

MUHAMMAD ABDUL WAHAB HAFEEZ

AUDITORS

H.Y.K & Co.
Chartered Accountants
321-Upper Mall, Lahore

LEGAL ADVISOR

CORPORATE LAW ASSOCIATES
1st Floor Queen's Centre
Shahra-e-Fatima Jinnah
Lahore



SHARE REGISTRAR

VISION CONSULTING LIMITED

3-C, LDA Flats,
Lawrence Road, Lahore.
Tel: +92-42-36283096-97
Fax: +92-42-36312550

BANKERS

Askari Bank Limited
Samba Bank Limited
Meezan Bank Limited
Dubai Islamic Bank Pakistan Limited
MCB Bank Limited
Al Baraka Bank (Pakistan) Limited
Habib Metropolitan Bank Limited
Faysal Bank Limited
Bank Alfalah Islamic

CONTACT DETAILS

REGISTERED OFFICE

NETSOL IT Village
(Software Technology Park)
Lahore Ring Road,
Ghazi Road Interchange,
Lahore Cantt. 54792, Pakistan
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Fax: +92-51-5595376

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Block # 03, P.E.C.H.S, Karachi-75400
Tel: +92-21-111-638-765
Fax: +92-21-3431-3464

WEB PRESENCE

www.netsolpk.com
info@netsolpk.com

Directors' Report

On behalf of the Board of Directors of NetSol Technologies Limited (NETSOL or the Company), we are pleased to present the unaudited condensed financial statements of your company together with its consolidated accounts for the period ended March 31, 2022.

GENERAL OVERVIEW

As social distancing and other restrictions have now been lifted pertaining to the pandemic, the majority of employees at the Lahore Office have returned to the workplace. At other regional offices, employees are continuing to follow a hybrid model, whereby they are continuing to work from home as well as working from the office.

During this quarter NETSOL successfully achieved SOC 2 Type 1 compliance, with a global audit conducted by A-LIGN, the first-ever licensed CPA firm to focus on IT audits such as SOC 2 with over two decades of SOC experience. The examination of the company's suite of products and software services was carried out at its Calabasas, London, Beijing, Sydney, and Lahore facilities. Alongside reinforcing NETSOL's commitment to ensuring the security of its client's (and their customers') data, achieving this compliance confirms that all system requirements were designed based on the trust services criteria relevant to the security standards set by AICPA.

Solidifying its dominance in the North American and global equipment finance and leasing industry, NETSOL was selected for the second consecutive time by Monitor Daily in their latest feature of the 'Most Innovative Companies in the Equipment Finance Ecosystem' in the Sustaining Category. Monitor Daily is the leading source for equipment finance and equipment leasing industry news, articles and opinions.

With the resumption of live/in-person events, NETSOL continued to maintain its presence at annual industry-leading events in North America, the United Kingdom and in Pakistan. In North America, NETSOL attended and exhibited at the Consumer Bankers Association's annual event - CBA Live 2022 which took place in San Antonio, Texas as well as the American Financial Services Association's annual Vehicle Finance Conference in Las Vegas, Nevada. In the United Kingdom, NETSOL was the proud silver sponsor of the Leasing Life Conference and Awards and exhibited at the event, which took place in Barcelona, Spain. The company also attended the FLA Annual Dinner, where NETSOL was the event photography sponsor.

NETSOL was also present and exhibited at the PTCL Business Solutions ITCN Asia-Pakistan Tech Festival, which took place in Lahore, Pakistan. This event was attended by the largest tech companies in Pakistan and alongside its solutions for the global asset finance and leasing industry, the company's incubator (NSPIRE) showcased products and services from its latest batches. The Company in collaboration with AWS Community Pakistan hosted an AWS User Group event in Lahore organized by the AWS Community Pakistan in March 2022. Senior management of the company was part of the meetup and shared their vision pertaining to the Cloud with the attendees from the wider AWS community.

FINANCIAL PERFORMANCE

Comparisons of un-audited financial results of the third quarter ended March 31, 2022 with the corresponding period of fiscal year 2021 and cumulative results for the nine months ended March 31, 2022 with those of March 31, 2021 are given below:

STAND-ALONE FINANCIAL STATEMENTS	Jan-Mar 2022	Jan-Mar 2021	Jul-Mar 2022	Jul-Mar 2021
Revenue (PKR in million)	1,607	1,241	4,572	3,620
Gross profit (PKR in million)	519	455	1,681	1,403
Net profit (PKR in million)	165	(180)	877	77
EPS – basic (in PKR)	1.83	(2.00)	9.76	0.86
EPS – diluted (in PKR)	1.82	(2.00)	9.73	0.86
EBITDA per share – diluted (in PKR)	3.18	(0.54)	13.82	5.30

Revenue for the quarter ended March 31, 2022, improved by 29.52% compared to the revenue posted in the same quarter of the previous fiscal year. However, in dollar terms, the increase in revenue is around 16% in the current quarter. The company achieved a net revenue of PKR 1,607 million as compared to PKR 1,241 million during the corresponding period last year. In the current quarter, Company recorded PKR 281 million license revenue due to the implementation of NFS Ascent™ at two different customer sites in Taiwan and South Africa. On Services side, the Company recorded revenue amounting to PKR 614 million in comparison of PKR 523 million in the same quarter of last fiscal year. This is a continuous nature of services revenue coming from our existing customers for enhancement and customization in the systems deployed at their respective sites. In addition to it, Subscription and support revenue also increased from PKR 559 million to PKR 712 million during the current quarter. The increase in Subscription and support revenue is mainly associated with different customers going into maintenance phase after their successful implementation along with revision in their annual maintenance rates.

On the cost side, due to the massive growth in the IT industry both locally and globally and resultantly increased demand for IT resources, the resources retention cost is increasing significantly for the Company. Cost of revenue mainly increased due to increase in salaries and benefits cost. The company also hired net fifty five additional resources during the third quarter. In addition to it, due to relaxation in travel restrictions, travel cost also increased during the period due to travel of our resources to provide on-site support and implementation to our customers. Gross Margins during the period clocked in at PKR 519 million as compared to the corresponding period where margins were recorded at PKR 455 million.

The Company posted a net profit after tax of PKR 165 million compared to a net loss of PKR 180 last year. This profitability has translated basic and diluted earnings per share to clock in at PKR 1.83 and 1.82 respectively for the quarter ended March 31, 2022, in comparison to basic and diluted loss share of PKR 2.00 in the corresponding period of last fiscal year. The company posted a net EBITDA profit of PKR 3.18 per diluted share compared to EBITDA loss of PKR 0.54 in the comparable period. On year to date basis, the company posted revenue PKR 4,572 million compared to PKR 3,620 million in the corresponding period. The Company posted a net profit of PKR 877 million in comparison of PKR 77 million during the same period last year. Basic and Diluted earnings per share for the nine months ended March 31, 2021 were PKR 9.76 and 9.73 respectively in comparison to PKR 0.86 in the corresponding period. Year to date EBITDA profit for the current period was PKR 13.82 per diluted share compared to PKR 5.30 in the preceding period.

The Company also consolidates the financial results of its wholly owned subsidiary 'NETSOL Innovation (Pvt) Limited'. From this platform, the Company is providing professional services currently to a UK-based customer and is also in the process of building a team for cloud services to provide AWS services globally. Net consolidated revenues for the quarter ended March 31, 2022 were PKR. 1,624 million compared to PKR 1,241 million in 2021. Consolidated gross profit for the quarter was PKR 505 million compared to PKR 455 million in the same period last year. On a consolidated basis, the company posted net consolidated profit of PKR 148 million in the current quarter compared to net consolidated loss of PKR 180 million in the same period last year. Basic and diluted earnings per share for the quarter ended March 31, 2022 were PKR 1.65 and 1.64 respectively in comparison to basic and diluted loss per share PKR 2.00 in the corresponding period.

FUTURE OUTLOOK

NETSOL's premier, modern technology platform NFS Ascent is being used in Asia-Pacific, North America as well as Europe. The company will continue heavily promoting its highly adaptive solution for banks, automotive and equipment finance and leasing companies worldwide. NETSOL continues to offer its clientele and finance and leasing companies across the globe the option to avail Ascent either On-prem or via the Cloud.

By offering its premier product on the Cloud, NETSOL enables finance and leasing companies to gain access to the same next-generation platform used by bluechip organizations and Fortune 500 companies without having to pay any upfront license fees. Ascent on the Cloud is offered via swift deployments, value-based, flexible subscription-based pricing options and the ability to scale on demand.

Alongside the promotion of its premier platform NFS Ascent and Ascent on the Cloud, NETSOL will also continue promoting NFS Digital - its suite of digital transformation solutions for the global asset finance and leasing industry.

The Company is also focusing on providing professional services through its wholly-owned subsidiary 'NetSol Innovation (Pvt) Limited for this purpose. Through this platform, the Company is offering professional services to organizations in different regions in order to enable them to meet their business objectives. These services primarily consist of technical consultancy, web development, app development, digital marketing, cloud services, outsourcing, and co-sourcing. Pertaining to its professional services offerings, NETSOL's highly skilled and experienced professionals include skilled software programmers, well-versed business analysts, competent quality assurance engineers, technical and solution architects, project managers, cloud-native developers, and architects, mobile/web app developers, and automation specialists.

