



CONSOLIDATED FINANCIAL

STATEMENTS

For the Nine Months Ended March 31, 2018

Condensed Consolidated Interim Balance Sheet - Unaudited

As at March 31, 2018

	NOTE	Mar-18 Unaudited	Jun-17 Audited
Rupees in '000'			
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	5	1,804,835	1,956,098
Intangible assets	6	1,581,281	1,801,409
		3,386,116	3,757,507
Long term Investment	7	272,929	203,685
Long term loans to employees	8	841	446
		3,659,886	3,961,638
CURRENT ASSETS			
Trade debts	9	3,032,736	822,323
Excess of revenue over billing		1,609,229	1,788,568
Loans and advances	10	49,567	31,623
Trade deposits & short term prepayments		15,392	15,126
Other receivables		78,249	19,889
Due from related parties		29,166	19,746
Taxation - net		52,730	51,020
Cash & bank balances		971,738	1,070,904
		5,838,807	3,819,199
TOTAL ASSETS		9,498,693	7,780,837
EQUITY & LIABILITIES			
SHARE CAPITAL & RESERVES			
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	897,029	896,359
Share deposit money		13	13
Reserves	12	6,131,847	4,947,940
		7,028,889	5,844,312
Non - controlling Interest		208,781	163,038
		7,237,670	6,007,350
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		23,155	24,537
Long term advances		7,495	5,309
		30,650	29,846
CURRENT LIABILITIES			
Trade and other payables	13	531,819	443,468
Unearned revenue		667,024	142,471
Short term borrowings		1,000,000	1,113,713
Current portion of long term liabilities		31,530	43,989
		2,230,373	1,743,641
CONTINGENCIES & COMMITMENTS	14	-	-
TOTAL EQUITY AND LIABILITIES		9,498,693	7,780,837

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 Nine Months Ended March 31, 2018

	NOTE	Jan-Mar 2018	Jan-Mar 2017	Jul-Mar 2018	Jul-Mar 2017
		Rupees in '000'		Rupees in '000'	
Revenue - net	15	1,374,640	1,128,959	3,534,497	3,584,727
Cost of revenue		(636,421)	(749,929)	(1,909,319)	(2,262,556)
Gross profit		738,219	379,030	1,625,178	1,322,171
Selling and promotion expenses		(164,936)	(141,873)	(334,527)	(353,706)
Administrative expenses		(175,768)	(158,435)	(502,001)	(488,698)
Other operating expenses		4,390	(304)	2,698	(68,144)
Other income		286,627	44,357	593,603	7,599
		(49,687)	(256,255)	(240,227)	(902,949)
Operating profit		688,532	122,775	1,384,951	419,222
Finance cost		(10,498)	(5,435)	(34,575)	(17,592)
Profit before taxation		678,034	117,340	1,350,376	401,630
Taxation					
Current period	16	(19,132)	(3,164)	(30,625)	(21,083)
Prior period	16	(971)	(107)	(1,750)	(939)
		(20,103)	(3,271)	(32,375)	(22,022)
Profit after taxation for the period		657,931	114,069	1,318,001	379,608
Attributable to:					
Equity holders of NetSol Technologies Limited		637,819	88,145	1,272,258	310,815
Non - controlling interest		20,112	25,924	45,743	68,793
		657,931	114,069	1,318,001	379,608
Earning per share					
Basic - In Rupees	18	7.11	0.99	14.19	3.48
Diluted - In Rupees	18	7.10	0.98	14.17	3.45

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 Nine Months Ended March 31, 2018

	Jan-Mar 2018	Jan-Mar 2017	Jul-Mar 2018	Jul-Mar 2017
	Rupees in '000'		Rupees in '000'	
Profit after taxation for the period	657,931	114,069	1,318,001	379,608
Other comprehensive income	-	-	-	-
Total comprehensive Income for the period	657,931	114,069	1,318,001	379,608
Attributable to:				
Equity holders of NetSol Technologies Limited	637,819	88,145	1,272,258	310,815
Non - controlling interest	20,112	25,924	45,743	68,793
	657,931	114,069	1,318,001	379,608

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 Nine Months Ended March 31, 2018

