



NetSol  
Technologies  
Limited

For the Quarter Ended  
March  
**2014**

# Financial Statements

(Un-Audited)







## This Quarterly report

We hope you find it useful and informative.

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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

Fida Hussain  
Independent Director

Najeeb Ullah Ghauri  
Non-Executive Director

Omer Shahab Ghauri  
Executive Director

### AUDIT COMMITTEE

Vaseem Anvar  
Chairman

Fida Hussain  
Member

Najeeb Ullah Ghauri  
Member

### COMPANY SECRETARY

Boo-Ali Siddiqui

### CHIEF INTERNAL AUDITOR

Muhammad Abdul Wahab Hafeez

### AUDITORS

Kabani & Company  
Chartered Accountants  
SKP House,  
321-Upper Mall, Lahore.

### LEGAL ADVISOR

Corporate Law Associates  
1st Floor Queen's Centre,  
Shahra-e-Fatima Jinnah,  
Lahore.

### BANKERS

Askari Bank Limited  
MCB Bank Limited  
Bank Al falah Limited  
Bank Al Habib Limited  
First National Bank Modaraba  
First Habib Modaraba

### SHARE REGISTRAR

Vision Consulting Limited  
3-C, LDA Flats, Lawrence Road, Lahore.  
Tel: +92-42-36375531, 36375339  
Fax: +92-42-36312550

### CONTACT DETAILS

#### Registered Office

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

#### Rawalpindi Office

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

#### Karachi Office

43/1/Q, Amna Villa # 1  
Block # 06, P.E.C.H.S, Karachi  
Tel: +92-21-111-638-765, 111-672-672  
Fax: +92-21-3431-3464

### WEB

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

## Directors' Review



On behalf of the Board of Directors of NetSol Technologies Limited, I feel pleasure to present the financial statements of your company together with its consolidated financial statements for the period ended March 31, 2014.

### GENERAL OVERVIEW

The current quarter was another challenging quarter for the company. Following the official announcement of our next generation platform "NFS Ascent™" in October 2013, sales of our legacy product "NetSol Financial Suite™", have dropped down. This is a normal feature while making transition from one product to another and it was already anticipated by the management while announcing the new platform and the relevant stakeholders were also informed about this. The sale of "NFS Ascent™" hasn't taken off yet, and as anticipated, this transition has adversely affected our revenues for the quarter under review. On the other hand, we, Alhamdulillah, managed to sell another license of our legacy product to a European automobile manufacturer in Hong Kong. Given the current circumstances, this is a very positive sign for the company as the customers are still looking at the legacy product quite positively and it still has a live market.

### FINANCIAL PERFORMANCE

Comparisons of un-audited consolidated financial results of the third quarter ended March 31, 2014 with the corresponding period of 2013 and cumulative results for the nine month ended March 31, 2014 with those of March 31, 2013 are given below:

	For the Quarter Jan-Mar 2014	For the Quarter Jan-Mar 2013	For the Nine Months Jul-Mar 2014	For the Nine Months Jul-Mar 2013
----- Rupees in '000' -----				
Revenue	489,462	823,064	1,615,186	2,061,178
Gross profit/ (loss)	(39,267)	429,902	297,132	1,100,234
Net profit/ (loss)	(325,718)	301,173	(266,031)	758,703
EPS/ (LPS) – basic (in Rs.)	(3.68)	3.50	(3.03)	8.83
EPS/ (LPS) – diluted (in Rs.)	(3.65)	3.48	(3.01)	8.78

Company posted Rs. 489 million revenue for the quarter ended March 31, 2014 compared with Rs. 823 million in same quarter last year. As you might be aware that the Company had announced its next generation platform "NFS Ascent™" last quarter and is currently passing through the transitional phase. That's why the revenues have dropped down in the quarter under review. However, there are a handsome number of deals in pipe but as you know, we have a longer sales cycle which normally takes eight to ten months to close a deal. This has taken a bit longer in the current circumstances where the product is also new. We expect this transition phase to continue at least in this fiscal year and thereafter the management is very optimistic that the revenues will again go up when we sign new deals for our product offerings. Cost of sales also gone up because of annual increments in salaries along with hiring of more skilled and experienced resources to deliver the services worldwide. Amortization and depreciation expense (both non-cash expense) also increased during the period because of the completion of certain products which were earlier under development stage but their amortization has been started from current quarter. Due to the reasons narrated above, Company also posted a gross loss in this quarter. Net loss for the quarter was Rs. 326 million compared with a net profit of Rs. 301 million in the same quarter of previous fiscal year. Besides the factors explained above, Company's net earnings were also negatively impacted by the weakness of different currencies against Pak Rupee during the current quarter. Due to appreciation of Pak rupee, we posted a net foreign exchange loss of Rs. 90.3 million in the quarter which added another 1.02 to the loss per share. Basic and diluted loss per share was Rs. 3.68 & Rs. 3.65 for the current quarter compared to earnings per share of Rs. 3.50 and 3.48 respectively for the same quarter last year. On cumulative nine month basis, basic and diluted loss per share was Rs. 3.03 & 3.01 respectively compared to a profit of Rs. 8.83 and 8.78 respectively for the same period last year.

