



**NetSol Technologies Ltd.**  
NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. 54792, Pakistan.  
Email: info@netsolpk.com  
Phone: +92 42 111-44-88-00  
Web: www.netsolpk.com

**FORM-08**

Date:24/02/2022

**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, 2021**

*Dear Sir,*

We have to inform you that the Quarterly Report of the Company for the period ended December 31, 2021 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 Half Year Ended

December 31,  
2021

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leasing companies with smart software technology



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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 ANVAR**  
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 ANVAR**  
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  
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  
Tel: +92-42-111-44-88-00,  
+92-42-35727096-7  
Fax: +92-42-35701046, 35726740

### **RAWALPINDI OFFICE**

House No. 04, Safari Villas,  
Bahria Town, Rawalpindi  
Tel: +92-51-5707011  
Fax: +92-51-5595376

### **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

### **WEB PRESENCE**

[www.netsolpk.com](http://www.netsolpk.com)  
[info@netsolpk.com](mailto:info@netsolpk.com)

# Directors' Review Report

On behalf of the Board of Directors of NetSol Technologies Limited, we feel immense pleasure to present the financial statements of your company together with its consolidated financial statements for the period ended December 31, 2021.

## GENERAL OVERVIEW

A number of significant developments have taken place during 2021's last quarter for NETSOL Technologies. The company announced an expansion of its strategic partnership with leading IT and business consulting services firm CGI in Europe. The agreement builds on the close collaboration between the two global IT service providers in the United Kingdom and the United States. The two companies have teamed up to offer NETSOL's premier, next-generation platform NFS Ascent to the global finance and leasing industry, supported by CGI's local business consulting, IT integration and managed service solutions. As part of its expanded relationship with NETSOL, CGI will integrate NFS Ascent within its clients' complex IT and operating environments and ensure the solution is configured to meet local market practices and finance, risk and regulatory compliance policies.

During the quarter ended, NETSOL also attained Five-Star Premier Business Partnership Level Status with AFSA – the American Financial Services Association. AFSA is the national trade association for the consumer credit industry in the United States and NETSOL has been a member of the association since 2019. With this Premier Business Partnership, the company will now have an opportunity to more fully participate in select marketing programs and maximize the value of their participation in a range of association opportunities including auto finance industry events and presentations, podcasts and webinars. This enhanced partnership will also support the efforts to gain a deeper and more consistent engagement with both the AFSA team and its member organizations as an industry thought leader.

Further, adding to its stringent security mechanisms, NETSOL now assures protection of customer data with SOC 2 Type 1 Compliance, which has successfully been achieved 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 twenty years of SOC experience. Designed by the American Institute of Certified Public Accountants (AICPA), SOC 2 (System and Organization Controls) attests to the protection of client data. Achieving SOC 2 Type 1 compliance reinforces NETSOL's commitment to ensuring the security of its clients' (and their customers') data and confirms that all system requirements were designed based on the trust services criteria relevant to the security standards set by AICPA. The examination of the company's suite of products and software services was carried out at its Calabasas, California; London, England; Beijing, China; Sydney, Australia and Lahore, Pakistan facilities.

Consequent upon election of directors, two new members joined the board - Naem Ghauri and Zeshan Afzal. Both new directors have a wealth of experience and we look forward to gain from their rich experience. We would like to express our gratitude to both Shahab Ghauri and Najeeb Ghauri, the outgoing directors, for their invaluable services to the company, and for their role in making NETSOL what it is today – a global leader in the asset finance and leasing industry.

During this quarter, in North America, NETSOL attended the ELFA Annual Convention 2021 and the AFSA Annual Meeting 2021. In the United Kingdom, the company attended the Motor Finance Conference and Awards, the Leasing World Awards and the Asset Finance Conference and Awards. In Thailand, the company attended THPA Golf 2021. Furthermore, webinars, webcasts and podcasts took place for the North American and United Kingdom markets during this period as well.

## FINANCIAL PERFORMANCE

Comparisons of un-audited financial results for the second quarter ended December 31, 2021 with the corresponding period of fiscal year 2020 and cumulative results for the six months ended December 31, 2021 with those of December 31, 2020 of the company are given below:

STAND-ALONE FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS			
	Oct-Dec 2021	Oct-Dec 2021	Jul-Dec 2021	Jul-Dec 2021
Revenue (PKR in million)	1,713	1,263	2,965	2,379
Gross profit (PKR in million)	799	500	1,161	948
Net profit (PKR in million)	519	130	712	257
Earnings per share – diluted (in PKR)	5.78	1.44	7.93	2.86
EBITDA per share – diluted (in PKR)	7.29	2.89	10.67	5.84

During the current quarter, revenue grew by 35.58% compared to the revenue posted in the same quarter of previous fiscal year. In absolute numbers, the Company registered topline revenue of PKR 1,713 during the quarter ended December 31, 2021 compared to PKR 1,263 million in the same quarter of last fiscal year. In the current quarter, Company recorded PKR 335 million license revenue due to implementation of NFS Ascent™ in Japan and Australia. These licenses are provided to the trucking and buses wing of an existing customer. On Services side, the Company recorded revenue amounting to PKR 209 million in comparison of PKR 501 million in the same quarter of last fiscal year. This decrease in Services revenue is mainly associated with different customers going into maintenance phase after their successful implementations and "Go Live". Subscription and Support revenue increased from PKR 523 million to PKR 1,169 million during the current quarter. Main reason for increase in subscription and support revenue is increase in maintenance charges from one of the major customers which resulted in recognition of Euro 3 million approximately on cumulative catch up basis in this quarter.

Gross Margins during the period clocked in at 47%, as compared to the corresponding period where margins were recorded at 40%. Increase in revenues coupled with cost optimization initiatives translated into a 129% QoQ improvement in the company's operating profits which increased from PKR 186 million last year to PKR 427 million in the current quarter.

The Company posted a net profit after tax of PKR 519 million compared to PKR 130 million last year. Included in net profit is PKR 173 million on account of currency exchange gain due to depreciation in Pakistani Rupee in the current quarter compared to an exchange loss of PKR 19 million in the comparable period. This profitability has translated diluted earnings per share to clock in at PKR 5.78 for the quarter ended December 31, 2021 in comparison of PKR 1.44 in the corresponding period. In December 2021, the Company allocated 3 million stock options to its employees at a grant price of PKR 77.84 per option. These options will vest and become exercisable in parts in three years' time as per the stock option scheme approved by SECP. Diluted earnings per share have been calculated after considering the effect of these stock options.

