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OVERVIEW

iEnergizer is an international Business Process Outsourcing (BPO) company. Combining 11 years of experience and comprehensive capabilities across all industries and business functions, iEnergizer collaborates with clients to help them become high-performance businesses and provide significant cost advantage in their respective operations.

iEnergizer is a strategic Outsource partner to various companies who are market leaders in their respective segments, across various industries including BFSI, Media & Entertainment, Healthcare, Technology and FMCG.

iEnergizer provides services across the entire customer lifecycle and offers a comprehensive suite of Transaction Processing and Customer Management Services like Customer Acquisition, Customer Care, Technical Support, Billing & Collections, Dispute Handling and Market Research & Analytics using various platforms including Voice – Inbound & Outbound, Back-Office support, Online Chat, Mail Room and other web services.

HIGHLIGHTS

- Successful admission to AIM in September 2010 placing £37m under the symbol IBPO.L
- Revenue up 41.7% to $49.36m (2010: $34.83m)
- Underlying operating profit $16.3m (2010: $11.6m)
- Operating profit margin kept stable at 33% (2010: 33.6%)
- Maiden special dividend of 5.6p per ordinary share (Total £8.4m)

Chairman's Statement

I am pleased to report that the Company has made significant operational and financial progress during this financial year. We have achieved the goals we set for ourselves at the beginning of last year and have delivered another year of sound organic growth by providing top class third party integrated business process outsourcing (BPO) solutions to blue chip corporations throughout the world. I am delighted to announce that the results for the period were slightly ahead of market expectations following a significant upgrade during the year.

The strong performance of the Company has been delivered by focusing on its strengths and pursuing its strategy for organic growth which has expanded both its international and domestic businesses. This has been achieved by targeting new clients and also continuing to develop its existing large-scale, long-term relationships by providing a full range of high quality service offerings. iEnergizer prides itself on being an essential long term partner to its clients and not merely another external service provider. The Company delivers complex processes that often require a significant degree of customisation, which results in high quality service and is crucial to retaining existing clients and attracting new clients. The close relationships garnered with clients whilst delivering mission critical business processes can be exploited to cross sell other outsourcing services and also identify new industry-specific service offerings.

In addition to a robust operational and financial performance, the Company has also completed a significant corporate milestone by successfully listing on the AIM market of the London Stock Exchange in September 2010.

We believe that the varied service offering makes iEnergizer well placed to take advantage of the growing BPO opportunities both in the developed and emerging markets. We are seeing opportunities across the full service spectrum as companies in the developed markets are outsourcing activities in order to focus on their core competencies, streamline their organisations, reduce costs and improve flexibility.

Our management team have worked incredibly hard and performed exceptionally well to achieve this growth during the year and I would like to thank them for their commitment and efforts, without which we would not have been able to deliver such high quality, value added services for our clients.

Sara Latham
Non-Executive Chairman
8 July 2011

Chief Executive's Review

Introduction

iEnergizer has a full service BPO offering across a range of sectors and countries with a strong financial track record of delivery which consists of significant organic growth.

I am pleased to announce that this robust performance has continued this year as the Company has increased top line growth by 41.7% whilst keeping its operating margin stable at 33%. This growth is achieved on purely organic basis. This is indicative of both the Company's strides within the BPO market and the complex, high-margin and high value solutions it provides for its clients.

Financial Overview

Revenue for the period was up 41.7% at $49.36m (2010: $34.83m). Operating profit increased to $16.3m (2010: $11.6m) with operating profit margin kept stable at 33% (2010: 33.6%). Profit before tax was $16.3m (2010: $118.8m – this figure was due to exceptional relating to an earlier restructuring) with EBITDA of $17.0m, giving a basic earnings per share of $0.13.

Business Review

The Company's outsourcing services are structured around industry-focused BPO services, including Banking Financial Services and Insurance (BFSI), Entertainment and Online Video Game, Information Technology and Telecom/Electronics as well as cross-industry BPO services, such as collections and customer services.

We have experienced growth from our existing client base as we have been able to leverage the established client relationships to cross sell across numerous verticals. We have also won a number of contracts during the period which have helped secure additional cash flow for the second half of the year. This trend has been seen in both the domestic Indian BPO market and the international markets during the year. Each of the service verticals has grown during the period.

Dividend

The Board is pleased to announce that on the back of its strong growth and cash generation this year, it is proposing to pay a special dividend of 5.6p per share with dividend record date of 22 July 2011. The Company Ordinary Shares are expected to go ex-dividend on 20 July 2011 and the dividend is expected to be paid on 19th August 2011. Going forward, the Company is expecting significant opportunities to grow its operations and activities further which will require continuing investment. Your Board is committed to maintaining a strong but efficient balance sheet.

Strategy

The Company has delivered growth for its shareholders by following the strategies articulated in the Admission Document at the time of IPO; namely by:

- Expanding its revenues from the domestic Indian BPO market both by taking advantage of the growth in the market itself;

- Increasing the Company's share of that growing market;
- Growing its international client base with a focus on the US and UK markets;
- Maintaining and developing long term client relationships and increasing depth and breadth of services provided to them; and
- Differentiating itself through the quality and price at which it delivers its range of services by being flexible enough to evolve and provide services in complementary areas to deliver client orientated services.

The success of these strategies is evidenced in the Company's financial and operational performance and the Company is focused on pursuing these to drive growth looking forward.

CURRENT TRADING AND OUTLOOK

We continue to see attractive opportunities in both the domestic and international BPO markets and are gaining market share within all of the geographies that we operate in, by winning new contracts and developing established client relationships. In addition to servicing clients from offshore delivery centres, the Company has also started strengthening service delivery infrastructure in US and other geographies. In addition to organic growth from existing clients as well as new clients, the Company may also target potential strategic acquisitions.

ANIL AGGARWAL
Chief Executive
8 July 2011

BOARD AND EXECUTIVE MANAGEMENT

SARA LATHAM (40) – CHAIRMAN OF THE BOARD & NON EXECUTIVE DIRECTOR.

Sara Latham is a former communications adviser to former President Clinton and former Prime Minister Tony Blair with over a decade of experience in strategic communications and public affairs.

Ms. Latham is a graduate of Fredericksburg, Virginia. She worked in the White House as Special Assistant to the Chief of Staff, John Podesta and as Deputy Assistant to the President and Deputy Director of Presidential Scheduling from 1996-2000. Following the Clinton Administration, Sara moved to Brussels as a government affairs adviser for Microsoft Europe, Middle East and Africa. In 2001 Sara moved to London as Managing Director for Philip Gould Associates.

Ms. Latham has worked as Public Affairs Director at Freud Communications and in 2005 worked for Tony Blair on his re-election campaign, travelling with him and producing his campaign events and speeches. Following the 2005 UK General Election, Sara served as Special Adviser to the Secretary of State for Culture, Media and Sport.

Ms. Latham founded Latham Group in 2006, which has worked for Tony Blair Associates, the British Documentary Film Foundation, the Clinton Foundation, Coke, Dow, the Nelson Mandela Foundation, PhrRMA and TIME magazine.

ANIL AGGARWAL (50) – CHIEF EXECUTIVE OFFICER.

Anil Aggarwal is a first generation entrepreneur and is founder and promoter of iEnergizer. He has promoted and managed several successful businesses in various territories including Barker Shoes Limited in the UK. Mr. Aggarwal is primarily responsible for business development, strategy and overall growth for the company.

JOHN BEHAR (41) – NON EXECUTIVE DIRECTOR.

Mr. Behar has over 15 years financial services and investment banking experience, most recently involved in listings on the Luxembourg Stock Exchange for Indian mid-market companies, as well as private equity transactions across a range of countries and deal sizes. He is the founder and MD of Prospect Capital, a London based corporate finance advisory firm, and has also acted as a consultant to ICICI Bank UK, part of the major Indian banking and private equity group. Mr. Behar holds an MBA from Cass Business School.

DIRECTORS' REPORT

The Directors present their report and the financial statements of iEnergizer Limited ("the Company") and its Subsidiaries, iEnergizer Holdings Limited, Mauritius, iEnergizer Group FZ – LLC, Dubai and iEnergizer IT Services Private Limited, India (collectively the "Group"), which covers the year from 1 April 2010 to 31 March 2011.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company is that of providing Business Process Outsourcing Services.

RESULTS AND DIVIDENDS

The trading results for the year and the Group's financial position at the end of the year are shown in the attached financial statements.

The Directors have recommended payment of a dividend of 5.6p per share (FY2009-10: NIL).

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

A review of the business and likely future developments of the Company are contained in the Chairman's statement on page 3 and CEO's review on page 4.

DIRECTORS AND DIRECTORS INTERESTS

The Directors of the Company during the year are noted on page 6.

DIRECTORS REMUNERATION

The directors' remuneration for the year ended 31 March 2011 was:

	Remuneration (£)	Remuneration (US$)
Sara Latham	£17,720	$28,611
John Behar	£17,720	$28,611
Total Director's Remuneration	£35,440	$57,222

There are no further cash payments or benefits provided to Directors.

DIRECTORS SHARE OPTIONS

The share options in force at 31 March 2011 are held by current directors are as follows :

	Options Granted	Options Vested	Options remaining to be Vested	Exercise Price
Sara Latham	10,000	—	10,000	1.74

All options as above will vest on 14 September, 2011.

FINANCIAL INSTRUMENTS

Details of the use of financial instruments by the Company are contained in note 29 to the financial statements.

