



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: 28/02/2024

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

Subject: **Transmission of Quarterly Report for the Period Ended December 31, 2023**

Dear Sir,

We have to inform you that the Quarterly Report of the Company for the period ended December 31, 2023 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





Condensed Financial Statements
(Un-Audited)
For the Half Year Ended
December 31,

2023



Table of Contents

Business Review

Company Profile	02
Directors' Report	04
Directors' Report Urdu	08
Auditor's Review Report	12

Condensed Financial Statements

Statement of Financial Position	14
Statement of Profit or Loss	15
Statement of Comprehensive Income	16
Statement of Cash Flows	17
Statement of Changes in Equity	18
Notes to Financial Statements	19

Condensed Consolidated Financial Statements

Statement of Financial Position	28
Statement of Profit or Loss	29
Statement of Comprehensive Income	30
Statement of Cash Flows	31
Statement of Changes in Equity	32
Notes to Financial Statements	33



Company Profile

Company Profile

BOARD OF DIRECTORS

NAEEM ULLAH GHAURI
Chairman/Non-Executive Director

SALIM ULLAH GHAURI
Chief Executive Officer/Executive Director

VASEEM ANWAR
Independent Director

ANWAAR HUSSAIN
Independent Director

ZESHAN AFZAL
Independent Director

HAMNA GHAURI
Non-Executive Director

OMAR SHAHAB GHAURI
Executive Director

AUDIT COMMITTEE

ANWAAR HUSSAIN
Chairman

VASEEM ANWAR
Member

HAMNA GHAURI
Member

CHIEF FINANCIAL OFFICER
BOO-ALI SIDDIQUI

COMPANY SECRETARY
SEHRISH

CHIEF INTERNAL AUDITOR
MUHAMMAD ABDUL WAHAB
HAFEEZ

AUDITORS
SAEED KAMRAN & CO.
(Formerly H.Y.K & CO.)
Chartered Accountants
321-Upper Mall, Lahore



LEGAL ADVISOR

CORPORATE LAW ASSOCIATES

1st Floor Queen's Centre
Shahra-e-Fatima Jinnah
Lahore

SHARE REGISTRAR

VISION CONSULTING LIMITED

3-C, LDA Flats,
Lawrence Road, Lahore.
Tel: +92-42-36283096-97
Fax: +92-42-36312550

BANKERS

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

CONTACT DETAILS

REGISTERED OFFICE

NETSOL IT Village
(Software Technology Park)
Lahore Ring Road,
Ghazi Road Interchange,
Lahore Cantt. 54792, Pakistan
Tel: +92-42-111-44-88-00,
+92-42-35727096-7
Fax: +92-42-35701046, 35726740

RAWALPINDI OFFICE

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

KARACHI OFFICE

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

PESHAWAR OFFICE

3rd floor Jasmin's Arcade
Fakhar-e-Alam road, Peshawar
Cantt. Pakistan.

WEB PRESENCE

www.netsolpk.com
info@netsolpk.com
corporate@netsolpk.com

DIRECTORS' REPORT

On behalf of the Board of Directors of NETSOL Technologies Limited (NETSOL or the Company), we are pleased to present the unaudited condensed financial statements of your company together with its consolidated accounts for the period ended December 31, 2023.

GENERAL OVERVIEW

The half-year ended was a significant period for NETSOL Technologies. Developments that took place included the company's cloud services division being awarded the AWS Lambda Service Delivery designation by Amazon Web Services (AWS), signing of NFS Ascent® implementation contract by our Chinese associated company, new subscriptions and go-lives for products from the Appex Now marketplace, noteworthy contract signings for NETSOL's Professional Services, high-profile visits and continued participation at a number of industry-leading events across the world.

NETSOL Cloud Services achieved the AWS Lambda Service Delivery designation

NETSOL Cloud Services, the company's cloud services division, was awarded the AWS Lambda Service Delivery designation by Amazon Web Services (AWS). This esteemed recognition acknowledges NETSOL Cloud Services' proficiency and successful implementation of AWS Lambda, enabling organizations in the efficient building and deployment of scalable serverless applications.

AWS Lambda empowers businesses to run code without provisioning or managing servers, providing a flexible and scalable platform for developing contemporary applications. NETSOL Cloud Services has showcased its profound expertise in harnessing AWS Lambda to assist businesses in enhancing agility, lowering infrastructure costs, expediting the time-to-market for their applications and optimizing infrastructure management through the utilization of serverless computing.

Growing adoption of NETSOL's API-first products from the Appex Now marketplace in the UK

NETSOL introduced Appex Now as the world's first marketplace of API-first products specifically for the global credit, finance and leasing industry. It provides a suite of cloud-based API-first products that cater to a broad spectrum of needs. The API-first strategy enhances development efficiency, reduces complexity, mitigates risk and facilitates integration with diverse systems and platforms. During the half-year ended, the company attained new customers for its API-based calculation engine Flex and also had subscriptions for other products from the Appex Now marketplace.

Bibby Financial Services, a multinational financial services provider in the United Kingdom aiding over 8500 SMEs spanning across 300 industry sectors alongside United Trust Bank (UTB), a specialist bank offering various secured funding facilities to SMEs, property developers and consumers, both subscribed to and subsequently went live with Flex. The cloud-based calculation engine is a one-stop solution that guarantees precise calculations at all stages of the contract lifecycle through various calculation types.

Moreover, UTB also opted for a subscription to Dock, another product from the Appex Now marketplace. Dock is a centralized document generation tool which enables users to seamlessly create accurate and professional-looking documents in just seconds. With Dock's template-based configuration, users are enabled to set up placeholders for data, essentially simplifying the document creation process and reducing the chance of human error. Its API-first architecture ensures scalability, making it capable of handling any document generation task, from single documents to millions, with ease. The agility and swift onboarding of these API-first products has become a game-changer, empowering businesses to swiftly leverage these offerings and derive immediate value.

Awarding of NFS Ascent implementation contract

Our Chinese associated company successfully closed a multimillion dollar deal with an American automobile manufacturer for implementation of our flagship product NFS Ascent® at their auto finance company in China. The contract includes license to use the product, implementation and data migration services and a post go live support for three months period. Another contract for the long term maintenance support will be signed later. NETSOL's NFS Ascent® platform was chosen for its unrivaled capabilities and proven track record for success both in Asia-Pacific and globally. The company will directly benefit from this contract through provisioning of both license as well as implementation services to the sister concern. This will result in generating additional revenues for the Company which will be recognized over the life of the contract.

Contract signings for NETSOL's Professional Services

NETSOL strengthened its reputation as a reliable provider of professional services through the acquisition of several noteworthy contracts. A prominent digital transformation company based in the United States enlisted NETSOL for a three-year project focused on managing a Security Operation Center (SoC). Concurrently, a United Kingdom-based healthcare entity engaged NETSOL's expertise for a nine-month project aimed at developing a web application.

Additionally, a non-profit organization selected NETSOL to design and implement a comprehensive donor management system. Furthermore, NETSOL's proficiency in staff augmentation has been acknowledged, with

secured contracts for both project management and backend Java development. This diverse range of contracts highlights the company's adaptability, competence in meeting diverse industry requirements and ability to enable customers across various industries to meet their technology objectives.

Appointment of new Global Chief Marketing Officer

During this period, NETSOL announced the appointment of a new Chief Marketing Officer of the company – Erik Wagner. This strategic appointment reflects the company's dedication to enhancing its global marketing endeavors and fostering further growth in its specialized sectors. With over sixteen years of extensive experience and a demonstrated history of boosting revenue through strategic marketing initiatives, Wagner brings invaluable expertise to the global NETSOL team.

The hiring of a new Chief Marketing Officer represents the company's commitment to expanding its global presence and enhancing its offerings across the automotive and equipment finance, banking and lending industries.

Under Erik leading the company's global marketing operations, he is looking to increase the depth of digital marketing talent and skill that the team currently has. He is also focusing on implementing modern marketing best-practices. Additionally, he is restructuring the team to be focused on key sub-functions within marketing. For this purpose, candidates with deep knowledge in modern marketing are being further hired to come in and lead each of these sub-functions. The department is therefore in the process of refining its positioning, messaging and branding to better represent NETSOL's capabilities and the value that it provides to its diverse global customers.

High-profile delegation visits and more

Highlighting NETSOL's significant impact on the technological landscape, the half-year ended featured a series of notable visits and recognitions. US Ambassador Donald Armin Blome along with his team visited NETSOL, demonstrating a keen interest in understanding how US companies contribute to inclusive and sustainable growth and investment in Pakistan.

A noteworthy moment occurred during the visit of General Sahir Shamsah Mirza, Chairman of the Joint Chiefs of Staff Committee and Air Chief Marshal Zaheer Ahmed Baber to the National Incubation Center for Aerospace Technologies (NICAT). This visionary center, a collaborative effort between IGNITE-National Technology Fund, the Ministry of Information Technology and NETSOL Technologies, presented its progress to the esteemed guests.

Further, CEO Salim Ghauri engaged in a constructive session with Dr. Moeed Yousaf, Vice Chancellor of Beaconhouse National University, exploring the potential future of technology in Pakistan. Additionally, the visit of the ASEAN delegation to the NETSOL PK Office shed light on the prospects for technological innovation and collaboration among ASEAN nations.

Participation at numerous industry-leading events across the globe

During this period, NETSOL sponsored, exhibited at and energetically participated in a succession of prominent industry-leading events worldwide. This showcased the company's continued dedication to not only generating leads, but also strengthening its global brand presence.

In the United Kingdom, the company attended the most number of events, including the AFPA Trust Asset Finance and Leasing Summer Gala Dinner, the AFC Summer Awards Dinner, the AFPA Trust Summer Drinks Charity Event, the FLA 'Insight23: Financing the Future' Conference, the Leasing Foundation's Next Generation Networking Event, the Asset Finance Connect Autumn Conference, the AFPA Trust Christmas Drinks Networking and Charity Event, the AFPA Trust Leasing and Finance Industry Christmas Charity Lunch and the FLA Christmas Drinks Reception.

The company also attended events elsewhere **in Europe** including the Leaseurope Annual Convention and the Motor Finance Europe Conference and Awards in Austria, alongside the Leasing Life Conference and Awards Dinner in Hungary.

In North America, NETSOL was a part of different events in both the United States as well as Canada. In the US, the company was present at the ELFA Operations and Technology Conference, the AFSA Annual Meeting, the ELFA Annual Convention, the Auto Finance Summit and the Open Silicon Valley Conference. In Canada, NETSOL attended the CFLA Annual National Conference, the CLA Lenders Summit and the CLA Equipment Finance Roundtable.

In Australia, the company was part of the FinTech Awards, the FinTech Summit, the AFIA Awards and Gala Dinner and the annual AFIA Conference.

In Indonesia, NETSOL attended the APPI International Seminar and in China the company was present at the China Financial Leasing Annual Conference.



FINANCIAL PERFORMANCE

Comparisons of un-audited financial results for the second quarter ended December 31, 2023 with the corresponding period of the fiscal year 2022 and cumulative results for the six months ended December 31, 2023, with those of December 31, 2022, of the company are given below:

STAND-ALONE FINANCIAL STATEMENTS	Oct-Dec 2023	Oct-Dec 2022	Jul-Dec 2023	Jul-Dec 2022
	Rupees in millions			
Revenue	2,486	1,682	4,742	3,399
Gross profit	1,220	350	2,121	825
Net profit/ (loss)	534	(163)	806	29
EPS – basic (in PKR)	6.08	(1.85)	9.17	0.33
EPS – diluted (in PKR)	6.05	(1.84)	9.14	0.33
EBITDA per share – diluted (in PKR)	7.46	0.47	11.85	4.23

Revenues for the quarter ended December 31, 2023 improved by 47.75% compared to the revenue posted in the same quarter of previous fiscal year. The company was able to achieve net turnover of PKR 2,486 million as compared to PKR 1,682 million during the corresponding period last year.

Revenue stream for the current quarter is mainly fueled with license sale of PKR 372 million associated with the provision of license of NFS Ascent® to our associated company's customer. On the services side, the Company also recorded a handsome amount of PKR 962 million in comparison to PKR 746 million in the corresponding period for enhancement and customization in the systems deployed at customer sites. In addition to it, subscription and support revenue also increased from PKR 937 million to PKR 1,152 million for the current quarter.