Additionally, the Company has been setting its footprints in the Cloud services domain. The company's aim is for NETSOL Cloud services to be marketed across the AWS community to increase its reach to potential clients that want to adopt the cloud platform. NETSOL will continue focusing on the promotion of AWS services and continue to work towards an innovative future.

NETSOL's Innovation Lab continues to experiment and work on different technologies in order to generate new revenue streams and to ensure that by having a futureproof business, its clients maintain their competitive advantage in today's highly competitive marketplace. These technologies include, but are not limited to, Artificial Intelligence/Machine Learning, Big Data and Blockchain.

NETSOL will continue to maintain its presence at annual industry-leading events, including summits, conferences, conventions and other events in North America, Europe and Asia-Pacific. With the return to live/in-person events, the company looks forward to continuing its lead generation activities at these events.

ACKNOWLEDGEMENT

The Board of Directors places on record its appreciation for the continued support by its esteemed shareholders, valued customers, government agencies and financial institutions which enabled the company to achieve these tremendous results. The board would also like to express its appreciation for the services, loyalty and efforts being continuously rendered by the executives and all the staff members of the company and hope that they will continue with the same spirit in future.

On behalf of the Board



Salim Ullah Ghauri
Chief Executive Officer

April 28, 2022
Lahore



Omar Shahab Ghauri
Director

ڈائریکٹرز رپورٹ

ہمیں خوشی ہے کہ ہم نیٹ سول ٹیکنالوجیز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی 31 مارچ 2022 کو ختم ہونے والے عرصہ کے لیے غیر آڈٹ شدہ مالیاتی گوشوارے بشمول مجموعی مالیاتی گوشوارے پیش کر رہے ہیں۔

عمومی جائزہ:- (General Overview)

چونکہ عالمگیر وبا کی بابت سماجی فاصلے سمیٹ کر دیگر پابندیاں اٹھائی گئی ہیں لہذا ہمارے لاہور آفس میں زیادہ تر ملازمین کام کی جگہ پر واپس آچکے ہیں۔ دیگر مقامی دفاتر میں ملازمین باہر ڈاؤنل پر عمل پیرا ہیں جب کہ وہ گھر اور دفاتر دونوں جگہوں سے کام جاری رکھے ہوئے ہیں۔

عرصہ حدود بائیں سے SEC پر کی حال SOC 2 Type 1 کیلپائنس پر کامیابی سے عمل کیا ہے۔ کیلا بساں، لندن، بیجنگ، سڈنی اور لاہور دفاتر میں کمپنی کی پروڈکٹس اور سافٹ ویئر سروسز کا جائزہ لیا گیا۔ اپنے کلائنٹ (اور ان کے کسٹمرز) کے ڈیٹا کی سکیورٹی کو یقینی بنانے کے لئے نیٹ سول کا عزم اور اس کیلپائنس کا حصول ثابت کرتا ہے کہ AICPA کے طے شدہ سکیورٹی معیارات سے متعلق ٹرسٹ سروسز معیار کی بنیاد پر قائم شدہ ضروریات کو پورا کیا گیا ہے۔

شمالی امریکہ اور عالمی ایکویٹمنٹ فنانس اینڈ لیڈنگ انڈسٹری میں قدم جتاتے ہوئے مانیٹر ڈیٹا نے اپنے تازہ ترین شمارے "1" ایکویٹمنٹ فنانس ایکوسیستم میں سب سے زیادہ جدت پسند کمپنیاں، "میں نیٹ سول کو مسلسل دوسری مرتبہ" پائیدار رہے" (Sustaining Category) میں رکھا ہے۔ مانیٹر ڈیٹا ایکویٹمنٹ فنانس اینڈ لیڈنگ انڈسٹری کی خبروں، مضامین، تصاویر اور راے کے لیے ایک اہم ذریعہ ہے۔

براہ راست ذاتی اپنیشن کے آغاز سے نیٹ سول شمالی امریکہ، برطانیہ اور پاکستان میں سالانہ انڈسٹری لیڈنگ اپنیشن میں اپنی موجودگی کو برقرار رکھے ہوئے۔ شمالی امریکہ میں نیٹ سول نے سین اینیو، نیکیاس میں منعقد ہونے والے کنفرس، پیٹرنز ایسوسی ایشن کے سالانہ ایونٹ CBA، نیو 2022 میں شرکت کی اور اپنی پروڈکٹس کی نمائش کی۔ کمپنی نے لاس ویگاس، نیواڈا میں منعقدہ امریکن فائنیشیل سروسز ایسوسی ایشن کی سالانہ ڈیجیٹل فائنس کنفرنس میں بھی شرکت کی۔ برطانیہ میں نیٹ سول لیڈنگ انڈسٹری ایونٹ ایوارڈز کا قابل فخر سلسلہ پاسر تھا جب کہ کمپنی نے بارسلونا، ہسپین میں منعقدہ ایونٹ میں اپنی پروڈکٹس کی نمائش کی۔ کمپنی نے FLA سالانہ ضیافت میں بھی شرکت کی جہاں نیٹ سول ایونٹ فوٹو گرافی کا پاسر تھا۔

نیٹ سول لاہور، پاکستان میں منعقد ہونے والے فی ٹی سی ای بزنس سالیون ITCN، ایشیا-پاکستان ایک فینیشیل میں بھی موجود تھا جہاں کمپنی نے اپنی پروڈکٹس کی نمائش بھی کی۔ اس ایونٹ میں پاکستان کی معروف ٹیک کمپنیوں نے شرکت کی۔ گلوبل ایسٹ فنانس اور لیڈنگ انڈسٹری کے لئے اپنے سالیونز فراہم کرنے کے علاوہ کمپنی کے انکوبیٹر (NSPIRE) نے اپنے تازہ ترین پتھر کے ذریعے پروڈکٹس اور سروسز کی نمائش کی۔ کمپنی نے AWS کیونٹی پاکستان کے تعاون سے مارچ 2022ء میں AWS کیونٹی پاکستان نے AWS لاہور میں یوزر گروپ ایونٹ کا انعقاد کیا۔ کمپنی کی اعلیٰ انتظامیہ اس اجتماع کا حصہ بھی جہاں انہوں نے AWS کیونٹی کے حاضرین کے ساتھ ملاؤ سے متعلق اپنے ویزن پر تبادلہ خیال کیا۔

مالیاتی کارکردگی (Financial performance)

31 مارچ 2022 کو ختم ہونے والے تیسری سہ ماہی سے 31 مارچ 2021ء کی اسی مدت کے ساتھ اور 31 مارچ 2022 کو ختم ہونے والی نو ماہی مع 31 مارچ 2021ء کی اسی مدت کے ساتھ فیئر آڈٹ شدہ مالیاتی گوشوارے کے نتائج کا موازنہ درج ذیل ہے۔

انفرادی مالیاتی گوشوارے

جنوری تا مارچ 2022ء	جنوری تا مارچ 2021ء	جنوری تا مارچ 2022ء	جنوری تا مارچ 2021ء
1,607	1,241	4,572	3,620
519	455	1,681	1,403
165	(180)	877	77
1.83	(2.00)	9.76	0.86
1.82	(2.00)	9.73	0.86
3.18	(0.54)	13.82	5.30

31 مارچ 2022 کو ختم ہونے والے سہ ماہی کی محصولات بیلنچ شیٹ مالی سال کی اسی سہ ماہی میں درج ہونے والی محصولات کے مقابلے میں 29.52 فیصد بہتر ہوئی ہے۔ تاہم ڈالر کے لحاظ سے، موجودہ سہ ماہی میں محصولات میں اضافہ تقریباً 16 فیصد ہے۔ کمپنی گزشتہ سال کے اسی عرصے کے دوران 1,241 ملین روپے کے مقابلے میں 1,607 ملین روپے کی خالص محصولات حاصل کرنے میں کامیاب رہی ہے۔ موجودہ سہ ماہی میں، کمپنی نے تائیوان اور جنوبی افریقہ میں مختلف کسٹمر سائٹس پر NFS Ascent™ کے نفاذ کی وجہ سے 281 ملین روپے لائسنس کی محصولات کی مد میں درج کیے ہیں۔ خدمات محصولات کی مد میں، کمپنی نے گزشتہ مالی سال کی اسی سہ ماہی میں 523 ملین روپے کے مقابلے میں 614 ملین روپے کی محصولات موجودہ سہ ماہی میں درج کی ہیں۔ یہ خدمات کی محصولات کا ایک تسلسل ہے جو ہمارے موجودہ کسٹمرز کی متعلقہ EBITDA deployed سسٹم میں اضافہ اور تخصیص سے آتا ہے اس کے علاوہ، موجودہ سہ ماہی کے دوران سبسکرپشن اور سپورٹ (بحالی) کی محصولات 559 ملین روپے سے بڑھ کر 712 ملین روپے ہو چکی ہیں۔ سبسکرپشن اور سپورٹ (بحالی) کی محصولات میں اضافہ بنیادی طور پر مختلف صارفین کے ساتھ ان کے کامیاب نفاذ کے بعد بحالی کے عمر طے میں جانے کے ساتھ ساتھ ان کی سالانہ تجدید بحال کے ریٹ میں تبدیلی سے وابستہ ہیں۔

