



NETSOL Technologies Ltd.
NETSOL IT Village (Software
Technology Park), Lahore Ring Road,
Ghazi Road Interchange, Lahore
Cantt. 54792, Pakistan.
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FORM-08
Date:30/10/2024

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

Subject: **Transmission of Quarterly Report for the Period Ended September 30, 2024**

Dear Sir,

We have to inform you that the Quarterly Report of the Company for the period ended September 30, 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 Quarter Ended
September 30, 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

ANWAAR HUSSAIN

Independent Director

ZESHAN AFZAL

Independent Director

HAMNA GHAURI

Non-Executive Director

OMAR SHAHAB GHAURI

Executive Director

AUDIT COMMITTEE

ANWAAR HUSSAIN

Chairman

VASEEM ANWAR

Member

HAMNA GHAURI

Member

CHIEF FINANCIAL OFFICER

BOO-ALI SIDDIQUI

COMPANY SECRETARY

SEHRISH

CHIEF INTERNAL AUDITOR

MUHAMMAD ABDUL WAHAB
HAFEEZ

AUDITORS

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

Lahore

SHARE REGISTRAR

VISION CONSULTING LIMITED

5-C, LDA Flats, 2nd Floor,

Lawrence Road, Lahore.

Tel: +92-42-36283096-97

Fax: +92-42-36312550

BANKERS

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

CONTACT DETAILS

REGISTERED OFFICE

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(Software Technology Park)

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Lahore Cantt. 54792, Pakistan

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Karachi-75400

Tel: +92-21-111-638-765

Fax: +92-21-3431-3464

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Arcade,

Fakhr e Alam Road, Peshawar

Cantt.

WEB PRESENCE

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Director's 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 September 30, 2024.

GENERAL OVERVIEW

The first quarter is marked with strategic initiatives and significant achievements made by the Company across key markets. NETSOL made notable progress with the launch of the Transcend platform, a unified digital retail and asset finance solution that underlines our commitment to innovation and seamless customer experiences. This period also saw the signing of new deals, including the deal with a prominent automaker to transform the digital car buying and leasing experience in the United States. Additionally, Charles & Dean Finance adopted our Appex Now products, Flex and Dock, further expanding our reach in digital finance solutions. Our associated entity in China also secured an expansion agreement with a major automaker, increasing the total contract value to over \$30 million. These successes reflect our strategic focus on delivering cutting-edge technology solutions and strengthening partnerships, setting a positive trajectory for continued growth and success.

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. This partnership builds on NETSOL's successes in the U.S. market and showcases the company's ability to deliver flexible, API-driven solutions that integrate seamlessly into dealership systems.

Charles & Dean Finance Subscribe to Appex Now Products Flex and Dock

A UK-based award-winning specialist finance brokerage Charles & Dean Finance has subscribed to our API-first products, Flex and Dock, from the Appex Now marketplace. The partnership aims to enhance efficiency for Charles & Dean by integrating NETSOL's versatile solutions into its business processes. This collaboration highlights the growing appeal of NETSOL's agile, quick-to-deploy technology for businesses in the finance and leasing sectors.

The flexibility and ease of our API-first solutions have proven transformative, enabling businesses to quickly adopt our products and gain immediate benefits.

NETSOL Signs Expansion Agreement with Major Automaker in China

Our associated entity in China, NETSOL Technologies (Beijing) Limited signed an expansion agreement with a major automaker, raising the total contract value to over \$30 million. The five-year deal extends NETSOL's support for the automaker's operations in China, including onsite services and maintenance. This agreement marks a new growth phase for NETSOL in the APAC region with a modest revenue growth in fiscal 2025. The partnership reaffirms NETSOL's market leadership and strong presence in China's auto finance sector.

FINANCIAL PERFORMANCE

Comparisons of un-audited separate as well as consolidated accounts for the quarter ended September 30, 2024 with the corresponding period of fiscal year 2024 are given below:

STAND-ALONE FINANCIAL STATEMENTS	Jul-Sep	Jul-Sep
	2024	2023
Rupees in millions		
Revenue	1,898,880	2,256,098
Gross profit	640,186	901,380
Net profit	196,842	271,540
EPS – basic (in PKR)	2.24	3.09
EPS – diluted (in PKR)	2.21	3.09

During the first quarter of new fiscal year, the Company posted net revenue of PKR 1,899 million compared to PKR 2,256 million in the same quarter of last fiscal year. The generation of revenue for the current quarter is associated with services and subscription & support revenue streams. As the customers keeps on changing/enhancing their systems under their use through change request (an ongoing service), it triggered service revenue to clock at PKR 648 million in the current quarter in comparison of PKR 929 million posted in the same quarter of last fiscal year. In addition to this, the company was able to increase its subscription and support

revenue from PKR 1,148 million to PKR 1,250 million for the current quarter.

Gross Margins during the period clocked in at PKR 640 million as compared to the corresponding period where margins were recorded at PKR 901 million. The Company posted a net profit after tax of PKR 197 million compared to PKR 272 million in the comparable period. This profitability has translated basic and diluted earnings per share to clock in at PKR 2.24 & 2.21 in comparison of PKR 3.09 in the corresponding period.

The Company also consolidates financial results of its wholly owned subsidiary "NETSOL Innovation (Pvt) Limited" and its Dubai based wholly own subsidiary "NETSOL Ascent Middle East 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 September 30, 2024 were PKR. 1,926 million compared to PKR 2,324 million in fiscal 2024. Consolidated gross profit for the quarter was PKR 611 million as compared to PKR 901 million in the same period last year. On consolidated basis, the company posted net consolidated profit of PKR 141 million in the current quarter compared to PKR 213 million posted in the same period last year. Basic and diluted earnings per share for the quarter ended September 30, 2024 were PKR 1.61 and PKR 1.59 in comparison to PKR 2.42 in the same period of last fiscal year.

FUTURE OUTLOOK

As NETSOL looks towards the future, the company remains optimistic about the transformative opportunities ahead. Positioned as a leading technology solutions provider in the financial services industry, NETSOL is committed to leveraging AI and emerging technologies to drive innovation and create value for its global clientele. The financial services sector is undergoing significant changes, and NETSOL is poised to lead this evolution by adapting to the industry's shifting needs.

Customer-centricity is at the core of NETSOL's strategy. By prioritizing the unique requirements and aspirations of its diverse clients, the company tailors solutions that are both cutting-edge and directly aligned with customer needs. This approach ensures NETSOL remains agile, responsive, and deeply connected to the evolving landscape of client demands, ultimately delivering impactful solutions that drive business success.

The integration of AI is reshaping the financial services sector, enhancing efficiency, customer experiences, and strategic decision-making. NETSOL is committed to leading the AI revolution, investing heavily in research and development to not only keep pace but set new standards. The company's focus on AI extends beyond financial services to multiple industry verticals. Moving forward, NETSOL will continue to prioritize ethical AI practices, addressing concerns around data privacy, transparency, and fairness.

The financial services industry is characterized by rapid technological advancements and evolving client expectations. NETSOL's strategy to maintain a competitive edge involves continuous innovation, strategic partnerships, and a thorough understanding of market dynamics. Leveraging over four decades of industry expertise, the company aims to stay ahead by forging alliances and investing in next-generation technologies.

Innovation is at the heart of NETSOL's operations. Committed to ongoing R&D, the company strives to refine its offerings to meet the evolving demands of its global client base. By harnessing emerging technologies like AI, ML, and data analytics, NETSOL aims to revolutionize the financial services sector, driving progress and delivering exceptional value.

