



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

**FORM-08**  
Date:30/04/2024

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

Subject: **Transmission of Quarterly Report for the Period Ended March 31, 2024**

*Dear Sir,*

We have to inform you that the Quarterly Report of the Company for the period ended March 31, 2024 have been transmitted through PUCARS and is also available on Company's website.

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

Yours Sincerely,

  
**SEHRISH**  
Company Secretary





**Condensed Financial Statements  
(Un-Audited)  
For the Nine Months Ended  
March 31,**

**2024**





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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  
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### **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](http://www.netsolpk.com)  
[info@netsolpk.com](mailto:info@netsolpk.com)  
[corporate@netsolpk.com](mailto: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 March 31, 2024.

## GENERAL OVERVIEW

The third quarter of the fiscal year and the first quarter of 2024 was a significant period for NETSOL Technologies that witnessed a number of developments for the company. These included an existing customer subscribing to additional Apex Now products as well as empowering further divisions with our calculation engine, the appointment of a new Sales Director in Europe, the achievement of Advanced Tier Partner Status with Amazon Web Services (AWS), a new customer going live with NETSOL's calculation engine Flex, and finally, the company's continued presence at global events during this period.

### Haydock Finance subscribed to additional Apex Now products – Dock and Lane

NETSOL's existing customer, Haydock Finance, a leading asset finance specialist based in the United Kingdom, signed up for two additional products from the company's Apex Now marketplace – Dock and Lane. Dock is a centralized document generation tool with template-based configuration and simple syntax, allowing users to create accurate documents in just seconds. Lane offers a feature-rich, end-to-end order management system for asset leasing/loans and credit companies.

Haydock Finance also initiated offering access to NETSOL's API-based calculation engine Flex to its broker division. Haydock Finance is an award-winning supportive business finance specialist that is using Flex since 2023.

### NETSOL appointed Jason Hurwitz as Sales Director of Europe

NETSOL appointed Jason Hurwitz as Sales Director of Europe. In this pivotal role, he will be responsible for driving the sales strategy and fostering growth across NETSOL's innovative portfolio of products and services for the European region. With an impressive background in the banking sector, Mr. Hurwitz brings a wealth of expertise to the company.

It is believed that his experience driving growth, strategic acumen and market knowledge will help to cultivate meaningful client relationships and further enhance the company's growth across the European region.

### NETSOL achieved Advanced Tier Partner Status with Amazon Web Services (AWS)

NETSOL achieved the Advanced Tier Services Partner status within the Amazon Web Services (AWS) Partner Network (APN). Partners who demonstrate exceptional prominence, emerge as industry leaders in their respective markets and have a highly proficient workforce receive this status. This milestone reinforces the robust alliance between NETSOL and AWS, showcasing our expertise and success in guiding clients through the design, architecture, migration, modernization and management of their AWS workloads, thereby optimizing their cloud investments.

### Close Brothers went live with NETSOL's cloud-based calculation engine Flex

Close Brothers, a leading UK merchant banking group providing lending, deposit taking, wealth management services and securities trading, signed-up for and subsequently went live with the company's calculation engine Flex. The cloud-based calculation engine enables affordability checks, reverse calculations and accurate contract lifecycle calculations with seamless integration into a financial institution's ecosystem.

### Participation at industry-leading events worldwide

In the United States, our delegates attended the American Financial Services Association (AFSA) Vehicle Finance Conference and the National Automobile Dealers Association (NADA) Show. Both these events were held in Las Vegas. The company also attended the Consumer Bankers Association (CBA) event - CBA Live in Washington DC.

In the United Kingdom, our delegates attended the Finance and Leasing Association (FLA) Annual Dinner and the Asset Finance Professionals Association (AFPA) Trust International Women's Day Lunch. Both events took place in London.

In Australia, our delegates attended the Annual FinTech Awards in Sydney. NETSOL also held an event in Bangkok which emphasized the significance of modular systems for staying abreast of technological advancements in the finance and leasing industry. Honoring longstanding partnerships, NETSOL presented Toyota Leasing Thailand Co., Ltd and Tri Petch Isuzu Leasing Co., Ltd with appreciation awards.

## FINANCIAL PERFORMANCE

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

STAND-ALONE FINANCIAL STATEMENTS	Jan-Mar	Jan-Mar	Jul-Mar	Jul-Mar
	2024	2023	2024	2023
	<b>Rupees in millions</b>			
Revenue	2,247	2,079	6,989	5,478
Gross profit	989	695	3,110	1,522
Net profit	64	1,404	870	1,433
EPS – basic (in PKR)	0.73	15.98	9.90	16.31
EPS – diluted (in PKR)	0.72	15.98	9.84	16.25
EBITDA per share – diluted (in PKR)	1.60	18.48	13.03	22.62



Revenue for the quarter that ended March 31, 2024, improved by 8% compared to the revenue posted in the same quarter of the previous fiscal year. The company posted a net revenue of PKR 2,247 million as compared to PKR 2,079 million during the corresponding period last year. Company recorded PKR 81 million in the current quarter on account of additional license sold our associated company's customer. On the services side, the Company recorded revenue amounting to PKR 989 million in comparison to PKR 616 million in the same quarter of the last fiscal year. This is a continuous nature of services revenue coming from our existing customers for enhancement and customization in the systems deployed at their respective sites. In addition to it, subscription and support revenue also increased from PKR 1,089 million to PKR 1,177 million during the current quarter.

Gross Margins during the period clocked in at PKR 989 million as compared to the corresponding period where margins were recorded at PKR 695 million. An increase in revenues coupled with cost optimization initiatives translated into an 119% QoQ improvement in the company's operating profits which increased from PKR 202 million last year to PKR 442 million in the current quarter.

The Company posted a net profit after tax of PKR 64 million compared to PKR 1,404 million last year. Pak Rupee remained stronger during the period against other currencies which resulted in booking of exchange loss of PKR 265 million compared to exchange gain of PKR 1,401 million in the comparable period. If we take the impact of currency gain/ loss out of equation then the Company has performed much better than last year. The Company posted basic & diluted earnings per share of PKR 0.73 & 0.72 respectively for the quarter that ended March 31, 2024, in comparison of PKR 15.98 in the corresponding period. The company posted a net EBITDA profit of PKR 1.60 per diluted share compared to PKR 18.48 in the comparable period. On year to date basis, the company posted revenue PKR 6,989 million compared to PKR 5,478 million in the corresponding period. The Company posted a net profit of PKR 870 million in comparison of PKR 1,433 million during the same period last year. Basic and Diluted earnings per share for the nine months ended March 31, 2024 were PKR 9.90 and 9.84 respectively in comparison to PKR 16.31 and 16.25 in the corresponding period. Year to date EBITDA profit for the current period was PKR 13.03 per diluted share compared to PKR 22.62 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. Net consolidated revenues for the quarter ended March 31, 2024 were PKR. 2,325 million compared to PKR 2,105 million in same period of fiscal 2023. Consolidated gross profit for the quarter was PKR 996 million as compared to PKR 655 million in the same period last year. On consolidated basis, the company posted net consolidated profit of PKR 13.59 million in the current quarter compared to net consolidated profit PKR 1,343 million posted in the same period last year. Basic and diluted earnings per share for the quarter ended March 31, 2024 were PKR 0.15 compared to earnings per share of PKR 15.28 in the comparable period.