Company posted net EBITDA profit of PKR 7.29 per diluted share compared to PKR 2.89 in the comparable period. On half yearly basis, Company posted net revenues of PKR 2,965 million compared to PKR 2,379 million in the corresponding period. Gross profit increased to PKR 1,161 million in comparison of PKR 948 million last year. The Company posted a net profit after tax of PKR 712 million in comparison of PKR 257 million during the same period last year. Diluted earnings per share for the half year ended December 31, 2021 were PKR 7.93 in comparison of PKR 2.86 in the corresponding period. Half year EBITDA profit for the current period was PKR 10.67 compared to PKR 5.84 in the preceding period.

#### **FUTURE OUTLOOK**

While the company will continue to promote its premier, next-generation platform for the global asset finance and leasing industry NFS Ascent through the traditional license model, there has been a transition taking place towards the SaaS model. Company's long term focus is SaaS but for the short and medium term, it will continue selling licenses to interested customers. Alongside NFS Ascent, the company will also continue to promote its suite of digital transformation solutions NFS Digital alongside Otoz and NXT.

The Company is also focusing on providing professional services and will use its wholly owned subsidiary 'NetSol Innovation (Pvt) Limited for this purpose. We already have a contract with a UK based healthcare company to whom services are being provided. In addition to it, few deals under negotiation as well. Additionally, we are also building AWS vertical and currently in the process of hiring resources for this. We believe there exists a huge potential in professional services and it may become a good revenue generating avenue for the company.

Innovation is at the core of everything NETSOL does and it is what has enabled the company to operate in the industry for the past forty years. NETSOL remains focused on being 'adaptive' to its customers, market trends, innovative technologies, their customers' business, their growth and their future.

Technologies are ever-evolving and the company is adopting those that continue to gain traction in the North American and global asset finance and leasing industry. Alongside Artificial Intelligence and Machine Learning, this also includes other technologies such as Cloud, IoT and Blockchain.

NETSOL's R&D Team and Innovation Lab continue to ideate and create next-generation products using the latest technologies, learning from experimentation by building proofs-of-concept. The environment supports the company's clients and partners to explore new ideas which expand the realm of the possible for the global finance and leasing industry, and to make themselves futureproof from new and emerging disruptive business models.

#### **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 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 employees 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, 2022  
Lahore



**Omar Shahab Ghauri**  
Director



## مستقبل کا نظریہ Future Outlook

ایک طرف کینیڈا گلوبل ایسٹ فنانس اینڈ لیزنگ انڈسٹری کے لیے روایتی لائسنس ماڈل کے ذریعے اپنی پریکٹس اور next-generation کے پلیٹ فارم NFS Ascent™ کی ترقی و ترقی میں مصروف ہے جب کہ دوسری طرف SaaS ماڈل میں بھی تبدیلیاں لائی جا رہی ہیں۔ کینیڈا گلوبل فنانس کے لیے SaaS پر بھرپور توجہ دے رہی ہے جب کہ کینیڈا اور وسط مدتی فوائد کے لئے کینیڈا اپنے اپنے صارفین کو لائسنس میں دلچسپی رکھتے ہیں لہذا لائسنس کی فروخت جاری رکھے گی۔

NFS Ascent™ کے علاوہ کینیڈا ڈیجیٹل ٹرانزیشن سلاشر Otoz، NFS Digital اور NXT کے suite کے بھی نتیجہ جاری رکھے گی۔

کینیڈا اپنی پیشہ ورانہ خدمات کی فراہمی پر بھی توجہ دے گی اور اس مقصد کے لئے اپنی کل مملکتی ذیلی کینیڈا "نیٹ سول انوویشن (پرائیویٹ) لمیٹڈ کو استعمال کرے گی۔ ہم ایک برطانوی ایلیٹ کیئر کینیڈا کو پہلے سے طے شدہ معاہدے کے تحت اپنی خدمات فراہم کر رہے ہیں۔ علاوہ ازیں، چند ڈیلز پر مذاکرات جاری ہیں۔ سزید برآس، ہم، AWS اور دیگر بھی تیار کر رہے ہیں اور فی الوقت ہم اس کے لئے قابل فراہمی بھی کر رہے ہیں۔ ہم پیشہ ورانہ خدمات میں بھرپور محاذ کاروباری مواقع کی موجودگی پر یقین رکھتے ہیں اور ہم امید رکھتے ہیں کہ یہ کینیڈا کے لئے ریونیو حاصل کرنے کا بہترین ذریعہ بن سکتا ہے۔

نیٹ سول کی تمام خدمات میں جدت پسندی ایک اہم جزو ہے اور یہی وجہ ہے کہ کینیڈا گذشتہ چالیس برس سے انڈسٹری میں اپنی خدمات کی فراہمی کو جاری رکھتے ہوئے ہے۔ نیٹ سول اپنے صارفین، مارکیٹ کے رجحانات، جدید ٹیکنالوجیز، ماں کے صارفین کے کاروبار، نمو اور مستقبل کے لئے "adaptive" بننے کے لئے کوشاں ہے۔

ٹیکنالوجیز میں ہمیشہ سے تبدیلیاں آتی رہی ہیں اور کینیڈا ایسی ٹیکنالوجیز کی تبدیلی کو اپنارہی ہے تاکہ نارتھ امریکن اینڈ گلوبل ایسٹ فنانس اور لیزنگ انڈسٹری کی توجہ حاصل کرنے میں کامیاب ہو سکے۔ Artificial Intelligence اور Machine Learning کے علاوہ اس میں بلاکچین، IoT اور Blockchain بھی ٹیکنالوجیز بھی شامل ہیں۔