Active engagement in industry events remains a key element of NETSOL's strategy. Through participation in conferences, exhibitions, and summits across North America, Europe, and APAC, the company showcases its products, generates leads, and reinforces its global presence.

Sustainability continues to be a cornerstone of NETSOL's corporate strategy. Recognizing the importance of environmental responsibility, the company is dedicated to advancing sustainability goals, including energy efficiency, waste reduction, recycling, and eco-friendly practices. By embedding sustainability into its core operations, NETSOL aims to create long-term value for stakeholders while supporting global efforts to address climate change.

While confident in its strategic direction, NETSOL remains vigilant of the risks in the rapidly evolving technology landscape. The company actively addresses data security and is mindful of market risks, including potential economic shifts. NETSOL's adaptive strategy involves staying attuned to trends and continuously refining solutions to meet changing demands.

The future for NETSOL is bright, driven by a steadfast dedication to innovation, adaptability, and customer focus. By adhering to its core values, seizing emerging opportunities, and effectively implementing strategic initiatives, NETSOL is confident in its ability to sustain growth, provide value to stakeholders, and uphold its position as a leading technology provider to the global asset finance and leasing industry.

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



Omar Ghauri
Director

ڈائریکٹرز رپورٹ

ہمیں خوشی ہے کہ نیٹ سول ٹیکنالوجیز لمیٹڈ کے ہرڈ آف ڈائریکٹرز کی جانب سے کمپنی کی 30 ستمبر 2024 کو ختم ہونے والے عرصہ کے لیے غیر آڈٹ شدہ مالیاتی گوشوارے بشمول مجموعی مالیاتی گوشوارے پیش کر رہے ہیں۔

تین۔

عمومی جائزہ۔ (General Overview)

پہلی سرمایہ کاریوں میں کمپنی کے اسٹریٹجک اقدامات اور شاندار کامیابیوں سے منسوب کیا جاسکتا ہے۔ نیٹ سول نے ڈیجیٹل ریٹیل اور ایسٹ فنانس کے شعبہ کرسٹل Transcend پلیٹ فارم کے آغاز سے قابل ذکر پیش رفت کی جو حدت اور تقاضا سے پاک صارف تجربات کے ہمارے عزم کا اعادہ کرتا ہے۔ اس دوران میں امریکہ میں کاروں کی ڈیجیٹل خرید اور لیزنگ متعارف کرانے کے لیے ایک معروف آؤٹسٹرک کے ساتھ معاہدے جیسے کی بڑے معاہدے کے گئے۔ مزید برآں، Charles & Dean Finance نے ہماری Appex Now پروڈکٹس Flex and Dock کو سبسکرائپ کیا جس سے ڈیجیٹل فنانس سلوشنز میں ہماری ساکھز پر مضبوط ہوئی۔ چین میں ہمارے الحاق شدہ ادارے نے بھی ایک بڑی آؤٹسٹرک کے ساتھ توسیعی معاہدے طے کیا جس کے باعث معاہدے کی کل مالیت 30 ملین ڈالر سے تجاوز کر گئی۔ یہ کامیابیاں جدید ٹیکنالوجی پر مبنی حل فراہم کرنے کے ہمارے اسٹریٹجک عزم اور شراکت داری کو مضبوط کرنے کی کامیابیوں کی عکاسی کرتی ہیں، جس سے مسلسل ترقی اور کامیابی کے لیے مثبت رجحان پیدا ہوا۔

نیٹ سول نے امریکہ میں ڈیجیٹل کار خریداری اور لیزنگ تجزیہ کی صنعت میں انقلاب لانے کے لیے ایک بڑی آؤٹسٹرک کے ساتھ ملٹی ملین ڈالر کا معاہدہ کیا

ہماری ایسی ایڈجینٹ نیٹ سول ٹیکنالوجیز امریکہ نے اپنے Otoz ڈیجیٹل ریٹیل پلیٹ فارم کے ذریعے امریکی ڈیٹریلر آپریشنز کو وسعت دینے کے لیے ایک بڑی آؤٹسٹرک کے ساتھ ملٹی ملین کا پانچ سالہ معاہدہ طے کیا۔ پانچ سالہ معاہدے کے دوران SaaS سروسز میں سب مشوروت روہل ان کا اطلاق deployment اور تسلسل شامل ہیں جس کا مقصد گاڑیوں کی خریداری اور لیزنگ تجزیہ میں حدت لانا ہے۔ اس شراکت داری سے نیٹ سول کو امریکی منڈی میں حالیہ کامیابیاں میں اور کمپنی کو گلوبل API پہلی حل فراہم کرنے میں مدد ملی جو ڈیٹریلر سسٹمز میں بغیر کسی نقصان اور رکاوٹ کے شامل ہوئی۔

Charles & Dean Finance نے Appex Now پروڈکٹس Flex and Dock کو سبسکرائپ کیا

امریکی ایوارڈ یافتہ ماہر فنانس برورنگ نیٹ سول نے Charles & Dean Finance نے اپنے کاروباری امور میں نیٹ سول کے نئے ارتقا حاصل میں دلچسپی ظاہر کرتے ہوئے Appex Now مارکیٹ پلیس سے ہماری API-first پروڈکٹس Flex and Dock کو سبسکرائپ کیا۔ شراکت داری فنانس اور لیزنگ کے شعبوں میں کاروباری امور کے لیے نیٹ سول کی استعداد اور نیٹ سول سے اپنا پل جانے والی ٹیکنالوجی پر بڑھتی ہوئی دلچسپی کی عکاسی کرتی ہے۔

ہمارے API-first سلوشن کی پلک اور آسانی نے تقریباً پری کوانٹا بٹ کیا ہے جس سے کاروبار ہمارا پروڈکٹس کو آسانی سے اپنانے اور ان سے فوری فوائد حاصل کرنے میں کامیاب ہوئے۔

نیٹ سول نے چین میں بڑے آؤٹسٹرک کے ساتھ توسیعی معاہدہ کیا

چین میں ہماری ایسی ایڈجینٹ نیٹ سول ٹیکنالوجیز (جینگ) لمیٹڈ نے ایک بڑی آؤٹسٹرک کے ساتھ توسیعی معاہدہ کیا ہے جس سے معاہدے کی کل مالیت 30 ملین ڈالر سے تجاوز کر چکی ہے۔ پانچ سالہ معاہدہ چین میں آؤٹسٹرک کے آپریشنز کے لیے نیٹ سول کی سپورٹ و ڈیجیٹل کرنا ہے جس میں آن سائٹ سروسز اور دیگر بحال شامل ہے۔ اس معاہدے نے مالیاتی سال 2025 میں آمدنی میں مستقل آمدنی کے ساتھ APAC خطے میں نیٹ سول کے لیے ترقی کی ایک نئی راہ ہمارا ہے۔ شراکت داری منڈی میں نیٹ سول کی اجارہ داری اور چین کے نو فنانس ٹیکسٹ میں مضبوط ساکھ کا اعادہ کرتی ہے۔

مالیاتی کارکردگی (Financial performance)

30 ستمبر 2024 کو ختم ہونے والی سرمایہ کاریوں سے متعلق 2023 کی اسی مدت کے مالیاتی سال کے غیر آڈٹ شدہ مالیاتی گوشوارے کے نتائج کا موازنہ درج ذیل ہے۔

انفرادی مالیاتی گوشوارے

جولائی تا ستمبر 2024 جولائی تا ستمبر 2023

	2024	2023
محصولات	1,898,880	2,256,098
خاص منافع	640,186	901,380
صاف منافع	196,842	271,540
منافع فی حصص۔ بنیادی	2.24	3.09
منافع فی حصص۔ تخمیلی شدہ	2.21	3.09

