

NETSOL™

**FINANCIAL STATEMENTS (UN-AUDITED)
For The Quarter Ended
SEPTEMBER 2018**



NETSOL TECHNOLOGIES LIMITED

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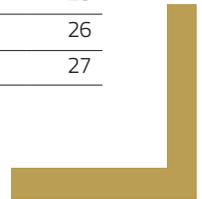
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Company Profile

BOARD OF DIRECTORS

SHAHAB-UD-DIN GHAURI

Chairman/Non-Executive Director

SALIM ULLAH GHAURI

Chief Executive Officer

VASEEM ANVAR

Independent Director

SHAHID JAVED BURKI

Independent Director

ANWAAR HUSSAIN

Independent Director

NAJEEB ULLAH GHAURI

Non-Executive Director

OMAR SHAHAB GHAURI

Executive Director

AUDIT COMMITTEE

VASEEM ANVAR

Chairman

ANWAAR HUSSAIN

Member

NAJEEB ULLAH GHAURI

Member

CHIEF FINANCIAL OFFICER

BOO-ALI SIDDIQUI

COMPANY SECRETARY

SEHRISH

CHIEF INTERNAL

AUDITOR

MUHAMMAD ABDUL WAHAB HAFEEZ

AUDITORS

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

BANKERS

Askari Bank Limited
SAMBAA Bank Limited
MCB Bank Limited
Summit Bank Limited
Bank Al Habib Limited

SHARE REGISTRAR

VISION CONSULTING LIMITED

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WEB PRESENCE

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Directors' Report

For The Quarter Ended September 30, 2018 | 3

On behalf of the Board of Directors of NetSol Technologies Limited, we are pleased to present the unaudited condensed financial statements of your company together with its consolidated accounts for the period ended September 30, 2018.

GENERAL OVERVIEW

This quarter was a paramount and fruitful one for the company, with successful global implementations and multi-million contracts for deployments in the near future for major clients including blue chip organizations and Fortune 500 companies. During the first quarter of new fiscal year, NETSOL continued to maintain a dominant position in the global asset finance and leasing industry, with multiple system demonstrations and successful implementations, primarily of its flagship product NFS Ascent™ across the world. We continued to grow, particularly in the APAC region with some noteworthy implementations.

The company's sister company signed a major new agreement with a tier-one auto captive finance company for implementation of NFS Ascent™ platform in China. This historical five-year contract is for the implementation of both Ascent Retail and Wholesale platforms in China. The company will directly benefit from this contract through provisioning of both license as well as major services to the sister concern for the implementation of NFS Ascent™ at the client site. This will result in generating impressive intercompany revenue over the period of this major milestone contract.

The company also successfully implemented its NFS Ascent Contract Management System in South Africa for a leading German Auto Captive. This implementation is part of a larger contract, the largest in NETSOL's history, whereby the existing client upgraded to the company's flagship platform NFS Ascent. The contract includes implementations, licenses, maintenance, services and expected customization fees for the platform covering deployments in twelve countries. South Africa marks the fifth deployment to go live following successful initial implementations in Thailand, New Zealand, Australia and South Korea.

The Company also adopted IFRS 15, Revenue from contracts with customer, by applying modified retrospective approach effective July 1, 2018. There is a major shift in revenue recognition under the revised IFRS and the cumulative impact of the first time adoption of this IFRS is charged to opening retained earnings without restating prior period results. For details, please see note No. 3 & 17 of the attached separate condensed financial statements.

FINANCIAL PERFORMANCE

Comparisons of un-audited separate as well as consolidated accounts for the quarter ended September 30, 2018 with the corresponding period of fiscal year 2017 are given below:

Particulars	SEPARATE ACCOUNTS	
	Jul-Sep 2018	Jul-Sep 2017
Revenue (in '000)	1,221,875	832,640
Gross Profit (in '000)	484,706	261,401
Net Profit (in '000)	135,312	125,682
Earnings per share – diluted (in Rs.)	1.51	1.40
EBITDA per share – diluted (in Rs.)	3.07	2.98

During the first quarter of new financial year, revenue grew by 47% compared to the revenue posted in the same quarter of previous fiscal year. In absolute numbers, the Company posted net revenue of PKR 1,222 million compared to PKR 833 million in the same quarter of last fiscal year. The increase in revenue stream is mainly due to license revenue associated with the provisioning of license to sister concern's client for the implementation of NFS Ascent™ in China. Service revenue decreased from PKR 542 million to PKR 439 million. In addition to it, maintenance revenue also grew from PKR 176 million to PKR 212 million during the current quarter. Due to adoption of new IFRS 15, the company also recorded a travel reimbursable revenue amounting to PKR 100 million in the current quarter. Previously no such amount was being recognized as revenue. Same amount is also booked as travel cost in the cost of revenue section of the profit and loss account. As a percentage of sales, gross profit increased from 31.39% in the corresponding quarter to 39.67% in the current quarter. In absolute numbers, gross profit increased to PKR 485 million compared to PKR 261 million in the corresponding period. The Company posted a net profit of PKR 135 million compared to PKR 126 million last year. Included in net profit is PKR 7 million on account of currency exchange gain compared to an exchange gain of Rs. 99 million in the comparable period. Earnings per diluted share were PKR 1.51 in comparison of PKR 1.40 in the corresponding period of last fiscal year. Company posted net EBITDA profit of PKR 3.07 per diluted share compared to an EBITDA profit of PKR 2.98 per share in the corresponding period.