نیٹ سول کی R&D ٹیم اور انوویشن لیب جدید ترین ٹیکنالوجیز کا استعمال کرتے ہوئے، next-generation مصنوعات کا تصور اور تجربات سے سیکھتے ہوئے اس تصور کو عملی جامہ پہناتی ہے۔ یہ ماحول کینیڈا کے کارکنوں اور شرکاء کو نئے آئیڈیاز کی ترویج کے لئے معاونت فراہم کرتا ہے جو ایسٹ فنانس اور لیزنگ انڈسٹری کے لیے ممکنہ دائرے کو وسعت دیتے ہیں، اور اپنے آپ کو نئے اور ابھرتے ہوئے کاروباری ماڈلز emerging disruptive business models اور ٹیکنالوجیز سے مستقبل کو بہتر بنانے میں کوشاں رہتے ہیں۔

## اعتراف (Acknowledgement)

بورڈ آف ڈائریکٹرز کینیڈا 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 کینیڈا کو ان نتائج کو حاصل کرنے میں مدد ملی۔ بورڈ کینیڈا 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 مخلصانہ کوششیں جاری و ساری رہیں گی۔

از طرف بورڈ آف ڈائریکٹرز



عمر شہاب غوری  
(ڈائریکٹر)



سلیم اللہ غوری  
(چیف ایگزیکٹو آفیسر)

لاہور

14 فروری، 2022ء

**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, 2021 and the related condensed interim statement of profit or loss, the condensed interim statement of other 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 this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2021.

**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.



**H.Y.K & Co.**  
Chartered Accountants  
Lahore  
**Date:** 15 February 2022  
**UDIN:** RR2021101431ZjkIV0Ev



# FINANCIAL STATEMENTS

For The Half Year Ended December 31, 2021

Condensed Interim Statement of Financial Position - Unaudited  
As at December 31, 2021

	NOTE	Dec-21 Unaudited	Jun-21 Audited
Rupees in '000'			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	5	1,507,339	1,599,438
Intangible assets	6	480,641	627,393
		1,987,980	2,226,831
Long term investments	7	187,154	208,582
Long term loans to employees		5,295	3,552
		2,180,429	2,438,965
<b>CURRENT ASSETS</b>			
Trade debts	8	1,956,299	1,649,836
Contract assets	9	2,275,745	1,163,155
Loans and advances		36,602	16,363
Trade deposits & short term prepayments		83,612	84,626
Other receivables		6,791	7,126
Due from related parties		446,437	445,737
Taxation - net		22,875	16,676
Cash & bank balances		3,083,946	3,758,821
		7,912,307	7,142,340
<b>TOTAL ASSETS</b>		<b>10,092,736</b>	<b>9,581,305</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHARE CAPITAL &amp; RESERVES</b>			
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	6,918,588	6,205,435
		7,816,970	7,103,817
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	12	6,700	95,920
Lease liabilities		5,955	2,106
		12,655	98,026
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	433,036	402,661
Contract liabilities		57,251	198,508
Short term borrowings		1,580,000	1,580,000
Current portion of long term liabilities		188,765	194,053
Unclaimed dividend		4,059	4,240
		2,263,111	2,379,462
<b>CONTINGENCIES &amp; COMMITMENTS</b>	14	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,092,736</b>	<b>9,581,305</b>

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 Half Year Ended December 31, 2021

	NOTE	Oct-Dec 2021	Oct-Dec 2020	Jul-Dec 2021	Jul-Dec 2020
		Rupees in '000'		Rupees in '000'	
Revenue from contracts with customers - net	15	1,713,078	1,263,491	2,965,416	2,378,801
Cost of revenue		(914,418)	(763,738)	(1,803,925)	(1,430,771)
<b>Gross profit</b>		<b>798,660</b>	499,753	<b>1,161,491</b>	948,030
Selling and promotion expenses		(138,181)	(120,096)	(259,334)	(250,127)
Administrative expenses		(233,542)	(193,390)	(460,370)	(371,874)
		(371,723)	(313,486)	(719,704)	(622,001)
<b>Operating Profit</b>		<b>426,937</b>	186,267	<b>441,787</b>	326,029
Other income		224,998	34,778	523,825	88,675
		651,935	221,045	965,612	414,704
Other operating expenses		(76,265)	(51,247)	(145,273)	(65,517)
Finance cost		(13,994)	(13,925)	(28,530)	(29,744)
Share of loss of Associate		(10,515)	(5,394)	(22,059)	(18,322)
<b>Profit before taxation</b>		<b>551,161</b>	150,479	<b>769,750</b>	301,121
Taxation	16	(32,083)	(20,861)	(57,431)	(44,473)
<b>Profit after taxation for the period</b>		<b>519,078</b>	129,618	<b>712,319</b>	256,648
<b>Earnings per share</b>					
Basic - In Rupees	18	5.78	1.44	7.93	2.86
Diluted - In Rupees	18	5.78	1.44	7.93	2.86

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 Half Year**  
Ended December 31, 2021

**Condensed Interim Statement of other Comprehensive Income - Unaudited**  
For The Half Year Ended December 31, 2021

	Oct-Dec 2021	Oct-Dec 2020	Jul-Dec 2021	Jul-Dec 2020
	Rupees in '000'		Rupees in '000'	
<b>Profit after taxation for the period</b>	<b>519,078</b>	129,618	<b>712,319</b>	256,648
<b>Other comprehensive income / (loss)</b>	-	-	-	-
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	<b>1,384</b>	(1,504)	631	(1,873)
<b>Total comprehensive income for the period</b>	<b>520,462</b>	128,114	<b>712,950</b>	254,775

*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 Half Year Ended December 31, 2021