RELATED PARTY CONTRACT OF SIGNIFICANCE

The related party transactions are noted in note 24 to the financial statement.

INTERNAL CONTROL

The Directors acknowledge their responsibility for the Company's system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage the risk of failure to achieve the Company's strategic objectives. It cannot totally eliminate the risk of failure but will provide reasonable, although not absolute, assurance against material misstatement or loss.

GOING CONCERN

After making enquiries, the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' reports and consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year. In preparing those financial statements the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether International Financial Reporting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group to enable them to ensure that the financial statements comply with the requirements of the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

Legislation in the Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

To the best of our knowledge and belief:

- The financial statements have been prepared in accordance with International Financial Reporting Standards;
- Give a true and fair view of the financial position and results of the Group; and
- The financial statements include an analysis of the principal financial instruments specific risks and uncertainties faced by the Group. There has not been any material change in business risks and uncertainties as described in the Admission Document dated 27 August 2010.

AUDITORS

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's Auditors for the purposes of their audit and to establish that the Auditors are aware of that information. The Directors are not aware of any relevant audit information of which the Auditors are unaware.

By order of the Board

ANIL AGGARWAL
Director
8 July 2011

iEnergizer

CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance and intend for the Company to comply with the main provisions of the QCA Guidelines and Guernsey regulations insofar as they are appropriate given the Company's size and stage of development. The Company may take additional Corporate Governance measures beyond QCA guidelines and Guernsey regulations as may be appropriate considering Company's operations from time to time.

BOARD OF DIRECTORS

The Board is responsible for the proper management of the Company. The Board comprises of one Executive Director, Anil Aggarwal (CEO) and two Non-Executive Directors, Sara Latham (Chairman) and John Behar. The resume of the board members is as outlined on page 6.

The Executive Director brings knowledge of the Business Process Outsourcing industry and a range of general business skills. The Non-Executive Directors form a number of committees to assist in the governance of the Company and details are below.

All Directors have access to independent professional advice, at the Company's expense, if and when required.

SUB-COMMITTEES

The Board has appointed the three sub-committees outlined below. All of the sub-committees have met during the year.

AUDIT COMMITTEE

The Audit committee comprises of John Behar as chairman and Sara Latham. The committee is responsible for ensuring that the financial performance of the Company is properly monitored and reported on and for meeting with the auditors and reviewing findings of the audit with the external auditor. It is authorised to seek any information it properly requires from any employee and may ask questions of any employee. It will meet the auditors once per year without any members of management being present and are also responsible for considering and making recommendations regarding the identity and remuneration of such auditors.

REMUNERATION COMMITTEE

The Remuneration committee comprises of Sara Latham as chairman and John Behar. The committee will consider and recommend to the Board the framework for the remuneration of the executive directors of the Company and any other senior management. It will further consider and recommend to the Board the total individual package of each executive director including bonuses, incentive payments and share options or other share awards. In addition, subject to existing contractual obligations, it will review the design of all share incentive plans for approval by the Board and the Company's shareholders and, for each such plan, will recommend whether awards are made and, if so, the overall amount of such awards, the individual awards to executive directors and performance targets to be used. No director will be involved in decisions concerning his own remuneration.

NOMINATION COMMITTEE

The Nomination committee comprises Sara Latham as chairman and John Behar. The committee will consider the selection and re-appointment of Directors. It will identify and nominate candidates to all board vacancies and will regularly review the structure, size and composition of the board (including the skills, knowledge and experience) and will make recommendations to the Board with regard to any changes.

SHARE DEALING

The Company has adopted a share dealing code (based on the Model Code) and the Company will take all proper and reasonable steps to ensure compliance by Directors and relevant employees.

THE CITY CODE ON TAKEOVERS AND MERGERS

The Code applies to offers for all listed and unlisted public companies considered by the Panel resident in the UK, the Channel Islands or the Isle of Man. The Panel will normally consider a company to be resident only if it is incorporated in the United Kingdom, the Channel Islands or the Isle of Man and has its place of central management in one of those jurisdictions. Although the Company is incorporated in Guernsey and its place of management is in Guernsey, the Panel considers that the code does not apply to the Company. It is emphasised that although the Ordinary Shares will trade on AIM, the company will not be subject to takeover regulations in the UK. However, certain provisions analogous to pats of the Code in particular the making of mandatory offers have been incorporated into the Articles which are available on the Company website, www.ienergizer.com.

DISCLOSURE AND TRANSPARENCY RULES

As a company incorporated in Guernsey, Shareholders are not obliged to disclose their interests in the Company in the same way as shareholders of certain companies incorporated in the UK. In particular, the relevant provisions of chapter 5 of the DTR do not apply. While the Articles contain provisions requiring disclosure of voting rights in Ordinary Shares which are similar to the provisions of the DTR, this may not always ensure compliance with the requirements of Rule 17 of the AIM Rules. Furthermore, the Articles may be amended in the future by a special resolution of the Shareholders.

CONTROL BY SIGNIFICANT SHAREHOLDER

Mr Anil Aggarwal through private companies mainly Geophysical Substrata Ltd. (GSL) and EICR (Cyprus) Limited (EICR) owns a significant percentage of the Company. Mr Aggarwal could exercise significant influence over certain corporate governance matters requiring shareholder approval, including the election of directors and the approval of significant corporate transactions and other transactions requiring a majority vote.

The Company, Arden Partners (Broker & Nomad), GSL, EICR and Mr Anil Aggarwal have entered into a relationship agreement to regulate the arrangements between them. The relationship agreement applies for as long as GSL/EICR directly or indirectly holds in excess of thirty per cent of the issued share capital of the Company and the Company's shares remain admitted to trading on AIM. The relationship agreement includes provisions to ensure that:

I. the Board and its committees are able to carry on their business independently of the individual interests of EICR;

ii. the constitutional documents of the Company are not changed in such a way which would be inconsistent with the Relationship Agreement;

iii. all transactions between the Group and EICR (or its affiliates) are on a normal commercial basis and concluded at arm's length;

iv. EICR shall not:

(I) exercise the voting rights attaching to its Ordinary Shares; or

(ii) procure that the voting rights attaching to its Ordinary Shares be exercised, so as (a) to appoint any person who is connected to EICR to the Board if, as a direct consequence of such appointment, the number of persons connected to EICR appointed to the Board would exceed the number of independent Directors appointed to the Board, unless such appointment(s) has been previously approved by the nomination committee of the Board constituted by a majority of independent Directors; or (b) to remove any independent Director from the Board unless such removal has previously been recommended by a majority of the independent Directors, excluding the independent Director in question; or (c) to cancel the Admission unless the cancellation has previously been recommended by a majority of the independent Directors; and

v. certain restrictions are put in place to prevent interference by the Shareholder with the business of the Company.

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report to the Shareholders of iEnergizer Limited

We have audited the consolidated financial statements of iEnergizer Limited for the period ended 31 March 2011 which comprise the Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

This report is made solely to the Group's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Group's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 8, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the consolidated financial statements in accordance with applicable legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the consolidated financial statements.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 March 2011 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where The Companies (Guernsey) Law, 2008 requires us to report to you, if in our opinion:

- the Group has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Grant Thornton Limited
Chartered Accountants
St Peter Port, Guernsey, Channel Islands
8 July 2011

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(All amounts in United States Dollars, unless otherwise stated)

ASSETS	Note	31 March 2011	31 March 2010
Non-Current Assets			
Goodwill	8	186,696	-
Other intangible assets	9	213,197	-
Property, plant and equipment	10	748,085	-
Long term financial asset	11	117,407	-
Deferred tax asset	12	41,999	-
Total non-current assets		1,307,384	-

Current Assets			
Trade receivables	13	9,966,669	3,244,074
Other current assets	14	2,007,605	44,521,583
Cash and cash equivalents	15	12,232,458	44,842,425
Total current assets		24,206,732	92,608,082

Total assets	25,514,116	92,608,082

EQUITY AND LIABILITIES		31 March 2011	31 March 2010
Equity			
Share capital		3,148,881	3,148,732
Share compensation reserve		63,986	-
Merger reserve	3	(1,049,386)	(1,049,386)
Retained earnings		16,797,935	1,049,386
Currency translation reserve		42,470	-
Total equity		19,003,886	3,148,732

Liabilities			
Non-current Liabilities			
Non-current portion of borrowings		76,662	-
Employee benefit obligations	18	161,431	-
Total Non-current liabilities		238,093	-

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTD.)

(All amounts in United States Dollars, unless otherwise stated)

	Note	31 March 2011	31 March 2010
Current Liabilities			
Trade and other payables		5,321,421	2,434,769
Current portion of borrowings	19	97,969	-
Other current liabilities		852,747	87,024,581
Total Current liabilities		6,272,137	89,459,350
Total equity and liabilities		25,514,116	92,608,082

(The accompanying notes are an integral part of these Consolidated Financial Statements)

The Consolidated Financial Statements is being signed as of 08 July 2011, pursuant to resolution approved in the board meeting held on 06 July 2011.