## FUTURE OUTLOOK

By capitalizing on emerging opportunities and executing on our strategic initiatives fueled by our unwavering commitment to innovation, customer-centricity and excellence, we are confident that we will continue to drive sustainable growth, deliver value to our stakeholders and maintain our presence as a leading technology provider to the financial services industry.

Our clients are at the center of everything we do. We will continue to prioritize understanding their unique challenges, objectives and preferences. By enhancing our existing offerings and continuing to foster strong relationships, we can ensure that our products and services are aligned with their specific, evolving needs and deliver maximum value.

Innovation is at the core of NETSOL's DNA. We will continue to invest in research and development to create/enhance our innovative products and services that address the evolving needs of our diverse customers. This includes continuing to leverage emerging technologies such as artificial intelligence, machine learning and data analytics to develop solutions that drive efficiency and improve user experiences. The company remains dedicated to its mission of leveraging innovation to transform the financial services industry and continue enabling financial institutions to attain a competitive edge.

NETSOL's premier, modern technology platform NFS Ascent will continue to be promoted across the globe in order to enable banks, automotive and equipment finance and leasing companies to futureproof their operations. The solution, available both On-prem and via the Cloud, will continue to be offered to Tier-1 companies, alongside Tier-2 and Tier-3 finance and leasing organizations.

The company had introduced the Appex Now marketplace to enable financial institutions to experience unparalleled growth with our cutting-edge API-first products, tailored to the unique needs of the credit, finance and leasing industry. The products already launched and being used by customers include Flex, Hubex, Index, Dock and Lane. Further products are to be officially launched as part of the marketplace as well. Products from the marketplace are offered to financial institutions of all sizes worldwide.

As we move forward into the future, our commitment to providing high-quality professional services to industries worldwide remains steadfast. We recognize the importance of delivering tailored solutions that meet the diverse needs of our clients across different sectors and geographies. These services help clients harness the power of technology and drive innovation. The company will continue offering its various services globally. These services include, but are not limited to, cloud services (in partnership with Amazon Web Services), technical consultancy, web and app development, outsourcing and co-sourcing.



In an increasingly complex regulatory environment, we will maintain our focus on robust risk management and compliance practices to safeguard the interests of our stakeholders and uphold our reputation as a trusted financial services technology provider.

NETSOL will maintain its presence at prominent industry-leading events worldwide, which include conferences, summits, conventions, exhibitions, ceremonies and networking events. Participation in these events serve the dual objectives of informing potential clients about the company's offerings, while also fostering the generation of new leads. NETSOL remains steadfast in its commitment to maintaining active involvement in events across North America, Europe and the APAC region.

#### **ACKNOWLEDGEMENT**

The Board of Directors places on record its appreciation for the continued support by its esteemed shareholders, valued customers, government agencies and financial institutions which enabled the company to achieve these tremendous 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

Lahore: April 30, 2024



**Omar Ghauri**  
Director

# ڈائریکٹرز رپورٹ

ہمیں خوشی ہے کہ ہم نیٹ سول ٹیکنالوجیز لیونڈ کے بورڈ آف ڈائریکٹرز کی جانب سے سیکٹیو کی 31 مارچ 2024 کو ختم ہونے والے عرصہ کے لیے غیر آڈٹ شدہ مالیاتی گوشوارے بشمول مجموعی مالیاتی گوشوارے پیش کرتے ہیں۔

## عمومی جائزہ: (General Overview)

مالیاتی سال کی تیسری سہ ماہی اور سال 2024 کی پہلی سہ ماہی نیٹ سول ٹیکنالوجیز کے لیے Significant period رہی جس کے دوران سیکٹیو میں نمایاں پیش رفت دیکھنے میں آئی۔ اس میں صارفین کی جانب سے اضافی Appex Now، پروڈکٹس کی منسکرتی اور ہمارے کیلکولیشن انجن کے مزید شعبوں کی منسکرتی، یورپ میں سے نکلنے والے ڈائریکٹرز کی تعیناتی، ایمیزون ویب سروسز (AWS) کے ساتھ ایڈوائسڈ ٹائمر پائزر ایمپلیمنٹس کا حصول، نیٹ سول کے کیلکولیشن انجن Flex میں سے صارف کی شمولیت اور آٹومیشن کا حالیہ دورانیہ میں عامی تقریبات سیکٹیو کی مسلسل موجودگی شامل ہیں۔

## Haydock Finance نے Appex Now کی اضافی پروڈکٹس۔ Dock and Lane کو سبسکرائب کیا۔

نیٹ سول کے موجودہ صارف برطانوی جو ایک معروف ایسٹ فنانس کی ماہرین Haydock Finance نے سیکٹیو کی Appex Now مارکیٹ پلیس سے دو سہ ماہی پروڈکٹس Dock & Lane کو سائن اپ کیا ہے۔ Dock مرکزی دستاویز تیار کرنے والا ٹول ہے جو نمونہ پر مبنی ترتیب (configuration) اور سادہ جوئی عامی ہے جس کے مدد سے صارفین چند منٹوں میں پائل درست دستاویزات تیار کر سکتے ہیں۔ جب کہ Lane ایڈ ٹریڈنگ آڈیٹس اور کریڈٹ کنٹریول کے لیے نمایاں خصوصیات کا حامل end-to-end order management system پیش کرتا ہے۔

Haydock Finance اپنے پروڈکٹس کو نیٹ سول کے API پر مبنی کیلکولیشن انجن Flex تک رسائی کی پیشکش کا بھی آغاز کیا ہے۔ Haydock Finance ایک ایڈوائسڈ ٹائم ماڈل کاروباری فنانس ماہر ہے جو 2023 Flex استعمال کرتا ہے۔

## نیٹ سول کی یورپ میں Jason Hurwitz کو گلوبل ریجنل ڈائریکٹر تعیناتی۔

نیٹ سول نے Jason Hurwitz کو یورپ کا ریجنل ڈائریکٹر تعینات کیا ہے۔ اس ایجنڈے میں دو پہلوؤں کے تحت عملی کو برحالیہ اور نیٹ سول کی پروڈکٹس اور سروسز کے گلوبل پورٹ فولیو میں ترقی کو فروغ دینے کے ذمہ داروں کے۔ جیکنگ کے شعبے میں متاثر کن پلس منظر کے ساتھ Mr. Hurwitz سیکٹیو میں مہارت اور تجربے کی ایک نئی اہلے کے تھے ہیں۔

امید کی جاتی ہے کہ ان کے تجربے کی مرہون صنعت ترقی کی رفتار سیکٹیو کی مہمات اور مارکیٹ کا علم کلائنٹس کے ساتھ باہمی تعلقات قائم کرنے اور یورپین شعبے سیکٹیو کی ترقی میں مزید اضافہ کرنے میں مددگار ثابت ہوگا۔

## نیٹ سول نے ایمیزون ویب سروسز (AWS) میں Advanced Tier Partner کا درجہ حاصل کیا۔

نیٹ سول نے ایمیزون ویب سروسز (AWS) پائلٹ پارٹنر (APN) میں ایڈوائسڈ ٹائمر سروسز پائلٹ حاصل کیا۔ ایسے پائلٹرز جنہوں نے اپنی سادھ کو نمایاں کیا وہ اپنی متعلقہ مارکیٹس میں صنعت کے رہنما کے طور پر ابھرے اور اپنی قابل اثر قوت کے حامل افراد نے درجہ حاصل کیا۔ نیٹ سول نیٹ سول اور AWS کے مابین مضبوط اتحاد کو تقویت دیتا ہے اور ان کے AWS کو ڈیزائن، فن تعمیر، نقل مکانی، سہ ماہی کاروباری اور سیکورٹی کے ذریعے کلائنٹس کی رہنمائی میں جاری صلاحیتوں اور کامیابیوں کا مظاہر کرتا ہے، اس طرح ان کی کل کاروباری کو بہتر بناتا ہے۔

