**8 December 2011**

**iEnergizer Limited**

("iEnergizer" or the "Company")

# INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

iEnergizer Limited, a leading international provider of third-party integrated business process solutions, is pleased to announce its Interim Results for the six months ended 30 September 2011. iEnergizer listed on the AIM market in September 2010 under the symbol IBPO.L.

## Highlights

- Revenue up 33.6% to $30.5m (6 months ended 30 Sept 2010: $22.8m)
- Underlying operating profit $10m (6 months ended 30 Sept 2010: $7.4m)
- Operating profit margin marginally improved to 32.9% (6 months ended 30 Sept 2010: 32.2%)
- Net Profit after tax up 32.6% to $9.5m (6 months ended 30 Sept 2010: $7.2m)
- Cash balance of $8.37m as of 30 September 2011, post distribution of maiden special dividend of 5.6p per ordinary share (Total £8.4m) as announced on 12 July 2011.
- Largely unleveraged balance sheet with borrowings limited to $0.11m as on 30 September 2011.

**Sara Latham, Chairman said:**

"We are very pleased to announce Interim Results for the six months ended 30 September 2011, a period in which the Company has continued to grow across all its business practices and in respect of all key financial parameters.

"While delivering sustained top line growth, we have consistently maintained operating margins at over 30%, which reflects our premium offshore delivery capabilities with regards to the quality the services, cost of operations and strength of our relationships with our clients.

"Given the fact that these results are purely organic, I would like to thank the staff and management for their overall contribution to the success of iEnergizer and look forward to a great period ahead."

-Ends-

**Enquiries:**


**iEnergizer** **c/o FTI Consulting 020 7831 3113**
Anil Aggarwal, Chief Executive

**Arden Partners** **020 7614 5900**
Richard Day/Adrian Trimmings

**FTI Consulting** **020 7831 3113**
Jonathon Brill/Edward Westropp

**iEnergizer Limited and its subsidiaries**

**Unaudited Condensed Consolidated Interim Financial Statements**

**Prepared in accordance with International Financial Reporting Standards (IFRS)**
**Six months ended 30 September 2011**

**Unaudited Condensed Consolidated Statements of Financial Position**
*(All amounts in United States Dollars, unless otherwise stated)*

| | Notes | As at 30-Sep-11 Unaudited | As at 31-Mar-11 Audited |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current** | | | |
| Goodwill | **4** | 170,413 | 186,696 |
| Other intangible assets | **5** | 179,924 | 213,197 |
| Property, plant and equipment | **6** | 736,337 | 748,085 |
| Long term financial asset | | 131,052 | 117,407 |
| Deferred tax asset | | 30,556 | 41,999 |
| **Non-current assets** | | **1,248,282** | **1,307,384** |
| | | | |
| **Current** | | | |
| Trade receivables | | 11,798,144 | 9,966,669 |
| Other short term financial assets | | 219,644 | 2,007,605 |
| Cash and cash equivalents | | 8,372,045 | 12,232,458 |
| **Current assets** | | **20,389,833** | **24,206,732** |
| | | | |
| **Total assets** | | **21,638,115** | **25,514,116** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | | 3,148,881 | 3,148,881 |
| Share compensation reserve | | 63,986 | 63,986 |
| Merger reserve | | (1,049,386) | (1,049,386) |
| Retained earnings | | 12,562,809 | 16,797,935 |
| Currency translation reserve | | (312,567) | 42,470 |
| **Total equity** | | **14,413,723** | **19,003,886** |
| | | | |
| **Liabilities** | | | |
| **Non-current** | | | |
| Non-current portion of borrowings | | 40,557 | 76,662 |
| Employee benefit obligations | | 145,219 | 161,431 |
| **Non-current liabilities** | | **185,776** | **238,093** |

| | As at 30-Sep-11 Unaudited | As at 31-Mar-11 Audited |
|---|---|---|
| **Current** | | |
| Trade and other payables | 5,933,492 | 5,321,421 |
| Current portion of borrowings | 74,123 | 97,969 |
| Other current liabilities | 1,031,001 | 852,747 |
| **Current liabilities** | **7,038,616** | **6,272,137** |
| | | |
| **Total equity and liabilities** | **21,638,115** | **25,514,116** |

