NETSOL.

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

FORM-05
Date:06/10/2025

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

Subject: **Transmission of Annual Report For the Year Ended June 30, 2025**

Dear Sir,

We have to inform you that the Annual Report of the Company for the year ended June 30, 2025 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.

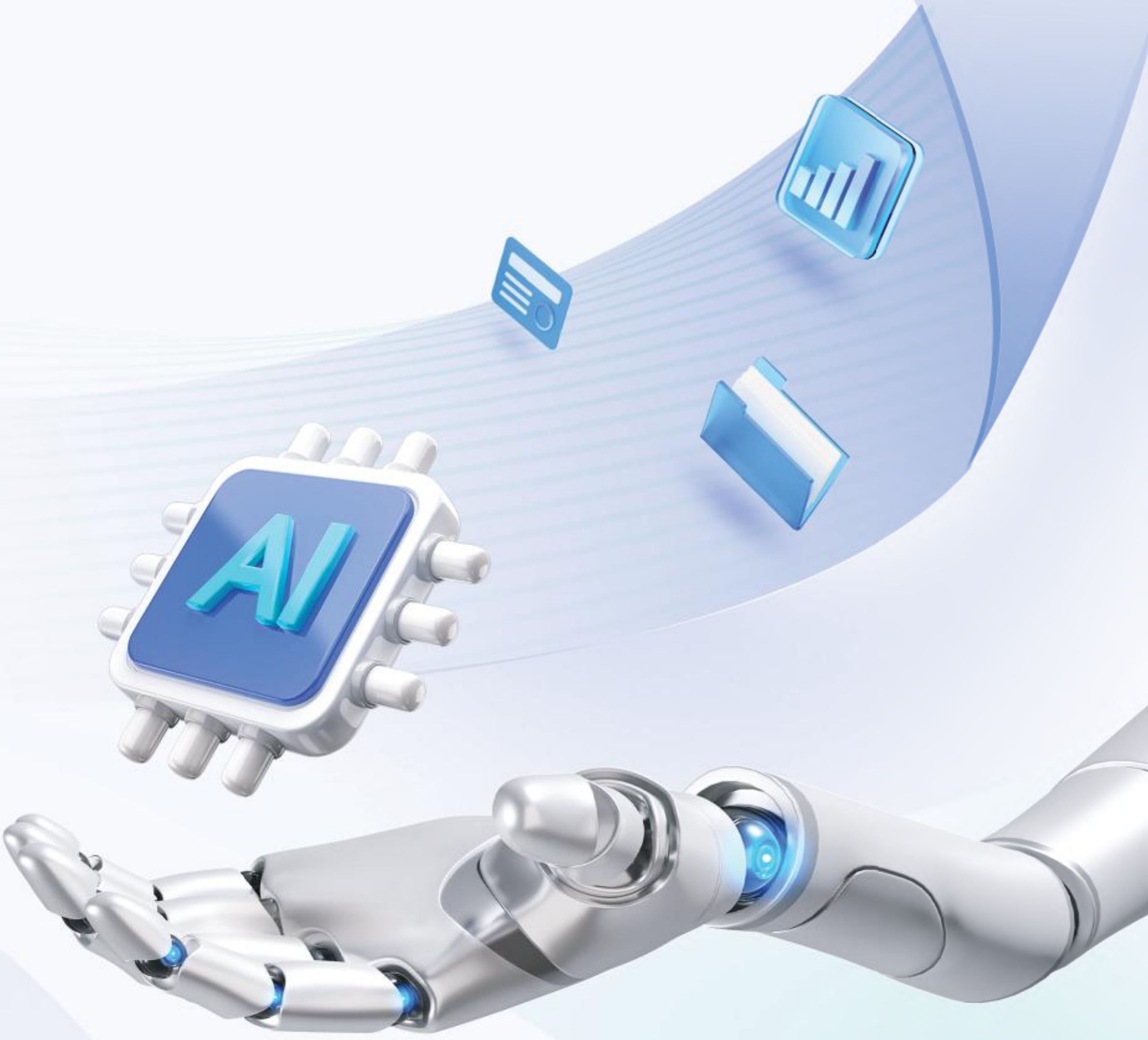
Yours Sincerely,

Sehrish

SEHRISH
Company Secretary

NetSol Technologies Limited
NetSol IT Village (Software Technology Park) Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt

NETSOL



ANNUAL REPORT

2025

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Company Profile

BOARD OF DIRECTORS

NAEEM ULLAH GHAURI
Chairman/Non-Executive Director

SALIM ULLAH GHAURI
Chief Executive Officer/Executive Director

OMAR SHAHAB GHAURI
Executive Director

VASEEM ANWAR
Non-Executive Director

HAMNA GHAURI
Non-Executive Director

NOMAN HUSSAIN
Independent Director

HUMA FAKHAR
Independent 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
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
- Al Baraka Bank (Pakistan) Limited
- Habib Metropolitan Bank Limited
- Bank Alfalah Islamic Limited
- Bank Al Habib Limited
- Habib Bank Limited

CONTACT DETAILS

REGISTERED OFFICE
NETSOL IT Village
(Software Technology Park)
Lahore Ring Road,
Ghazi Road InteWrchange,
Lahore Cantt. 54792,
Pakistan
Tel: +92-42-111-44-88-00,
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Fax: +92-42-35701046,
35726740

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

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

WEB PRESENCE
www.netsolpk.com
info@netsolpk.com
corporate@netsolpk.com

Vision and Mission

Vision Statement

To be the leading global provider of IT solutions and services in every market we serve – by leveraging our worldwide footprint, driving sustainable growth, increasing shareholder value, and fostering a culture of excellence for our employees.

The leading and world class provider
We will continue to invest in top-quality talent, certifications, processes, infrastructure and product development.

In each market
We will focus individually on each market, while growing globally.

By leveraging our global positioning
We will fully harness our global solutions, customer base, presence and expertise.

Creating strong growth potential
We will invest in capacity building, research and development, and emerging technology markets.

Increasing shareholders' value
We aim to provide above average and superior returns to our shareholders.

Mission Statement

To be the premier solutions provider to the global finance and leasing industry. We will build on our market-leading position in APAC and expand our strong presence in Europe and the US to drive continued growth from our current generation of finance and leasing solutions while scaling our next-generation platform. We will harness our world-class software development capabilities to create new intellectual property in business segments where we can deliver meaningful value. We are committed to inspiring, training and rewarding our employees to be the best in their fields.

Major Customers

China

- Mercedes-Benz Auto Finance China, Ltd
- Mercedes-Benz Leasing Co., Ltd
- Toyota Motors Finance China Co., Ltd
- Stellants Automotive Finance Co., Ltd
- Fortune Auto Finance Co. Ltd
- Shanghai Dongzheng Automotive Finance Co., Ltd
- BYD Company Limited
- NETSOL Technologies (Beijing) Co., Ltd
- Tianjin NuoJinZhiCheng Co., Ltd

Thailand

- Mercedes-Benz Leasing (Thailand) Co., Ltd
- Nissan Leasing (Thailand) Co., Ltd
- NETSOL Technologies (Thailand) Limited

Australia

- Mercedes Benz Financial Services Australia Pty Ltd
- Mercedes-Benz Financial Services New Zealand Ltd
- Daimler Truck Financial Services Australia
- Pepper Group Australia
- NETSOL Technologies Australia Pty Ltd

Hong Kong

- Mercedes-Benz Financial Services Hong Kong Ltd
- BMW Financial Services Hong Kong Limited

Japan

- Mercedes-Benz Finance Co. Ltd
- Daimler Truck Financial Services Asia Co., Ltd

Germany

- Mercedes-Benz Mobility AG Germany

Malaysia

- Mercedes-Benz Services Malaysia Sdn Bhd

South Africa

- Mercedes-Benz Financial Services, South Africa
- Daimler Truck Financial Services South Africa (Pty) Ltd

Indonesia

- PT OTO Multiartha
- PT Summit OTO Finance
- PT. Orico Balimor Finance Indonesia

Singapore

- Mercedes-Benz Financial Services Singapore Ltd

Korea

- Mercedes-Benz Financial Services Korea Ltd

Taiwan

- Mercedes-Benz Financial Services Taiwan Ltd

US

- NETSOL Technologies Americas

UK

- NETSOL Technologies Europe Ltd
- Ascent Europe Limited

Pakistan

- Khyber Pakhtunkhwa Revenue Mobilization & Public Resource Management Program

UAE

- NETSOL Ascent Middle East Equipment Trading LLC

Global **Presence**

Pakistan
Lahore | Karachi | Rawalpindi

USA
Encino | Austin

UK
London | Horsham

China
Beijing | Tianjin

Indonesia
Jakarta

Thailand
Bangkok

Australia
Sydney

UAE
Dubai

Quality **Focus**

We are committed to continuously improving the effectiveness of our quality management system through:

- Effective implementation of software measurement programs
- Developing & maintaining a skilled & motivated resource base
- Regular assessments against international standards
- Reviewing & enhancing quality objectives
- Monitoring & enhancing customer satisfaction

Our focus in quality engineering and process improvement has been imperative in ensuring excellence of operations and customer satisfaction. We are also continuously investing in software processes improvement and ISO authorized trainings for our teams.

Our Quality **Standards**

NETSOL has successfully undergone an audit for SOC 2 Type 2 compliance through A-LIGN, a U.S.-based audit firm and trusted technology-enabled security and compliance partner for over 2,500 global organizations. In addition to SOC 2 Type 2, NETSOL was also audited for ISO 27001, ISO 20000, and ISO 9001 certifications.

These certifications and audits highlight NETSOL's ongoing commitment to safeguarding its client data while implementing international best practices for information security.

Our **Portfolio**

Currently we are offering the following products and services to our customers.

- Enterprise Solutions
- Business Intelligence
- IT Consulting & Business Process Reengineering
- Technology & Business Process Outsourcing
- Application Development & Maintenance
- Cloud Services

Primary Industries We Serve

- Finance & Lease Industry
- Digital Automotive Retail
- Other Industries

Core **Products**

Retail | Digital Retail & Mobility

Transcend Retail (formerly known as Otoz) revolutionizes auto and equipment retail with a fully digital, integrated platform that simplifies the entire customer journey. From online purchasing to finance approval, the platform delivers advanced retail and mobility solutions designed to keep dealerships and OEMs at the cutting edge of evolving consumer expectations.

Finance | Retail & Wholesale Financing

Transcend Finance (formerly known as Ascent) streamlines finance and leasing operations with a comprehensive solution for originations, servicing and wholesale finance. The platform empowers automotive and equipment OEMs, auto captives, commercial lenders, dealers, brokers, banks and other financial institutions with end-to-end visibility and control, enabling seamless workflows and accelerated business outcomes.

Marketplace | API First Ecosystem

Transcend Marketplace (formerly known as Appex Now) is the go-to platform for modular, API-first solutions that address every aspect of finance and leasing. Whether it's calculations, document generation, loan originations or lending configurations, the platform offers a suite of flexible, component-based solutions that integrate seamlessly with existing infrastructure.

Core **Services**

Consultancy | Professional Services

Transcend Consulting Services empowers businesses with expert guidance across critical areas such as information security, data engineering and cloud services. NETSOL's team collaborates closely with clients to develop tailored solutions that drive innovation, enhance efficiency and support sustainable growth.

AI Labs | AI Innovation Hub

Transcend AI Labs is leading AI-driven innovation by integrating advanced AI services into a comprehensive product suite designed to address the unique challenges of the BFSI sector, equipment and auto OEMs, and dealerships. Its tailored solutions drive industry-specific advancements, enabling organizations to stay ahead in a competitive market.

Our **Leadership**

Omar Shahab Ghauri
Chief Operating Officer

Kamran Khalid
Chief Product & Delivery Officer

Dario Morelli
Vice President AI

Asad Ullah Ghauri
Global Head of Sales

Boo-Ali Siddiqui
Chief Financial Officer

Khurram S. Rana
Chief Human Resource Officer

Sehrish Ishtiaq
Company Secretary

Syed Umer Qadri
Deputy Global Head of Sales

Abbas Leghari
Head of BD & SMO

Muhammad Abdul Wahab
Chief Internal Auditor

Erik Wagner
Chief Marketing Officer

Fawad Ghauri
Head of Digital

Sahibzada Ali Mahmud
Head of Professional Services

Usman Idrees
Head of Business Management Office

Humera Mirza
Senior Vice President Business Management

Irfan Zulfiqar Lodhi
Head of Delivery-Unity

Naheed Kausar Haq
Head of Services, Planning & Facilitation

Asif Zafar
Head of Network Operations & Services

Mohsin Hanif
Head of Employee Services & Procurement

Naeem Sultan
Head of Legal Affairs

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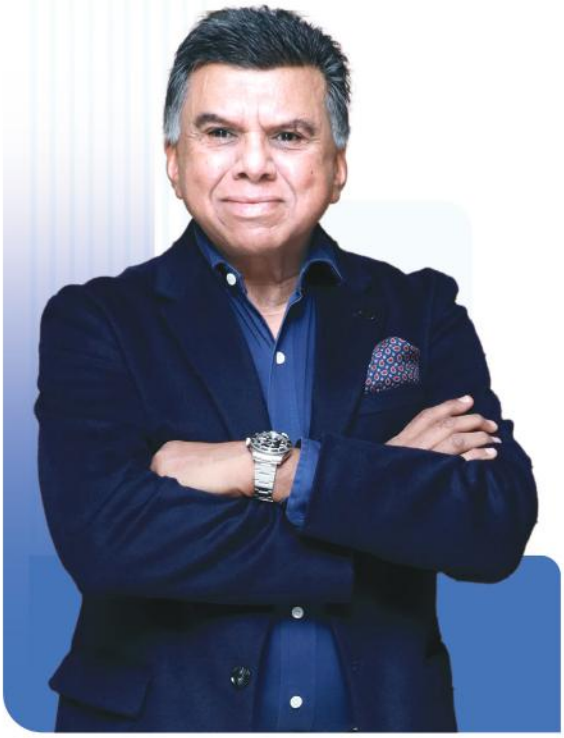
Business Review



Chairman's Review Report

It is with great pride and optimism that I present this year's Chairman's Review – a reflection not only of our progress over the past 12 months, but also a look ahead at the future we are actively building. NETSOL continues to evolve at pace, driven by a clear vision, relentless innovation and the collective passion of our global teams. We are at a defining moment in our journey – an inflection point where transformation meets opportunity.

Over the past few years, we began transitioning from a traditional license-based model to a subscription-based model – a strategic shift that has redefined the way we deliver value to our clients. This journey has not been without its challenges, but we are now seeing its rewards take shape. I am proud to report that 50% of our revenue now comes from recurring sources, including Annual Recurring Revenue (ARR) – a milestone that underscores our long-term commitment to sustainable growth.

This achievement marks a key turning point in our transformation. It signifies not only a shift in how we generate revenue, but also a fundamental change in how we engage with customers. With predictable income streams and longer-term client relationships, we are better positioned to scale, reinvest and innovate.

The most transformative change of all, however, is our shift to becoming an AI-first company. In July 2024, we formally initiated our AI journey. Since then, we've accelerated rapidly, embedding artificial intelligence across our organization – not as an add-on or a trend, but as a core pillar of how we operate, innovate and deliver.

We are proud that AI is being integrated across nearly every part of our business, from engineering and project management to HR, finance and administration. It is not only streamlining internal workflows and improving decision-making, but also increasing efficiency through better resource allocation. This evolution has empowered our teams to do more with less and to focus on higher-value strategic initiatives.

A significant part of this transformation has been the embedding of AI into Transcend – our unified, AI-powered platform. Transcend now offers AI-powered components that aren't theoretical or in pilot – many of these features are already live and we continue to invest heavily in R&D to expand the platform's intelligence and adaptability.

Earlier this year, as part of our Transcend Platform, NETSOL unveiled Transcend AI Labs – focused on building AI solutions for the asset retail and finance industry. The launch included an interactive AI Assistant and Intelligent Document Processing (IDP) capabilities to improve efficiencies and provide better decision-making for businesses. At the time, we also introduced RoleFit AI which is essentially an AI-powered resume grader.

A major AI development in place is Check AI – an AI-powered assistant with agentic flows built on Check (formerly the Credit Decision Engine), designed to boost the productivity and accuracy of credit analysts. It reduces manual work by automating research, gathering data from multiple sources and processing documents – making credit decisions faster and more reliable.

One of its standout features is the ability to generate deep research reports. These AI-driven reports go beyond simple data collection, delivering layered financial analysis with clear insights, trends and risks – compiled from sources like financial statements, credit reports and market indicators.

We are also leveraging AI to rapidly generate complete prototypes of both new and existing systems. This not only accelerates our presales efforts, but also enhances the efficiency and depth of our discovery phases, enabling us to deliver smarter, faster and more informed solutions to our clients.

Further, we have deployed AI-powered tools for infrastructure management, significantly reducing the manual effort required from our teams.

Several AI-driven initiatives are also currently in progress at NETSOL, aimed at enhancing both internal operations and client-facing experiences. As thought-leaders in artificial intelligence, our vision is to help clients unlock new levels of efficiency and agility, ensuring their operations are future-ready.

Beyond AI, our commitment to technological innovation spans every layer of our technology stack. Over the past year, we've implemented significant upgrades in architecture, scalability and security, laying a strong foundation for next-generation solutions. These changes are enabling us to deliver faster, more robust products while remaining agile in the face of evolving client needs.

As we scale, we remain deeply focused on operational efficiency. This year, we saw meaningful gains from improved resource allocation. Efficiency is not just about cost – it's about speed, agility and focus. We are reallocating resources to higher-impact areas, fostering innovation and accelerating time-to-market for key products and enhancements.

None of this progress would be possible without the support, insight and dedication of our Board of Directors. I want to extend my deepest thanks to each of our Board Members for their contributions and oversight throughout the year.

As part of the Board's evolution, we bid farewell to Anwar Hussain and Zeshan Afzal, who stepped down following the elections held in December. On behalf of the Board and the entire NETSOL family, I extend our heartfelt thanks for their dedication, insight and valuable contributions during their tenure. At the same time, we are pleased to welcome Huma Fakhar and Noman Hussain to the Board. Their diverse experience and fresh perspectives will be instrumental in guiding NETSOL's strategic direction as we continue to grow.

To our incredible team members across the globe – from Encino to Lahore, from Bangkok to London and all the regional offices in between – thank you. This year demanded a lot from all of us. You not only rose to the occasion, you redefined what was possible.

As we move forward, our focus remains clear: to continue building the most intelligent, future-ready financial services technology in the world, to deepen the value we deliver to clients and to do so with a sense of purpose and responsibility.

NETSOL is no longer just evolving – we are transforming. From a license-based past to a recurring-revenue future. From traditional software development to AI-first innovation. From legacy processes to intelligent, automated operations. The path forward is both exciting and clear.

Here's to another year of transformation, growth and intelligent progress.

Naeem Ullah Ghauri
Chairman
Lahore
September 22, 2025

CEO'S Message

The fiscal year ended has been a transformative year for NETSOL – a year defined by solid results, improved operational efficiencies and a steady trajectory of growth. As we look back over the past twelve months, and indeed the last three years, it becomes abundantly clear that the strategies we set in motion are now delivering meaningful outcomes across all areas of our business.

This past year was a period where vision met execution. The careful steps we have taken over the last three years – focused on innovation, disciplined cost management, strategic expansion and resource optimization – have begun to bear fruit. These decisions were not made in isolation, but were part of a coherent, forward-looking roadmap designed to strengthen our foundations and prepare us for long-term success.

All our key initiatives, launched in prior years, are showing strong results. Whether in terms of our evolving product lines, global customer base or internal operational processes, we are witnessing positive movement and validation of our approach. From cost-saving measures to enhancing delivery efficiencies and from building global reach to scaling AI adoption, we are operating with a sharper focus, better planning and a more structured execution model than ever before.

One of our key goals has been to become more agile and efficient without compromising on the quality of service we deliver. This year, we took several bold steps aimed at improving how we work. From refining our project management methodologies to embracing AI-led productivity tools, we are now able to deliver more value with a leaner resource base.

In fact, one of the most compelling shifts this year has been our ability to do more with less. This is not just a matter of cutting costs – it's about working smarter, with clearer objectives, using the latest tools and empowering our teams with the right training and resources. Artificial intelligence has become a strong enabler in this journey. Our internal adoption of AI technologies has resulted in more accurate decision-making across departments. AI is now a critical lever that is enhancing our delivery model and reshaping how we serve our customers.

As we step into a new era of technological evolution, NETSOL is proud to have embarked on a transformative journey to become an AI-first organization, taking a leading role in the industry. Our commitment to artificial intelligence extends beyond product innovation – it is now the foundation of everything we do. From the launch of our unified, AI-powered Transcend Platform, to the integration of AI across our internal systems, development lifecycles, customer service channels and decision-making frameworks, we are redefining the future of enterprise technology. New product features and enhancements are now driven by intelligent automation via AI, bringing our clients smarter, faster and more adaptive solutions than ever before.

This transition is not just about adopting new tools; it's about cultivating a new mindset across the organization. We are actively hiring top-tier talent in key roles, including but not limited to, data scientists, machine learning engineers, AI research scientists and AI solutions architects, while also reskilling every existing team member – from junior developers to senior leadership. In fact, my executive team and I are fully engaged in AI learning programs ourselves, ensuring that our strategic direction remains deeply aligned with the latest technological capabilities. At NETSOL, we believe that building an AI-first culture means empowering every employee with the knowledge and tools to innovate with intelligence. AI is now embedded into the very fabric of how we operate at NETSOL and is driving greater efficiency, smarter decision-making and higher quality outcomes across the board.

We take pride in being the leading technology company in Pakistan to integrate AI so deeply and strategically into our software and technology solutions. This is not just innovation; it is leadership and it positions NETSOL at the forefront of the future.

At the heart of our value proposition lies innovation. Our unified suite of products and services – under our AI-powered Transcend Platform has played a pivotal role in capturing market attention and creating a differentiated space for us. Designed with modularity, scalability and agility at its core, Transcend is aligned with the needs of a digital-first world and has positioned us favorably in key markets.

The momentum we are seeing around Transcend is encouraging. As we continue to refine and expand the capabilities of the platform, we expect to see strong growth that complements our existing offerings.

Our customer base continues to grow, both in volume and diversity. FY 2024-25 saw NETSOL expanding its footprint into newer geographies while deepening its presence in established markets. We now maintain a strong and stable base in North America, Europe and the Asia-Pacific region. Importantly, we have also made significant inroads into the Middle East, a region that we now recognize as a promising and emerging market for us.

We are acquiring new clients in regions we have long targeted and are proud to see our offerings being adopted in different parts of the world. This global expansion not only diversifies our revenue streams, but also helps de-risk our operations and positions us as a truly global technology leader.

Another proud moment for us this year has been the realization of our long-standing dream. At NETSOL, we have always believed that empowering the next generation of technology professionals is not just a responsibility, but a privilege. This year, we officially launched the Institute of Artificial Intelligence at our Lahore, Pakistan office – a pioneering initiative designed to foster AI knowledge and expertise both within the company and throughout the wider community

Recognizing the urgent gap in AI talent emerging from Pakistan, NETSOL has taken a bold and strategic step to address this critical national and global imperative. The intensive AI certification program has been launched and aimed at equipping the next generation of professionals with future-ready skills. It aims to equip young minds with practical, in-demand capabilities that align with the needs of a rapidly evolving digital economy.

This initiative reflects our commitment to building a robust pipeline of AI expertise – empowering individuals to contribute meaningfully both within Pakistan and on the global stage. As AI reshapes industries worldwide, NETSOL is proud to lead the charge in preparing our nation's workforce for the opportunities of tomorrow.

In closing, I believe we are at a defining moment in our journey. We are no longer just preparing for growth – we are experiencing it. The investments we made in technology, talent and transformation are paying off and we are poised to achieve even greater heights in the coming years.

Internally, our teams have done an excellent job in aligning resources, managing capacity and delivering with greater predictability. With refined project planning, tighter integration between departments and improved tracking mechanisms, we are able to handle more complex engagements without necessarily increasing headcount. This enhanced delivery model is a testament to the maturity we've developed as an organization.

Looking ahead, the foundation we have built over the last three years has positioned us well for the future. We are now entering the new fiscal year with stronger momentum, better clarity and greater confidence. The actions we took, often difficult but necessary, have brought us to a point where sustainable growth is not just a goal, but a reality in progress.

None of this would be possible without the exceptional people behind it. Our achievements are a direct result of the commitment and passion of our teams around the globe. I want to extend my heartfelt appreciation to every member of the NETSOL family in Pakistan and across all our regional support and delivery centers worldwide.

Thank you for consistently rising to the challenge and delivering excellence, and for your relentless pursuit of quality – making NETSOL stronger every day. Your hard work, resilience and unwavering dedication have been the true driving force behind our continued success.

Salim Ullah Ghauri
CEO
Lahore
September 22, 2025

Awards and Recognitions

NETSOL has proudly earned prestigious national and international awards and recognitions, reaffirming its position as a world-class leader in innovation, excellence, and technology.

- China Financial Leasing Excellence Service Award
- Automotive Finance New Productivity Innovation Pioneer Award
- Monitor Daily's Next-Gen Leaders in Equipment Finance
- Best-as-a-Service Solution (Transcend Retail) at the Banking Tech Awards USA 2025

China Financial Leasing Excellence Service Award

NETSOL proudly celebrates another milestone at the HBL P@SHA ICT Awards 2025, receiving the CSR Award for the third consecutive year.

NETSOL has been awarded a "Certificate of Appreciation" by the Employees' Old-Age Benefits Institution (EOBI) in recognition of its compliance with legal obligations.

Global Marketing **Activities**

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1. Farooq Ghauri and the other medal winners at the OTO Ekiden Race for Share 2024 in Jakarta, Indonesia.:
2. HRH Prince Abdulaziz bin Ahmed Al Saud, Chairman of the Board of Directors at Atheeb Group with Najeeb Ghauri, Faizaan Ghauri and others at a business dinner in Riyadh, Saudi Arabia.
3. During the Leaseurope Convention in Alicante, Spain, an Executive Round Table was jointly hosted by NETSOL
4. Representatives from NETSOL Europe at the Annual Motor Finance Europe Conference and Awards 2024 in Frankfurt, Germany.
5. Eva Kellershof had the honor of presenting awards to the winners at the Motor Finance Europe Awards 2024 in Frankfurt, Germany.
6. Amanda Li Linjie, Asad Ghauri, Omar Ghauri and Naeem Aftab at the AFC Technology Innovation Closed-Door Seminar 2024 in Beijing, China.
7. Our high-level delegation at the annual ELFA Convention 2024 in Austin, Texas.
8. The NETSOL Team at the World Financial Innovation Series (WFIS) 2024 in Jakarta, Indonesia.

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9. The NETSOL Europe Team and Zeb Consulting hosted an Executive Roundtable in Warwickshire, England.
10. Naeem Ghauri with others at the China Auto Finance and Industry Development Competitiveness Forum 2024 held in Shanghai, China.
11. Representatives from NETSOL Europe at the Asset Finance Connect (AFC) Autumn Conference 2024 in London, England.
12. During the Asset Finance Connect (AFC) Summer Conference 2025 in London, England, Jason Hurwitz took the stage joining industry leaders on for an insightful panel discussion.
13. Chris Tobey, Melissa Havers and Jason Hurwitz at the NACFB Commercial Finance Expo 2025 in Birmingham, England.
14. NETSOL Europe proudly co-hosted an Executive Roundtable with Invigors EMEA Ltd. in London, England.
15. Representatives from NETSOL US at the National Independent Automobile Dealers Association's flagship event in Las Vegas, Nevada – the NIADA Convention and Expo 2025!
16. NETSOL's Senior Leadership at the Annual Sales and Strategy Retreat (Themed 'Regroup, Refocus, Rise') in Bangkok, Thailand.

Activities **During the Years**


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1. Mr. Neil Hawkins, Australian High Commissioner visited NetSol
2. H.E. Md. Iqbal Hussain Khan, High Commissioner of the People's Republic of Bangladesh to Pakistan, visited NETSOL
3. NETSOL welcomed Arshad Nadeem, Olympian gold medalist at the 2024 Olympics, to our Lahore office.
4. NETSOL Pakistan signed an MoU with BNU to deliver AI/ML, data science and cybersecurity training through the NETSOL Institute of Artificial Intelligence.
5. NETSOL Pakistan signed a MOU with LUMS to promote advancements in Generative AI.
6. NIC Lahore contract signing ceremony
7. Salim Ghauri's visit to Akhuwat University
8. Annual General Meeting

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9. NETSOL conducted a session on Breast Cancer Awareness, highlighting the importance of early detection.
10. Celebrating the incredible women of NETSOL and around the world on International Women's Day.
11. A thrilling mango-eating competition during NETSOL's Mango Bash event.
12. Eid Mela– a true celebration of tradition and togetherness
13. Independence Day Celebration
14. Independence Day Celebration
15. Salim Ghauri preparing breakfast for employees at NETSOL's Annual Breakfast 2025.
16. Salim Ghauri and NETSOL employees celebrating Christmas.

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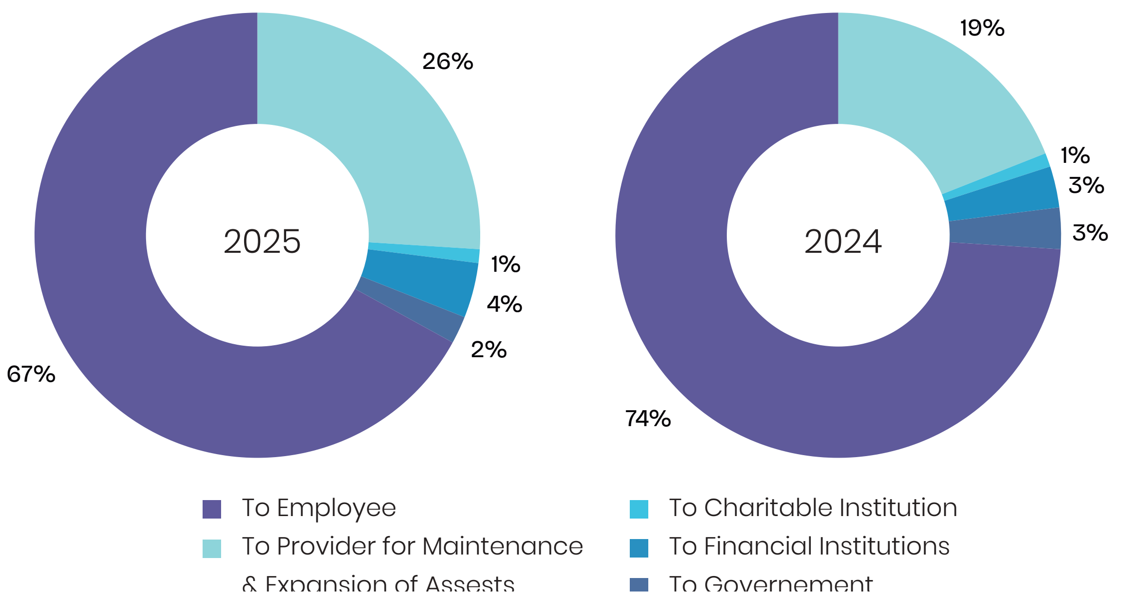
Financial Highlights

Statement of **Value Addition**

	2025	% age	2024	% age
		Rupees in '000'		
VALUE ADDITION				
Revenue	9,280,647		9,018,961	
Other Income	674,012		837,296	
	9,954,659		9,856,257	
Less Operating & General Expenses	2,979,589		2,707,168	
Value Added	6,975,070	100%	7,149,089	100%
VALUE DISTRIBUTION				
To Employee				
Salaries & other employee benefits	4,743,031	67%	5,305,637	74%
To Government				
Income & other taxes	170,505	2%	235,994	3%
To Financial Institutions				
As markup on borrowings	313,783	4%	227,716	3%
To Charitable Institution	21,404	1%	34,964	1%
To Provider for Maintenance & Expansion of Assets				
Depreciation / Amortization	342,188		313,851	
Retained Income	1,384,159		1,030,927	
	1,726,347	26%	1,344,778	19%
	6,975,070		7,149,089	



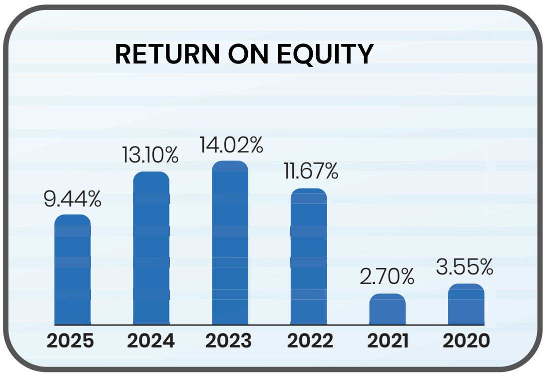
Six Years' **Summary**

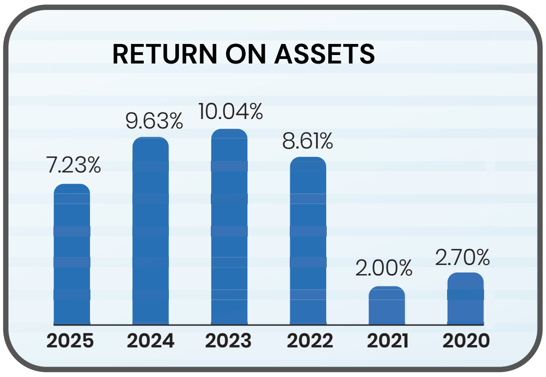
	2025	2024	2023	2022	2021	2020
			Rupees in '000'			
FIXED CAPITAL EXPENDITURE						
Tangible	1,225,066	1,216,236	1,514,209	1,613,215	1,599,438	1,542,792
Intangibles	-	-	40,386	333,890	627,393	920,897
	1,225,066	1,216,236	1,554,595	1,947,104	2,226,831	2,463,689
LONG TERM INVESTMENT	537,218	537,218	52,281	30,063	208,582	239,827
LONG TERM CONTRACT ASSETS	20,846	52,637	-	-	-	-
LONG TERM LOANS TO EMPLOYEES	8,590	22,860	4,392	7,891	3,552	1,571
WORKING CAPITAL	9,145,349	8,738,419	7,623,439	5,942,484	4,762,877	4,379,835
NET ASSETS EMPLOYED	10,937,069	10,567,370	9,234,707	7,927,542	7,201,843	7,084,922
EQUITY & LIABILITIES						
SHAREHOLDER'S EQUITY	10,918,311	10,562,679	9,167,434	7,827,036	7,103,817	6,897,498
NON CURRENT LIABILITIES	18,758	4,691	67,273	100,506	98,026	187,424
TOTAL FUNDS INVESTED	10,937,069	10,567,370	9,234,707	7,927,542	7,201,843	7,084,922
REVENUE FROM CONTRACTS WITH CUSTOMERS-NET	9,018,961	9,280,647	7,670,181	6,116,638	4,947,559	4,708,374
COST OF REVENUE	5,434,938	5,116,773	5,408,017	4,011,650	3,147,147	3,142,330
GROSS PROFIT	3,584,023	4,163,874	2,262,164	2,104,988	1,800,412	1,566,044
OPERATING EXPENSES	2,553,096	2,779,715	976,930	1,191,768	1,608,825	1,321,204
NET PROFIT FOR THE YEAR	1,030,927	1,384,159	1,285,234	913,220	191,587	244,840
EARNING PER SHARE	11.89	15.76	14.63	10.19	2.13	2.73
RESERVES & SHARE CAPITAL						
Reserves	10,016,074	9,664,297	8,269,052	6,928,654	6,205,435	5,999,116
Share Capital	898,369	898,369	898,369	898,369	898,369	898,369

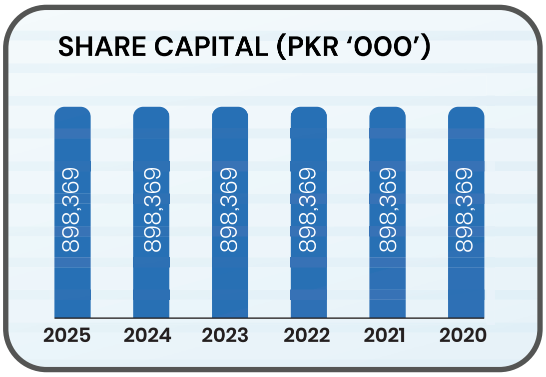
Key Financial **Ratios**

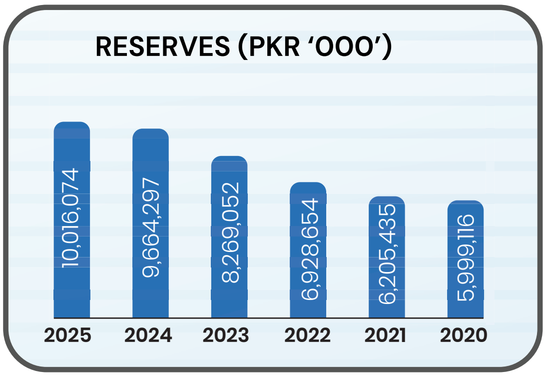
		2025	2024	2023	2022	2021	2020
Working Capital	Rupees in thousand	9,145,349	8,738,419	7,623,439	5,942,484	4,762,877	4,379,835
Gross Profit	%	39.74	44.87	29.49	34.41	36.39	33.26
Net Profit Margin	%	11.43	14.91	16.76	14.93	3.87	5.20
Return on Equity	%	9.44	13.10	14.02	11.67	2.70	3.55
Return on Assets	%	7.23	9.63	10.04	8.61	2.00	2.70
Debtor Turnover	Times	1.57	1.75	1.36	2.45	3.00	2.14
Current Ratio	Times	3.76	3.30	3.14	3.22	3.00	3.20
Earnings Per Share	Rupees	11.89	15.76	14.63	10.19	2.13	2.73
Book Value Per Share	Rupees	128.23	120.25	104.37	89.11	79.07	76.78
Outstanding No. of Shares	Shares	85,146,672	87,836,923	87,836,923	7,836,923	89,836,923	89,836,923

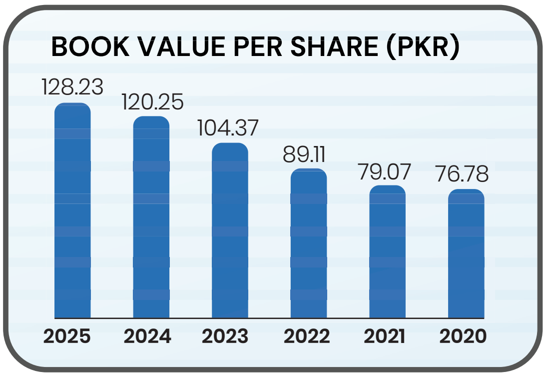
Financial **Summary**

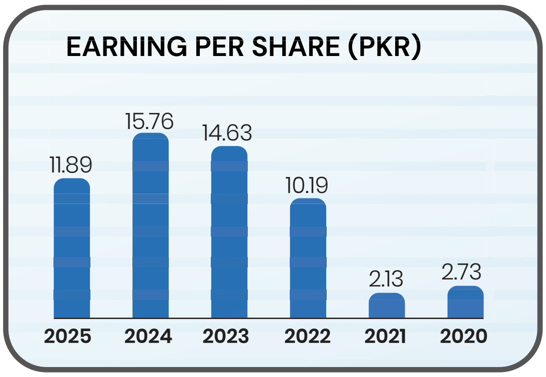




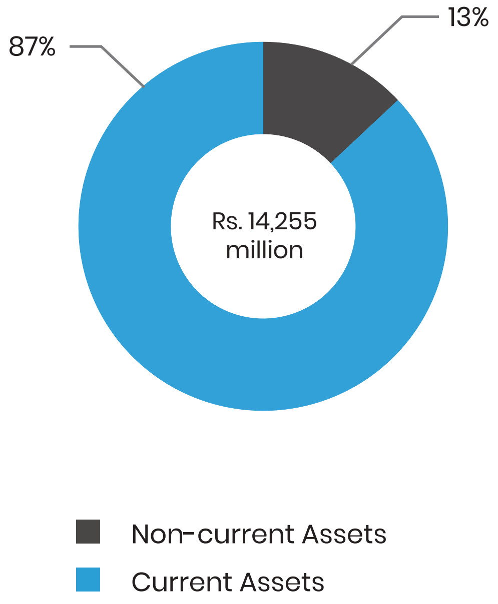




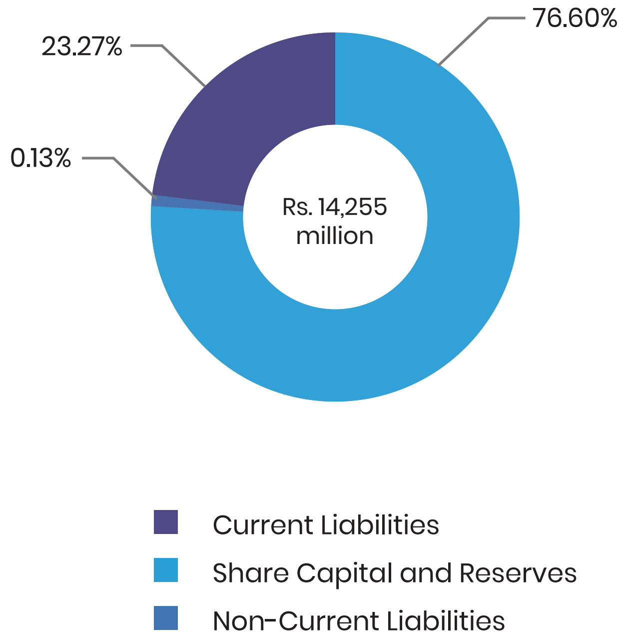




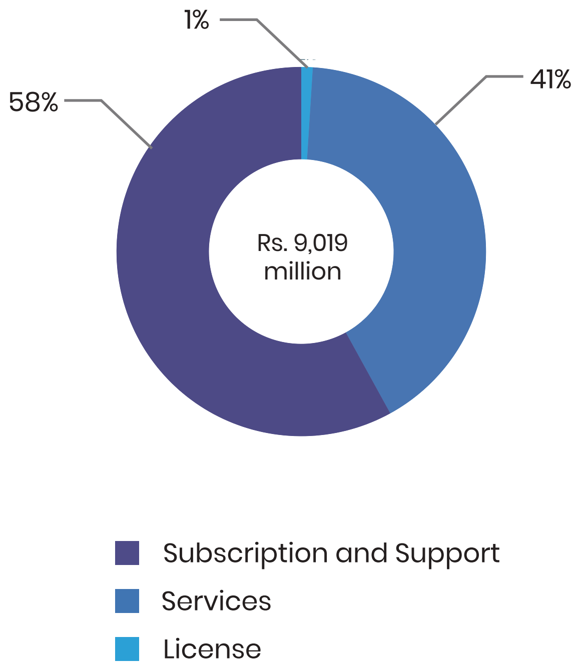
Assets



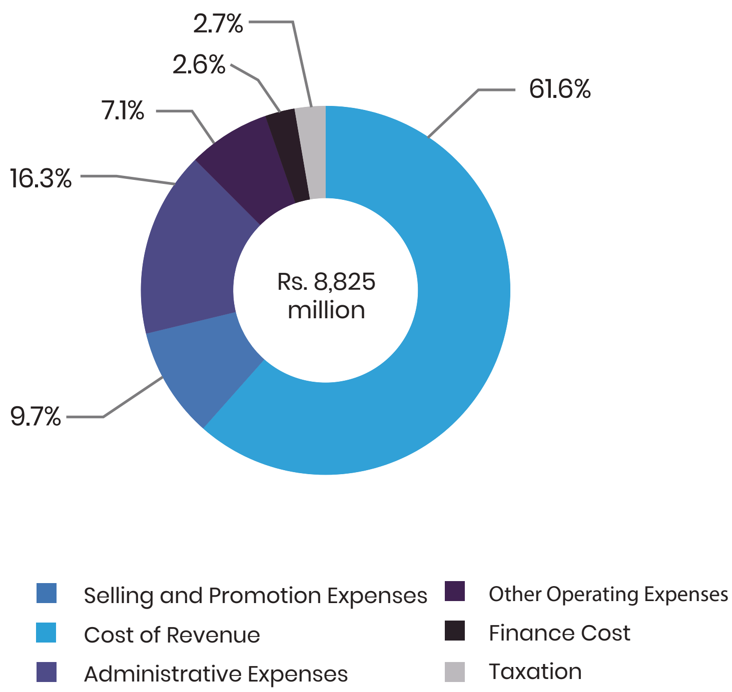
Equity & Liabilities



Revenue



Expenses



Human Capital **Division**

We've strengthened our commitment to growth, learning, and employee well-being, building a skilled and engaged workforce aligned with our long-term vision and prepared for the evolving global technology landscape.

Talent Acquisition and Strategic Initiatives

In FY2024-25, we successfully integrated 224 new team members and welcomed back 25 re-joiners, a testament to our strong employer brand. Our Summer Internship Program received an overwhelming response, with over 15,877 applications and over 350 internees inducted. Leveraging AI-driven technology, we streamlined our recruitment process, ensuring efficiency and fairness in selection. Strategically, we enhanced our talent acquisition efforts with a focus on key senior hires , bolstering leadership and expertise within the company. Our newly implemented Strategic Hiring initiative is designed to align recruitment efforts with our organizational goals, ensuring a stronger, future-ready workforce.

Over the past year, our Talent Acquisition team has driven several key strategic initiatives aimed at strengthening our workforce and positioning the company for sustained growth. These initiatives have focused on enhancing our ability to attract, engage, and retain top talent while aligning closely with our organizational goals.

1216

Distinct Trainees were equipped with soft skills, technical and domain concepts

Key Diversity, Equity & Inclusion (DEI) Hiring Programs

Our recruitment process has been enhanced to foster greater diversity and inclusion. We introduced bias-reduction training for hiring managers and expanded outreach to underrepresented talent pools.

1. **Talent Pipeline Development**

   Attended 10 career fairs at various top universities thus strengthening our partnerships resulting in a robust talent pipeline. Internship program has been launched to nurture future talent. More than 350 internships offered.

2. **Recruitment Technology Integration**

   we implemented advanced applicant tracking systems and AI-driven sourcing tools. These technologies have improved screening efficiency, reduced time-to-fill, and enhanced data-driven decision-making.

3. **Improved Offer Acceptance Rate**

   The application and interview processes were streamlined resulting in a 50% reduction in time-to-hire. Enhancing candidate experience has resulted in 4% improved offer acceptance rate than last year.

4. **Workforce Planning Alignment**

   Close collaboration with business units allowed for proactive workforce planning. Talent acquisition strategies were aligned with future business growth projections and evolving market demands.

5. **Workforce Diversity Metrics & Reporting**

   We established comprehensive diversity hiring goals supported by real-time reporting dashboards. We aim to reach 35% female ratio by 2030. These insights enable continuous refinement of recruitment strategies and help reduce unconscious bias.

6. **Skills-Based Hiring Initiative**

   Strategic shift towards skills and competency-based hiring over traditional qualifications.

Learning and Development

Continuous learning remains a cornerstone of our HR strategy.

We delivered 861 training sessions, covering 1604 training hours. Our emphasis on cybersecurity training and technical certifications ensured that our teams are equipped with the latest skills to tackle industry challenges. Additionally, leadership and personal development programs have empowered employees across all levels.

