

A large, abstract gold graphic consisting of several overlapping, curved shapes that create a sense of depth and movement. The shapes are primarily triangular and trapezoidal, with smooth, rounded edges. The color is a consistent, warm gold or mustard yellow. The graphic is positioned on the right side of the page, extending from the top right corner towards the bottom right corner, and partially overlapping the text area.

CONSOLIDATED FINANCIAL

# STATEMENTS

For the Quarter Ended September 30, 2017

**Condensed Consolidated Interim Balance Sheet - Unaudited**

As at September 30, 2017

	NOTE	Sep-17 Unaudited	Jun-17 Audited
Rupees in '000'			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	5	1,896,711	1,956,098
Intangible assets	6	1,728,033	1,801,409
		3,624,744	3,757,507
Long term Investment	7	231,943	203,685
Long term loans to employees	8	658	446
		3,857,345	3,961,638
<b>CURRENT ASSETS</b>			
Trade debts	9	972,716	822,323
Excess of revenue over billing		2,201,929	1,788,568
Loans and advances	10	40,197	31,623
Trade deposits & short term prepayments		21,499	15,126
Other receivables		45,507	19,889
Due from related parties		18,599	19,746
Taxation - net		52,773	51,020
Cash & bank balances		566,314	1,070,904
		3,919,534	3,819,199
<b>TOTAL ASSETS</b>		<b>7,776,879</b>	<b>7,780,837</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHARE CAPITAL &amp; RESERVES</b>			
Authorized share capital			
150,000,000 ordinary shares of Rs.10/- each	11	1,500,000	1,500,000
Issued, subscribed and paid-up capital	11	896,359	896,359
Share deposit money		587	13
Reserves	12	5,103,335	4,947,940
		6,000,281	5,844,312
Non - controlling Interest		179,288	163,038
		6,179,569	6,007,350
<b>NON-CURRENT LIABILITIES</b>			
Liabilities against assets subject to finance lease		19,903	24,537
Long term advances		3,412	5,309
		23,315	29,846
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	456,375	443,468
Unearned revenue		58,585	142,471
Short term borrowings		1,014,450	1,113,713
Current portion of long term liabilities		44,585	43,989
		1,573,995	1,743,641
<b>CONTINGENCIES &amp; COMMITMENTS</b>	14	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,776,879</b>	<b>7,780,837</b>

The annexed notes from 1 to 22 form an integral part of these condensed consolidated interim financial statements.

**Condensed Consolidated Interim Profit & Loss Account - Unaudited**  
For The Quarter Ended September 30, 2017

	NOTE	Jul-Sep 2017	Jul-Sep 2016
Rupees in '000'			
Revenue - net	15	951,836	1,124,222
Cost of revenue		(660,562)	(702,271)
<b>Gross profit</b>		<b>291,274</b>	<b>421,951</b>
Selling and promotion expenses		(72,961)	(90,950)
Administrative expenses		(159,912)	(166,228)
Other operating expenses		(741)	(42,302)
Other income		116,964	2,670
<b>Operating profit</b>		<b>174,624</b>	<b>125,141</b>
Finance cost		(12,958)	(5,567)
<b>Profit before taxation</b>		<b>161,666</b>	<b>119,574</b>
Taxation			
Current period		(3,143)	(1,449)
Prior period		-	(734)
		(3,143)	(2,183)
<b>Profit after taxation for the period</b>		<b>158,523</b>	<b>117,391</b>
<b>Attributable to:</b>			
Equity holders of NetSol Technologies Limited		142,273	97,176
Non - controlling interest		16,250	20,215
		158,523	117,391
<b>Earning per share</b>			
Basic - In Rupees	18	1.59	1.09
Diluted - In Rupees	18	1.58	1.08

The annexed notes from 1 to 22 form an integral part of these condensed consolidated interim financial statements.

