

**NETSOL Technologies Ltd.**

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

**FORM-08**

Date:30/10/2025

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

**Subject: Transmission of Quarterly Report for the Period Ended September 30, 2025**

*Dear Sir,*

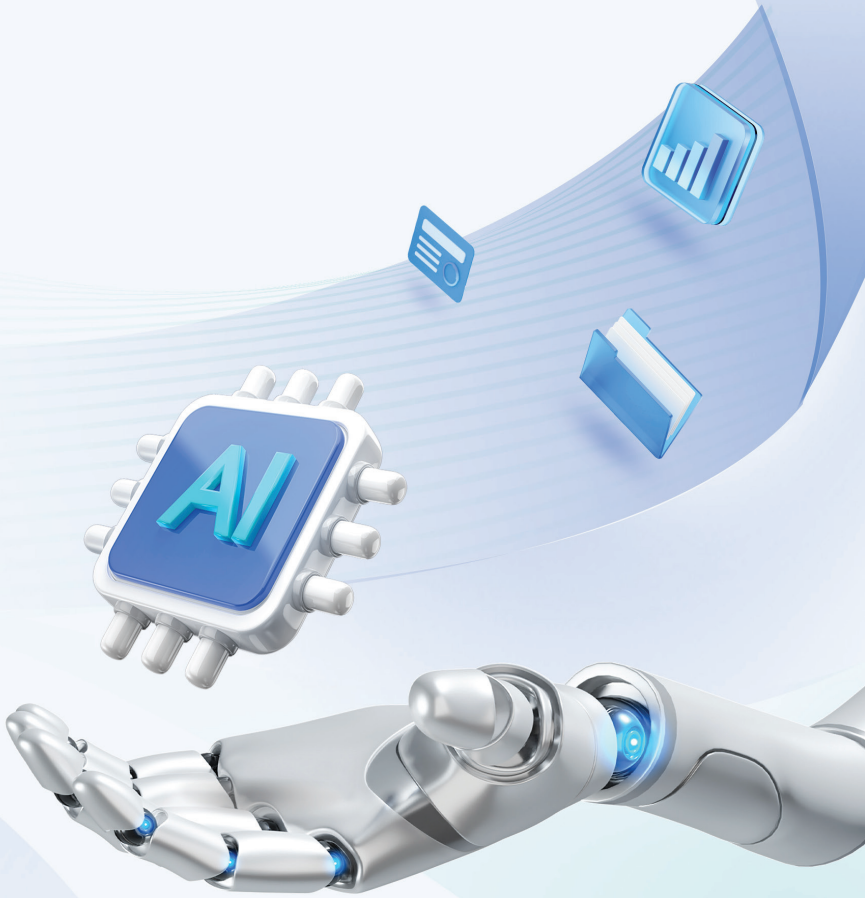
We have to inform you that the Quarterly Report of the Company for the period ended September 30, 2025 have been transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,

**SEHRISH**  
Company Secretary





**For the Quarter Ended  
September 30,  
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  
Lahore

**SHARE REGISTRAR****VISION CONSULTING LIMITED**

5-C, LDA Flats, 2nd Floor,  
Lawrence Road, Lahore.  
Tel: +92-42-36283096-97  
Fax: +92-42-36312550

**BANKERS**

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

**CONTACT DETAILS****REGISTERED OFFICE**

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**WEB PRESENCE**

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# Director’s Report

On behalf of the Board of Directors of NETSOL Technologies Limited (NETSOL or the Company), we are pleased to present the unaudited condensed interim financial statements of your company together with its consolidated accounts for the period ended September 30, 2025.

**GENERAL OVERVIEW**

**NETSOL China signed a strategic agreement at the SCO Summit 2025**

NETSOL China participated at the Shanghai Cooperation Organization (SCO) Summit in Tianjin, China on July 11, 2025, where it signed a strategic cooperation agreement with Tianjin Binhai Smart Group Co, Ltd. and the Dongjiang Free Trade Port Zone Government. The partnership will focus on two strategic initiatives: integrated financial services for the automotive industry and cross-border data services.

The Shanghai Cooperation Organization (SCO) is a political, economic and security alliance founded in 2001 to promote mutual cooperation and economic integration across Eurasia.

**A Chinese leasing company went live with Transcend Finance in Indonesia**

NETSOL announced the successful go-live of its Transcend Finance platform for a leading Chinese leasing company, marking the customer's official launch of operations in the Indonesian market. The customer, known for offering a wide range of leasing solutions across sectors including equipment leasing, asset financing and commercial leasing, deployed NETSOL's Transcend Finance for its retail operations, comprising Omni Point of Sale (Omni POS) and Contract Management System (CMS), alongside a customized funding system designed to support their unique operational needs in Indonesia.

This go-live marked the completion of a greenfield implementation, enabling the customer to build entirely new processes free of legacy constraints.

**Financial Performance**

Comparisons of un-audited separate as well as consolidated accounts for the quarter ended September 30, 2025 with the corresponding period of fiscal year 2025 are given below:

STAND-ALONE FINANCIAL STATEMENTS	Jul-sep 2025	Jul-sep 2024
	(PKR in 000's)	
Revenue (PKR "000")	2,244,231	1,898,880
Gross profit (PKR "000")	772,409	640,686
Net profit (PKR "000")	49,753	196,842
Earnings per share – basic	0.58	2.24
Earnings per share – diluted	0.57	2.21

During the first quarter of current fiscal year, topline of the Company grew by 18% compared to the revenue posted in the same period of last fiscal year. The company posted a net revenue of PKR 2,244 million as compared to PKR 1,899 million in the comparative period. The revenue stream for the current quarter is fueled with subscription and support revenue. On the services side, the Company recorded a handsome amount of PKR 826 million in comparison to PKR 649 million in the corresponding period last year mainly due to enhancement and customization in the systems deployed at customer sites. In addition to it, subscription and support revenue also increased to PKR 1,418 million as compared to PKR 1,249 million last year.

Company reported gross margin of PKR 772 million as compared to the corresponding period where margins were recorded at PKR 641 million. The Company posted an operating profit of PKR 155 million compared to PKR 82 million last year and a net profit after tax of PKR 50 million compared to PKR 197 million in the comparable period. Included in current period net profit is a currency exchange loss of PKR 49 million compared to currency exchange gain of PKR 171 million in the same period of last fiscal year. Company reported basic and diluted earnings per share to clock in at PKR 0.58 & 0.57 in comparison of PKR 2.24 & 2.21 in the corresponding period.

The Company also consolidates financial results of its wholly owned subsidiaries "NETSOL Innovation (Pvt) Limited" and "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 quarter ended September 30, 2025 were PKR 2,543 million compared to PKR 1,926 million same quarter of last fiscal year. Consolidated gross profit for the quarter was PKR 979 million as compared to PKR 612 million in the same period last year. On consolidated basis, the company posted an operating profit of PKR 222 million compared to PKR 26 million in the corresponding period and a net consolidated profit of PKR 75 million in the current quarter compared to PKR 141 million posted in the same period last year. Basic and diluted earnings per share for the quarter ended September 30, 2025 were PKR 0.88 and PKR 0.86 in comparison to PKR 1.61 and PKR 1.59 in the same period of last fiscal year.

#### **Future Outlook**

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 reimaged 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.

#### **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.

**Acknowledgement**

The Board of Directors places on record its appreciation for the continued support by its shareholders, valued customers, government agencies and financial institutions which enabled the company to achieve these results. The board would also like to express its appreciation for the services, loyalty and efforts being continuously rendered by the executives and all the staff members of the company and hope that they will continue with the same spirit in future.