### FUTURE OUTLOOK

We have already implemented one of the modules of our next generation platform "NFS Ascent™" at an automobile manufacturer in Thailand and the second implementation of the same module is currently in progress. We believe that with the first successful implementation, NFS Ascent™ is proving to be a strong financial prospect for NetSol. A number of deals for both our legacy product "NetSol Financial Suite™" and the next generation "NFS Ascent™" are in the pipeline which are expected to be closed during the following quarters. This will not only boost the license revenue of the company but also result in increased services and thereafter committed revenue in terms of maintenance income. We are also building our strategy to enter into new markets as well as new segments within the existing markets. We have also launched NetSol Leasing Expert, a cost effective and plug and play auto leasing solution for the Chinese MOFCOM compliant leasing companies. With more than 800 MOFCOM approved leasing companies in China, Leasing Expert targets a whole new segment for the Chinese leasing industry and our expectations from this segment are quite high. Keeping in view the customer traction and the sales pipeline, we are also in the process of increasing our delivery capability and therefore, hiring more skilled and experienced resources. There is a four to six month lead time to train the resources on our domain, therefore, these resources normally become productive after six month of their induction. As a result, the cost appears to be increased but after their becoming productive, revenues will also jump up.

### ACKNOWLEDGEMENT

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

Shahab-ud-Din Ghauri  
Chairman

Condensed Interim  
Financial Statements  
For the Nine Months Ended March 31, 2014

## Condensed Interim Balance Sheet - Unaudited

As at March 31, 2014

	NOTE	Mar-14 Unaudited	Jun-13 Audited
Rupees in '000'			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property & equipment	5	2,485,551	1,894,191
Intangible assets	6	3,073,511	2,873,958
		5,559,062	4,768,149
Long term investments		15,188	15,188
		5,574,250	4,783,337
<b>CURRENT ASSETS</b>			
Trade debts		827,466	965,741
Current portion of deferred employee compensation expense		-	54
Excess of revenue over billing		188,604	864,465
Loans and advances		21,685	22,211
Trade deposits & short term prepayments		30,708	14,940
Other receivables		32,442	25,870
Due from related parties		123,419	14,571
Taxation - Net		60,334	71,702
Cash & bank balances		423,723	305,571
		1,708,381	2,285,125
<b>TOTAL ASSETS</b>		<b>7,282,631</b>	<b>7,068,462</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHARE CAPITAL &amp; RESERVES</b>			
Authorized share capital			
150,000,000 ordinary shares of Rs.10/- each	7	1,500,000	1,500,000
Issued, subscribed and paid-up capital	7	886,234	785,717
Share deposit money		5,702	13
Reserves	8	4,918,692	5,339,672
		5,810,628	6,125,402
<b>NON-CURRENT LIABILITIES</b>			
Long term financing		225,859	172,665
Liabilities against assets subject to finance lease		53,862	20,007
Deferred Income		36	59
		279,757	192,731
<b>CURRENT LIABILITIES</b>			
Trade and other payables		781,578	398,956
Excess of billing over revenue		134,765	57,723
Short term borrowings		200,000	200,000
Current portion of long term liabilities		68,597	76,889
Provision for taxation		7,306	16,761
		1,192,246	750,329
<b>CONTINGENCIES &amp; COMMITMENTS</b>	9	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,282,631</b>	<b>7,068,462</b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

## Condensed Interim Profit & Loss Account - Unaudited

For The Nine Months Ended March 31, 2014

	NOTE	Jan-Mar 2014	Jan-Mar 2013	Jul-Mar 2014	Jul-Mar 2013
		Rupees in '000'		Rupees in '000'	
Revenue - net	10	341,162	720,411	1,231,842	1,793,991
Cost of revenue		(456,875)	(327,404)	(1,128,319)	(791,781)
<b>Gross profit / (loss)</b>		<b>(115,713)</b>	<b>393,007</b>	<b>103,523</b>	<b>1,002,210</b>
Selling and promotion expenses		(40,636)	(22,520)	(114,185)	(79,276)
Administrative expenses		(126,966)	(97,228)	(384,550)	(297,303)
Other operating expenses		(65,287)	(5,872)	(19,993)	(14,649)
Other income		87,879	22,471	162,772	113,760
<b>Operating profit / (loss)</b>		<b>(260,723)</b>	<b>289,858</b>	<b>(252,433)</b>	<b>724,742</b>
Finance cost		(2,700)	(2,121)	(7,643)	(6,922)
<b>Profit / (Loss) before taxation</b>		<b>(263,423)</b>	<b>287,737</b>	<b>(260,076)</b>	<b>717,820</b>
Taxation					
Current period		(10,643)	(817)	(14,546)	(2,028)
Prior period		-	-	-	-
		<b>(10,643)</b>	<b>(817)</b>	<b>(14,546)</b>	<b>(2,028)</b>
<b>Profit / (Loss) after taxation for the period</b>		<b>(274,066)</b>	<b>286,920</b>	<b>(274,622)</b>	<b>715,792</b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

