

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

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Date of Report (Date of earliest event reported): October 31, 2007 (October 31, 2007)

Commission file number: 0-22773

NETSOL TECHNOLOGIES, INC.  
(Exact name of small business issuer as specified in its charter)

NEVADA  
(State or other Jurisdiction of Incorporation or Organization)

95-4627685  
(I.R.S. Employer No.)

23901 Calabasas Road, Suite 2072, Calabasas, CA 91302  
(Address of principal executive offices) (Zip Code)

(818) 222-9195 / (818) 222-9197  
(Issuer's telephone/facsimile numbers, including area code)

**Item 2.02 Results of Operations and Financial Condition.**

On October 31, 2007, NetSol Technologies, Inc.'s Pakistani subsidiary, NetSol Technologies, Ltd. issued a press release announcing results of operations and financial conditions for the subsidiary for the quarter ended September 30, 2007. The press release is furnished as Exhibit 99.1 to this Form 8-K.

The information in this report shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Exhibits**

99.1 News Release dated October 31, 2007

**SIGNATURES**

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NETSOL TECHNOLOGIES, INC.

Date: October 31, 2007

/s/ Najeeb Ghauri

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NAJEEB GHAURI  
Chief Executive Officer

Date: October 31, 2007

/s/ Tina Gilger

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TINA GILGER  
Chief Financial Officer

NEWS RELEASE DATED OCTOBER 31, 2007



# ***NEWS RELEASE***

## **NetSol PK Reports First Quarter Fiscal Year 2007-08 Financial Results**

*- Revenues Increase 110 %; - Gross Profit Rises 171 % -*

**Lahore, Pakistan - 01 November, 2007 - NetSol Technologies Ltd, Pakistan (“NetSol PK”)**, a significant part of the division serving the Asia Pacific region (APAC) on behalf of NetSol Technologies Inc., today announced financial results for the first quarter of fiscal year 2007-08 ending September 30, 2007.

### **First Quarter FY 2007-08 Financial Highlights**

- Earnings Per Share (EPS) trends upward to 4.38 Rupees per share
- 110 % increase in revenues over first quarter FY 2006-07
- 171 % increase in gross profit over first quarter FY 2006-07
- 340 % increase in net profit margin over first quarter of FY 2006-07 including dividend income from subsidiary
- 215 % increase in net profit margin over first quarter of FY 2006-07 excluding dividend income from subsidiary

A stellar growth continued in first quarter 2007-08 and NetSol PK registered remarkable growth during the quarter. The Company reported revenues for the first quarter of Rs. 287.312 million, which represents an increase of 110 % against Rs. 136.569 million reported for the same period last year. Gross profit in the quarter rose to 171.5 % to Rs. 191.86 million, against Rs. 70.667 million reported in the first quarter of FY 2006-07.

NetSol PK reduced its cost of sales in the first quarter to 33.22 %, compared with 48.26 % in the first quarter of FY 2006-07. As a result, gross profit increased to 66.78 % against 51.75 % in the corresponding quarter of last year. Basic earnings per share trended upward to 4.38 Rupees per share, compared to 1.00 Rupees per share reported in the same quarter of FY 2006-07.

Salim Ghauri, Chairman and Chief Executive Officer NetSol Technologies Ltd, Pakistan and President of the APAC region of NetSol Technologies Inc. said, “Our strong performance in the past quarter was due to our ability to close on many business deals in the pipeline. In addition, we are experiencing strong growth in the Pakistan market, as evidenced by several important projects initiated with both the federal and Punjab governments.”

Mr. Ghauri concluded, “NetSol PK expects the present growth pattern to continue for the next quarters, as the Company capitalizes on its leadership position in the Information Technology (IT) sector of Pakistan.”

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**NetSol Technologies Limited**, NetSol Avenue, Main Ghazi Road, Lahore, Cantt +9242-111-44-88-00

**Disclaimer:** NetSol PK is one subsidiary and only one part of one the business which comprises NetSol Technologies, Inc. Consequently, NetSol PK financial results represent only one segment of the results of the parent company and are not necessarily indicative of the results NetSol Technologies, Inc. will report.

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