Particulars	CONSOLIDATED ACCOUNTS					
	Continued Operations		Discontinued Operations		Total	
	Jul-Sep 2018	Jul-Sep 2017	Jul-Sep 2018	Jul-Sep 2017	Jul-Sep 2018	Jul-Sep 2017
Revenue (in 000)	1,221,875	832,640	8,339	119,196	1,230,214	951,836
Gross Profit (in 000)	484,113	260,901	(20,330)	30,373	463,783	291,274
Net Profit (in 000)	132,443	120,615	(14,256)	37,908	118,187	158,523

The Company also consolidates financial results of its subsidiary 'NetSol Innovation (Pvt) Limited'. As announced earlier, the subsidiary company has closed all its operations effective July 31, 2018. Net consolidated revenues for the quarter ended September 30, 2018 were PKR. 1,230 million compared to Rs. PKR 952 million in fiscal 2017. Consolidated gross profit for the quarter was PKR 464 million, up from PKR 291 million in the same period last year. On a consolidated basis, the company posted net consolidated profit of PKR 118 million in the current quarter compared to PKR 159 million in the same period last year.

FUTURE OUTLOOK

The company will continue to promote its flagship, premier product, NFS Ascent™, and NetSol Financial Suite in the coming quarters alongside focusing on its state-of-the-art enterprise digitization applications suite (NFS Mobility) which augments and enhances finance and leasing operations and enables finance and leasing companies to reap the benefits of going digital. It has gained considerable traction in various regions across the globe.

Besides, the Innovation Lab will leap forward for the company, continues to play a vital role in research and development. It will not only modernize existing products and generate new products for the future and in turn create new revenue streams but the initiative will incubate a corporate culture of innovation as well.

We will also continue to maintain our presence at international summits, conferences and events across the world. The Company will continue to sponsor and attend industry events that could possibly result in qualified leads and increase the organization's reach. A number of system demonstrations have been requested by various potential customers across Asia Pacific, North America and Europe. Being a leader in the finance and leasing industry, NETSOL has already signed up to attend/sponsor certain upcoming leasing summits and events in the United States, United Kingdom, Europe, China and other countries in the 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



Omar Shahab Ghauri
Director

Lahore: October 30, 2018

میں خوشی ہے کہ نئی بینک یونیاں لیز ایبلٹی کے بورڈ آف ڈائریکٹرز کی جانب سے کینی کے 30 ستمبر 2018 کو ختم ہونے والے عرصہ کے لیے فیڈر آڈٹ شدہ مالیاتی گوشوارے بشمول مجموعی مالیاتی گوشوارے پیش کر رہے ہیں۔

عمومی جائزہ:- (General Overview)

کینی کے نئے سرمایہ کاروں کے ساتھ ادارہ عام کا منسلک (clients) جن میں بیو چیپ (Blue Chip) ادارے اور Fortune 500 کمپنیز شامل ہیں، کے لیے مستقبل قریب میں کیریڈین کے معاہدے کی deployment کے حوالے سے بہت اعلیٰ اوتھیریٹی رکھتی ہے۔ نئے مالی سال کی پہلی سہ ماہی کے دوران کینی نے عالمی asset finance اور لیزنگ کی صنعت میں اپنی flagship مصنوعات میں NFS Ascent™ کی نئے system demonstration اور کامیاب نفاذ کے ساتھ اپنی ناقابل حقیقت کو برقرار رکھنے کا عمل جاری رکھا۔ ہم نے خاص طور پر ایٹیاہ پیٹنگ (APAC) ریجن میں سلسلہ قابل ذکر نفاذ کی کامیابی کے ساتھ ترقی کی۔

کینی کی عملیاتی مہم نے China میں NFS Ascent™ پلٹ فارم کے نفاذ کے لیے ایک اعلیٰ درجے کی آپٹیمائزیشن auto captive finance کینی کے ساتھ ایک بہت بڑا معاہدہ کیا ہے۔ کینی نے چائینا میں 5 سالہ بائیسٹی معاہدہ Ascent Retail and Wholesale پلٹ فارم کے نفاذ کے لیے کیا ہے۔ کینی اس معاہدے کے ذریعے اپنے sister concern کے ذریعے لائسنس اور خدمات کو استعمال کرتے ہوئے گلوبل اسٹریٹجی کے نفاذ کے لیے بہت بڑا راستہ قائم کر کے ہے۔ یہ معاہدے کی مدت کے دوران intercompany مصنوعات کے متاثر کن نتائج کے حصول کے لیے اہم رنگ میں ثابت ہو گا۔

کینی نے ساؤتھ افریقہ (South Africa) میں معروف برن Captive (Auto Captive) کے لیے بھی اپنے NFS Ascent Contract Management System کا کامیابی کے ساتھ نفاذ کیا ہے۔ نفاذ کے لیے ایک بڑے معاہدے کا حصہ ہے، جو بیٹ سول کی تاریخ کا سب سے بڑا، جس کے تحت موجودہ کلائنٹ پر کینی کی flagship پلٹ فارم NFS Ascent™ کو اپ گریڈ کیا۔ معاہدے میں شامل نفاذ ہیں، لائسنس (licenses)، بحالی (maintenance)، خدمات (services) اور بارہ ماہہ تک میں پلٹ فارم کے نفاذ کی customizations تھیں۔ ساؤتھ افریقہ (South Africa) پانچویں نفاذ ہدف ہے مندرجہ ذیل میں کامیاب ابتدائی نفاذ میں تھائی لینڈ، نیوزی لینڈ، آسٹریلیا اور ساؤتھ افریقہ میں شامل ہیں۔