	Jul-Dec 2021	Jul-Dec 2020
	Rupees in '000'	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation for the period	769,750	301,121
Adjustments for non cash charges and other items:		
Depreciation - own assets	127,695	100,671
Amortization of Right of Use Assets	7,275	9,980
Amortization of intangible assets	146,752	146,752
Loss/(Gain) on disposal of fixed assets	27,541	(2,870)
Amortization of deferred revenue	-	(1,343)
Foreign exchange (gain)	(402,543)	(20,520)
Interest expense	34,111	38,611
Interest income	(120,832)	(63,492)
Deferred employee compensation expense	203	10,875
Amortization of deferred grant	(6,118)	(9,383)
Provision for expected credit losses	48,402	53,463
Share of loss of Associate	22,059	18,322
	(115,455)	281,066
<b>Cash generated from operations before working capital changes</b>	654,295	582,187
<b>Working Capital Changes</b>		
Trade debts & Contract Assets/Liabilities	(1,206,169)	(191,621)
Loans and advances	(21,981)	(10,941)
Trade deposits & short term prepayments	1,014	(40,674)
Other receivables	334	(537)
Due from related parties	(700)	(151,729)
Trade and other payables	32,210	132,883
<b>Cash (used in) operations</b>	(1,195,292)	(262,619)
Interest paid	(35,946)	(32,792)
Income taxes paid	(63,630)	(44,874)
Dividend paid	(181)	(95)
<b>Net cash (used in) / generated from operations</b>	(640,754)	241,807
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment's purchased	(79,771)	(143,158)
Sales proceeds of fixed asset	6,359	5,455
Advances against capital expenditure	3,000	(5,000)
Interest received	120,832	63,492
<b>Net cash generated from/(used in) investing activities</b>	50,420	(79,211)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Paid against lease liabilities	(15,126)	(19,847)
Received against lease liabilities	9,093	-
Long term loan	(82,858)	116,921
Deferred grant	-	8,021
Long term advances	4,350	(1,171)
<b>Net cash (used in) / generated from financing activities</b>	(84,541)	103,924
<b>Net (Decrease in) / increase in cash and cash equivalents</b>	(674,875)	266,520
<b>Cash and cash equivalents at the beginning of the period</b>	3,758,821	2,081,859
<b>Cash and cash equivalents at the end of the period</b>	3,083,946	2,348,380

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 Half Year  
Ended December 31, 2021

## Condensed Interim Statement of Changes in Equity - Unaudited

For The Half Year Ended December 31, 2021

	Issued, sub-scribed and paid-up capital	Share de-posit mon-ey	Capital Reserve			Revenue Reserve	Total
			Employ-ee share option com-pen-sation reserve	Share premi-um	Foreign cur-rency trans-lation reserve	Unappropri-ated profit	
Rupees In '000'							
<b>Balance as at June 30, 2020</b>	898,369	13	205,897	304,167	(16,830)	5,505,882	6,897,498
Net profit for the period	-	-	-	-	-	256,648	256,648
Other comprehensive loss for the period	-	-	-	-	(1,873)	-	(1,873)
<b>Total comprehensive income for the period</b>	-	-	-	-	(1,873)	256,648	254,775
Contribution of parent on account of employee share options	-	-	10,875	-	-	-	10,875
	-	-	10,875	-	(1,873)	256,648	265,650
<b>Balance as at December 31, 2020</b>	898,369	13	216,772	304,167	(18,703)	5,762,530	7,163,148
<b>Balance as at June 30, 2021</b>	898,369	13	224,670	304,167	(20,872)	5,697,470	<b>7,103,817</b>
Net profit for the period	-	-	-	-	-	712,319	<b>712,319</b>
Other comprehensive loss for the period	-	-	-	-	631	-	<b>631</b>
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>631</b>	<b>712,319</b>	<b>712,950</b>
Amortization of share options issued	-	-	203	-	-	-	<b>203</b>
	-	-	203	-	631	712,319	<b>713,153</b>
<b>Balance as at December 31, 2021</b>	<b>898,369</b>	<b>13</b>	<b>224,873</b>	<b>304,167</b>	<b>(20,241)</b>	<b>6,409,789</b>	<b>7,816,970</b>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

## 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 but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Act 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.

		Dec-21	Jun-21
		Unaudited	Audited
		Rupees in '000'	
<b>5. PROPERTY, PLANT &amp; EQUIPMENT</b>			
Net book value of owned assets	5.1	1,450,668	1,515,963
Net book value of right of use assets	5.2	56,671	80,475
Advances against capital expenditure		-	3,000
		<b>1,507,339</b>	<b>1,599,438</b>
<b>5.1 PROPERTY, PLANT &amp; EQUIPMENT</b>			
Opening Balance - net book value		1,515,963	1,443,854
Additions	5.1.1	96,300	315,502
		<b>1,612,263</b>	<b>1,759,356</b>
Less:			
Disposals - net book value	5.1.2	(33,900)	(27,192)
Depreciation & amortization		(127,695)	(216,201)
		<b>1,450,668</b>	<b>1,515,963</b>
<b>5.1.1 Following is the detail of addition / (transfer)</b>			
Furniture & fixture		975	326
Vehicles		33,594	97,914
Office equipment		1,430	8,994
Computers		44,020	173,248
Air conditioners		766	651
Generator		2,090	-
Computer software		13,425	34,369
<b>Total</b>		<b>96,300</b>	<b>315,502</b>

5.1.2 Following is the detail of deletions	Cost	Dec-21 Unaudited Accumulated Depreciation	Written down Value		Jun-21 Audited Accumulated Depreciation	Written down Value
			Rupees in '000'	Cost		
Furniture & fixture	22	18	3	-	-	-
Vehicles	2,825	1,740	1,086	26,700	18,590	8,110
Office equipment	-	-	-	33	19	14
Computers	626,310	593,499	32,811	17,059	16,100	959
Computer software	-	-	-	583,854	565,745	18,109
<b>Total</b>	<b>629,157</b>	<b>595,257</b>	<b>33,900</b>	<b>627,646</b>	<b>600,454</b>	<b>27,192</b>

		Dec-21 Unaudited	Jun-21 Audited
		Rupees in '000'	
<b>5.2 RIGHT OF USE ASSETS</b>			
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	(25,622)	(2,876)
Depreciation & amortization		(7,275)	(19,860)
		56,671	80,475

5.2.1 Following is the detail of deletions	Cost	Dec-21 Unaudited Accumulated Depreciation	Written down Value		Jun-21 Audited Accumulated Depreciation	Written down Value
			Rupees in '000'	Cost		
Vehicles	49,122	25,309	23,813	5,553	2,677	2,876
Computers	6,308	4,499	1,809	-	-	-
<b>Total</b>	<b>55,430</b>	<b>29,808</b>	<b>25,622</b>	<b>5,553</b>	<b>2,677</b>	<b>2,876</b>

		Dec-21 Unaudited	Jun-21 Audited
		Rupees in '000'	
<b>6. INTANGIBLE ASSETS</b>			
Opening Balance - net book value		627,393	920,897
Less:			
Amortization		(146,752)	(293,504)
		480,641	627,393
<b>7. LONG TERM INVESTMENTS - at cost</b>			
<b>Investment in subsidiary - at cost</b>			
NetSol Innovation (Pvt) Limited (Unquoted subsidiary company)	7.1	30,063	30,063
<b>Investment in associate</b>			
WRLD3D Inc. (Unquoted company)	7.2	157,091	178,519
		187,154	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 Dec 31, 2021 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 (12.2% ownership interest) originally valued at \$2,777,778 and uses equity method to account for investment in associate.

