



NETSOL Technologies Ltd.
NETSOL IT Village (Software
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FORM-08
Date:25/02/2025

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, 2024**

Dear Sir,

We have to inform you that the Quarterly Report of the Company for the period ended December 31, 2024 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





**For the Half Year Ended
December 31, 2024**

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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

Non-Executive Director

NOMAN HUSSAIN

Independent Director

HUMA FAKHAR

Independent Director

HAMNA GHAURI

Non-Executive Director

OMAR SHAHAB GHAURI

Executive Director

AUDIT COMMITTEE

NOMAN HUSSAIN

Chairman

VASEEM ANWAR

Member

HUMA FAKHAR

Member

CHIEF FINANCIAL OFFICER

BOO-ALI SIDDIQUI

COMPANY SECRETARY

SEHRISH

CHIEF INTERNAL AUDITOR

MUHAMMAD ABDUL WAHAB

HAFEEZ

AUDITORS

**Crowe Hussain Chaudhury
& Co.**

Chartered Accountants

7th Floor, Gulmohar Trade

Center,

8 F, Main Market, Gulberg II,

Lahore 54600, Pakistan

LEGAL ADVISOR

CORPORATE LAW ASSOCIATES

1st Floor Queen's Centre

Shahra-e-Fatima Jinnah

Lahor

SHARE REGISTRAR

VISION CONSULTING LIMITED

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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 Limited
- Bank Al Habib Limited
- Habib Bank Limited

CONTACT DETAILS

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WEB PRESENCE

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Director's Review 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, 2024.

GENERAL OVERVIEW

The half-year ended was an important period for NETSOL Technologies with the signing of significant new contracts, new subscriptions, implementations, attaining further recognition and awards as well as the unification of all of the company's product and service offerings under the new AI-powered Transcend Platform.

NETSOL announced a new strategic partner Hiltermann as part of ongoing European expansion

NETSOL announced a new strategic partnership with Hiltermann – a Netherlands-based specialist lender in the leasing and financing industry. Hiltermann went live with NETSOL's Wholesale Finance System (WFS) and will leverage the company's innovative white-label lending platform that expands their competitive offerings to the asset finance and leasing market. This partnership is a strategic first for NETSOL in the Netherlands and supports the company's broader European growth strategy.

NETSOL's innovative API-enabled technology allows Hiltermann to develop closer collaboration with their dealerships, improve customer relationships and secure broader competitive advantages. The proven stock financing solution integrates easily with the local market infrastructure and facilitates automation and scalability, making the process more efficient for both funder and dealer.

NETSOL unveiled the Transcend Platform to provide customers with a unified digital retail and asset finance solution

The company officially unveiled its new unified Transcend Platform – an AI-powered digital retail and asset finance solution for automotive and equipment OEMs, auto captives, commercial lenders, dealers, brokers, banks and other financial institutions.

The new NETSOL Transcend Platform offers a robust set of products and solutions under one umbrella, showcasing the company's commitment to harnessing the transformative potential of AI. The new AI-powered platform is set to transform the auto and equipment buying, leasing and financing experience.

The Transcend Platform signifies NETSOL's transformation and adoption of AI technologies for asset finance companies and OEMs. This comprehensive platform addresses various use-cases, from asset, auto and equipment finance and leasing technology to innovative digital retail solutions facilitating complex purchasing journeys.

The Transcend Platform consists of the following: Transcend Retail (Formerly known as Otoz), Transcend Finance (Formerly known as Ascent), Transcend Marketplace (Formerly known as Apex Now), Transcend Consultancy and Transcend AI Labs.

Leading Chinese auto finance provider transitioned to NETSOL's Transcend Finance Platform as part of a multi-million-dollar agreement

A renowned provider of automotive financial services across China and longstanding partner of the company went live with NETSOL's Transcend Finance Platform (Formerly known as Ascent) as part of a multi-million-dollar agreement.

The Guangzhou-based customer, who has been a partner of NETSOL since 2009, decided to upgrade to the company's Transcend Finance Platform to manage their retail and wholesale operations seamlessly. This includes Omni Point of Sale (Omni POS) and Contract Management System (CMS) for retail operations, and Wholesale Finance System (WFS) for wholesale. The transition also includes an end-to-end migration – one of the largest volumes migrated by NETSOL in China at over three million contracts.

NETSOL Signs Multi-Million Agreement with Major Automaker To Revolutionize Digital Car Buying And Leasing Experience In The United States

NETSOL Technologies Americas, our associated company, signed a multi-million, five-year agreement with a major automaker to enhance U.S. dealership operations using its Otoz digital retail platform. The five-year contract involves customization, implementation, deployment and ongoing SaaS services, aimed at transforming car buying and leasing experiences.

Charles & Dean Finance Subscribe To Apex Now Products Flex And Dock

UK-based award-winning specialist finance brokerage Charles and Dean opted for two of NETSOL's API-first products from the Transcend Marketplace - Flex and Dock. Flex is an instant, cloud-based calculation engine which guarantees swift and accurate calculations. Dock is a centralized document generation tool which allows users to create accurate documents in seconds.

NETSOL Signs Expansion Agreement with major Automaker In China

Our associated entity in China, NETSOL Technologies (Beijing) Limited signed a new agreement with a major automaker and longstanding customer to support their operations throughout China. This signing brings the total value of the contract to over \$30 million over five years and is expected to contribute to modest revenue growth in fiscal 2025 and beyond.

NETSOL China's President Received Two Awards Recognizing Excellence In Finance And Leasing

Amanda Li Linjie, President of NETSOL China, received two prestigious awards recognizing the company's outstanding performance in the Chinese finance and leasing industry. These awards represent NETSOL's dominance in the Chinese industry, particularly in the country's automotive space.

On November 22, 2024, Ms. Li Linjie was honored with the Automotive Finance New Productivity Innovation Pioneer Award at the China Auto Finance and Industry Development Competitiveness Forum 2024 held in Shanghai.

On November 29, 2024, NETSOL participated in the China Leasing Business Association's (CLBA) Annual Financial Leasing Summit in Beijing. During this flagship event, regarded as the most influential gathering in China's finance and leasing industry, Ms. Li Linjie was presented with the China Financial Leasing Excellence Service Award recognizing exemplary leadership and NETSOL's unwavering commitment to delivering state-of-the-art solutions tailored to the evolving needs of the Chinese finance and leasing sector.

In addition to Ms. Li Linjie's recognition, NETSOL has also received First Rate and Best-Selling Leasing Solution Provider Award, which the company has received multiple times.

Purchase/Buy-Back of its Own Shares By The Company

At the Company's Extraordinary General Meeting on December 31, 2024, shareholders approved the buyback /purchase of up to 10 million ordinary shares from the general public through the Pakistan Stock Exchange. The buyback will take place over a 180-day period, from January 3, 2025, to June 29, 2025. These shares will be held as treasury shares.

Financial Performance

Comparisons of un-audited financial results for the second quarter ended December 31, 2024 with the corresponding period of the fiscal year 2024 and cumulative results for the six months ended December 31, 2024, with those of December 31, 2023, of the company are given below:

STAND-ALONE FINANCIAL STATEMENTS	Oct-Dec	Oct-Dec	Jul-Dec	Jul-Dec
	2024	2023	2024	2023
	Rupees in million		Rupees in million	
Revenue	2,255	2,486	4,154	4,742
Gross profit	946	1,216	1,587	2,114
Net (loss) / profit	(27)	534	170	806
(LPS) / EPS – basic (in PKR)	(0.31)	6.08	1.93	9.17
(LPS) / EPS – diluted (in PKR)	(0.31)	6.05	1.90	9.14
EBITDA per share – diluted (in PKR)	0.60	7.25	2.75	11.44

Revenues during the quarter ended December 31, 2024 slightly decreased by 9% compared to the revenues posted in the same quarter of previous fiscal year. The company generated net revenue of PKR 2,255 million, primarily driven by services and subscription & support revenue, as compared to PKR 2,486 million during the corresponding period last year. On the services side, the Company recorded revenue of PKR 805 million, compared to PKR 962 million in the previous fiscal year. Meanwhile, subscription and support revenue increased from PKR 1,152 million to PKR 1,451 million in the current quarter. This growth is mainly driven by customers entering the maintenance phase after successful implementation, along with a one-time catch-up adjustment recorded during the current period.

The decline in overall revenues is primarily due to two reasons – transitioning of the Company from typical license based model to on-cloud SaaS based solutions and transitioning of various customers to the maintenance phase following successful implementations and “Go Live.” While with this transition to “Software as a Service”, we are embracing flexibility, scalability and cost-efficiency that cloud-based technologies offer, it has resulted in no new license sales during the current period. It, however, does not indicate a decline in business performance of the Company, rather it represents change in revenue recognition due to SaaS accounting. Under the traditional license-based model, license revenue is recognized upfront on delivery of the software to the customer whereas in SaaS model, revenue is recognized over time, ensuring a more stable and predictable revenue and cash flow. While this transition affects short-term revenue patterns, it strengthens long-term financial sustainability by enhancing customer retention and recurring revenue streams. This shift also aligns with industry trends towards subscription-based solutions, supporting scalability and long-term growth potential. Needless to mention that the Company will continue to offer license-based solutions to the big blue-chip customers who prefer to get a customized solution according to their preferences and business requirements.

Cost of revenue remained more or less unchanged. Gross margins during the period clocked in at 42%, as compared to the corresponding period where margins were recorded at 49%. The Company posted a net loss of PKR 27 million compared to a net profit of PKR 534 million in the comparable period. Due to appreciation in the Pakistani Rupee against various currencies like Euro, RMB, Australian Dollar etc, the Company recorded a currency exchange loss of PKR 278 million during the current

period compared to a currency loss of PKR 9 million registered in the comparable period. Loss per basic & diluted share was PKR 0.31 in comparison of earnings of PKR 6.08 & 6.05 per basic & diluted share in the corresponding period of last fiscal year. The company posted net EBITDA profit of PKR 0.60 per diluted share compared to PKR 7.25 in the comparable period.

On half yearly basis, Company posted net revenues of PKR 4,154 million compared to PKR 4,742 million in the corresponding period. The Company had recorded PKR 552 million license revenue in first half of the last fiscal year whereas no license revenue has been recorded in the current year resulting in a decline in overall revenues of the Company. Gross Margins during the period clocked in at PKR 1,587 million as compared to the corresponding period where margins were recorded at PKR 2,114 million. The Company posted a net profit after tax of PKR 170 million in comparison of PKR 806 million during the same period last year. Basic & diluted earnings per share for the half year ended December 31, 2024 were PKR 1.93 & 1.90 respectively in comparison of PKR 9.17 & 9.14 in the corresponding period. Half year EBITDA profit for the current period was PKR 2.75 per share compared to PKR 11.44 per share in the preceding period.

The Company also consolidates financial results of its wholly owned subsidiary "NETSOL Innovation (Pvt) Limited" and its Dubai based wholly owned subsidiary "NETSOL Ascent Middle East Computer Equipment Trading LLC". NETSOL Innovation is mainly involved in the provision of professional services including Amazon Web Services. Net consolidated revenues for the quarter ended December 31, 2024 were PKR 2,283 million compared to PKR 2,567 million in the same period of fiscal 2024. Consolidated gross profit for the quarter was PKR 922 million as compared to PKR 1,209 million in the same period last year. On consolidated basis, the company posted net consolidated loss of PKR 77 million in the current quarter compared to profit of PKR 497 million posted in the same period last year. Basic and diluted loss per share for the quarter ended December 31, 2024 were PKR 0.88 and PKR 0.87 compared to basic and diluted earnings per share of PKR 5.65 & 5.62 in the same period of last fiscal year.

Future Outlook

To maintain its position in the global financial services industry, NETSOL will continue to drive innovation, stay agile and adapt to evolving customer expectations and regulatory changes in an ever-shifting landscape.

A major development during this period which will impact the company's future is the unification of all of NETSOL's products and services under the new Transcend Platform – an AI-driven unified ecosystem that revolutionizes how assets are sold, financed and leased. Designed to automate and optimize every step - from sales to originations to servicing, Transcend leverages AI and ML to drive predictive insights and smarter decision-making.