لاگت کی مد میں، مقامی اور عالمی سطح پر آئی ٹی صنعت میں بڑے پیمانے پر آئی ٹی اور بیجنگ آئی ٹی ریسورسز کی مانگ میں اضافہ کی وجہ سے، کمپنی کے لیے لاگت برائے برقراری ملازمین نمایاں طور پر بڑھ رہی ہے۔ محصولات کی لاگت بنیادی طور پر تنخواہوں اور فراڈ ان کی لاگت میں اضافے کی وجہ سے بڑھی ہے۔ کمپنی نے تیسری سہ ماہی کے دوران 155 اضافی ریسورسز کی خدمات بھی حاصل کی ہے۔ اس کے علاوہ، سفری پابندیوں کی وجہ سے، سفری لاگت میں بھی اسی مدت کے دوران اضافہ ہوا ہے جس کی وجہ سے ہمارے صارفین کو سائٹ پر مدد فراہم کرنے اور اس پر عمل درآمد کرنے کے لیے ہمارے ریسورسز کا سہارا کرنا پڑا ہوتا ہے۔ اس مدت کے دوران مجموعی مارچ 519 ملین روپے تک درج کیا گیا ہے جبکہ گزشتہ مدت میں مارچ 455 ملین روپے درج کیا گیا تھا۔

کمپنی نے گزشتہ سال 180 ملین روپے کے خالص نقصان کے مقابلے میں 165 ملین روپے کا بعد از ٹیکس خالص منافع کیا ہے۔ کمپنی نے گزشتہ مدت کے 2.00 روپے بنیادی اور قلیل شدہ فی حصص خسارے کے مقابلے میں 31 مارچ 2022ء کو ختم ہونے والی سہ ماہی کے لیے بالترتیب 1.83 اور 1.82 روپے بنیادی اور قلیل شدہ فی حصص منافع درج کیا ہے۔ کمپنی نے گزشتہ عرصے 0.54 روپے قلیل شدہ فی حصص خالص EBITDA خسارے کے مقابلے میں موجودہ سہ ماہی میں 3.18 روپے قلیل شدہ فی حصص کا خالص EBITDA منافع درج کیا ہے۔ سال بہ روز (YTD) کی بنیاد پر، اسی مدت میں محصولات گزشتہ سال 3,620 ملین روپے کے مقابلے میں 4,572 ملین روپے کے مقابلے میں 77 ملین روپے کے مقابلے میں موجودہ مدت 877 ملین روپے کا خالص منافع درج کیا ہے۔ 31 مارچ 2022ء کو ختم ہونے والی نو ماہی کے لیے فی حصص کی بنیادی اور قلیل شدہ آمدنی اسی مدت میں 0.86 روپے کے مقابلے میں بالترتیب 9.76 اور 9.73 روپے ہے۔ موجودہ مدت کے لیے سال بہ روز EBITDA (year to date) منافع گزشتہ عرصے کے 5.30 روپے قلیل شدہ فی حصص کے مقابلے میں 13.82 روپے فی حصص ہے۔

کمپنی نے اپنے مکمل ملکیتی ذیلی ادارہ ”نیٹ سول انوویشن (پرائیویٹ) لمیٹڈ“ کے مجموعی مالیاتی گوشوارے شامل کر دیئے ہیں۔ اس پلٹ فارم سے، کمپنی اس وقت برطانیہ میں مقیم صارف کو پیشہ ورانہ خدمات فراہم کر رہی ہے اور کلاؤڈ سروسز AWS کے لیے ایک ٹیم بنانے کے عمل میں بھی ہے۔ 31 مارچ 2022ء کے ختم ہونے والی سہ ماہی کیلئے نقد مجموعی محصولات اسی سہ ماہی 2021ء کے 1,241 ملین روپے کے مقابلے میں 1,624 ملین روپے ہے۔ مجموعی خام منافع گزشتہ مالی سال کی اسی سہ ماہی کے 455 ملین روپے کے مقابلے میں موجودہ سہ ماہی میں 505 ملین روپے ہے۔ مجموعی بنیاد پر، کمپنی نے گزشتہ سال کی اسی مدت میں 180 ملین روپے نقد مجموعی نقصان کے مقابلے میں موجودہ سہ ماہی میں 148 ملین روپے نقد مجموعی منافع درج کیا ہے۔ 31 مارچ 2022ء کو ختم ہونے والی سہ ماہی کے لیے بنیادی اور تحلیل شدہ آمدنی، گزشتہ مدت میں 2.00 روپے فی شخص خسارہ کے مقابلے اس مدت میں باقیترتیب 1.65 اور 1.64 روپے فی شخص منافع درج کیا ہے۔

مستقبل کا نقطہ نظر Future Outlook

نیٹ سول کا پریمیر اور جدید ٹیکنالوجی پلٹ فارم NFS اینٹ ایٹیا۔ پیٹنک، بھائی امریکہ اور یورپ میں استعمال کیا جا رہا ہے۔ کمپنی بینکوں، آٹوموبیل اینڈ ایکوپمنٹ فنانس اور دنیا بھر کی لیزنگ کمپنیوں کے لئے اپنے انتہائی مفید سالیوشن کی تشہیر جاری رکھے گی۔ نیٹ سول اپنے کلائنٹس اور دنیا بھر میں فنانس اور لیزنگ کمپنیوں کو اپنے دفاتر یا بذریعہ کلاؤڈ اینٹ حاصل کرنے کا موقع فراہم کر رہا ہے۔ کلاؤڈ سروسز، ڈیٹا سٹوریج، پریوینٹس کی دستیابی سے نیٹ سول فنانس اور لیزنگ کمپنیوں کو بلیو چپ آگنا نزیٹین اور فار چران 500 کمپنیوں کے زیر استعمال next-generation پلٹ فارم بغیر لائسنس فیس کی ادائیگی کے رسائی حاصل کرنے میں مدد ملے گی۔ غوری اشاعت، ہم قیمت، معتدل سبسکرپشن فیس آپشنز اور مرضی کے مطابق نرخ طے کرنے کی فیس میبلوں کے ذریعے کلاؤڈ پرائیویٹس کی پیشکش کی جا رہی ہے۔

NFS Ascent اور کلاؤڈ اینٹ جیسے پریمیر پلٹ فارم کی تشہیر کے علاوہ نیٹ سول عالمی ایٹ فنانس اور لیزنگ انڈسٹری کے لئے ڈیجیٹل ٹرانسفاکشن سالیوشن NFS Digital کی تشہیر جاری رکھے گا۔

کمپنی اپنی کل ملکیتی ذیلی کمپنی ”نیٹ سول انوویشن (پرائیویٹ) لمیٹڈ“ کے ذریعے پیشہ ورانہ خدمات کی فراہمی پر بھی توجہ دے رہی ہے۔ اس پلٹ فارم کے ذریعے، کمپنی مختلف علاقوں میں قائم اداروں کو پیشہ ورانہ خدمات فراہم کر رہی ہے تاکہ وہ اپنے کاروباری مقاصد حاصل کرنے میں کامیاب ہو سکیں۔ یہ خدمات بنیادی طور پر تکنیکی مشاورت، ویب ڈیولپمنٹ، ایپ ڈیولپمنٹ، ڈیجیٹل مارکیٹنگ، کلاؤڈ سروسز، ڈیٹا سٹوریج اور کورسٹک پر مشتمل ہیں۔ اپنی پیشہ ورانہ خدمات کی فراہمی کو مد نظر رکھتے ہوئے نیٹ سول کے انتہائی ماہر اور تجربہ کار پروفیشنلز میں ماہر سافٹ ویئر پروگرامرز، قابل کاروباری تجربہ نگار، تجربہ کار کوالٹی انشورنس انجینئرز، ٹیکنیکل اینڈ سالیوشن آرکیٹیکٹ، پروڈیکٹ مینجرز کلاؤڈ۔ ٹیڈ ڈیولپرز اور آرکیٹیکٹس موبائل/ویب ایپ ڈیولپرز اور آکومین ماہرین شامل ہیں۔ علاوہ ازیں، کمپنی کلاؤڈ سروسز میں اس قدر قدم بہم دے رہی ہے۔ کمپنی کا عزم ہے کہ نیٹ سول کلاؤڈ سروسز AWS کیونٹی میں تشہیر کیا جائے تاکہ کمند طور پر کلاؤڈ پلٹ فارم حاصل کرنے کے خواہشمند کلائنٹس میں اضافہ ہو۔ نیٹ سول AWS سروسز کی تشہیر جاری رکھتے ہوئے توجہ دے گا اور جدت پذیر مستقبل کی جانب اپنا کام جاری رکھے گا۔

نیٹ سول کی انوویشن یب مختلف ٹیکنالوجیز پر کام اور تجربات جاری رکھے ہوئے ہے تاکہ آمدنی کی نئی راہیں کھولی جاسکیں اور یقینی بنایا جاسکے کہ مستقبل کے لائحہ عمل کو مد نظر رکھتے ہوئے آج کی متقابل کارمیت ٹیلز میں اپنے کلائنٹس حامی ہوں۔ ان ٹیکنالوجیز میں مصنوعی ذہانت/ٹشین لرننگ، بک ڈیٹا اور بلاک چین شامل ہیں لیکن یہ یہاں تک محدود نہیں۔ نیٹ سول شمالی امریکہ، یورپ اور ایشیا پیسیفک میں معتقد ہونے والے سالانہ انڈسٹری ایٹس بشول سمٹ، کانفرنسز، کنونشنز اور دیگر ایٹس میں اپنی موجودگی کو برقرار رکھے گی۔ براہ راست ذاتی ایٹس کی واپسی سے کمپنی ان ایٹس میں ایڈ جزیٹین سرگرمیوں کو جاری رکھنے کے لئے پرعزم ہے۔