861

Training Sessions conducted for soft skills, technical and product knowledge sharing

We launched several customized programs, including The Art of Feedback, Teamwork Foundation & Leadership Essentials, and NIAI Soft Skills for students, further investing in both our current and future talent.

Programs for different teams included:

- The Art of Feedback
- Personal Effectiveness

- Transcend AI Labs & Gen AI Experience
- Tech Masterclass Fortnightly Expert Series
- Leadership Insights: Wisdom in Action etc

14

Well received training programs launched

Employee Engagement and Well-being

Our employee engagement activities and health initiatives have continued to foster a positive and collaborative work environment. We have supported employee well-being through health camps, wellness consultations, and mental health resources. These initiatives reflect our deep commitment to maintaining a healthy, engaged workforce.

- 10 Engagement Activities
- 20 Health & Wellness
- 09 CSR
- 861 Skills Development Session

1604

Training Hours invested

Engagement Activities Details:

- Independence Day Celebration 2024
- Mango Bash 2024
- Fathers Day 2024
- Pink Ribbon Day 2024
- Kids Carnival 2024
- Annual Breakfast 2025
- Fast Sports Gala 2025
- Eid Gifts & Festive Stalls 2025
  - Eid Stalls: (New Initiative)
    - Satisfaction: 70%
  - Eid Gifts:
    - atisfaction: 80%
- Mothers Day 2025
- Fathers Day 2025

Health & Wellness Details:

Organized 20 health camps across the year with a dedicated focus on women's health and mental well being.

Women's Health Initiatives:

- Breast cancer awareness sessions
- Free dermatology consultations
- Gynecology and fitness sessions

Mental Health Awareness:

- Focused activities and awareness campaigns to support emotional well-being

Vision for Growth

Our human capital strategies will continue to align with the company's growth ambitions, ensuring our workforce is prepared to lead in an ever-evolving industry. By embracing technologies such as Artificial Intelligence, automation, and data analytics—alongside continuous investment in our people. We are confident in our ability to drive future success and sustain a dynamic, high-performing workplace.

- Core Values – Same as Last Year
- Code of Conduct – Same as Last Year

6

New Learning Paths developed in the past year:

- Artificial Intelligence
- Agentic AI
- Python - from Fundamentals to Expert
- Transition to Agile
- Voice Coaching for Public Speaking & Workplace Communication
- Time Management: Maximizing Your Productivity

Institute of Corporate Advancement at **NETSOL**

ICAN has been the learning platform here at NETSOL since 2016.

Since its inception, ICAN has been not only the learning hub, but functioned as the change agent for positively adapting to our changing circumstances over the last couple of years.

ICAN supports and aids learning through a myriad of approaches, including but not limited to:

- Tailored In-House & Virtual Instructor-led Trainings
- Inhouse & Virtual Talks and Sessions with In-House SMEs
- Gamified and Incentivised Byte-Sized Learning Activities
- Procurement of E-Learning Platforms for Expansive Learning
- Capacity Building Activities for Improving Enhancing Conduct
- Facilitating Cross-Intra-Company Trainings for Knowledge Exchange

Inclusive Leadership & Expert Collaboration

To engage leaders in championing upskilling efforts, aligning with strategic goals, enhancing learning culture, and equipping them with internal insights and external perspectives to lead effectively:

- Leadership Insights: Wisdom in Action 2025
- The Empathy Shift: Leading with Impact
- Tech Masterclass: Fortnightly Expert Series (External Series)

NIAI Soft Skills Training Program

Aligned with SFIA standards, this is a leap into future-focused capability building—empowering students as well as professionals with globally benchmarked behavioral skills that drive real-world impact.

Transcend AI Labs & Gen AI Experience

We launched a customized training as per employees' proficiency levels followed by online training series introducing AI tools and trends which optimizes daily work routines.

Department Focussed & Skill Centric Programs

Our department-focused, skill-centric programs deliver customized trainings tailored to each team's unique challenges—bridging critical skill gaps and accelerating on-the-job performance.

New Joiners On-boarding Training Program

Department Focused and Skill Centric Programs

Self-Paced Learning

NIAI Soft Skills Program

Core **Values**

Respect & humility

We treat everyone with kindness and understanding, valuing diverse perspectives and learning from every interaction.

Adaptability

We proactively anticipate and respond to our customers' evolving needs in a fast-changing global economy.

Honesty & integrity

We ensure transparency and trustworthiness in our communications and decisions.

Customer success

We work relentlessly to overcome challenges and deliver solutions that ensure our customers are successful.

Innovation

We foster a culture of curiosity and continuous improvement, transcending today's limits with technology.

Code of **Conduct**

We remain committed to ongoing investments in the highest quality of human resources, streamlined processes, cutting-edge infrastructure, progressive product development. Uncompromising integrity and professionalism have been the cornerstones of NETSOL's business since its inception. In all that we do, we support and uphold a set of core values and principles.

Our future growth depends on each of us understanding these values and principles and continuously demonstrating the uncompromising integrity and professionalism that is the foundation of our company. The Code of Conduct sets forth the standard for how we work together to develop and deliver products, how we protect the values of NETSOL and how we work with customers, suppliers and others. All of us at NETSOL must abide by the Code while conducting any official business. The Code affirms our six principles of conduct:

All employees of the company and other personnel should avoid situations where personal interests could conflict, or appear to conflict, with the interests of their employer envelopment, and the attainment of certifications of the highest caliber.

All employees and personnel must maintain the confidentiality of price sensitive information.

NETSOL does not permit bribery in any form while dealing with the company's business.

Directors, management, other employees and personnel must not use price sensitive/inside information for their personal advantage.

All directors and employees and other personnel must observe the laws and regulations in letter and spirit.

NETSOL requires competition in the marketplace and compliance with anti-trust and competition rules.

NICAT

The National Incubation Center for Aerospace Technologies (NICAT) is Pakistan's first vertical centric incubator, Backed by the Ministry of IT & Telecom through Ignite – National Technology Fund and managed by a NETSOL-led consortium including NASTP, Air University, and PAC Kamra, NICAT is strategically embedded within the country's aerospace, defense-tech and frontier-tech ecosystem.

Global and National Engagement

Influential leaders and delegations from Sri Lanka, Uzbekistan, Nigeria's Ministry of Defence, China, Belarus, the United States Senate, Brunei, Indonesia, Kyrgyzstan, Bangladesh, Nepal, Iraq, and the Asian Development Bank — along with Pakistan's Federal Minister for Planning — have visited NICAT to explore collaboration opportunities and witness its groundbreaking innovations firsthand. These visits, which brought together government officials, multinational executives, and private sector leaders, have significantly elevated NICAT's global profile, paving the way for strategic partnerships and investment opportunities.

Through these high-level engagements, NICAT continues to play a pivotal role in positioning the country as a key player in the international aerospace and deep-tech arena.

Events and Trainings

Over the past year, NICAT has organized more than 250+ events, bringing together a diverse mix of industry experts, innovators, investors, and government representatives. These gatherings have played a key role in promoting knowledge exchange, highlighting emerging technologies, and accelerating the commercialization of innovative ideas.

In addition, NICAT has placed a strong focus on capacity building by conducting dozens of specialized training sessions aimed at equipping startups with the tools they need to succeed in the competitive aerospace sector. These sessions have covered a wide range of topics, including advanced engineering, manufacturing techniques, business development, and market entry strategies.

Startup Ecosystem and Success Stories

Over the past year, NICAT has supported more than 155+ startups, focusing on aerospace and deep-tech innovations. These startups are developing solutions ranging from cutting-edge drone technology to advanced avionics, AI-driven systems, and space exploration tools. While generating PKR 1.2 billion+ in investments, generated PKR 3.1 billion+ in revenues, and created 20,000+ jobs.

Participation in Global Events

NICAT startups have also made their mark on the global stage:

- **Global Defence Insight** was selected as a media partner for the Ideas Defence Expo.
- **RD: Rescue Drone** successfully presented at the Ideas Defence Expo.
- **WAYFI (VoyaGO)** successfully presented at WeCon, held at NUST
- **Tech Valley** showcased its innovations at the Ideas Defence Expo.
- **Jaaidad.com** received the Best Emerging Proptech Award from the Governor of Sindh at the CxO Global Forum.
- **VISUAR Solutions** won two major honors at the Asia Pacific ICT Alliance (APICTA) Awards in Brunei:
    1. People's Choice Award
    2. Student Best Project Award
- **CamPaint** secured 4th position at the IBA-CED Invent Startup Competition in Karachi.
- **RoboMak Pvt Ltd** was showcased on the Ideas platform and selected for further collaboration with NASTP. The company also signed an MoU with the Advance System Division, NASTP.
- **Carbotech, Airnex, Ace Aeronautics,** and **Mechantro Solutions** were all showcased on the Ideas platform and selected for further collaboration with NASTP.

These international engagements have significantly enhanced the visibility of NICAT and its startups, opening pathways to global markets while fostering cross-border collaboration and meaningful knowledge exchange.

Impact and Future Vision

NICAT is actively shaping the future of Pakistan's aerospace industry. By championing innovation and entrepreneurship, it is driving economic growth, generating high-tech employment opportunities, and positioning Pakistan as a regional hub for aerospace technology.

Looking ahead, NICAT is committed to expanding its reach and attracting world-class talent and investment. With plans to strengthen its incubation programs, forge deeper industry partnerships, and broaden its international presence, NICAT is well-positioned to play an even greater role in the global aerospace ecosystem.

NIC Lahore

The National Incubation Center Lahore, backed by MoITT and Ignite and led by NETSOL Technologies, is a leading platform for high-potential tech startups in Pakistan. In partnership with HBL, BNU, Plug and Play, and others, it has incubated 350+ startups, created 10,000+ jobs, and enabled PKR 1B+ in revenue. The center focuses on AI, IoT, and Climate Tech, with 25% women-led startups. Accelerated ventures receive up to PKR 5 million in investment, driving innovation and impact nationwide.

Pakistan to Silicon Valley: The Plug and Play Leap

NICL made history by sending Paymo, Thingsty, Mottovest, and Voltshare to the Plug and Play Tech Center, Silicon Valley. As Pakistan's first delegation, these startups received global mentorship and investor exposure through Ignite and the Pakistan Startup Fund.

Making Waves at Home:

National Recognition Startups like Relife, MyPath, Mottovest, and Recycle Bin earned accolades on top platforms like Shark Tank Pakistan, Future Fest, and Women in Tech. These wins span sectors from fintech and IoT to clean energy and education.

Events and Trainings

NIC Lahore hosted power-packed sessions featuring Cheryl Edison, Ismail Khalil, Ammar Naveed, and Salim Ghauri to equip startups with tools for branding, fundraising, and global growth. It launched the Prime Minister's Perfect Pitch with HUM TV and brought ARY Digital's Paklaunch Meetup to Lahore, amplifying exposure and opportunity.

Startup Ecosystem and Success Stories

NICL's ventures are scaling fast, Voltshare expanded to North America with a six-figure investment,

Mottovest won PKR 3 Crore on Shark Tank, Relife sold over 15,000 eco-products, Tripper raised a six-figure USD investment, and Paymo is forging international fintechs.

Global Showcases

From Brazil to Riyadh and Jordan, NICL startups are earning global recognition. Voltshare, Mottovest, Thingsty, Paymo, and MyPath showcased innovations, secured investments, and signed strategic international MoUs—elevating Pakistan on the global stage.

The Future We’re Building

With bold partnerships and cross-border collabora’ons, NIC Lahore is shaping a connected ecosystem that empowers startups to lead in sustainability, innova’on, and impact. The vision is bold: to posi’on Pakistan as a global innova’on powerhouse.

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Governance

Board of **Directors**

Naeem Ullah Ghauri
Chairman - Non-Executive Director

Naeem Ghauri is the Co-Founder and President of NETSOL Technologies Inc. and also serves as the Chairman of NETSOL Technologies Pakistan. Prior to NETSOL, Mr. Ghauri was Project Director for Mercedes-Benz Finance Ltd., where he supervised over 200 project managers, developers, analysts and users in nine European countries. He earned his degree in computer science from the University of Brighton in England. Naeem Ghauri envisions AI as a transformative force in enterprise technology and has been instrumental in positioning NETSOL as an AI-first organization. His leadership has accelerated the integration of advanced AI capabilities across NETSOL's product ecosystem, driving innovation and future-readiness. He was honored with the coveted 'IT Entrepreneur of the Year' award at the Pakistan Achievement Awards International 2025 in London, England on August 14, 2025 – a momentous recognition of his relentless pursuit of innovation, global excellence and transformative leadership in the tech world.

Salim Ullah Ghauri
Chief Executive Officer

Salim Ullah Ghauri began his entrepreneurial journey over 40 years ago, but his most notable success came in 1996 with the founding of NETSOL Technologies, where he continues to serve as CEO. A globally recognized IT entrepreneur, Salim Ghauri is widely regarded as a pioneer in Pakistan's technology landscape. During his time abroad, he deeply felt the need to contribute his expertise to Pakistan's growing IT sector. Motivated by a strong sense of patriotism, he envisioned a future where Pakistan would lead in the global IT arena. This vision led to the establishment of NETSOL Technologies, which proudly became the first company in Pakistan to achieve CMMI Level 5 certification. In addition to his corporate achievements, Salim Ghauri currently serves as the Honorary Consul of Australia for Punjab and has also chaired the Federal Government's ICT Task Force. Over the years, he has been invited multiple times by Prime Ministers and Presidents of Pakistan to advise on the country's IT strategy and development. He has held several key leadership roles, including Former Chairman of the Pakistan Software Houses Association for IT and ITES (P@SHA, and has made significant contributions to the American Business Forum (ABF). Salim Ghauri also served as President of TiE Lahore and sits on the board of the British Business Centre. He is also a certified director by the Pakistan Institute of Corporate Governance.

Omar Shahab Ghauri
Executive Director

Omar Ghauri is the COO of NETSOL Technologies Ltd. As COO, he is managing and leading all of the company's operations. With over 18 years of vast and extensive experience in the IT industry, Omar is committed to driving an innovative, impactful and diligent team. Omar's journey with NETSOL started off as a Business Analyst in 2004 where he analyzed and refined the business and functional requirements of new projects. In 2007, he became the Service Manager for NFS (NETSOL's flagship product at the time) where his prime responsibility was to ensure customer satisfaction and bridge the gap between customers and development teams. Since 2008, he has advanced up the career ladder with exceptional zeal and determination, ultimately taking charge of NFS. His career, which includes both senior and junior roles, clearly demonstrates his extensive skill set, encompassing everything from leadership to strategic thinking. Omar holds a Bachelor's degree in Computer Information Systems (CIS) from James Madison University, USA, and is also a certified director through the Pakistan Institute of Corporate Governance.

Vaseem Anwar
Non-Executive Director

Vaseem Anwar has been actively and rigorously involved in the engineering and construction industry, closely witnessing its dynamic growth in Pakistan. Renowned for his leadership abilities and strong work ethic, he has proven to be an exceptional Chief Executive within the organization. After completing his early education, he moved to the United States for higher studies. Vaseem earned a B.S. degree in Economics and Construction Management from the University of California, Berkeley. He then pursued an MBA from Stanford University. Following his academic journey, he joined Echo West International. Under Vaseem's visionary leadership and 18 years of management experience in design, planning, construction, construction management and real estate development, the firm has achieved sustained growth in both Pakistani and international markets. Vaseem is also a certified director by the Pakistan Institute of Corporate Governance.

Hamna Ghauri
Non-Executive Director

Hamna Ghauri is the force behind Nadoz Greenz. Her vision was to build a brand committed to offering natural, nutritious food grown without synthetic and potentially harmful pesticides, herbicides or fertilizers. Driven by dedication, hard work and a deep passion for sustainability, Hamna turned this vision into reality by launching Nadoz Greenz in 2011. Following the success of her farming venture, she began extensively researching organic makeup products, which led to the launch of the brand Amayl in 2016. With over a decade of experience working with oil drillers and construction companies, Hamna combined her professional background with a desire to give back to the community. This commitment led to the creation of Organic Green Earth – an initiative focused on community well-being through tree planting and sustainable practices. Hamna holds a Bachelor's degree in Accounting and Finance from the Lahore School of Economics (LSE) and is also a certified Director from the Pakistan Institute of Corporate Governance.

Noman Hussain
Independent Director

Noman Hussain is a distinguished business executive with more than 18 years of experience in corporate leadership, strategic expansion and governance. He serves as Group Director of Dawn Group, where he has overseen the transformation of the business into a diversified and progressive enterprise with operations in bakery, frozen foods and allied sectors. Under his leadership, Dawn Bread has grown into the largest producer and distributor of bakery products in Pakistan, supplying multinational fast-food chains such as KFC, McDonald's, Burger King, Hardee's and Subway, as well as numerous leading local brands. He was instrumental in conceiving and launching Bread and Beyond, a premium bakery chain which has established a strong presence in major urban centers. He also directed the development of Dawn Frozen Foods and its international co-brand Doughstory, expanding into North America, Europe, South Africa, Australia and the Middle East. In addition, Noman is a Director at AB Mauri Pakistan, a joint venture specializing in yeast and bakery ingredients. He holds a Master of Business Administration from the University of Bridgeport, USA and a Bachelor of Business Administration from James Madison University, USA. He is a member of the Young Presidents' Organization (YPO) and several prominent trade and industry associations. His broad experience, financial acumen and governance insight contribute significantly to the effectiveness of the Board.

Huma Fakhar
Independent Director

Huma Fakhar is a Cambridge graduate and a prominent business woman. She has been recognized with several prestigious honors, including the 2023 Global Inspirational Award (UK), the Hum National Women Leaders Award and the Fatima Jinnah Lifetime Award. She is the founder of Map Capital and Map Services Group, with a focus on rice and commodity exports. Map Capital also invests in the food and technology sectors. The firm is set to launch its first Saudi-based initiative – the AgriReWild Climate Fund in Riyadh – aimed at supporting regenerative agriculture and dairy. She serves as an independent director at NETSOL Technologies and Nestlé Pakistan's Dairy and Rural Development Foundation (DRDF). Through her efforts, one million Pakistani women dairy farmers have been empowered. She is also the author of Dhoodh-Darya: Pakistan's Dairy Development Vision. Huma is the founder of the Pakistan-Malaysia Businesswomen Forum and has held leadership roles in multiple business councils and forums involving Pakistan, India, Afghanistan and international think tanks. Her work spans national image building, trade facilitation and collaboration with entities such as SALIC and the Saudi Sovereign Fund. She has participated in high-profile food sector events backed by GCC royalty and has represented Pakistan at global platforms, including the Riyadh Economic Forum and White House trade summits.

Director's **Report**

On behalf of the Board of Directors, we are pleased to present the 29th Annual Report of NETSOL Technologies Limited ('NETSOL' or the 'Company') along with the audited financial statements for the year ended June 30, 2025 and the auditors' report thereon.

PRINCIPAL ACTIVITIES, DEVELOPMENT AND PERFORMANCE OF THE COMPANY

The fiscal year 2024-25 was a successful and eventful period for NETSOL, marked by several key developments that reflect our strategic progress and operational momentum. During the year, we secured important contract signings across multiple regions, reinforcing our position as a trusted technology partner in the global asset finance and leasing industry. We also achieved several high-impact go-lives, demonstrating our ability to deliver complex solutions with precision and agility.

In parallel, we strengthened our leadership team through strategic senior appointments, enhancing our organizational depth and execution capabilities. These milestones, along with further broader progress and innovation, have laid a strong foundation for continued growth in the coming years.

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.

NETSOL SIGNED A MULTI-MILLION-DOLLAR AGREEMENT WITH A CHINESE LEASING COMPANY FOR THE IMPLEMENTATION OF TRANSCEND FINANCE IN INDONESIA

The company signed a contract with a Chinese leasing company – marking the customer's expansion into the Indonesian market. The customer specializes in providing a variety of leasing solutions across multiple industries, with a particular emphasis on equipment leasing, asset financing and commercial leasing. The agreement signing was for the deployment of NETSOL's Transcend Finance, comprising its Omni Point of Sale (Omni POS) and Contract Management System (CMS).

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 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.

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. 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 EXPANSION AGREEMENT WITH MAJOR AUTOMAKER 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.

LEADING JAPANESE EQUIPMENT FINANCE COMPANY AND LONGSTANDING NETSOL CUSTOMER WENT LIVE WITH NETSOL'S TRANSCEND FINANCE PLATFORM IN AUSTRALIA

A leading Japanese equipment finance company in Australia went live with our Transcend Finance Platform. The Osaka based customer has already been using NETSOL's solutions for its financial division in New Zealand. It offers products and technologies in various fields, including tractors and other agricultural machinery, construction, engines, and various other forms of equipment.

NETSOL SIGNED A MULTI-MILLION-DOLLAR AGREEMENT WITH SINDBAD MANAGEMENT SPC IN OMAN FOR THE IMPLEMENTATION OF TRANSCEND FINANCE

Our associated company in Thailand signed an agreement with Sindbad Management SPC – A major Muscat-based company which provides big-ticket asset financing and leasing covering various asset types such as marine vessels, aircrafts, machinery and other equipment, alongside vehicles in Oman and other countries. The contract signing was for the deployment of NETSOL's Transcend Finance, which includes Point-of-Sale, Credit Underwriting and Contract Management covering end-to-end operations.

NETSOL SECURED PRODUCT EXPANSION WITH UK BROKERAGE CHARLES AND DEAN

Charles and Dean, one of the United Kingdom's leading independent finance brokers, expanded its adoption of NETSOL's Transcend Marketplace by selecting an end-to-end multi-channel origination portal – Link. The strategic move follows the successful integration of NETSOL's Flex and Dock solutions in August 2024 and marks a significant step in Charles and Dean's commitment to scaling operations and enhancing service delivery.

LEADING CHINESE AUTOMAKER EXPANDED ITS USE OF NETSOL'S TRANSCEND FINANCE PLATFORM FOLLOWING A STRATEGIC ACQUISITION

NETSOL announced the continued expansion of its Transcend Finance platform by the financial division of one of China's largest state-owned automotive manufacturers. This followed the automaker's strategic acquisition of another domestic finance company, specifically to enhance its wholesale finance operations. The end-to-end deployment was facilitated in just six weeks, showcasing NETSOL's strong capability in managing complex systems and delivering large-scale projects with speed and precision.

NETSOL UNVEILED TRANSCEND AI LABS FOCUSED ON BUILDING AI SOLUTIONS FOR THE ASSET RETAIL AND FINANCE INDUSTRY

The company announced the official launch of Transcend AI Labs. This new AI innovation hub empowers automotive and equipment OEMs, dealerships and financiers with AI-driven innovation, automation and consulting services for a competitive edge. Transcend AI Labs is focused on product enhancements and AI consulting services. The company introduced an AI Assistant, Intelligent Document Processing (IDP) and RoleFit AI during the unveiling.

NETSOL ANNOUNCED THE FORMATION OF ITS INSTITUTE OF ARTIFICIAL INTELLIGENCE IN PAKISTAN

NETSOL formed the Institute of Artificial Intelligence at Lahore. This is a groundbreaking initiative aimed at advancing AI knowledge and expertise both within the organization and across the broader community. NETSOL recognizes the immense potential of AI to transform the way businesses operate. The institute will serve as a dedicated hub for training and development, offering specialized programs and resources to upskill employees and external professionals on AI technologies, methodologies and their applications within the financial services industry and beyond.

NETSOL APPOINTED DARIO MORELLI AS VICE PRESIDENT OF ARTIFICIAL INTELLIGENCE

NETSOL announced the appointment of Dario Morelli as Vice President of Artificial Intelligence. In this pivotal role, Morelli will spearhead NETSOL's newly launched Transcend AI Labs. This strategic hire highlights NETSOL's dedication to advancing its AI-first approach and solidifying its leadership in driving innovation within the asset finance and leasing industry. As a business leader and AI strategist with over 15 years of experience in data analytics and AI across the fintech, insurance and entertainment industries, Morelli brings a plethora of expertise to NETSOL.

NETSOL APPOINTED RICHARD HOWARD AS AN ADVISORY BOARD MEMBER

Richard Howard, a distinguished automotive executive with an extensive leadership track record at Daimler Financial Services, was appointed to the Parent company's Advisory Board. While Richard joins the company in the capacity of an Advisory Board Member, his involvement will go far beyond a traditional advisory role. He will play an active part in shaping the corporate strategy, with a particular emphasis on accelerating growth in North America - one of NETSOL's focus markets.

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.

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, where Ms. Li Linjie was presented with the China Financial Leasing Excellence Service Award.

In addition to it, NETSOL has also received First Rate and Best-Selling Leasing Solution Provider Award, which the company has received multiple times.

FINANCIAL PERFORMANCE

Stand-alone financial statements	30-Jun-25 (Rs. in '000')	30-Jun-24 (Rs. in '000')	%age change
Revenue from customers	9,018,961	9,280,647	(2.82%)
Gross Profit	3,584,023	4,163,874	(13.93%)
Net Profit	1,030,927	1,384,159	(34.96%)
Earnings per share – basic (PKR)	11.89	15.76	
Earnings per share – diluted (PKR)	11.71	15.63	
EBITDA per share – diluted (PKR)	14.84	18.74	

During the FY 2024-25, the topline of the Company slightly decreased by 2.82% compared to the revenue posted in the previous fiscal year. The company generated net revenue of PKR 9,019 million as compared to PKR 9,281 million in the preceding year. The revenue stream for the current year is fueled with license sale of PKR 55 million as compare to PKR 802 million including the provision of license of NFS Ascent® to our associated companies' customers in the preceding year. On the services side, the Company also recorded a handsome amount of PKR 3,702 million in comparison to PKR 3,781 million in the corresponding year for implementation, enhancement and customization in the systems deployed at customer sites. Meanwhile, subscription and support revenue clocked in at PKR 5,262 million as compared to PKR 4,697 million in the preceding fiscal year. This growth is mainly driven by customers entering the maintenance phase after successful implementation of various projects.

Gross Margins during the period clocked in at PKR 3,584 million as compared to the corresponding period where margins were recorded at PKR 4,164 million. The Company posted a net profit after tax of PKR 1,031 million compared to PKR 1,384 million in the comparable period. Due to depreciation in the Pakistani Rupee against different currencies i.e. USD ,Pound, Euro, Chinese Yuan and Australian Dollar, the Company booked PKR 313 million currency exchange gain during the period compared to an exchange loss of PKR 326 million recorded in the comparable period. This profitability has translated basic and diluted earnings per share to clock in at PKR 11.89 & 11.71 in comparison of PKR 15.76 & 15.63 in the corresponding period. The Company posted net EBITDA profit of PKR 14.84 per diluted share compared to PKR 18.74 in the corresponding year.

The Company also consolidates financial results of its wholly owned subsidiaries "NETSOL Innovation (Pvt) Limited", "NETSOL Ascent Middle East Computer Equipment Trading LLC" and wholly owned sub-subsidiary "NETSOL Institute of Artificial Intelligence (Pvt) Limited". Net consolidated revenues for the year ended June 30, 2025, were PKR 9,905 million compared to PKR 9,580 million in fiscal 2024. Consolidated gross profit for the year was PKR 4,354 million compared to PKR 4,186 million in last year. On a consolidated basis, the company posted net consolidated profit of PKR 1,385 million in the current year compared to PKR 1,203 million in last year. Basic and diluted earnings per share for the year ended June 30, 2025, were PKR 15.97 and 15.74 respectively in comparison to PKR 13.70 and 13.59 last year.

DIVIDEND

The technology landscape is undergoing a historic shift, with AI rapidly becoming central to innovation and long-term competitiveness. To stay ahead and unlock lasting value, we are accelerating the development and integration of advanced AI across our business. Investing in AI will not only enhance the quality of our solutions, but also drive greater efficiency and productivity throughout our operations. This is a critical moment for our company and we are positioning ourselves to lead – not follow – in this new era.
In line with this strategic priority, the Board has made the decision to reinvest all available resources into strengthening our AI initiatives this year. As a result, the board of directors have not recommended any dividend for the current fiscal year. We recognize the importance of dividends to our shareholders and this decision was not made lightly. However, we firmly believe that reinvesting in our future today will deliver stronger, more sustainable returns over the long-term.

FUTURE OUTLOOK

As we reflect on a transformative year for NETSOL, we stand at a defining juncture in our evolution – a point where innovation and ambition converge to shape the future of global asset finance and leasing technology. With strong foundations built on decades of experience, a global customer base and a deep understanding of the financial services industries, we are now strategically realigning ourselves to lead the next era of intelligent digital transformation utilizing the transformative power of AI.

As we step into the new fiscal year, the strategic choices and disciplined execution that defined the past few years have set the stage for a future filled with opportunity and meaningful impact across the global technology landscape.

The outlook for FY 2025-26 is both promising and dynamic. We are entering this year with a clear vision: to deepen client relationships, drive innovation through artificial intelligence and remain true to our core principle of delivering high-value solutions with operational excellence. Every initiative we embark upon in the coming months will be aligned with this broader goal – ensuring that we continue to generate long-term value for our shareholders, clients, partners and employees.

Embracing an AI-first future

At the heart of our strategic direction lies our recent transition to becoming an AI-first organization. Artificial intelligence is no longer a peripheral capability – it is the engine powering innovation, agility and transformation across every major industry. For us at NETSOL, AI is not just a tool; it is a philosophy that is being embedded across our product development, service delivery and internal operations.

We are investing significantly in AI research, talent acquisition and partnerships to build scalable, context-aware solutions that go beyond automation and into the realm of decision intelligence. Our focus is to empower our customers to make smarter, faster and more accurate decisions – whether it's through predictive analytics, intelligent workflows, conversational AI interfaces or autonomous process execution.

Across all regions, teams are being upskilled in AI technologies and our processes are being reimagined to support an intelligent, data-driven enterprise.

The Transcend Platform: A gateway to the future

At the heart of our product strategy is Transcend, our unified, AI-powered platform under which we offer all our products and services. Having made significant strides in FY 2024-25, Transcend is now set to play an even more central role in our growth plans for the coming year.

We plan to expand Transcend's reach across multiple markets by accelerating go-to-market activities, enhancing offerings and building scalable deployment frameworks. Our focus will remain on expanding adoption in our core markets while penetrating new verticals and regions that can benefit from its agile and modular architecture.

As demand for cloud-native, AI-ready solutions grows, we are confident that our Transcend Platform will remain a primary driver of product-led growth for NETSOL in the years ahead. Already adopted by clients across North America, Europe, APAC as well as the Middle East (a relatively new market for us), Transcend is becoming the foundation upon which our customers build their digital future.

Driving new customer acquisitions and increasing deal sizes

Our sales pipeline has matured significantly and we are actively pursuing larger enterprise opportunities through a combination of improved sales processes, relationship-based selling and a stronger alignment between our sales and delivery teams.

Our improved sales cycle maturity, especially in emerging markets and previously underserved regions, will allow us to tap into new customer segments. We are leveraging our industry reputation, global presence and client success stories to open doors and build long-term partnerships with enterprises that see technology as a strategic growth enabler.

Continuing operational discipline: Efficiency and cost management

We are standardizing processes, leveraging automation and promoting a culture of accountability across all business functions. The coming year will see further refinements in our internal governance structures, with a focus on driving higher output with leaner teams and better cross-functional collaboration.

We believe that sustainable growth is not just about scaling fast, but scaling smart. By maintaining tight control over costs while investing in areas of high impact, we will ensure continued profitability and financial health.

Tracking growth, delivering value

We are tracking promising growth ahead, and more importantly, we are well-prepared to capitalize on it. By staying focused on execution and innovation, we remain committed to delivering value – to our shareholders, by generating consistent returns; to our clients, by providing solutions that empower their businesses; and to our employees, by creating an environment of purpose and progress.

Staying visible and connected: Leading annual industry events

In FY 2025-26, we will continue to maintain a strong presence at key conferences, summits, conventions, expos and other events in the finance and technology sectors. However, our focus will extend beyond visibility – we are enhancing our participation with a sharper focus on lead generation, relationship building and strategic positioning.

SUSTAINABILITY, KEY RISKS AND MITIGATION MEASURES, AND FUTURE TRENDS SHAPING THE COMPANY'S DEVELOPMENT AND PERFORMANCE

This section outlines the company's commitment to sustainability, the principal risks and uncertainties it faces, and the key trends that may influence its future development, performance, and position. It also highlights the proactive measures adopted to mitigate these risks, ensuring the company remains resilient and well-positioned for sustainable growth in an evolving business environment.

STRATEGIC RISK

In order to manage its strategic risks, NETSOL regularly identifies and keeps track of the latest trends in the dynamic and evolving global finance and leasing space. By working on important technologies that have gained traction in the industry, NETSOL ensures that its clients remain a step ahead in the market and most importantly, have a futureproof business.

OPERATIONAL RISKS

The company carefully and constantly assesses and analyzes the market and the global industry in which it operates. With Business Continuity Plans in place, the company continues to ensure zero disruption to its operations in the event of pandemics, natural disasters or other circumstances. The global NETSOL team continues to ensure uninterrupted services to its clients across the world.

CYBER SECURITY THREATS

Given the increasing prevalence, sophistication, and transnational nature of cybercrimes, organizations shall implement rigorous, multilayered security controls to safeguard their Information and Communications Technology (ICT) infrastructure. In addition to be an ISO 27001 certified company, NETSOL has established advanced security protocols/controls designed to ensure the confidentiality, integrity, and availability of data belonging to the company, its clients, and its employees. These controls include enterprise-grade intrusion prevention and detection systems (IPS/IDS), next-generation firewalls, strong encryption mechanisms for data at rest and in transit, access controls based on the principles of least privilege and need-to-know, and the enforced use of secure communication protocols such as TLS for data transmission.

NETSOL has successfully attained SOC 2 Type I and SOC 2 Type II compliance through an independent audit conducted by A-LIGN, a globally recognized technology-enabled security and compliance partner serving over 2,500 organizations worldwide. The audit validated the effectiveness of security controls across NETSOL's global facilities, including operations in California (USA), London (England), Beijing (China), Sydney (Australia), and Lahore (Pakistan). This achievement reinforces NETSOL's position as a trusted partner in delivering secure, compliant, and resilient technology solutions to its global customer base. The SOC 2 Type II certification underscores NETSOL's unwavering commitment to protecting client and customer data by demonstrating sustained adherence to the American Institute of Certified Public Accountants (AICPA) Trust Services Criteria.

FOREIGN EXCHANGE RISK

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company is exposed to foreign currency risk on trade debts, some payables and revenues which are entered in a currency other than Pak Rupee. Majority of the revenue of the Company comes from contracts in currencies other than Pak Rupees. The Company also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

LIQUIDITY RISK

Liquidity risk reflects an enterprise's inability in raising funds to meet its commitments. The Company's exposure to liquidity risk arises primarily from mismatch of the maturities of financial assets and liabilities. We however follow an effective cash management and planning policy to ensure ready availability of funds and to take appropriate actions for any new requirements.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from bank, term deposits and deposits in profit and loss/saving accounts with banks and investments in mutual funds.

MAIN TRENDS AND FACTORS LIKELY TO AFFECT THE FUTURE DEVELOPMENT, PERFORMANCE AND POSITION OF THE COMPANY BUSINESS:

TECHNOLOGICAL ADVANCEMENTS

AI and ML

NETSOL has transitioned into an AI-first organization. AI and ML remain at the cutting edge of technological innovation, driving transformative change across a wide range of industries – including financial services, asset finance and leasing. These technologies are revolutionizing data analytics, streamlining processes and strengthening decision-making capabilities.

MARKET DYNAMICS

Economic conditions and market demand

Economic conditions have a profound influence on business performance, with shifts in growth, inflation and policy directly affecting demand for technology solutions. As NETSOL navigates these evolving dynamics, the company remains focused on agility and responsiveness to market fluctuations. By closely monitoring emerging industry needs and continuously refining its offerings, NETSOL is well-positioned to sustain growth and capitalize on new opportunities in a changing economic landscape.

Regulatory changes

The regulatory landscape for technology companies is constantly evolving, with growing emphasis on data privacy, ethical technology use and compliance. For NETSOL, staying ahead of these developments is vital to mitigating legal risks and preserving its reputation. The company takes a proactive approach to compliance through regular audits, policy updates and ongoing engagement with regulatory authorities to ensure its operations meet the highest standards of accountability and transparency.

CUSTOMER EXPECTATIONS AND PREFERENCES

Personalization and customer experience

In today's highly competitive market, delivering a personalized customer experience has become essential. NETSOL's dedication to understanding its customers and providing tailored solutions is a key driver of its continued success. By harnessing the power of data analytics and AI, the company gains valuable insights into customer behavior, preferences and pain points – allowing it to deliver targeted, effective solutions that boost satisfaction and foster long-term client relationships.

Demand for integrated solutions

As businesses increasingly look to optimize and simplify their operations, the demand for integrated technology solutions that offer seamless connectivity and interoperability continues to rise. NETSOL's strength lies in its ability to deliver comprehensive solutions that address diverse business needs through a unified approach. By prioritizing integration with existing systems and ensuring a cohesive, user-friendly experience, NETSOL is well-positioned to meet the evolving expectations of its clients and further reinforce its competitive edge in the market.

COMPETITIVE LANDSCAPE

Global competitors

NETSOL operates in a highly competitive environment, facing both regional and global players that offer similar technology solutions and services within the asset finance and leasing industry. To maintain its competitive advantage, the company must remain agile and responsive to shifts in the market landscape. This involves closely tracking industry trends, continually investing in research and development, and building strategic partnerships that strengthen its capabilities and expand its market reach.

INNOVATION AND R&D

Investment in R&D

Innovation remains at the core of NETSOL's global operations and ongoing business growth. Sustained investment in research and development is critical to staying ahead of technological advancements and delivering next-generation solutions. NETSOL's R&D efforts are centered on exploring emerging technologies, enhancing its product portfolio and responding to evolving market demands.

Collaboration with industry leaders, associations and partners

Partnering with industry leaders,

finance and leasing associations, and technology collaborators is a vital strategy for fostering innovation. These alliances offer access to valuable research insights and opportunities for collaboration. By working closely with top experts and organizations, NETSOL can accelerate its innovation pipeline and deliver advanced solutions to the market more efficiently.

IMPACT OF COMPANY BUSINESS ON THE ENVIRONMENT

As climate-related events continue to rise globally, responsible businesses are placing greater emphasis on environmental sustainability. While NETSOL operates as a technology solutions and software development company rather than a manufacturing entity, with inherently minimal environmental impact, it remains deeply committed to environmental stewardship as a global organization.

Recognizing the urgent challenges posed by climate change, NETSOL embraces its responsibility to contribute meaningfully to global sustainability efforts. With operations that transcend borders, the company is dedicated to leveraging its resources to reduce its environmental footprint by eliminating wasteful practices and maximizing energy efficiency across all processes.

Central to NETSOL's sustainability strategy is the shift toward digitization. The company's unified, AI-powered Transcend Platform enables clients to significantly reduce or entirely eliminate their reliance on paper-based processes. By promoting a paperless ecosystem, NETSOL not only supports its customers' environmental goals, but also drives positive environmental outcomes at scale. Internally, the company has already achieved substantial reductions in paper usage and continues to take active steps to further minimize its consumption.

CHANGES DURING FINANCIAL YEAR CONCERNING NATURE OF THE BUSINESS OF THE COMPANY OR OF ITS SUBSIDIARIES AND JOINT OPERATION

During the year, the Company's wholly owned subsidiary NETSOL Innovation also got incorporated its wholly owned subsidiary "NETSOL Institute of Artificial Intelligence (Pvt.) Limited" with the core objective to develop a globally competitive digital workforce by providing specialized education and certifications in high-demand technology areas such as, but not limited to, AI/ML, Data Science and Information Security.

CORPORATE SOCIAL RESPONSIBILITY

A detailed report on company's initiatives with respect to corporate social responsibility aligned with United Nations defined sustainability goals is also annexed herewith.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board holds ultimate responsibility for establishing and maintaining robust internal controls over financial reporting. Our independent internal audit department reports functionally to the Board Audit Committee and administratively to the CEO. Each year, the Board Audit Committee approves the audit plan, which is based on an annual assessment of key operating areas. The internal audit department provides recommendations to address any control lapses, which are taken up by the management to remediate control lapses. Observations are shared quarterly with the Board Audit Committee, the CEO, and the relevant divisional management.

The role of the internal audit function continues to evolve in response to events, risks, and regulatory changes impacting the Company, ensuring that its mandate remains aligned with organizational objectives. Our internal controls are designed to offer reasonable assurance regarding the reliability of our financial reporting and the preparation of external financial statements in accordance with International Financial Reporting Standards (IFRS). However, due to the inherent limitations of any internal control system, management acknowledges that there may be limitations in the effectiveness of these controls, and thus only reasonable assurance can be provided. Nonetheless, the Company maintains an effective internal control framework, characterized by clear structures, defined authority limits, accountabilities, and well-established policies and procedures for review processes.

STATEMENT OF COMPLIANCE

The statement of compliance under the Listed Companies (Code of Corporate Governance), Regulations 2019 is attached with this report.

CHANGES TO THE BOARD

During the year, the term of the company's directors expired on December 31, 2024, and a fresh election was conducted for their appointment through an Extraordinary General Meeting held on the same date.

All requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, regarding the composition of the Board have been duly complied with. The Board acknowledges the valuable contributions of the outgoing directors, Mr. Zeshan Afzal and Mr. Anwaar Hussain, and warmly welcomes the new directors, Ms. Huma Fakhar and Mr. Noman Hussain.

FORMAL ORIENTATION ON INDUCTION

Detailed orientation conducted upon induction of new Board members, apprising them of the business operations, environment, and long-term strategy of the Company.

DIRECTORS' REMUNERATION

The Company does not pay remuneration to non-executive directors including the independent director except fee for attending the meetings. The Company will reimburse or may incur expenses on travelling and accommodation of Directors in relation to attending of Board and its Committees meetings. Aggregate amount of remuneration of executive directors, including their salary, perquisites, benefits and performance-linked incentives are disclosed in the annexed financial statements.

DIVERSITY, EQUITY & INCLUSION (DE&I)

At NETSOL, we strongly believe that diversity, equity, and inclusion (DE&I)

are essential for building a healthy workplace and for the long-term success of our company. A diverse team brings together people with different ideas, experiences, and ways of thinking. This helps us to be more creative, make better decisions, and find innovative solutions for our clients.

Over the past year, we continued to focus on creating an inclusive environment where everyone feels welcome and respected. We have supported women in leadership roles and encouraged them to lead their teams with confidence. Our zero-discrimination policy ensures that no one is treated unfairly because of their gender, background, or beliefs. We also provide several facilities for our employees, including safe transport, maternity leave, anti-harassment policies, and in-house health support, to make their work life easier and more secure.

As an equal opportunity employer, we also focus on hiring differently-abled individuals and giving them the tools and support they need to succeed. Throughout the year, we organized workshops, mentorship programs, and awareness sessions to help employees understand the importance of diversity and inclusion and to encourage open communication.

At NETSOL, we believe that creating a workplace where everyone is valued and has equal opportunities is not only the right thing to do but also an important step towards innovation, growth, and long-lasting success.

COMPOSITION OF THE BOARD

Composition of the Board of Directors is in compliance with the requirement of Listed Companies (Code of Corporate Governance), Regulations 2019 which is given below:

The total number of directors is seven (07) as per the following:

Gender	Number
Male	05
Female	02

Composition of the Board is given below:

Category	Number
Independent Directors	02
Non-executive Directors	03
Executive Directors	02

NAME OF THE DIRECTORS

Following are the Board members of the Company as at June 30, 2024:

- Mr. Naeem Ullah Ghauri
- Mr. Salim Ullah Ghauri
- Mr. Vaseem Anwar
- Mr. Noman Hussain
- Ms. Hamna Ghauri
- Ms. Huma Fakhar
- Mr. Omar Ghauri

During the year ended June 30, 2025, five (06) board meetings were held.

The Board has also made sub-committees that have significantly contributed in achieving desired objectives. These committees include:

AUDIT COMMITTEE

The Board of Directors, in compliance with the Code of Corporate Governance, has established an Audit Committee comprising of the following three (03) members:

Names of Directors	Designation
Mr. Noman Hussain	Chairman
Mr. Vaseem Anwar	Member
Ms. Huma Fakhar	Member

Audit Committee duly reviewed and approved all quarterly, half yearly and annual financial statements before their submission to the board of directors and publication.

During the year ended June 30, 2025, Four (04) meetings of the Audit Committee were held.

HUMAN RESOURCE AND REMUNERATION COMMITTEE

In compliance with the Code of Corporate Governance, the Board has also established a Human Resource and Remuneration Committee to provide recommendations to the Board regarding selection, evaluation and compensation of key management positions. The current committee comprises of the following members:

Names of Directors	Designation
Ms. Huma Fakhar	Chairman
Ms. Hamna Ghauri	Member
Mr. Salim Ullah Ghauri	Member

During the year ended June 30, 2025, the Committee held one (01) meeting to discuss & approve the matters falling under the terms of reference of the Committee.

RISK MANAGEMENT COMMITTEE

The Board has also established a Risk Management Committee to provide recommendations to the Board regarding identification, assessment and mitigation of the risks. Highlighted risks are prioritized according to their impact and likelihood, with remedial actions being devised accordingly. The current committee comprises of the following members:

Names of Directors	Designation
Mr. Noman Hussain	Chairman
Mr. Vaseem Anwar	Member
Mr. Omar Ghauri	Member

NOMINATION COMMITTEE

The Board has also established a Nomination Committee which comprises of the following members:

Names of Directors	Designation
Mr. Salim Ullah Ghauri	Chairman
Mr. Naeem Ullah Ghauri	Member
Mr. Omar Ghauri	Member

SUSTAINABILITY COMMITTEE

The Board has also established a Sustainability Committee, which comprises of the following members:

Names of Directors	Designation
Ms. Hamna Ghauri	Chairman
Ms. Huma Fakhar	Member
Mr. Salim Ullah Ghauri	Member

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS AND THE BOARD COMMITTEES

The Board of Directors is responsible for leading the company, ensuring its long-term success, and protecting the interests of shareholders and stakeholders. As required by the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board evaluates its overall performance, the work of its committees, and the contributions of each Director to the company's growth.

This evaluation helps identify the skills needed on the Board, review the roles of its members, and highlight areas for improvement. To do this, the Human Resource & Remuneration Committee shared a questionnaire with all Board members to gather their feedback. Based on the responses and the overall review, the performance of the Board, its Committees, and individual Directors has been found to be satisfactory and effective.

DIRECTORS' TRAINING PROGRAM

BOARD OF DIRECTORS

Five (05) of the Directors have obtained Directors' Training Program (DTP) certification whereas One (01) member of the Board is exempted from DTP by virtue of requisite qualification and experience of serving on the board of a listed company. One (01) newly appointed director shall obtain the DTP certification within one year of appointment.

REVIEW OF RELATED PARTY TRANSACTIONS

All related party transactions during the current financial year were placed before the Board Audit Committee for its review and then to the Board for their approval. There are no materially significant related party transactions made by the Company with Directors or Key Managerial Personnel which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders.

TREASURY SHARES

During the year, the Company purchased/bought-back 2,690,251 issued ordinary shares and held them as treasury shares. The buy-back was approved by shareholders at their extra-ordinary general held on December 31, 2024. The ordinary shares were acquired through Pakistan Stock Exchange at spot price. These shares are in addition to the 2,000,000 treasury shares already held by the Company.

HOLDING COMPANY

NETSOL Technologies Inc., 16000 Ventura Blvd, Suite 770, Encino, CA 91436, USA holds majority of the shareholding of the Company.