کینی نے طرز کے ساتھ کیم جونائی، 2018ء کے retrospective حکمت عملی کو استعمال کرتے ہوئے معاہدے سے مصنوعات میں، IFRS 15 کو بھی اختیار کیا۔ مصنوعات کی مدت میں ترمیم شدہ IFRS ایک ہی تبدیلی ہے، اور بیٹ سول کے وکس اور اختیار کرنے کا مجموعی اثر retained earnings میں opening period کے نتائج کو تبدیل کیے بغیر لیا گیا ہے۔ برائے ہر بائیسٹی تفصیلات کے لیے منسلک condensed IFRS 15 کے نوٹ نمبر 17 کو دیکھیں۔

مالیاتی کارکردگی (Financial performance)

30 ستمبر 2018 کو ختم ہونے والی سہ ماہی سہ ماہی 2017ء کی مدت کے مالیاتی سال کے فیڈر آڈٹ شدہ مالیاتی گوشوارے کے نتائج کا موازنہ درج ذیل ہے۔

اترادی مالیاتی گوشوارے		جولائی تا ستمبر 2018ء		جولائی تا ستمبر 2017ء	
مصنوعات	1,221,875	832,640	عام منافع	484,706	261,401
عام منافع	135,312	125,682	خاص منافع	1.51	1.40
خاص منافع	3.07	2.98	EBITDA		

نئے مالی سال کی پہلی سہ ماہی کے دوران مصنوعات میں گذشتہ مالی سال کی اسی سہ ماہی میں درج مصنوعات کے مقابلے میں 47 فی صد اضافہ ہوا۔ مطلق تعداد میں، کینی نے گذشتہ مالی سال کے اسی سہ ماہی میں روپے کے مقابلے میں 222 ملین روپے کے ساتھ 833 ملین روپے کے ساتھ 176 ملین روپے کی خاص مصنوعات درج کی۔ بنیادی طور پر مصنوعات میں اضافہ لائسنس مصنوعات سے منسلک ہے جس کی وجہ میں sister concern کو لائسنس کے بعد کلائنٹس میں NFS Ascent™ کے نفاذ سے منسلک ہے۔ سہ ماہی میں 542 ملین روپے کے مقابلے میں 439 ملین روپے کی کمی ہوئی ہے اس کے علاوہ موجودہ سہ ماہی کے دوران بحالی مصنوعات میں 176 ملین روپے سے 212 ملین روپے کا اضافہ ہوا۔ کینی نے نئے IFRS 15 کے اختیار کی وجہ سے موجودہ سہ ماہی کے دوران ایک 100 ملین روپے کے ساتھ travel reimbursable مصنوعات کی رقم کو تقسیم کیا۔ ماضی میں ایسی رقم کو مصنوعات کی مدت میں تسلیم نہیں کیا جاتا تھا۔ مطلق تعداد کی آلات کے ٹیکنیکل میں ایٹرڈ سز کی آڈٹ کے طور پر یک ہے۔ ہر وقت کی کمی کے لحاظ سے، تمام منافع موجودہ سہ ماہی میں 31.39 فی صد کے مقابلے میں 39.67 فی صد تک بڑھ گیا۔ مطلق تعداد میں، تمام منافع اس مدت میں 261 ملین روپے کے مقابلے میں 485 ملین روپے تک بڑھ گیا۔ کینی نے گذشتہ سال 126 ملین روپے کے مقابلے میں 135 ملین روپے کا خاص منافع درج کیا، بشمول خاص منافع میں 99 ملین روپے کے ساتھ 261 ملین روپے کے ساتھ منافع میں موازنہ کیا گیا۔ گذشتہ سال کی اسی مدت میں فی ٹیلی نمبر جس میں 1.40 روپے کے مقابلے میں موجودہ سہ ماہی میں 1.51 روپے فی خاص منافع ہے۔ کینی نے اس عرصے میں 2.98 روپے فی ٹیلی نمبر EBITDA خاص منافع کے مقابلے میں فی ٹیلی نمبر 3.07 روپے کا خاص منافع درج کیا۔

مجموعی مالیاتی گوشوارے

کل ہیران	Discontinued Operation		Continued Operation	
	جولائی تا ستمبر 2018ء	جولائی تا ستمبر 2017ء	جولائی تا ستمبر 2018ء	جولائی تا ستمبر 2017ء
مصنوعات	1,230,214	119,196	8,339	832,640
عام منافع	463,783	30,373	(20,330)	260,901
نقد منافع	118,187	37,908	(14,256)	120,615

کینی نے ماہیت ادارہ "بیمت سول اوپنیشن (پرائیویٹ) لمیٹڈ" کے مجموعی مالیاتی گوشوارے شامل کر دیئے ہیں۔ جیسا کہ پہلے اعلان کیا جا چکا ہے، ماہیت ادارہ کے تمام کریڈٹوں 31 جولائی 2018ء سے بند کر دی گئی۔ 30 ستمبر 2018ء کے ختم ہونے والی سہ ماہی کے لئے مجموعی مصنوعات اسی سہ ماہی 2017ء کے 952 ملین روپے کے مقابلے میں 1,230 ملین روپے تھیں۔ مجموعی تمام منافع گذشتہ مالی سال کی اسی سہ ماہی کے 291 ملین روپے کے مقابلے میں موجودہ سہ ماہی میں 464 ملین روپے تھے۔ مجموعی بنیاد پر گذشتہ مالی سال کی اسی سہ ماہی میں 159 ملین روپے کے مقابلے میں 118 ملین روپے کا نقد مجموعی منافع موجودہ سہ ماہی میں درج کیا۔