Finance and leasing companies are continually seeking ways to reduce costs and improve operational efficiency. AI-powered solutions optimize workflows and provide intelligent insights, which alongside increased automation, can drive significant cost savings. AI platforms also enable organizations to leverage large volumes of data more effectively. With improved analytics, businesses can make better decisions regarding risk assessment, pricing strategies, customer acquisition and asset management.

By unifying its offerings under the Transcend Platform, the company can provide more customized solutions that address the specific needs of each client. This makes it easier for finance and leasing companies to scale operations or adapt to market changes, as they can easily integrate new functionalities or features into the existing platform.

The integration of AI into the platform can give the company a significant competitive edge in a crowded marketplace. Companies leveraging AI are better positioned to lead innovation, providing more sophisticated, automated and data-driven solutions compared to competitors who may still rely on traditional processes. Further, by continuing to offer its solutions via the cloud, NETSOL also enables seamless scalability. This is a huge advantage for growing businesses, as they can expand their operations without worrying about infrastructure limitations.

Moving forward, the unified AI-powered platform positions the company to capitalize on the increasing demand for automation, data-driven insights and enhanced customer experiences. The Transcend Platform will be promoted worldwide – both as an entire ecosystem as well as via individual solutions. While NETSOL serves some of the world's largest auto captives and financial institutions, it will also continue to offer its products and services to Tier-2 and Tier-3 companies.

Amid intense global competition within the industry and across all regions where NETSOL operates, the company remains steadfast in its dedication to advancing technological innovation. Ensuring a future-proof business for its diverse clientele is a top priority for NETSOL. This commitment is demonstrated through the unification of its offerings and its focus on the integration of AI and ML. The company's R&D team continues working on other technologies that have gained traction within the financial services industry as well. Our AI strategy is supported by our dedicated AI Lab, which focuses on developing advanced AI models, ML algorithms and automation tools tailored to the financial sector. As we expand our AI Labs and hire top talent, we are not only empowering financial institutions to stay competitive, but also applying our AI solutions across industries like healthcare and retail to optimize operations, enhance customer experiences and drive growth.

Additionally, NETSOL will maintain its presence at major global industry events in 2025, including annual conferences, summits, conventions, exhibitions and networking events. Sponsoring, exhibiting at and participating in these events enables the company to educate prospects about NETSOL's offerings while also generating new business leads. NETSOL is committed to remaining active in events across North America, Europe and the APAC region.

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 13, 2025



Omar Ghauri
Director

ڈائریکٹرز رپورٹ

ہمیں خوشی ہے کہ نیٹ سول ٹیکنالوجیز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی 31 دسمبر 2024 کو ختم ہونے والے عرصہ کے لیے مالیاتی گوشوارے بشمول مجموعی مالیاتی گوشوارے پیش کر رہے ہیں۔

عمومی جائزہ: (General Overview)

اہم معاہدوں پر دستخط، نئی سسٹمز، پینل، اطلاق، مزید امتزاجات اور ایوارڈز کے حصول اور AI پر مبنی Transcend پلیٹ فارم کے تحت کمپنی کی تمام تر پروڈکٹ اور سروس کے انضمام کے ساتھ اختتام پذیر نصف سال نیٹ سول ٹیکنالوجیز کے لیے ایک اہم دور تھا۔

یورپ میں جاری توسیع کے سلسلہ میں نیٹ سول نے ایک نئے اسٹریٹجک پارٹنر ہیلمرمن (Hiltermann) کا اعلان کیا

نیٹ سول نے لیڈنگ اور فنانسنگ انڈسٹری میں ماہر ایلیٹ کی قرض دہندہ کمپنی ہیلمرمن (Hiltermann) کے نئی شراکت داری کا اعلان کیا ہے۔ ہیلمرمن نیٹ سول کے ہول بیل فنانس سسٹم (WFS) کے ساتھ live جو کمپنی کے جدید white-label lending فارم کو وسعت دے گا جو ان کی asset finance اور لیڈنگ مارکیٹ کے لیے مسابقتی پروڈکٹس میں اضافہ کرے گا۔ نیڈریڈز میں نیٹ سول کے لیے پیدہ اسٹریٹجک شراکت داری ہے جو کمپنی کی وسیع یورپین ترقی کی حکمت عملی میں سہارا دے گی۔

نیٹ سول کی جدید API ٹیکنالوجی ہیلمرمن (Hiltermann) کو اپنی ڈیٹا سٹریٹجی کے ساتھ تعاون بڑھانے، صارفین کے تعلقات کو بہتر کرنے اور وسیع تر مسابقتی فوئٹ حاصل کرنے میں مدد دے گی۔ با اعتبار اسٹاک فنانسنگ سلوشن ایکل مارکیٹ انفراسٹرکچر میں آسانی سے شامل ہو جاتا ہے اور آٹومیٹیشن اور وسعت پذیری میں مدد کرتا ہے جس سے فنڈز اور ڈیٹا کی فراہمی کے لیے سٹریٹجی عمل مزید فائدہ مند ہو جاتا ہے۔

نیٹ سول نے صارفین کو رقم digital retail اور asset finance سلوشن فراہم کرنے کے لیے Transcend پلیٹ فارم متعارف کرایا ہے

کمپنی نے آٹومیٹیو اور ایکسپنڈنگ OEMs، آٹو کیچوز، کمرشل لینڈرز، ڈیلرز، بروکرز، بینکوں اور دیگر مالیاتی اداروں کے لیے باقاعدہ طور پر اپنا نیا مخلوط Transcend پلیٹ فارم AI پر مبنی ڈیجیٹل ریٹیل اور asset finance متعارف کرایا ہے۔

نیٹ سول کا Transcend پلیٹ فارم ایک چھت کے نیچے متعدد مربوط پروڈکٹس اور سلوشنز پیش کرتا ہے جو AI کی انقلابی استعداد کو مستحضر کرنے کے لیے کمپنی کے عزم کی عکاسی کرتا ہے۔ AI پر مبنی نیپلیٹ فارم آٹو اور ایکسپنڈنگ OEMs کے لیے باقاعدہ طور پر اپنا نیا مخلوط Transcend پلیٹ فارم AI پر مبنی ڈیجیٹل ریٹیل اور asset finance متعارف کرایا ہے۔

Transcend پلیٹ فارم نیٹ سول کی رو میں تیز رفتاری اور asset finance کمپنیوں اور OEMs کے لیے AI ٹیکنالوجیز کے اعتراف کو ظاہر کرتا ہے۔ یہ جامع پلیٹ فارم ایسٹ، آٹو اور ایکسپنڈنگ فنانس اور لیڈنگ ٹیکنالوجی سے جدید ڈیجیٹل ریٹیل سلوشنز تک متعدد use-cases کا احاطہ کرتا ہے تاکہ پیچیدہ خریداری کے عمل میں سہولت فراہم کی جاسکے۔ Transcend پلیٹ فارم Transcend Retail (سابقہ Otop)، Transcend Finance (سابقہ ایسٹ)، Transcend Marketplace (سابقہ Apex) اور Transcend AI Labs (New) پر مشتمل ہے۔

معروف چینی آٹو فنانس فراہم کنندہ نے لاکھوں ڈالر کے معاہدہ کے ذریعے نیٹ سول کے Transcend فنانس پلیٹ فارم میں اضافہ کیا

چین کا معروف آٹو میوٹو مالیاتی خدمات فراہم کنندہ کمپنی کا طویل مدتی شراکت دار لاکھوں ڈالر کا معاہدہ کر کے نیٹ سول کے Transcend فنانس پلیٹ فارم (سابقہ ایسٹ) کے ساتھ live ہوا۔

گوآنژو (Guangzhou) کے صارف، جو سال 2009ء سے نیٹ سول کا شراکت دار رہا ہے، نے کمپنی کے Transcend فنانس پلیٹ فارم میں اپ گریڈ ہونے کا فیصلہ کیا ہے تاکہ وہ بلا روک ٹوک اپنے ریٹیل اور ہول بیل آپریٹرز کو manage کر سکے۔ اس میں ریٹیل آپریٹرز کے لیے Omni Point of Sale (Omni POS) اور Contract Management System (CMS) اور ہول بیل کے لیے Wholesale Finance System (WFS) شامل ہیں۔ اس تبدیلی میں end-to-end ماہیگر نیٹ سول شامل ہے۔ جو چین میں نیٹ سول کی جانب سے تین بلین سے زائد کے معاہدوں کے ذریعے متعلق کئے جانے والے بڑے مقدار میں سے ایک ہیں۔

نیٹ سول نے امریکہ میں کارڈی ڈیجیٹل خریداری اور لیڈنگ فریم ورک میں انقلاب لانے کے لیے ایک بڑے آؤٹریچ کے ساتھ ملٹی بلین معاہدہ پر دستخط کیے

ہماری ڈیجیٹل پلیٹ فارم نیٹ سول ٹیکنالوجیز امریکہ نے اپنے Otop ڈیجیٹل ریٹیل پلیٹ فارم کو استعمال کرتے ہوئے U.S. میں ڈیٹا سٹریٹجی آپریٹرز کی توسیع کے لیے ایک بڑے آؤٹریچ کے ساتھ پانچ سالہ ملٹی بلین معاہدہ پر دستخط کیے ہیں۔ کارڈ کی خریداری اور لیڈنگ فریم ورک میں انقلاب لانے کے لیے پانچ سالہ معاہدے میں کسٹمر سزیشن، اطلاق، deployment اور جاری SaaS سروسز شامل ہیں۔

Charles & Dean Finance نے Appex Now پروڈکٹس Flex And Dock کو مسکرا تب کر لیا ہے

برطانیہ کی ایوارڈ یافتہ ماہر فنانس بروکر سٹیج Charles and Dean نے Transcend Marketplace-Flex and Dock سے نیٹ سول کی دو API- فرسٹ پروڈکٹس کا انتخاب کیا ہے۔ Flex ایک فوری بلا ڈیجیٹل کیلکولیٹن، انجی ہے جو تیز رفتار اور درست کیلکولیٹن کی ضمانت دیتا ہے۔ Dock ایک مربوط ویزا بات بنانے کا آلہ ہے جو صارفین کو چند منٹوں میں درست دستاویز تیار کرنے میں مدد کرتا ہے۔

نیٹ سول نے چین کی ایک بڑی آؤٹسورسنگ کمپنی کے ساتھ توسیعی معاہدہ کیا ہے

چین میں ہماری ذیلی کمپنی نیٹ سول بیکنالوجیز (بیجنگ) لمیٹڈ نے چین بحیر میں اپنے آپریشنز میں مدد کے لئے ایک بڑی آؤٹسورسنگ اور ٹول مدتی صارف کے ساتھ نیا معاہدہ طے کیا ہے۔ اس معاہدے کے ذریعے معاہدے کی کل مالیت پانچ برس سے زائد عرصہ کے لئے 30 ملین ڈالر ہوگی ہے جس سے توقع کی جارہی ہے کہ مالیاتی سال 2025ء اور ماہ بعد بھاری آمدنی حاصل ہوگی۔

نیٹ سول چین کی صدر نے فنانس اور لیڈنگ میں صوبگی کے اعتراف میں دو ایوارڈز حاصل کیے ہیں

نیٹ سول چین کی صدر اماندا لی لنجی (Amanda Li Linjie) نے چین کی فنانس اور لیڈنگ انڈسٹری میں کمپنی کی شادمانہ کارکردگی کے اعتراف میں دو ایوارڈز حاصل کیے ہیں۔ یہ ایوارڈ چینی انڈسٹری خصوصاً آؤٹسورسنگ انڈسٹری میں نیٹ سول کے غلبہ کی عکاسی کرتے ہیں۔

22 نومبر 2024ء کو مس لی لنجی (Ms. Li Linjie) کو چنگھائی میں منعقدہ چائنا آؤٹسورسنگ اینڈ انڈسٹری ڈیولپمنٹ کمیٹی فورم 2024ء میں آؤٹسورسنگ فنانس New Productivity Innovation Pioneer Award سے نوازا گیا۔

29 نومبر 2024ء کو نیٹ سول نے بیجنگ میں چائنا لیڈنگ برنس ایسوسی ایشن (CLBA) کے سالانہ فنانشل لیڈنگ سمٹ میں شرکت کی۔ اس شادمانہ ایونٹ، جسے چین کی فنانس اور لیڈنگ انڈسٹری کا ایک متاثر کن اجتماع کہا جاتا ہے، کے دوران مس لی لنجی (Ms. Li Linjie) کو مثالی قیادت اور چینی فنانس اور لیڈنگ شعبے کی بدلتی ہوئی ضروریات کو پورا کرنے کے لئے عالمی معیار کے مل فراہم کرنے کی جانب نیٹ سول کے غیر متزلزل عزم کے اعتراف میں چائنا فنانشل لیڈنگ ایگسٹی لینس سروس ایوارڈ سے نوازا گیا۔