On behalf of the Board

**Salim Ullah Ghauri**

Chief Executive Officer

**Omar Shahab Ghauri**

Director

October 30, 2025

## ڈائریکٹرز رپورٹ

ہمیں خوشی ہے کہ نیٹ سول ٹیکنالوجیز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی 30 ستمبر 2025 کو ختم ہونے والے عرصہ کے لیے غیر آڈٹ شدہ مالیاتی گوشوارے بشمول مجموعی مالیاتی گوشوارے پیش کر رہے ہیں۔

### عمومی جائزہ:- (General Overview)

نیٹ سول چین نے SCO ستمبر 2025 میں ایک اسٹریٹجک معاہدہ پر دستخط کیے

نیٹ سول چین نے 11 جولائی 2025ء کو منعقد ہونے والے شنگھائی کوآپریٹیشن آرگنائزیشن (SCO) سمٹ Tianjin Binhai میں شرکت کی جہاں انہوں نے Tianjin Binhai Smart Group Co., Ltd. اور Dongjiang Free Trade Port Zone کی حکومت کے ساتھ اسٹریٹجک تعاون کے معاہدہ پر دستخط کئے۔ اس شرکت داری میں دوا سٹریٹجک اقدامات: آٹوموٹیو انڈسٹری کے لیے مشترکہ مالیاتی خدمات اور صحر پارڈیٹا سروسز پر توجہ دی جائے گی۔

شنگھائی کوآپریٹیشن آرگنائزیشن (SCO) ایک سیاسی، معاشی اور سیوریٹی اتحاد ہے جو یورپ اور ایشیا کے مابین باہمی تعاون اور معاشی اشتراک کو فروغ دینے کے لیے سال 2021ء میں قائم کیا گیا۔

### چینی لیڈنگ کمپنی انڈوسٹریل Transcend ٹرانس کے ساتھ live ہوئی

نیٹ سول نے انڈونیشیا کی مارکیٹ میں صارفین کے آپریشن کے باقاعدہ آغاز کی غرض سے ایک معروف چینی لیڈنگ کمپنی کے لیے اپنے Transcend ٹرانس پلٹ فارم کو کامیابی سے go-live کیا۔ صارف جو ایکو پمنٹ لیڈنگ، ایسٹ ٹرانسنگ اور کرسٹل لیڈنگ جیسے شعبوں میں لیڈنگ سلوشنز کی وسیع اقسام پیش کرنے کے لیے مشہور ہے نے اپنے ریشیل امور بشول اوپنی مراکز فروخت (Omni POS) اور کنزیکٹ مینجمنٹ سسٹم (CMS) انڈونیشیا میں اپنی منفرد آپریشنل ضروریات کو پورا کرنے کی خاطر کسمائزڈ فنڈنگ سسٹم کے لیے نیٹ سول کے Transcend ٹرانس کا اطلاق کیا۔

یہ go-live موقع greenfield implementation کی تکمیل کی عکاسی کرتا ہے جس سے صارف قدیم پائمنٹوں سے پاک بالکل نئے طریق عمل وضع کرنے کے قابل ہوا۔

### مالیاتی کارکردگی (Financial performance)

30 ستمبر 2025 کو ختم ہونے والی سرمایہ مع 2024ء کی اسی مدت کے مالیاتی سال کے غیر آڈٹ شدہ مالیاتی گوشوارے کے نتائج کا موازنہ درج ذیل ہے۔

#### انفرادی مالیاتی گوشوارے

جولائی تا ستمبر 2025ء جولائی تا ستمبر 2024ء

روپے ('000')	روپے ('000')	محصولات
1,898,880	2,244,231	خام منافع
640,686	772,409	صافی نفع
196,842	49,753	منافع فی حصص - بنیادی
2.24	0.58	منافع فی حصص - تحلیل شدہ
2.21	0.57	

رواں مالی سال کی پہلی سرمایہ کے دوران، کمپنی کی ٹاپ لائن میں پچھلے مالی سال کی اسی مدت میں درج کی گئی محصولات کے مقابلے میں 18 فیصد اضافہ ہوا۔ کمپنی نے گزشتہ مالی سال کے اسی سرمایہ میں 1,899 ملین روپے کے مقابلے میں 2,244 ملین روپے کی خالص محصولات درج کی ہیں۔ موجودہ سرمایہ کے لیے محصولات کی پیداوار سبکدوش اور سپورٹ محصولات کے سلسلے سے وابستہ ہے۔ خدمات محصولات کی مدت، کمپنی نے اپنی متعلقہ سائنس پر systems deployed میں اضافہ اور شخصیت کے لیے گزشتہ مالی سال میں 649 ملین روپے کے مقابلے میں 826 ملین روپے کی شاندار محصولات درج کی۔ اس کے علاوہ سبکدوش اور سپورٹ محصولات گزشتہ سال کے 1,249 ملین روپے کے مقابلے میں 1,419 ملین روپے تک بڑھانے میں کامیاب رہی ہے۔

کمپنی نے اسی مدت کے مقابلے میں 772 ملین روپے کا مجموعی مارجن درج کیا جہاں یہ مارجن 641 ملین روپے درج کیے گئے تھے۔ کمپنی نے گزشتہ سال 82 ملین روپے کے مقابلے میں 155 ملین روپے کا آپریٹنگ منافع اور 197 ملین روپے کے مقابلے میں 50 ملین روپے کا بعد از ٹیکس خالص منافع کیا ہے۔ موجودہ مدت کے خالص منافع میں 49 ملین روپے کا زرمبادلہ میں نقصان شامل ہے، جبکہ گزشتہ مالی سال کی اسی مدت میں 171 ملین روپے کا زرمبادلہ میں منافع حاصل ہوا تھا۔ کمپنی نے گزشتہ مدت کے 2.24 اور 2.21 روپے کے مقابلے میں اس سرمایہ کے لیے 0.58 اور 0.57 روپے بنیادی اور تحلیل شدہ فی حصص منافع درج کیا ہے۔

کمپنی نے اپنے مکمل ملکیت ذیلی ادارے "نیٹ سول انڈونیشیا (پرائیویٹ) لمیٹڈ" کے مجموعی مالیاتی گوشوارے شامل کر دیے ہیں۔ 30 ستمبر 2025 کو ختم ہونے والی سرمایہ کیلئے مجموعی محصولات اسی سرمایہ 2024ء کے 1,926 ملین روپے کے مقابلے میں 2,543 ملین روپے ہے۔ مجموعی خام منافع گزشتہ سال کی اسی مدت میں 612 ملین روپے کے مقابلے میں موجودہ سرمایہ 979 ملین روپے ہے۔ مجموعی بنیاد پر، کمپنی نے گزشتہ مالی سال کی اسی مدت میں 26 ملین روپے کے مقابلے میں موجودہ سرمایہ میں 222 ملین روپے کا آپریٹنگ منافع اور گزشتہ سال کی اسی مدت میں 141 ملین روپے کا مجموعی منافع کے مقابلے میں موجودہ مالی سال کی اسی مدت میں 75 ملین روپے کا نقد مجموعی منافع درج کیا ہے۔ 30 ستمبر 2025 کو ختم ہونے والی سرمایہ کے لیے بنیادی اور تحلیل شدہ آمدنی، گزشتہ مدت میں

1.61 اور 1.59 روپے فی حصص منافع کے مقابلے اس مدت میں 0.88 اور 0.86 روپے فی حصص منافع درج کیا ہے۔

#### مستقبل کا نظریہ Future Outlook

مالیاتی سال 2025-2026 کا منظر نامہ انتہائی خوشگوار اور متحرک ہے۔ ہم کلائنٹ تعلقات کو گہرا کرنے، artificial intelligence کے ذریعے جدت کو بروئے کار لانے اور آپریشنل عموگی کے ساتھ اعلیٰ معیار کے سروسز فراہم کرنے کے اپنے بنیادی اصول پر کاربند رہنے کے ذریعے نئے سال میں داخل ہو رہے ہیں۔ آئندہ مہینوں میں کئے جانے والے تمام تر اقدامات اس وسیع ہدف کے عین مطابق ہوں گے۔ یعنی یقینی بنایا کہ ہم اپنے شیئر ہولڈرز، کلائنٹس، پائٹنرز اور ملازمین کو طویل مدتی فائدہ پہنچائیں۔