	Jul-Mar 2018	Jul-Mar 2017
	Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	1,350,376	401,630
Adjustments for non cash charges and other items:		
Depreciation - own assets	178,609	229,126
Amortization of leased assets	14,052	24,412
Amortization of intangible assets	220,128	321,211
(Gain) / Loss on disposal of fixed assets	(2,515)	3,203
Exchange (gain) / loss on debtors	(572,684)	65,110
Interest expense	33,441	16,565
Interest income	(16,178)	(3,943)
Deferred employee compensation expense	41,264	52,241
(Gain) on short term investment	(3,076)	(2,245)
	(106,959)	705,680
Cash generated from operations before working capital changes	1,243,417	1,107,310
Working Capital Changes		
Trade debts	(933,841)	(762,770)
Loans and advances	(18,339)	(3,528)
Trade deposits & short term prepayments	(266)	723
Other receivables	(58,360)	(3,195)
Due from related parties	(9,420)	6,672
Trade and other payables	95,801	91,498
Cash used in operations	(924,425)	(670,600)
Interest paid	(38,414)	(20,140)
Income taxes paid	(34,085)	(37,905)
Dividend paid	(132,522)	(126,097)
Net cash generated from operations	113,972	252,569
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipments purchased	(68,772)	(70,922)
Sales proceeds of fixed asset	22,926	2,343
Capital work in progress	6,961	(801)
Long Term Investment	(69,244)	(124,094)
Gain on investments	3,076	2,245
Interest received	16,178	3,943
Net cash used in investing activities	(88,875)	(187,286)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital	670	3,475
Share deposit money	-	66
Share premium	430	2,231
Paid against obligation under finance lease	(35,861)	(47,233)
Received against obligation under finance lease	35,201	37,417
Short term borrowing	(113,713)	99,630
Long term advances	(10,990)	6,573
Net cash generated from/ (Used in) financing activities	(124,263)	102,159
Net Increase / (Decrease) in cash and cash equivalents	(99,166)	167,441
Cash and cash equivalents at the beginning of the period	1,070,904	326,902
Cash and cash equivalents at the end of the period	971,738	494,343

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 Nine Months Ended March 31, 2018

	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'							
Balance as at June 30, 2016	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 Nine Months ended March 31, 2017	-	-	-	-	310,815	310,815	68,793	379,608
Other comprehensive income	-	-	-	-	-	-	-	-
Shares deposit money against options exercised	-	5,772	-	-	-	5,772	-	5,772
Shares issued against options exercised (347,500 shares at Rs. 10 each)	3,475	(5,706)	(513)	2,744	-	-	-	-
Distributions to owners								
- By subsidiary to non-controlling interest cash dividend	-	-	-	-	-	-	(86,664)	(86,664)
Contribution of parent on account of employee share options	-	-	52,241	-	-	52,241	-	52,241
	3,475	66	51,728	2,744	266,193	324,206	(17,871)	306,335
Balance as at March 31, 2017	895,019	1,556	53,335	301,521	4,684,316	5,935,747	266,599	6,202,346
Balance as at June 30, 2017	896,359	13	75,549	302,579	4,569,812	5,844,312	163,038	6,007,350
Total comprehensive income for the period								
Net profit for the Nine Months Ended March 31, 2018	-	-	-	-	1,272,258	1,272,258	45,743	1,318,001
Shares issued against options exercised (67,000 shares at Rs. 10 each)	670	(1,100)	(99)	529	-	-	-	-
Final cash dividend Rs. 1.45 per share (14.5% per share)	-	-	-	-	(130,045)	(130,045)	-	(130,045)
Contribution of parent on account of employee share options	-	-	41,264	-	-	41,264	-	41,264
Amount received against option exercised	-	1,100	-	-	-	1,100	-	1,100
	670	0	41,165	529	1,142,213	1,184,577	45,743	1,230,320
Balance as at March 31, 2018	897,029	12	116,714	303,108	5,712,025	7,028,889	208,781	7,237,670

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 at 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

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

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

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

These condensed interim 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.