تین مالی سال کی پہلی سرمایہ کاریوں کے دوران کمپنی نے تازہ مالیاتی سال کے اسی سرمایہ کاریوں میں 2,256 ملین روپے کے مقابلے میں 1,899 ملین روپے کی خالص محصولات درج کی ہیں۔ موجودہ سرمایہ کاری کے لیے محصولات کی پیداوار عدا مت اور سبسکرائپمنٹ اور سپورٹ محصولات کے تسلط سے وابستہ ہے۔ چونکہ سبزیوں کی درجہ جاتی (ایک جاری سروس) کے ذریعے اپنے استعمال کے مطابق اپنے سسٹم کو تبدیل اور بحال کرتے رہتے ہیں، اس کی وجہ سے سروس محصولات کو گذشتہ مالی سال کے 929 ملین روپے کے مقابلے میں 648 ملین روپے درج کی گئی ہیں۔ اس کے علاوہ، کمپنی موجودہ سرمایہ کاری کے لیے اپنی سبسکرائپمنٹ اور سپورٹ محصولات 1,148 ملین روپے سے 1,250 ملین روپے تک بڑھانے میں کامیاب رہی ہے۔

اس مدت کے دوران مجموعی مارجن 640 ملین روپے تک درج کیا گیا ہے جبکہ گذشتہ مدت میں یہ مارجن 901 ملین روپے درج کیا گیا تھا۔ کمپنی نے گذشتہ سال 272 ملین روپے کے مقابلے میں 197 ملین روپے کا بعد از ٹیکس خالص منافع کمایا ہے۔ کمپنی نے گذشتہ مدت کے 3.09 روپے کے مقابلے میں اس سرمایہ کاری کے لیے 2.24 اور 2.21 روپے بنیادی اور تخمیلی شدہ فی حصص منافع درج کیا ہے۔

کمپنی نے اپنے مکمل ملکیتی ذیلی ادارہ "نیٹ سول انووشمنٹس (پرائیویٹ) لمیٹڈ" اور دہلی میں قائم اس کا مکمل ملکیتی ذیلی ادارہ "نیٹ سول ایسٹ ایل اے" کے مجموعی مالیاتی گوشوارے شامل کر دیے ہیں۔ نیٹ سول انووشمنٹس (پرائیویٹ) لمیٹڈ اور دہلی میں قائم اس کا مکمل ملکیتی ذیلی ادارہ "نیٹ سول ایسٹ ایل اے" کے مجموعی مالیاتی گوشوارے شامل کر دیے گئے ہیں۔ نیٹ سول ایسٹ ایل اے کے سالانہ مالیاتی گوشوارے 30 ستمبر 2024ء کے ختم ہونے والی سرمایہ کیلئے نقد مجموعی وصولیات اسی سرمایہ 2023ء میں 2,324 ملین روپے کے مقابلے میں 1,926 ملین روپے ہے۔ مجموعی نام منافع گزشتہ مالی سال کی اسی سرمایہ کے 901 ملین روپے کے مقابلے میں موجودہ سرمایہ میں 611 ملین روپے ہے۔ مجموعی بنیاد پر کمپنی نے گزشتہ سال کی اسی مدت میں 213 ملین روپے نقد مجموعی منافع کے مقابلے میں موجودہ سرمایہ میں 141 ملین روپے کا نقد مجموعی منافع درج کیا ہے۔ 30 ستمبر 2024ء کو ختم ہونے والی سرمایہ کے لینے کی بنیادی اور عملی شدہ آمدنی ایک گزشتہ مدت میں 2.42 روپے فی شخص منافع کے مقابلے میں 1.61 اور 1.59 روپے فی شخص منافع درج کیا ہے۔

مستقبل کا نظریہ Future Outlook

چونکہ مستقبل پر بہت سوال کی گہری نظر ہے، کمپنی آئندہ کے لئے تغیر پذیر مواقع سے متعلق پر امید ہے۔ مالیاتی خدمات کے شعبے میں ٹیکنالوجی سلووٹر فراہم کرنے والے سرفہرست ادارے کی حیثیت سے نیٹ سول جدت لانے اور اپنے عالمی کارکنوں کو بھرپور فائدہ پہنچانے کے لئے AI اور مہجرتی ہونی ٹیکنالوجیز کا استعمال کرنے کے لئے پرعزم ہے۔ مالیاتی خدمات کے شعبہ میں بڑی تبدیلیوں کا سلسلہ جاری ہے اور نیٹ سول اس صنعت کی بدلتی ہوئی ضروریات کو سمجھنے ہونے اس انقلاب میں رہنمائی کے لئے تیار ہے۔

نیٹ سول کی عملی حکمت عملی میں صارفین کو اپنا مرکز ہے۔ اسے متنوع کارکنوں کی ضرورتوں اور اہداف کو ترجیح دے کر کمپنی ایسے حل مرتب کرتی ہے جو جدت سے بھرپور اور صارفین کی ضروریات کے عین مطابق ہوں۔ یہ طریقہ کار یقینی بناتا ہے کہ نیٹ سول مستعد، جاوید اور کارآمد کلائنٹ کی بدلتی ہوئی ضروریات سے واقف رہے۔ جس کے نتیجے میں وہ سائبر کنٹریں فراہم کر سکے جو کاروبار میں کامیابی کے لئے مددگار ثابت ہوں۔

AI کے integration سے مالیاتی خدمات کے شعبہ کی صورت بیکسر دی رہی ہے جس سے کارکردگی، صارفین تجربات اور اسٹریٹجک فیصلہ سازی میں گھٹا آیا ہے۔ نیٹ سول AI انقلاب میں سرفہرست رہنے کے لئے پرعزم ہے اور نہ صرف رفتار سے مطابقت رکھنے بلکہ معیار قائم کرنے کے لئے تحقیق و ترقی میں بھاری سرمایہ کاری کر رہی ہے۔ کمپنی AI پر توجہ دے کر مالیاتی خدمات کے شعبے کے علاوہ دیگر شعبوں میں بھی قدم جماتی ہے۔ مستقبل میں نیٹ سول AI کی بہت اعلیٰ عمل کاروباری کھانگی جس سے ڈیٹا کی پرائیویسی، شفافیت اور اضافہ پر اکتفا والے تحفظات پر توجہ نظر رکھی جائے گی۔

مالیاتی خدمات کے شعبے کی خصوصیات میں تیز رفتار تکنیکی ترقی اور صارفین کی بدلتی ہوئی توقعات شامل ہیں۔ مسابقتی ساکھ کو برقرار رکھنے کے لئے نیٹ سول کی حکمت عملی میں لگاؤ، شراکت داری اور معنوی شراکت کے محرکات پر بھرپور توجہ شامل ہے۔ چارہ باریوں پر مبنی تنظیمی تجربے کے ساتھ کمپنی شراکت داری کو بڑھا کر اور next-generation کی ٹیکنالوجیز میں سرمایہ کاری کر کے سرفہرست رہنے کے لئے پرعزم ہے۔

جدت پسندی نیٹ سول کے آپریٹنگ بنیادی نظریہ ہے۔ R&D پر جاری عزم کے ساتھ کمپنی اپنی پیشکشوں کو نکھارنے کے لئے پرعزم ہے تاکہ اپنے عالمی کلائنٹ کی بدلتی ہوئی ضروریات کو پورا کیا جاسکے۔ AI، ML اور ڈیٹا analytics جیسی مہجرتی ہونی ٹیکنالوجیز کا استعمال کرتے ہوئے نیٹ سول مالیاتی خدمات کے شعبے میں انقلاب لانے میں ترقی میں اضافہ کرنے اور بھرپور فائدہ پہنچانے کے لئے پرعزم ہے۔