#### AI-first کو مستقبل میں پناہ

ہماری اسٹرٹیجک سمت کا مرکز AI-first ادارہ بننے کی جانب ہمارا حالیہ احسن اقدام ہے۔ Artificial intelligence اب ایک محدود استعداد نہیں رہی بلکہ یہ تمام بڑی انڈسٹریز میں جدت، چستی اور تبدیلی کا محور بن چکی ہے۔ نیٹ سول میں ہمارے لئے artificial intelligence صرف ایک ٹول نہیں بلکہ یہ ایک فلسفہ ہے جس کا ہم اپنی پروڈکٹس کی تیاری، خدمات کی فراہمی اور داخلی امور میں اطلاق کرتے ہیں۔

ہم AI تحقیق، قابل افراد کی بھرتی اور وسعت پزیر اور نتائج سے context-aware solutions قائم کرنے کی خاطر شراکت داریوں میں بھاری سرمایہ کاری کر رہے ہیں جو انویشن سے ہٹ کر اور مروجہ فیصلہ سازی کے دائرہ میں ہو۔ بہترین، تیز رفتار اور بالکل درست فیصلہ کرنے کے لئے اپنے صارفین کو خود مختار بنانا ہماری اولین ترجیح ہے۔ چاہے اس کا تعلق مستقبل کے جائزے، انٹیلی جینٹ ورک فلو، ٹھنڈو کرنے کے AI نظاموں یا پروپوسس کے خود کار اطلاق سے ہو۔

تمام خطوں میں AI ٹیکنالوجی میں ٹیوں کی تربیت کی جارہی ہے اور اپنے طریق عمل کو از سر نو ترتیب دیا جا رہا ہے تاکہ ایک intelligent, data-driven کی حیثیت سے نیٹ سول کو مضبوط کیا جاسکے۔

#### Transcend پلیٹ فارم: مستقبل کا راستہ

ہماری پروڈکٹ حکمت عملی کا مرکز Transcend ہے۔ جو ایک مشترکہ AI پر مبنی پلیٹ فارم ہے جس کے تحت ہم اپنی تمام تر پروڈکٹس اور خدمات پیش کرتے ہیں۔ مالیاتی سال 2024-2025 میں نمایاں پیش رفت کے ساتھ Transcend آئندہ برسوں کے لئے ہمارے ترقیاتی منصوبوں میں مرکزی کردار ادا کرنے جا رہا ہے۔

ہم ماریکٹ ورڈ سرگرمیوں کی رفتار اور ذہنی تعداد بڑھا کر اور اطلاق کے مروجہ نظام قائم کر کے Transcend کی رسائی متعدد منڈیوں میں پھیلانے کا ارادہ رکھتے ہیں۔ نئے شعبوں اور خطوں میں داخل ہو کر اہم منڈیوں میں اطلاق کو وسیع کرنا ہمارا بنیادی مقصد رہے گا جو اس کے چسٹ اور چھلدار ڈھانچے کے ذریعے فائدہ پہنچائے۔

چونکہ گاہک ذہنی AI سے لیس سروسز کی طلب میں اضافہ ہو رہا ہے لہذا ہم پرامید ہیں کہ ہمارا Transcend پلیٹ فارم آئندہ برسوں میں نیٹ سول کے لئے پروڈکٹ پر مبنی نمویں اہم کردار ادا کرے گا۔ شمالی امریکہ، یورپ، APAC اور مشرق وسطیٰ (جو جنوب ہمارے لئے نئی منڈی ہے) میں کلائنٹس کی جاری پذیرائی سے Transcend ایسی بنیاد بناتا جا رہا ہے جس پر ہمارے صارفین اپنا ڈیجیٹل مستقبل تعمیر کر رہے ہیں۔

#### جاری آپریشن نظم و ضبط: کارکردگی اور لاگت کا اختتام

ہم طریق عمل کو ایک نئی سمت دے رہے ہیں اور انویشن کو بڑھا رہے ہیں اور اپنے تمام کاروباری امور میں جواب دہی کے کلچر فروغ دے رہے ہیں۔ اگلے سال میں ہم اپنے داخلی نظم و ضبط کے ڈھانچے میں مزید یکساں دیکھیں گے جس کا مقصد چھوٹی ٹیوں اور بہتر cross-functional تعاون کے ذریعے اعلیٰ پیداوار کو فروغ دینا ہے۔

ہم یقین رکھتے ہیں کہ پائیدار نمو نہ صرف تیز رفتار خوش آمدت ترقی ہے۔ منافع بخش شعبوں میں سرمایہ داری کے ساتھ لاگت پر مروجہ کنٹرول کے ذریعے ہم منافع اور مالیاتی استحکام کو جاری رکھیں گے۔

#### نمو پر مبنی منافع کی فراہمی

ہم ہونے والی نمایاں ترقی کی گمرانی رکھ رہے ہیں اور سب سے اہم یہ کہ ہم اس سے بھرپور استفادہ حاصل کرنے کے لئے بالکل تیار ہیں۔ اطلاق اور جدت پر بھرپور توجہ کے ساتھ ہم اپنے شیئر ہولڈرز کو منافع دینے کا وعدہ میں خود مختار بنانے کے لئے اپنے کلائنٹس کو مروجہ سروسز فراہم کرنے اور ملازمین کے لئے مقصد اور ترقی کے احوال کو قائم کر کے بہترین نعم البدل دینے کے لئے پرعزم ہیں۔

#### نمایاں اور ناپے میں رہنا: اہم سالانہ انڈسٹری تقریبات

مالیاتی سال 2025-2026 میں فنانس اور ٹیکنالوجی شعبے کی اہم کانفرنسوں، سمٹس، کنولنشنز، مائنٹائٹس اور دیگر تقریبات اپنی شمولیت کو برقرار رکھیں گے۔ البتہ، ہماری ترجیح نمایاں رہنے سے ہٹ کر ہوگی۔ ہم لیڈریشن، تعلقات کی تعمیر اور اسٹرٹیجک حیثیت پر بھرپور توجہ دے کر اپنی شرکت کو بڑھائیں گے۔

### معترف (Acknowledgement)

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

از طرف بورڈ آف ڈائریکٹرز



عمر شہاب غوری  
(ڈائریکٹر)



سلیم اللہ غوری  
(چیف ایگزیکٹو آفیسر)

لاہور

30 اکتوبر، 2025ء



# Condensed Un-Consolidated Financial Statements

For the Quarter Ended September 30, 2025





**CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**
**As at September 30, 2025**

		Sep 30 2025	Jun 30 2025
	NOTE	Unaudited	Audited
		Rupees in Thousands	
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property and equipment	5	1,267,077	1,225,066
Long term investments		537,218	537,218
Long term contract assets		22,430	20,846
Long term loans to employees		7,681	8,590
		1,834,406	1,791,720
<b>Current Assets</b>			
Trade debts	7	6,407,739	5,740,008
Contract assets		1,780,342	1,997,736
Loans and advances		90,933	42,041
Deposits and short term prepayments	8	214,354	226,057
Other receivables	9	117,014	127,085
Due from related parties	10	379,481	362,685
Prepaid tax asset		93,245	70,468
Short term investments	11	200,000	200,000
Cash and bank balances		3,475,649	3,696,726
		12,758,757	12,462,806
<b>Total Assets</b>		<b>14,593,163</b>	<b>14,254,526</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorized share capital			
200,000 (June 30, 2025: 200,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up capital	12	898,369	898,369
Reserves		10,087,502	10,016,074
Share deposit money		369	3,868
<b>Shareholders' Equity</b>		<b>10,986,240</b>	<b>10,918,311</b>
<b>Non Current Liabilities</b>			
Long term financing	13	38,122	13,343
Long term advances		9,120	5,415
		47,242	18,758
<b>Current Liabilities</b>			
Trade and other payables		1,161,998	972,870
Contract liabilities		193,680	151,621
Short term borrowings	14	2,180,000	2,180,000
Current portion of non-current liabilities		19,465	8,428
Unclaimed dividend		4,538	4,538
		3,559,681	3,317,457
<b>Contingencies and commitments</b>	15	-	-
<b>Total Equity and Liabilities</b>		<b>14,593,163</b>	<b>14,254,526</b>