## Condensed Interim Statement of Comprehensive Income - Unaudited

For The Nine Months Ended March 31, 2014

	Jan-Mar 2014	Jan-Mar 2013	Jul-Mar 2014	Jul-Mar 2013
	Rupees in '000'		Rupees in '000'	
Profit / (Loss) after taxation for the period	(274,066)	286,920	(274,622)	715,792
Other comprehensive income	-	-	-	-
<b>Total comprehensive income / (Loss) for the period</b>	<b>(274,066)</b>	<b>286,920</b>	<b>(274,622)</b>	<b>715,792</b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

## Condensed Interim Statement of Cash Flows - Unaudited

For The Nine Months Ended March 31, 2014

	Jul-Mar 2014	Jul-Mar 2013
	Rupees in '000'	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation for the period	(260,076)	717,820
Adjustments for non cash charges and other items:		
Depreciation - own assets	252,317	150,619
Amortization of leased assets	18,502	13,965
Amortization of intangible assets	120,424	80,953
Loss / (Gain) on disposal of fixed assets	20,789	(1,978)
Amortization of deferred revenue	(22)	(12)
Exchange (gain) on debtors	(42,364)	(88,998)
Interest expense	6,609	5,777
Interest income	(13,370)	(10,321)
Dividend Income	(74,189)	-
Deferred employee compensation expense	54	536
Provision for doubtful debts	26,060	-
	<b>314,810</b>	<b>150,541</b>
<b>Cash generated from operations before working capital changes</b>	<b>54,734</b>	<b>868,361</b>
<b>Working Capital Changes</b>		
Trade debts	907,482	1,080
Loans and advances	526	2,391
Trade deposits & short term prepayments	(15,768)	(10,372)
Other receivables	(6,572)	(5,373)
Due from related parties	(108,848)	3,714
Trade and other payables	380,960	196,493
<b>Cash generated from operations</b>	<b>1,157,780</b>	<b>187,933</b>
Interest paid	(26,206)	(34,117)
Income taxes paid	(12,636)	(6,773)
Dividend paid	(78,785)	-
<b>Net cash generated from operations</b>	<b>1,094,887</b>	<b>1,015,404</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property and equipments purchased	(715,002)	(452,607)
Sales proceeds of fixed asset	6,430	5,948
Intangible assets	(312,935)	(339,088)
Capital work in progress	(161,007)	(108,368)
Interest received	13,163	9,345
<b>Net cash (used in) investing activities</b>	<b>(1,169,351)</b>	<b>(884,770)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance of share capital	20,695	1,080
Share deposit money	5,689	7,241
Share premium	13,286	693
Paid against obligation under finance lease	(46,905)	(25,728)
Received against obligation under finance lease	97,468	30,479
Long term payable	28,194	(18,155)
Dividend received	74,189	-
<b>Net cash generated from / (used in) financing activities</b>	<b>192,616</b>	<b>(4,390)</b>
<b>Net increase in cash and cash equivalents</b>	<b>118,152</b>	<b>126,244</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>305,571</b>	<b>130,255</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>423,723</b>	<b>256,499</b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

## Condensed Interim Statement of Changes in Equity - Unaudited

For The Nine Months Ended March 31, 2014

	Issued, subscribed and paid-up capital	Share deposit money	Employee share option compensation reserve	Capital Reserve	Revenue Reserve	Total
				Share premium	Unappropri- ated profit	
Rupees In '000'						
<b>Balance as at June 30, 2012</b>	779,102	13	6,426	273,016	3,896,375	4,954,932
Total comprehensive income for the period						
Net profit / (Loss) for the nine months ended March 31, 2013	-	-	-	-	715,792	715,792
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	715,792	715,792
Amount received against options exercised	-	7,241	-	-	-	7,241
Shares issued against options exercised (108,000 shares at Rs. 10 each)	1,080	-	-	-	-	1,080
Share premium on shares issued against options exercised (108,000 shares at Rs. 6.42 each)	-	-	-	693	-	693
<b>Balance as at March 31, 2013</b>	780,182	7,254	6,426	273,709	4,612,167	5,679,738
<b>Balance as at June 30, 2013</b>	785,717	13	5,449	278,240	5,055,983	<b>6,125,402</b>
Total comprehensive income for the period						
Net profit / (Loss) for the nine months ended March 31, 2014	-	-	-	-	(274,622)	<b>(274,622)</b>
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	(274,622)	<b>(274,622)</b>
Share Deposit money for issuance of shares against exercise of options	-	5,689	-	-	-	<b>5,689</b>
Shares issued against options exercised (2,069,500 shares at Rs. 10 each)	20,695	-	-	-	-	<b>20,695</b>
Amount transferred to share premium on issuance of shares against options exercised (2,069,500 shares at Rs. 1.48 each)	-	-	(3,057)	-	-	<b>(3,057)</b>
Shares premium on shares issued against options exercised	-	-	-	16,343	-	<b>16,343</b>
<b>Distribution to owners</b>						
Final dividend for the year ended June 30, 2013						
- Cash dividend of 10% (Rs. 1 per share)	-	-	-	-	(79,822)	<b>(79,822)</b>
- Bonus shares issued (10%) one for every ten ordinary shares held	79,822	-	-	-	(79,822)	-
<b>Balance as at March 31, 2014</b>	<b>886,234</b>	<b>5,702</b>	<b>2,392</b>	<b>294,583</b>	<b>4,621,717</b>	<b>5,810,628</b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

## Notes to the Condensed Interim Financial Statements - Unaudited

For The Nine Months Ended March 31, 2014

**1. LEGAL STATUS AND NATURE OF BUSINESS**

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 and Islamabad Stock Exchanges. 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.