		Dec-21 Unaudited	Jun-21 Audited
Rupees in '000'			
<b>8. TRADE DEBTS</b>			
Considered good - unsecured	8.1	1,956,299	1,649,836
Considered doubtful - unsecured	8.2	385,349	329,874
		2,341,648	1,979,710
Less: Provision against expected credit losses		(385,349)	(329,874)
		1,956,299	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	82,633	73,609
NetSol Technologies (Beijing) Company Limited	1,003,246	873,748
NetSol Australia Pty. Limited	158,570	111,747
NetSol Technologies Americas	252,479	247,042
Ascent Europe Limited	3,164	19,441
OTOZ Thailand Ltd	84,353	77,876
WRLD3D Inc	265,485	242,029
	1,849,930	1,645,493

#### 9. CONTRACT ASSETS

There is a net increase of Rs. 1,112.6 million in contract assets as compared to last fiscal year (2021: decrease of 489.48 million). Explanation of significant changes are as follows:

Opening balance-Contract Assets	1,163,155	1,652,633
Add: Revenue Recognised	2,555,568	3,453,533
Less: Invoices raised	(1,617,959)	(3,930,099)
Forex Gain / (Loss)	141,119	(10,499)
DFSI revenue/ invoicing	26,789	-
Provision for Expected Credit Losses	7,072	(2,413)
Closing balance-Contract Assets	2,275,745	1,163,155

#### 10. SHARE CAPITAL

##### 10.1 Authorised share capital

Dec-21 Unaudited	Jun-21 Audited		Dec-21 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.

	Dec-21 Unaudited	Jun-21 Audited
Rupees in '000'		
<b>11. RESERVES</b>		
<b>Capital reserve</b>		
Premium on issue of ordinary shares	304,167	304,167
Employee share option compensation reserve	224,873	224,670
Foreign currency translation reserve	(20,241)	(20,872)
<b>Revenue reserve</b>		
Un - appropriated profit	6,409,789	5,697,470
	<b>6,918,588</b>	<b>6,205,435</b>
<b>12. LONG TERM FINANCING</b>		
Long term Finance facility	169,666	250,429
Deferred grant	4,131	10,249
Sale & Leaseback obligations	11,393	13,488
<b>Less: Current portion shown under current liabilities:</b>		
Current portion of Long term finance facility	(169,666)	(164,254)
Current portion of deferred grant	(4,131)	(9,537)
Current portion of Sale & Leaseback obligations	(4,693)	(4,456)
	<b>(178,490)</b>	<b>(178,246)</b>
	<b>6,700</b>	<b>95,920</b>

13. Trade and other payables also include payable to related parties, detail of which is given below:			Dec-21 Unaudited	Jun-21 Audited
13.1 DUE TO RELATED PARTIES - UNSECURED			Rupees in '000'	
Associated				
NetSol Technologies Europe Limited	13.1.1		21,323	4,559
			<b>21,323</b>	<b>4,559</b>

13.1.1 This relates to normal course of business of the Company 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. 11.9 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. Nil under capital purchase agreements as at December 31, 2021. (2021: Rs. 6.889 Million)

#### 15. REVENUE FROM CONTRACTS WITH CUSTOMERS

##### DISAGGREGATION OF REVENUE:

##### Export Revenue

	Oct-Dec 2021	Oct-Dec 2020	Jul-Dec 2021	Jul-Dec 2020
	Rupees in '000'		Rupees in '000'	
License	335,177	239,988	483,467	239,988
Services	209,133	500,559	728,153	1,125,938
Subscription and Support	1,168,768	522,944	1,753,796	1,012,875
	<b>1,713,078</b>	<b>1,263,491</b>	<b>2,965,416</b>	<b>2,378,801</b>

## 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.

	Oct-Dec 2021	Oct-Dec 2020	Jul-Dec 2021	Jul-Dec 2020
	Rupees in '000'		Rupees in '000'	
<b>18. EARNINGS PER SHARE</b>				
<b>Basic</b>				
Profit after taxation for the period	519,078	129,618	712,319	256,648
Weighted average number of ordinary shares in issue during the period	89,837	89,837	89,837	89,837
Basic - In Rupees	5.78	1.44	7.93	2.86
<b>Diluted</b>				
Profit after taxation for the period	519,078	129,618	712,319	256,648
Weighted average number of ordinary shares in issue during the period	89,879	89,837	89,869	89,837
Diluted - In Rupee	5.78	1.44	7.93	2.86

## 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-Dec 2021	Jul-Dec 2020
		Rupees in '000'	
(i) Subsidiary	Provision of services	1,500	-
(ii) Associated undertaking	Rental income	450	450
	Provision of services	567,653	871,089
	Purchase of services	18,188	13,124
(iii) Key management personnel	Salaries and benefits	142,929	71,063
	Retirement benefits	6,276	3,688
	Commission paid	102,897	132,159
(iv) Post employment benefit	Contribution to defined contribution plan	-	-
		73,535	64,232
(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 February 14, 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 Half Year Ended December 31, 2021

Condensed Consolidated Interim Statement of Financial Position - Unaudited  
As at December 31, 2021