APPOINTMENT OF AUDITORS

The present external auditors' Messrs Crowe Hussain Chaudhury & Co., Chartered Accountants retire and being eligible, offer themselves for reappointment. The Board of Directors has endorsed the recommendation of the Audit Committee for the reappointment of Messrs Crowe Hussain Chaudhury & Co., as the auditors for the financial year ending June 30, 2026 on such terms and conditions and remuneration as may be decided. The external auditors have confirmed that they have been given satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and are registered with Audit Oversight Board of Pakistan. They have further confirmed that their firm is in compliance with International Federation of Accountants' (IFAC) guide-lines on Code of Ethics as adopted by the ICAP. The external auditors have not been appointed to provide other services except in accordance with the Listing Regulations.

PATTERN OF SHAREHOLDING

A statement of the general pattern of shareholding as at June 30, 2025 along with pattern of shareholding of certain classes of shareholders whose disclosure is required under the reporting framework and the statement of purchase and sale of shares by directors, executives and their spouse including minor children during the fiscal year 2025 is annexed herewith.

SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the Company have taken place between the end of the financial year and the date of this report, except as disclosed in this report, if any.

ACKNOWLEDGEMENT

The Board of Directors places on record its appreciation for the continued support by its respected shareholders, valued customers, government agencies and financial institutions. The Board also expresses its appreciation for the services, loyalty and efforts being continuously rendered by all the employees of the Company and hope that they will continue with same efforts in future.

On behalf of the Board

Salim Ullah Ghauri
Chief Executive Officer

Omar Ghauri
Director

Lahore
September 22, 2025

ڈائریکٹرز کی رپورٹ

ہمیں خوشی ہے کہ ازطرف بورڈ آف ڈائریکٹرز نیٹ سول ٹیکنالوجیز لمیٹڈ (''نیٹ سول'' یا ''دی کمپنی'') کے انتیسویں سالانہ آڈٹ شدہ مالیاتی گوشوارے جس کا اختتام 30 جون 2025ء کو ہوا، مع آڈیٹرز رپورٹ پیش کر رہے ہیں۔

کمپنی کی کارکردگی اور ترقی کی بنیادی سرگرمیاں

مالیاتی سال 25-2024 نیٹ سول کے لئے کامیابیوں سے بھرپور دور رہا جس میں کئی اہم پیش رفتیں ہوئیں جو ہماری اسٹریٹجک ترقی اور آپریشنل رفتار کی عکاسی کرتی ہیں۔ مذکورہ سال کے دوران ہم نے کئی خطوں میں اہم معاہدوں پر دستخط کئے جس سے گلوبل ایسٹ فنانس اور لیزنگ انڈسٹری میں بااعتبار ٹیکنالوجی پارٹنر کی حیثیت سے ہماری پوزیشن مستحکم ہوئی۔ ہم نے کئی متاثر کن go-lives حاصل کئے جس سے مہارت اور چستی کے ذریعے پیچیدہ حل فراہم کرنے کی ہماری استعداد کا اظہار ہوتا ہے۔

اس کے ساتھ ساتھ ہم نے اعلیٰ عہدوں پر اسٹریٹجک سینئر افراد کو تعینات کیا جس سے ہمارے ادارے کی صلاحیت اور عمل کرنے کی استعداد میں اضافہ ہوا۔ یہ سنگ میل اور وسیع ترقی اور جدت نے آئندہ برسوں میں لگاتار نمو کے لئے ایک مضبوط بنیاد رکھی۔

- **نیٹ سول نے امریکہ میں ڈیجیٹل گاڑی کی خریداری اور لیزنگ تجربہ میں انقلاب لانے کے لئے بڑے آٹو میکر کے ساتھ کئی لاکھ مالیت کا معاہدہ کیا**

ہماری ذیلی کمپنی نیٹ سول ٹیکنالوجیز امریکہ نے Otoz ڈیجیٹل ریٹیل پلیٹ فارم کے استعمال سے امریکی ڈیلرشپ آپریشنز کو وسعت دینے کے لئے ایک بڑی آٹو میکر کمپنی کے ساتھ کئی لاکھ مالیت کا پانچ سالہ معاہدہ طے کیا۔ پانچ سالہ معاہدے میں کسٹمائزیشن، اطلاق، ڈپلائمنٹ اور جاری SaaS سروسز شامل ہیں جس کا مقصد گاڑی کی خریداری اور لیزنگ تجربات میں جدت لانا ہے۔

- **نیٹ سول نے انڈونیشیا میں ٹرانسینڈ فنانس کے اطلاق کے لئے چینی لیزنگ کمپنی کے ساتھ لاکھوں ڈالر کا معاہدہ کیا**

کمپنی نے انڈونیشیا کی منڈی میں اپنے صارفین کی تعداد میں اضافہ کے لئے ایک چینی لیزنگ کمپنی کے ساتھ معاہدہ طے کیا۔ یہ صارف مختلف شعبوں میں متعدد اقسام کے لیزنگ حل پیش کرنے میں مہارت رکھتا ہے اور ان کا زیادہ تر جھکاؤ ایکوپمنٹ لیزنگ، ایسٹ فنانسنگ اور کمرشل لیزنگ پر ہے۔ معاہدے کا مقصد نیٹ سول کے ٹرانسینڈ فنانس کا اطلاق تھا جو اپنے اومنی سیل مرکز (Omni POS) اور کنٹریکٹ مینجمنٹ سسٹم (CMS) پر مشتمل ہے۔

- **نیٹ سول نے یورپ میں جاری توسیعی عمل کے طور پر HILTERMANN کے ساتھ اسٹریٹجک شراکت داری کا اعلان کیا**

نیٹ سول نے لیزنگ اور فائنانس انڈسٹری میں ہالینڈ کے تجربہ قرض دہندہ (Lender)-ہلٹرمین (Hiltermann) کے ساتھ اسٹریٹجک شراکت داری کا اعلان کیا۔ Hiltermann نیٹ سول کے ہول سیل فنانس سسٹم (WFS) کے ساتھ live ہوا جو کمپنی کے جدید وائٹ لیبل لینڈنگ پلیٹ فارم کو مزید وسعت دے گا جو ایسٹ فنانس اور لیزنگ مارکیٹ میں ان کی مسابقتی پیشکشوں کو بڑھائے گا۔ یہ شراکت داری ہالینڈ میں نیٹ سول کے لئے پہلی اسٹریٹجک شراکت داری ہے اور کمپنی کی وسیع یورپین گروتھ حکمت عملی کی توسیع میں مدد کرتی ہے۔

- **صارفین کو مشترکہ ڈیجیٹل ریٹیل اور ایسٹ فنانس سلوشن پیش کرنے کے لئے نیٹ سول نے Transcend پلیٹ فارم کا افتتاح کیا**

کمپنی نے اپنے آٹو موٹیو اور ایکوپمنٹ OEMs، آٹو مینوفیکچررز کی فنانسنگ لیزنگ ذیلی کمپنیوں، تجارتی قرض دہندگان، ڈیلرز، بروکرز، بینکوں اور دیگر مالیاتی اداروں کے لئے جدید مشترکہ Transcend پلیٹ فارم-AI پر مبنی ڈیجیٹل ریٹیل اور ایسٹ فنانس سلوشن کا ادارے کی سطح پر افتتاح کیا۔

نیٹ سول کا جدید Transcend پلیٹ فارم ایک چھت کے نیچے مصنوعات اور حل کا ایک مربوط سیٹ پیش کرتا بینکوں اور دیگر مالیاتی اڈاروں کے لئے جدید مشترکہ Transcend پلیٹ فارم-AI پر مبنی ڈیجیٹل ریٹیل اور ایسٹ فنانس سلوشن کا ادارے کی سطح پر افتتاح کیا۔

نیٹ سول کا جدید Transcend پلیٹ فارم ایک چھت کے نیچے مصنوعات اور حل کا ایک مربوط سیٹ پیش کرتا ہے جو AI کی انقلابی استعداد کو مضبوط کرنے کے لئے کمپنی کے کمپنی کے عزم کی عکاسی کرتا ہے۔ AI پر مبنی نیا پلیٹ فارم آٹو اور ایکوپمنٹ کی خریدار اور لیزنگ اور فنانسنگ تجربہ میں انقلاب لانے کے لئے بالکل تیار ہے۔

- **چین کے معروف آٹو فنانس فراہم کنندہ نے نیٹ سول Transcend فنانس پلیٹ فارم کو لاکھوں ڈالر کے معاہدہ کے ذریعے اپنایا**

چین کی معروف آٹو موٹیو فنانشل سروسز اور کمپنی کی طویل مدتی شراکت دار نیٹ سول کے Transcend فنانس پلیٹ فارم (سابقہ Ascnt) کے ساتھ live ہوئی جو کہ لاکھوں ڈالر کے معاہدہ کے ذریعے عمل میں آیا۔

Guangzhou-based کے صارف جو سال 2009ء سے نیٹ سول کے شراکت دار ہیں نے کمپنی کے Transcend فنانس پلیٹ فارم میں اپ گریڈ کرنے کا فیصلہ کیا تا کہ وہ اپنے ریٹیل اور ہول سیل آپریشنز کو روانی سے چلا سکے۔ اس تبدیلی میں اول سے آخر تک منتقلی شامل ہے جو نیٹ سول کی جانب سے چین میں تین ملین سے زائد کنٹریکٹس کے بھاری حجم کی منتقلی ہے۔

- **نیٹ سول نے چین کے بڑے آٹو میکر کے ساتھ توسیعی معاہدے پر دستخط کئے**

نیٹ سول ٹیکنالوجیز (بیجنگ) لمیٹڈ نے چین بھر میں اپنے آپریشنز میں مدد کے لئے ایک طویل مدتی صارف اور بڑے آٹو میکر کے ساتھ ایک تجدیدی معاہدے پر دستخط کئے۔ اس معاہدے سے عرصہ پانچ برس کے دوران کنٹریکٹ کی کل مالیت 30 ملین ڈالر تک پہنچ گئی ہے اور مالیاتی سال 2025ء میں اور بعدازاں آمدنی میں بھاری اضافے کی توقع ہے۔

- **معروف جاپانی ایکوپمنٹ فنانس کمپنی اور نیٹ سول کے طویل عرصے سے جاری کسٹمر آسٹریلیا میں نیٹ سول کے TRANSCEND پلیٹ فارم پر Live ہوئے**

آسٹریلیا میں ایک معروف جاپانی ایکوپمنٹ فنانس کمپنی ہمارے Transcend فنانس پلیٹ فارم پر live ہوئی۔ اوساکا (Osaka) کا صارف پہلے ہی نیوزی لینڈ میں نیٹ سول کے سلوشنز اپنے مالیاتی ڈویژن میں استعمال کر رہا ہے۔ یہ کئی شعبوں بشمول ٹریکٹرز اور دیگر زرعی مشینری، تعمیرات، انجن اور دیگر ایکوپمنٹ میں پروڈکٹس اور ٹیکنالوجیز پیش کر رہا ہے۔

- **نیٹ سول نے TRANSCEND فنانس کے اطلاق کے لئے عمان میں سندباد مینجمنٹ SPC کے ساتھ لاکھوں ڈالر کا معاہدہ کیا**

تھائی لینڈ میں ہماری ذیلی کمپنی نے مسقط کی بڑی کمپنی سندباد مینجمنٹ SPC کے ساتھ ایک معاہدے پر دستخط کئے جو big-ticket ایسٹ فنانسنگ اور لیزنگ پیش کرتی ہے جس میں متعدد اقسام کے عمان اور دیگر ممالک کے اثاثہ جات یعنی سمندری بیڑے، ہوائی جہاز، مشینری اور دیگر ایکوپمنٹ بشمول گاڑیوں کا احاطہ کیا گیا۔ معاہدہ پر دستخط نیٹ سول کے Transcend پلیٹ فارم کے اطلاق

کے لئے کئے گئے تھے جس میں فروخت کے مراکز، کریڈٹ انڈ رائٹنگ اور کنٹریکٹ مینجمنٹ بشمول اول تا آخر آپریشنز شامل ہیں۔

- **نیٹ سول نے یوکے بروکریج CHARLES AND DEAN کے پروڈکٹ میں توسیع کی**

برطانیہ کے معروف خودمختار بروکرز Charles and Dean نے اول تا آخر ملٹی چینل تخلیقی پورٹل-لنک کا انتخاب کرتے ہوئے نیٹ سول کے Transcend مارکیٹ پلیس کو اپنانے میں مزید وسعت دی ۔ اگست 2024ء میں نیٹ سول کے ف Flex and Dock سلوشنز کی کامیاب شمولیت کے بعد یہ اسٹریٹجک اقدام اٹھایا گیا جو کہ آپریشنز کو ترتیب دینے اور سروس ڈیلیوری کو بہتر بنانے کے Charles and Dean کے عزم کی عکاسی کرتا ہے۔

- **معروف چینی آٹو میکر نے حکمت عملی پر مبنی حصول کے بعد نیٹ سول کے TRANSCEND فنانس پلیٹ فارم کے استعمال میں توسیع کی**

نیٹ سول نے چین کی سب سے بڑے ریاستی آٹوموبائل مینوفیکچررز کے مالیاتی ڈویژن کی جانب سے Transcend فنانس پلیٹ فارم میں جاری توسیع کا اعلان کیا۔ یہ عمل دوسری ملکی مالیاتی کمپنی کے اسٹریٹجک حصول کے بعد ہوا تا کہ یہ اپنے ہول سیل فنانس آپریشنز میں بہتری لا سکے۔ صرف چھ ہفتوں میں اول تا آخر deployment میں معاونت کی گئی۔

- **نیٹ سول نے ایسٹ اورفنانس انڈسٹری کے لئے AI حل کو ملحوظ خاطر رکھتے ہوئے AITRANSCEND لیب متعارف کرائی**

کمپنی نے Transcend AI Labs کا باقاعدہ افتتاح کر دیا ہے۔ یہ نئی AI جدید hub آٹوموٹیو اور ایکوپمنٹ OEMs، ڈیلرشپس اور AI پر مبنی جدت، آٹومیشن اور کنسلٹنگ سروسز سے متاثر سرمایہ داروں کو مسابقتی برتری دیتی ہے۔ Transcend AI Labs کا مقصد پروڈکٹ میں نکھار لانا اور AI کنسلٹنگ سروسز فراہم کرنا ہے۔ کمپنی نے افتتاح کے موقع پر AI اسسٹنٹ، Intelligent document Processing (IDP) اور RoleFit AI بھی متعارف کرایا ہے۔

- **نیٹ سول نے پاکستان میں اپنا انسٹی ٹیوٹ آف آرٹیفیشل انٹیلی جنس کے قیام کا اعلان کیا**

نیٹ سول نے لاہور میں انسٹی ٹیوٹ آف آرٹیفیشل انٹیلی جنس قائم کی۔ ادارے اور سمندر پار کمیونٹی میں AI علم اور مہارت کو فروغ دینے کے لئے یہ ایک غیر معمولی اقدام ہے۔ نیٹ سول کاروباری عمل داری میں انقلاب لانے کے لئے AI کی بے پناہ صلاحیتوں سے بخوبی آگاہ ہے۔ یہ ادارہ ٹریننگ اور ڈیولپمنٹ کے لئے ایک خصوصی مرکز کے طور پر کام کرے گا اور AI ٹیکنالوجیز، طریقہ ہائے کار اور فنانشل سروسز انڈسٹری اور دیگر صنعتوں میں ان کے اطلاق کی بابت ملازمین اور دیگر پروفیشنلز کی مہارت میں اضافہ کے لئے خصوصی پروگرامز اور وسائل مہیا کرے گا۔

- **نیٹ سول نے DARIO MORELLI کی آرٹیفیشل انٹیلی جنس کے نائب صدر کی حیثیت سے تقرری کی**

نیٹ سول نے Dario Morelli کی آرٹیفیشل انٹیلی جنس کے نائب صدر کی حیثیت سے تعیناتی کا اعلان کیا۔ اس اہم عہدے پر، Morelli متعارف کرائی گئی نئی Transcend AI Labs کی نگرانی کریں گے۔ یہ اسٹریٹجک تعیناتی AI-فرسٹ مقصد میں اپنے قدم جمانے اور ایسٹ فنانس اور لیزنگ انڈسٹری میں جدت کو فروغ دینے میں اپنی قیادت کو مستحکم کے لئے نیٹ سول کے عزم کی عکاسی کرتی ہے۔ فن ٹیک، انشورنس اور تفریحی انڈسٹریز میں ڈیٹا اینالیٹکس اور AI میں 15 سال سے زائد تجربہ کے حامل موریلی بطور کاروباری رہنما اور AI منصوبہ ساز نیٹ سول میں مہارت اور تجربے کا ابھار لے کر آئے۔

- **نیٹ سول نے RICHARD HOWARD کو بطور ایڈوائزری بورڈ ممبر تعینات کیا**

Daimler فنانشل سروسز کے وسیع لیڈرشپ ٹریک ریکارڈ کے حامل ایک مشہور و معروف آٹوموٹیو ایگزیکٹو Richard Howard کو مرکزی کمپنی کے ایڈوائزری بورڈ میں شامل کیا گیا۔ جب کہ Richard نے کمپنی کو بطور ایڈوائزری بورڈ ممبر جوائن کیا۔ ان کی شمولیت روایتی ایڈوائزری فرائض سے ہٹ کر ہوگی۔ وہ کاروباری حکمت عملی کو نکھارنے میں اہم کردار ادا کریں گے جس میں خصوصی طور پر نیٹ سول کی توجہ کی مرکز مارکیٹ شمالی امریکہ میں نمو پر زور دیا جائے گا۔

- **نیٹ سول چین کے صدر نے فنانس اور لیزنگ میں عمدہ کارکردگی کے اعتراف میں دو ایوارڈز حاصل کیے**

چینی فنانس اور لیزنگ انڈسٹری میں کمپنی کی شاندار کارکردگی کے اعتراف میں Amanda Li Linjie، صدر نیٹ سول چین نے دو قیمتی ایوارڈ حاصل کئے۔ 22 نومبر 2024ء کو مس Linjie کو شنگھائی میں منعقدہ چائنہ آٹو فنانس اینڈ انڈسٹری ڈیولپمنٹ competitiveness فورم 2024ء میں آٹوموٹیو فنانس نیو پروڈکٹیوٹی انوویشن پائنیر ایوارڈ سے نوازا گیا۔

29 نومبر 2024ء کو نیٹ سول نے چائنا لیزنگ بزنس ایسوسی ایشن (CLBA) کے بیجنگ میں منعقدہ سالانہ فنانشل لیزنگ سمٹ میں شرکت کی جہاں Ms. Li Linjie کو چائنا فنانشل لیزنگ ایکسیلنس سروس ایوارڈ پیش کیا گیا۔

علاوہ ازیں، نیٹ سول نے فرسٹ ریٹ اور بیسٹ سیلنگ لیزنگ سلوشن پرووائیڈر ایوارڈ بھی حاصل جو کہ کمپنی کئی مرتبہ وصول کر چکی ہے۔

مالیاتی کارکردگی (Financial Performance)

جداگانہ مالیاتی گوشوارے	مالیاتی گوشوارے		
	30 جون 2025ء	30 جون 2024ء	فیصد میں تبدیلی
	('000') روپے	('000') روپے	
صارفین سے محصولات	9,018,961	9,280,647	(2.82%)
خام منافع	3,584,023	4,163,874	(13.93%)
نقد منافع	1,030,927	1,384,159	(34.96%)
منافع فی حصص۔ بنیادی (پاکستانی روپے)	11.89	15.76	
منافع فی حصص۔ تحلیل شدہ (پاکستانی روپے)	11.71	15.63	
EBITDA فی حصص۔ تحلیل شدہ (روپے)	14.84	18.74	

مالی سال 25-2024 کے دوران، کمپنی کی ٹاپ لائن میں پچھلے مالی سال میں درج کی گئی محصولات کے مقابلے میں 2.82 فیصد کی معمولی کمی ہوئی۔ کمپنی نے گذشتہ سال کے اسی مدت کے دوران 9,281 ملین روپے کے مقابلے 9,019 ملین روپے کی خالص محصولات درج کی ہیں۔ موجودہ سال کے لیے محصولات کا سلسلہ 55 ملین روپے کے لائسنس کی فروخت سے ہوا جیسا کہ 802 ملین روپے کے مقابلے میں گذشتہ سال ہماری ذیلی کمپنیوں کے صارفین کو NFS Ascent کے لائسنس کی فراہمی بھی شامل ہے۔ خدمات محصولات کی مد میں، کمپنی نے اپنی متعلقہ سائٹس پر systems deployed میں اضافہ اور تخصیص کے لیے گذشتہ مالی سال میں 3,781 ملین روپے کے مقابلے میں 3,702 ملین روپے کی شاندار محصولات درج کی۔ اس کے علاوہ سبسکرپشن اور سپورٹ محصولات

گذشتہ مالی سال کے 4,697 ملین روپے کے مقابلے 5,262 ملین روپے تک درج کی ہیں۔ یہ نمو بنیادی طور پر مختلف منصوبوں کے کامیاب نفاذ کے بعد بحالی کے مرحلے میں داخل ہونے والے صارفین کی وجہ سے کارفرما ہے۔

اس سال کے دوران مجموعی مارجنز 3,584 ملین روپے تک درج کیے گے جبکہ گذشتہ سال میں یہ مارجنز 4,164 ملین روپے تک درج کیے گے تھے۔ کمپنی نے گذشتہ سال 1,384 ملین روپے کے مقابلے میں 1,031 ملین روپے کا بعد از ٹیکس نقد منافع درج کیا ہے۔ مختلف کرنسیوں یعنی USD، پاؤنڈ، یورو، چینی یوآن اور آسٹریلوی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کی وجہ سے، کمپنی نے اس عرصے کے دوران 313 ملین روپے کرنسی تبادلے کے اضافہ سے منسلک ہے جس کا موازنہ 326 ملین روپے کرنسی تبادلے کے خسارہ سے کیا گیا ہے۔ اس منافع نے بنیادی اور تحلیل شدہ فی حصص بالترتیب 15.76 اور 15.63 روپے کے مقابلے میں 11.89 اور 11.71 روپے منافع درج کیا۔ کمپنی نے گذشتہ عرصے کے 18.74 روپے تحلیل شدہ فی حصص کے مقابلے میں 14.84 روپے فی حصص کا خالص EBITDA منافع درج کیا ہے۔

کمپنی نے اپنے مکمل ملکیتی ذیلی ادارے ''نیٹ سول انوویشن (پرائیویٹ) لمٹیڈ''، ''نیٹ سول ایسنٹ مڈل ایسٹ ایکوپمنٹ ٹریڈنگ ایل ایل سی'' اور اس کے مکمل ملکیتی ذیلی ادارہ ''نیٹ سول انسٹی ٹیوٹ آف آرٹیفیشل انٹیلی جنس (پرائیویٹ) لمٹیڈ'' کے مجموعی مالیاتی گوشوارے شامل کر دیئے ہیں۔ 30 جون 2025ء کے ختم ہونے والے سال کیلئے نقد مجموعی محصولات گذشتہ سال کے 9,580 ملین روپے کے مقابلے میں 9,905 ملین روپے ہے۔ مجموعی خام منافع گزشتہ سال کے 4,186 ملین روپے کے مقابلے موجودہ سال میں 4,354 ملین روپے ہے۔ مجموعی بنیاد پر، کمپنی نے گذشتہ سال کی اسی مدت میں 1,203 ملین روپے نقد مجموعی منافع کے مقابلے میں موجودہ سال میں 1,385 ملین روپے کا نقد مجموعی منافع درج کیا ہے۔ 30 جون 2025ء کو ختم ہونے والے سال کے لیئے فی بنیادی اور تحلیل شدہ آمدنی، گذشتہ سال میں بالترتیب 13.70 اور 13.59 روپے فی حصص منافع کے مقابلے اس سال میں بالترتیب 15.97 اور 15.74 روپے فی حصص منافع درج کیا ہے۔

منافع منقسمہ (Dividend)

ٹیکنالوجی کا منظرنامہ ایک تاریخی تبدیلی سے گزر رہا ہے، جس میں AI تیزی سے اختراعات اور طویل مدتی مسابقت کا مرکز بنتا جا رہا ہے۔ آگے رہنے اور پائیدار قدر کو اجاگر کرنے کے لیے، ہم اپنے پورے کاوربار میں جدید AI کی ترقی اور انضمام کو تیز کر رہے ہیں۔ AI میں سرمایہ کاری نہ صرف ہمارے سلوشنز کے معیار کو بہتر بنائے گی بلکہ ہماری تمام تر کاروائیوں میں زیادہ کارکردگی اور پیداواریت کو بھی فروغ دے گی۔

یہ ہماری کمپنی کے لیے ایک نہایت اہم لمحہ ہے اور ہم اس نئے دور میں قیادت کرنے کے لیے خود کو تیار کر رہے ہیں، نہ کہ پیروی کرنے کے لیے۔ اس مصلحت کی ترجیح کے مطابق، بورڈ نے یہ فیصلہ کیا ہے کہ رواں سال دستیاب تمام وسائل کو ہمارے AI کے اقدامات کو مظبوط بنانے میں دوبارہ لگایا جائے۔ اس کے نتیجے میں، ڈائریکٹرز کے بورڈ نے موجودہ مالی سال کے لیے کسی بھی ڈیویڈنڈ کی سفارش نہیں کی۔ ہم اپنے حصص یافتگان کے لیے منافع کی اہمیت کو بخوبی سمجھتے ہیں اور یہ فیصلہ آسانی سے نہیں کیا گیا۔ تاہم، ہمارا پختہ یقین ہے کہ آج اپنے مستقبل میں دوبارہ سرمایہ کاری کرنے سے طویل المدتی میں زیادہ مضبوط اور پائیدار منافع حاصل ہوگا۔

مستقبل کا نقطۂ نظر (Future Outlook)

چونکہ ہم نیٹ سول کے لئے انقلابی سال کی توقع کر رہے ہیں ہم اپنی ارتقاء میں ایک فیصلہ کن موڑ پر کھڑے ہیں۔ ایسا موڑ جہاں جدت اور جذبہ عالمی ایسٹ فنانس اور لیزنگ ٹیکنالوجی کے مستقبل کو ایک نئی جہت دینے کے لئے اکٹھے ہوتے ہیں۔ کئی دہائیوں پر محیط تجربہ، عالمی سطح پر صارفین کی کثیر تعداد اور فنانشل سروسز انڈسٹری کی گہری سوجھ بوجھ پر کھڑی مضبوط بنیادوں کے ساتھ اب ہم AI کی انقلابی طاقت کو استعمال کرتے ہوئے انٹیلی جنٹ ڈیجیٹل ٹرانسفارمیشن کے جدید دور کی جانب سفر کے لئے اپنے طور اطوار کو نئے سرے سے ترتیب دے رہے ہیں۔

نئے مالیاتی سال کی طرف بڑھتے ہوئے اسٹریٹجک انتخابات اور مربوط اطلاق جو گذشتہ چند برسوں کے سفر کی عکاسی کرتا ہے نے گلوبل ٹیکنالوجی دھارے میں مواقع اور بامعنی اثرات سے بھرپور مستقبل کے لئے ایک بنیاد قائم کی ہے۔

مالیاتی سال 2025-2026 کے لئے منظرنامہ انتہائی خوشگوار اور پرکشش ہے۔ ہم نئے سال میں ایک واضح ہدف: کلائنٹ تعلقات میں توسیع، artificial intelligence کے ذریعے جدت کے اطلاق اور آپریشنل عمدگی کے زریعے اعلیٰ اور معیاری سلوشن کی فراہمی کے بنیادی اصول کے ساتھ داخل ہو رہے ہیں۔ آئندہ مہینوں میں کئے جانے والے اقدامات اس وسیع ہدف کے عین مطابق ہوں گے، جس میں یقینی بنایا جائے گا کہ ہم اپنے حصص داران، کلائنٹس، شراکت داروں اور ملازمین کو طویل مدتی منافع دینے کی کوششیں جاری رکھیں۔

AI-first مستقبل کو اپنانا

ہماری اسٹریٹجک سمت کے مرکز میں AI-first ادارہ بننے کے لئے ہماری حالیہ تبدیلی براجمان ہے۔ Artificial intelligence اب جداگانہ صلاحیت نہیں رہی - یہ ہر بڑی صنعت میں جدت، چستی اور انقلاب لانے میں ایک راہنما ہے۔ نیٹ سول میں ہمارے لئے AI صرف ایک اوزار نہیں بلکہ یہ ایک فلسفہ ہے جسے پروڈکٹ کی تیاری، سروس کی فراہمی اور داخلی امور میں شامل کیا جا رہا ہے۔

ہم AI تحقیق، قابل افراد کی بھرتی اور شراکت داری پر بھاری سرمایہ کاری کر رہے ہیں تاکہ وسعت پذیر، نتائج سے آگاہ سلوشن قائم کر سکیں جو آٹومیشن سے ہٹ کر اور فیصلہ کن intelligent کے دائرہ کار میں ہوں۔ ہماری توجہ کا مرکز اپنے صارفین کو چست، تیز تر اور درست فیصلہ کرنے میں بااختیار بنانا ہے چاہے یہ پیش بین اینالٹکس، intelligent سے بھرپور کام کے بہاؤ، بول چال AI انٹرفیس یا خودکار پروسیس پر عمل درآمد ہو۔

تمام خطوں میں AI ٹیکنالوجیز میں ٹیموں کی تربیت کی جا رہی ہے اور اپنے پروسیس کی intelligent، ڈیٹا پر مبنی ادارے کی مدد کے لئے از سر نو تشکیل کی جا رہی ہے۔

Transcend Platform مستقبل کا گیٹ وے

ہماری پروڈکٹ حکمت عملی کا منبہ Transcend ہے، ہمارا متحد، AI پر مبنی پلیٹ فارم جس کے تحت ہم تمام پروڈکٹس اور سروسز فراہم کرتے ہیں۔ مالیاتی سال 25-2024ء میں نمایاں پیش رفت کے بعد اب Transcend آئندہ برسوں کے لئے ہماری ترقی کے منصوبوں میں مرکزی کردار ادا کرنے کے لئے بالکل تیار ہے۔

ہم go-to مارکیٹ سرگرمیوں کی رفتار بڑھا کر، پیشکشوں میں اضافہ کر کے اور وسعت پذیر ڈپلائمنٹ فریم ورک قائم کر کے مختلف منڈیوں میں Transcend کی رسائی بڑھانے پر غور کر رہے ہیں۔ نئے شعبوں اور خطوں میں شامل ہوتے ہوئے ہماری توجہ اپنی بنیادی منڈیوں میں اپنایت کو وسعت دینے پر رہے گی جو اس کے چست اور ماڈیولر آرکیٹیکچر سے مستفید ہو سکیں۔

کلاؤڈ نیٹو-AI ریڈی سلوشنز کی طلب میں اضافے کے ساتھ ہم پر امید ہیں کہ ہمارا

Transcend پلیٹ فارم آئندہ برسوں میں نیٹ سول کے لئے پروڈکٹ پرمبنی ترقی کا بنیادی محرک رہے گا۔ شمالی امریکہ، یورپ، APAC اور مشرق وسطیٰ (جو نسبتاً ہمارے لئے ایک نئی مارکیٹ ہے) میں کلائنٹس کے پہلے ہی adopted کے ساتھ Transcend ایک بنیاد بنتے جا رہا ہے، جس پر ہمارے کسٹمرز اپنا ڈیجیٹل مستقبل قائم کریں گے۔

نئے صارفین کے حصول اور ڈیل سائز میں اضافہ کی جانب قدم

ہماری فروخت نمایاں طور پر بہتر ہوئی ہے اور ہم فعال انداز میں بہتر سیلز عمل داری، تعلقات پرمبنی فروخت اور سیلز اور ڈیلیوری ٹیموں کے درمیان مضبوط رابطہ سازی کے ذریعے بڑے انٹرپرائز مواقع تلاش کر رہے ہیں۔

خصوصاً ابھرتی ہوئی منڈیوں اور ماضی میں نظر انداز کئے جانے والے خطوں میں ہمارے بہتر سیلز سائیکل ہمیں نئے صارفین کی تلاش میں مدد دیں گے۔ ہم انڈسٹری میں اپنی ساکھ، عالمی سطح پر موجودگی اور کلائنٹ کی کامیابی کی داستانوں پر زور دے رہے ہیں تاکہ ایسے اداروں کے ساتھ رابطے کے دروازے کھولے جائیں اور طویل مدتی شراکت داری قائم کی جائے جو سمجھتے ہیں کہ ٹیکنالوجی حکمت عملی کے لحاظ سے ترقی کے مواقع پیدا کرتی ہے۔

مسلسل آپریشنل نظم وضبط: کارکردگی اور لاگت کا انتظام

ہم تمام کاروباری شعبوں میں طریق عمل کو معیاری شکل دینے، آٹومیشن کو بڑھانے اور جواب دہی کے کلچر کو فروغ دے رہے ہیں۔ آئندہ برس میں ہمارے داخلی نظم وضبط کے ڈھانچے میں مزید نکھار آئے گا جس میں سیکھنے والی ٹیموں اور مختلف شعبوں کے مابین بہتر تعاون کے ساتھ بلند پیداوار پر توجہ دی جائے گی۔

ہم یقین رکھتے ہیں کہ پائیدار نمو نہ صرف تیز رفتار وسعت پذیری ہے بلکہ منفرد انداز میں وسعت پذیری ہے۔ پرکشش شعبوں پر سرمایہ داری کرتے ہوئے لاگت پر سخت کنٹرول جاری رکھ کر ہم منافع اور مالیاتی استحکام کو جاری رکھنے کو یقینی بنائیں گے۔

ترقی کا جائزہ، منافع کی فراہمی

ہم مستقبل میں نمایاں ترقی دیکھ رہے ہیں اور اہم ترین یہ کہ ہم اس سے مستفید ہونے کے لئے بالکل تیار ہیں۔ اطلاق اور جدت پر توجہ دے کر اور مستقل آمدنی پیدا کرکے ہم اپنے حصص داران کو منافع دینے، کاروبار میں خود مختار بنانے کے لئے اپنے کلائنٹس کو سلوشنز فراہم کرنے اور مقصد اور ترقی کے ماحول کو قائم کرنے کے لئے پرعزم ہیں۔

نمایاں اور رابطے میں رہنا: اولین انڈسٹری تقریبات

مالیاتی سال 26-2025ء میں ہم فنانس اور ٹیکنالوجی سیکٹرز کی اہم کانفرنسوں، سمٹس، کنونشنز، ایکسپوز اور دیگر تقریبات میں اپنی شمولیت کو برقرار رکھیں گے۔ البتہ، ہمارا فوکس نمایاں رہنے سے بھی زیادہ ہوگا جہاں ہم لیڈ جنریشن، تعلقات کی تعمیر اور اسٹریٹجک پوزیشننگ پر بھرپور توجہ دے کر اپنی شمولیت کو بڑھائیں گے۔

پائیداری، اہم خطرات اور اصلاحی اقدامات اور کمپنی کی ترقی و کارکردگی کو بہتر بنانے والے مستقبل کے رجحانات

اس سیکشن میں پائیداری، درپیش بنیادی خطرات اور بے یقینیوں اور مستقبل کی ترقی، کارکردگی اور حالت پر اثر انداز ہونے والے اہم رجحانات کی جانب کمپنی کے عزم کا احاطہ کیا گیا ہے۔ اس میں ان خطرات کے تدارک کے لئے اپنائے گئے قبل از وقت اقدامات کی بھی نشاندہی کی گئی ہے تاکہ کمپنی لچک کا مظاہرہ کرے اور بدلتے ہوئے کاروباری ماحول میں پائیدار نمو کے لئے تیار رہے۔

1۔ اسٹریٹجک رسک

اسٹریٹجک رسک سے نپٹنے کے لئے نیٹ سول باقاعدگی سے عالمی سطح پر متحرک اور بدلتی ہوئی فنانس اور لیزنگ انڈسٹری میں تازہ ترین رجحانات کی نشاندہی اور نگرانی کرتی ہے۔ صنعت میں سرایت کر جانے والی اہم ٹیکنالوجیز پر کام کرکے نیٹ سول یقینی بناتا ہے کہ اس کے کلائنٹس مارکیٹ میں ایک قدم آگے رہیں اور سب سے اہم یہ کہ ان کا کاروبار فیوچر پروف ہو۔

2۔ آپریشنل رسک

کمپنی مارکیٹ اور عالمی صنعت جس میں یہ کام کرتی ہے کا ہوشمندی سے مسلسل جائزہ لیتی ہے۔ کاروباری تسلسل کے جاری منصوبوں کے ساتھ کمپنی وباؤں، قدرتی آفات یا دیگر نامساعد حالات میں اپنے آپریشنز میں صفر تعطل کو یقینی بناتی ہے۔ نیٹ سول کی عالمی ٹیم دنیا بھر میں اپنے کلائنٹس کو خدمات کی بلاتعطل فراہمی کو بھی یقینی بناتی ہے۔

3۔ سائبر سیکیورٹی خطرات

سائبر کرائمز کی بڑھتی ہوئی موجودگی اور بین الاقوامی نوعیت کو مدنظر رکھتے ہوئے ادارے مربوط اور مختلف درجوں پرمبنی سیکیورٹی کنٹرولز کا اطلاق کرتی ہے تاکہ وہ اپنی معلومات اور کمیونی کیشنز ٹیکنالوجی (ICT) انفراسٹرکچر کی حفاظت کرسکیں۔ ISO 27001 سرٹیفائیڈ کمپنی بننے کے علاوہ نیٹ سول نے راز داری، سلامتی اور کمپنی، اس کے کلائنٹس اور ملازمین سے منسوب ڈیٹا کی دستیابی کو یقینی بنانے کے لئے جدید سیکیورٹی پروٹوکولز/کنٹرولز وضع کئے ہیں۔ ان کنٹرولز میں انٹرپرائز گریڈ مداخلت کے تدارک اور کھوج کا نظام (IDS/IPS)، next-generation کی فائر والز، ساقط اور متحرک ڈیٹا کے لئے مضبوط encryption، غیر اہم اور معلوم کرنے کی ضرورت کے اصول پرمبنی رسائی کے کنٹرولز، اور ڈیٹا کی منتقلی کے لئے TLS جیسے محفوظ کمیونی کیشن پروٹوکولز کا استعمال شامل ہے۔

دنیا بھر میں 2,500 سے زائد اداروں کو خدمات فراہم کرنے والے عالمی سطح پر معروف ٹیکنالوجی پرمبنی سیکیورٹی اور کمپلائنس پارٹنر A-LIGN کے آزادانہ عمل میں لائے گئے آڈٹ کے ذریعے نیٹ سول نے SOC 2 Type I اور SOC 2 Type II کمپلائنس کامیابی سے حاصل کی ہے۔ آڈٹ نے نیٹ سول کے عالمی مراکز بشمول کیلیفورنیا (امریکہ)، لندن (انگلینڈ)، بیجنگ (چین)، سڈنی (آسٹریلیا)، اور لاہور (پاکستان) میں سیکیورٹی کنٹرولز کے متاثر کن ہونے کی توثیق کی ہے۔ یہ کامیابی اپنے عالمی صارفین کو محفوظ، کمپلائنٹ اور لچکدار ٹیکنالوجی سلوشنز فراہم کرنے میں بھروسہ مند شراکت دار کی حیثیت سے نیٹ سول کی پوزیشن کو مضبوط کرتی ہے۔ SOC 2 Type II سرٹیفکیشن صارفین اور کلائنٹس کے ڈیٹا کی حفاظت کی جانب نیٹ سول کے غیر متزلزل عزم کی توثیق کرتی ہے جو کہ امریکی انسٹی ٹیوٹ آف سرٹیفائیڈ پبلک اکاؤنٹنٹس (AICPA) ٹرسٹ سروسز معیار کی تعمیل کا اظہار ہے۔

4۔ فارن ایکسچینج رسک

فارن ایکسچینج رسک اُس وقت پیدا ہوتا ہے جہاں غیر ملکی کرنسی میں لین دین کے باعث واجب الاداء اور واجب الوصول رقوم موجود ہوں۔ کمپنی تجارتی قرضوں، واجبات اور آمدنی پر غیر ملکی کرنسی رسک کا شکار ہوتی ہے جو پاکستانی روپے کے علاوہ دیگر کرنسی میں ہو۔ کمپنی کی زیادہ تر آمدنی پاکستانی روپے کے علاوہ دیگر کرنسیوں میں معاہدوں سے ہوتی ہے۔ کمپنی سرمایہ زیر کار مقاصد کے لئے غیر ملکی کرنسیوں میں نقدی یا نقدی کے مساوی انسٹرومنٹس بھی رکھتی ہے۔

5۔ لیکویڈٹی رسک

لیکویڈٹی رسک کسی ادارے کو اپنے فرائض کی انجام دہی میں فنڈز اکٹھا کرنے میں ناکامی کو ظاہر کرتی ہے۔ کمپنی اُس وقت لیکویڈٹی رسک کا سامنا کرتی ہے جب مالیاتی اثاثہ جات اور واجبات میں عدم توازن ہو جائے۔ البتہ ہم مؤثر کیش مینجمنٹ اور پلاننگ پالیسی پر کاربند ہیں تاکہ فنڈز کی دستیابی جاری رہے اور نئی ضروریات کے لئے مناسب کارروائی کی جائے۔

6۔ شرح سود کا خطرہ

شرح سود کا خطرہ ایسا رسک ہے جو مارکیٹ میں شرح سود میں رد و بدل کے باعث مالیاتی انسٹرومنٹ کی قیمت میں اتار چڑھاؤ پیدا کرے۔ شرح سود کے خطرے کا زیادہ تر سامنا بینکوں سے حاصل قلیل و طویل مدتی قرضوں اور نفع و نقصان/سیونگ اکاؤنٹس میں ڈیپازٹس پر منافع اور خسارہ/سیونگ اکاؤنٹ اور میوچل فنڈز میں سرمایہ کاری کی وجہ سے ہوتا ہے۔

کمپنی کاروبار کی آئندہ ترقی، کارکردگی اور پوزیشن پر ممکنہ اثر انداز ہونے والے بنیادی رجحانات اور عوامل

7۔ ٹیکنالوجی میں ترقی

⇦ AI اور ML

نیٹ سول اب AI فرسٹ ادارے میں تبدیل ہو چکا ہے۔ AI اور ML تکنیکی جدت، متعدد صنعتوں میں انقلابی تبدیلیوں کے دہانے پر ہے۔ جس میں مالیاتی خدمات، ایسٹ فائنس اور لیزنگ شامل ہیں۔ یہ ٹیکنالوجیز ڈیٹا اینالٹکس میں انقلاب لانے، طریق عمل کو سنوارنے اور فیصلہ سازی کی استعداد کو بڑھانے میں مددگار ثابت ہو رہی ہیں۔

8۔ منڈی کے محرکات

⇦ **معاشی حالات اور منڈی کی طلب**

معاشی حالات کاروباری کارکردگی پر گہرے اثرات مرتب کرتے ہیں جو نمو، افراطِ زر اور پالیسی میں تبدیلی لا کر ٹیکنالوجی سلوشنز کی طلب پر براہِ راست اثرات مرتب کرتے ہیں۔ چونکہ نیٹ سول ان تبدیل ہونے والے محرکات کو درست سمت دیتا ہے لہٰذا کمپنی مارکیٹ کے اتار چڑھاؤ پر چستی اور ردعمل پر بھرپور توجہ دیتی ہے۔ ابھرتی ہوئی انڈسٹری ضروریات کی مربوط نگرانی اور اپنی پیشکشوں میں مسلسل بہتری کے ذریعے نیٹ سول نمو کو برقرار رکھنے اور بدلتے ہوئے معاشی دھارے میں نئے مواقع سے فائدہ اٹھانے کے لئے بالکل تیار ہے۔

⇦ **ریگولیٹری تبدیلیاں**

ٹیکنالوجی کمپنیوں کے لئے ریگولیٹری شعبہ مسلسل تبدیل ہو رہا ہے جس میں ڈیٹا پرائیویسی، اخلاقی ٹیکنالوجی کا استعمال اور کمپلائنس پر دباؤ بڑھ رہا ہے۔ نیٹ سول کے لئے ایسی پیش رفت میں سرفہرست رہنا قانونی خطرات کے تدارک اور اپنی ساکھ کو برقرار رکھنے کے لئے انتہائی اہم ہے۔ کمپنی باقاعدہ آڈٹس، پالیسی میں تجدید اور ریگولیٹری محکموں کے ساتھ جاری تعلقات کے ذریعے کمپلائنس کی جانب بروقت عمل کرتی ہے تاکہ یقینی بنایا جا سکے کہ اس کے آپریشنز جوابدہی اور شفافیت کے اعلیٰ ترین معیار کو پورا کر سکیں۔

9۔ صارف توقعات اور ترجیحات

⇦ **پرسنلائزیشن اور صارف تجربہ**

دورِ حاضر کی انتہائی مسابقتی منڈی میں خصوصی صارف تجربہ فراہم کرنا لازمی ہو گیا ہے۔ اپنے صارفین کو سمجھنے اور مربوط حل فراہم کرنے کی جانب نیٹ سول کا عزم اس کی جاری ترقی کا اہم جزو ہے۔ ڈیٹا اینالٹکس اور AI کی طاقت کو استعمال کرتے ہوئے کمپنی صارف رویہ، ترجیحات اور کمزور شعبوں میں کمپنی قیمتی پرکھ حاصل کرتی ہے۔ جس سے کمپنی خصوصی اور مؤثر حل فراہم کرنے کے قابل بن جاتی ہے جو اطمینان کو بڑھاتی اور کلائنٹس کے ساتھ طویل مدتی تعلقات کو مضبوط کرتی ہے۔

⇦ **integrated سلوشنز کی طلب**

چونکہ کاروبار تیزی سے اپنے آپریشنز کو آپٹیمائز اور سادہ کرنے کی جانب بڑھ رہے ہیں لہٰذا ہموار رابطہ اور آپریشنز میں تسلسل فراہم کرنے والے integrated ٹیکنالوجی سلوشنز کی طلب بھی بڑھتی جا رہی ہے۔ نیٹ سول کی طاقت جامع حل فراہم کرنے کی استعداد میں ہے جو واحد نقطۂ نظر کے ذریعے متنوع کاروباری ضروریات کو پورا کرتے ہیں۔ موجودہ نظاموں میں شمولیت اور صارف دوست تجربہ پر توجہ دے کر نیٹ سول اپنے کلائنٹس کی بدلتی ہوئی توقعات کو پورا کرنے اور مارکیٹ میں مسابقتی برتری کو مضبوط کرنے کے لئے بالکل تیار ہے۔

10۔ مسابقتی لینڈاسکیپ (COMPETITIVE LANDSCAPE)

⇦ **عالمی حریف**

نیٹ سول انتہائی مسابقتی ماحول میں کام کرتا ہے اور ملکی و عالمی سطح پر ان کمپنیوں کے ساتھ مقابلے میں ہیں جو ایسٹ فنانس اور لیزنگ انڈسٹری میں مساوی ٹیکنالوجی سلوشن اور سروسز فراہم کرتی ہیں۔ اپنی مسابقتی برتری کو برقرار رکھنے کے لئے کمپنی متحرک رہے گی اور مارکیٹ کے دھارے میں تبدیلیوں پر بروقت ردعمل دے گی۔ اس میں انڈسٹری کے رجحات پر گہری نظر، ریسرچ اور ڈیویلپمنٹ میں لگاتار سرمایہ کاری اور اسٹریٹجک شراکت داروں کی شمولیت شامل ہیں جو اس کی استعداد اور مارکیٹ میں ان کی موجودگی کو مضبوط کرے گی۔