## کلاؤڈ پرائیمری نیٹ سول کے کیلکولیشن انجن Flex کے ذریعے Close Brother Live ہوئے۔

قریب دینے، ڈیٹا لینے، دیکھنا سمجھنا سروسز اور سیکورٹی ریڈنگ کی خدمات فراہم کرنے والے برطانیہ کے معروف سرجنٹ جیکنگ گروپ Close Brothers نے سائن اپ کیا اور نیٹ سول کے کیلکولیشن انجن Flex کے ذریعے live ہونے کا آغاز کیا۔ انجن مستقل قیمتوں کے تعین، ریورس کیلکولیشن اور درست کلائنٹ انٹرفیس کے ذریعے سائن اپ کیا گیا۔ نیٹ سول کے کلائنٹس کے ساتھ باہمی تعلقات قائم کرنے اور ایمیزون ویب سروسز کے ساتھ باہمی تعلقات قائم کرنے میں مددگار ثابت ہوگا۔

## دنیا بھر میں صنعت کی معروف تقریبات میں شرکت۔

ریاستہائے متحدہ میں ہمارے ڈوونے امریکن فائنل سروسز ایسوسی ایشن (AFSA) ڈیویل کانفرنس اور نیٹ سول آڈیٹرز ایسوسی ایشن (NADA) شو میں شرکت کی۔ یہ دونوں تقریبات اس ریگس میں منعقد ہوئے۔ سیکٹیو نے واٹس اپ ڈی وی میں منعقد ہونے والے تیز میٹنگز ایسوسی ایشن (CBA) کی لائیو تقریب میں بھی شرکت کی۔

برطانیہ میں ہمارے ڈوونے فنانس اینڈ لینڈنگ ایسوسی ایشن (FLA) کے سالانہ مشاوریہ اور ایسٹ فنانس پرفیشنل ایسوسی ایشن (AFPA) کے سروسٹ کے عالمی یوم قوانین کے اظہار میں شرکت کی۔ یہ دونوں تقریبات لندن میں منعقد ہوئے تھے۔

آسٹریلیا میں ہمارے ڈوونے میں منعقدہ مالانہ FinTech ایوارڈز میں شرکت کی۔ نیٹ سول نے بھی بیک میں ایک تقریب منعقد کی جس میں فنانس اور لیونڈ انڈسٹری میں تکنیکی جدت کے ساتھ ہم آہنگی کے نئے ڈیجیٹل سسٹمز کی اہمیت پر زور دیا گیا۔ نیٹ سول نے مالانہ تعلقات کے اعزاز میں نیٹ سول نے Toyota Leasing Thailand Co., Ltd اور Tri Petch Isuzu Leasing Co., Ltd کو وصلہ فروختی کے ایوارڈسے نوازا۔

## مالیاتی کارکردگی: (Financial Performance)

31 مارچ 2024 کو ختم ہونے والی تیسری سہ ماہی 2023 کی اسی مدت کے ساتھ اور 31 مارچ 2024 کو ختم ہونے والی نو ماہی 2023 کی اسی مدت کے ساتھ غیر آڈٹ شدہ مالیاتی گوشوارے سے نتائج کا موازنہ درج ذیل ہے۔

### انفرادی مالیاتی گوشوارے

جنوری تا مارچ 2024ء	جنوری تا مارچ 2023ء	جولائی تا مارچ 2024ء	جولائی تا مارچ 2023ء
2,247	2,079	6,989	5,478
989	695	3,110	1,522
64	1,404	870	1,433
0.73	15.98	9.90	16.31
0.72	15.98	9.84	16.25
1.60	18.48	13.03	22.62

31 مارچ 2024 کو ختم ہونے والی سہ ماہی کی محصولات پانچ ماہ کی اسی سہ ماہی میں درج ہونے والی محصولات کے مقابلے میں 8 فیصد بہتر ہوئی ہے۔ سیکٹیو گزشتہ سال کے اسی عرصے کے دوران 2,079 ملین روپے کے مقابلے



# **CONDENSED FINANCIAL STATEMENTS**

**For the Nine Months Ended March 31, 2024**

## Condensed Interim Statement of Financial Position - Unaudited

As at March 31, 2024

	NOTE	Mar-24 Unaudited	Jun-23 Audited
Rupees			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	5	1,302,763,081	1,514,208,964
Intangible assets	6	-	40,385,947
		1,302,763,081	1,554,594,911
Long term investments	7	52,280,650	52,280,650
Long term loans to employees		640,000	4,391,690
		1,355,683,731	1,611,267,251
<b>CURRENT ASSETS</b>			
Trade debts	8	6,542,292,972	5,639,020,972
Contract assets		2,600,180,750	1,968,963,315
Loans and advances	9	109,052,837	64,849,265
Trade deposits & short term prepayments	10	120,279,577	125,948,934
Other receivables	11	25,192,333	26,110,091
Due from related parties	12	996,581,737	726,749,907
Taxation - net		27,898,241	6,261,617
Cash & bank balances		2,767,410,392	2,631,170,928
		13,188,888,839	11,189,075,029
<b>TOTAL ASSETS</b>		<b>14,544,572,570</b>	<b>12,800,342,280</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHARE CAPITAL &amp; RESERVES</b>			
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	9,147,855,710	8,269,052,436
		10,046,237,442	9,167,434,168
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	15	11,519,564	49,626,618
Lease liabilities		-	970,557
Long term advances		1,140,000	16,675,000
		12,659,564	67,272,175
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	825,484,106	818,362,446
Contract liabilities		2,021,571,492	1,117,495,620
Short term borrowings		1,580,000,000	1,580,000,000
Current portion of long term liabilities		54,784,803	45,924,040
Unclaimed dividend		3,835,163	3,853,831
		4,485,675,564	3,565,635,937
<b>CONTINGENCIES &amp; COMMITMENTS</b>	17	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,544,572,570</b>	<b>12,800,342,280</b>

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 Nine Months Ended March 31, 2024

	NOTE	Jan-Mar 2024	Jan-Mar 2023	Jul-Mar 2024	Jul-Mar 2023
<b>Rupees</b>					
Revenue from contracts with customers - net	18	2,247,199,523	2,078,928,659	6,989,046,781	5,477,548,092
Cost of revenue		(1,258,419,338)	(1,383,718,750)	(3,878,853,553)	(3,956,012,506)
<b>Gross profit</b>		<b>988,780,185</b>	<b>695,209,909</b>	<b>3,110,193,228</b>	<b>1,521,535,586</b>
Selling and promotion expenses		(177,379,293)	(166,945,935)	(524,585,644)	(488,776,482)
Administrative expenses		(369,569,144)	(325,906,834)	(1,078,360,996)	(1,008,722,558)
		(546,948,437)	(492,852,769)	(1,602,946,640)	(1,497,499,040)
<b>Operating profit</b>		<b>441,831,748</b>	<b>202,357,140</b>	<b>1,507,246,588</b>	<b>24,036,546</b>
Other income	19	120,550,676	1,468,045,452	397,206,823	2,046,555,231
		562,382,424	1,670,402,592	1,904,453,411	2,070,591,777
Other operating expenses		(384,122,594)	(163,350,779)	(663,635,945)	(375,340,427)
Finance cost		(78,051,608)	(47,397,047)	(237,003,908)	(118,611,484)
<b>Profit before taxation</b>		<b>100,208,222</b>	<b>1,459,654,766</b>	<b>1,003,813,558</b>	<b>1,576,639,866</b>
Taxation	20	(35,937,333)	(56,045,710)	(133,884,841)	(144,093,021)
<b>Profit after taxation for the period</b>		<b>64,270,889</b>	<b>1,403,609,056</b>	<b>869,928,717</b>	<b>1,432,546,845</b>
<b>Earnings per share</b>					
Basic - In Rupees	21	0.73	15.98	9.90	16.31
Diluted - In Rupees	21	0.72	15.98	9.84	16.25