Cost of revenue remained more or less unchanged. Gross Margins during the period clocked in at 49%, as compared to the corresponding period where margins were recorded at 21%. Stability in revenues coupled with cost optimization initiatives translated into improvement in the company's operating profits which clocked in at PKR 675 in comparison of operating loss of 155 million registered last year.

The Company posted a net profit after tax of PKR 534 million compared to net loss of PKR 163 million in the comparable period. Due to appreciation in the Pakistani Rupee, the Company booked a currency exchange loss of PKR 9 million during the current period compared to an exchange gain of PKR 130 million registered in the comparable period. This profitability has translated basic and diluted earnings per share to clock in at PKR 6.08 & 6.05 in comparison of loss per share of PKR 1.85 & 1.84 in the corresponding period. Company posted net EBITDA profit of PKR 7.46 per diluted share compared to PKR 0.47 per share in the corresponding period.

On half yearly basis, Company posted net revenues of PKR 4,742 million compared to PKR 3,399 million in the corresponding period. Gross Margins during the period clocked in at PKR 2,121 million as compared to the corresponding period where margins were recorded at PKR 825 million. The Company posted a net profit after tax of PKR 806 million in comparison of PKR 29 million during the same period last year. Basic & diluted earnings per share for the half year ended December 31, 2023 were PKR 9.17 & 9.14 respectively in comparison of PKR 0.33 in the corresponding period. Half year EBITDA profit for the current period was PKR 11.85 per share compared to PKR 4.23 per share in the preceding period.

The Company also consolidates financial results of its wholly owned subsidiary "NETSOL Innovation (Pvt) Limited" and its newly incorporated Dubai based wholly own subsidiary "NETSOL Ascent Middle East Equipment Trading LLC". NETSOL Innovation is mainly involved in the provision of professional services including Amazon Web Services. Currently a team is being built up to provide AWS services and a very nominal revenue has so far been recognized thus resulting in losses for the quarter. Similarly, NETSOL Ascent Middle East has been incorporated this year with no business operations so far. Net consolidated revenues for the quarter ended December 31, 2023 were PKR. 2,567 million compared to PKR 1,713 million in same quarter of fiscal 2023. Consolidated gross profit for the quarter was PKR 1,213 million as compared to PKR 325 million in the same period last year. On consolidated basis, the company posted net consolidated profit of PKR 497 million in the current quarter compared to net consolidated loss PKR 213 million posted in the same period last year. Basic and diluted earnings per share for the quarter ended December 31, 2023 were PKR 5.65 & 5.62 compared to basic and diluted loss per share of PKR 2.42 & 2.41 in the comparable period.

FUTURE OUTLOOK

In order to maintain its position in the financial services industry, NETSOL will continue to embrace innovation, remain agile and adapt to changing customer expectations and regulatory requirements in the dynamic and ever-evolving landscape.

The company's premier platform for the global asset finance and leasing industry, NFS Ascent, will be continued to



be promoted worldwide. Available both On-Prem and via the Cloud, Ascent is live for customers in North America, Europe and across Asia-Pacific. While the premier platform is used by bluechip and Fortune 500 companies, Ascent on the Cloud enables Tier-2 and Tier-3 financial institutions to rapidly deploy the unrivalled solution without having to pay any upfront license fees via flexible, subscription-based pricing and the ability to scale on demand.

Having introduced Appex Now, the world's first marketplace for API-first products for the global credit, finance and leasing industry, the company's commitment to an API-first approach has unlocked lightning-fast onboarding for its customers, revolutionizing their experience. By prioritizing seamless integration and user-friendly interfaces, the company has witnessed a number of banks and financial institutions signing-up and subsequently going live with its Appex Now products. API-first products are well-suited for the dynamic and interconnected nature of modern software development, providing a foundation for agility, innovation and collaboration.

The remarkable speed of onboarding (of mere minutes) alongside availability through subscription-based pricing has not only amplified product uptake, but also solidified NETSOL's reputation and position as a leader in providing agile and intuitive solutions. Appex Now products will continue to be promoted globally.

Through our wholly owned subsidiary, NETSOL Innovation (Pvt) Limited, we also offer our professional services worldwide. These services primarily consist of technical consultancy, web development, app development, digital marketing, cloud services, outsourcing and co-sourcing. The company will increase the promotion of its professional services across the globe to enable businesses to employ the industry's best talent to help them develop and refine their technology strategy, innovate, execute their roadmap and optimize service quality.

Amidst intense global competition within the industry and across every region where NETSOL operates, the company is unwavering in its commitment to advancing technological innovation. Ensuring a future-proof business for its entire diverse clientele remains a paramount focus for NETSOL. This commitment is evident in the continuous efforts of the company's R&D teams, who not only enhance existing products, but also diligently work on technologies for both new and established clients. Enabling financial institutions to digitally transform their operations, NETSOL continues to maintain its core principles of innovation and adaptability. The company continues to work on important technologies, including but not limited to, data analytics, artificial intelligence (AI) and machine learning (ML).

The company will also continue to maintain its presence at annual industry-leading events globally, including summits, conferences, conventions, exhibitions, award ceremonies and networking events. Being a part of these events serves the dual purpose of educating potential clients about the company's products and latest offerings while generating new leads. NETSOL is committed to maintaining its presence and participation in events in North America, Europe and APAC in 2024.

ACKNOWLEDGEMENT

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

On behalf of the Board

Salim Ullah Ghauri
Chief Executive Officer

Omar Ghauri
Director

February 12, 2024

ڈائریکٹرز رپورٹ

ہمیں خوشی ہے کہ نیٹ سول ٹیکنالوجیز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی 31 دسمبر 2023 کو ختم ہونے والے عرصہ کے لئے مالیاتی گوشوارے بشمول مجموعی مالیاتی گوشوارے

پیش کر رہے ہیں۔

عمومی جائزہ: (General Overview)

انتظام پذیر نصف سال نیٹ سول ٹیکنالوجیز کے لئے انتہائی متاثر کن عرصہ رہا ہے۔ اس عرصے میں ہونے والی پیش رفت میں ایمیزون ویب سروسز (AWS) کی جانب سے کمپنی کی کاؤڈ سروسز AWS Lambda سروں ڈیلیوری اعزاز کا ملنا، NFS Ascent کے اطلاق کے لئے اپنی جائیزا ایسوسی ایٹڈ کمپنی کے ساتھ معاہدہ کا طے پا جانا، نئی سمسکر پشٹرز اور Appex Now مارکیٹ پلیس سے مصنوعات کے لئے مہینہ بھر سول کی پروڈکشن سروسز کے لئے اہم ترین معاہدے، اعلیٰ سطحی شخصیات کے وزٹ اور دنیا بھر میں ایگزیکٹو کی سطح پر مشاورت شامل ہیں۔

NETSOL کی کاؤڈ سروسز نے AWS Lambda سروں ڈیلیوری اعزاز حاصل کیا (NETSOL Cloud Services achieved the AWS Lambda Service Delivery designation)

کمپنی نے کاؤڈ سروسز ڈویژن نیٹ سول کاؤڈ سروسز کو ایمیزون ویب سروسز (AWS) نے AWS Lambda سروں ڈیلیوری اعزاز سے نوازا۔ یہ گران قدر اعزاز نیٹ سول کی کاؤڈ سروسز کی بہترین کارکردگی اور AWS Lambda کا روپاری اداروں کو سروسز کے استعمال یا انتظام کے لیے کوڈ چلانے میں مدد کرتا ہے تاکہ وہ اپنی اپیلی کیشنز کی تیاری کے لئے انہیں پلگڈ اور سکیل اپبل پلٹ فارم مہیا کیا جاسکے۔ نیٹ سول کاؤڈ سروسز نے AWS Lambda کو مضبوط کرنے کے لئے اپنی بہترین مہارت کا استعمال کیا ہے تاکہ انہیں کاروبار کی رفتار کو بڑھانے اور انفراسٹرکچر کا سٹوکم کرنے، اپنی اپیلی کیشنز کی تیسری رفتار کو بڑھانے اور سروسز کو پیسٹنگ کے ذریعے انفراسٹرکچر مینجمنٹ کو Optimize کرنے میں معاونت مل سکے۔

برطانیہ میں Appex Now مارکیٹ پلیس سے نیٹ سول کی API-first پروڈکٹس کو اپنانے کا بڑھتا ہوا رجحان (Growing adoption of NETSOL'S API-first products from the Appex Now marketplace in the UK)

نیٹ سول نے خصوصاً عالمی کریڈٹ، فنانس اور ریزنگ ایگزیکٹو کے لئے دنیا کی پہلی API-first پروڈکٹس کی مارکیٹ پلیس کے طور پر Appex Now کو متعارف کرایا ہے۔ یہ کاؤڈ پٹنی API-first پروڈکٹس کا suite فراہم کرتا ہے جو ضروریات کے وسیع پیمانے کا احاطہ کرتا ہے۔ API-first حکمت عملی ڈیولپمنٹ کا کردگی میں اضافہ اور پیچیدگی میں کمی، خطرات کے تعدد اور متنوع سسٹمز اور پلیٹ فارمز کے ساتھ تعلق میں سہولت فراہم کرتی ہے۔ انتظام پذیر نصف سال کے دوران کمپنی نے اپنے اپنی ڈیولپمنٹ پلیٹ فارم Flex کے لئے نئے سسٹمز حاصل کئے ہیں جب کہ Appex Now مارکیٹ پلیس سے دیگر پروڈکٹس کے لئے متعدد سمسکر پشٹرز بھی حاصل کی ہیں۔

برطانیہ میں ایک کثیر القومی مالیاتی خدمات فراہم کرنے والی کمپنی Bibby Financial Services نے SMEs، پراپرٹی ڈیولپرز اور صارفین کی محفوظ فنڈنگ سہولت فراہم کرنے والے ایک پیٹنٹڈ بینک یونائیٹڈ ٹرسٹ بینک (UTB) کے علاوہ 300 صنعتی شعبوں پر محیط 8500 سے زائد SMEs کو معاونت فراہم کر رہی ہے۔ ان دونوں اداروں نے Flex کو سبسکرائب کیا ہے اور بعد ازاں Flex کے ذریعے live بھی ہوئے ہیں۔ کاؤڈ پٹنی کیکولیشن انجین واحد سولوشنز ہے جو متعدد کیکولیشن اقسام میں کنٹریکٹ لائف سائیکل کے تمام مراحل میں بالکل درست کیکولیشن کی گارنٹی دیتا ہے۔

مزید برآں، UTB نے Appex Now مارکیٹ پلیس کی ایک اور پروڈکٹ Dock کو بھی سبسکرائب کیا۔ Dock مہنڈی طور پر دستاویز کی تیاری کا ایک tool ہے جو صارفین کو چند ہی سیکنڈوں میں بالکل درست اور پیشہ ورانہ دستاویز تیار کرنے میں مدد کرتا ہے۔ Dock's template-based configuration کی ترکیب سے صارفین ڈیٹا کے لئے پلیٹ فارمز کو بولڈرز قائم کر سکتے ہیں جس سے دستاویز کی تیاری کا عمل آسان ہو جاتا ہے اور آسانی، غلطی کے امکان کم ہو جاتے ہیں۔ اس کی API-first ترکیب اتار چڑھاؤ کو یقینی بناتی ہے۔ جس سے یہ دستاویزات کی تیاری کے عمل کو ہینڈل کرنے کے قابل ہو جاتی ہے جو واحد سے لاکھوں دستاویزات پر مشتمل ہو سکتا ہے۔ ان API-first پروڈکٹس کی تیز رفتار آن بورڈنگ game-changer ثابت ہوئی ہے جس سے کاروبار تیزی سے ان آفرنگز سے مستفید ہو رہے ہیں اور قومی عمل اہل حاصل کر رہے ہیں۔

NFS Ascent کے اطلاق کا معاہدہ (Awarding of NFS Ascent implementation contract)