مس لی لنجی (Ms. Li Linjie) کو نوازے گئے ایوارڈز کے علاوہ نیٹ سول کو فرنٹ ریٹ اینڈ ہیٹ سیلنگ لیڈنگ سلوشن پراہوائیز ایوارڈ سے بھی نوازا گیا جو کہ کمپنی متعدد بار حاصل کر چکی ہے۔

کمپنی کی طرف سے اس کے اپنے حصص کی Purchase/Buy-Back

31 دسمبر 2024ء کو کمپنی نے غیر معمولی اجلاس عام میں، حصص یافتگان نے پاکستان اسٹاک ایکسچینج کے ذریعے عام لوگوں سے 10 ملین تک عام حصص کی بائی بیک خریداری کی منظوری دی۔ بائی بیک 3 جنوری 2025ء سے، 29 جنوری 2025ء تک 180 دن کی مدت میں ہوگا۔ یہ حصص خریداری حصص کی طور پر رکھے جائیں گے۔

مالیاتی کارکردگی: (Financial Performance)

31 دسمبر 2024ء کو ختم ہونے والی دوسری سہ ماہی مع 2023ء کی اسی مدت کے ساتھ اور 31 دسمبر 2024ء کو ختم ہونے والی ششماہی مع 31 دسمبر 2023ء کی اسی مدت کے ساتھ غیر آڈٹ شدہ مالیاتی گوشوارے کے نتائج کا موازنہ درج ذیل ہے۔

انفرادی مالیاتی گوشوارے

تعمیرات	اکتوبر تا دسمبر 2024ء	اکتوبر تا دسمبر 2023ء	جولائی تا دسمبر 2024ء	جولائی تا دسمبر 2023ء
محصولات (ملین میں)	2,255	2,486	4,154	4,742
خام منافع (ملین میں)	946	1,216	1,587	2,114
صافی (خسارہ) / نفع (ملین میں)	(27)	534	170	806
(خسارہ) / منافع فی حصص بنیادی (روپوں میں)	(0.31)	6.08	1.93	9.17
(خسارہ) / منافع فی حصص - تحلیل شدہ (روپوں میں)	(0.31)	6.05	1.90	9.14
'EBITDA' فی حصص - تحلیل شدہ (روپوں میں)	0.60	7.25	2.75	11.44

31 دسمبر 2024ء کو ختم ہونے والی سہ ماہی کے دوران محصولات میں پچھلے مالی سال کی اسی سہ ماہی میں درج ہونے والی محصولات کے مقابلے میں 9 فیصد کمی واقع ہوئی۔ کمپنی گزشتہ سال کے

اسی عرصے کے دوران 2,486 ملین روپے کے مقابلے میں 2,255 ملین روپے کی خالص محصولات حاصل کی ہیں، جو بنیادی طور پر خدمات اور سمسکریشن اور سپورٹ کی محصولات پر مبنی ہے۔ خدمات محصولات کی مدتیں کمپنی نے گزشتہ مالی سال کی اسی سہ ماہی میں 962 ملین روپے کے مقابلے میں 805 ملین روپے کی محصولات موجودہ سہ ماہی میں درج کی ہیں۔ دریں اثناء، سمسکریشن اور سپورٹ کی آمدنی موجودہ سہ ماہی میں 1,152 ملین روپے سے بڑھ کر 1,451 ملین روپے ہوئی۔ یہ ترقی بنیادی طور پر کامیاب نفاذ کے بعد maintenance کے مرحلے میں داخل ہونے والے صارفین کے ساتھ ساتھ موجودہ مدت کے دوران درج کی گئی catch-up ایڈجسٹمنٹ کی وجہ سے ہے۔

مجموعی محصولات میں کمی بنیادی طور پر دو وجوہات، کمپنی کی typical لائسنس پر مبنی ماڈل سے on-cloud SaaS پر مبنی سلوشنز میں منتقلی اور کامیاب نفاذ اور "Go Live" کے بعد مختلف صارفین کی maintenance کے مرحلے میں منتقلی کی وجہ سے ہے۔ اگرچہ "Software as a Service" کی طرف اس منتقلی کے ساتھ، ہم کھلاؤڈ پر مبنی نیا ٹیکنالوجیز کی طرف سے پیش کردہ پلگ، تو سبچ پڈ بری اور لاگت کی کارکردگی کو قبول کر رہے ہیں، اس کے نتیجے میں موجودہ مدت کے دوران لائسنس کی کوئی نئی فروخت نہیں ہوئی ہے۔ تاہم، یہ کمپنی کی کاروباری کارکردگی میں کمی کی نشاندہی نہیں کرتا، بلکہ یہ SaaS کاؤنٹنگ کی وجہ سے محصولات کی recognition میں تہدیلی کمی کی نمائندگی کرتا ہے۔ روایتی لائسنس پر مبنی ماڈل کے تحت، صارف کو سافٹ ویئر کی فراہمی پر لائسنس کی محصولات کو پہلے سے درج کیا جاتا ہے جبکہ SaaS ماڈل میں محصولات کو وقت کے ساتھ recognized کیا جاتا ہے، جس سے زیادہ مستحکم اور متوقع محصولات اور cash flow کو یقینی بنایا جاتا ہے۔ اگرچہ یہ نقلی قلیل مدتی محصولات

کے نمونوں کو متاثر کرتی ہے، لیکن یہ صارفین کو برقرار رکھنے اور باہر محصولات کے سلسلے کو بڑھا کر طویل مدتی مالی استحکام کو مضبوط کرتی ہے۔ یہ تہذیبی انسپکشن پر مبنی سلوشنز کی طرف صنعت کے رجحانات کے ساتھ بھی مطابقت رکھتی ہے، Scalability اور طویل مدتی ترقی کی صلاحیت کی حمایت کرتی ہے۔ یہ بتانے کی ضرورت نہیں کہ کتنی اہل بڑے blue-chip صارفین کو لائسنس پر مبنی سلوشنز پیش کرتی رہے گی جو اپنی ترجیحات اور کاروباری ضروریات کے مطابق اپنی مرضی کی مطابق سلوشن حاصل کرنے کو ترجیح دیتے ہیں۔

محصولات کی الاگت میں کم دشمنی کو پیشگی تبدیلی نہیں ہوئی۔ اس مدت کے دوران مجموعی 42 فیصد ربا جبکہ گذشتہ مدت کے دوران یہ مارچن 49 فیصد درج کیا گیا تھا۔ کتنی نے موازنہ مدت کے 534 ملین روپے کا نقد منافع کے مقابلے میں 27 ملین روپے کا نقد نقصان درج کیا۔ پورہ آر ایم بی، آسٹریلیا ڈی آر وغیرہ جیسی مختلف کرسٹوں کے مقابلے میں پاکستانی روپے کی قدر میں اضافے کی وجہ سے، کتنی نے موجودہ مدت کے دوران 278 ملین روپے لگائی تھیں۔ اس مدت کے دوران 170 ملین روپے کی قدر میں اضافے کے خلاف 170 ملین روپے کا بعد از ٹیکس گذشتہ مدت کے 6.08 اور 6.05 روپے پر پورے بنیادی اور تھمیل شدہ فی حصص منافع کے مقابلے میں اس مدت کے لئے 0.31 روپے بنیادی اور تھمیل شدہ فی حصص خسارہ درج کیا ہے۔ کتنی نے گذشتہ عرصے کے 7.25 روپے کے مقابلے میں 0.60 روپے تھمیل شدہ فی حصص منافع حاصل EBITDA منافع درج کیا ہے۔

ششماہی بنیاد پر 4,742 ملین روپے کی خاص محصولات کے مقابلے میں 4,154 ملین روپے کی خاص محصولات درج کی ہیں۔ کتنی نے گذشتہ مالی سال کی پہلی ششماہی میں 552 ملین روپے لائسنس کی محصولات درج کی تھی جبکہ رواں سال میں کوئی لائسنس کی محصولات درج نہیں کی گئی جس کے نتیجے میں کتنی کی مجموعی محصولات میں کمی واقع ہوئی۔ اس مدت کے دوران خاص منافع 1,587 ملین روپے درج کیا گیا جو گذشتہ مدت میں 1,114 ملین روپے درج کیا گیا تھا۔ کتنی نے گذشتہ مالی سال کی اسی مدت کے دوران 806 ملین روپے کے مقابلے میں 170 ملین روپے کا بعد از ٹیکس خاص منافع کیا ہے۔ 31 دسمبر 2024 کو تخم ہونے والے ششماہی کے لئے فی حصص بنیادی اور تھمیل شدہ آمدنی ہائریٹیبل گذشتہ مدت میں 9.17 اور 9.14 روپے کے مقابلے میں ہائریٹیبل 1.93 اور 1.90 روپے درج کی ہے۔ موجودہ مدت ششماہی کے لیے EBITDA منافع 2.75 روپے فی حصص درج کیا ہے جو گذشتہ مدت میں 11.44 روپے فی حصص تھا۔

کتنی نے اپنے مکمل ملکیتی ذیلی ادارہ "نیٹ سول انویشنز (پرائیویٹ) لمیٹڈ" اور اس کے سٹے شامل کردہ ڈی وچسز و مکمل ملکیتی ذیلی ادارہ "نیٹ سول اینڈ مڈل ایسٹ ایکویٹمنٹ ٹریڈنگ ایل ایل سی" کے مجموعی مالیاتی گوشارے شامل کر دیے ہیں۔ نیٹ سول انویشنز بنیادی طور پر پیشہ ورانہ خدمات، ٹیمول ایگزون و سب روزمرگی فراہمی بھی شامل ہے۔ 31 دسمبر 2024ء کے ختم ہونے والی سالہ مالیاتی نیٹ نقد مجموعی محصولات 2,283 ملین روپے ہیں جو کہ 2023ء کی مدت میں 2,567 ملین روپے کی گئی تھی۔ مجموعی خاص منافع گذشتہ مالی سال کی اسی مدت میں 1,209 ملین روپے کے مقابلے میں موجودہ سالہ میں 922 ملین روپے ہے۔ مجموعی بنیاد پر کتنی نے گذشتہ مالی سال کی اسی مدت میں 497 ملین روپے نقد مجموعی منافع کے مقابلے میں موجودہ سالہ میں 77 ملین روپے نقد مجموعی خسارہ درج کیا ہے۔ 31 دسمبر 2024 کو تخم ہونے والی سالہ مالیاتی کے لئے فی حصص بنیادی اور تھمیل شدہ آمدنی، گذشتہ مدت میں 5.65 اور 5.62 روپے فی حصص منافع کے مقابلے میں 0.88 اور 0.87 روپے بنیادی اور تھمیل شدہ فی حصص خسارہ درج کیا ہے۔

مستقبل کا منظر نامہ: (Future Outlook)

عالمی مالیاتی خدمات کے شعبہ میں اپنی پوزیشن کو برقرار رکھنے کے لئے نیٹ سول جدت کی جانب اپنی پیش رفت کو جاری رکھے گی اور ہمہ وقت دہلتے ہوئے دھارے میں بدلتی ہوئی صارف توقعات اور ریگولیٹری تبدیلیوں کے مطابق خود کو ڈھالے گی۔

اس عرصہ میں ایک بڑی پیش رفت، جو کتنی کے مستقبل پر اثر انداز ہوگی، نئے Transcend پلٹ فارم AI پر مبنی ایک جان ایکوسٹم کے تحت نیٹ سول پروڈکٹس اور روزمرہ کا انضمام ہے جس میں اضافہ جات کی فروخت، financial and leased میں انقلاب آنے گا۔ ہر مرحلے کو جدید خطوط پر استوار کرنے اور رکھانے فروخت سے خدمات تک کے لئے تیار کیا گیا Transcend leverages AI and ML کو مضبوط کرے گا تاکہ کرنل از وقت نظر ثانی اور مربوط فیصلے کئے جاسکیں۔

