



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:23/02/2023

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

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

Dear Sir,

We have to inform you that the Quarterly Report of the Company for the period ended December 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





NETSOL®

Financial Statements
(Un-Audited)
For The Half Year Ended
December 31,

2022

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COMPANY PROFILE

BOARD OF DIRECTORS

NAEEM ULLAH GHAURI
Chairman/Non-Executive Director

SALIM ULLAH GHAURI
Chief Executive Officer/Executive Director

VASEEM ANWAR
Independent Director

ANWAAR HUSSAIN
Independent Director

ZESHAN AFZAL
Independent Director

HAMNA GHAURI
Non-Executive Director

OMAR SHAHAB GHAURI
Executive Director

AUDIT COMMITTEE

ANWAAR HUSSAIN
Chairman

VASEEM ANWAR
Member

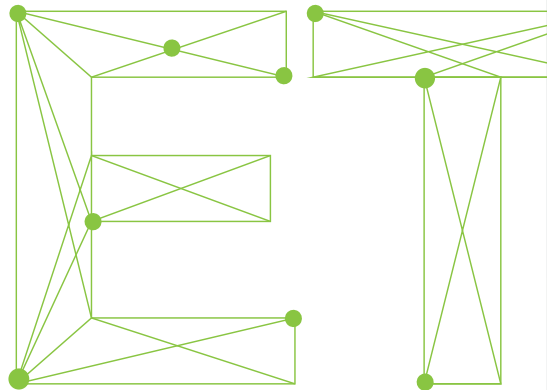
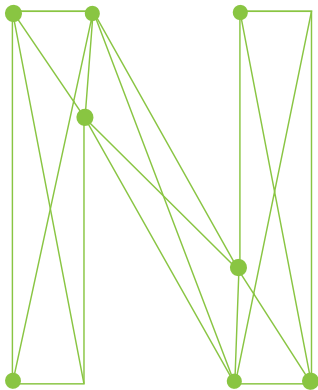
HAMNA GHAURI
Member

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
Lahor

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
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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Tel: +92-51-5707011
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KARACHI OFFICE

43/1/Q, Amna Villa # 1
Block # 03. P.E.C.H.S, Karachi-75400
Tel: +92-21-111-638-765
Fax: +92-21-3431-3464

PESHAWAR OFFICE

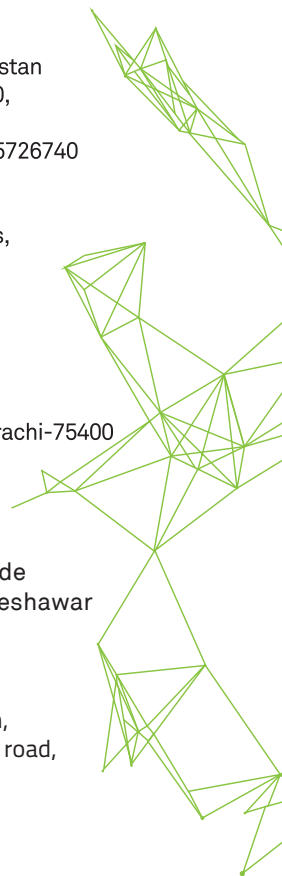
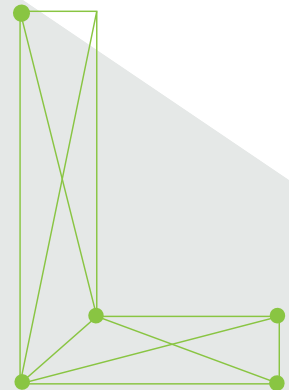
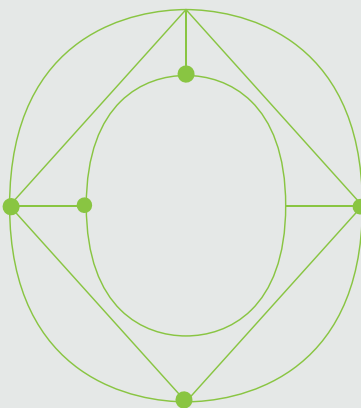
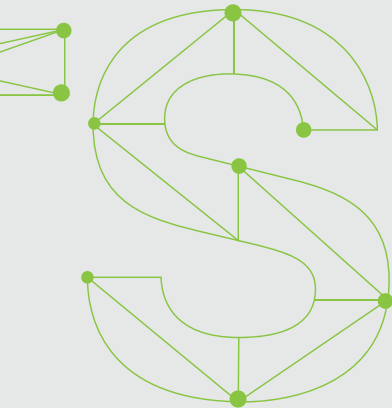
3rd floor Jasmin's Arcade
Fakhar-e-Alam road, Peshawar
Cantt. Pakistan.

FAISALABAD OFFICE

Office no 23, The Arcadin,
Kohinoor city, Jaranwala road,
Faisalabad, Pakistan.

WEB PRESENCE

www.netsolpk.com
info@netsolpk.com
corporate@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 December 31, 2022.

GENERAL OVERVIEW

Organizations in Pakistan are operating through a period of extreme economic and political turmoil. Despite these times of inflation, low forex reserves and economic uncertainty, this half-year end has been a significant period for NETSOL Technologies in terms of business growth and strengthening customer loyalty. This past year NETSOL transitioned from being a product-oriented company to now being both a product and service-oriented organization

NFS Ascent reaches new heights in Northern Europe

NETSOL's associated company in UK signed a multi-million-dollar contract for the roll-out of NETSOL's unrivaled and premier platform NFS Ascent in Northern Europe. The customer, a Swedish consumer finance bank, will manage the implementation of NETSOL's next-generation platform Ascent (Retail) on Cloud alongside the NFS Digital. This project will involve a multi-country implementation using the multi-tenancy options available in Ascent and it will be launched simultaneously across the various countries included in the contract which are Sweden, Norway, Denmark and Finland.

The new customer is already in business with approximately 1500 partners in Northern Europe, offering a range of asset finance services. The scope of this agreement which covers the European Economic Area along with the United Kingdom, places NETSOL in a great position of opportunity and innovations in Northern Europe.

Taking NETSOL innovations to the National Incubation Center for Aerospace Technologies (NICAT)

In the last quarter of 2022 NETSOL signed a tripartite contract with IGNITE-National Technology Fund and Aviation City Pakistan, for setting up operations of the National Incubation Center for Aerospace Technologies (NICAT) in Islamabad. The NETSOL consortium will host a number of startups every year to encourage creative incubation and possibilities at the center, along with organizing multiple events for promoting aerospace and engineering startups.

Through this initiative NETSOL has become a part of the prestigious and very impactful NICs network, placing the company at a platform of responsibility and opportunity as it aspires to make meaningful developments in the entrepreneurial and technological ecosystem of Pakistan.

New Products and Services

The IT landscape in Pakistan and also globally is constantly shifting, changing and evolving. NETSOL, being an adaptive IT force at the forefront of innovation, has launched a number of new products and services for its consumers so as to not just stay abreast but to also drive transformation in the IT Industry.

- **Launch of 'APPEX-NOW' Marketplace**

NETSOL has been focusing on developing SaaS-based products built with an API-first approach. The company has introduced 'Flex' as the first product offering from 'Apex Now' - which is essentially the first marketplace developed specifically for the credit, finance and leasing industry by the company.

Flex is NETSOL's newly developed, API-based, out-of-the-box calculation engine which can be integrated seamlessly into an organization's product, services and ecosystem. It will be offered in all regions where NETSOL is operating and in partnership with Amazon Web Services (AWS).

- **NETSOL partners with AWS (Cloud Services)**

NETSOL has further solidified its strength in the cloud services domain by partnering with Amazon Web Services (AWS). Amazon Web Services is the world's leading, most comprehensive and broadly adopted cloud platform. Utilizing the power of Amazon, NETSOL will be providing customers globally, across various sectors, with flexible and scalable solutions in an exceedingly agile and secure environment. The company will further leverage important technologies, including artificial intelligence (AI) and machine learning, blockchain and the Internet of Things (IoT).

This partnership allows the company to benefit from cloud services which is imperative in ensuring decreased costs, increased service reliability and state-of-the-art solutions across all sectors and industry verticals. NETSOL offers a full range of cloud solutions and services ranging from migration to the cloud, application and data modernization, data engineering and unification.

- **Professional Services**

With four decades of accumulated experience, NETSOL is also offering full outsourcing services to companies across all industry verticals catering to the IT needs of diverse businesses ranging from web and app development, IT/technical consultancy, cloud computing, data warehousing, co-sourcing, predictive analysis, artificial intelligence, robotic process automation and more. These services enable an organization to fully utilize their resources for the development and efficiency of their IT objectives, strategies, innovations and the execution of their roadmap of optimum service quality and consumer experience.

- **Support and Delivery Centre's in Pakistan**

NETSOL has opened a support and delivery center in Faisalabad as well as Peshawar to cater to its growing clientele through expansion of seasoned experts and highly skilled resources. NETSOL remains committed to staying relevant to its customers and adding value to their consumer experience.

Presence at Industry Events and Conferences

NETSOL attends industry events and conferences to maintain its presence, stay abreast with IT innovations and market trends. A number of industry-leading events including conferences, conventions, summits, and annual meetings were sponsored, exhibited at, and/or attended by NETSOL across North America, Europe, and Asia-Pacific during the half-year ended.