**Condensed Consolidated Interim Statement of Comprehensive Income - Unaudited**  
For The Quarter Ended September 30, 2017

	Jul-Sep 2017	Jul-Sep 2016
	Rupees in '000'	
<b>Profit after taxation for the period</b>	<b>158,523</b>	117,391
Other comprehensive income	-	-
<b>Total comprehensive Profit for the period</b>	<b>158,523</b>	117,391
<b>Attributable to:</b>		
Equity holders of NetSol Technologies Limited	<b>142,273</b>	97,176
Non - controlling interest	<b>16,250</b>	20,215
	<b>158,523</b>	117,391

*The annexed notes from 1 to 22 form an integral part of these condensed consolidated interim financial statements.*

**Condensed Consolidated Interim Statement of Cash Flows - Unaudited**  
For The Quarter Ended September 30, 2017

	Jul-Sep 2017	Jul-Sep 2016
Rupees in '000		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation for the period	161,666	119,574
Adjustments for non cash charges and other items:		
Depreciation - own assets	59,085	75,518
Amortization of leased assets	4,369	7,622
Amortization of intangible assets	73,375	78,825
Loss on disposal of fixed assets	924	6
Exchange (gain) / loss on debtors	(107,777)	42,271
Interest expense	12,615	5,130
Interest income	(6,846)	(1,439)
Deferred employee compensation expense	13,122	19,591
(Gain) on short term investment	(1,248)	(945)
	47,619	226,579
<b>Cash generated from operations before working capital changes</b>	209,285	346,153
<b>Working Capital Changes</b>		
Trade debts	(539,866)	(195,068)
Loans and advances	(8,786)	(9,141)
Trade deposits & short term prepayments	(6,373)	(2,367)
Other receivables	(25,618)	(18,918)
Due from related parties	1,147	(5,158)
Trade and other payables	18,423	80,799
<b>Cash (used in) operations</b>	(561,073)	(149,853)
Interest paid	(18,131)	(8,716)
Income taxes paid	(4,896)	(16,648)
Dividend paid	-	259
<b>Net cash (used in) / generated from operations</b>	(374,814)	171,195
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipments purchased	(8,077)	(24,804)
Sales proceeds of fixed asset	1,503	204
Capital work in progress	1,587	(15,730)
Long Term Investment	(28,258)	(26,045)
Gain on investments	1,248	945
Interest received	6,846	1,439
<b>Net cash (used in) investing activities</b>	(25,151)	(63,991)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance of share capital	-	900
Share deposit money	574	(1,477)
Share premium	-	577
Paid against obligation under finance lease	(10,063)	(719)
Received against obligation under finance lease	4,420	9,359
Short term borrowing	(99,263)	(2,010)
Long term advances	(292)	2,025
<b>Net cash generated from/ (Used in) financing activities</b>	(104,624)	8,655
<b>Net increase / (decrease) in cash and cash equivalents</b>	(504,590)	115,859
<b>Cash and cash equivalents at the beginning of the period</b>	1,070,904	326,902
<b>Cash and cash equivalents at the end of the period</b>	566,314	442,761

The annexed notes from 1 to 22 form an integral part of these condensed consolidated interim financial statements.