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 Nine Months Ended March 31, 2024

	Jan-Mar 2024	Jan-Mar 2023	Jul-Mar 2024	Jul-Mar 2023
	Rupees		Rupees	
<b>Profit after taxation for the period</b>	<b>64,270,889</b>	1,403,609,056	<b>869,928,717</b>	1,432,546,845
<b>Other comprehensive income</b>				
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):	-	-	-	-
<b>Total comprehensive profit for the period</b>	<b>64,270,889</b>	1,403,609,056	<b>869,928,717</b>	1,432,546,845

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 Nine Months Ended March 31, 2024

	Jul-Mar 2024	Jul-Mar 2023
<b>Rupees</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,003,813,558	1,576,639,866
Adjustments for non cash charges and other items:		
Depreciation - own assets	263,525,710	294,356,667
Amortization of right of use assets	1,791,282	2,004,937
Amortization of intangible assets	40,385,948	220,127,805
(Gain)/loss on disposal of fixed assets	(706,800)	15,754,878
Foreign exchange loss/(gain)	310,166,116	(1,823,162,567)
Finance cost	234,289,988	116,073,246
Interest income	(394,925,023)	(217,417,664)
Employee share option compensation expense	8,874,557	18,151,732
Amortization of deferred grant	-	(712,519)
Provision for expected credit losses	77,143,176	81,927,940
	540,544,954	(1,292,895,545)
<b>Cash generated from operations before working capital changes</b>	1,544,358,512	283,744,321
<b>Working Capital Changes</b>		
Trade debts	(1,288,518,404)	(168,585,537)
Contract assets	(633,280,325)	(487,783,176)
Contract liabilities	904,075,872	(118,982,154)
Loans and advances	(40,451,882)	(35,404,186)
Trade deposits & short term prepayments	5,669,357	(65,375,440)
Other receivables	917,758	(56,982,851)
Due from related parties	(269,831,830)	(205,569,507)
Trade and other payables	19,970,337	208,316,289
<b>Cash (used in) operations</b>	(1,301,449,117)	(930,366,562)
Finance cost	(247,138,665)	(83,327,769)
Income taxes paid	(155,521,465)	(147,490,218)
Dividend paid	(18,668)	(85,236)
<b>Net cash (used in) operations</b>	(159,769,403)	(877,525,464)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment's purchased	(85,480,782)	(333,228,078)
Sales proceeds of fixed asset	35,398,055	58,091,005
Advances against capital expenditure	(3,081,582)	(14,920,000)
Interest received	394,925,024	217,417,664
<b>Net cash generated from/ (used in) investing activities</b>	341,760,715	(72,639,409)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Paid against lease liabilities	(2,672,950)	(2,504,114)
Long term loan	(50,743,898)	(111,480,839)
Long term advances	7,665,000	6,525,000
<b>Net cash (used in) financing activities</b>	(45,751,848)	(107,459,953)
<b>Net increase/(decrease) in cash and cash equivalents</b>	136,239,464	(1,057,624,826)
<b>Cash and cash equivalents at the beginning of the period</b>	2,631,170,928	3,785,712,936
<b>Cash and cash equivalents at the end of the period</b>	2,767,410,392	2,728,088,110

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 Nine Months Ended March 31, 2024

	Issued, subscribed deposit 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								
<b>Balance as at June 30, 2022</b>	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	-	-	-	-	-	-	1,432,546,845	1,432,546,845
Other comprehensive income for the period	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	1,432,546,845	1,432,546,845
Amortization of employee share options	-	-	-	18,151,732	-	-	-	18,151,732
	-	-	-	18,151,732	-	-	1,432,546,845	1,450,698,577
<b>Balance as at March 31, 2023</b>	898,369,232	12,500	(184,738,875)	250,375,171	304,166,629	(33,686,884)	8,043,236,414	9,277,734,187
<b>Balance as at June 30, 2023</b>	898,369,232	12,500	(184,738,875)	253,700,958	304,166,629	-	7,895,923,724	<b>9,167,434,168</b>
Net profit for the period	-	-	-	-	-	-	869,928,717	<b>869,928,717</b>
Other comprehensive income for the period	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	869,928,717	<b>869,928,717</b>
Amortization of employee share options	-	-	-	8,874,557	-	-	-	<b>8,874,557</b>
	-	-	-	8,874,557	-	-	869,928,717	<b>878,803,274</b>
<b>Balance as at March 31, 2024</b>	<b>898,369,232</b>	<b>12,500</b>	<b>(184,738,875)</b>	<b>262,575,515</b>	<b>304,166,629</b>	<b>-</b>	<b>8,765,852,441</b>	<b>10,046,237,442</b>

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 Nine Months Ended March 31, 2024

### 1. LEGAL STATUS AND NATURE OF BUSINESS

NetSol Technologies Limited ("the Company"), incorporated in Pakistan on August 22, 1996 under the repealed Companies Ordinance, 1984, (Now 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 3rd floor Jasmin's Arcade Fakhar-e-Alam road, Peshawar Cantt. Pakistan.	Branch office

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

NetSol Technologies Limited is also utilizing the branch office of its parent company, situated at Sentral Senayan 2 Building, 16th Floor, Asia Afrika Street No. 8, Senayan, Kebayoran Baru, South Jakarta, DKI Jakarta, 10270, as a platform for conducting various business and operational activities.

### 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	Mar-24 Unaudited	Jun-23 Audited
Rupees			
<b>5. PROPERTY, PLANT &amp; EQUIPMENT</b>			
Net book value of owned assets	5.1	1,295,123,026	1,505,828,661
Net book value of right of use assets	5.2	4,558,473	8,380,303
Advances against capital expenditure		3,081,582	-
		<b>1,302,763,081</b>	<b>1,514,208,964</b>
<b>5.1 PROPERTY, PLANT &amp; EQUIPMENT</b>			
Opening Balance - net book value		1,505,828,661	1,576,395,582
Additions	5.1.1	87,511,330	407,325,270
		<b>1,593,339,991</b>	<b>1,983,720,852</b>
Less:			
Disposals - net book value	5.1.2	(34,691,255)	(88,586,884)
Depreciation & amortization		(263,525,710)	(389,305,307)
		<b>1,295,123,026</b>	<b>1,505,828,661</b>
<b>5.1.1 Following is the detail of addition / transfers :</b>			
Furniture & fixture		4,217,388	3,550,130
Vehicles		41,537,640	110,433,902
Office equipment		2,735,789	13,684,440
Computer equipment and installations		34,069,513	142,798,498
Air conditioners		276,000	3,283,900
Generator		4,675,000	3,288,840
Computer software		-	130,285,560
<b>Total</b>		<b>87,511,330</b>	<b>407,325,270</b>