FINANCIAL PERFORMANCE

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

STAND-ALONE FINANCIAL STATEMENTS	Oct-Dec 2022	Oct-Dec 2021	Jul-Dec 2022	Jul-Dec 2021
Revenue	1,682	1,713	3,399	2,965
Gross profit	351	799	826	1,161
Net (Loss)/profit	(162)	519	29	712
Earnings per share – basic (in PKR)	(1.85)	5.78	0.33	7.93
Earnings per share – diluted (in PKR)	(1.84)	5.78	0.33	7.93
EBITDA per share – diluted (in PKR)	0.47	7.29	4.23	10.67

Revenues during the quarter ended December 31, 2022 slightly decreased by 2% compared to the revenues posted in the same quarter of previous fiscal year. The company was able to achieve net turnover of PKR 1,682 million as compared to PKR 1,713 million during the corresponding period last year.

Revenue for the current quarter is mainly fueled with services and subscription and support revenue streams. Service revenue grew from PKR 209 million to PKR 746 million during the current quarter. In addition to it, Subscription and Support revenue clocked in at PKR 937 million as compared to PKR 1,169 million during the corresponding period of the previous fiscal year. Decrease in subscription and support revenue is mainly due to onetime catch up adjustment which was booked last year.

The IT industry is facing shortage of quality IT resources due to increased demand of IT resources globally. The work-from-home option is opening new opportunities for resources to get better reward for their skills in international markets; and this is causing stress on cost of hiring and retaining the IT resources. Cost of revenue mainly increased due to increase in salaries and benefits costs. In addition to it, travel costs also increased during the period due to the travel of our resources to provide on-site support and implementation to our customers. Gross Margins during the period clocked in at PKR 351 million as compared to the corresponding period where margins were recorded at PKR 799 million. The Company posted a net loss of PKR 162 million compared to a net profit of PKR 519 million last year. Loss per basic & diluted share were PKR 1.85 & 1.84 respectively in comparison of earnings of PKR 5.78 per basic & diluted share in the corresponding period of last fiscal year. Company posted net EBITDA profit of PKR 0.47 per diluted share compared to PKR 7.29 in the comparable period.

On half yearly basis, Company posted net revenues of PKR 3,399 million compared to PKR 2,965 million in the corresponding period. Gross Margins during the period clocked in at PKR 826 million as compared to the corresponding period where margins were recorded at PKR 1,161 million. The Company posted a net profit after tax of PKR 29 million in comparison of PKR 712 million during the same period last year. Basic & Diluted earnings per share for the half year ended December 31, 2022 were PKR 0.33 in comparison of PKR 7.93 in the corresponding period. Half year EBITDA profit for the current period was PKR 4.23 compared to PKR 10.67 in the preceding period.

The Company also consolidates financial results of its wholly owned subsidiary 'NETSOL Innovation (Pvt) Limited'. NETSOL Innovation is mainly involved in the provision of professional services including Amazon Web Services. Currently a team is being built up to provide AWS services and a very nominal revenue has so far been recognized thus resulting in losses for the quarter. Net consolidated revenues for the quarter ended December 31, 2022 were PKR 1,713 million compared to PKR 1,736 million in fiscal 2022. Consolidated gross profit for the quarter was PKR 325 million as compared to PKR 804 million in the same period last year. On consolidated basis, the company posted net consolidated loss of PKR 213 million in the current quarter compared to net consolidated profit PKR 519 million posted in the same period last year. Basic and diluted loss per share for the quarter ended December 31, 2022 were PKR 2.42 & 2.41 compared to earnings per share of PKR 5.78 in the comparable period.

FUTURE OUTLOOK

NETSOL remains committed to navigating through the incredibly difficult operating environment. The world has entered a technological era, and NETSOL aims to avail all opportunities to advance leaps and bounds in developing new innovations, staying relevant to the market, and increasing its product services. The company will continue its positive momentum and aims to deliver consistent and competitive results to yield strong sales and growth that will benefit all stakeholders

- This past year NETSOL transitioned from being a product-oriented company to now being both a product and service-oriented organization. In 2023 it will be promoting its newly offered services including its professional services, cloud services via its tier partnership with Amazon Web Services (AWS) as well as services pertaining to artificial intelligence (AI) and machine learning.
- NETSOL will continue promoting its newly launched, API-based, ready-to-use calculation engine - Flex. As a pure-play SaaS product that is cloud-based, the product can be availed via an onboarding time taking merely five minutes.
- NETSOL will continue its 'API-first' journey following the launch of Flex, which has been introduced as the first product of 'Appex Now'. NETSOL's vision is to make an API-marketplace to enable the industry to develop small, independent and flexible API-first architectures that can be used as standalone products or be integrated with any number of core systems.
- All of NETSOL's new service and product offerings will be strategically launched region-wise in each market the company operates in and beyond. As an innovative entity, NETSOL finds it imperative to remain adaptive and continue new offerings alongside continued enhancements for its existing core solutions in the face of the highly dynamic and ever-changing marketplace.
- The company will also maintain its focus on its premier, modern technology platform for the global finance and leasing industry – NFS Ascent. NETSOL foresees many Tier 2 and Tier 3 companies opting for Ascent on the Cloud, reasons being that they will not having to pay any upfront license fees and the ability to pay via flexible, subscription-based pricing options. Ascent on the Cloud enables smaller companies and start-ups to attain access to the same next-generation solution used by the world's biggest financial institutions. NETSOL will continue to promote Ascent across North America, Europe and Asia-Pacific.

- Being the first organization in the global asset finance and leasing industry to offer a full suite of digital transformation solutions (NFS Digital), NETSOL will also continue to promote its digital products for self-service enablement, dealership enablement and field team enablement worldwide.
- NETSOL's Research and Development teams will continue innovating and working on significant technologies such as artificial intelligence and machine learning, big data, blockchain and other technologies that continue gaining traction in the finance and leasing industry. The company finds it necessary to continue building proof-of-concepts using the latest cutting-edge technologies to enhance current offerings and to continue ideating and creating modern technology products for NETSOL's customers worldwide.
- As a global leader in the asset finance and leasing industry, NETSOL will also continue to sponsor, exhibit at and attend industry-leading events across North America, Europe and Asia-Pacific.
- The global economy, which has undergone a broad-based and sharper than anticipated slowdown, has caused extreme concern worldwide. Following the unprecedented global health crisis (COVID-19), surging inflation, debt tightening, and the Russia/Ukraine conflict and its repercussions pertaining to trade disruptions and food and fuel price shocks, the world's economy has been hit severely. In Pakistan, the ongoing economic crisis is spiraling and the country is going through multi-dimensional challenges in times of soaring prices, the rupee plummeting, low forex reserves, the ongoing political turmoil, amongst other difficulties. As an entity with operations worldwide, NETSOL is well aware of all these challenges in Pakistan as well as internationally and the subsequent consequences on business operations. The company has taken stringent cost-cutting measures that are essential in order to weather the storm. As NETSOL immediately implemented its Business Continuity Plan when the pandemic initiated and ensured uninterrupted services to its global clientele, the company has plans in place to deal with the current economic situation and will ensure it deals with it strategically

ACKNOWLEDGEMENT

The Board of Directors places on record its appreciation for the continued support by its shareholders, valued customers, government agencies and financial institutions which enabled the company to achieve these 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

February 14, 2023



Omar Ghauri
Director

صنعتی تقریبات اور کانفرنسوں میں موجودگی (Presence at Industry Events and Conferences)

نیٹ سول اپنی موجودگی کو برقرار رکھنے، IT اختراعات اور مارکیٹ کے رجحانات سے باہر نئے کے لیے صنعت کی تقریبات اور کانفرنسوں میں شرکت کرتا ہے۔ شتم ہونے والی ششماہی کے دوران شمالی امریکہ، یورپ اور ایشیا پیسیفک میں نیٹ سول نے صنعت سے منسوب کئی ایوشنس کی تقریبات میں شرکت کی تاکہ اپنی موجودگی اور سب سے اہم ایڈجسٹیشن میں معاونت کر سکے۔

مالیاتی کارکردگی (Financial Performance)

31 دسمبر 2022 کو ختم ہونے والی دوسری سرمایہ سال 2022ء کی مدت کے ساتھ اور 31 دسمبر 2022ء کو ختم ہونے والی ششماہی مع 31 دسمبر 2021ء کی مدت کے ساتھ غیر آڈٹ شدہ مالیاتی گوشوارے کے نتائج کا موازنہ درج ذیل ہے۔

انفرادی مالیاتی گوشوارے

اکتوبر تا دسمبر 2022ء	اکتوبر تا دسمبر 2021ء	جولائی تا دسمبر 2022ء	جولائی تا دسمبر 2021ء
1,682	1,713	3,399	2,965
351	799	826	1,161
(162)	519	29	712
(1.85)	5.78	0.33	7.93
(1.84)	5.78	0.33	7.93
0.47	7.29	4.23	10.67

31 دسمبر 2022ء کو ختم ہونے والی سرمایہ سال کے دوران محصولات میں پیچھے ہالی سال کی اسی سرمایہ سال میں درج ہونے والی محصولات کے مقابلے میں 2 فیصد کمی ہوئی کی گئی ہے۔ کئی گزشتہ سال کے اسی مدت کے دوران 1,713 ملین روپے کے مقابلے میں 1,682 ملین روپے کے خالص محصولات حاصل کرنے میں کامیاب رہی ہے۔ موجودہ سرمایہ سال کے لیے معمول بنیادی طور پر خدمات اور سکرپشن اور سپورٹ محصولات سے منسلک ہے۔ خدمات کی محصولات موجودہ سرمایہ سال کے دوران 209 ملین روپے سے بڑھ کر 746 ملین روپے ہو گئی ہیں۔ اس کے علاوہ سکرپشن اور سپورٹ کی محصولات گزشتہ مالی سال کی اسی مدت کے دوران 1,169 ملین روپے کے مقابلے میں 937 ملین روپے سے درج کی گئی ہیں۔ سکرپشن اور سپورٹ محصولات میں کمی بنیادی طور پر onetime ctch up ایڈجسٹمنٹ کی وجہ سے ہے جو پیچھے سال درج کی گئی تھی۔