The company is a 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 requirements of International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984 and are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the 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, 2013.

**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 as disclosed in respective accounting notes.

**2.4 Functional and presentation currency**

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

**3. ACCOUNTING POLICIES**

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, 2013.

**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, 2013.

		Mar-14 Unaudited	Jun-13 Audited
Rupees in '000'			
<b>5. PROPERTY &amp; EQUIPMENT</b>			
Opening Balance - net book value		1,894,191	1,361,923
Additions:	5.1	896,438	801,168
		2,790,629	2,163,091
Less:			
Disposals - net book value		(27,219)	(19,563)
Depreciation & amortization		(277,859)	(249,337)
		2,485,551	1,894,191

		Mar-14 Unaudited	Jun-13 Audited
		Rupees in '000'	
<b>5.1</b>	<b>Following is the detail of addition / (transfer):</b>		
	Land - freehold	6,000	55,071
	Building on freehold land	377,173	39,722
	Computers	388,288	252,615
	Air conditioners	19,971	2,330
	Furniture & fixture	22,240	5,801
	Office equipment	6,220	5,685
	Vehicles	49,931	43,819
	Generator	8,545	9,705
	Computer software	208,144	265,577
	Capital work-in-progress	(190,074)	120,843
	<b>Total</b>	<b>896,438</b>	<b>801,168</b>
<b>6.</b>	<b>INTANGIBLE ASSETS</b>		
	Opening Balance - net book value	2,873,958	2,501,052
	Additions: 6.1	319,975	480,842
		<b>3,193,933</b>	<b>2,981,894</b>
	Less:		
	Amortization	(120,422)	(107,936)
		<b>3,073,511</b>	<b>2,873,958</b>
<b>6.1</b>	<b>Following is the detail of addition:</b>		
	Fleet Management System (FMS)	183,833	218,618
	Blue Star	120,687	243,190
	LSS	4,288	-
	HMIS	2,385	4,078
	Loan Origination System	3,475	5,185
	Business Intelligence Scoring Model & Risk Management	5,307	9,771
		<b>319,975</b>	<b>480,842</b>
<b>7.</b>	<b>SHARE CAPITAL</b>		
<b>7.1</b>	<b>Authorised share capital</b>		
		Mar-14	Jun-13
	<b>Number of shares</b>		
		150,000,000	150,000,000
		Ordinary Shares of Rs. 10 each.	
		1,500,000	1,500,000
<b>7.2</b>	<b>Issued, subscribed &amp; paid-up capital</b>		
		Mar-14	Jun-13
	<b>Number of shares</b>		
		41,472,691	39,403,191
			Ordinary Shares of Rs. 10 each fully paid in cash
		47,150,732	39,168,512
			Ordinary Shares of Rs. 10 each issued as fully paid bonus shares
		<b>88,623,423</b>	<b>78,571,703</b>
		<b>886,234</b>	<b>785,717</b>

NetSol Technologies Inc., 24025 Park Sorrento, Suite 410, Calabasas CA 91302, USA, is the parent company holding majority of issued capital of the Company. No shares are held by any other related party.

During the nine months ended March 31, 2014, 2,069,500 shares were issued against employees' share options exercised at Rs. 16.42 per share.

	Mar-14 Unaudited	Jun-13 Audited
	Rupees in '000'	
<b>8. RESERVES</b>		
<b>Capital reserve</b>		
Premium on issue of ordinary shares	294,583	278,240
<b>Revenue reserve</b>		
Un - appropriated profit	4,621,717	5,055,983
<b>Employee share option compensation reserve</b>	2,392	5,449
	<b>4,918,692</b>	<b>5,339,672</b>

**9. CONTINGENCIES & COMMITMENTS****9.1 Contingencies**

There are no contingencies as at March 31, 2014 (June 2013 : nil) to which the Company is a party.

**9.2 Commitments**

**9.2.1** The Company has issued worth Rs. 15.757 million (June 2013 : Rs. 18.636 million) bank guarantees and bid bonds to various customers against sale of software and allied services.

	Jan-Mar 2014	Jan-Mar 2013	Jul-Mar 2014	Jul-Mar 2013
	Rupees in '000'		Rupees in '000'	
<b>10. REVENUE - NET</b>				
<b>Export Revenue</b>				
License	74,574	319,602	279,696	547,147
Services	143,812	203,921	581,196	842,181
Maintenance	118,219	112,662	355,947	305,506
	<b>336,605</b>	636,185	<b>1,216,839</b>	1,694,834
<b>Local Revenue</b>				
Services	5,286	84,229	14,114	96,752
Maintenance	-	-	3,288	3,677
	<b>5,286</b>	84,229	<b>17,402</b>	100,429
Sales tax	(729)	(3)	(2,399)	(1,272)
	<b>341,162</b>	720,411	<b>1,231,842</b>	1,793,991

**11. TAXATION**

Income of the Company from export of computer software and its related services developed in Pakistan is exempt from tax up to 2016 as per clause 133 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.