صنعت کے آپریٹس میں بھرپور محرکت نیٹ سول کی حکمت عملی کا لازمی جزو رہا ہے۔ شمالی امریکہ، یورپ اور APAC میں متعدد کارپوریٹس، نمائندوں اور کلائنٹس میں شرکت کے ذریعے کمپنی اپنی پروڈکٹس کی نمائندگی کرتی ہے، نئے کارکنوں کو آتی ہے اور عالمی سطح پر اپنی ماکھ کو وسیع کرتی ہے۔

یائیداری نیٹ سول کی کاروباری حکمت عملی کا عنصر رہا ہے۔ اچھی ذاتی و ادارتی کی اہمیت کو سمجھنے ہونے کمپنی پائیداری کے اہداف کی جانب سفر کے لئے پرعزم ہے جس میں توانائی کی بچت، شفافیت میں کمی، درمی سائیکلنگ اور ماحول دوست اور شامل ہیں۔ موسمیاتی تبدیلی سے تیز آ رہا ہونے کے عالمی کارکنوں کی حمایت کرتے اور اپنے بنیادی کاروباری امور میں پائیداری کو شامل کرتے ہوئے نیٹ سول اسٹیک ہولڈرز کو طویل مدتی منافع بخش کرنے کے لئے پرعزم ہے۔

اسٹریٹجک سطح میں اسٹریٹجی ہونے نیٹ سول تیزی سے بدلتے ہوئے تکنیکی ہمارے میں موجود خطرات سے ہمیشہ باخبر رہتی ہے۔ کمپنی ڈیٹا سیکورٹی پر بھرپور توجہ دیتی ہے اور معنوی کے خطرات بشمول مکتبہ معاشی تبدیلیوں سے بخوبی آگاہ ہے۔ نیٹ سول کی تعمیر پر پالیسی میں رجحانات سے بھرپور واقفیت اور بدلنے ہوئے مطالبات کو پورا کرنے کے لئے عمل مسلسل بہتری شامل ہیں۔

نیٹ سول کا مستقبل روشن ہے جو جدت پسندی، موافقت پذیری اور صارفین پر توجہ کے لئے ہمارے عزم کے عین مطابق ہے۔ اپنی بنیادی اقدار پر عمل درآ رہا ہے جو منافع کے حصول اور اسٹریٹجک اقدامات کے مؤثر اطلاق کے ذریعے نیٹ سول کو برقرار رکھے اور اپنے اسٹیک ہولڈرز کو منافع دینے کے لئے اپنی صلاحیتوں پر بھرپور اعتماد رکھتی ہے تاکہ کمپنی عالمی ایسٹ فنانس اور ریزنگ انڈسٹری میں تکنیکی خدمات کی فراہمی میں سرفہرست رہنے کا درجہ برقرار رکھ سکے۔

مزاحف (Acknowledgement)

بورڈ ڈائریکٹرز کمپنی کے حصص یافتگان، قابل قدر صارفین، سرکاری اداروں اور مالیاتی اداروں کی حمایت و معاونت کے لیے ان کی تعریف کرتا ہے اور خراج تحسین پیش کرتا ہے جس نے کمپنی کو یہ سنگ میل حاصل کرنے کے قابل بنایا۔ بورڈ کمپنی کے تمام ایگزیکٹوز اور افسرانہ ہمراہ کارکنوں کی قابل قدر خدمات و وفاداری اور ان کی مسلسل کوششوں کو قدر کی نگاہ سے دیکھتا ہے اور انھیں خراج تحسین پیش کرتا ہے اور امید کرتا ہے کہ مستقبل میں بھی ان کی مخلصانہ کوششیں جاری و ساری رہیں گی۔

ادرف بورڈ آف ڈائریکٹرز



سید محمد غوری
(چیف ایگزیکٹو آفیسر)

لاہور

30 اکتوبر، 2024ء



محمد شہاب غوری
(ڈائریکٹر)



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 Quarter Ended September 30, 2024

Condensed Interim Statement of Financial Position - Unaudited

As at September 30, 2024

	NOTE	Sep-24 Unaudited	Jun-24 Audited
Rupees in Thousands			
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	1,190,748	1,216,236
Intangible assets	6	-	-
		1,190,748	1,216,236
Long term investments	7	537,218	537,218
Long term contract assets		54,204	52,637
Long term loans to employees		14,927	22,860
		1,797,097	1,828,951
CURRENT ASSETS			
Trade debts	8	4,801,855	5,295,202
Contract assets		1,433,843	1,745,245
Loans and advances	9	144,030	113,150
Trade deposits & short term prepayments	10	144,183	112,654
Other receivables	11	93,187	54,018
Due from related parties	12	559,531	540,612
Prepaid tax asset		63,616	35,349
Cash & bank balances		5,081,552	4,647,055
		12,321,797	12,543,285
TOTAL ASSETS		14,118,894	14,372,236
EQUITY & LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital			
200,000 ordinary shares of Rs.10/- each	13	2,000,000	2,000,000
Issued, subscribed and paid-up capital	13	898,369	898,369
Share deposit money		13	13
Reserves	14	9,863,374	9,664,297
		10,761,756	10,562,679
NON-CURRENT LIABILITIES			
Long term financing	15	1,377	2,696
Long term advances		2,850	1,995
		4,227	4,691
CURRENT LIABILITIES			
Trade and other payables	16	922,924	760,472
Contract liabilities		834,864	1,446,474
Short term borrowings		1,580,000	1,580,000
Current portion of long term liabilities		11,299	14,096
Unclaimed dividend		3,824	3,824
		3,352,911	3,804,866
CONTINGENCIES & COMMITMENTS	17	-	-
TOTAL EQUITY AND LIABILITIES		14,118,894	14,372,236

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Profit or Loss - Unaudited

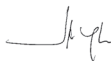
For the Quarter Ended September 30, 2024

	NOTE	Jul-Sep 2024	Jul-Sep 2023
Rupees in Thousands			
Revenue from contracts with customers - net	18	1,898,880	2,256,098
Cost of revenue		(1,258,194)	(1,354,718)
Gross profit		640,686	901,380
Selling and promotional expenses		(183,977)	(160,711)
Administrative expenses		(375,189)	(350,348)
		(559,166)	(511,059)
Operating profit		81,520	390,321
Other income	19	380,786	148,401
		462,306	538,722
Other operating expenses		(136,156)	(155,342)
Finance cost		(68,765)	(79,309)
Profit before taxation		257,385	304,071
Final tax / levies	20	(60,543)	(32,531)
Profit before income tax		196,842	271,540
Income tax		-	-
Profit after taxation for the period		196,842	271,540
Earnings per share			
Basic - In Rupees	21	2.24	3.09
Diluted - In Rupees	21	2.21	3.09

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Comprehensive Income - Unaudited

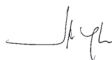
For the Quarter Ended September 30, 2024

	Jul-Sep 2024	Jul-Sep 2023
	Rupees in Thousands	
Profit after taxation for the period	196,842	271,540
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:	-	-
Items that may be reclassified to profit or loss in subsequent periods (net of tax):	-	-
Total comprehensive income for the period	196,842	271,540