عالمی سطح پر آئی ٹی ریورسز کی بڑھتی ہوئی مانگ کی وجہ سے آئی ٹی انڈسٹری کو معیاری آئی ٹی ریورسز کی کامیابی کا سامنا ہے۔ گھر سے کام کرنے کا آپشن ریورسز کے لیے نئے مواقع کھول رہا ہے تاکہ بین الاقوامی منڈیوں میں اپنی مہارت کے لیے بہتر مہمواے حاصل کیے جاسکے، اور یہ آئی ٹی ریورسز کی خدمات حاصل کرنے اور اسے برقرار رکھنے کی لاگت پر دباؤ کا سبب بن رہا ہے۔ محصولات کی لاگت بنیادی طور پر تنخواہوں اور فوائڈنگ کی لاگت میں اضافے کی وجہ سے بڑھی ہے۔ اس کے علاوہ، سفری لاگت میں بھی اس مدت کے دوران اضافہ ہوا ہے ہمارے صارفین کو سائٹ پر خدمات فراہم کرنے اور اس پر عمل درآمد کرنے کے لیے ہمارے ریورسز سفر کرنا پڑتا ہے۔ اس مدت کے دوران مجموعی مارجن 351 ملین روپے تک درج کیا گیا ہے جبکہ گزشتہ مدت میں یہ مارجن 799 ملین روپے درج کیا گیا تھا۔ گزشتہ مالی سال کی اسی مدت میں 5.78 روپے بنیادی اور تحلیل شدہ فی حصص منافع کے مقابلے میں بلاترتیب 1.85 اور 1.84 روپے بنیادی اور تحلیل شدہ فی حصص منافع کے مقابلے میں 7.29 روپے تحلیل شدہ فی حصص کے مقابلے میں 0.47 روپے فی حصص کا خالص EBITDA منافع درج کیا ہے۔

ششماہی بنیاد پر 2,965 ملین روپے کی خالص محصولات کے مقابلے میں 3,399 ملین روپے کی خالص محصولات درج کی گئی ہیں۔ اس مدت کے دوران خام منافع اسی مدت میں 826 ملین روپے کے مقابلے میں منافع 1,161 ملین روپے درج کیا گیا تھا۔ کئی گزشتہ سال کی اسی مدت کے دوران 712 ملین روپے کے مقابلے میں 29 ملین روپے کا بعد ازاں خالص منافع کمایا ہے۔ 31 دسمبر 2022ء کو ختم ہونے والے ششماہی کے لیے فی حصص بنیادی اور تحلیل شدہ آمدنی، گزشتہ مدت میں 7.93 روپے کے مقابلے میں 0.33 روپے درج کی گئی ہے۔ موجودہ مدت ششماہی کے لیے EBITDA منافع 4.23 روپے درج کیا ہے جو گزشتہ مدت میں 10.67 روپے تھا۔

کئی نئے ایپس تکملہ دہنی ادارہ "نیٹ سول انویشن (پرائیویٹ لمیٹڈ)" کے مجموعی مالیاتی گوشوارے شامل کر دیے ہیں۔ نیٹ سول انویشن بنیادی طور پر پیشہ ورانہ خدمات بشمول ایگزوزیٹ ویب سروسز کی فراہمی بھی کی ہے۔ فی الحال AWS خدمات فراہم کرنے کے لیے ایک ٹیم بنانے کے عمل میں ہے اور بہت معمولی محصولات کو درج کیا گیا ہے جس کے نتیجے میں سرمایہ سال میں خسارہ درج ہوا ہے۔ 31 دسمبر 2022ء کے ختم ہونے والی سرمایہ سال کے لیے نقد مجموعی محصولات اسی سرمایہ سال 2022ء کے 1,736 ملین روپے کے مقابلے میں 1,713 ملین روپے ہے۔ مجموعی خام منافع گزشتہ مالی سال کی اسی سرمایہ سال کے مقابلے میں موجودہ سرمایہ سال میں 325 ملین روپے ہے۔ مجموعی بنیاد پر، کئی نے گزشتہ سال کی اسی مدت میں 519 ملین روپے نقد مجموعی منافع کے مقابلے میں موجودہ سرمایہ سال میں 213 ملین روپے کا نقد مجموعی خسارہ درج کیا ہے۔ دسمبر 2022ء کے ختم ہونے والی سرمایہ سال کے لیے فی بنیادی اور تحلیل شدہ آمدنی، گزشتہ مدت میں 5.78 روپے فی حصص منافع کے مقابلے میں 2.41 اور 2.42 روپے فی حصص خسارہ درج کیا ہے۔

مشتمل کا منظر نامہ (Future Outlook)

نیٹ سول ناقابل یقین حد تک مشکل پر بینک ماحول سے گزرنے کے لیے پرعزم ہے۔ دنیا بھر میں دہائی ہو چکی ہے، اور نیٹ سول کا مقصدی اختراعات کو فروغ دینے، مارکیٹ سے متعلقہ رہنے اور اپنی پروڈکٹ کی خدمات کو بڑھانے کے لیے تمام مواقع سے فائدہ اٹھانا ہے۔ کئی اپنی مثبت رفتار کو جاری رکھے گی اور مضبوط فروخت اور نمو حاصل کرنے کے لیے مشتمل اور مسابقتی نتائج فراہم کرنا چاہتی ہے جس سے تمام اسٹیک ہولڈرز کو فائدہ پہنچے گا۔

● گزشتہ برس میں نیٹ سول بنیادی طور پر مصنوعات پر مبنی کئی نئے ایپس کا منصوبہ بندی اور خدمات فراہم کرنے میں کامیاب رہا ہے۔ 2023ء میں کئی ایگزوزیٹ ویب سروسز (AWS) کے ساتھ شراکت داری کے ذریعے کلاؤڈ سروسز اور artificial intelligence اور machine learning پر مشتمل خدمات اور اپنی پیشہ ورانہ خدمات میں بھی اپنی خدمات کی فروغ کرے گا۔

● نیٹ سول اپنے نئے متعارف کردہ AP پمپ استعمال کے لئے تیار کیا کیلکولیشن ٹول Flex کی بھی تیار کیا جارہی ہے۔ کلاؤڈ پمپ سaaS پر وڈ کٹ کے طور پر اس پروڈکٹ کو صرف پانچ منٹ کے آن

یورڈنگ نامہ میں حاصل کیا جا سکتا ہے۔

- نیٹ سول Flex کے افتتاح کے بعد "API-first" کی جانب اپنا سفر شروع کرے گی جسے سب سے پہلی تیار کردہ مارکیٹ پلیس Apex Now کی اولین پروڈکٹ کے طور پر متعارف کرایا گیا ہے۔ نیٹ سول کا یو این آئی ایکس API مارکیٹ پلیس قائم کرنا ہے تاکہ انڈسٹری چھوٹے، خود مختار اور لچک دار API فرسٹ آرگنائزیشنز کے ساتھ جو بھجوان پروڈکٹس کے طور پر استعمال ہو سکتے اور اسے کئی بنیادی سسٹمز میں شامل کیا جاسکے۔
- نیٹ سول کی تمام تر ترقی خدمات اور پروڈکٹس، جن میں مارکیٹس میں کھپنی آپریٹ کرتی ہے، حکمت عملی کے طور پر ہر خطے کے لحاظ سے متعارف کرائی جائیں گی۔ ایک جدت پسند ادارے کی حیثیت سے نیٹ سول قابل قبول ہونا اور اپنے موجودہ بنیادی سٹریٹجی میں مسلسل بہتری کے ساتھ نئی پیشکشوں کو جاری رکھنا لازمی سمجھتی ہے۔
- کھپنی عالمی فنانس اور لیونگ انڈسٹری کے لیے اپنی بنیادی جدید ٹیکنالوجی پلیٹ فارم NFS Ascent پر کھپنی کو توجہ دے گی۔ نیٹ سول کا ڈیوڈر Ascent کے لئے کئی دوسرے اور تیسرے درجے کی کھپنیوں کی دلچسپی کا بھی اندازہ رکھتی ہے کیونکہ اس میں کھپنی کی ہینگی لائنس فیس اور انہیں کرنا پڑتی اور ادائیگی کے لئے لچک دار اور سمسکر پیش روئی قیمتوں پر اکتفا کرنا پڑتا ہے۔ گلا ڈیوڈر Ascent چھوٹی کھپنیوں اور سمارٹ اینس کو انہی next-generation کے سٹریٹجک رسائی کے قابل بناتی ہے جنہیں دنیا کے بڑے مالیاتی ادارے استعمال کرتے ہیں۔ ہم شمالی امریکہ، یورپ اور ایشیا پیسیفک میں Ascent کی ترقی جاری رکھیں گے۔
- ڈیجیٹل ٹرانزیشن مشن سٹریٹجی کا مکمل (NFS Digital) سٹوٹ (NFS Digital) پیش کرتے ہوئے عالمی ادارہ فنانس اور لیونگ انڈسٹری میں پہلا ادارہ ہونے کی وجہ سے نیٹ سول دنیا بھر میں سیلف سروس، ڈیجیٹل اور فیلڈ ٹیم کو خود مختار بنانے کے لئے اپنی ڈیجیٹل مصنوعات کی ترقی جاری رکھے گی۔
- نیٹ سول کی ریسرچ اور ڈیولپمنٹ ٹیمیں نمایاں ٹیکنالوجیز میں جدت اور کام کو جاری رکھیں گے جس میں artificial intelligence اور machine learning، big data، blockchain اور cutting-edge ٹیکنالوجیز کے استعمال سے اپنے تصورات کے ثبوت پیش کرنا جاری رکھے گی تاکہ حالیہ پیشکشوں کو بڑھایا جاسکے اور دنیا بھر میں نیٹ سول کے صارفین کے لئے جدید ٹیکنالوجی مصنوعات کے تجربات کو مکمل شکل دی جاسکے۔
- ایسٹ فنانس اور لیونگ انڈسٹری میں بطور عالمی رہنما کے طور پر نیٹ سول شمالی امریکہ، یورپ اور ایشیا پیسیفک میں انڈسٹری پمٹی تقریباً ہفتی تقریباً ہفتی کو سانس کرنا اور ان میں شمولیت اختیار کرنا جاری رکھے گی۔
- عالمی معیشت، جس میں وسیع الجہا اور درست روی سے زیادہ تیزی آئی ہے، دنیا بھر میں انتہائی تشویش کا باعث ہے۔ غیر معمولی عالمی صحت کے بحران (COVID-19) کے بعد، بڑھتی ہوئی افراط زر، قرضوں میں سختی، اور روس/یوکرین تنازعہ اور تجارتی رکاوٹوں اور خوراک اور ایندھن کی قیمتوں کے اثرات سے متعلق اس کے اثرات، جس سے دنیا معیشت کو شدید نقصان پہنچا ہے۔ پاکستان میں جاری معاشی بحران تیزی سے بڑھ رہا ہے اور ملک قیمتوں میں اضافے، روپے کی گراؤت، غیر ملکی زرمبادلہ کے کم ذخائر، جاری سیاسی بحران سمیت دیگر مشکلات کے دور میں کثیر جتنی چینل مکنڈ چینل سے گزر رہا ہے۔ دنیا بھر میں آپریشنز کے ساتھ ایک ادارے کی حیثیت سے، نیٹ سول پاکستان کے ساتھ ساتھ بین الاقوامی سطح پر تمام چینلوں اور کاروباری آپریشنز پر اس کے نتیجے میں ہونے والے نتائج سے بخوبی آگاہ ہے۔ کھپنی کے لاگت میں کوئی کمی کے سخت اقدامات کیے ہیں جو بڑے حالات سے نمٹنے کے لیے ضروری ہیں۔ جیسا کہ نیٹ سول نے اپنے کاروباری تسلسل کے منصوبے کو فوری طور پر نافذ کیا جب وہ اپنی بیماری نے اپنے عالمی کلائنٹس کو باقاعدگی سے خدمات کو قبضی بنا یا کھپنی کے پاس موجودہ معاشی صورتحال سے نمٹنے کے لئے منصوبے ہیں اور وہ اس بات کو یقینی بنائے گی کہ وہ اس سے حکمت عملی کے ساتھ نمٹے۔