	NOTE	Dec-21 Unaudited	Jun-21 Audited
Rupees in '000'			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	5	1,510,438	1,605,866
Intangible assets	6	480,641	627,393
		1,991,079	2,233,259
Long term Investment	7	157,091	178,519
Long term loans to employees		5,295	3,552
		2,153,465	2,415,330
<b>CURRENT ASSETS</b>			
Trade debts	8	1,968,491	1,649,836
Contract assets	9	2,275,745	1,163,155
Loans and advances		36,602	16,363
Trade deposits & short term prepayments		83,612	84,626
Other receivables		6,885	7,126
Due from related parties		445,075	445,737
Taxation - net		22,888	16,455
Cash & bank balances		3,119,037	3,795,397
		7,958,335	7,178,695
<b>TOTAL ASSETS</b>		<b>10,111,800</b>	<b>9,594,025</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHARE CAPITAL &amp; RESERVES</b>			
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	6,931,234	6,217,450
		7,829,616	7,115,832
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	12	6,700	95,920
Lease liabilities		5,955	2,106
		12,655	98,026
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	439,454	403,366
Contract liabilities		57,251	198,508
Short term borrowings		1,580,000	1,580,000
Current portion of long term liabilities		188,765	194,053
Unclaimed dividend		4,059	4,240
		2,269,529	2,380,167
<b>CONTINGENCIES &amp; COMMITMENTS</b>	14	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,111,800</b>	<b>9,594,025</b>

The annexed notes from 1 to 22 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, 2021

	NOTE	Oct-Dec 2021	Oct-Dec 2020	Jul-Dec 2021	Jul-Dec 2020
		Rupees in '000'		Rupees in '000'	
Revenue from contracts with customers - Net	15	1,735,963	1,263,491	2,988,301	2,378,801
Cost of revenue		(931,827)	(763,738)	(1,821,334)	(1,430,771)
<b>Gross profit</b>		<b>804,136</b>	<b>499,753</b>	<b>1,166,967</b>	<b>948,030</b>
Selling and promotion expenses		(138,181)	(120,096)	(259,334)	(250,127)
Administrative expenses		(234,614)	(193,428)	(461,442)	(371,941)
		<b>(372,795)</b>	<b>(313,524)</b>	<b>(720,776)</b>	<b>(622,068)</b>
<b>Operating profit</b>		<b>431,341</b>	<b>186,229</b>	<b>446,191</b>	<b>325,962</b>
Other income		225,145	35,251	524,548	89,616
		<b>656,486</b>	<b>221,480</b>	<b>970,739</b>	<b>415,578</b>
Other operating expenses		(80,870)	(51,247)	(149,878)	(65,517)
Finance cost		(14,002)	(13,925)	(28,538)	(29,744)
Loss of share from Associate		(10,515)	(5,394)	(22,059)	(18,322)
<b>Profit before taxation</b>		<b>551,099</b>	<b>150,914</b>	<b>770,264</b>	<b>301,995</b>
Taxation	16	(31,799)	(20,998)	(57,314)	(44,990)
<b>Profit after taxation for the period</b>		<b>519,300</b>	<b>129,916</b>	<b>712,950</b>	<b>257,005</b>
<b>Attributable to:</b>					
Equity holders of NetSol Technologies Limited		519,300	129,916	712,950	257,005
Non - controlling interest		-	-	-	-
		<b>519,300</b>	<b>129,916</b>	<b>712,950</b>	<b>257,005</b>
<b>Earnings per share</b>					
Basic - In Rupees	18	5.78	1.45	7.94	2.86
Diluted - In Rupees	18	5.78	1.45	7.93	2.86

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

**For The Half Year**  
Ended December 31, 2021

Condensed Consolidated Interim Statement of other Comprehensive Income - Unaudited  
For The Half Year Ended December 31, 2021

	Oct-Dec 2021	Oct-Dec 2020	Jul-Dec 2021	Jul-Dec 2020
	Rupees in '000'		Rupees in '000'	
<b>Profit after taxation for the period</b>	<b>519,300</b>	129,916	<b>712,950</b>	257,005
<b>Other comprehensive income/(Loss)</b>				
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	<b>1,384</b>	(18,297)	<b>631</b>	(1,873)
<b>Total comprehensive Income for the period</b>	<b>520,684</b>	111,619	<b>713,581</b>	255,132
<b>Attributable to:</b>				
Equity holders of NetSol Technologies Limited	<b>520,684</b>	111,619	<b>713,581</b>	255,132
Non - controlling interest	-	-	-	-
	<b>520,684</b>	111,619	<b>713,581</b>	255,132

The annexed notes from 1 to 22 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, 2021

NOTE	Jul-Dec 2021	Jul-Dec 2020
Rupees in '000'		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation for the period	770,264	301,995
Adjustments for non cash charges and other items:		
Depreciation - own assets	127,821	100,671
Amortization of Right of use assets	11,880	9,980
Amortization of intangible assets	146,752	146,752
Loss / (Gain) on disposal of fixed assets	27,541	(2,870)
Amortization of deferred revenue	-	(1,343)
Foreign exchange (Gain)	(402,392)	(20,520)
Interest expense	34,111	38,611
Interest income	(121,130)	(64,433)
Deferred employee compensation expense	203	10,875
Amortization of deferred grant	(6,118)	(9,383)
Provision for expected credit losses	48,402	53,463
Share of loss of Associate	22,059	18,322
	<b>(110,870)</b>	<b>280,125</b>
<b>Cash generated from operations before working capital changes</b>	<b>659,394</b>	<b>582,120</b>
<b>Working Capital Changes</b>		
Trade debts & Contract Assets/Liabilities	(1,218,512)	(191,621)
Loans and advances	(21,981)	(10,941)
Trade deposits & short term prepayments	1,014	(40,732)
Other receivables	240	(537)
Due from related parties	(700)	(151,729)
Trade and other payables	39,285	132,883
<b>Cash (used in) operations</b>	<b>(1,200,654)</b>	<b>(262,676)</b>
Interest paid	(35,946)	(32,792)
Income taxes paid	(63,747)	(45,259)
Dividend paid	(181)	(95)
<b>Net cash (used in) / generated from operations</b>	<b>(641,134)</b>	<b>241,297</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	(82,296)	(143,158)
Sales proceeds of fixed asset	7,481	5,455
Advances against capital expenditure	3,000	(5,000)
Interest received	121,130	64,433
<b>Net cash generated from/ (used in) investing activities</b>	<b>49,315</b>	<b>(78,270)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Paid against lease liabilities	(15,126)	(19,847)
Received against lease liabilities	9,093	-
Long term payable	(82,858)	116,921
Deferred grant	-	8,021
Long term advances	4,350	(1,171)
<b>Net cash (Used in) / generated from financing activities</b>	<b>(84,541)</b>	<b>103,924</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(676,360)</b>	<b>266,951</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>3,795,397</b>	<b>2,115,872</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>3,119,037</b>	<b>2,382,823</b>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