**12. TRANSACTION WITH RELATED PARTIES**

Related parties comprise of holding company, associated undertakings, directors of the Company, key employees and staff retirement fund. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Parent, subsidiary and associated undertakings also have some common directorship.

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

			Jul-Mar 2014	Jul-Mar 2013
			Rupees in '000'	
	Relationship with the Company	Nature of transactions		
(i)	Parent	Management fee	47,484	43,780
		Dividend paid to parent	51,222	-
		Bonus shares issued to parent	51,222	-
(ii)	Subsidiary	Rental income	13,835	12,438
		Provision of services	4,919	4,422
		Mark-up income	207	976
		Mark-up expense	339	-
(iii)	Associated undertaking	Provision of services	254,902	221,812
(vi)	Key management personnels	Remuneration of CEO and Directors	7,429	7,209
(v)	Post employment benefit	Contribution to defined contribution plan	27,660	18,541

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

**13. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on April 30, 2014 by the Board of Directors.

**14. FIGURES**

Figures have been rounded off to the nearest thousand rupee.

Condensed Consolidated Interim  
Financial Statements  
For the Nine Months Ended March 31, 2014

## Condensed Consolidated Interim Balance Sheet - Unaudited

As at March 31, 2014

	NOTE	Mar-14 Unaudited	Jun-13 Audited
Rupees in '000'			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property & equipment	5	2,514,278	1,918,099
Intangible assets	6	3,073,511	2,873,958
		<b>5,587,789</b>	<b>4,792,057</b>
<b>CURRENT ASSETS</b>			
Trade debts		1,079,065	1,159,755
Current portion of deferred employee compensation expense		-	54
Excess of revenue over billing		188,604	864,466
Loans and advances		28,345	22,366
Trade deposits & short term prepayments		32,601	16,341
Other receivables		33,009	26,447
Due from related parties		65,619	28,625
Taxation - Net		60,544	71,855
Cash & bank balances		474,529	330,827
		<b>1,962,316</b>	<b>2,520,736</b>
<b>TOTAL ASSETS</b>		<b>7,550,105</b>	<b>7,312,793</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHARE CAPITAL &amp; RESERVES</b>			
Authorized share capital			
150,000,000 ordinary shares of Rs.10/- each	7	1,500,000	1,500,000
Issued, subscribed and paid-up capital	7	886,234	785,717
Share deposit money		5,702	13
Reserves	8	5,031,091	5,443,480
Non - controlling Interest		125,190	116,777
		<b>6,048,217</b>	<b>6,345,987</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing		225,859	172,665
Liabilities against assets subject to finance lease		53,862	20,007
Deferred income		36	59
		<b>279,757</b>	<b>192,731</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		811,437	422,586
Excess of billing over revenue		134,765	57,723
Short term borrowings		200,000	200,000
Current portion of long term liabilities		68,597	76,889
Provision for taxation		7,332	16,877
		<b>1,222,131</b>	<b>774,075</b>
<b>CONTINGENCIES &amp; COMMITMENTS</b>	9	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,550,105</b>	<b>7,312,793</b>

The annexed notes from 1 to 16 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, 2014

	NOTE	Jan-Mar 2014	Jan-Mar 2013	Jul-Mar 2014	Jul-Mar 2013
		Rupees in '000'		Rupees in '000'	
Revenue - net	10	489,462	823,064	1,615,186	2,061,178
Cost of revenue		(528,729)	(393,162)	(1,318,054)	(960,944)
<b>Gross profit / (loss)</b>		<b>(39,267)</b>	429,902	<b>297,132</b>	1,100,234
Selling and promotion expenses		(40,636)	(22,778)	(114,185)	(79,534)
Administrative expenses		(128,861)	(98,843)	(390,108)	(302,188)
Other operating expenses		(91,139)	(6,436)	(23,350)	(16,371)
Other income		9,523	16,334	67,527	107,942
<b>Operating profit / (loss)</b>		<b>(290,380)</b>	318,179	<b>(162,984)</b>	810,083
Finance cost		(2,753)	(2,202)	(7,401)	(7,244)
<b>Profit / (Loss) before taxation</b>		<b>(293,133)</b>	315,977	<b>(170,385)</b>	802,839
Taxation					
Current period		(10,528)	(843)	(14,572)	(2,108)
Prior period		-	-	-	-
		(10,528)	(843)	(14,572)	(2,108)
<b>Profit / (Loss) after taxation for the period</b>		<b>(303,661)</b>	315,134	<b>(184,957)</b>	800,731
<b>Attributable to:</b>					
Equity holders of NetSol Technologies Limited		(325,718)	301,173	(266,031)	758,703
Non - controlling interest		22,057	13,961	81,074	42,028
		(303,661)	315,134	(184,957)	800,731
<b>Earnings per share</b>					
Basic - In Rupees	12	(3.68)	3.50	(3.03)	8.83
Diluted - In Rupees	12	(3.65)	3.48	(3.01)	8.78