مستقبل کا نظریہ Future Outlook

کینی نے اپنی آنے والے سہ ماہیوں میں اپنی اعلیٰ flagship بریکر مصنوعات جن میں NFS Ascent™ اور NetSol Financial Suite اور فریڈری رگے گی۔ ادارہ اس کے ساتھ اپنی state-of-the-art ڈیجیٹائزیشن (digitization) کمپنیوں (NFS Mobility) suite پر مزید توجہ دے گا جو اضافہ ہے۔ فنانس اور لیزنگ آپریشن میں اور جو لیزنگ کمپنیوں کو کمپنیز کے فنانس کے حصول کی طرف سے جا رہا ہیں۔ جس نے دنیا بھر کے مختلف علاقوں میں خاص طور پر توجہ حاصل کی۔ اس کے علاوہ، اوپنیشن ایب کینی کی آئندہ پیش قدمی ثابت ہوگی، تحقیق اور ترقی میں اپنی موجودہ برقرار رکھیں گے۔ مختلف لیزنگ ایگزسٹری میں سرمایہ کے لیے نئے سول کینی صنعتی تقریبات کو ایسا کرنے میں مدد کر کے کیلکاس کے نتیجے میں نئے آمدنی کے سلسلہ کو فروغ ملے گا اور نیار کوریٹ پرچمی پروڈسٹ پائے گا۔ ہم دنیا بھر میں بین الاقوامی اجاسوں، کانفرنسوں اور تقریبات میں اپنی موجودگی برقرار رکھیں گے۔ مختلف لیزنگ ایگزسٹری میں سرمایہ کے لیے نئے سول کینی صنعتی تقریبات کو ایسا کرنے اور ان میں شریک ہونے کی راہیں، پیٹنگ، ماٹھار اور دیگر ایب میں مختلف کمڈنگ کمپنیوں کی ایک بڑی تعدادی طرف سے systems demonstrations کی ہیں۔ درخواست کی ہیں۔ فنانس اور لیزنگ ایگزسٹری میں ایک ایب لیزری حیثیت سے نیول سے امریکہ، برطانیہ، یورپ، چین اور خطے کے دیگر ممالک تک ہونے والی تقریبات میں شرکت کے لیے پلسی معاہدے کر رہے ہیں۔

اعتراف (Acknowledgement)

بورڈ آف ڈائریکٹرز کینی کے انحصار یافتگان، قابل قدر صارفین، سرکاری اداروں اور مالیاتی اداروں کی جانب سے حمایت و معاونت کے لیے ان کی تعریف کرتا ہے اور شراج چین میں شریک کرتا ہے۔ بورڈ کینی کے ایگزیکٹو ادارہ اسٹریٹجی اور ان کی مسلسل کوششوں کو قدر کی نگاہ سے دیکھتا ہے اور اس میں شراج چین میں شریک کرتا ہے اور امید کرتا ہے کہ مستقبل میں بھی ان کی کی خاصا خاصا شریک جاری رہا کریں گے۔

از طرف بورڈ آف ڈائریکٹر

 سلیم شہب خوری
 (چیف ایگزیکٹو آفیسر)
 30 اکتوبر 2018ء
 لاہور

محمد شہب خوری
 (ڈائریکٹر)



FINANCIAL
STATEMENTS
For The Quarter Ended September 30, 2018

Condensed Interim Statement of Financial Position - Unaudited
As at September 30, 2018

	NOTE	Sep-18 Unaudited	Jun-18 Audited
Rupees in '000'			
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	5	1,753,818	1,759,889
Intangible assets	6	1,434,529	1,507,905
		3,188,347	3,267,794
Long term investments	7	308,567	308,567
Long term loans to employees	8	825	356
		3,497,739	3,576,717
CURRENT ASSETS			
Trade debts	9	1,437,780	1,340,024
Contract assets		906,591	1,428,321
Loans and advances	10	73,282	38,489
Trade deposits & short term prepayments		28,974	17,756
Other receivables		7,776	25,908
Due from related parties		115,685	25,878
Taxation - net		54,619	53,879
Cash & bank balances		1,765,704	2,123,337
		4,390,411	5,053,592
TOTAL ASSETS		7,888,150	8,630,309
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	897,229	897,029
Share deposit money		13	13
Reserves	12	5,150,644	5,788,908
		6,047,886	6,685,950
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		34,130	31,115
Deferred income		7,155	7,826
Long term advances		2,726	685
		44,011	39,626
CURRENT LIABILITIES			
Trade and other payables		446,181	503,417
Contract liabilities		317,915	371,243
Short term borrowings		1,000,000	1,000,000
Current portion of long term liabilities		29,223	27,124
Unclaimed dividend		2,934	2,949
		1,796,253	1,904,733
CONTINGENCIES & COMMITMENTS	13	-	-
TOTAL EQUITY AND LIABILITIES		7,888,150	8,630,309

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Condensed Interim Statement of Profit or Loss - Unaudited
For The Quarter Ended September 30, 2018