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Cash Flows - Unaudited

For the Quarter Ended September 30, 2024

	Jul-Sep 2024	Jul-Sep 2023
Rupees in Thousands		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	257,385	304,071
Adjustments for non cash charges and other items:		
Depreciation - own assets	74,518	92,613
Amortization of right of use assets	455	668
Amortization of intangible assets	-	40,386
(Gain) on disposal of fixed assets	-	(5)
Foreign exchange (gain)/loss	(170,981)	35,696
Finance cost	68,091	77,194
Interest income	(209,280)	(147,871)
Employee share option compensation expense	2,235	3,362
Provision for expected credit losses	37,524	26,329
	(197,438)	128,372
Cash generated from operations before working capital changes	59,947	432,443
Working Capital Changes		
Trade debts	714,943	1,252,717
Contract assets	211,595	(61,200)
Contract liabilities	(611,610)	(693,090)
Loans and advances	(22,947)	(30,030)
Trade deposits & short term prepayments	(31,529)	(14,522)
Other receivables	(39,169)	(6,444)
Due from related parties	(18,919)	(123,862)
Trade and other payables	179,266	11,409
Cash generated from operations	381,630	334,978
Income taxes paid	(88,810)	(38,891)
Net cash generated from operations	352,767	728,530
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment's purchased	(10,484)	(13,733)
Sales proceeds of fixed asset	-	58
Advances against capital expenditure	(39,001)	-
Interest received	209,280	147,872
Net cash generated from investing activities	159,795	134,197
CASH FLOWS FROM FINANCING ACTIVITIES		
Paid against lease liabilities	(763)	(6,536)
Long term loan	(4,184)	(9,858)
Short term borrowing	(73,973)	(65,854)
Long term advances	855	2,175
Net cash (used in) financing activities	(78,065)	(80,073)
Net increase in cash and cash equivalents	434,497	782,654
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	5,081,552	3,413,825

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Changes in Equity - Unaudited

For the Quarter Ended September 30, 2024

	Issued, subscribed and paid-up capital	Share deposit money	Capital Reserve			Revenue Reserve	Total
			Treasury share reserve	Employee share option compensation reserve	Share premium	Un - appropriated profit	
Rupees in Thousands							
Balance as at June 30, 2023	898,369	13	(184,739)	253,701	304,167	7,895,923	9,167,434
Net profit for the period	-	-	-	-	-	271,540	271,540
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	271,540	271,540
Amortization of employee share options	-	-	-	3,362	-	-	3,362
	-	-	-	3,362	-	271,540	274,902
Balance as at September 30, 2023	898,369	13	(184,739)	257,063	304,167	8,167,463	9,442,336
Balance as at June 30, 2024	898,369	13	(184,739)	264,787	304,167	9,280,082	10,562,679
Net profit for the period	-	-	-	-	-	196,842	196,842
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	196,842	196,842
Amortization of employee share options	-	-	-	2,235	-	-	2,235
	-	-	-	2,235	-	196,842	199,077
Balance as at September 30, 2024	898,369	13	(184,739)	267,022	304,167	9,476,924	10,761,756

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Notes to the Condensed Interim Financial Statements - Unaudited

For the Quarter Ended September 30, 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 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 Housing Society Karachi.	Branch office
3 House No. 4, Safari villas 1, Bahria town, Rawalpindi. Pakistan.	Branch office
4 3rd floor Jasmin's Arcade Fakhar-e-Alam road, Peshawar Cantt. Pakistan.	Branch office

NetSol IT Village, (Software Technology Park) also includes House No. 4, House No. 5, House No. 6 and 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 separate condensed interim financial statements of the company. Condensed consolidated interim financial statements of the company are prepared separately.

2.2 Statement of compliance

These unconsolidated condensed interim 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 unconsolidated condensed interim financial statements are unaudited and do not include all the disclosures and information required in the annual financial statements and should be read in conjunction with the preceding annual published financial statements of the company for the year ended June 30, 2024.

2.3 Basis of measurement

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

2.4 Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1. The accounting policies adopted for the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2024.

3.2. 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 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 unconsolidated interim financial information.

3.3. 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, 2024 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 unconsolidated interim financial statements.

4. USE OF ESTIMATES AND JUDGMENTS

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

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

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

In preparing these condensed unconsolidated 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.

	NOTE	Sep-24 Unaudited	Jun-24 Audited
Rupees in Thousands			
8.3 Amount receivable from related parties included in trade debts (from export sales) are as under:			
NetSol Technologies (Thailand) Limited		28,730	61,866
NetSol Technologies (Beijing) Company Limited		2,353,306	3,267,132
NetSol Technologies Australia Pty. Limited		783,469	715,896
NetSol Technologies Americas Inc.		403,611	416,650
NetSol Technologies Europe Limited		9,110	2,015
Ascent Europe Limited		551,452	433,302
Tianjin NuoJinZhiCheng Co., Ltd		27,488	26,593
		4,157,166	4,923,454
9. LOANS AND ADVANCES - Unsecured			
Current maturity of loans to executives		15,355	14,171
Advances			
- to employees		4,982	2,350
- against expenses	9.1	123,693	96,629
		144,030	113,150
9.1 The advances against expenses are given to meet business expenses and are settled as and when the expenses are incurred.			
10. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Security deposits		3,674	3,589
Prepayments		140,509	109,065
		144,183	112,654
11. OTHER RECEIVABLES			
Guarantee margin		15,237	7,000
Other receivable - considered good		77,950	47,018
		93,187	54,018
12. DUE FROM RELATED PARTIES			
Considered good - unsecured			
Parent			
NetSol Technologies Inc.		96,245	96,687
Associates			
NetSol Technologies Americas Inc.		113,486	103,556
NetSol Technologies Europe		153	-
NetSol Connect (Pvt) Ltd.		12,891	13,858
NetSol Technologies (Thailand) Limited		-	27,938
NetSol Technologies Beijing Ltd.		269,442	260,490
OTOZ Thailand Ltd.		32,262	28,398
Tianjin NuoJinZhiCheng Co., Ltd		29	70
Wholly owned Subsidiary			
NetSol Innovation (Pvt.) Ltd	12.2	35,023	9,615
		559,531	540,612
12.1 These relate to normal course of business of the company and are interest free.			
12.2 These relate to normal course of business of the Company and interest at the rate of 6 months KIBOR is charged on the outstanding balance at the end of each month.			

13. SHARE CAPITAL

13.1 Authorized share capital

	Sep-24	Jun-24		Sep-24	Jun-24
	Unaudited	Audited		Unaudited	Audited
	Number of shares in Thousands			Rupees in Thousands	

	200,000	200,000	Ordinary Shares of Rs. 10 each.	2,000,000	2,000,000
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13.2 Issued, subscribed & paid-up capital

	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 issued as fully paid bonus shares	471,507	471,507
	89,837	89,837		898,369	898,369

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.

The share capital includes 2,000,000 ordinary shares (Rs. 10 each as fully paid in cash) held as treasury shares by the company. These treasury shares are held in CDC blocked account in the freeze 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.

14. RESERVES

Capital reserve

Premium on issue of ordinary shares	304,167	304,167
Employee share option compensation reserve	267,022	264,787
Treasury share reserve	(184,739)	(184,739)

Revenue reserve

Un - appropriated profit	9,476,924	9,280,082
	9,863,374	9,664,297

15. LONG TERM FINANCING

Loan obligations	12,426	15,820
Less: Current portion shown under current liabilities:		
Current portion of Loan obligations	(11,049)	(13,124)
	1,377	2,696

16. Trade and other payables includes Rs. 1.07 million (2024: Rs. 1.296 million) payable to related parties. This relates to normal course of the business and is interest free.

17. CONTINGENCIES & COMMITMENTS

17.1 Contingencies

The case titled 'Ahsan Zubair Vs. NETSOL Technologies Limited etc.' filed on January 26, 2013 relating to recovery of damages was partially allowed by the Learned Civil Court Lahore to the tune of PKR 200M. Against the decree and judgment of the Civil Court NETSOL filed an appeal before the Division Bench of Hon'ble Lahore High Court, Lahore and the Hon'ble Court vide Order dated October 03, 2024 was pleased to suspend the operation of decree and judgment passed against NETSOL against submission of surety equal to decretal amount which was provided to the Court in the shape of bank guarantee.