### Condensed Consolidated Interim Statement of Changes in Equity - Unaudited

For The Quarter Ended September 30, 2017

	Attributable to equity holders of the Parent					Total	Non Controlling Total Equity Interest	
	Issued, subscribed and paid-up capital	Share deposit money	Employee share option compensation reserve	Capital reserve	Revenue reserve		Share premium	Unappropriated profit
	Rupees In '000'							
<b>Balance as at June 30, 2016</b>	891,544	1,490	1,607	298,777	4,418,123	5,611,541	284,470	5,896,011
Total comprehensive income for the period								
Net profit for the quarter ended								
September 30, 2016	-	-	-	-	97,176	97,176	20,215	117,391
Other comprehensive income	-	-	-	-	-	-	-	-
Shares deposit money against options exercised								
Shares issued against options exercised (90,000 shares at Rs. 10 each)	900	(1,477)	(133)	710				
<b>Distributions to owners</b>								
- By subsidiary to non-controlling interest cash dividend								
Contribution of parent on account of employee share options			19,591			19,591		19,591
	900	(1,477)	19,458	710	97,176	116,767	20,215	136,982
<b>Balance as at September 30, 2016</b>	<b>892,444</b>	<b>13</b>	<b>21,065</b>	<b>299,487</b>	<b>4,515,299</b>	<b>5,728,308</b>	<b>304,685</b>	<b>6,032,993</b>
<b>Balance as at June 30, 2017</b>	<b>896,359</b>	<b>13</b>	<b>75,549</b>	<b>302,579</b>	<b>4,569,812</b>	<b>5,844,312</b>	<b>163,038</b>	<b>6,007,350</b>
Total comprehensive income for the period								
Net profit for year ended								
September 30, 2017	-	-	-	-	142,273	142,273	16,250	<b>158,523</b>
<b>Distributions to owners</b>								
Contribution of parent on account of employee share options			13,122	-	-	13,122	-	<b>13,122</b>
Amount received against option exercised	-	574		-	-	574	-	<b>574</b>
		574	13,122		142,273	155,969	16,250	<b>172,219</b>
<b>Balance as at September 30, 2017</b>	<b>896,359</b>	<b>587</b>	<b>88,671</b>	<b>302,579</b>	<b>4,712,085</b>	<b>6,000,281</b>	<b>179,288</b>	<b>6,179,569</b>

The annexed notes from 1 to 22 form an integral part of these condensed consolidated interim financial statements.

## Notes to the Condensed Consolidated Interim Financial Statements Unaudited

### 1. LEGAL STATUS AND NATURE OF BUSINESS

NetSol Group consists of:

- NetSol Technologies Limited
- NetSol Innovation (Private) Limited

NetSol Technologies Limited ("the Company") incorporated in Pakistan on August 22, 1996 under the Companies Ordinance, 1984 as a private company limited by shares was later on converted into public limited company on November 05, 2004. The Company was listed on Karachi Stock Exchange on August 26, 2005 and subsequently also got listed on Lahore Stock Exchange and Islamabad Stock Exchange. Due to de-mutualization of stock exchanges, all these stock exchanges have merged in 2015 to form Pakistan Stock Exchange. As a result of this merger, the company is now listed at Pakistan Stock Exchange. The business of the Company is development and sale of computer software and its related services in Pakistan as well as abroad. The registered office of the Company is situated NetSol IT Village, Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. Pakistan.

NetSol Innovation (Private) Limited ("the subsidiary Company" or "Subsidiary") is incorporated in Pakistan as a private limited company in which NetSol Technologies Limited has share holding of 50.52%. The subsidiary company is engaged in business of providing online software development services. The registered office of the Company is situated NetSol IT Village, Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. Pakistan.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

A new Companies Act 2017 was promulgated on May 30, 2017 through which the companies were required to prepare their financial statements under the new Act. Later on, Securities and Exchange Commission of Pakistan (SECP) vide its circular no. 23 of 2017 dated October 4, 2017 clarified that companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. On a clarification sought by Institute of Chartered Accountants of Pakistan regarding preparation of interim financial statements of companies for the periods ending on or before December 31, 2017, SECP has also advised to prepare interim financial statements for the periods ending on or before December 31, 2017 in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, these condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the repealed Companies Ordinance, 1984 and are being submitted to the shareholders as required by Section 237 of the Companies Act 2017. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

These 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, 2017.

#### 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.

#### 2.3 Functional and presentation currency

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

### 3. ACCOUNTING POLICIES

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, 2017.

#### 3.2. Standards, amendments and interpretations to approved accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2017, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in this condensed interim financial information.