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


**DIRECTOR**

**CHIEF EXECUTIVE OFFICER**

**CHIEF FINANCIAL OFFICER**

CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
For The Quarter Ended September 30, 2025

	NOTE	Quarter Ended September 30, 2025	2024
		Rupees in Thousands	
Revenue from contracts with customers - net	16	2,244,231	1,898,880
Cost of revenue		(1,471,822)	(1,258,194)
<b>Gross profit</b>		<b>772,409</b>	640,686
Selling and promotional expenses		(227,727)	(183,977)
Administrative expenses		(390,082)	(375,189)
		(617,809)	(559,166)
<b>Operating profit</b>		<b>154,600</b>	81,520
Other operating expenses		(115,536)	(136,156)
Finance cost		(46,804)	(68,765)
Other income	17	83,023	380,786
		(79,317)	175,865
<b>Profit before Final Taxes and Income Tax</b>		<b>75,283</b>	257,385
Final tax / levies	18	(25,530)	(60,543)
<b>Profit before Income Tax</b>		<b>49,753</b>	196,842
Income tax		-	-
<b>Net Profit for the Period</b>		<b>49,753</b>	196,842
<b>Earnings Per Share - Basic and Diluted</b>	19		
- Basic		0.58	2.24
- Diluted		0.57	2.21

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



DIRECTOR



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**For The Quarter Ended September 30, 2025**

	Quarter Ended September 30,	
	2025	2024
	Rupees in Thousands	
<b>Net Profit for the Period</b>	<b>49,753</b>	196,842
<b><i>Other Comprehensive Income for the period</i></b>		
Items that may be re-classified subsequently to profit or loss	-	-
Items that will not be re-classified subsequently to profit or loss	-	-
	-	-
<b>Total Comprehensive Income for the Period</b>	<b>49,753</b>	196,842

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

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

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

For The Quarter Ended September 30, 2025

	September 30 2025	September 30 2024
	Rupees in Thousands	
Profit before final taxes and income tax	75,283	257,385
Adjustments for:		
- Depreciation - own assets	68,771	74,518
- Depreciation of right of use assets	-	455
- Gain on disposal of property and equipment	(4,804)	-
- Foreign exchange loss / (gain)	48,761	(170,981)
- Finance cost	45,385	68,091
- Interest income	(75,983)	(209,280)
- Employee share option compensation expense	(4,127)	2,235
- Treasury share reserve - net	25,721	-
- Provision for expected credit losses	6,041	37,524
	109,765	(197,438)
<b>Operating profit before working capital changes</b>	<b>185,048</b>	<b>59,947</b>
Decrease / (Increase) in current assets		
- Trade debts	(690,135)	714,943
- Contract assets	183,860	211,595
- Loans and advances	(47,983)	(22,947)
- Deposits and short term prepayments	11,703	(31,529)
- Other receivables	10,071	(39,169)
- Due from related parties	(16,796)	(18,919)
(Decrease) / Increase in current liabilities		
- Trade and other payables	180,892	179,266
- Contract liabilities	42,140	(611,610)
<b>Cash (used in) / generated from Operations</b>	<b>(326,248)</b>	<b>381,630</b>
Levy / final tax paid	(48,307)	(88,810)
	(48,307)	(88,810)
<b>Net Cash (Used in) / Generated from Operating Activities</b>	<b>(189,507)</b>	<b>352,767</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for acquisition of property and equipment	(106,912)	(10,484)
Proceeds from disposal of property and equipment	4,824	-
Advance against capital expenditure	(3,890)	(39,001)
Interest received	75,983	209,280
<b>Net Cash (Used in) / Generated from Investing Activities</b>	<b>(29,995)</b>	<b>159,795</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share deposit money - net	(3,499)	-
Share premium	81	-
Repayment of lease liabilities	-	(763)
Repayment of long term loan	34,389	(4,184)
Short term borrowing - net	(36,251)	(73,973)
Long term advances - net	3,705	855
<b>Net Cash used in Financing Activities</b>	<b>(1,575)</b>	<b>(78,065)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>(221,077)</b>	<b>434,497</b>
Cash and cash equivalents at the beginning of the period	3,696,726	4,647,055
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>3,475,649</b>	<b>5,081,552</b>

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


**DIRECTOR**

**CHIEF EXECUTIVE OFFICER**

**CHIEF FINANCIAL OFFICER****For The Quarter Ended September 30, 2025 | 15**

**CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**For The Quarter Ended September 30, 2025**

Particulars	Share Capital	Reserves				Total Reserves	Share Deposit Money	Total Equity
		Capital Reserve			Revenue Reserve			
		Share Premium	Employee share option compensation reserve	Treasury Share Reserve	Unappropriated Profit			
Rupees in Thousands								
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 period	-	-	-	-	196,842	196,842	-	196,842
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	196,842	196,842	-	196,842
Transactions with owners of the equity								
Employee share option reserve	-	-	2,235	-	-	2,235	-	2,235
Balance as at September 30, 2024	898,369	304,167	267,022	(184,739)	9,476,924	9,863,374	13	10,761,756
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
Net profit for the period	-	-	-	-	49,753	49,753	-	49,753
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	49,753	49,753	-	49,753
Transactions with owners of the equity								
Re-issue of treasury shares against stock options to employees	-	81	(4,127)	25,721	-	21,675	(3,499)	18,176
Balance as at September 30, 2025	898,369	304,248	265,009	(579,006)	10,097,251	10,087,502	369	10,986,240

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



**DIRECTOR**



**CHIEF EXECUTIVE OFFICER**



**CHIEF FINANCIAL OFFICER**

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UN-CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)**

**For The Quarter Ended September 30, 2025**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

NetSol Technologies Limited ("the Company"), incorporated in Pakistan on August 22, 1996 under the repealed Companies Ordinance, 1984, (now The Companies Act, 2017) as a Private Company Limited by shares, was later on converted into Public Limited Company and subsequently listed on Pakistan Stock Exchange on August 26, 2005. The Company is domiciled in Pakistan and is principally engaged in the development and sale of computer software and allied services in Pakistan as well as abroad.

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

Address/Location	Purpose
1 NetSol IT Village, (Software Technology Park) Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. Pakistan.	Registered office and business unit
2 43/1/Q, Amna Villa I, Block-6, PECHS Karachi Pakistan.	Branch office
3 House No. 4, Safari villas I, Bahria Town, Rawalpindi. Pakistan.	Branch office

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

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

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

**2. Basis of Preparation**

**2.1 Separate financial statements**

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

**2.2 Statement of compliance**

These condensed, interim, un-consolidated financial statements (un-audited) are being submitted to the shareholders as required by section 237 of the Companies Act, 2017 (the "Act") and have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed, interim, un-consolidated financial statements are un-audited and do not include all the disclosures and information required in the annual financial statements and should be read in conjunction with the preceding annual published financial statements of the company for the year ended June 30, 2025.

**2.3 Basis of measurement**

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

**2.4 Functional and presentation currency**

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



### 3. Material Accounting Policy Information

The accounting policies adopted for the preparation of these condensed, interim, un-consolidated financial statements (un-audited) are consistent with those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2025.

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

Certain standards, amendments and interpretations to approved accounting standards are also effective for accounting periods beginning on or after July 01, 2025, but are neither relevant nor have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in this condensed, interim, un-consolidated financial statements (un-audited).

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

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

### 4. Use of Estimates and Judgements

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

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

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

In preparing these condensed, interim, un-consolidated financial statements (un-audited), the judgments, estimates and assumptions made by the management were the same as those that were applied to the preceding annual published financial statements of the Company for the year ended June 30, 2025.