ANIL AGGARWAL

Consolidated Income Statements

(All amounts in United States Dollars, unless otherwise stated)

	Note	31 March 2011	31 March 2010
Revenue			
Rendering of services		49,333,893	34,452,465
Other operating income		26,054	381,089
		49,359,947	34,833,554
Cost and expenses			
Outsourced service cost		25,591,106	3,694,811
Employee benefits expense		4,933,542	12,150,989
Depreciation and amortisation		757,502	1,635,722
Other expenses		1,823,102	5,662,915
		33,105,252	23,144,437
Operating profit		16,254,695	11,689,117
Finance income	20	31,455	209,328
Finance cost		-	(271,473)
Share of profit of associate		-	2,392
Profit on disposal of investments in subsidiary		-	107,159,030
Profit before tax		16,286,150	118,788,394
Tax expense	22	537,601	234,769
Profit after tax		15,748,549	118,553,625
Profit per share			
Basic	23	0.13	56.47
Diluted		0.13	56.47
Par value of each share in GBP (previous year in USD)		0.01	1.00

(The accompanying notes are an integral part of these Consolidated Financial Statements)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(All amounts in United States Dollars, unless otherwise stated)

Profit after tax for the year	15,748,549	118,553,625
Exchange differences on translating foreign operations	42,470	3,701,075
Translation reserve on disposal of subsidiaries	-	259,680
Income tax relating to components of other comprehensive income	-	-
Profit attributable to equity holders	**15,791,019**	**122,514,380**

(The accompanying notes are an integral part of these Consolidated Financial Statements)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(All amounts in United States Dollars, unless otherwise stated)

	Share Capital	Share compensation reserve	Merger reserve	Currency translation reserve	Retained earnings	Total equity
Balance as at 01 April 2009	3,148,732	-	(1,049,386)	(3,960,755)	23,234,931	21,373,522
Dividends	-	-	-	-	(140,656,182)	(140,656,182)
Distribution of reserves to parent on account of interest-free loans given to related parties	-	-	-	-	(82,988)	(82,988)
Transaction with owners	3,148,732		(1,049,386)	(3,960,755)	(117,504,239)	(119,365,648)
Profit for the year	-	-	-	-	118,553,625	118,553,625
Other comprehensive income						
Disposal of subsidiaries	-	-	-	259,680	-	259,680
Exchange difference on translating foreign operations	-	-	-	3,701,075	-	3,701,075
Total comprehensive income for the year	-	-	-	3,960,755	118,553,625	122,514,380
Balance as at 31 March 2010	**3,148,732**	-	**(1,049,386)**	-	**1,049,386**	**3,148,732**

	Share Capital	Share compensation reserve	Merger reserve	Currency translation reserve	Retained earnings	Total equity
Balance as at 01 April 2010	3,148,732	-	(1,049,386)	-	1,049,386	3,148,732
Issue of ordinary shares	149	-	-	-	-	149
Share based compensation	-	63,986	-	-	-	63,986
Transaction with owners	**3,148,881**	**63,986**	**(1,049,386)**	-	**1,049,386**	**3,212,867**
Profit for the year	-	-	-	-	15,748,549	15,748,549
Other comprehensive income						
Exchange difference on translating foreign operations	-	-	-	42,470	-	42,470
Total comprehensive income for the year	-	-	-	42,470	15,748,549	15,791,019
Balance as at 31 March 2011	**3,148,881**	**63,986**	**(1,049,386)**	**42,470**	**16,797,935**	**19,003,886**

(The accompanying notes are an integral part of these Consolidated Financial Statements)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(All amounts in United States Dollars, unless otherwise stated)

	31 March 2011	31 March 2010
(A) Cash flow from operating activities		
Profit before tax	16,286,150	118,788,394
Adjustments		
Depreciation and amortisation	757,502	1,635,722
Receivable written off/provided for	81,162	-
Share based payments	63,986	-
Loss on disposal of property, plant and equipment	-	195
Share of profit of an associate	-	(2,392)
Income from financial guarantee contracts	-	(243,799)
Advances written off	-	6,372
Trade receivables written-off	-	31,647
Gain on disposal of investment in subsidiaries	-	(107,159,030)
Unrealised foreign exchange loss	-	7,339
Payables written-back	-	(5,781)
Finance income	(7,897)	(140,523)
Finance cost	-	271,473
	17,180,903	13,189,617
Changes in operating assets and liabilities		
Accounts receivable	(5,499,070)	(2,408,478)
Other assets	42,662,769	(59,147)
Non-current liabilities, trade payables & other current liabilities	3,654,378	1,924,971
Cash generated from operations	57,998,980	12,646,963
Income taxes paid	(604,415)	(2,183,884)
Net cash generated from operating activities	57,394,565	10,463,079

(B) Cash flow for investing activities		
Payments for purchase of property plant and equipment	(515,880)	(2,171,060)
Purchase of intangible assets	-	(156,182)
Loans given to related parties	-	(4,373,231)
Loans received back from related parties	-	1,721,633
Proceeds from sale of property, plant and equipment	-	7,505
Advances from capital assets	-	66,539
Proceeds from disposal of subsidiary, net of cash disposed	-	87,147,397
Consideration towards business combination net of asset acquired	(2,531,271)	-
Net cash used in investing activities	**(3,047,151)**	**82,242,601**

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

(All amounts in United States Dollars, unless otherwise stated)

	31 March 2011	31 March 2010
(C) Cash flow from financing activities		
Proceeds of share capital	149	-
Borrowings	-	3,614,748
Interest paid	-	(271,473)
Dividends paid to share holders of the parent	(87,000,000)	(53,656,182)
Net cash used in financing activities	(86,999,851)	(50,312,907)
Effect of exchange rate changes on cash and cash equivalent	42,470	579,747
Net decrease in cash and cash equivalents	(32,609,967)	42,972,520
Cash and cash equivalents at the beginning of the year	44,842,425	1,869,905
Cash and cash equivalents at the end of the year	12,232,458	44,842,425
Cash and cash equivalents comprise		
Cash in hand	4,699	-
Balances with banks in current account	11,573,519	44,842,425
Balances with banks in deposit account	654,240	-
	12,232,458	44,842,425

(The accompanying notes are an integral part of these Consolidated Financial Statements)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in United States Dollars, unless otherwise stated)

1. INTRODUCTION

iEnergizer Limited (the 'Company' or 'iEnergizer ') was incorporated in Guernsey on 12 May 2010 pursuant to the Act of Royal Court of the Island of Guernsey.

iEnergizer was incorporated to serve as the holding company of iEnergizer Holdings Limited, Mauritius ("IHL"). iEnergizer acquired all of the ordinary shares of IHL from IHL's erstwhile immediate parent EICR (Cyprus) Limited("EICR" or "EICR Limited") on 15 June 2010. iEnergizer got listed on the Alternative Investment Market ('AIM') of London Stock Exchange on 14 September 2010.

iEnergizer Limited is a 'Company limited by shares' and is domiciled in Guernsey. The registered office of the Company is located at Mont Crevelt House, Bulwer Avenue, St. Sampson, Guernsey, GY2 4 LH.

iEnergizer through its subsidiaries iEnergizer Holdings Limited, iEnergizer Group FZ – LLC and iEnergizer IT Services Private Limited (together the 'Group') is engaged in the business of call centre operations and providing business process outsourcing (BPO) and back office services to their customers, who are primarily based in the United States of America and India, from its operating offices in Mauritius and India.

2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS

The Consolidated Financial Statements of the Group for the year ended 31 March 2011 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by European Union.

The Consolidated Financial Statements have been prepared on a going concern basis, and are prepared and presented in United States Dollar (USD) which is the functional currency of the Company. Functional currency of each entity has been determined on the basis of the primary economic environment in which each entity of the Group operates.

3. GROUP RESTRUCTURING

Prior to acquisition by the Company, iEnergizer Holdings Limited was a subsidiary of EICR Limited. On 15 June 2010, the Company entered into a share exchange agreement with EICR Limited. As per the agreement, EICR Limited has transferred 2,099,346 shares of 1 USD each in iEnergizer Holdings Limited in exchange for the issue by the Company of 150,000,000 ordinary shares to EICR Limited. Consequent to this exchange, iEnergizer Holdings Limited became the wholly owned subsidiary of the Company and the Company became the wholly owned subsidiary of EICR Limited which was diluted to 78.71 percent upon listing of the Company on AIM.

In the absence of explicit guidance available under IFRS on accounting of acquisition of common control entities, the Group has chosen to account for this transaction using "Pooling of interest method". As per the pooling of interest method, these consolidated financial statements have been prepared assuming that transfer of shares was completed on the first day of the period presented i.e. 01 April 2009. The share capital of Guernsey as at 1 April 2009 is determined as the equity issued to effect the transaction, equal to the net asset value of Mauritius as of 1 April 2010.

The difference between equity of iEnergizer Holdings Limited (the acquirer) and the net asset value of iEnergizer Holdings Limited (the acquiree in this case) as at 01 April 2009 is adjusted in equity under the heading 'merger reserve'. The adjustment taken to merger reserve has been computed as under:

Particulars	Amount (US $)
Equity of iEnergizer Holdings Limited	2,099,346
Net asset value of iEnergizer Holdings Limited:	
Equity	2,099,346
Retained earnings	1,049,386
	3,148,732
Difference adjusted through merger reserve	(1,049,386)

4. BASIS OF PREPARATION

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. The consolidated financial statements have been prepared on a going concern basis. The measurement bases are described in the accounting policies below.

These consolidated financial statements include the consolidated statement of financial position of iEnergizer Limited and its subsidiaries (together the 'Group') as of 31 March 2011 as prepared in accordance with IAS 27, Consolidated and Separate Financial Statements. The consolidated financial statements have been prepared on a going concern basis and are presented in United States dollar (USD).