### 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, 2017.

		Sep-17 Unaudited	Jun-17 Audited				
Rupees in '000'							
<b>5. PROPERTY, PLANT &amp; EQUIPMENT</b>							
Opening Balance - net book value		1,956,098	2,261,721				
Additions	5.1	27,846	143,172				
		1,983,944	2,404,893				
Less:							
Disposals - net book value	5.2	(23,782)	(97,756)				
Depreciation & amortization		(63,451)	(351,038)				
		1,896,711	1,956,098				
<b>5.1 Following is the detail of additions :</b>							
Building on freehold land		-	-				
Furniture & fixture		10	3,707				
Vehicles		17,256	78,860				
Computers		4,935	33,881				
Air conditioners		85	16,197				
Office equipment		479	5,255				
Generator		5,917	-				
Leasehold improvements		-	-				
Computer software		751	147				
Advance against capital expenditure		(1,587)	5,125				
Capital work-in-progress		-	-				
Total		27,846	143,172				
		Cost	Sep-17 Unaudited Acc. Depreciation	Written down Value	Cost	Jun-17 Audited Acc. Depreci- ation	Written down Value
Rupees in '000'							
<b>5.2 Following is the detail of deletions</b>							
Land - freehold		-	-	-	-	-	-
Furniture & fixture		105	67	38	1,409	865	543
Vehicles		30,405	15,894	14,511	96,126	25,001	71,126
Computers		13,836	10,819	3,017	45,328	33,048	12,281
Air conditioners		154	100	55	19,140	5,393	13,747
Office equipment		579	336	243	145	86	60
Generator		8,545	2,627	5,918	-	-	-
Total		53,625	29,843	23,782	162,148	64,392	97,756
		Sep-17 Unaudited		Jun-17 Audited			
Rupees in '000'							
<b>6. INTANGIBLE ASSETS</b>							
Opening Balance - net book value		1,801,409		2,195,996			
Additions		-		-			
		1,801,409		2,195,996			
Less:							
Amortization		(73,376)		(394,587)			
		1,728,033		1,801,409			
<b>7. LONG TERM INVESTMENTS - at cost</b>							
WRLD3D Limited (Unquoted company) (Formerly EEGEO Inc.)	7.1	231,943		203,685			
		231,943		203,685			



7.1 During the fiscal year 2016, the Company entered into an agreement with WRLD3D Limited (formerly eeGeo, Inc.) a UK based gaming and 3D mapping Company (a Delaware Corporation) to purchase 12.2% investment for \$2,777,778 which will be earned over future periods partly by providing IT and enterprise software solutions and partly in cash. Per agreement, the Company will provide a minimum of \$200,000 of services in each three-month period and the entire balance is required to be provided within three years of the date of the agreement. As of September 30, 2017, the Company has provided cash and services valued at \$2,214,209 (PKR 231,942,858) which is recorded as investment.

		Sep-17	Jun-17
		Rupees in '000'	
Considered good			
<b>Loan to employees</b>			
- to executives	8.1	8,105	8,212
- to non-executives		1,339	1,021
Less: current maturity		(8,786)	(8,787)
		658	446

8.1 Loans are given to employees for their personal needs and deducted from salaries.

9. TRADE DEBTS			
Considered good - unsecured	9.3	972,716	822,323
Considered doubtful - unsecured	9.2	35,225	35,225
		1,007,941	857,548
Less: Provision for doubtful debt		(35,225)	(35,225)
		972,716	822,323

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

9.2 This is a general provision created by the Company for any future doubtful trade debts.

9.3 Amount receivable from related parties included in trade debts are as under:

1Insurer Limited, UK		227,392	121,904
The Innovation Group - UK BPS		1,015	20,739
1Insurer Inc, USA		17,918	10,408
NetSol Technologies (Thailand) Limited		86,735	97,439
NetSol Technologies (Beijing) Company Limited		101,872	121,937
NetSol Australia Pty. Limited		21,123	9,475
Netsol Technologies North America		4,835	-
		460,890	381,901

10. LOANS AND ADVANCES - Unsecured			
Considered good			
Current maturity of loans to employees			
<b>Advances</b>			
- to executives		-	111
- against expenses	10.1.	31,411	22,725
		40,197	31,623

10.1 The advances to employees are given to meet business expenses and are settled as and when the expenses are incurred.