### 5. Property and Equipment

		Sep 30 2025	Jun 30 2025
	NOTE	(Un-audited)	(Audited)
<b>Rupees in Thousands</b>			
Operating fixed assets	5.1	<b>1,209,655</b>	1,171,534
Advance against capital expenditure		<b>57,422</b>	53,532
		<b>1,267,077</b>	1,225,066
<b>5.1. Operating fixed assets</b>			
Opening written down value		<b>1,171,534</b>	1,208,998
Additions during the period / year	5.1.1	<b>106,912</b>	279,045
Disposals during the period / year	5.1.2	<b>(20)</b>	(3,265)
		<b>1,278,426</b>	1,484,778
Depreciation charge for the period / year		<b>(68,771)</b>	(313,244)
		<b>1,209,655</b>	1,171,534

	Sep 30 2025	Jun 30 2025
NOTE	(Un-audited)	(Audited)
	Rupees in Thousands	
<b>5.1.1 Following is the detail of additions / transfers during the period:</b>		
<b>At cost</b>		
Furniture and fixtures	6,259	3,921
Vehicles	68,827	24,794
Office equipment	1,291	15,514
Computer equipment and installations	30,275	125,849
Air conditioners	260	3,848
Computer softwares	-	105,119
	<b>106,912</b>	<b>279,045</b>

	September 30 (Un-audited)			June-30 (Audited)		
	Cost	Acc. Dep.	Written Down Value	Cost	Acc. Dep.	Written Down Value
	Rupees in Thousands					
Furniture and Fixtures	288	268	20	594	582	12
Vehicles	1,700	1,700	-	11,151	7,898	3,253
Computer equipment and installations	23,044	23,044	-	7,127	7,127	-
Computer softwares	-	-	-	49,571	49,571	-
	<b>25,032</b>	<b>25,012</b>	<b>20</b>	<b>68,443</b>	<b>65,178</b>	<b>3,265</b>

## 6. Intangible Assets

NetSol Financial Suite and NFS - Ascent have been fully amortized; however, the Company is still generating revenues from the sale of its licenses, provision of allied services and maintenance.

## 7. Trade Debts

	NOTE	Sep 30 2025 (Un-audited)	Jun 30 2025 (Audited)
		Rupees in Thousands	
<b>Related Parties</b>	7.1		
Considered good - unsecured		5,812,695	5,007,875
Considered doubtful - unsecured		212,758	225,827
		<b>6,025,453</b>	<b>5,233,702</b>
<b>Other Parties</b>			
Considered good - unsecured		595,044	732,133
Considered doubtful - unsecured		101,060	102,054
		<b>696,104</b>	<b>834,187</b>
Less: Provision for expected credit losses		<b>(313,818)</b>	<b>(327,881)</b>
		<b>6,407,739</b>	<b>5,740,008</b>

### 7.1 Amount receivable from related parties included in trade debts (from exports) are as under:

NetSol Technologies (Thailand) Limited	12,860	-
NetSol Technologies (Beijing) Co., Ltd.	3,163,072	3,013,655
NetSol Technologies Australia Pty Limited	446,647	425,819
NetSol Technologies Americas Inc.	676,531	796,046
NetSol Technologies Europe Limited	16,779	5,284
Ascent Europe Limited	967,242	992,898
NetSol Ascent Middle East Computer Equipment Trading LLC.	742,322	-
	<b>6,025,453</b>	<b>5,233,702</b>

8. Deposits and short term prepayments		NOTE	Sep 30 2025 (Un-audited) Rupees in Thousands	Jun 30 2025 (Audited)
	Considered good - unsecured			
	Security deposits		6,715	6,688
	Prepayments		207,639	219,369
			214,354	226,057
9.	Other Receivables			
	Guarantee margin		15,337	15,337
	Other receivables - considered good		101,677	111,748
			117,014	127,085
10.	Due from Related Party			
	Considered good - unsecured			
	Parent	10.1		
	NetSol Technologies Inc.		1,544	-
	Associates	10.1		
	NetSol Technologies Americas Inc.		30,513	54,595
	NetSol Connect (Private) Limited		15,918	17,455
	NetSol Technologies (Beijing) Co, Ltd.		115,053	115,741
	Wholly owned Subsidiary			
	NetSol Innovation (Private) Limited	10.2	200,178	174,178
	NetSol Ascent Middle East Computer Equipment Trading LLC.		16,275	-
	NetSol Institute of Artificial Intelligence (Pvt.) Limited		-	716
			379,481	362,685
10.1	These relate to the normal course of business of the Company and are interest free.			
10.2	These relate to the normal course of business of the Company and interest @ 6 months KIBOR is charged on the outstanding balance at the end of each month.			
11.	Short Term Investments			
	Askari Bank Limited	11.1	200,000	200,000
11.1	These carry markup ranging to 7% per annum (June 30, 2025 : 7% to 12%) and have maturity of one month from the date of initial recognition with auto rollover. The lien is marked in favour of Lahore High Court on the term deposit receipt.			
12.	Issued, Subscribed and Paid up Capital			
	Sep 30 2025 (Un-audited)	Jun 30 2025 (Audited)	Sep 30 2025 (Un-audited)	Jun 30 2025 (Audited)
	Number of shares in Thousands		Rupees in Thousands	
	42,686	42,686	426,862	426,862
	47,151	47,151	471,507	471,507
	89,837	89,837	898,369	898,369
12.1	Number of shares outstanding as at the reporting date:			
	Opening balance		85,147	89,837
	Treasury shares of Rs. 10 each purchased at market value		-	(4,690)
	Closing balance		85,147	85,147

- 12.2** NetSol Technologies Inc. 16000 Ventura Boulevard STE 770 ENCINO CA 91436, USA is the parent company, holding 69.76% (June 30, 2025: 69.76%) of issued capital of the Company. The percentage has been calculated after taking into account the impact of treasury shares.
- 12.3** The share capital includes 4,41,796 ordinary shares (June 25: 4,690,251) held as treasury shares by the Company. These treasury shares are held in CDC blocked account in frozen form. These are not entitled to any voting right, cash dividend or any other distribution made by the Company. No sale or disposal of treasury shares has been made during the financial year.
- 12.4** During the period, 278,455 shares are issued against the share options exercised by the eligible employees.

	NOTE	Sep 30 2025 (Un-audited)	Jun 30 2025 (Audited)
Rupees in Thousands			
<b>13. LONG TERM FINANCES - SECURED</b>			
Loan obligation	13.1	57,587	21,771
Less: Current portion of long term financing		(19,465)	(8,428)
		<b>38,122</b>	<b>13,343</b>

- 13.1** This represents finance facilities obtained from time to time, from First Habib Modaraba, for purchase of various vehicles. The facility is repayable in 36 equal monthly installments. This facility carries mark up rates ranging between 12.00% to 12.40% (June 30, 2025: 12.27% to 21.49%) per annum. These facilities are secured through lien marking in favour of financial institutions.

#### 14. Short Term Borrowings

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

- 14.1** All the terms and conditions are the same as those already disclosed in the annual financial statements for the year ended June 30, 2025.

#### 15. Contingencies and Commitments

##### 15.1 Contingencies

- 15.1.1** 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 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 legal consultant, the case is expected to be decided in favor of the Company. Therefore, no provision has been incorporated in these financial statements.

**15.1.2** On January 10, 2025, the Company filed a writ petition in the Islamabad High Court to challenge the vires 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.

## 15.2 Commitments

- (i) Bank guarantees have been issued amounting to Rs. 264.44 million (June 30, 2025: Rs. 264.44 million) against performance of various contracts, to Honourable Lahore High Court, to LESCO and to Standard Chartered Bank Pakistan (Limited) against its corporate credit cards.
- (ii) The Company has a capital commitment of Rs. 69.32 million as at September 30, 2025 (June 30, 2025: Rs. 73.90 million).