11۔ جدت اور R&D

⇦ **R&D میں سرمایہ کاری**

جدت نیٹ سول کے عالمی آپریشنز اور جاری کاروباری ترقی کی روح ہے۔ تکنیکی جدت میں سرفہرست رہنے کے لئے ریسرچ اور ڈیویلپمنٹ پر سرمایہ کاری اور next-generation کے سلوشن پیش کرنا انتہائی اہم ہے۔ نیٹ سول کی R&D کاوشوں کا مرکز ابھرتی ہوئی ٹیکنالوجیز کی تلاش، اپنے پروڈکٹ پورٹ فولیو میں اضافہ اور مارکیٹ کی بدلتی ہوئی طلب پر ردعمل ہیں۔

⇦ **انڈسٹری لیڈرز، ایسوسی ایشنز اور پارٹنرز کے ساتھ شراکت**

انڈسٹری لیڈرز، مالیاتی و لیزنگ ایسوسی ایشنز اور ٹیکنالوجی معاونین کے ساتھ شراکت داری جدت کو فروغ دینے کے لئے اہم حکمت عملی ہے۔ یہ اتحاد قیمتی ریسرچ بصیرت اور تعاون کے مواقع فراہم کرے گا۔ اعلیٰ ماہرین اور اداروں کے ساتھ مل کر کام کے ذریعے

نیٹ سول اپنی جدت سے بھرپور پروڈکٹس کی تیاری کی رفتار میں اضافہ کرسکتی ہے جس سے کمپنی مارکیٹ میں مؤثر انداز میں سلوشن فراہم کرے گی۔

ماحول پر کمپنی کاروبار کے اثرات

چونکہ ماحولیات سے منسوب واقعات عالمی سطح پر بڑھ رہے ہیں لہٰذا ذمہ دار کاروباری ادارے ماحولیاتی تحفظ پر بہت زیادہ زور دے رہے ہیں۔ چونکہ نیٹ سول صنعتی ادارے کی بجائے بطور ٹیکنالوجی سلوشنز اور سافٹ ویئر ڈیویلپمنٹ کمپنی کے طور پر کام کرتا ہے لہٰذا ماحول پر اس کے معمولی اثرات مرتب ہوتے ہیں۔ کمپنی بطور عالمی ادارہ ماحولیاتی ذمہ داری نبھانے کے لئے پرعزم ہے۔

ماحولیاتی تبدیلیوں سے پیدا ہونے والے مسائل کو سمجھتے ہوئے نیٹ سول عالمی سطح پر پائیداری کی کاوشوں میں بامعنی کردار ادا کرنے کی ذمہ داری قبول کرتا ہے۔ Transcend سے منسوب آپریشنز کی مدد سے کمپنی تمام شعبوں میں ضیاع پر مشتمل عمل کو ختم کر کے اور توانائی کے محدود استعمال کو بڑھا کر اپنے ماحولیاتی اثرات کم کرنے کے لئے اپنے وسائل کو بروئے کار لانے کے لئے پرعزم ہے۔

نیٹ سول کی پائیداری پالیسی کا مرکز ڈیجیٹائزیشن کی جانب جھکاؤ ہے۔ کمپنی کا متحد، AI پر مبنی Transcend پلیٹ فارم کلائنٹس کو کاغذی صورت میں طریق عمل پر انحصار مکمل طور پر ختم کرنے یا کم کرنے کے قابل بناتا ہے۔ غیر کاغذی ایکو سسٹم کو فروغ دے کر نیٹ سول نہ صرف اپنے صارفین کو ماحولیاتی اہداف حاصل کرنے میں مدد کرتا ہے بلکہ مثبت ماحولیاتی نتائج کی طرف بھی لے جاتا ہے۔ داخلی سطح پر، کمپنی نے قبل ازیں کاغذ کے استعمال میں نمایاں کمی کا ہدف حاصل کیا اور اس کی کھپت کو مزید کم کرنے کے لئے فعال اقدامات اٹھا رہی ہے۔

کمپنی یا اس کی ذیلی کمپنیوں اور جوائنٹ آپریشنز کے کاروبار کی نوعیت پر مالیاتی سال میں تبدیلیاں

رواں برس کے دوران کمپنی کی کلی ملکیتی ذیلی کمپنی نیٹ سول انوویشن نے بھی اپنی مکمل ملکیتی ذیلی کمپنی ''**نیٹ سول انسٹی ٹیوٹ آف آرٹیفیشل انٹیلی جنس (پرائیویٹ) لمیٹڈ**'' کا اندراج کرایا جس کا بنیادی مقصد زیادہ دلچسپی کے حامل ٹیکنالوجی شعبوں بشمول MC / AI، ڈیٹا سائنس اور انفارمیشن سکیورٹی میں خصوصی تعلیم اور اسناد پیش کر کے عالمی سطح پر مسابقتی ڈیجیٹل ورک فورس تیار کرنا ہے۔

کاروباری وسماجی ذمہ داری

اقوام متحدہ کے طے شدہ پائیداری اہداف کے عین مطابق کاروباری وسماجی ذمہ داری کی بابت کمپنی کے اقدامات کی تفصیلی رپورٹ لف ہذا ہے۔

داخلی مالیاتی کنٹرولز کی وسعت پذیری

بورڈ مالیاتی رپورٹنگ پر ٹھوس داخلی مالیاتی کنٹرولز کے قیام اور برقراری کے لئے قطعی ذمہ دار ہے۔ ہمارا خودمختار داخلی آڈٹ ڈیپارٹمنٹ بورڈ عملی انداز میں آڈٹ کمیٹی اور انتظامی لحاظ سے CEO کو رپورٹ کرتا ہے۔ ہر سال، بورڈ آڈٹ کمیٹی آڈٹ پلان کی منظوری دیتی ہے جو اہم آپریٹنگ شعبوں کے سالانہ جائزہ کی بنیاد پر ہوتا ہے۔ داخلی آڈٹ ڈیپارٹمنٹ کنٹرول میں خامیوں سے نبرد آزما ہونے کے لئے سفارشات فراہم کرتا ہے جنہیں انتظامیہ کنٹرول میں خامیوں کو دور کرنے کے لئے اپناتی ہے۔ بورڈ آڈٹ کمیٹی، CEO اور متعلقہ ڈیویژنل مینجمنٹ کے ساتھ سہ ماہی بنیادوں پر مشاہدات پر تبادلۂ خیال کیا جاتا ہے۔

داخلی آڈٹ فنکشن کا کام کمپنی پر اثرانداز ہونے والے واقعات، خطرات اور ریگولیٹری تبدیلیوں کے نتیجے میں لگاتار تبدیل ہوتا رہتا ہے تاکہ یقینی بنایا جاسکے کہ اس کے اختیارات ادارہ جاتی مقاصد کے عین مطابق ہوں۔ ہماری فنانشل رپورٹنگ کی معتبری اور بین الاقوامی مالیاتی رپورٹنگ اصولوں (IFRS) کے مطابق میں بیرونی مالیاتی گوشواروں کی تیاری کی بابت معقول یقین دہانی کرانے کے لئے داخلی کنٹرول وضع کئے گئے ہیں۔ البتہ، کسی بھی داخلی کنٹرول سسٹم میں موجود پابندیوں کے باعث انتظامیہ تسلیم کرتی ہے کہ ان کنٹرول کے متاثر کن ہونے میں رکاوٹیں آسکتی ہیں لہٰذا صرف معقول یقین دہانی ہی کرائی جاسکتی ہے۔ علاوہ ازیں، کمپنی ایک مؤثر داخلی کنٹرول فریم ورک کی بھی حامل ہے جس کی خصوصیات میں شفاف ڈھانچے، اختیارات پر طے شدہ حدود، جواب دہی اور جائزے کے لئے ٹھوس پالیسیاں اور طریقہ ہائے کار شامل ہیں۔

تعمیل کی بابت اعلامیہ

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء کے تحت کمپلائنس کا بیان رپورٹ ہذا کے ساتھ لف ہے۔

بورڈ میں تبدیلیاں

رواں برس، 31 دسمبر 2024ء کو کمپنی کے ڈائریکٹرز کی میعاد ختم ہوگئی اور اسی تاریخ کو غیر معمولی اجلاس عام کے ذریعے ان کی تقرری کے لئے تازہ رائے شماری کی گئی۔

بورڈ کی تشکیل کی بابت لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء کے تمام تقاضے پورے کئے گئے۔ بورڈ رخصت ہونے والے ڈائریکٹرز جناب زیشان افضل اور جناب انوار حسین کی گراں قدر خدمات کا اعتراف کرتا ہے اور نئے ڈائریکٹرز مس ہما فخر اور جناب نعمان حسین کو پرجوش انداز میں خوش آمدید کہتا ہے۔

شمولیت پر روایتی ردوبدل

نئے بورڈ اراکین کی شمولیت پر تفصیلی ردوبدل کیا گیا اور کاروباری امور، ماحولیات اور کمپنی کی طویل مدتی حکمت عملی سے انہیں آگاہ کیا گیا۔

ڈائریکٹرز کا معاوضہ

کمپنی نان ایگزیکٹو ڈائریکٹرز بشمول خودمختار ڈائریکٹرز کو اجلاس میں شرکت کی فیس کے علاوہ کوئی معاوضہ ادا نہیں کرتی۔ بورڈ یا اس کی کمیٹیوں کے اجلاس میں شرکت پر کمپنی ڈائریکٹرز کو سفر اور رہائش پر اٹھنے والے اخراجات کی ادائیگی کرے گی۔ ایگزیکٹو ڈائریکٹرز کے معاوضہ کی کل رقم بشمول ان کی تنخواہ، مراعات اور کارکردگی پر مبنی دیگر مراعات کی تفصیلات کا ذکر منسلک مالیاتی گوشواروں میں کیا گیا ہے۔

تنوع، نصف اور شمولیت (DE&I)

نیٹ سول میں، ہم کام کا صحت مند ماحول قائم کرنے اور اپنی کمپنی کی طویل مدتی کامیابی کے لئے تنوع، نصف اور شمولیت (DE&I) پر پختہ یقین رکھتے ہیں۔ ایک متنوع ٹیم مختلف تخیلات، تجربات اور سوچ کے حامل افراد کو اکٹھا کرتی ہے۔ اس طرح ہمیں مزید تخلیقی، بہتر فیصلہ سازی اور اپنے کلائنٹس کے لئے جدید حل تلاش کرنے میں مدد ملتی ہے۔

گذشتہ برس میں، ہم نے ایک خصوصی ماحول قائم کرنے پر توجہ دی جہاں تمام افراد کی حوصلہ افزائی اور احترام کیا جاتا ہے۔ ہم نے قائدانہ فرائض میں خواتین کی حمایت کی ہے اور اعتماد کے ساتھ اپنی ٹیموں کی رہنمائی کے لئے ان کی حوصلہ افزائی کی ہے۔ ہماری غیر امتیازی سلوک کی پالیسی یقینی بناتی ہے کہ جنس، پس منظر اور اعتقاد کے باعث کسی ساتھ غیر منصفانہ سلوک روا نہ رکھا جائے۔ ہم اپنے ملازمین بشمول محفوظ نقل وحرکت، زچگی کی رخصت، انسداد ہراسگی پالیسیوں اور مراکز کے اندر صحت کی سپورٹ کے لئے کئی سہولیات بھی فراہم کرتے ہیں تاکہ کام کے دوران زندگی آسان اور مزید محفوظ ہوسکے۔

مساوی مواقع فراہم کرنے والے آجر کی حیثیت سے ہم معذور افراد کی بھرتی پر بھی توجہ دیتے

ہیں اور کامیابی کے لئے ہم انہیں معقول وسائل اور سپورٹ بھی دیتے ہیں۔ رواں برس، تنوع اور شمولیت کی اہمیت پر ملازمین میں آگاہی بیدار کرنے اور وسیع رابطہ سازی کو فروغ دینے کے لئے ہم نے ورکشاپس، مینٹورشپ پروگرامز اور آگاہی سیشنز کا انعقاد کیا۔

نیٹ سول میں ہم کام کا ایسا ماحول قائم کرنے پر یقین رکھتے ہیں جہاں تمام افراد کی قدر کی جائے اور انہیں مساوی مواقع دیئے جائیں جو کہ نہ صرف درست عمل ہے بلکہ جدت، ترقی اور طویل اور پائیدار کامیابی کے لئے اہم اقدامات بھی ہیں۔

بورڈ کی ترکیب

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء کے تقاضوں کی تعمیل میں بورڈ آف ڈائریکٹرز کی ترکیب حسب ذیل ہے:

ڈائریکٹرز کی کل تعداد (07) ہے جو مندرجہ ذیل پر مشتمل ہیں:

جنس	تعداد
مرد	05
خاتون	02

بورڈ کی ترکیب حسب ذیل ہے:

کیٹگری	تعداد
خودمختار ڈائریکٹرز	02
نان-ایگزیکٹو ڈائریکٹرز	03
ایگزیکٹو ڈائریکٹرز	02

ڈائریکٹرز کے نام

30 جون 2025ء تک کمپنی کے بورڈ اراکین مندرجہ ذیل ہیں:

- جناب نعیم اللہ غوری
- جناب سلیم اللہ غوری
- جناب وسیم انور
- جناب نعمان حسین
- محترمہ حمنہ غوری
- محترمہ ہما فخر
- جناب عمر غوری

30 جون 2025ء کو اختتام پذیر سال کے دوران بورڈ کے چھ (06) اجلاس طلب کئے گئے

بورڈ نے ذیلی کمیٹیاں بھی تشکیل دی ہیں جنہوں نے طے شدہ مقاصد حاصل کرنے میں اہم کردار ادا کیا ہے۔

ان کمیٹیوں میں مندرجہ ذیل شامل ہیں:

آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس کی تعمیل میں مندرجہ ذیل چار (04) اراکین پر مشتمل ایک آڈٹ کمیٹی قائم کی ہے:

نام ڈائریکٹر	عہدہ
جناب نعمان حسین	چیئرمین
جناب وسیم انور	رکن
محترمہ ہما فخر	رکن

آڈٹ کمیٹی بورڈ آف ڈائریکٹرز کو پیش کرنے اور اشاعت سے قبل تمام سہ ماہی، نصف سالہ اور سالانہ مالیاتی گوشواروں کا جائزہ لیتی اور ان کی منظوری دیتی ہے۔

30 جون 2025ء کو اختتام پذیر سال کے دوران آڈٹ کمیٹی کے چار (04) اجلاس منعقد ہوئے۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی (HUMAN RESOURCE AND REMUNERATION COMMITTEE)

کوڈ آف کارپوریٹ گورننس کی تعمیل میں بورڈ نے ایک ہیومن ریسورس اینڈ ریمونریشن کمیٹی قائم کی ہے جو بورڈ کو اہم انتظامی عہدوں کے انتخاب، جائزے اور معاوضے کی بابت بورڈ کو سفارشات دیتی ہے۔ حالیہ کمیٹی مندرجہ ذیل اراکین پر مشتمل ہے:

نام ڈائریکٹر	عہدہ
محترمہ ہما فخر	چیئرپرسن
محترمہ حمنہ غوری	رکن
جناب سلیم اللہ غوری	رکن

30 جون 2025ء کو اختتام پذیر سال کے دوران کمیٹی کی شرائط کے ماتحت آنے والے امور پر بحث اور منظوری کے لئے کمیٹی کا ایک (01) اجلاس منعقد ہوا۔

رسک مینجمنٹ کمیٹی (RISK MANAGEMENT COMMITTEE)

بورڈ نے ایک رسک مینجمنٹ کمیٹی قائم کی ہے جو بورڈ کو خطرات کی نشاندہی، جائزے اور تدارک کی بابت بورڈ کو سفارشات دیتی ہے۔ بتائے گئے خطرات کو ان کے اثرات اور وقوع پذیر ہونے کے امکانات کے مطابق ترجیح دی جاتی ہے اور اس بابت اصلاحی اقدامات وضع کئے جاتے ہیں۔ حالیہ کمیٹی مندرجہ ذیل اراکین پر مشتمل ہے:

نام ڈائریکٹر	عہدہ
جناب نعمان حسین	چیئرمین
جناب وسیم انور	رکن
جناب عمر غوری	رکن

نامزدگی کمیٹی (NOMINATION COMMITTEE)

بورڈ نے مندرجہ ذیل اراکین پر مشتمل ایک نامزدگی کمیٹی بھی تشکیل دی ہے:

نام ڈائریکٹر	عہدہ
جناب سلیم اللہ غوری	چیئرمین
جناب نعیم اللہ غوری	رکن
جناب عمر غوری	رکن

سسٹین ایبلٹی کمیٹی(SUSTAINABILITY COMMITTEE)

بورڈ نے مندرجہ ذیل اراکین پر مشتمل ایک سسٹین ایبلٹی کمیٹی بھی قائم کی ہے:

نام ڈائریکٹر	عہدہ
محترمہ حمنہ غوری	چیئر پرسن
محترمہ ہما فخر	رکن
جناب سلیم اللہ غوری	رکن

بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیوں کی کارکردگی کا جائزہ

بورڈ آف ڈائریکٹرز کمپنی کی قیادت کرنے کے لئے ذمہ دار ہے جس میں طویل مدتی کامیابی، شیئر ہولڈرز اور اسٹیک ہولڈرز کے مفادات کی حفاظت کو یقینی بنایا جاتا ہے۔ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کے مطابق بورڈ اپنی مجموعی کارکردگی، کمیٹیوں کے کام اور کمپنی کی ترقی میں ہر ڈائریکٹر کے کردار کا جائزہ لیتا ہے۔

اس جائزے سے بورڈ کو درکار مہارت کی نشاندہی، اپنے اراکین کے فرائض کا جائزہ اور بہتری کے حامل شعبوں کی نشاندہی میں مدد ملتی ہے۔ اس عمل کے لئے، ہیومن ریسورس اینڈ ریمونریشن کمیٹی نے تمام بورڈ اراکین کی رائے لینے کے لئے ایک سوالنامہ تقسیم کیا ہے۔ جوابات اور مجموعی جائزے کی بنیاد پر بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز کی کارکردگی تسلی بخش اور متاثر کن پائی گئی ہے۔

ڈائریکٹرز کا ٹریننگ پروگرام

بورڈ آف ڈائریکٹرز

پانچ (05) ڈائریکٹرز نے ڈائریکٹرز ٹریننگ پروگرام (DTP) سرٹیفکیشن حاصل کی ہے جب کہ ایک (01) بورڈ رکن کو درکار قابلیت اور لسٹڈ کمپنی کے بورڈ میں خدمات کے تجربہ کی بنا پر DTP سے مستثنیٰ قرار دیا گیا۔ ایک (01) نئے تعینات ڈائریکٹر تقرری کے ایک سال کے عرصہ میں DTP سرٹیفکیشن حاصل کریں گے۔

متعلقہ فریقین سے لین دین کا جائزہ

رواں مالیاتی سال کے دوران متعلقہ فریقین کے ساتھ کی جانے والی تمام تر ٹرانزیکشنز کو جائزے اور بعد ازاں منظوری کے لئے بورڈ کے سامنے رکھا گیا۔ ڈائریکٹرز اور اہم انتظامی عملے کے ساتھ کمپنی نے کوئی ایسی متعلقہ فریقین ٹرانزیکشن نہیں کی ہے جو کمپنی کے مفاد کے ساتھ ٹکرائے یا جس کے لئے حصص داران کی منظوری درکار ہو۔

ٹریژری شیئرز (TREASURY SHARES)

رواں برس کے دوران کمپنی نے جاری کردہ 2,690,251 عمومی حصص واپس خرید کئے اور انہیں ٹریژری شیئرز میں شامل کیا گیا۔ 31 دسمبر 2024ء کو منعقدہ غیر معمولی اجلاس عام میں شیئر ہولڈرز نے واپس خرید کی منظوری دی۔ عمومی حصص سپاٹ پرائس پر پاکستان اسٹاک ایکسچینج کمپنی کے ذریعے حاصل کئے گئے۔ یہ کمپنی کے موجودہ ملکیتی 2,000,000 ٹرژری شیئرز کے علاوہ ہیں۔

ہولڈنگ کمپنی

نیٹ سول ٹیکنالوجیز انکارپوریٹڈ، 16000 وینچورا بولیوارڈ، سوئیٹ 770، اینسینو، کیلیفورنیا 91436 امریکہ کمپنی کی زیادہ تر شیئر ہولڈنگ کی مالک ہے۔

آڈیٹرز کی تقرری

حالیہ بیرونی آڈیٹرز میسرز کروحسین چوہدری اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے اور اہلیت کی بنا پر اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے ممکنہ طے شدہ شرائط وضوابط اور معاوضہ پر 30 جون 2026ء کو اختتام پذیر مالیاتی سال کے لئے میسرز کروحسین چوہدری اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی بطور آڈیٹرز دوبارہ تقرری کے لئے آڈٹ کمیٹی کی سفارشات کو تسلیم کیا ہے۔ بیرونی آڈیٹرز نے توثیق کی ہے کہ انہیں انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول جائزہ پروگرام کے تحت تسلی بخش ریٹنگ دی گئی ہے اور یہ آڈٹ اوورسائٹ بورڈ آف پاکستان میں رجسٹرڈ ہیں۔ انہوں نے مزید توثیق کی ہے کہ فرم ICAP کی جانب سے اپنائی گئی ضابطہ اخلاق پر بین الاقوامی فیڈریشن آف اکاؤنٹنٹس (IFAC) کی ہدایات پر عمل کرتی ہے۔ بیرونی آڈیٹرز کو لسٹنگ ضوابط میں درج خدمات کے علاوہ تعینات نہ کیا گیا ہے۔

شیئر ہولڈنگ کا پیٹرن

30 جون 2025ء تک جنرل پیٹرن آف شیئر ہولڈنگ اور شیئر ہولڈرز کے مخصوص درجوں کا پیٹرن آف شیئر ہولڈنگ جس کا اظہار رپورٹنگ فریم ورک کے تحت ضروری ہے اور مالیاتی سال 2025ء کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کے اہل خانہ بشمول نابالغ بچوں کی جانب سے حصص کی خرید وفروخت کا بیان لف ہذا ہیں۔

مابعد واقعات(SUBSEQUENT EVENTS)

مالیاتی سال کے اختتام اور رپورٹ ہذا کی تاریخ اجراء کے درمیان کمپنی کی مالیاتی حالت پر اثر انداز ہونے والی کوئی بھی مادی تبدیلی یا معاہدہ قائم نہ ہوا ہے ماسوائے ان کے جن کا ذکر رپورٹ ہذا میں کیا گیا ہے۔ (اگر کوئی ہوں)

اعتراف (Acknowledgement)

بورڈ آف ڈائریکٹرز کمپنی کے حصص داران، قابلِ قدر صارفین، سرکاری اداروں اور مالیاتی اداروں کی طرف سے حمایت کے لیے ان کی تعریف کرتا ہے اور خراجِ تحسین پیش کرتا ہے۔ بورڈ کمپنی کے تمام ملازمین کا ان کی خدمات، وفاداری اور ان کی مسلسل کوششوں کی قدر کرتا ہے اور انھیں بھی خراجِ تحسین پیش کرتا ہے اور اُمید کرتا ہے کہ مستقبل میں بھی ان کی مخلصانہ کوششیں جاری وساری رہیں گی۔

ازطرف بورڈ آف ڈائریکٹرز:

سلیم اللہ غوری
(چیف ایگزیکٹو آفیسر)

عمر غوری
(ڈائریکٹر)

لاہور
مورخہ: 22 ستمبر 2025ء

Crowe Hussain Chaudhury & Co.
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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF NETSOL TECHNOLOGIES LIMITED
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of NetSol Technologies Limited ("the Company") for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Lahore
Dated: September 22, 2025
UDIN: CR202510051wij9syRvn

Crowe Hussain Ch. & Co.

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Statement of Compliance with the
Code of Corporate Governance

For the Year Ended June 30, 2025

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are 07 as per the following:

Gender	Number
Male	05
Female	02

2. Composition of the Board is as follows:

Category	Names
Independent Directors*	Ms. Huma Fakhar
	Mr. Noman Hussain
Non-executive Directors	Mr. Vaseem Anwar
	Mr. Naeem Ullah Ghauri
	Ms. Hamna Ghauri
Executive Directors	Mr. Omar Shahab Ghauri
	Mr. Salim Ullah Ghauri
Female Directors	Ms. Hamna Ghauri
	Ms. Huma Fakhar

**The Board comprised of minimum number of members which is seven (7) hence it fulfills the requirement of minimum two (2) independent directors and the fraction (0.33) for independent directors has not been rounded up as one. Further, the existing independent directors have the requisite skills and knowledge to take independent decisions;*

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with the dates on which they were approved or amended has been maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/Shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board of directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9. Five (05) of the Directors have obtained Directors' Training Program (DTP) certification whereas One (01) member of the Board is exempted from DTP by virtue of requisite qualification and experience of serving on the board of a listed company. One (01) newly appointed director shall obtain the DTP certification within one year of appointment.

10. During the year, there was no change in the position of CFO, Company Secretary and Head of Internal Audit and their remuneration and terms and conditions of employment. Their appointments, remuneration and terms and conditions were previously approved by the Board of Directors as per the requirements of the relevant Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed following Committees comprising of members given below:

12.1 **Audit Committee (AC)**

12.1.1 Mr. Noman Hussain (Independent Director)

Chairperson

12.1.2 Mr. Vaseem Anwar (Non-executive Director)

Member

12.1.3 Ms. Huma Fakhar (Independent Director)

Member

12.2 **Human Resource & Remuneration Committee (HR&RC)**

12.2.1 Ms. Huma Fakhar (Independent Director)

Chairperson

12.2.2 Ms. Hamna Ghauri (Non-executive Director)

Member

12.2.3 Mr. Salim Ullah Ghauri (Executive Director)

Member

12.3 **Risk Management Committee (RMC)**

12.3.1 Mr. Noman Hussain (Independent Director)

Chairperson

12.3.2 Mr. Vaseem Anwar (Non-executive Director)

Member

12.3.3 Mr. Omar Shahab Ghauri (Executive Director)

Member

12.4 **Nomination Committees (NC)**

12.4.1 Mr. Salim Ullah Ghauri (Executive Director)

Chairperson

12.4.2 Mr. Omar Shahab Ghauri (Executive Director)

Member

12.4.3 Mr. Naeem Ullah Ghauri (Non-Executive Director)

Member

12.5 **Sustainability Committees (SC)**

12.5.1 Ms. Hamna Ghauri (Non-executive Director)

Chairperson

12.5.2 Ms. Huma Fakhar (Independent Director)

Member

12.5.3 Mr. Salim Ullah Ghauri (Executive Director)

Member

13. The terms of reference of the aforesaid / committees have been formed, documented and advised to the Committee for compliance.

14. The frequency of meetings of the Committees were as per following:

a) Audit Committee: Quarterly meetings during the financial year ended June 30, 2025;

b) Human Resource and Remuneration Committee: Yearly and as per requirement;

15. The Board has set up an effective internal audit function, comprising professionals who are suitably qualified and experienced for the purpose and are conversant with the business, policies and procedures of the Company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

NAEEM ULLAH GHAURI
Chairman

Lahore
September 22, 2025

Pattern of **Shareholding**

As at June 30, 2025

No.Of Shareholders	From	To	Total
2709	1	100	101,335
2266	101	500	727,390
1316	501	1000	1,119,944
1885	1001	5000	4,522,017
342	5001	10000	2,566,175
109	10001	15000	1,367,368
64	15001	20000	1,162,933
30	20001	25000	703,175
31	25001	30000	875,591
11	30001	35000	364,541
16	35001	40000	625,799
9	40001	45000	387,424
18	45001	50000	887,696
7	50001	55000	375,284
3	55001	60000	175,555
2	60001	65000	123,368
3	65001	70000	207,729
6	70001	75000	439,680
3	75001	80000	236,500
4	80001	85000	326,344
2	85001	90000	178,000
3	90001	95000	282,877
2	95001	100000	200,000

No.Of Shareholders	From	To	Total
2	110001	115000	225,500
5	120001	125000	615,418
2	125001	130000	255,549
1	145001	150000	150,000
1	150001	155000	151,000
1	160001	165000	164,000
1	170001	175000	171,000
1	195001	200000	197,000
1	205001	210000	210,000
1	215001	220000	219,278
1	220001	225000	225,000
1	230001	235000	233,939
1	235001	240000	240,000
1	245001	250000	250,000
1	250001	255000	255,000
1	305001	310000	278,000
1	690001	695000	692,409
1	890001	895000	892,577
1	1015001	1020000	1,016,295
1	2040001	2045000	2,043,734
1	16445001	16450000	16,450,000
1	42250001	42255000	42,254,248
8,869			**85,146,672**

In addition to the above, NETSOL Technologies Limited holds 4,690,251 Treasury shares

Information required as per
Code of Corporate Governance

For the Year Ended June 30, 2025
Incorporation No. 0037024

S.No.	Categories of Share Holders	Number of Shareholders	Shares Held	% of Capital	Total
1	**Directors, CEO & their spouse and minor children:**				
	Mr. Salim Ullah Ghauri	1	1,016,295	1.19	
	Mr. Vaseem Anwar	1	550	-	
	Mr. Omar Shahab Ghauri	1	255,509	0.30	
	Mr. Noman Hussain	1	500	-	
	Ms. Hamna Ghauri	1	600	-	
	Mr. Naeem Ullah Ghauri	1	550	-	
	Ms. Huma Fakhar	1	500	-	
	Ms. Tahira Salim Ghauri	1	4,000	-	1,278,504
2	**Associated Companies, undertakings and related parties**				
	NETSOL Technologies Inc.	1	59,396,657	69.76	59,396,657
3	**Banks, DFI & NBFC, Insurance Co.,Takaful, Modaraba and Pension Funds/Other Funds**				
	Banks and Financial Institutions	2	5,172	0.01	
	Modarabas	4	21,500	0.03	
	Investment Companies	5	93,444	0.11	
	Insurance Companies	3	73,097	0.09	
	Other Funds	4	55,500	0.07	248,713
4	**Public Sector Cos. & Corporation**	78	4,842,374	5.69	4,842,374
5	**Mutual Funds**				
	CDC - TRUSTEE HBL EQUITY FUND	1	240,000	0.28	
	CDC - TRUSTEE KSE MEEZAN INDEX FUND	1	74,899	0.09	
	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	35,000	0.04	
	CDC - TRUSTEE AWT STOCK FUND	1	8,000	0.01	357,899
6	**General Public**				
	a. Local	8,759	19,021,416	22.34	19,021,416
	b. Foreign	1	1,109	0.00	1,109
	Total	**8,869**		**100**	**85,146,672**

In addition to the above, NETSOL Technologies Limited holds 4,690,251 Treasury shares.

Shareholders holding five percent or more voting interest in the Company

NETSOL Technologies Inc.	59,396,657	69.76

Trading in shares during the year 2025

No trade in the shares of the Company was carried out by the CEO, Directors,CFO, Company Secretary their spouses and minor children during the year except the following:

Directors & Spouses
Mr. Omar Shahab Ghauri,COO/Executive Director purchased 255,000 shares.

NETSOL and Sustainability Development Goals

At NETSOL Technologies, we are committed to aligning our operations and initiatives with the United Nations Sustainability Development Goals (SDGs). Through targeted actions and ongoing improvements, we are playing our part in creating a more sustainable, equitable, and resilient world. Below is an overview of our contributions toward key SDGs during the year.

ENVIRONMENTAL INITIATIVES

SDG 7: Affordable and Clean Energy

- **Solar Power Integration:** As part of our transition toward renewable energy, NETSOL has commenced the installation of solar panels across facilities. This initiative reduces dependence on traditional energy sources and strengthens our commitment to sustainability.
- **Green IT Infrastructure:** Our data centers and server rooms are optimized using eco-friendly design principles, integrating energy-efficient cooling and power systems.
- **"Be Responsible – Save Electricity" Campaign:** An internal campaign was launched to encourage energy-conscious behavior among employees, including turning off unused devices and maintaining standardized AC temperatures at 26°C.
- **Optimized Temperature Management:** All operational halls maintain a uniform temperature of 26°C for energy efficiency.
- **Consolidated Workspaces:** We have implemented a "One Hall" working model during specific hours (6 PM to 12 AM) to minimize energy use.
- **LED Lighting Transition:** LED lighting has been adopted across all office areas, cutting energy usage by up to 80% compared to traditional lighting solutions.

SDG 13: Climate Action

- **Tree Plantation Drives:** NETSOL continues to support reforestation by organizing tree plantation activities that contribute to carbon sequestration and air purification.
- **Carpooling & Shared Transportation:** To reduce vehicular emissions, carpooling is encouraged. Additionally, our company-provided van service for female employees enhances shared commuting and reduces carbon output.
- **Environmental Awareness Campaigns:** Through initiatives like "Be Responsible – Save the Environment" and "Go Green, Go Clean," we promote environmental consciousness and responsible waste management.
- **Recycling Program:** NETSOL has implemented an office-wide recycling initiative with dedicated bins and waste segregation systems to ensure the responsible disposal of **glass, paper, and plastics**.

SDG 12: Responsible Consumption and Production

- **'Save Food' Initiative:** This internal awareness program led to a 50% reduction in food waste by encouraging employees to make mindful dietary choices, supporting sustainable resource use.

SOCIAL IMPACT INITIATIVES

SDG 1: No Poverty

- **Noble Cause Fund:** Over **PKR 2 million** was disbursed to support employees in times of personal hardship, covering medical needs, housing support, marriages, and funeral expenses.
- **Philanthropic Outreach:** Through various educational sponsorships (see SDG 4), NETSOL contributes to poverty alleviation by investing in long-term development and opportunity creation for underserved communities.

- **Other CSR Initiatives:** In addition to its flagship programs, NETSOL undertook several other community welfare initiatives during the year, with a total spend of over **PKR 4.7 million**. These initiatives reflect the Company's ongoing commitment to social responsibility and sustainable development.

SDG 2: Zero Hunger

- **Ration Distribution Program:** Since its launch in 2021, our ration distribution program has been supporting low-income families with monthly food provisions. In 2025 alone, NETSOL contributed **over PKR 23 million** towards this initiative.

- **Ramadan Dastarkhawan:** During Ramadan, the Company arranged complimentary Sehri and Iftari meals for employees as well as community members in need. A total of around **PKR 2.7 million** was spent during the year on this noble initiative.

SDG 3: Good Health and Well-being

- **On-site Medical Services:** An in-house doctor is available for consultations, basic treatment, health education, and emergency care.

- **Digital Health Solution – HospitALL:** Developed by NETSOL, this health app empowers users to manage electronic medical records, track wellness activities, and access localized healthcare services.

- **Mental Health Awareness:** Regular workshops are held to promote mental well-being, highlighting the importance of emotional and psychological health.

- **Fitness and Recreation:** Our state-of-the-art in-house gym is staffed by professional trainers and nutrition consultants. Additionally, our garden space, equipped with floodlights, supports evening sports and wellness activities.

- **Healthcare Benefits:** Medical coverage includes both in-patient and out-patient services for employees and their dependents.

- **Safety and Preparedness:** We conduct routine safety drills covering evacuation, firefighting, CPR, and first aid, along with health awareness campaigns (e.g., dengue prevention).

- **Al Sehat Clinic:** The CSR-funded **Al Sehat Clinic** provides free healthcare services to underprivileged communities, ensuring access to essential medical care for those who need it most. The clinic offers **free consultations, free medicines, and subsidized laboratory testing facilities**. It also organizes specialized health camps for **hepatitis, diabetes, skin care, and other community health needs.** To date, **over 40,000 patients have benefited** from this initiative, reflecting NETSOL's strong commitment to promoting health and well-being in society.

SDG 4: Quality Education

- **NETSOL Education Support Program (NESP):** This program covers the complete educational needs—tuition, uniforms, books, transport—for the children of our support staff. In 2025, we contributed over **PKR 36 million** toward this cause.

- **Higher Education Support:** Over **PKR 1.7 million** contributed to support higher education of deserving students

- **Development in Literacy (DIL):** NETSOL provided over **PKR 12 million** to DIL schools, supporting TEAL (Technology-enabled Assisted Learning) and facilitating remote learning in underserved areas.

- **Million Smiles Foundation:** A total of **PKR 7.8 million** was allocated for educational outreach via this foundation, supporting socio-economic uplift through learning.

- **Training & Internships:** NETSOL provides comprehensive training and internship opportunities for students, helping them gain practical industry experience and career development support. These programs are also integrated into employees' KPIs, fostering mentorship and knowledge-sharing across the organization. During the year, NETSOL provided **254 internship** opportunities, equipping students with practical experience, mentorship, and career development support to help prepare them for future professional success.

SDG 5: Gender Equality

- **Equal Pay:** NETSOL enforces a gender-blind pay structure to ensure equal compensation for equal performance.
- **Women in Leadership:** Several key departments are led by women, demonstrating our commitment to inclusivity and leadership diversity.

SDG 8: Decent Work and Economic Growth

- **Employee Well-being & Benefits:** We offer daily free lunches, fuel allowances, provident fund options, share schemes, insurance, on-site parking, and a strong employee-focused culture.
- **Whistleblower Policy:** A transparent grievance and reporting mechanism ensures compliance with our strict anti-corruption Code of Conduct. Employees can report concerns anonymously.
- **Open-Door Culture:** We maintain a culture of open communication, allowing direct engagement with senior leadership to raise issues or suggest improvements.
- **Contribution to National Exchequer:** We have always shown our responsibility by paying all government taxes in time and without any delay. For the year ended June 30, 2025 we made our humble contribution to the National Exchequer by way of general sale tax, income tax and other government levies.

Description	Rupees (000s)
Income Tax	152,712
Sales Tax	14,751
Withholding Tax	923,283

SDG 10: Reduced Inequalities

- **Inclusive Work Environment:** We support differently-abled employees with customized workspaces and facilities.
- **Accessible Infrastructure:** Ramps, elevators, and ergonomic stations are installed throughout the office to ensure accessibility for all.
- **Merit-Based Hiring:** NETSOL strictly follows a no-discrimination policy—recruitment is based solely on merit, regardless of gender, religion, or background.

GOVERNANCE AND TRANSPARENCY

NETSOL Technologies adheres to the highest standards of corporate governance, regulatory compliance, and ethical business practices:

1. **Regulatory Compliance:** Full adherence to applicable laws and standards.
2. **Transparent Related Party Disclosures:** All related-party transactions are clearly disclosed in accordance with regulatory frameworks.
3. **Shareholder Communication:** Regular and transparent engagement with shareholders, ensuring timely grievance resolution.
4. **Timely Disclosures:** Consistent and prompt disclosures to PSX and SECP maintain market transparency.
5. **Cybersecurity & Data Privacy:** Advanced information security protocols ensure client and data integrity. Our IT infrastructure complies with global best practices, reinforcing client trust.

LOOKING AHEAD

Our journey toward sustainability is ongoing and in 2026 and beyond, we are focused on:

- Expanding renewable energy initiatives
- Deepening support for educational equity
- Enhancing diversity, equity, and inclusion (DE&I) programs
- Accelerating digital health innovations

With every step, we reaffirm our commitment to the SDGs, striving to be a responsible corporate citizen.

Key ESG **Performance Indicators**

The Company recognizes the importance of ESG and is committed to adhering to SECP's regulatory guidelines on ESG disclosure. We strongly believe that ESG factors have significant impact on investor confidence, financial stability and overall business viability. We are integrating sustainability considerations into our operations which will help to mitigate risks, enhance reputation and offer sustainable products and services. This approach ultimately creates long-term value for all stakeholders. The Company is in a process of developing policies as suggested by SECP in its recent guidelines.

Category	Metric	Measurement Annual	Remarks
ENVIRONMENT	Energy Usage	• Total amount of energy directly consumed • Total amount of energy indirectly consumed	We have embraced energy efficiency by using LED lighting across our facilities, which reduces energy consumption by up to 80%. This shift not only lowers our energy costs, but also underscores our commitment to environmental stewardship.
	Energy Mix	• Percentage: Energy usage by generation type • Disclose the energy consumption from renewable sources as a percentage of total energy consumption	Taking a significant step toward renewable energy, NETSOL is in the process of upgrading solar panels in its PK office. This investment in solar energy not only reduces our reliance on conventional power sources, but also demonstrates our dedication to contributing to a more sustainable future.
	Environmental Operations	• Does your company follow a formal Environmental Policy? Yes, No • Does your company follow specific waste, water, energy, and/or recycling • polices? Yes/No • Specify the quantity of waste recycled or re-used as a percentage of total waste for the current and comparative period. • Does your company use a recognized energy management system? Yes/ No	Our dedication to environmental sustainability is evident through our regular tree plantation campaigns. Celebrating World Environmental Day and other key events, we organize these drives to enhance our green footprint. Each event reflects our commitment to climate action, helping to create a healthier planet for future generations. Employees are encouraged throughout the year to keep up these practices on a consistent and daily basis.
	Environmental Oversight	Does your Board/ Management Team oversee and/or manage climate-related risks? Yes/No	Our campaign to save electricity encourages employees to adopt energy-saving habits, such as turning off ACs, computers and chargers when not in use and maintaining AC temperatures at 26°C. Through these efforts, we are fostering a culture of responsibility and conservation within our organization.
		Does your Board/ Management Team oversee and/or manage other sustainability issues? Yes/No	We actively oversee and manage sustainability issues as part of our environmental responsibility strategy. As a digital-first enterprise, we are committed to reducing our environmental footprint through waste reduction focusing on both digital and physical resource optimization. We practice minimal paper usage, along with stringent waste management policies and effective recycling protocols to minimize our environmental impact.
	Climate Risk Mitigation and adaptation	Climate related transition and physical risks, climate related opportunities, capital deployment, internal carbon prices.	As mentioned in Environmental Oversight, we regularly conduct tree plantation drives with active participation from the entire NETSOL Team, from the CEO to our support staff. These efforts support climate risk mitigation, while we continue to explore other opportunities for sustainable practices.
	Gender Pay Ratio	• Pay ratio • Mean Pay gap	• The ratio of median male compensation to median female compensation is approximately M:F 1.107 to 1. • On average 23.95%

Category	Metric	Measurement Annual	Remarks
		• Median pay gap	• The gender pay gap is approximately 9.67%, indicating that the median female compensation is 9.67% lower than the median male compensation.
	Employee Turnover	• Percentage: Year-over-year change for full-time employees • Percentage: Year-over-year change for part-time employees • Percentage: Year-over-year change for contractors and/or consultants	• 17.55% employee turnover in full time employees category. • Not applicable – no part-time employees. • 1.32% employees turnover in contractors category.
SOCIAL	Gender Diversity	• Percentage: Total enterprise headcount held by men and women • Percentage: Entry- and mid-level positions held by men and women • Percentage: Senior- and executive-level positions held by men and women	• Female: 29%, Male: 71% • Female: 28%, Male:72% • Female: 20%, Male: 80%
	Non- Discrimination	• Does your company have a sexual harassment and/or non-discrimination, diversity, inclusion policy? Yes/No • Is there a confidential grievance, resolution, reporting and non-retaliation mechanism and procedure to address and respond to incidence of harassment and violence? Yes/ No • Percentage: differently-abled Women and men in the workforce	• Yes • Yes • Differently-abled women 0.141% & Differently-abled men 0.635%
	Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	Our company follows a comprehensive occupational health and global safety policy. We adhere to standard protocols such as regular workplace safety audits, mandatory health and safety training for all employees, ergonomic assessments to prevent injury, and compliance with local and international safety regulations. These measures ensure a safe and healthy working environment across all operations.

Category	Metric	Measurement Annual	Remarks
	Corporate Social Responsibility	Please share a list of CSR activities undertaken along with total time spent on these and amounts (PKR) allocated to these	• Noble Cause Fund (NCF): Through our Noble Cause Fund, we have dedicated over PKR 2 million to support our employees during life's most challenging moments. • Higher Education Support: Over PKR1.7M contributed to support higher education of deserving students • Million Smiles Foundation: Partnering with the Million Smiles Foundation,A total of PKR 7.8 million was allocated for educational outreach via this foundation, supporting socio-economic uplift through learning. • NETSOL's Ration Scheme: Every month, we provide essential food rations to low-income families , ensuring that the working class has the support they need to thrive. This initiative had an investment of over PKR 23 million. • Sehri and Iftari Provision: During the holy month of Ramadan, we provided Sehri and Iftari meals not only to our employees but also to those in need beyond our organization with an expenditure of over PKR 2.7 million • NETSOL Education Support Program (NESP): This year, our contribution of over PKR 36 million has provided for tuition, uniforms, books, stationery, and transportation. • Development in Literacy (DIL) Foundation: NETSOL has contributed over PKR 12 million to DIL School, ensuring that quality education is within reach for those who need it most. • Other CSR Initiatives: In addition to its flagship programs, NETSOL undertook several other community welfare initiatives during the year, with a total spend of over PKR 4.7 million.
	Employee Training and Succession Planning	Number of training sessions held on the following : • Skill Upgradation • Soft Skills • Health and Safety Measures • Women and men promoted during the year	• Employees participated in multiple training sessions during the reporting period. • Skill Upgradation: 620 Sessions (Participants 3198) • Soft Skills: 241 Sessions (Participants 2918) • Health & Safety: 5 Sessions (Participants 335) • Women and Men Promotion %: 74% Men & 26% Female

Category	Metric	Measurement Annual	Remarks
	Working Conditions	Number of complaints made by employees regarding working conditions during the reporting period. Number of complaints regarding working conditions resolved.	• There are no formally documented grievances within Human Resources regarding workplace conditions. The organization is resolutely dedicated to cultivating an affirmative and stimulating work atmosphere. Employee input is solicited proactively through engagement surveys and a structured action-planning framework. Moreover, we foster dialogue and feedback through multiple conduits, such as the suggestion boxes, town hall meetings, and other communicative platforms.
	Board Diversity	•Percentage: Total board seats occupied by men and women	• Total board seats occupied by men : 05 Total board seats occupied by men : 02
	Board Independence	•Does company prohibit CEO from serving as board chair? Yes/No •Percentage: Total board seats occupied by independents	• Yes • No. of seats: 02 in %: 28.57%
	Ethics & Anti-Corruption	•Does your company follow an Ethics and/or Anti. Corruption policy? If yes, what percentage of your workforce has formally certified its compliance with the policy?	• Our company is dedicated to maintaining a strong Code of Business Ethics built on the principles of honesty, integrity, and respect. This policy reflects our commitment to ethical practices and anti-corruption, ensuring that all business activities are conducted to the highest standards. It strictly prohibits bribery and any form of unethical conduct, while encouraging employees to report such instances without hesitation. The Code serves as a foundation for our operations, guiding employee behavior and strengthening our reputation as a trustworthy and responsible corporate leader.
	Data Privacy	•Does your company follow a Data Privacy policy? Yes/No •Does your company taken steps to comply with general data protection rules/ framework? Yes/No	• Yes • We have implemented robust security measures to protect Personally Identifiable Information (PII) and adhere to strict protocols to safeguard all PII-related data. Our comprehensive data security policies are designed to prevent unauthorized access, ensure data integrity, and maintain the confidentiality of our clients' information. By staying at the forefront of industry best practices and continuously refining our security strategies, we are fully committed to upholding the trust our clients place in us.