11. SHARE CAPITAL					
11.1 Authorised share capital					
Sep-17		Jun-17			
Unaudited		Audited		Audited	
Number of shares		Rupees in '000'			
150,000,000	150,000,000	Ordinary Shares of Rs. 10 each.		1,500,000	1,500,000
11.2 Issued, subscribed & paid-up capital					
42,485,191	42,485,191	Ordinary Shares of Rs. 10 each fully paid in cash		424,852	424,852
47,150,732	47,150,732	Ordinary Shares of Rs. 10 each issued as fully paid bonus shares		471,507	471,507
89,635,923	89,635,923			896,359	896,359

NETSOL Technologies Inc., 24025 Park Sorrento, Suite 410, Calabasas CA 91302, USA, is the parent company holding majority of issued capital of the Company.

		Sep-17 Unaudited	Jun-17 Audited
Rupees in '000'			
<b>12. RESERVES</b>			
<b>Capital reserve</b>			
Premium on issue of ordinary shares		302,579	302,579
<b>Revenue reserve</b>			
Un - appropriated profit		4,712,085	4,569,812
<b>Employee share option compensation reserve</b>		88,671	75,549
		<b>5,103,335</b>	<b>4,947,940</b>
<b>13. Trade and other payables also include payable to related parties, detail of which is given below:</b>			
<b>13.1 Due to related party</b>			
<b>Parent</b>			
NetSol Technologies Inc.	13.2	51,794	101,355
<b>Associated</b>			
NetSol Technologies Europe Ltd		60	768
		<b>51,854</b>	<b>102,123</b>
<b>13.2</b> This relates to normal course of business of the Group and is interest free.			
<b>14. CONTINGENCIES &amp; COMMITMENTS</b>			
<b>14.1 Contingencies</b>			
<b>14.1.1</b> Mr. Ahsan Zubair, ex-employee of the Company has filed a case for recovery of damages for malicious prosecution before the civil court, Lahore and has sought the damages to the tune of PKR 500 million. The case was filed after the complaint filed by NetSol pertaining to use of NetSol's IP without authority by a company formed by Mr. Ahsan Zubair and his partner who was also an ex-employee of the Company. Keeping in view the facts and circumstances of the case, including the nature of evidence of the plaintiff and the laws applicable, it can safely be inferred that, on merits, no case for damages is made out. This is also endorsed by the fact that case is barred by the laws relating to limitation as it has been filed by some two years beyond prescribed time. Moreover none of the ingredients forming basis for allowing a case of malicious prosecution are attracted. Therefore, on the facts of the case, there appears to be no chances of the case being allowed and there is no likelihood of this case having any adverse financial impact on the Company.			
<b>14.1.2</b> While disposing off a show cause notice issued by FBR under section 161 of the Income Tax Ordinance, 2001 for the tax year 2015, the assessing authority, in its judgment dated 26-07-2016 contended and considered the commission paid to a non-resident as fee for technical services and imposed a tax of Rs. 1,516,535 u/s 152 of the Income Tax Ordinance, 2001. The company filed an appeal u/s 127 of the said Ordinance before the Commissioner Inland Revenue (Appeals), Lahore on the grounds that amount paid to non resident is in respect of commission and cannot be considered fee for technical services, hence exempt from tax. The decision is currently pending with the competent authority. The company is confident that final outcome will be in its favour and accordingly no provision has been made in these financial statements in this respect.			
<b>14.2 Commitments</b>			
<b>14.2.1</b> The Company has issued worth Rs. 7.977 million (June 2017: 7.977 million) bank guarantees and bid bonds to LESCO and various customers against sale of software and allied services.			
<b>14.2.2</b> The subsidiary shall indemnify Innovation Group (EMEA) Limited up to £2,000,000 in case of physical damage or loss to its tangible property. However at present the subsidiary is not using / in possession of any tangible property of Innovation Group (EMEA) Limited.			
<b>15. REVENUE - NET</b>			
<b>Export Revenue</b>			
License		114,547	418,107
Services		661,544	524,059
Maintenance		175,745	177,152
		<b>951,836</b>	<b>1,119,318</b>
<b>Local Revenue</b>			
Services		-	3,360
Maintenance		-	2,272
		-	5,632
Sales tax		-	(728)
		<b>951,836</b>	<b>1,124,222</b>