**Quarter Ended September 30,**  
**2025**      **2024**  
**(Un-audited)**  
**Rupees in Thousands**

## 16. Revenue from Contracts with Customers – Net

Set out below is the disaggregation of the Company's revenue from contracts with customers:

### Export Revenue

- Services	815,989	642,300
- Subscription and Support	1,417,920	1,241,248
	<b>2,233,909</b>	<b>1,883,548</b>

### Local Revenue

- Services	11,974	7,103
- Subscription and Support	-	9,393
- Less: Sales tax	(1,652)	(1,164)
	<b>10,322</b>	<b>15,332</b>
	<b>2,244,231</b>	<b>1,898,880</b>

## 16.1 Timing of revenue recognition:

At point in time	-	-
Over the time	2,244,231	1,898,880
	<b>2,244,231</b>	<b>1,898,880</b>

## 17. Other Income

### Income from financial assets

Profit on bank deposits	12,234	60,283
Profit on short term investments	58,267	148,099
Interest income from related party	5,482	898
	<b>75,983</b>	<b>209,280</b>

### Income from non-financial assets

Gain on foreign currency translation	-	170,981
Gain on disposal of property and equipment	4,804	-
Rental income	525	525
Effect of discounting of long term contract assets	1,711	-
	<b>7,040</b>	<b>171,506</b>
	<b>83,023</b>	<b>380,786</b>

18 Final Taxes / Levies

- 18.1 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.
- 18.2 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.

19. Earnings Per Share – Basic and Diluted

	Quarter Ended September 30,	
	2025	2024
	(Un-audited)	
	Rupees in Thousands	
Profit attributable to ordinary shareholders	49,753	196,842
<b>Weighted average number of ordinary shares (Basic)</b>		
Issued ordinary shares at beginning of the period	89,837	89,837
Less: weighted average number of treasury shares held by the Company	(4,442)	(2,000)
Weighted average number of ordinary shares as at Sep 30,	85,395	87,837
Earnings per share – basic	0.58	2.24
<b>Weighted average number of ordinary shares (Diluted)</b>		
Weighted average number of ordinary shares (Basic)	85,395	87,837
Effect of share options	1,301	1,227
Weighted average number of ordinary shares (diluted)	86,696	89,064
Earnings per share – diluted	0.57	2.21

20. Transactions with Related Parties

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

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

		Quarter Ended September 30,	
		2025	2024
		(Un-audited)	
		Rupees in Thousands	
Subsidiary	Admin and IT services	600	600
	Rental income	300	300
	Mark-up income	5,482	898
Associated undertaking	Rental charges	225	225
	Provision of services	1,011,719	645,823
	Purchase of services	12,816	11,382
Key management personnel	Salaries and benefits	102,063	84,155
	Retirement benefits	4,015	3,491
	Commission paid	2,823	2,790
Post employment benefit	Contribution to defined contribution plan	57,403	46,330



**21. Capital Management**

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

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

**22. Financial Risk Management and Financial Instruments****(i) Financial Risk Factors**

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

**(ii) Fair Value of Financial Assets and Liabilities**

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

**23. Corresponding Figures**

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

**24. Date of Authorization for Issue**

These condensed, interim, un-consolidated financial statements (un-audited) for the quarter ended September 30, 2025 were approved and authorised for issuance by the Board of Directors on 30th October 2025.

**25. Figures**

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

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

# Condensed Consolidated Financial Statements

For the Quarter Ended September 30, 2025



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**
**As at September 30, 2025**

		Sep 30 2025	Jun 30 2025
	NOTE	Unaudited	Audited
		Rupees in Thousands	
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property and equipment	5	1,268,705	1,227,112
Long term contract assets		161,747	143,058
Long term loans to employees		7,681	8,590
		1,438,133	1,378,760
<b>Current Assets</b>			
Trade debts	7	5,871,226	5,869,134
Contract assets		1,836,721	2,542,057
Loans and advances	8	95,583	42,111
Deposits and short term prepayments		314,436	229,351
Other receivables		117,134	127,131
Due from related parties	9	161,484	187,791
Prepaid tax asset		34,452	19,668
Short term investments	10	200,000	200,000
Cash and bank balances		4,988,813	3,767,897
		13,619,849	12,985,140
<b>Total Assets</b>		<b>15,057,982</b>	<b>14,363,900</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorized share capital			
200,000 (June 30, 2025: 200,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up capital	11	898,369	898,369
Reserves		10,016,795	9,922,818
Share deposit money		369	3,868
<b>Shareholders' Equity</b>		<b>10,915,533</b>	<b>10,825,055</b>
<b>Non Current Liabilities</b>			
Long term financing	12	38,122	13,343
Long term advances		9,120	5,415
		47,242	18,758
<b>Current Liabilities</b>			
Trade and other payables		1,461,369	1,173,792
Contract liabilities		429,835	153,329
Short term borrowings	13	2,180,000	2,180,000
Current portion of non-current liabilities		19,465	8,428
Unclaimed dividend		4,538	4,538
		4,095,207	3,520,087
<b>Contingencies and commitments</b>	14	-	-
<b>Total Equity and Liabilities</b>		<b>15,057,982</b>	<b>14,363,900</b>

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


**DIRECTOR**

**CHIEF EXECUTIVE OFFICER**

**CHIEF FINANCIAL OFFICER**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
For The Quarter Ended September 30, 2025

	NOTE	Quarter Ended September 30, 2025	2024
		Rupees in Thousands	
Revenue from contracts with customers - net	15	2,542,625	1,925,898
Cost of revenue		(1,563,851)	(1,313,924)
<b>Gross profit</b>		<b>978,774</b>	<b>611,974</b>
Selling and promotional expenses		(296,307)	(206,491)
Administrative expenses		(460,078)	(379,790)
		(756,385)	(586,281)
<b>Operating profit</b>		<b>222,389</b>	<b>25,693</b>
Other operating expenses		(142,814)	(136,156)
Finance cost		(47,040)	(68,907)
Other income	16	79,207	381,360
		(110,647)	176,297
<b>Profit before Final Taxes and Income Tax</b>		<b>111,742</b>	<b>201,990</b>
Final tax / levies	17	(37,008)	(60,693)
<b>Profit before Income Tax</b>		<b>74,734</b>	<b>141,297</b>
Income tax		-	-
<b>Net Profit for the Period</b>		<b>74,734</b>	<b>141,297</b>
<b>Earnings Per Share - Basic and Diluted</b>	18		
- Basic		0.88	1.61
- Diluted		0.86	1.59

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



DIRECTOR



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**For The Quarter Ended September 30, 2025**

	Quarter Ended September 30,	
	2025	2024
	Rupees in Thousands	
<b>Net Profit for the Period</b>	<b>74,734</b>	141,297
<b><i>Other Comprehensive Income for the period</i></b>		
Items that may be re-classified subsequently to profit or loss	-	-
- Exchange differences on translation of foreign operation	(2,432)	1
Items that will not be re-classified subsequently to profit or loss	-	-
	(2,432)	1
<b>Total Comprehensive Income for the Period</b>	<b>72,302</b>	141,298