	NOTE	Jul-Sep 2018	Jul-Sep 2017
Rupees in '000'			
Revenue - net	14	1,221,875	832,640
Cost of revenue		(737,169)	(571,239)
Gross profit		484,706	261,401
Selling and promotion expenses		(118,263)	(72,961)
Administrative expenses		(227,493)	(157,671)
Other operating expenses		-	(137)
Other income		33,805	110,212
		(311,951)	(120,557)
Operating Profit		172,755	140,844
Finance cost		(12,079)	(12,275)
Profit before taxation		160,676	128,569
Taxation	15	(25,364)	(2,887)
Profit after taxation for the period		135,312	125,682
Earnings per share			
Basic - In Rupees	18	1.51	1.40
Diluted - In Rupees	18	1.51	1.40

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Condensed Interim Statement of other Comprehensive Income - Unaudited
For The Quarter Ended September 30, 2018

	Jul-Sep 2018	Jul-Sep 2017
	Rupees in '000'	
Profit after taxation for the period	135,312	125,682
Other comprehensive income	-	-
Total comprehensive Profit for the period	135,312	125,682

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Condensed Interim Statement of Cash Flows - Unaudited
For The Quarter Ended September 30, 2018

	Jul-Sep 2018	Jul-Sep 2017
Rupees in '000		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	160,676	128,569
Adjustments for non cash charges and other items:		
Depreciation - own assets	46,581	57,116
Amortization of leased assets	5,556	3,326
Amortization of intangible assets	73,376	73,376
Loss on disposal of fixed assets	(2,327)	320
Amortization of deferred revenue	(671)	-
Exchange (gain) on debtors	(6,765)	(99,205)
Interest expense	11,740	11,959
Interest income	(22,548)	(6,616)
Deferred employee compensation expense	11,673	13,122
	116,615	53,398
Cash generated from operations before working capital changes	277,291	181,967
Working Capital Changes		
Trade debts	(407,967)	(466,955)
Loans and advances	(35,261)	(8,581)
Trade deposits & short term prepayments	(11,218)	(6,165)
Other receivables	18,132	(25,180)
Due from related parties	(89,807)	1,577
Trade and other payables	(54,454)	42,115
Cash (used in) operations	(580,575)	(463,189)
Interest paid	(14,522)	(17,475)
Income taxes paid	(26,104)	(4,410)
Dividend paid	(15)	-
Net cash (used in) operations	(343,925)	(303,107)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipments purchased	(40,954)	(7,176)
Sales proceeds of fixed asset	16,468	933
Capital work in progress	(19,252)	1,587
Long Term Investment	-	(28,258)
Interest received	22,548	6,616
Net cash (used in) investing activities	(21,190)	(26,300)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital	200	-
Share deposit money	-	574
Share premium	129	-
Paid against obligation under finance lease	(12,442)	(8,014)
Received against obligation under finance lease	17,908	4,420
Short term borrowing	-	(99,263)
Long term advances	1,689	(1,899)
Net cash generated from / (used in) financing activities	7,484	(104,182)
Net (decrease) in cash and cash equivalents	(357,633)	(433,589)
Cash and cash equivalents at the beginning of the period	2,123,337	874,942
Cash and cash equivalents at the end of the period	1,765,704	441,353

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Condensed Interim Statement of Changes in Equity - Unaudited

For The Quarter Ended September 30, 2018

	Issued, subscribed and paid- up capital	Share deposit money	Capital Reserve		Revenue Reserve	Total
			Employee share option compen- sation reserve	Share premium	Unappropri- ated profit	
Rupees In '000'						
Balance as at June 30, 2017	896,359	13	74,890	302,579	4,418,672	5,692,513
Total comprehensive income for the period						
Net profit for the quarter ended						
September 30, 2017	-	-	-	-	125,682	125,682
Amount received against options exercised		574				574
Contribution of parent on account of employee share options			13,122			13,122
	-	574	13,122	-	125,682	139,378
Balance as at September 30, 2017	896,359	588	88,012	302,579	4,544,354	5,831,891
Balance as at June 30, 2018	897,029	13	131,202	303,108	5,354,598	6,685,950
Restatement on initial application of IFRS 15					(785,377)	(785,377)
Total comprehensive income for the period						
Net Profit for the quarter ended						
September 30, 2018	-	-	-	-	135,312	135,312
Shares issued against options exercised (20,000 shares at Rs. 10 each)	200	(328)	(30)	158		-
Amount received against options exercised		328		-		328
Contribution of parent on account of employee share options	-	-	11,673	-	-	11,673
	200	-	11,643	158	(650,065)	(638,064)
Balance as at September 30, 2018	897,229	13	142,845	303,266	4,704,533	6,047,886

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Notes to the Condensed Interim Financial Statements - Unaudited

For The Quarter Ended September 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

NetSol Technologies Limited ("the Company") was incorporated in Pakistan on August 22, 1996 under the repealed Companies Ordinance, 1984, (Now Companies Act 2017) as a private company, limited by shares and was later on converted into public limited company on November 05, 2004 and subsequently listed on stock exchange on August 26, 2005. The company is listed at Pakistan Stock Exchange Limited. The business of the Company is development and sale of computer software and provision of related 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 Summitmas 2 Ground Floor Jl. Jend Sudirman Kav 61-62 Senayan- Kebayoran Baru Jakarta Selatan 12190, Indonesia	Branch office

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

2. BASIS OF PREPARATION

2.1 Separate financial statements

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

2.2 Statement of compliance

These 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, 2018.