ہماری پیٹنی ایسوسی ایٹڈ کمپنی نے ہماری فلگ شپ پروڈکٹ NFS Ascent کے اطلاق کے لئے چین میں ایک امریکی آٹوموبائل مینیو فیکچررز کی اپنی آؤٹ فاس کمپنی کے لئے پلیٹ فارم ڈائریکٹ معاہدہ کیا ہے۔ اس معاہدے میں پروڈکٹ کے استعمال کا لائسنس، اطلاق اور ڈیٹا مینجمنٹ سروسز اور تین ماہ کے لئے go live کے بعد پشٹرز شامل ہیں۔ طویل مدتی دیکھ بھال کے لئے معاہدے میں ایک اور معاہدہ کیا جائے گا۔ ایٹیا پیٹنگ اور دنیا بھر میں پشٹرز ملائیمینٹ اور کاروباری کے لئے ثابت شدہ ٹریک ریکارڈ کی وجہ سے نیٹ سول کے NFS Ascent پلیٹ فارم کا انتخاب کیا گیا۔ کمپنی آؤٹ فاس اور ڈیٹا کمپنی سروسز کے اطلاق کے ذریعے اس معاہدے سے براہ راست مستفید ہوگی۔ اس طرح کمپنی اضافی آمدنی حاصل کرنے میں کامیاب ہوگی جسے معاہدے کے دوران دیکھا جاسکے گا۔

نیٹ سول کی پیشہ ورانہ خدمات کے لئے معاہدے (Contract signings for NETSOL's Professional Services)

نیٹ سول متعدد اہم ترین معاہدوں کے ذریعے پیشہ ورانہ خدمات کے ہاں متاثر فراہم کنندہ کے طور پر اپنی سائیکل کو مضبوط کیا ہے۔ امریکہ کی ایک معروف ڈیجیٹل ٹرانسفریشن کمپنی نے سکیورٹی آپریشن سنٹر (SoC) کو چلانے کے تین سالہ پروڈکٹ کے لیے نیٹ سول کا انتخاب کیا ہے۔ اسی طرح سے، برطانیہ کے ایک ہائی ٹیک کیرئیر ادارے نے ایک ویب ایپلی کیشن ڈیولپنگ کرنے کے لئے نئے ماہ کے عرصہ تک نیٹ سول کی خدمات کے لئے معاہدہ کیا ہے۔

علاوہ ازیں، ایک غیر منافع بخش ادارے نے ایک جامع ڈیورٹمنٹ سسٹم کی تیاری و اطلاق کے لئے نیٹ سول کا انتخاب کیا ہے۔ مزید برآں، پروڈیکٹ مینجمنٹ اور بیک اینڈ Java ڈیولپمنٹ کے لئے مختلف معاہدوں کے باعث عملی توسیع میں نیٹ سول کی کارکردگی کو تسلیم کیا گیا ہے۔ یہ متنوع معاہدے کئی کی صلاحیت، متنوع صنعت کی ضروریات کو پورا کرنے کی استعداد اور اپنے ٹیکنالوجی مقاصد کے حصول کے لئے متنوع صنعتوں کے صارفین کی معاونت کی عکاسی کرتے ہیں۔

نئے گلوبل چیف مارکیٹنگ آفیسر کی تقرری (Appointment of new Global Chief Marketing Officer)

اس عرصے کے دوران نیٹ سول نے کئی کے لیے ایک نئے چیف مارکیٹنگ آفیسر Erik Wagner کی تقرری کا اعلان کیا ہے۔ یہ strategic تقرری کئی کی عالمی مارکیٹنگ کی کوششوں کو بہتر بنانے اور اس کے مخصوص شعبوں میں مذید ترقی کو فروغ دینے کے عزم کی عکاسی کرتا ہے۔ ایکسپرت امکانات کو گلوبل نیٹ سول ٹیم میں لانے کے لیے Wagner کا سولہ سالہ تجرباتی تجربہ اور strategic مارکیٹنگ اقدامات کے ذریعے محصولات میں اضافہ کرنے کا ثابت شدہ تاریخی منصب ہے۔

نئے چیف مارکیٹنگ آفیسر کی تقرری کئی کی عالمی موجودگی کو بڑھانے اور automotive اور lending، equipment finance، بیکننگ اور اندسٹریز میں اپنی آفرنگ کو بہتر بنانے کی عزم کی نمائندگی کرتی ہے۔

کئی کی عالمی مارکیٹنگ کے آپریٹرز کی قیادت کرنے والے Erik کے تحت، وہ digital مارکیٹنگ کے ہنر اور مہارت کی گہرائی میں اضافہ کرنے کے لیے کوشاں ہے جو اس وقت ٹیم کے پاس ہے۔ وہ جدید مارکیٹنگ کے بہترین طریقوں کو نافذ کرنے پر توجہ دے رہا ہے۔ مذید برآں، وہ مارکیٹنگ کے اندر کلیدی ذیلی افعال پر توجہ مرکوز کرنے کے لئے ٹیم کی تنظیم کو کر رہا ہے۔ اس مقصد کے لئے جدید مارکیٹنگ میں گہرا علم رکھنے والے امیدواروں کی مذید خدمات حاصل کی جارہی ہیں تاکہ وہ ان ذیلی افعال میں سے ہر ایک میں آئیں اور ان کی قیادت کریں۔ اس طرح، اس بھر پور عمل کے سلسلے میں ابھی ڈیپارٹمنٹ اپنی پوری پوری صلاحیت، بیچا، برانڈنگ کو بہتر بنانے کے عمل میں ہیں تاکہ نیٹ سول کی صلاحیتوں اور اس قدر کی بہتر نمائندگی کر سکے جو اپنے مختلف عالمی صارفین کو فراہم کرتا ہے۔

اعلیٰ سطحی ڈیوٹ کے دورے (High-profile delegation visits and more)

ٹیکنالوجی کے حصارے پر نیٹ سول کے نمایاں اثرات کی نشاندہی کرتے ہوئے اختتام پذیر نصف سال کے دوران کی معروضی شخصیات نے وزٹ کے دورے اور اعزازات سے نوازا گیا۔ امریکی سفیر ڈونلڈ آرمین بلوم (Donald Amin Blome) نے اپنی ٹیم کے ہمراہ نیٹ سول کا دورہ کیا اور پاکستان میں امریکی کیمپوں کی جانب سے سائبر انڈسٹری اور سائبر سیکورٹی کے شعبے میں دلچسپی کا اظہار کیا۔

چین میں جوآنچے آف سٹاف کئی ہنزاسٹارٹ اپس اور مرزا اور ایئر چیف مارشل ظہیر احمد باری کی جانب سے پیشکش کو پیش برائے امریکی ٹیکنالوجی (NICAT) کے وزٹ کے دوران خوشگوار لمبے دیکھے گئے۔ یہ ڈیوٹری مرکز IGNITE- ٹیکنالوجی فنڈ، وزارت انفارمیشن ٹیکنالوجی اور نیٹ سول ٹیکنالوجی کے اشتراک سے قائم ہوا۔ جب کہ اس وزٹ کے دوران معزز مہمانوں کو اس کی ترقی کے بارے میں آگاہ کیا گیا۔

مزید برآں، سلیم غوری، چیف ایگزیکٹو آفیسر نے ٹیکنالوجی کی پیشکش پر نیورٹی کے وائس چانسلر ڈاکٹر معینہ یوسف کے ساتھ ایک تعمیری سیشن کیا جس میں پاکستان میں ٹیکنالوجی کے مستقبل کے بارے میں اظہار خیال کیا گیا۔ علاوہ ازیں ASEAN وفد کے نیٹ سول پاکستان آفس کے دورے کے دوران ٹیکنالوجی جہت اور ASEAN ملکوں میں معاونت کے امکانات پر روشنی ڈالی گئی۔

دنیا بھر میں صنعت کے متعدد اہم تقریبات میں شرکت (Participation at numerous industry-leading events across the globe)

اس عرصے میں، نیٹ سول نے دنیا بھر میں صنعت کی معروف تقریبات میں بھر پور تعاون، نمائش اور شرکت کی۔ اس سے کئی کی جانب سے لیڈ جنریشن کے لئے جذبہ کی عکاسی ہوتی ہے جب کہ کئی کی عالمی سطح پر اپنی موجودگی کو مزید مستحکم کرتی ہے۔

برطانیہ میں، کئی نے سب سے زیادہ تقریبات میں شرکت کی جس میں AFPA فرسٹ ایسٹ فنانس اور لیڈنگ سرگالا ڈیزائن، AFC سرمایہ کار ڈیزائن، AFPA فرسٹ سڈکس چیریٹی ایونٹ، FLA 'Insight23: Financing the Future' کا انفرنس، لیڈنگ فاؤنڈیشن کے AFPA فرسٹ ایسٹ فنانس، ایسٹ فنانس کنیکٹ آفٹم کا انفرنس، AFPA فرسٹ کرسس ڈکس نیٹ ورکنگ اینڈ چیریٹی ایونٹ، AFPA فرسٹ لیڈنگ فنانس اینڈ سڈکس چیریٹی ایونٹ اور FLA کرسس ڈکس سٹیشن شامل ہیں۔

کئی نے یورپ میں کئی مقامات پر تقریبات میں شرکت کی جس میں Leasuope سالانہ کنونشن اور موٹور فنانس یورپ کا انفرنس اور آسٹریا میں ایوارڈز، لیڈنگ لائف کا انفرنس اور ہنگری میں ایوارڈز ڈیزائن شامل ہیں۔

مثالی امریکہ میں، نیٹ سول اپنا سہ ماہی اجلاس متحدہ امریکہ اور کینیڈا میں کئی تقریبات کا حصہ رہا۔ امریکہ میں، کئی نے ELFA اپریٹرز اینڈ ٹیکنالوجی کا انفرنس، AFSA سالانہ اجلاس، ELFA سالانہ کنونشن، آئی ٹی سوسائٹی اور اوپن سلیکون ویلی کا انفرنس میں اپنی نمائندگی کی۔ کینیڈا میں نیٹ سول نے CFLA سالانہ تقویٰ کا انفرنس، CLA لیڈنگ فرسٹ اور CLA ایکویٹی فرسٹ فنانس اور ڈیٹیل میں شرکت کی۔

آسٹریلیا میں،

کئی نے FinTech ایوارڈز، AFIA ایوارڈز اور گالا ڈیزائن اور سالانہ AFIA کا انفرنس کا بھی حصہ تھا۔

انڈونیشیا میں، نیٹ سول نے APPI انٹرنیشنل سیمینار میں شرکت کی اور چین میں کئی نے چائینا فنانس لیڈنگ سالانہ کا انفرنس میں اپنی نمائندگی کی۔

مالیاتی کارکردگی: (Financial Performance)

31 دسمبر 2023 کو ختم ہونے والی دوسری سہ ماہی 2022ء کی اسی مدت کے ساتھ اور 31 دسمبر 2023ء کو ختم ہونے والی ششماہی مع 31 دسمبر 2022ء کی اسی مدت کے ساتھ غیر آڈٹ شدہ مالیاتی گوشوارے کے نتائج کا موازنہ درج ذیل ہے۔

انفرادی مالیاتی گوشوارے

اکتوبر تا دسمبر 2022ء	جولائی تا دسمبر 2023ء	اکتوبر تا دسمبر 2022ء	اکتوبر تا دسمبر 2023ء	محصولات (ملین میں)
3,399	4,742	1,682	2,486	
825	2,121	350	1,220	نام منافع (ملین میں)
29	806	(163)	534	صافی منافع / نقصان (ملین میں)
0.33	9.17	(1.85)	6.08	منافع / نقصان (فی حصص - بنیادی روپوں میں)
0.33	9.14	(1.84)	6.05	منافع / نقصان (فی حصص - تحلیل شدہ روپوں میں)
4.23	11.85	0.47	7.46	EBITDA فی حصص - تحلیل شدہ روپوں میں)

31 دسمبر 2023ء کو ختم ہونے والی سرمایہ کے دوران محصولات میں پچھلے مالی سال کی اسی سرمایہ میں درج ہونے والی محصولات کے مقابلے میں 47.75 فیصد بہتر ہوئی ہے۔ کمپنی گذشتہ سال کے اسی مدت کے دوران 1,682 ملین روپے کے مقابلے میں 2,486 ملین روپے کے خالص محصولات حاصل کرنے میں کامیاب رہی ہے۔