The annexed notes from 1 to 16 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, 2014

	Jan-Mar 2014	Jan-Mar 2013	Jul-Mar 2014	Jul-Mar 2013
	Rupees in '000'		Rupees in '000'	
<b>Profit / (Loss) after taxation for the period</b>	<b>(303,661)</b>	315,134	<b>(184,957)</b>	800,731
Other comprehensive income	-	-	-	-
<b>Total comprehensive income / (Loss) for the period</b>	<b>(303,661)</b>	315,134	<b>(184,957)</b>	800,731
<b>Attributable to:</b>				
Equity holders of NetSol Technologies Limited	<b>(325,718)</b>	301,173	<b>(266,031)</b>	758,703
Non - controlling interest	<b>22,057</b>	13,961	<b>81,074</b>	42,028
	<b>(303,661)</b>	315,134	<b>(184,957)</b>	800,731

The annexed notes from 1 to 16 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, 2014

	Jul-Mar 2014	Jul-Mar 2013
	Rupees in '000'	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation for the period	(170,385)	802,839
Adjustments for non cash charges and other items:		
Depreciation - own assets	257,787	155,218
Amortization of leased assets	18,502	13,965
Amortization of intangible assets	120,424	80,953
Loss / (Gain) on disposal of fixed assets	20,006	(2,640)
Amortization of deferred revenue	(22)	(12)
Exchange gain on debtors	(33,907)	(95,636)
Interest expense	6,270	6,002
Interest income	(13,419)	(9,545)
Deferred employee compensation expense	54	536
(Gain) on short term investment	(1,187)	(96)
Provision for doubtful debts	26,060	-
	400,568	148,745
<b>Cash generated from operations before working capital changes</b>	230,183	951,584
<b>Working Capital Changes</b>		
Trade debts	841,441	(90,885)
Loans and advances	(5,979)	3,119
Trade deposits & short term prepayments	(16,260)	(10,633)
Other receivables	(6,562)	(5,402)
Due from related parties	(36,994)	13,193
Trade and other payables	387,321	198,765
<b>Cash generated from operations</b>	1,162,967	108,157
Interest paid	(26,206)	(34,342)
Income taxes paid	(12,809)	(6,887)
Dividend paid	(151,446)	-
<b>Net cash generated from operations</b>	1,202,689	1,018,512
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property and equipments purchased	(725,321)	(456,855)
Sales proceeds of fixed asset	7,243	6,904
Intangible assets	(312,935)	(339,088)
Capital work in progress	(161,007)	(108,368)
Gain on investments	1,187	96
Interest received	13,419	9,539
<b>Net cash (used in) investing activities</b>	(1,177,414)	(887,772)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance of share capital	20,695	1,080
Share deposit money	5,689	7,241
Share premium	13,286	693
Paid against obligation under finance lease	(8,466)	(25,728)
Received against obligation under finance lease	59,029	30,479
Long term payable	28,194	(18,155)
<b>Net cash generated from / (used in) financing activities</b>	118,427	(4,390)
<b>Net increase in cash and cash equivalents</b>	143,702	126,350
<b>Cash and cash equivalents at the beginning of the period</b>	330,827	138,957
<b>Cash and cash equivalents at the end of the period</b>	474,529	265,307

The annexed notes from 1 to 16 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, 2014

	Attributable to equity holders of the Parent					Total	Non Controlling Interest	Total Equity
	Issued, subscribed and paid-up capital	Share deposit money	Employee share option compensa- tion reserve	Capital	Revenue			
				Reserve	Reserve			
				Share premium	Unappropri- ated profit			
				Rupees In '000'				
<b>Balance as at June 30, 2012</b>	779,102	13	6,426	273,016	3,984,827	5,043,384	101,736	5,145,120
Total comprehensive income for the period								
Net profit for the nine months ended March 31, 2013	-	-	-	-	758,703	758,703	42,028	800,731
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	758,703	758,703	42,028	800,731
Share deposit money against options exercised	-	7,241	-	-	-	7,241	-	7,241
Shares issued against options exercised (108,000 shares at Rs. 10 each)	1,080	-	-	-	-	1,080	-	1,080
Shares premium on shares issued against options exercised (108,000 shares at Rs. 10 each)	-	-	-	693	-	693	-	693
<b>Balance as at March 31, 2013</b>	780,182	7,254	6,426	273,709	4,743,530	5,811,101	143,764	5,954,865
<b>Balance as at June 30, 2013</b>	785,717	13	5,449	278,240	5,159,791	6,229,210	116,777	<b>6,345,987</b>
Total comprehensive income for the period								
Net profit for the nine months ended March 31, 2014	-	-	-	-	(266,031)	(266,031)	81,074	<b>(184,957)</b>
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	(266,031)	(266,031)	81,074	<b>(184,957)</b>
Share deposit money against options exercised	-	5,689	-	-	-	5,689	-	<b>5,689</b>
Shares issued against options exercised (2,069,500 shares at Rs. 10 each)	20,695	-	-	-	-	20,695	-	<b>20,695</b>
Amount transferred to share premium on issuance of shares against options exercised (2,069,500 shares at Rs. 1.48 each)	-	-	(3,057)	-	-	(3,057)	-	<b>(3,057)</b>
Shares premium on shares issued against options exercised	-	-	-	16,343	-	16,343	-	<b>16,343</b>
<b>Distribution to owners</b>								
Final dividend for the year ended June 30, 2013								
- Cash dividend of 10% (Rs. 1 per share)	-	-	-	-	(79,822)	(79,822)	-	<b>(79,822)</b>
- Bonus shares issued (10%) one for every ten ordinary shares held	79,822	-	-	-	(79,822)	-	-	-
By subsidiary to non-controlling interest	-	-	-	-	-	-	(72,661)	<b>(72,661)</b>
- Cash dividend	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2014</b>	<b>886,234</b>	<b>5,702</b>	<b>2,392</b>	<b>294,583</b>	<b>4,734,116</b>	<b>5,923,027</b>	<b>125,190</b>	<b>6,048,217</b>