2.3 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except for revaluation of certain financial instruments at fair value. These accounts have been prepared under accrual basis of accounting.

2.4 Functional and presentation currency

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

3. ACCOUNTING POLICIES

3.1. The accounting policies adopted for the preparation of these 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, 2018 except for change in revenue recognition policies detailed below.

3.2. Revenue recognition

The Company follows IFRS 15 for the recognition of revenue for all its revenue streams. The Company determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, we satisfy a performance obligation.

The Company records the amount of revenue and related costs by considering whether the entity is a principal (gross presentation) or an agent (net presentation) by evaluating the nature of its promise to the customer. Revenue is presented net of sales, value-added and other taxes collected from customers and remitted to government authorities.

The Company has two primary revenue streams: core revenue or non-core revenue.

Core Revenue:

The Company generates its core revenue from the export of (1) software licenses, (2) services, which include implementation, customization and other consulting services, and (3) maintenance, which includes post contract support, of its enterprise software solutions for the lease and finance industry. The Company offers its software using the traditional on-premises licensing model. The on-premises model involves the sale or license of software on a perpetual basis to customers who take possession of the software and install and maintain the software on their own hardware.

Non-Core Revenue:

The Company generates its non-core revenue by providing business process outsourcing ('BPO') services and other services (including maintenance services to its local customers)

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied by transferring the promised good or service to the customer. The Company identifies the performance obligations at contract inception so that the Company can monitor and account for the performance obligations over the life of the contract.

The Company's contract which contain multiple performance obligations generally consists of the initial sale of licenses and a professional services engagement. Contract generally have multiple performance obligations as customers purchase maintenance and services in addition to the licenses. The Company's single performance obligation arrangements are typically maintenance renewals, and professional services engagements.

For contracts with multiple performance obligations where the contracted price differs from the standalone selling price ('SSP') for any distinct good or service, the Company may be required to allocate the contract's transaction price to each performance obligation using its best estimate for the SSP.

Software Licenses:

Transfer of control for software is considered to have occurred either upon physical delivery of license through CD, USB or electronically using FTP or delivery of the license key by other electronic methods which provides immediate availability of the product to the customer. The Company's typical payment terms tend to vary by region, but its standard payment terms are within 30-120 days of invoice.

Maintenance:

Maintenance revenue is recognized ratably over the term of the maintenance period, which in most instances is one year. Software license updates provide customers with rights to unspecified software product updates, maintenance releases and patches released during the term of the support period on a when-and-if available basis. The Company's customers purchase both product support and license updates when they acquire new software licenses. In addition, a majority of customers renew their support services contracts annually and typical payment terms provide that customers make payment within 30-120 days of invoice.

Professional Services:

Revenue from professional services is typically comprised of implementation, development, customization, enhancements, data migration, training or other consulting services. Consulting services are generally sold on a time-and-materials or fixed fee basis and can include services ranging from software installation to data conversion and building non-complex interfaces to allow the software to operate in integrated environments. The Company recognizes revenue for time-and-materials arrangements as the services are performed. In fixed fee arrangements, revenue is recognized as services are performed as measured by efforts incurred to date, compared to total estimated efforts to complete the services project. Management applies judgment while estimating efforts to complete the services projects. A number of internal and external factors can affect these estimates, including utilization and efficiency variances and specification and testing requirement changes. Services are generally invoiced upon milestones as agreed in the contract and payments are typically due 30-120 days after invoice.

BPO Services:

Revenue from BPO services is recognized when earned. Company recognizes revenue on issuance of billing to the customer.

3.3. Standards, amendments and interpretations to approved accounting standards that are effective in the current period**(i) IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS**

Company implemented the new standard IFRS 15 Revenue from Contracts with Customers as of July 1, 2018. The new standard amends revenue recognition requirements and establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations.

The core principle of IFRS 15 is that revenue should be recognised for the amount that is the expected equivalent value of the performance obligation. The new standard employs a five-step model framework for determining the amount and timing of revenue in order to implement this principle.

The Company applied the modified retrospective method upon adoption of IFRS 15 on July 1, 2018. This method requires the recognition of the cumulative effect of initially applying IFRS 15 to retained earnings and not to restate prior years. The cumulative effect recorded at July 1, 2018 was a decrease to retained earnings of PKR 785.4 million.

For further information on the impact of adoption of IFRS 15 Revenue from Contracts with Customers see Note 17.

(ii) IFRS 9 FINANCIAL INSTRUMENTS

Company adopted IFRS 9 Financial Instruments as of July 1, 2018, which substantially changes the classification and measurement of financial instruments. The new standard requires impairments to be based on a forward-looking model, changes the approach to hedging financial exposures and related documentation, changes the recognition of certain fair value changes and amends disclosures requirements.

The impairment of financial assets, including trade and lease receivables, is now assessed using an expected credit loss model; previously, the incurred loss model was used. Given the nature of company's financial assets, the company had no significant impact to its provisions for doubtful accounts or impairments from this change.

- (iii)** Certain other standards, amendments and interpretations to approved accounting standards are also effective for accounting periods beginning on July 01, 2018, 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 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 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, 2018.