17.2 Commitments

Bank guarantees have been issued amounting Rs. 113.88 million (2024: Rs. 60.93 million) against performance of various contracts, to LESCO and to Standard Chartered Bank against its corporate credit cards.

The Company has a capital commitments of Rs. 79.44 million as at Sep 30, 2024. (2024: Rs. 1.32 million)

	Jul-Sep 2024	Jul-Sep 2023
	Unaudited	
	Rupees in Thousands	
18. REVENUE FROM CONTRACTS WITH CUSTOMERS		
DISAGGREGATION OF REVENUE:		
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
Export Revenue		
License	-	179,499
Services	642,300	908,122
Subscription and Support	1,241,248	1,136,080
	1,883,548	2,223,701
Local Revenue		
Services	7,103	21,931
Subscription and Support	9,393	11,674
	16,496	33,605
Sales tax	(1,164)	(1,208)
	1,898,880	2,256,098
18.1 Timing of revenue recognition:		
At a point in time	-	179,499
Over the time	1,898,880	2,076,599
	1,898,880	2,256,098
19. OTHER INCOME		
Income from financial assets		
Profit on bank deposits & short term investments	208,382	131,376
Interest income from related party	898	16,495
	209,280	147,871
Income from non-financial assets		
Gain on foreign currency translation	170,981	-
Gain on disposal of assets	-	5
Rental income	525	525
	171,506	530
	380,786	148,401
20. TAXATION		
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.		
21. EARNINGS PER SHARE		
Basic		
Profit after taxation for the period	196,842	271,540
Average number of ordinary shares in issue during the period	87,837	87,837
Basic - In Rupees	2.24	3.09
Diluted		
Profit after taxation for the period	196,842	271,540
Average number of ordinary shares in issue during the period	89,064	87,978
Diluted - In Rupees	2.21	3.09

22. TRANSACTION WITH RELATED PARTIES

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

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

		Jul-Sep 2024	Jul-Sep 2023
		Rupees in Thousands	
Relationship with the Company	Nature of transactions		
(i) Subsidiary	Rental income	300	300
	Admin and IT services	600	600
	Mark-up income	898	16,495
(ii) Associated undertaking	Rental income	225	225
	Provision of services	666,654	710,457
	Purchase of services	11,382	11,607
(iii) Post employment benefit	Contribution to defined contribution plan	46,330	43,820
(iv) Key management personnel	Salaries and benefits	84,155	87,848
	Retirement benefits	3,491	3,509
	Commission paid	2,790	7,224
(v)	There are no transactions with any key management personnel other than under the terms of employment.		

23. 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 interim financial information does not include all information and disclosures as required in the annual financial statements.

24. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial risk factors

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

Fair value of financial assets and liabilities

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

25. CORRESPONDING FIGURES

Corresponding figures have been 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.

26. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 30, 2024 by the Board of Directors.

27. FIGURES

Figures have been rounded off to the nearest thousand rupee unless otherwise stated. Previously, the figures were rounded off to the nearest rupees. Due to the change in presentation of financials, there are slight changes in figures but they have no material impact. However, overall financial results remain unchanged.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



889,65

86

456,76
34,56
15,23
78,24

646,
159,7
684,25
789,21

584,79

78,32
45

Condensed Consolidated Financial Statements

For the Quarter Ended September 30, 2024

Condensed Consolidated Interim Statement of Financial Position - Unaudited

As at June 30, 2024

	NOTE	Sep-24 Unaudited	Jun-24 Audited
Rupees in Thousands			
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	1,194,829	1,221,182
Intangible assets	6	-	-
		1,194,829	1,221,182
Long term contract assets		54,204	52,637
Long term loans to employees		14,927	22,860
		1,263,960	1,296,679
CURRENT ASSETS			
Trade debts	7	4,831,100	5,326,984
Contract assets		1,482,679	1,787,247
Loans and advances	8	144,851	118,428
Trade deposits & short term prepayments	9	146,109	116,701
Other receivables	10	93,193	54,026
Due from related parties	11	507,945	514,396
Prepaid tax asset		63,958	35,730
Cash & bank balances		5,092,024	4,669,162
		12,361,859	12,622,674
TOTAL ASSETS		13,625,819	13,919,353
EQUITY & LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital			
200,000 ordinary shares of Rs.10/- each	12	2,000,000	2,000,000
Issued, subscribed and paid-up capital	12	898,369	898,369
Share deposit money		13	13
Reserves	13	9,351,598	9,208,065
		10,249,980	10,106,447
NON-CURRENT LIABILITIES			
Long term financing	14	1,377	2,696
Long term advances		2,850	1,995
		4,227	4,691
CURRENT LIABILITIES			
Trade and other payables	15	934,413	763,340
Contract liabilities		842,076	1,446,955
Short term borrowings		1,580,000	1,580,000
Current portion of long term liabilities		11,299	14,096
Unclaimed dividend		3,824	3,824
		3,371,612	3,808,215
CONTINGENCIES & COMMITMENTS	16	-	-
TOTAL EQUITY AND LIABILITIES		13,625,819	13,919,353

The annexed notes from 1 to 26 form an integral part of these condensed consolidated interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Consolidated Interim Statement of Profit or Loss - Unaudited

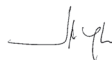
For the Quarter Ended September 30, 2024

	NOTE	Jul-Sep 2024	Jul-Sep 2023
Rupees in Thousands			
Revenue from contracts with customers - net	17	1,925,898	2,323,581
Cost of revenue		(1,313,924)	(1,422,675)
Gross profit		611,974	900,906
Selling and promotional expenses		(206,491)	(197,291)
Administrative expenses		(379,790)	(353,891)
		(586,281)	(551,182)
Operating profit		25,693	349,724
Other income		381,360	131,849
		407,053	481,573
Other operating expenses		(136,156)	(156,755)
Finance cost		(68,907)	(79,404)
Profit before taxation		201,990	245,414
Final tax / levies	18	(60,693)	(32,695)
Profit before income tax		141,297	212,719
Income tax		-	-
Profit after taxation for the period attributable to equity holders of the parent		141,297	212,719
Earnings per share			
Basic - In Rupees	19	1.61	2.42
Diluted - In Rupees	19	1.59	2.42

The annexed notes from 1 to 26 form an integral part of these condensed consolidated interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Consolidated Interim Statement of Comprehensive Income - Unaudited

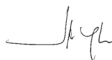
For the Quarter Ended September 30, 2024

	Jul-Sep 2024	Jul-Sep 2023
	Rupees in Thousands	
Profit after taxation for the period	141,297	212,719
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss:</i>	-	-
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax):</i>		
- Exchange differences on translation of foreign operations	1	76
Total comprehensive income for the period attributable to equity holders of the parent	141,298	212,795

The annexed notes from 1 to 26 form an integral part of these condensed consolidated interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Consolidated Interim Statement of Cash Flows - Unaudited