Notice of Annual General Meeting

Notice of
Annual General Meeting

Tuesday, October 28, 2025

11:00 AM

In-person NETSOL Registered Office and through Zoom

NOTICE IS HEREBY GIVEN THAT the 29th Annual General Meeting ("AGM") of the shareholders of NETSOL Technologies Limited (the "Company") will be held on October 28, 2025 at 11:00 A.M at the Registered Office of the Company situated at NETSOL IT Village (Software Technology Park) Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt., and through video link facility to transact the following ordinary business:

1. To receive, consider and adopt the Reports of Directors, Chairman and Auditors together with annual audited separate and consolidated financial statements of the Company for the year ended June 30, 2025.

   In accordance with Section 223 of the Companies Act, 2017 and pursuant to SECP SRO 389(I)/2023 dated March 21, 2023, the financial statements of the Company can be accessed through the following weblink and QR enabled code:

   https://www.netsolpk.com/investor-information

2. To appoint Auditors of the Company for FY 2025-26 and to fix their remuneration. The shareholders are hereby notified that the Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s Crowe Hussain Chaudhury & Co. Chartered Accountants for appointment as auditors of the Company.

By Order of the Board

____

SEHRISH
Company Secretary
Lahore
October 6, 2025

NOTE:

1. Share transfer books of the Company will remain closed from October 22, 2025 to October 28, 2025 (both days inclusive). Physical/ CDC transfers received in order at the Shares Registrar, M/s Vision Consulting Ltd., 5-C, LDA Flats, 2nd Floor, Lawrence Road, Lahore Tel: (92 42) 36283096, 36283097 and Fax: (+92 42) 36312550 by the close of business on October 21, 2025 will be treated in time for attending and vote at the meeting.

2. Shareholders are requested to notify the change of address, if any.

3. **Participation in the AGM**

   Pursuant to the requirement of Securities and Exchange Commission of Pakistan (SECP), Shareholders may wish to participate virtually in the AGM. For this purpose, the shareholders are requested to visit company's website for registration.

   In case of any queries, please feel free to email at: corporate@netsolpk.com

   Please note that registration for the meeting shall close at 06:00 pm on October 27, 2025 after which participants / shareholders shall be unable to register for the meeting. All participants / shareholders who would have registered within the prescribed timeline shall receive a meeting link and shall be able to access the meeting therefore, the Company emphasizes on timely registrations.

4. A member entitled to attend and vote at the general meeting may appoint another member as his/ her proxy to attend and vote on his/ her behalf through video link and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Annual General Meeting as are available to a Member. In order to be effective, proxies, complete in all respect, must be received at the registered office of the Company not less than 48 hours before the scheduled time of the meeting. Proxy Form in English and Urdu languages is attached herewith.

5. CDC account holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular 1 dated January 26, 2000:

A) For Attending the Meeting:

a) In case of individuals, the account holder or sub-account holder and/or the persons whose shares are in group accounts and their registration details are uploaded as per CDC regulations shall authenticate their identity by showing their original computerized national identity cards (CNICs) or original passport at the time of attending the meeting.

b) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B) For Appointing Proxies:

a) In case of individuals, the account holder or sub-account holder and/or persons whose shares are in group accounts and their registration details are uploaded as per CDC regulations, shall submit the proxy form as per the above requirements.

b) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

c) Attested copies of CNICs or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

d) The proxy shall attach attested copy of his/ her CNIC or passport to the company.

e) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted.

ATTENTION OF THE MEMBERS ARE DRAWN TO THE FOLLOWING MATTERS:

6. CNIC, IBAN for E-Dividend & Zakat

a) As per Section 242 of the Companies Act 2017, in case of a public listed company, any dividend payable in cash shall only be remitted through electronic mode directly into the bank account designated by the entitled members. Therefore, through this notice, all shareholders are requested to update their bank account No. (IBAN), CNIC & details in the Central Depository System through respective participants. In case of physical shares, the members shall provide bank account (IBAN) details to our Share Registrar, M/s Vision Consulting Ltd. Please ensure an early update of your particulars to avoid any inconvenience in future. e-Dividend mandate form is enclosed in the annual report and also available on the website of the Company, www.netsolpk.com. In case of non-submission, all future dividend warrants may be withheld.

b) Members are requested to submit declaration (CZ-50) as per Zakat & Ushr Ordinance 1980 for zakat exemption and to advise change in address, if any.

7. Unclaimed Dividend and/Shares:

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached the shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law.

Shareholders, whose dividends still remain unclaimed and/or undelivered share certificates are available with the Company, are hereby once again requested to approach our Share Registrar to claim their outstanding dividend amounts and/ or undelivered share certificates.

8. Dissemination of Annual Audited Accounts and Notice of Annual General Meeting

As required under section 223(7) of the Companies Act 2017, the Company has placed the Audited Annual Separate and Consolidated Financial Statements for the year ended June 30, 2025 along with Auditors' and Directors' Reports thereon and Chairman's Review Report uploaded on Company's website which can be downloaded from the following link and QR enabled code:

https://www.netsolpk.com/investor-information

Further, in accordance with SRO 389(I)/2023 dated March 21, 2023, through which SECP has allowed the listed companies to circulate the annual balance sheet and profit and loss account, auditor's report and directors report, etc. ("annual audited financial statements") to its members through QR enabled code and web link instead of transmitting the same in the form of CD/DVD/USB, the Company had obtained shareholder's approval in its Extra-Ordinary General Meeting held on June 23, 2023.

In compliance with section 223(6) of the Companies Act, 2017 and SECP SRO 389(I)/2023 dated March 21, 2023, the Annual Report of the Company shall be circulated via email to those shareholders whose email addresses are present in the records/database of the CDC and Share Registrar. The members are requested to kindly provide their valid email address (along with a copy of valid CNIC) to the Company's Share Registrar M/s Vision Consulting Limited, if the Member holds shares in physical form or, to the Member's respective Participant/Investor Account Services, if shares are held in book entry form.

Notwithstanding the above, the Company will provide hard copies of the Annual Report 2025, to any Member on their request, at their registered address, free of cost, within one (1) week of receiving such request. Further, Members are requested to kindly provide their valid email address (along with a copy of valid CNIC) to the Company's Share Registrar M/s Vision Consulting Limited, if the Member holds shares in physical form or, to the Member's respective Participant/Investor Account Services, if shares are held in book entry form.

9. Conversion of Physical Shares into the Book Entry From

The SECP through its letter No. CSD/ED/Misc/2016- 639-640 dated March 26, 2021 has advised listed companies to adhere to provisions of Section 72 of the Companies Act, 2017 by replacing physical shares issued by them into book entry form.

The Members of the Company having physical folios / share certificates are requested to convert their shares from physical form into book-entry form as soon as possible. The Members may contact their Broker, CDC Participant or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. It would facilitate the Members in many ways including safe custody of shares, avoidance of formalities required for the issuance of duplicate shares, etc. For further information and assistance, the Members may contact our Share Registrar, M/s Vision Consulting Limited.

10. Proxy From

A Proxy Form is enclosed and is also available on the Company's Website.

11. Statutory Code of Conduct at AGM

Shareholders are requested to observe the Statutory Code of Conduct at the AGM in accordance with Section 215 of the Companies Act, 2017 and Regulation 55 of the Companies Regulations, 2024, whereby shareholders are not permitted to exert influence or approach the Management directly for decisions, which may lead to creation of hurdles in the smooth functioning of the Management. As mentioned in these provisions, shareholders shall not bring material that may cause threat to participants or premises where the AGM is being held, confine themselves to the agenda items covered in the notice of the AGM and shall not conduct themselves in a manner to disclose any political affiliation.

12. Prohibition on Distribution of Gifts and Shareholder Conduct:

In compliance with Section 185 of the Companies Act, 2017 and S.R.O 452(I)/2025 dated March 17, 2025 issued by SECP, shareholders are hereby informed that no gifts, in any form, shall be distributed at or in connection with the general meeting. Shareholders are also advised to observe decorum and meeting etiquette as prescribed in SECP's Guidelines for Professional Conduct in General Meeting.

Shareholders' **Information**

Registered Office

NETSOL IT Village (Software Technologies Park)
Lahore Ring Road, Ghazi Road Interchange
Lahore Cantt.
54792, Pakistan
Tel: +92-42-111-44-88-00
Fax: +92-42-35726740, 35701046

Listing and Symbol

Equity shares of the company are listed & traded on Pakistan Stock Exchange Limited under the symbol "NETSOL".

Listing Fees

Annual listing fee for the financial year 2024-25 has been paid to Stock Exchange.

Dividend

The Board of Directors in their meeting held on September 22,2025 has not proposed any dividend appropriation.

Book Closure Dates

Share Transfer Books of the Company will remain closed from 22nd October 2025 to 28th October 2025 (both days inclusive).

Shares Registrar

Vision Consulting Limited
5-C, LDA Flats, 2nd Floor, Lawrence Road, Lahore
Tel: +92-42-36283096,36283097
Fax: +92-42-36312550

The Share Registrar has online connectivity with Central Depository Company of Pakistan Limited (CDC). It undertakes all activities related to share transfers, transmission, issuance of duplicate/re-validated dividend warrants, issuance of duplicate/replaced share certificates, change of address and other related matters.

For assistance, shareholders may contact the following designated person of the Registrar:

Contact Person

Raza ul Mustafa Khan
Manager Shares

Investor Grievances

Contact Persons

Registrar

Raza ul Mustafa Khan-Manager Shares

Vision Consulting Limited 5-C, LDA Flats, 2nd Floor, Lawrence Road, Lahore. Tel: +92-42 36283096 & 36383097 Fax: +92-42 36312550 Email:shares@vcl.com.pk

Company

The Company Secretary NETSOL IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. 54792, Pakistan. Phone: +92 42 111-44-88-00

Service Standards

We have always endeavored to provide our valued investors with prompt services. Listed below are various services with their maximum time limit set out against each for their execution.

Sr.No.	Activities	For Request Received through post	Over the Counter
1	Transfer of Shares	15 days after receipt	15 days after receipt
2	Transmission of Shares	15 days after receipt	15 days after receipt
3	Issuance of duplicate share certificates	30 days after receipt	30 days after receipt
4	Change of Address	2 days after receipt	15 minutes

Separate Financial Statements

For the Year Ended June 30, 2025

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Crowe Hussain Chaudhury & Co.
7th Floor, Gul Mohar Trade Centre,
8-F, Main Market, Gulberg II,
Lahore-54660, Pakistan
Main +92-42-3575 9223-5
www.crowe.pk

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NETSOL TECHNOLOGIES LIMITED

REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed unconsolidated financial statements of **NETSOL TECHNOLOGIES LIMITED (the Company),** which comprise the unconsolidated statement of financial position as at June 30, 2025 and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key Audit Matters	How the matter was addressed in our audit
1. Revenue recognition	
Refer to notes 4.10 & 30 to the unconsolidated financial statements. The Company has earned revenue of Rs.	Our key audit procedures included: • Assessed the appropriateness of the Company's revenue recognition policies and their compliance

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9,018.96 million for the year ending June 30, 2025. The Company's revenue is derived from multiple revenue streams, as referred to in Note 30 to the accompanying unconsolidated financial statements, including license, rendering of services and subscription and support. Each stream has its own revenue recognition policy based on the nature of revenue and underlying contractual arrangements as referred to in Note 4.10. Certain contracts with customers require significant management judgment to determine the appropriate timing and method of revenue recognition. We consider revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and inherent risk of material misstatement.	with applicable accounting and reporting standards. • Obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the design and operating effectiveness of those controls. • Tested a sample of transactions from multiple revenue streams against supporting documents, including contracts, invoices, time sheets, completion certificates and other relevant records. • Agreed revenue recorded to signed contracts and other supporting evidences. • Traced the recorded revenue to subsequent recoveries of customers as evidence of its collectability. • Evaluated management's key judgments in determining the timing and basis of revenue recognition, especially for complex contracts involving significant estimation. • Performed cut-off procedures on sales to ensure revenue has been recorded in the correct period. • Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and reporting standards.
2. Valuation of trade debts and contract assets	
Refer to note 4.12, 4.13, 9, 11 and 12 to the unconsolidated financial statements. The Company's gross trade debts and contract assets as at June 30, 2025 are Rs. 6,067.89 million and Rs. 2,316.09 million respectively against which allowances for expected credit losses of Rs. 327.88 million and Rs 297.51 million have been recognized. The loss allowance for expected credit losses (ECL model) on trade debts and contract assets has been recognized in the unconsolidated financial statements using the guidance included in IFRS 9 'Financial Instruments'. Determination of ECL provision for trade debts and contract assets requires significant judgment and assumptions including consideration of factors such as	Our key audit procedures included: • Evaluated management's process for applying the Expected Credit Loss (ECL) model to determine impairment losses on trade debts and contract assets. • Evaluated key judgments and estimates made by the Company's management in relation to the application of the ECL model. • Evaluated the ECL model for appropriateness of the methodology used and the arithmetical accuracy. • Checked the appropriateness of aging on a sample basis.

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historical credit loss experience, time value of money and forward-looking macroeconomic information. We have considered this area as a key audit matter due to its size and the significant management judgement involved in its valuation.	• Circularized balance confirmation request for trade debts on sample basis and evaluated the responses received. • Traced subsequent clearance of balances outstanding as of June 30, 2025, on a sample basis. • Assessed financial impacts and appropriateness of disclosures made in the unconsolidated financial statements to determine whether they are complied with the accounting and reporting standards as applicable in Pakistan.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors of the Company is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

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considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Crowe

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) Zakat deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of the Ordinance.

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

Crowe Hussain Ch. & Co.

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: September 22, 2025
UDIN: AR2025100515YPIwNCkW

Unconsolidated Statement of Financial Position

As at June 30, 2025

	NOTE	2025	2024
		Rupees in Thousands	
ASSETS			
NON CURRENT ASSETS			
Property and equipment	6	**1,225,066**	1,216,236
Intangible assets	7	**-**	-
Long term investments	8	**537,218**	537,218
Long term contract assets	9	**20,846**	52,637
Long term loans to employees	10	**8,590**	22,860
		1,791,720	1,828,951
CURRENT ASSETS			
Trade debts	11	**5,740,008**	5,295,202
Contract assets	12	**1,997,736**	1,745,245
Loans and advances	13	**42,041**	113,150
Deposits and short term prepayments	14	**226,057**	112,654
Other receivables	15	**127,085**	54,018
Due from related parties	16	**362,685**	540,612
Prepaid tax asset	17	**70,468**	35,349
Short term investment	18	**200,000**	-
Cash and bank balances	19	**3,696,726**	4,647,055
		12,462,806	12,543,285
TOTAL ASSETS		**14,254,526**	14,372,236

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.

DIRECTOR | CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER

	NOTE	2025	2024
		Rupees in Thousands	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
200,000 (2024: 200,000) ordinary shares of Rs. 10 each		**2,000,000**	2,000,000
Issued, subscribed and paid up capital	20	**898,369**	898,369
Reserves	21	**10,016,074**	9,664,297
Share deposit money		**3,868**	13
Shareholders' Equity		**10,918,311**	10,562,679
NON CURRENT LIABILITIES			
Long term financing	22	**13,343**	2,696
Lease liabilities	23	**-**	-
Long term advances	24	**5,415**	1,995
		18,758	4,691
CURRENT LIABILITIES			
Trade and other payables	25	**972,870**	760,472
Contract liabilities	26	**151,621**	1,446,474
Short term borrowings	27	**2,180,000**	1,580,000
Current portion of non current liabilities	28	**8,428**	14,096
Unclaimed dividends		**4,538**	3,824
		3,317,457	3,804,866
CONTINGENCIES AND COMMITMENTS	29	**-**	-
TOTAL EQUITY AND LIABILITIES		**14,254,526**	14,372,236

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

Unconsolidated Statement of Profit or Loss

For the Year Ended June 30, 2025

	NOTE	2025	2024
		Rupees in Thousands	
Revenue from contracts with customers - net	30	9,018,961	9,280,647
Cost of revenue	31	(5,434,938)	(5,116,773)
Gross profit		3,584,023	4,163,874
Selling and promotional expenses	32	(854,357)	(855,316)
Administrative expenses	33	(1,436,792)	(1,421,243)
		(2,291,149)	(2,276,559)
Operating Profit		1,292,874	1,887,315
Other operating expenses	34	(635,533)	(692,880)
Finance cost	35	(227,716)	(313,783)
Other income	36	837,296	674,012
		(25,953)	(332,651)
Profit before Final Taxes and Income Tax		1,266,921	1,554,664
Final tax / levies	37	(235,994)	(170,505)
Profit before Income Tax		1,030,927	1,384,159
Income tax		-	-
Net Profit for the Year		1,030,927	1,384,159
Earnings per Share	38		
- Basic		11.89	15.76
- Diluted		11.71	15.63

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.

DIRECTOR | CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER

Unconsolidated Statement of Comprehensive Income

For the Year Ended June 30, 2025

	2025	2024
	Rupees in Thousands	
Net Profit for the Year	**1,030,927**	1,384,159
Other comprehensive income		
Items that may be re-classified subsequently to profit or loss	-	-
Items that will not be re-classified subsequently to profit or loss	-	-
Total other comprehensive income	-	-
Total Comprehensive Income for the Year	**1,030,927**	1,384,159

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Unconsolidated Statement of Cash Flows

For the Year Ended June 30, 2025

	NOTE	2025	2024
		Rupees in Thousands	
Profit before final taxes and income tax			
Adjustments for:		1,266,921	1,554,664
- Depreciation - own assets	6	313,244	339,942
- Depreciation of right of use assets	6	607	2,246
- Amortization of intangible assets	7	-	40,386
- (Gain) on disposal of property and equipment	6	(12,542)	(28,739)
- Foreign exchange (gain) / loss	36	(313,273)	325,562
- Finance cost	35	223,287	309,977
- Interest income	36	(509,266)	(591,413)
- Employee share option compensation expense	21	4,349	11,086
- Provision for expected credit losses	11	290,694	(51,760)
		(2,900)	357,287
Operating profit before working capital changes		1,264,021	1,911,951
Decrease / (Increase) in current assets			
- Trade debts	11	(271,286)	186,914
- Contract assets	12	(377,919)	82,201
- Loans and advances	13	85,379	(66,769)
- Deposits and short term prepayments	14	(113,403)	13,295
- Other receivables	15	(73,067)	(27,909)
- Due from related parties	16	177,927	191,003
(Decrease) / Increase in current liabilities			
- Trade and other payables	25	207,285	(46,319)
- Contract liabilities	26	(1,296,143)	328,978
Cash (Used in) / Generated from Operations		(1,661,227)	661,394
Levy / final tax paid	17	(271,113)	(199,593)
Dividend paid		(262,797)	(30)
		(533,910)	(199,623)
Net Cash (Used in) / Generated from Operating Activities		(931,116)	2,373,722
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property and equipment	6	(275,548)	(117,647)
Proceeds from disposal of property and equipment	6	15,807	105,305
Capital work in progress	6	(50,398)	(3,134)
Short term investments	18	(200,000)	-
Long term investment made	8	-	(484,937)
Interest received	36	509,266	591,414
Net Cash (Used in) / Generated from Investing Activities		(873)	91,001
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition of treasury shares	21	(419,988)	-
Share deposit money - net		3,855	-
Repayment of lease liabilities	23	(1,017)	(4,280)
Repayment of long term loan - net	22	4,075	(90,955)
Short term borrowing - net	27	391,315	(338,924)
Long term advances - net	24	3,420	(14,680)
Net Cash (Used in) Financing Activities		(18,340)	(448,839)
Net (Decrease) / Increase in Cash and Cash Equivalents		(950,329)	2,015,884
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	19	3,696,726	4,647,055

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.

DIRECTOR　　CHIEF EXECUTIVE OFFICER　　CHIEF FINANCIAL OFFICER

Unconsolidated Statement of Changes in Equity

For the Year Ended June 30, 2025

Particulars	Share Capital	Capital Reserve			Revenue Reserve	Total Reserves	Share Deposit Money	Total Equity
		Share Premium	Employee Share Option Com-pensation Reserve	Treasury Share Reserve	Unappropri-ated Profit			
	Rupees in Thousands							
Balance as at June 30, 2023	898,369	304,167	253,701	(184,739)	7,895,923	8,269,052	13	9,167,434
Net profit for the year	-	-	-	-	1,384,159	1,384,159	-	1,384,159
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	1,384,159	1,384,159	-	1,384,159
Transactions with owners of the equity								
Employee share option reserve	-	-	11,086	-	-	11,086	-	11,086
Balance as at June 30, 2024	898,369	304,167	264,787	(184,739)	9,280,082	**9,664,297**	13	**10,562,679**
Net profit for the year			-	-	1,030,927	**1,030,927**	-	**1,030,927**
Other comprehensive income for the year	-	-	-	-	-	**-**	-	**-**
Total comprehensive income for the year	-	-	-	-	1,030,927	**1,030,927**	-	**1,030,927**
Transactions with owners of the equity								
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**
Share deposit money received - net	-	-	-	-	-	**-**	3,855	**3,855**
Acquisition of treasury shares	-	-	-	(419,988)	-	**(419,988)**	-	**(419,988)**
Balance as at June 30, 2025	898,369	304,167	269,136	(604,727)	10,047,498	10,016,074	3,868	10,918,311

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.

DIRECTOR | **CHIEF EXECUTIVE OFFICER** | **CHIEF FINANCIAL OFFICER**

Notes To and Forming part of the Unconsolidated Financial Statements

For the Year Ended June 30, 2025

1. The Company and its Operations

NetSol Technologies Limited ("the Company"), was incorporated in Pakistan on August 22, 1996 under the repealed Companies Ordinance, 1984, (now the Companies Act, 2017) as a private limited company. It was later 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.	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, LT 16 Jl, Asia Afrika No. 8, Jakarta, 10270, Indonesia.

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

2. Basis of Preparation

2.1 Separate unconsolidated financial statements

These are separate unconsolidated financial statements of the Company. The consolidated financial statements of the Company are prepared separately.

2.2 Statement of compliance

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

- International Financial Reporting Standards (IFRS) 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 from requirements of any IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.3 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention, except for valuation of certain financial instruments which are carried at fair value / amortized cost as disclosed in respective accounting policies or notes to the unconsolidated financial statements.

2.4 Functional and presentation currency

These unconsolidated financial statements are presented in Pak Rupee (Rs.), which is Company's functional as well as presentation currency. All financial information presented in Pak Rupee has been rounded off to the nearest thousand rupees unless stated otherwise.

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

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standard or Interpretation		Effective Date - Annual Periods Beginning on or After
- IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2024
- IAS 7	Amendments to IAS 7 "Statement of Cash Flows"	January 1, 2024
- IFRS 7	Amendments to IFRS 7 "Financial Instruments Disclosures"- Supplier Finance Arrangements	January 1, 2024
- IFRS 16	Amendments to IFRS 16 "Leases" - Clarification on how seller-lessee subsequently measures sale and lease back transaction	January 1, 2024

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either irrelevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

Standard or Interpretation		Effective Date - Annual Periods Beginning on or After
- IAS 21	Ammendments to lack of exchangeability	January 1, 2025
- IFRS S1	General Requirements for Disclosure of Sustainability - Related Financial Information	January 1, 2025
- IFRS S2	Climate - Related Disclosures	January 1, 2025
- IFRS 7 & 9	Ammendments to Classification and Measurement of Financial Instruments - Ammendments to IFRS 7 and 9	January 1, 2026
- IFRS 1, 7, '9, 10 & IAS 7	Annual improvements to IFRS Accounting Standards	January 1, 2026

2.7 Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have yet not been notified locally by the Securities and Exchange Commission of Pakistan (SECP) as at the reporting date:

- **IFRS 01** First-time Adoption of International Financial Reporting Standards
- **IFRS 18** Presentation and Disclosure in Financial Statements
- **IFRS 19** Subsidiaries Without Public Accountability - Disclosures

The management believes that adoption of the new standards, amendments and interpretations, which are in issue but not yet effective, is not likely to have any material impact, on the recognition, measurement, presentation and disclosure of items in the financial statements for current and future periods and foreseeable future transactions.

3. Use of estimates and judgements

The preparation of unconsolidated financial statements in conformity with approved accounting and reporting 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, 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.

The areas involving higher degree of judgement or complexity included in these financial statements are as follows:

- Provision for expected credit losses on accounts receivable / contract assets - Note 4.17, 11 & 12
- Provision for taxation - Note 4.6
- Useful lives and recoverable amounts of depreciable assets - Note 4.1 & 6
- Useful lives of intangible assets - Note 4.2 & 7
- Contingencies - Note 4.8 & 29
- Leases - Note 5.1 & 23
- Revenue recognition - Note 4.10 & 30
- Long term investment - Note 4.18 & 8
- Fair value of employee share options - Note 4.5 & 21

Notes to and forming part of the Financial Statements

For the Year Ended June 30, 2025

4. Material Accounting Policy Information

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented except stated otherwise.

4.1 Property and equipment

(i) Owned assets

Property and equipment, except for freehold land, are stated at cost less accumulated depreciation and identified impairment losses (if any). Freehold land is stated at cost less any identified impairment loss.

Depreciation is charged by applying straight line method to write off the cost over the remaining useful life of the assets. Rates of depreciation are stated in note 6.1. Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases when the asset is derecognized. Depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of property and equipment is removed from the statement of financial position upon scrapping or disposal or when no future economic benefit is expected from its use, scrapping or disposal.

Day to day maintenance and normal repairs are charged to profit or loss as and when incurred. Gain or loss on scrapping or disposal of assets, if any, is charged to profit or loss. Gain or loss on disposal of assets is the difference between the sale proceeds and the carrying amount of the asset disposed off.

(ii) Right of use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and identified impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated over the shorter of their estimated useful life and the lease term. Right-of-use assets are amortized over the useful life of the assets using straight line method at the rates given in note 6.2. Amortization on additions begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortization of an asset ceases when the asset is derecognized. Right-of-use assets are also subject to impairment.

(iii) Capital work in progress

Capital work in progress is stated at cost less any identified impairment losses. It represents expenditure incurred on property and equipment during construction and installation. Cost also includes applicable borrowing costs under IAS 23. These expenditures are transferred to relevant assets' category as and when assets are available for use.

4.2 Intangible assets

Research and software products development

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, it is probable that future economic benefits will flow to the Company, the Company has an intention and ability to complete and use or sell the software and cost can be measured reliably.

There are two components of intangible assets:

a. In-house developed intangible assets

b. Intangible assets acquired from market

(a) In-house developed intangible assets

The Company may capitalize certain computer software development costs in accordance with IAS-38 "Intangible Assets". Costs incurred internally to create a computer software product or to develop an enhancement to an existing product are charged to expense when incurred as research and development expense until technological feasibility for the respective product is established. Thereafter, all software development costs may be capitalized and reported at the lower of unamortized cost or recoverable amount. Capitalization will cease when the product or enhancement is available for general release to customers.

Amortization is charged on straight line basis over the useful life of the intangible assets. All intangible assets with an indefinite useful life are tested for impairment at each reporting date. Rates of amortization are stated in note 7.

(b) Intangible assets acquired from market

Intangible assets acquired from market are stated at cost less accumulated amortization and identified impairment losses, if any.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other expenses are charged to profit or loss when they occur.

Amortization is charged by applying straight line method to write off the cost over the remaining useful life of the intangible assets unless such lives are indefinite. All intangible assets with an indefinite useful life are tested for impairment at each reporting date. Amortization on additions of acquired intangible assets begins when it is available for use, while amortization ceases at the time when the asset is disposed off. Rates of amortization are stated in note 6.1.

4.3 Impairment of non financial asset

The Company continually assesses, at each reporting date, whether there is any indication that an asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit or loss for the year. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets' revised carrying amount over its estimated useful life.

4.4 Foreign currency translation and transaction

Transactions denominated in foreign currencies are translated in Pak Rupees at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the foreign exchange rates prevailing at the reporting date. Non-monetary assets and liabilities measured at historical cost are translated at the exchange rate prevailing at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the exchange rate prevailing at the date when fair values were determined. All exchange differences are charged to statement of profit or loss.

4.5 Staff benefits

(i) Retirement benefits

The Company operates a defined contributory Provident Fund for its permanent employees. Contributions are made equally by the Company and the employee at 8% of basic salary in the Provident Fund on monthly basis. Company's contribution is recognized as a cost in profit or loss. The fund is administrated by the Trustees.

(ii) Short-term benefits

Short-term benefits to employees are calculated without discounting and are recognized as cost when related services are received.

Notes to and forming part of the Financial Statements

For the Year Ended June 30, 2025

(iii) Employees' share option scheme

The Company operates an equity settled share based Employee' Share Option Scheme ("Scheme"). The fair value of options granted is determined at the grant date and is recognized as employee compensation expense on a straight line basis over the vesting period in profit or loss with corresponding credit to equity as employee compensation reserve. Fair value of options is arrived at using Black Scholes Pricing Model.

When the options are exercised, the proceeds received equivalent to the face value of related shares is credited to share capital and any amount above the share capital is credited to share premium account.

4.6 Taxation

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing laws for taxation of income. The charge for tax on income is calculated at the current rates of taxation as applicable after taking into account tax credit and tax rebates available, if any. Income tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Charge for tax expense also includes adjustments where necessary, relating to prior years which arise from assessments finalized during the current year.

Deferred tax is accounted for using the statement of financial position method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to other comprehensive income in which case it is included in other comprehensive income.

Expenses and assets are recognized net of the amount of sales tax, except:
- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 'Application Guidance on Accounting for Minimum Taxes and Final Taxes' issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these unconsolidated financial statements, except for taxes on dividends on the Company's investments in subsidiaries and associates which are specifically within the scope of IAS 12 and hence, these continue to be categorised as current income tax.

4.7 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and / or services received, whether or not billed to the Company.

Liabilities for trade and other payable in foreign currency are revalued by applying the exchange rate applicable on each reporting date.

4.8 Provisions and contingencies

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

4.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at current or saving accounts held with banks, fixed deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include facilities of running finance that form an integral part of the Company's cash management.

4.10 Revenue recognition

The Company follows IFRS 15 for the recognition of revenue from all its revenue streams. The Company determines revenue recognition using the following step wise approach:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, a performance obligation is satisfied

The Company records the amount of revenue and related costs by considering whether it is a principal (gross presentation) or an agent (net presentation) by evaluating the nature of its promise to the customer. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer. Revenue is presented net of sales, value-added and other taxes collected from customers and remitted to government authorities.

The Company has two primary revenue streams i.e. core revenue or non-core revenue.

Core Revenue:

The Company generates its core revenue from the export of (1) Software Licenses, (2) Services, which include implementation, customization and other consulting services, and (3) Subscription and Support, which includes subscription and post contract support, of its enterprise software solutions for the lease and finance industry. The Company offers its software using both traditional on-premises licensing model and Software as a Service (SaaS) model. The on-premises model involves the sale or license of software on a perpetual basis to customers who take possession of the software and install and maintain the software on their own hardware.

Non-Core Revenue:

The Company generates its non-core revenue by providing Business Process Outsourcing ("BPO") services and other services (including support services to its local customers).

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied by transferring the promised services to the customer. The Company identifies the performance obligations at contract inception so that the Company can monitor and account for the performance obligations over the life of the contract.

The Company's contract which contains multiple performance obligations generally consists of the initial sale of licenses and a professional services engagement. Contracts generally have multiple performance obligations as customers purchase maintenance support and services in addition to the licenses. The Company's single performance obligation arrangements are typically maintenance renewals and professional services engagements.

For contracts with multiple performance obligations where the contracted price differs from the standalone selling price ("SSP") for any distinct good or service, the Company may be required to allocate the contract's transaction price to each performance obligation using its best estimate for the SSP.

Information about the Company's performance obligations are summarized below:

a) Software licenses:

Performance obligation is satisfied and revenue from software licenses is recognized at the point in time when transfer of control for software is occurred either upon physical delivery of license through CD, USB or electronically using FTP or delivery of the license key by other electronic methods which provide immediate availability of the product to the customer. The Company's typical payment terms tend to vary by region, but its standard payment terms are within 120 days of invoice.

Notes to and forming part of the Financial Statements

For the Year Ended June 30, 2025

b) Subscription and support:

Subscription revenue is recognized ratably over the initial subscription period committed to by the customer commencing when the product is made available to the customer. The initial subscription period is typically 12 to 60 months. The Company generally invoices its customers in advance in quarterly or annual installments and typical payment terms provide that customers make payment within 120 days of invoice. Performance obligation against support revenue is recognized ratably over the term of the support period, which in most instances is one year. Software license updates provide customers with rights to unspecified software product updates, maintenance releases and patches released during the term of the support period on a when-and-if available basis. The Company's customers purchase both product support and license updates when they acquire new software licenses. In addition, a majority of customers renew their support services contracts annually and typical payment terms provide that customers make payment within 120 days of invoice.

c) Professional services:

Performance obligation is satisfied and revenue from professional services is recognized over the time and typically comprises implementation, development, customization, enhancements, data migration, training or other consulting services. Consulting services are generally sold on a time-and-materials or fixed fee basis and can include services ranging from software installation to data migration and building non-complex interfaces to allow the software to operate in integrated environments. The Company recognizes revenue from time-and-material arrangements as the services are performed. In fixed fee arrangements, revenue is recognized as services are performed as measured by efforts incurred to date, compared to total estimated efforts to complete the services project. The management applies judgment while estimating efforts to complete the services projects. A number of internal and external factors can affect these estimates, including utilization and efficiency variances and specification and testing requirement changes. Services are generally invoiced upon milestones as agreed in the contract and payments are typically due in 120 days after invoice.

d) BPO services:

Revenue from BPO services is recognized when earned. The Company recognizes revenue on issuance of billing to the customer. Payment terms are upto 120 days after invoice.

e) Miscellaneous income:

Interest on bank deposits is recognized and received on a time proportion basis on the principal amount outstanding and at the rate applicable.

Rental income is recognized on time proportion basis. Payment terms are 30 days.

Dividend is recognized as income when the right of receipt is established. Payment terms are 15 working days after declaration of dividend.

Miscellaneous income is recognized on receipt basis, and is recognised in other income in statement of profit or loss.

Contract Modifications

Contract modifications involving changes in scope or price are treated as separate contracts if they add distinct performance obligations at standalone prices. If not, they are either treated as a termination of the existing contract and creation of a new one or, if no new distinct obligations arise, adjustments are made on a cumulative catch-up basis i.e. recognizing in the current period the cumulative effect of changes on current and prior periods according to the revised performance obligations.

Significant Judgments

Due to the complexity of certain contracts, the actual revenue recognition treatment required under IFRS 15 for the Company's arrangements may be dependent on contract-specific terms and may vary in some instances.

Judgment is required to determine the stand alone selling price (SSP) for each distinct performance obligation. The Company rarely licenses or sells products on a stand-alone basis, so the Company is required to estimate the range of SSPs for each performance obligation. In instances where SSP is not directly observable because the Company does not sell the license, product or service separately, the Company determines the SSP using information that may include market conditions and other observable inputs. In making these judgments, the Company analyzes various factors, including its pricing methodology and consistency, size of the arrangement, length of term, customer demographics and overall market and economic conditions. Based on these results, the estimated SSP is set for each distinct product or service delivered to customers.

The stand-alone selling price of the licenses was measured primarily through an analysis of pricing that management evaluated when quoting prices to customers. Although the Company has no history of selling its software separately from support and other services, the Company does have historical experience with amending contracts with customers to provide additional modules of its software or providing those modules at an optional price. This information guides the Company in assessing the stand-alone selling price of the Company's software, since the Company can observe instances where a customer had a particular component of the Company's software that was essentially priced separate from other goods and services that the Company delivered to that customer.

The Company recognises revenue from implementation and customization services using percentage of estimated "man-days" that the work requires. The Company believes the level of effort to complete the services is best measured by the amount of time (measured as an employee working for one day on implementation/customization work) that is required to complete the implementation or customization work. The Company continuously reviews its estimate of man-days required to complete implementation and customization services.

Revenue is recognized over time for the Company's subscription, support and fixed fee professional services that are separate performance obligations. For the Company's professional services, revenue is recognized over time, generally using man-days expended to measure progress. Judgement is required in estimating project status and efforts necessary to complete projects. A number of internal and external factors can affect these estimates, including man-day rates, utilization, specification variances and testing requirement changes.

If a group of agreements are entered at or near the same time and so closely related that they are, in effect, part of a single arrangement, such agreements are deemed to be combined as one arrangement for revenue recognition purposes. The Company exercises significant judgment to evaluate the relevant facts and circumstances in determining whether agreements should be accounted for separately or as a single arrangement. The Company's judgments about whether a group of contracts comprise a single arrangement can affect the allocation of consideration to the distinct performance obligations, which could have an effect on results of operations for the periods involved.

If a contract includes variable consideration, the Company exercises judgment in estimating the amount of consideration to which the entity will be entitled in exchange for transferring the promised goods or services to a customer. When estimating variable consideration, the Company will consider all relevant facts and circumstances. Variable consideration will be estimated and included in the contract price only when it is probable that a significant reversal in the amount of revenue recognized will not occur.

Practical Expedients and Exemptions

There are several practical expedients and exemptions allowed under IFRS 15 that impact timing of revenue recognition and the Company's disclosures. Below is a list of practical expedients the Company applied in the adoption and application of IFRS 15:

a) The Company does not evaluate a contract for a significant financing component if payment is expected within one year or less from the transfer of the promised items to the customer.

b) The Company generally expenses sales commissions and sales agent fees when incurred when the amortization period would have been one year or less. These costs are recorded within sales and marketing expense in the statement of profit or loss.

c) The Company does not disclose the value of unsatisfied performance obligations for contracts that have an original expected duration of one year or less.

d) The Company does not disclose the value of unsatisfied performance obligations for contracts for which the Company recognizes revenue at the amount to which it has the right to invoice for services performed (applies to time-and-material engagements).

4.11 Costs to obtain a contract

The Company does not have a material amount of costs to obtain a contract capitalized at any reporting date. In general, the Company incurs few direct incremental costs for obtaining new customer contracts. We rarely incur incremental costs to review or otherwise enter into contractual arrangements with customers. In addition, our sales personnel receive fees that we refer to as commissions, but that are based on more than simply signing up new customers. Our sales personnel are required to perform additional duties beyond signing of new deals, including account management of customers and cash collection efforts.

Notes to and forming part of the Financial Statements

For the Year Ended June 30, 2025

4.12 Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company has satisfied the performance obligation, either in full or partially, by transferring services to a customer before the invoice is issued or payment is due, a contract asset is recognized for the earned consideration that is conditional.

4.13 Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 4.17 (i) Financial instruments – initial recognition and measurement.

4.14 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer in advance or an amount of consideration is due. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the amount is received or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

4.15 Related party transactions

The Company enters into transactions with related parties at an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods, except in extremely rare circumstances where, subject to approval of the Board of Directors, it is in the best interest of the Company to do so.

4.16 Off-setting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amount and the Company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

4.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

The Company initially measures a financial asset at its fair value plus transaction cost. In the case of a financial asset not at fair value through profit or loss at its fair value.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when rights to receive cash flows from the asset have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures, for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment, based on the groupings for various customers segments that have similar patterns (i.e. by geography and customer wise).

(ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the unconsolidated statement of profit or loss when liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Other financial liabilities are also subsequently measured at amortized cost using the EIR method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and recognition of a new liability. Difference in the respective carrying amounts is recognized in the statement of profit or loss.

Notes to and forming part of the Financial Statements

For the Year Ended June 30, 2025

4.18 Investments

a) Investment in subsidiary

Investment in subsidiary is initially recognized at cost. At subsequent reporting date, recoverable amounts are estimated to determine the extent of impairment loss, if any, and carrying amount of investment is adjusted accordingly. Impairment losses are recognized as expense in the statement of profit or loss. Where impairment loss is subsequently reversed, the carrying amounts of investment are increased to its revised recoverable amount, limited to the extent of initial cost of investment. Reversal of impairment losses are recognized in the statement of profit or loss.

b) Investment in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Company's investment in its associate is accounted for using the equity method.

Under the equity method, investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Company's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Company's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company, unless otherwise stated. When necessary, adjustments are made to bring the accounting policies in line with those of the group.

The Company periodically determines whether it is necessary to recognize any impairment loss on its investment in its associate or not. The Company determines on annual basis whether there is any objective evidence that the investment in associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss within 'Share of profit or loss of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

5. Summary Of Other Accounting Policies

5.1 Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal & termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or to terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal & termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

5.2 Advances and deposits

These are recognized at nominal amount which is fair value of considerations to be received in future.

5.3 Borrowing costs

Borrowing costs directly attributable to the construction / acquisition of qualifying assets are capitalized up to the date, including the period when technical and administrative work is carried on; the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the statement of profit or loss currently. Qualifying assets are assets that necessarily take substantial period of time to get ready for their intended use.

5.4 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved. However, if they are approved after the reporting period but before the financial statements are authorized for issue they are disclosed in the notes to financial statements.

5.5 Fair value

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transaction; reference to the current market value of another instrument, which has substantially similar characteristics, discounted cash flow analysis or other valuation models.

5.6 Earnings per share

The Company presents both basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary share holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	NOTE	2025	2024
		Rupees in Thousands	
6. Property and Equipment			
Operating fixed assets	6.1	**1,171,534**	1,208,998
Right of use assets	6.2	**-**	4,104
Capital Work in Progress		**53,532**	3,134
		1,225,066	1,216,236

6.1 Operating fixed assets

Description	COST				DEPRECIATION						Written down value as at June 30, 2025
	As at July 01, 2024	Additions	(Disposals)	As at June 30, 2025	Rate	As at July 01, 2024	(Disposals)	Adjustments	For the Year	As at June 30, 2025	
	Rupees in Thousands				%	Rupees in Thousands					
Year Ended June 30, 2025											
Tangible assets											
Land - freehold	254,229	-	-	254,229	-	-	-	-	-	-	254,229
Building on freehold land	952,561	-	-	952,561	5	434,698	-	-	32,366	467,064	485,497
Furniture and fixtures	59,929	3,921	(594)	63,256	10	42,927	(582)	-	4,816	47,161	16,095
Vehicles	411,168	30,390	(11,151)	430,407	20	266,780	(7,898)	5,596	66,659	331,137	99,270
Office equipment	94,607	15,514	-	110,121	10	62,923	-	-	7,365	70,288	39,833
Computer equipment and installations	860,552	125,849	(7,127)	979,274	20-33	736,814	(7,127)	-	116,128	845,815	133,459
Air conditioners	72,728	3,848	-	76,576	10	57,374	-	-	5,138	62,512	14,064
Electric fittings	49,371	-	-	49,371	10	43,720	-	-	5,651	49,371	-
Generators	48,721	-	-	48,721	10	38,597	-	-	2,115	40,712	8,009
	2,803,866	179,522	(18,872)	2,964,516		1,683,833	(15,607)	5,596	240,238	1,914,060	1,050,456
Intangible assets											
Computer softwares	227,510	105,119	(49,571)	283,058	33	138,545	(49,571)	-	73,006	161,980	121,078
Balance as at June 30, 2025	3,031,376	284,641	(68,443)	3,247,574		1,822,378	(65,178)	5,596	313,244	2,076,040	1,171,534

2024											
Description	COST					DEPRECIATION					Written down value as at June 30, 2024
	As at July 01, 2023	Additions	(Disposals)	As at June 30, 2024	Rate	As at July 01, 2023	(Disposals)	Adjust-ments	For the Year	As at June 30, 2024	
	Rupees in Thousands				%	Rupees in Thousands					
Year Ended June 30, 2024											
Tangible assets											
Land - freehold	254,229	-	-	254,229	-	-	-	-	-	-	254,229
Building on freehold land	952,561	-	-	952,561	5	402,331	-	-	32,367	434,698	517,863
Furniture and fixtures	74,578	4,464	(19,113)	59,929	10	55,236	(18,931)	-	6,622	42,927	17,002
Vehicles	504,133	43,780	(136,745)	411,168	20	246,058	(60,414)	2,243	78,893	266,780	144,388
Office equipment	91,307	3,300	-	94,607	10	55,275	-	-	7,648	62,923	31,684
Computer equipment and installations	824,106	36,786	(340)	860,552	20-33	603,364	(287)	-	133,737	736,814	123,738
Air conditioners	71,668	1,060	-	72,728	10	50,589	-	-	6,785	57,374	15,354
Electric fittings	49,371	-	-	49,371	10	38,069	-	-	5,651	43,720	5,651
Generators	58,191	4,675	(14,145)	48,721	10	48,284	(14,145)	-	4,458	38,597	10,124
	2,880,144	94,065	(170,343)	2,803,866		1,499,206	(93,777)	2,243	276,161	1,683,833	1,120,033
Intangible assets											
Computer softwares	199,655	27,855	-	227,510	33	74,764	-	-	63,781	138,545	88,965
Balance as at June 30, 2024	3,079,799	121,920	(170,343)	3,031,376		1,573,970	(93,777)	2,243	339,942	1,822,378	1,208,998

	NOTE	2025	2024
		Rupees in Thousands	
6. 1.1 Depreciation charge for the year has been allocated as under:			
Cost of revenue	31	**234,933**	254,978
Selling and promotional expenses	32	**15,662**	16,999
Administrative expenses	33	**62,649**	67,965
		313,244	339,942

6.1.2 Owned assets include vehicles amounting to Rs. 26.26 million obtained from First Habib Modaraba under finance facility (2024: Rs. 26.84 million).

6.1.3 Particulars of fixed assets disposed off during the year having individual book value exceeding Rs. 500,000 or more are as follows:

2025							
Particulars	Cost	Net Book Value	Sales Proceeds	Gain	Mode of Disposal	Particulars of Purchaser	Relationship
	Rupees in Thousands						
Vehicle	9,722	3,241	14,100	10,859	Open market	Zia Ullah	None

2024							
Particulars	Cost	Net Book Value	Sales Proceeds	(Loss) / Gain	Mode of Disposal	Particulars of Purchaser	Relationship
	Rupees in Thousands						
Vehicle	49,858	34,107	32,400	(1,707)	Open market	Umer Bajwa	None
Vehicle	2,987	531	2,940	2,409	Company policy	Amir Chaudhry	Employee
Vehicle	16,235	10,823	17,000	6,177	Open market	Sameer Khalid	None
Vehicle	28,050	8,415	20,500	12,085	Open market	Muhammad Tayyab Tariq	None
Vehicle	37,428	22,457	30,500	8,043	Company policy	Salim Ullah Ghauri	Director
	134,558	76,333	103,340	27,007			

6.1.4 Particulars of immovable assets (i.e land and buildings) of the Company are as follows:

Location	Address	Total Area (Square feet)	Covered Area (Square feet)
Lahore	NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.	149,738	140,631
Lahore	House No. 4, Cricketers Colony, NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.	1,750	2,430
Lahore	House No. 5, Cricketers Colony, NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.	1,750	2,430
Lahore	House No. 6, Cricketers Colony, NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.	1,750	2,430
Lahore	House No. E-20, Cricketers Colony, NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.	1,575	2,095
Karachi	43/1/Q, Amna Villa 1, Block-6, PECHS Society Karachi	4,500	13,500

6.2 Right of Use Assets

2025									
Description	COST				DEPRECIATION				Written down value as at June 30, 2025
	As at July 01, 2024	(Disposals)	As at June 30, 2025	Rate	As at July 01, 2024	(Disposals)	For the Year	As at June 30, 2025	
	Rupees in Thousands			%	Rupees in Thousands				
Year Ended June 30, 2025									
Vehicles	9,093	(9,093)	-	20	4,989	(5,596)	607	-	-

2024									
Description	COST				DEPRECIATION				Written down value as at June 30, 2024
	As at July 01, 2023	(Disposals)	As at June 30, 2024	Rate	As at July 01, 2023	(Disposals)	For the Year	As at June 30, 2024	
	Rupees in Thousands			%	Rupees in Thousands				
Year Ended June 30, 2024									
Vehicles	13,366	(4,273)	9,093	20	4,986	(2,243)	2,246	4,989	4,104

	NOTE	2025	2024
		Rupees in Thousands	
6. 2.1 Depreciation charge for the year has been allocated as under:			
Cost of revenue	31	**456**	1,685
Selling and promotional expenses	32	**30**	112
Administrative expenses	33	**121**	449
		607	2,246

7. Intangible Assets

	NOTE	2025	2024
		Rupees in Thousands	
Cost	7.1	**2,935,037**	2,935,037
Accumulated amortization		**(2,935,037)**	(2,935,037)
Net book value		**-**	-
The reconciliation of net book value is as follows:			
Opening balance		**-**	40,386
Amortization charge for the year	7.2	**-**	(40,386)
Closing balance		**-**	-
Amortization rate per annum		**10%**	10%

7.1 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.