The subsidiaries which are consolidated under the iEnergizer group comprise the following entities:

Name of the Entity	Holding Company	Country of incorporation	Effective Group shareholding (%) as of 31March 2011
iEnergizer Holdings Limited ('IHL')	iEnergizer	Mauritius	100
iEnergizer Group FZ – LLC ('IEG')	iEnergizer	Dubai	100
iEnergizer IT Services Private Limited ('IITS')	IHL	India	100

5. APPLICATION OF NEW STANDARDS

The following new standards, amendments to standards or interpretations have been issued, but are not effective for these Consolidated Financial Statements and have not been early adopted:

IFRS 9 Financial Instruments (Issued November 2009) (Effective from 1 January 2013)

The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety by the end of 2010, with the replacement standard to be effective for annual periods beginning 1 January 2013. IFRS 9 is the first part of Phase 1 of this project.

The main phases are:

Phase 1 : Classification and Measurement
Phase 2 : Impairment methodology
Phase 3 : Hedge accounting

In addition, a separate project is dealing with de-recognition. Management has yet to assess the impact that this amendment is likely to have on the financial statements of the Group. However, they do not expect to implement the amendments until all chapters of the IAS 39 replacement have been published and they can comprehensively assess the impact of all changes.

Amendment (issued 28 October 2010) (Effective from 1 January 2013)

In October 2010, the IASB amended IFRS 9 to incorporate requirements for classifying and measuring financial liabilities and derecognising financial assets and financial liabilities. Most of IAS 39's requirements have been carried forward unchanged to IFRS 9. Changes have however been made to address issues related to own credit risk where an entity takes the option to measure financial liabilities at fair value.

IAS 24 Related party disclosure (Issued November 2009) (Effective from 1 January 2011)

The IASB published revised version of IAS 24 to provide exemption from IAS 24's disclosures for transactions with a) a government that has control, joint control or significant influence over the reporting entity and b) 'government-related entities' (entities controlled, jointly controlled or significantly influenced by that same government). The revised version also amended the definition of related party to remove inconsistencies and depict the intended meaning.

Though the standard is applicable to the Group, the amendments from the previous version would not have any impact on the consolidated financial statements.

IFRS 7 Disclosures - Transfers of Financial Assets (issued 7 October 2010) (Effective from 1 July 2011)

The fair value hierarchy is intended to indicate the 'observability' of companies' financial instrument fair values and consists of the following three levels:

a. quoted prices (unadjusted) in active markets for identical assets or liabilities
b. inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
c. inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The amendments to IFRS 7 are intended to explain more clearly how entities determine the fair value of their financial instruments and improve the disclosure of liquidity risk.

IFRS 10 Consolidated financial statements (Issued May 2011) (Effective from 1 January 2013)

IFRS 10 introduces a revised definition of control together with accompanying guidance on how to apply it. In contrast to IAS 27 and SIC-12, which resulted in different criteria for determining control being applied to special purpose vehicles, IFRS 10's requirements will apply to all types of potential subsidiaries.

Though the standard is applicable to the Group, the management is yet to assess the impact of the new standard on the consolidated financial statements.

IFRS 12 Disclosure of Interests in Other Entities (Issued May 2011) (Effective from 1 January 2013)

The new standard integrates and makes consistent the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. The new standard is intended to provide transparency about the risks to which a reporting entity is exposed from its involvement with structured entities.

IFRS 13 Fair Value Measurement (Issued May 2011) (Effective from 1 January 2013)

The new IFRS does not affect which items are required to be 'fair-valued', but specifies how an entity should measure fair value and disclose fair value information. IFRS 13 has been developed to remedy this problem, by establishing a single source of guidance for all fair value measurements, clarifying the definition of fair value and related guidance and enhancing disclosures about fair value measurements (new disclosures increase transparency about fair value measurements, including the valuation techniques and inputs used to measure fair value).

Improvements to International Financial Reporting Standards 2010 were issued in May 2010. The effective dates vary standard by standard, but most are effective 1 January 2011

The Group is yet to assess full impact of these standards. The directors anticipate that future adoption of all the other standards, interpretations and amendments listed above will not have material impact on the Group's consolidated financial statements.

6.1 FOREIGN CURRENCY TRANSLATION

This consolidated financial information is presented in USD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial information of each entity are measured using that functional currency.

a. Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

b. Group companies

The assets and liabilities of foreign operations are translated into USD at the rate of exchange prevailing at the reporting date and their consolidated statements of comprehensive income are translated at average exchange rates where this is a reasonable approximation to actual rates during the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated income statement.

6.2 REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue from rendering services is recognised upon performance of the underlying services. For time contracts which are those where iEnergizer provide staff to clients at hourly or daily rates, revenue is recognised on the basis of time worked. Revenue on contracts where there is an ongoing service is recognised over the period during which the service is provided.

6.3 TAXES

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred income taxes are calculated, without discounting using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases using the tax laws that have been enacted or substantively enacted by the reporting date. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

6.4 EMPLOYEE BENEFITS

A. Gratuity

The Gratuity Plan is a defined benefit plan that, at retirement or termination of employment, provides eligible employees with a lump sum payment, which is a function of the last drawn salary and completed years of service. The liability recognised in the consolidated statement of financial position in respect of gratuity plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, if any, together with adjustments for unrecognised past–service costs. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method at the end of each reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using government bond rates that have terms to maturity approximating to the terms of the related gratuity liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the consolidated income statement in the period in which they arise.

The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds, less past service costs and actuarial gains and losses not yet recognised but are not deducted by the fair value of plan assets as the defined benefit plans are un-funded.

B. Compensated absences

The Group operates both accumulating and non–accumulating absences plan. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur. The Group records a liability for accumulating balance based on actuarial valuations done by independent actuaries using the projected unit credit method at the end of every reporting period.

C. Short term employee benefits

The Group recognizes a liability and an expense for bonuses. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, paid annual leave and sick leave, bonuses, and any non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

D. Provident fund

Under Indian law, employees are entitled to receive benefits under the plan called Provident Fund, which is a defined contribution plan. Under this plan, both the employee and the employer make monthly contributions to a government recognised fund at a pre-determined rate of the employee's basic salary. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they accrue. These contributions are charged by the Group to the consolidated income statement in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

6.5 FINANCIAL INSTRUMENTS

A. Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and cash equivalents, trade and other receivables, security deposits, restricted and unrestricted deposits and loans given to related parties and all of these assets are classified as loans and receivables.

Subsequent measurement of loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method ('EIR'), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Income Statement of the year. The losses arising from impairment are recognised in the profit and loss of the year as finance costs.

De-recognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial assets carried at amortised cost

For financial assets carried at amortised cost the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the consolidated income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited in the consolidated income statement.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

B. Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, other financial liabilities, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdraft and borrowings. All these financial liabilities are classified as other financial liabilities.

Subsequent measurement of other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in the consolidated income statement.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated income statement.

C. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

6.6 PROPERTY, PLANT AND EQUIPMENT

Plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated income statement as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Assets	Life of Assets
Computers	5 Years
Office equipments	5 Years
Furniture and fixtures	5 Years
Air conditioners and generators	10 Years
Vehicles	5 Years

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement when the asset is derecognised.

Leasehold improvements are depreciated on a straight-line basis over the lease period or the estimated useful lives of respective items of property, plant and equipment, whichever is lower.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Advances paid for the acquisition of property, plant and equipment outstanding at the balance sheet date and the cost of property, plant and equipment not put to use before such date are disclosed as 'Capital work-in-progress'.

6.7 LEASES

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the consolidated income statement.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the consolidated income statement on a straight line basis over the lease term.

6.8 GOODWILL

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

6.9 OTHER INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is initially recorded at its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated income statement in the year in which the expenditure is incurred.

Intangible assets are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. Amortisation has been included within 'depreciation and amortisation'. The following useful lives are applied

- Software 5 years
- Customer contracts: 0-3 years.

6.10 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. CGU that include goodwill are tested for impairment at least annually. All other individual assets or CGU are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated income statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

6.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the consolidated statement of financial position and consolidated statement of cash flow comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

6.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when present obligations as a result of past events will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the Consolidated Statement of Financial Position.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However this asset may not exceed the amount of the related provisions. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

6.13 BUSINESS COMBINATIONS

Business combinations are accounted for using the purchase method. The purchase method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. On initial recognition, the assets and liabilities of the acquired business are included in the consolidated statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies. Business combinations involving common control transaction are accounted for using pooling of interest method.

Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of consideration transferred over the fair value of the identifiable net assets acquired at the date of acquisition. Any excess of identifiable net assets over the consideration transferred and any non-controlling interest is recognised in profit or loss immediately after acquisition as a ‘gain on bargain purchase’.

6.14 EQUITY

Share capital represents the nominal value of shares that have been issued. Additional paid-in-capital includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the proceeds, net of any related income tax benefits. Retained earnings include all current and prior period earnings.

6.15 SHARE BASED PAYMENTS

The share options granted by the Group have been valued with respect to the fair values of the equity instruments granted, using the Black Scholes valuation model.

All share-based compensation is ultimately recognised as an expense in profit or loss with a corresponding credit to additional paid-in capital, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates.

No adjustment is made to expense recognised in prior periods if fewer share options ultimately are exercised than originally estimated. Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as additional paid-in capital.