موجودہ سرمایہ کے لیے تقابلی طور پر ہماری ذیلی کمپنی کے سٹرکچرکوالیفیکیشن کے لائنس کی فراہمی سے منسلک 372 ملین روپے کی فروخت سے ہے۔ خدمات محصولات کی مد میں، کمپنی اسی عرصہ میں 746 ملین روپے کے مقابلے میں 962 ملین روپے کی بہتر محصولات درج کی ہیں جو کلائنٹ کے متعلقہ سائنس پر system deployed کی کسمپوزیشن اور enhancement سے منسلک ہیں۔ اس کے علاوہ، موجودہ سرمایہ کے دوران سیکوریشن اور سپورٹ کی محصولات 937 ملین روپے سے بڑھ کر 1,152 ملین روپے ہو گئی ہیں۔ محصولات کی لاگت میں کم پیش کوئی تبدیلی نہیں ہوئی۔ اس مدت کے دوران مجموعی مارجن 49 فیصد تک درج کیا گیا ہے جبکہ گذشتہ مدت میں یہ مارجن 21 فیصد درج کیا گیا تھا۔ محصولات میں استحکام کے ساتھ لاگت کو بہتر بنانے کے اقدامات سے کمپنی کے آپریٹنگ منافع میں بہتری آئی ہے جو گذشتہ مدت کے درج 155 ملین کے آپرےٹنگ نقصان کے مقابلے میں 675 ملین روپے منافع درج کیا گیا ہے۔

کمپنی نے تقابلی مدت میں 163 ملین روپے کے خالص نقصان کے مقابلے میں 534 ملین روپے کا بعد از ٹیکس منافع کمایا ہے۔ پاکستانی روپے کی قدر میں اضافہ کی وجہ سے، کمپنی نے اس عرصہ کے دوران 9 ملین روپے کرنسی تبادلے کے خسارے کو درج کیا ہے جس کا موازنہ گذشتہ سال کے اسی عرصے سے 130 ملین روپے کرنسی تبادلے کے منافع سے کیا گیا ہے۔ کمپنی نے گذشتہ مدت کے 1.85 اور 1.84 روپے بنیادی اور تحلیل شدہ فی حصص خسارے کے مقابلے میں اس سرمایہ کے لئے 6.08 اور 6.05 روپے بنیادی اور تحلیل شدہ فی حصص منافع درج کیا ہے۔ کمپنی نے گذشتہ عرصے کے 0.47 روپے تحلیل شدہ فی حصص کے مقابلے میں 7.46 روپے فی حصص کا خالص EBITDA منافع درج کیا ہے۔

ششماہی بنیاد پر، 3,399 ملین روپے کی خالص محصولات کے مقابلے میں 4,742 ملین روپے کی خالص محصولات درج کی ہیں۔ اس مدت کے دوران نام منافع 2,121 ملین روپے درج کیا گیا ہے جو کہ گذشتہ مدت میں 825 ملین روپے درج کیا گیا تھا۔ کمپنی نے گذشتہ سال کی اسی مدت کے دوران 29 ملین روپے کے مقابلے میں 806 ملین روپے کا بعد از ٹیکس منافع کمایا ہے۔ 31 دسمبر 2023ء کو ختم ہونے والے ششماہی کے لئے فی حصص بنیادی اور تحلیل شدہ آمدنی، گذشتہ مدت میں 0.33 روپے کے مقابلے میں با ترتیب 9.17 اور 9.14 روپے درج کی ہے۔ موجودہ مدت ششماہی کے لیے EBITDA منافع 11.85 روپے درج کیا ہے جو گذشتہ مدت میں 4.23 روپے تھا۔

کمپنی نے اپنے مکمل ملکیتی ذیلی ادارہ "نیٹ سول انوویشن (پرائیویٹ) لمیٹڈ" اور اس کے نئے شامل کردہ ویب رجسٹرڈ مکمل ملکیتی ذیلی ادارہ "نیٹ سول ایسٹ ڈیٹا اینڈ انکوائری ڈیولپمنٹ ٹریڈنگ ایل ایل سی" کے مجموعی مالیاتی گوشوارے شامل کر دیے ہیں۔ نیٹ سول انوویشن بنیادی طور پر پیشہ ورانہ خدمات بشمول ایگزٹو ویب سروسز کی فراہمی بھی شامل ہے۔ فی الحال AWS خدمات فراہم کرنے کے لیے ایک ٹیم بنانے کے عمل میں ہے اور بہت معمولی محصولات کو درج کیا گیا ہے جس کے نتیجے میں سرمایہ خسارے درج ہوئے۔ اسی طرح، نیٹ سول ایسٹ ڈیٹا اینڈ انکوائری ڈیولپمنٹ ٹریڈنگ ایل ایل سی کو اسی سال شامل کیا گیا ہے جس میں ابھی تک کوئی کاروباری کارروائی نہیں ہے۔ 31 دسمبر 2023ء کو ختم ہونے والی سرمایہ کیلئے نقد مجموعی محصولات 2,567 ملین روپے ہیں جو کہ 2023ء کی مدت میں 1,713 ملین روپے درج کی گئی تھی۔ مجموعی نام منافع گذشتہ مالی سال کی اسی سرمایہ کے 325 ملین روپے کے مقابلے میں موجودہ سرمایہ میں 1,213 ملین روپے ہے۔ مجموعی بنیاد پر، کمپنی نے گذشتہ سال کی اسی مدت میں 213 ملین روپے نقد مجموعی منافع کے مقابلے میں موجودہ سرمایہ میں 497 ملین روپے کا نقد مجموعی منافع درج کیا ہے۔ 31 دسمبر 2023ء کو ختم ہونے والی سرمایہ کے لئے فی بنیادی اور تحلیل شدہ آمدنی، گذشتہ مدت میں 2.42 اور 2.41 روپے فی حصص نقصان کے مقابلے میں اس مدت میں 5.62 اور 5.62 روپے بنیادی اور تحلیل شدہ فی حصص منافع درج کیا ہے۔

مستقبل کا منظر نامہ: (Future Outlook)

غٹا شدہ سروسز انڈسٹری میں اپنا مقام برقرار رکھنے کے لئے نیٹ سول جدت کو بروئے کار لانے، متحرک رہنے اور صارفین کی بدلتی ہوئی توقعات کو اپنانے اور بدلتے ہوئے لینڈ اسکپ میں ریگولیٹری معیارات کے لئے کوشاں رہے گی۔

گلوبل ایسٹ فنانس اور لیزرنگ انڈسٹری کے لئے کمپنی کے پریچر پیبلٹ فارم NFS Ascent کی دنیا بھر میں ترقی جاری رہے گی۔ On-Prem اور کلاؤڈ میں دستیاب Ascent شمالی امریکہ، یورپ اور ایشیا پیسیفک میں صارفین کے لئے ہر وقت موجود ہے۔ جبکہ پریچر پیبلٹ فارم bluechip اور Fortune 500 کمپنیوں کے زیر استعمال ہے اور کلاؤڈ پر Tier-2 اور Tier-3 مالیاتی اداروں کو چیلڈر، سمسکر پینشن، پینشن قیمت اور اپنی مرضی سے سکینل کرنے کی صلاحیت کے ساتھ کسی قسم کی اپڈ فرٹ لائنس میں کی ادائیگی کے بغیر یہ مثال سلوشن فراہم کرتا ہے۔ گلوبل کریڈٹ، فنانس اور لیزرنگ انڈسٹری کے لئے first API-پروڈکٹس کی دنیا کی پہلی مارکیٹ پلیس Apex Now کے متعارف کروانے کے بعد first API-پروڈکٹس کے لئے کمپنی

کے عزم نے اپنے صارفین کے لئے lightning-fast onboarding کو کھول دیا ہے جس سے ان کے تجربے میں انقلاب آیا ہے۔ بلا روک ٹوک integration اور صارف دوست انٹرفیس کو ترجیح دے کر کھینے دیکھا ہے کہ کئی میٹریکس اور مالیاتی اداروں نے اسے سائن اپ کیا ہے اور بعد ازاں اس کی Apex Now پروڈکٹس کے ذریعے وہ live ہوئے ہیں۔ API-first پروڈکٹس ماڈرن سافٹ ویئر ڈیولپمنٹ کی dynamic اور باہم مربوط نوعیت کے لئے بہترین ہیں جو تحریک، جدت اور تعاون کے لئے ایک بنیاد فراہم کرتی ہیں۔

آن بورڈنگ کی (چند منٹوں کی) شاندار رفتار اور مسکریٹن پر مبنی قیمتوں کی دستیابی نے نہ صرف پروڈکٹ کو پروان چڑھایا ہے بلکہ متحرک اور شاندار عمل کی فراہمی میں ایک لیڈر کے طور پر ہیٹ سول کی ساکھ اور پوزیشن کو بھی مضبوط کیا ہے۔ Apex Now مصنوعیات کی عالمی سطح پر تشہیر جاری رہے گی۔

اپنی کلی ملکیٹی ذیلی کمپنی نیٹ سول انویشن (پرائیویٹ) لمیٹڈ کے ذریعے ہم دنیا بھر میں پروفیشنل سروس فراہم کر رہے ہیں۔ یہ سروسز بنیادی طور پر تکنیکی مشاورت، ویب ڈیولپمنٹ، ایپ ڈیولپمنٹ، ڈیجیٹل مارکیٹنگ، کلائوڈ سروسز، آڈٹ سروسنگ اور کورسنگ پر مشتمل ہیں۔ کمپنی دنیا بھر میں اپنی پروفیشنل سروسز کی تشہیر میں اضافہ کرے گی تاکہ کاروبار صنعت کے بہترین ٹیلنٹ کو استعمال اور اپنی تکنیکی حکمت عملی کو تیار اور رکھ سکیں اور اپنے روڈ میپ میں جدت لا کر اسے نافذ کر سکیں اور سروس کو اپنی optimize کر سکیں۔

مذکورہ صنعت اور جن علاقوں میں نیٹ سول آپریٹ کرتا ہے میں شدید عالمی مقابلہ سازی کی فضا کے دوران کمپنی تکنیکی جدت میں پیش رفت کے لئے کوشاں ہے۔ اپنے تمام متنوع کلائنٹس کے کاروبار کے مستقبل کو محفوظ بنانا نیٹ سول کی اولین ترجیح ہے۔ کمپنی کی R&D ٹیموں کی لگاؤ اور کوششیں اس عزم کی عکاسی کرتی ہیں جو نہ صرف موجودہ پروڈکٹس کو بہتر کر رہے ہیں بلکہ نئے اور موجودہ کلائنٹس کے لئے ٹیکنالوجیز پر اختلاف محنت کر رہے ہیں۔ آپریٹنگ کوڈ تکنیکی ٹرانسفارم کرنے میں مالیاتی اداروں کی معاونت کے لئے نیٹ سول جدت اور اپنا بہت کے اپنے بنیادی اصول پر قائم ہے۔ کمپنی ایم ٹیکنالوجیز پر کام جاری رکھے ہوئے ہے جس میں شامل ہے لیکن یہ فہرست محدود نہیں، artificial intelligence (AI) اور machine learning (ML) وغیرہ۔

کمپنی عالمی سطح پر انڈسٹری نمایاں تقریبات، summits، کانفرنسز، کنونشنز، نمائشیں، تقریب تقسیم ایوارڈ اور نیٹ ورکنگ تقریبات میں اپنی موجودگی کو برقرار رکھنے کے لئے کام کرتی رہے گی۔ ان تقریبات کا حصہ بن کر کمپنی کی پروڈکٹس اور تازہ ترین آڈنگز سے متعلق مہم کلائنٹس کی آگاہی کا دہرا مقصد حاصل ہوتا ہے اور نئی لیڈرز بھی جنرے ہوئی ہیں۔ نیٹ سول سال 2024ء میں شمالی امریکہ، یورپ اور APAC میں منصفہ اپنیشن میں اپنی شمولیت کو یقینی بنانے کے لئے پرعزم ہے۔

معترف (Acknowledgement)

بورڈ آف ڈائریکٹرز کمپنی کے حصص یافتگان، قابل قدر صارفین، سرکاری ایجنسیوں اور مالیاتی اداروں کی جانب سے حمایت و معاونت کے لیے ان کی تعریف کرتا ہے اور خراج تحسین پیش کرتا ہے جس سے کمپنی کو ان نتائج کو حاصل کرنے میں مدد ملی۔ بورڈ کمپنی کے تمام ملازمین اور ایگزیکٹوز کا ان کی قابل قدر خدمات و 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 رہیں گی۔

از طرف بورڈ آف ڈائریکٹرز

عمر شہاب نوری
(ڈائریکٹر)

سلیم النوری
(چیف ایگزیکٹو آفیسر)

لاہور

12 فروری، 2024ء



SAEED KAMRAN & CO.