مترانہ (Acknowledgement)

یورڈ آف ڈائریکٹرز کھپنی کے حصص یافتگان، قابل قدر صارفین، سرکاری ایجنسیوں اور مالیاتی اداروں کی جانب سے حمایت و معاونت کے لیے ان کی تعریف کرتا ہے اور خراج تحسین پیش کرتا ہے جس سے کھپنی کو ان نتائج کو حاصل کرنے میں مدد ملی۔ یورڈ کھپنی کے تمام ملازمین اور ایگزیکٹوز کا ان کی 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 خاصا خدمات کو پیش پیش جاری و جاری رہیں گی۔

انظر بورد آف ڈائریکٹرز

محمد شہاب غوری

(ڈائریکٹر)

سلیم اللہ غوری

(چیف ایگزیکٹو آفیسر)

لاہور

14 فروری، 2023



**INDEPENDENT AUDITOR’S REVIEW REPORT
TO THE MEMBERS OF NETSOL TECHNOLOGIES LIMITED
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

Introduction

We have reviewed the accompanying condensed interim Statement of financial position of NetSol Technologies Limited as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed 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 these interim financial statements in accordance with the 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 interim statement of profit or loss and condensed interim statement of comprehensive income for the three month period ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2022.

Scope of Review

We conducted our review in accordance with International Standards 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.

The engagement partner on the review resulting in this independent auditor’s report is Muhammad Yousaf.

(Chartered Accountants)
Lahore

Date: February 16, 2023

UDIN : RR202210143hQeqE9SGW

The background features a blurred cityscape with tall buildings under a bright sky. Overlaid on this are several financial data visualizations: a candlestick chart in the center, a line graph with multiple colored lines (blue, orange, green) and 'X' markers, a bar chart at the bottom with months labeled, and various geometric shapes like circles and lines. A large green triangle on the left side contains the text.

CONDENSED FINANCIAL STATEMENTS

For the Half Year Ended
December 31, 2022

April May June July August September October November December

Condensed Interim Statement of Financial Position - Unaudited

As at December 31, 2022

	NOTE	Dec-22 Unaudited	Jun-22 Audited
Rupees in '000'			
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	5	1,664,506	1,613,212
Intangible assets	6	187,137	333,889
		1,851,643	1,947,101
Long term investments	7	30,063	30,063
Long term loans to employees		7,181	7,890
		1,888,887	1,985,054
CURRENT ASSETS			
Trade debts	8	2,871,381	2,500,049
Contract assets		2,254,569	1,756,374
Loans and advances	9	78,557	32,298
Trade deposits & short term prepayments	10	157,329	53,599
Other receivables		24,458	13,812
Due from related parties	11	518,576	473,966
Taxation - net		3,177	930
Cash & bank balances		2,676,848	3,785,711
		8,584,895	8,616,739
TOTAL ASSETS		10,473,782	10,601,793
EQUITY & LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital			
150,000,000 ordinary shares of Rs.10/- each	12	1,500,000	1,500,000
Issued, subscribed and paid-up capital	12	878,369	878,369
Share deposit money		13	13
Reserves	13	6,992,451	6,948,645
		7,870,833	7,827,027
NON-CURRENT LIABILITIES			
Long term financing	14	65,668	88,281
Lease liabilities		2,374	4,252
		68,042	92,533
CURRENT LIABILITIES			
Trade and other payables	15	780,906	602,576
Contract liabilities		114,929	358,504
Short term borrowings		1,580,000	1,580,000
Current portion of long term liabilities		55,193	137,188
Unclaimed dividend		3,879	3,965
		2,534,907	2,682,233
CONTINGENCIES & COMMITMENTS	16	-	-
TOTAL EQUITY AND LIABILITIES		10,473,782	10,601,793

The annexed notes from 1 to 28 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 Half Year Ended December 31, 2022

	NOTE	Oct-Dec 2022	Oct-Dec 2021	Jul-Dec 2022	Jul-Dec 2021
		Rupees in '000'		Rupees in '000'	
Revenue from contracts with customers - net	17	1,682,375	1,713,078	3,398,618	2,965,416
Cost of revenue	18	(1,331,557)	(914,418)	(2,572,295)	(1,803,925)
Gross profit		350,818	798,660	826,323	1,161,491
Selling and promotion expenses	19	(163,982)	(138,181)	(311,896)	(259,334)
Administrative expenses	20	(342,011)	(233,542)	(692,750)	(460,370)
		(505,993)	(371,723)	(1,004,646)	(719,704)
Operating (Loss)/Profit		(155,175)	426,937	(178,323)	441,787
Other income		196,497	224,998	584,836	523,825
		41,322	651,935	406,513	965,612
Other operating expenses		(111,923)	(76,265)	(218,308)	(145,273)
Finance cost		(44,973)	(13,994)	(71,215)	(28,530)
Share of loss of associate		-	(10,515)	-	(22,059)
(Loss)/Profit before taxation		(115,574)	551,161	116,990	769,750
Taxation	21	(46,925)	(32,083)	(88,047)	(57,431)
(Loss)/ Profit after taxation for the period		(162,499)	519,078	28,943	712,319
(Loss)/Earnings per share					
Basic - In Rupees	22	(1.85)	5.78	0.33	7.93
Diluted - In Rupees	22	(1.84)	5.78	0.33	7.93

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Comprehensive Income - Unaudited
For the Half Year Ended December 31, 2022

	Oct-Dec 2022	Oct-Dec 2021	Jul-Dec 2022	Jul-Dec 2021
	Rupees in '000'		Rupees in '000'	
(Loss)/Profit after taxation for the period	(162,499)	519,078	28,943	712,319
Other comprehensive income				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):				
Share of other comprehensive income of an associate	-	1,384	-	631
Total comprehensive (loss)/income for the period	(162,499)	520,462	28,943	712,950

The annexed notes from 1 to 28 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 Half Year Ended December 31, 2022

	Jul-Dec 2022	Jul-Dec 2021
	Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	116,990	769,750
Adjustments for non cash charges and other items:		
Depreciation - own assets	191,873	127,695
Amortization of right of use assets	1,336	7,275
Amortization of intangible assets	146,752	146,752
(Gain)/Loss on disposal of fixed assets	(6,318)	27,541
Foreign exchange (gain)	(421,990)	(402,543)
Finance cost	69,637	34,111
Interest income	(154,878)	(120,832)
Employee compensation expense	14,863	203
Amortization of deferred grant	(712)	(6,118)
Provision for expected credit losses	33,352	48,402
Share of loss of associate	-	22,059
	(126,085)	(115,455)
Cash (used in)/generated from operations before working capital changes	(9,095)	654,295
Working Capital Changes		
Trade debts	434	47,677
Contract assets	(481,323)	(1,112,589)
Contract liabilities	(243,575)	(141,257)
Loans and advances	(45,550)	(21,981)
Trade deposits & short term prepayments	(103,730)	1,014
Other receivables	(10,646)	334
Due from related parties	(44,610)	(700)
Trade and other payables	155,855	32,210
Cash (used in) operations	(773,145)	(1,195,292)
Finance cost	(47,162)	(35,946)
Income taxes paid	(90,294)	(63,630)
Dividend paid	(86)	(181)
Net cash (used in) operations	(919,782)	(640,754)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment's purchased	(265,262)	(79,771)
Sales proceeds of fixed asset	37,448	6,359
Advances against capital expenditure	(10,372)	3,000
Interest received	154,878	120,832
Net cash (used in)/generated from investing activities	(83,308)	50,420
CASH FLOWS FROM FINANCING ACTIVITIES		
Paid against lease liabilities	(1,643)	(15,126)
Received against lease liabilities	-	9,093
Long term loan	(108,480)	(82,858)
Long term advances	4,350	4,350
Net cash (used in) financing activities	(105,773)	(84,541)
Net (decrease) in cash and cash equivalents	(1,108,863)	(674,875)
Cash and cash equivalents at the beginning of the period	3,785,711	3,758,821
Cash and cash equivalents at the end of the period	2,676,848	3,083,946