6.16 CURRENCY TRANSLATION RESERVE

Assets and liabilities of entities having functional currency other than USD are translated into USD at the rate of exchange prevailing as at the Balance Sheet date. Revenue and expenses are translated into USD by averaging the exchange rates prevailing during the period. The exchange difference arising out of the year-end translation is being debited or credited to Foreign Currency Translation Reserve Account.

6.17 MERGER RESERVE

The balance on the merger reserve represents excess of the fair value of the consideration paid over the book value of net assets acquired in a common control transaction accounted for using pooling of interest method.

6.18 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these judgments, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgments, estimates and assumptions which have the most significant effect on the amounts recognised in the consolidated financial information:

Significant judgments

Determination of functional currency of individual entities

Following the guidance under IAS 21 The effects of changes in foreign exchange rates, management has determined that each individual entity's functional currency reflects the transactions, events and conditions under which the entity conducts its business.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group also considers the possible consequences of audits by the tax authorities of the respective countries in which it operates and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group entities' domicile.

Deferred tax assets are recognised for all deductible temporary differences. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Business combination

In respect of net assets acquired by the Group from iEnergizer India Limited, the Group considers the disposal of the subsidiary and subsequent repurchase of certain assets as different transactions with different negotiated terms and conditions. Accordingly, the repurchased net assets have been accounted for under IFRS 3.

Disposal of subsidiaries

The Group believes that the sale of subsidiaries in the year ended 31 March 2010 does not meet the conditions for disclosure as discontinued operations as per IFRS 5 since no line of business was disposed as the contracts continued with the IHL, there was no concerted plan to dispose the line of business and that Granada was never acquired with the intention of selling.

Significant estimates and assumptions

Employee benefits

The cost of defined employee benefit obligations and the present value of these obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and attrition rates. Due to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds denominated in the respective currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases are based on expected future inflation rates for the respective countries and expected future salary increases for the respective entities. Attrition rate is based on expected future attrition rate for the respective entities.

Share based payments

The share options granted by the Group have been valued indirectly with respect to the fair values of the equity instruments granted, using the Black Scholes valuation model. In valuing the share options, the management is required to estimate the inputs made to the Black Scholes model. These inputs include inter alia, fair value of the shares of the Company at the measurement date, volatility of shares, expected forfeiture, risk free rate of return, dividend yield and expected life of the option. As the Company is listed on stock exchange, listed price is considered a fair value for shares. The volatility etc. has been computed with reference to the shares price and volatility of peer companies in the same industry, or at the price of a recent investment as applicable.

Impairment of trade receivables

As at each reporting date, management makes an estimate of the bad and doubtful trade receivables and records a loss for impairment against the receivables for amounts determined. Though there is a concentration of credit with respect to top customers of the Group, management doesn't consider the risk arising from this concentration to be significant considering the credit worthiness of customers. The impairment loss is based solely on an estimate made by management with respect to the recoverability of past due trade receivable.

7 BUSINESS COMBINATION

Effective 01 May 2010, pursuant to a business purchase agreement, iEnergizer IT Services Private Limited (a wholly owned subsidiary of iEnergizer Holdings Limited, Mauritius) acquired certain assets including plant and equipment, accounts receivables and other receivables, liabilities, customer contracts and employees, constituting a business for a total net cash consideration of USD 2.53 million.

Following assets and liabilities are acquired in the business combination and recorded at their fair values:

Assets acquired and liabilities assumed	Fair value of Asset
Plant and equipment	
Computer	247,654
Office equipment	4,393
Furniture and fixtures	164,153
Air conditioner and generator	103,571
Vehicles	38,009
Leasehold improvement	258,917
Trade receivable	1,304,687
Other current and non -current assets	
Security deposits	173,081
Prepayments	23,840
Others	33,754
Intangibles	
Computer softwares	168,042
Customer contracts	213,744
Liabilities	
Employee provisions	(219,060)
Borrowings (including lease obligations)	(174,631)
Net assets acquired	**2,340,154**
Purchase consideration	(2,531,271)
Goodwill arising in business combination	**191,117**

Fair value of accounts receivable	1,304,687
Gross contractual amounts receivable	1,304,687
Estimated contractual cash flows not expected to be collected	-

The net assets and contracts have been acquired for furthering of the domestic business of iEnergizer IT Services Limited. Goodwill represents residual purchase consideration which is not attributable to any specific intangible asset and is resultant of synergies that such combination will result for iEnergizer IT Services Private Limited.

8 GOODWILL

The net carrying amount of goodwill can be analysed as follows

Particulars	Amount
Balance as at 01 April 2010	-
Acquired through business combination	191,117
Impairment loss recognised	-
Translation adjustment	(4,421)
Balance as at 31 March 2011	186,696

For the purpose of annual impairment testing goodwill is allocated to the following CGU, which is expected to benefit from the synergies of the business combinations in which the goodwill arises.

Particulars	Amount
India business unit	
Goodwill allocation at year end	186,696

The recoverable amounts of the CGU was determined based on value-in-use calculations, covering a detailed three to five year forecast, followed by an extrapolation of expected cash flows for the unit's remaining useful lives using the growth rates stated below.

Particulars	Growth rate	Discount rate
	31 March 2011	31 March 2011
India business unit	15.00%	14.13%

The growth rate reflects the long-term average growth rate for the services rendered by the CGU. This is appropriate because this sector is expected to continue to grow at above-average rates for the foreseeable future. Management's key assumptions for India business unit include stable profit margins, which have been determined based on past experiences in this market. The Group's management believes that this is the best available input for forecasting this mature market.

9 OTHER INTANGIBLE ASSETS

The Intangible assets comprises of computer software, customer contracts.

Particulars	Customer Contracts	Computer Softwares	Total
Cost			
Balance as at 01 April 2009	-	371,958	371,958
Additions	-	156,182	156,182
Translation adjustment	-	68,428	68,428
Disposal of subsidiary	-	(596,568)	(596,568)
Balance as at 31 March 2010	-	-	-
Accumulated Amortisation			
Balance as at 01 April 2009	-	241,574	241,574
Amortisation	-	56,615	56,615
Translation adjustment	-	41,739	41,739
Disposal of subsidiary	-	(339,928)	(339,928)
Balance as at 31 March 2010	-	-	-
Net carrying value	-	-	-

Particulars	Customer Contracts	Computer Softwares	Total
Cost			
Balance as at 01 April 2010	-	-	-
Acquired under business combination	213744	168,042	381,786
Other additions	276,565	48,494	325,059
Translation adjustment	(4,946)	(3,845)	(8,791)
Balance as at 31 March 2011	485,363	212,691	698,054
Accumulated Amortisation			
Balance as at 01 April 2010	-	-	-
Amortisation	445,285	37,116	482,401
Translation adjustment	2,014	442	2,456
Balance as at 31 March 2011	447,299	37,558	484,857
Net carrying value	38,064	175,133	213,197

These intangible assets will be amortised as follows

Particulars	Customer Contracts	Computer Softwares
Net carrying value as at 31 March 2011	38,064	175,133
Cost to be amortised over a period of		
First year	35,514	41,865
Second year	2,550	41,865

10 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise of the following:

Particulars	Computer	Office Equipment	Furniture & Fixtures	Air Conditioner & Generator	Vehicles	Leasehold improvement	Capital work in progress	Total
Cost								
Balance as at 01 April 2009	4,537,079	367,398	686,413	805,433	113,229	2,394,510	-	8,904,062
Additions	1,083,670	82,660	128,945	176,714	14,155	684,916	-	2,171,060
Disposal	-	-	-	-	(17,766)	-	-	(17,766)
Translation adjustment	785,153	63,272	116,676	138,438	17,747	421,187	-	1,542,473
Disposal of subsidiary	(6,405,902)	(513,330)	(932,034)	(1,120,585)	(127,365)	(3,500,613)	-	(12,599,829)
Balance as at 31March 2010	-	-	-	-	-	-	-	-
Accumulated depreciation Balance at 01 April 2009	2,673,449	167,182	479,811	307,120	84,239	1,441,057	-	5,152,858
Depreciation for the year	893,048	83,975	125,265	90,953	13,494	372,372	-	1,579,107
Disposal	-	-	-	-	(10,066)	-	-	(10,066)
Translation adjustment	477,988	31,585	83,676	54,209	13,572	251,077	-	912,107
Disposal of subsidiary	(4,044,485)	(282,742)	(688,752)	(452,282)	(101,239)	(2,064,506)	-	(7,634,006)
Balance as at 31March 2010	-	-	-	-	-	-	-	-
Carrying values At 31 March 2010	-	-	-	-	-	-	-	-

10 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Property, plant and equipment comprise of the following:

Particulars	Computer	Office Equipment	Furniture & Fixtures	Air Conditioner & Generator	Vehicles	Leasehold improvement	Capital work in progress	Total
Cost								
Balance as at 01 April 2010	-	-	-	-	-	-	-	-
Additions								
Acquired under business combination	247,654	4,393	164,153	103,571	38,009	258,917	-	816,697
Other additions	209,642	1,585	844	2,466	-	-	11,298	225,835
Translation adjustment	(3,124)	(89)	(3,791)	(2,339)	(882)	(5,998)	172	(16,051)
Balance as at 31March 2011	**454,172**	**5,889**	**161,206**	**103,698**	**37,127**	**252,919**	**11,470**	**1,026,481**
Accumulated depreciation Balance at 01 April 2010	-	-	-	-	-	-	-	-
Depreciation for the year	142,357	2,534	67,459	10,100	6,801	45,850	-	275,101
Translation adjustment	1,703	30	807	121	81	553	-	3,295
Balance as at 31March 2011	**144,060**	**2,564**	**68,266**	**10,221**	**6,882**	**46,403**	**-**	**278,396**
Carrying values At 31 March 2011	**310,112**	**3,325**	**92,940**	**93,477**	**30,245**	**206,516**	**11,470**	**748,085**

11 LONG TERM FINANCIAL ASSETS

Particulars	31 March 2011	31 March 2010
Security deposits	116,830	-
Restricted deposits	577	-
	117,407	-

Security deposits are interest free unsecured deposits placed with owners of the property leased to the Group for operations in operating centres. The above security deposits have been discounted to arrive at their fair values at initial recognition using market interest rates applicable in India which approximates 8% per annum. These security deposits have maturity terms of 5 years. The management estimates the fair value of these deposits to be not materially different from the amounts recognised in the financial statements at amortised cost at each reporting date.