(Chartered Accountants)
Formerly H.Y.K

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF NETSOL TECHNOLOGIES LIMITED
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

Introduction

We have reviewed the accompanying condensed unconsolidated interim Statement of financial position of Netsol Technologies Limited as at December 31, 2023 and the related condensed unconsolidated interim statement of profit or loss, the condensed unconsolidated interim statement of comprehensive income, condensed unconsolidated interim statement of changes in equity, and condensed unconsolidated interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed unconsolidated interim statement of profit or loss and condensed unconsolidated interim statement of comprehensive income for the three-month period ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2023.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Muhammad Yousaf.

Saeed Kamran & Co.
(Chartered Accountants)
Lahore.

Date: 14 February 2024

UDIN: RR202310143LNv3V90i6



CONDENSED FINANCIAL STATEMENTS

For the Half Year Ended December 31, 2023

Condensed Interim Statement of Financial Position - Unaudited

As at December 31, 2023

	NOTE	Dec-23 Unaudited	Jun-23 Audited
Rupees			
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	5	1,372,789,420	1,514,208,964
Intangible assets	6	-	40,385,947
		1,372,789,420	1,554,594,911
Long term investments	7	52,280,650	52,280,650
Long term loans to employees		1,127,425	4,391,690
		1,426,197,495	1,611,267,251
CURRENT ASSETS			
Trade debts	8	4,406,122,507	5,639,020,972
Contract assets		2,549,401,449	1,968,963,315
Loans and advances	9	84,056,424	64,849,265
Trade deposits & short term prepayments	10	134,392,720	125,948,934
Other receivables	11	16,904,400	26,110,091
Due from related parties	12	928,903,257	726,749,907
Taxation - net		22,640,145	6,261,617
Cash & bank balances		3,011,946,048	2,631,170,928
		11,154,366,950	11,189,075,029
TOTAL ASSETS		12,580,564,445	12,800,342,280
EQUITY & LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital			
200,000,000 ordinary shares of Rs.10/- each	13	2,000,000,000	2,000,000,000
Issued, subscribed and paid-up capital	13	898,369,232	898,369,232
Share deposit money		12,500	12,500
Reserves	14	9,081,374,021	8,269,052,436
		9,979,755,753	9,167,434,168
NON-CURRENT LIABILITIES			
Long term financing	15	27,834,758	49,626,618
Lease liabilities		-	970,557
Long term advances		285,000	16,675,000
		28,119,758	67,272,175
CURRENT LIABILITIES			
Trade and other payables	16	831,907,978	818,362,446
Contract liabilities		89,457,127	1,117,495,620
Short term borrowings		1,580,000,000	1,580,000,000
Current portion of long term liabilities		67,469,998	45,924,040
Unclaimed dividend		3,853,831	3,853,831
		2,572,688,934	3,565,635,937
CONTINGENCIES & COMMITMENTS	17	-	-
TOTAL EQUITY AND LIABILITIES		12,580,564,445	12,800,342,280

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



Condensed Interim Statement of Profit or Loss - Unaudited
For the Half Year Ended December 31, 2023

	NOTE	Oct-Dec 2023	Oct-Dec 2022	Jul-Dec 2023	Jul-Dec 2022
Rupees					
Revenue from contracts with customers - net	18	2,485,749,144	1,682,376,455	4,741,847,258	3,398,619,433
Cost of revenue		(1,265,716,943)	(1,331,554,297)	(2,620,434,215)	(2,572,293,756)
Gross profit		1,220,032,201	350,822,158	2,121,413,043	826,325,677
Selling and promotion expenses		(186,493,316)	(169,299,653)	(347,206,351)	(321,830,546)
Administrative expenses		(358,444,699)	(336,696,138)	(708,791,852)	(682,815,725)
		(544,938,015)	(505,995,791)	(1,055,998,203)	(1,004,646,271)
Operating profit/(loss)		675,094,186	(155,173,633)	1,065,414,840	(178,320,594)
Other income	19	128,255,194	196,488,479	276,656,147	584,828,106
		803,349,380	41,314,846	1,342,070,987	406,507,512
Other operating expenses		(124,171,701)	(111,923,132)	(279,513,350)	(218,307,975)
Finance cost		(79,643,572)	(44,972,426)	(158,952,300)	(71,214,444)
Profit/(loss) before taxation		599,534,107	(115,580,712)	903,605,337	116,985,093
Taxation	20	(65,416,659)	(46,925,684)	(97,947,508)	(88,047,311)
Profit/(loss) after taxation for the period		534,117,448	(162,506,396)	805,657,829	28,937,782
Earnings/(loss) per share					
Basic - In Rupees	21	6.08	(1.85)	9.17	0.33
Diluted - In Rupees	21	6.05	(1.84)	9.14	0.33

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



Condensed Interim Statement of Comprehensive Income - Unaudited

For the Half Year Ended December 31, 2023

	Oct-Dec 2023	Oct-Dec 2022	Jul-Dec 2023	Jul-Dec 2022
	Rupees		Rupees	
Profit/(loss) after taxation for the period	534,117,448	(162,506,396)	805,657,829	28,937,782
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:	-	-	-	-
Items that may be reclassified to profit or loss in subsequent periods (net of tax):	-	-	-	-
Total comprehensive profit/(loss) for the period	534,117,448	(162,506,396)	805,657,829	28,937,782

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



Condensed Interim Statement of Cash Flows - Unaudited

For the Half Year Ended December 31, 2023

	Jul-Dec 2023	Jul-Dec 2022
Rupees		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	903,605,337	116,985,093
Adjustments for non cash charges and other items:		
Depreciation - own assets	181,363,572	191,872,567
Amortization of right of use assets	1,336,625	1,336,624
Amortization of intangible assets	40,385,948	146,751,870
(Gain) on disposal of fixed assets	(5,278)	(6,318,327)
Foreign exchange loss/(gain)	44,873,675	(421,982,265)
Finance cost	156,870,546	69,636,713
Interest income	(275,600,869)	(154,877,514)
Employee share option compensation expense	6,663,756	14,862,492
Amortization of deferred grant	-	(712,512)
Provision for expected credit losses	48,918,565	33,351,620
	204,806,540	(126,078,732)
Cash generated from/(used in) operations before working capital changes	1,108,411,877	(9,093,639)
Working Capital Changes		
Trade debts	1,147,351,020	425,542
Contract assets	(588,682,931)	(481,322,230)
Contract liabilities	(1,028,038,493)	(243,574,528)
Loans and advances	(15,942,894)	(45,548,563)
Trade deposits & short term prepayments	(8,443,786)	(103,731,468)
Other receivables	9,205,691	(10,647,449)
Due from related parties	(202,153,350)	(44,609,541)
Trade and other payables	7,588,821	155,858,079
Cash (used in) operations	(679,115,922)	(773,150,158)
Finance cost	(150,913,835)	(47,162,466)
Income taxes paid	(114,326,036)	(90,293,954)
Dividend paid	-	(85,236)
Net cash generated from/ (used in) operations	164,056,084	(919,785,453)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment's purchased	(38,251,849)	(265,260,656)
Sales proceeds of fixed asset	58,056	37,450,007
Advances against capital expenditure	(3,081,582)	(10,372,000)
Interest received	275,600,870	154,877,514
Net cash generated from/ (used in) investing activities	234,325,495	(83,305,135)
CASH FLOWS FROM FINANCING ACTIVITIES		
Paid against lease liabilities	(1,899,878)	(1,642,140)
Long term loan	(20,341,581)	(108,480,598)
Long term advances	4,635,000	4,350,000
Net cash (used in) financing activities	(17,606,459)	(105,772,738)
Net increase/(decrease) in cash and cash equivalents	380,775,120	(1,108,863,326)
Cash and cash equivalents at the beginning of the period	2,631,170,928	3,785,712,936
Cash and cash equivalents at the end of the period	3,011,946,048	2,676,849,610

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



Condensed Interim Statement of Changes in Equity - Unaudited

For the Half Year Ended December 31, 2023

	Issued, subscribed and paid-up capital	Share deposit money	Capital Reserve				Revenue Reserve	Total
			Treasury share reserve	Employee share option compensation reserve	Share premium	Foreign currency translation reserve	Un-appropriated profit	
Rupees								
Balance as at June 30, 2022	898,369,232	12,500	(184,738,875)	232,223,439	304,166,629	(33,686,884)	6,610,689,569	7,827,035,610
Net profit for the period	-	-	-	-	-	-	28,937,782	28,937,782
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	28,937,782	28,937,782
Amortization of employee share options	-	-	-	14,862,492	-	-	-	14,862,492
	-	-	-	14,862,492	-	-	28,937,782	43,800,274
Balance as at December 31, 2022	898,369,232	12,500	(184,738,875)	247,085,931	304,166,629	(33,686,884)	6,639,627,351	7,870,835,884
Balance as at June 30, 2023	898,369,232	12,500	(184,738,875)	253,700,958	304,166,629	-	7,895,923,724	9,167,434,168
Net profit for the period	-	-	-	-	-	-	805,657,829	805,657,829
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	805,657,829	805,657,829
Amortization of employee share options	-	-	-	6,663,756	-	-	-	6,663,756
	-	-	-	6,663,756	-	-	805,657,829	812,321,585
Balance as at December 31, 2023	898,369,232	12,500	(184,738,875)	260,364,714	304,166,629	-	8,701,581,553	9,979,755,753

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Notes to the Condensed Interim Financial Statements - Unaudited

For the Half Year Ended December 31, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

NetSol Technologies Limited ("the Company"), incorporated in Pakistan on August 22, 1996 under the repealed Companies Ordinance, 1984, (Now Companies Act 2017) as a private company limited by shares, was later on converted into public limited company and subsequently listed on Pakistan Stock Exchange on August 26, 2005. Principal activities of the Company is development and sale of computer software and allied services in Pakistan as well as abroad.

Geographical location and addresses of business units:

Address/Location	Purpose
1 NetSol IT Village,(Software Technology Park) Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. Pakistan.	Registered office and business unit
2 43/1/Q, Amna Villa 1, Block-6, PECHS Housing Society Karachi.	Branch office
3 House No. 4, Safari villas 1, Bahria town, Rawalpindi. Pakistan.	Branch office
4 Central Senayan 2 Building, 16th Floor, Asia Afrika Street, No. 8, Senayan, Kebayoran Baru, South Jakarta, DKI Jakarta, 12190	Branch office
5 3rd floor Jasmin's Arcade Fakhar-e-Alam road, Peshawar Cantt. Pakistan.	Branch office

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

2. BASIS OF PREPARATION

2.1 Separate financial statements

These condensed interim financial statements are separate condensed interim financial statements of the company. Condensed consolidated interim financial statements of the company are prepared separately.

2.2 Statement of compliance

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

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

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

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

These unconsolidated condensed interim financial statements are unaudited and do not include all the disclosures and information required in the annual financial statements and should be read in conjunction with the preceding annual published financial statements of the company for the year ended June 30, 2023.

2.3 Basis of measurement

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



2.4 Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1. The accounting policies adopted for the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2023.

3.2. New accounting standards, IFRIC interpretations, amendments to the published approved accounting standards and companies Act 2017 that are effective in current year:

Certain standards, amendments and interpretations to approved accounting standards are also effective for accounting periods beginning on July 01, 2023, but are neither relevant nor have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in this condensed unconsolidated interim financial information.

3.3. New accounting standards, IFRIC interpretations, amendments to the published approved accounting standards that are not effective in current year and have not been early adopted by the company:

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, 2023 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 financial statements.

4. USE OF ESTIMATES AND JUDGMENTS

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

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

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

In preparing these condensed unconsolidated interim financial statements, the judgments, estimates and assumptions made by the management were the same as those that were applied to the preceding annual published financial statements of the Company for the year ended June 30, 2023.