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



**DIRECTOR**

**28 | For The Quarter Ended September 30, 2025**



**CHIEF EXECUTIVE OFFICER**



**CHIEF FINANCIAL OFFICER**

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

For The Quarter Ended September 30, 2025

	September 30 2025	September 30 2024
	Rupees in Thousands	
Profit before final taxes and income tax	111,742	201,990
Adjustments for:		
- Depreciation - own assets	69,187	75,560
- Depreciation of right of use assets	-	455
- Gain on disposal of property and equipment	(4,804)	-
- Foreign exchange loss / (gain)	76,039	(172,503)
- Finance cost	45,385	68,091
- Interest income	(74,178)	(208,632)
- Employee share option compensation expense	(4,127)	2,235
- Treasury share reserve - net	25,721	-
- Provision for expected credit losses	6,041	37,524
	139,264	(197,270)
<b>Operating profit before working capital changes</b>	<b>251,006</b>	<b>4,720</b>
Decrease / (Increase) in current assets		
- Trade debts	(52,833)	718,973
- Contract assets	654,697	204,761
- Loans and advances	(52,563)	(18,490)
- Deposits and short term prepayments	(85,085)	(29,408)
- Other receivables	9,997	(39,167)
- Due from related parties	26,307	6,451
(Decrease) / Increase in current liabilities		
- Trade and other payables	280,399	187,887
- Contract liabilities	276,587	(604,879)
<b>Cash generated from Operations</b>	<b>1,057,506</b>	<b>426,128</b>
Levy / final tax paid	(51,888)	(88,921)
	(51,888)	(88,921)
<b>Net cash generated from Operating Activities</b>	<b>1,256,624</b>	<b>341,927</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for acquisition of property and equipment	(106,910)	(10,661)
Proceeds from disposal of property and equipment	4,824	-
Advance against capital expenditure	(3,890)	(39,001)
Interest received	74,178	208,632
<b>Net Cash (Used in) / Generated from Investing Activities</b>	<b>(31,798)</b>	<b>158,970</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share deposit money	(3,499)	-
Share premium	81	-
Repayment of lease liabilities	-	(763)
Repayment of long term loan	34,389	(4,184)
Short term borrowing - net	(36,251)	(73,973)
Long term advances - net	3,705	855
<b>Net Cash used in Financing Activities</b>	<b>(1,575)</b>	<b>(78,065)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>1,223,251</b>	<b>422,832</b>
Net foreign exchange difference	(2,335)	30
Cash and cash equivalents at the beginning of the period	3,767,897	4,669,162
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>4,988,813</b>	<b>5,092,024</b>

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


**DIRECTOR**

**CHIEF EXECUTIVE OFFICER**

**CHIEF FINANCIAL OFFICER**



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**
**For The Quarter Ended September 30, 2025**

Particulars	Share Capital	Reserves					Total Reserves	Share Deposit Money	Total Equity	
		Capital Reserve				Revenue Reserve				
		Share Premium	Employee share option compensation reserve	Treasury Share Reserve	Foreign Currency Translation Reserve	Unappropriated Profit				
Rupees in Thousands										
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 period	-	-	-	-	-	141,297	141,297	-	141,297	
Other comprehensive income for the period	-	-	-	-	1	-	1	-	1	
Total comprehensive income for the period	-	-	-	-	1	141,297	141,298	-	141,298	
Transactions with owners of the equity										
Employee share option reserve	-	-	2,235	-	-	-	2,235	-	2,235	
Balance as at September 30, 2024	898,369	304,167	267,680	(184,739)	545	8,963,945	9,351,598	13	10,249,980	
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	
Net profit for the period	-	-	-	-	-	74,734	74,734	-	74,734	
Other comprehensive income for the period	-	-	-	-	(2,432)	-	(2,432)	-	(2,432)	
Total comprehensive income for the period	-	-	-	-	(2,432)	74,734	72,302	-	72,302	
Transactions with owners of the equity										
Re-issue of treasury shares against stock options to employees	-	81	(4,127)	25,721	-	-	21,675	(3,499)	18,176	
Balance as at September 30, 2025	898,369	304,248	265,668	(579,006)	6,749	10,019,136	10,016,795	369	10,915,533	

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


**DIRECTOR**

**CHIEF EXECUTIVE OFFICER**

**CHIEF FINANCIAL OFFICER**

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS (UN-AUDITED)**

**For The Quarter Ended September 30, 2025**

**1. The Company and its Operations**

The Company and its Operations

- NetSol Technologies Limited
- NetSol Innovation (Private) Limited
- NetSol Ascent Middle East Computer Equipment Trading LLC.
- 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 Karachi, Pakistan.	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 Ascent Middle East Computer Equipment Trading LLC. 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 Innovation (Private) Limited ("the subsidiary Company" or "Subsidiary") is incorporated in Pakistan as a private limited company and is a wholly owned 99.999% (2025: 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 Institute of Artificial Intelligence (Private) Limited is incorporated in Pakistan as a private limited company and is a wholly owned 100% (2025:100%) subsidiary of NetSol Innovation (Private) Limited. The subsidiary is principally engaged in the developing of globally competitive digital workforce by providing specialized education and certifications in high-demand technology areas and to run data processing centers, computer centers, software development centers, offices and to provide consultancy and data processing software development services and to impart training of electronic data processing, computer software and hardware to customers and others and to buy, sell, export, import of software, hardware and establishment of incidental infrastructural facilities.

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

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

**2. Basis of Preparation**

**2.1 Statement of compliance**

These condensed, interim, consolidated financial statements (un-audited) are being submitted to the shareholders as required by section 237 of the Companies Act, 2017 (the "Act") and have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed, interim, consolidated financial statements are un-audited and do not include all the disclosures and information required in the annual financial statements and should be read in conjunction with the preceding annual published financial statements of the company for the year ended June 30, 2025.

## **2.2 Basis of measurement**

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

## **2.3 Functional and presentation currency**

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

# **3. Material Accounting Policy Information**

The accounting policies adopted for the preparation of these condensed, interim, consolidated financial statements (un-audited) are consistent with those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2025.

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

Certain standards, amendments and interpretations to approved accounting standards are also effective for accounting periods beginning on or after July 01, 2025, but are neither relevant nor have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in this condensed, interim, consolidated financial statements (un-audited).

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

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

# **4. Use of Estimates and Judgements**

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

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

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

In preparing these condensed, interim, consolidated financial statements (un-audited), the judgments, estimates and assumptions made by the management were the same as those that were applied to the preceding annual published financial statements of the Company for the year ended June 30, 2025.

5. Property and Equipment		Sep 30 2025	Jun 30 2025
	NOTE	(Un-audited)	(Audited)
Rupees in Thousands			
Operating fixed assets	5.1	1,211,283	1,173,580
Advance against capital expenditure		57,422	53,532
		1,268,705	1,227,112
<b>5.1. Operating fixed assets</b>			
Opening written down value		1,173,580	1,213,944
Additions during the period / year	5.1.1	106,910	279,610
Disposals during the period / year	5.1.2	(20)	(3,266)
		1,280,470	1,490,288
Depreciation charge for the period / year		(69,187)	(316,708)
		1,211,283	1,173,580

**5.1.1 Following is the detail of additions / transfers during the period:**

<b>At cost</b>		
Furniture and fixtures	6,259	4,223
Vehicles	68,827	24,794
Office equipment	1,291	15,514
Computer equipment and installations	30,273	126,112
Air conditioners	260	3,848
Computer softwares	-	105,119
	106,910	279,610

**5.1.2 Following is the detail of disposals during the period**

	September 30, 2025			June 30, 2025		
	(Un-audited)			(Audited)		
	Cost	Acc. Dep.	Written Down Value	Cost	Acc. Dep.	Written Down Value
Rupees in Thousands						
Furniture and Fixtures	288	268	20	594	582	12
Vehicles	1,700	1,700	-	11,151	7,897	3,254
Computer equipment and installations	23,044	23,044	-	7,127	7,127	-
	25,032	25,012	20	18,872	15,606	3,266

**6. Intangible Assets**

- 6.1** NetSol Financial Suite and NFS – Ascent have been fully amortized; however, the Company is still generating revenues from the sale of its licenses, provision of allied services and maintenance.

**7. Trade Debts**

**Sep 30**  
**2025**  
**(Un-audited)**  
**Rupees in Thousands**

<b>Related Parties</b>		
Considered good - unsecured	5,102,970	5,036,394
Considered doubtful - unsecured	212,758	225,827
	5,315,728	5,262,221
<b>Other Parties</b>		
Considered good - unsecured	768,256	832,740
Considered doubtful - unsecured	101,060	102,054
	869,316	934,794
Less: Provision for expected credit losses	(313,818)	(327,881)
	5,871,226	5,869,134

**7.1 Amount receivable from related parties included in trade debts (from exports) are as under:**

NetSol Technologies (Thailand) Limited	12,860	-
NetSol Technologies (Beijing) Co., Ltd.	3,163,072	3,013,655
NetSol Technologies Australia Pty Limited	446,647	425,819
NetSol Technologies Americas Inc.	676,531	796,046
NetSol Technologies Europe Limited	49,376	33,803
Ascent Europe Limited	967,242	992,898
	5,315,728	5,262,221

**8. Loans and Advances**
**Considered good - unsecured**

Current portion of loans to executives	17,993	15,287
Advances to employees:		
- against salaries	4,654	1,439
- against expenses	72,936	25,385
	95,583	42,111

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

**9. Due from Related Party**
**Considered good - unsecured**
**Associates**

9.1

NetSol Technologies Americas Inc.	30,513	54,595
NetSol Connect (Private) Limited	15,918	17,455
NetSol Technologies (Beijing) Co., Ltd.	115,053	115,741
	161,484	187,791

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

**10. Short Term Investments**

Askari Bank Limited 10.1 200,000 200,000

**10.1** These carry markup ranging to 7% per annum (June 30, 2025 : 7% to 12% per annum) and have maturity of one month from the date of initial recognition with auto rollover. The lien is marked in favour of Lahore High Court on the term deposit receipt.