فنانس اور لیزنگ کمپنیاں اپنی لاگت کو کم کرنے اور اپنی پیش کارکردگی کو بہتر کرنے کے لئے لگاتار سچو کر رہی ہیں۔ AI پر مبنی سلوشن ورک فلک کو بہتر کرتے ہیں اور ذہانت پر مبنی بصیرت فراہم کرتے ہیں جو بڑھتی ہوئی انویشن کے ساتھ ساتھ الاگت میں نمایاں کی سکتے ہیں۔ AI پلٹ فارم اداروں کو ڈیٹا کے وسیع حجم کو سنبھالنے میں متاثر کن کردار ادا کرتے ہیں۔ بہتر تجزیات کے ذریعے کاروبار تک کے تئیں، قیمتوں کی کثرت، عملی، صارف کے حصول اور ایسٹیمینٹ کی بابت بہتر فیصلے کر سکتے ہیں۔

Transcend پلٹ فارم میں اپنی پروڈکٹس کے انضمام کے ذریعے کتنی مزید قابل تجدید پلٹ فراہم کر سکتی ہے جو برکائٹ کی خصوصی ضروریات کو پورا کر سکتے ہیں۔ اس طرح فنانس اور لیزنگ کمپنیوں کو اپنے آپریٹنگ کو کمپل کرنے میں مددگار بنائیں گے۔

پلٹ فارم میں AI کی شمولیت کتنی پر بھروسہ مارکیٹ پلیس میں مسابقتی برتری دے سکتی ہے۔ AI کو مضبوط کرنے والی کمپنیاں جدت کے فروغ کے لئے بائبل تیار ہیں جو ریٹیل کے مقابلے میں مزید بائبل، خود کار ڈیٹا پر مبنی سلوشن پیش کرتی ہیں جو تاحال روایتی طریق عمل پر انحصار کر رہی ہیں۔ مزید برآں، ہکا ڈ ڈ کے ذریعے ایل پیٹیشن کرنے کا سلسلہ جاری رکھتے ہوئے نیٹ سول باروڈ کوک تو وسیع کے قابل ہوئی ہے۔ یہ بڑھتے ہوئے کاروباروں کے لئے ایک بڑی برتری ہے جو یکدم ڈیٹا انفراسٹرکچر پائمنٹ یوں کے بارے میں پریشان ہوئے بغیر اپنے آپریٹنگ کو پھیلا سکتے ہیں۔

آگے بڑھتے ہوئے AI پر مبنی سیکان پلٹ فارم نے کتنی کو انویشن، ڈیٹا پر مبنی بصیرت اور بڑھتے ہوئے صارف تجربہ کے لئے پوری ہوئی طلب کے شہرت حاصل کرنے میں مدد دی ہے۔ Transcend پلٹ فارم کی بطور مجموعی ایکوسٹم اور انفرادی سلوشنز کے ذریعے دنیا بھر میں شہرت کی جائے گی۔ چونکہ نیٹ سول دنیا کی بڑی آنکھ پھوڑ والی مالیاتی اداروں کو خدمات پیش کرتی ہے لہذا وہ Tier-2 اور Tier-3 کمپنیوں کو بھی اپنی پروڈکٹس اور خدمات پیش کرے گی۔

انڈسٹری اور تمام خطوں جہاں نیٹ سول کام کرتا ہے، میں شدید عالمی مقابلہ کے پیش نظر کمپنی ٹیکنالوجی میں جدت لانے کے لئے پرعزم ہے۔ اپنے متنوع گاہکوں کے لئے مستقل سے محفوظ کاروبار کو یقینی بنانا نیٹ سول کی اولین ترجیح ہے۔ اس عزم کی عکاسی اپنی پیشکشوں کو سکھانے اور AI اور ML کی شمولیت پر اس کی توجہ سے ہوتی ہے۔ کمپنی کی R&D ٹیم دیگر ٹیکنالوجیز پر کام کر رہی ہے جس نے مالیاتی خدمات کی انڈسٹری میں بھی اپنے قدم بنائے ہیں۔ ہماری AI حکمت عملی کو ہماری وقف AI کی حمایت حاصل ہے، جو مالیاتی شعبے کے مطابق جدید AI ڈاٹا، MI، ایلوگتھم اور انوشین ٹولز تیار کرنے پر مرکوز ہے۔ جیسا کہ ہم اپنی AI لیبر کو وسعت دے رہے ہیں اور اعلیٰ ٹیلنٹ کی خدمات حاصل کر رہے ہیں، ہم نہ صرف مالیاتی اداروں کو مسابقتی رہنے کے لیے بااختیار بنا رہے ہیں، بلکہ اپنے AI سلوشنز کو سخت کی دیکھ بھال اور ریشیل جیسی انڈسٹریز میں لاگو کر رہے ہیں تاکہ آپریشن کو بہتر بنایا جاسکے، صارفین کے تجربات کو بڑھانے اور ترقی کو آگے بڑھانے کے لیے لاگو کر رہے ہیں۔

مزید برآں، نیٹ سول سال 2025ء میں بڑے عالمی انڈسٹری کی تقریبات میں شرکت کو برقرار رکھے گی جس میں سالانہ کنفرنس، سیمینار، کنونشنز، ہمائشیں اور نیٹ ورکنگ تقریبات شامل ہیں۔ ان تقریبات میں نمائش کرنا، اسپانسر کرنا اور ان میں شرکت کرنا کمپنی کو نیٹ سول کی پیشکشوں سے متعلق امکانات سے روشناس کرائے گی اور نئی کاروباری ایڈز حاصل کرنے میں مدد دے گی۔ نیٹ سول شمالی امریکہ، یورپ اور APAC خطے میں منصفہ تقریبات میں بھی اپنی شمولیت کو جاری رکھنے کے لئے پرعزم ہے۔

عتراف (Acknowledgement)

بورڈ آف ڈائریکٹرز کمپنی 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 کمپنی کو ان نتائج کو حاصل کرنے میں مدد ملی۔ بورڈ کمپنی کے تمام ملازمین اور ایگزیکٹوز کا ان کی قابل قدر خدمات و فاداری 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

13 فروری، 2025ء

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF NETSOL TECHNOLOGIES LIMITED

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **NETSOL TECHNOLOGIES LIMITED** ("the Company") as at December 31, 2024 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, condensed interim unconsolidated statement of cash flows, and the notes to the condensed interim unconsolidated 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 condensed interim unconsolidated 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 interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for the 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 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures of the condensed interim unconsolidated statement of profit or loss and the condensed interim unconsolidated statement of comprehensive income for the quarters ended December 31, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2024.

The engagement partner on the audit resulting in this independent auditor's review report is Amin Ali.

LAHORE

Dated: February 13, 2025

UDIN: RR2024100519pRxdOHv2



CROWE HUSSAIN CHAUDHURY & CO.

Chartered Accountants



889,65

86

456,76

34,56

15,23

78,24

646,

159,7

684,25

789,21

584,79

78,32

45

Condensed Separate Financial Statements

For the Half Year Ended December 31, 2024

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

As at December 31, 2024

		Dec-31 2024	Jun-30 2024
	NOTE	Unaudited	Audited
Rupees in Thousands			
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	1,226,597	1,216,236
Intangible assets	6	-	-
Long term investments	7	537,218	537,218
Long term contract assets		56,092	52,637
Long term loans to employees		5,289	22,860
		1,825,196	1,828,951
CURRENT ASSETS			
Trade debts	8	4,824,022	5,295,202
Contract assets		1,534,082	1,745,245
Loans and advances		74,026	113,150
Deposits and short term prepayments		226,940	112,654
Other receivables		142,807	54,018
Due from related parties	9	447,104	540,612
Prepaid tax asset		54,913	35,349
Short term investments	10	200,000	-
Cash and bank balances		4,348,742	4,647,055
		11,852,636	12,543,285
TOTAL ASSETS		13,677,832	14,372,236
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
200,000,000 (June 30, 2024: 200,000,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid-up capital	11	898,369	898,369
Reserves		9,574,642	9,664,297
Share deposit money		13	13
Shareholders' Equity		10,473,024	10,562,679
NON CURRENT LIABILITIES			
Long term financing	12	232	2,696
Long term advances		3,705	1,995
		3,937	4,691
CURRENT LIABILITIES			
Trade and other payables		928,690	760,472
Contract liabilities		78,986	1,446,474
Short term borrowings	13	2,180,000	1,580,000
Current portion of non-current liabilities		8,572	14,096
Unclaimed dividend		4,623	3,824
		3,200,871	3,804,866
CONTINGENCIES AND COMMITMENTS	14	-	-
TOTAL EQUITY AND LIABILITIES		13,677,832	14,372,236

The annexed notes 1 to 25 form an integral part of these condensed interim un-consolidated financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the Half Year and Quarter Ended December 31, 2024

	NOTE	Half year ended Dec 31		Quarter ended Dec 31	
		2024	2023	2024	2023
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
		Rupees in Thousands			
			(Restated)		(Restated)
Revenue from contracts with customers - net	15	4,154,022	4,741,849	2,255,142	2,485,752
Cost of revenue		(2,567,190)	(2,627,525)	(1,308,996)	(1,269,452)
Gross profit		1,586,832	2,114,324	946,146	1,216,300
Selling and promotional expenses		(393,272)	(343,819)	(209,295)	(185,169)
Administrative expenses		(750,261)	(705,088)	(375,072)	(356,032)
		(1,143,533)	(1,048,907)	(584,367)	(541,201)
Operating profit		443,299	1,065,417	361,779	675,099
Other operating expenses		(351,329)	(279,516)	(386,156)	(124,178)
Finance cost		(129,457)	(158,952)	(60,692)	(79,643)
Other income	16	355,379	276,656	145,574	128,255
		(125,407)	(161,812)	(301,274)	(75,566)
Profit before Final Taxes and Income Tax		317,892	903,605	60,505	599,533
Final tax / levies	17	(148,385)	(97,947)	(87,842)	(65,416)
Profit / (Loss) before Income Tax		169,507	805,658	(27,337)	534,117
Income tax		-	-	-	-
Net Profit / (Loss) for the Period		169,507	805,658	(27,337)	534,117
Earnings / (Loss) Per Share - Basic and Diluted	18				
- Basic		1.93	9.17	(0.31)	6.08
- Diluted		1.90	9.14	(0.31)	6.05

The annexed notes 1 to 25 form an integral part of these condensed interim un-consolidated financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
For the Half Year and Quarter Ended December 31, 2024

	Half year ended Dec 31		Quarter ended Dec 31	
	2024	2023	2024	2023
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	Rupees in Thousands			
Net Profit / (Loss) for the Period	169,507	805,658	(27,337)	534,117
Other Comprehensive Income for the period				
Items that may be re-classified subsequently to profit or loss	-	-	-	-
Items that will not be re-classified subsequently to profit or loss	-	-	-	-
	-	-	-	-
Total Comprehensive Income / (Loss) for the Period	169,507	805,658	(27,337)	534,117

The annexed notes 1 to 25 form an integral part of these condensed interim un-consolidated financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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

For the Half Year Ended December 31, 2024

	Dec 31 2024 (Un-audited)	Dec 31 2023 (Un-audited)
Rupees in Thousands		
Profit before final taxes and income tax	317,892	903,605
Adjustments for:		
- Depreciation - own assets	152,188	181,360
- Depreciation of right of use assets	607	1,337
- Amortization of intangible assets	-	40,386
- Gain on disposal of property and equipment	(76)	(5)
- Foreign exchange loss	107,155	44,878
- Finance cost	127,007	156,870
- Interest income	(354,253)	(275,601)
- Employee share option compensation expense	4,349	6,664
- Provision for expected credit losses	56,286	48,919
	93,263	204,808
Operating profit before working capital changes	411,155	1,108,413
<i>Decrease / (Increase) in current assets</i>		
- Trade debts	479,556	1,171,047
- Contract assets	35,329	(596,475)
- Loans and advances	56,695	(15,942)
- Deposits and short term prepayments	(114,286)	(8,443)
- Other receivables	(88,789)	9,204
- Due from related parties	93,508	(197,289)
<i>(Decrease) / Increase in current liabilities</i>		
- Trade and other payables	174,039	(13,183)
- Contract liabilities	(1,367,488)	(1,028,039)
Cash (Used in) Operations	(731,436)	(679,120)
Levy / final tax paid	(167,949)	(114,326)
Dividend paid	(262,712)	-
	(430,661)	(114,326)
Net Cash (Used in) / Generated from Operating Activities	(750,942)	314,967
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of property and equipment	(122,612)	(38,250)
Proceeds from disposal of property and equipment	76	58
Short term investments	(200,000)	-
Advance against capital expenditure	(40,544)	(3,082)
Interest received	354,253	275,602
Net Cash (Used in) / Generated from Investing Activities	(8,827)	234,328
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(1,017)	(2,325)
Repayment of long term loan	(8,294)	(30,430)
Short term borrowing - net	469,057	(140,400)
Long term advances - net	1,710	4,635
Net Cash Generated from / (Used in) Financing Activities	461,456	(168,520)
Net (Decrease) / Increase in Cash and Cash Equivalents	(298,313)	380,775
Cash and cash equivalents at the beginning of the period	4,647,055	2,631,171
Cash and Cash Equivalents at the End of the Period	4,348,742	3,011,946