7.2 The amortization of intangible assets is allocated to the Cost of Revenue (Note 31).

Notes to and forming part of the Financial Statements

For the Year Ended June 30, 2025

	NOTE	2025	2024
		Rupees in Thousands	
8. Long Term Investments			
At cost			
NetSol Innovation (Private) Limited	8.1	**515,000**	515,000
NetSol Ascent Middle East Computer Equipment Trading L.L.C.	8.2	**22,218**	-
		537,218	515,000
Subscription money payable	8.3	**-**	22,218
		537,218	537,218

8.1 The wholly owned subsidiary is incorporated in Pakistan. The principal place of business of subsidiary is situated at NetSol IT Village, (Software Technology Park) Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. Pakistan. Main objective of the company is to engage in the business of providing software development & allied IT services. The Company holds 51.5 million (2024: 51.5 million) fully paid ordinary shares of Rs. 10 each i.e. 99.999% (2024: 99.999%) in this subsidiary.

8.2 This represents 300 ordinary shares of AED 1,000 each, representing 100% (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).

8.3 The subscription money payable in respect of the wholly owned subsidiary, NetSol Ascent Middle East Computer Equipment Trading L.L.C, has been fully paid during the financial year 2025.

	NOTE	2025	2024
		Rupees in Thousands	
9. Long Term Contract Assets			
Considered good - unsecured	9.1	**39,781**	**77,927**
Less: discounting of contract asset		**(18,935)**	**(25,290)**
		20,846	**52,637**

9.1 This represents unbilled receivables arising from the recognition of revenue under a long-term contract, in accordance with IFRS 15 "Revenue from Contracts with Customers".

	NOTE	2025	2024
10. Long Term Loans to Employees			
Considered good - unsecured			
Loan to executives		**23,877**	37,031
Less: Current portion		**(15,287)**	(14,171)
		8,590	22,860

10.1 These loan are provided to employees as per the Company's policy.

10.2 These are carried at cost as the effect of carrying these balances at amortized cost would not be material in the overall context of these financial statements.

10.3 These executive employees do not include any directors.

	NOTE	2025	2024
		Rupees in Thousands	
11. Trade Debts			
Related Parties			
Considered good - unsecured		5,007,875	4,645,262
Considered doubtful - unsecured		225,827	278,192
		5,233,702	4,923,454
Other Parties			
Considered good - unsecured		732,133	649,940
Considered doubtful - unsecured		102,054	2,405
		834,187	652,345
Less: Provision against expected credit losses	11.1	(327,881)	(280,597)
		5,740,008	5,295,202
11.1 Movement of provision against expected credit losses			
Opening balance		280,597	356,271
Add: Expected credit loss allowance		47,284	-
		327,881	356,271
Less: Reversal of credit loss allowance		-	(75,674)
Closing balance		327,881	280,597
11.2 Amount receivable from related parties included in trade debts (from exports) are as under:			
NetSol Technologies (Thailand) Limited		-	61,866
NetSol Technologies (Beijing) Co., Ltd.		3,013,655	3,267,132
NetSol Technologies Australia Pty Limited		425,819	715,896
NetSol Technologies Americas Inc.		796,046	416,650
NetSol Technologies Europe Limited		5,284	2,015
Ascent Europe Limited		992,898	433,302
Tianjin NuoJinZhiCheng Co., Ltd.		-	26,593
		5,233,702	4,923,454
Less: Provision for expected credit losses		(225,827)	(278,192)
		5,007,875	4,645,262
11.3 Aging of outstanding balances of related parties as at June 30 is as under:			
Not past due		1,549,523	1,293,635
Past due 1-180 days		978,442	838,954
Past due 181 days -1 year		1,983,915	1,281,040
More than one year		721,822	1,509,825
		5,233,702	4,923,454

11.4 Maximum aggregate amount outstanding from related parties at any time during the year was Rs. 5,233.70 million (2024: Rs. 4,923.45 million).

Notes to and forming part of the Financial Statements

For the Year Ended June 30, 2025

	NOTE	2025	2024
		Rupees in Thousands	
12. Contract Assets			
Considered good - unsecured	12.1	**1,997,736**	1,745,245
Considered doubtful - unsecured		**297,507**	54,097
		2,295,243	1,799,342
Less: Provision for expected credit losses	12.3	**(297,507)**	(54,097)
		1,997,736	1,745,245

12.1 This represents unbilled debtors arising due to recognition of revenue as per IFRS 15 "Revenue from Contracts with Customers".

12.2 There is a net increase of Rs. 252 million in contract assets as compared to last year (2024: decrease of Rs. 224 million). The explanation of significant changes is as follows:

	NOTE	2025	2024
Opening balance		**1,745,245**	1,968,964
Add: Revenue recognized		**4,857,361**	5,518,016
Less: Invoices raised		**(4,486,222)**	(5,652,855)
Add: Balance transferred from long term portion to short term portion		**39,781**	-
Add: Foreign exchange gain / (loss)		**84,981**	(64,966)
Less: Provision for expected credit losses for the year	12.3	**(243,410)**	(23,914)
Closing balance		**1,997,736**	1,745,245

12.3 Movement of provision against expected credit losses

	NOTE	2025	2024
Opening balance		**54,097**	30,183
Add: Provision for expected credit losses for the year		**243,410**	23,914
Closing balance		**297,507**	54,097

	NOTE	2025	2024
13. Loans and Advances			
Considered good - unsecured			
Current portion of loans to executives		**15,287**	14,171
Advances to employees:			
- against salaries		**1,439**	2,350
- against expenses	13.1	**25,315**	96,629
		42,041	113,150

13.1 These advances are given to meet business expenses and are settled as and when the expenses are incurred.

	NOTE	2025	2024
14. Deposits and short term prepayments			
Security deposits		**6,688**	3,589
Prepayments		**219,369**	109,065
		226,057	112,654
15. Other Receivables			
Guarantee margin		**15,337**	7,000
Other receivables - considered good	15.1	**111,748**	47,018
		127,085	54,018

15.1 This includes receivable from Ignite amounting Rs. 59.16 million (2024: Nil) for the National Incubation Centre – Lahore (NIC) project, and Rs. 34.85 million (2024: Rs. 35.01 million) receivable from Ignite for the National Incubation Centre for Aerospace Technologies (NICAT) project, relating to their respective agreements for collaborative projects and services under incubation and innovation initiatives.

	NOTE	2025	2024
		Rupees in Thousands	
16. Due from Related Party			
Considered good - unsecured			
Parent	16.1		
NetSol Technologies Inc.		-	96,687
Associates	16.1		
NetSol Technologies Americas Inc.		54,595	103,556
NetSol Connect (Private) Limited		17,455	13,858
NetSol Technologies (Thailand) Limited		-	27,938
NetSol Technologies (Beijing) Co., Ltd.		115,741	260,490
OTOZ Thailand Limited		-	28,398
Tianjin NuoJinZhiCheng Co., Ltd.		-	70
Wholly owned Subsidiary			
NetSol Innovation (Private) Limited	16.2	174,178	9,615
NetSol Institute of Artificial Intelligence (Private) Limited	16.1	716	-
		362,685	540,612

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

16.2 This represents loan provided to the Company for meeting working capital requirements and this amount carries interest at the rate 6 months KIBOR on the outstanding balance at the end of each month.

16.3 Maximum aggregate amount outstanding from related parties at any month-end during the year was Rs. 609.93 million (2024: Rs. 1,023.28 million).

16.4 The balances with related parties are maintained on a running account basis; therefore, age analysis of amounts due from related parties is not practically possible.

	NOTE	2025	2024
17. Prepaid Tax Asset			
Opening balance		35,349	6,262
Add: Tax deducted at source / paid during the year		150,260	125,145
Less: Levy / final tax charged during the year		(115,141)	(96,058)
Closing balance		70,468	35,349
18. Short term Investment			
Term Deposit Receipt - Askari Bank Limited	18.1	200,000	-

18.1 These carry markup ranging from 7% to 12% per annum (2024 : Nil) and have maturity of one month from the date of initial recognition with auto rollover. Lien is marked in favour of Lahore High Court on the term deposit receipt.

	NOTE	2025	2024
19. Cash and Bank Balances			
Cash in hand		3,442	24,355
Bank balances:			
In local currency:			
- Saving accounts	19.1	3,049,249	4,020,564
- Current accounts	19.2	200,764	150,529
		3,250,013	4,171,093
In foreign currency:			
- Saving accounts	19.1	-	115,758
- Current accounts	19.2	443,271	335,849
		443,271	451,607
		3,696,726	4,647,055

19.1 Balances in saving accounts include Rs. 2,079.91 million (2024: Rs. 1,939.15 million) maintained in Shariah compliant banks.

19.2 Balances in current accounts include Rs. 86.16 million (2024: Rs. 435.12 million) maintained in Shariah compliant banks.

19.3 Balances in savings accounts carry mark up at 2.78% to 19.28% per annum (2024: 6.76% to 20.55% per annum).

19.4 The above figures reconcile to the amount of cash and cash equivalents shown in the statement of cash flow.

Notes to and forming part of the Financial Statements

For the Year Ended June 30, 2025

20. Issued, Subscribed and Paid up Capital

2025	2024		NOTE	2025	2024
No. 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

20.1 Number of shares outstanding as at the reporting date:

	NOTE	2025	2024
		No. of shares in Thousands	
Opening balance		**89,837**	89,837
Treasury shares of Rs. 10 each purchased at market value	20.7	**(4,690)**	(2,000)
Closing balance		**85,147**	87,837

20.2 No shares have been further issued / cancelled during the year.

20.3 All ordinary shares rank equally with regard to residual assets of the Company. Ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. Voting and other rights are in proportion to the shareholding.

20.4 NetSol Technologies Inc. 16000 Ventura Boulevard STE 770 ENCINO CA 91436, USA is the parent company, holding 69.76% (2024: 67.62%) of issued capital of the Company.

20.5 The Company is not subject to any externally imposed capital requirements.

20.6 There are 3 million outstanding options to subscribe for ordinary shares of the Company granted under the employee share option scheme as disclosed in Note 21.2 . During the year, no shares (2024: Nil) were issued against options exercised.

20.7 The share capital includes 4,690,251 ordinary shares (5.22% of its outstanding ordinary shares) held as treasury shares by the Company, out of which 2,000,000 were bought back in financial year 2022 and 2,690,251 are bought during the financial year 2025. These treasury shares are held in CDC blocked account in freezed 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 2025.

21. Reserves

	NOTE	2025	2024
		Rupees in Thousands	
Capital reserve			
Share premium	21.1	**304,167**	304,167
Employee share option compensation reserve	21.2	**269,136**	264,787
Treasury share reserve	21.3	**(604,727)**	(184,739)
		(31,424)	384,215
Revenue reserve			
Unappropriated profit		**10,047,498**	9,280,082
		10,016,074	9,664,297

21.1 This reserve can be utilized by the Company only for the purposes specified in Section 81(2) of the Companies Act, 2017.

21.2 Movement in employee stock option scheme

	2025	2024
Opening balance	**264,787**	253,701
Employee share option compensation expense during the year	**4,349**	11,086
Closing balance	**269,136**	264,787

Description of scheme

As per the approved employee stock option scheme, the Board and the compensation committee granted three million stock options to employees on December 27, 2021 at a grant price of Rs. 77.84 per option. No amount is paid or payable by any employee on receipt of the option. No option carries the right to vote or dividend. According to the scheme, 50% of the options will become exercisable after completion of 12 months from date of grant, another 30% of the granted option after completion of 24 months from the grant date and the remaining 20% of the granted option will become exercisable after completion of 36 months from the date of grant. The options are exercisable within a period of 10 years with un-exercised options to lapse on December 27, 2031.

Measurement of fair value

The Company uses "Black Scholes Pricing Model" to determine the fair value of options at the grant date. Fair value at grant date of the equity settled share based arrangement was calculated using the following assumptions.

	2025	2024
Total number of options granted	**3,000,000**	3,000,000
Per option fair value at the grant date	**Rs. 14.82**	Rs. 14.82
Average 30 days per share price preceding the date of grant	**Rs. 96.79**	Rs. 96.79
Exercise price per option	**Rs. 77.84**	Rs. 77.84
Annual rate of quarterly dividends	**13.50%**	13.50%
Discount Rate - bond equivalent yield	**11.80%**	11.80%
Annual volatility	**55.08%**	55.08%

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Movement in employee share options during the year:

	2025		2024	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Options outstanding at the beginning of the year	**3,000**	**-**	3,000	-
Options granted during the year	**-**	**-**	-	-
Options outstanding at the end of the year	**3,000**	**-**	3,000	-

Out of the total 3 million options granted, the directors and executives are entitled to 1.625 million (2024: 1.625 million) and 1.335 million (2024: 1.335 million) options respectively.

21.3 This represents the cost of the treasury shares held by the Company. As at 30 June 2025, the Company held 4.69 million treasury shares (2024: 2 million).

	2025	2024
	Rupees in Thousands	
Opening balance	**(184,739)**	(184,739)
Treasury shares purchased at market value during the year	**(419,988)**	-
Closing balance	**(604,727)**	(184,739)

Notes to and forming part of the Financial Statements

For the Year Ended June 30, 2025

			2025	2024
			Rupees in Thousands	
22.	**Long Term Financing**			
	Loan obligation	22.1	**21,771**	15,820
	Less: Current portion of long term financing		**(8,428)**	(13,124)
			13,343	2,696

22.1 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 and carries mark up at rates ranging between 12.27% to 21.49% (2024: 22.71% to 24.16%) per annum. These facilities are secured through lien marking in favor of financial institution.

		2025	2024
23.	**Lease Liabilities - Secured**		
	Opening balance	**972**	4,327
	Add: Interest expense	**45**	925
	Less: Payments made	**(1,017)**	(4,280)
	Gross liability	**-**	972
	Less: Current portion	**-**	(972)
	Closing balance	**-**	-

23.1 The summary of amounts relating to leases charged in different line items of the financial statements is as follows:

	Included in			
Carrying amount of right of use assets	Statement of financial position	6.2	-	4,104
Depreciation charge	Statement of profit or loss	6.2.1	607	2,246
Interest expense	Finance cost	35	45	925
			652	7,275

23.2 Maturity analysis of contractually undiscounted cash flows

	Within One Year	Between Two to Five Years	Later than Five Years
	Rupees in Thousands		
At June 30, 2025	**-**	**-**	**-**
At June 30, 2024	1,017	-	-

23.3 Nature of leasing activities

The Company's leases comprised vehicles taken from Askari Bank Limited for employees. Present value of minimum lease payments have been discounted at an implicit interest rate ranging between 21.49% to 23.24% per annum (2024: 22.71% to 24.16%). The asset is transferred to the Company at the end of the lease term in accordance with the agreement.

	NOTE	2025	2024
		Rupees in Thousands	
24. Long Term Advances			
Unsecured			
Long term advances - against vehicles	24.1	**5,415**	1,995

24.1 This represents advance received from an Executive amounting to Rs. 5.42 million (2024: Rs. 2.00 million) against purchase of motor vehicles. This advance will be adjusted against the future sale of the vehicle.

24.2 The advance is carried at cost as the effect of carrying this balance at amortized cost would not be material in the overall context of these financial statements.

	NOTE	2025	2024
25. Trade and Other Payables			
Creditors - unsecured	25.1	**19,578**	28,993
Accrued liabilities		**660,281**	598,702
Interest accrued - secured		**26,278**	13,597
Due to related parties - unsecured	25.2	**6,505**	1,296
Withholding tax payable		**74,549**	51,212
Sales tax payable	25.3	**15,241**	5,017
Provident fund payable		**55,893**	23,545
Other payables	25.4	**114,545**	15,379
Subscription money payable	25.5	**-**	22,731
		972,870	760,472

25.1 Creditors include Rs. 1.08 million (2024: Rs. 1.08 million) payable to a related party HospitAll (Private) Limited against provision of medical services.

25.2 This represents an amount payable to related parties in the normal course of business, with the breakup of the parties provided below:

	2025	2024
Parent		
NetSol Technologies Inc.	**6,034**	-
Associates		
NetSol Technologies (Thailand) Limited	**471**	-
OTOZ Inc.	**-**	1,296
	6,505	1,296

25.3 This includes Rs. 9.38 million (2024: Rs. 0.45 million) payable in respect of value added tax (VAT) payable to South African tax authorities on invoices raised to a foreign customer.

25.4 It includes Rs. 107.76 million (2024: Nil) and Rs. 6.26 million (2024: Rs. 12.81 million) payable on behalf of the National Incubation Centre -Lahore (NIC) and the National Incubation Centre for Aerospace Technologies (NICAT), respectively, as per the terms of their respective agreements.

25.5 The subscription money payable in respect of the wholly owned subsidiary, NetSol Ascent Middle East Computer Equipment Trading LLC, has been fully paid during the financial year 2025 as disclosed in Note 8.3.

	NOTE	2025	2024
		Rupees in Thousands	
26. Contract Liabilities			
Opening balance		**1,446,474**	1,117,496
Add: Invoices raised		**2,866,746**	4,041,580
Less: Revenue recognized		**(4,161,599)**	(3,712,602)
Closing balance	26.1	**151,621**	1,446,474

26.1 This represents subscription & support and services fee invoiced in advance which are transferred to revenue over time.

	NOTE	2025	2024
27. Short Term Borrowings			
Askari Bank Limited - ERF - II	27.1	**500,000**	500,000
Samba Bank Limited - ERF - II	27.2	**380,000**	380,000
Habib Metropolitan Bank Limited - Istisna / Al Bai - Islamic Banking	27.3	**1,300,000**	700,000
		2,180,000	1,580,000

27.1 Export refinance (ERF)/FAPC I & II, running finance and Letter of guarantee facilities available from Askari Bank Limited under mark-up arrangements amount to Rs. 675 million (2024: Rs. 575 million) towards the pre & post shipment and working capital requirements. Mark up on ERF facility is charged at SBP rate + 1% (2024: SBP rate + 1%) and markup on running finance facility is charged at 3 months KIBOR + 2% (2024: 3 months KIBOR + 2%) per annum. These are secured by first joint pari passu charge on present and future assets, mortgage on property of the Company and personal guarantees of directors. The unutilized portion in respect of these facilities amounts to Rs. 104.05 million (2024: Rs. 57 million). Corporate credit cards facility amounting to Rs. 10 million as a sublimit of running finance (2024: Rs. 10 million) is also available for the Company.

An additional guarantee limit of Rs. 200 million has been sanctioned during the year for issuance of an open ended guarantee favoring the Honorable Lahore High Court secured against 100% deposit in the form of term deposit receipt under lien bearing interest at 1 month published rate.

27.2 ERF part I & II / LAPC from own source facility available from Samba Bank Limited under mark-up arrangements amount to Rs. 380 million (2024: Rs. 380 million) towards the working capital needs. Mark up is charged at SBP rate + 1% (2024: SBP rate + 1%) per annum. These facilities are secured by first joint pari passu charge on present and future assets, mortgage on property of the Company and personal guarantees of directors.

27.3 IERF - I & II (Istisna / Al Bai / Working Capital Musharaka), Working Capital Musharaka and Letter of guarantee facilities available from Habib Metropolitan Bank Limited under mark-up arrangements amount to Rs. 1,500 million (2024: Rs. 1,500 million) towards the working capital requirements. Mark up is charged at SBP rate + 1% (2024: SBP rate + 1%) per annum. These facilities are secured by first joint pari passu charge on present and future assets, mortgage on property of the Company and personal guarantees of directors. An independent diminishing musharaka facility is also available amounting to Rs. 200 millon. Mark up is charged at 3 months Kibor + 0.75% (2024: 3 months Kibor + 0.75%) per annum. The unutilized portion in respect of above facilities amounts to Rs. 396.51 (2024: Rs. 947.08 million).

27.4 Finance Against Packing Credit facility - Own source / FAPC I & II (pre / post) SBP is available from Bank Al Habib Limited under mark-up arrangement amounts to Rs. 400 million (2024: Rs. 400 million) towards the working capital requirements. Mark up is charged at 3 months KIBOR + 1% against FAPC - own source (2024: 3 months KIBOR + 1%) per annum whereas applicable mark up rate for FAPC I & II (pre / post) SBP is charged at SBP rate + 1% (2024: SBP rate + 1%). These are secured by first joint pari passu charge on present and future assets, mortgage of property of the Company and personal guarantees of directors. These facilities have yet not been utilized as at the reporting date.

	NOTE	2025	2024
28. Current Portion of non current Liabilities			
Current portion of long term financing	22	**8,428**	13,124
Current portion of lease liability	23	**-**	972
		8,428	14,096

29. Contingencies and Commitments

29.1 Contingencies

29.1.1 Mr. Ahsan Zubair, a former employee of the Company, had filed a case in January 26, 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 Honourable 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 and based on the opinion of the Company's legal consultant, the case is expected to be decided in favor of the Company. Therefore, no provision has been incorporated in these financial statements.

29.1.2 On Janaury 10, 2025, the Company filed a writ petition in the Islamabad High Court to challenge the viries of section 4C of the Income tax Ordinance 2001. The petition was allowed and stay granted by the Court. The Department consequently filed Intra Court Appeal (ICA) before the Division Bench of Islamabad High Court which was subsequently transferred to the Supreme Court of Pakistan by the order of the Constitutional Bench of the Supreme Court, where the ICA is pending decision.

In light of the facts and circumstances of the case and according to the tax advisor of the Company, the outcome of the case is expected to be in favor of the Company. Therefore, no provision has been incorporated in these financial statements.

29.2 Commitments

(i) Bank guarantees have been issued amounting to Rs. 264.44 million (2024: Rs. 60.93 million) against performance of various contracts, to Honourable Lahore High Court, LESCO and Standard Chartered Bank Pakistan (Limited) against its corporate credit cards.

(ii) The Company has a capital commitment of Rs. 73.90 million as at June 30, 2025 (2024: Rs. 1.32 million).

	NOTE	2025	2024
		Rupees in Thousands	
30. 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		55,334	802,390
- Services		3,671,642	3,747,438
- Subscription and Support		5,240,347	4,659,473
		8,967,323	9,209,301
Local Revenue			
- Services		34,942	36,212
- Subscription and Support		21,946	38,844
Less: Sales tax		(5,250)	(3,710)
		51,638	71,346
		9,018,961	9,280,647

Notes to and forming part of the Financial Statements

For the Year Ended June 30, 2025

		NOTE	2025	2024
			Rupees in Thousands	
30.1	Amount of revenue recognized from opening balance of contract liabilities:			
	Opening balance of contract liabilities		1,446,474	1,117,496
	Revenue recognized		1,434,272	1,117,496
30.2	The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at June 30, are as follows:			
	- Within one year		2,231,959	3,063,398
	- More than one year		402,582	1,375,950
			2,634,541	4,439,348
30.3	**Timing of revenue recognition:**			
	- At a point in time		55,334	802,390
	- Over the time		8,963,627	8,478,257
			9,018,961	9,280,647
31.	**Cost of Revenue**			
	Salaries and benefits	31.1	3,909,464	3,517,263
	Software licenses		466,323	326,329
	Staff training		2,181	2,354
	Rent, rates and taxes	31.2	537	3,216
	Travelling and conveyance		323,160	453,791
	Communication		70,771	75,860
	Utilities		69,719	81,762
	Printing and stationery		1,763	1,625
	Entertainment		81,528	70,687
	Insurance		1,378	1,150
	Vehicle running and maintenance		213,576	242,054
	Repairs and maintenance		58,634	43,007
	Fees and subscription		515	626
	Depreciation	6.1.1	234,933	254,978
	Depreciation of right of use assets	6.2.1	456	1,685
	Amortization of intangible assets	7.1	-	40,386
			5,434,938	5,116,773

31.1 Salaries and benefits include Rs. 154.08 million (2024: Rs. 144.48 million) in respect of retirement benefits.

31.2 This represents amount paid in respect of short term leases.

	NOTE	2025	2024
		Rupees in Thousands	
32. Selling and Promotional Expenses			
Salaries and benefits	32.1	**475,000**	399,111
Staff training		**176**	840
Rent, rates and taxes	32.2	**5,589**	25,346
Travelling and conveyance		**135,020**	107,341
Communication		**5,530**	4,113
Utilities		**4,223**	3,203
Printing and stationery		**332**	331
Entertainment		**7,907**	5,329
Insurance		**1,808**	1,643
Vehicle running expenses		**18,845**	17,682
Repairs and maintenance		**4,010**	2,553
Fee and subscription		**8,251**	-
Commission on sales		**134,510**	249,523
Sale promotional expenses		**37,464**	21,190
Depreciation	6.1.1	**15,662**	16,999
Depreciation of right of use assets	6.2.1	**30**	112
		854,357	855,316

32.1 Salaries and benefits include Rs. 17.46 million (2024: Rs. 10.08 million) in respect of retirement benefits.

32.2 This represents amount paid in respect of short term leases.

	NOTE	2025	2024
33. Administrative Expenses			
Salaries and benefits	33.1	**921,173**	826,657
Staff training		**994**	1,408
Rent, rates and taxes	33.2	**28,170**	24,505
Travelling and conveyance		**48,697**	43,356
Communication and postage		**34,262**	35,380
Printing and stationery		**5,543**	6,542
Utilities		**49,003**	61,056
Entertainment		**57,292**	57,981
Insurance		**25,698**	60,302
Advertisement		**3,080**	383
Vehicle running expenses		**66,877**	72,173
Repairs and maintenance		**19,856**	38,194
Legal and professional charges		**24,868**	9,825
Auditor's remuneration	33.3	**8,980**	8,611
Office supplies		**9,269**	8,024
Charity and donation	33.4	**34,964**	21,404
Fees and subscription		**35,296**	77,028
Depreciation	6.1.1	**62,649**	67,965
Depreciation of right of use assets	6.2.1	**121**	449
		1,436,792	1,421,243

33.1 Salaries and benefits include Rs. 40.70 million (2024: Rs. 34.88 million) in respect of retirement benefits and Rs. 4.35 million (2024: Rs. 11.09 million) in respect of share-based payment transactions.

33.2 Rent, rates and taxes include expense in respect of short term leases amounting to Rs 22.93 million (2024: Rs. 19.72 million).

33.3 Auditors' remuneration:

		2025	2024
		Rupees in Thousands	
- Statutory audit fee		**6,230**	4,500
- Half yearly review fee		**2,000**	2,729
- Other certifications		**100**	683
- Out of pocket expenses		**650**	699
		8,980	8,611

33.4 The details of donation to a single party exceeding 10% of the Company's total amount of donation are as follows:

Developments in Literacy Foundation		**12,668**	5,152
Million Smiles Foundation		**7,810**	5,100
		20,478	10,252

Interest of the Directors or their spouses in the donations made during the year is as follows:

Name of Donee and address	Name of interested directors and nature of interest		
Million Smiles Foundation	Zeshan Afzal - Ex. Independent Director	**7,810**	5,100

34. Other Operating Expenses

Loss on foreign currency translation		**-**	325,562
Research and development cost		**344,839**	367,318
Provision for expected credit losses		**290,694**	-
		635,533	692,880

35. Finance Cost

Lease finance charges		**45**	925
Mark up on loans	35.1	**223,242**	309,052
Bank charges		**4,429**	3,806
		227,716	313,783

35.1 Mark up on loans include Rs. 117.07 million (2024: Rs. 130.08 million) paid on Islamic mode of financing.

36. Other Income

Income from financial assets			
Profit on bank deposits and short term investments	36.1	**490,999**	512,948
Interest income from related party		**11,487**	78,465
		502,486	591,413
Income from non-financial assets			
Gain on foreign currency translation		**313,273**	-
Gain on disposal of property and equipement		**12,542**	28,739
Rental income		**2,100**	2,100
Effect of discounting of long term contract assets		**6,780**	-
Miscellaneous income		**115**	-
Reversal of provision for expected credit losses		**-**	51,760
		334,810	82,599
		837,296	674,012

36.1 Income is earned under both conventional mark-up arrangement and Shariah compliant arrangement. It includes Rs. 434.38 million profit earned on Shariah compliant bank deposits & investments (2024: Rs. 477.72 million).

	NOTE	2025	2024
		Rupees in Thousands	
37. Final Taxes / Levies			
Final taxes / levies	37.1	**115,141**	96,058
International tax effect		**121,128**	75,227
Prior year adjustment		**(275)**	(780)
		235,994	170,505

37.1 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.

37.2 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.

37.3 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the statement of profit and loss, is as follows:

	2025	2024
Current tax expense for the year as per applicable tax laws	**236,269**	171,285
Portion of current tax expense as per tax laws, representing income tax under IAS 12	**-**	-
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	**(115,141)**	(96,058)
International tax effect	**(121,128)**	(75,227)
Difference	**-**	-

37.4 The aggregate of final tax and income tax, amounting to Rs. 236.27 million (2024: 171.29 million) represents tax expense of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

37.5 Deferred income tax asset has not been recognized in these financial statements as the Company's management believes that sufficient taxable profits will not be probably available in foreseeable future, hence, the temporary differences may not reverse.

		2025	2024
38. Earnings Per Share - Basic and Diluted			
Profit attributable to ordinary shareholders	Rupees	**1,030,927**	1,384,159
Weighted average number of ordinary shares (Basic)			
Issued ordinary shares at beginning of the year		**89,837**	89,837
Less: weighted average number of treasury shares held by the Company		**(3,113)**	(2,000)
Weighted average number of ordinary shares as at June 30,		**86,724**	87,837
Earnings per share - basic	Numbers	**11.89**	15.76
Weighted average number of ordinary shares (Diluted)			
Weighted average number of ordinary shares (Basic)		**86,724**	87,837
Effect of exercise of share options		**1,307**	717
Weighted average number of ordinary shares (diluted)		**88,031**	88,554
Earnings per share - diluted	Numbers	**11.71**	15.63

Notes to and forming part of the Financial Statements

For the Year Ended June 30, 2025

39. Remuneration of Chief Executive, Directors and Executives

	Chief Executive		Directors		Executives		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	Rupees in Thousands							
Managerial remuneration	**27,200**	27,200	**24,000**	24,000	**1,951,101**	1,589,267	**2,002,301**	1,640,467
Retirement benefits	**2,176**	2,176	**1,920**	1,920	**156,088**	127,141	**160,184**	131,237
Rent and house maintenance	**10,880**	10,880	**9,600**	9,600	**780,440**	635,707	**800,920**	656,187
Utilities	**2,720**	2,720	**2,400**	2,400	**195,110**	158,927	**200,230**	164,047
Medical expenses	**5,488**	10,373	**498**	3,897	**76,184**	66,666	**82,170**	80,936
Other allowances	**-**	-	**-**	-	**330,560**	361,444	**330,560**	361,444
Commission / bonus	**-**	-	**-**	-	**59,538**	59,690	**59,538**	59,690
Employee share option expense	**1,522**	3,880	**834**	2,125	**1,967**	4,933	**4,323**	10,938
	49,986	57,229	**39,252**	43,942	**3,550,988**	3,003,775	**3,640,226**	3,104,946
Number of persons	**1**	1	**1**	1	**685**	612	**687**	614

39.1 An Executive is defined as an employee, other than the Chief Executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

39.2 The Company has provided the Chief Executive, one Director and certain Executives with the Company maintained vehicles.

39.3 No share options were granted or exercised by the Chief Executive and other executives during the year (2024: Nil).

39.4 Nothing is paid to any non-executive director (including independent directors) in form of remuneration or other benefits except a fee approved by the Board for attending the Board and other committee meetings. During the year, an amount of Rs. 8.4 million (2024: Rs. 6.6 million) was paid.

40. 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 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	2025	2024
		Rupees in Thousands	
Parent	Commission	-	111,384
Subsidiary	Admin and IT services	**2,400**	2,400
	Rental income	**1,200**	1,200
	Expenses on behalf of subsidiary - Net	**22,553**	128,510
	Mark-up income	**11,487**	78,465
Associated undertaking	Rental charges - net	**900**	900
	Expenses on behalf of related parties	**219,711**	266,892
	Expenses incurred by related parties	**553,380**	429,559
	Provision of services	**4,069,571**	2,751,833
	Purchase of services	**47,560**	46,614
Executives / key management personnel	Long term advance received	**5,415**	1,995
Post employment benefit	Contribution to defined contribution plan	**195,357**	171,075

40.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

S. No.	Company Name	Country of Incorpora-tion	Relationship	Percentage of Share-holding
1	NetSol Technologies Inc.	USA	Holding Company	69.76%
2	NetSol Ascent Middle East Computer Equipment Trading LLC.	Middle East	Wholly owned Subsidiary	Nil
3	NetSol Technologies (Thailand) Limited	Thailand	Associate	Nil
4	NetSol Technologies (Beijing) Co., Ltd	China	Associate	Nil
5	NetSol Technologies Australia Pty Limited	Australia	Associate	Nil
6	NetSol Technologies Americas Inc.	USA	Associate	Nil
7	NetSol Technologies Europe Limited	UK	Associate	Nil
8	OTOZ Thailand Limited	Thailand	Associate	Nil
9	Ascent Europe Limited	UK	Associate	Nil
10	Tianjin NuoJinZhiCheng Co., Ltd	China	Associate	Nil

40.2 Details of related parties with whom the Company had entered into transaction or had agreements other than already disclosed in note 40.1 above are as follows:

S. No.	Company Name	Relationship	Common Directorship	Percentage of Shareholding
1	NetSol Innovation (Private) Limited	Wholly owned Subsidiary	Yes	Nil
2	NetSol Connect (Private) Limited	Associate	Yes	Nil
3	HospitAll (Private) Ltd.	Associate	No	Nil
4	Netsol Institute of Artificial Intelligence (Private) Limited	Wholly owned Sub Subsidiary	Yes	Nil

S. No.	Other Related Parties	Basis of Relationship	Percentage of Shareholding
1	Salim Ullah Ghauri	Director	1.16%
2	Naeem Ullah Ghauri	Director	Nil
3	Huma Fakhar	Director	Nil
4	Vaseem Anvar	Director	Nil
5	Hamna Ghauri	Director	Nil
6	Omer Shahab Ghauri	Director	Nil
7	Noman Hussain	Director	Nil
8	Boo Ali	Key Management Personnel	Nil
9	Sehrish Ishtiaq	Key Management Personnel	Nil
10	Muhammad Abdul Wahab Hafeez	Key Management Personnel	Nil
11	Khurram Shahnawaz Rana	Key Management Personnel	Nil
12	Asad Ullah Ghauri	Key Management Personnel	Nil
13	Mohsin Hanif	Key Management Personnel	Nil
14	Asif Zafar	Key Management Personnel	Nil
15	Naheed Kausar	Key Management Personnel	Nil
16	Kamran Khalid	Key Management Personnel	Nil
17	Syed Umer Qadri	Key Management Personnel	Nil

41. Capital Risk Management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

In line with the norms, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt. As at the reporting date, the gearing ratio of the Company was worked out as under:

	2025	2024
	Rupees in Thousands	
Borrowings	**2,201,771**	1,596,792
Cash and bank balances	**(3,696,726)**	(4,647,055)
Net debt	**-**	-
Equity	**10,918,311**	10,562,679
Total capital employed	**10,918,311**	10,562,679
Gearing ratio	**Not Geared**	Not Geared

42. Financial Risk Management

42.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management process. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

(a) Market risk

(i) Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company is exposed to foreign currency risk on trade debts, payables and revenues which are entered in a currency other than Pak Rupees. Majority of the revenue of the Company is in currencies other than Pak Rupees. The Company also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. As at the reporting date, the Company's exposure to currency risk was as follows:

Trade debts	**5,636,434**	5,285,643
Cash and bank balances	**444,930**	473,441
Due from related parties	**170,336**	493,596
Due to related parties	**(6,505)**	(1,296)
	6,245,195	6,251,384

The following analysis demonstrates the impact of a 5% strengthening / weakening of the Pak Rupee against US$, RMB¥, Euro and other currencies including UK£, AUS$, HKD & THB on June 30, on equity and statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2024.

	2025 USD	2025 RMB	2025 EURO	2025 Others	2025 Total
	Rupees in Thousands				
Impact on statement of profit or loss (net of tax)					
As at June 30,					
Strengthening	**(3,500,525)**	**(5,053,564)**	**(597,203)**	**(313,794)**	**(9,465,086)**
Weakening	**3,500,525**	**5,053,564**	**597,203**	**313,794**	**9,465,086**
Impact on equity					
As at June 30,					
Strengthening	**(4,930,316)**	**(7,117,696)**	**(841,130)**	**(441,964)**	**(13,331,106)**
Weakening	**4,930,316**	**7,117,696**	**841,130**	**441,964**	**13,331,106**

	2024 USD	2024 RMB	2024 EURO	2024 Others	2024 Total
	Rupees in Thousands				
Impact on statement of profit or loss (net of tax)					
As at June 30,					
Strengthening	(7,343,667)	(2,158,278)	(62,508)	(562,268)	(10,126,721)
Weakening	7,343,667	2,158,278	62,508	562,268	10,126,721
Impact on equity					
As at June 30,					
Strengthening	(10,343,193)	(3,039,827)	(88,039)	(791,926)	(14,262,985)
Weakening	10,343,193	3,039,827	88,039	791,926	14,262,985

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from bank borrowings, lease liabilities, term deposits, deposits in profit and loss/saving accounts with banks and investments in mutual funds. The Company mitigates its interest rate risk by investing available cash in mutual funds and bank deposits where applicable, generating more return compared to the finance cost.

The interest rate profile of the Company's interest-bearing financial instruments as at the reporting date is as follows:

	2025	2024
	Rupees in Thousands	
Floating rate instruments		
Financial assets		
Bank balances	**3,049,249**	4,136,322
Short term investment	**200,000**	-
	3,249,249	4,136,322
Financial Liabilities		
Lease liabilities	**-**	972
Long term financing	**21,771**	15,820
Short term borrowings	**2,180,000**	1,580,000
	2,201,771	1,596,792

The Company has no instruments subject to fixed interest rate.

Cash flow sensitivity analysis for variable rate instruments

As at June 30, 2025, if floating interest rates had been 1% higher / lower with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 17.12 million (2024: Rs. 7.74 million), mainly as a result of interest exposure on variable rate borrowings.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to significant other price risk.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk of the Company arises from trade debts, loans and advances, trade deposits, other receivables and deposits with banks. To reduce exposure to credit risk, the Company has developed a formal approval process. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors and makes provision against those balances (if required). The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any. As at June 30, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

	NOTE	2025	2024
		Rupees in Thousands	
Trade debts	11	**6,067,889**	5,575,799
Contract assets	12	**2,316,089**	1,851,979
Loans and advances	13	**25,316**	39,381
Deposits and short term prepayments	14	**6,688**	3,589
Other receivables	15	**127,085**	54,018
Due from related parties	16	**362,685**	540,612
Short term investment	18	**200,000**	-
Bank balances	19	**3,693,284**	4,622,700
		12,799,036	12,688,078
Aging of trade debts at June 30 is as follows:			
Not past due		**1,788,254**	1,510,015
Past due 1 - 180 days		**1,462,270**	1,264,714
Past due 181 days - 365 days		**1,995,114**	1,289,111
More than 365 days		**822,251**	1,511,959
		6,067,889	5,575,799

The Company does not have significant exposure to any individual customer. At June 30, the Company had approximately 30 (2024: 31) customers owing Rs. 6.07 billion (2024: Rs. 5.58 billion). The Company has made allowances, where necessary, for potential losses on credits extended.

For trade receivables and contract assets, the Company uses a simplified approach to calculate expected credit losses (ECLs). A provision matrix has been established based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. This matrix is based on the segments that exhibit similar patterns, such as geography and customer type.

The management estimates the recoverability of trade receivables on the basis of financial position and past history of its customers based on the objective evidence that it may not receive the amount due from the particular customer. The provision is written off by the Company when it expects that it cannot recover the balance due. Any subsequent repayments in relation to amounts written off are credited directly to profit or loss.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating Agency	2025	2024
	Short term	Long Term			
				Rupees in Thousands	
Askari Bank Limited	A1+	AA+	PACRA	**754,465**	1,346,394
MCB Bank Limited	A1+	AAA	PACRA	**-**	49
Samba Bank Limited	A1	AA	PACRA	**666,368**	632,064
Meezan Bank Limited	A1+	AAA	VIS	**305,099**	313,599
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	**-**	18
Al Baraka Bank Limited	A1	AA-	VIS	**305,306**	415,833
Habib Metropoliton Bank Limited	A1+	AA+	PACRA	**830,729**	1,021,088
Bank Alfalah Limited	A1+	AAA	PACRA	**724,934**	623,730
Bank Al Habib Limited	A1+	AAA	PACRA	**9**	20
Habib Bank Limited	A1+	AAA	VIS	**106,374**	269,905
				3,693,284	4,622,700

(c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The Company follows an effective cash management and planning process to ensure availability of funds and to take appropriate actions for new requirements. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

Description	2025					
	Carrying amount	Contractual cash flows	With in 1 year	1-2 Years	2-5 Years	Above 5 Years
	Rupees in Thousands					
Contractual maturities of financial liabilities as at June 30, 2025:						
Lease liabilities	-	-	-	-	-	-
Trade and other payables	831,725	831,725	831,725	-	-	-
Short term borrowings	2,180,000	2,354,400	2,354,400	-	-	-
Long term financing	21,771	25,606	10,565	15,041	-	-
	3,033,496	3,211,731	3,196,690	15,041	-	-

Description	2024					
	Carrying amount	Contractual cash flows	With in 1 year	1-2 Years	2-5 Years	Above 5 Years
	Rupees in Thousands					
Contractual maturities of financial liabilities as at June 30, 2024:						
Lease liabilities	972	1,017	1,017	-	-	-
Trade and other payables	684,522	684,522	684,522	-	-	-
Short term borrowings	1,580,000	1,856,500	1,856,500	-	-	-
Long term financing	15,820	18,221	15,335	2,886	-	-
	2,281,314	2,560,260	2,557,374	2,886	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. Rates of interest / mark - up and their maturities are given in the respective notes.

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

Fair value is determined on the basis of objective evidence at each reporting date. The management assessed that the fair values of financial assets and financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

	NOTE	2025	2024
		Rupees in Thousands	
42.2 Financial instruments by categories			
Financial assets at amortized cost			
Trade debts	11	**5,740,008**	5,295,202
Contract assets	12	**2,018,582**	1,797,882
Loans and advances	13	**25,316**	39,381
Deposits and short term prepayments	14	**6,688**	3,589
Other receivables	15	**127,085**	54,018
Due from related parties	16	**362,685**	540,612
Short term investment	18	**200,000**	-
Bank balances	19	**3,693,284**	4,622,700
		12,173,648	12,353,384
Financial liabilities at amortized cost			
Lease liabilities	23	**-**	972
Trade and other payables	25	**831,725**	684,522
Short term borrowings	27	**2,180,000**	1,580,000
Long term financing	22	**21,771**	15,820
		3,033,496	2,281,314

Notes to and forming part of the Financial Statements

For the Year Ended June 30, 2025

43. Changes in Liabilities Arising from Financing Activities

	As at June 30, 2024	Non-cash changes	Cash flows (Net)	As at June 30, 2025
	Rupees in Thousands			
Long term financing - net	15,820	1,876	4,075	**21,771**
Short term borrowings - net	1,593,597	221,366	391,315	**2,206,278**
Lease liabilities	972	45	(1,017)	**-**
Long term advances	1,995	-	3,420	**5,415**
	1,612,384	223,287	397,793	**2,233,464**

	As at June 30, 2023	Non-cash changes	Cash flows (Net)	As at June 30, 2024
	Rupees in Thousands			
Long term financing - net	92,195	14,580	(90,955)	15,820
Short term borrowings - net	1,638,050	294,471	(338,924)	1,593,597
Lease liabilities	4,327	925	(4,280)	972
Long term advances	16,675	-	(14,680)	1,995
	1,751,247	309,976	(448,839)	1,612,384

44. Shariah Screening Disclosures by Company Listed on Islamic Index

	Disclosed in
Loans/advances obtained as per Islamic mode	Note 27
Shariah compliant bank deposits/bank balances	Note 19
Profit earned from Shariah compliant bank deposits/ bank balances	Note 36.1
Revenue earned from a shariah compliant business segment	Note 30
Gain/loss or dividend earned from shariah compliant investments	Note 36
Exchange gain earned	Note 36
Mark up paid on Islamic mode of financing	Note 35.1
Profits earned on any conventional loan or advance	Note 36
Interest paid on any conventional loan or advance	Note 35
Relationship with Shariah compliant banks	Note 27

45. Provident Fund Related Disclosures

The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

	2025 Number	2024 Number
46. Number of Employees		
Number of employees as at June 30,	**1,172**	1,136
Average number of employees during the year	**1,177**	1,516

47. Annual Software Development Capacity

The Company is engaged in software development, subscription and support and licensing. Due to complicated nature of the software development process annual development capacity cannot be determined.

48. Authorization of Financial Statements

These financial statements were approved and authorized by the Board of Directors of the Company for issuance on September 22, 2025.

49. Subsequent Events

There are no subsequent events to be disclosed.

50. General

Corresponding figures are rearranged / reclassified for better presentation and comparison. No material re-arrangement / reclassification has been made in these financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

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Consolidated Financial Statements

For the Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NETSOL TECHNOLOGIES LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed consolidated financial statements of **NETSOL TECHNOLOGIES LIMITED** and its subsidiaries **(the Group),** which comprise the consolidated statement of financial position as at June 30, 2025 and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key Audit Matters	How the matter was addressed in our audit
1. Revenue recognition	
Refer to notes 4.10 & 29 to the consolidated financial statements. The Group has earned revenue of Rs. 9,905.42 million for the year ending June 30, 2025. The Group's revenue is derived from	Our key audit procedures included the following: • Assessed the appropriateness of the Group's revenue recognition policies and their compliance with applicable accounting and reporting standards.