		Mar-18 Unaudited	Jun-17 Audited				
		Rupees in '000'					
5. PROPERTY, PLANT & EQUIPMENT							
Opening Balance - net book value		1,956,098	2,261,721				
Additions	5.1	96,398	143,172				
		2,052,496	2,404,893				
Less:							
Disposals - net book value	5.2	(54,999)	(97,756)				
Depreciation & amortization		(192,662)	(351,038)				
		1,804,835	1,956,098				
5.1 Following is the detail of additions :							
Furniture & fixture		172	3,707				
Vehicles		69,815	78,860				
Computers		11,988	33,881				
Air conditioners		3,518	16,197				
Office equipment		5,004	5,255				
Generator		12,071	-				
Computer software		791	147				
Advance against capital expenditure		(6,961)	5,125				
Capital work-in-progress		-	-				
Total		96,398	143,172				
		Cost	Mar-18 Unaudited Acc. Depreciation	Written down Value	Cost	Jun-17 Audited Acc. Depreci- ation	Written down Value
		Rupees in '000'					
5.2 Following is the detail of deletions							
Furniture & fixture		1,136	635	501	1,409	865	543
Vehicles		72,952	36,428	36,524	96,126	25,001	71,126
Computers		22,540	18,357	4,183	45,328	33,048	12,281
Air conditioners		154	99	55	19,140	5,393	13,747
Office equipment		579	336	243	145	86	60
Generator		21,857	8,364	13,493	-	-	-
Total		119,218	64,219	54,999	162,148	64,392	97,756
			Mar-18 Unaudited	Jun-17 Audited			
			Rupees in '000'				
6. INTANGIBLE ASSETS							
Opening Balance - net book value			1,801,409	2,195,996			
Additions			-	-			
			1,801,409	2,195,996			
Less:							
Amortization			(220,128)	(394,587)			
			1,581,281	1,801,409			
7. LONG TERM INVESTMENTS - at cost							
WRLD3D Limited (Unquoted company) (Formerly EEGEO Inc.)	7.1		272,929	203,685			
			272,929	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 March 31, 2018, the Company has provided cash and services valued at \$2,597,778 (PKR 272,928,957) which is recorded as investment.

8. LONG TERM LOANS TO EMPLOYEES-Unsecured		Mar-18	Jun-17
		Rupees in '000'	
Considered good			
Loan to employees			
- to executives	8.1	1,603	8,212
- to non-executives		2,741	1,021
Less: current maturity		(3,503)	(8,787)
		841	446

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

9. TRADE DEBTS			
Considered good - unsecured	9.3	3,032,736	822,323
Considered doubtful - unsecured	9.2	35,225	35,225
		3,067,961	857,548
Less: Provision for doubtful debt		(35,225)	(35,225)
		3,032,736	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		302,784	121,904
The Innovation Group - UK BPS		155	20,739
1Insurer Inc, USA		34,494	10,408
NetSol Technologies (Thailand) Limited		66,732	97,439
NetSol Technologies (Beijing) Company Limited		133,326	121,937
NetSol Australia Pty. Limited		-	9,475
Netsol Technologies Americas		31,780	-
NetSol Technologies Europe Limited		2,567	-
WRLD3D INC.		30,522	-
		602,360	381,902

10. LOANS AND ADVANCES - Unsecured			
Considered good			
Current maturity of loans to employees	8	3,503	8,787
Advances			
- to executives		25	111
- against expenses	10.1	46,039	22,725
		49,567	31,623

10.1 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			
Mar-18	Jun-17		
Unaudited	Audited	Mar-18	Jun-17
Number of shares		Rupees in '000'	
150,000,000	150,000,000	1,500,000	1,500,000
Ordinary Shares of Rs. 10 each.			
11.2 Issued, subscribed & paid-up capital			
42,552,191	42,485,191	425,522	424,852
Ordinary Shares of Rs. 10 each fully paid in cash			
47,150,732	47,150,732	471,507	471,507
Ordinary Shares of Rs. 10 each issued as fully paid bonus shares			
89,702,923	89,635,923	897,029	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.

		Mar-18 Unaudited	Jun-17 Audited
Rupees in '000'			
12. RESERVES			
Capital reserve			
Premium on issue of ordinary shares		303,108	302,579
Revenue reserve			
Un - appropriated profit		5,712,025	4,569,812
Employee share option compensation reserve		116,714	75,549
		6,131,847	4,947,940
13. Trade and other payables also include payable to related parties, detail of which is given below:			
13.1 Due to related party			
Parent			
NetSol Technologies Inc.	13.2	108,906	101,355
Associated			
NetSol Technologies Europe Ltd		2,911	768
		111,817	102,123

13.2 This relates to normal course of business of the Group and is interest free.

14. CONTINGENCIES & COMMITMENTS

14.1 Contingencies

14.1.1 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.