The annexed notes 1 to 25 form an integral part of these condensed interim un-consolidated financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the Half Year Ended December 31, 2024

Particulars	Share Capital	Reserves				Total Reserves	Share Deposit Money	Total Equity
		Capital Reserve			Revenue Reserve			
		Treasury share reserve	Employee share option compensation reserve	Share premium	Unappropriated Profit			
Rupees in Thousands								
Balance as at June 30, 2023	898,369	(184,739)	253,701	304,167	7,895,923	8,269,052	13	9,167,434
Net profit for the period	-	-	-	-	805,658	805,658	-	805,658
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	805,658	805,658	-	805,658
Employee share option reserve	-	-	6,664	-	-	6,664	-	6,664
Balance as at December 31, 2023	898,369	(184,739)	260,365	304,167	8,701,581	9,081,374	13	9,979,756
Balance as at June 30, 2024	898,369	(184,739)	264,787	304,167	9,280,082	9,664,297	13	10,562,679
Net profit for the period	-	-	-	-	169,507	169,507	-	169,507
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	169,507	169,507	-	169,507
Payment of final dividend for the year ended June 30, 2024 @ Rs 3 per share	-	-	-	-	(263,511)	(263,511)	-	(263,511)
Employee share option reserve	-	-	4,349	-	-	4,349	-	4,349
Balance as at December 31, 2024	898,369	(184,739)	269,136	304,167	9,186,078	9,574,642	13	10,473,024

The annexed notes 1 to 25 form an integral part of these condensed interim un-consolidated financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UN-CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
For the Half Year Ended December 31, 2024

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 The 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. The Company is domiciled in Pakistan and is principally engaged in the development and sale of computer software and allied services in Pakistan as well as abroad.

Geographical locations and addresses of its business units are as follows:

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 Karachi Pakistan.	Branch office
3 House No. 4, Safari villas 1, Bahria town, Rawalpindi. Pakistan.	Branch office

NetSol IT Village, (Software Technology Park) also includes House No. 4, House No. 5, House No. 6, House No. E - 20, Cricketers Colony, NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.

The Company is also using the branch office of its parent company, situated at Sentral Senayan 2 Building, 16th Floor, Asia Afrika Street No. 8, Senayan, Kebayoran Baru, South Jakarta, DKI Jakarta, 10270, Indonesia.

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

2. BASIS OF PREPARATION

2.1 Separate financial statements

These financial statements are condensed, interim, un-consolidated financial statements (un-audited) of the Company. Condensed consolidated interim financial statements of the Company are prepared separately.

2.2 Statement of compliance

These condensed, interim, un-consolidated financial statements (un-audited) are being submitted to the shareholders as required by section 237 of the Companies Act, 2017 (the 'Act') and 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, un-consolidated financial statements are un-audited 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, 2024.

2.3 Basis of measurement

These condensed, interim, un-consolidated financial statements (un-audited) have been prepared under the historical cost convention using accrual basis of accounting, except for revaluation of certain financial instruments at fair value as disclosed in respective accounting policies or notes.

2.4 Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted for the preparation of these condensed, interim, un-consolidated financial statements (un-audited) are consistent with those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2024.

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

Certain standards, amendments and interpretations to approved accounting standards are also effective for accounting periods beginning on or after July 01, 2024, 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, un-consolidated financial statements (un-audited).

The Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' which were previously being recognised as 'Income tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under 'IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors' and the corresponding figures have been restated in these condensed, interim, un-consolidated financial statements. The effects of restatements are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
Rupees in Thousands			
<i>Effect on condensed, interim, un-consolidated statement of profit or loss</i>			
For the half year ended December 31, 2024 (Un-audited)			
Final tax / levies	-	148,385	148,385
Profit before tax	317,892	(148,385)	169,507
Taxation	(148,385)	-	-
	169,507	(148,385)	169,507
Profit after tax	169,507	-	169,507

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
Rupees in Thousands			
<i>Effect on condensed, interim, un-consolidated statement of profit or loss</i>			
For the half year ended December 31, 2023 (Un-audited)			
Final tax / levies	-	97,947	97,947
Profit before tax	903,605	(97,947)	805,658
Taxation	(97,947)	-	-
	805,658	(97,947)	805,658
Profit after tax	805,658	-	805,658

The related changes to the condensed, interim, un-consolidated statement of cash flows (un-audited) with respect to the amount of profit before taxation have been made as well. There is no impact on profit after tax and earnings per share, basic and diluted.

3.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective:

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these condensed, interim, un-consolidated financial statements.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of condensed, interim, un-consolidated financial statements (un-audited) 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, 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, un-consolidated financial statements (un-audited), 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, 2024.

5. PROPERTY AND EQUIPMENT

		Dec 31 2024	Jun 30 2024
	NOTE	(Un-audited)	(Audited)
Rupees in Thousands			
Operating fixed assets	5.1	1,182,919	1,208,998
Right of use assets	5.2	-	4,104
Advance against capital expenditure	5.3	43,678	3,134
		1,226,597	1,216,236
5.1. Operating fixed assets			
Opening written down value		1,208,998	1,505,829
Additions during the period / year	5.1.1	126,109	119,677
Disposals during the period / year		-	(76,566)
		1,335,107	1,548,940
Depreciation charge for the period / year		(152,188)	(339,942)
		1,182,919	1,208,998
5.1.1 Following is the detail of additions / transfers during the period:			
At cost			
Furniture and fixtures		481	4,464
Vehicles		3,847	41,537
Office equipment		7,634	3,300
Computer equipment and installations		63,755	36,786
Air conditioners		2,315	1,060
Generators		-	4,675
Computer softwares		48,077	27,855
		126,109	119,677

	NOTE	Dec 31 2024 (Un-audited)	Jun 30 2024 (Audited)
Rupees in Thousands			
5.2 Right of use assets			
Opening written down value		4,104	8,380
Disposals during the period / year		(3,497)	(2,030)
		607	6,350
Depreciation charge for the period / year		(607)	(2,246)
		-	4,104
5.3 Advance against capital expenditure includes the advance paid for the solar facility to be installed at the Company's premises.			
6. INTANGIBLE ASSETS			
	NOTE	Dec 31 2024 (Un-audited)	Jun 30 2024 (Audited)
Rupees in Thousands			
Opening Balance - written down value	6.1	-	40,386
Less : Amortization		-	(40,386)
		-	-
6.1 NetSol Financial Suite and NFS - Ascent have been fully amortized; however, the Company is still generating revenues from the sale of its licenses, provision of allied services and maintenance.			
7. LONG TERM INVESTMENTS			
	NOTE	Dec 31 2024 (Un-audited)	Jun 30 2024 (Audited)
Rupees in Thousands			
At cost			
NetSol Innovation (Private) Limited	7.1	515,000	515,000
NetSol Ascent Middle East Computer Equipment Trading L.L.C.	7.2	-	-
Subscription money payable	7.3	22,218	22,218
		537,218	537,218
7.1 NetSol Innovation (Private) Limited is a wholly owned subsidiary of the Company which 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. Main objective of the company is to engage in the business of providing software development & allied IT services. The Company holds 51.5 million (June 30, 2024: 51.5 million) fully paid ordinary shares of Rs. 10 each i.e. 99.999% (June 30, 2024: 99.999%) in this subsidiary.			
7.2 This represents 300 ordinary shares of AED 1,000 each, representing 100% (June 30, 2024: 100%) shares in the wholly owned subsidiary NetSol Ascent Middle East Computer Equipment Trading L.L.C. The subsidiary is incorporated in Dubai (U.A.E). Main objective of the investee Company is to provide services related to computer systems and communication equipment and softwares. Principal place of business of the subsidiary is situated in Dubai (U.A.E).			
7.3 This represents subscription money payable in respect of wholly owned subsidiary, NetSol Ascent Middle East Computer Equipment Trading L.L.C.			

8. TRADE DEBTS	NOTE	Dec 31 2024 (Un-audited)	Jun 30 2024 (Audited)
Rupees in Thousands			
Related Parties			
Considered good - unsecured		4,301,569	4,645,262
Considered doubtful - unsecured		166,703	278,192
Other Parties			
Considered good - unsecured		522,453	649,940
Considered doubtful - unsecured		715	2,405
		523,168	652,345
Less: Provision against expected credit losses		(167,418)	(280,597)
		4,824,022	5,295,202
8.1 Amount receivable from related parties included in trade debts (from exports) are as under:			
NetSol Technologies (Thailand) Limited		6,687	61,866
NetSol Technologies (Beijing) Co., Ltd.		2,698,508	3,267,132
NetSol Technologies Australia Pty Limited		681,616	715,896
NetSol Technologies Americas Inc.		408,553	416,650
NetSol Technologies Europe Limited		2,566	2,015
Ascent Europe Limited		670,342	433,302
Tianjin NuoJinZhiCheng Co., Ltd.		-	26,593
		4,468,272	4,923,454
9. DUE FROM RELATED PARTIES			
Considered good - unsecured			
Parent			
NetSol Technologies Inc.		-	96,687
Associates			
NetSol Technologies Americas Inc.		60,331	103,556
NetSol Connect (Private) Limited		12,458	13,858
NetSol Technologies (Thailand) Limited		-	27,938
NetSol Technologies (Beijing) Co., Ltd.		259,205	260,490
OTOZ Thailand Limited		30,499	28,398
Tianjin NuoJinZhiCheng Co., Ltd.		-	70
Wholly owned Subsidiary			
NetSol Innovation (Private) Limited	9.2	84,611	9,615
		447,104	540,612

9.1 These relate to the normal course of business of the Company and are interest free.

9.2 These relate to the normal course of business of the Company and interest @ 6 months KIBOR is charged on the outstanding balance at the end of each month.

10. Short Term Investments

Askari Bank Limited	10.1	200,000	-
10.1 These carry markup ranging from 9.5% to 12% per annum (June 30, 2024 : Nil) and have maturity of one month from the date of initial recognition with auto rollover. The lien is marked in favour of Lahore High Court on the term deposit receipt.			

11. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	Dec 31 2024	Jun 30 2024		Dec 31 2024	Jun 30 2024
	(Un-audited)	(Audited)		(Un-audited)	(Audited)
	Number of shares in Thousands			Rupees in Thousands	
	42,686	42,686	Ordinary shares of Rs. 10 each fully paid in cash	426,862	426,862
	47,151	47,151	Ordinary shares of Rs. 10 each allotted as fully paid bonus shares	471,507	471,507
	89,837	89,837		898,369	898,369

11.1 Number of shares outstanding as at the reporting date:

Opening balance		89,837	89,837
Treasury shares of Rs. 10 each purchased at market value		(2,000)	(2,000)
Closing balance		87,837	87,837

11.2 NetSol Technologies Inc. 16000 Ventura Boulevard STE 770 ENCINO CA 91436, USA is the parent company, holding 67.62% (June 30, 2024: 67.62%) of issued capital of the Company.

11.3 The share capital includes 2,000,000 ordinary shares (2.23% of its outstanding ordinary shares) held as treasury shares by the Company, which were bought back in financial year 2022. These treasury shares are held in CDC blocked account in frozen form. These are not entitled to any voting right, cash dividend or any other distribution made by the Company. No sale or disposal of treasury shares has been made during the financial year.