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multiple revenue streams, as referred to in Note 29 to the accompanying consolidated financial statements, including license, rendering of services and subscription and support. Each stream has its own revenue recognition policy based on the nature of revenue and underlying contractual arrangements as referred to in Note 4.10. Certain contracts with customers require significant management judgment to determine the appropriate timing and method of revenue recognition. We consider revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Group and inherent risk of material misstatement.	• Obtained an understanding of the Group's processes and related internal controls for revenue recognition and on a sample basis, tested the design and operating effectiveness of those controls. • Tested a sample of transactions from multiple revenue streams against supporting documents, including contracts, invoices, time sheets, completion certificates and other relevant records. • Agreed revenue recorded to signed contracts and other supporting evidences. • Traced the recorded revenue to subsequent recoveries of customers as evidence of its collectability. • Evaluated management's key judgments in determining the timing and basis of revenue recognition, especially for complex contracts involving significant estimation. • Performed cut-off procedures on sales to ensure revenue has been recorded in the correct period. • Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and reporting standards.
2. Valuation of trade debts and contract assets	
Refer to note 4.12, 4.13, 8, 10 and 11 to the consolidated financial statements. The Group's gross trade debts and contract assets as at June 30, 2025 are Rs. 6,197.02 million and Rs. 2,982.62 million respectively against which allowances for expected credit losses of Rs. 327.88 million and Rs. 297,51 million have been recognized. The loss allowance for expected credit losses (ECL model) on trade debts and contract assets has been recognized in the consolidated financial statements using the guidance included in IFRS 9 'Financial Instruments'. Determination of ECL provision for trade debts and contract assets requires significant judgment and assumptions including consideration of factors such as historical credit loss experience, time value	Our key audit procedures included the following: • Evaluated management's process for applying the Expected Credit Loss (ECL) model to determine impairment losses on trade debts and contract assets. • Evaluated key judgments and estimates made by the Group's management in relation to the application of the ECL model. • Evaluated the ECL model for appropriateness of the methodology used and the arithmetical accuracy. • Checked the appropriateness of aging on a sample basis.

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of money and forward-looking macroeconomic information. We have considered this area as a key audit matter due to its size and the significant management judgement involved in its valuation.	• Circularized balance confirmation request for trade debts on sample basis and evaluated the responses received. • Traced subsequent clearance of balances outstanding as of June 30, 2025, on a sample basis. • Assessed financial impacts and appropriateness of disclosures made in the consolidated financial statements to determine whether they are complied with the accounting and reporting standards as applicable in Pakistan.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic

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decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Crowe Hussain Ch. & Co.

Lahore
Dated: September 22, 2025
UDIN: AR202510051onDusfX3j

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Consolidated Statement of Financial Position

As at June 30, 2025

	NOTE	2025	2024
		Rupees in Thousands	
ASSETS			
NON CURRENT ASSETS			
Property and equipment	6	**1,227,112**	1,221,182
Intangible assets	7	**-**	-
Long term contract assets	8	**143,058**	52,637
Long term loans to employees	9	**8,590**	22,860
		1,378,760	1,296,679
Current Assets			
Trade debts	10	**5,869,134**	5,326,984
Contract assets	11	**2,542,057**	1,787,247
Loans and advances	12	**42,111**	118,428
Deposits and short term prepayments	13	**229,351**	116,701
Other receivables	14	**127,131**	54,026
Due from related parties	15	**187,791**	514,396
Prepaid tax asset	16	**19,668**	35,730
Short term investment	17	**200,000**	-
Cash and bank balances	18	**3,767,897**	4,669,162
		12,985,140	12,622,674
TOTAL ASSETS		**14,363,900**	13,919,353

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

	NOTE	2025	2024
		Rupees in Thousands	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
200,000 (2024: 200,000) ordinary shares of Rs. 10 each		**2,000,000**	2,000,000
Issued, subscribed and paid up capital	19	**898,369**	898,369
Reserves	20	**9,922,818**	9,208,065
Share deposit money		**3,868**	13
Shareholders' Equity		**10,825,055**	10,106,447
Non Current Liabilities			
Long term financing	21	**13,343**	2,696
Lease liabilities	22	**-**	-
Long term advances	23	**5,415**	1,995
		18,758	4,691
CURRENT LIABILITIES			
Trade and other payables	24	**1,173,792**	763,340
Contract liabilities	25	**153,329**	1,446,955
Short term borrowings	26	**2,180,000**	1,580,000
Current portion of non current liabilities	27	**8,428**	14,096
Unclaimed dividends		**4,538**	3,824
		3,520,087	3,808,215
CONTINGENCIES AND COMMITMENTS	28	**-**	-
TOTAL EQUITY AND LIABILITIES		**14,363,900**	13,919,353

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

Consolidated Statement of Profit or Loss

For the Year Ended June 30, 2025

	NOTE	2025	2024
		Rupees in Thousands	
Revenue from contracts with customers - net	29	**9,905,419**	9,579,636
Cost of revenue	30	**(5,551,304)**	(5,393,989)
Gross profit		**4,354,115**	4,185,647
Selling and promotional expenses	31	**(1,147,274)**	(957,063)
Administrative expenses	32	**(1,459,594)**	(1,440,338)
		(2,606,868)	(2,397,401)
Operating Profit		**1,747,247**	1,788,246
Other operating expenses	33	**(674,462)**	(694,632)
Finance cost	34	**(228,421)**	(315,048)
Other income	35	**827,933**	597,988
		(74,950)	(411,692)
Profit before Final Taxes and Income Tax		**1,672,297**	1,376,554
Final tax / levies	36	**(287,032)**	(173,501)
Profit before Income Tax		**1,385,265**	1,203,053
Income Tax		**-**	-
Net Profit for the Year		**1,385,265**	1,203,053
Earnings per Share	37		
- Basic		**15.97**	13.70
- Diluted		**15.74**	13.59

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

Consolidated Statement of Comprehensive Income

For the Year Ended June 30, 2025

	2025	2024
	Rupees in Thousands	
Net Profit for the Year	1,385,265	1,203,053
Other comprehensive income		
Items that may be re-classified subsequently to profit or loss		
-Exchange difference on translation of foreign operation	8,637	(381)
Items that will not be re-classified subsequently to profit or loss	-	-
Total other comprehensive income	8,637	(381)
Total comprehensive income for the year	1,393,902	1,202,672

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Consolidated Statement of Cash Flows

For the Year Ended June 30, 2025

	NOTE	2025	2024
		Rupees in Thousands	
Profit before final taxes and income tax		**1,672,297**	1,376,554
Adjustments for:			
- Depreciation - own assets	6	**316,708**	344,297
- Depreciation of right of use assets	6	**607**	2,246
- Amortization of intangible assets	7	**-**	40,386
- (Gain) on disposal of property and equipment	35	**(12,542)**	(28,739)
- Foreign exchange (gain) / loss	35	**(316,124)**	327,314
- Finance cost	34	**223,287**	309,977
- Interest income	35	**(498,252)**	(514,589)
- Employee share option compensation expense	20	**4,350**	11,086
- Provision for expected credit losses	33	**329,623**	(51,760)
		47,657	440,218
Operating profit before working capital changes		**1,719,954**	1,816,772
Decrease / (Increase) in current assets			
- Trade debts	10	**(358,278)**	177,722
- Contract assets	11	**(1,041,379)**	49,892
- Loans and advances	9	**90,587**	(72,047)
- Deposits and short term prepayments	13	**(112,650)**	12,019
- Other receivables	14	**(73,105)**	(27,917)
- Due from related parties	15	**325,113**	(47,939)
(Decrease) / Increase in current liabilities			
- Trade and other payables	24	**405,339**	(39,676)
- Contract liabilities	25	**(1,294,916)**	322,301
Cash (Used in) / Generated from Operations		**(2,059,289)**	374,355
Levy / final tax paid	16	**(270,976)**	(202,843)
Dividend paid		**(262,797)**	(30)
		(533,773)	(202,873)
Net Cash (Used in) / Generated from Operating Activities		**(873,108)**	1,988,254
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property and equipment	6	**(276,113)**	(119,683)
Proceeds from disposal of property and equipment	6	**15,808**	105,304
Capital Work in Progress	6	**(50,398)**	(3,134)
Short term investments	17	**(200,000)**	-
Interest received	35	**498,252**	514,589
Net Cash (Used in) / Generated from Investing Activities		**(12,451)**	497,076
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition of treasury shares	20	**(419,988)**	-
Share deposit money		**3,855**	-
Repayment of lease liabilities	22	**(1,017)**	(4,280)
Repayment of long term loan - net	21	**4,075**	(90,955)
Short term borrowing - net	26	**391,315**	(338,924)
Long term advances - net	23	**3,420**	(14,680)
Net Cash (Used in) Financing Activities		**(18,340)**	(448,839)
Net (Decrease) / Increase in Cash and Cash Equivalents		**(903,899)**	2,036,491
Net foreign exchange difference		**2,634**	(395)
Cash and cash equivalents at the beginning of year		**4,669,162**	2,633,066
Cash and Cash Equivalents at the End of the Year	18	**3,767,897**	4,669,162

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

Consolidated Statement of Changes in Equity

For the Year Ended June 30, 2025

Particulars	Share Capital	Capital Reserve				Revenue Reserve	Total Reserves	Share Deposit Money	Total Equity
		Share Premium	Employee Share Option Compen-sation Reserve	Treasury Share Reserve	Foreign Currency Translation Reserve	Unappro-priated Profit			
	Rupees in Thousands								
Balance as at June 30, 2023	898,369	304,167	254,359	(184,739)	925	7,619,595	7,994,307	13	8,892,689
Net profit for the year	-	-	-	-	-	1,203,053	1,203,053	-	1,203,053
Other comprehensive income for the year	-	-	-	-	(381)	-	(381)	-	(381)
Total comprehensive income for the year	-	-	-	-	(381)	1,203,053	1,202,672	-	1,202,672
Transactions with owners of the equity									
Employee share option reserve	-	-	11,086	-	-	-	11,086	-	11,086
Balance as at June 30, 2024	898,369	304,167	265,445	(184,739)	544	8,822,648	**9,208,065**	13	**10,106,447**
Net profit for the year	-	-	-	-	-	1,385,265	**1,385,265**	-	**1,385,265**
Other comprehensive income for the year	-	-	-	-	8,637	-	**8,637**	-	**8,637**
Total comprewhensive income for the year	-	-	-		8,637	1,385,265	**1,393,902**	-	**1,393,902**
Payment of final dividend for the year ended June 30, 2024 @ Rs 3 per share	-	-	-	-	-	(263,511)	**(263,511)**	-	**(263,511)**
Transactions with owners of the equity									
Employee share option reserve			4,350				**4,350**		**4,350**
Share deposit money received - net	-	-	-	-	-	-	**-**	3,855	**3,855**
Acquisition of treasury shares	-	-	-	(419,988)	-	-	**(419,988)**	-	**(419,988)**
Balance as at June 30, 2025	**898,369**	**304,167**	**269,795**	**(604,727)**	**9,181**	**9,944,402**	**9,922,818**	**3,868**	**10,825,055**

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended June 30, 2025

1. The Group and its Operations

NetSol Group ("the Group") consists of:

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

NetSol Technologies Limited ("the Holding 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 Housing Society, Karachi.	Branch office
3	House No. 4, Safari Villas 1, Bahria Town, Rawalpindi. Pakistan.	Branch office
4	Office # 6, 4th Floor Clover Bay, Unit 407 - 412 Business Bay Dubai, UAE.	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 99.999% (2024: 99.999%) subsidiary of NetSol Technologies Limited. The subsidiary is engaged in the business of providing software development and allied IT services. Registered office of the subsidiary is situated at NetSol IT Village, Lahore Ring Road, Ghazi Road interchange, Lahore Cantt, Pakistan.

NetSol Ascent Middle East Computer Equipment Trading L.L.C. is incorporated in Dubai Emirate 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 Institute of Artificial Intelligence (Private) Limited ("the Subsidiary Company" or "Subsidiary") is incorporated in Pakistan as a Private Limited Company. It is a wholly owned subsidiary of NetSol Innovation (Private) Limited, which holds 100% of its shares. As NetSol Innovation (Private) Limited is itself a wholly owned subsidiary of NetSol Technologies Limited, the Subsidiary effectively becomes an indirect wholly owned subsidiary (100%) of NetSol Technologies Limited, the parent company. The Subsidiary is principally engaged in developing a globally competitive digital workforce by providing specialised education and certifications in high-demand technology areas. It also operates data processing centers, software development centers, and offices, and provides consultancy, data processing, and software development services. Additionally, it imparts training in electronic data processing, computer software, and hardware to customers and others, and is involved in the buying, selling, exporting, and importing of software and hardware, as well as the establishment of incidental infrastructural facilities. The registered office of the Subsidiary is situated at NetSol IT Village, Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt, Pakistan.

The Group is also using the branch office of its parent company NetSol Technologies Inc., situated at Sentral Senayan 2 Building, LT 16 Jl, Asia Afrika No 8, Jakarta 10270, Indonesia.

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

2. Basis of Preparation

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) 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 from requirements of any IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for valuation of certain financial instruments which are carried at fair value / amortized cost as disclosed in respective accounting policies or notes to the consolidated financial statements.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Pak Rupee (Rs.), which is Group's functional as well as presentation currency. All financial information presented in Pak Rupee has been rounded off to the nearest thousand rupees unless stated otherwise.

2.4 Accounting policies

The accounting policies adopted for the preperation of these consolidated 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.

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

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are not expected to have significant impact on the Group's financial statements other than certain additional disclosures.

Standard or Interpretation		Effective Date Annual Periods
		Beginning on or After
- IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2024
- IAS 7	Amendments to IAS 7 "Statement of Cash Flows"	January 1, 2024
- IFRS 7	Amendments to IFRS 7 "Financial Instruments Disclosures"- Supplier Finance Arrangements	January 1, 2024
- IFRS 16	Amendments to IFRS 16 "Leases" - Clarification on how seller-lessee subsequently measures sale and lease back transaction	January 1, 2024

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either irrelevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures:

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended June 30, 2025

Standard or Interpretation		Effective Date Annual Periods
		Beginning on or After
- IAS 21	Ammendments to lack of exchangeability	January 1, 2025
- IFRS S1	General Requirements for Disclosure of Sustainability - Related Financial Information	January 1, 2025
- IFRS S2	Climate - Related Disclosures	January 1, 2025
- IFRS 7 & 9	Ammendments to Classification and Measurement of Financial Instruments - Ammendments to IFRS 7 and 9	January 1, 2026
- IFRS 1, 7, 9, 10 & IAS 7	Annual improvements to IFRS Accounting Standards	January 1, 2026

2.7 Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have yet not been notified locally by the Securities and Exchange Commission of Pakistan (SECP) as at the reporting date:

- IFRS 01 - First-time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosure in Financial Statements
- IFRS 19 - Subsidiaries Without Public Accountability - Disclosures

The management believes that adoption of the new standards, amendments and interpretations, which are in issue but not yet effective, is not likely to have any material impact, on the recognition, measurement, presentation and disclosure of items in the financial statements for current and future periods and foreseeable future transactions.

2.8 Basis of consolidation

The consolidated financial statements include the financial statement of the Holding Company and its Subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

The assets and liabilities of the subsidiaries, have been consolidated on line-by-line basis and the carrying values of the investment held by the holding Company is eliminated against the subsidiary's share capital and pre-acquisition reserves, if any in the consolidated financial statements. Material intra-group balances and transactions are eliminated.

Subsidiaries are all entities (including special purpose entities) over which the Group has the control generally accompanying a shareholding of more than one half of the voting rights.

Subsidiary companies are consolidated from the date on which the Group obtains the control and continue to be consolidated until the date when such control ceases. Generally it is presumed that when more than 50% voting rights are transferred to the Holding Company control of the subsidiary is established.

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to the Holding Company.

3. Use of Estimates and Judgments

The preparation of consolidated financial statements in conformity with approved accounting and reporting 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, 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.

The areas involving higher degree of judgement or complexity included in these financial statements are as follows:

- Provision for expected credit losses on accounts receivable / contract assets - Note 4.17, 10 & 11
- Provision for taxation - Note 4.6
- Useful lives and recoverable amounts of depreciable assets - Note 4.1 & 6
- Useful lives of intangible assets - Note 4.2 & 7
- Contingencies - Note 4.8 & 28
- Leases - Note 5.1 & 22
- Revenue recognition - Note 4.10 & 29
- Long term investment - Note 4.18 & 21
- Fair value of employee share options - Note 4.5 & 20.2

4. Material Accounting Policy Information

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented except stated otherwise.

4.1 Property and equipment

(i) Owned assets

Property and equipment, except for freehold land, are stated at cost less accumulated depreciation and identified impairment losses (if any). Freehold land is stated at cost less any identified impairment loss.

Depreciation is charged by applying straight line method to write off the cost over the remaining useful life of the assets. Rates of depreciation are stated in note 6.1. Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases when the asset is derecognized. Depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of property and equipment is removed from the statement of financial position upon scrapping or disposal or when no future economic benefit is expected from its use, scrapping or disposal.

Day to day maintenance and normal repairs are charged to profit or loss as and when incurred. Gain or loss on scrapping or disposal of assets, if any, is charged to profit or loss. Gain or loss on disposal of assets is the difference between the sale proceeds and the carrying amount of the asset disposed off.

(ii) Right of use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and identified impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated over the shorter of their estimated useful life and the lease term. Right-of-use assets are amortized over the useful life of the assets using straight line method at the rates given in note 6.2. Amortization on additions begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortization of an asset ceases when the asset is derecognized. Right-of-use assets are also subject to impairment.

(iii) Capital work in progress

Capital work in progress is stated at cost less any identified impairment losses. It represents expenditure incurred on property and equipment during construction and installation. Cost also includes applicable borrowing costs under IAS 23. These expenditures are transferred to relevant assets' category as and when assets are available for use.

4.2 **Intangible assets**

Research and software products development

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, it is probable that future economic benefits will flow to the Group, the Group has an intention and ability to complete and use or sell the software and cost can be measured reliably.

There are two components of intangible assets:

a. In-house developed intangible assets

b. Intangible assets acquired from market

(a) In-house developed intangible assets

The Group may capitalize certain computer software development costs in accordance with IAS-38 "Intangible Assets". Costs incurred internally to create a computer software product or to develop an enhancement to an existing product are charged to expense when incurred as research and development expense until technological feasibility for the respective product is established. Thereafter, all software development costs may be capitalized and reported at the lower of unamortized cost or recoverable amount. Capitalization will cease when the product or enhancement is available for general release to customers.

Amortization is charged on straight line basis over the useful life of the intangible assets. All intangible assets with an indefinite useful life are tested for impairment at each reporting date. Rates of amortization are stated in note 7.

(b) Intangible assets acquired from market

Intangible assets acquired from market are stated at cost less accumulated amortization and identified impairment losses, if any.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other expenses are charged to profit or loss when they occur.

Amortization is charged by applying straight line method to write off the cost over the remaining useful life of the intangible assets unless such lives are indefinite. All intangible assets with an indefinite useful life are tested for impairment at each reporting date. Amortization on additions of acquired intangible assets begins when it is available for use, while amortization ceases at the time when the asset is disposed off. Rates of amortization are stated in note 6.1.

4.3 **Impairment of non financial asset**

The Group continually assesses, at each reporting date, whether there is any indication that an asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit or loss for the year. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets' revised carrying amount over its estimated useful life.

4.4 **Foreign currency translation and transaction**

Transactions denominated in foreign currencies are translated in Pak Rupees at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the foreign exchange rates prevailing at the reporting date. Non-monetary assets and liabilities measured at historical cost are translated at the exchange rate prevailing at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the exchange rate prevailing at the date when fair values were determined. All exchange differences are charged to statement of profit or loss.

4.5 **Staff benefits**

(i) Retirement benefits

The Group operates a defined contributory Provident Fund for its permanent employees. Contributions are made equally by the Group and the employee at 8% of basic salary in the Provident Fund on monthly basis. Group's contribution is recognized as a cost in profit or loss. The fund is administrated by the Trustees.

(ii) Short-term benefits

Short-term benefits to employees are calculated without discounting and are recognized as cost when related services are received.

(iii) Employees' share option scheme

The Group operates an equity settled share based Employee' Share Option Scheme ("Scheme"). The fair value of options granted is determined at the grant date and is recognized as employee compensation expense on a straight line basis over the vesting period in profit or loss with corresponding credit to equity as employee compensation reserve. Fair value of options is arrived at using Black Scholes Pricing Model.

When the options are exercised, the proceeds received equivalent to the face value of related shares is credited to share capital and any amount above the share capital is credited to share premium account.

4.6 Taxation

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing laws for taxation of income. The charge for tax on income is calculated at the current rates of taxation as applicable after taking into account tax credit and tax rebates available, if any. Income tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Charge for tax expense also includes adjustments where necessary, relating to prior years which arise from assessments finalized during the current year.

Deferred tax is accounted for using the statement of financial position method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to other comprehensive income in which case it is included in other comprehensive income.

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these consolidated financial statements, except for taxes on dividends on the Group's investments in subsidiaries and associates which are specifically within the scope of IAS 12 and hence, these continue to be categorised as current income tax.

4.7 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and / or services received, whether or not billed to the Group.

Liabilities for trade and other payable in foreign currency are revalued by applying the exchange rate applicable on each reporting date.

4.8 Provisions and contingencies

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

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4.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at current or saving accounts held with banks, fixed deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include facilities of running finance that form an integral part of the Group's cash management.

4.10 Revenue recognition

The Group follows IFRS 15 for the recognition of revenue from all its revenue streams. The Group determines revenue recognition using the following step wise approach:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, a performance obligation is satisfied

The Group records the amount of revenue and related costs by considering whether it is a principal (gross presentation) or an agent (net presentation) by evaluating the nature of its promise to the customer. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer. Revenue is presented net of sales, value-added and other taxes collected from customers and remitted to government authorities.

The Group has two primary revenue streams i.e. core revenue or non-core revenue.

Core revenue:

The Group generates its core revenue from the export of (1) Software Licenses, (2) Services, which include implementation, customization and other consulting services, and (3) Subscription and Support, which includes subscription and post contract support, of its enterprise software solutions for the lease and finance industry. The Group offers its software using both traditional on-premises licensing model and Software as a Service (SaaS) model. The on-premises model involves the sale or license of software on a perpetual basis to customers who take possession of the software and install and maintain the software on their own hardware.

Non-core revenue:

The Group generates its non-core revenue by providing Business Process Outsourcing ("BPO") services and other services (including support services to its local customers).

Performance obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied by transferring the promised services to the customer. The Group identifies the performance obligations at contract inception so that the Group can monitor and account for the performance obligations over the life of the contract.

The Group's contract which contains multiple performance obligations generally consists of the initial sale of licenses and a professional services engagement. Contracts generally have multiple performance obligations as customers purchase maintenance support and services in addition to the licenses. The Group's single performance obligation arrangements are typically maintenance renewals and professional services engagements.

For contracts with multiple performance obligations where the contracted price differs from the standalone selling price ("SSP") for any distinct good or service, the Group may be required to allocate the contract's transaction price to each performance obligation using its best estimate for the SSP.

Information about the Group's performance obligations are summarized below:

a) Software licenses:

Performance obligation is satisfied and revenue from software licenses is recognized at the point in time when transfer of control for software is occurred either upon physical delivery of license through CD, USB or electronically using FTP or delivery of the license key by other electronic methods which provide immediate availability of the product to the customer. The Group's typical payment terms tend to vary by region, but its standard payment terms are within 120 days of invoice.

b) Subscription and support:

Subscription revenue is recognized ratably over the initial subscription period committed to by the customer commencing when the product is made available to the customer. The initial subscription period is typically 12 to 60 months. The Group generally invoices its customers in advance in quarterly or annual installments and typical payment terms provide that customers make payment within 120 days of invoice. Performance obligation against support revenue is recognized ratably over the term of the support period, which in most instances is one year. Software license updates provide customers with rights to unspecified software product updates, maintenance releases and patches released during the term of the support period on a when-and-if available basis. The Group's customers purchase both product support and license updates when they acquire new software licenses. In addition, a majority of customers renew their support services contracts annually and typical payment terms provide that customers make payment within 120 days of invoice.

c) Professional services:

Performance obligation is satisfied and revenue from professional services is recognized over the time and typically comprises implementation, development, customization, enhancements, data migration, training or other consulting services. Consulting services are generally sold on a time-and-materials or fixed fee basis and can include services ranging from software installation to data migration and building non-complex interfaces to allow the software to operate in integrated environments. The Group recognizes revenue from time-and-material arrangements as the services are performed. In fixed fee arrangements, revenue is recognized as services are performed as measured by efforts incurred to date, compared to total estimated efforts to complete the services project. The management applies judgment while estimating efforts to complete the services projects. A number of internal and external factors can affect these estimates, including utilization and efficiency variances and specification and testing requirement changes. Services are generally invoiced upon milestones as agreed in the contract and payments are typically due in 120 days after invoice.

d) BPO services:

Revenue from BPO services is recognized when earned. The Group recognizes revenue on issuance of billing to the customer. Payment terms are upto 120 days after invoice.

e) Miscellaneous income:

Interest on bank deposits is recognized and received on a time proportion basis on the principal amount outstanding and at the rate applicable.

Rental income is recognized on time proportion basis. Payment terms are 30 days.

Dividend is recognized as income when the right of receipt is established. Payment terms are 15 working days after declaration of dividend.

Miscellaneous income is recognized on receipt basis, and is recognised in other income in statement of profit or loss.

Contract modifications

Contract modifications involving changes in scope or price are treated as separate contracts if they add distinct performance obligations at standalone prices. If not, they are either treated as a termination of the existing contract and creation of a new one or, if no new distinct obligations arise, adjustments are made on a cumulative catch-up basis i.e. recognizing in the current period the cumulative effect of changes on current and prior periods according to the revised performance obligations.

Significant judgments

Due to the complexity of certain contracts, the actual revenue recognition treatment required under IFRS 15 for the Group's arrangements may be dependent on contract-specific terms and may vary in some instances.

Judgment is required to determine the stand alone selling price (SSP) for each distinct performance obligation. The Group rarely licenses or sells products on a stand-alone basis, so the Group is required to estimate the range of SSPs for each performance obligation. In instances where SSP is not directly observable because the Group does not sell the license, product or service separately, the Group determines the SSP using information that may include market conditions and other observable inputs. In making these judgments, the Group analyzes various factors, including its pricing methodology and consistency, size of the arrangement, length of term, customer demographics and overall market and economic conditions. Based on these results, the estimated SSP is set for each distinct product or service delivered to customers.

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The stand-alone selling price of the licenses was measured primarily through an analysis of pricing that management evaluated when quoting prices to customers. Although the Group has no history of selling its software separately from support and other services, the Group does have historical experience with amending contracts with customers to provide additional modules of its software or providing those modules at an optional price. This information guides the Group in assessing the stand-alone selling price of the Group's software, since the Group can observe instances where a customer had a particular component of the Group's software that was essentially priced separate from other goods and services that the Group delivered to that customer.

The Group recognises revenue from implementation and customization services using percentage of estimated "man-days" that the work requires. The Group believes the level of effort to complete the services is best measured by the amount of time (measured as an employee working for one day on implementation/customization work) that is required to complete the implementation or customization work. The Group continuously reviews its estimate of man-days required to complete implementation and customization services.

Revenue is recognized over time for the Group's subscription, support and fixed fee professional services that are separate performance obligations. For the Group's professional services, revenue is recognized over time, generally using man-days expended to measure progress. Judgement is required in estimating project status and efforts necessary to complete projects. A number of internal and external factors can affect these estimates, including man-day rates, utilization, specification variances and testing requirement changes.

If a group of agreements are entered at or near the same time and so closely related that they are, in effect, part of a single arrangement, such agreements are deemed to be combined as one arrangement for revenue recognition purposes. The Group exercises significant judgment to evaluate the relevant facts and circumstances in determining whether agreements should be accounted for separately or as a single arrangement. The Group's judgments about whether a group of contracts comprise a single arrangement can affect the allocation of consideration to the distinct performance obligations, which could have an effect on results of operations for the periods involved.

If a contract includes variable consideration, the Group exercises judgment in estimating the amount of consideration to which the entity will be entitled in exchange for transferring the promised goods or services to a customer. When estimating variable consideration, the Group will consider all relevant facts and circumstances. Variable consideration will be estimated and included in the contract price only when it is probable that a significant reversal in the amount of revenue recognized will not occur.

Practical expedients and exemptions

There are several practical expedients and exemptions allowed under IFRS 15 that impact timing of revenue recognition and the Group's disclosures. Below is a list of practical expedients the Group applied in the adoption and application of IFRS 15:

a) The Group does not evaluate a contract for a significant financing component if payment is expected within one year or less from the transfer of the promised items to the customer.

b) The Group generally expenses sales commissions and sales agent fees when incurred when the amortization period would have been one year or less. These costs are recorded within sales and marketing expense in the statement of profit or loss.

c) The Group does not disclose the value of unsatisfied performance obligations for contracts that have an original expected duration of one year or less.

d) The Group does not disclose the value of unsatisfied performance obligations for contracts for which the Group recognizes revenue at the amount to which it has the right to invoice for services performed (applies to time-and-material engagements).

4.11 Costs to obtain a contract

The Group does not have a material amount of costs to obtain a contract capitalized at any reporting date. In general, the group incurs few direct incremental costs for obtaining new customer contracts. We rarely incur incremental costs to review or otherwise enter into contractual arrangements with customers. In addition, our sales personnel receive fees that we refer to as commissions, but that are based on more than simply signing up new customers. Our sales personnel are required to perform additional duties beyond signing of new deals, including account management of customers and cash collection efforts.

4.12 Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group has satisfied the performance obligation, either in full or partially, by transferring services to a customer before the invoice is issued or payment is due, a contract asset is recognized for the earned consideration that is conditional.

4.13 Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 4.17 (i) Financial instruments – initial recognition and measurement.

4.14 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer in advance or an amount of consideration is due. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the amount is received or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

4.15 Related party transactions

The Group enters into transactions with related parties at an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods, except in extremely rare circumstances where, subject to approval of the Board of Directors, it is in the best interest of the Group to do so.

4.16 Off-setting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amount and the Group intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

4.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The Group initially measures a financial asset at its fair value plus transaction cost. In the case of a financial asset not at fair value through profit or loss at its fair value.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments).
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon
  derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

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Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's statement of financial position) when rights to receive cash flows from the asset have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures, for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment, based on the groupings for various customers segments that have similar patterns (i.e. by geography and customer wise).

(ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the consolidated statement of profit or loss when liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Other financial liabilities are also subsequently measured at amortized cost using the EIR method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and recognition of a new liability. Difference in the respective carrying amounts is recognized in the statement of profit or loss.

4.18 Investments

Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate is accounted for using the equity method.

Under the equity method, investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group, unless otherwise stated. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group periodically determines whether it is necessary to recognize any impairment loss on its investment in its associate or not. The Group determines on annual basis whether there is any objective evidence that the investment in associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss within 'Share of profit or loss of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

4.19 Earnings per share

The Group presents both basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjustment) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

4.20 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the consolidated financial statements in the period in which these are approved. However, if they are approved after the reporting period but before the financial statements are authorized for issue they are disclosed in the notes to the consolidated financial statements.

4.21 Segment reporting

The chief operating decision-maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Senior Management Team that makes strategic decisions. The management has determined the operating segments based on the reports reviewed by CODM of the Group. For management purposes, the Group is organized into operating segments based on their products and services. Each operating segment has a manager responsible for the operations who periodically reports to the CODM the outcome of the operating segment's efforts and its resource requirements. Additional disclosures on each of these segments are shown in Note # 46 & 47, including the factors used to identify the reportable segments and the measurement basis of segment information.

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended June 30, 2025

5. Summary of Other Accounting Policies

5.1 Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal & termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or to terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal & termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

5.2 Advances and deposits

These are recognized at nominal amount which is fair value of considerations to be received in future.

5.3 Borrowing costs

Borrowing costs directly attributable to the construction / acquisition of qualifying assets are capitalized up to the date, including the period when technical and administrative work is carried on; the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the statement of profit or loss currently. Qualifying assets are assets that necessarily take substantial period of time to get ready for their intended use.

5.4 Fair value

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transaction; reference to the current market value of another instrument, which has substantially similar characteristics, discounted cash flow analysis or other valuation models.

	NOTE	2025	2024
		Rupees in Thousands	
6. Property and Equipment			
Operating fixed assets	6.1	**1,173,580**	1,213,944
Right of use assets	6.2	**-**	4,104
Capital work in progress		**53,532**	3,134
		1,227,112	1,221,182

6.1 Operating fixed assets

2025											
Description	COST				DEPRECIATION						Written down value as at Jun 30, 2025
	As at July 01, 2024	Additions	(Disposals)	As at June 30, 2025	Rate	As at July 01, 2024	(Disposals)	Adjust-ments	For the Year	As at June 30, 2025	
	Rupees in Thousands				%	Rupees in Thousands					
Year Ended June 30, 2025											
Tangible assets											
Land - freehold	254,229	-	-	254,229	-	-	-	-	-	-	254,229
Building on freehold land	952,561	-	-	952,561	5	434,698	-	-	32,366	467,064	485,497
Furniture and fixtures	60,031	4,223	(594)	63,660	10	42,949	(582)	-	4,852	47,219	16,441
Vehicles	411,869	30,390	(11,151)	431,108	20	267,165	(7,897)	5,596	66,798	331,662	99,446
Office equipment	94,746	15,514	-	110,260	10	62,946	-	-	7,379	70,325	39,935
Computer equipment and installations	874,314	126,112	(7,127)	993,299	20-33	746,142	(7,127)	-	119,403	858,418	134,881
Air conditioners	72,728	3,848	-	76,576	10	57,374	-	-	5,138	62,512	14,064
Electric fittings	49,371	-	-	49,371	10	43,720	-	-	5,651	49,371	-
Generators	48,721	-	-	48,721	10	38,597	-	-	2,115	40,712	8,009
	2,818,570	180,087	(18,872)	2,979,785		1,693,591	(15,606)	5,596	243,702	1,927,283	1,052,502
Intangible assets											
Computer softwares	227,510	105,119	(49,571)	283,058	33	138,545	(49,571)	-	73,006	161,980	121,078
	3,046,080	**285,206**	**(68,443)**	**3,262,843**		**1,832,136**	**(65,177)**	**5,596**	**316,708**	**2,089,263**	**1,173,580**

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended June 30, 2025

2024											
Description	COST				DEPRECIATION						Written down value as at Jun 30, 2024
	As at July 01, 2023	Additions	(Disposals)	As at June 30, 2024	Rate	As at July 01, 2023	(Disposals)	Adjust-ments	For the Year	As at June 30, 2024	
	Rupees in Thousands				%	Rupees in Thousands					
Year Ended June 30, 2024											
Tangible assets											
Land - freehold	254,229	-	-	254,229	-	-	-	-	-	-	254,229
Building on freehold land	952,561	-	-	952,561	5	402,331	-	-	32,367	434,698	517,863
Furniture and fixtures	74,680	4,464	(19,113)	60,031	10	55,281	(18,931)	-	6,599	42,949	17,082
Vehicles	504,833	43,780	(136,744)	411,869	20	246,303	(60,414)	2,243	79,033	267,165	144,704
Office equipment	91,446	3,300	-	94,746	10	55,284		-	7,662	62,946	31,800
Computer equipment and installations	835,831	38,822	(339)	874,314	20-33	608,468	(287)	-	137,961	746,142	128,172
Air conditioners	71,668	1,060	-	72,728	10	50,589	-	-	6,785	57,374	15,354
Electric fittings	49,371	-	-	49,371	10	38,069	-	-	5,651	43,720	5,651
Generators	58,191	4,675	(14,145)	48,721	10	48,284	(14,145)	-	4,458	38,597	10,124
	2,892,810	96,101	(170,341)	2,818,570		1,504,609	(93,777)	2,243	280,516	1,693,591	1,124,979
Intangible assets											
Computer softwares	199,655	27,855	-	227,510	33	74,764	-	-	63,781	138,545	88,965
	3,092,465	**123,956**	**(170,341)**	**3,046,080**		**1,579,373**	**(93,777)**	**2,243**	**344,297**	**1,832,136**	**1,213,944**

	NOTE	2025	2024
		Rupees in Thousands	
6. 1.1 Depreciation charge for the year has been allocated as under:			
Cost of revenue	30	**237,485**	258,198
Selling and promotional expenses	31	**16,513**	18,072
Administrative expenses	32	**62,710**	68,027
		316,708	344,297

6.1.2 Owned assets include vehicles amounting to Rs. 26.26 million obtained from First Habib Modaraba under finance facility (2024: Rs. 26.84 million).

6.1.3 Particulars of fixed assets disposed off during the year having individual book value exceeding Rs. 500,000 or more are as follows:

2025							
Particulars	Cost	Net Book Value	Sales Proceeds	Gain	Mode of Disposal	Particulars of Purchaser	Relationship
	Rupees in Thousands						
Vehicle	9,722	3,241	14,100	10,859	Open market	Zia Ullah	None

2024							
Particulars	Cost	Net Book Value	Sales Proceeds	(Loss) / Gain	Mode of Disposal	Particulars of Purchaser	Relationship
	Rupees in Thousands						
Vehicle	49,858	34,107	32,400	(1,707)	Open market	Umer Bajwa	None
Vehicle	2,987	531	2,940	2,409	Company policy	Amir Chaudhry	Employee
Vehicle	16,235	10,823	17,000	6,177	Open market	Sameer Khalid	None
Vehicle	28,050	8,415	20,500	12,085	Open market	Muhammad Tayyab	None
Vehicle	37,428	22,457	30,500	8,043	Company policy	Salim Ullah Ghauri	Director
	134,558	**76,333**	**103,340**	**27,007**			

6.1.4 Particulars of immovable assets (i.e. land and buildings) of the Group are as follows:

Location	Address	Total Area (Square feet)	Covered Area (Square feet)
Lahore	NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.	149,738	140,631
Lahore	House No. 4, Cricketers Colony, NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.	1,750	2,430
Lahore	House No. 5, Cricketers Colony, NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.	1,750	2,430
Lahore	House No. 6, Cricketers Colony, NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.	1,750	2,430
Lahore	House No. E - 20, Cricketers Colony, NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.	1,575	2,095
Karachi	43/1/Q, Amna Villa 1, Block-6, PECHS Housing Society, Karachi	4,500	13,500

6.2 Right of Use Assets

2025									
Description	COST				DEPRECIATION				Written down value as at June 30, 2025
	As at July 01, 2024	(Disposals)	As at June 30, 2025	Rate	As at July 01, 2024	(Disposals)	For the Year	As at June 30, 2025	
	Rupees in Thousands			%	Rupees in Thousands				
Vehicles	9,093	(9,093)	-	20	4,989	(5,596)	607	-	-

2024									
Description	COST				DEPRECIATION				Written down value as at June 30, 2024
	As at July 01, 2023	(Disposals)	As at June 30, 2024	Rate	As at July 01, 2023	(Disposals)	For the Year	As at June 30, 2024	
	Rupees in Thousands			%	Rupees in Thousands				
Vehicles	13,366	(4,273)	9,093	20	4,986	(2,243)	2,246	4,989	4,104

	NOTE	2025	2024
		Rupees in Thousands	
6.2.1 Depreciation charge for the year has been allocated as under:			
Cost of revenue	30	456	1,685
Selling and promotional expenses	31	30	112
Administrative expenses	32	121	449
		607	2,246
7. Intangible Assets			
Cost	7.1	2,935,037	2,935,037
Accumulated amortization		(2,935,037)	(2,935,037)
Net book value		-	-
The reconciliation of net book value is as follows:			
Opening balance		-	40,386
Amortization charge for the year	7.2	-	(40,386)
Closing balance		-	-
Amortization rate per annum		10%	10%

7.1 NetSol Financial Suite and NFS - Ascent have been fully amortized; however, the Group is still generating revenues from the sale of its licenses, provision of allied services and maintenance.

7.2 The amortization of intangible assets is allocated to the Cost of Revenue (Note 30).

	NOTE	2025	2024
		Rupees in Thousands	
8. Long Term Contract Assets			
Considered good - unsecured		198,625	77,927
Less: discounting of contract asset		(55,567)	(25,290)
		143,058	52,637

8.1 This represents unbilled receivables arising from the recognition of revenue under a long-term contract, in accordance with IFRS 15 "Revenue from Contracts with Customers".

	NOTE	2025	2024
9. Long Term Loans to Employees			
Loan to executives - unsecured		23,877	42,229
Less: current portion		(15,287)	(19,369)
		8,590	22,860

9.1 These loan are provided to employees as per the Group's policy.

9.2 These are carried at cost as the effect of carrying these balances at amortized cost would not be material in the overall context of these financial statements.

9.3 These executive employees do not include any directors.

	NOTE	2025	2024
10. Trade Debts			
Related Parties			
Considered good - unsecured	10.2	5,036,394	4,674,987
Considered doubtful - unsecured		225,827	278,192
		5,262,221	4,953,179
Other Parties			
Considered good - unsecured		832,740	651,997
Considered doubtful - unsecured		102,054	2,405
		934,794	654,402
Less: Provision against expected credit losses	10.1	(327,881)	(280,597)
		5,869,134	5,326,984
10.1 Movement of provision against expected credit losses			
Opening balance		280,597	356,271
Add: Credit loss allowance for the year		47,284	-
		327,881	356,271
Less: Reversal of credit loss allowance		-	(75,674)
Closing balance		327,881	280,597

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended June 30, 2025

		NOTE	2025	2024
			Rupees in Thousands	
10.2	**Amount receivable from related parties included in trade debts (from exports) are as under:**			
	NetSol Technologies (Thailand) Limited		-	61,866
	NetSol Technologies (Beijing) Co., Ltd.		3,013,655	3,267,132
	NetSol Technologies Australia Pty Limited		425,819	715,896
	NetSol Technologies Americas Inc.		796,046	422,801
	NetSol Technologies Europe Limited		33,803	25,589
	Ascent Europe Limited		992,898	433,302
	Tianjin NuoJinZhiCheng Co., Ltd.		-	26,593
			5,262,221	4,953,179
	Less: Provision for expected credit losses		(225,827)	(278,192)
			5,036,394	4,674,987
10.3	**Aging of outstanding balances of related parties as at June 30, 2025 is as under:**			
	Not past due		1,578,042	1,323,360
	Past due 1-180 days		978,442	838,954
	Past due 181 days -1 year		1,983,915	1,281,040
	More than one year		721,822	1,509,825
			5,262,221	4,953,179

10.4 Maximum aggregate amount outstanding from related parties at any time during the year was Rs. 5,290.71 million (2024: Rs. 4,991.58 million).

11. Contract Assets

		NOTE	2025	2024
	Considered good - unsecured	11.1	2,542,057	1,787,247
	Considered doubtful - unsecured		297,507	54,097
			2,839,564	1,841,344
	Less: Provision for expected credit losses	11.3	(297,507)	(54,097)
			2,542,057	1,787,247

11.1 This represents unbilled debtors arising due to recognition of revenue as per IFRS 15 "Revenue from Contracts with Customers".

11.2 There is a net increase of Rs. 755 million in contract assets as compared to last year (2024: decrease of Rs. 192 million). The explanation of significant changes is as follows:

			2025	2024
	Opening balance		1,787,247	1,979,310
	Add: Revenue recognized		5,458,905	5,640,022
	Less: Invoices raised		(4,594,656)	(5,742,889)
	Balance transferred from long term portion to short term portion		39,781	-
	Add: Foreign exchange gain / (loss)		94,190	(65,282)
	Less: Provision for expected credit losses		(243,410)	(23,914)
	Closing balance		2,542,057	1,787,247
11.3	**Movement of provision against expected credit losses**			
	Opening balance		54,097	30,183
	Add: Expected credit loss allowance		243,410	23,914
	Closing balance		297,507	54,097

	Note	2025	2024
		Rupees in Thousands	
12. Loans and Advances			
Considered good - unsecured			
Current portion of loans to executives		**15,287**	19,369
Advances to employees:			
- against salaries		**1,439**	2,350
- against expenses	12.1	**25,385**	96,709
		42,111	118,428

12.1 These advances are given to meet business expenses and are settled as and when the expenses are incurred.

		2025	2024
13. Deposits and short term prepayments			
Security deposits		**7,090**	3,983
Prepayments		**222,261**	112,718
		229,351	116,701
14. Other Receivables			
Guarantee margin		**15,337**	7,000
Other receivables - considered good	14.1	**111,794**	47,026
		127,131	54,026

14.1 This includes receivables from Ignite amounting to Rs. 59.16 million (2024: Nil) for the National Incubation Centre – Lahore (NIC) project, and Rs. 34.85 million (2024: Rs. 35.01 million) receivable from Ignite for the National Incubation Centre for Aerospace Technologies (NICAT) project, relating to their respective agreements for collaborative projects and services under incubation and innovation initiatives.

		2025	2024
15. Due from Related Party			
Considered good - unsecured			
Parent	15.1		
NetSol Technologies Inc.		-	80,086
Associates	15.1		
NetSol Technologies Americas Inc.		**54,595**	103,556
NetSol Connect (Private) Limited		**17,455**	13,858
NetSol Technologies (Thailand) Limited		-	27,938
NetSol Technologies (Beijing) Co., Ltd.		**115,741**	260,490
OTOZ Thailand Limited		-	28,398
Tianjin NuoJinZhiCheng Co., Ltd.		-	70
		187,791	514,396

15.1 These relate to normal course of business of the Group and are interest free.

15.2 Maximum aggregate amount outstanding from related parties at any month-end during the year was Rs. 784.64 million (2024: Rs. 576.99 million).

15.3 The balances with related parties are maintained on a running account basis; therefore, age analysis of amounts due from related parties is not practically possible.

	2025	2024
16. Prepaid Tax Asset		
Opening balance	**35,730**	6,388
Add: Tax deducted at source / paid during the year	**150,546**	126,637
Less: Levy / final tax charged during the year	**(166,608)**	(97,295)
Closing balance	**19,668**	35,730

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended June 30, 2025

	NOTE	2025	2024
		Rupees in Thousands	
17. Short Term Investment			
Askari Bank Limited - Term Deposit Receipt	17.1	**200,000**	-

17.1 These carry markup ranging from 7% to 12% per annum (2024 : Nil) and have maturity of one month from the date of initial recognition with auto rollover. Lien is marked in favour of Lahore High Court on the term deposit receipt.

	NOTE	2025	2024
18. Cash and Bank Balances			
Cash in hand		**3,510**	24,785
Bank balances:			
In local currency:			
- Saving accounts	18.1	**3,055,674**	4,038,632
- Current accounts	18.2	**246,449**	151,355
		3,302,123	4,189,987
In foreign currency:			
- Saving accounts	18.1	**-**	115,758
- Current accounts	18.2	**462,264**	338,632
		462,264	454,390
		3,767,897	4,669,162

18.1 Balances in saving accounts include Rs. 2,086.18 million (2024: Rs. 1,939.38 million) maintained in Shariah compliant banks.

18.2 Balances in current accounts include Rs. 86.22 million (2024: Rs. 435.12 million) maintained in Shariah compliant banks.

18.3 Balances in savings accounts carry mark up at 2.78% to 19.28% per annum (2024: 6.5% to 20.55% per annum).

18.4 The above figures reconcile to the amount of cash and cash equivalents shown in the statement of cash flow.

19. Issued, Subscribed and Paid up Capital

2025	2024		NOTE	2025	2024
No. 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

19.1 Number of shares outstanding as at the reporting date:	NOTE	No. of Shares in Thousands	
Opening balance		**89,837**	89,837
Treasury shares of Rs. 10 each purchased at market value	19.7	**(4,690)**	(2,000)
Closing balance		**85,147**	87,837

19.2 No shares have been further issued / cancelled during the year.

19.3 All ordinary shares rank equally with regard to residual assets of the Group. Ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Group. Voting and other rights are in proportion to the shareholding.