For the Quarter Ended September 30, 2024

	Jul-Sep 2024	Jul-Sep 2023
Rupees in Thousands		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	201,990	245,414
Adjustments for non cash charges and other items:		
Depreciation - own assets	75,560	93,701
Amortization of right of use assets	455	668
Amortization of intangible assets	-	40,386
(Gain) on disposal of fixed assets	-	(5)
Foreign exchange (gain)/loss	(172,503)	37,109
Finance cost	68,091	77,194
Interest income	(208,632)	(131,619)
Employee compensation expense	2,235	3,362
Provision for expected credit losses	37,524	26,329
	(197,270)	147,125
Cash generated from operations before working capital changes	4,720	392,539
Working Capital Changes		
Trade debts	718,973	1,236,284
Contract assets	204,761	(62,601)
Contract liabilities	(604,879)	(699,418)
Loans and advances	(18,490)	(30,483)
Trade deposits & short term prepayments	(29,408)	(13,468)
Other receivables	(39,167)	(6,444)
Due from related parties	6,451	(57,850)
Trade and other payables	187,887	30,098
Cash generated from operations	426,128	396,118
Income taxes paid	(88,921)	(39,159)
Net cash generated from operations	341,927	749,498
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment purchased	(10,661)	(14,260)
Sales proceeds of fixed asset	-	58
Advances against capital expenditure	(39,001)	-
Interest received	208,632	131,619
Net cash generated from investing activities	158,970	117,417
CASH FLOWS FROM FINANCING ACTIVITIES		
Paid against lease liabilities	(763)	(6,533)
Long term loan	(4,184)	(9,858)
Short term borrowing	(73,973)	(65,854)
Long term advances	855	2,175
Net cash (used in) financing activities	(78,065)	(80,070)
Net increase in cash and cash equivalents	422,832	786,845
<i>Net foreign exchange difference</i>	30	75
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	5,092,024	3,419,986

The annexed notes from 1 to 26 form an integral part of these condensed consolidated interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Consolidated Interim Statement of Changes in Equity - Unaudited

For the Quarter Ended September 30, 2024

	Attributable to equity holders of the Parent							Total
	Issued, subscribed and paid-up capital	Share deposit money	Capital Reserve				Revenue Reserve	
			Treasury share reserve	Employee share option compensation reserve	Share premium	Foreign currency translation reserve	Un-appropriated profit	
Rupees in Thousands								
Balance as at June 30, 2023	898,369	13	(184,739)	254,359	304,167	925	7,619,595	8,892,689
Net profit for the period	-	-	-	-	-	-	212,719	212,719
Other comprehensive income for the period	-	-	-	-	-	76	-	76
Total comprehensive income for the period	-	-	-	-	-	76	212,719	212,795
Amortization of employee share options	-	-	-	3,362	-	-	-	3,362
	-	-	-	3,362	-	76	212,719	216,157
Balance as at September 30, 2023	898,369	13	(184,739)	257,721	304,167	1,001	7,832,314	9,108,846
Balance as at June 30, 2024	898,369	13	(184,739)	265,445	304,167	544	8,822,648	10,106,447
Net profit for the period	-	-	-	-	-	-	141,297	141,297
Other comprehensive income for the period	-	-	-	-	-	1	-	1
Total comprehensive income for the period	-	-	-	-	-	1	141,297	141,298
Amortization of employee share options	-	-	-	2,235	-	-	-	2,235
	-	-	-	2,235	-	1	141,297	143,533
Balance as at September 30, 2024	898,369	13	(184,739)	267,680	304,167	545	8,963,945	10,249,980

The annexed notes from 1 to 26 form an integral part of these condensed consolidated interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Notes to the Condensed Consolidated Interim Financial Statements - Unaudited

For the Quarter Ended September 30, 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 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. Principal activities of the Company is development and sale of computer software and allied services in Pakistan as well as abroad.

Address/Location	Purpose
1 NetSol IT Village,(Software Technology Park) Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. Pakistan.	Registered office and business unit
2 43/1/Q, Amna Villa 1, Block-6, PECHS Housing Society Karachi, Pakistan	Branch office
3 House No. 4, Safari villas 1, Bahria town, Rawalpindi. Pakistan.	Branch office
4 3rd floor Jasmin's Arcade Fakhar-e-Alam road, Peshawar Cantt. Pakistan.	Branch office
5 Khalifa Abdulla Ali Bin Belaila Almheiri P.O. BOX MF-A70 Abu Hail	Subsidiary Office

NetSol IT Village, (Software Technology Park) also includes House No. 4, House No. 5, House No. 6 and 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 .

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

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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.3 Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1. 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.

3.2. 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 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.

3.3. 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, 2024 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 JUDGMENT

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

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

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

In preparing these condensed consolidated interim financial statements, the judgements, estimates and assumptions made by the management were the same as those that were applied to the preceding annual published financial statements of the company for the year ended June 30, 2024.

	NOTE	Sep-24 Unaudited	Jun-24 Audited
Rupees in Thousands			
5. PROPERTY AND EQUIPMENT			
Net book value of owned assets	5.1	1,149,045	1,213,944
Net book value of right of use assets	5.2	3,649	4,104
Advances against capital expenditure		42,135	3,134
		1,194,829	1,221,182
5.1 PROPERTY AND EQUIPMENT			
Opening Balance - net book value		1,213,944	1,513,092
Additions	5.1.1	10,661	121,713
		1,224,605	1,634,805
Less:			
Disposals - net book value	5.1.2	-	(76,564)
Depreciation & amortization		(75,560)	(344,297)
		1,149,045	1,213,944

	NOTE	Sep-24 Unaudited	Jun-24 Audited
Rupees in Thousands			
5.1 Following is the detail of addition / transfers:			
Furniture & fixture		352	4,464
Vehicles		241	41,537
Office equipment		6,273	3,300
Computer equipment and installations		2,840	38,822
Air conditioners		955	1,060
Generator		-	4,675
Computer software		-	27,855
Total		10,661	121,713

5.1.2 Following is the detail of disposals :

	Sep-24 Unaudited			Jun-24 Audited		
	Cost	Accumulated Depreciation	Written down value	Cost	Accumulated Depreciation	Written down value
Rupees in Thousands						
Furniture & fixture	-	-	-	19,113	18,931	182
Vehicles	-	-	-	136,744	60,414	76,330
Computers equipment and installations	-	-	-	339	287	52
Total	-	-	-	170,341	93,777	76,564

5.2 RIGHT OF USE ASSETS

Opening Balance - net book value		4,104	8,380
Additions		-	-
		4,104	8,380
Less:			
Disposals - net book value	5.2.1	-	(2,030)
Depreciation & amortization		(455)	(2,246)
		3,649	4,104

5.2.1 Following is the detail of disposals:

	Sep-24 Unaudited			Jun-24 Audited		
	Cost	Accumulated Depreciation	Written down value	Cost	Accumulated Depreciation	Written down value
Rupees in Thousands						
Vehicles	-	-	-	4,273	2,243	2,030
Total	-	-	-	4,273	2,243	2,030

6. INTANGIBLE ASSETS

Opening Balance - net book value		-	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.