اعتراف (Acknowledgement)

بورڈ آف ڈائریکٹرز کمپنی کے حصص یافتگان، قابل قدر صارفین، سرکاری اداروں اور مالیاتی اداروں کی جانب سے حمایت و معاونت کے لیے ان کی تحریف کرتا ہے اور خراج تحسین پیش کرتا ہے۔ بورڈ کمپنی کے تمام ایگزیکٹوز اور اشاف ممبرز کا ان قابل قدر خدمات و وفاداری اور ان کی مسلسل کوششوں کو قدر کی نگاہ سے دیکھتا ہے اور انہیں بھی خراج تحسین پیش کرتا ہے اور امید کرتا ہے کہ مستقبل میں بھی ان کی خلاصہ انکوش جاری و ساری رہیں گی۔

از طرف بورڈ آف ڈائریکٹرز

عمر شہاب
(ڈائریکٹر)

سلیم اللہ غوری
(چیف ایگزیکٹو آفیسر)

لاہور
28 اپریل 2022ء



FINANCIAL STATEMENTS

For The Nine Months Ended March 31, 2022

Condensed Interim Statement of Financial Position - Unaudited

As at March 31, 2022

	NOTE	Mar-22 Unaudited	Jun-21 Audited
Rupees in '000'			
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	5	1,547,273	1,599,438
Intangible assets	6	407,265	627,393
		1,954,538	2,226,831
Long term investments	7	183,017	208,582
Long term loans to employees		3,900	3,552
		2,141,455	2,438,965
CURRENT ASSETS			
Trade debts	8	2,255,889	1,649,836
Contract assets	9	1,518,850	1,163,155
Loans and advances		26,995	16,363
Trade deposits & short term prepayments		66,393	84,626
Other receivables		7,838	7,126
Due from related parties		463,238	445,737
Taxation - net		23,851	16,676
Cash & bank balances		4,331,824	3,758,821
		8,694,878	7,142,340
TOTAL ASSETS		10,836,333	9,581,305
EQUITY & LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital 150,000,000 ordinary shares of Rs.10/- each	10	1,500,000	1,500,000
Issued, subscribed and paid-up capital	10	898,369	898,369
Share deposit money		13	13
Reserves	11	7,093,202	6,205,435
		7,991,584	7,103,817
NON-CURRENT LIABILITIES			
Long term financing	12	11,347	95,920
Lease liabilities		5,171	2,106
		16,518	98,026
CURRENT LIABILITIES			
Trade and other payables	13	301,430	402,661
Contract liabilities		796,060	198,508
Short term borrowings		1,580,000	1,580,000
Current portion of long term liabilities		146,773	194,053
Unclaimed dividend		3,968	4,240
		2,828,231	2,379,462
CONTINGENCIES & COMMITMENTS	14	-	-
TOTAL EQUITY AND LIABILITIES		10,836,333	9,581,305

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Profit or Loss - Unaudited

For The Nine Months Ended March 31, 2022

	NOTE	Jan-Mar 2022	Jan-Mar 2021	Jul-Mar 2022	Jul-Mar 2021
		Rupees in '000'		Rupees in '000'	
Revenue from contracts with customers - net	15	1,606,981	1,240,751	4,572,397	3,619,552
Cost of revenue		(1,087,846)	(786,181)	(2,891,771)	(2,216,952)
Gross profit		519,135	454,570	1,680,626	1,402,600
Selling and promotion expenses		(163,029)	(122,455)	(422,363)	(372,582)
Administrative expenses		(247,467)	(191,461)	(707,837)	(563,335)
		(410,496)	(313,916)	(1,130,200)	(935,917)
Operating Profit		108,639	140,654	550,426	466,683
Other income		163,808	56,012	686,077	121,297
		272,447	196,666	1,236,503	587,980
Other operating expenses		(60,250)	(336,918)	(203,967)	(379,042)
Finance cost		(13,727)	(14,214)	(42,257)	(43,958)
Share of loss of Associate		(10,320)	(9,166)	(32,379)	(27,488)
Profit/(Loss) before taxation		188,150	(163,632)	957,900	137,492
Taxation	16	(23,374)	(16,186)	(80,805)	(60,659)
Profit/(Loss) after taxation for the period		164,776	(179,818)	877,095	76,833
Earnings/(Loss) per share					
Basic - In Rupees	18	1.83	(2.00)	9.76	0.86
Diluted - In Rupees	18	1.82	(2.00)	9.73	0.86

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

For The Nine Months
Ended March 31, 2022

Condensed Interim Statement of other Comprehensive Income - Unaudited
For The Nine Months Ended March 31, 2022

	Jan-Mar 2022	Jan-Mar 2021	Jul-Mar 2022	Jul-Mar 2021
	Rupees in '000'		Rupees in '000'	
Profit / (Loss) after taxation for the period	164,776	(179,818)	877,095	76,833
Other comprehensive income / (loss)	-	-	-	-
Other comprehensive income / (loss) that may be reclassified to profit or loss in subsequent periods (net of tax):	-	-	-	-
Share of other comprehensive income / (loss) of an associate	6,183	-	6,814	(1,873)
Total comprehensive income / (loss) for the period	170,959	(179,818)	883,909	74,960

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Cash Flows - Unaudited
For The Nine Months Ended March 31, 2022

	Jul-Mar 2022	Jul-Mar 2021
	Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	957,900	137,492
Adjustments for non cash charges and other items:		
Depreciation - own assets	197,761	155,959
Amortization of Right of Use Assets	10,163	14,867
Amortization of intangible assets	220,128	220,128
Loss on disposal of fixed assets	25,985	5,543
Amortization of deferred revenue	-	(2,014)
Foreign exchange (gain)/loss	(503,604)	269,072
Interest expense	49,621	56,993
Interest income	(181,798)	(96,488)
Deferred employee compensation expense	3,858	14,752
Amortization of deferred grant	(8,151)	(13,907)
Provision for expected credit losses	68,548	63,614
Share of loss of Associate	32,379	27,488
	(85,110)	716,007
Cash generated from operations before working capital changes	872,790	853,498
Working Capital Changes		
Trade debts & Contract Assets/Liabilities	70,860	(60,806)
Loans and advances	(10,980)	(16,266)
Trade deposits & short term prepayments	18,233	(35,464)
Other receivables	(711)	2,211
Due from related parties	(17,501)	(180,046)
Trade and other payables	(99,916)	130,025
Cash (used in) operations	(40,015)	(160,346)
Interest paid	(50,936)	(58,762)
Income taxes paid	(87,980)	(60,744)
Dividend paid	(272)	(565)
Net cash generated from operations	693,587	573,081
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment's purchased	(179,207)	(259,242)
Sales proceeds of fixed asset	8,779	5,744
Advances against capital expenditure	(11,316)	(5,174)
Interest received	181,798	96,488
Net cash generated from/(used in) investing activities	54	(162,183)
CASH FLOWS FROM FINANCING ACTIVITIES		
Paid against lease liabilities	(18,408)	(25,969)
Received against lease liabilities	9,093	-
Long term loan	(117,122)	85,571
Deferred grant	-	8,020
Short term borrowing	-	200,000
Long term advances	5,800	(1,038)
Net cash (used in) / generated from financing activities	(120,637)	266,584
Net increase in cash and cash equivalents	573,003	677,482
Cash and cash equivalents at the beginning of the period	3,758,821	2,081,859
Cash and cash equivalents at the end of the period	4,331,824	2,759,341

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

For The Nine Months
Ended March 31, 2022

Condensed Interim Statement of Changes in Equity - Unaudited

For The Nine Months Ended March 31, 2022

	Issued, sub-scribed and paid-up capital	Share deposit money	Capital Reserve			Revenue Reserve	Total
			Employee share option compensation reserve	Share premium	Foreign currency translation reserve	Unappropriated profit	
Rupees In '000'							
Balance as at June 30, 2020	898,369	13	205,897	304,167	(16,830)	5,505,882	6,897,498
Net profit for the period	-	-	-	-	-	76,833	76,833
Other comprehensive loss for the period	-	-	-	-	(1,873)	-	(1,873)
Total comprehensive income for the period	-	-	-	-	(1,873)	76,833	74,960
Contribution of parent on account of employee share options	-	-	14,752	-	-	-	14,752
	-	-	14,752	-	(1,873)	76,833	89,713
Balance as at March 31, 2021	898,369	13	220,649	304,167	(18,703)	5,582,716	6,987,211
Balance as at June 30, 2021	898,369	13	224,670	304,167	(20,872)	5,697,470	7,103,817
Net profit for the period	-	-	-	-	-	877,095	877,095
Other comprehensive income for the period	-	-	-	-	6,814	-	6,814
Total comprehensive income for the period	-	-	-	-	6,814	877,095	883,909
Amortization of share options issued	-	-	3,858	-	-	-	3,858
	-	-	3,858	-	6,814	877,095	887,767
Balance as at March 31, 2022	898,369	13	228,528	304,167	(14,058)	6,574,565	7,991,584

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Notes to the Condensed Interim Financial Statements - Unaudited

For The Nine Months Ended March 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

NetSol Technologies Limited ("the Company"), incorporated in Pakistan on August 22, 1996 under the repealed Companies Ordinance, 1984, (Now Companies Act 2017) as a private company limited by shares, was later on converted into public limited company and subsequently listed on Pakistan Stock Exchange on August 26, 2005. Main business of the Company is development and sale of computer software and allied services in Pakistan as well as abroad.