*(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)*

**Unaudited Condensed Consolidated Income Statements**
*(All amounts in United States Dollars, unless otherwise stated)*

| | Notes | For the six months ended 30-Sep-11 Unaudited | For the six months ended 30-Sep-10 Unaudited |
|---|---|---|---|
| **Revenue** | | | |
| Rendering of services | | 30,495,757 | 22,820,025 |
| Other operating income | | 143,629 | 9,007 |
| | | **30,639,386** | **22,829,032** |
| **Cost and expenses** | | | |
| Outsourced service cost | | 15,364,446 | 12,048,288 |
| Employee benefits expense | | 3,949,914 | 2,427,447 |
| Depreciation and amortisation | | 165,398 | 527,640 |
| Other expenses | | 1,122,738 | 467,328 |
| | | **20,602,496** | **15,470,703** |
| **Operating profit** | | **10,036,890** | **7,358,329** |
| Finance income | | 43,479 | 4,410 |
| **Profit before tax** | | **10,080,369** | **7,362,739** |
| Tax expense | | 601,101 | 215,537 |
| **Profit after tax** | | **9,479,268** | **7,147,202** |
| **Profit per share** | **7** | | |
| *Basic* | | *0.06* | *0.08* |
| *Diluted* | | *0.06* | *0.08* |

| | | |
|---|---|---|
| *Par value of each share in GBP* | *0.01* | *0.01* |

*(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)*

**Consolidated Statements of Other Comprehensive Income**
*(All amounts in United States Dollars, unless otherwise stated)*

| | **For the six months ended 30-Sep-11 Unaudited** | **For the six months ended 30-Sep-10 Unaudited** |
|---|---|---|
| **Profit after tax for the year** | 9,479,268 | 7,147,202 |
| Exchange differences on translating foreign operations | (355,037) | 89,845 |
| **Profit attributable to equity holders** | **9,124,231** | **7,237,047** |

*(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)*

**Unaudited Condensed 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 stockholders' equity |
|---|---|---|---|---|---|---|
| **Balance as at 01 April 2011** | **3,148,881** | **63,986** | **(1,049,386)** | **42,470** | **16,797,935** | **19,003,886** |
| Dividends | **-** | **-** | **-** | **-** | (13,616,468) | **(13,616,468)** |
| Tax on dividends | | | | | (97,926) | **(97,926)** |
| ***Transaction with owners*** | **3,148,881** | **63,986** | **(1,049,386)** | **42,470** | **3,083,541** | **5,289,492** |
| Profit for the period | **-** | **-** | **-** | **-** | 9,479,268 | **9,479,268** |
| ***Other comprehensive income*** | | | | | | **-** |
| Exchange difference on translating foreign operations | - | **-** | **-** | (355,037) | - | **(355,037)** |
| Total comprehensive income for the period | - | - | - | (355,037) | 9,479,268 | **9,124,231** |
| **Balance as at 30 September 2011** | **3,148,881** | **63,986** | **(1,049,386)** | **(312,567)** | **12,562,809** | **14,413,723** |

*(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)*

**Unaudited Condensed 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 stockholders' 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** |
| Merger reserve | **-** | **-** | **-** | **-** | 7,147,202 | **7,147,202** |
| Profit for the period | | | | | | |
| ***Other comprehensive income*** | | | | | | |
| Exchange difference on translating foreign operations | - | **-** | **-** | 89,845 | - | **89,845** |
| Total comprehensive income for the period | | | | 89,845 | 7,147,202 | **7,237,047** |
| **Balance as at 30 September 2010** | **3,148,881** | **63,986** | **(1,049,386)** | **89,845** | **8,196,588** | **10,449,914** |

*(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)*

**Unaudited Condensed Consolidated Statements of Cash Flows**
*(All amounts in United States Dollars, unless otherwise stated)*