**5.1.2 Following is the detail of disposals:**

	Mar-24 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	52,845,269	18,206,791	34,638,478	101,154,421	43,703,359	57,451,062
Office equipment	-	-	-	161,000	127,747	33,253
Computer equipment and installations	190,000	137,223	52,777	544,596,197	513,634,254	30,961,943
Air conditioners	-	-	-	199,000	192,416	6,584
<b>Total</b>	<b>53,035,269</b>	<b>18,344,014</b>	<b>34,691,255</b>	<b>646,737,270</b>	<b>558,150,386</b>	<b>88,586,884</b>

	NOTE	Mar-24 Unaudited	Jun-23 Audited
Rupees			
<b>5.2 RIGHT OF USE ASSETS</b>			
Opening Balance - net book value		8,380,303	32,738,991
Additions		-	-
		<b>8,380,303</b>	<b>32,738,991</b>
Less:			
Disposals - net book value	5.2.1	(2,030,548)	(21,685,439)
Depreciation & amortization		(1,791,282)	(2,673,249)
		<b>4,558,473</b>	<b>8,380,303</b>

## 5.21 Following is the detail of disposals:

	Mar-24 Unaudited			Jun-23 Audited		
	Cost	Accumulated Depreciation	Written down value	Cost	Accumulated Depreciation	Written down value
	Rupees					
Vehicles	4,273,100	2,242,552	2,030,548	49,285,094	27,599,655	21,685,439
Total	4,273,100	2,242,552	2,030,548	49,285,094	27,599,655	21,685,439

	NOTE	Mar-24	Jun-23
		Unaudited	Audited
		Rupees	
<b>6. INTANGIBLE ASSETS</b>			
Opening Balance - net book value		40,385,947	333,889,687
Additions		-	-
		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		Mar-24	Jun-23
<b>Investment in subsidiaries - at cost- unquoted</b>			
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		Mar-24	Jun-23
Considered good - unsecured	8.1	6,542,292,972	5,639,020,972
Considered doubtful - unsecured		431,350,319	356,270,033
		6,973,643,291	5,995,291,005
Less: Provision against expected credit losses	8.2	(431,350,319)	(356,270,033)
		6,542,292,972	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	Mar-24 Unaudited	Jun-23 Audited
Rupees			
<b>8.3</b>	<b>Amount receivable from related parties included in trade debts (from export sales) are as under:</b>		
NetSol Technologies (Thailand) Limited		111,418,082	277,821,116
NetSol Technologies (Beijing) Company Limited		2,603,474,886	1,925,047,916
NetSol Technologies Australia Pty. Limited		736,274,584	724,626,625
NetSol Technologies Americas Inc.		493,873,003	403,160,531
NetSol Technologies Europe Limited		11,160,527	14,318,265
Ascent Europe Limited		453,051,834	120,893,334
OTOZ Thailand Limited		50,810,671	75,788,552
Tianjin NuoJinZhiCheng Co., Ltd		22,478,485	-
		<b>4,482,542,072</b>	<b>3,541,656,339</b>
<b>9.</b>	<b>LOANS AND ADVANCES - Unsecured</b>		
Current maturity of loans to executives		23,722,916	6,569,366
<b>Advances</b>			
- to employees		4,641,457	-
- against expenses	9.1	80,688,464	58,279,899
		<b>109,052,837</b>	<b>64,849,265</b>
<b>9.1</b>	The advances against expenses are given to meet business expenses and are settled as and when the expenses are incurred.		
<b>10.</b>	<b>TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>		
Security deposits		3,517,894	4,877,628
Prepayments		116,761,683	121,071,306
		<b>120,279,577</b>	<b>125,948,934</b>
<b>11.</b>	<b>OTHER RECEIVABLES</b>		
Guarantee margin		7,241,500	2,344,000
Other receivable - considered good		17,950,833	23,766,091
		<b>25,192,333</b>	<b>26,110,091</b>
<b>12.</b>	<b>DUE FROM RELATED PARTIES</b>		
<b>Considered good - unsecured</b>			
<b>Parent</b>			
NetSol Technologies Inc.		148,624,294	150,793,593
<b>Associates:</b>			
NetSol Technologies Americas Inc.		129,286,130	91,181,798
NetSol Connect (Pvt) Ltd.		13,806,672	15,744,976
NetSol Technologies Beijing Ltd.		256,608,493	166,958,203
OTOZ Thailand Ltd.		28,661,464	41,778,109
<b>Wholly owned Subsidiary</b>			
NetSol Innovation (Pvt.) Ltd	12.2	419,594,684	260,293,228
		<b>996,581,737</b>	<b>726,749,907</b>
<b>12.1</b>	These relate to normal course of business of the company and are interest free.		
<b>12.2</b>	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

Mar-24		Jun-23		Mar-24		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
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#### 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	262,575,515	253,700,958
Treasury share reserve	(184,738,875)	(184,738,875)

#### Revenue reserve

Un - appropriated profit	8,765,852,441	7,895,923,724
	9,147,855,710	8,269,052,436

### 15. LONG TERM FINANCING

Loan obligations	41,450,876	92,194,774
<b>Less: Current portion shown under current liabilities:</b>		
Current portion of Loan obligations	(29,931,312)	(42,568,156)
	11,519,564	49,626,618

16. Trade and other payables includes Rs. 6.15 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 Mar 31, 2024. (2023: Nil)

	Jan-Mar 2024	Jan-Mar 2023	Jul-Mar 2024	Jul-Mar 2023
	Rupees		Rupees	
<b>18. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>				
<b>DISAGGREGATION OF REVENUE:</b>				
Set out below is the disaggregation of the Company's revenue from contracts with customers:				
<b>Export Revenue</b>				
License	80,643,360	374,203,200	632,564,235	374,203,200
Services	985,188,485	615,761,909	2,850,887,378	2,146,401,222
Subscription and Support	1,168,259,718	1,088,963,550	3,447,671,776	2,811,109,187
	<b>2,234,091,563</b>	<b>2,078,928,659</b>	<b>6,931,123,389</b>	<b>5,331,713,609</b>
<b>Local Revenue</b>				
License	-	-	-	42,653,553
Services	4,638,886	-	31,208,535	106,097,620
Subscription and Support	9,291,098	-	29,552,919	-
	<b>13,929,984</b>	<b>-</b>	<b>60,761,454</b>	<b>148,751,173</b>
Sales tax	(822,024)	-	(2,838,062)	(2,916,690)
	<b>2,247,199,523</b>	<b>2,078,928,659</b>	<b>6,989,046,781</b>	<b>5,477,548,092</b>
<b>18.1 Timing of revenue recognition:</b>				
At a point in time	80,643,360	374,203,200	632,564,235	416,856,753
Over the time	2,166,556,163	1,704,725,459	6,356,482,546	5,060,691,339
	<b>2,247,199,523</b>	<b>2,078,928,659</b>	<b>6,989,046,781</b>	<b>5,477,548,092</b>
<b>19. OTHER INCOME</b>				
<b>Income from financial assets</b>				
Profit on bank deposits & short term investments	98,837,700	62,540,150	339,594,751	217,417,664
Interest income from related party	20,486,454	-	55,330,272	-
	<b>119,324,154</b>	<b>62,540,150</b>	<b>394,925,023</b>	<b>217,417,664</b>
<b>Income from non-financial assets</b>				
Gain on foreign currency translation	-	1,401,180,302	-	1,823,162,567
Gain on disposal of assets	701,522	-	706,800	-
Rental income	525,000	825,000	1,575,000	2,475,000
Management Fee	-	3,500,000	-	3,500,000
	<b>1,226,522</b>	<b>1,405,505,302</b>	<b>2,281,800</b>	<b>1,829,137,567</b>
	<b>120,550,676</b>	<b>1,468,045,452</b>	<b>397,206,823</b>	<b>2,046,555,231</b>
<b>20. TAXATION</b>				
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.				
<b>21. EARNINGS PER SHARE</b>				
<b>Basic</b>				
Profit after taxation for the period	64,270,889	1,403,609,056	869,928,717	1,432,546,845
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	0.73	15.98	9.90	16.31
<b>Diluted</b>				
Profit after taxation for the period	64,270,889	1,403,609,056	869,928,717	1,432,546,845
Average number of ordinary shares in issue during the period	88,657,543	87,707,664	88,377,082	88,182,173
Diluted - In Rupees	0.72	15.98	9.84	16.25