## 16. TAXATION

Income of the Group from export of computer software and its related services developed in Pakistan is exempt from tax up to June 30, 2019 provided that eighty per cent of the export proceeds is brought into Pakistan in foreign exchange remitted from outside Pakistan through normal banking channels as per clause 133 of part 1 of the Second Schedule to the Income Tax Ordinance, 2001. However tax as per applicable rates is charged to the income of the Group generated from other than core business activities.

## 17. 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 and liquidity 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.

## 18. EARNING PER SHARE

### Basic

Profit after taxation for the period	142,273	97,176
Average number of ordinary shares in issue during the period	89,636	89,233
Basic - In Rupees	1.59	1.09

### Diluted

Profit after taxation for the period	142,273	97,176
Average number of ordinary shares in issue during the period	89,800	89,946
Diluted - In Rupee	1.58	1.08

## 19. 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		
(i)	Associated undertaking	Rental Income	225	600
		Provision of services	157,109	211,090
		Purchase of services	4,729	4,851
(ii)	Key management personnel	Remuneration of CEO and Directors	5,042	4,313
(iii)	Post employment benefit	Contribution to defined contribution plan	19,527	23,481
(vi)	There are no transactions with any key management personnel other than under the terms of employment.			

**20. SEGMENT REVENUES AND RESULTS**

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

	Sep-17			Total
	NFS	IS & SSS	BPO	
	Rupees in '000			
Revenue - net				
External sales				
Licence	114,547	-	-	114,547
Services	492,358	-	169,186	661,544
Maintenance	175,745	-	-	175,745
Total revenue	782,650	-	169,186	951,836
Cost of revenue	(533,793)	(4,270)	(122,499)	(660,562)
Segment results	248,857	(4,270)	46,687	291,274
Unallocated corporate expenses:				
Selling and promotion expenses				(72,961)
Administrative expenses				(159,912)
Other operating expenses				(741)
Other income				116,964
Finance cost				(12,958)
Taxation				(3,143)
Profit after taxation				158,523
	Sep-16			
	NFS	IS & SSS	BPO	Total
	Rupees in '000			
Revenue - net				
External sales				
Licence	418,107	-	-	418,107
Services	305,574	2,632	218,485	526,691
Maintenance	177,152	2,272	-	179,424
Inter-segment sales				-
Total revenue	900,833	4,904	218,485	1,124,222
Cost of revenue	(558,368)	(18,314)	(125,589)	(702,271)
Segment results	342,465	(13,410)	92,896	421,951
Unallocated corporate expenses:				
Selling and promotion expenses				(90,950)
Administrative expenses				(166,228)
Other operating expenses				(42,302)
Other income				2,670
Finance cost				(5,567)
Taxation				(2,183)
Profit after taxation				117,391

\*Key

NFS = NetSol Financial Solutions

IS = Information Security and other services

BPO = Business Process Outsourcing

SSS = Software Services and Solutions

**21. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on October 30, 2017 by the Board of Directors.

**22. GENERAL**

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

## **NETSOL TECHNOLOGIES LIMITED**

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

[www.netsolpk.com](http://www.netsolpk.com)  
Email: [info@netsolpk.com](mailto:info@netsolpk.com)