Restricted cash represents deposits that have been pledged with banks against guarantees issued to tax and other local authorities as security to meet contractual obligations towards other parties along with accrued interest on these deposits which is also inaccessible for use by the Group.

12 DEFERRED TAX ASSETS

Particulars	31 March 2011	31 March 2010
Deferred tax asset on account of		
Intangibles and plant and equipment	14,661	-
Provision for employee benefits	26,564	-
Others	774	-
	41,999	-

13 TRADE RECEIVABLES

Particulars	31 March 2011	31 March 2010
Gross value	10,012,025	3,244,074
Less: provision for bad and doubtful debts	(45,356)	-
Total	9,966,669	3,244,074

The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period from the reporting dates. All of the Group's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and a provision for credit losses has been recorded.

In case of trade receivables, its customers are granted a small credit period of 30 to 75 days. Trade receivables are impaired in full when recoverability is considered doubtful based on estimates made by management. Top five customers for the year ended 31 March 2011 are USD 4,435,616 being 44.50 % (31 March 2010 USD 2,944,942 being 90.77%) of net trade receivables.

The analysis of provision for bad and doubtful debts is as follows:

Particulars	31 March 2011	31 March 2010
Balance as at 31 March 2010	-	-
Accrual during the year	45,356	-
Balance as at 31 March 2011	45,356	-

14 OTHER CURRENT ASSETS

Particulars	31 March 2011	31 March 2010
Due from shareholders	1,715,018	-
Due from related party	-	1,857,957
Due from Birkbeck Investments	-	42,662,000
Prepayments	95,205	1,626
Current tax assets	27,626	-
Unbilled revenue	116,877	-
Others	52,879	-
	2,007,605	44,521,583

15 CASH AND CASH EQUIVALENTS

Particulars	31 March 2011	31 March 2010
Cash in hand	4,699	-
Cash in current accounts	11,573,519	44,842,425
Cash in deposit accounts	654,240	-
	12,232,458	44,842,425

16 SHARE BASED PAYMENTS

On 27 August 2010, the Company entered into an option agreement with Arden Partners and Sara Latham. Under agreement with Arden Partners, they were granted the right to subscribe at the Placing Price for 159,654 Ordinary Shares (equivalent to 0.5 per cent. in number of the number of Placing Shares). Such right may be exercised at any time during the period starting on the date of Admission and ending on the third anniversary of Admission. Under agreement with Sara Latham, Ms. Latham was granted the right to subscribe at the placing price for 10,000 ordinary shares. Such right may be exercised between the first anniversary of admission and the fifth anniversary of admission, after which it will lapse to the extent it, has not been exercised.

Information on share option granted during the year:

Particulars	Number of options	Weighted average exercise price	Weighted average remaining contractual life
Balance as at 01 April 2010	-	-	-
Granted during the year	169,654	1.74	4.93
Forfeited during the year	-	-	-
Exercised during the year	-	-	-
Balance at end of the year	169,654	1.74	4.34
Exercisable as at 31 March 2011	169,654	1.74	4.34

These equity-settled share based payments are made on the basis of fair values of services rendered are determined by reference to the fair value of the equity instruments granted. This fair value is appraised using the Black Scholes model at the grant date. The fair value is measured at the grant date. The fair value excludes the impact of non-market vesting conditions. All share-based remuneration is recognised as an expense, allocated by the management to other expenses in statement of comprehensive income with a corresponding credit to 'retained earnings'.

Volatility to shares has been determined considering volatility in comparable companies. The fair value of option using Black Scholes model is USD 0.40 for Arden Partners and USD 0.49 for Sara Latham. The inputs to the Black Scholes model for warrants that have been granted during the reporting year are summarised as follows:

Issue date	27 August 2010
Fair value shares at grant date (USD)	1.83
Exercise price (USD)	1.74
Expected volatility	33.00%
Vesting period (years)	3-5 years
Dividend yield	-
Risk-free interest rate	1.50%

During the year ended 31 March 2011, these share options have been accounted for in accordance with the principles set out under IFRS 2: Share based payments.

17 EQUITY

The share capital of iEnergizer consists only of fully paid ordinary shares with a par value of GBP 0.01 per share (previous year USD 1.00 per share). All shares represent one vote at the shareholders' meeting of iEnergizer Limited and are equally eligible to receive dividends and the repayment of capital. The total number of shares issued and fully paid up of the company as on each reporting date is summarised as follows:

Particulars	31 March 2011
Number of shares as at 01 April 2010	2,099,346
Adjustment due to group restructuring (refer note 3)	(2,099,346)
Number of shares issued during the year	150,010,000
Number of shares as at 31 March 2011	150,010,000

18 EMPLOYEE BENEFIT OBLIGATIONS

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Group. Employee benefit obligations include the components as follows:

Particulars	31 March 2011	31 March 2010
Provision for gratuity	77,051	-
Provision for compensated absences	84,380	-
	161,431	-

Gratuity

The Group provides gratuity benefit to its employees working in India. The gratuity plan is a defined benefit plan that, at retirement or termination of employment, provides eligible employees with a lump sum payment, which is a function of the last drawn salary and completed years of service.

Compensated absences

The Group has accumulating compensated absences policy. The Group measures the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the statement of financial position.

The defined benefit obligation is calculated annually by an independent actuary using projected unit credit method. Changes in the present value of the defined benefit obligation with respect to gratuity and compensated absences are as follows:

Particulars	Gratuity	Compensated absences
Reconciliation of unfunded status		
A. Change in benefit obligation		
Opening value of obligation	-	-
Assumed under business combination	47,552	43,547
Interest cost	3,446	3,156
Service cost	33,427	63,416
Benefits paid	(879)	(273)
Actuarial loss gain	(6,843)	(25,948)
Translation adjustment	348	482
DBO at the year end	77,051	**84,380**
B. Amounts recognised in consolidated income statement		
Current service cost	33,427	63,416
Interest cost	3,446	3,156
Actuarial gain recognised in the year	(6,843)	(25,948)
Expense recognised in consolidated income statement	**30,030**	**40,624**
Enterprises best estimate of contribution during next year	**148,153**	**76,159**

Discount rate assumptions and expected rate of increase in compensation levels used in calculation of gratuity obligation are as follows

	31 March 2011	31 March 2010
Discount rate	8.00%	-
Expected rate of increase in compensation levels	7.00%	-

Defined contribution plans

Apart from being covered under the Gratuity Plan described earlier, employees of the Group also participate in a Provident Fund Plan in India. Contributions paid or payable are recognised as expense in the period in which they are due. During the year ended 31 March 2011, the Group contributed 63,573 towards the Provident Fund Plan in India.

19 OTHER CURRENT LIABILITIES

Particulars	31 March 2011	31 March 2010
Employee dues	650,299	-
Statutory dues payable	199,637	-
Current tax liability	2,811	24,581
Dividend payable	-	87,000,000
	852,747	87,024,581

20 OTHER INCOME

Particulars	31 March 2011	31 March 2010
Accretion on interest free loan given to related parties	-	68,862
Interest income on deposit accounts	23,558	68,805
Interest on security deposit on operating lease	7,897	71,661
	31,455	209,328

21 LEASES

The Group's operating lease payments are cancellable and are due on premises taken on lease for operating activities.

Lease expense for premises taken on lease, recognised as expense in the consolidated statement of Income for the year ended 31 March 2011 is USD 399,122 (31 March 2010: USD 675,015). There were no sublease payments or contingent rent payments. Assets held under lease agreements are used exclusively by the Group and sublease of premises are not allowed as a part of the agreements.

The Group's financial lease payments are due on computers (including embedded software) taken on lease for operating activities. The net carrying value of computers taken on lease as at 31 March 2011 is USD 64,467 (31 March 2010: Nil).

Particulars	31 March 2011	31 March 2010
Computers	51,725	-
Intangibles	12,742	-
	64,467	-

The minimum lease rent payable for the assets taken on finance leases (included under current and non-current borrowings) are as under:

Payments falling due	Future minimum lease payments outstanding		Interest Implicit		Present value of future lease payments	
	2011	2010	2011	2010	2011	2010
Within 1 year	47,696	-	2,513	-	45,183	-
Later than 1 year but less than 5 years	68,283	-	12,252	-	56,031	-
More than 5 years	-	-	-	-	-	-

22 INCOME TAXES

Income tax is based on tax rate applicable on profit or loss in various jurisdictions in which the Group operates. The effective tax at the domestic rates applicable to profits in the country concerned as shown in the reconciliation below have been computed by multiplying the accounting profit with effective tax rate in each jurisdiction in which the Group operates. The entities at Guernsey and Dubai are zero tax entities.