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Changes in Equity - Unaudited
For the Half Year Ended December 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, 2021	898,369	13	224,670	304,167	(20,872)	5,697,470	7,103,817
Net profit for the period	-	-	-	-	-	712,319	712,319
Other comprehensive income for the period	-	-	-	-	631	-	631
Total comprehensive income for the period	-	-	-	-	631	712,319	712,950
Amortization of share options issued	-	-	203	-	-	-	203
	-	-	203	-	631	712,319	713,153
Balance as at December 31, 2021	898,369	13	224,873	304,167	(20,241)	6,409,789	7,816,970
Balance as at June 30, 2022	878,369	13	232,223	304,167	(33,687)	6,445,942	7,827,027
Net profit for the period	-	-	-	-	-	28,943	28,943
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	28,943	28,943
Amortization of employee share options	-	-	14,863	-	-	-	14,863
	-	-	14,863	-	-	28,943	43,806
Balance as at December 31, 2022	878,369	13	247,086	304,167	(33,687)	6,474,885	7,870,833

The annexed notes from 1 to 28 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 Half Year Ended December 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
5 3rd floor Jasmin's Arcade Fakhar-e-Alam road, Peshawar Cantt. Pakistan.	Branch office
6 Office no 23, The Arcadin, Kohinoor city, Jaranwala road, Faisalabad, Pakistan.	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, 2022.

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, 2022.

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, 2022, 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, 2022.

	NOTE	Dec-22 Unaudited	Jun-22 Audited
Rupees in '000'			
5. PROPERTY, PLANT & EQUIPMENT			
Net book value of owned assets	5.1	1,640,337	1,576,393
Net book value of right of use assets	5.2	9,717	32,739
Advances against capital expenditure		14,452	4,080
		1,664,506	1,613,212
5.1 PROPERTY, PLANT & EQUIPMENT			
Opening Balance - net book value		1,576,393	1,515,963
Additions	5.1.1	286,947	382,388
		1,863,340	1,898,351
Less:			
Disposals - net book value	5.1.2	(31,130)	(46,097)
Depreciation & amortization		(191,873)	(275,861)
		1,640,337	1,576,393
5.1.1 Following is the detail of addition / (transfer) :			
Furniture & fixture		2,492	1,852
Vehicles		59,948	196,068
Office equipment		2,806	1,940
Computers		127,919	144,730
Air conditioners		916	2,418
Generator		3,289	2,090
Computer software		89,577	33,290
Total		286,947	382,388

5.1.2 Following is the detail of disposals :	Dec-22 Unaudited			Jun-22 Audited		
	Cost	Accumulated Depreciation	Written down value	Cost	Accumulated Depreciation	Written down value
	Rupees in '000'					
Furniture & fixture	627	494	133	2,382	1,851	531
Vehicles	39,282	8,318	30,964	13,745	9,346	4,399
Office equipment	48	17	31	-	-	-
Computers	97	95	2	626,436	593,617	32,819
Computer software	-	-	-	301,346	292,998	8,348
Total	40,054	8,924	31,130	943,909	897,812	46,097

5.2 RIGHT OF USE ASSETS	NOTE	Dec-22	Jun-22
		Unaudited	Audited
		Rupees in '000'	
Opening Balance - net book value		32,739	80,475
Additions	5.2.1	-	9,093
		32,739	89,568
Less:			
Disposals - net book value	5.2.2	(21,686)	(44,191)
Depreciation & amortization		(1,336)	(12,638)
		9,717	32,739
5.2.1 Following is the detail of addition :			
Vehicles		-	9,093
Total		-	9,093

5.2.2 Following is the detail of disposals :	Dec-22 Unaudited			Jun-22 Audited		
	Cost	Accumulated Depreciation	Written down value	Cost	Accumulated Depreciation	Written down value
	Rupees in '000'					
Vehicles	49,285	27,599	21,686	90,176	47,794	42,382
Computers	-	-	-	6,308	4,499	1,809
Total	49,285	27,599	21,686	96,484	52,293	44,191

6. INTANGIBLE ASSETS	NOTE	Dec-22	Jun-22
		Unaudited	Audited
		Rupees in '000'	
Opening Balance - net book value		333,889	627,393
Less:			
Amortization		(146,752)	(293,504)
		187,137	333,889
7. LONG TERM INVESTMENTS			
Investment in subsidiary - at cost			
NetSol Innovation (Pvt.) Limited (Unquoted wholly owned subsidiary company)	7.1	30,063	30,063
		30,063	30,063

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 (2022 : 3,006,305) fully paid ordinary shares of Rs. 10/- each i.e. 100% of Equity held (2022 : 100%) .

7.2 The company had made investment in WRD3D Inc., a US based entity having its principal place of business at 800 W. El Camino Real, Suite 320, Mountain View, California 94040 and engaged in gaming and 3D mapping business. DCD Holdings Limited Carlton Services Ltd, second floor, The Quadrant, Manglier Street, PO Box 1312, Victoria, Mahe, Seychelles is the beneficial owner of the company. The Company owns 4,092,189 preference BB shares of WRD3D Inc. (12.2% ownership interest) originally valued at \$2.77 million and uses equity method to account for investment in associate.

As the company's share of loss in investment exceeds its interest in the entity, the company is not recognizing any further losses.

	NOTE	Dec-22 Unaudited	Jun-22 Audited
Rupees in '000'			
8. TRADE DEBTS			
Considered good - unsecured	8.1	2,871,381	2,500,049
Considered doubtful - unsecured		241,006	190,782
		3,112,387	2,690,831
Less: Provision against expected credit losses	8.2	(241,006)	(190,782)
		2,871,381	2,500,049
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		211,884	77,578
NetSol Technologies (Beijing) Company Limited		1,548,998	1,231,368
NetSol Technologies Australia Pty. Limited		327,098	224,471
NetSol Technologies North America		356,921	315,913
Ascent Europe Limited		142,812	37,439
OTOZ Thailand Limited		95,141	84,521
		2,682,854	1,971,290
9. LOANS AND ADVANCES			
Current maturity of loans to employees		7,552	6,955
Advances			
- to employees		2,444	-
- against expenses	9.1	68,561	25,343
		78,557	32,298
9.1 The advances against expenses are given to meet business expenses and are settled as and when the expenses are incurred.			
10. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Security deposits		4,729	3,118
Prepayments		152,600	50,481
		157,329	53,599
11. DUE FROM RELATED PARTIES			
Considered good - unsecured			
Parent			
NetSol Technologies Inc.		167,728	186,323
Associates			
NetSol Technologies North America		48,243	26,408
NetSol Connect (Pvt) Ltd.		18,747	22,725
NetSol Technologies (Thailand) Limited		42,343	121,403
NetSol Technologies Beijing Ltd.		92,379	64,176
NetSol Technologies Australia Pty. Limited		453	-
OTOZ Thailand Ltd.		33,732	29,967
Subsidiary			
NetSol Innovation (Pvt.) Ltd		114,951	22,964
		518,576	473,966
11.1 These relate to normal course of business of the company and are interest free.			

12. SHARE CAPITAL

12.1 Authorized share capital

	Dec-22	Jun-22		Dec-22	Jun-22
	Unaudited	Audited		Unaudited	Audited

Number of shares

	150,000,000	150,000,000	Ordinary Shares of Rs. 10 each.	1,500,000	1,500,000
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12.2 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
	(2,000,000)	(2,000,000)	Treasury shares of Rs. 10 each as fully paid in cash	(20,000)	(20,000)
	87,836,923	87,836,923		878,369	878,369

NetSol Technologies Inc. 23975, Park Sorrento, Suite 250, Calabasas CA 91302, is the parent company holding 67.62% (2022 : 67.62%) of issued capital of the Company.

The treasury shares are held in CDC blocked account in freeze form. These are not entitled to any voting right, cash dividend or any other distribution made by the company.

	Dec-22	Jun-22
	Unaudited	Audited

Rupees in '000'

13. RESERVES

Capital reserve

Premium on issue of ordinary shares	304,167	304,167
Employee share option compensation reserve	247,086	232,223
Foreign currency translation reserve	(33,687)	(33,687)

Revenue reserve

Un - appropriated profit	6,474,885	6,445,942
	6,992,451	6,948,645

14. LONG TERM FINANCING

Long term finance facility	-	86,175
Deferred grant	-	712
Loan obligations	104,835	127,140
	104,835	214,027

Less: Current portion shown under current liabilities:

Current portion of long term finance facility	-	(86,175)
Current portion of deferred grant	-	(712)
Current portion of loan obligations	(39,167)	(38,859)
	(39,167)	(125,746)
	65,668	88,281

15. Trade and other payables includes payable to NetSol Technologies Europe Limited & OTOZ Inc., associated companies Rs. 43 million (2022: Rs. 49.78 million). This relates to normal course of the business and is interest free.