	NOTE	Dec-23 Unaudited	Jun-23 Audited
Rupees			
5. PROPERTY, PLANT & EQUIPMENT			
Net book value of owned assets	5.1	1,362,664,160	1,505,828,661
Net book value of right of use assets	5.2	7,043,678	8,380,303
Advances against capital expenditure		3,081,582	-
		1,372,789,420	1,514,208,964
5.1 PROPERTY, PLANT & EQUIPMENT			
Opening Balance - net book value		1,505,828,661	1,576,395,582
Additions	5.1.1	38,251,849	407,325,270
		1,544,080,510	1,983,720,852
Less:			
Disposals - net book value	5.1.2	(52,778)	(88,586,884)
Depreciation & amortization		(181,363,572)	(389,305,307)
		1,362,664,160	1,505,828,661
5.1.1 Following is the detail of addition / transfers :			
Furniture & fixture		279,905	3,550,130
Vehicles		22,778,962	110,433,902
Office equipment		1,658,400	13,684,440
Computer equipment and installations		13,258,582	142,798,498
Air conditioners		276,000	3,283,900
Generator		-	3,288,840
Computer software		-	130,285,560
Total		38,251,849	407,325,270

5.1.2 Following is the detail of disposals:

	Dec-23 Unaudited			Jun-23 Audited		
	Cost	Accumulated Depreciation	Written down value	Cost	Accumulated Depreciation	Written down value
Rupees						
Furniture & fixture	-	-	-	626,652	492,610	134,042
Vehicles	-	-	-	101,154,421	43,703,359	57,451,062
Office equipment	-	-	-	161,000	127,747	33,253
Computer equipment and installations	190,000	137,222	52,778	544,596,197	513,634,254	30,961,943
Air conditioners	-	-	-	199,000	192,416	6,584
Total	190,000	137,222	52,778	646,737,270	558,150,386	88,586,884

	NOTE	Dec-23 Unaudited	Jun-23 Audited
Rupees			
5.2 RIGHT OF USE ASSETS			
Opening Balance - net book value		8,380,303	32,738,991
Additions		-	-
		8,380,303	32,738,991
Less:			
Disposals - net book value	5.2.1	-	(21,685,439)
Depreciation & amortization		(1,336,625)	(2,673,249)
		7,043,678	8,380,303

5.21 Following is the detail of disposals:

	Dec-23 Unaudited			Jun-23 Audited		
	Cost	Accumulated Depreciation	Written down value	Cost	Accumulated Depreciation	Written down value
	Rupees					
Vehicles	-	-	-	49,285,094	27,599,655	21,685,439
Total	-	-	-	49,285,094	27,599,655	21,685,439

	NOTE	Dec-23 Unaudited	Jun-23 Audited
		Rupees	
6. INTANGIBLE ASSETS			
Opening Balance - net book value		40,385,947	333,889,687
		40,385,947	333,889,687
Less:			
Amortization		(40,385,947)	(293,503,740)
		-	40,385,947
6.1 NFS - Ascent has been fully amortized during the period but the company is still generating revenues from its sale.			
7. LONG TERM INVESTMENTS			
Investment in subsidiaries - at cost- unquoted			
NetSol Innovation (Pvt.) Limited	7.1	30,062,650	30,062,650
NetSol Ascent Middle East Computer Equipment Trading L.L.C.	7.2	-	-
		30,062,650	30,062,650
Subscription money payable	7.3	22,218,000	22,218,000
		52,280,650	52,280,650

7.1 The subsidiary is incorporated in Pakistan. The principal place of business of subsidiary is situated at NetSol IT Village, (Software Technology Park) Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. Pakistan The Company holds 3,006,305 (2023: 3,006,305) fully paid ordinary shares of Rs. 10/- each i.e. 100% of Equity held (2023: 100%) .

7.2 This represents 300 ordinary shares of AED 1,000/- each, representing 100% (2023: Nil) shares in the wholly owned subsidiary NetSol Ascent Middle East Computer Equipment Trading L.L.C. Main object of the company is to provide services related to computer systems and communication equipment and software. Principal place of business of the subsidiary is situated in Dubai. As of reporting date, no capital investment has been made in that entity.

7.3 This represents subscription money payable in respect of wholly owned subsidiary, NetSol Ascent Middle East Computer Equipment Trading L.L.C.

8. TRADE DEBTS			
Considered good - unsecured	8.1	4,406,122,507	5,639,020,972
Considered doubtful - unsecured		396,943,801	356,270,033
		4,803,066,308	5,995,291,005
Less: Provision against expected credit losses	8.2	(396,943,801)	(356,270,033)
		4,406,122,507	5,639,020,972

8.1 It represents amount receivable from customers. It is unsecured but considered good by the management.

8.2 This is a provision for expected credit losses created by the company for any future doubtful trade debts.

	NOTE	Dec-23 Unaudited	Jun-23 Audited
Rupees			
8.3	Amount receivable from related parties included in trade debts (from export sales) are as under:		
NetSol Technologies (Thailand) Limited		145,749,903	277,821,116
NetSol Technologies (Beijing) Company Limited		2,338,566,026	1,925,047,916
NetSol Technologies Australia Pty. Limited		739,065,919	724,626,625
NetSol Technologies Americas Inc.		474,532,447	403,160,531
NetSol Technologies Europe Limited		8,979,705	14,318,265
Ascent Europe Limited		299,502,183	120,893,334
OTOZ Thailand Limited		76,069,251	75,788,552
Tianjin NuoJinZhiCheng Co., Ltd		16,624,881	-
		4,099,090,315	3,541,656,339
9.	LOANS AND ADVANCES - Unsecured		
Current maturity of loans to executives		4,128,992	6,569,366
Advances			
- to employees		3,275,137	-
- against expenses	9.1	76,652,295	58,279,899
		84,056,424	64,849,265
9.1	The advances against expenses are given to meet business expenses and are settled as and when the expenses are incurred.		
10.	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
Security deposits		3,562,292	4,877,628
Prepayments		130,830,428	121,071,306
		134,392,720	125,948,934
11.	OTHER RECEIVABLES		
Guarantee margin		1,144,000	2,344,000
Other receivable - considered good		15,760,400	23,766,091
		16,904,400	26,110,091
12.	DUE FROM RELATED PARTIES		
Considered good - unsecured			
Parent			
NetSol Technologies Limited Inc.		171,842,964	150,793,593
Associates:			
NetSol Technologies Americas Inc.		117,175,681	91,181,798
NetSol Connect (Pvt) Ltd.		13,514,187	15,744,976
NetSol Technologies Beijing Ltd.		230,628,962	166,958,203
OTOZ Thailand Ltd.		41,932,843	41,778,109
Wholly owned Subsidiaries			
NetSol Innovation (Pvt.) Ltd	12.2	353,808,620	260,293,228
		928,903,257	726,749,907
12.1	These relate to normal course of business of the company and are interest free.		
12.2	These relate to normal course of business of the company and the interest at KIBOR is charged on the outstanding balance at the end of each month.		

13. SHARE CAPITAL

13.1 Authorized share capital

Dec-23		Jun-23		Dec-23		Jun-23	
Unaudited		Audited		Unaudited		Audited	
Number of shares				Rupees			
200,000,000	200,000,000	Ordinary Shares of Rs. 10 each.		2,000,000,000		2,000,000,000	

13.2 Issued, subscribed & paid-up capital

42,686,191	42,686,191	Ordinary shares of Rs. 10 each fully paid in cash		426,861,910		426,861,910	
47,150,732	47,150,732	Ordinary shares of Rs. 10 each issued as fully paid bonus shares		471,507,322		471,507,322	
89,836,923	89,836,923			898,369,232		898,369,232	

NetSol Technologies Inc. 16000 Ventura Boulevard STE 770 ENCINO CA 91436, USA, is the parent company holding 67.62% (2023 : 67.62%) of issued capital of the company.

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

14. RESERVES

Capital reserve

Premium on issue of ordinary shares	304,166,629	304,166,629
Employee share option compensation reserve	260,364,714	253,700,958
Treasury share reserve	(184,738,875)	(184,738,875)

Revenue reserve

Un - appropriated profit	8,701,581,553	7,895,923,724
	9,081,374,021	8,269,052,436

15. LONG TERM FINANCING

Loan obligations	71,853,193	92,194,774
Less: Current portion shown under current liabilities:		
Current portion of Loan obligations	(44,018,435)	(42,568,156)
	27,834,758	49,626,618

16. Trade and other payables includes Rs. 7.7 M (2023: Rs. 18.6 M) payable to related parties. This relates to normal course of the business and is interest free.

17. CONTINGENCIES & COMMITMENTS

17.1 Contingencies

There is no significant change in the contingencies since the date of preceding published annual financial statements.

17.2 Commitments

Bank guarantees have been issued amounting Rs. 60.93 million (2023: Rs. 36.21 million) against performance of contract, to LESCO and to Standard Chartered Bank against its corporate credit cards.

The Company has a capital commitments of Rs 1.32M as at Dec 31, 2023. (2023: Nil)

	Oct-Dec 2023	Oct-Dec 2022	Jul-Dec 2023	Jul-Dec 2022
	Rupees		Rupees	
18. REVENUE FROM CONTRACTS WITH CUSTOMERS				
DISAGGREGATION OF REVENUE:				
Set out below is the disaggregation of the Company's revenue from contracts with customers:				
Export Revenue				
License	372,421,585	-	551,920,875	-
Services	957,576,367	708,368,146	1,865,698,893	1,530,639,313
Subscription and Support	1,143,332,638	936,616,489	2,279,412,058	1,722,145,637
	2,473,330,590	1,644,984,635	4,697,031,826	3,252,784,950
Local Revenue				
License	-	-	-	42,653,553
Services	4,638,886	38,139,656	26,569,650	106,097,620
Subscription and Support	8,587,905	-	20,261,822	-
	13,226,791	38,139,656	46,831,472	148,751,173
Sales tax	(808,237)	(747,836)	(2,016,040)	(2,916,690)
	2,485,749,144	1,682,376,455	4,741,847,258	3,398,619,433
18.1 Timing of revenue recognition:				
At a point in time	372,421,585	-	551,920,875	42,653,553
Over the time	2,113,327,559	1,682,376,455	4,189,926,383	3,355,965,880
	2,485,749,144	1,682,376,455	4,741,847,258	3,398,619,433
19. OTHER INCOME				
Income from financial assets				
Profit on bank deposits & short term investments	109,381,683	63,851,243	240,757,051	154,877,514
Interest income from related party	18,348,511	-	34,843,818	-
	127,730,194	63,851,243	275,600,869	154,877,514
Income from non-financial assets				
Gain on foreign currency translation	-	130,086,577	-	421,982,265
Gain on disposal of assets	-	1,125,659	5,278	6,318,327
Rental income	525,000	1,425,000	1,050,000	1,650,000
	525,000	132,637,236	1,055,278	429,950,592
	128,255,194	196,488,479	276,656,147	584,828,106
20. TAXATION				
For exporters of IT & IT enabled services, export income is taxable under FTR at 0.25% of the export remittances realized through normal banking channels. However tax as per applicable rates is charged to the income of the company generated from sources other than export income.				
21. EARNINGS/(LOSS) PER SHARE				
Basic				
Profit/(loss) after taxation for the period	534,117,448	(162,506,396)	805,657,829	28,937,782
Average number of ordinary shares in issue during the period	87,836,923	87,836,923	87,836,923	87,836,923
Basic - In Rupees	6.08	(1.85)	9.17	0.33
Diluted				
Profit/(loss) after taxation for the period	534,117,448	(162,506,396)	805,657,829	28,937,782
Average number of ordinary shares in issue during the period	88,326,913	88,426,794	88,180,803	88,341,365
Diluted - In Rupees	6.05	(1.84)	9.14	0.33

22. TRANSACTION WITH RELATED PARTIES

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

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

Relationship with the Company	Nature of transactions	Jul-Dec	Jul-Dec
		2023	2022
		Rupees	
(i) Subsidiary	Rental income	600,000	1,200,000
	Provision of services	1,200,000	1,800,000
	Mark-up income	34,843,818	-
(ii) Associated undertaking	Rental income	450,000	450,000
	Provision of services	1,443,431,952	867,702,732
	Purchase of services	23,819,090	22,385,127
(iii) Post employment benefit	Contribution to defined contribution plan	88,460,511	89,591,000
(iv) Key management personnel	Salaries and benefits	171,815,335	151,845,696
	Retirement benefits	6,913,973	6,428,041
	Commission paid	7,223,753	8,710,000

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

23. CAPITAL MANAGEMENT

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

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

24. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial risk factors

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

Fair value of financial assets and liabilities

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

25. CORRESPONDING FIGURES

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

26. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 12, 2024 by the Board of Directors.