Geographical location and addresses of business units:

Address/Location	Purpose
1 NetSol IT Village,(Software Technology Park) Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. Pakistan.	Registered office and business unit
2 43/1/Q, Amna Villa 1, Block-6, PECHS Housing Society Karachi.	Branch office
3 House No. 4, Safari villas 1, Bahria town, Rawalpindi. Pakistan.	Branch office
4 Central Senayan 2 Building, 16th Floor, Asia Afrika Street, No. 8, Senayan, Kebayoran Baru, South Jakarta, DKI Jakarta, 12190	Branch office

The Company is a majority owned subsidiary of NetSol Technologies Inc., USA.

2. BASIS OF PREPARATION

2.1 Separate financial statements

These condensed interim financial statements are separate condensed interim financial statements of the Company. Condensed consolidated interim financial statements of the company are prepared separately.

2.2 Statement of compliance

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

-International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

-Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements are unaudited and do not include all the disclosures and information required in the annual financial statements and should be read in conjunction with the preceding annual published financial statements of the company for the year ended June 30, 2021.

2.3 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except for revaluation of certain financial instruments at fair value. These accounts have been prepared under accrual basis of accounting.

2.4 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupee, which is the Company's functional currency as well its presentation currency.

3. ACCOUNTING POLICIES

- 3.1. The accounting policies adopted for the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2021.

3.2. Standards, amendments and interpretations to approved accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are also effective for accounting periods beginning on July 01, 2021, but are neither relevant nor 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 this condensed interim financial information.

4. USE OF ESTIMATES AND JUDGMENT

The preparation of condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In preparing these condensed interim financial statements, the judgments, estimates and assumptions made by the management were the same as those that were applied to the preceding annual published financial statements of the Company for the year ended June 30, 2021.

		Mar-22 Unaudited	Jun-21 Audited
		Rupees in '000'	
5. PROPERTY, PLANT & EQUIPMENT			
Net book value of owned assets	5.1	1,497,743	1,515,963
Net book value of right of use assets	5.2	35,214	80,475
Advances against capital expenditure		14,316	3,000
		1,547,273	1,599,438
5.1 PROPERTY, PLANT & EQUIPMENT			
Opening Balance - net book value		1,515,963	1,443,854
Additions	5.1.1	214,304	315,502
		1,730,267	1,759,356
Less:			
Disposals - net book value	5.1.2	(34,764)	(27,192)
Depreciation & amortization		(197,760)	(216,201)
		1,497,743	1,515,963
5.1.1 Following is the detail of addition / (transfer)			
Furniture & fixture		1,772	326
Vehicles		86,371	97,914
Office equipment		1,469	8,994
Computers		88,468	173,248
Air conditioners		845	651
Generator		2,090	-
Computer software		33,290	34,369
Total		214,304	315,502

5.1.2 Following is the detail of deletions	Cost	Mar-22 Unaudited Accumulated Depreciation	Written down Value	Cost	Jun-21 Audited Accumulated Depreciation	Written down Value
			Rupees in '000'			
Furniture & fixture	22	18	3	-	-	-
Vehicles	5,551	3,607	1,944	26,700	18,590	8,110
Office equipment	-	-	-	33	19	14
Computers	626,436	593,619	32,816	17,059	16,100	959
Computer software	-	-	-	583,854	565,745	18,109
Total	632,008	597,244	34,764	627,646	600,454	27,192

					Mar-22 Unaudited	Jun-21 Audited
					Rupees in '000'	
5.2 RIGHT OF USE ASSETS						
Opening Balance - net book value					80,475	98,938
Additions					9,093	4,273
					89,568	103,211
Less:						
Disposals - net book value			5.2.1		(44,191)	(2,876)
Depreciation & amortization					(10,163)	(19,860)
					35,214	80,475

5.2.1 Following is the detail of deletions	Cost	Mar-22 Unaudited Accumulated Depreciation	Written down Value	Cost	Jun-21 Audited Accumulated Depreciation	Written down Value
			Rupees in '000'			
Vehicles	90,176	47,794	42,382	5,553	2,677	2,876
Computers	6,308	4,499	1,809	-	-	-
Total	96,484	52,293	44,191	5,553	2,677	2,876

					Mar-22 Unaudited	Jun-21 Audited
					Rupees in '000'	
6. INTANGIBLE ASSETS						
Opening Balance - net book value					627,393	920,897
Less:						
Amortization					(220,128)	(293,504)
					407,265	627,393

7. LONG TERM INVESTMENTS - at cost						
Investment in subsidiary - at cost						
NetSol Innovation (Pvt) Limited (Unquoted subsidiary company)			7.1		30,063	30,063
Investment in associate						
WRLD3D Inc. (Unquoted company)			7.2		152,954	178,519
					183,017	208,582

7.1 The subsidiary is incorporated in Pakistan. The principal place of business of subsidiary is situated at NetSol IT Village, (Software Technology Park) Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. Pakistan. The Company holds 3,006,305 (2021 : 3,006,305) fully paid ordinary shares of Rs. 10/- each i.e. 100% of Equity held (2021 : 100%).

7.2 WRLD3D Inc. is incorporated in USA and involved in the core business of gaming and 3D mapping. Principal place of business of WRLD3D is 800 W. El Camino Real, Suite 320, Mountain View, California 94040. DCD Holdings Limited Carlton Services Ltd, second floor, The Quadrant, Manglier Street, PO Box 1312, Victoria, Mahe, Seychelles is its beneficial owner. As on Mar 31, 2022 there is no litigation/Default/Breach exists related to WRLD3D and no return is received or gain/loss booked on disposal of investment (2021: Nil). The Company owns 4,092,189 preference BB shares of WRLD3D Inc. (12.1% ownership interest) originally valued at \$2,777,778 and uses equity method to account for investment in associate.

		Mar-22 Unaudited	Jun-21 Audited
Rupees in '000'			
8. TRADE DEBTS			
Considered good - unsecured	8.1	2,255,889	1,649,836
Considered doubtful - unsecured	8.2	404,634	329,874
		2,660,523	1,979,710
Less: Provision against expected credit losses		(404,634)	(329,874)
		2,255,889	1,649,836

8.1 It represents amount receivable from customers. It is unsecured but considered good by the management.

8.2 This is a provision for expected credit losses created by the Company for any future doubtful trade debts.

8.3 Amount receivable from related parties included in trade debts are as under:

NetSol Technologies (Thailand) Limited	85,310	73,609
NetSol Technologies (Beijing) Company Limited	878,924	873,748
NetSol Australia Pty. Limited	212,806	111,747
NetSol Technologies Americas	261,291	247,042
Ascent Europe Limited	6,817	19,441
OTOZ Thailand Ltd	87,038	77,876
WRLD3D Inc.	274,086	242,029
	1,806,272	1,645,493

9. CONTRACT ASSETS

There is a net increase of Rs. 356 million in contract assets as compared to last fiscal year (2021: decrease of 910 million). Explanation of significant changes are as follows:

Opening balance-Contract Assets	1,163,155	1,652,633
Add: Revenue Recognised	2,719,519	3,453,533
Less: Invoices raised	(2,546,559)	(3,930,099)
Forex Gain / (Loss)	176,523	(10,499)
Provision for Expected Credit Losses	6,211	(2,413)
Closing balance-Contract Assets	1,518,850	1,163,155

10. SHARE CAPITAL

10.1 Authorized share capital

Mar-22
Unaudited

Jun-21
Audited

Mar-22
Unaudited

Jun-21
Audited

Number of shares

Rupees in '000'

150,000,000

150,000,000

Ordinary Shares of Rs. 10 each.

1,500,000

1,500,000

10.2 Issued, subscribed & paid-up capital

42,686,191

42,686,191

Ordinary Shares of Rs. 10 each fully paid in cash

426,862

426,862

47,150,732

47,150,732

Ordinary Shares of Rs. 10 each issued as fully paid bonus shares

471,507

471,507

89,836,923

89,836,923

898,369

898,369

NetSol Technologies Inc. 23975, Park Sorrento, Suite 250, Calabasas CA 91302, is the parent company holding 66.12% (2021 : 66.12%) of issued capital of the Company.