16. CONTINGENCIES & COMMITMENTS

16.1 Contingencies

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

16.2 Commitments

Bank guarantees have been issued amounting Rs. 94.98 million (2022: Rs. 11.4 million) against performance of various contracts, to LESCO and to Standard Chartered Bank against its corporate credit cards.

The Company has a capital commitments of NIL as at Dec 31, 2022. (2022: Nil)

	Oct-Dec 2022	Oct-Dec 2021	Jul-Dec 2022	Jul-Dec 2021
Rupees in '000'				
17. REVENUE FROM CONTRACTS WITH CUSTOMERS				
DISAGGREGATION OF REVENUE:				
Export Revenue				
License	-	335,177	-	483,467
Services	708,366	209,133	1,530,638	728,153
Subscription and Support	936,617	1,168,768	1,722,146	1,753,796
	1,644,983	1,713,078	3,252,784	2,965,416
Local Revenue				
License	-	-	42,653	-
Services	38,140	-	106,098	-
	38,140	-	148,751	-
Sales tax	(748)	-	(2,917)	-
	1,682,375	1,713,078	3,398,618	2,965,416
17.1 Timing of revenue recognition:				
At a point in time	-	335,177	-	483,467
Over the time	1,682,375	1,377,901	3,398,618	2,481,949
	1,682,375	1,713,078	3,398,618	2,965,416
18. COST OF REVENUE				
Salaries & benefits	960,211	677,913	1,867,264	1,343,212
Software licenses	54,082	43,357	101,124	82,531
Staff training	142	11	630	1,980
Rent, rates & taxes	1,446	-	1,446	-
Travelling & conveyance	91,929	26,556	154,497	40,675
Communication	19,746	14,429	39,176	29,281
Utilities	15,823	8,585	39,488	19,215
Printing & stationery	808	242	1,314	515
Entertainment	12,903	7,338	26,273	12,417
Insurance	354	190	590	349
Vehicle running & maintenance	7,664	3,454	15,987	6,718
Repair & maintenance	16,989	7,612	33,796	18,680
Fee & subscription	149	194	415	373
Depreciation	75,434	48,296	142,541	95,771
Amortization of leased assets	501	2,865	1,002	5,456
Amortization of intangible assets	73,376	73,376	146,752	146,752
	1,331,557	914,418	2,572,295	1,803,925

	Oct-Dec 2022	Oct-Dec 2021	Jul-Dec 2022	Jul-Dec 2021
Rupees in '000'				
19. SELLING AND PROMOTION EXPENSES				
Salaries & benefits	78,690	85,884	156,654	167,764
Rent, rates & taxes	2,593	2,091	5,859	4,232
Travelling and conveyance	20,041	14,989	35,858	26,720
Communication	768	1,427	1,382	2,518
Utilities	510	493	1,216	1,082
Printing & stationery	118	26	178	43
Entertainment	442	301	1,215	587
Insurance	364	370	727	741
Vehicle running expenses	693	456	1,969	1,457
Repairs and maintenance	2,399	1,317	3,928	2,126
Commission on sales	51,117	29,875	93,704	49,890
Sale promotional expenses	6,247	952	9,206	2,174
	163,982	138,181	311,896	259,334
20. ADMINISTRATIVE EXPENSES				
Salaries and benefits	203,957	154,314	396,279	305,549
Staff training	-	12	58	81
Rent, rates and taxes	4,296	3,672	12,618	7,016
Travelling and conveyance	17,418	13,735	39,993	22,760
Communication & postage	7,446	6,927	13,549	12,767
Printing and stationery	2,276	1,661	3,432	2,430
Utilities	7,732	4,774	18,182	10,719
Entertainment	13,828	5,627	22,774	11,382
Insurance	11,717	1,908	23,895	3,551
Advertisement	91	170	213	517
Vehicle running expenses	3,618	2,713	7,819	6,574
Repairs and maintenance	13,205	8,029	28,438	15,415
Legal and professional charges	7,578	3,732	11,792	8,241
Office supplies	1,903	1,015	4,232	1,848
Charity & donation	6,478	4,760	32,680	10,534
Fee & subscription	13,890	3,439	27,130	7,243
Depreciation	26,411	16,099	49,332	31,924
Amortization of leased assets	167	955	334	1,819
	342,011	233,542	692,750	460,370

21. TAXATION

Export income is taxable under FTR at a reduced rate of 0.25% of the export remittances realized through normal banking channels for exporters of IT and IT enabled services. However tax as per applicable rates is charged to the income of the company generated from other than export income.

	Oct-Dec 2022	Oct-Dec 2021	Jul-Dec 2022	Jul-Dec 2021
Rupees in '000'				
22. (LOSS)/EARNINGS PER SHARE				
Basic				
(Loss)/Profit after taxation for the period	(162,499)	519,078	28,943	712,319
Average number of ordinary shares in issue during the period	87,837	89,837	87,837	89,837
Basic - In Rupees	(1.85)	5.78	0.33	7.93
Diluted				
(Loss)/Profit after taxation for the period	(162,499)	519,078	28,943	712,319
Average number of ordinary shares in issue during the period	88,427	89,879	88,341	89,869
Diluted - In Rupees	(1.84)	5.78	0.33	7.93

23. 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-Dec 2022	Jul-Dec 2021
		Rupees in '000'	
(i) Subsidiary	Rental income	1,200	600
	Provision of services	1,800	900
(ii) Associated undertaking	Rental income	450	450
	Provision of services	867,703	567,653
	Purchase of services	22,385	18,188
(iii) Post employment benefit	Contribution to defined contribution plan	89,591	73,535
(iv) Key management personnel	Salaries and benefits	151,846	142,929
	Retirement benefits	6,429	6,276
	Commission paid	8,710	102,897

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

24. 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.

25. CORRESPONDING FIGURES

Corresponding figures have been wherever necessary re-classified/re-arranged for better presentation.

26. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

Wholly owned subsidiary company has been incorporated with the name of NetSol Ascent Middle East LLC. in Dubai, United Arab Emirates. The process of company incorporation including conditions precedent to it was not completed as at December 31, 2022, therefore, it has no impact on these condensed interim financial statements.

27. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 14, 2023 by the Board of Directors.

28. FIGURES

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

The background features a blurred cityscape with tall buildings under a bright sky. Overlaid on this are various financial data visualizations: a candlestick chart, a line graph with multiple colored lines, a bar chart, and a circular target icon. A large green triangle on the left side contains the title text. The overall color palette is dominated by blues and greens.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended
December 31, 2022

April May June July August September October November December

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

	NOTE	Dec-22 Unaudited	Jun-22 Audited
Rupees in '000'			
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	5	1,673,865	1,619,985
Intangible assets	6	187,137	333,889
		1,861,002	1,953,874
Long term loans to employees		7,256	8,055
		1,868,258	1,961,929
CURRENT ASSETS			
Trade debts	8	2,871,381	2,515,750
Contract assets		2,273,076	1,767,068
Loans and advances	9	79,075	32,478
Trade deposits & short term prepayments	10	159,274	54,450
Other receivables		24,458	13,812
Due from related parties	11	402,279	449,781
Taxation - net		3,137	754
Cash & bank balances		2,694,284	3,794,130
		8,506,964	8,628,223
TOTAL ASSETS		10,375,222	10,590,152
EQUITY & LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital			
150,000,000 ordinary shares of Rs.10/- each	12	1,500,000	1,500,000
Issued, subscribed and paid-up capital	12	878,369	878,369
Share deposit money		13	13
Reserves	13	6,870,624	6,919,754
		7,749,006	7,798,136
NON-CURRENT LIABILITIES			
Long term financing	14	65,668	88,281
Lease liabilities		2,374	4,252
		68,042	92,533
CURRENT LIABILITIES			
Trade and other payables	15	804,173	619,826
Contract liabilities		114,929	358,504
Short term borrowings		1,580,000	1,580,000
Current portion of long term liabilities		55,193	137,188
Unclaimed dividend		3,879	3,965
		2,558,174	2,699,483
CONTINGENCIES & COMMITMENTS	16	-	-
TOTAL EQUITY AND LIABILITIES		10,375,222	10,590,152

The annexed notes from 1 to 29 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 Half Year Ended December 31, 2022

	NOTE	Oct-Dec 2022	Oct-Dec 2021	Jul-Dec 2022	Jul-Dec 2021
		Rupees in '000'		Rupees in '000'	
Revenue from contracts with customers - net	17	1,712,631	1,735,963	3,466,086	2,988,301
Cost of revenue	18	(1,387,797)	(931,827)	(2,673,787)	(1,821,334)
Gross profit		324,834	804,136	792,299	1,166,967
Selling and promotion expenses	19	(185,310)	(138,181)	(366,476)	(259,334)
Administrative expenses	20	(344,380)	(234,614)	(697,755)	(461,442)
		(529,690)	(372,795)	(1,064,231)	(720,776)
Operating (loss)/profit		(204,856)	431,341	(271,932)	446,191
Other income		196,050	225,145	585,893	524,548
		(8,806)	656,486	313,961	970,739
Other operating expenses		(111,923)	(80,870)	(218,308)	(149,878)
Finance cost		(45,022)	(14,002)	(71,295)	(28,538)
Share of loss of associate		-	(10,515)	-	(22,059)
(Loss)/Profit before taxation		(165,751)	551,099	24,358	770,264
Taxation	21	(47,110)	(31,799)	(88,351)	(57,314)
(Loss)/Profit after taxation for the period attributable to equity holders of the parent		(212,861)	519,300	(63,993)	712,950
(Loss)/Earnings per share					
Basic - In Rupees	23	(2.42)	5.78	(0.73)	7.94
Diluted - In Rupees	23	(2.41)	5.78	(0.72)	7.93