	NOTE	Sep-24 Unaudited Rupees in Thousands	Jun-24 Audited
7. TRADE DEBTS			
Considered good - unsecured	7.1	4,831,100	5,326,984
Considered doubtful - unsecured		180,994	280,597
		5,012,094	5,607,581
Less: Allowance for expected credit losses	7.2	(180,994)	(280,597)
		4,831,100	5,326,984
7.1	It represents amount receivable from customers. It is unsecured but considered good by the management.		
7.2	This is an allowance for expected credit losses created by the company for any future doubtful trade debts.		
7.3	Amount receivable from related parties included in trade debts (from export sales) are as under:		
NetSol Technologies (Thailand) Limited		28,730	61,866
NetSol Technologies (Beijing) Company Limited		2,353,306	3,267,132
NetSol Technologies Australia Pty. Limited		783,469	715,896
Netsol Technologies Americas Inc.		403,611	422,801
NetSol Technologies Europe Ltd		38,355	25,589
Ascent Europe Limited		551,452	433,302
Tianjin NuoJinZhiCheng Co., Ltd		27,488	26,593
		4,186,411	4,953,179
8. LOANS AND ADVANCES - Unsecured			
Current maturity of loans to executives		15,998	19,369
Advances			
- to employees		5,160	2,350
- against expenses	8.1	123,693	96,709
		144,851	118,428
8.1	Advances to employees are given to meet business expenses and are settled as and when the expenses are incurred.		
9. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Security deposit		4,067	3,983
Prepayments		142,042	112,718
		146,109	116,701
10. OTHER RECEIVABLES			
Guarantee margin		15,237	7,000
Other receivable - considered good		77,956	47,026
		93,193	54,026
11. DUE FROM RELATED PARTIES			
Considered good - unsecured			
Parent			
NetSol Technologies Limited Inc.		79,682	80,086
Associates			
NetSol Connect (Pvt.) Ltd.		12,891	13,858
OTOZ Thailand Ltd		32,262	28,398
NetSol Technologies (Thailand) Limited		-	27,938
NetSol Technologies (Beijing) Ltd		269,442	260,490
NetSol Technologies Europe Limited		153	-
NetSol Technologies Americas Inc.		113,486	103,556
Tianjin NuoJinZhiCheng Co., Ltd		29	70
		507,945	514,396
11.1	These relate to normal business of the group and are interest free.		

12. SHARE CAPITAL

12.1 Authorized share capital

	Sep-24	Jun-24		Sep-24	Jun-24
	Unaudited	Audited		Unaudited	Audited
	Number of shares in Thousands			Rupees in Thousands	
	200,000	200,000	Ordinary Shares of Rs. 10 each.	2,000,000	2,000,000

12.2 Issued, subscribed & paid-up capital

	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 issued as fully paid bonus shares	471,507	471,507
	89,837	89,837		898,369	898,369

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.

The share capital includes 2,000,000 ordinary shares (Rs. 10 each as fully paid in cash) held as treasury shares by the parent company. These treasury shares are held in CDC blocked account in freeze form. These are not entitled to any voting right, cash dividend or other distribution made by the company. No sale or disposal of treasury shares has been made during the financial year.

13. RESERVES

Capital reserve					
Premium on issue of ordinary shares				304,167	304,167
Employee share option compensation reserve				267,680	265,445
Foreign currency translation reserve				545	544
Treasury share reserve				(184,739)	(184,739)
Revenue reserve					
Un - appropriated profit				8,963,945	8,822,648
				9,351,598	9,208,065

14. LONG TERM FINANCING - SECURED

Loan liability				12,426	15,820
Less: Current portion shown under current liabilities:					
Current portion of loan liability				(11,049)	(13,124)
				1,377	2,696

15. Trade and other payables includes Rs. 14.767 million (2024: Rs. 6.858 million) payable to related parties. This relates to normal course of the business and is interest free.

16. CONTINGENCIES & COMMITMENTS

16.1 Contingencies

The case titled 'Ahsan Zubair Vs. NETSOL Technologies Limited etc.' filed on January 26, 2013 relating to recovery of damages was partially allowed by the Learned Civil Court Lahore to the tune of PKR 200M. Against the decree and judgment of the Civil Court NETSOL filed an appeal before the Division Bench of Hon'ble Lahore High Court, Lahore and the Hon'ble Court vide Order dated October 03, 2024 was pleased to suspend the operation of decree and judgment passed against NETSOL against submission of surety equal to decretal amount which was provided to the Court in the shape of bank guarantee.

16.2 Commitments

Bank guarantees have been issued amounting Rs. 113.88 million (2024: Rs. 60.93 million) against performance of various contracts, to LESCO and Standard Chartered Bank against its corporate credit cards.

The Company has capital commitments of Rs 79.44 million (2024: Rs. 1.32 million) under capital purchase agreements as at September 30, 2024.

	Jul-Sep 2024	Jul-Sep 2023
	Unaudited	
	Rupees in Thousands	
17. REVENUE FROM CONTRACTS WITH CUSTOMERS		
DISAGGREGATION OF REVENUE:		
Export Revenue		
License	-	179,499
Services	669,318	971,610
Subscription and Support	1,241,248	1,136,080
	1,910,566	2,287,189
Local Revenue		
Services	7,103	26,126
Subscription and Support	9,393	11,674
	16,496	37,800
Sales tax	(1,164)	(1,408)
	1,925,898	2,323,581
17.1 Timing of revenue recognition:		
At a point in time	-	179,499
Over the time	1,925,898	2,144,082
	1,925,898	2,323,581

18. TAXATION

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.

19. EARNINGS PER SHARE**Basic**

Profit attributable to ordinary shareholders of NetSol Technologies Limited	141,297	212,719
Weighted average number of ordinary shares in issue during the period	87,837	87,837
Basic - In Rupees	1.61	2.42

Diluted

Profit attributable to ordinary shareholders of NetSol Technologies Limited	141,297	212,719
Weighted average number of ordinary shares in issue during the period	89,064	87,978
Diluted - In Rupees	1.59	2.42

20. 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 information does not include all information and disclosures as required in the annual financial statements.

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial risk factors

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

Fair value of financial assets and liabilities

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

22. TRANSACTION WITH RELATED PARTIES

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

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

Relationship with the Company		Nature of transactions	Jul-Sep	Jul-Sep
			2024	2023
			Rupees in Thousands	
(i)	Associated undertaking	Rental Income	225	225
		Provision of services	666,654	735,879
		Purchase of services	11,382	11,607
(ii)	Key management personnel	Salaries and benefits	90,037	89,080
		Retirement benefits	3,638	3,545
		Commission paid	2,790	7,224
(iii)	Post employment benefit	Contribution to defined contribution plan	48,571	46,204

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

23. SEGMENT REVENUES AND RESULTS

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

	Sep-24			
	PBS	PS	BPO	Total
Rupees in Thousands				
Revenue - net				
External sales				
Services	623,415	33,141	18,885	675,441
Subscription and Support	1,250,457	-	-	1,250,457
Total revenue	1,873,872	33,141	18,885	1,925,898
Cost of revenue	(1,240,504)	(55,430)	(17,990)	(1,313,924)
Segment results	633,368	(22,289)	895	611,974
Unallocated corporate expenses:				
Selling and promotion expenses				(206,491)
Administrative expenses				(379,790)
Other income				381,360
Other operating expenses				(136,156)
Finance cost				(68,907)
Final tax / levies				(60,693)
Profit after taxation				141,297

	Sep-23			Total
	PBS	PS	BPO	
Rupees in Thousands				
Revenue - net				
External sales				
Licence	179,499	-	-	179,499
Services	903,133	71,482	21,942	996,557
Subscription and Support	1,147,525	-	-	1,147,525
Total revenue	2,230,157	71,482	21,942	2,323,581
Cost of revenue	(1,339,628)	(67,658)	(15,389)	(1,422,675)
Segment results	890,529	3,824	6,553	900,906
Unallocated corporate expenses:				
Selling and promotion expenses				(197,291)
Administrative expenses				(353,891)
Other income				131,849
Other operating expenses				(156,755)
Finance cost				(79,404)
Final tax / levies				(32,695)
Profit after taxation				212,719

*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.

24. 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.

25. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 30, 2024 by the Board of Directors.

26. GENERAL

Figures have been rounded off to the nearest thousand rupee unless otherwise stated. Previously, the figures were rounded off to the nearest rupees. Due to the change in presentation of financials, there are slight changes in figures but they have no material impact. However, overall financial results remain unchanged.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



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