The annexed notes from 1 to 16 form an integral part of these condensed consolidated interim financial statements.

## Notes to the Condensed Consolidated Interim Financial Statements - Unaudited

### For The Nine Months Ended March 31, 2014

#### 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. 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

These condensed consolidated 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 Companies Ordinance, 1984 and are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the 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, 2013.

##### 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

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, 2013.

#### 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, 2013.

		Mar-14 Unaudited	Jun-13 Audited
Rupees in '000'			
<b>5. PROPERTY &amp; EQUIPMENT</b>			
Opening Balance - net book value		1,918,099	1,384,544
Additions:	5.1	906,757	809,867
		<b>2,824,856</b>	2,194,411
Less:			
Disposals - net book value		(27,249)	(20,516)
Depreciation & amortization		(283,329)	(255,796)
		<b>2,514,278</b>	1,918,099

		Mar-14 Unaudited	Jun-13 Audited
Rupees in '000'			
<b>5.1</b>	<b>Following is the detail of addition / (transfer):</b>		
	Land - freehold	6,000	55,071
	Building on freehold land	377,173	39,722
	Computers	396,557	258,675
	Air conditioners	19,971	2,369
	Furniture & fixture	22,586	6,501
	Office equipment	6,220	5,685
	Vehicles	51,635	45,719
	Generator	8,545	9,705
	Computer software	208,144	265,577
	Capital work-in-progress	(190,074)	120,843
	<b>Total</b>	<b>906,757</b>	<b>809,867</b>
<b>6.</b>	<b>INTANGIBLE ASSETS</b>		
	Opening Balance - net book value	2,873,958	2,501,052
	Additions: 6.1	319,975	480,842
		<b>3,193,933</b>	2,981,894
	Less:		
	Amortization	(120,422)	(107,936)
		<b>3,073,511</b>	<b>2,873,958</b>
<b>6.1</b>	<b>Following is the detail of addition:</b>		
	Fleet Management System (FMS)	183,833	218,618
	Blue Star	120,687	243,190
	LSS	4,288	-
	HMS	2,385	4,078
	Loan Origination System	3,475	5,185
	Business Intelligence Scoring Model & Risk Management	5,307	9,771
		<b>319,975</b>	<b>480,842</b>
<b>7.</b>	<b>SHARE CAPITAL</b>		
<b>7.1</b>	<b>Authorised share capital</b>		
		Mar-14 Unaudited	Jun-13 Audited
	<b>Number of shares</b>		
		150,000,000	150,000,000
	Ordinary Shares of Rs. 10 each.	1,500,000	1,500,000
<b>7.2</b>	<b>Issued, subscribed &amp; paid-up capital</b>		
		Mar-14 Unaudited	Jun-13 Audited
	<b>Number of shares</b>		
		41,184,691	39,403,191
	Ordinary Shares of Rs. 10 each fully paid in cash	414,727	394,032
		47,150,732	39,168,512
	Ordinary Shares of Rs. 10 each issued as fully paid bonus shares	471,507	391,685
		<b>88,335,423</b>	<b>78,571,703</b>
		<b>886,234</b>	<b>785,717</b>

NetSol Technologies Inc., 24025 Park Sorrento, Suite 410, Calabasas CA 91302, USA, is the parent company holding majority of issued capital of the Company. No shares are held by any other related party.

During the nine months ended March 31, 2014, 2,069,500 shares were issued against employees' share options exercised at Rs. 16.42 per share.

	Mar-14 Unaudited	Jun-13 Audited
	Rupees in '000'	
<b>8. RESERVES</b>		
<b>Capital reserve</b>		
Premium on issue of ordinary shares	294,583	278,240
<b>Revenue reserve</b>		
Un - appropriated profit	4,734,116	5,159,791
<b>Employee share option compensation reserve</b>	2,392	5,449
	<b>5,031,091</b>	<b>5,443,480</b>

**9. CONTINGENCIES & COMMITMENTS****9.1 Contingencies**

There are no contingencies as at March 31, 2014 (June 2013 : nil) to which the Company is a party.