For The Half Year  
Ended December 31, 2021

**Condensed Consolidated Interim Statement of Changes in Equity - Unaudited**  
For The Half Year Ended December 31, 2021

	Attributable to equity holders of the Parent						Non Controlling Interest	Total Equity	
	Issued, subscribed 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'								
<b>Balance as at June 30, 2020</b>	898,369	13	206,555	304,167	(16,830)	5,515,868	6,908,142	-	6,908,142
Net profit for the period									
December 31, 2020	-	-	-	-	-	257,005	257,005	-	257,005
Other comprehensive (loss)	-	-	-	-	(1,873)	-	(1,873)	-	(1,873)
Total comprehensive (loss) / profit for the period	-	-	-	-	(1,873)	257,005	255,132	-	255,132
Contribution of parent on account of employee share options	-	-	10,875	-	-	-	10,875	-	10,875
	-	-	10,875	-	(1,873)	257,005	266,007	-	266,007
<b>Balance as at December 31, 2020</b>	898,369	13	217,430	304,167	(18,703)	5,772,873	7,174,149	-	7,174,149
<b>Balance as at June 30, 2021</b>	898,369	13	225,328	304,167	(20,872)	5,708,827	7,115,832	-	7,115,832
Net Profit for the period	-	-	-	-	-	712,950	712,950	-	712,950
Other comprehensive income for the period					631		631		631
Total comprehensive income for the period					631	712,950	713,581	-	713,581
Amortization of share options issued			203				203		203
			203		631	712,950	713,784		713,784
<b>Balance as at December 31, 2021</b>	898,369	13	225,531	304,167	(20,241)	6,421,777	7,829,616	-	7,829,616

The annexed notes from 1 to 22 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 Half Year Ended December 31, 2021

### 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 but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Act 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.

		Dec-21 Unaudited	Jun-21 Audited
Rupees in '000'			
<b>5. PROPERTY, PLANT &amp; EQUIPMENT</b>			
Net book value of owned assets	5.1	1,453,767	1,522,391
Net book value of right of use assets	5.2	56,671	80,475
Advances against capital expenditure		-	3,000
		<b>1,510,438</b>	<b>1,605,866</b>
<b>5.1 PROPERTY, PLANT &amp; EQUIPMENT</b>			
Opening Balance - net book value		1,522,391	1,451,130
Additions	5.1.1	98,825	315,502
		<b>1,621,215</b>	<b>1,766,632</b>
Less:			
Disposals - net book value	5.1.2	(39,627)	(28,040)
Depreciation & amortization		(127,822)	(216,201)
		<b>1,453,767</b>	<b>1,522,391</b>
<b>5.1.1 Following is the detail of addition / (transfer)</b>			
Furniture & fixture		1,012	326
Vehicles		33,594	97,914
Office equipment		1,430	8,994
Computers		46,508	173,248
Air conditioners		766	651
Generator		2,090	-
Computer software		13,425	34,369
<b>Total</b>		<b>98,825</b>	<b>315,502</b>

5.1.2 Following is the detail of deletions	Dec-21 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	3,028	1,740	1,289	27,498	18,590	8,908
Office equipment	717	-	717	33	19	14
Computers	627,547	593,499	34,048	17,109	16,100	1,009
Air conditioners	1,132	-	1,132	-	-	-
Generator	265	-	265	-	-	-
Computer software	-	-	-	583,854	565,745	18,109
<b>Total</b>	<b>634,884</b>	<b>595,257</b>	<b>39,627</b>	<b>628,494</b>	<b>600,454</b>	<b>28,040</b>

5.2 RIGHT OF USE ASSETS	Dec-21 Unaudited		Jun-21 Audited	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
	Rupees in '000'			
Opening Balance - net book value			80,475	98,938
Additions			9,093	4,273
			<b>89,568</b>	103,211
Less:				
Disposals - net book value			5.2.1 (25,622)	(2,876)
Depreciation & amortization			(7,275)	(19,860)
			<b>56,671</b>	80,475

5.2.1 Following is the detail of deletions	Dec-21 Unaudited			Jun-21 Audited		
	Cost	Accumulated Depreciation	Written down Value	Cost	Accumulated Depreciation	Written down Value
	Rupees in '000'					
Vehicles	49,122	25,309	23,813	5,553	2,677	2,876
Computers	6,308	4,499	1,809	-	-	-
<b>Total</b>	<b>55,430</b>	<b>29,808</b>	<b>25,622</b>	<b>5,553</b>	<b>2,677</b>	<b>2,876</b>

6. INTANGIBLE ASSETS	Dec-21 Unaudited		Jun-21 Audited	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
	Rupees in '000'			
Opening Balance - net book value			627,393	920,897
Less:				
Amortization			(146,752)	(293,504)
			<b>480,641</b>	627,393

7. LONG TERM INVESTMENTS - at cost	Dec-21 Unaudited		Jun-21 Audited	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
	Rupees in '000'			
Investment in associate				
WRLD3D inc. (Unquoted company)			7.1 157,091	178,519
			<b>157,091</b>	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 Dec 31, 2021 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 (12.2% ownership interest) originally valued at \$2,777,778 and uses equity method to account for investment in associate.