	Mar-22 Unaudited	Jun-21 Audited
	Rupees in '000'	
11. RESERVES		
Capital reserve		
Premium on issue of ordinary shares	304,167	304,167
Employee share option compensation reserve	228,528	224,670
Foreign currency translation reserve	(14,058)	(20,872)
Revenue reserve		
Un - appropriated profit	6,574,565	5,697,470
	7,093,202	6,205,435
12. LONG TERM FINANCING		
Long term Finance facility	128,226	250,429
Deferred grant	2,098	10,249
Sale & Leaseback obligations	18,569	13,488
Less: Current portion shown under current liabilities:		
Current portion of Long term finance facility	(128,226)	(164,254)
Current portion of deferred grant	(2,098)	(9,537)
Current portion of Sale & Leaseback obligations	(7,222)	(4,456)
	(137,546)	(178,246)
	11,347	95,920

- 13.** Trade and other payables also include payable to NetSol Technologies Europe Limited, an associated company PKR 32.551 million (2021: 4.559 million). This relates to normal course of the business and is interest free.

14. CONTINGENCIES & COMMITMENTS

14.1 Contingencies

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

14.2 Commitments

The Company has issued worth Rs. 11.49 million (2021: 11.9 million) bank guarantees to LESCO and Standard Chartered Bank against its corporate credit cards.

The Company has capital commitments of Rs. 34.3 Million under capital purchase agreements as at March 31, 2022. (2021: Rs. 6.889 Million)

15. REVENUE FROM CONTRACTS WITH CUSTOMERS

DISAGGREGATION OF REVENUE:

Export Revenue

	Jan-Mar 2022	Jan-Mar 2021	Jul-Mar 2022	Jul-Mar 2021
	Rupees in '000'		Rupees in '000'	
License	280,746	158,948	764,213	398,936
Services	614,387	522,595	1,342,540	1,648,533
Subscription and Support	711,848	559,208	2,465,644	1,572,083
	1,606,981	1,240,751	4,572,397	3,619,552

16. TAXATION

Income of the Company from export of computer software or IT services or IT enabled services is allowed a tax credit equal to 100% of tax payable up to June 30, 2025 subject to realization of eighty per cent of the export proceeds into Pakistan through normal banking channels and in foreign exchange remitted from outside Pakistan along with fulfilment of other filing requirements as per Section 65F to the Income Tax Ordinance, 2001. However tax as per applicable rates is charged to the income of the Company generated from other than core business activities.

17. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial risk factors

The Company's activities expose it to a variety of financial risks namely market risk (including currency risk, price risk and interest rate risk), credit risk, foreign exchange risk and liquidity risk. There has been no change in the risk management policies during the period, consequently this condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements.

Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in this condensed interim financial information approximate their fair value.

	Jan-Mar 2022	Jan-Mar 2021	Jul-Mar 2022	Jul-Mar 2021
	Rupees in '000'		Rupees in '000'	
18. EARNINGS / (LOSS) PER SHARE				
Basic				
Profit / (Loss) after taxation for the period	164,776	(179,818)	877,095	76,833
Weighted average number of ordinary shares in issue during the period	89,837	89,837	89,837	89,837
Basic - In Rupees	1.83	(2.00)	9.76	0.86
Diluted				
Profit / (Loss) after taxation for the period	164,776	(179,818)	877,095	76,833
Weighted average number of ordinary shares in issue during the period	90,429	89,837	90,188	89,837
Diluted - In Rupee	1.82	(2.00)	9.73	0.86

19. TRANSACTION WITH RELATED PARTIES

Related parties comprise of holding company, subsidiary, associated undertakings, key management personnel of the company and post employment benefits. The Company in its normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Parent, subsidiary and associated undertakings also have some common directorship.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows.

Relationship with the Company	Nature of transactions	Jul-Mar 2022	Jul-Mar 2021
		Rupees in '000'	
(i) Subsidiary	Provision of services	3,000	-
(ii) Associated undertaking	Rental income	675	675
	Provision of services	1,112,149	1,460,019
	Purchase of services	27,333	19,619
(iii) Key management personnel	Salaries and benefits	211,013	114,373
	Retirement benefits	9,359	5,746
	Commission paid	111,126	177,098
(iv) Post employment benefit	Contribution to defined contribution plan	114,422	97,327

(v) There are no transactions with any key management personnel other than under the terms of employment.

20. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 28, 2022 by the Board of Directors.

21. GENERAL

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



CONSOLIDATED FINANCIAL STATEMENTS

For The Nine Months Ended March 31, 2022

Condensed Consolidated Interim Statement of Financial Position - Unaudited
As at March 31, 2022

	NOTE	Mar-22 Unaudited	Jun-21 Audited
Rupees in '000'			
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	5	1,553,498	1,605,866
Intangible assets	6	407,265	627,393
		1,960,763	2,233,259
Long term Investment	7	152,954	178,519
Long term loans to employees		4,590	3,552
		2,118,307	2,415,330
CURRENT ASSETS			
Trade debts	8	2,275,486	1,649,836
Contract assets	9	1,518,850	1,163,155
Loans and advances		27,590	16,363
Trade deposits & short term prepayments		67,557	84,626
Other receivables		7,838	7,126
Due from related parties		454,464	445,737
Taxation - net		23,803	16,455
Cash & bank balances		4,342,831	3,795,397
		8,718,419	7,178,695
TOTAL ASSETS		10,836,726	9,594,025
EQUITY & LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital			
150,000,000 ordinary shares of Rs.10/- each	10	1,500,000	1,500,000
Issued, subscribed and paid-up capital	10	898,369	898,369
Share deposit money		13	13
Reserves	11	7,087,757	6,217,450
		7,986,139	7,115,832
NON-CURRENT LIABILITIES			
Long term financing	12	11,347	95,920
Lease liabilities		5,171	2,106
		16,518	98,026
CURRENT LIABILITIES			
Trade and other payables	13	305,077	403,366
Contract liabilities		798,251	198,508
Short term borrowings		1,580,000	1,580,000
Current portion of long term liabilities		146,773	194,053
Unclaimed dividend		3,968	4,240
		2,834,069	2,380,167
CONTINGENCIES & COMMITMENTS	14	-	-
TOTAL EQUITY AND LIABILITIES		10,836,726	9,594,025

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Condensed Consolidated Interim Statement of Profit or Loss - Unaudited
For The Nine Months Ended March 31, 2022

	NOTE	Jan-Mar 2022	Jan-Mar 2021	Jul-Mar 2022	Jul-Mar 2021
		Rupees in '000'		Rupees in '000'	
Revenue from contracts with customers - Net	15	1,624,243	1,240,751	4,612,544	3,619,552
Cost of revenue		(1,119,498)	(786,181)	(2,940,832)	(2,216,952)
Gross profit		504,745	454,570	1,671,712	1,402,600
Selling and promotion expenses		(166,115)	(122,455)	(425,449)	(372,582)
Administrative expenses		(248,591)	(191,490)	(710,034)	(563,431)
		(414,706)	(313,945)	(1,135,483)	(936,013)
Operating profit		90,039	140,625	536,229	466,587
Other income		162,938	56,480	687,485	122,706
		252,977	197,105	1,223,714	589,293
Other operating expenses		(57,138)	(336,918)	(208,572)	(379,042)
Finance cost		(13,747)	(14,214)	(42,285)	(43,958)
Loss of share from Associate		(10,320)	(9,166)	(32,379)	(27,488)
Profit/(loss) before taxation		171,772	(163,193)	940,478	138,805
Taxation	16	(23,529)	(16,322)	(80,844)	(61,312)
Profit/(loss) after taxation for the period attributable to equity holders of parent		148,243	(179,515)	859,634	77,493
Earnings/(Loss) per share					
Basic - In Rupees	18	1.65	(2.00)	9.57	0.86
Diluted - In Rupees	18	1.64	(2.00)	9.53	0.86

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

For The Nine Months
Ended March 31, 2022

Condensed Consolidated Interim Statement of other Comprehensive Income - Unaudited
For The Nine Months Ended March 31, 2022

	Jan-Mar 2022	Jan-Mar 2021	Jul-Mar 2022	Jul-Mar 2021
	Rupees in '000'		Rupees in '000'	
Profit/(loss) after taxation for the period	148,243	(179,515)	859,634	77,493
Other comprehensive income / (Loss)				
Other comprehensive income / (loss) that may be reclassified to profit or loss in subsequent periods (net of tax):	-	-	-	-
Share of other comprehensive income / (loss) of an associate	6,183	-	6,814	(1,873)
Total comprehensive Income/(loss) for the period attributable to equity holders of parent	154,426	(179,515)	866,448	75,620

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Consolidated Interim Statement of Cash Flows - Unaudited
For The Nine Months Ended March 31, 2022