14.1.2 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.

14.2 Commitments

14.2.1 The Company has issued worth Rs. 9.289 million (June 2017: 7.977 million) bank guarantees and bid bonds to LESCO and various customers against sale of software and allied services.

14.2.2 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.

	Jan-Mar 2018	Jan-Mar 2017	Jul-Mar 2018	Jul-Mar 2017
Rupees in '000'		Rupees in '000'		
15. REVENUE - NET				
Export Revenue				
License	304,817	285,288	621,415	1,062,398
Services	867,248	642,350	2,354,194	1,912,352
Maintenance	195,077	199,048	551,390	600,528
	1,367,142	1,126,686	3,526,999	3,575,278
Local Revenue				
Services	-	-	-	3,417
Maintenance	8,698	2,637	8,698	6,817
	8,698	2,637	8,698	10,234
Sales tax	(1,200)	(364)	(1,200)	(785)
	1,374,640	1,128,959	3,534,497	3,584,727

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.

	Jan-Mar 2018	Jan-Mar 2017	Jul-Mar 2018	Jul-Mar 2017
	Rupees in '000'		Rupees in '000'	
18. EARNING PER SHARE				
Basic				
Profit after taxation for the period	637,819	88,145	1,272,258	310,815
Average number of ordinary shares in issue during the period	89,699	89,360	89,672	89,271
Basic - In Rupees	7.11	0.99	14.19	3.48
Diluted				
Profit after taxation for the period	637,819	88,145	1,272,258	310,815
Average number of ordinary shares in issue during the period	89,815	90,074	89,808	89,983
Diluted - In Rupee	7.10	0.98	14.17	3.45

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	Jul-Mar 2018	Jul-Mar 2017
		Rupees in '000'	
(i) Parent	Dividend	68,836	23,736
	Repayment of loan	113,713	-
(ii) Associated undertaking	Rental Income	675	675
	Provision of services	435,220	686,267
	Purchase of services	16,086	14,469
(iii) Key management personnel	Salaries and benefits	64,055	51,402
	Retirement benefits	1,536	700
	Commission paid	44,339	61,966
(vi) Post employment benefit	Contribution to defined contribution plan	57,758	67,190
(v)	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.

	Mar-18			
	NFS	IS & SSS	BPO	Total
	Rupees in '000			
Revenue - net				
External sales				
Licence	621,415	-	-	621,415
Services	1,919,602	7,498	434,593	2,361,693
Maintenance	551,390	-	-	551,390
Total revenue	3,092,407	7,498	434,593	3,534,497
Cost of revenue	(1,583,001)	(5,856)	(320,464)	(1,909,319)
Segment results	1,509,406	1,642	114,129	1,625,178
Unallocated corporate expenses:				
Selling and promotion expenses				(334,527)
Administrative expenses				(502,001)
Other operating expenses				2,698
Other income				593,603
Finance cost				(34,575)
Taxation				(32,375)
Profit after taxation				1,318,001
	Mar-17			
	NFS	IS & SSS	BPO	Total
	Rupees in '000			
Revenue - net				
External sales				
Licence	1,062,397	-	-	1,062,397
Services	1,273,784	2,632	638,569	1,914,985
Maintenance	600,529	6,816	-	607,345
Inter-segment sales				
Total revenue	2,936,710	9,448	638,569	3,584,727
Cost of revenue	(1,695,989)	(170,370)	(396,197)	(2,262,556)
Segment results	1,240,721	(160,922)	242,372	1,322,171
Unallocated corporate expenses:				
Selling and promotion expenses				(353,706)
Administrative expenses				(488,699)
Other operating expenses				(68,144)
Other income				7,599
Finance cost				(17,592)
Taxation				(22,022)
Profit after taxation				379,608

*Key

NFS = NetSol Financial Suite & NFS Ascent

IS = Information Security and other services

BPO = Business Process Outsourcing

SSS = Software Services and Solutions

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.

21. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 30, 2018 by the Board of Directors.

22. GENERAL

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

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