11. Issued, Subscribed and Paid up Capital

	Sep 30 2025 (Un-audited)	Jun 30 2025 (Audited)		Sep 30 2025 (Un-audited)	Jun 30 2025 (Audited)
	Number of shares in Thousands			Rupees in Thousands	
	42,686	42,686	Ordinary shares of Rs. 10 each fully paid in cash	426,862	426,862
	47,151	47,151	Ordinary shares of Rs. 10 each allotted as fully paid bonus shares	471,507	471,507
	89,837	89,837		898,369	898,369
11.1	Number of shares outstanding as at the reporting date:				
	Opening balance			85,147	89,837
	Treasury shares of Rs. 10 each purchased at market value			-	(4,690)
	Closing balance			85,147	85,147

- 11.2 NetSol Technologies Inc. 16000 Ventura Boulevard STE 770 ENCINO CA 91436, USA is the parent company, holding 69.76% (June 30, 2025: 69.76%) of issued capital of the Company. The percentage has been calculated after taking into account the impact of treasury shares.
- 11.3 The share capital includes 4,41,796 ordinary shares (June 25: 4,690,251) held as treasury shares by the Company. These treasury shares are held in CDC blocked account in frozen form. These are not entitled to any voting right, cash dividend or any other distribution made by the Company. No sale or disposal of treasury shares has been made during the financial year.
- 11.4 During the period, 278,455 shares are issued against the share options exercised by the eligible employees.

12. LONG TERM FINANCES – SECURED			
Loan obligation	12.1	57,587	21,771
Less: Current portion of long term financing		(19,465)	(8,428)
		38,122	13,343

- 12.1 This represents finance facilities obtained from time to time, from First Habib Modaraba, for purchase of various vehicles. The facility is repayable in 36 equal monthly installments. This facility carries mark up rates ranging between 12.00% to 12.40% (June 30, 2025: 12.27% to 21.49%) per annum. These facilities are secured through lien marking in favour of financial institutions.

13. Short Term Borrowings

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

- 13.1 All the terms and conditions are the same as those already disclosed in the annual financial statements for the year ended June 30, 2025.

## 14. Contingencies and Commitments

### 14.1 Contingencies

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 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 legal consultant, the case is expected to be decided in favor of the Company. Therefore, no provision has been incorporated in these financial statements.

- 14.2** On January 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.

### 14.2 Commitments

- (i) Bank guarantees have been issued amounting to Rs. 264.44 million (June 30, 2025: Rs. 264.44 million) against performance of various contracts, to Honourable Lahore High Court, to LESCO and to Standard Chartered Bank Pakistan (Limited) against its corporate credit cards.
- (ii) The Company has a capital commitment of Rs. 69.32 million as at September 30, 2025 (June 30, 2025: Rs. 73.90 million).

Quarter Ended September 30,  
2025                      2024  
(Un-audited)  
Rupees in Thousands

**15. Revenue from Contracts with Customers – Net**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

**Export Revenue**

- Services	1,033,771	669,318
- Subscription and Support	1,498,532	1,241,248
	<b>2,532,303</b>	1,910,566

**Local Revenue**

- Services	11,974	7,103
- Subscription and Support	-	9,393
- Less: Sales tax	(1,652)	(1,164)
	<b>10,322</b>	15,332

**2,542,625**                      1,925,898

**15.1 Timing of revenue recognition:**

At point in time	-	-
Over the time	<b>2,542,625</b>	1,925,898

**2,542,625**                      1,925,898

**16. Other Income**

***Income from financial assets***

Profit on bank deposits	14,200	-
Profit on short term investments	58,267	208,632
	<b>72,467</b>	208,632

***Income from non-financial assets***

Gain on foreign currency translation	-	172,503
Gain on disposal of property and equipment	4,804	-
Rental income	225	225

**5,029**                      172,728

**77,496**                      381,360

**17. Final Taxes / Levies**

For exporters of IT and IT enabled services, export income is taxable under FTR at 0.25% of the export remittances realized through normal banking channels. However, tax as per applicable rates is charged to the income of the Company generated from sources other than export income.



**18. Earnings Per Share – Basic and Diluted**

		Quarter Ended September 30,	
		2025	2024
		(Un-audited)	
		Rupees in Thousands	
Profit attributable to ordinary shareholders		74,734	141,297
<b>Weighted average number of ordinary shares (Basic)</b>			
Issued ordinary shares at beginning of the period	89,837		89,837
Less: weighted average number of treasury shares held by the Company	(4,442)		(2,000)
Weighted average number of ordinary shares as at Sep 30,	85,395		87,837
Earnings per share – basic	0.88		1.61
<b>Weighted average number of ordinary shares (Diluted)</b>			
Weighted average number of ordinary shares (Basic)	85,395		87,837
Effect of share options	1,301		1,227
Weighted average number of ordinary shares (diluted)	86,696		89,064
Earnings per share – diluted	0.86		1.59

**19. Transactions with Related Parties**

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

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

		Quarter Ended September 30,	
		2025	2024
		(Un-audited)	
		Rupees in Thousands	
Relationship with the Company	Nature of Transactions		
Associated undertaking	Rental charges	225	225
	Provision of services	1,013,092	666,654
	Purchase of services	12,816	11,382
Key management personnel	Salaries and benefits	105,148	90,037
	Retirement benefits	4,158	3,638
	Commission paid	2,823	2,790
Post employment benefit	Contribution to defined contribution plan	59,568	48,571

## 20. Capital Management

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

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

## 21. Financial Risk Management and Financial Instruments

### (i) Financial Risk Factors

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

### (ii) Fair Value of Financial Assets and Liabilities

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

## 22. Corresponding Figures

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

## 23. Segment Revenues and Results

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

	Sep-25			
	PBS	PS	BPO	Total
Rupees in Thousands				
Revenue - net				
External sales				
Services	1,008,647	14,872	20,574	1,044,093
Subscription and Support	1,498,532	-	-	1,498,532
Total revenue	2,507,179	14,872	20,574	2,542,625
Cost of revenue	(1,478,684)	(70,173)	(14,994)	(1,563,851)
Segment results	1,028,495	(55,301)	5,580	978,774
Unallocated corporate expenses:				
Selling and promotional expenses				(296,307)
Administrative expenses				(460,078)
Other income				79,207
Other operating expenses				(142,814)
Finance cost				(47,040)
Final tax / levies				(37,008)
Profit after taxation				74,734

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

\*Key

PBS = Product Based Solutions and Ancillary Services

PS = Professional Services

BPO = Business Process Outsourcing

Segment assets and liabilities are not regularly provided to the CODM. The Group has elected as provided under IFRS 8 'Operating Segments' (amended) not to disclose a measure of segment assets or liabilities where these amounts are not regularly provided to the CODM.

#### 24. Date of Authorization for Issue

These condensed, interim, consolidated financial statements (un-audited) for the quarter ended September 30, 2025 were approved and authorised for issuance by the Board of Directors on 30th October 2025.

#### 25. Figures

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



**DIRECTOR**



**CHIEF EXECUTIVE OFFICER**



**CHIEF FINANCIAL OFFICER**



## NETSOL TECHNOLOGIES LIMITED

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