## 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-Mar	Jul-Mar
		2024	2023
		Rupees	
(i) Subsidiary	Rental income	900,000	1,800,000
	Provision of services	1,800,000	2,700,000
	Mark-up income	55,330,272	-
(ii) Associated undertaking	Rental income	675,000	675,000
	Provision of services	2,041,194,649	1,594,831,824
	Purchase of services	35,232,308	33,487,501
(iii) Post employment benefit	Contribution to defined contribution plan	130,413,750	140,441,397
(iv) Key management personnel	Salaries and benefits	249,925,465	231,035,281
	Retirement benefits	9,993,442	9,836,000
	Commission paid	13,594,891	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 April 30, 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 Nine Months Ended March 31, 2024**

## Condensed Consolidated Interim Statement of Financial Position - Unaudited

As at March 31, 2024

	NOTE	Mar-24 Unaudited	Jun-23 Audited
Rupees			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	5	1,308,807,431	1,521,471,840
Intangible assets	6	-	40,385,947
		1,308,807,431	1,561,857,787
Long term loans to employees		640,000	4,391,690
		1,309,447,431	1,566,249,477
<b>CURRENT ASSETS</b>			
Trade debts	7	6,567,014,365	5,662,695,808
Contract assets		2,624,045,581	1,979,309,913
Loans and advances	8	109,074,537	64,849,265
Trade deposits & short term prepayments	9	125,571,348	128,720,430
Other receivables		25,202,872	26,110,091
Due from related parties	10	576,987,053	466,456,679
Taxation - net		28,185,304	6,387,524
Cash & bank balances		2,779,140,693	2,633,066,097
		12,835,221,753	10,967,595,807
<b>TOTAL ASSETS</b>		<b>14,144,669,184</b>	<b>12,533,845,284</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHARE CAPITAL &amp; RESERVES</b>			
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	8,725,623,313	7,994,308,415
		9,624,005,045	8,892,690,147
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	13	11,519,564	49,626,618
Lease liabilities		-	970,557
Long term advances		1,140,000	16,675,000
		12,659,564	67,272,175
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	840,008,236	819,451,107
Contract liabilities		2,029,376,373	1,124,653,984
Short term borrowings		1,580,000,000	1,580,000,000
Current portion of long term liabilities		54,784,803	45,924,040
Unclaimed dividend		3,835,163	3,853,831
		4,508,004,575	3,573,882,962
<b>CONTINGENCIES &amp; COMMITMENTS</b>	15	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,144,669,184</b>	<b>12,533,845,284</b>

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 Nine Months Ended March 31, 2024

	NOTE	Jan-Mar 2024	Jan-Mar 2023	Jul-Mar 2024	Jul-Mar 2023
		Rupees		Rupees	
Revenue from contracts with customers - net	16	2,325,063,529	2,105,443,850	7,215,675,705	5,571,531,515
Cost of revenue		(1,329,147,912)	(1,450,735,520)	(4,106,162,805)	(4,124,521,593)
<b>Gross profit</b>		<b>995,915,617</b>	<b>654,708,330</b>	<b>3,109,512,900</b>	<b>1,447,009,922</b>
Selling and promotion expenses		(207,887,251)	(186,122,170)	(599,789,685)	(562,532,629)
Administrative expenses		(373,104,017)	(330,484,982)	(1,088,761,734)	(1,018,304,465)
		(580,991,268)	(516,607,152)	(1,688,551,419)	(1,580,837,094)
<b>Operating profit / (loss)</b>		<b>414,924,349</b>	<b>138,101,178</b>	<b>1,420,961,481</b>	<b>(133,827,172)</b>
Other income		100,157,057	1,470,424,004	341,913,211	2,049,987,756
		515,081,406	1,608,525,182	1,762,874,692	1,916,160,584
Other operating expenses		(384,717,987)	(163,350,779)	(665,640,702)	(375,340,427)
Finance cost		(78,979,206)	(47,427,872)	(238,099,294)	(118,722,008)
<b>Profit before taxation</b>		<b>51,384,213</b>	<b>1,397,746,531</b>	<b>859,134,696</b>	<b>1,422,098,149</b>
Taxation	17	(37,793,449)	(55,216,343)	(136,298,713)	(144,483,797)
<b>Profit after taxation for the period attributable to equity holders of the parent</b>		<b>13,590,764</b>	<b>1,342,530,188</b>	<b>722,835,983</b>	<b>1,277,614,352</b>
<b>Earnings per share</b>					
Basic - In Rupees	18	0.15	15.28	8.23	14.55
Diluted - In Rupees	18	0.15	15.28	8.18	14.49

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

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**Condensed Consolidated Interim Statement of Comprehensive Income - Unaudited**  
For the Nine Months Ended March 31, 2024

	Jan-Mar 2024	Jan-Mar 2023	Jul-Mar 2024	Jul-Mar 2023
	Rupees		Rupees	
<b>Profit after taxation for the period</b>	<b>13,590,764</b>	1,342,530,188	<b>722,835,983</b>	1,277,614,352
<b>Other comprehensive income</b>				
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	<b>(62,712)</b>	(262,222)	<b>(395,642)</b>	(262,222)
<b>Total comprehensive income for the period attributable to equity holders of the parent</b>	<b>13,528,052</b>	1,342,267,966	<b>722,440,341</b>	1,277,352,130

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

CHIEF EXECUTIVE OFFICER

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## Condensed Consolidated Interim Statement of Cash Flows - Unaudited