		Sep-18 Unaudited	Jun-18 Audited			
Rupees in '000'						
5. PROPERTY, PLANT & EQUIPMENT						
Opening Balance - net book value		1,759,889	1,898,191			
Additions	5.1	60,206	207,946			
		1,820,095	2,106,137			
Less:						
Disposals - net book value	5.2	(14,141)	(97,526)			
Depreciation & amortization		(52,135)	(248,722)			
		1,753,818	1,759,889			
5.1 Following is the detail of addition / (transfer) :						
Building on freehold land		-	-			
Furniture & fixture		938	775			
Vehicles		26,297	125,485			
Office equipment		1,399	5,620			
Computers		11,938	35,182			
Air conditioners		382	3,712			
Generator		-	12,058			
Leasehold improvements		-	-			
Computer software		-	1,077			
Advance against capital expenditure		19,252	24,036			
Total		60,206	207,946			
5.2 Following is the detail of deletions						
	Cost	Sep-18 Unaudited Accumulated Depreciation	Written down Value	Cost	Jun-18 Audited Accumulated Depreciation	Written down Value
	Rupees in '000'					
Furniture & fixture	-	-	-	3,046	1,913	1,133
Vehicles	19,229	5,087	14,141	126,814	50,139	76,675
Office equipment	-	-	-	2,445	1,619	826
Computers	-	-	-	33,403	29,068	4,336
Air conditioners	-	-	-	3,384	2,322	1,062
Generator	-	-	-	21,857	8,363	13,494
Total	19,229	5,087	14,141	190,949	93,423	97,526
6. INTANGIBLE ASSETS						
Opening Balance - net book value		1,507,905	1,801,409			
Additions		-	-			
		1,507,905	1,801,409			
Less:						
Amortization		(73,376)	(293,504)			
		1,434,529	1,507,905			

		Sep-18 Unaudited	Jun-18 Audited
		Rupees in '000'	
7. LONG TERM INVESTMENTS - at cost			
WRLD3D Limited (Unquoted company) (Formerly EEGEO Inc.)	7.1	293,379	293,379
NetSol Innovation (Pvt) Limited (Unquoted subsidiary company)	7.2	15,188	15,188
		308,567	308,567
7.1	During the fiscal year 2016, the Company entered into an agreement with WRLD3D Inc (formerly eeGeo, Inc.) a USA based gaming and 3D mapping Company (a Delaware Corporation) to purchase 4,092,189 preference BB shares for \$2,777,778 which was to be earned over the period partly by providing IT and enterprise software solutions and partly in cash. Per agreement, the Company had to provide a minimum of \$200,000 of services in each three-month period and the entire balance was required to be provided within three years of the date of the agreement and the company has successfully complied with the terms and conditions of the agreement. The Company had provided services valued at \$2,777,778 (PKR 293,378,850) which is recorded as investment and 4,092,189 shares are issued to the company.		
7.2	The subsidiary is incorporated in Pakistan. The Company holds 1,518,785 (2018 : 1,518,785) fully paid ordinary shares of Rs. 10/- each i.e. 50.52% of Equity held (2018 : 50.52%) . Mr. Salim Ullah Ghauri is the Chief Executive Officer of the subsidiary company.		
8. LONG TERM LOANS TO EMPLOYEES-Unsecured			
Considered good			
Loan to employees			
- to executives	8.1	16,917	1,082
- to non-executives		1,937	2,893
Less: current maturity		(18,029)	(3,619)
		825	356
8.1	Loans are given to employees for their personal needs and deducted from salaries		
9. TRADE DEBTS			
Considered good - unsecured	9.1	1,437,780	1,340,024
Considered doubtful - unsecured	9.2	70,528	70,528
		1,508,308	1,410,552
Less: Provision against doubtful recovery		(70,528)	(70,528)
		1,437,780	1,340,024
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:		
NetSol Technologies (Thailand) Limited		170,333	167,661
NetSol Technologies (Beijing) Company Limited		421,678	74,807
NetSol Australia Pty. Limited		16,795	7,571
Netsol Technologies Americas		62,251	49,071
NetSol Technologies Europe Ltd		-	496
WRLD3D Inc		73,248	57,605
		744,304	357,211
10. LOANS AND ADVANCES - Unsecured			
Considered good			
Current maturity of loans to employees	8	18,029	3,619
Advances			
- to executives		2,266	153
- against expenses	10.1	52,986	34,717
		73,282	38,489
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		
	Sep-18 Unaudited	Jun-18 Audited	Sep-18 Unaudited
	Number of shares		Jun-18 Audited
			Rupees in '000'
	150,000,000	150,000,000	1,500,000
		Ordinary Shares of Rs. 10 each.	1,500,000
11.2	Issued, subscribed & paid-up capital		
	42,572,191	42,552,191	425,722
	47,150,732	47,150,732	471,507
		Ordinary Shares of Rs. 10 each fully paid in cash	425,722
		Ordinary Shares of Rs. 10 each issued as fully paid bonus shares	471,507
	89,722,923	89,702,923	897,229

NetSol Technologies Inc. 23975, Park Sorrento, Suite 250, Calabasas CA 91302, is the parent company holding 66.20% (2018 : 66.21%) of issued capital of the Company.