Tax expense reported in the Income Statement and Statement of Other Comprehensive Income for the year ended 31 March 2011 and 31 March 2010 is as follows:

Particulars	31 March 2011	31 March 2010
Current tax expense	579,600	1,821,361
Deferred tax credit	(41,999)	(1,586,592)
Net tax expense	537,601	234,769

The relationship between the expected tax expense based on the domestic tax rates for each of the legal entities within the Group and the reported tax expense in profit or loss is reconciled as follows:

Particulars	**31 March 2011**	**31 March 2010**
Accounting profit for the year before tax	16,286,150	118,788,394
Effective tax at the domestic rates applicable to profits in the country concerned	541,749	6,443,276
Benefit claimed under tax holiday period of Indian Income tax act	-	(2,956,939)
Gain on disposal of investment in subsidiary in the books of IHL	-	(3,214,771)
Expenses disallowed	(6,571)	(38,479)
Others	2,423	1,682
Tax expense	**537,601**	**234,769**

23 EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profits attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

Calculation of basic and diluted profit per share for the year ended 31 March 2011 is as follows:

Basic earnings per share

Particulars	31 March 2011	31 March 2010
Profit attributable to shareholders	15,748,549	118,553,625
Weighted average numbers shares outstanding	119,186,959	2,099,346
Basic earnings per share (USD)	0.13	56.47

Diluted earnings per share

Particulars	31 March 2011	31 March 2010
Profit attributable to shareholders	15,748,549	118,553,625
Potential ordinary shares*	39,283	-
Weighted average numbers shares outstanding	119,226,242	2,099,346
Diluted earnings per share (USD)	0.13	56.47

* Shares to be issued under share options granted

24 RELATED PARTY TRANSACTIONS

The related parties for each of the entities in the Group have been summarised in the table below:

Nature of the relationship	Related Party's Name
I. Ultimate controlling party	Mr. Anil Agarwal
II. Entities directly or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, the reported enterprises	EICR Limited *(Parent of iEnergizer Limited)*
	Barker Shoes Limited *(Under common control)*
	Granada Services Private Limited *(Subsidiary of iEnergizer Holdings Limited)***
	Phoenix International Limited *(Fellow Subsidiary)***
	Focus Energy Limited *(Fellow Subsidiary)***
	iEnergizer Inc. *(Under common control)***
	Birkbeck Investments Limited *(Subsidiary of Newbury Holdings Two Limited)***
	Gynia Holdings Limited *(Fellow Subsidiary)***
	iServices Investments Limited *(Under common control)***
III. Associates	Exigent Games Art Private Limited
III. Key management personnel ("KMP") and significant shareholders :	Mr. Anil Agarwal *(Ultimate Shareholder, EICR Limited)*
	Mr. John Behar, *(Director, iEnergizer Limited)*
	Ms. Sara Latham, *(Director, iEnergizer Limited)*
	Mr. Adarsh Kumar *(iEnergizer IT Services Private Limited)*
	Ms. Shilpa Agarwal *(Wife of Mr. Adarsh Kumar)*
	Mr. Ajay Kalsi* *(till 29 March 2010)*

* Till 29 March 2010, the Group was controlled by Newbury, which was ultimately controlled by Mr. Ajay Kalsi

** The entities ceased to be a related party on change in ultimate controlling party of the Group on 29 March 2010

Disclosure of transactions between the Group and related parties and the outstanding balances is as under:

Transactions with parent company

Particulars	31 March 2011
Transactions during the year	
Share issued to EICR Limited for 100% shares of iEnergizer Holdings Limited, Mauritius	165,600,000
Reimbursement of share issue expenses by EICR Limited *(under cost agreement dated 15 June 2010)*	219,284
Interest free demand loan given to EICR Limited	1,500,149
Balances at the end of 31 March 2011	
Expenses recoverable	219,284
Demand loan	1,495,734

Particulars	31 March 2011
Transactions during the year	
Declaration of dividends to shareholders *(EICR Limited)*	140,656,182

Above receivables and payables from related parties do not bear any interest and are repayable on demand. Hence, the management is of the view that fair values of such receivables and payable closely approximates their carrying values.

Particulars	31 March 2011
Transactions during the year	
Reimbursement of expenses to Barker Shoes Limited	3,936

Particulars	31 March 2011
Transactions during the year	
Lease rental paid to Phoenix International Limited	499,582
Lease rental paid to Focus Energy Limited	175,433
Legal and professional charges paid to iEnergizer Inc.	109,565
Loan given to Xoil Limited	6,206
Loan given to Birkbeck Investments Limited	5,841
Loan given to Focus Energy Limited	3,333,528
Loan received back from Focus Energy Limited	965,451
Loan given to Gynia Holdings Limited	1,017,720
Loan received back from Gynia Holdings Limited	756,182

Transactions with KMP and relative of KMP

Particulars	31 March 2011
Transactions during the year	
Short term employee benefits	
Remuneration paid to directors	
Sara Latham	28,611
John Behar	28,611
Remuneration paid to KMP and relative of KMP	
Adarsh Kumar	107,684
Sridhar Sundaram	57,139
Vikram Jeet Singh	17,851
Shilpa Aggarwal *(wife of Adarsh Kumar)*	21,756
Social security cost	
Adarsh Kumar	7,039
Vikram Jeet Singh	1,127
Shilpa Aggarwal *(wife of Adarsh Kumar)*	1,280

Particulars	31 March 2011
Share based payments	
Share options granted to Sara Latham	472
Balances at the end of 31 March 2011	
Total remuneration payable	21,914

Key management personnel also participate in post employment benefit plans and other long term benefits provided by the Group. The amounts in respect of these towards the KMP cannot be segregated as these are based on actuarial valuation for all employees of the Group. During the year ended 31 March 2011 no key management personnel has exercised options granted to them.

25 SEGMENT REPORTING

Management currently identifies the Group's two service lines India and United States of America as operating segments on the basis of customers. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

The Chief Operating Decision Maker (“CODM”) evaluates the Group’s performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Group’s reportable segments are as follows:

1. India
2. United States of America (USA)
3. Rest of the World (ROW)

The CODM reviews revenue as the performance indicator and does not review the total assets and liabilities for each reportable segment.

The measurement of each segment’s revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Consolidated Financial Statements.

In addition, two minor operating segments, for which the quantitative thresholds have not been met, are currently combined below under 'ROW'. The main source of revenue for these operating segments is same as for others. The Group provides similar services to all of its clients including call centre operations, business process outsourcing and back office services. Segment information can be analysed as follows for the reporting years under review:

Particulars	India	USA	ROW	Total
Revenue from external customers	8,049,788	38,209,394	3,074,711	49,333,893
Segment revenues	8,049,788	38,209,394	3,074,711	49,333,893
Costs of revenue	5,790,162	23,180,096	2,345,920	31,316,178
Depreciation and amortisation	480,937	245,019	31,546	757,502
Income tax expense	501,758	13,495	22,348	537,601
Other expenses	307,459	714,373	9,740	1,031,572
Other income	(21,662)	(4,392)	-	(26,054)
Finance income	(29,422)	(2,033)	-	(31,455)
Segment operating profit	1,020,556	14,062,836	665,157	15,748,549

Revenue from two of the customer's amounted to more than 10% of consolidated revenue during the year presented.

Revenue from	Segment	Amount
Customer 1	USA	6,248,778
Customer 2	USA	8,960,144

The segment related data for previous year is not presented as the data is not readily available with the management owing to business restructuring and change in management.

26 GAIN ON DISPOSAL OF SUBSIDIARIES

Newbury, the erstwhile parent of IHL, intended to exit from the BPO business and Mr. Anil Aggarwal wanted to enter into the business of providing BPO services to customers in India, the United Stated and other international customers.

With the above objectives in mind, Newbury sold its 100 per cent. equity interest in EICR, the immediate parent of IHL to Geophysical Sub-strata Limited, an entity beneficially controlled by Mr. Anil Aggarwal for a purchase consideration of USD 1. Under terms of this agreement:

(i) EICR will continue to be liable for payment of its existing loan of USD 168 million due to Newbury; and

(ii) Geophysical guaranteed this debt of USD 168 million owed by EICR and undertook to pay the debt to Newbury along with interest of 10 per cent. per annum. if the amount is not paid by EICR within next 3 years from the date of this agreement.

Granada, along with its three direct subsidiaries, is in the business of providing BPO services to the customers in India as well as outside India. On 30 March 2010, IHL sold its entire equity interest in Granada Services Private Limited for a total consideration of USD 131,238,000 (@USD 69 per share of Granada) to Birkbeck Investments (Mauritius), a fellow subsidiary of Newbury. Of the total consideration, USD 42,662,000 is receivable by IHL from Birkbeck Investments Ltd as of 31 March 2010.