12. LONG TERM FINANCES - SECURED

Loan obligation	12.1	8,804	15,820
Less: Current portion of long term financing		(8,572)	(13,124)
		232	2,696

12.1 This represents finance facilities obtained from time to time, from First Habib Modaraba, for purchase of various vehicles. The facility is repayable in 36 equal monthly installments. This facility carries mark up rates ranging between 17.38% to 21.49% (June 30, 2024: 22.71% to 24.16%) per annum. These facilities are secured through lien marking in favour of financial institutions.

13. SHORT TERM BORROWINGS

Askari Bank Limited - ERF - II		500,000	500,000
Samba Bank Limited - ERF - II		380,000	380,000
Habib Metropolitan Bank Limited - Istisna / Al Bai - Islamic Banking		1,300,000	700,000
		2,180,000	1,580,000

13.1 All the terms and conditions are the same as those already disclosed in the annual financial statements for the year ended June 30, 2024.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

Mr. Ahsan Zubair, a former employee of the Company, had filed a case in 2013 for the recovery of damages for malicious prosecution before the Honourable Civil Court in Lahore in which he had sought damages amounting to Rs. 500 million. The case was filed five years after a complaint was lodged by the Company with the Federal Investigation Agency regarding the unauthorised use of its intellectual property by a company formed by Mr. Ahsan Zubair and his partner, who was also a former employee of the Company.

The learned Civil Court passed an order partially allowing damages to the tune of Rs. 200 million. The Company, being aggrieved by the decision, filed an appeal with the Honourable Lahore High Court. The Honourable Court on October 3, 2024, suspended the decree and judgment passed against the Company upon submission of a surety equal to the decretal amount, which was duly provided by the Company in the form of a bank guarantee. The case is still pending adjudication in the Lahore High Court.

In light of the facts and circumstances of the case particularly the fact that the case was time barred which was ignored by the Honourable Civil Court, the outcome of the case is expected to be in favor of the Company. Therefore, no provision has been incorporated in these financial statements.

14.2 Commitments

- Bank guarantees have been issued amounting to Rs. 289.66 million (June 30, 2024: Rs. 60.93 million)
- (i) against performance of various contracts, to Honourable Lahore High Court, to LESCO and to Standard Chartered Bank Pakistan (Limited) against its corporate credit cards.
 - (ii) The Company has a capital commitment of Rs. 61.19 million as at December 31, 2024 (June 30, 2024: Rs. 1.32 million).

	Half year ended Dec 31		Quarter ended Dec 31	
	2024	2023	2024	2023
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	Rupees in Thousands			
15. Revenue from Contracts with Customers - Net				
Disaggregation of revenue from contract with customers				
Set out below is the disaggregation of the Company's revenue from contracts with customers:				
Export Revenue				
License	-	551,921	-	372,422
Services	1,441,603	1,865,699	799,303	957,577
Subscription and Support	2,679,507	2,279,412	1,438,259	1,143,333
	4,121,110	4,697,032	2,237,562	2,473,332
Local Revenue				
Services	13,220	26,571	6,117	4,640
Subscription and Support	21,946	20,262	12,553	8,588
Less: Sales tax	(2,254)	(2,016)	(1,090)	(808)
	32,912	44,817	17,580	12,420
	4,154,022	4,741,849	2,255,142	2,485,752
15.1 Timing of revenue recognition:				
At a point in time	-	551,921	-	372,422
Over the time	4,154,022	4,189,928	2,255,142	2,113,330
	4,154,022	4,741,849	2,255,142	2,485,752
16. OTHER INCOME				
Income from financial assets				
Profit on bank deposits and short term investments	350,261	240,757	141,879	109,381
Interest income from related party	3,992	34,844	3,094	18,349
	354,253	275,601	144,973	127,730
Income from non-financial assets				
Gain on disposal of property and equipment	76	5	76	-
Rental income	1,050	1,050	525	525
	1,126	1,055	601	525
	355,379	276,656	145,574	128,255

	NOTE	Half year ended Dec 31		Quarter ended Dec 31	
		2024	2023	2024	2023
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Rupees in Thousands					
17. Final Taxes / Levies					
Final taxes / levies	17.1	77,036	46,962	49,260	20,727
International tax effect	17.2	71,349	51,766	38,582	45,470
Prior year adjustment		-	(781)	-	(781)
		148,385	97,947	87,842	65,416

17.1 This represents portion of final tax paid under section 169 of the Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.

17.2 For exporters of IT and IT enabled services, export income is taxable under FTR at 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 sources other than export income.

18. Earnings / (Loss) Per Share - Basic and Diluted

	Half year ended Dec 31		Quarter ended Dec 31		
	2024	2023	2024	2023	
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Rupees in Thousands					
Profit / (Loss) attributable to ordinary shareholders		169,507	805,658	(27,337)	534,117
Weighted average number of ordinary shares (Basic)					
Issued ordinary shares at beginning of the period		89,837	89,837	89,837	89,837
Less: weighted average number of treasury shares held by the Company		(2,000)	(2,000)	(2,000)	(2,000)
Weighted average number of ordinary shares as at December 31,		87,837	87,837	87,837	87,837
Earnings / (Loss) per share - basic		1.93	9.17	(0.31)	6.08
Weighted average number of ordinary shares (Diluted)					
Weighted average number of ordinary shares (Basic)		87,837	87,837	87,837	87,837
Effect of share options		1,280	344	1,314	490
Weighted average number of ordinary shares (diluted)		89,117	88,181	89,151	88,327
Earnings / (Loss) per share - diluted		1.90	9.14	(0.31)	6.05

19. Transactions with Related Parties

Related parties comprise the parent company, subsidiary companies, associated companies, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Outstanding balances at the reporting date are unsecured. There have been no guarantees provided or received for any related party receivables or payables and vice versa.

Details of significant transactions with related parties other than those disclosed elsewhere in these condensed, interim, un-consolidated financial statements (un-audited) are as follows:

		Half year ended Dec 31	
		2024	2023
		(Un-audited)	(Un-audited)
		Rupees in Thousands	
Relationship with the Company	Nature of Transactions		
Subsidiary	Admin and IT services	1,200	1,200
	Rental income	600	600
	Mark-up income	3,992	34,844
Associated undertaking	Rental charges - Net	450	450
	Provision of services	1,677,225	1,443,432
	Purchase of services	23,508	23,819
Parent	Dividend	178,190	-
Executives / key management personnel	Salaries and benefits	177,148	171,815
	Retirement benefits	7,374	6,914
	Commission paid	7,834	7,224
Post employment benefit	Contribution to defined contribution plan	94,743	88,461

20. Capital Management

The primary objective of the Company's management is to ensure that it maintains a strong credit rating and healthy capital ratios while continue as going concern in order to support its business and maximize shareholders value.

There has been no change in the capital management policies during the period, consequently this condensed, interim, un-consolidated financial statements (un-audited) does not include all the information and disclosures as required in the annual financial statements.

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

(i) 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 and liquidity risk. There has been no change in the risk management policies during the period, consequently this condensed unconsolidated interim financial statements (un-audited) do not include all financial risk management information and disclosures required in the annual financial statements.

(ii) Fair Value of Financial Assets and Liabilities

The carrying values of all financial assets and liabilities reflected in this condensed, interim, un-consolidated financial statements (un-audited) approximate to their fair values.

22. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged, wherever necessary, for the purposes of comparison and better presentation as per reporting framework. However, no significant re-arrangements / reclassifications have been made in these financial statements.

23. SUBSEQUENT EVENTS

In Company's extraordinary general meeting held on 31st December 2024, shareholders approved purchase / buyback of up to 10 million ordinary shares of the Company from general public within a period of 180 days starting from January 03, 2025 till June 29, 2025. These shares will be treated as treasury shares.

24. DATE OF AUTHORIZATION FOR ISSUE

These condensed, interim, un-consolidated financial statements (un-audited) for the half year ended December 31, 2024 were approved and authorised for issuance by the Board of Directors on February 13, 2025.

25. Figures

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



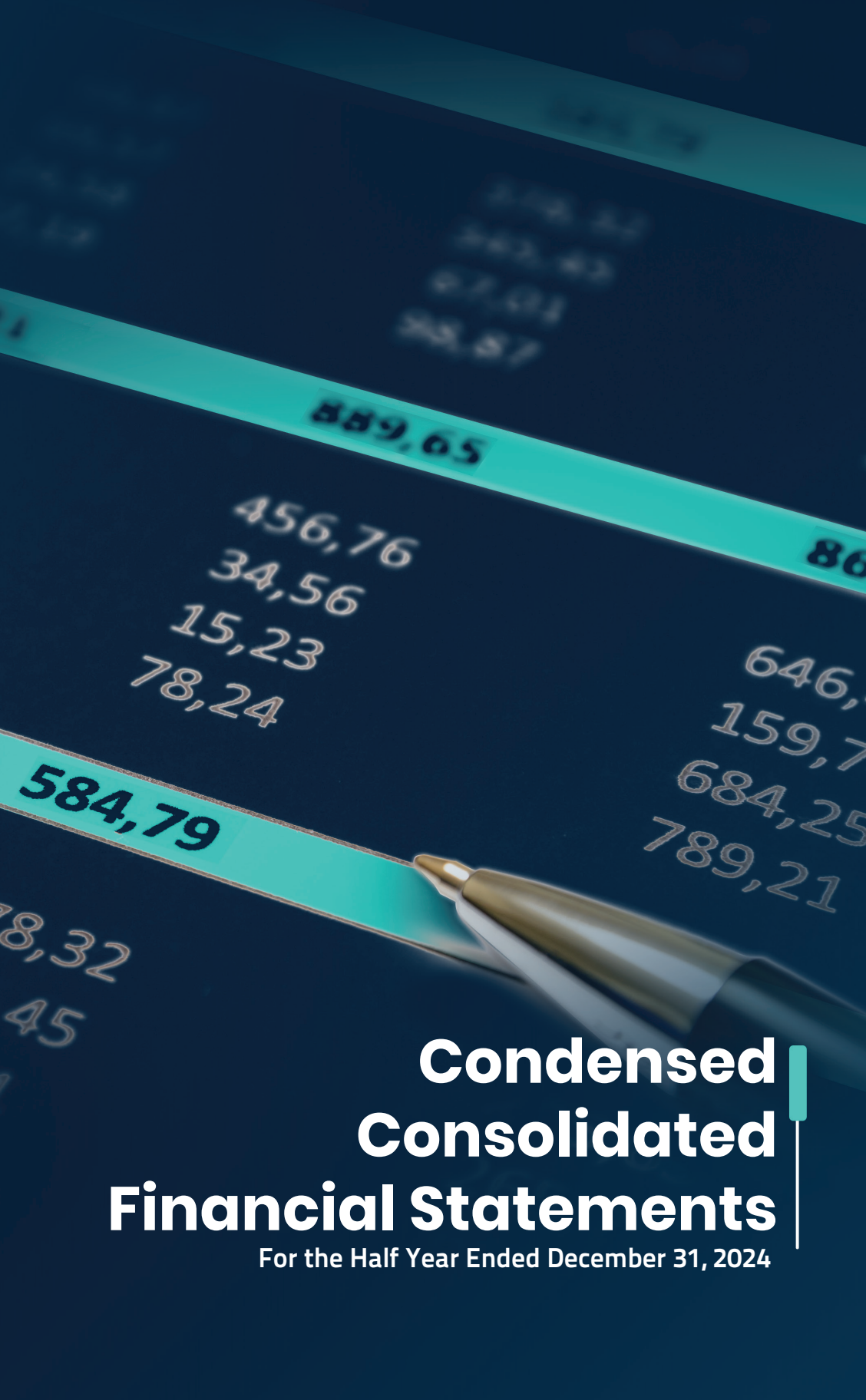
CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