The annexed notes from 1 to 29 form an integral part of these condensed consolidated interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Consolidated Interim Statement of Comprehensive Income - Unaudited
For the Half Year Ended December 31, 2022

	Oct-Dec 2022	Oct-Dec 2021	Jul-Dec 2022	Jul-Dec 2021
	Rupees in '000'			
(Loss)/Profit after taxation for the period	(212,861)	519,300	(63,993)	712,950
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 of an associate	-	1,384	-	631
Total comprehensive (loss)/income for the period attributable to equity holders of the parent	(212,861)	520,684	(63,993)	713,581

The annexed notes from 1 to 29 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 Half Year Ended December 31, 2022

	Jul-Dec 2022	Jul-Dec 2021
Rupees in '000'		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	24,358	770,264
Adjustments for non cash charges and other items:		
Depreciation - own assets	193,832	127,821
Amortization of right of use assets	1,336	11,880
Amortization of intangible assets	146,752	146,752
(Gain)/Loss on disposal of fixed assets	(6,318)	27,541
Foreign exchange (gain)	(423,863)	(402,392)
Finance cost	69,637	34,111
Interest income	(155,262)	(121,129)
Employee compensation expense	14,863	203
Amortization of deferred grant	(712)	(6,118)
Provision for expected credit losses	33,352	48,402
Share of loss of associate	-	22,059
	(126,383)	(110,870)
Cash (used in)/generated from operations	(102,025)	659,394
Working Capital Changes		
Trade debts	18,008	35,334
Contract assets	(489,136)	(1,112,589)
Contract liabilities	(243,575)	(141,257)
Loans and advances	(45,798)	(21,981)
Trade deposits & short term prepayments	(104,824)	1,014
Other receivables	(10,646)	240
Due from related parties	47,502	(700)
Trade and other payables	161,872	39,285
Cash (used in) operations	(666,597)	(1,200,654)
Finance cost	(47,162)	(35,946)
Income taxes paid	(90,734)	(63,747)
Dividend paid	(86)	(181)
Net cash (used in) operations	(906,604)	(641,134)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(269,807)	(82,296)
Sales proceeds of fixed asset	37,448	7,481
Advances against capital expenditure	(10,372)	3,000
Interest received	155,262	121,130
Net cash (used in)/generated from investing activities	(87,469)	49,315
CASH FLOWS FROM FINANCING ACTIVITIES		
Paid against lease liabilities	(1,643)	(15,126)
Received against lease liabilities	-	9,093
Long term loan	(108,480)	(82,858)
Long term advances	4,350	4,350
Net cash (used in) financing activities	(105,773)	(84,541)
Net (decrease) in cash and cash equivalents	(1,099,846)	(676,360)
Cash and cash equivalents at the beginning of the period	3,794,130	3,795,397
Cash and cash equivalents at the end of the period	2,694,284	3,119,037

The annexed notes from 1 to 29 form an integral part of these condensed consolidated interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Consolidated Interim Statement of Changes in Equity - Unaudited
For the Half Year Ended December 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, 2021	898,369	13	225,328	304,167	(20,872)	5,708,827	7,115,832
Net profit for the period	-	-	-	-	-	712,950	712,950
Other comprehensive income for the period	-	-	-	-	631	-	631
Total comprehensive income for the period	-	-	-	-	631	712,950	713,581
Amortization of employee share options	-	-	203	-	-	-	203
	-	-	203	-	631	712,950	713,784
Balance as at December 31, 2021	898,369	13	225,531	304,167	(20,241)	6,421,777	7,829,616
Balance as at June 30, 2022	878,369	13	232,881	304,167	(33,687)	6,416,393	7,798,136
Net loss for the period	-	-	-	-	-	(63,993)	(63,993)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(63,993)	(63,993)
Amortization of employee share options	-	-	14,863	-	-	-	14,863
	-	-	14,863	-	-	(63,993)	(49,130)
Balance as at December 31, 2022	878,369	13	247,744	304,167	(33,687)	6,352,400	7,749,006

The annexed notes from 1 to 29 form an integral part of these condensed consolidated interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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
5 3rd floor Jasmin's Arcade Fakhar-e-Alam road, Peshawar Cantt. Pakistan.	Branch office
6 Office no 23, The Arcadin, Kohinoor city, Jaranwala road, Faisalabad, Pakistan.	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, 2022.

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, 2022.

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, 2022, 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, 2022.

	NOTE	Dec-22 Unaudited	Jun-22 Audited
Rupees in '000'			
5. PROPERTY, PLANT & EQUIPMENT			
Net book value of owned assets	5.1	1,649,696	1,583,166
Net book value of right of use assets	5.2	9,717	32,739
Advances against capital expenditure		14,452	4,080
		1,673,865	1,619,985
5.1 PROPERTY, PLANT & EQUIPMENT			
Opening Balance - net book value		1,583,166	1,522,391
Additions	5.1.1	291,492	389,807
		1,874,658	1,912,198
Less:			
Disposals - net book value	5.1.2	(31,130)	(51,823)
Depreciation & amortization		(193,832)	(277,209)
		1,649,696	1,583,166
5.1.1 Following is the detail of addition / (transfer) :			
Furniture & fixture		2,530	1,916
Vehicles		59,948	196,068
Office equipment		2,945	1,940
Computers		132,287	152,086
Air conditioners		916	2,418
Generator		3,289	2,090
Computer software		89,577	33,290
Total		291,492	389,807

5.1.2 Following is the detail of disposals :	Dec-22 Unaudited			Jun-22 Audited		
	Cost	Accumulated Depreciation	Written down value	Cost	Accumulated Depreciation	Written down value
	Rupees in '000'					
Furniture & fixture	627	494	133	4,555	1,851	2,704
Vehicles	39,282	8,318	30,964	13,948	9,346	4,602
Office equipment	48	17	31	717	-	717
Computers	97	95	2	627,673	593,617	34,055
Air conditioners	-	-	-	1,132	-	1,132
Generator	-	-	-	265	-	265
Computer software	-	-	-	301,346	292,998	8,348
Total	40,054	8,924	31,130	949,635	897,812	51,823

5.2 RIGHT OF USE ASSETS	NOTE	Dec-22	Jun-22
		Unaudited	Audited
		Rupees in '000'	
Opening Balance - net book value		32,739	80,475
Additions	5.2.1	-	9,093
		32,739	89,568
Less:			
Disposals - net book value	5.2.2	(21,686)	(44,191)
Depreciation & amortization		(1,336)	(12,638)
		9,717	32,739
5.2.1 Following is the detail of addition / (transfer) :			
Vehicles		-	9,093
Total		-	9,093

5.2.2 Following is the detail of disposals:	Dec-22 Unaudited			Jun-22 Audited		
	Cost	Accumulated Depreciation	Written down value	Cost	Accumulated Depreciation	Written down value
	Rupees in '000'					
Vehicles	49,285	27,599	21,686	90,176	47,794	42,382
Computers	-	-	-	6,308	4,499	1,809
Total	49,285	27,599	21,686	96,484	52,293	44,191

6. INTANGIBLE ASSETS	Dec-22	Jun-22
	Unaudited	Audited
	Rupees in '000'	
Opening Balance - net book value	333,889	627,393
Less:		
Amortization	(146,752)	(293,504)
	187,137	333,889

7. LONG TERM INVESTMENTS - at cost

Investment in associate (Unquoted company)

The company had made investment in WRD3D Inc., a US based entity having its principal place of business at 800 W. El Camino Real, Suite 320, Mountain View, California 94040 and engaged in gaming and 3D mapping business. DCD Holdings Limited Carlton Services Ltd, second floor, The Quadrant, Manglier Street, PO Box 1312, Victoria, Mahe, Seychelles is the beneficial owner of the company. The Company owns 4,092,189 preference BB shares of WRD3D Inc. (12.2% ownership interest) originally valued at \$2.77 million and uses equity method to account for investment in associate.

As the company's share of loss in investment exceeds its interest in the entity, the company is not recognizing any further losses.

	NOTE	Dec-22 Unaudited	Jun-22 Audited
Rupees in '000'			
8. TRADE DEBTS			
Considered good - unsecured	8.1	2,871,381	2,515,750
Considered doubtful - unsecured		241,006	190,782
		3,112,387	2,706,532
Less: Allowance for expected credit losses	8.2	(241,006)	(190,782)
		2,871,381	2,515,750
8.1	It represents amount receivable from customers. It is unsecured but considered good by the management.		
8.2	This is an allowance 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		211,884	77,578
NetSol Technologies (Beijing) Company Limited		1,548,998	1,231,368
NetSol Technologies Australia Pty. Limited		327,098	224,471
NetSol Technologies North America		356,921	315,913
NetSol Technologies Europe Ltd		-	15,701
Ascent Europe Limited		142,812	37,439
OTOZ Thailand Ltd		95,141	84,521
		2,682,854	1,986,991
9. LOANS AND ADVANCES - Unsecured			
Current maturity of loans to employees		7,552	6,955
Advances			
- to employees		2,624	180
- against expenses	9.1	68,899	25,343
		79,075	32,478
9.1	Advances to employees are given to meet business expenses and are settled as and when the expenses are incurred.		
10. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Security deposit		4,729	3,118
Prepayments		154,545	51,332
		159,274	54,450
11. DUE FROM RELATED PARTIES			
Considered good - unsecured			
Parent			
NetSol Technologies Limited Inc.		167,194	185,839
Associates:			
NetSol Connect (Pvt) Ltd.		18,747	22,725
NetSol Technologies Australia Pty. Limited		453	-
OTOZ Thailand Ltd		33,732	29,967
NetSol Technologies (Beijing) Ltd		92,379	64,176
NetSol Technologies North America		47,431	25,671
NetSol Technologies (Thailand) Limited		42,343	121,403
		402,279	449,781
11.1	These relate to normal business of the group and are interest free.		