This transaction lead to a complete change to IHLs business model since up to 29 March 2010, IHLs business model was to provide BPO services through its Indian subsidiaries while subsequent to the above transactions, IHL will use a third party service provider to provide BPO services to its customers. The disposal of Granada resulted in a gain of USD 107,159,030 as follows:

Particulars	31 March 2011
Property, plant and equipment	4,965,821
Intangible assets	256,640
Other non-current non-financial assets	3,032,753
Investment in associates	75,772
Other non-current financial assets	976,205
Deferred tax asset	3,777,754
Inventories	65,431
Trade and other receivables	4,593,704
Other current non-financial assets	702,724
Other current financial assets	13,444,366
Current tax asset	351,887
Cash and cash equivalents	1,428,604
	33,671,661

Particulars	31 March 2011
Borrowings	(5,523,946)
Post employment benefit plans	(334,249)
Post employment benefit plans	(193,002)
Trade and other payables	(2,610,158)
Other current non-financial liabilities	(350,658)
Current tax liabilities	(840,358)
	(9,852,371)
Net assets	23,819,290
Add: Currency translation reserve relating to subsidiaries disposed	259,680
Net carrying value of Granada as at 30 March 2010	
Sale consideration	24,078,970
Gain on disposal of subsidiaries	131,238,000
	107,159,030

27 COMMITMENT AND CONTINGENCIES

At 31 March 2011, the Group had a capital commitment of USD 2,478 for acquisition of property, plant and equipment.

During the year, subsidiary of iEnergizer, IHL has issued a guarantee in favor of Hewlett Packard Financial Services India Private Limited for the repayment of debt amounting to USD 174,631 repayable by iEnergizer IT Services Private Limited.

28 FINANCIAL ASSETS AND LIABILITIES

Fair value of carrying amounts of assets and liabilities presented in the statement of financial position relates to the following categories of assets and liabilities:

Financial assets	31 March 2011	31 March 2010
Non-current assets		
Loans and receivables		
Security deposits	116,830	-
Restricted cash	577	-
Current assets		
Loans and receivables		
Trade receivables *	9,966,669	3,244,074
Loan to related parties	-	1,857,957
Receivable from parent company	1,715,018	-
Other current assets *	52,879	42,662,000
Cash and cash equivalents *	12,232,458	44,842,425
	24,084,431	92,606,456

Financial liabilities	31 March 2011	31 March 2010
Non current liabilities		
Financial liabilities measured at amortised cost:		
Borrowings	8,379	-
Current liabilities		
Financial liabilities measured at amortised cost:		
Trade payables *	5,321,421	2,434,769
Current portion of borrowings	50,273	-
	5,380,073	2,434,769

* These financial assets and liabilities have been recorded at their respective carrying amounts as the management considers the fair values to be not materially different from their carrying amounts recognised in the statement of financial positions as these are expected to realize within one year from the reporting dates.

29 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to raise finances for the Group's operations. The Group has trade and other receivables, other financial assets and cash and bank balances.

The Group is exposed to market risk, credit risk and liquidity risk.

MARKET RISK

Market risk is the risk that changes in market prices will have an effect on Group's income or value of the financial assets and liabilities. The Group is exposed to various types of market risks which result from its operating and investing activities. The Group is exposed to only two risks: interest rate risk and currency risk. The Group's financial instruments affected by market risk include trade and other receivables, other financial assets, borrowings and trade and other payables.

The sensitivity analyses in the following sections relate to the position as at 31 March 2011. The analyses exclude the impact of movements in market variables on the carrying value of assets and liabilities other than financial assets and liabilities. The sensitivity of the relevant consolidated income statement is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2011.

Interest rate sensitivity

The Group does not have any asset exposed to interest rate risk.

Price risk sensitivity

The Group does not have any financial asset or liability exposed to price risk as at reporting date.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group renders services primarily to customers located in United States including those rendered by its Indian entities. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the trades receivable and trade payables in USD on account of contracts for rendering the services and incurring the expenses entered by Indian entities in USD.

Net short term exposure in USD equivalents of foreign currency denominated financial assets and liabilities at each reporting date are as follows:

Functional currency	USD	USD
Foreign currency	AUD	GBP
31 March 2011		
Financial assets	64,134	33,407
Financial liabilities	52,926	23,778
Net short term exposure	11,208	9,629

In computing the below sensitivity analysis, the management has assumed the following % movement between various foreign currencies and the underlying functional currency:

Functional currency	31 March 2011	31 March 2010
AUD	+-11%	-
GBP	+-7%	-
INR	-	+-5%

The following table details Group's sensitivity to appreciation or depreciation in functional currency vis a vis the currency in which the foreign currency financial assets and liabilities are denominated:

Functional currency	USD	USD	USD
Foreign currency	AUD	GBP	INR
31 March 2011	844	1,144	-
31 March 2010	-	-	64,088

If the functional currency had weakened with respect to various currencies by the percentages mentioned above, for years ended 31 March 2011 and 2010 then the effect will be increase in profit and equity for the year by USD 1,988 (31 March 2010: USD 64,088). The Group does not use derivative financial instruments to manage its foreign currency risk as the Group believes that its exposure to foreign currency risk is insignificant. If the functional currency had strengthened with respect to the various currencies, there would be an equal and opposite impact on profit and equity for each year.

CREDIT RISK

Credit risk arises from debtors' inability to make payment of their obligations to the Group as they become due; and by non-compliance by the counterparties in transactions in cash, which is limited, to balances deposited in banks and accounts receivable at the respective reporting dates. Although the Group's credit risk is primarily related to its trade receivables, other financial assets and balances with banks but the Group believes that it is not exposed to any significant credit risk as:

Trade receivables

In case of trade receivables, its customers are given a small credit period of 30 to 75 days and the customers do not generally default and make payments on time and other receivables were immediately recoverable and were subsequently recovered from the counterparty.

Top five customers for the year ended 31 March 2011 are USD 4,435,616 being 44.50 % (31 March 2010 USD 2,944,942 being 90.77%) of net trade receivables. An analysis of age of trade receivables at each reporting date is summarised as follows:

Particulars (31 March 2011)	Gross	Impairment
Not past due	4,475,572	-
Past due less than 3 months	4,043,329	-
Past due more than 3 months but not more than 6 months	1,447,518	-
Past due more than 6 months but not more than one year	45,356	45,356
Total (31 March 2011)	10,012,025	45,356

Particulars (31 March 2010)	Gross	Impairment
Not past due	2,051,645	-
Past due less than 3 months	1,180,741	-
Past due more than 3 months but not more than 6 months	11,688	-
Past due more than 6 months but not more than one year	-	-
Total (31 March 2010)	3,244,074	-

Other financial assets

In case of other financial assets, all the current balances are recoverable on demand while the non-current balances are primarily on account of security deposits given for land and building take on lease and the Group does not believe that it has any significant credit risk as the security deposits paid under long-term arrangements are effectively secured against land and building taken on lease under the respective arrangements;

The maximum exposure to credit risk in other financial assets is summarised as follows:

	31 March 2011	31 March 2010
Security deposits	124,886	-
Restricted cash	577	-
Cash and cash equivalents	12,232,458	44,842,425
Loan to others	-	1,857,957
Receivable from parent company	1,715,018	-
Other current assets	52,879	42,662,000
Total	14,125,818	89,362,382

Credit risk relating to cash and cash equivalents is considered negligible as counterparties are banks. The management considers the credit quality of deposits with such banks to be good and reviews the banking relationships on an ongoing basis.

The Group's maximum exposure to credit risk arising from the Group's trade and other receivables and other financial assets at the respective reporting dates is represented by the carrying value of each of these assets.

The Group does not hold any collateral against any of its assets as of 31 March 2011.

Credit risk concentrations exist when changes in economic, industrial or geographic factors take place, affecting in the same manner the Group's counterparties whose added risk exposure is significant to the Group's total credit exposure.

LIQUIDITY RISK

Liquidity needs of the Group are monitored on the basis of future cash flow projections. The Group manages its liquidity needs by continuously monitoring cash flows from customers and by maintaining adequate cash and cash equivalents and short terms investments. Net cash requirement are compared to available cash in order to determine any shortfalls.

Short terms liquidity requirements comprises mainly of sundry creditors, expense payable, and employee dues arising during normal course of business as on each reporting date. The Group maintains a minimum of sixty days of short term liquidity requirements in cash and cash equivalents. Long term liquidity requirement is assessed by the management on periodical basis and is managed through internal accruals and through the management's ability to negotiate borrowing facilities.

As at 31 March 2011, the Group's liabilities having contractual maturities are summarised as follows:

31 March 2011	Current		Non-Current
Financial liabilities	Due within 60 days	Due in 61 days to 365 days	Due in more than 1 year
Sundry creditors	2,516,732	295,064	-
Expenses payable	2,509,622	-	-
Borrowings	16,328	81,641	76,662
Employee dues	650,299	-	-
Total	5,692,981	376,705	76,662

As at 31 March 2010, the Group's liabilities having contractual maturities are summarised as follows:

31 March 2010	Current		Non-Current
Financial liabilities	Due within 60 days	Due in 61 days to 365 days	Due in more than 1 year
Sundry creditors	2,432,716	2,053	-
Dividend payables	87,000,000	-	-
Expenses payable	-	-	-
Employee dues	-	-	-
Total	89,432,716	2,053	-

30 CAPITAL RISK MANAGEMENT

The Group's capital comprises of equity attributable to the equity holder of the parent.

The primary objective of the Group's capital management is to reduce net debt over time whilst investing in business and maximizing shareholder value. In order to meet this objective, the Group may issue or repay debt, adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total equity comprises of all the components of equity (i.e., share capital, additional paid in capital, retained earnings etc.) Total debt comprises of all financial liabilities of the Group.

	31 March 2011	31 March 2010
Total equity	19,003,886	3,148,732
Total debts	174,631	-
Overall financing	19,178,517	3,148,732
Gearing ratio	0.01	-

The management of the Group regularly reviews the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the Group.

31 POST REPORTING EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.