Condensed Consolidated Financial Statements

For the Half Year Ended December 31, 2024

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

As at December 31, 2024

		Dec 31 2024	Jun 30 2024
	NOTE	(Un-audited)	(Audited)
Rupees in Thousands			
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	1,230,069	1,221,182
Intangible assets	6	-	-
Long term contract assets		56,092	52,637
Long term loans to employees		5,289	22,860
		1,291,450	1,296,679
CURRENT ASSETS			
Trade debts	7	4,858,811	5,326,984
Contract assets		1,577,240	1,787,247
Loans and advances		74,130	118,428
Deposits and short term prepayments		231,901	116,701
Other receivables		142,814	54,026
Due from related parties	8	362,493	514,396
Prepaid tax asset		55,235	35,730
Short term investments	9	200,000	-
Cash and bank balances		4,393,552	4,669,162
		11,896,176	12,622,674
TOTAL ASSETS		13,187,626	13,919,353
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
200,000,000 (June 30, 2024: 200,000,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up capital	10	898,369	898,369
Reserves		9,013,034	9,208,065
Share deposit money		13	13
Shareholders' Equity		9,911,416	10,106,447
NON CURRENT LIABILITIES			
Long term financing	11	232	2,696
Long term advances		3,705	1,995
		3,937	4,691
CURRENT LIABILITIES			
Trade and other payables		962,007	763,340
Contract liabilities		117,071	1,446,955
Short term borrowings	12	2,180,000	1,580,000
Current portion of non-current liabilities		8,572	14,096
Unclaimed dividend		4,623	3,824
		3,272,273	3,808,215
CONTINGENCIES AND COMMITMENTS	13	-	-
TOTAL EQUITY AND LIABILITIES		13,187,626	13,919,353

The annexed notes 1 to 24 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 (UN-AUDITED)

For the Half Year and Quarter Ended December 31, 2024

	NOTE	Half year ended Dec 31		Quarter ended Dec 31	
		2024	2023	2024	2023
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Rupees in Thousands					
			(Restated)		(Restated)
Revenue from contracts with customers - net	14	4,209,026	4,890,614	2,283,128	2,567,033
Cost of revenue		(2,675,375)	(2,783,837)	(1,361,452)	(1,357,806)
Gross profit		1,533,651	2,106,777	921,676	1,209,227
Selling and promotional expenses		(430,337)	(388,782)	(223,847)	(193,551)
Administrative expenses		(760,190)	(711,955)	(380,398)	(359,356)
		(1,190,527)	(1,100,737)	(604,245)	(552,907)
Operating profit		343,124	1,006,040	317,431	656,320
Other operating expenses		(351,517)	(280,926)	(387,863)	(124,174)
Finance cost		(129,967)	(159,118)	(61,059)	(79,714)
Other income		351,106	241,756	142,249	109,907
		(130,378)	(198,288)	(306,673)	(93,981)
Profit before Final Taxes and Income Tax		212,746	807,752	10,758	562,339
Final tax / levies	15	(148,604)	(98,505)	(87,911)	(65,810)
Profit / (Loss) before Income Tax		64,142	709,247	(77,153)	496,529
Income tax		-	-	-	-
Net Profit / (Loss) for the Period		64,142	709,247	(77,153)	496,529
Earnings / (Loss) per Share - Basic and Diluted	16				
- Basic		0.73	8.07	(0.88)	5.65
- Diluted		0.72	8.04	(0.87)	5.62

The annexed notes 1 to 24 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 (UN-AUDITED)

For the Half Year and Quarter Ended December 31, 2024

	Half year ended Dec 31		Quarter ended Dec 31	
	2024	2023	2024	2023
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	Rupees in Thousands			
Net Profit / (Loss) for the Period	64,142	709,247	(77,153)	496,529
Other Comprehensive Income for the period				
Items that will not be re-classified subsequently to profit or loss	-	-	-	-
Items that may be reclassified to profit or loss in subsequent periods (net of tax):				
- Exchange differences on translation of foreign operations	(11)	(333)	(12)	(408)
	(11)	(333)	(12)	(408)
Total Comprehensive Income / (Loss) for the Period	64,131	708,914	(77,165)	496,121

The annexed notes 1 to 24 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 (UN-AUDITED)

For the Half Year Ended December 31, 2024

	Dec 31 2024 (Un-audited)	Dec 31 2023 (Un-audited)
Rupees in Thousands		
Profit before final taxes and income tax		
Adjustments for:	212,746	807,752
- Depreciation - own assets	154,225	183,524
- Depreciation of right of use assets	607	1,337
- Amortization of intangible assets	-	40,386
- Gain on disposal of property and equipment	(76)	(5)
- Foreign exchange loss	107,343	46,286
- Finance cost	127,007	156,870
- Interest income	(350,580)	(241,301)
- Employee share option compensation expense	4,349	6,664
- Provision for expected credit losses	56,286	48,919
	99,161	242,680
Operating profit before working capital changes	311,907	1,050,432
<i>Decrease / (Increase) in current assets</i>		
- Trade debts	476,418	1,159,486
- Contract assets	34,139	(593,730)
- Loans and advances	61,869	(16,170)
- Deposits and short term prepayments	(115,200)	(10,583)
- Other receivables	(88,788)	9,204
- Due from related parties	151,903	(108,638)
<i>(Decrease) / Increase in current liabilities</i>		
- Trade and other payables	204,464	8,949
- Contract liabilities	(1,329,884)	(1,025,621)
Cash (Used in) Operations	(605,079)	(577,103)
Levy / final tax paid	(168,109)	(114,986)
Dividend paid	(262,712)	-
	(430,821)	(114,986)
Net Cash (Used in) / Generated from Operating Activities	(723,993)	358,343
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of property and equipment	(123,174)	(39,094)
Proceeds from disposal of property and equipment	76	58
Short term investments	(200,000)	-
Advance against capital expenditure	(40,544)	(3,082)
Interest received	350,580	241,301
Net Cash (Used in) / Generated from Investing Activities	(13,062)	199,183
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(1,017)	(2,325)
Repayment of long term loan	(8,294)	(30,430)
Short term borrowing - net	469,057	(140,400)
Long term advances - net	1,710	4,635
Net Cash Generated from / (Used in) Financing Activities	461,456	(168,520)
Net (Decrease) / Increase in Cash and Cash Equivalents	(275,599)	389,006
Net foreign exchange difference	(11)	(334)
Cash and cash equivalents at the beginning of the period	4,669,162	2,633,066
Cash and Cash Equivalents at the End of the Period	4,393,552	3,021,738

The annexed notes 1 to 24 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 (UN-AUDITED)

For the Half Year Ended December 31, 2024

Particulars	Share Capital	Reserves					Total Reserves	Share Deposit Money	Total Equity
		Capital Reserve				Revenue Reserve			
		Treasury share reserve	Employee share option compensation reserve	Share premium	Foreign currency translation reserve	Unappropriated Profit			
Rupees in Thousands									
Balance as at June 30, 2023	898,369	(184,739)	254,359	304,167	925	7,619,595	7,994,307	13	8,892,689
Net profit for the period	-	-	-	-	-	709,247	709,247	-	709,247
Other comprehensive income for the period	-	-	-	-	(333)	-	(333)	-	(333)
Total comprehensive income for the period	-	-	-	-	(333)	709,247	708,914	-	708,914
Employee share option reserve	-	-	6,664	-	-	-	6,664	-	6,664
Balance as at December 31, 2023	898,369	(184,739)	261,023	304,167	592	8,328,842	8,709,885	13	9,608,267
Balance as at June 30, 2024	898,369	(184,739)	265,445	304,167	544	8,822,648	9,208,065	13	10,106,447
Net profit for the period	-	-	-	-	-	64,142	64,142	-	64,142
Other comprehensive income for the period	-	-	-	-	(11)	-	(11)	-	(11)
Total comprehensive income for the period	-	-	-	-	(11)	64,142	64,131	-	64,131
Payment of final dividend for the year ended June 30, 2024 @ Rs 3 per share	-	-	-	-	-	(263,511)	(263,511)	-	(263,511)
Employee share option reserve	-	-	4,349	-	-	-	4,349	-	4,349
Balance as at December 31, 2024	898,369	(184,739)	269,794	304,167	533	8,623,279	9,013,034	13	9,911,416

The annexed notes 1 to 24 form an integral part of these condensed consolidated interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
For the Half Year Ended December 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

NetSol Group consists of:

- NetSol Technologies Limited
- NetSol Innovation (Private) Limited
- NetSol Ascent Middle East Computer Equipment Trading L.L.C.

NetSol Technologies Limited ("the Company"), incorporated in Pakistan on August 22, 1996 under the repealed Companies Ordinance, 1984, (now The 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. The Company is domiciled in Pakistan and is principally engaged in the development and sale of computer software and allied services in Pakistan as well as abroad.

Geographical locations and addresses of its business units are as follows:

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 Karachi, Pakistan.	Branch office
3 House No. 4, Safari villas 1, Bahria town, Rawalpindi. Pakistan.	Branch office
4 Khalifa Abdulla Ali Bin Belaila Almheiri P.O. BOX MF-A70 Abu Hal	Subsidiary Office

NetSol IT Village, (Software Technology Park) also includes House No. 4, House No. 5, House No. 6, House No. E-20, Cricketers Colony, NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.

NetSol Innovation (Private) Limited ("the subsidiary Company" or "Subsidiary") is incorporated in Pakistan as a private limited company and is a wholly owned subsidiary (2024 :99.999%) of NetSol Technologies Limited. The subsidiary company is engaged in business of providing software development services and allied IT services. Registered office of the subsidiary is situated at NetSol IT Village, Lahore Ring Road, Main Ghazi Interchange, Lahore Cantt. Pakistan.

NetSol Ascent Middle East Computer Equipment Trading L.L.C. is incorporated in Emirate of Dubai as a limited liability company. NetSol Technologies Limited owns 100% of its shareholding. The subsidiary is engaged in the business of development and sale of computer systems and communication equipment and software .

The Company is also using the branch office of its parent company, situated at Sentral Senayan 2 Building, 16th Floor, Asia Afrika Street No. 8, Senayan, Kebayoran Baru, South Jakarta, DKI Jakarta, 10270, Indonesia.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed consolidated interim financial statements (un-audited) 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 consolidated 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, 2024.

2.2 Basis of measurement

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

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 rupee unless stated otherwise.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted for the preparation of these condensed consolidated 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, 2024.

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

Certain standards, amendments and interpretations to approved accounting standards are also effective for accounting periods beginning on or after July 01, 2024, 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 consolidated interim financial information.

The Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' which were previously being recognised as 'Income tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under 'IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors' and the corresponding figures have been restated in these consolidated financial statements. The effects of restatements are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
Rupees in Thousands			
<i>Effect on condensed, interim, consolidated statement of profit or loss</i>			
For the half year ended December 31, 2024 (Un-audited)			
Final tax / levies	-	148,604	148,604
Profit before tax	212,746	(148,604)	64,142
Taxation	(148,604)	-	-
	64,142	(148,604)	64,142
Profit after tax	64,142	-	64,142

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
Rupees in Thousands			
<i>Effect on condensed, interim, consolidated statement of profit or loss</i>			
For the half year ended December 31, 2023 (Un-audited)			
Final tax / levies	-	98,505	98,505
Profit before tax	807,752	(98,505)	709,247
Taxation	(98,505)	-	-
	709,247	(98,505)	709,247
Profit after tax	709,247	-	709,247

The related changes to the condensed consolidated interim statement of cash flows (un-audited) with respect to the amount of profit before taxation have been made as well. There is no impact on profit after tax and earnings per share, basic and diluted.

3.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective:

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these condensed consolidated interim financial statements.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of condensed consolidated interim financial statements (un-audited) 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 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, 2024.