19.4 NetSol Technologies Inc. 16000 Ventura Boulevard STE 770 ENCINO CA 91436, USA is the parent company, holding 69.76% (2024: 67.62%) of issued capital of the Group.

19.5 The Group is not subject to any externally imposed capital requirements.

19.6 There are 3 million outstanding options to subscribe for ordinary shares of the Group granted under the employee share option scheme as disclosed in Note 20.2 . During the year, no shares (2024: Nil) were issued against options exercised.

19.7 The share capital includes 4,690,251 ordinary shares (5.22% of its outstanding ordinary shares) held as treasury shares by the Group, out of which 2,000,000 were bought back in financial year 2022 and 2,690,251 are bought back during the financial year 2025. These treasury shares are held in CDC blocked account in freezed form. These are not entitled to any voting right, cash dividend or any other distribution made by the Group. No sale or disposal of treasury shares has been made during the financial year.

	NOTE	2025	2024
		Rupees in Thousands	
20. Reserves			
Capital reserve			
Share premium	20.1	**304,167**	304,167
Employee share option compensation reserve	20.2	**269,795**	265,445
Foreign currency translation reserve		**9,181**	544
Treasury share reserve	20.3	**(604,727)**	(184,739)
		(21,584)	385,417
Revenue reserve			
Unappropriated profit		**9,944,402**	8,822,648
		9,922,818	9,208,065

20.1 This reserve can be utilized by the Group only for the purposes specified in Section 81(2) of the Companies Act, 2017.

20.2 Movement in employee stock option scheme

	2025	2024
Balance as at the beginning of the year	**265,445**	254,359
Compensation expense booked during the period	**4,350**	11,086
Balance at the end of the year	**269,795**	265,445

Description of scheme

As per the approved employee stock option scheme, the Board and the compensation committee granted three million stock options to employees on December 27, 2021 at a grant price of Rs. 77.84 per option. No amount is paid or payable by any employee on receipt of the option. No option carries the right to vote or dividend. According to the scheme, 50% of the options will become exercisable after completion of 12 months from date of grant, another 30% of the granted option after completion of 24 months from the grant date and the remaining 20% of the granted option will become exercisable after completion of 36 months from the date of grant. The options are exercisable within a period of 10 years with un-exercised options to lapse on December 27, 2031.

Measurement of fair value

The Group uses "Black Scholes Pricing Model" to determine the fair value of options at the grant date. Fair value at grant date of the equity settled share based arrangement was calculated using the following assumptions.

	2025	2024
Total number of options granted	**3,000,000**	3,000,000
Per option fair value at the grant date	**Rs. 14.82**	Rs. 14.82
Average 30 days per share price preceding the date of grant	**Rs. 96.79**	Rs. 96.79
Exercise price per option	**Rs. 77.84**	Rs. 77.84
Annual rate of quarterly dividends	**13.50%**	13.50%
Discount Rate - bond equivalent yield	**11.80%**	11.80%
Annual volatility	**55.08%**	55.08%

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Movement in employee share options during the year:

	2025		2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding at the beginning of the year	3,000	-	3,000	-
Options granted during the year	-	-	-	-
Options outstanding at the end of the year	3,000	-	3,000	-

Out of the total 3 million options granted, the directors and executives are entitiled to 1.625 million (2024: 1.625 million) and 1.335 million (2024: 1.335 million) options respectively.

20.3 This represents the cost of the treasury shares held by the Group. As at 30 June 2025, the Group held 4.69 million treasury shares (2024: 2 million)

	NOTE	2025	2024
		Rupees in Thousands	
Opening balance		(184,739)	(184,739)
Treasury shares purchased at market value during the year		(419,988)	-
Closing balance		(604,727)	(184,739)
21. Long Term Financing			
Loan obligation	21.1	21,771	15,820
Less: Current portion of long term financing		(8,428)	(13,124)
		13,343	2,696

21.1 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 and carries mark up at rates ranging between 12.27% to 21.49% (2024: 22.71% to 24.16%) per annum. These facilities are secured through lien marking in favor of financial institution.

22. Lease Liabilities - Secured		
Opening balance	972	4,327
Add: Interest expense	45	925
Less: Payments made	(1,017)	(4,280)
Gross liability	-	972
Less: Current portion	-	(972)
Closing balance	-	-

22.1 The summary of amounts relating to leases charged in different line items of the financial statements is as follows:

	Included in			
Carrying amount of right of use assets	Statement of financial position	6.2	-	4,104
Depreciation charge	Statement of profit or loss	6.2.1	607	2,246
Interest expense	Finance cost	34	45	630

22.2 Maturity analysis of contractually undiscounted cash flows

	Within One Year	Between Two to Five Years	Later than Five Years
	Rupees in Thousands		
At June 30, 2025	-	-	-
At June 30, 2024	1,017	-	-

22.3 Nature of leasing activities

The Group's leases comprise vehicles taken from Askari Bank Limited for employees. Present value of minimum lease payments have been discounted at an implicit interest rate ranging between 21.49% to 23.24% per annum (2024: 22.71% to 24.16%). The lessee has the option to purchase the assets after expiry of the lease term.

	NOTE	2025	2024
		Rupees in Thousands	
23. Long Term Advances			
Unsecured			
Long term advances - Against Vehicles	23.1	**5,415**	1,995

23.1 This represents advance received from an Executive amounting to Rs. 5.42 million (2024: Rs. 1.995) against purchase of motor vehicles. This advance shall be adjusted against the future sale of the vehicle.

23.2 These are carried at cost as the effect of carrying these balances at amortized cost would not be material in the overall context of these financial statements.

	NOTE	2025	2024
24. Trade and Other Payables			
Creditors - unsecured	24.1	**19,606**	29,038
Accrued liabilities		**676,338**	614,835
Interest accrued - secured		**26,278**	13,597
Due to related parties - unsecured	24.2	**186,696**	6,858
Withholding tax payable		**76,740**	53,428
Sales tax payable	24.3	**15,241**	5,017
Provident fund payable		**58,292**	25,132
Other payables	24.4	**114,601**	15,435
		1,173,792	763,340

24.1 Creditors include Rs. 1.08 million (2024: Rs. 1.08 million) payable to a related party HospitAll (Private) Limited against provision of medical services.

24.2 This represents due to related parties in the normal course of business:

	2025	2024
Parent		
NetSol Technologies Inc.	**165,056**	-
Associates		
NetSol Technologies Australia Pty. Limited	**21,169**	5,562
NetSol Technologies (Thailand) Limited	**471**	-
OTOZ Inc.	**-**	1,296
	186,696	6,858

24.3 This includes Rs. 9.38 million (2024: Rs. 0.45 million) payable in respect of value added tax (VAT) payable to South African tax authorities on invoices raised to a foregin customer.

24.4 It includes Rs. 107.76 million (2024: Nil) and Rs. 6.26 million (2024: Rs. 12.81 million) payable on behalf of the National Incubation Centre - Lahore (NIC) and the National Incubation Centre for Aerospace Technologies (NICAT), respectively, as per the terms of their respective agreements.

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended June 30, 2025

	NOTE	2025	2024
		Rupees in Thousands	
25. Contract Liabilities			
Opening balance		**1,446,955**	1,124,654
Add: Invoices raised		**3,152,888**	4,212,223
Less: Revenue recognized		**(4,446,514)**	(3,889,922)
Closing balance	25.1	**153,329**	1,446,955

25.1 This represents subscription & support and services fee invoiced in advance which are transferred to revenue over time.

	NOTE	2025	2024
26. Short Term Borrowings			
Askari Bank Limited - ERF - II	26.1	**500,000**	500,000
Samba Bank Limited - ERF - II	26.2	**380,000**	380,000
Habib Metropolitan Bank Limited - Istisna / Al Bai - Islamic Banking	26.3	**1,300,000**	700,000
		2,180,000	1,580,000

26.1 Export refinance (ERF)/FAPC I & II, running finance and Letter of guarantee facilities available from Askari Bank Limited under mark-up arrangements amount to Rs. 675 million (2024: Rs. 575 million) towards the pre & post shipment and working capital requirements. Mark up on ERF facility is charged at SBP rate + 1% (2024: SBP rate + 1%) and markup on running finance facility is charged at 3 months KIBOR + 2% (2024: 3 months KIBOR + 2%) per annum. These are secured by first joint pari passu charge on present and future assets, mortgage on property of the Group and personal guarantees of directors. The unutilized portion in respect of these facilities amounts to Rs. 104.05 million (2024: Rs. 57 million). Corporate credit cards facility amounting to Rs. 10 million as a sublimit of running finance (2024: Rs. 10 million) is also available for the Group.

An additional Guarantee limit of PKR 200 million has been sanctioned during the year for issuance of a continuing/ open ended guarantee favoring the Honorable Lahore High Court against 100% cash margin in the form of interest bearing Term Deposit Receipt under lien with the Bank.

26.2 ERF part I & II / LAPC from own source facility available from Samba Bank Limited under mark-up arrangements amount to Rs. 380 million (2024: Rs. 380 million) towards the working capital needs. Mark up is charged at SBP rate + 1% (2024: SBP rate + 1%) per annum. These facilities are secured by first joint pari passu charge on present and future assets, mortgage on property of the Group and personal guarantees of directors.

26.3 IERF - I & II (Istisna / Al Bai / Working Capital Musharakah), Working Capital Musharakah and Letter of guarantee facilities available from Habib Metropolitan Bank Limited under mark-up arrangements amount to Rs. 1,500 million (2024: Rs. 1,500 million) towards the working capital requirements. Mark up is charged at SBP rate + 1% (2024: SBP rate + 1%) per annum. These facilities are secured by first joint pari passu charge on present and future assets, mortgage on property of the Group and personal guarantees of directors. An independent diminishing musharakah facility is also available amounting to Rs. 200 millon. Mark up is charged at 3 months Kibor + 0.75% (2024: 3 months Kibor + 0.75%) per annum.The unutilized portion in respect of above facilities amounts to Rs. 396.51 (2024: Rs. 947.08 million).

26.4 Finance Against Packing Credit facility - Own source / FAPC I & II (pre / post) SBP is available from Bank Al Habib Limited under mark-up arrangement amounts to Rs. 400 million (2024: Rs. 400 million) towards the working capital requirements. Mark up is charged at 3 months KIBOR + 1% against FAPC - own source (2024: 3 months KIBOR + 1%) per annum wheras applicable mark up rate for FAPC I & II (pre / post) SBP is charged at SBP rate + 1% (2024: SBP rate + 1%). These are secured by first joint pari passu charge on present and future assets, mortgage of property of the Group and personal guarantees of directors. These facilities have yet not been utilized as at the reporting date.

	NOTE	2025	2024
27. Current portion of non current liabilities			
Current portion of long term financing	21	8,428	13,124
Current portion of lease liability	22	-	972
		8,428	14,096

28. Contingencies and Commitments

28.1 Contingencies

28.1.1 Mr. Ahsan Zubair, a former employee of the Group, had filed a case in January 26, 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 Group 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 Group.

The learned Civil Court passed an order partially allowing damages to the tune of Rs. 200 million. The Group, 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 Group upon submission of a surety equal to the decretal amount, which was duly provided by the Group 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 and based on the opinion of the Group's legal consultant, the case is expected to be decided in favor of the Group. Therefore, no provision has been incorporated in these financial statements.

28.1.2 On Janaury 10, 2025, the Group filed a writ petition in the Islamabad High Court to challenge the viries of section 4C of the Income tax Ordinance 2001. The petition was allowed and stay granted by the Court. The Department consequently filed Intra Court Appeal (ICA) before the Division Bench of Islamabad High Court which was subsequently transferred to the Supreme Court of Pakistan by the order of the Constitutional Bench of the Supreme Court, where the ICA is pending decision.

In light of the facts and circumstances of the case and according to the tax advisor of the Group, the outcome of the case is expected to be in favor of the Group. Therefore, no provision has been incorporated in these financial statements.

28.1.2 Commitments

(i) Bank guarantees have been issued amounting to Rs. 264.44 million (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 Group has a capital commitment of Rs. 73.90 million as at June 30, 2025 (2024: Rs. 1.32 million).

	2025	2024
	Rupees in Thousands	
29. Revenue from Contracts with Customers - Net		
Disaggregated Revenue Information		
Set out below is the disaggregation of the Group's revenue from contracts with customers:		
Export Revenue		
- License	137,193	802,390
- Services	4,476,241	4,041,032
- Subscription and Support	5,240,347	4,659,473
	9,853,781	9,502,895
Local Revenue		
- Services	34,942	41,877
- Subscription and Support	21,946	38,844
Less: Sales tax	(5,250)	(3,980)
	51,638	76,741
	9,905,419	9,579,636

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended June 30, 2025

		NOTE	2025	2024
			Rupees in Thousands	
29.1	Amount of revenue recognized from opening balance of contract liabilities:			
	Opening balance of contract liabilities	25	**1,446,955**	1,124,654
	Revenue recognized		**1,434,753**	1,124,654
29.2	The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at June 30, are as follows:			
	- Within one year		**3,490,665**	3,105,399
	- More than one year		**1,029,081**	1,375,950
			4,519,746	4,481,349
29.3	**Timing of revenue recognition:**			
	- At a point in time		**137,193**	802,390
	- Over the time		**9,768,226**	8,777,246
			9,905,419	9,579,636
30	**Cost of Revenue**			
	Salaries and benefits	30.1	**3,997,840**	3,724,349
	Software licenses		**476,848**	372,557
	Staff training		**2,534**	3,348
	Rent, rates and taxes	30.2	**537**	3,216
	Travelling and conveyance		**326,087**	457,298
	Communication		**70,817**	76,218
	Utilities		**69,719**	81,783
	Printing and stationery		**1,763**	1,625
	Entertainment		**84,505**	73,113
	Insurance		**1,498**	1,373
	Vehicle running and maintenance		**221,736**	255,122
	Repairs and maintenance		**58,964**	43,083
	Fees and subscription		**515**	635
	Depreciation	6.1.1	**237,485**	258,198
	Depreciation of right of use assets	6.2.1	**456**	1,685
	Amortization of intangible assets	7	**-**	40,386
			5,551,304	5,393,989

30.1 Salaries and benefits include Rs. 169.28 million (2024 : Rs. 153.15 million) in respect of retirement benefits.

30.2 This represents amount paid in respect of short term leases.

	NOTE	2025	2024
		Rupees in Thousands	
31. Selling and Promotional Expenses			
Salaries and benefits	31.1	**605,647**	455,835
Staff training		**817**	840
Rent, rates and taxes	31.2	**5,589**	25,823
Travelling and conveyance		**149,837**	121,884
Fee and Subscription		**8,309**	672
Communication		**5,889**	4,188
Utilities		**4,223**	3,203
Printing and stationery		**332**	615
Entertainment		**8,696**	5,794
Insurance		**2,038**	1,661
Vehicle running expenses		**18,845**	17,682
Repairs and maintenance		**5,195**	2,643
Commission on sales		**276,124**	261,706
Sale promotional expenses		**39,190**	36,333
Depreciation	6.1.1	**16,513**	18,072
Depreciation of right of use assets	6.2.1	**30**	112
		1,147,274	957,063

31.1 Salaries and benefits include Rs. 22.50 million (2024 : Rs. 11.06 million) in respect of retirement benefits.

31.2 This represents amount paid in respect of short term leases.

	NOTE	2025	2024
32. Administrative Expenses			
Salaries and benefits	32.1	**935,362**	837,129
Staff training		**994**	1,408
Rent, rates and taxes	32.2	**32,650**	27,470
Travelling and conveyance		**48,849**	43,361
Communication and postage		**34,262**	35,380
Printing and stationery		**5,627**	6,622
Utilities		**49,003**	61,056
Entertainment		**57,292**	57,981
Insurance		**25,698**	60,302
Advertisement		**3,080**	383
Vehicle running expenses		**66,877**	72,173
Repairs and maintenance		**19,856**	38,194
Legal and professional charges		**25,663**	13,165
Auditor's remuneration	32.3	**10,665**	10,660
Office supplies		**9,269**	8,024
Charity and donation	32.4	**34,969**	21,410
Fees and subscription		**36,647**	77,144
Depreciation	6.1.1	**62,710**	68,027
Depreciation of right of use assets	6.2.1	**121**	449
		1,459,594	1,440,338

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended June 30, 2025

32.1 Salaries and benefits include Rs. 41.39 million (2024: Rs. 34.88 million) in respect of retirement benefits and Rs. 4.35 million (2024: Rs. 11.09 million) in respect of share-based payment transactions.

32.2 Rent, rates and taxes include expense in respect of short term leases amounting to Rs 22.93 million (2024: Rs. 19.72 million).

		Note	2025	2024
			Rupees in Thousands	
32.3 Auditor's remuneration:				
- Statutory audit fee			**7,844**	5,556
- Half yearly review fee			**2,000**	3,630
- Other certifications			**100**	683
- Out of pocket expenses			**721**	791
			10,665	10,660
32.4 The details of donation to a single party exceeding 10% of the Group's total amount of donation are as follows:				
Developments in Literacy Foundation			**12,668**	5,152
Million Smiles Foundation			**7,810**	5,100
			20,478	10,252
Interest of the Directors or their spouses in the donations made during the year is as follows:				
Name of Donee and address	**Name of interested directors and nature of interest**			
Million Smiles Foundation	Zeshan Afzal - Ex. Independent Director		**7,810**	5,100
33. Other Operating Expenses				
Loss on foreign currency translation			**-**	327,314
Research and development cost			**344,839**	367,318
Provision for expected credit losses			**329,623**	-
			674,462	694,632
34. Finance Cost				
Lease finance charges			**45**	926
Mark up on loans		34.1	**223,242**	309,051
Bank charges			**5,134**	5,071
			228,421	315,048

34.1 Mark up on loans include Rs. 117.07 million (2024: Rs. 130.08 million) paid on Islamic mode of financing.

		2025	2024
		Rupees in Thousands	
35. Other Income			
Income from financial assets			
Profit on bank deposits and short term investments	35.1	491,472	514,589
Income from non-financial assets			
Gain on foreign currency translation		316,124	-
Gain on disposal of assets		12,542	28,739
Rental income		900	900
Effect of discounting of long term contract assets		6,780	-
Reversal of provision for expected credit losses		-	51,760
Miscellaneous income		115	2,000
		336,461	83,399
		827,933	597,988

35.1 Income is earned under both conventional mark-up arrangement and Shariah compliant arrangement. It includes Rs. 494.80 million profit earned on Shariah compliant bank deposits & investments (2024: Rs. 477.35 million).

36. Final Taxes / Levies

		2025	2024
Final taxes / levies	36.1	166,179	97,295
International tax effect		121,128	76,986
Prior year adjustment		(275)	(780)
		287,032	173,501

36.1 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.

36.2 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 Group generated from sources other than export income.

36.3 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the statement of profit and loss, is as follows:

	2025	2024
Current tax expense for the year as per applicable tax laws	287,307	174,281
Portion of current tax expense as per tax laws, representing income tax under IAS 12	-	-
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/ IAS 37	(166,179)	(97,295)
International tax effect	(121,128)	(76,986)
Difference	-	-

36.4 The aggregate of final tax and income tax, amounting to Rs. 287.31 million (2024: 174.28 million) represents tax expense of the Group calculated under the relevant provisions of the Income Tax Ordinance, 2001.

36.5 Deferred income tax asset has not been recognized in these financial statements as the Group's management believes that sufficient taxable profits will not be probably available in foreseeable future, hence, the temporary differences may not reverse.

		2025	2024
		Rupees in Thousands	
37. Earnings Per Share - Basic and Diluted			
Profit attributable to ordinary shareholders	Rupees	**1,385,265**	1,203,053
Weighted average number of ordinary shares (Basic)			
Issued ordinary shares at beginning of the year		**89,837**	89,837
Less: weighted average number of treasury shares held by the Group		**(3,113)**	(2,000)
Weighted average number of ordinary shares as at June 30,	Numbers	**86,724**	87,837
Earnings per share - basic		**15.97**	13.70
Weighted average number of ordinary shares (Diluted)			
Weighted average number of ordinary shares (Basic)		**86,724**	87,837
Effect of exercise of share options		**1,307**	717
Weighted average number of ordinary shares (diluted)	Numbers	**88,031**	88,554
Earnings per share - diluted		**15.74**	13.59

38. Remuneration of Chief Executive, Directors and Executives

The aggregate amounts charged in the accounts for the remuneration, including all benefits, to the Chief Executive, Directors and Executives including key management personnel of the Group were as follows:

	Chief Executive		Directors		Executives		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	Rupees in Thousands							
Managerial remuneration	**27,200**	27,200	**24,000**	24,000	**2,040,509**	1,672,717	**2,091,709**	1,723,917
Retirement benefits	**2,176**	2,176	**1,920**	1,920	**163,168**	133,435	**167,264**	137,531
Rent and house maintenance	**10,880**	10,880	**9,600**	9,600	**812,370**	667,177	**832,850**	687,657
Utilities	**2,720**	2,720	**2,400**	2,400	**203,092**	166,795	**208,212**	171,915
Medical expenses	**5,488**	10,373	**498**	3,897	**79,787**	70,659	**85,773**	84,929
Other allowances	**-**	-	**-**	-	**346,699**	384,380	**346,699**	384,380
Commission / bonus	**-**	-	**-**	-	**60,580**	59,690	**60,580**	59,690
Employee share option expense	**1,522**	3,880	**834**	2,125	**1,967**	4,933	**4,323**	10,938
	49,986	57,229	**39,252**	43,942	**3,708,172**	3,159,786	**3,797,410**	3,260,957
Number of persons	**1**	1	**1**	1	**712**	642	**714**	644

38.1 An Executive is defined as an employee, other than the Chief Executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

38.2 The Group has provided the Chief Executive, one Director and certain Executives with the Group maintained vehicles.

38.3 No share options were granted or exercised by the Chief Executive and other executives during the year (2024: Nil).

38.4 Nothing is paid to any non-executive director (including independent directors) in form of remuneration or other benefits except a fee approved by the Board for attending the Board and other committee meetings. During the year, an amount of Rs. 8.4 million (2024: Rs. 6.6 million) was paid.

39. Transactions with Related Parties

Related parties comprise the parent company, associated companies, staff retirement funds, directors and key management personnel. The Group in the normal course of business carries out transactions with various related parties. The Group 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 transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Relationship with the Group	Nature of Transactions	2025	2024
		Rupees in Thousands	
Parent	Commission	-	111,384
Associated undertaking	Rental income	-	900
	Expenses on behalf of related parties	**219,711**	266,892
	Expenses incurred by related parties	**553,380**	429,559
	Provision of services	**4,173,534**	2,913,905
	Purchase of services	-	46,614
Executives / key management personnel	Long term advance received	**5,415**	1,995
Post employment benefit	Contribution to defined contribution plan	**204,021**	179,305

39.1 Following are the related parties with whom the Group had entered into transactions or have arrangement / agreement in place:

S.No.	Company Name	Country of Incorporation	Relationship	Percentage of Shareholding
1	NetSol Technologies Inc.	USA	Holding Company	69.76%
2	NetSol Technologies (Thailand) Limited	Thailand	Associate	Nil
3	NetSol Technologies (Beijing) Co., Ltd.	China	Associate	Nil
4	NetSol Technologies Australia pty. Limited	Australia	Associate	Nil
5	NetSol Technologies Americas Inc.	USA	Associate	Nil
6	NetSol Technologies Europe Limited	UK	Associate	Nil
7	OTOZ Thailand Limited	Thailand	Associate	Nil
8	Ascent Europe Limited	UK	Associate	Nil
9	Tianjin NuoJinZhiCheng Co., Ltd.	China	Associate	Nil

39.2 Details of related parties with whom the Group had entered into transaction or had agreements other than already disclosed in note 39.1 above are as follows:

S. No.	Company Name	Basis of Relationship	Common Directorship	Percentage of Shareholding
1	NetSol Connect (Pvt.) Limited	Associate	Yes	Nil
2	HospitAll (Pvt.) Ltd.	Associate	No	Nil

S. No.	Other Related Parties	Basis of Relationship	Percentage of Shareholding
1	Salim Ullah Ghauri	Director	1.16%
2	Naeem Ullah Ghauri	Director	Nil
3	Huma Fakhar	Director	Nil
4	Vaseem Anvar	Director	Nil
5	Hamna Ghauri	Director	Nil
6	Omer Shahab Ghauri	Director	Nil
7	Noman Hussain	Director	Nil
8	Boo Ali	Key Management Personnel	Nil
9	Sehrish Ishtiaq	Key Management Personnel	Nil
10	Muhammad Abdul Wahab Hafeez	Key Management Personnel	Nil
11	Khurram Shahnawaz Rana	Key Management Personnel	Nil
12	Asad Ullah Ghauri	Key Management Personnel	Nil
13	Mohsin Hanif	Key Management Personnel	Nil
14	Asif Zafar	Key Management Personnel	Nil
15	Naheed Kausar	Key Management Personnel	Nil
16	Kamran Khalid	Key Management Personnel	Nil
17	Syed Umer Qadri	Key Management Personnel	Nil
18	Sahibzada Ali Mahmud	Key Management Personnel	Nil

40. Capital Risk Management

The Group's objective when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

In line with the norms, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt. As at the reporting date, the gearing ratio of the Group was worked out as under:

	2025	2024
	Rupees in Thousands	
Borrowings	**2,201,771**	1,596,792
Cash and bank balances	**(3,767,897)**	(4,669,162)
Net debt	**-**	-
Equity	**10,825,055**	10,106,447
Total capital employed	**10,825,055**	10,106,447
Gearing ratio	**Not Geared**	Not Geared

41. Financial Risk Management

41.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Board of Directors of the Group has overall responsibility for the establishment and oversight of the Group's risk management process. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

(a) Market risk

(i) Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Group is exposed to foreign currency risk on trade debts, payables and revenues which are entered in a currency other than Pak Rupees. Majority of the revenue of the Group is in currencies other than Pak Rupees. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. As at the reporting date, the Group's exposure to currency risk was as follows:

Trade debts	**5,869,134**	5,326,984
Cash and bank balances	**463,923**	476,654
Due from related parties	**170,336**	500,538
Due to related parties	**(186,696)**	(6,858)
Net exposure	**6,316,697**	6,297,318

The following analysis demonstrates the impact of a 5% strengthening / weakening of the Pak Rupee against US$, RMB¥, Euro and other currencies including UK£, AUS$, HKD & THB on June 30, on equity and statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2024.

	2025				
	USD	RMB	EURO	Others	Total
	Rupees in Thousands				
Impact on statement of profit or loss (net of tax)					
As at June 30,					
Strengthening	(3,721,431)	(5,053,564)	(597,203)	(462,394)	(9,834,592)
Weakening	3,721,431	5,053,564	597,203	462,394	9,834,592
Impact on equity					
As at June 30,					
Strengthening	(5,241,458)	(7,117,696)	(841,130)	(651,234)	(13,851,518)
Weakening	5,241,458	7,117,696	841,130	651,234	13,851,518

	2024				
	USD	RMB	EURO	Others	Total
	Rupees in Thousands				
Impact on statement of profit or loss (net of tax)					
As at June 30,					
Strengthening	(7,418,083)	(2,158,278)	(62,508)	(579,208)	(10,218,077)
Weakening	7,418,083	2,158,278	62,508	579,208	10,218,077
Impact on equity					
As at June 30,					
Strengthening	(10,448,005)	(3,039,827)	(88,039)	(815,786)	(14,391,657)
Weakening	10,448,005	3,039,827	88,039	815,786	14,391,657

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from bank borrowings, lease liabilities, term deposits, deposits in profit and loss/saving accounts with banks and investments in mutual funds. The Group mitigates its interest rate risk by investing available cash in mutual funds and bank deposits where applicable, generating more return compared to the finance cost.

The interest rate profile of the Group's interest-bearing financial instruments as at the reporting date is as follows:

	2025	2024
	Rupees in Thousands	
Floating rate instruments		
Financial assets		
Bank balances	3,055,674	4,154,390
Short term investment	200,000	-
	3,255,674	4,154,390
Financial liabilities		
Lease liabilities	-	972
Long term financing	21,771	15,820
Short term borrowings	2,180,000	1,580,000
	2,201,771	1,596,792

The Group has no instruments subject to fixed interest rate.

Cash flow sensitivity analysis for variable rate instruments

As at June 30, 2025, if floating interest rates had been 1% higher / lower with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 25.36 million (2024: Rs. 5.02 million), mainly as a result of interest exposure on variable rate borrowings.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is not exposed to significant other price risk.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk of the Group arises from trade debts, loans and advances, trade deposits, other receivables and deposits with banks. To reduce exposure to credit risk, the Group has developed a formal approval process. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors and makes provision against those balances (if required). The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The Group monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any. As at June 30, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

	NOTE	**2025**	2024
		Rupees in Thousands	
Trade debts	10	**6,197,015**	5,607,581
Contract assets	11	**2,982,622**	1,893,981
Loans and advances	12	**25,316**	44,579
Deposits and short term prepayments	13	**7,090**	3,983
Other receivables	14	**127,131**	54,026
Due from related parties	15	**187,791**	514,396
Short term investment	17	**200,000**	-
Bank balances	18	**3,764,387**	4,644,377
		13,491,352	12,762,923
Aging of trade debts at June 30 is as follows:			
Not past due		**1,888,861**	1,541,797
Past due 1 - 180 days		**1,490,789**	1,264,714
Past due 181 days - 365 days		**1,995,114**	1,289,111
More than 365 days		**822,251**	1,511,959
		6,197,015	5,607,581

The Group does not have significant exposure to any individual customer. At June 30, the Group had approximately 33 (2024: 31) customers owing Rs. 6.07 billion (2024: Rs. 5.58 billion). The Group has made allowances, where necessary, for potential losses on credits extended.

For trade receivables and contract assets, the Group uses a simplified approach to calculate expected credit losses (ECLs). A provision matrix has been established based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. This matrix is based on the segments that exhibit similar patterns, such as geography and customer type.

The management estimates the recoverability of trade receivables on the basis of financial position and past history of its customers based on the objective evidence that it may not receive the amount due from the particular customer. The provision is written off by the Group when it expects that it cannot recover the balance due. Any subsequent repayments in relation to amounts written off are credited directly to profit or loss.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating	2025	2024
	Short Term	Long Term	Agency		
				Rupees in Thousands	
Askari Bank Limited	A1+	AA+	PACRA	**754,617**	1,364,203
MCB Bank Limited	A1+	AAA	PACRA	**-**	73
Samba Bank Limited	A1	AA	PACRA	**666,368**	632,064
Meezan Bank Limited	A1+	AAA	VIS	**305,099**	313,599
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	**-**	18
Al Baraka Bank Limited	A1	AA-	VIS	**305,306**	415,833
Habib Metropoliton Bank Limited	A1+	AA+	PACRA	**836,942**	1,021,088
Emirates NBD	A1	P-1	Moodys	**43,587**	3,609
Bank Alfalah Limited	A1+	AAA	PACRA	**724,994**	623,965
Bank Al Habib Limited	A1+	AAA	PACRA	**9**	20
Habib Bank Limited	A1+	AAA	VIS	**127,465**	269,905
				3,764,387	4,644,377

(c) Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The Group follows an effective cash management and planning process to ensure availability of funds and to take appropriate actions for new requirements. The Group's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

Description	2025					
	Carrying amount	Contractual cash flows	With in 1 year	1-2 Years	2-5 Years	Above 5 Years
	Rupees in Thousands					
Contractual maturities of financial liabilities as at June 30, 2025:						
Lease liabilities	-	-	-	-	-	-
Trade and other payables	**1,028,057**	**1,028,057**	**1,028,057**	-	-	-
Short term borrowings	**2,180,000**	**2,354,400**	**2,354,400**	-	-	-
Long term financing	**21,771**	**25,606**	**10,565**	**15,041**	-	-
	3,229,828	**3,408,063**	**3,393,022**	**15,041**	-	-

Description	2024					
	Carrying amount	Contractual cash flows	With in 1 year	1-2 Years	2-5 Years	Above 5 Years
	Rupees in Thousands					
Contractual maturities of financial liabilities as at June 30, 2024:						
Lease liabilities	972	1,017	1,017	-	-	-
Trade and other payables	683,587	683,587	683,587	-	-	-
Short term borrowings	1,580,000	1,856,500	1,856,500	-	-	-
Long term financing	15,820	18,221	15,335	2,886	-	-
	2,280,379	2,559,325	2,556,439	2,886	-	-

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended June 30, 2025

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. Rates of interest / mark - up and their maturities are given in the respective notes.

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

Fair value is determined on the basis of objective evidence at each reporting date. The management assessed that the fair values of financial assets and financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

	NOTE	**2025**	2024
		Rupees in Thousands	
41.2 Financial instruments by categories			
Financial assets at amortized cost			
Trade debts	10	**5,869,134**	5,326,984
Contract asset	11	**2,685,115**	1,839,884
Loans and advances	12	**25,316**	44,579
Deposits and short term prepayments	13	**7,090**	3,983
Other receivables	14	**127,131**	54,026
Due from related parties	15	**187,791**	514,396
Short term investment	17	**200,000**	-
Bank balances	18	**3,764,387**	4,644,377
		12,865,964	12,428,229
Financial liabilities at amortized cost			
Lease liabilities	22	**-**	972
Trade and other payables	24	**1,028,057**	683,587
Short term borrowings	26	**2,180,000**	1,580,000
Long term financing	21	**21,771**	15,820
		3,229,828	2,280,379

42. Changes in Liabilities Arising from Financing Activities

	As at June 30, 2024	Non-cash changes	Cash flows (Net)	As at June 30, 2025
	Rupees in Thousands			
Long term financing - net	15,820	1,876	4,075	**21,771**
Short term borrowings - net	1,593,597	221,366	391,315	**2,206,278**
Lease liabilities	972	45	(1,017)	**-**
Long term advances	1,995	-	3,420	**5,415**
	1,612,384	223,287	397,793	**2,233,464**

	As at June 30, 2023	Non-cash changes	Cash flows (Net)	As at June 30, 2024
	Rupees in Thousands			
Long term financing - net	92,195	14,580	(90,955)	15,820
Short term borrowings - net	1,638,050	294,471	(338,924)	1,593,597
Lease liabilities	4,327	925	(4,280)	972
Long term advances	16,675	-	(14,680)	1,995
	1,751,247	309,976	(448,839)	1,612,384

43. Shariah Screening Disclosures by Company Listed on Islamic Index

	Disclosed in
Loans/advances obtained as per Islamic mode	Note 26
Shariah compliant bank deposits/bank balances	Note 18
Profit earned from Shariah compliant bank deposits/ bank balances	Note 35.1
Revenue earned from a shariah compliant business segment	Note 29
Gain/loss or dividend earned from shariah compliant investments	Note 35
Exchange gain earned	Note 35
Mark up paid on Islamic mode of financing	Note 34.1
Profits earned on any conventional loan or advance	Note 35.1
Interest paid on any conventional loan or advance	Note 34.1
Relationship with Shariah compliant banks	Note 26

44. Provident Fund Related Disclosure

The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

	2025	2024
	Number	
45. Number of Employees		
Number of employees as at June 30,	**1,218**	1,195
Average number of employees during the year	**1,233**	1,582

46. Segment Reporting

For Management purposes, the Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different to industries.

The Group measures the performance of its operating segments through a measure of segment's gross profit or loss referred to as segment results. Segment results are determined by deducting directly attributable segment expenses from segment revenues. The accounting policies of the reportable segments are the same as that of the Group's accounting policies. This measure is reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of performance. All other expenses are reported separately to CODM.

Intersegment revenue is recorded at fair market price.

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.

With respect to geographical regions, revenue is generally allocated to regions based on the location where the products and services are provided.

Fixed assets used in the business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities are made.

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended June 30, 2025

Reportable Segments

The CODM has identified the segments which may earn revenues and incur expenses and whose operating results are subject to regular monitoring. Following are identified segments.

(i) Product Based Solutions and Ancillary Services (PBS)

The Group is primarily engaged in the selling of licenses of its state-of-the-art NFS Ascent and NFS Digital, its customization and subscription and support. This segment provides worldwide services but mainly operates in Asia Pacific region.

(ii) Professional Services (PS)

The Group globally offers a technical consultancy, web development, app development, digital marketing & cloud services to organizations in different regions in order to enable them to meet their business objectives.

(iii) Business Process Outsourcing (BPO)

The Group provides IT Related Outsourcing services mainly in the USA and European regions.

Except as indicated above, no operating segments have been aggregated to form the above reportable.

47. Segment Revenues and Results

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

	2025			
	PBS	PS	BPO	Total
	Rupees in Thousands			
Revenue - net				
External sales				
-License	137,193	-	-	**137,193**
-Services	4,238,324	188,895	79,145	**4,506,364**
-Subscription and Support	5,261,862	-	-	**5,261,862**
Total revenue	9,637,379	188,895	79,145	**9,905,419**
Cost of revenue	(5,373,491)	(115,166)	(62,647)	**(5,551,304)**
Segment results	4,263,888	73,729	16,498	**4,354,115**
Unallocated corporate expenses:				
-Selling and promotional expenses				**(1,147,274)**
-Administrative expenses				**(1,459,594)**
-Other income				**827,933**
-Other operating expenses				**(674,462)**
-Finance cost				**(228,421)**
-Final tax / levies				**(287,032)**
Profit after taxation				**1,385,265**

	2024			
	PBS	PS	BPO	Total
	Rupees in Thousands			
Revenue - net				
External sales				
-License	802,390	-	-	802,390
-Services	3,689,505	315,299	74,887	4,079,691
-Subscription and Support	4,697,555	-	-	4,697,555
Total revenue	9,189,450	315,299	74,887	9,579,636
Cost of revenue	(5,068,134)	(276,017)	(49,838)	(5,393,989)
Segment results	4,121,316	39,282	25,049	4,185,647
Unallocated corporate expenses:				
- Selling and promotional expenses				(957,063)
- Administrative expenses				(1,440,338)
- Other income				597,988
- Other operating expenses				(694,632)
- Finance cost				(315,048)
- Final taxes / levies				(173,501)
Profit after taxation				1,203,053

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.

47.1 Revenue by geographic regions

The revenue is generated from clients in following geographical regions:

	Pakistan	Asia Pacific	Australia & USA	UK	Others	Total
	Rupees in Thousands					
2025	**109,659**	**6,753,563**	**1,686,572**	**1,127,988**	**227,637**	**9,905,419**
2024	76,740	7,065,358	1,452,722	666,202	318,614	9,579,636

Asia Pacific includes: China, Thailand, Japan, Taiwan, Singapore, Indonesia and Korea; Australia and USA includes Australia, New Zealand and USA; Others include Middle East and South Africa.

47.2 Revenue from major customers

The revenue from major customer during the year was Rs. 3,287 million (2024: 4,226 million).

47.3 Non current assets

Net book value of non-current assets held in foreign countries is Rs. Nil (2024 : Rs. Nil).

48. Annual Software Development Capacity

The Group is engaged in software development, subscription and support and licensing. Due to complicated nature of the software development process annual development capacity cannot be determined.

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended June 30, 2025

49. Authorization of Financial Statements

These financial statements were approved and authorized by the Board of Directors of the Group for issuance on September 22, 2025.

50. Subsequent Events

There are no subsequent events to be disclosed.

51. General

Corresponding figures are rearranged / reclassified for better presentation and comparison. No material re-arrangement / reclassification has been made in these financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

NETSOL TECHNOLOGIES LIMITED

STANDARD REQUEST FORM

for dispatch of Annual Audited Financial Through email or post

The Company Secretary
NetSol Technologies Limited
NetSol IT Village (Software Technology Park)
Lahore Ring Road, Ghazi Road Interchange
Lahore Cantt.

I/We ____ hereby give my/our written consent to NetSol Technologies Limited to send me/us the annual audited financial statements along with the notice of Annual General Meeting of the Company electronically and I understand that the electronic transmission shall meet the requirements of the provisions of the Companies Act, 2017:

OPTION 1

a. Through email on below mentioned email address:

E-mail address on which I wish to receive Annual Financial Statements along with the Notice of AGM.	

OR

OPTION 2

b. Hard copy through post/courier at my below mentioned registered address:

Address on which I wish to receive hard copy of Annual Financial Statements along with the Notice of AGM instead of CD/DVD/USB	

Shareholder's Detail	
Name of the Shareholder	
Folio No/CDC Participant ID & A/C No.	
CNIC No.	
Passport No. (In case of Forign Shaereholder)	
Landline Telephone No.	
Cell Phone No.	
Email Address	

It is Stated that the above mentioned information is correct and any change therein will be intimated to the Company according to the instructions as mentioned below.

____
Signature of the shareholder

Instructions

In case of any change in above mentioned information, scanned copny of duly filled-in and signed from may be sent through email to corporate@netsolpk.com or in writing through post/courier either to the Company or to the Company's Share Registrar, M/s Vision Consulting Limited, 3-C, LDA Flats, Lawrence Road, Lahore. Phone: 042-36283069-97 Fax:042-36312550, Email: shares@vcl.com.pk

NETSOL TECHNOLOGIES LIMITED

E-Dividend Mandate Letter

To:

Subject: **Bank Account details for Payment of Dividend through Electronic Mode**

Dear Sir/Madam

I/We/Messrs.,____ beinga/the shareholder(s) of NetSol Technologies Limited [the "Company"], hereby, authorize the Company, to directly credit cash dividends declared by it, in my bank account as detailed below:

(i) Shareholder's details:	
Name of the Shareholder	
Folio No/CDC Participant ID & Sub-Account No./CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Contact Number (Landline & Cell Nos.)	
Shareholder's Address	
Email Address	
(ii) Shareholder's Bank account details:	
Title of Bank Account	
IBAN (See Note 1 below)	
Bank's Name	
Branch Name & Code No.	
Branch Address	

It is stated that the above particulars given by me are correct and I shall keep the Company, informed in case of any changes in the said particulars in future.

Your truly

____

Signature of the shareholder/authorized signatories
(Please affix company stamp in case of corporate entity)

Notes:

1. Please provide complete IBAN, after checking with your concerned Bank branch to enable electronic credit directly into your bank account
2. This letter must be sent to shareholder's participant/CDC Investor Account Services which maintain his/her CDC account for incorporation of bank account details for direct credit of cash dividend declared by the Company from time to time. In case of physical shares, the form must be sent to the Company's Share Registrar.
3. Pursuant to the directives of the Securities and Exchange Commission of Pakistan (SECP) your Computerized National Identity Card (CNIC) is mandatorily required to be mentioned on your dividend warrant and if your CNIC number is not available in our records, your dividend warrant will not be issued / dispatched to you. In order to comply with this regulatory requirement, you are requested to kindly send a photocopy of your valid CNIC to the registered office of NetSol Technologies Limited or to the 'Share Registrar Department, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B' , S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400, Pakistan' . Kindly ignore if you have already provided your CNIC number to us.

Form of Proxy

I/We____
(Name)

Of____
(Place)

being a member(s) of *NETSOL TECHNOLOGIES LIMITED* hereby appoint

____
(Name and Folio No. / Participant Account No. & Sub-Account No.)

Of____
(Place)

who is also a member of the Company, as my/our proxy to attend and vote on my/our behalf at the Annual General Meeting of the Company to be held at the Registered Office of the Company situated at NetSol IT Village (Software Technology Park) Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt., and virtually on Tuesday October 28, 2025 at 11:00 a.m. and at any adjournment thereof.

Signed at______________this_________________Day of ___________2025.

Witness 1:

Signature: ________________
Name: ________________
Address: ________________
____
CNIC or
Passport No.____________________

Fifty Rupees
Revenue Stamp

Witness 2 :

Signature: ________________
Name: ________________
Address: ________________
____
CNIC or
Passport No.____________________

Signature of Member(s)
Shareholder's Folio No.________________
and/or Participant I.D. No.____________

Note:

1) This form of proxy, in order to be effective, must be deposited duly completed, at the Company's registered Office at NetSol Technologies Limited, NetSol IT Village (Software Technology Park) Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. not less than 48 hours before the time of holding the meeting.

2) A Proxy must be a member of the Company. Signature should agree with the specimen registered with the Company.

Second Fold

Affix Revenue
Stamp

The Company Secretary

NetSol Technologies Limited

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

First Fold

Third Fold and Tuck In

پراکسی فارم

میں مسمّٰی/ مسماۃ ________________________________

(نام)

ساکن ________________________________

(جگہ)

بحیثیت **نیٹ سول ٹیکنالوجیز لمٹیڈ** کا ایک ممبر یہاں

مسمّٰی/ مسماۃ ________________________________

(نام اور فولیو نمبر/ پارٹیسپنٹ اکاؤنٹ نمبر اور سب اکاؤنٹ نمبر)

ساکن ________________________________

(جگہ)

جو کہ کمپنی کا ایک ممبر بھی ہے، کو بطور مختار (پراکسی) مقرر کرتا/ کرتی ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے سالانہ اجلاس عام جو مورخہ 28 اکتوبر 2025 ء بروز منگل صبح 11:00 بجے بمقام کمپنی کے رجسٹرڈ آفس واقع نیٹ سول ٹیکنالوجیز لمٹیڈ نیٹ سول آئی ٹی ویلیج (سوفٹ وئیر ٹیکنالوجی پارک) لاہور رنگ روڈ، غازی روڈ انٹر چینج لاہور کینٹ اور بذریعہ ویڈیو لنک منعقد یا کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

دستخط کی جگہ ____________ تاریخ ____________ دن ____________ 2025ء۔

گواہی نمبر ۱

دستخط: ____________

نام: ____________

پتہ: ____________

____

کمپیوٹرائزڈ قومی شناختی کارڈ

یا پاسپورٹ نمبر: ____________

پچاس روپے کی رسیدی ٹکٹ

گواہی نمبر ۲

دستخط: ____________

نام: ____________

پتہ: ____________

____

کمپیوٹرائزڈ قومی شناختی کارڈ

یا پاسپورٹ نمبر: ____________

ممبر کے دستخط: ____________

فولیو نمبر: ____________

اور یا/ پارٹیسپنٹ آئی۔ ڈی نمبر: ____________

نوٹ:۔

۱) پراکسی فارم ہر لحاظ سے مکمل اور موثر ہونی چاہئے اور اسے کمپنی کے رجسٹرڈ آفس واقع نیٹ سول ٹیکنالوجیز لمٹیڈ نیٹ سول آئی ٹی ویلیج (سوفٹ وئیر ٹیکنالوجی پارک) لاہور رنگ روڈ، غازی روڈ انٹر چینج لاہور کینٹ میں کم از کم اجلاس سے ۴۸ گھنٹے قبل جمع کرانا ہوگا۔

۲) پراکسی کمپنی کا ممبر ہوں۔ دستخط کمپنی کے ریکارڈ شدہ نمونہ سے تصدیق ہو۔

Second Fold

Affix Revenue
Stamp

The Company Secretary

NetSol Technologies Limited

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

First Fold

Third Fold and Tuck In

This disclosure is being added as per requirements of Securities and Exchange Commission of Pakistan vide SRO 924(1) / 2015, dated 09 September 2015.

NETSOL TECHNOLOGIES LIMITED

NETSOL IT Village (Software Technology Park)
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