**9.2 Commitments**

**9.2.1** The Company has issued worth Rs. 15.757 million (June 2013 : Rs. 18.636 million) bank guarantees and bid bonds to various customers against sale of software and allied services.

**9.2.2** 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 2014	Jan-Mar 2013	Jul-Mar 2014	Jul-Mar 2013
	Rupees in '000'		Rupees in '000'	
<b>10. REVENUE - NET</b>				
<b>Export Revenue</b>				
License	74,574	319,602	279,696	547,147
Services	292,112	306,574	964,540	1,109,368
Maintenance	118,219	112,662	355,947	305,506
	<b>484,905</b>	<b>738,838</b>	<b>1,600,183</b>	<b>1,962,021</b>
<b>Local Revenue</b>				
Services	5,286	87,111	14,114	96,703
Maintenance	-	-	3,288	3,677
	<b>5,286</b>	<b>87,111</b>	<b>17,402</b>	<b>100,380</b>
Sales tax	(729)	(2,885)	(2,399)	(1,223)
	<b>489,462</b>	<b>823,064</b>	<b>1,615,186</b>	<b>2,061,178</b>

**11. TAXATION**

Income of the Company from export of computer software and its related services developed in Pakistan is exempt from tax up to 2016 as per clause 133 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.

	Jan-Mar 2014	Jan-Mar 2013 Restated	Jul-Mar 2014	Jul-Mar 2013 Restated
	Rupees in '000'		Rupees in '000'	
<b>12. EARNINGS PER SHARE</b>				
<b>Basic</b>				
Profit / (Loss) after taxation for the period	(325,718)	301,173	(266,031)	758,703
Average number of ordinary shares in issue during the period	88,604	85,933	87,775	85,910
Basic - In Rupees	(3.68)	3.50	(3.03)	8.83
<b>Diluted</b>				
Profit / (Loss) after taxation for the period	(325,718)	301,173	(266,031)	758,703
Average number of ordinary shares in issue during the period	89,294	86,660	88,495	86,383
Diluted - In Rupee	(3.65)	3.48	(3.01)	8.78

During the nine months ended March 31, 2014, the company has issued 10% bonus shares which has resulted in restatement of basic and dilutive earning per share for the nine months ended March 31, 2013.

**13. TRANSACTION WITH RELATED PARTIES**

Related parties comprise of holding company, associated undertakings, directors of the Company, key employees and staff retirement fund. The Group in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Parent, subsidiary and associated undertakings also have some common directorship.

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

		Jul - Mar 2014	Jul - Mar 2013
		Rupees in '000'	
Relationship with the Company	Nature of transactions		
(i) Parent	Management fee	47,484	43,780
	Dividend paid to parent	51,222	-
	Bonus shares issued to parent	51,222	-
(ii) Associated undertaking	Provision of services	254,902	221,812
(iii) Key management personnels	Remuneration of CEO and Directors	7,429	7,209
(vi) Post employment benefit	Contribution to defined contribution plan	32,556	22,414
(v) There are no transactions with any key management personnel other than under the terms of employment.			

**14. SEGMENT REVENUES AND RESULTS**

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

	Mar-14				Total
	NFS	IS	SSS	BPO	
Rupees in '000					
Revenue - net					
External sales					
Licence	279,696	-	-	-	279,696
Services	506,588	11,715	462	457,490	976,255
Maintenance	355,947	-	3,288	-	359,235
Inter-segment sales					
Total revenue	1,142,231	11,715	3,750	457,490	1,615,186
Cost of revenue	(961,028)	(66,411)	(54,244)	(236,371)	(1,318,054)
Segment results	181,203	(54,696)	(50,494)	221,119	297,132
Unallocated corporate expenses:					
Selling and promotion expenses					(114,185)
Administrative expenses					(390,108)
Other operating expenses					(23,350)
Other income					67,527
Finance cost					(7,401)
Taxation					(14,572)
<b>Profit / (Loss) after taxation</b>					<b>(184,957)</b>

	Mar-13				Total
	NFS	IS	SSS	BPO	
	Rupees in '000				
Revenue - net					
External sales					
Licence	547,147	-	-	-	547,147
Services	760,989	95,488	1,226	347,145	1,204,848
Maintenance	305,506	3,677	-	-	309,183
Inter-segment sales					
Total revenue	1,613,642	99,165	1,226	347,145	2,061,178
Cost of revenue	(548,978)	(154,489)	(97,920)	(159,557)	(960,944)
Segment results	1,064,664	(55,324)	(96,694)	187,588	1,100,234
Unallocated corporate expenses:					
Selling and promotion expenses					(79,534)
Administrative expenses					(302,188)
Other operating expenses					(16,371)
Other income					107,942
Finance cost					(7,244)
Taxation					(2,108)
<b>Profit / (Loss) after taxation</b>					<b>800,731</b>

\*Key

NFS = NetSol Financial Solutions

IS = Information Security

SSS = Software Services and Solutions

BPO = Business Process Outsourcing

**15. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on April 30, 2014 by the Board of Directors.

**16. FIGURES**

Figures have been rounded off to the nearest thousand rupee.



## NetSol Technologies Limited

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