5. PROPERTY AND EQUIPMENT

		Dec 31 2024	Jun 30 2024
	NOTE	(Un-audited)	(Audited)
Rupees in Thousands			
Operating fixed assets	5.1	1,186,391	1,213,944
Right of use assets	5.2	-	4,104
Advance against capital expenditure	5.3	43,678	3,134
		1,230,069	1,221,182
5.1. Operating fixed assets			
Opening written down value		1,213,944	1,513,092
Additions during the period / year	5.1.1	126,672	121,713
Disposals during the period / year		-	(76,564)
		1,340,616	1,558,241
Depreciation charge for the period / year		(154,225)	(344,297)
		1,186,391	1,213,944
5.1.1 Following is the detail of additions / transfers during the period:			
At cost			
Furniture and Fixtures		783	4,464
Vehicles		3,848	41,537
Office equipment		7,634	3,300
Computer equipment and installations		64,015	38,822
Air conditioners		2,315	1,060
Generators		-	4,675
Computer softwares		48,077	27,855
		126,672	121,713

	NOTE	Dec 31 2024 (Un-audited)	Jun 30 2024 (Audited)
Rupees in Thousands			
5.2 Right of use assets			
Opening written down value		4,104	8,380
Disposals during the period / year	5.2.1	(3,497)	(2,030)
		607	6,350
Depreciation charge for the period / year		(607)	(2,246)
		-	4,104
5.2.1 Following is the detail of disposals			
		Dec 31, 2024	Jun 30, 2024
		(Un-audited)	(Audited)
		Cost	Accumulated Depreciation
		Written Down Value	Cost
		Accumulated Depreciation	Written Down Value
Vehicles		9,093	5,596
		3,497	4,273
		2,243	2,243
		2,030	2,030
5.3 Advance against capital expenditure includes the advance for the solar facility to be installed at the Company's premises.			
6. INTANGIBLE ASSETS			
	NOTE	Dec 31 2024 (Un-audited)	Jun 30 2024 (Audited)
Rupees in Thousands			
Opening Balance - written down value	6.1	-	40,386
Less : Amortization		-	(40,386)
		-	-
6.1 NetSol Financial Suite and NFS - Ascent have been fully amortized; however, the Company is still generating revenues from the sale of its licenses, provision of allied services and maintenance.			
7. TRADE DEBTS			
<i>Related Parties</i>			
Considered good - unsecured	7.1	4,334,406	4,674,987
Considered doubtful - unsecured		166,703	278,192
<i>Other Parties</i>		4,501,109	4,953,179
Considered good - unsecured		524,405	651,997
Considered doubtful - unsecured		715	2,405
		525,120	654,402
Less: Allowance for expected credit losses		(167,418)	(280,597)
		4,858,811	5,326,984
7.1 Amount receivable from related parties included in trade debts (from exports) are as under:			
NetSol Technologies (Thailand) Limited		6,687	61,866
NetSol Technologies (Beijing) Co., Ltd.		2,698,508	3,267,132
NetSol Technologies Australia Pty Limited		681,616	715,896
NetSol Technologies Americas Inc.		408,553	422,801
NetSol Technologies Europe Limited		35,295	25,589
Ascent Europe Limited		670,342	433,302
Tianjin NuoJinZhiCheng Co., Ltd.		-	26,593
		4,501,001	4,953,179

8. DUE FROM RELATED PARTIES	NOTE	Dec 31 2024 (Un-audited)	Jun 30 2024 (Audited)		
Rupees in Thousands					
Considered good - unsecured					
Parent					
NetSol Technologies Inc.		-	80,086		
Associates					
NetSol Technologies Americas Inc.		60,331	103,556		
NetSol Connect (Private) Limited		12,458	13,858		
NetSol Technologies (Thailand) Limited		-	27,938		
NetSol Technologies (Beijing) Co., Ltd.		259,205	260,490		
OTOZ Thailand Limited		30,499	28,398		
Tianjin NuoJinZhiCheng Co., Ltd.		-	70		
		362,493	514,396		
8.1 These relate to the normal course of business of the Company and are interest free.					
9. Short Term Investments					
Askari Bank Limited	9.1	200,000	-		
9.1 These carry markup ranging from 9.5% to 12% per annum (2024 : Nil) and have maturity of one month from the date of initial recognition with auto rollover. The lien is marked in favour of Lahore High Court on the term deposit receipt.					
10. ISSUED, SUBSCRIBED AND PAID UP CAPITAL					
	Dec 31 2024 (Un-audited)	Jun 30 2024 (Audited)		Dec 31 2024 (Un-audited)	Jun 30 2024 (Audited)
	Number of shares in Thousands			Rupees in Thousands	
	42,686	42,686	Ordinary shares of Rs. 10 each fully paid in cash	426,862	426,862
	47,151	47,151	Ordinary shares of Rs. 10 each allotted as fully paid bonus shares	471,507	471,507
	89,837	89,837		898,369	898,369
10.1 Number of shares outstanding as at the reporting date:					
				89,837	89,837
			Treasury shares of Rs. 10 each purchased at market value	(2,000)	(2,000)
			Closing balance	87,837	87,837
10.2 NetSol Technologies Inc. 16000 Ventura Boulevard STE 770 ENCINO CA 91436, USA is the parent company, holding 67.62% (2024: 67.62%) of issued capital of the Company.					
10.3 The share capital includes 2,000,000 ordinary shares (2.23% of its outstanding ordinary shares) held as treasury shares by the Company, which were bought back in financial year 2022. These treasury shares are held in CDC blocked account in the frozen form. These are not entitled to any voting right, cash dividend or any other distribution made by the Company. No sale or disposal of treasury shares has been made during the financial year.					

11. LONG TERM FINANCES - SECURED	Dec 31 2024 (Un-audited)	Jun 30 2024 (Audited)
	Rupees in Thousands	
Loan obligation	8,804	15,820
Less: Current portion of long term financing	(8,572)	(13,124)
	232	2,696
12. SHORT TERM BORROWINGS		
Askari Bank Limited - ERF - II	500,000	500,000
Samba Bank Limited - ERF - II	380,000	380,000
Habib Metropolitan Bank Limited - Istisna / Al Bai - Islamic Banking	1,300,000	700,000
	2,180,000	1,580,000

12.1 All the terms and conditions are the same as already disclosed in the annual financial statements of the Company for the year ended 30 June 2024.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

Mr. Ahsan Zubair, a former employee of the Company, had filed a case in 2013 for the recovery of damages for malicious prosecution before the Honourable Civil Court in Lahore in which he had sought damages amounting to Rs. 500 million. The case was filed five years after a complaint was lodged by the Company with the Federal Investigation Agency regarding the unauthorised use of its intellectual property by a company formed by Mr. Ahsan Zubair and his partner, who was also a former employee of the Company.

The learned Civil Court passed an order partially allowing damages to the tune of Rs. 200 million. The Company, being aggrieved by the decision, filed an appeal with the Honourable Lahore High Court. The Honourable Court on October 3, 2024, suspended the decree and judgment passed against the Company upon submission of a surety equal to the decretal amount, which was duly provided by the Company in the form of a bank guarantee. The case is still pending adjudication in the Lahore High Court.

In light of the facts and circumstances of the case particularly the fact that the case was time barred which was ignored by the Honourable Civil Court, the outcome of the case is expected to be in favor of the Company. Therefore, no provision has been incorporated in these financial statements.

13.2 Commitments

- (i) Bank guarantees have been issued amounting to Rs. 289.66 million (June 2024: Rs. 60.93 million) against performance of various contracts, to Honourable Lahore High Court, to LESCO and to Standard Chartered Bank Pakistan (Limited) against its corporate credit cards.
- (ii) The Company has a capital commitments of Rs. 61.19 million as at December 31, 2024 (2024: Rs. 1.32 million).

	Half year ended Dec 31		Quarter ended Dec 31	
	2024	2023	2024	2023
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Rupees in Thousands				
14. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET				
Disaggregation of revenue from contract with customers				
Set out below is the disaggregation of the Company's revenue from contracts with customers:				
Export Revenue				
License	-	551,921	-	372,422
Services	1,496,607	2,009,069	827,289	1,037,458
Subscription and Support	2,679,507	2,279,412	1,438,259	1,143,333
	4,176,114	4,840,402	2,265,548	2,553,213
Local Revenue				
Services	13,220	32,236	6,117	6,110
Subscription and Support	21,946	20,262	12,553	8,588
Less: Sales tax	(2,254)	(2,286)	(1,090)	(878)
	32,912	50,212	17,580	13,820
	4,209,026	4,890,614	2,283,128	2,567,033
14.1 Timing of revenue recognition:				
At a point in time	-	551,921	-	372,422
Over the time	4,209,026	4,338,693	2,283,128	2,194,611
	4,209,026	4,890,614	2,283,128	2,567,033
15. FINAL TAXES / LEVIES				
For exporters of IT & IT enabled services, export income is taxable under FTR at 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 sources other than export income.				
16. Earnings / (Loss) Per Share - Basic and Diluted				
Profit / (Loss) attributable to ordinary shareholders	64,142	709,247	(77,153)	496,529
Weighted average number of ordinary shares (Basic)				
Issued ordinary shares at beginning of the period	89,837	89,837	89,837	89,837
Less: weighted average number of treasury shares held by the Company	(2,000)	(2,000)	(2,000)	(2,000)
Weighted average number of ordinary shares as at December 31,	87,837	87,837	87,837	87,837
Earnings / (Loss) per share - basic	0.73	8.07	(0.88)	5.65
Weighted average number of ordinary shares (Diluted)				
Weighted average number of ordinary shares (Basic)	87,837	87,837	87,837	87,837
Effect of share options	1,280	344	1,314	490
Weighted average number of ordinary shares (diluted)	89,117	88,181	89,151	88,327
Earnings / (Loss) per share - diluted	0.72	8.04	(0.87)	5.62

17. Transactions with Related Parties

Related parties comprise the parent company, subsidiary companies, associated companies, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Outstanding balances at the reporting date are unsecured. There have been no guarantees provided or received for any related party receivables or payables.

Details of significant transactions with related parties other than those disclosed elsewhere in these condensed interim financial statements (un-audited) are as follows:

		Half year ended Dec 31	
		2024	2023
		(Un-audited)	(Un-audited)
Rupees in Thousands			
Associated undertaking	Rental charges - Net	450	450
	Provision of services	1,719,854	1,540,880
	Purchase of services	23,508	23,819
Executives / key management personnel	Salaries and benefits	185,272	174,549
	Retirement benefits	7,631	6,985
	Commission paid	7,834	8,146
Parent	Dividend	178,190	-
Post employment benefit	Contribution to defined contribution plan	98,881	93,033

18. Capital Management

The primary objective of the Group's management is to ensure that it maintains a strong credit rating and healthy capital ratios while continue as going concern in order to support its business and maximize shareholders value.

There has been no change in the capital management policies during the period, consequently this condensed consolidated interim financial statements do not include all the information and disclosures as required in the annual financial statements.

19. Financial Risk Management and Financial Instruments

(i) 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, liquidity risk and other price risks. There has been no change in the risk management policies during the period, consequently this condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements.

(ii) Fair Value of Financial Assets and Liabilities

The carrying values of all financial assets and liabilities reflected in this condensed consolidated interim financial statements approximate to their fair value.

20. SEGMENT REVENUES AND RESULTS

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

	Half year ended Dec 31, 2024			
	PBS	PS	BPO	Total
Rupees in Thousands				
Revenue - net				
External sales				
Services	1,401,183	66,400	40,420	1,508,003
Subscription and Support	2,701,023	-	-	2,701,023
Total revenue	4,102,206	66,400	40,420	4,209,026
Cost of revenue	(2,532,966)	(107,585)	(34,824)	(2,675,375)
Segment results	1,569,240	(41,185)	5,596	1,533,651
Unallocated corporate expenses:				
Selling and promotional expenses				(430,337)
Administrative expenses				(760,190)
Other income				351,106
Other operating expenses				(351,517)
Finance cost				(129,967)
Final tax / levies				(148,604)
Profit after taxation				64,142

	Half year ended Dec 31, 2023			
	PBS	PS	BPO	Total
Rupees in Thousands				
Revenue - net				
External sales				
License	551,921	-	-	551,921
Services	1,840,433	156,764	42,219	2,039,416
Subscription and Support	2,299,277	-	-	2,299,277
Total revenue	4,691,631	156,764	42,219	4,890,614
Cost of revenue	(2,597,685)	(155,981)	(30,171)	(2,783,837)
Segment results	2,093,946	783	12,048	2,106,777
Unallocated corporate expenses:				
Selling and promotional expenses				(388,782)
Administrative expenses				(711,955)
Other income				241,756
Other operating expenses				(280,926)
Finance cost				(159,118)
Final tax / levies				(98,505)
Profit after taxation				709,247

*Key

PBS = Product Based Solutions and Ancillary 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.

21. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged, wherever necessary, for the purposes of comparison and better presentation as per reporting framework. However, no significant re-arrangement / reclassifications have been made in these financial statements.

22. Subsequent Events

In Company's extraordinary general meeting held on 31st December 2024, shareholders approved purchase/buyback of up to 10 million ordinary shares of the Company from general public within a period of 180 days starting from January 03, 2025 till June 29, 2025. These shares will be treated as treasury shares.

23. Date of Authorization for Issue

These condensed interim financial statements (un-audited) for the half year ended December 31, 2024 were approved and authorised for issuance by the Board of Directors on 13 February 2025.

24. General

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



NETSOL TECHNOLOGIES LIMITED



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