| | For the six months ended 30-Sep-11 Unaudited | For the six months ended 30-Sep-10 Unaudited |
|---|---|---|
| **(A) Cash flow from operating activities** | | |
| **Profit before tax** | **10,080,369** | **7,362,739** |
| **Adjustments** | | |
| Depreciation and amortisation | 165,398 | 527,640 |
| Share based payments | - | 63,986 |
| Finance income | (43,479) | (4,410) |
| | **10,202,288** | **7,949,955** |
| **Changes in operating assets and liabilities** | | |
| Accounts receivable | (1,831,475) | 38,810,598 |
| Other assets | 1,808,962 | 181,394 |
| Non-current liabilities, trade payables and other current liabilities | 648,003 | 2,761,062 |
| **Cash generated from operations** | **10,827,778** | **49,703,009** |
| Income taxes paid | (454,714) | (114,972) |
| Net cash generated from operating activities | **10,373,064** | **49,588,037** |
| **(B) Cash flow for investing activities** | | |
| Payments for purchase of property plant and equipment | (104,094) | (398,196) |
| Consideration towards business combination net of asset acquired | (59,951) | (2,705,902) |
| **Net cash used in investing activities** | **(164,045)** | **(3,104,098)** |
| **(C ) Cash flow from financing activities** | | |
| Proceeds of share capital | - | 149 |
| Tax paid on dividend | (97,927) | - |
| Dividends paid to shareholders of the parent | (13,616,468) | (87,000,000) |
| **Net cash used in financing activities** | **(13,714,395)** | **(86,999,851)** |
| Effect of exchange rate changes on cash and cash equivalent | (355,037) | 89,895 |
| **Net decrease in cash and cash equivalents** | **(3,860,413)** | **(40,426,017)** |
| Cash and cash equivalents at the beginning of the year | 12,232,458 | 44,842,425 |
| Cash and cash equivalents at the end of the year | **8,372,045** | **4,416,408** |
| **Cash and cash equivalents comprise** | | |
| Cash in hand | 3,464 | 5,570 |
| Balances with banks in current account | 7,856,743 | 4,410,838 |
| Balances with banks in deposit account | 511,838 | - |
| | **8,372,045** | **4,416,408** |

*(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)*

**Notes to Unaudited Condensed Consolidated Interim 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 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, iEnergizer BPO Limited 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. BASIS OF PREPARATION

These Unaudited Condensed Consolidated Interim Financial Statements are for the six months ended 30 September 2011. They have been prepared in accordance with IAS 34 Interim Financial Reporting as developed and published by the International Accounting Standards Board ('IASB'), on a going concern basis. They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2011.

The Unaudited Condensed Consolidated Interim Financial Statements have been prepared and presented in United States Dollar (US$) which is the Company's functional currency. Functional currency of each entity has been determined on the basis of the primary economic environment in which each entity of the Group operates.

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 30 September 2011 |
|---|---|---|---|
| iEnergizer Holdings Limited ('IHL') | iEnergizer | Mauritius | 100 |
| iEnergizer Group FZ – LLC ('IEG') | iEnergizer | Dubai | 100 |
| iEnergizer BPO Limited ('IBPO') | IHL | Mauritius | 100 |
| iEnergizer IT Services Private Limited ('IITS') | IHL | India | 100 |

All inter-company transactions and balances are eliminated on consolidation and the unaudited condensed consolidated interim financial statements reflect external transactions only. The accounting periods of the subsidiaries are co-terminous with that of the Company.

These Unaudited Condensed Consolidated Interim Financial Statements were approved by the Board on the 7th of December 2011

## 3. APPLICATION OF NEW STANDARDS

The following new standards, amendments to standards or interpretations have been issued, but are not effective for these Unaudited Condensed Consolidated Interim 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.

## 4. GOODWILL

The net carrying amount of goodwill can be analysed as follows:

| Particulars | Amount |
|---|---|
| Balance as at 01 April 2011 | 186,696 |
| Acquired through business combination | - |
| Impairment loss recognised | - |
| Translation adjustment | (16,283) |
| **Balance as at 30 September 2011** | **170,413** |

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 | 170,413 |

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 estimate of growth rates. The Company performed a detailed impairment assessment as of 31 March 2011 and concluded no impairment is deemed necessary as the value in use is higher as compared to the recorded value. In line with its position, the Company shall perform detailed impairment assessment as the year end i.e. 31 March 2012.