	Sep-18 Unaudited	Jun-18 Audited
	Rupees in '000'	
12. RESERVES		
Capital reserve		
Premium on issue of ordinary shares	303,266	303,108
Employee share option compensation reserve	142,845	131,202
Revenue reserve		
Un - appropriated profit	4,704,533	5,354,598
	5,150,644	5,788,908
13. CONTINGENCIES & COMMITMENTS		
13.1 Contingencies		
13.1.1 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.		
13.1.2 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 judgement 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.		
13.2 Commitments		
The Company has issued worth Rs. 9.289 million (2018: 9.289 million) bank guarantees to LESCO and Standard Chartered Bank against its corporate credit cards.		
The Company has capital commitments of Rs. 20.6 million under capital purchase agreements as at September 30, 2018. (2018: 41.75 million)		
14. REVENUE - NET		
Export Revenue		
License	470,736	114,547
Services	439,076	542,348
Maintenance	209,621	175,745
Reimbursable expenses	99,693	-
	1,219,126	832,640
Local Revenue		
Maintenance	3,189	-
Sales Tax	(440)	-
	2,749	
	1,221,875	832,640

15. TAXATION

Income of the Company from export of computer software and its related services developed in Pakistan is exempt from tax up to June 30, 2025 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 Company generated from other than core business activities.

16. 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.

17. Impacts of adoption of IFRS 15

Note 3.2 & 3.3(i) explains the changes and new accounting policies introduced on July 1, 2018 resulting from the adoption of the new accounting standard IFRS 15 Revenue from Contracts with Customers.

The most significant impact to the company, upon adoption of IFRS 15, relates to the identification of contracts with customers, identification of distinct performance obligations and allocation of transaction price to the distinct performance obligations (based on their standalone selling prices).

In case of a multiple element arrangements (e.g contract to deliver various performance obligations to a single customer in various markets), the total transaction price of the bundled contract is allocated among the individual distinct performance obligations based on their relative standalone selling prices.

Company's contracts with customers' entail three separate performance obligations as follows:

1. Software licenses
2. Implementation, customization and consulting services
3. Maintenance services

Company identified all material and significant contracts in hand and not closed or completed by June 30, 2018 and applied IFRS 15 on those contracts to evaluate and analyse the impact IFRS 15 would have made on the revenue recognition from those contract. These contracts outline a fixed fee for the software license and maintenance services and provision of some other related services to the same customer. Total transaction price for these items was allocated to each of these performance obligations based on the relative standalone selling prices. Each performance obligation by geography is considered a distinct performance obligation. Accordingly, the transaction price was allocated based on relative standalone selling price by performance obligation and geography.

The adjustments made to items in the statement of financial position as of July 1, 2018 and attributable to IFRS 15 are as follows:

	Carrying amount in accordance with IAS 18 As on June 30, 2018	Adjustment	Carrying amount in accordance with IFRS 15 As on July 01, 2018
ASSETS			
CURRENT ASSETS	1,428,321	(759,372)	668,949
Contract assets			
EQUITY & LIABILITIES			
SHARE CAPITAL & RESERVES			
Revenue reserve			
Un-appropriated profits	5,354,598	(785,377)	4,569,221
CURRENT LIABILITIES			
Contract liabilities	371,243	26,005	397,248

The following tables provide comparison of carrying values of relevant items from the financial statements as of September 30, 2018 in accordance with IFRS 15 as compared to the old accounting standard, IAS 18 and related interpretations:

	Carrying amount in accordance with IFRS 15 As on Sep 30, 2018	Adjustment	Carrying amount in accordance with IAS 18 As on Sep 30, 2018
ASSETS			
CURRENT ASSETS	906,591	798,344	1,704,935
Contract assets	6,683	42,166	48,849
Other receivable-Reimbursable cost			
EQUITY & LIABILITIES			
SHARE CAPITAL & RESERVES			
Revenue reserve			
Un-appropriated profits	4,704,533	817,802	5,522,335
CURRENT LIABILITIES			
Contract liabilities	317,913	(8,771)	309,142
	IFRS 15 Q1 2019	Adjustment	IAS 18 Q1 2019
REVENUE			
License revenue	470,736	7,617	478,353
Maintenance revenue	209,621	18,153	227,774
Revenue against reimbursable cost	99,693	(99,693)	-
COST OF REVENUE			
Travelling & Conveyance-Reimbursable cost	99,693	(99,693)	-
OTHER INCOME			
Gain on foreign currency translation	6,765	6,655	13,420

	Jul-Sep 2018	Jul-Sep 2017
	Rupees in '000'	
18. EARNINGS PER SHARE		
Basic		
Profit after taxation for the period	135,312	125,682
Weighted average number of ordinary shares in issue during the period	89,722	89,636
Basic - In Rupees	1.51	1.40
Diluted		
Profit after taxation for the period	135,312	125,682
Weighted average number of ordinary shares in issue during the period	89,835	89,800
Diluted - In Rupee	1.51	1.40

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-Sep 2018	Jul-Sep 2017
Rupees in '000'				
(i)	Subsidiary	Rental income	1,268	4,167
		Provision of services	1,581	1,334
		Mark-up expense	-	434
		Mark-up income	22	-
(ii)	Associated undertaking	Rental income	225	225
		Provision of services	406,113	37,912
		Purchase of services	6,273	4,729
(iii)	Key management personnels	Salaries and benefits	39,578	19,581
		Retirement benefits	718	515
		Commission paid	57,917	-
(iv)	Post employment benefit	Contribution to defined contribution plan	24,155	16,583
(v)	There are no transactions with any key management personnel other than under the terms of employment.			

20. DATE OF AUTHORIZATION FOR ISSUE

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

21. GENERAL

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