	NOTE	Dec-21 Unaudited	Jun-21 Audited
Rupees in '000'			
<b>8. TRADE DEBTS</b>			
Considered good - unsecured	8.3	1,968,491	1,649,836
Considered doubtful - unsecured	8.2	385,349	329,874
		2,353,840	1,979,710
Less: Provision for Expected credit losses		(385,349)	(329,874)
		1,968,491	1,649,836
<b>8.1</b>	It represents amount receivable from customers. It is unsecured but considered good by the management.		
<b>8.2</b>	This is a provision for expected credit losses created by the Company for any future doubtful trade debts.		
<b>8.3</b>	<b>Amount receivable from related parties included in trade debts are as under:</b>		
NetSol Technologies (Thailand) Limited		82,633	73,609
NetSol Technologies (Beijing) Company Limited		1,003,246	873,748
NetSol Australia Pty. Limited		158,570	111,747
Netsol Technologies Americas		252,479	247,042
Ascent Europe Limited		3,164	19,441
OTOZ Thailand Ltd		84,353	77,876
WRLD3D Inc		265,485	242,029
		1,849,930	1,645,493
<b>9. CONTRACT ASSETS</b>			
There is a net increase of Rs. 1,112.6 million in contract assets as compared to last fiscal year (2021: decrease of 489.48 million). Explanation of significant changes are as follows:			
Opening balance-Contract Assets		1,163,155	1,652,633
Add: Revenue Recognised		2,555,568	3,453,533
Less: Invoices raised		(1,617,959)	(3,930,099)
Forex Gain / (Loss)		141,119	(10,499)
DFSI revenue/ invoicing		26,789	-
Provision for Expected Credit Losses		7,072	(2,413)
Closing balance-Contract Assets		2,275,745	1,163,155
<b>10. SHARE CAPITAL</b>			
<b>10.1 Authorised share capital</b>			
	Dec-21 Unaudited	Jun-21 Audited	Dec-21 Unaudited
	Number of shares		Rupees in '000'
	150,000,000	150,000,000	1,500,000
	Ordinary Shares of Rs. 10 each.		1,500,000
<b>10.2 Issued, subscribed &amp; paid-up capital</b>			
	42,686,191	42,686,191	426,862
	47,150,732	47,150,732	471,507
	89,836,923	89,836,923	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.			
<b>11. RESERVES</b>			
<b>Capital reserve</b>			
Premium on issue of ordinary shares		304,167	304,167
Employee share option compensation reserve		225,531	225,328
Foreign currency translation reserve		(20,241)	(20,872)
<b>Revenue reserve</b>			
Un - appropriated profit		6,421,777	5,708,827
		6,931,235	6,217,450

	Dec-21 Unaudited	Jun-21 Audited
	Rupees in '000'	
<b>12. LONG TERM FINANCING</b>		
Long term Finance facility	169,666	250,429
Deferred grant	4,131	10,249
Sale & Leaseback obligations	11,393	13,488
<b>Less: Current portion shown under current liabilities:</b>		
Current portion of Long term finance facility	(169,666)	(164,254)
Current portion of deferred grant	(4,131)	(9,537)
Current portion of Sale & Leaseback obligations	(4,693)	(4,456)
	<b>(178,490)</b>	<b>(178,246)</b>
	<b>6,700</b>	<b>95,920</b>

13. Trade and other payables also include payable to related parties, detail of which is given below:

<b>13.1 DUE TO RELATED PARTIES - UNSECURED</b>		
<i>Associated</i>		
NetSol Technologies Europe Ltd	13.1.1	21,323
		4,559
		<b>21,323</b>
		<b>4,559</b>

- 13.1.1 These relate to normal course of business of the Group and are 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. 11.9 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. Nil under capital purchase agreements as at December 31, 2021. (2021: Rs. 6.889 Million)

	Oct-Dec 2021	Oct-Dec 2020	Jul-Dec 2021	Jul-Dec 2020
	Rupees in '000'		Rupees in '000'	
<b>15. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>				
<b>DISAGGREGATION OF REVENUE:</b>				
<b>Export Revenue</b>				
License	335,177	239,988	483,467	239,988
Services	232,018	500,559	751,038	1,125,938
Subscription and Support	1,168,768	522,944	1,753,796	1,012,875
	<b>1,735,963</b>	<b>1,263,491</b>	<b>2,988,301</b>	<b>2,378,801</b>
	<b>1,735,963</b>	<b>1,263,491</b>	<b>2,988,301</b>	<b>2,378,801</b>

**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.

18. EARNING PER SHARE	Oct-Dec	Oct-Dec	Jul-Dec	Jul-Dec
	2021	2020	2021	2020
<b>Basic</b>	<b>Rupees in '000'</b>			
Profit attributable to ordinary shareholders of NetSol Technologies Limited	519,300	129,916	712,950	257,005
Weighted average number of ordinary shares in issue during the period	89,837	89,837	89,837	89,837
Basic - In Rupees	5.78	1.45	7.94	2.86
<b>Diluted</b>				
Profit attributable to ordinary shareholders of NetSol Technologies Limited	519,300	129,916	712,950	257,005
Weighted average number of ordinary shares in issue during the period	89,879	89,837	89,869	89,837
Diluted - In Rupees	5.78	1.45	7.93	2.86

## 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-Dec	Jul-Dec
		2021	2020
(i) Associated undertaking	Rental Income	450	450
	Provision of services	590,539	871,089
	Purchase of services	18,188	13,124
(ii) Key management personnel	Salaries and benefits	146,052	71,063
	Retirement benefits	6,428	3,688
	Commission paid	102,897	132,159
(iii) Post employment benefit	Contribution to defined contribution plan	73,535	64,232
(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.

	Dec-21			Total
	NFS	IS & SSS	BPO	
Rupees in '000'				
Revenue - net				
External sales				
License	483,467	-	-	483,467
Services	639,633	-	111,405	751,038
Subscription and Support	1,753,796	-	-	1,753,796
Total revenue	2,876,896	-	111,405	2,988,301
Cost of revenue	(1,724,410)	-	(96,924)	(1,821,334)
Segment results	1,152,486	-	14,481	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)
Loss of share from Associate				(22,059)
Taxation				(57,314)
<b>Profit after taxation</b>				<b>712,950</b>

	Dec-20			Total
	NFS	IS & SSS	BPO	
Rupees in '000'				
Revenue - net				
External sales				
Licence	239,988	-	-	239,988
Services	1,039,560	-	86,378	1,125,938
Subscription and Support	1,012,875	-	-	1,012,875
Total revenue	2,292,423	-	86,378	2,378,801
Cost of revenue	(1,352,755)	(287)	(77,729)	(1,430,771)
Segment results	939,668	(287)	8,650	948,030
Unallocated corporate expenses:				
Selling and promotion expenses				(250,127)
Administrative expenses				(371,941)
Other income				89,616
Other operating expenses				(65,517)
Finance cost				(29,744)
Loss of share from Associate				(18,322)
Taxation				(44,990)
<b>Profit after taxation</b>				<b>257,005</b>

\*Key

NFS = NetSol Financial Suite & NFS Ascent

IS = Information Security and other services

BPO = Business Process Outsourcing

SSS = Software Services and Solutions

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. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on February 14, 2022 by the Board of Directors.

**22. 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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