NOTE	Jul-Mar 2022	Jul-Mar 2021
Rupees in '000'		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	940,478	138,805
Adjustments for non cash charges and other items:		
Depreciation - own assets	198,453	155,959
Amortization of Right of use assets	10,163	14,867
Amortization of intangible assets	220,128	220,128
Loss on disposal of fixed assets	30,590	5,543
Amortization of deferred revenue	-	(2,014)
Foreign exchange (Gain) / Loss	(503,603)	269,072
Interest expense	49,621	56,993
Interest income	(183,207)	(97,897)
Deferred employee compensation expense	3,858	14,752
Amortization of deferred grant	(8,151)	(13,907)
Provision for expected credit losses	68,548	63,614
Share of loss of Associate	32,379	27,488
	(81,220)	714,597
Cash generated from operations before working capital changes	859,258	853,402
Working Capital Changes		
Trade debts & Contract Assets/Liabilities	53,453	(60,806)
Loans and advances	(12,265)	(16,266)
Trade deposits & short term prepayments	17,069	(35,493)
Other receivables	(712)	2,211
Due from related parties	(8,727)	(180,046)
Trade and other payables	(96,974)	129,980
Cash (used in) operations	(48,156)	(160,420)
Interest paid	(50,936)	(58,762)
Income taxes paid	(88,192)	(61,200)
Dividend paid	(272)	(565)
Net cash generated from operations	671,702	572,455
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(185,423)	(259,242)
Sales proceeds of fixed asset	9,901	5,744
Advances against capital expenditure	(11,316)	(5,174)
Interest received	183,207	97,897
Net cash (used in) investing activities	(3,631)	(160,775)
CASH FLOWS FROM FINANCING ACTIVITIES		
Paid against lease liabilities	(18,408)	(25,969)
Received against lease liabilities	9,093	-
Long term payable	(117,122)	85,571
Deferred grant	-	8,020
Short term borrowing	-	200,000
Long term advances	5,800	(1,038)
Net cash (Used in) / generated from financing activities	(120,637)	266,584
Net increase in cash and cash equivalents	547,434	678,265
Cash and cash equivalents at the beginning of the period	3,795,397	2,115,872
Cash and cash equivalents at the end of the period	4,342,831	2,794,137

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

For The Nine Months
Ended March 31, 2022

Condensed Consolidated Interim Statement of Changes in Equity - Unaudited
For The Nine Months Ended March 31, 2022

Attributable to equity holders of the Parent							
	Issued, subscribed and paid-up capital	Share deposit money	Capital reserve			Revenue reserve	Total Equity
			Employee share option compe-nsa- tion reserve	Share premium	Foreign currency translation reserve	Unappropri ated profit	
Rupees In '000'							
Balance as at June 30, 2020	898,369	13	206,555	304,167	(16,830)	5,515,868	6,908,142
Net profit for the period	-	-	-	-	-	77,493	77,493
Other comprehensive (loss) for the period	-	-	-	-	(1,873)	-	(1,873)
Total comprehensive (loss) / profit for the period	-	-	-	-	(1,873)	77,493	75,620
Contribution of parent on account of employee share options	-	-	14,752	-	-	-	14,752
	-	-	14,752	-	(1,873)	77,493	90,372
Balance as at March 31, 2021	898,369	13	221,307	304,167	(18,703)	5,593,361	6,998,514
Balance as at June 30, 2021	898,369	13	225,328	304,167	(20,872)	5,708,827	7,115,832
Net Profit for the period	-	-	-	-	-	859,634	859,634
Other comprehensive income for the period	-	-	-	-	6,814	-	6,814
Total comprehensive income for the period	-	-	-	-	6,814	859,634	866,448
Amortization of share options issued	-	-	3,858	-	-	-	3,858
	-	-	3,858	-	6,814	859,634	870,306
Balance as at March 31, 2022	898,369	13	229,186	304,167	(14,058)	6,568,461	7,986,139

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Notes to the Condensed Consolidated Interim Financial Statements Unaudited

For The Nine Months Ended March 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

NetSol Group consists of:

- NetSol Technologies Limited
- NetSol Innovation (Private) Limited

NetSol Technologies Limited ("the Company"), incorporated in Pakistan on August 22, 1996 under the repealed Companies Ordinance, 1984, (Now Companies Act 2017) as a private company limited by shares, was later on converted into public limited company and subsequently listed on Pakistan Stock Exchange on August 26, 2005. Main business of the Company is development and sale of computer software and allied services in Pakistan as well as abroad.

Address/Location	Purpose
1 NetSol IT Village,(Software Technology Park) Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. Pakistan.	Registered office and business unit
2 43/1/Q, Amna Villa 1, Block-6, PECHS Housing Society Karachi.	Branch office
3 House No. 4, Safari villas 1, Bahria town, Rawalpindi. Pakistan.	Branch office
4 Central Senayan 2 Building, 16th Floor, Asia Afrika Street, No. 8, Senayan, Kebayoran Baru, South Jakarta, DKI Jakarta, 12190	Branch office

NetSol Innovation (Private) Limited ("the subsidiary Company" or "Subsidiary") is incorporated in Pakistan as a private limited company in which NetSol Technologies Limited has share holding of 100%. The subsidiary company is engaged in business of providing online software development services. The registered office of the Company is situated at NetSol IT Village, Lahore Ring Road, Main Ghazi Interchange, Lahore Cantt. Pakistan.

NetSol Technologies Limited is a majority owned subsidiary of NetSol Technologies Inc., USA.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

-International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
and

-Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed."

These condensed interim financial statements are unaudited and do not include all the disclosures and information required in the annual financial statements and should be read in conjunction with the preceding annual published financial statements of the company for the year ended June 30, 2021.

2.2 Basis of measurement

These condensed consolidated interim financial statements have been prepared under the historical cost convention, except for revaluation of certain financial instruments at fair value as disclosed in respective accounting notes. These accounts have been prepared under accrual basis of accounting.

2.3 Functional and presentation currency

These condensed consolidated interim financial statements are presented in Pak Rupee, which is the Group's functional currency. All financial information presented in Pak Rupee has been rounded off to the nearest thousand unless stated otherwise.

3. ACCOUNTING POLICIES

- 3.1. The accounting policies adopted for the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Group for the year ended June 30, 2021.

3.2. Standards, amendments and interpretations to approved accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are also effective for accounting periods beginning on July 01, 2021, but are neither relevant nor have any significant effect on the group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in this condensed interim financial information.

4. USE OF ESTIMATES AND JUDGMENT

The preparation of condensed consolidated interim financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In preparing these condensed consolidated interim financial statements, the judgements, estimates and assumptions made by the management were the same as those that were applied to the preceding annual published financial statements of the company for the year ended June 30, 2021.

		Mar-22 Unaudited	Jun-21 Audited
		Rupees in '000'	
5. PROPERTY, PLANT & EQUIPMENT			
Net book value of owned assets	5.1	1,503,968	1,522,391
Net book value of right of use assets	5.2	35,214	80,475
Advances against capital expenditure		14,316	3,000
		1,553,498	1,605,866
5.1 PROPERTY, PLANT & EQUIPMENT			
Opening Balance - net book value		1,522,391	1,451,130
Additions	5.1.1	220,520	315,502
		1,742,911	1,766,632
Less:			
Disposals - net book value	5.1.2	(40,491)	(28,040)
Depreciation & amortization		(198,452)	(216,201)
		1,503,968	1,522,391
5.1.1 Following is the detail of addition / (transfer)			
Furniture & fixture		1,836	326
Vehicles		86,371	97,914
Office equipment		1,469	8,994
Computers		94,620	173,248
Air conditioners		845	651
Generator		2,090	-
Computer software		33,290	34,369
Total		220,520	315,502

5.1.2 Following is the detail of deletions	Mar-22 Unaudited			Jun-21 Audited		
	Cost	Accumulated Depreciation	Written down Value	Cost	Accumulated Depreciation	Written down Value
	Rupees in '000'					
Furniture & fixture	2,195	18	2,176	-	-	-
Vehicles	5,754	3,607	2,147	27,498	18,590	8,908
Office equipment	717	-	717	33	19	14
Computers	627,673	593,619	34,053	17,109	16,100	1,009
Air conditioners	1,132	-	1,132	-	-	-
Generator	265	-	265	-	-	-
Computer software	-	-	-	583,854	565,745	18,109
Total	637,735	597,244	40,491	628,494	600,454	28,040

		Mar-22	Jun-21
		Unaudited	Audited
		Rupees in '000'	
5.2 RIGHT OF USE ASSETS			
Opening Balance - net book value		80,475	98,938
Additions		9,093	4,273
		89,568	103,211
Less:			
Disposals - net book value	5.2.1	(44,191)	(2,876)
Depreciation & amortization		(10,163)	(19,860)
		35,214	80,475

5.2.1 Following is the detail of deletions	Mar-22 Unaudited			Jun-21 Audited		
	Cost	Accumulated Depreciation	Written down Value	Cost	Accumulated Depreciation	Written down Value
	Rupees in '000'					
Vehicles	90,176	47,794	42,382	5,553	2,677	2,876
Computers	6,308	4,499	1,809	-	-	-
Total	96,484	52,293	44,191	5,553	2,677	2,876

		Mar-22	Jun-21	
		Unaudited	Audited	
		Rupees in '000'		
6.	INTANGIBLE ASSETS			
	Opening Balance - net book value	627,393	920,897	
	Less:			
	Amortization	(220,128)	(293,504)	
		407,265	627,393	
7.	LONG TERM INVESTMENTS - at cost			
	Investment in associate			
	WRLD3D inc. (Unquoted company)	7.1	152,954	178,519
			152,954	178,519

- 7.1** WRLD3D Inc is incorporated in USA and involved in the core business of gaming and 3D mapping. Principal place of business of WRLD3D is 800 W. El Camino Real, Suite 320, Mountain View, California 94040. DCD Holdings Limited Carlton Services Ltd, second floor, The Quadrant, Manglier Street, PO Box 1312, Victoria, Mahe, Seychelles is its beneficial owner. As on March 31, 2022 there is no litigation/Default/Breach exists related to WRLD3D and no return is received or gain/loss booked on disposal of investment (2021: Nil). The Company owns 4,092,189 preference BB shares of WRLD3D Inc (12.1% ownership interest) originally valued at \$2,777,778 and uses equity method to account for investment in associate.