27. FIGURES

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended December 31, 2023



Condensed Consolidated Interim Statement of Financial Position - Unaudited

As at December 31, 2023

	NOTE	Dec-23 Unaudited	Jun-23 Audited
Rupees			
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	5	1,378,732,286	1,521,471,840
Intangible assets	6	-	40,385,947
		1,378,732,286	1,561,857,787
Long term loans to employees		1,127,425	4,391,690
		1,379,859,711	1,566,249,477
CURRENT ASSETS			
Trade debts	7	4,439,949,588	5,662,695,808
Contract assets		2,557,003,382	1,979,309,913
Loans and advances	8	84,284,874	64,849,265
Trade deposits & short term prepayments	9	139,304,132	128,720,430
Other receivables		16,904,400	26,110,091
Due from related parties	10	575,094,637	466,456,679
Taxation - net		22,869,482	6,387,524
Cash & bank balances		3,021,737,686	2,633,066,097
		10,857,148,181	10,967,595,807
TOTAL ASSETS		12,237,007,892	12,533,845,284
EQUITY & LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital			
200,000,000 ordinary shares of Rs.10/- each	11	2,000,000,000	2,000,000,000
Issued, subscribed and paid-up capital	11	898,369,232	898,369,232
Share deposit money		12,500	12,500
Reserves	12	8,709,884,457	7,994,308,415
		9,608,266,189	8,892,690,147
NON-CURRENT LIABILITIES			
Long term financing	13	27,834,758	49,626,618
Lease liabilities		-	970,557
Long term advances		285,000	16,675,000
		28,119,758	67,272,175
CURRENT LIABILITIES			
Trade and other payables	14	850,265,040	819,451,107
Contract liabilities		99,033,076	1,124,653,984
Short term borrowings		1,580,000,000	1,580,000,000
Current portion of long term liabilities		67,469,998	45,924,040
Unclaimed dividend		3,853,831	3,853,831
		2,600,621,945	3,573,882,962
CONTINGENCIES & COMMITMENTS	15	-	-
TOTAL EQUITY AND LIABILITIES		12,237,007,892	12,533,845,284

The annexed notes from 1 to 25 form an integral part of these condensed consolidated interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



Condensed Consolidated Interim Statement of Profit or Loss - Unaudited

For the Half Year Ended December 31, 2023

	NOTE	Oct-Dec 2023	Oct-Dec 2022	Jul-Dec 2023	Jul-Dec 2022
		Rupees		Rupees	
Revenue from contracts with customers - net	16	2,567,030,649	1,712,632,147	4,890,612,176	3,466,087,665
Cost of revenue		(1,354,339,918)	(1,387,532,478)	(2,777,014,893)	(2,673,296,266)
Gross profit		1,212,690,731	325,099,669	2,113,597,283	792,791,399
Selling and promotion expenses		(194,609,366)	(190,890,002)	(391,902,434)	(376,900,266)
Administrative expenses		(361,768,049)	(339,063,522)	(715,657,717)	(687,819,484)
		(556,377,415)	(529,953,524)	(1,107,560,151)	(1,064,719,750)
Operating profit/(loss)		656,313,316	(204,853,855)	1,006,037,132	(271,928,351)
Other income		109,907,091	196,038,457	241,756,154	585,882,083
		766,220,407	(8,815,398)	1,247,793,286	313,953,732
Other operating expenses		(124,168,346)	(111,923,132)	(280,922,718)	(218,307,975)
Finance cost		(79,715,414)	(45,021,224)	(159,120,088)	(71,294,144)
Profit/(loss) before taxation		562,336,647	(165,759,754)	807,750,480	24,351,613
Taxation	17	(65,810,485)	(47,110,700)	(98,505,264)	(88,351,748)
Profit/(loss) after taxation for the period attributable to equity holders of the parent		496,526,162	(212,870,454)	709,245,216	(64,000,135)
Earnings/(loss) per share					
Basic - In Rupees	18	5.65	(2.42)	8.07	(0.73)
Diluted - In Rupees	18	5.62	(2.41)	8.04	(0.72)

The annexed notes from 1 to 25 form an integral part of these condensed consolidated interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



Condensed Consolidated Interim Statement of Comprehensive Income - Unaudited

For the Half Year Ended December 31, 2023

	Oct-Dec 2023	Oct-Dec 2022	Jul-Dec 2023	Jul-Dec 2022
	Rupees		Rupees	
Profit/(loss) after taxation for the period	496,526,162	(212,870,454)	709,245,216	(64,000,135)
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:	-	-	-	-
Items that may be reclassified to profit or loss in subsequent periods (net of tax):				
Exchange differences on translation of foreign operations	(408,317)	-	(332,930)	-
Total comprehensive income/(loss) for the period attributable to equity holders of the parent	496,117,845	(212,870,454)	708,912,286	(64,000,135)

The annexed notes from 1 to 25 form an integral part of these condensed consolidated interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



Condensed Consolidated Interim Statement of Cash Flows - Unaudited

For the Half Year Ended December 31, 2023

	Jul-Dec 2023	Jul-Dec 2022
Rupees		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	807,750,480	24,351,613
Adjustments for non cash charges and other items:		
Depreciation - own assets	183,528,070	193,831,800
Amortization of right of use assets	1,336,625	1,336,624
Amortization of intangible assets	40,385,948	146,751,870
(Gain) on disposal of fixed assets	(5,278)	(6,318,327)
Foreign exchange loss/(gain)	46,283,043	(423,852,671)
Finance cost	156,870,546	69,636,713
Interest income	(241,300,876)	(155,261,085)
Employee compensation expense	6,663,756	14,862,492
Amortization of deferred grant	-	(712,512)
Provision for expected credit losses	48,918,565	33,351,620
	242,680,399	(126,373,476)
Cash generated from/(used in) operations before working capital changes	1,050,430,879	(102,021,863)
Working Capital Changes		
Trade debts	1,135,789,410	17,997,125
Contract assets	(585,938,266)	(489,134,953)
Contract liabilities	(1,025,620,908)	(243,574,528)
Loans and advances	(16,171,344)	(45,796,738)
Trade deposits & short term prepayments	(10,583,702)	(104,825,115)
Other receivables	9,205,691	(10,647,449)
Due from related parties	(108,637,958)	47,502,825
Trade and other payables	24,857,222	161,876,107
Cash (used in) operations	(577,099,855)	(666,602,726)
Finance cost	(150,913,835)	(47,162,466)
Income taxes paid	(114,987,222)	(90,734,714)
Dividend paid	-	(85,236)
Net cash generated from/(used in) operations	207,429,967	(906,607,005)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(39,095,563)	(269,805,626)
Sales proceeds of fixed asset	58,056	37,450,007
Advances against capital expenditure	(3,081,582)	(10,372,000)
Interest received	241,300,876	155,261,085
Net cash generated from/(used in) investing activities	199,181,787	(87,466,534)
CASH FLOWS FROM FINANCING ACTIVITIES		
Paid against lease liabilities	(1,899,878)	(1,642,140)
Long term loan	(20,341,581)	(108,480,598)
Long term advances	4,635,000	4,350,000
Net cash (used in) financing activities	(17,606,459)	(105,772,738)
Net increase/(decrease) in cash and cash equivalents	389,005,295	(1,099,846,277)
<i>Net foreign exchange difference</i>	(333,706)	-
Cash and cash equivalents at the beginning of the period	2,633,066,097	3,794,132,251
Cash and cash equivalents at the end of the period	3,021,737,686	2,694,285,974

The annexed notes from 1 to 25 form an integral part of these condensed consolidated interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



Condensed Consolidated Interim Statement of Changes in Equity - Unaudited

For the Half Year Ended December 31, 2023

	Attributable to equity holders of the Parent							Total
	Issued, subscribed and paid-up capital	Share deposit money	Capital Reserve				Revenue Reserve	
			Treasury share reserve	Employee share option compensation reserve	Share premium	Foreign currency translation reserve	Un-appropriated profit	
R u p e e s								
Balance as at June 30, 2022	898,369,232	12,500	(184,738,875)	232,880,926	304,166,629	(33,686,884)	6,581,144,009	7,798,147,537
Net loss for the period	-	-	-	-	-	-	(64,000,135)	(64,000,135)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	(64,000,135)	(64,000,135)
Amortization of employee share options	-	-	-	14,862,492	-	-	-	14,862,492
	-	-	-	14,862,492	-	-	(64,000,135)	(49,137,643)
Balance as at December 31, 2022	898,369,232	12,500	(184,738,875)	247,743,418	304,166,629	(33,686,884)	6,517,143,874	7,749,009,894
Balance as at June 30, 2023	898,369,232	12,500	(184,738,875)	254,358,445	304,166,629	925,332	7,619,596,884	8,892,690,147
Net profit for the period	-	-	-	-	-	-	709,245,216	709,245,216
Other comprehensive loss for the period	-	-	-	-	-	(332,930)	-	(332,930)
Total comprehensive (loss)/ income for the period	-	-	-	-	-	(332,930)	709,245,216	708,912,286
Amortization of employee share options	-	-	-	6,663,756	-	-	-	6,663,756
	-	-	-	6,663,756	-	(332,930)	709,245,216	715,576,042
Balance as at December 31, 2023	898,369,232	12,500	(184,738,875)	261,022,201	304,166,629	592,402	8,328,842,100	9,608,266,189

The annexed notes from 1 to 25 form an integral part of these condensed consolidated interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Notes to the Condensed Consolidated Interim Financial Statements - Unaudited

For the Half Year Ended December 31, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

NetSol Group consists of:

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

NetSol Technologies Limited ("the Company"), incorporated in Pakistan on August 22, 1996 under the repealed Companies Ordinance, 1984, (Now Companies Act 2017) as a private company limited by shares, was later on converted into public limited company and subsequently listed on Pakistan Stock Exchange on August 26, 2005. Principal activities of the Company is development and sale of computer software and allied services in Pakistan as well as abroad.

Address/Location	Purpose
1 NetSol IT Village,(Software Technology Park) Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. Pakistan.	Registered office and business unit
2 43/1/Q, Amna Villa 1, Block-6, PECHS Housing Society Karachi, Pakistan	Branch office
3 House No. 4, Safari villas 1, Bahria town, Rawalpindi. Pakistan.	Branch office
4 Central Senayan 2 Building, 16th Floor, Asia Afrika Street, No. 8, Senayan, Kebayoran Baru, South Jakarta, DKI Jakarta, 12190	Branch office
5 3rd floor Jasmin's Arcade Fakhar-e-Alam road, Peshawar Cantt. Pakistan.	Branch office
6 Khalifa Abdulla Ali Bin Belaila Almheiri P.O. BOX MF-A70 Abu Hail	Subsidiary Office

NetSol Innovation (Private) Limited ("the subsidiary Company" or "Subsidiary") is incorporated in Pakistan as a private limited company and is a wholly owned subsidiary (2023 :100%) of NetSol Technologies Limited. The subsidiary company is engaged in business of providing software development services and allied IT services. Registered office of the subsidiary is situated at NetSol IT Village, Lahore Ring Road, Main Ghazi Interchange, Lahore Cantt. Pakistan.

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

These condensed consolidated interim financial statements are unaudited and do not include all the disclosures and information required in the annual financial statements and should be read in conjunction with the preceding annual published financial statements of the company for the year ended June 30, 2023.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1. The accounting policies adopted for the preparation of these condensed consolidated interim financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Group for the year ended June 30, 2023.

3.2. New accounting standards, IFRIC interpretations, amendments to the published approved accounting standards and companies Act 2017 that are effective in current year:

Certain standards, amendments and interpretations to approved accounting standards are also effective for accounting periods beginning on July 01, 2023, but are neither relevant nor have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in this condensed consolidated interim financial information.

3.3. New accounting standards, IFRIC interpretations, amendments to the published approved accounting standards that are not effective in current year and have not been early adopted by the company:

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, 2023 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 financial statements.

4. USE OF ESTIMATES AND JUDGMENT

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

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

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

In preparing these condensed consolidated interim financial statements, the judgements, estimates and assumptions made by the management were the same as those that were applied to the preceding annual published financial statements of the company for the year ended June 30, 2023.