## 5. OTHER INTANGIBLE ASSETS

The Intangible assets comprise of computer software, customer contracts.

| Particulars | Customer Contracts | Computer Softwares | Total |
|---|---|---|---|
| **Cost** | | | |
| **Balance as at 01 April 2011** | 485,363 | 212,691 | 698,054 |

| | | | |
|---|---|---|---|
| Additions | - | 23,954 | 23,954 |
| Disposals (Net) | - | - | - |
| Translation adjustment | (18,224) | (20,636) | (38,860) |
| **Balance as at 30 September 2011** | **467,139** | **216,009** | **683,148** |

| **Particulars** | **Customer Contracts** | **Computer Softwares** | **Total** |
|---|---|---|---|
| **Accumulated amortisation** | | | |
| **Balance as at 01 April 2011** | 447,299 | 37,558 | 484,857 |
| Depreciation for the period | 17,624 | 22,114 | 39,738 |
| Disposals (Net) | - | - | - |
| Translation adjustment | (16,318) | (5,053) | (21,371) |
| **Balance as at 30 September 2011** | **448,605** | **54,619** | **503,224** |
| **Net Carrying values** | **18,534** | **161,390** | **179,924** |

| **Particulars** | **Customer contracts** | **Computer softwares** | **Total** |
|---|---|---|---|
| **Balance as at 01 April 2010** | **-** | **-** | **-** |
| Acquired under business combination | 213,744 | 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** |

**6. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment comprise of the following:

| Particulars | Computer | Office Equipment | Furniture and fixtures | Air conditioner and generator | Vehicles | Leasehold improvement | Capital work in progress | Total |
|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | |
| **Balance as at 01 April 2011** | 454,172 | 5,889 | 161,206 | 103,698 | 37,127 | 252,919 | 11,470 | 1,026,481 |
| Additions | 196,774 | 2,207 | 6,601 | 3,068 | - | 1,050 | - | 209,700 |
| Disposals (Net) | - | - | - | - | (15,110) | - | (11,470) | (26,580) |
| Translation adjustment | (55,948) | (720) | (14,382) | (9,342) | (2,064) | (22,179) | - | (104,635) |
| **Balance as at 30 September 2011** | **594,998** | **7,376** | **153,425** | **97,424** | **19,953** | **231,790** | **-** | **1,104,966** |
| **Accumulated depreciation** | | | | | | | | |
| **Balance as at 01 April 2011** | 144,060 | 2,564 | 68,266 | 10,221 | 6,882 | 46,403 | - | 278,396 |
| Depreciation for the period | 78,094 | 1,614 | 12,079 | 5,210 | 3,457 | 25,206 | - | 125,660 |
| Disposals (Net) | - | - | - | - | (4,069) | - | - | (4,069) |
| Translation adjustment | (16,146) | (353) | (6,922) | (1,311) | (550) | (6,076) | - | (31,358) |
| **Balance as at 30 September 2011** | **206,008** | **3,825** | **73,423** | **14,120** | **5,720** | **65,533** | **-** | **368,629** |
| **Carrying values as at 30 September 2011** | **388,990** | **3,551** | **80,002** | **83,304** | **14,233** | **166,257** | **-** | **736,337** |

| Particulars | Computer | Office Equipment | Furniture and fixtures | Air conditioner and 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 | - | - | 11,642 | 225,835 |
| Translation adjustment | (3,124) | (89) | (3,791) | (2,339) | (882) | (5,998) | (172) | (16,051) |
| **Balance as at 31 March 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 31 March 2011** | **144,060** | **2,564** | **68,266** | **10,221** | **6,882** | **46,403** | **-** | **278,396** |
| **Carrying value as at 31 March 2011** | **310,112** | **3,325** | **92,940** | **93,477** | **30,245** | **206,516** | **11,470** | **748,085** |

## 7. 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 period ended 30 September 2011 is as follows:

**Basic earnings per share**

| Particulars | 30 September 2011 | 30 September 2010 |
|---|---|---|
| Profit attributable to shareholders | 9,479,268 | 7,147,202 |
| Weighted average numbers shares outstanding | 150,010,000 | 88,532,350 |
| Basic earnings per share (USD) | 0.06 | 0.08 |

**Diluted earnings per share**

| Particulars | 30 September 2011 | 30 September 2010 |
|---|---|---|
| Profit attributable to shareholders | 9,479,268 | 7,147,202 |
| Potential ordinary shares* | 85,009 | 5,103 |
| Weighted average numbers shares outstanding | 150,095,009 | 88,532,350 |
| Diluted earnings per share (USD) | 0.06 | 0.08 |