For the Nine Months Ended March 31, 2024

	Jul-Mar 2024	Jul-Mar 2023
Rupees		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation for the period	859,134,696	1,422,098,149
Adjustments for non cash charges and other items:		
Depreciation - own assets	266,781,242	297,439,098
Amortization of right of use assets	1,791,282	2,004,937
Amortization of intangible assets	40,385,948	220,127,805
(Gain)/loss on disposal of fixed assets	(706,800)	15,754,878
Foreign exchange loss/(gain)	312,170,873	(1,827,886,360)
Finance cost	234,289,988	116,073,246
Interest income	(340,531,411)	(217,926,396)
Employee compensation expense	8,874,557	18,151,732
Amortization of deferred grant	-	(712,519)
Provision for expected credit losses	77,143,176	81,927,940
	600,198,855	(1,295,045,639)
<b>Cash generated from operations before working capital changes</b>	1,459,333,551	127,052,510
<b>Working Capital Changes</b>		
Trade debts	(1,291,569,717)	(159,346,314)
Contract assets	(646,798,558)	(494,940,529)
Contract liabilities	904,722,389	(118,190,962)
Loans and advances	(40,473,582)	(35,269,186)
Trade deposits & short term prepayments	3,149,082	(66,705,186)
Other receivables	907,219	(56,982,851)
Due from related parties	(110,530,374)	(49,902,230)
Trade and other payables	33,405,806	215,673,996
<b>Cash (used in) operations</b>	(1,147,187,735)	(765,663,262)
Finance cost	(247,138,665)	(83,327,769)
Income taxes paid	(158,096,493)	(147,999,794)
Dividend paid	(18,668)	(85,236)
<b>Net cash (used in) operations</b>	(93,108,010)	(870,023,551)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	(87,516,744)	(337,773,048)
Sales proceeds of fixed asset	35,398,055	58,091,005
Advances against capital expenditure	(3,081,582)	(14,920,000)
Interest received	340,531,411	217,926,396
<b>Net cash generated from/(used in) investing activities</b>	285,331,140	(76,675,647)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Paid against lease liabilities	(2,672,950)	(2,504,113)
Long term loan	(50,743,898)	(111,480,839)
Long term advances	7,665,000	6,525,000
<b>Net cash (used in) financing activities</b>	(45,751,848)	(107,459,952)
<b>Net increase/(decrease) in cash and cash equivalents</b>	146,471,282	(1,054,159,150)
<i>Net foreign exchange difference</i>	(396,686)	(262,222)
<b>Cash and cash equivalents at the beginning of the period</b>	2,633,066,097	3,794,132,251
<b>Cash and cash equivalents at the end of the period</b>	2,779,140,693	2,739,710,879

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 Nine Months Ended March 31, 2024

	Attributable to equity holders of the Parent							Total
	Issued, subscribed and paid-up capital	Share deposit money	Capital Reserve				Revenue Reserve	
			Treasury share reserve	Employee share option compensation reserve	Share premium	Foreign currency translation reserve	Un-appropriated profit	
<b>R u p e e s</b>								
<b>Balance as at June 30, 2022</b>	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 profit for the period	-	-	-	-	-	-	1,277,614,352	1,277,614,352
Other comprehensive loss for the period	-	-	-	-	-	(262,222)	-	(262,222)
Total comprehensive (loss)/ income for the period	-	-	-	-	-	(262,222)	1,277,614,352	1,277,352,130
Amortization of employee share options	-	-	-	18,151,732	-	-	-	18,151,732
	-	-	-	18,151,732	-	(262,222)	1,277,614,352	1,295,503,862
<b>Balance as at March 31, 2023</b>	898,369,232	12,500	(184,738,875)	251,032,658	304,166,629	(33,949,106)	7,858,758,361	9,093,651,399
<b>Balance as at June 30, 2023</b>	898,369,232	12,500	(184,738,875)	254,358,445	304,166,629	925,332	7,619,596,884	<b>8,892,690,147</b>
Net profit for the period	-	-	-	-	-	-	722,835,983	<b>722,835,983</b>
Other comprehensive loss for the period	-	-	-	-	-	(395,642)	-	<b>(395,642)</b>
Total comprehensive (loss)/ income for the period	-	-	-	-	-	(395,642)	722,835,983	<b>722,440,341</b>
Amortization of employee share options	-	-	-	8,874,557	-	-	-	<b>8,874,557</b>
	-	-	-	8,874,557	-	(395,642)	722,835,983	<b>731,314,898</b>
<b>Balance as at March 31, 2024</b>	<b>898,369,232</b>	<b>12,500</b>	<b>(184,738,875)</b>	<b>263,233,002</b>	<b>304,166,629</b>	<b>529,690</b>	<b>8,342,432,867</b>	<b>9,624,005,045</b>

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 Nine Months Ended March 31, 2024

### 1. LEGAL STATUS AND NATURE OF BUSINESS

NetSol Group consists of:

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

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

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

NetSol 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.

NetSol Technologies Limited is also utilizing the branch office of its parent company, situated at Sentral Senayan 2 Building, 16th Floor, Asia Afrika Street No. 8, Senayan, Kebayoran Baru, South Jakarta, DKI Jakarta, 10270, as a platform for conducting various business and operational activities.

### 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	Mar-24 Unaudited	Jun-23 Audited
Rupees			
<b>5. PROPERTY, PLANT &amp; EQUIPMENT</b>			
Net book value of owned assets	5.1	1,301,167,376	1,513,091,537
Net book value of right of use assets	5.2	4,558,473	8,380,303
Advances against capital expenditure		3,081,582	-
		<b>1,308,807,431</b>	<b>1,521,471,840</b>
<b>5.1 PROPERTY, PLANT &amp; EQUIPMENT</b>			
Opening Balance - net book value		1,513,091,537	1,583,169,072
Additions	5.1.1	89,547,292	411,870,240
		<b>1,602,638,829</b>	<b>1,995,039,312</b>
Less:			
Disposals - net book value	5.1.2	(34,691,255)	(88,586,884)
Depreciation & amortization		(266,780,198)	(393,360,891)
		<b>1,301,167,376</b>	<b>1,513,091,537</b>

	NOTE	Mar-24 Unaudited	Jun-23 Audited
Rupees			
<b>5.1.1</b>	<b>Following is the detail of addition / transfers:</b>		
Furniture & fixture		4,217,388	3,588,100
Vehicles		41,537,640	110,433,902
Office equipment		2,735,789	13,823,440
Computer equipment and installations		36,105,475	147,166,498
Air conditioners		276,000	3,283,900
Generator		4,675,000	3,288,840
Computer software		-	130,285,560
<b>Total</b>		<b>89,547,292</b>	<b>411,870,240</b>

**5.1.2 Following is the detail of disposals :**

	Mar-24 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	52,845,269	18,206,791	34,638,478	101,154,421	43,703,359	57,451,062
Office equipment	-	-	-	161,000	127,747	33,253
Computers equipment and installations	190,000	137,223	52,777	544,596,197	513,634,254	30,961,943
Air conditioners	-	-	-	199,000	192,416	6,584
<b>Total</b>	<b>53,035,269</b>	<b>18,344,014</b>	<b>34,691,255</b>	<b>646,737,270</b>	<b>558,150,386</b>	<b>88,586,884</b>

**5.2 RIGHT OF USE ASSETS**

Opening Balance - net book value		8,380,303	32,738,993
Additions		-	-
		<b>8,380,303</b>	<b>32,738,993</b>
Less:			
Disposals - net book value	5.2.1	(2,030,548)	(21,685,441)
Depreciation & amortization		(1,791,282)	(2,673,249)
		<b>4,558,473</b>	<b>8,380,303</b>

**5.2.1 Following is the detail of disposals:**

	Mar-24 Unaudited			Jun-23 Audited		
	Cost	Accumulated Depreciation	Written down value	Cost	Accumulated Depreciation	Written down value
Rupees						
Vehicles	4,273,100	2,242,552	2,030,548	49,285,094	27,599,653	21,685,441
<b>Total</b>	<b>4,273,100</b>	<b>2,242,552</b>	<b>2,030,548</b>	<b>49,285,094</b>	<b>27,599,653</b>	<b>21,685,441</b>