	NOTE	Dec-23 Unaudited	Jun-23 Audited
Rupees			
5. PROPERTY, PLANT & EQUIPMENT			
Net book value of owned assets	5.1	1,368,607,026	1,513,091,537
Net book value of right of use assets	5.2	7,043,678	8,380,303
Advances against capital expenditure		3,081,582	-
		1,378,732,286	1,521,471,840
5.1 PROPERTY, PLANT & EQUIPMENT			
Opening Balance - net book value		1,513,091,537	1,583,169,072
Additions	5.1.1	39,095,563	411,870,240
		1,552,187,100	1,995,039,312
Less:			
Disposals - net book value	5.1.2	(52,778)	(88,586,884)
Depreciation & amortization		(183,527,296)	(393,360,891)
		1,368,607,026	1,513,091,537

	NOTE	Dec-23 Unaudited	Jun-23 Audited
Rupees			
5.1.1	Following is the detail of addition / transfers:		
	Furniture & fixture	279,905	3,588,100
	Vehicles	22,778,962	110,433,902
	Office equipment	1,658,400	13,823,440
	Computer equipment and installations	14,102,296	147,166,498
	Air conditioners	276,000	3,283,900
	Generator	-	3,288,840
	Computer software	-	130,285,560
	Total	39,095,563	411,870,240

5.1.2 Following is the detail of disposals :

	Dec-23 Unaudited			Jun-23 Audited		
	Cost	Accumulated Depreciation	Written down value	Cost	Accumulated Depreciation	Written down value
Rupees						
Furniture & fixture	-	-	-	626,652	492,610	134,042
Vehicles	-	-	-	101,154,421	43,703,359	57,451,062
Office equipment	-	-	-	161,000	127,747	33,253
Computers equipment and installations	190,000	137,222	52,778	544,596,197	513,634,254	30,961,943
Air conditioners	-	-	-	199,000	192,416	6,584
Total	190,000	137,222	52,778	646,737,270	558,150,386	88,586,884

5.2 RIGHT OF USE ASSETS

Opening Balance - net book value		8,380,303	32,738,993
Additions		-	-
		8,380,303	32,738,993
Less:			
Disposals - net book value	5.2.1	-	(21,685,441)
Depreciation & amortization		(1,336,625)	(2,673,249)
		7,043,678	8,380,303

5.2.1 Following is the detail of disposals:

	Dec-23 Unaudited			Jun-23 Audited		
	Cost	Accumulated Depreciation	Written down value	Cost	Accumulated Depreciation	Written down value
Rupees						
Vehicles	-	-	-	49,285,094	27,599,653	21,685,441
Total	-	-	-	49,285,094	27,599,653	21,685,441

6. INTANGIBLE ASSETS

Opening Balance - net book value		40,385,947	333,889,687
Less:			
Amortization		(40,385,947)	(293,503,740)
		-	40,385,947

6.1 NFS - Ascent has been fully amortized during the period but the company is still generating revenues from its sale.

	NOTE	Dec-23 Unaudited	Jun-23 Audited
		Rupees	
7. TRADE DEBTS			
Considered good - unsecured	7.1	4,439,949,588	5,662,695,808
Considered doubtful - unsecured		396,943,801	356,270,033
		4,836,893,389	6,018,965,841
Less: Allowance for expected credit losses	7.2	(396,943,801)	(356,270,033)
		4,439,949,588	5,662,695,808
7.1	It represents amount receivable from customers. It is unsecured but considered good by the management.		
7.2	This is an allowance for expected credit losses created by the company for any future doubtful trade debts.		
7.3	Amount receivable from related parties included in trade debts (from export sales) are as under:		
NetSol Technologies (Thailand) Limited		145,749,903	277,821,116
NetSol Technologies (Beijing) Company Limited		2,338,566,026	1,925,047,916
NetSol Technologies Australia Pty. Limited		739,065,919	724,626,625
NetSol Technologies Americas Inc.		474,532,447	403,160,531
NetSol Technologies Europe Ltd		40,936,352	37,993,101
Ascent Europe Limited		299,502,183	120,893,334
OTOZ Thailand Ltd		76,069,251	75,788,552
Tianjin NuoJinZhiCheng Co., Ltd		16,624,881	-
		4,131,046,962	3,565,331,175
8. LOANS AND ADVANCES - Unsecured			
Current maturity of loans to executives		4,128,992	6,569,366
Advances			
- to employees		3,503,587	-
- against expenses	8.1	76,652,295	58,279,899
		84,284,874	64,849,265
8.1	Advances to employees are given to meet business expenses and are settled as and when the expenses are incurred.		
9. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Security deposit		3,958,272	4,877,628
Prepayments		135,345,860	123,842,802
		139,304,132	128,720,430
10. DUE FROM RELATED PARTIES			
Considered good - unsecured			
Parent			
NetSol Technologies Limited Inc.		171,842,964	150,793,593
Associates:			
NetSol Connect (Pvt.) Ltd.		13,514,187	15,744,976
OTOZ Thailand Ltd		41,932,843	41,778,109
NetSol Technologies (Beijing) Ltd		230,628,962	166,958,203
NetSol Technologies Americas Inc.		117,175,681	91,181,798
		575,094,637	466,456,679
10.1	These relate to normal business of the group and are interest free.		

11. SHARE CAPITAL
11.1 Authorized share capital

	Dec-23	Jun-23		Dec-23	Jun-23
	Unaudited	Audited		Unaudited	Audited
	Number of shares			Rupees	
	200,000,000	200,000,000	Ordinary Shares of Rs. 10 each.	2,000,000,000	2,000,000,000
11.2 Issued, subscribed & paid-up capital					
	42,686,191	42,686,191	Ordinary Shares of Rs. 10 each fully paid in cash	426,861,910	426,861,910
	47,150,732	47,150,732	Ordinary Shares of Rs. 10 each issued as fully paid bonus shares	471,507,322	471,507,322
	89,836,923	89,836,923		898,369,232	898,369,232

NetSol Technologies Inc. 16000 Ventura Boulevard STE 770 ENCINO CA 91436, USA, is the parent company holding 67.62% (2023: 67.62%) of issued capital of the Company.

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

12. RESERVES

Capital reserve					
Premium on issue of ordinary shares				304,166,629	304,166,629
Employee share option compensation reserve				261,022,201	254,358,445
Foreign currency translation reserve				592,402	925,332
Treasury share reserve				(184,738,875)	(184,738,875)
Revenue reserve					
Un - appropriated profit				8,328,842,100	7,619,596,884
				8,709,884,457	7,994,308,415
14.	Trade and other payables includes Nil (2023: Rs. NIL) payable to related parties. This relates to normal course of the business and is interest free.				
13. LONG TERM FINANCING - SECURED					
Loan liability				71,853,193	92,194,774
Less: Current portion shown under current liabilities:					
Current portion of loan liability				(44,018,435)	(42,568,156)
				27,834,758	49,626,618

15. CONTINGENCIES & COMMITMENTS
15.1 Contingencies

There is no significant change in the contingencies since the date of preceding published annual financial statements.

15.2 Commitments

Bank guarantees have been issued amounting Rs. 60.93 million (2023: Rs. 36.21 million) against performance of various contracts, to LESCO and Standard Chartered Bank against its corporate credit cards.

The Company has capital commitments of Rs 1.32M (2023: NIL) under capital purchase agreements as at Dec 31, 2023.

	Oct-Dec 2023	Oct-Dec 2022	Jul-Dec 2023	Jul-Dec 2022
	Rupees		Rupees	
16. REVENUE FROM CONTRACTS WITH CUSTOMERS				
DISAGGREGATION OF REVENUE:				
Export Revenue				
License	372,421,585	-	551,920,875	-
Services	1,037,458,217	738,623,838	2,009,068,932	1,598,107,545
Subscription and Support	1,143,332,638	936,616,489	2,279,412,058	1,722,145,637
	2,553,212,440	1,675,240,327	4,840,401,865	3,320,253,182
Local Revenue				
License	-	-	-	42,653,553
Services	6,108,524	38,139,656	32,234,273	106,097,620
Subscription and Support	8,587,905	-	20,261,822	-
	14,696,429	38,139,656	52,496,095	148,751,173
Sales tax	(878,220)	(747,836)	(2,285,784)	(2,916,690)
	2,567,030,649	1,712,632,147	4,890,612,176	3,466,087,665
16.1 Timing of revenue recognition:				
At a point in time	372,421,585	-	551,920,875	42,653,553
Over the time	2,194,609,064	1,712,632,147	4,338,691,301	3,423,434,112
	2,567,030,649	1,712,632,147	4,890,612,176	3,466,087,665

17. TAXATION

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

18. EARNINGS/LOSS PER SHARE**Basic**

Profit/loss attributable to ordinary shareholders of NetSol Technologies Limited	496,526,162	(212,870,454)	709,245,216	(64,000,135)
Weighted average number of ordinary shares in issue during the period	87,836,923	87,836,923	87,836,923	87,836,923
Basic - In Rupees	5.65	(2.42)	8.07	(0.73)

Diluted

Profit/loss attributable to ordinary shareholders of NetSol Technologies Limited	496,526,162	(212,870,454)	709,245,216	(64,000,135)
Weighted average number of ordinary shares in issue during the period	88,326,913	88,426,794	88,180,803	88,341,365
Diluted - In Rupees	5.62	(2.41)	8.04	(0.72)

19. CAPITAL MANAGEMENT

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

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

20. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial risk factors

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

Fair value of financial assets and liabilities

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

21. TRANSACTION WITH RELATED PARTIES

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

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

		Jul-Dec 2023	Jul-Dec 2022
		Rupees	
Relationship with the Company	Nature of transactions		
(i) Associated undertaking	Rental Income	450,000	450,000
	Provision of services	1,540,879,612	927,122,000
	Purchase of services	23,819,090	22,385,127
(ii) Key management personnel	Salaries and benefits	174,548,821	164,732,000
	Retirement benefits	6,985,109	7,016,000
	Commission paid	8,146,103	8,710,000
(iii) Post employment benefit	Contribution to defined contribution plan	93,033,222	93,136,000

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

22. SEGMENT REVENUES AND RESULTS

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

	Dec-23			
	PBS	PS	BPO	Total
Rupees				
Revenue - net				
External sales				
License	551,920,875	-	-	551,920,875
Services	1,840,432,764	156,762,998	42,218,945	2,039,414,707
Subscription and Support	2,299,276,594	-	-	2,299,276,594
Total revenue	4,691,630,233	156,762,998	42,218,945	4,890,612,176
Cost of revenue	(2,590,863,460)	(155,980,678)	(30,170,755)	(2,777,014,893)
Segment results	2,100,766,773	782,320	12,048,190	2,113,597,283
Unallocated corporate expenses:				
Selling and promotion expenses				(391,902,434)
Administrative expenses				(715,657,717)
Other income				241,756,154
Other operating expenses				(280,922,718)
Finance cost				(159,120,088)
Taxation				(98,505,264)
Profit after taxation				709,245,216

	Dec-22			
	PBS	PS	BPO	Total
	Rupees			
Revenue - net				
External sales				
Licence	41,817,209	-	-	41,817,209
Services	1,576,108,421	67,468,232	58,548,166	1,702,124,819
Subscription and Support	1,722,145,637	-	-	1,722,145,637
Total revenue	3,340,071,267	67,468,232	58,548,166	3,466,087,665
Cost of revenue	(2,532,731,212)	(100,102,510)	(40,462,544)	(2,673,296,266)
Segment results	807,340,055	(32,634,278)	18,085,622	792,791,399
Unallocated corporate expenses:				
Selling and promotion expenses				(376,900,266)
Administrative expenses				(687,819,484)
Other income				585,882,083
Other operating expenses				(218,307,975)
Finance cost				(71,294,144)
Taxation				(88,351,748)
Loss after taxation				(64,000,135)

*Key

PBS = Product Based Solutions and Ancilliary 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.

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-arrangement / reclassifications have been made in these financial statements.

24. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 12, 2024 by the Board of Directors.

25. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

NETSOL®

NETSOL

Technologies Limited

NETSOL IT Village (Software Technology Park)
Lahore Ring Road, Ghazi Road Interchange
Lahore Cantt. 54792, Pakistan

www.netsolpk.com
Email: info@netsolpk.com