12. SHARE CAPITAL

12.1 Authorised share capital

	Dec-22 Unaudited	Jun-22 Audited		Dec-22 Unaudited	Jun-22 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
12.2 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
	(2,000,000)	(2,000,000)	Treasury Shares of Rs. 10 each as fully paid in cash	(20,000)	(20,000)
	87,836,923	87,836,923		878,369	878,369

NetSol Technologies Inc. 23975, Park Sorrento, Suite 250, Calabasas CA 91302, is the parent company holding 67.62% (2022: 67.62%) of issued capital of the Company.

The shares held by the company as treasury shares are held in CDC blocked account in freeze form. These are not entitled to any voting right, cash dividend or other distribution made by the company.

13. RESERVES

Capital reserve					
Premium on issue of ordinary shares				304,167	304,167
Employee share option compensation reserve				247,744	232,881
Foreign currency translation reserve				(33,687)	(33,687)
Revenue reserve					
Un - appropriated profit				6,352,400	6,416,393
				6,870,624	6,919,754

14. LONG TERM FINANCING

Long term finance facility				-	86,175
Deferred grant				-	712
Loan liability				104,835	127,140
Less: Current portion shown under current liabilities:					
Current portion of long term finance facility				-	(86,175)
Current portion of deferred grant				-	(712)
Current portion of loan liability				(39,167)	(38,859)
				(39,167)	(125,746)
				65,668	88,281

15. Trade and other payables also include payable to NetSol Technologies Europe Limited & OTOZ Inc., associated companies Rs. 43 million (2022: 49.78 million). This relates to normal course of the business and is interest free.

16. CONTINGENCIES & COMMITMENTS

16.1 Contingencies

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

16.2 Commitments

Bank guarantees have been issued amounting Rs. 94.98 million (2022: Rs. 11.4 million) against performance of various contracts, to LESCO and Standard Chartered Bank against its corporate credit cards.

The Company has capital commitments of NIL under capital purchase agreements as at Dec 31, 2022. (2022: NIL)

	Oct-Dec 2022	Oct-Dec 2021	Jul-Dec 2022	Jul-Dec 2021
	Rupees in '000'			
17. REVENUE FROM CONTRACTS WITH CUSTOMERS				
DISAGGREGATION OF REVENUE:				
Export Revenue				
License	-	335,177	-	483,467
Services	738,622	232,018	1,598,106	751,038
Subscription and Support	936,617	1,168,768	1,722,146	1,753,796
	1,675,239	1,735,963	3,320,252	2,988,301
Local Revenue				
License	-	-	42,653	-
Services	38,140	-	106,098	-
	38,140	-	148,751	-
Sales tax	(748)	-	(2,917)	-
	1,712,631	1,735,963	3,466,086	2,988,301
17.1 Timing of revenue recognition:				
At a point in time	-	335,177	-	483,467
Over the time	1,712,631	1,400,786	3,466,086	2,504,834
	1,712,631	1,735,963	3,466,086	2,988,301
18. COST OF REVENUE				
Salaries & benefits	1,011,833	679,956	1,958,677	1,333,466
Consultancy charges	516	-	1,447	-
Software licenses	54,082	43,357	101,124	82,531
Staff training	142	11	630	1,980
Rent, rates & taxes	1,446	30	1,446	30
Travelling & conveyance	91,949	26,556	154,588	40,675
Communication	19,829	14,476	39,342	29,328
Utilities	15,827	8,585	39,492	19,215
Printing & stationery	808	242	1,314	515
Entertainment	13,291	7,338	27,139	12,417
Insurance	1,831	210	3,051	369
Vehicle running & maintenance	7,965	18,597	17,821	33,650
Repair & maintenance	17,134	7,612	33,982	18,680
Fee & subscription	784	194	1,480	373
Depreciation	76,483	48,422	144,500	95,897
Amortization of leased assets	501	2,865	1,002	5,456
Amortization of intangible assets	73,376	73,376	146,752	146,752
	1,387,797	931,827	2,673,787	1,821,334
19. SELLING AND PROMOTION EXPENSES				
Salaries & benefits	99,151	84,559	208,047	165,407
Rent, rates & taxes	2,593	2,091	5,859	4,232
Travelling and conveyance	20,064	14,989	36,159	26,720
Communication	768	1,427	1,382	2,518
Utilities	510	493	1,216	1,082
Printing & stationery	118	26	178	43
Entertainment	442	301	1,263	587
Insurance	364	370	727	741
Vehicle running expenses	693	1,781	1,969	3,814
Repairs and maintenance	2,399	1,317	3,928	2,126
Commission on sales	51,117	29,875	93,704	49,890
Sale promotional expenses	7,091	952	12,044	2,174
	185,310	138,181	366,476	259,334

	Oct-Dec 2022	Oct-Dec 2021	Jul-Dec 2022	Jul-Dec 2021
	Rupees in '000'			
20. ADMINISTRATIVE EXPENSES				
Salaries and benefits	203,807	151,141	397,179	298,675
Staff training	-	12	58	81
Rent, rates and taxes	4,296	3,672	12,648	7,016
Travelling and conveyance	17,393	13,735	39,993	22,760
Communication & postage	7,446	6,927	13,549	12,767
Printing and stationery	2,279	1,661	3,435	2,430
Utilities	7,732	4,774	18,182	10,719
Entertainment	13,828	5,627	22,774	11,382
Insurance	11,717	1,908	23,895	3,551
Advertisement	91	170	213	517
Vehicle running expenses	3,635	6,936	7,836	14,498
Repairs and maintenance	13,206	8,029	28,439	15,415
Legal and professional charges	10,084	3,753	15,827	8,262
Office supplies	1,912	1,015	4,241	1,848
Charity & donation	6,480	4,761	32,684	10,535
Fee & subscription	13,896	3,439	27,136	7,243
Depreciation	26,411	16,099	49,332	31,924
Amortization of leased assets	167	955	334	1,819
	344,380	234,614	697,755	461,442

21. TAXATION

Income of the group from export of IT and IT enabled services is taxable under FTR at a reduced rate of 0.25% of the export remittances realized through normal banking channels. However tax as per applicable rates is charged to the income of the company generated from other than export income.

22. 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.

	Oct-Dec 2022	Oct-Dec 2021	Jul-Dec 2022	Jul-Dec 2021
	Rupees in '000'			
23. (LOSS)/EARNINGS PER SHARE				
Basic				
Profit attributable to ordinary shareholders of NetSol Technologies Limited	(212,861)	519,300	(63,993)	712,950
Weighted average number of ordinary shares in issue during the period	87,837	89,837	87,837	89,837
Basic - In Rupees	(2.42)	5.78	(0.73)	7.94
Diluted				
Profit attributable to ordinary shareholders of NetSol Technologies Limited	(212,861)	519,300	(63,993)	712,950
Weighted average number of ordinary shares in issue during the period	88,427	89,879	88,341	89,869
Diluted - In Rupees	(2.41)	5.78	(0.72)	7.93

24. 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-Dec 2022	Jul-Dec 2021
			Rupees in '000'	
(i)	Associated undertaking	Rental Income	450	450
		Provision of services	927,122	590,539
		Purchase of services	22,385	18,188
(ii)	Key management personnel	Salaries and benefits	164,732	146,052
		Retirement benefits	7,016	6,428
		Commission paid	8,710	102,897
(iii)	Post employment benefit	Contribution to defined contribution plan	93,136	73,535
(iv)	There are no transactions with any key management personnel other than under the terms of employment.			

25. SEGMENT REVENUES AND RESULTS

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

	Dec-22			Total
	PBS	PS	BPO	
Rupees in '000'				
Revenue - net				
External sales				
License	41,817	-	-	41,817
Services	1,576,107	67,469	58,548	1,702,124
Subscription and Support	1,722,145	-	-	1,722,145
Total revenue	3,340,069	67,469	58,548	3,466,086
Cost of revenue	(2,532,732)	(100,593)	(40,462)	(2,673,787)
Segment results	807,337	(33,124)	18,086	792,299
Unallocated corporate expenses:				
Selling and promotion expenses				(366,476)
Administrative expenses				(697,755)
Other income				585,893
Other operating expenses				(218,308)
Finance cost				(71,295)
Taxation				(88,351)
(Loss) after taxation				(63,993)

	Dec-21			
	PBS	PS	BPO	Total
	Rupees in '000			
Revenue - net				
External sales				
Licence	483,467	-	-	483,467
Services	639,633	54,204	57,201	751,038
Subscription and Support	1,753,796	-	-	1,753,796
Total revenue	2,876,896	54,204	57,201	2,988,301
Cost of revenue	(1,744,687)	(29,510)	(47,137)	(1,821,334)
Segment results	1,132,209	24,694	10,064	1,166,967
Unallocated corporate expenses:				
Selling and promotion expenses				(259,334)
Administrative expenses				(461,442)
Other income				524,548
Other operating expenses				(149,878)
Finance cost				(28,538)
Share of loss of associate				(22,059)
Taxation				(57,314)
Profit after taxation				712,950

*Key

PBS = Product Based Solutions and Ancilliary Services 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.

26. CORRESPONDING FIGURES

Corresponding figures have been wherever necessary re-arranged/re-classified for better presentation.

27. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

Wholly owned subsidiary company has been incorporated with the name of NetSol Ascent Middle East LLC. in Dubai, United Arab Emirates. The process of company incorporation including conditions precedent was not completed as at December 31, 2022, therefore, it has no impact on these condensed consolidated interim financial statements.

28. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 14, 2023 by the Board of Directors.

29. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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