**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	Mar-24 Unaudited	Jun-23 Audited
		Rupees	
<b>7. TRADE DEBTS</b>			
Considered good - unsecured	7.1	6,567,014,365	5,662,695,808
Considered doubtful - unsecured		431,350,319	356,270,033
		6,998,364,684	6,018,965,841
Less: Allowance for expected credit losses	7.2	(431,350,319)	(356,270,033)
		6,567,014,365	5,662,695,808
<b>7.1</b>	It represents amount receivable from customers. It is unsecured but considered good by the management.		
<b>7.2</b>	This is an allowance for expected credit losses created by the company for any future doubtful trade debts.		
<b>7.3</b>	<b>Amount receivable from related parties included in trade debts (from export sales) are as under:</b>		
NetSol Technologies (Thailand) Limited		111,418,082	277,821,116
NetSol Technologies (Beijing) Company Limited		2,603,474,886	1,925,047,916
NetSol Technologies Australia Pty. Limited		736,274,584	724,626,625
NetSol Technologies Americas Inc.		506,282,578	403,160,531
NetSol Technologies Europe Ltd		22,082,697	37,993,101
Ascent Europe Limited		453,051,834	120,893,334
OTOZ Thailand Ltd		50,810,671	75,788,552
Tianjin NuoJinZhiCheng Co., Ltd		22,478,485	-
		4,505,873,817	3,565,331,175
<b>8. LOANS AND ADVANCES - Unsecured</b>			
Current maturity of loans to executives		23,722,916	6,569,366
<b>Advances</b>			
- to employees		4,641,457	-
- against expenses	8.1	80,710,164	58,279,899
		109,074,537	64,849,265
<b>8.1</b>	Advances to employees are given to meet business expenses and are settled as and when the expenses are incurred.		
<b>9. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Security deposit		3,911,378	4,877,628
Prepayments		121,659,970	123,842,802
		125,571,348	128,720,430
<b>10. DUE FROM RELATED PARTIES</b>			
Considered good - unsecured			
<b>Parent</b>			
NetSol Technologies Limited Inc.		148,624,294	150,793,593
<b>Associates:</b>			
NetSol Connect (Pvt.) Ltd.		13,806,672	15,744,976
OTOZ Thailand Ltd		28,661,464	41,778,109
NetSol Technologies (Beijing) Ltd		256,608,493	166,958,203
NetSol Technologies Americas Inc.		129,286,130	91,181,798
		576,987,053	466,456,679
<b>10.1</b>	These relate to normal business of the group and are interest free.		

**11. SHARE CAPITAL**
**11.1 Authorized share capital**

	Mar-24	Jun-23		Mar-24	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
<b>11.2 Issued, subscribed &amp; paid-up capital</b>					
	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
	<b>89,836,923</b>	<b>89,836,923</b>		<b>898,369,232</b>	<b>898,369,232</b>

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**

<b>Capital reserve</b>					
Premium on issue of ordinary shares				304,166,629	304,166,629
Employee share option compensation reserve				263,233,002	254,358,445
Foreign currency translation reserve				529,690	925,332
Treasury share reserve				(184,738,875)	(184,738,875)
<b>Revenue reserve</b>					
Un - appropriated profit				8,342,432,867	7,619,596,884
				<b>8,725,623,313</b>	<b>7,994,308,415</b>

**13. LONG TERM FINANCING - SECURED**

Loan liability				41,450,876	92,194,774
<b>Less: Current portion shown under current liabilities:</b>					
Current portion of loan liability				(29,931,312)	(42,568,156)
				<b>11,519,564</b>	<b>49,626,618</b>

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.

**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 March 31, 2024.

	Jan-Mar 2024	Jan-Mar 2023	Jul-Mar 2024	Jul-Mar 2023
	Rupees		Rupees	
<b>16. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>				
<b>DISAGGREGATION OF REVENUE:</b>				
<b>Export Revenue</b>				
License	80,643,360	374,203,200	632,564,235	374,203,200
Services	1,063,052,491	642,277,100	3,072,121,423	2,240,384,645
Subscription and Support	1,168,259,718	1,088,963,550	3,447,671,776	2,811,109,187
	2,311,955,569	2,105,443,850	7,152,357,434	5,425,697,032
<b>Local Revenue</b>				
License	-	-	-	42,653,553
Services	4,638,886	-	36,873,158	106,097,620
Subscription and Support	9,291,098	-	29,552,919	-
	13,929,984	-	66,426,077	148,751,173
Sales tax	(822,024)	-	(3,107,806)	(2,916,690)
	2,325,063,529	2,105,443,850	7,215,675,705	5,571,531,515
<b>16.1 Timing of revenue recognition:</b>				
At a point in time	80,643,360	374,203,200	632,564,235	416,856,753
Over the time	2,244,420,169	1,731,240,650	6,583,111,470	5,154,674,762
	2,325,063,529	2,105,443,850	7,215,675,705	5,571,531,515

**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 PER SHARE****Basic**

Profit attributable to ordinary shareholders of NetSol Technologies Limited	13,590,764	1,342,530,188	722,835,983	1,277,614,352
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	0.15	15.28	8.23	14.55

**Diluted**

Profit attributable to ordinary shareholders of NetSol Technologies Limited	13,590,764	1,342,530,188	722,835,983	1,277,614,352
Weighted average number of ordinary shares in issue during the period	88,657,543	87,707,664	88,377,082	88,182,173
Diluted - In Rupees	0.15	15.28	8.18	14.49

**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-Mar 2024	Jul-Mar 2023
		Rupees	
Relationship with the Company	Nature of transactions		
(i) Associated undertaking	Rental Income	675,000	675,000
	Provision of services	2,182,575,550	1,682,199,514
	Purchase of services	35,232,308	33,487,501
(ii) Key management personnel	Salaries and benefits	254,247,464	251,485,675
	Retirement benefits	10,100,146	10,762,000
	Commission paid	8,146,103	8,710,000
(iii) Post employment benefit	Contribution to defined contribution plan	136,994,332	146,370,000
(iv)	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.

	Mar-24			
	PBS	PS	BPO	Total
Rupees				
Revenue - net				
External sales				
License	632,564,235	-	-	632,564,235
Services	2,806,542,019	238,626,044	61,298,177	3,106,466,240
Subscription and Support	3,476,645,230	-	-	3,476,645,230
Total revenue	6,915,751,484	238,626,044	61,298,177	7,215,675,705
Cost of revenue	(3,835,296,196)	(226,409,252)	(44,457,357)	(4,106,162,805)
Segment results	3,080,455,288	12,216,792	16,840,820	3,109,512,900
Unallocated corporate expenses:				(599,789,685)
Selling and promotion expenses				(1,088,761,734)
Administrative expenses				341,913,211
Other income				(665,640,702)
Other operating expenses				(238,099,294)
Finance cost				(136,298,713)
Taxation				
<b>Profit after taxation</b>				<b>722,835,983</b>

	Mar-23			
	PBS	PS	BPO	Total
	Rupees			
Revenue - net				
External sales				
Licence	416,020,409	-	-	416,020,409
Services	2,196,956,496	93,983,423	53,462,000	2,344,401,919
Subscription and Support	2,811,109,187	-	-	2,811,109,187
Total revenue	5,424,086,092	93,983,423	53,462,000	5,571,531,515
Cost of revenue	(3,902,433,775)	(167,159,088)	(54,928,730)	(4,124,521,593)
Segment results	1,521,652,317	(73,175,665)	(1,466,730)	1,447,009,922
Unallocated corporate expenses:				
Selling and promotion expenses				(562,532,629)
Administrative expenses				(1,018,304,465)
Other income				2,049,987,756
Other operating expenses				(375,340,427)
Finance cost				(118,722,008)
Taxation				(144,483,797)
<b>Profit after taxation</b>				<b>1,277,614,352</b>

\*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 April 30, 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

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