	NOTE	Mar-22 Unaudited	Jun-21 Audited
		Rupees in '000'	
8. TRADE DEBTS			
Considered good - unsecured	8.1	2,275,486	1,649,836
Considered doubtful - unsecured	8.2	404,634	329,874
		2,680,120	1,979,710
Less: Provision for Expected credit losses		(404,634)	(329,874)
		2,275,486	1,649,836
8.1	It represents amount receivable from customers. It is unsecured but considered good by the management.		
8.2	This is a provision for expected credit losses created by the Company for any future doubtful trade debts.		
8.3	Amount receivable from related parties included in trade debts are as under:		
NetSol Technologies (Thailand) Limited		85,310	73,609
NetSol Technologies (Beijing) Company Limited		878,924	873,748
NetSol Australia Pty. Limited		212,803	111,747
Netsol Technologies Americas		261,291	247,042
NetSol Technologies Europe Ltd		19,597	-
Ascent Europe Limited		6,817	19,441
OTOZ Thailand Ltd		87,038	77,876
WRLD3D Inc		274,086	242,029
		1,825,867	1,645,493
9. CONTRACT ASSETS			
There is a net increase of Rs. 356.695 million in contract assets as compared to last fiscal year (2021: decrease of 910 million). Explanation of significant changes are as follows:			
Opening balance-Contract Assets		1,163,155	1,652,633
Add: Revenue Recognised		2,719,519	3,453,533
Less: Invoices raised		(2,546,559)	(3,930,099)
Forex Gain / (Loss)		176,523	(10,499)
Provision for Expected Credit Losses		6,212	(2,413)
Closing balance-Contract Assets		1,518,850	1,163,155
10. SHARE CAPITAL			
10.1 Authorised share capital			
Mar-22	Jun-21	Mar-22	Jun-21
Unaudited	Audited	Unaudited	Audited
Number of shares		Rupees in '000'	
150,000,000	150,000,000	1,500,000	1,500,000
Ordinary Shares of Rs. 10 each.			
10.2 Issued, subscribed & paid-up capital			
42,686,191	42,686,191	426,862	426,862
47,150,732	47,150,732	471,507	471,507
89,836,923	89,836,923	898,369	898,369
NetSol Technologies Inc. 23975, Park Sorrento, Suite 250, Calabasas CA 91302, is the parent company holding 66.12% (2021 : 66.12%) of issued capital of the Company.			
11. RESERVES			
Capital reserve			
Premium on issue of ordinary shares		304,167	304,167
Employee share option compensation reserve		229,186	225,328
Foreign currency translation reserve		(14,058)	(20,872)
Revenue reserve			
Un - appropriated profit		6,568,462	5,708,827
		7,087,757	6,217,450

	Mar-22 Unaudited	Jun-21 Audited
	Rupees in '000'	
12. LONG TERM FINANCING		
Long term Finance facility	128,226	250,429
Deferred grant	2,098	10,249
Sale & Leaseback obligations	18,569	13,488
Less: Current portion shown under current liabilities:		
Current portion of Long term finance facility	(128,226)	(164,254)
Current portion of deferred grant	(2,098)	(9,537)
Current portion of Sale & Leaseback obligations	(7,222)	(4,456)
	(137,546)	(178,246)
	11,347	95,920

13. Trade and other payables also include payable to NetSol Technologies Europe Limited, an associated company PKR 32.551 million (2021: 4.559 million). This relates to normal course of the business and is interest free.

14. CONTINGENCIES & COMMITMENTS

14.1 Contingencies

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

14.2 Commitments

- 14.2.1 The Company has issued worth Rs. 11.49 million (2021: 11.9 million) bank guarantees to LESCO and Standard Chartered Bank against its corporate credit cards.

- 14.2.2 The Company has capital commitments of Rs. 34.3 Million under capital purchase agreements as at March 31, 2022. (2021: Rs. 6.889 Million)

	Jan-Mar 2022	Jan-Mar 2021	Jul-Mar 2022	Jul-Mar 2021
	Rupees in '000'		Rupees in '000'	
15. REVENUE FROM CONTRACTS WITH CUSTOMERS				
DISAGGREGATION OF REVENUE:				
Export Revenue				
License	280,746	158,948	764,213	398,936
Services	631,649	522,595	1,382,687	1,648,533
Subscription and Support	711,848	559,208	2,465,644	1,572,083
	1,624,243	1,240,751	4,612,544	3,619,552

16. TAXATION

Income of the Group from export of computer software or IT services or IT enabled services is allowed a tax credit equal to 100% of tax payable up to June 30, 2025 subject to realization of eighty per cent of the export proceeds into Pakistan through normal banking channels and in foreign exchange remitted from outside Pakistan along with fulfilment of other filing requirements as per Section 65F to the Income Tax Ordinance, 2001. However tax as per applicable rates is charged to the income of the Group generated from other than core business activities.

17. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial risk factors

The Company's activities expose it to a variety of financial risks namely market risk (including currency risk, price risk and interest rate risk), credit risk, foreign exchange risk and liquidity risk. There has been no change in the risk management policies during the period, consequently this condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements.

Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in this condensed interim financial information approximate their fair value.

	Jan-Mar 2022	Jan-Mar 2021	Jul-Mar 2022	Jul-Mar 2021
18. EARNING/(LOSS) PER SHARE				
Basic	Rupees in '000'		Rupees in '000'	
Profit / (Loss) attributable to ordinary shareholders of NetSol Technologies Limited	148,243	(179,515)	859,634	77,493
Weighted average number of ordinary shares in issue during the period	89,837	89,837	89,837	89,837
Basic - In Rupees	1.65	(2.00)	9.57	0.86
Diluted				
Profit / (Loss) attributable to ordinary shareholders of NetSol Technologies Limited	148,243	(179,515)	859,634	77,493
Weighted average number of ordinary shares in issue during the period	90,429	89,837	90,188	89,837
Diluted - In Rupees	1.64	(2.00)	9.53	0.86

19. TRANSACTION WITH RELATED PARTIES

Related parties comprise of holding company, subsidiary, associated undertakings, key management personnel of the company and post employment benefits. The Company in its normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Parent, subsidiary and associated undertakings also have some common directorship.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows.

			Jul-Mar 2022	Jul-Mar 2021
Relationship with the Company	Nature of transactions		Rupees in '000'	
(i) Associated undertaking	Rental Income		675	675
	Provision of services		1,129,411	1,460,019
	Purchase of services		27,333	19,619
(ii) Key management personnel	Salaries and benefits		219,428	114,373
	Retirement benefits		9,750	5,746
	Commission paid		111,126	177,098
(iii) Post employment benefit	Contribution to defined contribution plan		115,881	97,327
(iv)	There are no transactions with any key management personnel other than under the terms of employment.			

20. SEGMENT REVENUES AND RESULTS

Following is an analysis of the Group's revenue and results by reportable segment.

	Mar-22			
	NFS	PS	BPO	Total
	Rupees in '000'			
Revenue - net				
External sales				
License	764,214	-	-	764,214
Services	1,222,216	71,465	89,545	1,383,226
Subscription and Support	2,465,104	-	-	2,465,104
Total revenue	4,451,533	71,465	89,545	4,612,544
Cost of revenue	(2,778,547)	(60,712)	(101,573)	(2,940,832)
Segment results	1,672,986	10,753	(12,027)	1,671,712
Unallocated corporate expenses:				
Selling and promotion expenses				(425,449)
Administrative expenses				(710,034)
Other income				687,485
Other operating expenses				(208,572)
Finance cost				(42,285)
Loss of share from Associate				(32,379)
Taxation				(80,844)
Profit after taxation				859,634

	Mar-21			
	NFS	PS	BPO	Total
	Rupees in '000'			
Revenue - net				
External sales				
Licence	398,936	-	-	398,936
Services	1,512,587	40,236	95,710	1,648,532
Subscription and Support	1,572,083	-	-	1,572,083
Total revenue	3,483,606	40,236	95,710	3,619,552
Cost of revenue	(2,099,351)	(22,666)	(94,935)	(2,216,952)
Segment results	1,384,254	17,570	776	1,402,600
Unallocated corporate expenses:				
Selling and promotion expenses				(372,582)
Administrative expenses				(563,431)
Other income				122,706
Other operating expenses				(379,042)
Finance cost				(43,958)
Loss of share from Associate				(27,488)
Taxation				(61,312)
Profit after taxation				77,493

*Key

NFS = NetSol Financial Suite & NFS Ascent

PS = Professional Services

BPO = Business Process Outsourcing

Segment assets and liabilities are not regularly provided to the CODM. The Group has elected as provided under IFRS 8 'Operating Segments' (amended) not to disclose a measure of segment assets or liabilities where these amounts are not regularly provided to the CODM.

21. CORRESPONDING FIGURES

Corresponding figures have been wherever necessary re-arranged/re-classified for better presentation, however no significant re-classification or re-arrangements have been made except for operating segments of the Group based on the revised allocation basis in these consolidated condensed interim financial statements

22. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 28, 2022 by the Board of Directors.

23. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

NETSOL Technologies Limited

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