* Shares to be issued under share options granted

## 8. 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)*<br>Barker Shoes Limited *(Under common control)* |
| III. Key management personnel ("KMP") and significant shareholders : | Mr. Anil Agarwal *(Ultimate Shareholder, EICR Limited)*<br><br>Mr. John Behar, *(Director, iEnergizer Limited)*<br>Ms. Sara Latham, *(Director, iEnergizer Limited)*<br><br>Mr. Adarsh Kumar *(iEnergizer IT Services Private Limited)*<br>Ms. Shilpa Agarwal *(Wife of Mr. Adarsh Kumar)* |

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

**Transactions with parent company**

| **Particulars** | **30 September 2011** |
|---|---|
| **Transactions during the period ended 30 September 2011** | |
| Reimbursement of share issue expenses received from EICR Limited *(under cost agreement dated 15 June 2010)* | 155,298 |
| Interest free demand loan payment received from EICR Limited | 1,500,149 |
| **Balances at the end of 30 September 2011** | |
| Expenses recoverable | 63,986 |

| **Particulars** | **30 September 2010** |
|---|---|
| **Transactions during the period ended 30 September 2010** | |
| 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)* | 155,298 |
| Interest free demand loan given to EICR Limited | 1,500,149 |
| **Balances at the end of 30 September 2010** | |
| Expenses recoverable | 219,284 |
| Demand loan | 1,500,149 |

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.

**Transactions with KMP and relative of KMP**

| **Particulars** | **30 September 2011** |
|---|---|
| **Transactions during the period ended 30 September 2011** | |
| Short term employee benefits | |
| *Remuneration paid to directors* | |
| Sara Latham | 26,650 |
| John Behar | 26,650 |
| *Remuneration paid to KMP and relative of KMP* | |
| Adarsh Kumar | 58,992 |
| Vikram Jeet Singh | 9,647 |
| *Social security cost* | |
| Adarsh Kumar | 3,856 |
| Vikram Jeet Singh | 818 |
| **Balances at the end of 30 September 2011** | |
| Total remuneration payable | 20,194 |

| **Particulars** | **30 September 2010** |
|---|---|
| **Transactions during the period ended 30 September 2010** | |

| Particulars | 30 September 2010 |
|---|---|
| Short term employee benefits | |
| *Remuneration paid to directors, KMP and relative of KMP* | 104,070 |
| **Balances at the end of 30 September 2010** | |
| Total remuneration payable | 44,792 |

## 9. 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:

| 30 September 2011 | India | USA | ROW | Total |
|---|---|---|---|---|
| Revenue from external customers | 6,514,752 | 22,593,437 | 1,387,568 | 30,495,757 |
| **Segment revenues** | **6,514,752** | **22,593,437** | **1,387,568** | **30,495,757** |
| Costs of revenue | 4,350,640 | 14,482,793 | 939,619 | 19,773,052 |
| Depreciation and amortisation | 163,491 | 1,907 | - | 165,398 |
| Income tax expense | 601,101 | - | - | 601,101 |
| Other expenses | 171,870 | 492,176 | - | 664,046 |
| Other income | (2,987) | (140,642) | - | (143,629) |
| Finance income | (41,021) | (2,458) | - | (43,479) |
| Segment operating profit | **1,271,658** | **7,759,651** | **447,949** | **9,479,268** |

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

| Revenue from | Segment | Amount |
|---|---|---|
| Customer 1 | USA | 7,187,233 |

| | | |
|---|---|---|
| Customer 2 | USA | 4,551,147 |

| 30 September 2010 | India | USA | ROW | Total |
|---|---|---|---|---|
| Revenue from external customers | 3,285,528 | 17,950,782 | 1,583,715 | 22,820,025 |
| **Segment revenues** | **3,285,528** | **17,950,782** | **1,583,715** | **22,820,025** |
| Costs of revenue | 2,427,446 | 10,936,125 | 1,112,164 | 14,475,735 |
| Depreciation and amortisation | 251,076 | - | 276,564 | 527,640 |
| Income tax expense | 194,906 | 20,631 | - | 215,537 |
| Other expenses | 137,115 | 330,213 | - | 467,328 |
| Other income | (9,007) | - | - | (9,007) |
| Finance income | (3,579) | (831) | - | (4,410) |
| Segment operating profit | **287,571** | **6,664,644** | **194,987** | **7,147,202** |

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 | 4,111,180 |
| Customer 2 | USA | 2,556,176 |